

Corporate Sustainability in
The World Economy



UNITED NATIONS GLOBAL COMPACT

What Is the UN Global Compact?

Never before has there been a greater alignment between the objectives of the international community and those of the business world. Common goals, such as building markets, combating corruption, safeguarding the environment and ensuring social inclusion, have resulted in unprecedented partnerships and openness between business, governments, civil society, labour and the United Nations.

Launched in July 2000, the UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible and sustainable corporate policies and practices. 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. With more than 8,500 signatories in over 135 countries, the UN Global Compact is the world's largest voluntary corporate sustainability initiative.

Through a wide spectrum of specialized work-streams, management tools, resources, and topical programs, the UN Global Compact aims to advance two complementary objectives:

- Mainstream the ten principles in business activities around the world
- Catalyze actions in support of broader UN goals, including the Millennium Development Goals (MDGs)

By doing so, business, as the primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere and contribute to a more sustainable and inclusive global economy.

The UN Global Compact is not a regulatory instrument, but rather a voluntary initiative that relies on public accountability, transparency and disclosure to complement regulation and to provide a space for innovation and collective action.





Why Should Companies Participate

The UN Global Compact seeks to combine the best properties of the UN, such as moral authority and convening power, with the private sector's solution-finding strengths and resources, and the expertise and capacities of other key stakeholders. The initiative is global and local; private and public; voluntary, yet accountable.

Participation in the UN Global Compact offers a wide array of practical benefits:

- Adopting an established and globally recognized policy framework for the development, implementation, and disclosure of environmental, social, and governance policies and practices.
- Linking business units and subsidiaries across the value chain with the UN Global Compact's Local Networks around the world — many of these in developing and emerging markets.
- Sharing best and emerging practices to advance practical solutions and strategies to common challenges.
- Accessing the United Nations knowledge of and experience with sustainability and development issues.
- Advancing sustainability solutions in partnership with a range of stakeholders, including UN agencies, governments, civil society, labour, and other non-business interests.
- Utilizing UN Global Compact management tools and resources, and the opportunity to engage in specialized workstreams in the environmental, social and governance realms.

“We need business to give practical meaning and reach to the values and principles that connect cultures and people everywhere.”

— Ban Ki-moon, Secretary-General of the United Nations

Participation in the UN Global Compact

The Corporate Commitment

The UN Global Compact is a leadership initiative, requiring a commitment signed by the company's chief executive, and, where applicable, endorsed by the highest-level governance body. Any company joining the initiative is expected to:

- make the UN Global Compact and its principles an integral part of business strategy, day-to-day operations, and organizational culture;
- incorporate the UN Global Compact and its principles in the decision-making processes of the highest-level governance body;
- engage in partnerships to advance broader development objectives (such as the MDGs);
- integrate in its annual report (or in a similar public document, such as a sustainability report) a description of the ways in which it implements the principles and supports broader development objectives (also known as the Communication on Progress); and
- advance the UN Global Compact and the case for responsible business practices through advocacy and outreach to peers, partners, clients, consumers and the public at large.

How do you join the UN Global Compact?

To participate in the UN Global Compact, a company:

- Sends a letter signed by the chief executive (and, where possible, endorsed by the board) to the United Nations Secretary-General expressing support for the UN Global Compact and its principles (mailing address: United Nations, New York, NY 10017; fax: +1(212) 963-1207).
- Completes the online registration form on the UN Global Compact website (www.unglobalcompact.org) and uploads a digital copy of the letter of commitment.

Financial Contributions

Upon joining the UN Global Compact, companies are required to make a regular annual contribution to support the work of the UN Global Compact Office. This revenue is critical to the development of value-maximizing programmes, projects and resources for the benefit of all participating companies. The annual contribution amounts are set, by company size, as follows:

- Minimum USD 15,000 for companies with annual sales/revenues of USD 10 billion or more;
- USD 15,000 for companies with annual sales/revenues between USD 1 billion and USD 10 billion;
- USD 10,000 for companies with annual sales/revenues between USD 250 million and USD 1 billion;
- USD 5,000 for companies with annual sales/revenues between USD 50 million and USD 250 million;
- Any financial contribution for companies with annual sales/revenues less than USD 50 million.

Further sponsorship opportunities are available for events and specialized work streams.

The Foundation for the Global Compact serves as the financial intermediary for all contributions (www.globalcompactfoundation.org).

Blueprint for Corporate Sustainability Leadership

The Blueprint is a model for achieving higher levels of performance and generating enhanced value through the Global Compact. It provides an action plan in three core areas: (i) integrating the Global Compact ten principles into strategies and operations; (ii) taking action in support of broader UN goals and issues; and (iii) engaging with the Global Compact. The Blueprint identifies best practices in each of these dimensions, with a total of 50 criteria for leadership. The Blueprint sets targets that all companies can work towards in order to ascend the learning and performance curve.



Maximizing Engagement in the UN Global Compact

The UN Global Compact offers numerous action platforms for participants to demonstrate leadership on critical issues and advance the ten principles.

Global Compact Local Networks:

Local Networks in over 90 countries perform increasingly important roles in rooting the UN Global Compact within different national and cultural contexts. As self-governed multi-stakeholder bodies led by business, they support companies in their implementation efforts, while also creating opportunities for further engagement and collective action. Local Networks also play a key role in facilitating participants' Communications on Progress and safeguarding the overall integrity and brand of the Global Compact.

Dialogue and Learning: A culture of dialogue and learning is crucial to continuous performance improvement. From its inception, the UN Global Compact has fostered and promoted dialogue between business and other stakeholders around critical challenges, covering a diverse range of sustainability issues. These working symposia and policy dialogues take place at the global, regional and local levels.

Specialized Workstreams: The corporate responsibility movement has evolved significantly, triggering a need to place stronger focus on key trends driving the global agenda. The UN Global Compact has responded to these trends

by launching several specialized workstreams on critical issues such as climate change (Caring for Climate), water (The CEO Water Mandate), management education (The Principles for Responsible Management Education), or responsible investment (The Principles for Responsible Investment). These programmes offer UN Global Compact participants additional engagement opportunities, aiming to advance both practical solutions and sensible public policy development.

Partnership Projects: The UN Global Compact asks its participants to seek partnerships in support of broader UN goals, such as the Millennium Development Goals. The basic concept of partnerships is simple and straightforward — to identify common ground between the private and the public sectors, and to combine their resources, skills and expertise. As the primary entry point of business to the United Nations System, the UN Global Compact is uniquely positioned to channel the capacities and resources of its participants and other stakeholders. Partnerships focus on the many areas where private actors and public institutions can engage in win-win relationships, such as poverty reduction, health, education and community development.

The Ten Principles of the United Nations Global Compact

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

HUMAN RIGHTS

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

LABOUR

- 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.

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.

ANTI-CORRUPTION

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



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