



# THE 10 PRINCIPLES OF THE UN GLOBAL IMPACT

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The 10 principles of the UN global impact aim to reach a corporate sustainability through a company value system used in their daily operations. Those principles mean to operate in a certain way, so as to make a business more responsible regarding human rights, worker rights, sustainable issues and anti-corruption responses.

That is how the 10 principles of the UN global impact appeared, as an initiative to boost consciousness. The first two principles apply to human rights, from the third to the sixth to worker rights, from the seventh to the ninth to sustainability affairs and the tenth topic is about corruption.

## HUMAN RIGHTS

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**Principle 1** *“Businesses should support and respect the protection of internationally proclaimed human rights”*





Human rights are inherent to all humans, without any type of distinction on their nationality, place of residence, gender or ethnic, skin color, religion, language or any other condition. The European Union tries to encourage all companies to know, to respect, to understand and to support human rights. To respect human rights involves having a business corporate responsibility that avoids not only breaking those rights but to support them. All the actions taken in order to protect and contribute to those rights in no case will be a substitute for taking action, above all regarding vulnerable groups: women, children, handicapped or natives.

Companies should focus on respecting the human rights. The disrespectful behavior of a company towards human rights leads to a couple of risks and costs such as reputation damage, consumer boycott and attacks from the government. Nowadays, the global access to internet and its facilities mean consumers are much more informed and are conscious of what are buying, where the product does it come from and in what conditions was created. Therefore, to respect the human rights could lead to a better relationship business-client.

Another important affair regarding human rights that should be taken into account by a company is the administration and management of the goods chain. All companies should be aware of the conditions of their goods chain in all parts of the world. It is also a matter to give importance to our employee's skills and their professional career. All employees have to be treated with dignity and in a fair manner so as to encourage them to be more productive and loyal to the company.

**Principle 2:** *make sure that companies are not complicit in human rights abuses.*







The term complicity refers to be implied in any field of abuse of the human rights caused by any company or governmental body.

To respect the human rights also implies to assure human rights are being respected and accomplished by any business, any part of the goods chain apart from your company itself. The risk of being an accomplice of the not compliment of the human rights is particularly high in countries from the 1<sup>st</sup> world or in parts with a weak government.

The way of reacting to any of these cases is the same as in the first principle: It is not only the right thing but the thing to do, it is your duty. There are an increasing number of companies who are declaring the accomplishment of the human rights a priority. The matters that have conducted those changes are: the globalization and expansion of niche markets in new destinations or the growth of civil society. The need of transparency in all company's practices is a result of all the corruption affairs in many parts of the world.

The collaboration of companies to be conscious about the risks of violating the human rights it is not only to improve its reputation but because it is its duty.

### **WORKER RIGHTS**

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***Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining***





The freedom of association recognizes the right of employers as well as employees to be part of labor union and associations regarding their needs. Employers must not interfere in the decision of affiliation nor discriminate the employee for its affiliation.

Both, employees and employers have the right to get together, enter and rule their own organization with any interference from the state or any other entity, as well as the right of opinion, association and expression.

The collective negotiation refers to the process or activity that conducts a firm to sign a collective agreement. The collective agreement is a voluntary process used in order to determine the conditions of workers and to regulate the relationship among employees, employers and organizations.

Why should companies care about this principle? Companies are in an ever changing market, the fact of establishing a dialogue in freedom among them and their employees' generates a better understanding of each other necessities and worries, to solve problems, and results in a better relationship with better working results. In the long-run, those practices could lead to a better global representation of business facilities and to give the same opportunities to all types of workers.

**Principle 4:** *the elimination of all forms of forced and compulsory labor*





Forced work or with coercion is any type of work or service obtained from the job done under threat or punishment and for which the person was not voluntarily presented.

Nor the salary nor any other reward in exchange of the job necessary implies that a job was not done under pressure. Legally, a job has to be offered and accepted with complete freedom to abandon.

Why should companies take this principle into account? The forced labor not only is a violation of the human rights but also delays a society and economic development from the opportunity to develop unique skills. Those practices create bad expectations about the future market to children, who could get unmotivated.

Forced work diminishes the productivity levels, which results in less invested money and therefore in a less developed economy. It may seem not important, but the reduction or lack of salary could lead to food deficit or loss of home of whole families.

Even though legal companies do not put in usage those practices, could be externally linked to other companies who do so, for instance their distributors. Both state and private companies have been accused for the usage of forced work.

The state collaborates with this practice using public work for public benefit and private agents use forced work as a form of slavery, debt exchange and other coercions. This situation may arise from a non-deal of working conditions. And legal actions may act in it.

Forced work may appear in different ways: Forced work to pay a debt, children work in particular abusive ways, the services from prisoners for private agencies and other practices such as to work more hours than the ones accorded or the retention of income in exchange of work.





**Principle 5: the effective abolition of child labor**



The term “child labor” is a form of exploitation that violates the human rights and is recognized and defined by international entities. The national law prescribes a minimum of 15 years to be able to work; children of 14 years old can work during certain periods in less developed countries with less education opportunities. The minimum age to be accepted for a hard work position is the same in all countries, 18 years old.

Governments have the duty to control that law is being accomplished and to eradicate all work done by minors of 18 years: all forms of exploitation, slavery, the use of children for illicit activities and drug influence, harming works or security.

Why should companies care about this principle? First of all, to be related to an abuse such as the violation of working with minors harms a company reputation, above all, the ones with external services. Children labor hurts children in different levels: mental, social, physical and spiritually. Those kids are used because they were so unlucky to be born in a part of the world with fewer opportunities, where their rights are not defined and decided by a private company to get as much benefit as possible. Those works undignified them and break them apart from an education that could help them develop their skills to reach a better future job conditions.

What can companies do? All companies decided to put an end to children slavery and exploitation work have to be conscious of the effects of their practices on thousands of children, future workers, as well as the economic impact, decide to change and eradicate that practice. All companies with a chain structure should make sure they are not cooperating with a business in any other part of the world that supports children work.



**Principle 6:** *the elimination of discrimination in respect of employment and occupation.*



The definition of discrimination in work is “any distinction, exclusion or preference that creates a rejection or inequality in the opportunities or preference treatment in occupation, realized by any reason of race, skin color, gender, religion, politic beliefs and nationality.” The discrimination can be as well physical or intellectual.

Obviously, all distinctions made based on the exigencies of the pertinent job are not taken into account and are not considered a form of discrimination. In many countries the growing worry for those discriminations is creating a major consciousness; however, there is still a lot to do.

Non-discrimination in the selection of workers has to be based on their skills; the workers who are denied a job for external conditions are private from opportunities that violate their human rights. The discriminations can also refer to a special treatment during working hours, in a direct way such as laws for gender.

Why should companies care about this principle? From a business point of view, discrimination makes no sense. It can lead to a tension environment in the work place and legal problems with governments as well as bad reputation; a company that discriminates is self-denying access to different talents and skills.





## SUSTAINABILITY

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**Principle 7:** *Businesses should support a precautionary approach to environmental challenges*



The prevention in the natural environment consists on the application of certain acts, even before there is a proof of damage, that aim to preserve natural resources and society. The main goal of a preventive measure is to avoid the real damage and put a remedy in it before the real damage is done.

Why should companies care about this principle? The costs of investing in a natural damage are much more expensive than implementing precaution measures, and also the contrary would damage company's reputation.

What should companies do about that principle? Companies can support this issue by communicating the risks for consumers, to inform their consumers about what is damaging the nature, why, how to avoid those effects and where to find products that are not contributing to this disaster on the market, at any level and referring to any kind of product: from food, to travels. Those companies that develop an activity or that make alterations on the environment in a determined area have the obligation to prove they are not damaging the natural environment. It is important to preserve natural ecosystems, since permit life and are rich and beneficial for ourselves.





What can companies do? First of all, companies have to respect local and national laws in all aspects. Apart from that, any company that implements working conditions should take into account language, culture and family circumstances in the work place. High charges of the company have the duty to be interested and act upon those cases of discrimination, such as handicapped people or women who are paid less for doing the same work as men.

***Principle 8: Undertake initiatives to promote greater environmental responsibility***



The 1992 earth summit made in Rio acted as an “attention call” for many society industries. For the first time, a group of personalities gathered to discuss the problems generated by the industrialization model, the population growth and the world unbalance.

The summit was particularly focused on the earth fragility, and over three main points: 1) The damage done in many ecosystems, 2) the threatened capacity of sustaining future life, 3) Our limited capacity to sustain social and economic development on the long run.



Why should companies care about this principle? Clean and efficient processes in a company mean a better quality and percentage of productivity, what means fewer costs. Companies who are environmentally responsible get benefited and reduced rates and are more appealing to clients and skilled employees. Those companies should keep updating their work to continue with this process.

What can companies do regarding this principle? In order to promote sustainability, companies should define their business vision, its politics and strategies with an environmental development towards an economic prosperity, as well as social equality and sustainable environment. It is important to develop a production more conscious with the environment as well as with the company.

To join voluntary programs and behavior codes to reach ideal sustainable development. It is important to mark and communicate the progress and changes in the practice of it as well as to report damaging practices. Assure transparency and dialogue with clients.

Given the priority role of the private sector in worldwide affairs, the public sector demand companies to develop activities in order to benefit protected animals and the areas where they are located.

***Principle 9: Encourage the development and diffusion of environmentally friendly technologies.***







For a company, to favor technology development and practices more responsible with the environment means a challenge on the long-run that will affect the organization in directive ways.

The Agenda 21 mentions environmental friendly technologies as the ones that protect the natural environment, pollute less, use less natural resources, recycle more its components and reuse the residues in a more profitable way than the technologies that substitute.

They are not individual technologies but integral systems that include the know-how, procedures, products and services as well as equipment that improves the organization and paperwork management.

It is important to understand that the definition includes high technology towards a more clean technology in order to benefit humans.

Why should companies care about this principle? The storage of residues and treatment are a very expensive process, in both economic and environmental impacts. The reduction of polluting impact through its prevention and the design of environmentally friendly products raises its efficiency as well as the global company and can lead to new business opportunities. The environmentally friendly technologies produce an inferior level of polluting levels. This benefits workers exposed to smaller health risk and the reduction of accidents or technological disasters. The adhesion to this principle will depend on the size and nature of the company. However, all companies will get a benefit from the more efficient resources usage.



## ANTI-CORRUPTION

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**Principle 10:** *Businesses should work against corruption in all its forms, including extortion and bribery.*



This last principle makes all the integrants of the treat to not only avoid bribery, extortion and other forms of corruption but to develop politics and programs regarding corruption.

Corruption is defined as the abuse of power for own purposes and can appear in many forms and degrees, from less influence to corruption at an institutional level.

Regarding extortion, it is defined as the solicitation of bribes, the act of asking or tempting someone to commit a bribe. It becomes extortion when this demand is accompanied by threats that put in danger the personal integrity of some of the parts.

Why should companies care? There are many reasons why the elimination of corruption has become a priority within the business community. Confidence and trust in business among investors, customers, employees and the public have been eroded by recent waves of business ethics scandals around the globe. Companies are learning the hard way that they can be held responsible for not paying enough attention to the actions of their employees, associated companies, business partners and agents.





Businesses face high ethical and business risks and potential costs when they fail to effectively combat corruption in all its forms. All companies, large and small, are vulnerable to corruption, and the potential for damage is considerable. Business can face: legal and reputational risks, financial costs and erosion of internal trust.

What can companies do? The UN Global Compact suggests that participants consider the following four elements when fighting corruption and implementing the 10th principle: To introduce anti-corruption policies and programs within the organizations and their business operations, to report on the work against corruption in the annual Communication on Progress and to join forces with industry peers and with other stakeholders to scale up anti-corruption efforts, to sign the “*Anti-corruption Call to Action*”, which is a call from Business to Governments to address corruption and foster effective governance for a sustainable and inclusive global economy.