Summary of Contents

Foreword to the Second Edition  xxix
About the Authors  xxxi

Part I
Presentation

Chapter 1
The Global Responsibility of Business  3
Ramon Mullerat

Part II
General Overview

Chapter 2
Business Ethics  35
Rosamund Thomas

Chapter 3
CSR and Corporate Governance  43
Mark Walsh & John Lowry

Chapter 4
The Soul of the Corporation  77
Gerald Milward-Oliver

Chapter 5
Corporate Social Responsibility and Public Policy  93
Felix Martin
Summary of Contents

Chapter 6  
Corporate Social Responsibility in a Changing Corporate World  
*Jerome J. Shestack*  
113

Part III  
The Main Objectives of Corporate Social Responsibility  
127

Chapter 7  
The Triple Bottom Line: Building Shareholder Value  
*James Roselle*  
129

Chapter 8  
Labour Standards and Corporate Social Responsibility:  
The Need for a Planetary Bargain  
*Michael Hopkins & Ivor Hopkins*  
157

Chapter 9  
Corporate Social Responsibility and The Environment:  
Our Common Future  
*Marcelle Shoop*  
177

Chapter 10  
Corporate Social Responsibility and Human Rights  
*María Prandi & Josep M. Lozano*  
209

Part IV  
Worldwide Initiatives on Corporate Social Responsibility  
229

Chapter 11  
Corporate Social Responsibility and International  
Human Rights Law  
*David Kinley*  
231

Chapter 12  
The Tripartite Declaration of Principles Concerning  
Multinational Enterprises  
*Phillip H. Rudolph*  
243

Chapter 13  
The Global Sullivan Principles of Corporate Social Responsibility  
*Phillip H. Rudolph*  
247

Chapter 14  
The CRT Principles for Responsible Business:  
Decision-Making Matrix for a More Moral Capitalism  
*Stephen B. Young*  
251
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Author(s)</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>The Global Compact</td>
<td>Hans Corell</td>
<td>265</td>
</tr>
<tr>
<td>16</td>
<td>Promoting Corporate Responsibility: The OECD Guidelines For Multinational Enterprises</td>
<td>Donald J. Johnston</td>
<td>275</td>
</tr>
<tr>
<td>17</td>
<td>Business and Human Rights: The Recent Initiatives of the UN</td>
<td>Michael Karlsson &amp; Max Granström</td>
<td>285</td>
</tr>
<tr>
<td>18</td>
<td>Corporate Responsibility and Corporate Governance: New Ideas and Practical Applications of Ethical Standards and Risk Management</td>
<td>Daniel Brennan</td>
<td>307</td>
</tr>
<tr>
<td>Part V</td>
<td>Regional Perspectives</td>
<td></td>
<td>323</td>
</tr>
<tr>
<td>19</td>
<td>The European Initiatives</td>
<td>Jonathan Lux, Sune Skadegaard Thorsen &amp; Annemarie Meisling</td>
<td>325</td>
</tr>
<tr>
<td>20</td>
<td>A European Perspective</td>
<td>Sune Skadegaard Thorsen &amp; Annemarie Meisling</td>
<td>349</td>
</tr>
<tr>
<td>21</td>
<td>The Central Role of Lawyers In Managing, Minimizing, and Responding To Social Responsibility Risks – A Us Perspective</td>
<td>Phillip H. Rudolph</td>
<td>363</td>
</tr>
<tr>
<td>22</td>
<td>Africa’s Unique Challenge: Linking Economic Growth, Infrastructure Reforms and Corporate Responsibilities</td>
<td>Reinier Lock</td>
<td>373</td>
</tr>
<tr>
<td>23</td>
<td>The Japanese Perspective</td>
<td>James Brumm &amp; Michael Lagowski</td>
<td>389</td>
</tr>
</tbody>
</table>
Summary of Contents

Chapter 24
Corporate Social Responsibility and Human Rights: The Ghana Experience in the Gold Mining Industry 401
Felix Ntrakwah

Chapter 25
The History, Variations, Impact and Future of Self-Regulation 421
Phillip H. Rudolph

Chapter 26
Some Legal Dimensions of Corporate Codes of Conduct 443
Claes Cronstedt

Chapter 27
Social Responsibility and the Lawyer in the Twenty-First Century 461
Jerome J. Shestack

Chapter 28
Lawyers’ Responsibility for Advising on Corporate Social Responsibility 475
Jonathan Goldsmith

Chapter 29
Corporate Social Responsibility in Lawyers’ Firms 499
Chris Marshall

Chapter 30
Corporate Social Responsibility and the In-House Counsel 515
I. Odeleye

Part VIII
Criticism of the Corporate Social Responsibility Movement 541

Chapter 31
Criticism of the Corporate Social Responsibility Movement 543
Michael Hopkins

Chapter 32
A Few Concluding Remarks 555
Ramon Mullerat

Index 557
About the Authors

**Ramón Mullerat (Editor)**
Ramon Mullerat O.B.E. is a lawyer in Barcelona and Madrid, Spain; Avocat à la Cour de Paris, France. He is an Honorary Member of the Law Society of England and Wales and an Honorary Member of the Bar of England and Wales. Ramon Mullerat is former Professor at the Faculty of Law of the Barcelona University and an Adjunct Professor of the John Marshall Law School, Chicago. He is the Former President of the Council of the Bars and Law Societies of the European Union (CCBE) and Member of the American Law Institute (ALI), alongside being a Member of the American Bar Foundation (ABF). He is Member of the Board of the North American Studies Institute, former Co-Chairman of the Human Rights Institute (HRI) of the IBA, Member of the London Court of International Arbitration (LCIA), Member of the Council of Justice of Catalonia and President of the Associació pel Foment de l’Arbitratge (AFA), as well as Former Chairman of the Editorial Board of the European Lawyer; Member of the Club Español del Arbitraje (Spanish Arbitration Association); author of the report for a revision of the Code of Ethics of the Council of the Bars and Law Societies of the European Union, Member of the Committee for the revision of the Code of Ethics of the International Bar Association (IBA) and Chairman of the working Group on Ethical Guidelines for Lawyers working in arbitration of the Council of the Bars and Law Societies of the European Union. He is author of numerous books, articles and publications and he writes and lectures frequently around the world on law, arbitration law, CSR and legal ethics.

**Daniel Brennan**
Lord Daniel Brennan QC is a senior member of Matrix Chambers, London and was appointed a life peer in 2001. He is a former Chairman of the Bar of England and Wales and a member of the Bars of the Republic of Ireland and of northern Ireland. His practice specializes in commercial law, international business and environment issues, public and private international law, and international arbitration. In the
About the Authors

House of Lords, Lord Brennan is Chairman of the All Party Parliamentary Group on Legal and Constitutional Affairs; Chairman of the British Spanish Parliamentary Group; and a member of the British-Latin American Parliamentary Group. From 2000 to 2004, he was also a member of the Select Committee on the European Union and a member of the Sub-Committee on European Laws and Institutions. Lord Brennan has been a Queen’s Counsel since 1965 and formerly served as a Deputy High Court Judge and Crown Court Recorder. He also has an extensive international litigation and advisory practice involving bilateral investment treaty and commercial and energy work in South America and Asia. He was a speaker at the World Economic Forum Latin America meeting in Rio de Janeiro, 2009, on Middle East and Asian investment in Latin America. He is the Chairman for Emeritus of the international CSR group, the Caux Round Table and a member or their Global Governing Board. Lord Brennan is the Independent Assessor to the Minister of Justice and Minister of Defence on Miscarriages of Justice; a Board Member of Justice – U.K. Branch of the International Commission of Jurists; a member of the American Law Institute; and an associate member of the American Bar Association. He has served as Councillor of the International Bar Association; Co-Chair of the IBA Committee on the Development of the Legal Profession; and President of the European Circuit of the Bar of England and Wales.

Richard Brophy
Richard Brophy has been the Community Affairs Co-ordinator at CMS Cameron McKenna since September 2003, overseeing its pro bono, employee volunteering and charitable giving schemes. After completing a degree in English Literature at King’s College London in 1997, he worked in business support at a leading London architectural practice, followed by a similar role at the prestigious Bartlett School of Architecture, University College London. After a period working for Hobsbawm Macaulay Communications – a specialist PR agency advising charities, not-for-profits, NGOs, media and arts clients – he joined the Education department at the Royal Institute of British Architects. At RIBA, Richard ran a series of charitable trusts, developed their web presence and other information tools, event managed an international student design award and played a key role in projects designed to widen access to the profession. His own volunteering work includes serving as a management committee member at Hackney Community Law Centre advising specifically in PR, media management and other communication issues.

James E. Brumm
Jim Brumm is Executive Advisor and a member of the Board of Directors and its Executive Committee at Mitsubishi International Corporation in New York. He retired as Mitsubishi International Corporation’s Executive Vice President and General Counsel at the end of 2007. Mr. Brumm was also a member of the board of Mitsubishi Corporation in Tokyo from 1995 to 2007. He is a member of the board of Tembec Inc., a publicly traded Canadian forest products company, where he serves on the Corporate Governance and Human Resources Committee. He is President of the Mitsubishi Corporation Foundation of the Americas, Chairman of the Board of the American
Bird Conservancy, and serves on the boards of Forest Trends, the International Crane Foundation, the Mitsubishi Corporation Fund for Europe and Africa. Mr. Brumm practices and advises on environmental, human rights, corporate governance and CSR issues through Glastonbury Commons, Ltd. and the Gaemo Group. Prior to joining Mitsubishi International Corporation, he practiced with law firms in New York and Tokyo for seven years. He is active in the Association of the Bar of the City of New York where he was Chair of the Committee on International Trade and the Task Force on International legal Services. He was the Association’s representative to the International Bar Association from 2002 to 2010 where he was Co-Chair of the Corporate Counsel Forum (2007–2008) and a member of the Task Force on International Multijurisdictional Commercial Practice. He graduated magna cum laude with a Bachelor’s Degree in Political Science from California State University at Fresno in 1965 and graduated from Columbia University School of Law in 1968.

Emilio J. Cárdenas
Emilio J. Cárdenas is an international lawyer from Argentina. He served as President of the Association of Argentine Banks (ABRA). In September 1992, he was appointed Ambassador and Permanent Representative of Argentina to the United Nations. As such he served as Non-Permanent Member of the United Nations Security Council. He was also the Chairman of the Sanctions Committee for the former Yugoslavia. He was, as well, Vice President of the United Nations Economic and Social Council. In November 1997, he was appointed Personal representative of the United Nations Secretary General to Iraq. In 1999, he was appointed by the UN Secretary General as a Member of the United Nations Pension Fund’s Investment Committee. Mr. Cárdenas became Executive Director of HSBC Argentina. In October 2002, he was elected President of the International Bar Association (IBA) in which prestigious organization he also was co-Chair of the Human Rights Institute. He served as Director of the Bar Association of the City of Buenos Aires, in 1972 (Alternate) and in 1981 and 1983 (Full Director). Mr. Cárdenas has lectured in a variety of international legal and economic forums. He is the author of several books and numerous articles on international and other legal issues. He is a frequent contributor to the Argentine newspapers and a Member of the Board of Editors of ‘La Nación’. He is a member of the Editorial Advisory Board of the Journal of International Economic Law and – since 2004 – the Director of an international quarterly review published in Buenos Aires: ‘Agenda Internacional’. Mr. Cárdenas has taught courses on International Business Transactions and other legal courses at the College of Law of the University of Illinois, the University of Michigan Law School and the Louisiana State University Law School.

Hans Corell
Hans Corell was Under-Secretary-General for Legal Affairs and the Legal Counsel of the United Nations from March 1994 to March 2004. Having received his law degree from the University of Uppsala in 1962, he served first as court clerk and later as judge until 1972. That year, he joined the Ministry of Justice, where he was engaged in legislative work on real estate, company law, maritime law, administrative
law and constitutional law. He became Director of the Division for Constitutional Law in 1979 and Head of the Legal Department in 1981. From 1984 to March 1994, he served as Ambassador and Head of the Department for Legal and Consular Affairs in the Ministry for Foreign Affairs. He was a member of Sweden’s delegation to the United Nations General Assembly (1985–1993) and had several assignments related to the Council of Europe, OECD and the CSCE (now OSCE). Together with two other rapporteurs, he was author of the OSCE proposal for the establishment of the International Tribunal for the former Yugoslavia, transmitted to the UN in February 1993. In 1998, he was the Secretary-General’s representative at the Rome Conference on the International Criminal Court. Since his retirement from public service in 2004, he is engaged in many different activities in the legal field, inter alia as legal adviser, lecturer and member of different boards. Among other, he is involved in the work of the International Bar Association. He is Chairman of the Board of Trustees of the Raoul Wallenberg Institute of Human Rights and Humanitarian Law at Lund University, Sweden. Hans Corell holds honorary Doctor of Laws degrees at Stockholm University (1997) and Lund University (2007).

Claes Cronstedt

Claes Cronstedt was a partner of Advokatfirman Landahl & Bauer, Stockholm; international partner of Baker & McKenzie, Stockholm, former head of the Corporate Practice Group and founder and head of the Baker & McKenzie CSR Practice Group in Stockholm, past chair of the board of directors of several corporations, i.a. Teradyne Scandinavia Inc.; TNT Sverige AB; Compaq Computer AB; Granada Computer Services AB; Adobe Systems Nordic AB; Lear Corporation Sweden AB and Novell Svenska AB. Admitted to the Swedish Bar. Claes Cronstedt has advised international corporate clients on a wide range of corporate law issues, including major M & A transactions. He served as arbitrator and as counsel in international arbitrations. He has been involved in international Human Rights litigation, in particular, the Raoul Wallenberg Case against USSR. Since 2002, Claes Cronstedt is a member of the CSR-Committee of the Council of Bars and Law Societies of Europe (CCBE); he was the co-founder and member of the Advisory Board of the Swedish Amnesty International Business Group (1999–2008); since 2003 he is a member of the Geneva International Committee of Human Rights Watch. During 2001–2004, he was a member of the Swedish Committee of the International Chamber of Commerce (ICC) Commission on Business in Society; during 1999–2006, he was a trustee of International Alert, London, working with peaceful transformation of violent conflicts. During 2006–2008, he was a member of the International Commission of Jurists’ Expert Legal Panel on Corporate Complicity in International Crimes; he is the founder and the former chairman of Raoul Wallenberg Academy for Young Leaders (2001–2007). He is the Chairman of Get the Point Foundation working against youth violence; he was a member of the board of the Stockholm Bar Association (1993–1998), member of the board of the Swedish Federation of Service Industries (1992–1998) and Chairman of the Swedish Marine Industries Federation, SWE-BOAT (1986–1995). During 1992–1998, he was the Vice Commodore and Honorary Secretary of the Royal Swedish Yacht Club.
Jonathan Goldsmith
Jonathan Goldsmith is the Secretary General of the Council of Bars and Law Societies of Europe (CCBE), which represents over 1,00,000 European lawyers through its member bars and law societies. The CCBE deals with a wide range of EU and global issues, such as anti-money-laundering legislation, an EU-wide Code of Conduct, competition matters affecting the legal profession, and GATS. He is an English solicitor. He began his legal career in the UK Citizens Advice Bureaux as advice worker (1978–1980) and community lawyer (1980–1986). After that, he joined the Law Society of England and Wales, first as Deputy Head, Communications and then, from 1995 to 2001, as Director, International, promoting the interests of solicitors abroad.

Max Granström
Max Granström is a Senior Associate of Mannheimer Swartling Law Firm. Mr. Granström is specialized in dispute resolution, representing a large number of clients in domestic and international commercial arbitration and litigation since 2001. He is currently acting as a project manager in Mannheimer Swartling’s Corporate Social Responsibility matters, and as a lecturer on CSR and Human Rights-related topics. He is involved in the firm’s work in the UN-project ‘Corporate Law Tools’ (launched within the framework of Professor John G. Ruggie’s work as the Special Representative of the Secretary-General on Business and Human Rights). During 2003–2008, Mr. Granström was also the Secretary-General of Swedish Institute for Legal Development, an institute involved as a project leader in international development cooperation projects.

Ivor J Hopkins
Co-director of MHC International Ltd (MHCi London and Geneva), a B2B company that advises in Corporate Social Responsibility (CSR/CR). Ivor specializes in CSR with particular expertise in Small & Medium Sized Enterprises (SMEs), Sustainability in Travel, Cross Cultural business management and Business Ethics. He is no stranger to the international stage in CR, delivering speeches and seminars on CR from Denmark to Panama, and from Istanbul to Nigeria, and he works with all sizes of organizations. He writes articles for business magazines on CR and strategic business thinking, and teaches CR, business ethics and Sustainability in Travel at the Universities of Middlesex and Geneva, and at Sussex Coast College. His current business focus is the support and development of joint venture activities in CSR in Nigeria, Mauritius, Pakistan and Scandinavia. He has an international sales and marketing background, combined with project management (such as driving the Olympic windsurfing engagement at a specialist, international water-sports supplier from their headquarters near Munich, Germany for 1996, 2000 and 2004). He is a member of the Institute of Directors, Institute of Business Ethics, Hastings Area Chamber of Commerce and The Institute of Learning. He was educated to Masters level (MA, University of Manchester 1980), he also has a BA English Language & Literature (University of Manchester, 1978), and a post-graduate Certificate in Education (Didsbury School of Education, 1980).

xxxv
About the Authors

Michael Hopkins
Dr. Michael Hopkins is Professor of Corporate and Social Research at Middlesex University Business School, London, UK, Director of CSR at University of Geneva and CEO and Chairman of MHC International Ltd. (MHCi: London, Washington D.C. & Geneva), a research and service company on Corporate Social Responsibility and Labour Markets. He holds a doctorate in labor economics from the University of Geneva, and is Professor of Corporate & Social Research at the University of Middlesex in London, UK. Michael has worked and advised on strategic CSR with World Bank, UNDP, Glaxo-Wellcome, BT, BAT, BP, Nestle, Manpower, O2, SGS, Addax Petroleum, Cargill, etc. He is currently Founder and Director of Executive Programmes on CSR at the University of Geneva in Switzerland (www.corporateresponsibility.ch); holds a similar position at George Mason University in Virginia, US; leads the Jewellery Ethical Trading System (JETS) which aims to reduce dependence on blood diamonds; initiated the US$100mn Qatar Youth Employment project with Sheikha Mouzah; is Senior Adviser to the US Chamber of Commerce’s corporate citizenship program, is revising the World Bank’s online CSR courses; Member of the Advisory Council US Center for Citizen Diplomacy; Senior Adviser on Sustainability to the China-based NGO – Women In Sustainability Action; and has joint ventures to develop CSR activities in West Africa (Nigeria), Pakistan and East Africa (Mauritius). Before working full-time with MHCi, Michael worked in the HQ of ITT in London, was Research Fellow at IDS, University of Sussex and Senior Economist at the ILO’s HQ in Geneva, and was Secretary of all UN agencies Panel of Econometricians. He was Visiting Professor at the Universities of Uniandes and Valle in Colombia teaching labor economics, and was Chief Economist of the Netherlands Antilles where he directed its socio-economic plan that initiated today’s vibrant tourist market in Curacao. He has also worked on human resources and labor market issues in over 120 countries around the world, inter alia, Colombia, Brazil, Egypt, Jordan, Qatar, Dubai, South Africa, Malaysia, China, Philippines, Vietnam, Portugal, and Azerbaijan and written many works on CSR and other topics. His new book is on Strategic CSR where he widens the ‘corporate responsibility’ concept to all ‘bodies’ both private and public.

Donald Johnston
The honorable Donald Johnston PC QC LLDs (5 HC) is a Founding Partner and Senior Counsel to the major Canadian and international law firm, Heenan Blaikie, LLP. He has enjoyed a long career as a lawyer and politician, spending 10 years in the Canadian Parliament, and serving as a Cabinet Minister in a number of senior portfolios. Mr. Johnston was a Member of Parliament from 1978 to 1988. He served in the Cabinet, first as President of the Treasury Board (which manages the Federal Public Service and controls the National Budget), and then as Minister of State for Economic and Regional Development, Minister of Science and Technology, Minister of Justice and Attorney General of Canada. With the defeat of the Liberal government in 1984, Mr. Johnston became Opposition Critic for Finance and, later, for External Affairs. In 1990, Mr. Johnston was elected
President of the Liberal Party of Canada. In 1992, he was re-elected and held the post through the election in 1993 that returned the Liberal Party to power. Mr. Johnston studied Arts and Law at McGill University, graduating from law in 1958 as the Gold Medallist. He holds Honorary Doctorates in law from McGill University, King’s College, Bishop’s University, McMaster University and in Economics from Bratislava. He taught fiscal law at McGill University, he has written many articles on taxation, law and public affairs and is the author of several books. He was Secretary-General of the Organisation for Economic Co-operation and Development (OECD) from 1996 to 2006. After stepping down from the OECD in 2006, he resumed his legal career as Counsel to Heenan Blaikie (formerly Johnston Heenan Blaikie), as well as being a senior advisor to the McCall MacBain Foundation in Geneva, Chairman of the International Risk Governance Council (Geneva), and Distinguished Visiting Professor at Yonsei University in Seoul Korea 2006–2009.

Michael Karlsson
Michael Karlsson is a Senior Partner at Mannheimer Swartling Law Firm. His field of expertise covers mergers and acquisitions as well as dispute resolution. He is moreover the chairman of Mannheimer Swartling’s pro bono activities, and the responsible partner for corporate social responsibility matters. He is responsible for the firm’s contribution in the UN-project ‘Corporate Law Tools’ (launched within the framework of Professor John G. Ruggie’s work as the Special Representative of the Secretary-General on Business and Human Rights). Mr. Karlsson was one of the founders of Lawyers Without Boarders in Sweden, and he currently holds the positions as chairman of SOS-Children’s Villages Sweden, board member of SOS-Kinderdorff International and commissioner of SOS-Kinderdorff executive committee. Mr. Karlsson is a member of the Swedish Bar Association.

David Kinley
David Kinley has been a legal academic and practitioner for 15 years specializing in human rights law. At the time of writing, he is professor of International Law, and founding Director of the Castan Centre for Human Rights Law at Monash University in Melbourne, Australia: www.monash.law.edu.au/castancentre. In April 2005, however, he fills the position of the inaugural Chair in Human Rights Law at Sydney University. He has taught at a number of universities in Australia and has been a Visiting Fellow at several universities. He was awarded a Senior Fulbright Scholarship in 2003, which he pursued at Washington College of Law, American University, Washington D.C. during 2004. He has lectured and delivered speeches in a host of countries worldwide and has also worked for many years as a consultant and advisor in international and domestic human rights law. He is author/editor of four books including: *Human Rights in Australian Law* (Federation Press; 1998), in addition to the publication: *Human Rights Explained* at: http://www.hreoc.gov.au/hr_explained/index.html. He is also author of some 50 articles, book chapters, reports and papers published internationally on a range of legal matters, but especially on human rights law.
About the Authors

Paola Konopik
Paola Konopik is an Associate in the Corporate Accountability practice group of Mannheimer Swartling in Stockholm, Sweden. Paola Konopik specializes in CSR and has written and lectured on CSR issues. She is a graduate of Stockholm University. Paola Konopik is a Fulbright scholar and earned her LLM degree from Columbia University in New York.

Michael Lagowski
Michael Lagowski is a Manager in the CSR and Environmental Affairs Office at Mitsubishi Corporation’s Head Office in Tokyo. Before joining Mitsubishi Corporation in 2006, Mr. Lagowski spent time working for Japan’s central and local government focusing on international cooperation and capacity building programs aimed at developing nations. He graduated from Indiana University in 1998 with a double major in Economics and East Asian Languages and Literature and received his MBA from Notre Dame’s Mendoza School of Business in 2006.

Reinier Lock
Reinier Lock spent the first 24 years of his life in Southern Africa. In his five years at university in South Africa, followed by a year as a financial journalist in Johannesburg, he witnessed first hand, and fought against, the injustices of apartheid. After his exile from South Africa for anti-apartheid activities, Reinier studied at Oxford (BCL) and the University of California at Berkeley (LLM); and he received a Diploma in Human Rights Law from the University of Strasbourg. He practiced business law in San Francisco, and then served in several legal positions in the US Department of Energy and as Legal Advisor to a Commissioner of the Federal Energy Regulatory Commission. Since returning to private practice in 1990, he has worked primarily in the areas of energy and infrastructure development, project financing and infrastructure regulation. This work brought him back to South Africa after 28 years in exile; and he has subsequently worked extensively in the SADC region and, more recently, in the ECOWAS region, of Africa. Reinier has been very active since the early 1980s in the American Bar Association and, since the early 1990s, in the International Bar Association (IBA). He has served on the Board of Directors of a statewide rural cooperative electricity corporation in the US. He has recently spoken at IBA conferences in Lagos and in Calgary on the challenges of CSR in the infrastructure areas. He assumed the Chair of the IBA’s Section of Energy, Environment, Natural Resources and Infrastructure Law (SEERIL) at the IBA’s Auckland conference in October 2004.

John Lowry
John Lowry teaches Corporate Law and Insurance Law at University College London where he is a Professor of Commercial Law. He has taught law in the US and practiced in Canada specializing in corporate litigation. He has written widely in domestic and international journals on directors’ fiduciary obligations, shareholder remedies and insurance law. He is co-author of a number of books including, *Limitation of Actions* (1998); *Company Law* (2010); *Pettet’s Company Law* (2009);
Insurance Law: Doctrines and Principles (2005) and Insurance Law: Cases and Materials (2004). He is also a Contributing Editor to Gore-Browne on Companies and the Company Law section editor for the Journal of Business Law and International Corporate Rescue. In 2001, he was a Visiting Fellow at the University of Connecticut and in 2010 he was elected Distinguished Global Jurist Visiting Professor at the Chinese University of Hong Kong.

Josep M. Lozano
Josep M. Lozano was awarded a Ph.D. in Philosophy by the University of Barcelona and a degree in Theology by the Theology Faculty of Catalonia. He also holds a degree in Executive Management from ESADE Business School. He is currently Full Professor at the Department of Social Sciences at ESADE and Director of the Institute for the Individual, Corporations and Society (IPES). His academic and professional activity focuses on the fields of Applied Ethics and Corporate Social Responsibility. Josep Lozano’s five major books to date include Danone en Ulzama and Ethics and Organizations (Kluwer). He is Director of the Observatory on Ethical, Ecological and Social Funds in Spain. He is cofounder of Ética, Economía y Dirección (the Spanish branch of the European Business Ethics Network); member of the international council of Ethical Perspectives. Mr. Lozano was the ESADE representative in the consortium of European universities that created the European Academy of Business in Society (EABiS). He was member of the Catalan Government’s Commission on Values, and of the Spanish Ministry of Employment and Social Affairs’ Commission of Experts on CSR. He was awarded as Runner-up in the Faculty Pioneer Awards by Beyond Grey Pinstripes.

Jonathan Lux
Jonathan Lux is a solicitor and partner of Ince & Co. He has handled enough hard-boiled court cases to know the benefits of mediation and arbitration. As a litigator and contract lawyer since 1975 at solicitors Ince & Co in London and Hamburg, he has seen at first hand the commercial side of the maritime industry, energy, insurance, international trade and commerce. His experience has led him to champion the use of ADR and arbitration in these sectors, to enable people quickly and cost-effectively to put disputes behind them and get on with their business. He also mediates and arbitrates in other fields and is happy to do so in any. He has been member of the Human Rights Institute’s Committee on Legal Systems and Co-Chairman of Corporate Social Responsibility Committee of the International Bar Association. Jonathan Lux is author and co-author of numerous works. He has been named Global Shipping & Maritime Lawyer of the Year by Who’s Who Legal.

Chris Marshall
Chris Marshall is Allen & Overy LLP’s Pro Bono & Community Affairs Senior Manager and is responsible for the overall leadership of these aspects of the firm’s social investment programs and the management of the firm’s pro bono & community team and programs for its 5,000 staff. Chris’ work has been recognized through a number of awards including Legal Business Corporate Social Responsi-
About the Authors

Chris Longstaff

bility Law Firm of the Year and The Lawyer Pro Bono Team of the Year. Chris has been at the forefront of developing international pro bono and chaired Advocates for International Development (A4ID), a global pro bono organization connecting lawyers with developing countries and development organizations to tackle unmet legal need, from its inception until May 2010. He is a member of the UK Attorney General’s International Pro Bono Coordinating Committee and has run pro bono programs in a wide range of countries in Africa and Asia. Chris is a qualified solicitor and is experienced in law and international development matters including access to justice, international investment and trade and socio-economic rights and legal systems.

Felix Martín

Felix Martin MA (Oxon) PhD (Manchester) has practiced commercial and finance law at some of the leading law firms in the UK and as in-house lawyer at a number of blue-chip companies. Currently he combines the practice of the law with academic pursuits in the area of management and business ethics. He has delivered presentations on these topics at high-profile conferences in Europe and America. On a personal level, Felix is involved in a number of educational activities for young people in both London and Manchester.

Annemarie Meisling

Annemarie Meisling, LLM MA Consultant at Corporate Responsibility Ltd. specialized in Human Rights Law, European Union Law, Corporate Social Responsibility and sociology. Annemarie Meisling provides services to business, organizations, governments and development agencies on human rights and CSR. She has previously been employed at Lawhouse.dk, the Danish Ministry of Foreign Affairs and worked as a consultant for the Danish Red Cross. E-mail ameisling@lawhouse.dk

Gerald Milward-Oliver

Gerald Milward-Oliver has spent the past 30 years helping organizations ‘find their voice’. He has worked with some of the largest corporations in the world, as well as for multinational and governmental institutions and charitable organizations. Since 1981, he has been principal of a business specializing in a broad range of communications projects. From 1984–1989, he was also a director of one of the UK’s leading motivation and incentive companies. Since 2008, he has focused increasingly on regeneration and is currently leading a project to provide new sustainable economic opportunities in a group of market and country towns in mid-Wiltshire.

Based in Bradford on Avon, Wiltshire, Gerald Milward-Oliver is a Fellow of the Royal Society of Arts, a director of Creating Excellence (a regional centre of knowledge helping communities find sustainable solutions to development and community issues) and chairman of Think BoA (a cooperative formed to promote the creative and cultural development of people and businesses in the Bradford on Avon community area).
Felix Ntrakwah
Mr. Felix Ntrakwah is the senior partner of Ntrakwah & Co., a corporate and commercial law firm in Ghana. He started private practice in 1981 when he resigned from the civil service as an Assistant Registrar General in charge of companies, trademarks and patents. Mr. Ntrakwah obtained his LLB degree from the University of Ghana in 1973 and qualified as a lawyer at the Ghana School of Law in 1975. He is a member of the Ghana Bar Association, International Bar Association and the Chartered Institute of Arbitrators (UK). He was for a number of years a director of Ghana Commercial Bank Limited. He is the chairman of Financial Investment Trust and also Eximguaranty Company (Ghana) Ltd. Mr. Ntrakwah is the founder of the Corporate Law Institute of Ghana and a member of the Committee of Experts for Business Law Reform in Ghana. He has delivered papers at professional seminars and published articles on various topics including corporate governance, privatization, banking, among others.

Isaiah Odeleye
Mr. Odeleye started his career as a Legal Practitioner with the Lagos State Ministry of Justice. In 1983, he left the Ministry of Justice and went in to private legal practice. In 1984, he joined The Shell Petroleum Development Company of Nigeria Limited as a Legal Assistant. He has been involved in various legal matters relating to oil and gas business and operations. He has served the company in various positions, and currently he is the Company Secretary of The Shell Petroleum Development Company of Nigeria Limited and currently a senior Partner in the Law Firm of Thompson Okpoko & Partners in Lagos Nigeria. Mr. Odeleye is a member of the Nigerian Bar Association, the International Bar Association, the Nigerian Gas Association and the Christian Lawyers Fellowship of Nigeria. He is a member of the National Executive Committee of the Nigerian Bar Association, and a member of the Gas Committee of the IBA’s Section on Energy and Natural Resources Law (SERL). Mr. Odeleye has presented papers at several Conferences and Seminars including the Conferences of the Nigerian Bar Association, the IBA, SERL, etc.

María Prandi
María Prandi is lecturer and doctoral researcher at the Institute for Social Innovation at ESADE Business School where she is conducting a research on business in relation to the three United Nation pillars: human rights, development and peacebuilding. Fellowshipped by the John Hopkins University, she is currently a Ph.D. Candidate in International Relations at the Autonomous University of Barcelona where she also lectures on business and human rights. She is the author of articles and books on business, human rights and corporate codes of conduct. Her last main publications include A Practical Handbook on Business and Human Rights (2006), Can Companies Contribute to the Millennium Development Goals? (2009) and The Role of Business in Post-conflict Contexts. From Risk Management to Value Creation (2010). María Prandi has worked as an external consultant on human rights and participated at the former United Nations Commission on Human Rights and
About the Authors

Sub-commission on the Promotion and Protection of Human Rights (Geneva) following, among other issues, the agenda on business and human rights.

Jakob Ragnwaldh
Jakob Ragnwaldh is a Senior Associate in the Litigation and Arbitration practice group of Mannheimer Swartling, Stockholm, Sweden. He is also a member of the firm’s Corporate Accountability practice group. Mr. Ragnwaldh specializes in international commercial arbitration, acting as counsel in arbitrations worldwide. A graduate of Lund University, Mr. Ragnwaldh has also earned a law degree from the University of Panthéon-Assas, Paris II, France. Mr. Ragnwaldh is a member of the Swedish Bar Association.

James Roselle
James Roselle is Associate General Counsel for Northern Trust Corporation, a financial services firm based in Chicago, Illinois. Northern Trust is a leading provider of investment management, asset servicing, fund administration, fiduciary and banking solutions for corporations, institutions and affluent individuals worldwide. The firm had assets under custody of US$3.7 trillion, assets under management of US$627 billion and banking assets of US$82 billion as of 31 December 2009. His management responsibilities include banking, regulatory, trust, corporate acquisitions and other activities within the Legal Department. Prior to joining Northern Trust, he served as in-house counsel to Bank One Corporation and its predecessor companies. Most of his career has been spent on legal matters involving international business and financial regulatory compliance. Mr. Roselle established Bank One’s Asia Regional Counsel Office in Hong Kong and served on the Board of Governors of the American Chamber of Commerce in Hong Kong. Mr. Roselle has been a member of the IBA and is a member of the ABA, where he has served on the Council of the Section of International Law and has chaired various committees of that Section. He also serves on an ABA Task Force on Gatekeeper Regulation and the Legal Profession. He has spoken and written on anti-money laundering, corporate governance, corporate social responsibility, letters of credit and other banking topics. Mr. Roselle received a BA from Northwestern University and a J.D. from the University of Virginia School of Law.

Phillip H. Rudolph
Phil Rudolph is a partner in the Washington, D.C. Office of Foley Hoag LLP, where he is active in the firm’s International and CSR Practice Groups. Prior to joining Foley Hoag, Phil was a Vice President at McDonald’s Corporation, where he served in several capacities, including those of US and International General Counsel, and Head of Vendor Compliance. Phil served on McDonald’s Social Responsibility Steering Committee, which provided strategic advice and counsel to senior management, and he assisted in the drafting and publication of McDonald’s first Social Responsibility Report in 2002. He has written on CSR issues for legal and other publications, and speaks at conferences around the world on issues of sustainability and corporate responsibility. He has also participated as a member of the faculty
of ‘Managing Ethics in Organizations,’ co-sponsored by the Ethics Officers Association and the Center for Business Ethics at Bentley College. Before he moved to McDonald’s, Phil was a partner in the D.C. office of Gibson, Dunn & Crutcher LLP, where he specialized in antitrust litigation and counseling. He graduated magna cum laude with a bachelor’s degree in political science from the University of California at Irvine in 1980. In 1983, he received his JD from the University of Chicago Law School.

Jerome J. Shestack
Jerome Shestack was President of the American Bar Association (1997–1998). He serves as a senior counsel to Schnader Harrison Segal and Lewis LLP, Philadelphia, PA. He is a renowned trial lawyer, and has been regularly cited by the National Law Journal as one of America’s ‘100 Most Influential Lawyers’. He served as Chair of the ABA’s Center on Human Rights, Counselor to the American Society of International Law, Commissioner of the International Commission of Jurists and Chair of the IBA Standing Committee on Human Rights. He was US Ambassador to the United Nations Commission on Human Rights under President Carter. He founded the New York-based ‘Human Rights First’. He pioneered the obligation of lawyers to provide pro bono public service and to support human rights. President Clinton appointed him to the Council of the Holocaust Memorial Museum, where he chaired its Committee on Conscience. Mr. Shestack graduated from Harvard Law School where he was editor-in-chief of the Harvard Law School Record. He has authored more than 200 articles for law journals and editorial pages and has lectured at many leading universities. He is a member of the Order of the Coif, a Fellow of the American College of Trial Lawyers, and the American Academy of Appellate Lawyers. He is the recipient of the American Bar Association’s highest medal for distinguished service.

Marcelle Shoop
Marcelle Shoop is Principal Adviser, Sustainable Development & Product Stewardship for Rio Tinto in the Americas. Ms. Shoop is focused on leading efforts to improve Rio Tinto’s performance as a global leader in sustainable development and product stewardship.

Ms. Shoop managed Rio Tinto’s federal climate change policy strategy for the US businesses for several years while based out of Rio Tinto’s Washington D.C. office. Prior to that, she was Director of Sustainable Development for Kennecott Utah Copper, a copper mining, smelting and refining operation near Salt Lake City, Utah, US. In that role, Ms. Shoop led efforts to integrate sustainable development and product stewardship practices into Kennecott’s business model. She also served as legal counsel for the company, with a primary focus on environmental and natural resource matters.

Prior to joining Kennecott, Ms. Shoop was in private practice with Holland & Hart in Cheyenne, Wyoming where the emphasis of her practice was on administrative and litigation in the public lands and natural resources fields. Prior to entering private practice, she clerked for the Honorable Ewing T. Kerr, United States
About the Authors

District Court, District of Wyoming. Ms. Shoop received her Juris Doctorate from the University of Wyoming College of Law and is admitted to practice in Utah, Wyoming and Colorado.

Richard Taylor
Richard Taylor is counsel to CMS Cameron McKenna having been a partner of the firm since 1974. His practice developed from general corporate work into a specialized antitrust practice in EU and UK competition law. He has represented clients (including a number of well-known multinationals) on a wide variety of matters including international merger control, antitrust compliance and proceedings before courts, tribunals and competition authorities and he has written extensively on competition law related topics. He was the founder and first chairman of CMS, the transnational legal services organization linking eight law firms and practicing in 23 jurisdictions. He has also served as Chairman of the Law Society’s European Group, is a member of the IBA and serves on the Competition Commission of the International Chamber of Commerce. Richard has been responsible for a number of his firm’s key client relationships and also pro bono activities.

Rosamund Thomas
Dr. Rosamund Thomas is Director of Centre for Business and Public Sector Ethics, Cambridge, UK: see www.ethicscentre.org. She is an expert in CSR, Business Ethics and Business management. Dr. Thomas read these subjects at the University of Birmingham (UK); Harvard University to doctoral and post-doctoral levels (US); and taught at the London School of Economics and Political Science (1978–1983). In 1983, she accepted a Senior Research Fellowship in the Faculty of Law of the University of Cambridge, before becoming Director of the Centre for Business and Public Sector Ethics in 1988. Dr. Thomas has given evidence and Conference assignments to distinguished bodies, and is also a well-known author and editor. Her published books include The British Philosophy of Administration; Espionage and Secrecy; The Official Secrets Acts 1911–1989 of the United Kingdom; Government Ethics; and Environmental Ethics. Dr. Thomas has originated five Modules on ‘Ethics and Anti-Corruption’, published by Centre for Business and Public Sector Ethics, 2009 (2nd edition), and is listed in ‘Who’s Who in the World’ 2010 for her contribution to the betterment of contemporary society.

Sune Skadegaard Thorsen
Sune Skadegaard Thorsen founded and heads the consultancy GLOBAL CSR, Copenhagen, and is partner in Corporate Responsibility Ltd. in London. With a background in international corporate law, Mr. Thorsen specialized in Corporate Social Responsibility (CSR) since 1996. GLOBAL CSR advises a range of leading transnational corporations, governments and organizations as experts on social sustainability. He was expert advisor to Mary Robinson’s Business Leaders Initiative on Human Rights (2003–2009) since inception. He continued as expert advisor to the Global Business Initiative on Human Rights and European Advisor to the Institute for Business and Human Rights, London. His honorary positions include Chair...
of the Danish Institute for Human Rights and the International Commission of
Jurists, Danish Section, in addition to serving as director in the Danish Centre for
International Studies and Human Rights, the Danish Peace Foundation and as mem-
ber of a range of CSR initiatives and advisory boards. He frequently speaks at inter-
national conferences and contributes papers and articles to books, journals and news
media.

Mark Walsh
Mark Walsh is a Corporate and Securities partner at Sidley Austin LLP, an interna-
tional law firm. He spent seven years in the firm’s New York office (1986–1994) and
five years in its Hong Kong office (1994–1999), and has been based in London
since 1999. He is admitted to practice in New York, England and Hong Kong law,
and is a member (non-practicing) of the Irish bar. One of Mr. Walsh’s areas of spe-
ciality is corporate governance. He works regularly with non-US companies that file
reports with the SEC concerning the requirements of the Sarbanes Oxley Act,
including UK and other European companies subject to competing requirements
under the UK and other EU codes. Since the collapse of Enron, Mr. Walsh has pub-
lished articles on corporate governance in the International Company and Com-
mercial Law Review, the Schweizerische Zeitschrift für Wirtschaftsrecht, The Lawyer,
Legal Week, Investor Relations and Legal Business. He was a principal contributor
of LNTV’s Programme (949), Directors’ Responsibilities and Liabilities – Sarbanes
Oxley, Higgs and Smith. Mr. Walsh has law degrees from University of Dublin
(Trinity College) and London (Queen Mary College) and has a diploma in interna-
tional commercial arbitration from the Centre for Commercial Law Studies.

Stephen B. Young
Stephen Young has been Global Executive Director of the Caux Round Table since
2000. He was educated at Harvard College, graduating magna cum laude, and at the
Harvard Law School, graduating cum laude. Stephen B. Young was an Assistant
Dean at the Harvard Law School and Dean and Professor of Law at the Hamline
University School of Law. Mr. Young has taught jurisprudence, corporate finance
and the law of fiduciary relationships. Mr. Young has practiced law, both transac-
tional and litigation, in New York City and Minnesota. His book, Moral Capitalism,
was published by Berrett-Koehler of San Francisco in 2003. In 2008, Professor San-
dra Waddock of the Carroll School of Management of Boston College listed Young
among the 23 persons who created the corporate social responsibility movement in
her book The Difference Makers.
Chapter 15
The Global Compact

Hans Corell

A. THE BEGINNING

At the World Economic Forum in Davos on 31 January 1999, United Nations Secretary-General Kofi Annan advocated the Global Compact. As a point of departure, he proposed nine universal principles in the areas of human rights, labor and environment. Referring to these principles, he asked business leaders to contribute to a sustainable and inclusive global market. The actual launch of the Compact took place in July 2000.


Much has happened since then, and today the Compact encompasses several thousand companies, other stakeholders and business organizations, both national and international, from all regions of the world. It includes international trade unions or union bodies, civil society entities at the global level, business schools and UN agencies.

Furthermore, participation in the Compact is open to all academic institutions committed to implementing the 10 principles, and there is even a Global Compact Cities Programme. In this context, it is of particular importance to note that the Compact also includes Corporate Social Responsibility (CSR) organizations.
B. THE PURPOSE

The purpose of the Compact is to convince the actors on the global markets that they should rally around shared values. In order to achieve more sustainable and inclusive global markets, special attention should be paid to the world’s poorest people. The Compact has two objectives: mainstreaming the 10 principles in business activities around the world, and catalyzing actions in support of broader UN goals, including the Millennium Development Goals. The Compact attempts to achieve two complementary goals. The first, which is of particular interest to all lawyers advising business, is to make the Compact and its principles part of the internal strategy and operations of business. The second goal is to engage different stakeholders and facilitate cooperation among them, in particular, when there are common problems that must be solved.

Within the Compact, four key mechanisms have been developed to accomplish these goals, namely: policy dialogues, learning, local networks and partnership projects.

C. THE PRINCIPLES

The principles upon which the Global Compact is based are taken from the areas of human rights, labor, the environment and anti-corruption. These principles are derived from four documents that enjoy universal support, namely:

- The Universal Declaration of Human Rights.¹
- The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.²
- The Rio Declaration on Environment and Development.³
- The United Nations Convention against Corruption.⁴

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values within these four areas. The principles are as follows:⁵

**Human Rights**

- **Principle 1**: Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2**: make sure that they are not complicit in human rights abuses.

**Labour Standards**

- **Principle 3**: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4**: the elimination of all forms of forced and compulsory labor;

---

² http://www.ilo.org/dyn/declaris/DECLARATIONWEB.INDEXPAGE.
⁵ http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html.
The Global Compact

- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

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

For the purposes of the present brief overview, it is not necessary, nor is it possible, to go into detail about the contents of the principles. In subdivision J, reference is made to material that contains extensive explanations of what these principles represent and the reasons why they are included in the Compact.

D. THE ACTORS

The purpose of the Compact is to involve all actors concerned. First and foremost, governments are concerned, since they are the ones who define and adopt the principles on which the Compact is founded. Next comes business, since the purpose of the Compact is to influence business. Another obvious actor is labor, since labor is the focus of several of the principles and is engaged in the process of global production. Civil society and the United Nations itself are other important actors.

1. GOVERNMENTS

The Global Compact is sometimes criticized for attempting to shift the responsibility for the observation of international commitments from governments to business. It is therefore important to stress at the outset that the primary responsibility for the principles rests with governments. First, governments provide the necessary legitimacy and universality to the principles of the Compact. All of the underlying documents have been adopted under the auspices of inter-governmental organizations. Consequently, implementation of the principles must be based on and take place within the standard legal framework at the national level. Hence, it is for governments to support the implementation of the Compact at the global and national levels.
As the system has developed, governments seek to support the Compact at the national level, in particular, in the formation of networks. They are also encouraged to establish policies to advance the purposes of the Compact.

At the global level, governments engage with the Secretary-General to develop the Compact and to engage other actors in the work. The Compact also enjoys the support of the UN General Assembly which, on 21 December 2009, renewed and expanded the mandate of the Global Compact Office and the UN office that supports the initiative in its resolution ‘Towards Global Partnerships’. The Compact is also recognized in a number of other inter-governmental contexts.

2. BUSINESS

With respect to business, it is important to stress that the Compact is a voluntary initiative with the purpose of promoting responsible global corporate citizenship. One of the fundamental ideas is that business leaders should be brought together to build a movement that is strong enough to support the ideals of the Compact. Therefore, a crucial precondition for a successful work within the Compact framework is that the Chief Executive Officer, and the Board of Directors are behind the Compact. It is from them that the initiative to join the Compact must emanate.

In the words of the Global Compact Office, the company that has committed itself to the Compact and its principles:

- Must set in motion changes to business operations so that the Global Compact and its principles become part of strategy, culture and day-to-day operations.
- Is expected to publicly advocate the Global Compact and its principles via communications vehicles such as press releases, speeches, etc.
- Is required to annually communicate on progress in implementing the 10 UN Global Compact principles through a public corporate report (e.g., sustainability or annual report).

To this author, the last item is of particular interest, since this was an idea that he advocated already in June 1998 when he was asked to challenge a Workshop on the topic ‘Is the Business of Human Rights Also the Business of Business’.

One of the explicit commitments that a company makes when it joins the Compact is to produce an annual Communication on Progress which serves several important purposes: to instill accountability; to drive continuous improvement; to safeguard the integrity of the Compact as a whole; and to contribute to the development of a repository of corporate practices. It is vital that great attention is paid to this communication, which should be mainstreamed in the company’s existing communications methods.

---

6. A/RES/64/223.
3. **LABOR**

As it appears, internationally recognized labor standards, including the fundamental rights are part of the 10 principles of the Compact. These standards are developed in a process in which business and labor play critical and central roles. However, labor plays a role that is different from those of business and other elements of civil society. This is the reason why labor is treated as a separate actor in the Compact. Of particular interest here is that labor has a distinct role in ILOs supervisory procedures designed to ensure that agreed labor standards are implemented at the national level. Furthermore, it is important in this context to refer to the practice of solving issues of interest to the Compact through collective bargaining agreements. This is common practice in many countries and is now also expanding at the global level. A number of framework agreements have been concluded between major companies and the international trade union bodies.

4. **CIVIL SOCIETY**

Important actors in the Global Compact are also organizations from the civil society. They provide valuable assistance by lending credibility and social legitimacy to the efforts, and they can often help by solving problems and explaining the Compact’s operations in more general contexts. These organizations participate both in the dialogue and as project partners. However, equally important is their advocating the 10 principles to larger audiences and challenging business both locally and at the global level to take a stand on the issues that the Compact is concerned with.

5. **OTHERS**

There are also institutions with expertise in the areas of human rights, labor, the environment and anti-corruption that can contribute to the activities of the Compact. Many such institutions have also made important contributions. Academic institutions and think tanks are among the participants, and there is an Academic Network that plays a catalytic role in the Compact’s operation by preparing business case studies and commentaries on examples, and by undertaking research on global corporate citizenship. The Global Compact Cities Programme, dedicated to the promotion and adoption of the Compact’s 10 principles by cities and to translating them into day-to-day urban governance and management, should also be mentioned.

E. **HOW DOES ONE PARTICIPATE?**

First, reference should be made to the extensive information on participation in the Global Compact which is available on the Compact’s website. The information is available at [http://www.unglobalcompact.org/](http://www.unglobalcompact.org/).
directed not only to business but also to non-governmental organizations and other non-business participants.

With respect to substance, as previously said, the Compact and its principles must be translated into business strategies and operations. Obviously, the responsibility for this activity rests with each participating company. But in order to further advance the goals of the Compact, the actors are encouraged to work together through dialogue, learning and projects at all levels.

1. **Policy Dialogues**

The Global Compact Office stresses that dialogue is central in order to achieve mutual understanding and joint efforts among business, labor and non-governmental organizations in solving key challenges of globalization. The Office maintains that in this effort to influence policy-making and the behavior of all stakeholders the outcome is threefold: products that can engender changes in policy frameworks, encompassing both incentive structures and regulatory mechanisms; products that can influence the actual behavior of participants; and collective action by like-minded actors working together.

2. **Learning**

The Compact’s Learning Forum has three specific goals: to identify critical knowledge gaps and to disseminate information; to communicate good practices and cutting-edge knowledge to participants; and to foster accountability and transparency through its web portal that should both facilitate dialogue and enable web links to relevant public documents. An important ingredient is the sharing of experiences in the form of presentations, examples or case studies both at meetings and on the Compact’s website.

3. **Partnership Projects**

As already emphasized, an important goal of the Compact is to take action and engage in partnerships to advance the broader UN goals, such as the Millennium Development Goals, among them ending poverty and hunger. A means to this end is Partnership Projects. The Compact’s website is therefore open to participating companies, labor and civil society organizations who want to share such experiences with others. According to the Global Compact Office there are three broad types of partnerships: advocacy and awareness raising partnerships; social investment and philanthropy partnerships; and core business partnerships.

---

The Compact is working on a number of levels to facilitate partnerships between stakeholder groups, and has inspired numerous development-related projects and partnerships at the local level. The Global Compact Office can function as an entry-point for companies that want to partner with the United Nations system.

4. LOCAL NETWORKS

An important element in the work of the Global Compact is the development of networks at the regional, national and local levels. Such networks perform increasingly important roles in rooting the Compact within different national, cultural and language contexts. Their role is to facilitate the progress of companies (both local firms and subsidiaries of foreign corporations) engaged in the Compact with respect to implementation of the 10 principles. They also create opportunities for multi-stakeholder engagement and collective action.

F. THE ADMINISTRATION OF THE GLOBAL COMPACT

As mentioned, the Global Compact was launched at the initiative of the Secretary-General of the United Nations. To administer the initiative, a Global Compact Office was established at the UN Headquarters in 2000. It is financed by governments and is working within the framework of the United Nations and in accordance with its goals.

Since 2004 there is also the Global Compact Leaders Summit, which is a triennial gathering of the top executives of all Global Compact participants and other stakeholders with the aim of producing strategic recommendations and action imperatives related to the future evolution of the initiative.

There is also the Global Compact Board, first appointed by the UN Secretary-General in 2006, to provide ongoing strategic and policy advice for the initiative as a whole and make recommendations to the Global Compact Office, participants and other stakeholders. The Board is comprised of four constituency groups – business, civil society, labor and the United Nations.

The Compact is furthermore supported by six UN core agencies, namely the Office of the High Commissioner for Human Rights, the International Labour Organization, the United Nations Environment Programme, the United Nations Development Programme, the United Nations Industrial Development Organization and the United Nations Office on Drugs and Crime. However, this does not mean that other UN agencies are excluded from participation. Further information about the administration of the Compact appears on its website.

G. THE GLOBAL COMPACT AND CSR

One question that is often asked is why a company that has already established its own code of conduct should participate in the Global Compact. The answer is very
such codes are extremely important. And companies that have demonstrated leadership and made changes in their policies should be commended. However, such codes are typically quite narrow in focus, often leaving out important issues such as human rights. The purpose of the Global Compact is different: it seeks to add new dimensions to good corporate citizenship by creating a platform – based on universally accepted principles – to encourage innovation, in particular, through new initiatives and partnerships with civil society and other organizations.

So, basically, the Global Compact is a voluntary corporate citizenship initiative with two main objectives: to mainstream the 10 principles in business activities around the world and to catalyze actions in support of United Nations goals, in particular the Millennium Development Goals.

The obvious conclusion is that those who advise companies and, in particular, transnational companies must have a clear understanding of these interrelationships and that the business community has an important role to play here.

H. THE GLOBAL COMPACT AND ANTI-CORRUPTION

As already mentioned, a tenth principle – against corruption – was added to the Compact in 2004. The need for a principle-based approach to fighting corruption within the framework of the Global Compact was actually raised already at the outset. The subject matter was revived after the signing of the United Nations Convention against Corruption in Merida, Mexico on 9 December 2003.10

Against this background, the Secretary-General started in January 2004 consultations with participating companies to solicit their views regarding a potential introduction of a tenth principle against corruption. A formal letter was sent to all participants seeking their views. The Secretary-General stressed that the adoption of such a principle would only occur if there was broad-based support, and that such an addition would be exceptional in nature. The consultation process concluded on 7 May 2004.

Based on the results of the consultation process, the Secretary-General formally proposed to a Global Compact Leaders Summit, held in New York on 24 June 2004, the principle against corruption that now appears in the Compact. With the Secretary-General’s announcement to the summit, this tenth principle was adopted.11

11.  http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/principle10.html. In his closing remarks at the Summit, the Secretary-General said: ‘Today we added a tenth principle to the Compact, to combat corruption. The extensive consultation that you went through to arrive at this amendment not only showed that an overwhelming majority of participants wanted to strengthen the Compact in this way; it also was an exemplary deliberative process. As a result, the Compact is now better positioned to address one of the most pernicious obstacles to growth and development, and to cooperate more intensively with groups such as Transparency International’.

272
The importance of combating corruption cannot be stressed enough. As Secretary-General Kofi Annan said in his message at the opening of the Conference for the signing of the UN Convention against Corruption:

[i]t is now widely understood that corruption undermines economic performance, weakens democratic institutions and the rule of law, disrupts social order and destroys public trust, thus allowing organized crime, terrorism, and other threats to human security to flourish. No country – rich or poor – is immune to this evil phenomenon. Both public and private sectors are involved. And it is always the public good that suffers. But corruption hurts poor people in developing countries disproportionately. It affects their daily life in many different ways, and tends to make them even poorer, by denying them their rightful share of economic resources or life-saving aid.12

I. THE ROLE OF THE LAWYER

Needless to say, lawyers, and in particular those who serve as corporate counsel, have an important role to play in relation to the Compact. One can take human rights as a point of departure even if the argument could be made equally for labor, environment and anti-corruption. Lawyers also have a special responsibility in society. It is of particular importance that they are familiar with the international obligations that their country has undertaken at the international level, that is vis-à-vis other states, and contribute to the fulfillment of such obligations.

Naturally, a corporate counsel’s main responsibility is to his or her client. But the two responsibilities may not necessarily conflict. On the contrary! The matters that the Compact focuses on are often given prominent attention in the media and public discussion. Ultimately, companies will be assessed by public opinion. And, as we know, in the public debate the agenda is often set by non-governmental organizations. It is therefore important that companies are proactive in the fields that the Compact encompasses also in their own interest.

It is said that corporate lawyers are concerned that by joining the Global Compact, companies might be held accountable if they do not meet the standards. This author does not believe that this is so, since the Compact is not a legally binding instrument. Rather, the principles are aspirational in nature. We should also remember that human rights protection is an obligation mainly for governments vis-à-vis their citizens and those who reside in their countries.

This focus on governments has resulted in a debate where some argue that a transnational company cannot raise human rights issues because that would have detrimental effects on the possibilities of the company to do business in the country in question. This is of course an argument that cannot be swept aside completely. But there are ways to address this dilemma also. We should remember that there are

multinational companies that have been severely criticized, and probably also suffered economically, because of lack of observation of human rights, labor and environmental standards as well as for not taking effective action against corruption.

Another concern expressed by corporate lawyers is that companies might be held liable for the behavior of their contractors and subcontractors. In the view of this author, this is not so, at least not because of the Global Compact. Furthermore, and more importantly, there should be means of dealing also with this problem. In particular, one could stipulate in the contracts (where appropriate also with reference to subcontractors) standards that the companies engaged must honor. Indeed, more and more companies are considering their supply chains in the broadest sense, and asking their business partners to uphold similar principles.

J. MATERIAL AVAILABLE

As already mentioned, there is a very elaborate website to assist all interested. It is strongly recommended that corporate lawyers and others interested visit this website, which contains extensive material which is constantly updated. Also, in case the need arises to present the matter for example at a board meeting there is even a slide collection that can be used for the purpose.