



United Nations Global Compact

Integrity Measures: Frequently Asked Questions

What is the objective of the integrity measures?

Since the Global Compact's emphasis is on learning, dialogue and partnerships, it wishes to engage only those businesses that have a genuine interest in continuous improvement. The purpose of the integrity measures is to safeguard the integrity and good efforts of the UN, its Global Compact, participants and stakeholders. The main vehicle for doing so is the policy on Communicating Progress (COP), which requires every participant to share on an annual basis with their stakeholders their progress in implementing the Global Compact principles. The Global Compact firmly believes that increased transparency and public accountability promoted through the COP helps to drive improved performance on environmental, social and governance issues.

The focus of the integrity measures is not on providing a remedy for alleged specific instances of corporate social or environmental abuse. The UN Global Compact lacks the mandate and resources for such an undertaking. That is not to diminish the importance of the availability of effective remedies - an excellent source of information about the types of remedies that may be available is: www.baseswiki.org. Rather, the Global Compact Office's limited resources are concentrated on fostering effective learning, dialogue and partnerships as a complementary contribution to – not a substitute for - other approaches aimed at enhancing business' contribution to sustainable development and other UN goals. It is important to recall that participation in the Global Compact is not a certification that a company has achieved a certain level of environmental, social or governance performance.

Among the dispute resolution mechanisms described on www.baseswiki.org, individuals and organizations with disputes with companies may wish, in particular, to consider whether the specific instance procedure of the OECD Guidelines for Multinational Enterprises (see http://www.oecd.org/department/0,2688,en_2649_34889_1_1_1_1_1,00.html and http://www.oecd.org/document/60/0,3343,en_2649_34889_1933116_1_1_1_1,00.html) may be applicable. The ILO also maintains a help desk for use (free of charge) by managers and workers, as well as workers' and employers' organizations with questions about the interpretation of international labour standards. The Helpdesk aims to provide a reply to all enquiries within two weeks: Tel: +41.22.799.6264 - Fax: +41.22.799.6354 – Email: assistance@ilo.org

Is any screening undertaken of new participants?

Properly constituted (under prevailing national law) companies from any industry sector are eligible for participation, except those companies involved in the manufacture, sale etc. of anti-personnel landmines or cluster bombs. New applications for participation are also checked against a global database to see if the company concerned is the subject of a sanction or other measure by the UN Security Council or other international institution. Companies that have been suspended or removed for ethical reasons by the Procurement Division of the UN or of an International Financial Institution are also excluded from participation for the duration of the sanction or other measure. Any other information found in the database is shared with the Local Network Focal Point, if one exists, for the relevant country. The Local Network Focal Point is also asked if there is any good reason they are aware of why the company ought not to be permitted to join the initiative, bearing in mind its focus on learning, dialogue and partnerships. These

screening measures are performed promptly and normally allow the Global Compact Office to respond to the applicant within one to two weeks.

Does the Global Compact evaluate a participant company's commitment to the Global Compact's principles?

The UN Global Compact is not a performance or assessment tool and does not make judgments about participant companies' performance. The Global Compact does not and cannot routinely track or monitor companies' activities. The Global Compact does, however, seek high quality and integrity in the contributions of participating companies, and all participant companies are required to publish an annual "Communication on Progress," which is shared openly and publicly and is available for peer review and stakeholder comment. The Global Compact believes that the openness and transparency that underpin the COP policy help to encourage good practices by participants. For more information on the Communication on Progress visit: <http://www.unglobalcompact.org/COP/>

What kinds of matters can and cannot be raised under the integrity measures dialogue facilitation mechanism?

The Global Compact is not an adjudicatory body, but rather exists to facilitate adherence to the principles of the Compact through openness and enhanced communication. To this end, when the Global Compact receives information suggesting that a participant company is not committed to continuous improvement, the Global Compact will endeavor to encourage dialogue between company concerned and those who have raised the concerns. Only matters related to a participant company's conduct and implementation of the Global Compact's principles should be raised under the Integrity Measures. Since the Global Compact is a learning initiative that emphasizes continuous improvement, matters raised should rise to the level of systematic or egregious abuse of the Global Compact's principles. They should be sufficiently serious as to call into question whether the company concerned is truly committed to learning and improving. Examples include substantiated allegations of company involvement in:

- a. murder, torture, deprivation of liberty, forced labour, the worst forms of child labour and other child exploitation
- b. serious violations of individuals' rights in situations of war or conflict
- c. severe environmental damage
- d. gross corruption
- e. other particularly serious violations of fundamental ethical norms.

The matter should contain sufficient detail so that the company is able to understand the specific concern being raised and thus be able to respond. It should not be a demand that the company engage in advocacy with a home or host country government. As a UN initiative, the Global Compact cannot treat as an integrity issue a participant's reluctance to engage in matters of foreign policy.

Moreover, the Global Compact Office will generally decline to entertain matters that are better suited to being handled by another entity, such as a court of law, local administrative agency, or other adjudicatory, governmental or dispute resolution entity. Thus, for example, the Global Compact does not usually get involved in disputes by individual employees about their employment or in industrial relations disputes between a trade union and a company where other mechanisms exist to effectively handle such matters. In the latter case, the matters will be referred to the International Labour Organization.

What happens if the company concerned refuses to respond in writing to the person or organization that raised the matter?

In such circumstances, the company risks being indicated as "Non communicating" on the UN Global Compact website. However, if the company provides a plausible rationale for its refusal, the Global Compact Office may seek advice on the matter from any one or more of the entities referred to in the integrity measures. It may then decide, as appropriate, to either list the company as "Non communicating" until the responses are provided or not to do so if the rationale is reasonable. Generally speaking though, in the spirit of the Global Compact's emphasis on dialogue, the Global Compact Office encourages companies to be willing to engage in dialogue with those who raise concerns about the company's conduct even where the company feels that the concerns lack merit.

Beyond dialogue facilitation, what other matters are covered by the integrity measures?

In addition to failure to prepare and post a Communication on Progress and matters raised under the dialogue facilitation process, the integrity measures also deal with the issue of misuse of a Global Compact logo or of association with the UN Global Compact. In the latter case, the Global Compact Office reserves the right to take appropriate action. Possible actions for serious abuse may include, but are not limited to, revoking participant status, requesting the assistance of the relevant Global Compact governance entities and/or instituting legal proceedings. Any suspected misuse of the Global Compact name or logos should be referred to the Global Compact Office for handling. Suspected misuse of the UN logo should be referred directly to the UN Office of Legal Affairs.

Companies that are suspended or removed for ethical reasons from the UN's Vendor List for Procurement may also be suspended or removed from the Global Compact's list of participants, or other restrictions may be imposed, as appropriate, for the duration of the suspension or removal.