

CORPORATE
CITIZENSHIP
IN THE
WORLD
ECONOMY



THE GLOBAL COMPACT

Human Rights

Labour

Environment

Anti-Corruption



UNITED NATIONS

Overview

United Nations Secretary-General Kofi Annan first proposed the Global Compact in an address to the World Economic Forum on 31 January 1999. The Global Compact's operational phase was launched at UN Headquarters in New York on 26 July 2000. The Secretary-General invited business leaders to join an international initiative — the Global Compact — that would bring companies together with UN agencies, labour and civil society to advance universal social and environmental principles.

Through the power of collective action, the Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector — in partnership with other social actors — can help realize the Secretary-General's vision: a more sustainable and inclusive global economy. Today, companies from all regions of the world, international labour and civil society organizations are engaged in the Global Compact. A voluntary corporate citizenship initiative, the Global Compact pursues complementary objectives:

- Making the Global Compact and its principles part of business strategy and operations;
- Facilitating cooperation among key stakeholders by promoting partnerships in support of UN goals.

The Global Compact is not a regulatory instrument — it does not “police”, enforce or measure the behavior or actions of companies. Rather, the Global Compact relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based.

The Global Compact is a network. At its core is the Global Compact Office and six UN agencies: the Office of the High Commissioner for Human Rights; the United Nations Environment Programme; the International Labour Organization; the United Nations Development Programme; the United Nations Industrial Development Organization; and the United Nations Office on Drugs and Crime. The Global Compact involves all the relevant social actors: governments, who defined the principles on which the initiative is based; companies, whose actions it seeks to influence; labour, in whose hands the concrete process of global production takes place; civil society organizations, representing the wider community of stakeholders; and the United Nations, the world's only true global political forum, as an authoritative convener and facilitator.



“Let us choose to unite the power of markets with the authority of unive

How to Participate

As a voluntary initiative, the Global Compact seeks wide participation from a diverse group of businesses and other organizations. To participate in the Global Compact, a company*:

- Sends a letter from the Chief Executive Officer (and, where possible, endorsed by the board) to Secretary-General Kofi Annan expressing support for the Global Compact and its principles (address: United Nations, New York, NY 10017; fax: +1(212) 963-1207);
- Sets in motion changes to business operations so that the Global Compact and its principles become part of strategy, culture and day-to-day operations;
- Is expected to publicly advocate the Global Compact and its principles via communications vehicles such as press releases, speeches, etc.; and
- Is expected to publish in its annual report (or similar corporate report) a description of the ways in which it is supporting the Global Compact and its ten principles. This “Communication on Progress” is an important tool to demonstrate implementation through public accountability.

* *Non-business organisations are asked to visit the Global Compact website (www.unglobalcompact.org) for further information on how to engage with the initiative.*

In terms of the practical ways in which companies pursue the principles, the Global Compact offers engagement opportunities to all participants through the following:

Networks. The Global Compact has established many dozens of country and regional networks around the world. These networks are designed to support the implementation of the Global Compact in a local context through dialogue, learning and projects, and to provide support for quality assurance. Companies and other Global Compact stakeholders are encouraged to take an active role in relevant country networks.

Dialogues. The Global Compact supports action-oriented regional or international meetings, or “policy dialogues”, that focus on specific issues related to globalisation and corporate citizenship. Issues addressed include “The Role of the Private Sector in Zones of Conflict”; “Business and Sustainable Development”; “Transparency and Anti-Corruption”; “Business and Human Rights”; and “Finance and Corporate Responsibility”.

Learning. Companies are invited to develop and share examples of corporate practices, experiences and lessons learned on the Global Compact website. Local and regional learning events support the sharing of knowledge.

Partnership Projects. The Global Compact encourages participants to engage in partnership projects with UN agencies and civil society organizations in support of global development goals.

The Ten Principles

The Global Compact's principles enjoy universal consensus being derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The 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 international human rights within their sphere of influence; and
- Principle 2 | make sure 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.

the disadvantaged and the requirements of future generations."

—KOFI ANNAN, SECRETARY-GENERAL OF THE UNITED NATIONS

Why Participate

There are numerous benefits to participating in the Global Compact. These include:

- Demonstrating leadership by advancing universal principles and responsible corporate citizenship to make the global economy more sustainable and inclusive.
- Producing practical solutions to contemporary problems related to globalisation, corporate citizenship and sustainable development in a multistakeholder context.
- Managing risks by taking a proactive stance on critical issues.
- Accessing the UN's global reach and convening power with governments, business, labour, civil society and other stakeholders.
- Sharing good practices and learnings.
- Improving corporate/brand management, employee morale and productivity, and operational efficiencies.



**For further information,
please visit www.unglobalcompact.org**

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