

# The United Nations Global Compact

[00:00:00] **Intro/Outro Voiceover:** Welcome to the New York City Bar Association podcast.

In this episode: the United Nations Global Compact

Opinions expressed are those of the speakers and not necessarily of the City Bar.

[00:00:12] **Sophia Murashkovsky Romma:** Welcome to the New York City Bar Association's podcast on the UN Global Compact. My name is Sophia Murashkovsky Romma, and I'm a proud member of the New York City Bar Association. And I'm also the Co Chair of the United Nations Committee at the New York City Bar, and an international human rights and justice attorney. Recently, the New York City Bar Association became a member of the U. N. Global Compact. In joining forces with the global compact, there is a great expectation that this union will positively impact the City Bar's vital work and further its mission through the Bar's targeted programming, supporting the City Bar's, comparable goal of adhering to the rule of law and the advancement of global human rights.

Aside from pledging to endorse the 10 guiding principles through educational programs, Global Compact membership signifies a steadfast commitment to safeguarding nature and biodiversity, shaping a sustainable future, advancing the fundamental rights of the LGBTQ+ community, and erasing and eradicating racism.

Along with advocating for international peace and security, and most importantly, promoting camaraderie among the nations to harness the spirit of understanding among the people of our diverse world, and with a commitment to improving society through humanitarian objectives and the work of its agencies, the New York City Bar shares an objective to encourage support and promulgate information pertaining to the UN and hopes to be fortified by having united forces with the United Nations global impact in striving for the noble goal of a world at peace.

I would now like to introduce the participants of this podcast, who are my esteemed colleagues of the New York City Bar Association, and I would like to introduce firstly Mr. Karl Fisher, who is a member of the United Nations Committee as well.

[00:01:52] **Karl Fisher:** Thank you very much, Sophia, for having me. As Sophia mentioned, I am a member of the United Nations Committee at the New York City Bar Association and I'm also a practicing attorney here in New York City.

[00:02:04] **Sophia Murashkovsky Romma:** Thank you so much, Karl. And now I would like to introduce Yveline Dalmacy.

[00:02:10] **Yveline Dalmacy:** Good afternoon. Thank you so much for having me, sophia. I am the Secretary for the United Nations committee of the New York City Bar. I am a DC-barred attorney soon to be a New York barred attorney. Thank you for having me.

[00:02:25] **Sophia Murashkovsky Romma:** Thank you so much for joining us. And now I would like to also introduce Shubha Chandra.

[00:02:30] **Shubha Chandra:** Hello. Thanks for having me, Sophia. I'm Shubha Chandra. I am an advisory committee member of the Business and Human Rights Working Group at the New York City Bar Association. I'm also a licensed attorney in New York.

[00:02:41] **Sophia Murashkovsky Romma:** Thank you so much everyone. So I'll just dive into the questions. And the first question please entertain us with a response. Shubha what is the UN Global Compact? And what are the 10 principles which guides the UNGC?

[00:02:55] **Shubha Chandra:** Yes, the United Nations Global Compact or UNGC is the world's largest global corporate sustainability initiative. It was established in July 2000 by former UN Secretary General Kofi Annan and calls on businesses worldwide to operate responsibly by aligning their strategies and operations with its ten principles covering human rights, labor, the environment, and anti corruption, and to also take action to advance broader societal goals, such as the UN Sustainable Development Goals.

The ten principles of the UNGC are derived from four key universal instruments, specifically the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

The human rights principles state that businesses should support and respect the protection of internationally proclaimed human rights and make sure that they

are not complicit in human rights abuses. The labor principles say that businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation.

The environmental principles state that businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies. And the final principle, the anti corruption principle, states that businesses should work against corruption in all its forms, including extortion and bribery.

[00:04:45] **Sophia Murashkovsky Romma:** Thank you so much for that informative answer. And now I have another one for you. Which entities are participants of the UNGC and what are the benefits of joining?

[00:04:56] **Shubha Chandra:** Yes, the UNGC's main constituency is business, SMEs, and companies. However, the initiative also includes non business participants, such as law firms, bar associations, foundations, academic institutions, NGOs, and labor unions. To date, the initiative has over 21, 000 participants from over 160 countries, including over 18, 000 business participants.

The UNGC is a place for learning and sharing, as well as taking corporate action on topics covered by the 10 principles, which I previously mentioned. The UNGC operates as a convening body organizing global and local events and conferences on sustainability topics, bringing together a range of stakeholders. The initiative also develops guidance and training for business on a variety of sustainability topics.

[00:05:49] **Sophia Murashkovsky Romma:** Thank you so much for that response. And now I'd like to ask my colleague Karl Fisher the third question, and it's a mouthful, quite complex, so please, Karl, take your time. Would you please discuss the following statement? Whether the United Nations Global Compact membership of business entities is a pretense that will not result in corporate behavior changes because there is no quote unquote teeth to membership versus the reasoning that the UN Global Compact will in effect alter corporate behavior and it is a necessary helpful supplement to global adherence to UN principles and hence membership will serve a normative and educational role in furthering the principles of the UN Global Compact.

[00:06:31] **Karl Fisher:** Hi, Sophia. You're certainly right. There is a lot to unpack in that question. So I'll break my response down to about three parts. The first part to the response, there is actually empirical data and research that is out there that shows membership to the UNGC at least for privately held companies that in fact see improvement to their environmental social governance or E. S. G. because it's otherwise known and or also known as corporate social responsibility. C. S. R. to those incidents. So empirical data shows that joining UNGC as a privately held company, there is in fact positive improvement. So that's a positive effect from membership of the UNGC despite not having any quote unquote teeth or formal procedure for compliance. That brings up the second part. With respect to compliance, that may shape corporate behavior, participants in the UNGC that are a business as opposed to a non business participant, such as the New York City Bar Association, they are required to submit annual certification of progress regarding the steps that it's taking to further promote the 10 principles. Failure to do so may result in the company being listed on the UNGC's website as non communicating. Further, in instances of systemic or perhaps egregious abuse that is found by the UNGC to be prima facie non frivolous will be escalated to the company with a request to respond in writing and the UNGC may in fact try to assist in remediating the situation there. So that's all to say to some extent for the signatories, there is some level of transparency into their conduct that perhaps gives some sort of social monitoring and some level of teeth by community, and that is perhaps further reasoning as to why, at least in some instances of signatories, we do see in that empirical data, real positive change of behavior that models for the 10 principles. So now this brings up that third point. So sort of address again, sort of the criticism or pessimism behind the UNGC that signatories will not in fact change their behavior. To align or promote with the 10 principles and perhaps instead they just tout the membership and quote unquote blue wash their organization or company with a UN or program logo that is just simply self serving. And it doesn't make any real changes. And why would a signatory do this, you may ask? Well, one reason, as shown by the reports published by the UNGC, participation does in fact strengthen brands by increasing trust in their organization from consumers. So there is incentive there to bring in consumers. While there is a risk of undermining the overall mission of the U N G C, the benefits of the initiative, which has brought about positive behavioral changes in E S G and C S R outweigh those risks. In my opinion. It is worth noting that the U N G C has never reported that they are a code of conduct. And they don't have procedures in place to monitor or verify corporate practices. So the purpose is to maintain a continuing dialogue with businesses. That's the central tool of the global compact at ensuring respect and the appropriate engagement by the signatories that genuinely advance the 10 principles.

So that is my long winded response to the question.

[00:10:29] **Sophia Murashkovsky Romma:** Thank you so much, Karl and we certainly do hope that the UN Global Compact with its mission to find solutions to global challenges, will certainly do in obvious collaboration with the New York City Bar Association. So thank you for your well thought out answers. And now my fourth question would be directed to my dear colleague, Yveline.

Why has the New York City Bar Association joined the UN Global Compact?

[00:10:53] **Yveline Dalmacy:** Well, Sophia, the New York City Bar is one of the largest bar associations there is. By joining the UNGC, we are showing the world at large that we are against corruption in any form, that we support labor, the environment, and that we are committed to the furthering of human rights. We strongly believe that businesses should eliminate all forms of forced and compulsory labor, that they should uphold the freedom of association and recognize the right to collective bargaining. We also encourage business to work against any forms of corruption, including extortion and bribery. We believe in the protection of international, internationally proclaimed human rights. and that no business should be complicit in human rights abuses. As it pertains to the environment, we support initiatives that promote greater environmental responsibility and the diffusion of environmentally friendly technologies. New York City is a major player in local and global business affairs. Aligning ourselves by joining the UNGC is the right thing to do.

[00:12:14] **Sophia Murashkovsky Romma:** Thank you so much for your thoughts and your input on that question. My final last question also directed to Yveline would be what is the City Bar planning to do? And what does the decision mean for lawyers?

[00:12:27] **Yveline Dalmacy:** The New York City Bar intends to support the 10 principles of the UN Global Compact, also known as UNGC, as a non business participant. Our participation is a great endorsement of the UNGC's mission. A decision to join can positively impact our members. You see, Sophia, a majority of the members of the New York City Bar work as enhanced counsel. By partnering with the UN Global Compact, our members are in a unique position to gain access to diverse training on corporate sustainability. That in turn would allow them to better prepare their clients on topics which include, but are not limited to topics on sustainability, anti corruption, respect for justice, and for human rights, just to name a few. So it's a win for us. We support the UNGC and our members in turn have access to trainings turn that around and train their clients on those items that I have outlined.

[00:13:40] **Sophia Murashkovsky Romma:** Thank you so much for your in depth response. I would just like to thank my dear colleagues for sharing their thoughts. And I'd like to conclude by saying that the New York City Bar intends to support the ten principles of the United Nations Global Compact as a non business participant.

The New York City Bar's participation is a wonderful and great endorsement of the UN Global Compact's mission and signifies a serious step for the New York City Bar. By partnering with the UN Global Compact, the New York City Bar members are in a unique position to gain access to training on corporate sustainability, which in turn would allow them to better prepare their clients on topics, which include, but are certainly not limited to topics, of sustainability, anti corruption, respect for justice, and for human rights, to name a few, and certainly to adhere to the rule of law.

I will finish with the final note by stating that the role of the United Nations Global Compact in strengthening and establishing private sector partnerships to achieve the sustainable development goals is quite admirable. And hence we certainly congratulate the New York City Bar Association in joining the UN Global Compact, and hopefully we will change the world for the better.

Thank you so much for joining and for listening to us and for tuning in. God bless.

[00:14:54] **Intro/Outro Voiceover:** Thank you for listening to this episode of the New York City Bar Association podcast. Opinions expressed are those of the speakers and not necessarily of the City Bar.

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This podcast was produced and edited by Eli Cohen.