

BUSINESS ROUNDTABLE REPORT

AN EMERGING APPROACH TO CORPORATE SOCIAL RESPONSIBILITIES RIGHTS AND STAKEHOLDERS IN A BUSINESS CONTEXT

9 December 2010, Cairo, Egypt



GLOBAL BUSINESS INITIATIVE
ON HUMAN RIGHTS



THE AMERICAN UNIVERSITY IN CAIRO
John D. Gerhart Center for Philanthropy and Civic Engagement



المركز المصري لمسئولية الشركات
EGYPTIAN CORPORATE RESPONSIBILITY CENTER



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Mr. Youssef Mansour, Chairman and CEO, Mansour Group

“Human rights have everything to do with business and in the Arab region and in Egypt in particular we need to step up as companies and not be afraid to openly discuss this issue. Human rights, which have been spelt out in the internationally recognized Universal Declaration of Human Rights are the basic rights and freedoms to which all humans are entitled. With the ever-expanding role of the private sector in today’s world, we have a profound responsibility to uphold and ensure basic human rights.”

**Professor John Ruggie, Special Representative to the United Nations
Secretary-General on business and human rights**

“I was asked at the outset ‘what does business and human rights mean?’ Business and human rights means social sustainability of markets and enterprises.”

Dr. Dalia Abdel Kader, Head of Marketing and Communications, Arab Africa International Bank

“We were focussed on philanthropy. Shortly after we realised that it was the core business that needed our attention. Human rights lie in every part of our business. Everything we do has a human rights dimension”

John Morrison, Executive Director, Institute for Human Rights and Business

“Respect and dignity sit beneath every single human rights convention that exists. These are words that exist in every language, in every culture. They are the bedrock of human rights, and human rights are only the social codification of these things. We need a universal framework for this. We need a global code. We need global coherence. We need a level playing field.”

Dr. Ashraf Gamal, Executive Director, Egyptian Corporate Responsibility Center, Ministry of Investment

“We have to continue raising the awareness of the Egyptian Business sector on the whole concept of responsible business and human rights and business. Already the level of awareness in Egypt is much less than in Europe and other countries so we have to start with the basics.”

Sameh Mohsen Ali El Taweel, Chief Executive Officer, SiBiC

“There is an idea that human rights are not in our culture - actually, they are. It is just misunderstood One of the challenges is that we need to work on the understanding of human rights for companies, stakeholders, and governments. We have lots of challenges we need to work on together.”

CONTACTS



GLOBAL BUSINESS INITIATIVE
ON HUMAN RIGHTS

Katryn Wright

Programme Manager

katryn.wright@global-business-initiative.org

www.global-business-initiative.org



المركز المصري لمسئولية الشركات
EGYPTIAN CORPORATE RESPONSIBILITY CENTER

Dr. Ashraf Gamal

Executive Director

agamal@eiod.org

www.ecrc.org.eg

THE AMERICAN UNIVERSITY IN CAIRO
John D. Gerhart Center for Philanthropy and Civic Engagement



Dr. Barbara Ibrahim

Director, John D. Gerhart Center for
Philanthropy and Civic Engagement

bibrahim@aucegypt.edu

www.aucegypt.edu/academic/gerhartcenter



Nahla Zeitoun

Programme Analyst, UNDP Egypt

Nahla.Zeitoun@undp.org

www.undp.org.eg



Walid Nagi

Manager CSR and Corporate Communications Al-Mansour Holding
Company for Financial Investments and

UNGC Regional Network Manager - MENA and Europe

walid.nagi@mansourgroup.com/nagi@un.org

www.mmd.mansourgroup.com



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INTRODUCTION

This report has been written to document key speeches, discussions, insights and outcomes from a one-day business-to-business Roundtable - “An emerging approach to Corporate Social Responsibilities: Rights and Stakeholders in a Business Context” - held in Cairo, Egypt on 9th December 2010. The session brought together experiences of international and Egyptian businesses and relevant experts.

The objectives of the roundtable were as follows:

- **Demystifying the agenda** - to clarify the link between human rights and business
- **Building the business case** - to discuss the business case for using human rights as a way to understand and implement corporate social responsibilities
- **Exchanging experiences** - to exchange good practices, dilemmas and challenges for corporations (in Egypt and around the world) in implementing the corporate responsibility to respect human rights in their operations
- **Identifying value-addition** - to identify the possible contribution of the Egyptian (and wider Arab) business community to the human rights and business agenda, and vice-versa
- **Developing ways forward** - to brainstorm a road-map for exploring human rights and business in Egypt

The event was attended by over 100 participants, including over 80 from business, 15 from civil society 12 from academic institutions, 8 from business associations, and 5 representatives from UN bodies. Speakers at the event included Professor John Ruggie, the Special Representative to the United Nations Secretary-General on business and human rights (UN SRSG); Mr. Youssef Mansour, Chairman and CEO of Mansour group; expert organisations (e.g. United Nations Global Compact (UNGC), United Nations Development Programme (UNDP), The American University in Cairo and the Institute for Human Rights and Business) and various businesses (e.g. Arab Africa International Bank, General Electric Company, Unilever plc, Proctor & Gamble, Total S.A. and Mercedes-Benz Egypt).

The Roundtable included discussion on a range of issues including integration of human rights into business practice, latest policy developments, key issues such as Health and Safety and diversity, and key challenges of human rights and diverse stakeholders. As well as insights into what is required of companies in Egypt and the wider region, some next steps to progress the agenda were identified including:

- The event partners (Egyptian Corporate Responsibility Center (ECRC), United Nations Development Programme (UNDP) and The American University in Cairo (AUC)) will bring together a task force and move forward to hold one clear dialogue going forwards. As a first step, the partners and interested business leaders will come together to reflect on this report and plan next steps.
- Translation of some existing business and human rights resources into Arabic – to support dissemination in Egypt and the wider Arab region, and to support increased accountability among all actors.
- A proposal for a resource centre specific to Egypt was put forward (addressing national dynamics,
- Case studies, and challenges).

REGIONAL POLICY AND PRACTICE CONTEXT

In Egypt and the wider Arab region, Corporate Social Responsibility is increasingly seen as a critical part of operating a successful business, as well as responding to the needs and aspirations of the population. Exchange of good practices, challenges and innovations are also common among business leaders.

Historically there have been numerous reports of human rights abuses in Egypt including the use of emergency legislation to arrest and detain without charge or trial, unfair trials of civilians before military and emergency courts and use of torture. There have also been restrictions on the peaceful exercise of the rights to freedom of expression, association and assembly. The international community has also raised concerns about discrimination against women; migrant, refugee and asylum-seekers rights; and labour rights. A recent Amnesty report states that “The authorities maintained strict controls on freedom of expression, association and assembly. Torture and other ill-treatment remained common and widespread, and in most cases were committed with impunity. Several deaths as a result of torture or other abuses by police were reported. Several hundred administrative detainees were released but thousands of others, including long-term detainees, continued to be held despite court orders for their release; the government did not disclose the number of those detained.”¹

The recent economic crisis has impacted economies across the region and resulted in higher levels of poverty and unemployment. Prior to this, economic reforms introduced in Egypt aimed at reducing poverty and raising living standards had resulted in stronger economic growth.² The resultant attention from the international community on companies headquartered in Egypt catalyzed an increase in focus on corporate accountability in the country, and saw the emergence and growth of several organizations including the UN Global Compact Local Network Egypt (check number of members as at date of report published) and the Egyptian Corporate Responsibility Center. Companies headquartered in the region such as Mansour Group who have been heavily engaged in the corporate accountability and business and human rights dialogues have cited clear advantages to starting to address and review potential issues and impacts prior to increased international attention on companies in the region.

GLOBAL CONTEXT

In all countries around the world, an essential part of the individual and collective corporate responsibility journey is the interface with emerging international frameworks and approaches, such as the UN Global Compact, the Global Reporting Initiative and the Millennium Development Goals. Such interaction contributes to fostering a vision of an ethical, fair and sustainable globalization that works for all.

The past decade has seen increased consensus, clarity and commitment about human rights in a business context. This is due to many major corporations seeing the clear, long-term business case for respecting human rights, including improved risk management; improved compliance; efficiency gains; reduced operational disruption; sustained license to operate; new business models; and access to capital and markets. As well as escalating commitment to the UN Global Compact – where human and labour rights content is strong – companies all over the world have practices to share that relate to human rights (even if they are not labelled as such).

The work of the UN SRSG Professor John Ruggie has also been instrumental in building momentum in this area of corporate responsibility. The UN SRSG reports to the UN Human Rights Council which has endorsed a clear policy framework (outlined later in this report), and at the last meeting in June 2010, the Egyptian

¹ <http://www.amnesty.org/en/region/egypt/report-2011>

² World Bank, Country Brief: Egypt. www.worldbank.org

delegation voiced support for the work of the UN SRSG. Professor Ruggie delivered the keynote speech at the December 2010 Roundtable which, significantly, was given just two weeks after publication of the Draft United Nations Guiding Principles on Business and Human Rights (The Draft Guiding Principles), and provided an in-depth review of the work and recommendations of his mandate to date. A summary of the most recent version of The Guiding Principles can be found in the appendix to this report. These cover a range of issues including the role of government, State Owned Enterprises, the state-business nexus, multilateral institutions, due diligence and extra-territorial jurisdiction.

THE UN “PROTECT, RESPECT, REMEDY” FRAMEWORK

- **THE STATE DUTY TO PROTECT:** The first pillar of the UN Framework is the state duty to protect against human rights abuses committed by third parties, including business, through appropriate policies, regulation and adjudication. It highlights that states have the primary role in preventing and addressing corporate-related human rights abuses.
- **THE CORPORATE RESPONSIBILITY TO RESPECT:** The corporate responsibility to respect human rights means acting with due diligence to avoid infringing on the rights of others, and addressing harms that do occur. This is a global standard of expected conduct acknowledged in virtually every voluntary and soft-law instrument related to corporate responsibility, and now affirmed by the Human Rights Council itself.
- **ACCESS TO EFFECTIVE REMEDY** Effective grievance mechanisms play an important role in both the state duty to protect and the corporate responsibility to respect. As part of their duty to protect against business-related human rights abuse, states must take appropriate steps within their territory and/or jurisdiction to ensure that when such abuses occur, those affected have access to effective remedy through judicial, administrative, legislative or other appropriate means.

A full breakdown of the “Protect, Respect, Remedy Framework” can be found at:
<http://www.business-humanrights.org/SpecialRepPortal/Home>

THEMES

Speakers and participants recognized that there is now unprecedented clarity about the various duties and responsibilities of governments and business regarding human rights. This is in no small part due to the work of the UN Special Representative on Human Rights (UN SRSG) whose “Protect, Respect, Remedy” Framework formed a central discussion point of the Roundtable. Further, although human rights are felt to be a contentious and difficult issue in many parts of the world – including Egypt and the wider region – there is also significant consensus about human rights and business responsibilities. During the course of the day, many participants mentioned the inclusion of human rights in existing and new Corporate Social Responsibility (CSR) frameworks e.g. The UN Global Compact Principles, ISO 26000, and various national CSR codes.

THEME TWO - CORE BUSINESS - MOVING BEYOND CORPORATE PHILANTHROPY

As one speaker outlined *“We were focussed on philanthropy. Shortly after we realised that it was the core business that needed our attention. Human rights lie in every part of our business. Everything we do has a human rights dimension”*. Business and Human Rights moves beyond corporate philanthropy and asks corporations to identify and mitigate their potential negative impact on human rights in the first instance. Many companies around the world have begun looking at a range of policies and processes and integrating human rights considerations. Such processes involve multiple business functions e.g. legal, risk management, human resources, supply chain, sales and marketing.

THEME THREE - ROOTING THE BUSINESS CASE IN THE REGION

Participants acknowledged that there is a strong business case for corporations to respect human rights. This is comprised in part of the need for a sustainable social license to operate; reduced operational disruption; access to markets and capital; reduced legal and litigation costs; empowered and loyal workforces and good reputation management. However, discussions also noted that the pressure and drivers on business are often quite limited – civil society, government, employees and others are not demanding these things at the moment. What is the local business case? What is the business case for the Gulf Cooperation Council (GCC) and parts of Africa?

THEME FOUR - LOCALIZING TERMINOLOGY, KEY CONCEPTS AND IDEAS

As well as the business case being “localized”, a large number of participants made the point that the spirit and content of human rights resonates with certain Arabic and Islamic terms and concepts. For example, one participant proposed that the concept of Karama (Arabic: الكرامة) meaning ‘dignity’ provides a powerful starting point for such discussions. Translation of key materials and guidance is a critical starting point but also, moving forwards, opportunities to root the Business and Human Rights agenda in the country and region should be investigated. As a business leader from one company pointed out *“... we had to contextualise our findings from the Human Rights Impact Assessment because not all countries appreciate the notion of human rights in the way we do, for instance, in West Europe and North America”*. At the same time, a business leader from another company noted *“We have been developing policies and adapting to local contexts and key issues, but we are always talking about the same international standards.”*

THEME FIVE - LOW LEVELS OF COMPLIANCE AND ACCOUNTABILITY ARE KEY CHALLENGES

Studies carried out by the UN SRSG found that a central challenge in assessing the human rights impacts of business is that national laws are weak or unenforced. Many participants in the Roundtable echoed this observation, noting instances of child labour and bad health and safety records in a number of industries, and a limited understanding of non-discrimination. Dealing with such items is clearly critical. One speaker said *“This is an issue shared in Africa and among the GCC states. Nobody knows what their rights are and awareness is lacking in terms of human rights and safety. This is not insurmountable – if they can do it in the ‘developed world’ we can do it here, but overall we have a long way to go.”*

THEME SIX - THE WHAT AND HOW - THE ART OF THE POSSIBLE

During one break-out session, a number of companies shared their human rights journey and how they have begun to integrate respect for human rights into business policies and processes – following the guidance set out by the UN SRSG to embed the “cognitive process” of Human Rights Due Diligence – develop a policy statement committing to human rights, understanding and mitigating impacts, integrating human rights into business processes and tracking responses. Business leaders from the General Electric Company, Unilever plc, Royal Dutch Shell and the Arab Africa International Bank spoke about undertaking gap analysis, drafting policy statements, training, committing to industry-relevant principles, assessing impacts and forming the necessary partnerships to support their human rights journey. A number of tools and resources exist to support businesses in their journey and many of these were explored during the session on tools and guidance.

THEME SEVEN: INCREASING AWARENESS AMONG ALL ACTORS IS CRITICAL

A common theme throughout the Roundtable and reflected in the final session of the day is the need for awareness about human rights among all actors. *“There is an idea that human rights are not in our culture - actually, they are. It is just misunderstood. One of the challenges is that we need to work on the understanding of human rights within companies, with stakeholders, and with governments. We have many challenges we need to work on together.”*

WELCOME PANEL

The Business and Human Rights Roundtable held in Cairo, Egypt on 9th December 2010 was designed for business leaders from across the Middle East and provided a space to share experiences, questions, challenges and practices. To provide a more indicative and accurate account of the day, the panel sessions are summarised below and verbatim quotations are provided where available.

This session set the context and current state of play of the business and human rights agenda – globally, regionally and locally - and outlined the objectives of the roundtable. Initial welcome and introductions were given by the conveners, represented by **Dr Ashraf Gamal, Executive Director, Egyptian Corporate Responsibility Center, Ministry of Investment (ECRC)**; **Dr. Barbara Ibrahim, Director, John D. Gerhart Center for Philanthropy and Civic Engagement, The American University in Cairo (AUC)**; **Mr. Mounir Tabet, Country Director, UNDP**; and **Mr Mark Hodge, Director, Global Business Initiative on Human Rights (GBI)**.



Dr. Barbara Ibrahim, Director, John D. Gerhart Center for Philanthropy and Civic Engagement, The American University in Cairo

“For businesses, adhering to human rights standards is not about bringing politics into the workplace; it's simply applying the values of integrity, respect and fairness at all levels of company operating systems.”

Mr. Mounir Tabet, Country Director, UNDP

“Traditionally, human rights were seen as a responsibility of governments. Today, companies are aware of their contributions to the advancement of human rights and the benefits such an approach can have for their own business. Companies, in every sector, are becoming increasingly aware of their human rights impacts and responsibilities, especially in the wake of major abuses reported in recent decades including sweat shops, chemical gas leakages, child labor, workers’ exploitation, etc...”

SENIOR LEADERS PANEL

Professor John Ruggie, United Nations Special Representative to the Secretary-General on Business and Human Rights, delivered the keynote address. This was followed by comments, reactions and questions from Mr Youseff Mansour, Chairman and CEO of Mansour Group.



Professor Ruggie discussed the UN “Protect, Respect, Remedy” framework in detail including focussing on the subject of due diligence, and examining the mandate’s interpretation of extra territorial jurisdiction. Mr Youseff Mansour discussed the move from purely philanthropic CSR activities towards integrating human rights into business and into external supply chains, and posed key questions to Professor Ruggie on how to get started on business and human rights. Discussion points from the floor included the need for companies to take a role in awareness raising and responsible advertising, and the strong business case for companies investing in a sustainable business.

Key discussion points

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- There is increasing clarity and acceptance of both corporate responsibilities and states duties in relation to business and human rights.
- There is a strong business case for respecting human rights in all areas of business practice, and this is increasingly acknowledged by business.
- Commitment of senior business leaders to integration for human rights considerations into all business areas is key when aiming to fulfil a company’s responsibility to respect human rights.

Professor John Ruggie, United Nations Special Representative to the Secretary-General on Business and Human Right

On the State Duty to Protect: “... there are about 40 countries that have issued indicative CSR guidelines, including Malaysia, India and China. We are not talking simply about Denmark, Netherlands and Sweden, we’re talking about developing countries as well where the State has issued essentially non-binding guidelines for what is expected of companies. What do we expect companies to do in relation to corporate responsibility, including human rights? The fact is that in most of these instances business has been involved in drafting these guidelines and has not opposed the issuance of guidelines because in a world of such conflicting demands upon business having some coherent statement from the governing authorities in the country and by extension the United Nations, can be welcomed.”

On the Corporate Responsibility to Respect: “How do you know you respect human rights? What systems do you have in place to allow you to demonstrate to yourself, let alone anybody else, that you respect

human rights? Or are you just saying that you respect human rights. You have to know and you have to show that you respect human rights.”

“Human rights due diligence, like any form of due diligence, includes anticipating potential issues that may adversely affect you as an enterprise. So assessing your impact on human rights is the first step. Then integrating the findings of these assessments into your various business functions and seeking, wherever possible, to mitigate or prevent the adverse impact. If it is entirely unavoidable, then to set about remediating the impact. The whole process wherever possible requires a certain degree of engagement and dialogue with those who are affected.”

On Access to Remedy: *“What we have been promoting as an effective tool, even for the short run and wherever possible, are various forms of alternative dispute resolution. We’re running and finalising a set of pilot projects of companies that have taken what makes for an effective grievance mechanism at the operational level and road test them against real experience over a year and see what happens.*

“Why would a company want to do such a thing? To reduce transaction costs. To solve problems while they are still small, before they escalate into big confrontations and where bad things start to really happen, and that’s where really serious human rights violations begin to take place. Deal with them locally, deal with them early, deal with them honestly, treat people with dignity, and your business will thrive, and so will the community in which you operate. That’s what social sustainability of markets and enterprises is all about.”

Q&A BETWEEN UN SRSG PROFESSOR JOHN RUGGIE AND MR. YOUSSEF MANSOUR, CHAIRMAN AND CEO, MANSOUR GROUP

MR. YOUSSEF MANSOUR: WHAT SHOULD COMPANIES DO TO GET STARTED?

PROFESSOR JOHN RUGGIE: IT IS EXTREMELY IMPORTANT FOR SENIOR LEADERS IN THE COMPANY TO MAKE THEIR OWN COMMITMENT WELL KNOWN BUT HAVING IT WELL KNOWN IS NOT ENOUGH. YOU ALSO NEED TO MAKE SURE IT GETS INSTITUTIONALISED WITHIN THE COMPANY AND THAT THE VARIOUS BUSINESS UNITS AND FUNCTIONS ARE ADEQUATELY INFORMED AND TRAINED.

MR. YOUSSEF MANSOUR: WHAT BENEFITS ARE THERE FOR BUSINESS IN TAKING THE ISSUE SERIOUSLY?

PROFESSOR JOHN RUGGIE: THE BENEFITS BUSINESSES SEE ARE QUITE DIVERSE AND THEY DO DEPEND TO SOME EXTENT ON THE INDUSTRY ITSELF. WHEN YOU HAVE A GRIEVANCE MECHANISM YOU HEAR CONSTANTLY FROM THOSE ON WHOM YOU’RE HAVING AN IMPACT WHAT THEY ARE THINKING ABOUT WHAT YOU ARE DOING. TYPICALLY COMPANIES THAT HAVE A STRONG CSR PRESENCE TEND TO HAVE LOWER STAFF TURNOVER RATES. PEOPLE FEEL GOOD ABOUT WORKING FOR THEM BECAUSE THEY ARE NOT SIMPLY MAKING A PROFIT. THEY ARE MAKING A PROFIT IN A WAY THAT ALSO MAKES A CONTRIBUTION TO SOCIETY.

Mr Youseff Mansour, Chairman and CEO, Mansour Group

“Human rights have everything to do with business and, in the Arab region and in Egypt in particular, we need to step up as companies and not be afraid to openly discuss this issue. Human rights, which have been spelt out in the internationally recognised Universal Declaration of Human Rights are the basic rights and freedoms to which all humans are entitled. Contrary to popular opinion, it is not just up to governments to protect the rights of its citizens ... especially with so many governments. With the ever-expanding role of the private sector in today’s world, we have a profound responsibility to uphold and ensure basic human rights. My company, the Mansour Group, employs more than 7,000 employees and in my company we are dedicated to integrating policies that will aim to protect the human rights of every one of those employees.

“While as a family and as a business we have always believed in the importance of giving back to our surrounding communities in meaningful ways, it was not until this past decade that as a company, we acknowledged the importance of weaving social responsibility into the DNA of our company. When I say this, I want to emphasize the importance of delinking a company’s social responsibility from philanthropy.

“We are now in the process of reviewing our own policies based on a clear human rights matrix including areas such as: employee treatment, issues related to the work place, products and services, overall business

conduct and supply chain. I am the first to admit, as many of you will also do today throughout your discussions, that my company may not adequately address human rights issues. Having said that, we are fully committed to making the necessary changes and improvements required to push us ahead.”

SIGNATURE OF COOPERATION AGREEMENT

Following the keynote speeches, Dr. Ashraf Gamal, the Executive Director of the Egyptian Corporate Responsibility Center (ECRC) and Dr. Hatem Khater, head of the Egyptian Businessmen Association, signed a cooperation agreement between the two entities committing to work together on spreading the awareness of CSR and how it can be implemented among members of the Businessmen Association, as well as business organisations operating in Egypt in general. The signing ceremony took place as a side event of the GBI roundtable on Human Rights in Business and was witnessed by Prof. John Ruggie, the UN Special Representative on Human Rights.



LINKING HUMAN RIGHTS AND BUSINESS

This session reviewed the distinct nature of human rights in a business context and examined the business case for respecting human rights. The panel also discussed whether the language of human rights is a help or hindrance when engaging with stakeholders, and how human rights support engagement with other sustainability challenges.

During this panel, opening comments were provided by Mark Nordstrom, Senior Labour and Employment Counsel, General Electric Company; Marie Capitaine, Group Legal Department, Compliance and CSR, Total S.A.; Mike Nolte, CEO & Managing Director of Mercedes-Benz Egypt; and John Morrison, Executive Director, Institute for Human Rights and Business. The session was moderated by Sherif Kamel, Dean of the School of Business at The American University in Cairo and initial presentations were followed by a facilitated discussion.



The panel and audience discussed the role of business in providing products and services that in themselves enhance or provide access to human rights (e.g. water, energy, healthcare); the role of cultural diversity; and the use of internationally recognised human rights. The issue of conflicting local laws, international human rights standards and company commitments was raised, and many companies require more guidance on how to deal with these instances. Participants seeking further guidance were advised to approach business associations and experts such as the Egyptian Chamber of Commerce, American Chamber of Commerce in Egypt, and ECRC for further expertise in this area.

Key discussion points

- The language and terminology used to approach human rights discussions within a company can be key to starting integration.
- There is often a need to adapt company policy to local contexts whilst upholding international human rights standards in order to secure the social license to operate.
- Respect and dignity exist in all languages and cultures and form the bedrock of human rights. Human rights, as a codification of these principles, provides a globally applicable framework of expectations of business conduct.
- In 10 years time it is anticipated that human rights due diligence could be as mainstream in business as health and safety is now.

Mark Nordstrom, Senior Labour and Employment Counsel, General Electric Company

“There is great value in talking about human rights in a way that is acceptable - that is - in a way that people will hear you and not turn off. You have to have a keen sense of judgement on how you should get the human rights message across without necessarily confronting people with topics that they prefer not to talk about. You need to be tactful, thoughtful and culturally sensitive to the discussion but not shy away from the content.”

Marie Capitaine, Group Legal Department, Compliance and CSR, Total S.A.

“Respecting human rights is important to secure our license to operate and to reinforce acceptance. It contributes to sustainable relationships with our suppliers and with our local communities. Because we are working in some very difficult countries we really have had to focus and put all our efforts into human rights and respect for human rights. We have been developing policies and adapting to local contexts and key issues, but we are always talking about the same international standards.”

Mike Nolte, CEO & Managing Director of Mercedes-Benz Egypt

“As a multinational company dealing around the world. We have a profound business interest in ensuring we do everything we can to ensure social sustainability in all markets we do business in. If we have sustainable social and environmental climates in markets we operate in, this is also good for our business. If there is instability - if there is social and political turmoil or civil unrest - this of course harms our markets. Today we conduct a lot of our global business in emerging and developing markets. Therefore we have a keen business interest to ensure we do everything in our power to honour our corporate principles and guidelines to ensure we have a sustainable social and business climate in the markets we operate in.”

John Morrison, Executive Director, Institute for Human Rights and Business

“In the business and human rights world we often hear concerns about cultural application - ‘are these values that a Western company is bringing with it from its own society and imposing them on ours?’ You also hear that it’s about protectionism – that European and American companies who might be losing competitively on labour costs are now putting social costs on top to compete with Indian or Chinese companies etc.

“There are three things that I think defy that and show this is truly a universal discussion. The first is that respect and dignity sit beneath every single human rights convention that exists. These are words that exist in every language, in every culture. They are the bedrock of human rights, and human rights are only the social codification of these - we need a universal framework for this. We need a global code – we need global coherence - we need a level playing field.

“Second – human rights in business is the art of the possible. If the question is ‘what does this agenda look like in 10 years time?’ then health and safety is what it will look like. It will be routine – instinctive - it will be in the behaviour of the company.

“Finally, although we talk about supply chains and child labour and we talk about security around oil installations (and these are all important issues), the more we can talk about business and human rights in a truly global sense, the more systemic our thinking becomes.”

RESPECT FOR HUMAN RIGHTS IN PRACTICE

This session focussed on existing good business practice around specific human and labour rights issues, steps that companies are taking to integrate respect for rights in their business, and the main challenges for business and stakeholders. Discussions proceeded in two break-out sessions, each followed by a facilitated discussion.

RIGHTS AND DIVERSE STAKEHOLDERS – KEY CHALLENGES

This dialogue was held amongst 25 of the Roundtable participants and was moderated by Dina Sherif, Associate Director, John D. Gerhart Center for Philanthropy and Civic Engagement at The American University in Cairo. Key topics for discussion were initiated by Dr Ahmed Hassanein, Qatari Diar Real Estate Investment Company and Nile University and Sameh Mohsen Ali El Taweel, SiBiC on workplace rights in the construction industry and by Ramez Farag of P&G Egypt on workplace policies and SMEs.



Key discussion points

- **Respect for rights:** Respect for individual human rights are part of the corporate culture in many Egyptian firms, but companies' commitments in this regard are not always expressed in terms of human rights language.
- **A real business case?** The pressure and drivers on business are actually quite limited in the region – civil society, government, employees and others are not demanding these things at the moment. What is the local business case? What is the business case for the GCC and parts of Africa? How do we address the challenge of developing a cognitive process that addresses how we try to begin CSR practices in Egypt? One participant commented “we should not reinvent the wheel, but also we should not copy and paste”.
- **Arabizing the agenda:** There is a strong case for “Arabizing” the content of the business and human rights agenda in order to increase uptake and understanding – this is not just about translation of existing materials but also using Arabic and Islamic concepts to root human rights in local realities and sensibilities. For example, one participant proposed that the concept of Karama (Arabic: الكرامة) meaning ‘dignity’ provides a powerful starting point for such discussions.
- **All rights or some rights?** Participants reviewed whether there is a need to look at all 30 rights in the UDHR in relation to business, or whether companies should start with some rights related to employees first. Other participants flagged the benefit of looking at all rights including that, whilst prioritization may be necessary, a wider frame of reference is better risk management.

Dr Ahmed Hassanein, Projects Controls Manager, Qatari Diar Real Estate Investment Company

“Human rights are lacking in the construction industry in Egypt: there are few contracts for workers as they tend to work on a day-to-day basis; health and safety regulations are not enforced, hard hats and safety boots are not part of workers’ culture and not used; inclusion of minorities and equal opportunities are not present. This is an issue shared in Africa and among the GCC states. Nobody knows what their rights are and awareness is lacking in terms of human rights and safety. This is not insurmountable – if they can do it in the developed world we can do it here, but overall we have a long way to go”.

Sameh Mohsen Ali El Taweel, Chief Executive Officer, SiBiC

“The idea of really believing in what you are doing ... brought this culture into our company. We walk the talk by respecting and listening to employees. By respecting employees the company sees long-term gains. Employees are more productive, show commitment to the company, and companies experience increased employee retention as a result. There is an idea that human rights are not in our culture - actually, they are. It is just misunderstood. One of the challenges is that we need to work on the understanding of human rights for companies, stakeholders, and governments. We have lots of challenges we need to work on together.”

Ramez Fareg, Corporate Communication & Reputation Manager for the Near-East Region, P&G Egypt

“Human rights education is not just about business. We need civil society to be more aware and also we need to notice that many workers are not interested in rights but more in increased pay. When we offered a package to benefits it did not work. So, a lot is down to voluntary action by business with little pressure from others. During the financial crisis, P&G cut their budget of activities but managed to maintain and increase pay where elsewhere you saw job losses and wage decreases. This meant something to employees.”

Mark Hodge, Director, Global Business Initiative on Human Rights

“While it can be overwhelming at first, there are good reasons to start by considering all 30 human rights set out in the Universal Declaration of Human Rights. First, looking at all human rights, and not a pre-selected set of rights, provides a more exhaustive framework to manage social impacts and risks. Why reduce our field of reference when this framework has utility? Second, a situation where all – not some – human rights are realized is most often a stable environment for investment and doing business. Third, human rights are also about aspiration, not about accepting the current status quo or business as usual. So, leaders in society, business and elsewhere that are committed to improved situations should not discount some rights before starting.”

INTEGRATING HUMAN RIGHTS INTO BUSINESS PROCESSES

This panel discussion was moderated by Kathryn Dovey, Director of the Global Business Initiative on Human Rights with contributions from Mark Nordstrom, Senior Employment Counsel, General Electric Company; Dr. Dalia Abdel Kader, Head of Marketing and Communications, Arab Africa International Bank; Miguel Pestana, Vice-President Global External Affairs, Unilever plc; and Christos Mylonas, Policy, Issues and Stakeholders Manager, Iraq, Royal Dutch Shell plc.

Comments and questions from participants included alluding to regional hurdles relating to culture and religion such as gender issues; how Egyptian companies can work on human rights inside their companies with consideration for current stereotypes; the role of pricing as a tool to deal with suppliers on a fair basis; the need for translation and 'Arabization' of existing materials; the relationship between human rights and corporate rights and balancing these often conflicting rights; and the fact that larger companies are often given more rights by governments than SMEs.



Key discussion points

- Conducting a gap analysis and Human Rights Impact Assessments are a useful starting point for better understanding the current human rights position and challenges within a company or individual project.
- Many companies already respect human rights in many areas of their business and supply chain management. Conducting thorough due diligence assists in effective co-ordination within the company.
- Assessing your company's leverage in terms of potential human rights impacts can help progress integration and assist in fulfilling the responsibility to respect human rights.

Mark Nordstrom, Senior Employment Council, General Electric Company

“The first step with getting comfortable with human rights was to do an inventory of the policies and practices that already existed at GE and that we were quite comfortable with. We used the Human Rights Matrix. By looking at each of the various policies you as a company maintain and then mapping them against the UDHR, you are able to see whether you have gaps and can set about addressing those gaps. Equipped with this gap analysis we went about deciding what sort of statement we were going to make on human rights.”

“Having operating mechanisms, particularly around compliance, is a useful tool so that we could basically bolt on a Human Rights focus to these existing operating compliance mechanisms to ensure each business, and each unit, looks at its operations from a human rights perspective.”

Miguel Pestana, Vice-President Global External Affairs, Unilever plc

“When you first raise this issue of human rights at executive and board level, it can generally be quite a difficult conversation. Most people in the company equate human rights issues with child labour, bonded labour etc – but when you look at the totality of the umbrella of the human rights framework that Professor John Ruggie is talking about - many of those things we do every single day as part of our standard business processes – we just don’t talk about them in human rights language. What we’ve had to do is adjust the language to allow people to make the connections which they previously may not have made. It’s really important that as companies start to think about how to do this, the more that they do a deep dive, the more they will see it is about effectively coordinating internally within the company and finding a champion within the business who actively helps to start co-ordination.”

Dr. Dalia Abdel Kader, Head of Marketing and Communications, Arab Africa International Bank

“Our experience with human rights is very spontaneous, very sincere and very systematic. 2002 was a turning point and there was an instinctive inclination for realisation that our growth will not only be in numbers. That there is another dimension for growth – a non-material dimension. We were focussed on philanthropy – shortly after we realised that it was the business we should focus on. Human rights lie in every part of our business. Everything we do has a human rights dimension. ... No matter how important it is for our bank to implement human right across our business practices this is not our biggest weight. Our biggest weight as a bank is in our funding capacities to other corporates and sectors in the economy, so we joined the Equator Principles through which we have learned our responsibility in this context was not only about credit risk, but social and environmental risk.”

Christos Mylonas, Policy, Issues and Stakeholders Manager, Iraq, Royal Dutch Shell plc

“In Iraq, unless the security environment is permissive, then operations would have to stop. So we engaged with local stakeholders in Basra and Bagdad because we wanted to hear from them what their views and expectations from an international oil company about to start working in their country would be. In addition we had to contextualise our findings from the Human Rights Impact Assessment. What came out of this process was a list of priorities – security, safety, employment opportunities, supply chain, training opportunities and vulnerable populations. As we progressed with our operations we had to ensure all these areas were appropriately addressed in our policies, and in the way that we worked and engaged.”

“We worked very much at a local level to understand the modalities and issues we were facing, including using the existing accepted structures from which to gather information on who needs to be employed and then proceed from there. ... None of this work would have been possible without creating partnerships on the ground with NGOs, always with the sanction of the local and national authorities”.

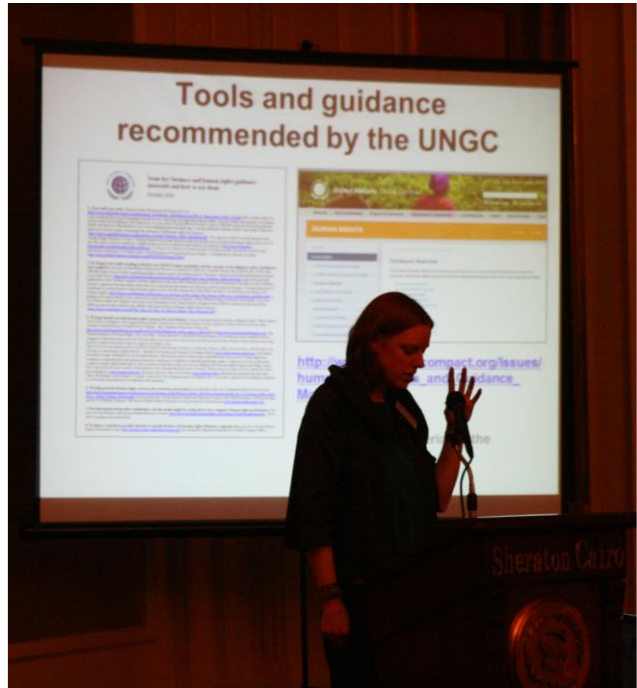
TOOLS AND RESOURCES

This session, led by Ursula Wynhoven, Head Policy and Legal, UN Global Compact Office, provided details of reference materials, guidance and assessment tools available to business leaders seeking to start the journey of integrating respect for human rights in their company. The presentation reviewed tools recommended specifically by UNGC for various aspects of human rights due diligence. A selection of these can be found in the guidance at Appendix 3 (with hyperlinks available from the online PDF version of this report).

Key messages

Businesses can gain the following benefits from using human rights tools:

- Efficiency - saves time and other resources
- You can rely on the human rights content
- You can rely on their business orientation
- They can enable building a company's own in-house capacity
- They can enable learning from other companies' experiences
- They benchmark good practice



Ursula Wynhoven, Head Policy and Legal, UN Global Compact Office

"... there are a lot of resources out there so you don't have to reinvent the wheel, you don't have to start from scratch. So whenever you are at a stage of looking at any particular management area there are multiple resources that you can rely on."

PARTNER REFLECTIONS

The roundtable ended with a session moderated by Dr Ashraf Gamal, Executive Director, Egyptian Corporate Responsibility Center, Ministry of Investment and Nahla Zeitoun, Programme Analyst, UNDP Egypt. Key questions that this session focussed on were: What are participants' views about the human rights and business agenda? What key questions, needs or challenges need to be more clearly addressed? What ideas do the participants have for progressing the dialogue launched at the roundtable?

Suggested next steps included:

- **Joining up efforts:** The event partners (ECRC, UNDP and AUC) will bring together a group to hold one clear dialogue going forward. As a first step, the partners and interested business leaders will come together to reflect on this report and plan next steps.
- **Tools and translation:** There is a need to pick one or two tools and resources that are concise and translate these to broaden access. This should help support dissemination in Egypt and the wider Arab region, and to support the development of increased accountability among all actors.
- **Case Studies:** To assist in capacity building, case studies should also be available in Arabic for business schools to use - AUC and ECRC and UNDP/UNGC will cooperate on this.
- **Resource Centre:** A proposal for a resource centre specific to Egypt was proposed (addressing national dynamics, case studies, and challenges).

What do we need to see within Egyptian business?

- **CEO commitment** – there is a powerful role for senior business leaders and large companies in furthering this agenda in the region.
- **Enhance knowledge of the UN Framework and Guiding Principles**, including how to apply human rights in all countries of operation. The import role of effective judicial and non-judicial grievance mechanisms was reiterated.
- **Greater move from philanthropy to integration with a deeper understanding of company responsibilities in relation to human rights**, including in supply chains and other business relationships.



CONVENERS



GLOBAL BUSINESS INITIATIVE
ON HUMAN RIGHTS



The Global Business Initiative On Human Rights (GBI) is a unique business-led initiative focused on advancing human rights in a business context around the world. GBI currently has 14 corporate members from 11 industry sectors with representation from Latin America, Asia, Europe, North America, and the Middle East. Through core group work streams and business outreach activities GBI seeks to build a global community of business leaders sharing good practices, identifying barriers to corporate respect for human rights in diverse contexts and inputting into international policy developments. Our work plan is divided into two parallel tracks. First, Action-Learning around the UN Guiding Principles on Business and Human Rights; and second, Business Awareness and Capacity Building through events and workshops in emerging and developing markets. GBI works in collaboration with the UN Global Compact Office and is supported by the Swiss Government. For more information visit: www.global-business-initiative.org



المركز المصري لمسئولية الشركات
EGYPTIAN CORPORATE RESPONSIBILITY CENTER

The Egyptian Corporate Responsibility Center (ECRC) – an affiliate of the EIoD - offers Corporate Social Responsibility (CSR) services including awareness, training and consulting services and acts as the focal point for the United Nations Global Compact (UNGC) in Egypt with Mansour Group being the official representative for the UNGC in Egypt. The ECRC empowers businesses by providing CSR services including capacity building, advocacy, consultations, knowledge management and certification. For more information visit: www.ecrc.org.eg

THE AMERICAN UNIVERSITY IN CAIRO
John D. Gerhart Center for Philanthropy and Civic Engagement



The John D. Gerhart Center for Philanthropy and Civic Engagement, American University in Cairo, is committed to working toward effective regional and global structures that add a moral and responsible dimension to the often harsh impacts of globalization. The centre believes that colleges and universities are in a strategic position to influence the thinking and values of future leaders; to help them become responsible citizens with skills and a will to work for social change. As the Arab region grapples with poverty, inequality and the lack of democratic institutions, the Gerhart Centre believes that innovations in civic engagement and strategic social investing can augment deep local traditions of philanthropy. The Gerhart Center exists to strengthen philanthropic institutions and expand social justice philanthropy in the Arab region. For more information visit: www.aucegypt.edu/academic/gerhartcenter



Al Mansour Holding Company For Financial Investment was established in 1992. The companies that comprise Al Mansour Holding Company for Financial Investment distribute an extensive range of consumer goods to over 130,000 outlets nationwide (making it the largest distribution group in Egypt) and employs a work force of more than 10,000 making it one of the largest private sector conglomerates in the region. Al Mansour Holding Company is a member of the Global Business Initiative on Human Rights and has kindly sponsored this Roundtable event. Mansour was also one of the pioneering companies that joined the UN in launching and implementing the Global Compact in Egypt. For more information visit: www.mmd.mansourgroup.com



The United Nations Development Programme: The UN began providing development assistance to Egypt in 1953. In those days this was done through the United Nations Expanded Programme of Technical Assistance (EPTA). In 1958 the United Nations Special Fund established an office in Cairo to expand the work of EPTA. UNDP Egypt is now one of 17 UNDP offices in the Arab region covered by the UNDP headquarters Bureau for Arab States (RBAS). UNDP's overall mission is to help the Egyptian government in its efforts to reduce poverty and to promote sustainable development policies. Over the past 20 years the nature of UNDP's support to Egypt has changed and become more focused. This has reflected changes in UNDP worldwide. UNDP Egypt supports activities in four practice areas: Poverty reduction, Energy and Environment, Democratic Governance, and Crisis Prevention and Recovery. In all our activities, we encourage the protection of human rights and the empowerment of women. For more information visit www.undp.org.eg



The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Launched in July 2000, the UN Global Compact is a both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a leadership initiative endorsed by chief executives, it seeks to align business operations and strategies everywhere with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. The Global Compact has over 7700 corporate participants and stakeholders from over 130 countries. For more information visit www.unglobalcompact.org

