

RESPECT FOR HUMAN RIGHTS IN CHALLENGING BUSINESS CONTEXTS

Over the past decade there has been a profound debate concerning the role of multinational companies in respecting human rights.

There has been a great deal of international debate regarding the implementation of the UN Guiding Principles on Business and human rights, written by John Ruggie, Special Representative of the UN Secretary-General, and published in 2011. We can identify four main subjects that, due to their sphere of influence, contribute actively to achieving the objectives of promoting human rights. The first of these are businesses, who in their role as important economic actors contribute to promoting human rights in the countries where they operate. Then there are the international organisations that define regulatory frameworks and promote compliance by everyone involved. Add to that the academic world which has contributed to defining the areas of responsibility of each actor. Finally, there is the financial community, which has a growing interest in these issues and considers them a risk factor that must be evaluated when making investment decisions.

As far as multinational companies are concerned, they have been associated with human rights violations both because of their responsibility in the supply chain (especially manufacturing industries) and due to their complicity in establishing non-democratic governments in natural resource-owning countries.

University of Lausanne Professor, Guido Palazzo, sums it up well in these words:

'It has become a more or less undisputed societal expectation that multinational corporations engage to abolish, alleviate, remediate or compensate for those problems.'

(Foreword', Politeia, XXVIII, 106, 2012)

'Granted that many corporations have made strides in adopting and implementing CSR programmes, but such efforts arguably only scratch the surface of a more profound role of agents of justice. Besides the conceptual differences between conventional CSR perspectives and the focus of justice, the empirical impact as well as the content of most prominent CSR standards today fall short of such a role. Most importantly, the approaches to CSR, which are reflected in such standards, tend to put little emphasis on the political dimension of corporate responsibility.'

(F. Wettstein, 'Waiting for the Mountain to Move: The Role of Multinational Corporations in the Quest for Global Justice', Politeia, XXIX, 111, 2013)

How Saipem meets the challenge of respecting human rights is explained by Stefano Cao, Saipem CEO

Human rights are individual intangible assets that belong to every human being from birth until death, in every part of the world. So why should companies not be responsible for respecting them?

Saipem is committed to recognising, protecting and promoting human rights in all its operations and along its entire supply chain. But we strive to go beyond this by contributing also to the creation of the best conditions possible for the practical implementation of those rights.

Saipem undertakes to work only with those suppliers that share the principles and contents of our Code of Ethics. Moreover, we firmly believe that fostering long-lasting relations with our suppliers is the only way to promote and guarantee progressive improvement in performances all along the value chain.

We are making a two-fold effort to advance conscious and proactive respect for human rights, namely, by further strengthening the control system over all phases of our supply chain and by actively promoting awareness among our vendors.

Saipem is committed to human rights in all of the over 60 countries where it operates, even when this implies a high level of discrepancy in terms of legislative frameworks and risk levels for potential human rights violations. But this does not in any way undermine our firm refusal to compromise over fundamental human rights. The creation of a context of reciprocal respect and trust between the Company, its employees and local stakeholders is a core element of our business model. Respecting local cultures, customs and social rights, creating legitimate expectations, and promoting diversity within and outside the workplace are some of the methods we are adopting to ensure an open and transparent dialogue, prevent conflicts and work together for everyone's mutual benefit.

A few of our first practical implementations of this point of view are described in this Sustainability Report as evidence of how we work to translate our principles into real value for society.

This is what I think should be the role of Saipem, a company that I personally believe is capable of performing its operations while promoting social development through the adoption of advanced management practices in every country where it operates.