

BASIC GUIDE

Communication on Progress

Initial
Commitment

GC Active Level

GC Advanced
Level



About the United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally- accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals, including the Millennium Development Goals. The UN Global Compact is a leadership platform for the development, implementation, and disclosure of responsible corporate policies and practices. Launched in 2000, it is largest corporate responsibility initiative in the world, with over 10,000 signatories based in 140 countries. For more information: www.unglobalcompact.org

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Introduction

This guide has been developed for companies that are beginning to implement the Global Compact principles. It introduces the minimum requirements for participating in the Global Compact and how to report on them – with practical suggestions and examples grounded in best practices from Global Compact participating companies.

The guide introduces a simple COP structure, which is also available as an online template (the Basic COP Template) to easily communicate progress with stakeholders and to fulfill the minimum requirements for GC Active status. While the guide was primarily developed for smaller or less experienced companies, it is also relevant for larger and more experienced companies seeking basic guidance on comprehensive implementation of all the principles and the basic rules of participation.

ADDITIONAL RESOURCES

- **Comprehensive Guide to Communication on Progress (COP) and Differentiation :** Guides participants pursuing higher levels of implementation and disclosure. The resource provides comprehensive guidance on preparing COPs at the GC Active level and is particularly relevant for larger and more experienced companies that want to reach the GC Advanced level.
http://www.unglobalcompact.org/docs/communication_on_progress/Tools_and_Publications/Comprehensive_COP_Guide.pdf
 - **Making the Connection: Provides comprehensive guidance on communicating progress using the GRI guidelines.**
http://www.unglobalcompact.org/docs/communication_on_progress/Tools_and_Publications/Making_the_Connection_Final.PDF
 - **Implementation Resources:** Consult the Global Compact website for materials and tools designed to help companies to continuously improve their performance in implementing the principles.
http://www.unglobalcompact.org/COP/making_progress.html
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1. Communication on Progress: Rules and Requirements

Business participants in the Global Compact make a commitment to integrate ten principles in their strategies and operations. The Communication on Progress (COP) is intended as a mechanism to inform company stakeholders (e.g., investors, consumers, civil society, governments, etc.) on progress made in implementing the ten principles.

COP Deadline

Business participants are required to submit a COP within one year from the date of joining the Global Compact. Business participants must submit a COP annually, and COP due dates are based on the date of submission of the previous COP. To receive a deadline extension, participants can submit a grace letter. Participants that fail to submit a COP by their deadline will be designated as non-communicating; companies that remain non-communicating for more than one year will be expelled from the Global Compact.

Minimum content requirements

Each COP must contain the following three elements:

1. A **statement by the chief executive expressing continued support** for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.
2. A **description of practical actions** (e.g. disclosure of any relevant policies, procedures, activities) that the company has taken (and plans to take) to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
Note: In cases where a COP does not address one or more of the four issue areas, an explanation must be provided ("report or explain").
3. A **measurement of outcomes** (i.e., the degree to which targets/performance indicators were met, or other, qualitative or quantitative, measurements of results).

Differentiation Programme and GC Levels

A COP that contains the three elements above will be considered GC Active. If the COP does not contain one or more of these elements, the company will be placed in the Learner Platform and given a one-time, 12-month "Learner" grace period to submit a new COP that meets all requirements. Companies that seek to be considered as GC Advanced must meet additional advanced criteria (further details on the Global Compact website*).

Format

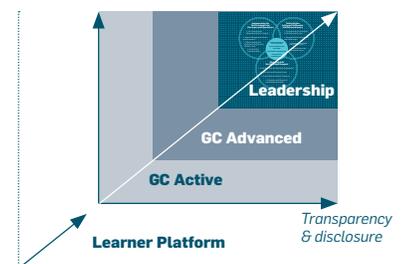
The overall format of a COP is flexible and COPs can be prepared in any language. The COP should be fully integrated into the company's main stakeholder communications (e.g. a sustainability report). If the company does not publish formal reports, a COP can be created as a stand-alone document (e.g. following the Basic COP Template). The Basic COP Template is presented in chapter 3 of this guide, and is available as a web-based template that can be completed during the submission process (details on p. 6).

Note: Although the Basic Online COP Template is available to all companies as a way to communicate directly with stakeholders and to fulfill the disclosure requirement, the Global Compact strongly encourages businesses participants to use their own medium of communication (e.g. website, annual report, sustainability report) to disseminate the content of their COP.

Submission Process

All business participants are required to post their COP on the Global Compact website. A brief self-assessment capturing the content of the COP must also be completed. This self-assessment determines the COP's designated level in the differentiation programme.**

Implementation of UNGC principles



* http://www.unglobalcompact.org/COP/differentiation/GCAdvanced_level.html

** The full COP Policy can be found at http://www.unglobalcompact.org/COP/communicating_progress/cop_policy.html

2. Submitting the COP to the Global Compact website

1. Login to the Global Compact administration site at www.unglobalcompact.org/login
2. Click on 'COPs' in the header navigation and then click on 'New Communication on Progress'
3. Choose either:

A) "COP Submission" if you have prepared a COP as a PDF file that you want to upload:

- You will be asked to **answer six questions** on the format and content of your COP. Ensure that these questions are answered correctly, as they will determine whether your COP will be considered as GC Active.
- On the next tab, upload your organization's COP as a PDF file (you are able to attach multiple files to your COP by clicking 'Add a PDF file').
- Click "submit". This is the final step in the submission process.

B) "Basic Template" if you want to create your COP during the submission process:

- The "Statement of continued support by the Chief Executive Officer" and the information on the four (4) issue areas, including the measurement of outcomes, can be inserted directly into the form.
- You will be asked to **answer six questions** on the format and content of the COP. Ensure that these questions are answered correctly, as they will determine whether your COP will be considered as GC Active.
- Click "submit". COPs are immediately published and made available to the public on the Global Compact website.

For further confirmation that your COP has been published, please click on "View public version" on the results screen which will take you to the public page of that COP. You may also perform a participant search (www.unglobalcompact.org/participants/search) for your company on the public website. Your COP will be displayed on your company's public profile page.

For a more detailed description on how to submit a COP, visit the Global Compact website under "Progress & Disclosure" >> "Communicating Progress" >> "How to submit a COP"

Sharing the COP with stakeholders

The Global Compact Office strongly encourages all participants to communicate their progress in integrating the Global Compact principles **directly with stakeholders**. This can be done through various means (e.g. communicate via the company website, integrate the COP into your annual sustainability report, conduct direct stakeholder consultations).

3. Basic COP Template

The following pages outline the Basic COP Template, providing a simple structure and suggestions for how a company can sufficiently report on the COP requirements (see p. 5). The suggestions are accompanied by examples of content elements found in actual COPs submitted to the Global Compact website that meet the requirements of the GC Active level of reporting.

Furthermore, the Basic COP Template is available as a web-based template that can be completed during the submission process (details on p.6).

NOTE: Participants seeking to report more thoroughly should consider using the GRI reporting framework in the preparation of their COPs.

Statement of continued support by the Chief Executive Officer (CEO)

Provide a statement by your company's chief executive expressing continued support for the Global Compact and renewing your company's ongoing commitment to the initiative and its principles (Please include name and title of the chief executive at the bottom of the statement).

Company Example

"I am pleased to confirm that the Association of Danish Law Firms reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this our first annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication."

Yours sincerely,

Paul Mollerup

Managing Director

The Association of Danish Law Firms (Danske Advokater), Denmark, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/14599>

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
Assessment, Policy and Goals

HUMAN RIGHTS PRINCIPLES

Assessment, Policy and Goals

Description of the relevance of specific human rights issues for the company (i.e. based on assessment of human rights risk). Description of policies, public commitments and company goals on Human Rights.

SUGGESTIONS

- Reference to (statement of support for) the Universal Declaration of Human Rights or other international standards
- Written company policy on respecting and supporting Human Rights (e.g. in code of conduct)
- Policy requiring business partners and suppliers to adhere to the principles on Human Rights
- Assessment of Human Rights related risks and impact in industry sector and country(ies) of operation
- Specific goals in the area of Human Rights for the upcoming year

Company example

"Lubeco's goal is to influence that our employees and all our business partners respect the Universal Declaration of Human rights and environmental protection. Based on our commitment we have set up a code of conduct, published on our website, to make our position clear for all our suppliers, employees and partners. Our Code of Conduct complies with the ISO 26000 standards and other international conventions."

Lubeco AS, Norway, COP for 2011

>> Click here to view full COP
<http://www.unglobalcompact.org/COPs/detail/13514>

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights related concerns.

SUGGESTIONS

- Suggestion box, call center or grievance mechanism
- Awareness raising/training of employees on Human Rights
- Consultation with stakeholders and affected parties
- Allocation of responsibilities for the respect and support of Human Rights within your company
- Human resources and other policies and procedures relating to Human Rights

Company example

"PCC has taken the following measures to prevent human rights violations in its work locations:

- A box has been installed in each location for employees to submit their complaints and/or issues with regards to unfair treatment. These complaints are revised by top management and discussed immediately.
- A training session has been conducted for all employees to raise the public awareness on human rights issues."

Pancrop Commercial Co. Ltd., Sudan, COP for 2011

>> Click here to view full COP
<http://www.unglobalcompact.org/COPs/detail/13233>

Measurement of outcomes

Description of how the company monitors and evaluates performance.

SUGGESTIONS

- Specific progress made in the area of Human Rights in the past reporting period
- Information about how your company deals with alleged incidents of Human Rights abuses
- Investigations, legal cases, rulings, fines and other relevant events related to Human Rights
- Periodic review of results by senior management
- External audits of Human Rights performance

Company example

"Over the last year more than 50 [human rights] issues and problems reported by employees and other stakeholders pertaining to various functions have been resolved through the COOnect program. SAMVAD, a quarterly town hall meeting, is a forum where many such grievances are addressed/resolved. Issues that are not resolved are assigned to the respective functional head for resolution and the [COO's] office follows up on the progress of the redressal. One such initiative that has been implemented is the hardship allowance policy for the benefit of those employees who have to undergo a lot of hardship while working in remote areas."

WaterHealth India Private Limited, India, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/12849>

Company example

"BioPak will audit and evaluate all partners and suppliers against a set of defined principles, policies and guidelines. Any contravention of human rights will be documented and the responsible partner will be placed on probation and given a timeframe to address and resolve the issue. Continued non-compliance will result in the partner relationship being terminated. Senior management will audit suppliers annually without any warning to ensure that they are working within the defined guidelines of human rights."

BioPak, Australia, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/12944>

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 labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation
Assessment, Policy and Goals

LABOUR PRINCIPLES

Assessment, Policy and Goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

SUGGESTIONS

- Reference to ILO Core Conventions or other international instruments
- Written company policies to uphold the freedom of association and collective bargaining and the elimination of forced labour, child labour and employment discrimination
- Written policies that clearly state employee rights and responsibilities and their compensation and benefits
- Policy requiring business partners and suppliers to adhere to the Labour principles
- Assessment of labour-related risks in the industry sector and country(ies) of operations
- Specific goals in the area of Labour Rights for the upcoming year

Company example

"Our company handbook and policies state the right for collective bargaining. Our handbook covers policies concerning our employee rights and compensation and responsibilities. We assess labor related risks. We have a dedicated resource that monitors and mandates environmental and safety risks. We will continue to refine our employee handbook as needed and incorporate the Global Compact."

Quality industries, USA, COP for 2011

[» Click here to view full COP](#)

<http://www.unglobalcompact.org/COPs/detail/14370>

Implementation

Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.

SUGGESTIONS

- Suggestion box, call center or grievance mechanisms
- Awareness raising or training for employees on labour rights and policies
- Describe how the health and safety of all employees is ensured
- Describe how your company prevents discrimination of all kinds and ensures comparable pay for comparable work
- Consultation with employees and other stakeholders
- Allocation of responsibilities for the protection of labour rights within your organization
- Human Resource policies and procedures supporting the Labour principles
- Participation in international framework agreements and other agreements with labour unions

Company example

"All employees are now entitled to medical insurance.

All employees are encouraged to practice exercise and get reimbursed for payment of gym and sports services they use. To improve the quality of life of employees and their families, they are offered an annual fully paid weekend in a resort."

Blue Public Relations, Brazil, COP for 2011

» [Click here to view full COP](#)

<http://www.unglobalcompact.org/COPs/detail/13417>

Measurement of outcomes

Description of how the company monitors and evaluates performance.

SUGGESTIONS

- Demographics of management and employees by diversity factors (e.g. gender, ethnicity, age, etc.)
- Describe how your company deals with incidents of violations of Labour principles
- Investigations, legal cases, rulings, fines and other relevant events related to Labour
- Periodic review of results by senior management
- Specific progress made in the area of Labour during the last reporting period
- External audits (e.g. SA 8000)

Company example

"We have a 100 % compliance on approved working contracts.

We have a decrease in working related injuries by 75% 2011 on 2010.

We have an employee satisfaction survey on 3,9 on a 1-5 scale, where 5 is the best possible. (target is 4)

We have two employee related cases with the union in 2011."

Cheval Blanc & Studie 10 A/S, Denmark, COP for 2011

» [Click here to view full COP](#)

<http://www.unglobalcompact.org/COPs/detail/14404>

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 Assessment, Policy and Goals

ENVIRONMENTAL PRINCIPLES

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection

SUGGESTIONS

- Assess the environmental footprint and impact of your company
- Written company policy on environmental issues, including prevention and management of environmental risks
- Policy requiring business partners and suppliers to adhere to the environmental principles
- Describe specific goals in the area of the environment for the upcoming year

Company example

"Being mostly office based, the nature of the operations makes the banks direct environmental impact relatively small. The environmental impact of banking is instead mostly indirect, via clients, businesses and suppliers. We are a local savings bank and thus a central actor in the community. That enables us to influence the environmental awareness and work of our stakeholders."

Roslagens Sparbank, Sweden, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/11623>

Company example

"Stage Electrics has a Sustainability Policy based on the WWF One Planet Action template. We also have a separate Environmental Policy and a specific Policy on Sustainable Management of Live Events.

In the coming year Stage Electrics' main environmental targets are:

Increasing our percentage of recyclable waste

Reducing our fuel costs across the business (used for transportation of goods) by 10%"

Stage Electrics, United Kingdom, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/12027>

Company example

"Dean's Beans recognizes the promise, usefulness, and need for environmentally friendly technologies. The company is committed to purchasing them when economically viable, and communicating their utility and environmental benefits to its various stakeholders."

Dean's Coffee Beans, United States of America, COP for 2012

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/15149>

Implementation

Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents

SUGGESTIONS

- Awareness raising or training of employees on environmental protection
- Initiatives and programmes to reduce waste materials (e.g. recycling) and consumption of resources (energy, fossil fuels, water, electricity, paper, packaging, etc.)
- Activities aimed at improving the energy efficiency of products, services and processes
- Development and diffusion of environmentally friendly technologies
- Raise awareness among suppliers by asking them for environmental data on their products
- Environmental management system with objectives and procedures for evaluating progress, minimizing negative impacts and transferring good practices
- Allocation of responsibilities for environmental protection within your company

Company example

"We installed double-layered glass to strengthen the offices' insulation against temperature fluctuations, hence saving energy (gas oil for heating and electricity for cooling); and therefore contributing (on our humble scale) to reducing the emission of gases in the atmosphere which ultimately may lead to thermal retention in our planet."

Direct Line, Syrian Arab Republic, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/11429>

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance

SUGGESTIONS

- Information about how your company deals with incidents
- Investigations, legal cases, rulings, fines and other relevant events related to environmental principles
- Specific progress made in the area of the environmental protection during the last reporting period
- Periodic review of results by senior management
- External audits of environmental performance

Company example

"The cables network and the A/C (air-conditioning) systems installed on the new premises allow increasing the efficiency of the energy consumption (by over 20%) (see GRI indicators EN 30)."

SIVECO, Romania, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/10949>

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery

ANTI-CORRUPTION PRINCIPLES**Assessment, Policy and Goals**

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk assessment). Description of policies, public commitments and company goals on anti-corruption.

SUGGESTIONS

- Commitment to be in compliance with all relevant laws, including anti-corruption laws
- Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption
- Publicly stated formal policy of zero-tolerance of corruption
- Risk assessment procedures conducted for potential areas of corruption
- Detailed policies for high-risk areas of corruption
- Policy on anti-corruption regarding business partners
- Specific goals in the area of anti-corruption for the upcoming year

Company example

"User dis Ticaret as has a zero-tolerance policy for corruption, bribery and extortion. The following company policy according to bylaws can be evidence of this: "It is the policy of USERDIS Ticaret to pursue all of its business transactions in an honest and ethical manner. In doing business anywhere in the world, USERDIS Ticaret nor any person associated with the company may offer, pay, promise, authorize or receive any bribe, kickback or other illicit payment...Our 2011-2012 goals for the company are to continue to provide education for all level of employees up to management about corruption, as well as what to do if one should encounter it."

User dis Ticaret as, Turkey, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/10931>

Implementation

Description of concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

SUGGESTIONS

- Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice
- Communication and training for all employees on the anti-corruption commitment
- Internal checks and balances to ensure consistency with the anti-corruption commitment
- Management responsibility and accountability for implementation of the anti-corruption commitment or policy
- Participation in voluntary anti-corruption initiatives

Company example

"Internally, we have maintained an excellent check and balance system over transactions. The records are maintained with proper proves about where each rupee goes to and what is done with it. This information is checked and controlled by finance, administration and HR department and ultimately reaches to the CEO."

S.K. Corporation, Pakistan, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/13341>

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

SUGGESTIONS

- Information about how your company deals with incidents of corruption
- Internal and external audits to ensure consistency with anti-corruption commitment, including periodic review by senior management
- Public legal cases regarding corruption
- Specific progress made in the area of anti- corruption during the last reporting period
- Use of independent external assurance of anti-corruption programmes

Company example

"Laxmi Electronics Moulds & Precision Engg Pvt Ltd has not been involved in any legal cases, rulings or other events related to corruption and bribery.

Laxmi Electronics Moulds & Precision Engg Pvt Ltd has an external audit company to do four internal audits every year and the report directly submitted to the Managing Director. Our books and accounts are subjected to statutory external audit annually. These audits are used as one of the methods of identifying any suspicious payments which could be related to bribery or corrupt behavior. There has been no such incident reported in the period."

Laxmi Electronics Moulds and Precision Engg Pvt Ltd, India, COP for 2011

>> Click here to view full COP

<http://www.unglobalcompact.org/COPs/detail/13533>

The Ten Principles of the United Nations Global Compact

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

- 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 labour;
- Principle 5 the effective abolition of child labour; 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.

