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<u>WORKPLACE ONE OF FRONTLINES IN FIGHT AGAINST DISCRIMINATION,</u>

<u>SECRETARY-GENERAL TELL GLOBAL COMPACT EVENT</u>

DURBAN, 31 August -- Following is the text of remarks made today by Secretary-General Kofi Annan at the Global Compact Event held in conjunction with the World Conference against Racism in Durban, South Africa:

All too often, the fight against discrimination begins with easy condemnations and ends with vague commitments. The World Conference against Racism seeks to improve on that record.

I had the same goal in mind when, more than two years ago, I launched a Global Compact aimed at improving corporate citizenship in the areas of human rights, labour and environment.

The Compact, as you heard earlier, is not a regulatory instrument, a legally binding code of conduct or a "safe harbour" allowing companies to sign on without demonstrating real involvement and results. It is a voluntary initiative aimed at embedding the global market in shared values. It is also a learning forum, so that participating companies can show the way for others through enlightened leadership and creative partnerships.

Our approach is an open one, of dialogue and transparency, and those are powerful tools. And our partners in the Compact also include not just corporate managers, but labour unions -- who are a central part of business
-- and civil society participants.

If there is one message I would want to emanate from Durban, it is that all of us must do our part in the struggle against racism. As more and more corporate leaders are saying, discrimination is everybody's business.

We want the Conference to provide a forum where people can air their grievances. We want the Conference to help heal some of the terrible wounds of the past, and move people towards reconciliation.

But most of all, we want the Conference to impress on everyone the high costs of discrimination, and to mobilize every individual to do his or her part for peaceful, prosperous coexistence.

The workplace is surely one of the front lines. Discrimination on the basis of gender, race, age, disability, sexual orientation, background and other qualities is all too common. Statistics have amply documented phenomena such as unequal pay for equal work, "the glass ceiling" that bars women from executive power, and the lack of access to opportunities and services experienced by some groups, but not others.

It is often said, and rightly so, that corporate social responsibility requires leadership from the top -- from the chief executive officer himself or herself. It is vital that CEOs send a consistent message that they will not tolerate discrimination in their company's hiring practices or in handing out promotions, or in handing out other benefits. CEOs can also make clear that their companies will uphold human rights in their operations.

Equally important is what happens from the bottom up -- in day-to-day relations between supervisor and employee, between customers and suppliers, and among colleagues.

Upholding the universal ideals of equality and human dignity is a virtue in and of itself. But doing the right thing is also good for business.

A company with a reputation as an enlightened, equal opportunity employer will find it easier to attract high-quality employees. Such companies will certainly reap dividends in the eyes of increasingly rights-conscious consumers. They will also be more open to innovation and new ideas, and be seen as responsible members of the communities in which they conduct their business.

I hope that corporations will keep diversity issues in the forefront of their policies and operations, participate in follow-up events here in Durban and beyond, and do all they can to sustain the momentum generated by this Conference. I would also encourage companies to share their experiences and best practices by posting them on the Global Compact Web site.

Let me again thank everyone for coming to Durban. Your commitment to diversity has great potential to improve the workplace and community alike. Let us, together, rise to the challenge.

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