

Berlin, 17 December 2019

Dear stakeholders,

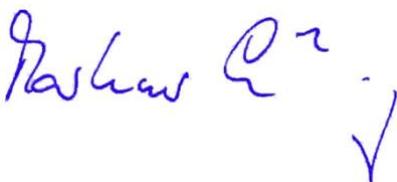
I am pleased to confirm once more that Löning – Human Rights & Responsible Business remains committed to the Ten Principles of the UN Global Compact in the areas of Human Rights, Labour Standards, Environment and Anti-Corruption.

This is our third annual Communication on Progress, covering the period from January 2019 to December 2019, in which we describe our actions and committed work to integrate the UN Global Compact principles into our business strategy, corporate culture and daily work. Following our previous COP, we also reflect upon our commitment to the relevant Sustainable Development Goals (SDGs) for each of the areas. Additionally, we illustrate our highlights concerning the progress of our work with businesses and organisations in 2019.

We also commit to sharing this information with our stakeholders using our primary channels of communication. In this context, I am pleased to inform that this year we launched our [new website](#) with the aim of providing more detail and transparency of the work we do.

I look forward to providing you with an update on our progress in 2020.

Yours sincerely,



Markus Löning

*Managing Director*

## Our approach

### HUMAN RIGHTS – BUSINESS & HUMAN RIGHTS

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

#### 8 DECENT WORK AND ECONOMIC GROWTH



We are a Berlin-based consultancy and think-tank specialised in human rights. We help companies meet their human rights obligations by establishing effective human rights due diligence processes into their corporate strategies. In other words, we seek to make companies align their activities with international human rights and labour standards, and through that **contribute to the Sustainable Development Goals (SDGs)**. Likewise, the **respect of human rights** lies at the **core of our own business** activities: we are committed to respecting international human rights in all our operations while contributing to the realisation of the SDGs, in particular in fostering decent work and sustainable economic growth across the globe.

Our commitment to the SDGs is also mirrored in a section on “[Human Rights & SDGs](#)” which we have included on our new website after its launch in September 2019. Here we outline the close interconnection between the Agenda 2030 and businesses’ human rights due diligence obligations.

Along with our advisory work for companies, we operate as a think tank. Through our think tank work, we actively engage with all kinds of relevant stakeholders, NGOs, governments, and companies to promote dialogue and foster fruitful debates on business and human rights matters. We also provide advisory work in certain specific human rights matters on a pro bono basis. Thanks to our think-tank work, we have sound knowledge on the topic of business and human rights as we are continuously up to date with the latest news, debates and trends within the field. In addition, we have extensive experience in conducting research and regularly publish papers, reports and webinars, which are freely available on our website. We also present the finding of our research or speak as business and human rights experts on conferences and events. By doing so, we aim to spread our knowledge and create awareness about the challenges in the area of business and human rights.

As we did in our previous COP, we also want to communicate the progress of our work with clients in helping them to implement their human rights due diligence processes. Our portfolio is cross-sectorial, including internationally operating organisations and businesses in the fields of tourism, food, coffee, consumer goods, household goods, IT, textiles, automotive and energy.

We support companies, step-by-step, as they integrate respect for human rights into their corporate strategies. Some of our highlights include the following:

- We conducted an assessment of human rights due diligence processes of the German branch of an international conservation organisation in the context of conservation projects. Through our work, we identified gaps in current processes and developed recommendations to close such gaps and improve the integration of human rights considerations in current processes and practices. In the course of this year, we have started with the implementation phase of these recommendations.
- We carried out a human rights risk and gap analysis on supply chain management for a major energy service provider. Through this, we also developed a risk exposure matrix linking sourcing countries with procurement categories, unfolding where the greatest human rights risks were.
- We have continued developing human rights-related policies for several companies, e.g. a human rights policy statement for an automotive company and the child rights policy for a development and cooperation agency.
- We have also continued our work on stakeholder-dialogue and engagement strategies. For instance, the execution of introductory workshops for an online retailer company on human rights in the context of specific business units (e.g. logistics), online trainings on human rights for employees of various businesses, and workshops on human rights and tourism for a company in the touristic sector.
- We were involved in the development of a guide for companies seeking to boost and improve the livelihoods of smallholder farmers by using the notion of living income and integrating it into their sourcing practices.
- In order to move forward the respect of human rights within the financial industry, some of our team members founded the not-for-profit organisation Finance and Human Rights a.s.b.l. (FaHR) in the beginning of 2019. FaHR serves as a knowledge hub that seeks to provide various stakeholders from the financial sector with its broad knowledge on how they can use their power to respect and promote human rights, for instance in investment decision-making processes. FaHR's work includes organizing networking events, workshops and professional development schoolings, as well as conducting research and writing knowledge papers on sustainable finance topics. We sponsored the work of our employees for Finance and Human Rights.

In our daily business operations, we want to lead by example. For that, we comply with all applicable laws and we, as a company, ensure the respect of human rights at our workplace on a daily basis. Our strong commitment and knowledge from the field lead us to choose ethical brands, or with low impact, whenever possible, in our purchases, e.g. groceries or computers for the office. As a small company, we do not have any formal (grievance) mechanism in place as we address human rights issues that might arise directly, through dialogue with the affected parties.

**17** PARTNERSHIPS  
FOR THE GOALS

This year we fostered further partnerships with organisations to increase our outreach and explore future collaborative actions, in particular with **RightsDD**, a modern slavery due diligence platform which helps companies identify slavery risks within their own business operations and supply chains, manage remediation and report to fulfil compliance requirements, and **SUSTIFY**, a digital training platform to increase sustainability understanding in daily factory life. In order to move forward the respect of human rights within the financial industry, we have been working closely with the organisation **Finance and Human Rights a.s.b.l. (FaHR)** since its establishment in the beginning of 2019. Some of our team members are founding members of this not-for-profit association. FaHR serves as a knowledge hub that promotes future-oriented development consistent with human rights within the sustainable finance agenda. Our work for FaHR includes organizing networking events, workshops and professional development schoolings, as well as conducting research and writing knowledge papers on sustainable finance topics. Löning – Human Rights & Responsible Business sponsored the work of its employees for this not-for-profit organisation. We will report accordingly on any further development.

Finally, we established a cooperation with the **Centre for Responsible Business (CRB)** in India, our Partner in India to pursue our common mission to assist ‘businesses integrate sustainability into their core business practices’.

**LABOUR STANDARDS**

**Principle 3:** *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, Principle 4:* *the elimination of all forms of forced and compulsory labour; Principle 5:* *the effective abolition of child labour; and Principle 6:* *the elimination of discrimination in respect of employment and occupation.*

**8** DECENT WORK AND  
ECONOMIC GROWTH

In this context we would like to point upon the progress we made in our work on modern slavery (e.g. by consulting businesses on drafting modern slavery act statement in 2019 or our paper on modern slavery in 2018) and the promotion of decent work (e.g. visible in the research we have done for the living income guide where we took into account the concept of decent work within the agricultural supply chain). As mentioned above, it is at the core of our work, when advising companies on their human rights’ due diligence obligations, to address the topic of how to ensure decent working conditions, and how to tackle the risk of modern slavery.

We continue to use the insights and lessons learned from our consulting work to write articles, knowledge papers and hold webinars. All of our publications are available for free. This year we published two knowledge papers with an emphasis on the important role businesses have through their human rights due diligence processes to tackle the most pressing human rights challenges, including modern slavery. See ‘[The Brazilian Case: The](#)

Need to Strengthen Due Diligence Processes when States Seem to Fall Back’, ‘Artisanal and Small-Scale Mining: Addressing Challenges in Global Supply Chains’.

Our company was able to find new clients in 2019, increase its turnover and create new jobs. We are committed to providing our employees with an open, friendly and non-discriminatory work environment fully aligned with German relevant legislation and international labour standards. For that, we take concrete actions:

**Flexible Working Environment.** We continue taking the well-being of our employees very seriously and embed flexibility on a daily basis. The firm has flexible working hours so that employees can adjust them according to their own personal needs. Additionally, we encourage employees to work from home when they deem it necessary for concentration or personal conciliation. To make it possible and a realistic option, we foster meetings via calls or videocalls among our team.



**A Diverse and Empowering Workplace.** We encourage diversity and tolerance at the workplace. We look beyond borders, which gives us a high level of cultural awareness and understanding. We embed gender equality and women empowerment in our corporate strategy. Our team consists of mostly women, with different cultural backgrounds and academic skills. We firmly believe that women empowerment, especially in the business world, is a necessary basis for successful and sustainable global development. This year we conducted a one-day workshop with the team and an external consultant on how to improve gender sensitivity and how to increase such awareness among businesses and in the work with our clients.



**Health and Safety.** Our team is provided with safe, suitable and sanitary work facilities, i.e. the rooms and office equipment meet the highest standards and are fully in compliance with German legal regulations. Last year, we purchased new ergonomic office chairs for all members of the team. The whole office is now equipped with comfortable and ergonomically designed chairs, allowing healthy posture and alignment. Moreover, one of our team members with a slipped disc injury was provided a swiss ball to sit on. In this context, we also purchased more monitor screens in 2019 to increase comfortableness at the workplace and improve work posture.

## 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.*

As we stated in our previous COP, we are a small consultancy firm and our work is mostly office-based. Therefore, our direct environmental impact is relatively small. Nonetheless, we do believe that we have an obligation towards the environment and hence, we do take positive actions aimed at minimising our impact.



**Eco-friendly office.** Our office is of eco-friendly nature. We are equipped with green energy and automatic heating system. All windows of our office have double-layered glasses to improve and increase energy efficiency.

**Use of public transport.** We exclusively make use of public transport for business trips. Indeed, we provide the members of the team who frequently travel with a discount member card for the train trips within the country. For medium and long-distance trips, we still use the airplane. In our previous COP, we committed, as of January 2018, to CO2 compensation when booking flights, and we still uphold such commitment. In case of flights purchased by our clients, we relied on their respective CO2 compensation schemes. To compensate for the CO2-emissions caused by flights we book ourselves we support the “Trees for Carbon” project of the NGO WeForest.

**Recycling.** In order to reduce waste materials, we continue to recycle our waste, especially of plastic and paper. Moreover, we always purchase recycled paper for our daily work.



**Climate change & human rights.** We are fully aware that human rights and environmental protection are interdependent. In fact, a safe, clean and healthy environment is integral to the full enjoyment of a wide range of human rights, including the rights to life, health, food and water. Therefore,

we are currently working on raising awareness among businesses of such intersection through the publication of a knowledge paper. Moreover, we have included a section on the connection of environmental aspects and human rights on our new website: <https://www.loening-berlin.de/human-rights-sdg/#!/environment>

**Carbon Footprint Monitoring.** We developed a Carbon Footprint Monitoring with the aim of monitoring the changes in our emissions over the monitored years. This year’s monitoring is the first one. Therefore, we have no comparison yet, on how our footprint may have changed over the years. Starting from the second monitored year (2019) we will be able to draw conclusions from the results.

The first monitoring was conducted with data from 2018. We included all basic factors into our monitoring such as business travels (including the use of planes, cars/taxis, trains, trams, metros and buses), electricity, gas and water consumption. We commit to improving the monitoring by including more factors into the calculation. However, this monitoring already gives us a good overview on our greenhouse gas emissions.

The monitoring and calculation were conducted with the help of a carbon footprint calculator we developed ourselves. All results were calculated manually. The information needed was taken from official websites, such as the Umweltbundesamt. For the electricity consumption, as well as the monitoring of the business travels we took into account the three most important greenhouse gases, CO<sub>2</sub>, NH<sub>4</sub> and CH<sub>4</sub>. For the rest (gas and water consumption) we only focused on CO<sub>2</sub> since there was no data available on CH<sub>4</sub> and NH<sub>4</sub>-GHG conversion factors. In 2018 Löning Human Rights & Responsible Business emitted **33t of CO<sub>2</sub>**. This corresponds to **4t CO<sub>2</sub>** per person. In comparison, the average German individual emits an average of 11t CO<sub>2</sub> annually. Considering this emission only applies to the working activities and has to be added to emissions caused by non-work-related private activities of each team-member, we commit to reducing our Carbon footprint in 2020. As compensation for our emissions we have planted trees with the organization Weforest in 2018 and will compensate our emissions for 2018 accordingly at the end of 2019 as well.

## ANTI-CORRUPTION

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



We reaffirm our commitment of being in full compliance with all relevant applicable laws, including anti-corruption laws, as well as our support of international and regional frameworks, such as the UN Convention against Corruption. We do not have any specific anti-corruption policy in place or any specific team training on the matter.

### Measurement of outcomes

As a small firm, we continue monitoring and evaluating the company's performance in the four areas through mainly two channels: (1) internal annual reviews and (2) regular meetings.

**Internal Annual Review.** Every year, we undergo an 'Internal Annual Review' in relation to all the aspects of our business, including our goals, organisational aspects, efficiency and ways of improvement. This revision entails an internal audit of our business activities, including our performance on the integration of the UN Global Compact principles at our workplace.

**Regular Meetings.** The Chief Executive Officer organises annual meetings with each individual team member, which provides space to express personal views and concerns. He upholds personal feedback-conversations with all team members to discuss personal development and set individual professional goals for the upcoming year. Additionally, we are encouraged to raise concerns or suggestions through our weekly meetings.