

From: 2021 To: 2022

**Part I.
Statement of Continued Support**

May 26, 2023

To our stakeholders:

I am pleased to confirm that The Union of entrepreneurs of small, medium and privatized enterprises of Ukraine reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Director General



Vyacheslav Bykovets

Part II.

The Union of entrepreneurs of small, medium and privatized enterprises of Ukraine (hereinafter – the Union) in accordance with the Programme of action of the Council and the Executive Directorate of the Union for the implementation of the Main Directions of its Development, as well as in accordance with the 10 principles of the UN Global Compact, has focused its activities for 2021–2022 on the following aims.

1. Human Rights

Principle 1. Members of the Union (enterprises, establishments, organizations, entrepreneurs) have been assuring through its actions full support and have been respecting human rights declared by the international community.

To this end the specialists and experts of the Union, the members of the Union were actively engaged in different activities, including the ones in the framework of the projects of the International Labour Organization (ILO):

- ILO Project “Inclusive labour markets for job creation”;
- ILO Project "The remuneration in Ukraine: the provision of technical assistance in order to set minimum wage and equal remuneration”;
- ILO project “Towards safe, healthy and declared labour in Ukraine”;
- ILO project “Approach to decent labour in Ukraine based on market systems”;
- ILO project “Rights in the world of labour: Improving Ukraine's Compliance with Basic International Labour Standards.”

During 2021 – 2022 the Union was actively engaged in the implementation of its own Strategy concerning the prevention of HIV / AIDS at workplaces. These were different awareness-raising activities (organization of a round table, of trainings, dissemination of information material), advocacy, etc.

In addition, during the specified period, members of the Union were engaged in different activities to expand access to voluntary and confidential HIV counselling and testing, reduce stigma and discrimination in connection with HIV status in the field of labour, reduce violence and harassment in the field of labour and advocacy for the ratification of the ILO Convention No. 190.

During 2021 – 2022 the representatives of the Union served on the tripartite commission on the following issues:

- streamlining the system of calculating the subsistence minimum;
- reviewing the level of the minimum wage in due course;
- concerning the payment of salary arrears (cash benefits), pensions, scholarships and other social benefits.

The representatives of the Union actively participated in the meetings of these commissions, in the discussion on issues placed on the agenda, in the decision-making on these issues.

During 2021 – 2022 the members of the Union participated in the following activities:

- webinar on the topic: "Stigma and discrimination in the workplace against people living with HIV " (December 17, 2020)
- meeting of the Public Council within the State Service of Ukraine on Food Safety and Consumer Protection (1 time per quarter);
- meeting of the Committee on Consumer Rights Protection of the Public Council within the State Service of Ukraine on Food Safety and Consumer Protection (1 time per quarter);
- online presentation of the Guidelines for employers in the field of gender equality and non-discrimination (March 1, 2021);
- online meeting of the working group for the consideration of bills on measures to streamline the system of calculating the amounts of the subsistence minimum, social benefits, cash payments and collections and fees for the provision of administrative services (June 2, 2021);
- online round table meeting on the topic: "Social protection and rehabilitation of persons with disabilities and regulation of the activities of their enterprises and public associations" (June 16, 2021);

- online round table meeting on the topic: "The level of protection of personal data in Ukraine: realities and prospects" (October 18, 2021);
- educational seminar on the topic: "Self-check in the field of women's entrepreneurship (WE Check)", which was held as part of the International Labour Organization project "Expansion of women's economic rights and opportunities as a response to the COVID-19 crisis in Ukraine" (July 13, 2021);
- working meetings of the Union's group of experts on approbation of the self-assessment tool for the development of women's entrepreneurship (WE Check) (July 28, August 4, 2021);
- the 12th All-Ukrainian is the 7th International Seminar on occupational health and industrial safety on the topic: "News of legislation on labour protection. Occupational safety in the conditions of the COVID pandemic. Risk-based approach. Risk assessment methods in accordance with the ISO 31010:2019 standard" (September 7-10, 2021);
- the national tripartite meeting "HIV and the sphere of labour in Ukraine: a medium-term perspective", which was held within the framework of the project of the International Labour Organization "HIV and the sphere of labour in Ukraine: a medium-term perspective" (November 4, 2021);
- webinar on the topic: "Changes in labour legislation during the war: mobilization, suspension of labour relations, idle time and reservation of workers" (July 14, 2022);
- webinar on the topic: "Vacation. Holidays. New Labour Code of Ukraine" (August 11, 2022);
- webinar on the topic: "Guarantees and compensations. The new Labour Code of Ukraine" (August 18, 2022);
- webinar on regulation of labour relations in the draft Law of Ukraine on Labour (August 26, 2022);
- meeting of the Committee of small and medium-sized businesses entrepreneurs at the Chamber of Commerce and Industry of Ukraine on the topic: "Inspections of the State Labour Inspection during martial law" (September 7, 2022);
- meeting of the working group on the development of the Professional Standard "Labour Inspector" project.

Principle 2. The Union members declare and constantly ensure their own non-participation in human rights violations.

The Administration, the Leadership and the Association Board keep these issues under review on an ongoing basis.

The Union constantly declares and supports the guiding principles of the United Nations on Entrepreneurship in the Human Rights Matters. These principles establish the scope of the authority of companies concerning human rights not only in their own actions but also in relation to power structures, business partners and other stakeholders.

During 2021-2022 members of the Union participated in the following activities:

- online presentation of the study of the legal needs of small and medium-sized businesses (SME) in Ukraine (December 16, 2020);

- webinar on the topic: "Business problems in the tax sphere: experience of the Business Ombudsman Council" (March 3, 2021);
- online presentation of a systematic study prepared by the Business Ombudsman Council on the topic: "How businesses can enforce court decisions in Ukraine" (March 4, 2021);
- online conference on the topic: "Policy of SME development at the national and local levels" (April 20, 2021);
- online round table meeting on the topic: "Supporting SMEs during COVID crisis: pros and cons from the authorities" (May 12, 2021);
- XI International Scientific and Practical Conference "Problems and Prospects of Entrepreneurship Development in Ukraine" (May 19-20, 2021);
- Offline-online forum on the topic: "United voice of small business-2021: restarting the dialogue with the authorities" (June 24, 2021);
- online presentation of the work of the UNDP National Consultants on issues of regulation and conditions of running a business in Ukraine (October 13, 2021);
- IV National SME Development Forum 2021: "From resistance to sustainability" (October 26, 2021);
- online presentation of the Act about the Freedom of Entrepreneurship (November 23, 2021);
- press conference on the topic: "Presentation of the study of the state of Ukrainian business during the war: what business needs for recovery" (August 9, 2022);
- online event "Business support programs during military law" (November 7, 2022);
- joint webinar of the State Tax Service and the Business Ombudsman Council (November 30, 2022);
- webinar on the topic: "DOING BUSINESS UNUSUAL: DIALOGUE OF BUSINESS AND GOVERNMENT", which was held as part of Anti-Corruption Week 2022 (December 6, 2022);
- extended meeting of the Committee of Small and Medium Business Entrepreneurs at the Chamber of Commerce and Industry of Ukraine in the form of a round table on the topic: "State policy of Ukraine regarding small business: challenges and results" (December 13, 2021).

2. Labour relations

Principle 3. The Council of the Union, entrepreneurs, enterprises, institutions, organizations are members of the Union that constantly support freedom of association and recognize the right to collective bargaining.

Among the members of the Union are not only enterprises, institutions and organizations, but also national and regional level associations, including industry associations: "Ukrpyvo", "Ukroliyaprom", "Association of Styrofoam Manufacturers", Association of Hairdressers of Ukraine, etc.

The Union has been an active participant for many years in the negotiation process between the Government, trade unions and employers.

The Union members took an active part in all events (roundtables, conferences, meetings) during 2021-2022 on the discussion of issues concerning freedom of associations, collective bargaining.

Consequently, during 2021-2022. the following events took place with the participation of members of the Union:

- discussion of the prospects of implementation in Ukraine of the provisions of Chapter XXI of the Ukraine-EU Association Agreement regarding the development of public communications and social dialogue;

- round table meeting on the topic: "Do business associations need additional legislative regulation of their activities?" (May 31, 2021);

- meeting on changing the principles of work of the State Labour Service of Ukraine (State Labour) on the basis of strengthening social dialogue in the field of ensuring safe and declared labour (September 3, 2021);

- annual forum "Dialogue of civil society, business and government", during which parliamentarians and government officials discussed the priorities of institutional and economic reforms with leaders of the business community (October 11, 2021);

- business forum "Dialogue of civil society, business and government: challenges of wartime" (October 21, 2022).

Principle 4. The Union members actively advocate the elimination of all forced labour forms.

During 2021 – 2022 the representatives of the Union took an active part in events (roundtables, trainings, conferences, meetings) on labour migration, the elimination of all forced labour forms:

- webinar on the topic: "Come out into the light - declare labour!", presentation of the results of the information campaign in 2020. (February 26, 2021);

- tripartite validation of the "Comprehensive comparative analysis of the legislation of Ukraine in accordance with the provisions of the ILO Convention No. 190 on the Eradication of Violence and Harassment in the Field of Labour, 2019" (May 18, 2021);

- webinar on the topic of the experience of European countries in regulating labour relations (September 1, 2022);

- webinar on the topic: "Labour migration after the war: are we ready for new trends?" (September 15, 2022);

- online consultation on discussing the issue of forced labour and preventing its spread (November 29, 2022);

- a meeting of national and international experts, business representatives, employers' organizations and business associations, dedicated to preventing the use of forced labour in Ukraine (December 13, 2022).

Principle 5. During 2021-2022 the Union, its members actively advocated the complete exclusion of such a disgraceful phenomenon as child labour.

To this aim the members of the Union took an active part in events (roundtables, trainings, conferences) on eradication of child labour, loss of use of child labour. Over this period, the members of the Union took part in public events on children's rights protection, maternity protection and protection of childhood.

Principle 6. The Union, its members actively advocated the elimination of discrimination in employment during 2021–2022.

The Union program of activities till 2024 in the sphere of employment envisages a range of the following measures:

- encouraging employers to preserve jobs and create new jobs;
- activation of the labour market policy with a view to its maximally rapid adaptation to the structural changes in the economy, development of human resources, optimization of labour potential of regions and country as a whole, stimulation of economic activity of the population;
- involvement of women, young people, people with disabilities and those who are dismissed from the military service, unemployed people, rural residents and town dwellers in entrepreneurship;
- encouragement of the actions that are taken by enterprises to improve labour productivity and are accompanied by an appropriate increase in employees' incomes.

During 2021-2022 the members of the Union took an active part in events organized within the framework of the following projects:

- ILO Project "Inclusive labour markets for job creation";
- ILO Project "The remuneration in Ukraine: the provision of technical assistance in order to set minimum wage and equal remuneration";
- ILO project "Towards safe, healthy and declared labour in Ukraine";
- ILO project "Approach to decent labour in Ukraine based on market systems";
- ILO project "Rights in the world of labour: Improving Ukraine's Compliance with Basic International Labour Standards."

In addition, Union members joined the online presentation of the ILO Global Report "World Wages 2020-2021: Wages and Minimum Wage in the Period of the COVID-19 Pandemic" (02 June 2021).

3. Ecological principles

Principle 7. In their activities the members of the Union constantly adhere to a preventive approach to solve environmental problems.

In order to promote the UNIDO and UNEP preventive environmental strategy in relation to the production processes in order to increase the efficiency of production and to reduce risks to humans and the environment, the Union together with its partners has organized a number of the following activities:

- consultation seminar on the topic: "Strategic tools for the implementation of eco-industrial parks in Ukraine" (June 23, 2022);
- extended working meeting of the Program "EU for the Environment: Green Economy" in Ukraine (August 30, 2022);
- online seminar on the topic: "EU legislation on trade and environmental protection for Ukrainian exporters" (December 21, 2022).

Principle 8. The members of the Union suggest initiatives, take part in activities aimed at introducing resource-efficient and clean production.

- online conference on the topic: "Eco-modernization of Ukrainian industry: from resource efficiency to circular economy" (December 16, 2020);

- online event "Presentation of the component "Circular economy and new growth opportunities" of the "EU4Environment" program, which was organized as part of the international program "European Union for the Environment" (EU4Environment) (February 25, 2021);

- meeting of the Advisory Council of the Centre for Resource-Efficient and Clean Production (March 25, 2021);

- conference on the topic: "Circular economy and its advantages for Ukrainian industry in the conditions of recovery and reconstruction" (December 15, 2022).

Principle 9. The Union, its members comprehensively promote the development and dissemination of environmentally sound technologies.

To this aim, the following events were held during 2019–2020 with the participation of the representatives of the Union:

- IX scientific and practical online conference on the topic: "Baby nutrition: availability, safety, competitiveness" (May 18, 2021);

- online event "Ecological footprint of a product and its advantages for industrial enterprises" (October 20, 2022).

4. Anticorruption principle

Principle 10. The Union, its members try to eradicate through all their actions any form of corruption, including extortion and bribery.

To this aim, the Union conducts a consistent focused work on reforming the legislation in the field of entrepreneurship, creating the optimal legislative and organizational prerequisites for the establishment and implementation of the entrepreneurial activity, growth and development of small and medium enterprises.

The Union agrees that it is necessary to introduce simple, convenient and comprehensible registration and permissive procedures in Ukraine that will provide favourable conditions for reporting real business and corruption erosion.

During 2021-2022 members of the Union participated in the following activities:

- meeting of the discussion working group to discuss the anti-corruption educational video course project for small and medium-sized businesses within the framework of the Anti-Corruption Collective Action initiative;

- online public presentation of the results of the Public Monitoring of certain aspects of the work of Ukrainian customs (June 16, 2021);

- general meeting of participants of the Public Initiative "For Fair and Transparent Customs" (July 29, 2021);

- online seminar "New criteria for sustainable public procurement (SPP) and ecolabeling standards" (October 12, 2021);

- online two-day seminar "Sustainable public procurement and new opportunities for small and medium-sized enterprises" (October 19-20, 2021);

- online seminar on the topic: "SUSTAINABLE DEVELOPMENT IS NEW OPPORTUNITIES FOR BUSINESS: How small and medium-sized enterprises of Ukraine should prepare for sustainable public procurement and expand their markets" (November 30, 2021);

- online presentation of the results of the Sixth annual survey of importers and exporters. Episode Three: Smuggling and "grey imports", corruption at customs (December 2, 2021);

- Anti-corruption week 2022, which was initiated by the UN Global Compact in Ukraine. (December 8, 2022);

- online event on the topic: "What were online auctions like in 2022 and how the Prozorro system will develop. Will there be sales next year?" (December 22, 2022);

- online presentation of the results of public monitoring of the border crossing of Ukraine from the point of view of entrepreneurs and "Fair Border" community (December 22, 2022).

The Union conducts a consistent focused work on developing the draft laws in the part of reforming tax legislation.

During 2021-2022 members of the Union participated in the following activities:

- online conference on the implementation of the norms of the Law of Ukraine "On the Bureau of Economic Security of Ukraine" (April 13, 2021);

- video conference on the topic: "Tax offenses. Innovations 2021" (April 21, 2021);

- video conference regarding the discussion of Draft Law No. 5600 dated June 2, 2021. "On Amendments to the Tax Code of Ukraine and some legislative acts of Ukraine on ensuring the balance of budget revenues" (July 14, 2021);

- seminar on the topic: "Tax amnesty: taking the advantage is impossible to ignore " (September 29, 2021);

- round table meeting of the Committee of Small and Medium-sized Business Entrepreneurs at the Chamber of Commerce and Industry of Ukraine of a on the topic: "The impact of martial law on the taxation of small and medium enterprises" (December 14, 2022).

Part III.

Some of the practical results of the Union activities:

- the influence of the Union and its partners on the solution of existing problems significantly increased due to consistent and systematic activities, including in social councils under the central and local governments;

- The Union takes an active part in the development, discussion and elaboration of legislative initiatives. Owing to the active participation of the Union in these processes, a number of amendments has been made to the Acts of Ukraine:

- "On Social Dialogue";

- "On Collective Contracts and Agreements";

- "On state supervision (control) in the field of economic activity";

- "On Licensing of Types of Economic Activity";

- "On registration of legal entities and of individuals-entrepreneurs".