

# UNITED NATIONS GLOBAL COMPACT ANNUAL REVIEW 2008



United Nations Global Compact

## **United Nations Global Compact 2008 Annual Review March 2009**

### **Acknowledgements**

The Global Compact Office wishes to thank **Governments** that have generously supported the initiative through contributions to the Global Compact Trust Fund in 2008:

China, Denmark, Finland, France, Germany, Italy, Republic of Korea, Norway, Spain, Sweden, Switzerland and the United Kingdom.

Additionally, we are grateful for the financial support provided by business participants to the **Foundation for the Global Compact**. \$1.1 million in private sector contributions were raised in 2008, helping to fund a number of important programmes and events. The list of foundation contributors can be found on page 59 of this publication.

### **About the United Nations Global Compact**

Launched in 2000, the United Nations Global Compact is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption and to catalyze actions in support of broader UN goals. It is the world's largest voluntary corporate citizenship initiative, with over 6,500 signatories based in more than 130 countries. For more information, please visit [www.unglobalcompact.org](http://www.unglobalcompact.org).

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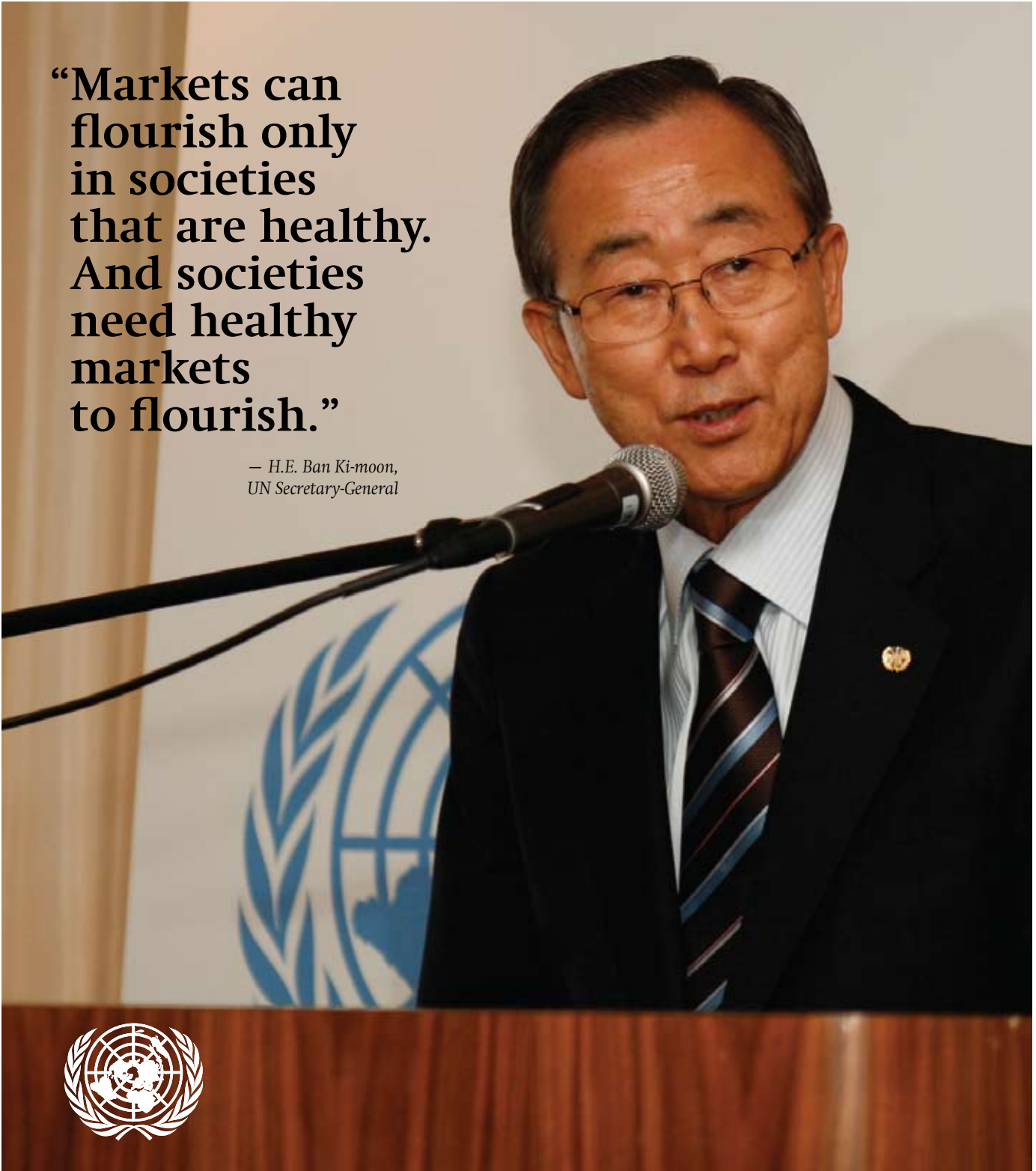
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**“Markets can flourish only in societies that are healthy. And societies need healthy markets to flourish.”**

*– H.E. Ban Ki-moon,  
UN Secretary-General*



Addressing leaders from business, government, the UN and civil society at the first United Nations Private Sector Forum in September 2008.

# Foreword



In 2008, the call for increased responsibility — by governments, investors and corporations — was unmistakable and urgent due to a number of global crises that took center stage. Financial market break downs, abrupt economic declines and food shortages required immediate responses. And it seemed that climate change finally received due attention, with growing recognition that severe, game-changing consequences will occur without a sharp change in course. The contagion witnessed in the financial crisis was a wake-up call — the proof point to an already strong understanding of the systemic risks of our highly interdependent world.

Indeed, the fallout of the financial crisis has put a spotlight on issues that the United Nations Global Compact has long advocated as essential responsibilities for the modern corporation. Since launching in 2000, we have worked to embed principles, values and responsibility

into the global marketplace, recognizing that otherwise it will fail to benefit a majority of society and, ultimately, be unsustainable.

In the current environment of upheaval and uncertainty, the Global Compact has much to contribute. Triggered by the financial crisis, issues of comprehensive risk management, long-term performance and ethics are rapidly gaining relevance and consideration. Restoring confidence and trust in markets will require a shift to long-term sustainable value creation, and corporate responsibility must be an instrument towards this end. Now is the time to build on the advances made over the past ten years by companies in the Global Compact and bring this discipline to the mainstream.

This 2008 Annual Review shows that corporate responsibility has evolved and become a truly global phenomenon. Our group of business participants is diverse — representing all sizes, regions and sectors, as well as levels of engagement and innovation. The majority are active in our Local Networks — now found in over 80 countries — where they work individually and collectively to advance understanding and implementation of human rights, labour, environment and anti-corruption in business practices.

Driving the growth of the Global Compact — now embraced by over 5,000 business participants in 135 countries — is the fact that the business case has become abundantly clear. Environmental, social and governance (ESG) issues are understood to be real factors in the long-term viability and success of companies, whether small suppliers or large transnationals.

Work in recent years by a committed community of institutional investors to consider ESG issues in their investment decisions — through the UN-backed Principles for Responsible Investment (PRI) — has played a critical role in strengthening the business proposition of the Global Compact. In 2008, a number of campaigns were undertaken by PRI — now comprised of 470 signatories representing \$18 trillion in assets under management — to encourage thousands of businesses to either join or improve performance in the Global Compact, emphasizing the important linkages between the investment community and corporate responsibility.

Signs of progress are abundant throughout this Annual Review. A range of events and activities are being taken by Local Networks in every region; implementation of key labour and environmental policies is on the rise; concrete actions to help companies improve performance in human rights and anti-corruption are underway; and business efforts to contribute to the Millennium Development Goals and to peace building are wide-ranging.

The fallout of the financial crisis has put a spotlight on issues that the Global Compact has long advocated as essential responsibilities for the modern corporation. Since launching in 2000, we have worked to embed principles, values and responsibility into the global marketplace, recognizing that otherwise it will fail to benefit a majority of society and, ultimately, be unsustainable.

Companies are increasingly learning how to publicly communicate with their stakeholders on their work in the ESG realm. Indeed, in 2008 the Global Compact received a record number of Communications on Progress (COPs) and a strong majority of companies hold an “active” status in the initiative. Focused efforts are underway at the Global Compact to advance disclosure in the areas of human rights, climate, water and anti-corruption.

But, there remain serious implementation gaps. Simply put, more companies need to engage more deeply on ESG issues and comprehensively disclose their efforts. It is time to move from pilot programmes in select corporate departments to an integrated approach to implement all Global Compact principles throughout and beyond headquarters, into subsidiaries and the supply chain. In terms of disclosure, companies still are challenged to report in a comprehensive manner — too often focusing on policies, with limited detail on impacts. The Global Compact was forced to remove 404 companies from the initiative last year for failure to communicate progress — bringing the total number of delisted companies to 800 by the end of 2008.

Advancing the corporate responsibility agenda is not assured in today’s uncertain economic climate. The downturn poses serious challenges for many companies, yet must not be used as an excuse to ignore or cut back on issues that directly impact the value of business. Issues such as climate change, human rights and corruption will not vanish as a result of economic decline, indeed some worsen. Responsible downsizing, labour unrest and poverty are on the rise.

Now that there is clear, scientific understanding that climate change will have dire systemic consequences for all regions of world, business must answer the call to create a future based on a low-carbon economy and make use of supply chains to diffuse clean technologies. Through our Caring for Climate and CEO Water Mandate initiatives, hundreds of Global Compact participants are developing, implementing and disclosing related policies and performance. These supporting companies represent just a small minority of our signatory base, and more participants are urged to join in 2009.

As business is adjusting to new economic and global realities, there is an opportunity to reorient towards sustainability. Today’s confluence of global threats provides the most compelling and rational case in recent memory for companies to:

- Proactively embrace an expanded view of risk and opportunity management to include ESG factors;
- Increase focus on long-term value creation; and
- Emphasize the role of responsibility and ethics in driving confidence and trust.

The potential of business to help restore confidence in the marketplace and change the course of global threats will only be achieved with a significant increase in the number of companies strategically addressing ESG issues. The Global Compact is working hard to ensure that the good progress achieved in recent years is advanced — not reversed — in the current turbulent economic environment. It is our sincere hope that at the next triennial Global Compact Leaders Summit — to be held on 24 - 25 June 2010 at UN Headquarters in New York — we can report on robust responses by governments, businesses, investors, educators and other key stakeholders to responsibly manage global interdependence.

Restoring confidence and trust in markets will require a shift to long-term sustainable value creation, and corporate responsibility must be an instrument towards this end. Now is the time to build on the advances made over the past ten years by companies in the Global Compact and bring this discipline to the mainstream.



Georg Kell  
Executive Director  
UN Global Compact Office  
March 2009

# United Nations Global Compact 2008

Recognizing that solutions to the most fundamental challenges facing society require extraordinary collaboration, the United Nations entered the corporate responsibility realm in 2000 by launching the United Nations Global Compact.

The Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary agent driving employment and wealth creation, can help ensure that markets advance in ways that benefit economies and societies everywhere.

## The Ten Principles of the United Nations Global Compact

### 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 are asked to 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

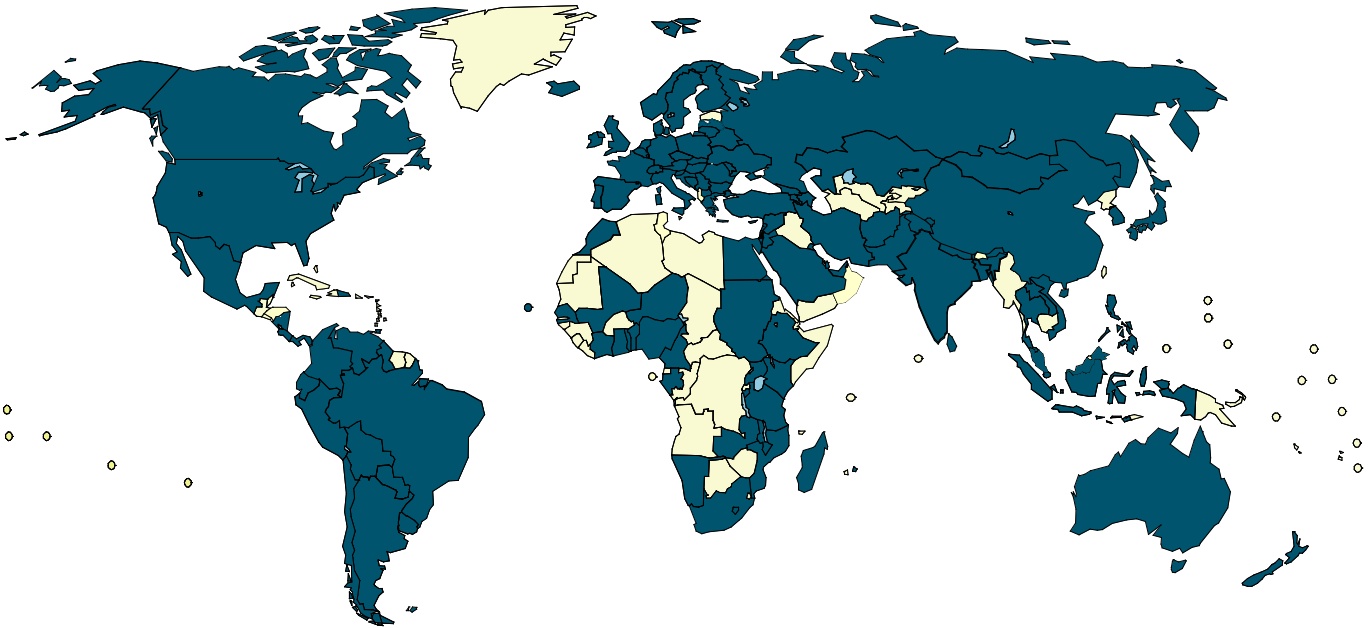
- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

## Business Participants & Other Key Stakeholders

The Global Compact message of responsibility has gained traction around the world, helping us to become the largest global corporate citizenship initiative with 6,500 signatories — 5,000 from business and 1,500 from civil society and other non-business organizations — based in over 135 countries. In 2008, the Global Compact welcomed 1,473 business participants — a 30% increase in new corporate signatories compared to the previous year.

The need to proactively address environmental, social and governance (ESG) issues — as embodied in the Global Compact's Ten Principles — is increasingly clear to chief executives from the smallest establishments to the largest transnational corporations. Global Compact business participation is equally split between SMEs (small- and medium-sized enterprises with less than 250 employees) and larger companies. With half of our business participants based in developing or emerging economies, the Global Compact is rooted in hugely diverse economic, political and social climates — an important step in ensuring that universal principles eventually reach all corners of the earth.

### Global Compact Stakeholders



#### Governments

The Global Compact enjoys the support of the UN General Assembly and has additionally been recognized in a number of other inter-governmental contexts, including by the G8.

In December 2007, the UN General Assembly renewed and expanded the mandate of the Global Compact Office, the UN office that supports the initiative, in its Resolution "Towards Global Partnerships" (A/RES/62/211).

In 2008, the Global Compact Office received essential financial support to our trust fund from numerous Member States of the United Nations: China, Denmark, Finland, France, Germany, Italy, Republic of Korea, Norway, Spain, Sweden, Switzerland and the United Kingdom. Their support and generosity are greatly appreciated.

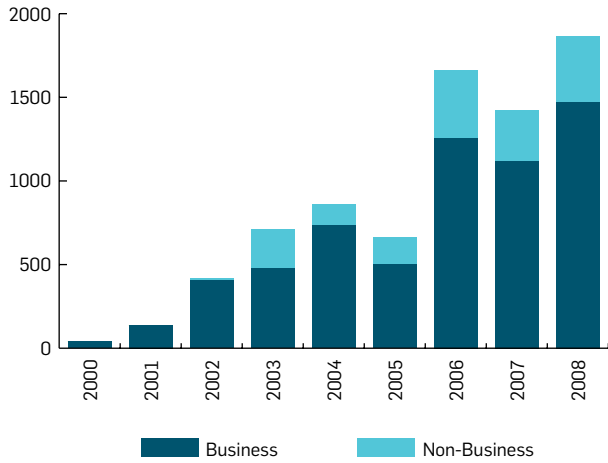
Additionally, efforts by governments in 2008 to encourage business to

implement the Global Compact helped bring increased attention and scale to corporate responsibility, including in China, Denmark, Ghana, Norway and Sweden.

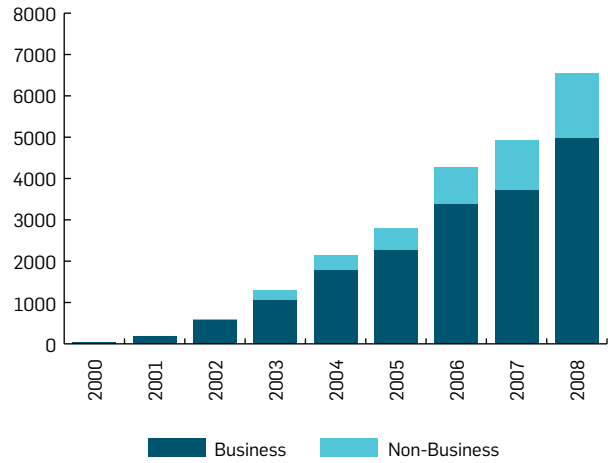
One such example was the adoption of a law in Denmark requiring the country's publicly-listed companies, state-owned companies and institutional investors to include ESG information in their annual financial reports.



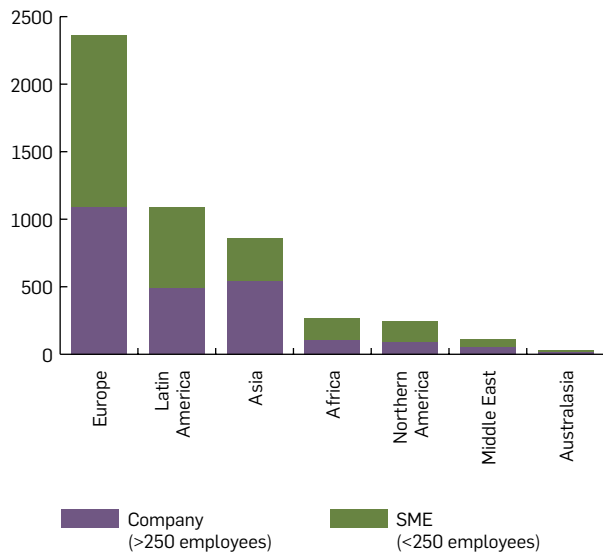
### New signatories per year



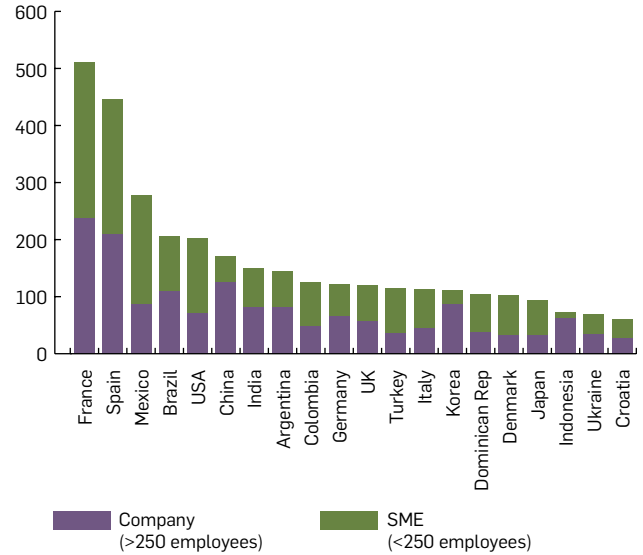
### Total Global Compact signatories



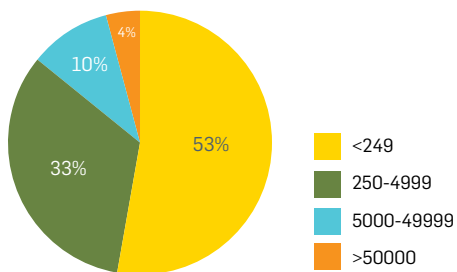
### Business participants by region and size



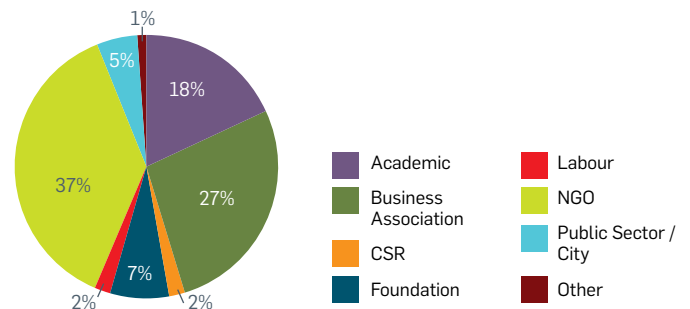
### Business participants - top 20 countries



### Business participants by employee #



### Non-business participants



## Top Reasons for Engagement in the Global Compact

1

Integration of ESG issues

2

Increase trust in company

3

Universal nature of the principles

4

Networking with other organizations

5

Address humanitarian concerns

The Global Compact has observed time and again that companies — irrespective of their past and background — converge around values and principles. The 2008 Global Compact Implementation Survey, which was completed by 707 participating companies around the world, backs up these observations with data on how participants are working to implement policies and take actions linked to the Ten Principles, as well as sustainable development.

Chief executives commit to take action when signing on to the Global Compact — and this is reflected in survey results. Companies cite the top reason for engagement in the Global Compact as “integration on environmental, social and governance (ESG) issues”, reflecting a growing shift towards more proactive action, no longer simply viewing corporate responsibility as a reputation management function.

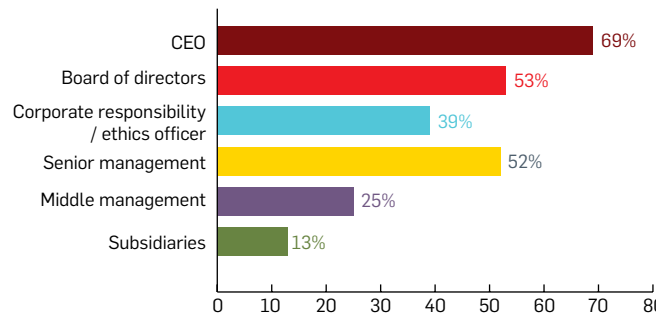
Additionally, when asked how the Global Compact can best assist participants in their

efforts, companies overwhelmingly asked us to collect and share good practice examples, as well as provide tools and guidance on each issue area.

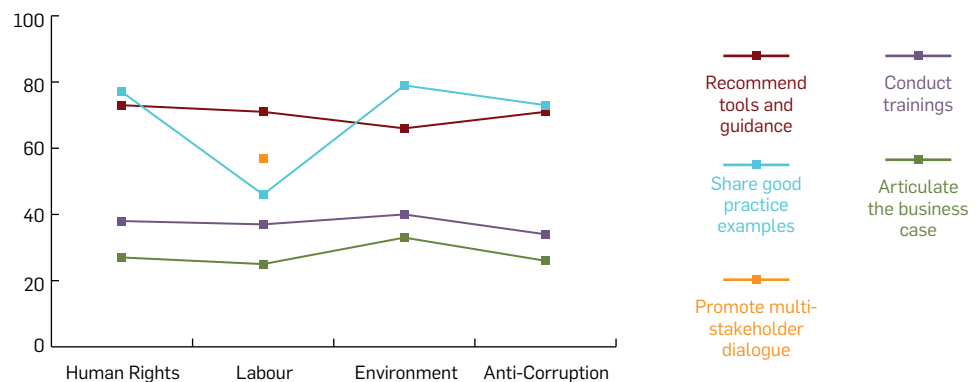
Survey results show that CEO ownership of Global Compact issues is high — an important conclusion given the leadership model at the heart of our initiative. However, it is also clear that this momentum needs to move down the organization and out to subsidiaries and supply chains.

More companies are called on to progress from pilot programmes in select corporate departments to an integrated approach for implementing all Global Compact principles throughout and beyond headquarters, and then report on these efforts. Additionally, it is critical for Boards and other corporate governance entities, which have the ultimate responsibility for the long-term stewardship of an organization, to better integrate ESG issues into their deliberations and policymaking.

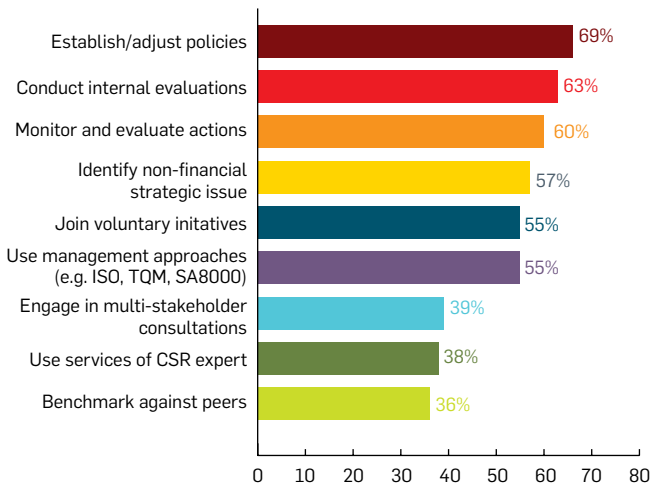
### At what levels within your company are corporate responsibility policies and strategies developed and/or evaluated?



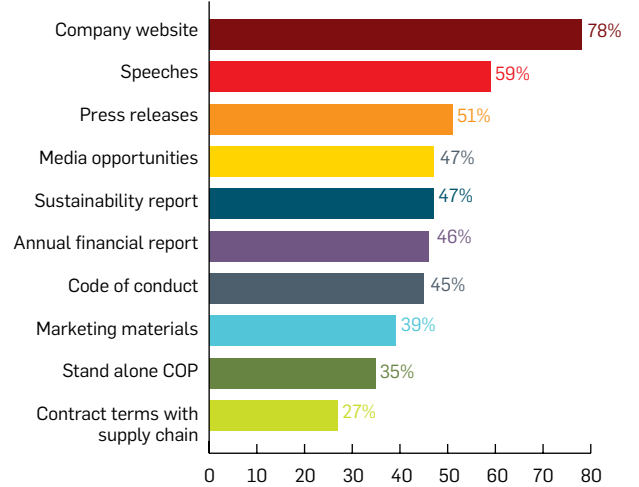
### How can the Global Compact help your company implement policies and practices?



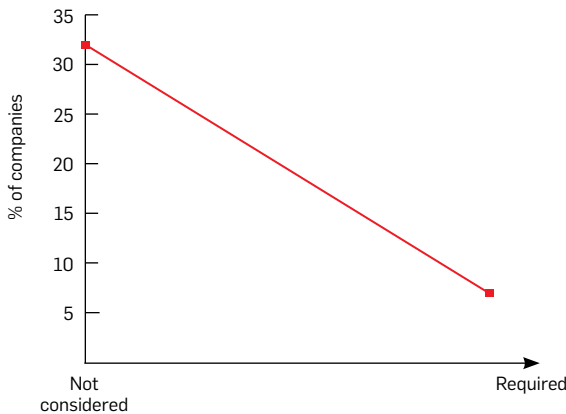
### What has your company done to operationalize its corporate responsibility vision?



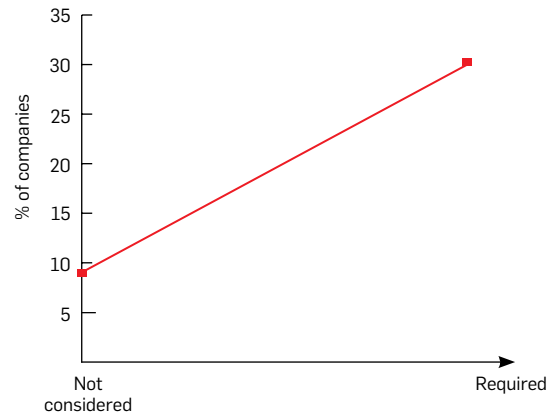
### How does your company publicly communicate its corporate responsibility practices?



### When selecting supply chain partners, do you consider their participation in the Global Compact?



### Does your company spread its commitment to the Global Compact throughout its subsidiaries?



#### Civil Society

Civil society organizations are active partners in the Global Compact globally and locally. CSOs provide guidance as members of the Global Compact Board and participate in the steering committees of most Local Networks.

They also are members of all issue Working Groups – in

the areas of human rights, labour and anti-corruption – and are active in special projects, particularly the “CEO Water Mandate” which receives significant direction and stewardship from environmental and human rights groups.

In 2008, the Global Compact worked to strengthen and widen

engagement with committed civil society organizations, encouraging them to more actively participate in Local Networks, propose partnership projects and provide commentary to companies on Communications on Progress.

Additionally, in 2008 the Global Compact called on civil society to maintain its watch-

dog role, and hold companies accountable for their commitments under the Global Compact. During the year, the Global Compact engaged in a number of dialogues with CSOs around business engagement in Sudan, Zimbabwe and Myanmar, as well as on environmental issues.

### Social Vetting

The Global Compact requires business participants on an annual basis to publicly disclose their actions to advance the Ten Principles through a Communications on Progress (COP).

As a neutral facilitator and a platform for dialogue and learning, we rely on civil society organizations, media and the public-at-large to critically examine information provided by companies on their engagement in the Global Compact. Constructive public debate is encouraged in cases where business practices are felt to be inconsistent with a company's disclosure or commitment.

In 2008, companies were publicly questioned on a range of issues, particularly: human rights and labour abuses, corrupt practices, water-related issues, operating in conflict zones and failure to communicate progress.

### Enhancing Participant Integrity

In 2008, the Global Compact introduced a number of measures to enhance the quality of participants engaged in the initiative:

- Local Network focal points are provided information on companies from their country seeking to join the initiative, and are asked to raise any serious concerns with the Global Compact Office.
- New participants are screened using an online database identifying companies that are the subject of UN sanctions or have been blacklisted by the UN Procurement Division or by an International Banking Institution.
- Existing participants that are suspended or removed from the UN Vendor List for ethical reasons may be, likewise, suspended or removed from the Global Compact.

## Continuous Improvement on Corporate Responsibility

Attracting a diverse group of business participants — representing all sizes, regions and sectors, as well as all levels of engagement on corporate responsibility issues — has always been a priority of the Global Compact. We have never sought to be a club of champions, purposely keeping entry barriers at a minimum. What is required is a CEO's commitment to (i) implement the principles into business operations over time and (ii) annually report progress towards this end. In recent years, we have worked to develop a range of offerings that can encourage new entrants to embrace corporate responsibility, while also providing incentives to motivate front runners to keep pace and give direction.

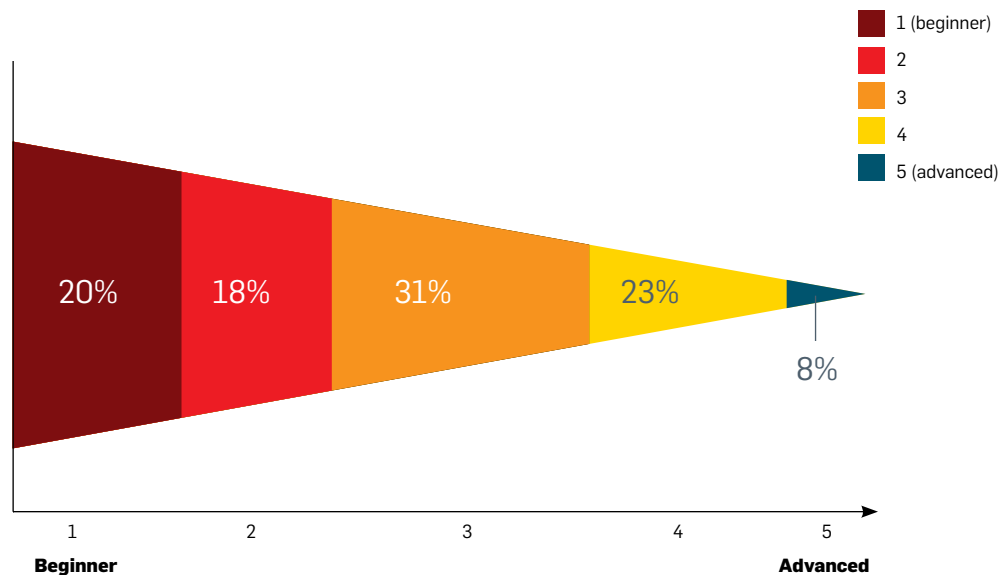
Based on responses to the 2008 Global Compact Implementation Survey, we were able to rank with a high level of confidence the overall level of corporate responsibility performance of participants, using a scale from “beginner” to “advanced”. The results mirror our years of observation, showing that the Global Compact engages with a wide variety of companies — with only 8% identified as advanced performers and the vast majority ranked in the beginner to intermediate range.

The span of corporate expertise on Global Compact issues translates into a wide range of

implementation — from minimal to robust — on policies and actions to advance the Ten Principles. Despite this diversity, it is evident that, overall, companies are implementing key policies on human rights and anti-corruption less than labour and environment.

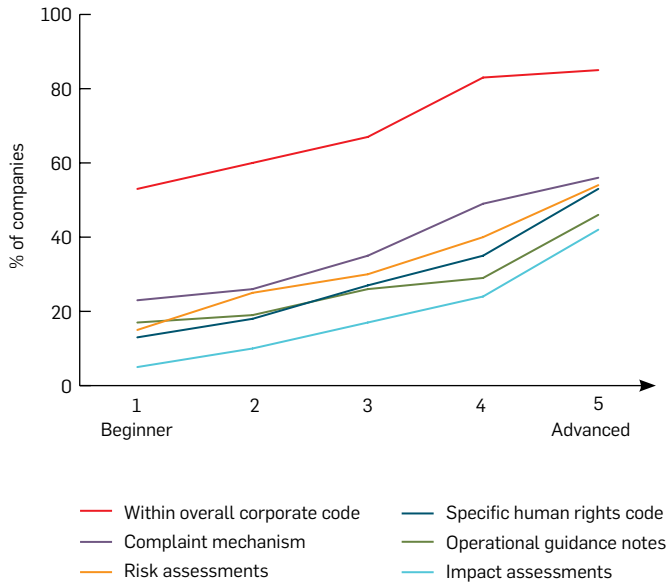
For each core issue area, this Annual Review provides detailed survey results and case examples of business action, as well as key efforts by the Global Compact and non-business stakeholders to drive awareness, implementation and reporting in 2008.

### Corporate responsibility performance of participants

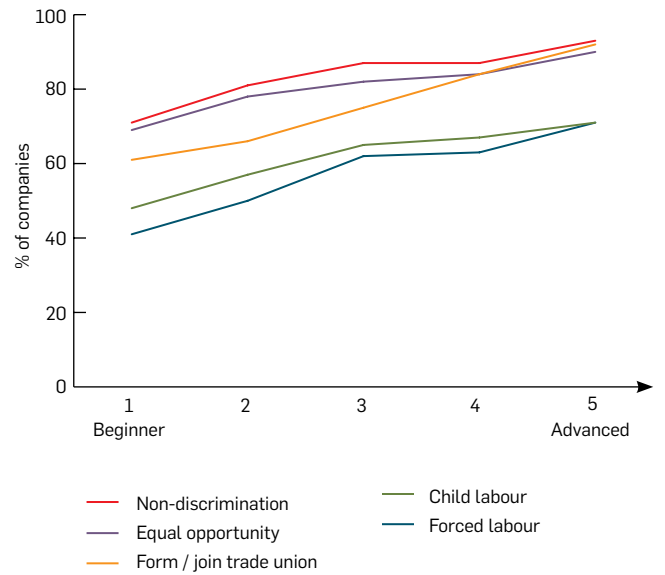


# Policy Implementation by Issue

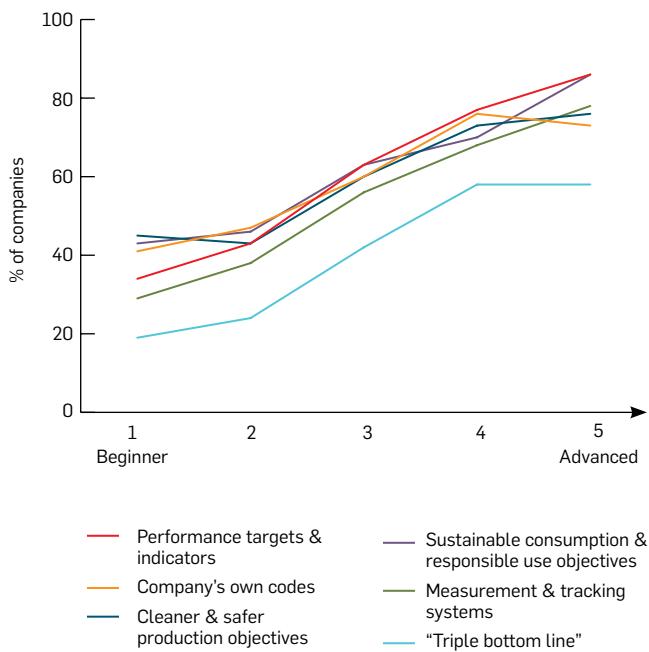
## Human Rights



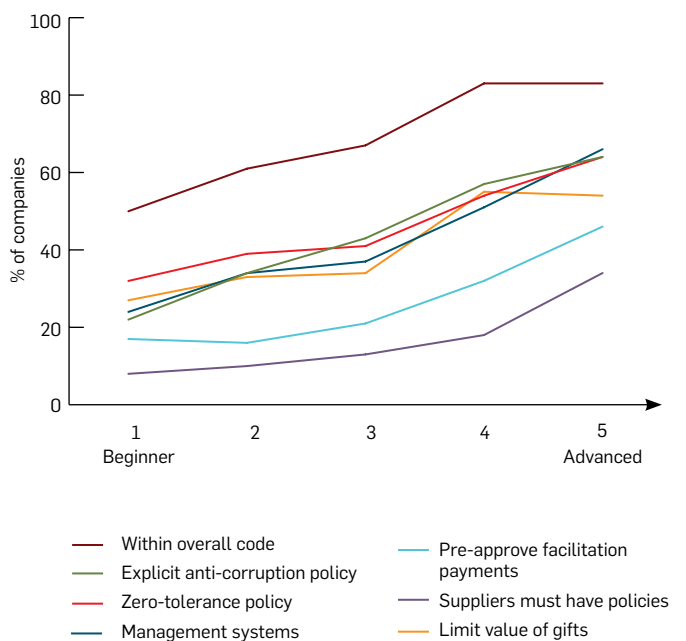
## Labour



## Environment



## Anti-Corruption



## Global Compact Inter-Agency Team

Six UN agencies that are closely associated with the Global Compact's Ten Principles comprise the Inter-Agency Team:

**OHCHR** Office of the UN High Commissioner for Human Rights

**ILO** International Labour Organization

**UNEP** United Nations Environment Programme

**UNODC** United Nations Office on Drugs and Crime

**UNDP** United Nations Development Programme

**UNIDO** United Nations Industrial Development Organization

## United Nations-Business Engagement

The Global Compact plays a central role within the United Nations in relation to developing policy on UN-business engagement and advancing the partnership agenda across the UN system. In 2008, work was undertaken in a number of areas:

**UN-Private Sector Forum** Approximately 100 chief executives, Heads of State and Government, and heads of UN and civil society organizations gathered in September 2008 for the first UN Private Sector Forum. The Forum focused on the Millennium Development Goals and Food Sustainability, and marked a new phase in collaboration. The Global Compact served as lead organizer, with inputs from the UN family including: The World Bank, IFC, IFAD, FAO, UNDESA GAID, ILO, OCHA, UNDP, UNEP, UN Office for Partnerships and WFP.

### Revision of the UN-Business Guidelines

A Working Group was established in 2008, chaired by the Deputy Secretary-General, to update the UN-business guidelines to better reflect the shared experiences of the Organization in collaborating with the private sector. The revised guidelines, to be released in 2009, will help to increase the scale, effectiveness and accountability of UN-business engagement, while ensuring the Organization's integrity. The updated guidelines will help advance the implementation of the Global Compact across the UN System.

**UN Private Sector Focal Point Meeting** Close to 80 representatives of UN agencies gathered in October 2008 for the seventh annual conference of private sector focal points. A "Meet the UN" event was held prior to the conference by the Global Compact, IBLF and UNDP, bringing together business executives with UN staff from

a variety of entities. Also, the Global Compact continued to produce a system-wide quarterly electronic newsletter, "The UN-Business Focal Point", in 2008.

**UN-Business Website** Work took place to redevelop the website, to be launched in early 2009. It will provide more user-friendly language and logic, as well as an interactive platform through which the UN can more proactively engage with business actors, for example identifying partners for projects.

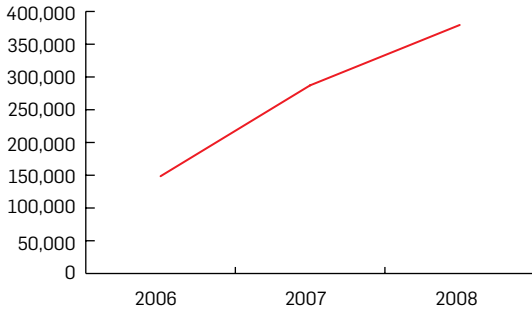
**Procurement** There have been notable developments to incorporate sustainability and the Ten Principles into the procurement function, including: a revision of the General Terms and Conditions by the Procurement Service for supplier contracts to include social clauses; development of a "Sustainable Procurement" training package by the inter-agency group on Responsible Procurement; and translation of the UN Supplier Code of Conduct into all official UN languages.

**Pension Fund** The Investment Management Service of the UN Joint Staff Pension Fund hired a consulting firm to assist in the development of a policy and strategies on responsible investment, in line with the Fund's commitment to the Principles for Responsible Investment (PRI). In addition, the Fund has committed to participate in PRI's 2009 review process where it will provide an update on progress.

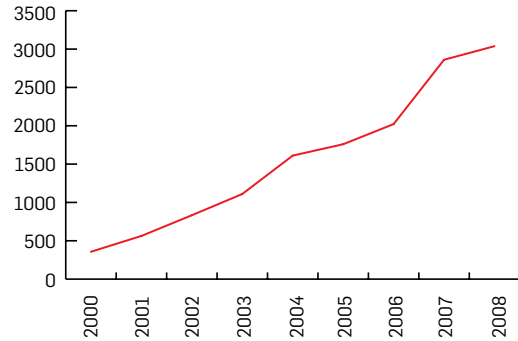


# Global Compact Brand and Visibility

Unique visitors to the Global Compact website (per year)



Global Compact mentions in media and press releases (per year)



## Global Compact logos

The Global Compact was proud to launch a new family of logos at our 2007 Leaders Summit. Participants are encouraged to use the “We Support the Global Compact” logo as a way to further show commitment and raise awareness of the initiative, for example on corporate websites and pertinent printed materials. To protect the Global Compact’s brand and integrity, organizations must request permission from the Global Compact Office – and submit a sample of desired usage – before each use of a logo. Our online logo request system launched in early 2009 helps to more efficiently handle requests and track usage.

**628**

**Requests for use of a Global Compact logo in 2008**



**United Nations Global Compact**



Global Compact Network  
Egypt



WE SUPPORT



The CEO Water Mandate

**PRME** Principles for Responsible Management Education

## PRME: Principles for Responsible Management Education

"As teachers, you can ensure that tomorrow's leaders understand that the long-term growth of a business is tied to its environmental and social impact. As scholars, you can produce research that drives innovation and helps management to recognize the benefits of being a responsible business. And as thought leaders and advocates in your communities, you help advance awareness of broader challenges, opportunities and responsibilities."

– *UN Secretary-General  
Ban Ki-moon*

Launched in 2007, the Principles for Responsible Management Education (PRME) provide a framework for academic institutions to advance corporate responsibility. Through incorporating universal values into curricula and research, a new generation of business leaders will be prepared to manage the complex challenges faced by business and society. By the end of 2008, nearly 200 business schools from 50-plus countries had signed on to PRME.

### First Global Forum for Responsible Management Education

In December 2008, more than 260 academic leaders, as well as representatives of business, civil society and the United Nations, gathered at UN Headquarters in New York for the First Global Forum for Responsible Management Education. The two-day Forum focused on the role of corporate responsibility in management education, presenting good practice cases and new research from leading institutions. An outcome statement adopted at the Forum stressed the critical role of business schools as agents of change and pledged to place environmental, social and governance issues at the core of curriculum development for management education.

### PRME Steering Committee

- AACSB International (The Association to Advance Collegiate Schools of Business)
- Aspen Institute Business and Society Program
- European Academy of Business in Society (EABIS)
- European Foundation for Management Development (EFMD)
- Globally Responsible Leadership Initiative (GRLI)
- Graduate Management Admission Council (GMAC)
- Net Impact
- United Nations Global Compact





## Global Compact Board

The Global Compact Board, appointed and chaired by the UN Secretary-General, is a multi-stakeholder body that provides ongoing strategic and policy advice for the initiative as a whole. The Board met twice in 2008:

**May 2008** Discussion centered on the strategic direction for the Global Compact, as well as the initiative's Integrity Measures. Board members also received an update on the status of the Global Compact, including fund-raising efforts by the Foundation for the Global Compact.

**December 2008** The Board focused on proposed updates to the Global Compact's Communication on Progress (COP) policy. Following the meeting, Board members joined Government representatives for a discussion on the impact of the financial crisis on corporate responsibility.

### 2008 Board Members

**Talal Abu-Ghazaleh**

Chairman and CEO, Talal Abu-Ghazaleh Organization

**Habiba Al Marashi**

Chair, Emirates Environmental Group

**Toshio Arima**

Director and Executive Advisor to the Board, Fuji Xerox

**José Sergio Gabrielli De Azevedo**

President and CEO, Petrobras

**Guillermo Carey**

Senior Partner, Carey & Allende Abogados

**Chen Ying**

Vice President, China Business Administration Science Foundation

**Oded Grajew**

Chair, Instituto Ethos de Empresas e Responsabilidade Social

**Georg Kell**

Executive Director, UN Global Compact Office\*

**Huguette Labelle**

Chair, Transparency International

**Anne Lauvergeon**

Chair of the Executive Board, Areva

**Anthony Ling**

Chief Investment Officer, Goldman Sachs International

**Sir Mark Moody-Stuart**

Chairman, Foundation for the Global Compact\*

**Ntombifuthi Mtoba**

Chair of the Board, Deloitte, South Africa

**B. Muthuraman**

Managing Director, Tata Steel

**Mads Øvlisen**

Adjunct Professor and Chair of Lego

**Antonio Peñalosa**

Secretary-General, International Organization of Employers

**Mary Robinson**

Chair, Realizing Rights: The Ethical Globalization Initiative

**Guy Ryder**

General Secretary, International Trade Union Confederation

**Guy Sebban**

Secretary-General, International Chamber of Commerce

**Manfred Warda**

General Secretary, International Federation of Chemical, Energy, Mine and General Workers' Unions

\* Ex-officio

### About the 2008 Global Compact Implementation Survey

Results from the second annual "Global Compact Implementation Survey" of business participants of the Global Compact are featured throughout this Annual Review.

In March 2008, all 4,000 companies participating in the initiative were invited to take the anonymous online survey with the purpose of identifying how corporate participants are taking steps to advance their commitment to the Global Compact and implement the Ten Principles. Additionally, the survey provides critical intel-

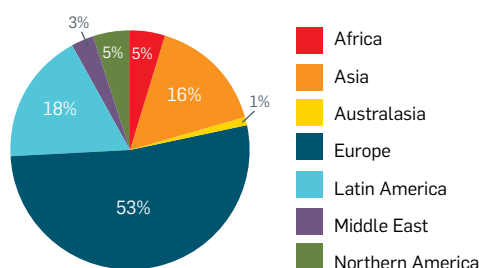
ligence that guides the Global Compact's development of future resources and events.

The survey was completed by 707 companies from over 90 countries and a wide range of sizes and sectors – representing a 20% response rate based on available contact data for participants at the time. The 2008 Global Compact Implementation Survey was administered and analysed by The Wharton School of the University of Pennsylvania.

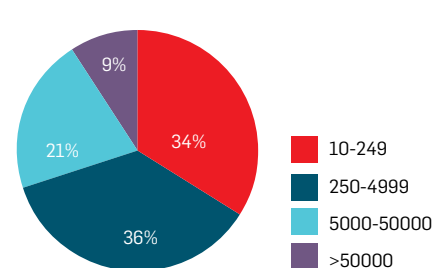
**707**

Surveys completed by Global Compact business participants

Responses by region



Responses by company size (employee #)



# Local Networks

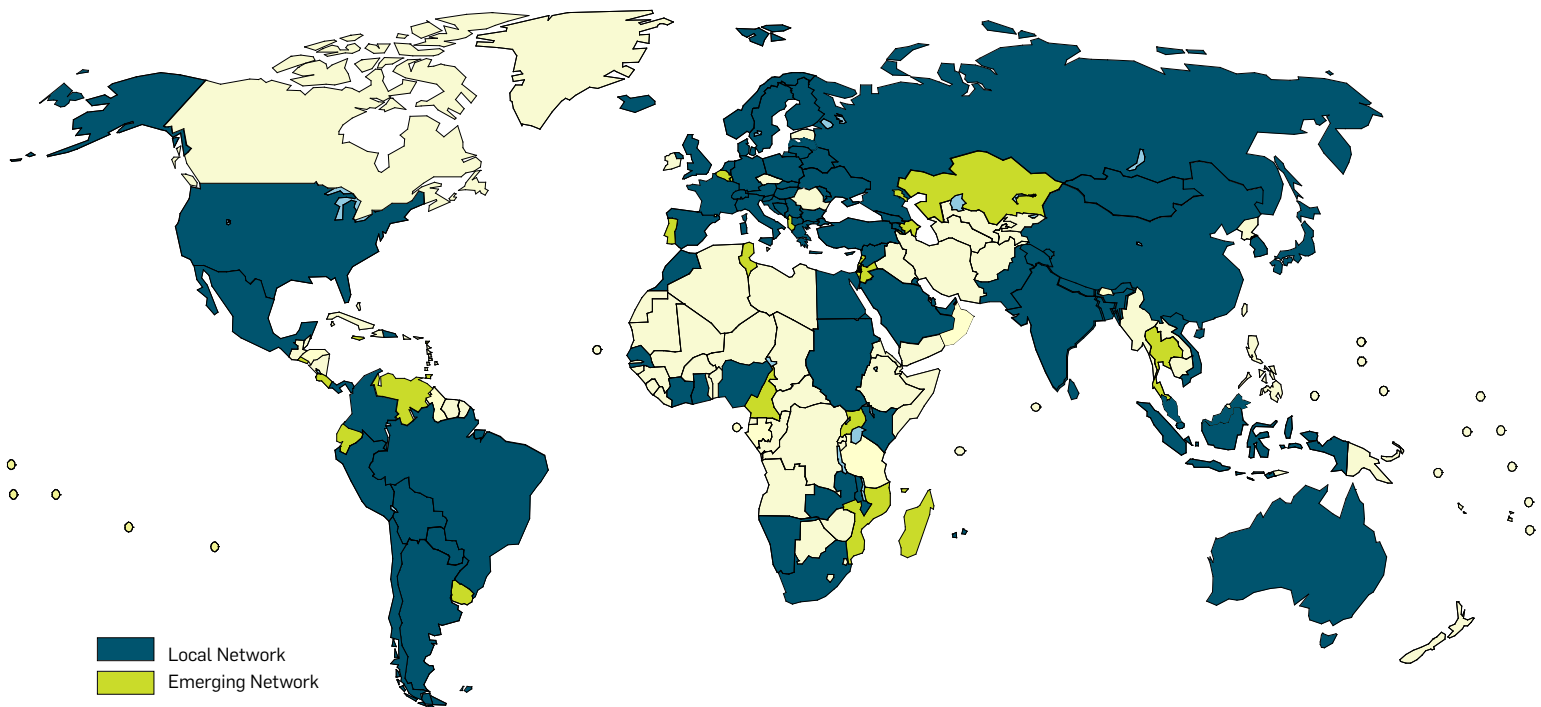
Companies increasingly look to our Local Networks for support and inspiration in implementing the Global Compact – with 60% of respondents to the 2008 survey reporting local engagement. Because all of the 80-plus Local Networks are established and sustained by local interest and enthusiasm, activities are based on local priorities and needs. Often, networks provide opportunities for participants to improve understanding and share experiences on the Ten Principles and partnerships, as well as how to report on progress in these areas. Collective action campaigns and government policy dialogues are also increasingly organized through the Local Networks.

Over time, the capacity of Local Networks has become decidedly more robust in all regions. In 2008, a milestone was reached when the networks voted to strengthen their governance and accountability, including through the introduction of an annual agreement to operate a Global Compact Network based on minimum criteria being met. In another positive signal, more than a dozen networks translated the Global Compact's 2008 global campaign on human rights and business into local campaigns through workshops, lecture series, collective statements and advertisements. Finally, the Secretary-General's meetings with five Local Networks during 2008 provided an enormous boost to the legitimacy and importance of these local operations.

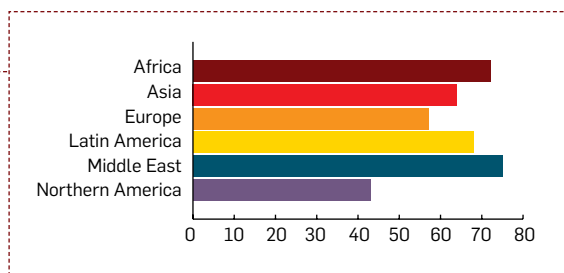
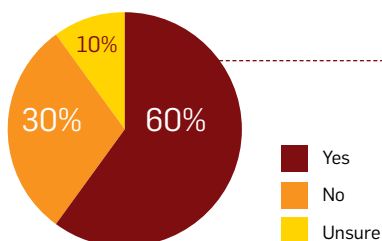
# Global Compact Around the World

2008 saw a continued increase in the number of Local Networks with launches in Greece, the Gulf Region, Malaysia, Namibia, Russia, Slovakia and Sudan. A number of existing networks grew significantly through the addition of at least 50 new participants each during the year, including Brazil, France, Spain, Turkey and the US. Networks in Malaysia, Mauritius, Serbia, Syria and Viet Nam had the highest percentage increase in participant numbers.

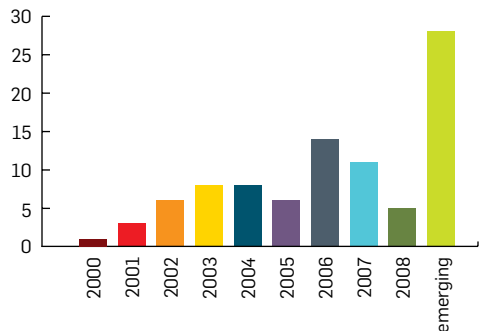
**80+**  
Existing and emerging  
Local Networks



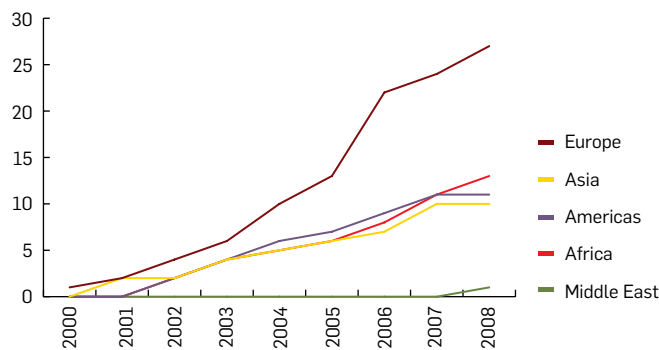
## Is your company engaged in a Global Compact Local Network?



### Local Network launches



### Local Network growth by region



### Secretary-General Visits

In a notable development, the Secretary-General met with business leaders and other key stakeholders of Global Compact Local Networks during his official travels in 2008.

**Russia (March 2008):** Attended the launch of the network and met with over 30 executives of Russian businesses.

**Japan (June 2008):** Met with 50 business representatives of the network and praised their recent decision to adopt a CEO-led structure.

**China (July 2008):** Addressed by Global Compact business leaders on efforts to advance responsible corporate practices, particularly related to climate change, poverty reduction and disaster relief.

**Korea (July 2008):** Attended luncheon with Prime Minister Han Seung-Soo and 200 business and other stakeholder representatives, where he encouraged network participants to strive for world-class practices.

**Mexico (August 2008):** Met with 20 leading business champions and was presented with a "Mexico Declaration" committing to further advance the network as a business-led, multi-stakeholder platform for corporate responsibility.

### Why does your company engage in a Global Compact Local Network?



### Networking

**Argentina:** Bringing together academic and business leaders, the network and JCI Argentina hosted a meeting in June 2008 on the role of academic institutions in preparing future executives to understand and integrate corporate social responsibility into business operations.

**Bulgaria:** An 18-month project conducted by the network, "Accelerating CSR practices in New Europe", focused on monitoring press coverage of CSR in the Bulgarian media. As part of the project, participants of the network visited Spanish, UK and German companies to learn from their experiences.

**France:** For the network's 3rd General Assembly in April 2008, 160 CEOs and executives convened for a two-part meeting. First, the business of the network was conducted – with approval of the budget and nominations for the Steering Committee – and then a debate on climate change was held.

**Gulf Region:** A new regional network of Global Compact participants in the countries of the Gulf Cooperation Council (GCC) was launched in Dubai in April 2008. Organized by the Emir-

ates Environmental Group, the event brought together over 150 business leaders, government and UN officials, and civil society representatives.

**Lithuania:** Based on a joint project between UNDP Lithuania and the Ministry of Social Security and Labour, a new CSR acknowledgement system was established. Three Lithuanian participants of the Global Compact received awards within the category of Socially Responsible Enterprise of the year.

**Namibia:** In April 2008, Prime Minister Nahas Angula launched the Local Network, emphasizing that the objectives of the Global Compact match the nation's priorities. The Prime Minister asked Namibian companies – particularly in prominent industries such as mining, fishing and tourism – to sign on to the Global Compact.

**South Africa:** A conference in April 2008 explored the meaning of the Global Compact in Africa. A wide range of topics were discussed, including the role of South Africa as a dominant regional economy, the influence of China and India on Africa, regional water issues, the state of corruption, responsible management education, and case studies on practical implementation.

## Network Development and Governance

Representatives from over 70 Global Compact Local Networks gathered in October 2008 in Bonn, Germany at the **VI Annual Local Networks Forum (ALNF)** to share experiences on their efforts to advance the Global Compact at the local level. It was the largest ALNF to date, with 220 participants representing networks, business, government, civil society and labour. Key outcomes of the ALNF include:

- All networks must sign an annual agreement with the Global Compact Office confirming authorization related to name and logo usage based on the network's fulfillment of minimum criteria.
- The ANLF's governance terms were updated with clear language on decision-making processes, for example only allowing networks with active agreements with the Global Compact Office to participate in voting and identifying criteria for adopting decisions.
- Four Working Groups were established to explore: minimum requirements of Local Networks, engagement of micro-enterprises, engagement of civil society organizations, and role of networks in the COP process. Draft terms of reference were subsequently developed.

The VI ALNF was convened by Fundació Fòrum (Barcelona Center for the Support of the UN Global Compact) and the Global Compact Office, with the collaboration of Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH commissioned by the German Federal Ministry for Economic Cooperation and Development. Deutsche Post World Net Headquarters generously hosted the Forum.

### Regional Meetings for Network Leaders

Meetings for Local Network Focal Points were convened on a regional basis in 2008, providing a platform to exchange good practices and identify regional opportunities and challenges.

**Africa:** Addis Ababa  
23-24 January 2008

**Europe:** Athens  
28-29 May 2008

**Asia:** Seoul,  
17-18 June 2008

**Latin America:** Bogota,  
3-4 September 2008

**South Korea:** "Changing Landscapes", a conference co-hosted by the network in June 2008, was the largest gathering of Asian business, global investors and civil society to date, with 500 representatives in attendance. The conference provided a unique opportunity to deliberate on matters such as sustainable finance, responsible investment and corporate citizenship.

### Implementation of the Principles

**Moldova:** In December 2008, members of the network joined together to adopt a Code of Conduct on combating the worst forms of child labour. The Code was developed by the network as a tool for implementing Global Compact Principle 5. An annual meeting will be held to evaluate actions taken by members.

**Spain:** Several activities were held in 2008 to promote the implementation of the Global Compact's Ten Principles, including a dialogue forum on the role of business in tackling climate, learning forums on integrating labour and environmental standards in the supply chain, and implementation of anti-corruption policies.

**Ukraine:** An international conference was held in October 2008 on national strategies for implementing the UN Convention on the Rights of Persons with Disabilities, where the employment of people with disabilities and participation of the private sector in promoting these rights were featured topics.

**United States:** In recognition of the 60th anniversary of the Universal Declaration of Human Rights (UDHR), a working symposium on human rights and business was convened in April 2008 with the Harvard Business School, with approximately 100 corporate executives, civil society representatives, academics and other human rights experts in attendance.

### Assist with COP

**Albania:** Global Compact clinics were held in 2008 for participants, designed to provide information on the benefits and requirements of participation, as well as guidance on preparing the COP.

**China:** More than 50 representatives of Chinese companies participated in the first Global Compact Progress & Value Workshop in China in April 2008. The workshop was designed to

deepen understanding among Chinese participants of both the Ten Principles and the annual COP.

Many networks, including the **Netherlands, Turkey and the UK**, held COP Peer Review meetings where network participants analysed and commented on the COP of a member company, in order to exchange experiences and good practices.

**India:** During its 4th Annual General Meeting in June 2008, the network identified COP compliance as a key challenge. A progress value workshop was held for participants.

### Policy Dialogue

**Brazil:** A meeting between CEOs and the government was convened to address human rights issues. Presided over by President Luís Inácio Lula da Silva, who urged the private sector to push the CSR agenda forward, discussion focused on topics including gender equality, forced labour and disability rights.

**Kenya:** With a founding objective to serve as a public-private platform to advance Kenya's business environment, the network was involved in two

Prime Minister roundtables on the national business agenda. Also, meetings were held by the network linked to national and business policies on climate change and poverty.

**Mexico:** With the goals of educating the population and ending child sexual exploitation, the network launched a multi-stakeholder campaign in Cancun. Each stakeholder provided unique value, with NGOs providing local and topical expertise, the government developing an anonymous hotline, and the private sector establishing an agreement among international tour operators. Local actors and popular football players assisted in promotional efforts.

**THE GLOBAL COMPACT**

Global Compact Bulgaria  
Глобален договор България

**Annual Review**  
Годишен преглед

**2007-2008**

**global compact**  
The Jakarta

**2008**

유엔글로벌콤팩트 한국협회  
뉴스레터

제 14 호 2008년

**GLOBAL COMPACT KOREA NETWORK NEWSLETTER**

**THE GLOBAL COMPACT**

United Nations Global Compact  
Sri Lanka Network

WE SUPPORT

News & Events

July/August/September 2008

**UN Private Sector Forum: THE MILLENNIUM DEVELOPMENT GOALS AND FOOD SUSTAINABILITY**  
24 September 2008, 12:00h – 15:30h, UN Headquarters, New York

This forum is co-organized by United Nations Development Programme, GCHA in its capacity as coordinator of the High-Level Task Force for the Global Food Crisis, UN Department of Economic and Social Affairs, UN Office for Partnerships and the UN Global Compact. At the forum, the UN Secretary-General and a group of 100 Chief Executive Officers, civil society leaders, heads of foundations and heads of UN Agencies will identify and discuss collaborative public-private actions needed to achieve the Millennium Development Goals.

**THE MILLENNIUM DEVELOPMENT GOALS**

- 1. Eradicate Poverty
- 2. Achieve Universal Primary Education
- 3. Promote Gender Equality
- 4. Reduce Child Mortality
- 5. Improve Maternal Health
- 6. Combat HIV/AIDS
- 7. Ensure Environmental Sustainability
- 8. Develop a Global Partnership

**Red Pacto Mundial Perú**

Boletín de Noticias

CONFIEP - Secretaría Técnica de la Red del Pacto Mundial en el Perú

No. 18 Año 3 | 11.Diciembre.2008

**Boletín de Noticias**

**Empresas en Acción**

**BACKUS se une a la "Declaración del Clima"**  
En respuesta al llamado que hiciera el Pacto Mundial a las empresas del mundo a tomar medidas para la protección del cambio climático. [Ver nota](#)

**Empresa Eléctrica de Piura - EEPSA colabora con el Medio Ambiente en Talara**  
EEPSA entregó a la Municipalidad de Talara el Plan Integral de Gestión Ambiental de Residuos Sólidos. [Ver nota](#)

**La PUCP es nuevo miembro del Pacto Mundial**  
La Secretaría Técnica del Pacto Mundial se complace en informar la adhesión de la Pontificia Universidad Católica como nuevo integrante de la Red del Pacto en el Perú. [Ver nota](#)

**PUCP promueve la Responsabilidad Social ESCOLAR**  
La Universidad Católica realizó su primer concurso escolar sobre Responsabilidad Social dirigido a escolares de 3° a 5° de secundaria. [Ver nota](#)

**Publicaciones:**

- Climate Confidence Monitor 2008, WBCSD
- Green Economy Initiative, WBCSD
- A changing future for paper, WBCSD

**Web:**

- The Climate Group
- Climate Confidence Monitor 2008, WBCSD
- Green Economy Initiative, WBCSD
- A changing future for paper, WBCSD

**Publicaciones:**

- **DECLARACIÓN de los Líderes Empresariales**
- **Ética y Liderazgo Empresarial en la Economía Mundial**

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P.O. Box 4000, Lima 101, Edificio Fiat (Tercer Q. 40), San Isidro, Lima | Perú | Tel: (011) 418-2929 extero 232 Fax: 011 415-2966  
Para más información visite nuestro sitio web [www.confiep.org.pe](http://www.confiep.org.pe) o escribanos a [info@confiep.org.pe](mailto:info@confiep.org.pe)  
Si no desea recibir más información sobre el Pacto Mundial, le agradeceremos envíe esto e-mail con la palabra "Retirarse"

**THE GLOBAL COMPACT**

**GCKN Newsletter**  
Quarterly Newsletter

UNDP

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- The Habitat Business Award for Sustainable Urbanisation
- Workshops for GCKN members
- Panel activities: The Public Policy IPYH Dialogue
- The Partnership Assessment Tool (PAT)
- What is IN27?
- SACOMA World Entrepreneurs Summit (WES) East Africa
- CSR and Climate Change Conference
- The Partnership Assessment Tool (PAT)

**Global Compact partners with Kenya Gatsby Trust to launch "Healing Kenya through Trade"**

Given that the majority of the victims of Kenya's post-election violence in the first few months of 2008 were small businesses or rural farmers, Kenya Gatsby Trust responded by commissioning the special project "Healing Kenya through Trade". The program hopes to reach out to thousands of Micro and Small Enterprises (MSEs) that were affected by looting, burning and loss of markets, through financial and non-financial support. One of the first steps will be to build permanent markets and workable structures in the worst affected areas of Kisumu, Eldoret, Nakuru and Nairobi.

The reaction to this initiative by the donor community, civil society, the media and the Government of Kenya was indeed enthusiastic. To achieve the desired public awareness, Kenya Gatsby Trust mounted a well organized launch and media event on April 24 at Nairobi's Hotel Intercontinental.

The campaign was jointly sponsored by Kenya Gatsby Trust, Kenya Private Sector Alliance, Brand Kenya, Marketing Society of Kenya, Kenya Institute of Management and UNDP's Global Compact Network.

For companies who would like more information or are interested in supporting this initiative, please contact [info@kenya.gatsby.org](mailto:info@kenya.gatsby.org) or [kenya@gatsby.org](mailto:kenya@gatsby.org)

**Red Pacto Mundial España**

ASEPAM

**RME ANUAL DE ACTIVIDADES 2007**

A sampling of publications and newsletters produced by Global Compact Local Networks.



The United Nations Environment Programme (UNEP) provides leadership and care for the environment by enabling nations and peoples to improve their quality of life without compromising that of future generations.

# Human Rights

In 2008, the Global Compact's work focused on raising awareness of the relevance of human rights to business and providing guidance on management approaches for respecting and supporting these rights. Based on our 2008 survey of participants, despite high levels of awareness and inclusion of human rights in overall corporate codes, only a minority of companies are taking key steps to ensure that human rights are respected, including developing complaint mechanisms, conducting risk and impact assessments and engaging in multi-stakeholder dialogue.

Leading up to the 60th anniversary of the Universal Declaration of Human Rights on 10 December 2008, numerous activities were undertaken by the Global Compact, including a series of letters to companies co-signed by the UN High Commissioner for Human Rights laying out guidance and areas for action, a CEO Statement published in the *Financial Times*, and the launch of new projects linked to human rights dilemmas and sector-specific challenges. Country-level events on human rights were organized by Global Compact Local Networks, and played a very important role in ensuring that our global campaign had local relevance and interest. The guidance and expertise provided by our Human Rights Working Group was integral to this 60<sup>th</sup> Anniversary workstream.

Additionally, the work of the Special Representative of the Secretary-General on Business and Human Rights in 2008 helped to bring more clarity on key questions around the scope of business responsibility to respect human rights. Accordingly, we are updating the online "Human Rights and Business Learning Tool", notably in the areas of due diligence and sphere of influence, with the Office of the UN High Commissioner for Human Rights (OHCHR). In 2008, efforts were also taken jointly with OHCHR and the Business Leaders Initiative on Human Rights (BLIHR) to revise the practical guide on "Integrating Human Rights into Business Management", to be released for consultation in the first half of 2009.



## 60th Anniversary of the Universal Declaration of Human Rights

The Universal Declaration of Human Rights (UDHR) inspired the Global Compact's human rights principles. To celebrate the declaration's 60<sup>th</sup> anniversary, we worked to increase awareness of human rights by businesses globally and locally through a year-long outreach campaign.

### Letters

A series of three letters co-signed by UN High Commissioner for Human Rights and the Global Compact's Executive Director were sent to our participants to raise awareness and encourage implementation of the UDHR. The letters asked companies to help mark the 60th anniversary by taking practical steps, including educating employees and key stakeholders on the relevance of human rights, implementing key policies, and communicating on their related practices. A number of concrete opportunities and guidance materials were also referenced in the communications.

### Local Networks

Many Global Compact Local Networks put human rights issues on the agenda in 2008, for example through workshops, collective statements by business and lecture series. On 10 December, Local Networks in South Africa, Japan and Bulgaria held meetings to celebrate the declaration, and in Canada and Ukraine companies issued collective statements of commitment. Earlier in the year, workshops were held in Colombia, the United States and Zambia. The German network hosted a series of lectures on human rights and business. In Brazil, the Local Network jointly organized a high-level conference with President Luiz Inácio Lula da Silva in attendance. And in Spain, participants were encouraged by the network to report on human rights practices.

### CEO Statement

More than 250 chief executives participating in the Global Compact issued a statement renewing their commitment to respect and support human rights within their sphere of influence, and calling on governments to meet their human rights obligations. The companies involved included large and small businesses from every sector and region, helping to reinforce the relevance of human rights as a business concern worldwide. The statement, including the names of the first 150 CEO signatories, was published in all editions of the *Financial Times* on 10 December – Human Rights Day.

### New Projects

Two new projects were announced on 10 December in conjunction with the 60th anniversary. "Human Rights Dilemmas for Multinational Corporations in Emerging Markets", launched with Maplecroft, will produce extensively researched cases of human rights dilemmas considered from various stakeholder perspectives, and include practical solutions. "Vote Human Rights!", launched with the Danish Institute for Human Rights, will enable companies to anonymously provide a ranking of the most challenging human rights risks to their sector. Results will be compiled into a Top 10 list with explanations of each issue.

### Business Encouraged to Work against Sexual Exploitation of Children

The private sector is a key partner in preventing sexual exploitation of children and adolescents, particularly companies operating in internet services, tourism, travel, transport, financial services, entertainment, media and advertising. At the request of UNICEF and with the assistance of ECPAT International, our office held a workshop at the III World Congress against the Sexual Exploitation of Children and Adolescents in Rio de Janeiro on 25 – 28 November. At the end of the Congress, a "Rio de Janeiro Pact" was signed by all participants, and included a call to companies to join the Global Compact and communicate their progress on efforts to prevent child sexual exploitation.

### NEW RESOURCES



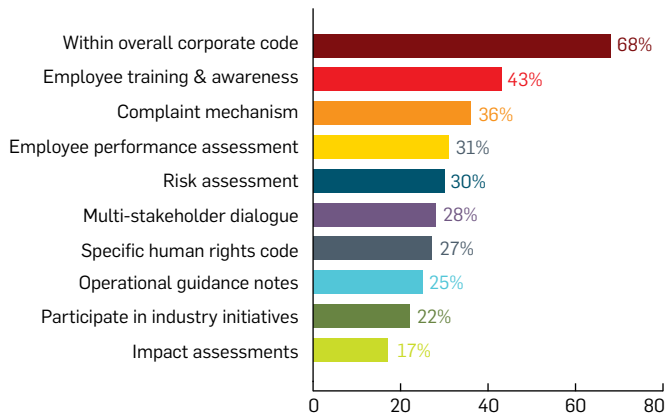
#### Embedding Human Rights in Business Practices II

The second publication in this series of case studies on business action related to human rights issues, jointly produced with OHCHR. Cases highlight a variety of actions, including company strategies, policies and processes, communications, impact assessment and auditing.

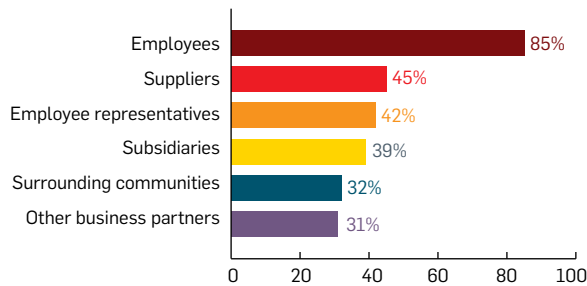
#### Human Rights Translated

Explanation for the business community of universally recognized human rights. The publication illustrates, through the use of examples and suggested practical actions, how human rights are relevant in a corporate context and can be managed. Produced with IBLF, Castan Centre for Human Rights Law, and OHCHR.

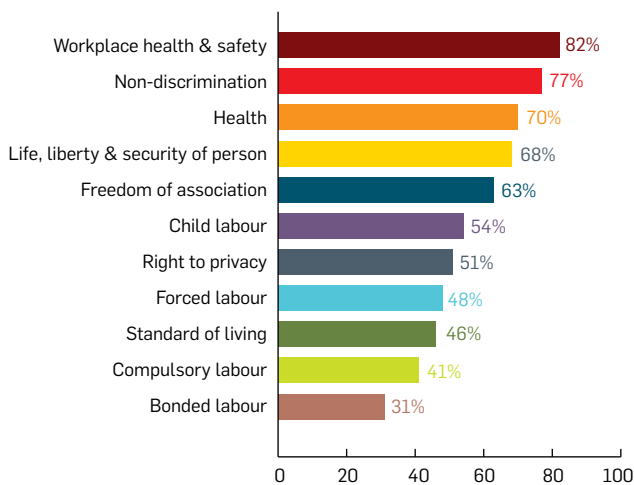
## How does your company take the human rights principles into account in its policies or practices?



## To which groups do your company's human rights policies or practices apply?



## Which aspects of human rights are addressed in your company's policies or practices?



### Employees training & awareness

**AXA** (France, Financial Services) took the opportunity of the 60th anniversary of the Universal Declaration of Human Rights to develop a communications plan to increase awareness among employees of the company's commitment to upholding the UDHR, the Global Compact and the ILO's principles. Throughout 2008, articles, messages, posters and web postings were developed for employees, as well as an address from the Chairman. Key goals were to help employees see the business relevance of human rights and get them involved in concrete actions to promote human rights.

### Specific human rights code

**Cadbury** (UK, Food Production) developed its Human Rights and Ethical Trading (HRET) policy based on recognized international human rights standards. The policy applies to all business units and suppliers with whom the company has direct influence. Cadbury has a confidential employee helpline which is a channel for reporting potential issues and concerns regarding human rights and ethics.

### Surrounding communities

**The Coca-Cola Company** (US, Beverage) is engaged in over 100 projects in approximately 50 countries as part of its community water partnership programme. The strategy involves reducing the amount of water used to produce beverages, recycling water used for manufacturing processes and replenishing water in communities and nature through locally relevant projects. Such projects include constructing rainwater harvesting systems in El Salvador and improving access to potable water for household and irrigation use in Malawi.

### Workplace health & safety

**Engro Chemical Pakistan Ltd** (Pakistan, Diversified) has upgraded manufacturing sites to meet world-class safety standards, and in alignment with DuPont's Safety Management Systems. Unsafe working conditions are identified through audits and development of indicators to address weak areas. The company's safety management system includes a framework for conducting hazardous chemical processes and involvement of all levels of the organization in day-to-day safety improvements. The Agri Business Division has also embarked on upgrades by carrying out a gap analysis, developing plans to address weaknesses, and improving incident and injury reporting.

### Standard of living

**Safaricom Ltd.** (Kenya, Telecommunications) offers a money transfer service using basic SMS technology for people without bank accounts. The programme operates on low cost handsets and has over 3 million customers. This service is critical for those living in rural areas who otherwise would be required to travel, sometimes in dangerous circumstances and to the detriment of their agricultural production, to buy and sell produce or transfer funds. The facilitation of information also enables rural farmers to better identify the best prices for their crops.



United Nations Global Compact

CEO STATEMENT



Dignity and justice for all of us

60TH ANNIVERSARY OF THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

Andreas Hedskog, CEO
AC Strategies AB

Antoine Raymond, CEO
A Raymond

Amos Laskov, CEO
A.Z Industries (1989) Ltd.

Mark Du Ree, CEO
Adecco Ltd.

Francis Sébes, CEO
Adeltek Group

Marko Vojkovic, CEO
adriatica.net Group

Maib Eliegaray, CEO
aGoodCause.com

Jan S. Jensen, CEO
Airland Logistics

Handi Akin, General Manager
Akfen Holding Co. Inc.

Hazen Malhas, CEO
Al-Faris National Company for Investment and Export (Optimiza)

Raul Fernando Sencic Rodriguez, Chairman
ANCAP

Mark Moody-Stuart, Chairman
Anglo American plc

Hassan Abdalla, Vice Chairman and Managing Director
Arab African International Bank

Fadi Ghandour, Founder and CEO
Aramex International

Lakshmi Nivas Mittal, CEO
ArcelorMittal

Anne Lauvegeon, CEO
AREVA

Peder Tuborgh, CEO
Arla Foods amla

Mark E. Harakal, CEO
Armaceit International Holding GmbH

Ewoud Goudswaard, Managing Director
ASN Bank

Ajith Abayasekera, CEO
Aspirations Education Pvt Ltd

Giovanni Castellucci, CEO
Autostrate per l'Italia

Steven Munnoch, Managing Director
Avon Metals Ltd.

Henri de Castries, Chairman of the Board and CEO
AXA

Stamus McBride, President and CEO
Bacardi Limited

Antonio Vigni, General Manager
Banca Monte dei Paschi di Siena

Márcio Artur Laurelli Cyrillano, President Director
Banco Bradesco SA

Diego Caverio, CEO
Banco de Crédito de Bolivia

Antônio Francisco de Lima Neto, CEO
Banco do Brasil S.A.

Werner Wenning, Chairman of the Board of Management
Bayer AG

Francisco González Rodríguez, Chairman and CEO
BBVA

Jolo Figueiredo Júnior, Vice-Chairman and CEO
BIM - Banco Internacional de Negócios, S.A.

lina Maniadiakis, CEO
BlueMamidikis Hotels

Javier Martín, Managing Director
BMC Maderes

Carlos H.A.R. Catraio, CEO
BNP Brasil Banco Múltiplo S.A

Ricardo Knoopfelmacher, CEO
BSH Bosch und Siemens Hausgeräte GmbH

Kurt-Ludwig Gutberlet, Chairman and CEO
BSH Bosch und Siemens Hausgeräte GmbH

Hassan Abdalla, Vice Chairman and Managing Director
Arab African International Bank

Lone Wiggers, Partner and Architect
C. F. Melier Architects

Todd Sitzer, CEO
Cadbury

José Luis Durán, CEO
Carrefour Group

Anette Eberhard, CEO
Eksport Kredit Fonden

Rafael Miranda Robredo, CEO
Endesa

Vladan Privatovic, CEO
Energoprojekt Holding

Paulo Scaroni, CEO
Eni

RJ (Jacob) Maraga, Chief Executive
Eskom Holdings Limited

Siegfried Axtmann, CEO
FAI rent-a-jet AG

Vekuli Rukoro, Group CEO
FNB Namibia Holdings Ltd.

Finn Bergesen Jr., Director General
Confederation of Norwegian Enterprise

Anita Ozolina, Chairman of the Board
Constructus Ltd

Brady W. Dougan, CEO
Credit Suisse

Niels Bjørn Christensen, President and CEO
Danfoss Group

On the occasion of the 60th anniversary of the Universal Declaration of Human Rights, we, business leaders from all corners of the world, call on governments to implement fully their human rights obligations. We also reiterate our own commitment to respect and support human rights within our sphere of influence. Human rights are universal and are an important business concern all over the globe.

بمناسبة الذكرى الستين للاعلان العالمي لحقوق الانسان، نحن، كبار رجال الاعمال من مختلف دول العالم، ندعو الحكومات للقيام بواجبها ومسؤولياتها تجاه حقوق الانسان. كما نؤكد ايضا على احترامنا ودعمنا لحقوق الانسان في نطاق حدود مسؤولياتنا ومناطقنا. نؤكد علنا بان حقوق الانسان هي حقوق عالمية وتعال وتعال موضوع هام بالنسبة لكافة الاعمال التجارية في جميع انحاء الكرة الارضية.

《世界人权宣言》颁布60周年之际，我们，作为商界领袖，无论来自何方，号召各国政府全面履行人权职责。我们重申我们将在自己的影响范围内支持和尊重保护人权。人权是世界性的，并为全球商业广泛关注。

A l'occasion du 60ème anniversaire de la Déclaration universelle des droits de l'homme, nous, dirigeants d'entreprises du monde entier, faisons appel aux gouvernements afin qu'ils répondent pleinement à leurs obligations en matière de droits de l'homme. Nous réitérons également notre propre engagement à respecter et soutenir les droits de l'homme dans notre sphère d'influence. Les droits de l'homme sont universels et sont une préoccupation importante du monde des affaires tout autour du globe.

По случаю 60-ой годовщины Всеобщей Декларации Прав Человека мы, бизнес-лидеры со всего мира, обращаемся к правительствам с просьбой полностью выполнять свои обязательства по правам человека. Мы также повторяем наше собственное обязательство уважать и поддерживать права человека в пределах нашей сферы влияния. Права человека - всеобщие и являются важной ответственностью бизнеса во всем мире.

Con ocasión del 60º aniversario de la Declaración Universal de Derechos Humanos, nosotros, los líderes empresariales de todos los rincones del mundo, hacemos un llamamiento a los gobiernos a que apliquen plenamente sus obligaciones de derechos humanos. También reiteramos nuestro compromiso de respetar y apoyar los derechos humanos dentro de nuestra esfera de influencia. Los derechos humanos son universales y son una importante responsabilidad de las empresas en todo el mundo.

Grant Gelink, CEO
Deloitte Southern Africa

Joel Ackermann, Chairman of the Management Board and the Group Executive Committee
Deutsche Bank AG

Wolfgang Myhrhus, CEO
Deutsche Lufthansa AG

Rein Obermann, CEO
Deutsche Telekom

Kurt-Ludwig Gutberlet, Chairman and CEO
BSH Bosch und Siemens Hausgeräte GmbH

Lone Wiggers, Partner and Architect
C. F. Melier Architects

Todd Sitzer, CEO
Cadbury

José Luis Durán, CEO
Carrefour Group

Anette Eberhard, CEO
Eksport Kredit Fonden

Rafael Miranda Robredo, CEO
Endesa

Vladan Privatovic, CEO
Energoprojekt Holding

Paulo Scaroni, CEO
Eni

RJ (Jacob) Maraga, Chief Executive
Eskom Holdings Limited

Siegfried Axtmann, CEO
FAI rent-a-jet AG

Vekuli Rukoro, Group CEO
FNB Namibia Holdings Ltd.

Finn Bergesen Jr., Director General
Confederation of Norwegian Enterprise

Anita Ozolina, Chairman of the Board
Constructus Ltd

Brady W. Dougan, CEO
Credit Suisse

Niels Bjørn Christensen, President and CEO
Danfoss Group

Philippe Salte, CEO
Geoservices Group

Emmanuel Likonye Mwangi, Director General
Global Travel Agency

Thierry de La Tour d-Artaise, CEO
Groupe SEB

Luis Fernando Rico Pezón, General Manager
Isoper S.A.

Haruka Nishimatsu, CEO
Japan Airlines Corporation

Stephen Roell, Chairman and CEO
Johnson Controls, Inc.

Milan Stefanovic, President of Executive Board
Jubines Banka Ad Beograd

Lynda Scott-Tomlin, Managing Director
Lantride Global Supplies Limited

John Anderson, CEO
Levi Strauss & Co.

Markus Akermann, CEO
Holcim

Magnus Hall, President
Holmen AB

Per-Erik Kenneth Bengtsson, CEO and President
ICA AB

David Williams, CEO and Founder
Impact International

Tomislav Dragovic, President of Management Board
INA-Industrija nafte d.d.

Sergio Mauricio Brito Gaudenzi, President
Infraero - Empresa Brasileira de Infraestrutura Aeroportuária

Ernesto Antelo López, President
Instituto Boliviano De Comercio Exterior

Ed Cole, Managing Director
Maplecroft

Andrija Jozifovski, President
Makpetrol AD

Ashraf Abushady, CEO
Masafi Company LLC

Ed Cole, Managing Director
Maplecroft

Wolfgang Rutzenstorfer, CEO
OMV Aktiengesellschaft

Henrik Poulsen, Managing Director
Oriental Trading

Mark Bryan, CEO
Integrated Research Limited

Lorenzo Ronconi, CEO
Intesa Sanpaolo Bank Albania

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Oriental Trading

Roger Tondour, President
MCI

Andreas Mitas, Managing Director
Mitas Generators Ltd

Evangelos Mytilineos, Chairman of Board of Directors and Managing Director
Mytilineos Holdings S.A.

Steve Holliday, Chief Executive
National Grid plc

Samuel I. Oshubunwa, President and CEO
Neimeth International Pharmaceuticals plc

Paul Bulcke, CEO
Nestlé S.A.

José Roberto Pimentel Pinheiro, CEO
Newland Empreendimentos Imobiliários LTDA

Charles Fischer, President and CEO
Nexen Inc.

Peter Ingwersen, CEO and Founder
Noi-Humbani II

Eivind Reiten, President and CEO
Norsk Hydro ASA

Daniel Vasetta, Chairman and CEO
Novartis AG

Lin Kigo, Executive Vice President and Chief of Staffs
Nov Nordisk

Julian Roberts, CEO
Old Mutual Plc

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Sami Hassan El Hakim, CEO
Pancorp Commercial Co. Ltd

Juan Santana, CEO
Panda Security

Johannes G. Walter, Managing Director
Participo GmbH

Marjorie Scardino, CEO
Pearson plc

Simon Lockett, CEO
Premier Oil plc

Mathews Chikaonda, Group Chief Executive
Press Corporation Limited

Samuel A Dipiazza Jr., CEO
PricewaterhouseCoop

Daniel Podman, CEO
PT. Express Transindo Utamapers LLP

Ben Noteboom, CEO and Chairman of the Executive Board
Randstad

Per Storm, Managing Director
Raw Materials Group RMG AB

Mohamad A. Rayess, Chairman
Rayess Kingdom Group

Evangelos Mytilineos, Chairman of Board of Directors and Managing Director
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Juan José Martínez Martínez, CEO and President
SODES grupo

Paulo Azevedo, CEO
Sonea

Peter Sands, Group Chief Executive
Standard Chartered

Marjan Makošek, Managing Director
Store Steel

Blake Annable, President and CEO
Stormtech

Hans-Dieter Lohrke, Managing Director
Studiosus Reisen München

John A. Manzoni, President and CEO
Talisman Energy Inc.

Peter E. Barker-Honek, CEO
TAQA (Abu Dhabi National Energy Company)

Homi R Khushrookhan, Managing Director
Tata Chemicals Limited

Muhtar Kent, President and CEO
The Coca-Cola Company

Christophe de Margerie, CEO
Total S.A.

Peter B Nopper, CEO
Tri-Med Group

Jorgen Wentzu, President
UDC-United Development Consultants AB

Benjamin Pittani, CEO
Unified Technologies Group, Inc.

Patrick Gossac, Group Chief Executive
Unilever

Rone Icke, CEO
USD People N.V.

Jean M. Mane, President and CEO
V. Mane Fils

Leif Johansson, CEO
Volvo Group

Thomas M. Mueller, Managing Director and CEO
VS-Furniture

William E. Connor II, Chairman and CEO
William E. Connor & Associates Ltd.

Christovwa Wiloto, CEO
Wiloto Corp. Asia Pacific

Jesus J. Moran, CEO
World Confederation of Businesses

Senol Sankaryay, CEO
Yesim Tekstil Sanayi ve Ticaret A.S.

The Global Compact CEO Statement, including the names of the first 150 CEO signatories, was published in all editions of the Financial Times on 10 December 2008 – Human Rights Day.

# Labour

2008 saw a renewed interest on the part of organized employers and labour in exploring how the Global Compact can advance labour standards. Because the four labour principles are directly championed by the International Labour Organization (ILO), we have traditionally focused on promoting pertinent ILO guidance and events designed for business through our global network. Therefore, the creation of a Global Compact Labour Working Group in early 2008, co-chaired by the Secretary-General of the International Organization of Employers and the General Secretary of the International Trade Union Confederation, was a milestone.

According to our 2008 participant survey, the labour principles enjoy the highest overall rate of policy implementation compared to the three other principle areas, but guidance on actions to support these policies is still needed. Participants report challenges linked to the supply chain, particularly in relation to child and forced labour. In 2008, the Labour Working Group released the first joint Global Compact - ILO publication which provides detailed guidance on each of the four labour principles. Additionally, we joined efforts with the United Nations Global Initiative to Fight Human Trafficking (UN. GIFT) and the ILO to raise awareness and improve understanding of human trafficking in global supply chains.

## Labour Working Group

In 2008, a Global Compact Labour Working Group was established under the auspices of the Global Compact Board, and is jointly chaired by the International Organization of Employers and the International Trade Union Confederation. The aims of the group are to: raise the profile, relevance of, and respect for the four labour principles among Global Compact participants and networks; help ensure a consistent approach is taken to the application and understanding of the four principles; and develop tools, information exchange and forums for engagement.

The Working Group met twice in 2008. The first meeting in May was primarily an internal gathering with the ILO and some of its constituents, and served to identify opportunities for collaboration. Emerging from the meeting was an agreement to jointly produce a consolidated overview and elaboration of the four labour principles. This guide was launched at the Labour Working Group meeting in December, the first to include representatives from companies, civil society and ILO constituents. At the meeting, practical experiences in addressing the labour principles were shared by companies, and Local Network representatives presented their efforts within a national context.

## Framework agreements

Of the Ten Principles, Principle 3 (uphold the freedom of association and the effective recognition of the right to collective bargaining) is the one most cited as a hindrance to joining the Global Compact. At the same time, we have seen an increase in the number of global framework agreements being negotiated by participants with global unions, as a method for ensuring that the company respects the same standards in all the countries where it operates.

These agreements can benefit both companies and employees by providing a common platform for addressing the labour principles at the company level and within the context of national and international law. Because the agreements cover the ILO conventions on which the labour principles are based, an emphasis can be placed on respecting and promoting existing standards, as opposed to negotiating them. A number of Global Compact participants have engaged in global framework agreements.

## Human Trafficking in the Supply Chain

Companies risk being associated with human trafficking in a range of ways, notably through complex supply chains with multiple layers of subcontractors, recruitment agencies and labour brokers and use of company products, premises and services. A number of businesses in the travel, tourism and technology sectors have introduced diverse measures to combat the problem. UN.GIFT, the ILO and the Global Compact collaborated to raise awareness of the issue and to learn more about company efforts and challenges to combat human trafficking.

## RESOURCES



### **The Labour Principles of the UN Global Compact: A Guide for Business**

Produced jointly with the ILO, the Guide is designed to help companies understand the four labour principles and take actions to put them into practice. In a question and answer format, the Guide provides a brief description and

suggested actions for each principle, and also contains an inventory of key ILO resources for integrating the principles into business operations.

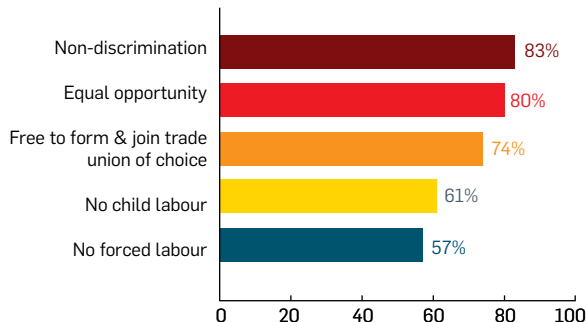
### **Eliminating Child Labour – Guides for Employers**

An ILO resource that helps business understand and take action against child labour. Three practical guides provide ideas, advice and examples for the prevention of child labour, the withdrawal of children from work and the protection of young workers from hazardous conditions.

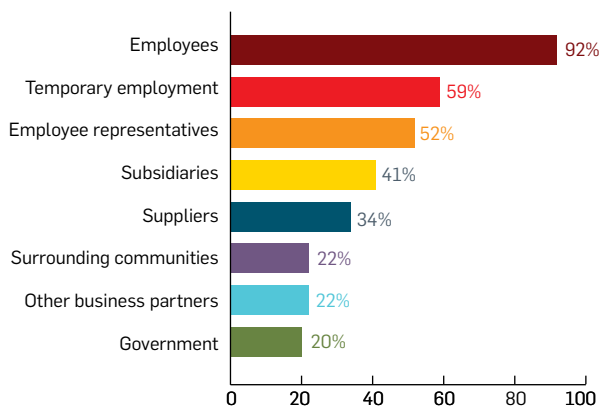
### **Combating Forced Labour: A Handbook for Employers and Business**

Guidance for employers' organizations and individual companies on forced labour and human trafficking, including practical tools and materials that help identify what forced labour is, why it is a concern for business, and actions that can be taken to address it. Produced by the ILO.

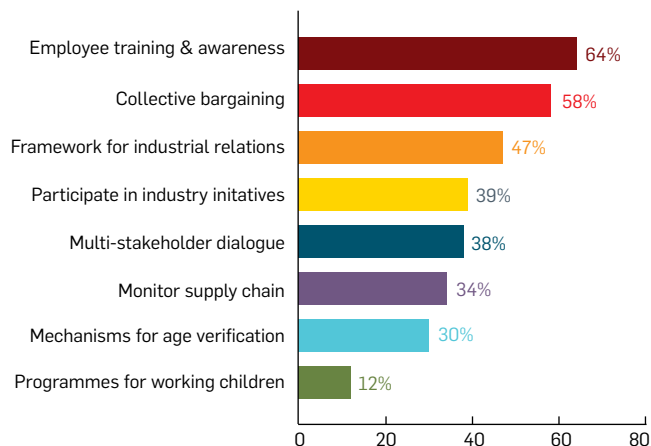
## How does your company take the labour principles into account in its policies or practices?



## Which groups are given consideration in your company's labour policies and practices?



## What actions does your company take to implement labour policies and practices?



### Non-discrimination

**Baosteel Group Corporation** (China, Metals and Mining) has taken steps to protect women's rights and promote gender equality. Special women's unions – official and unofficial – were established with the goal of improving the work environment and career opportunities. Remediation mechanisms in the case of violations against women are being developed and a section on "Special Protection of Women Staff" has been added to employee contracts. Additionally, beginning in 2008, Baosteel provided medical insurance for all female employees.

### No child labour

**IKEA** (Sweden, General Retail) clearly conveys its position that child labour is not acceptable at suppliers and their sub-contractors, formulated in their child labour code of conduct, "The IKEA Way on Preventing Child Labour". In case child labour is found, the supplier must undertake corrective actions in the best interests of the child. IKEA's follow-up protocol includes visiting the child in school and unannounced visits to the supplier. As a last resort, the company will terminate the business relationship if further breaches occur. In addition to the monitoring by IKEA's own auditors, in 2008, 435 unannounced third party audits at suppliers and their sub-contractors were conducted by KPMG in India, Pakistan and Bangladesh.

### No forced labour

**Manpower Inc.** (US, Support Services) was the first company to sign the Athens Ethical Principles, which declare a "zero tolerance" policy for working with any entity which benefits from human trafficking. The policy extends to clients, vendors and business partners. Manpower's work to encourage more companies to support the Principles has resulted in over than 12,000 organizations signing up directly, or through the commitment of their industry federations. The company has also worked to gain the support of several global union organizations.

### Suppliers

**General Electric** (US, General Industrials) expanded its supplier audit programme in 2008 to add freedom of association, discrimination and harassment to its expectations for suppliers. The company's sourcing personnel were trained on the issues, common problems and protocols for on-site assessments. From the more than 2,000 assessments conducted in 2008 around the world, GE found that a significant number of suppliers did not have well-written or well-communicated policies in these areas. Model policies were provided to improve performance when needed.

### Collective bargaining

**Inditex** (Spain, Personal Goods) and the International Textile, Garment and Leather Workers Federation (ITGLWF) signed an International Framework Agreement in late 2007 to integrate international core labour standards throughout the company's supply chain. It is the first such agreement to cover a retail supply chain. Inditex's Code of Conduct for Manufacturers strengthens the agreement by outlining labour rights, such as freedom from forced labour and right to a living wage. Inditex and ITGLWF will design programmes to promote compliance and are committed to jointly investigating alleged violations.



The International Labour Organization (ILO) is devoted to advancing opportunities for people to obtain decent and productive work in conditions of freedom, equity, security and human dignity.

# Environment

The private sector has begun to embrace a broader sustainability imperative based on the present and potential impacts of climate change and other environmental challenges – chief among them the growing crisis in fresh-water availability and water pollution. The Global Compact’s environmental principles and related special initiatives on climate and water are designed to assist companies in this endeavor.

Linkages exist between climate and water issues in scientific, strategic and, ideally, management terms. Our Caring for Climate and CEO Water Mandate initiatives call on companies to develop, implement and disclose related policies and performance. By the end of 2008, Caring for Climate had been endorsed by more than 300 companies, making it the world’s largest business-led initiative on climate change, and the CEO Water Mandate had grown to approximately 45 endorsers. Both initiatives include leaders in innovation and best practice, and show promise. It is important to note, however, that the supporting companies represent a small minority of the Global Compact’s total signatory base.

Survey results for this Annual Review reveal a decidedly mixed picture with respect to overall environmental management by Global Compact participants – including significant differences between large and small businesses. For example, approximately half of respondents do not have systems in place to measure or track environmental performance. The gap widens when looking at company size – with less than one-third of SMEs having such systems in place, in sharp contrast to 84% of companies with over 50,000 employees.

In addition, survey responses suggest that companies – large and small – are missing opportunities in areas such as eco-design, life-cycle assessment and technology management, and are instead engaging in risk-oriented actions, such as impact assessments. On a positive note, approximately half of the largest corporations indicate involvement in Clean Development Mechanism projects and emissions trading under the UN climate change convention (Kyoto Protocol) – a higher than anticipated figure that suggests climate change is gaining priority.



# Caring for Climate

Co-launched by the Global Compact, UNEP and the World Business Council for Sustainable Development in July 2007, Caring for Climate assists companies in the development of effective climate-change policies while also providing a channel for the business community to contribute inputs and perspectives to key governmental deliberations. It is endorsed by more than 300 companies from 65 countries.

The initiative has two main objectives:

1. Mobilize business globally, especially in emerging markets, to **take actions towards energy efficiency and a low-carbon economy** through product and service strategies, supply chains and shaping consumer and public attitudes; and
2. Inform, through the example of good practices, current climate negotiations in order to **contribute to a successful outcome from the Conference of the Parties (COP 15)** to the UN Framework Convention on Climate Change.

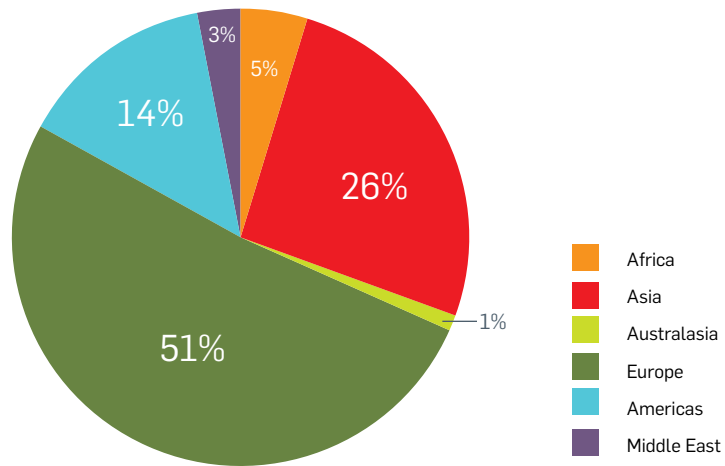
## Meeting of Signatories

A first meeting of Caring for Climate signatories was convened in October 2008 at UN Headquarters in Geneva. The meeting brought together 150 business executives, government representatives, UN officials and climate experts involved in designing the post-Kyoto climate framework. A review of signatory actions was undertaken and findings from several cutting-edge studies were presented. Additionally, discussion centered on how Caring for Climate can facilitate learning and innovation, as well as shape public attitudes.

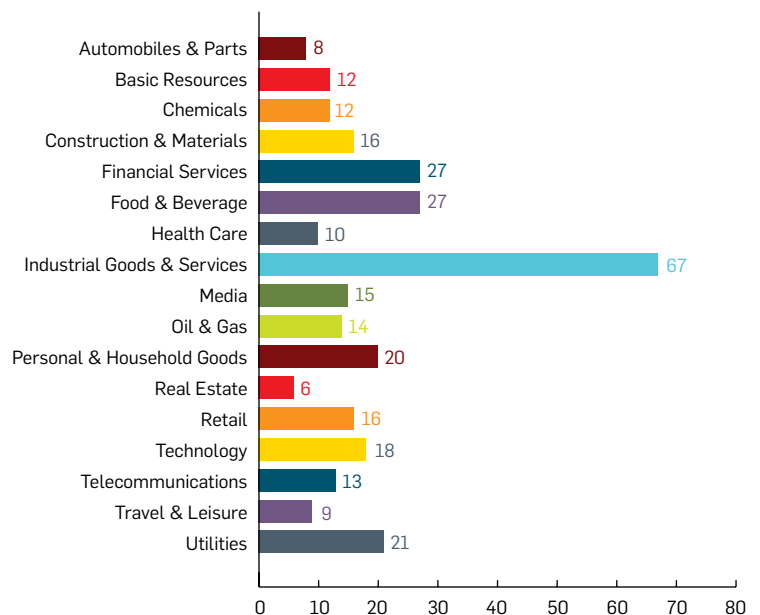
## Caring for Climate Series

In 2008, the initiative began work with experts from business, academia and civil society to develop a collection of reports on business leadership to reduce the impacts and risks of climate change. The *Caring for Climate Series* will analyze and highlight current practices, as well as encourage future action. As part of the Series, GlobeScan undertook a general survey of Caring for Climate signatories in 2008, in order to take stock of actions, highlight best practices and identify expectations for post-Kyoto policy frameworks. The *Caring for Climate Series* will be launched at the World Business Summit on Climate Change in May 2009.

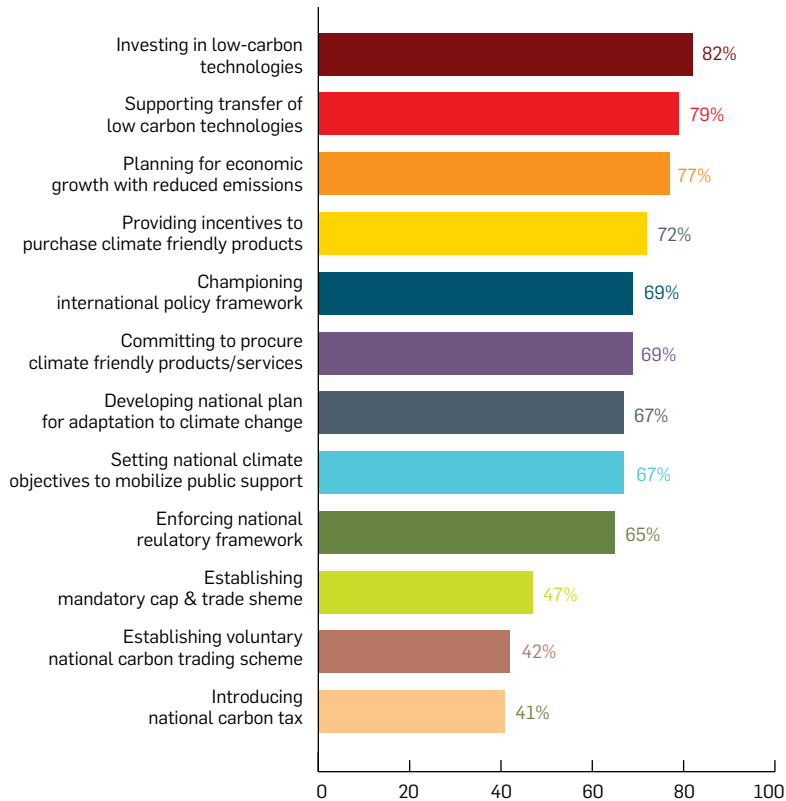
Caring for Climate signatories by region



Caring for Climate signatories by sector



## Helpfulness of national government policies\*



## Towards a New Global Climate Framework Agreement – COP 15

Through Caring for Climate, we have urged business to contribute to the 2009 Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15) where a comprehensive and meaningful global agreement replacing the first commitment period of the Kyoto Protocol needs to be negotiated.

In 2008, the GlobeScan survey of signatories identified business views on government actions related to climate. According to respondents, the most helpful national government policy approaches include investing in technology, long-term climate planning, encouraging citizens to contribute and promoting international policy.

Leading up to COP 15, a World Business Summit on Climate Change will be co-convened by the Copenhagen Climate Council, the Global Compact and other partners on 24-26 May 2009. At the Summit business leaders will deliver a shared vision and a set of recommendations from a business perspective.

\* Survey conducted by GlobeScan in 2008 with 97 companies participating in Caring for Climate. Helpfulness is defined by a score between 7 to 10 on a scale where 1=not at all helpful and 10=extremely helpful.



### NEW RESOURCE



#### Unchaining Value – Innovative Approaches to Sustainable Supply

Explores how supply chains function in order to identify new

approaches to building sustainability capacity at the local supplier level, as well as initiatives that will encourage and enable consumer demand for more sustainable solutions. The analysis also considers the challenges facing supply chains when it comes to making responsible choices in the face of competition for limited natural resources. Produced by UNEP, SustainAbility and the Global Compact.

## CEO Water Mandate

Launched by the UN Secretary-General in July 2007, the Global Compact's CEO Water Mandate is focused on developing corporate strategies and solutions to contribute positively to global water issues. The global water crisis is expected to intensify in coming years as a result of a number of factors, including climate change, population growth and urbanization.

The Mandate is a call-to-action to business everywhere, and provides a strategic management framework covering six areas:

- direct operations;
- supply chain and watershed management;
- collective action;
- public policy;
- community engagement; and
- transparency.

### Working Conferences

The Mandate convened two working conferences in 2008, bringing endorsing companies together with experts and practitioners from civil society, the public sector, the UN and other spheres. The inaugural conference took place in March 2008 at UN Headquarters in New York, and focused on the topic of "General Implementation". The second working conference, held in Stockholm in August 2008, addressed "Water and the Supply Chain". A third conference, in partnership with the Pacific Institute and WWF, is scheduled to take place in Istanbul in March 2009 on "Engaging in Public Policy to Advance Sustainable Water Management by Business".

### Next Generation Water Disclosure

In 2008, the CEO Water Mandate Transparency Framework was co-developed with the Pacific Institute. It establishes core principles related to next-generation water disclosure, including: i) materiality and stakeholder inclusiveness; ii) harmonization and convergence with existing platforms, such as the GRI; and iii) continuous improvement.

Under this framework, a Transparency Policy was announced in October 2008, outlining the disclosure-related responsibilities for endorsing companies, including a delisting provision for companies that fail to develop their Communication on Progress related to the Mandate. The policy resulted from a three-month consultation process with companies and key non-business stakehold-

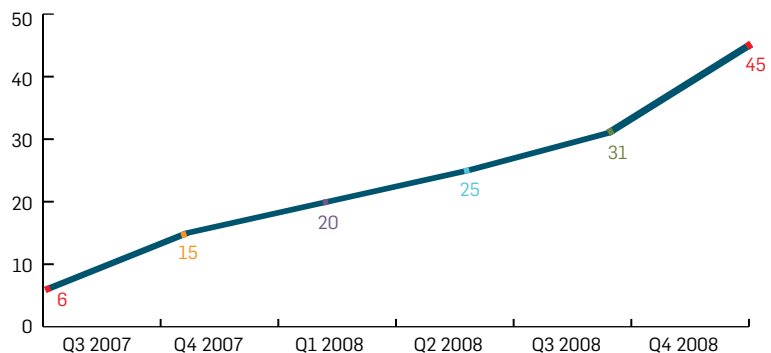
ers, including civil society and specialized water groups.

Phase Two of the Transparency Framework – or "Water Disclosure 2.0" – will be released in March 2009 at the Mandate's third working conference, and will include an analysis of best and emerging practices.

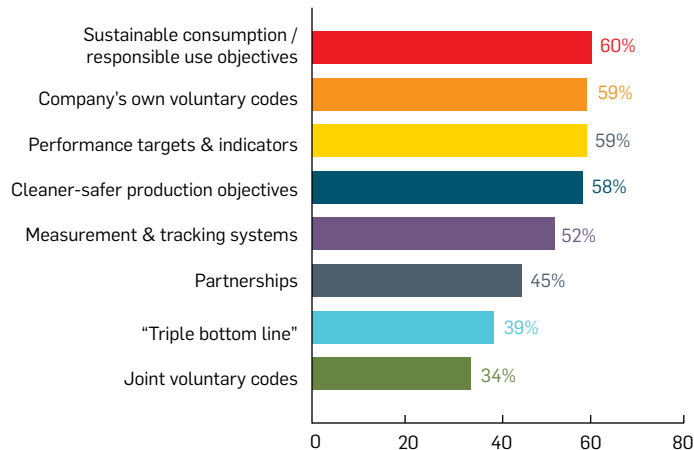
### The G8 Campaign

Underscoring a commitment to public advocacy and the Millennium Development Goals (MDGs), the chief executives of 19 endorsing companies released a letter in May 2008 calling on leaders of the Group of 8 to actively address the issue of water during their annual summit. The letter, which generated international press coverage, called on G8 leaders to take a number of actions, including: reaffirming the importance of achieving the MDG related to water, and fulfilling their Gleneagles commitment to water and sanitation by ensuring allocations for safe drinking water and sanitation increases as a percent of all official development assistance.

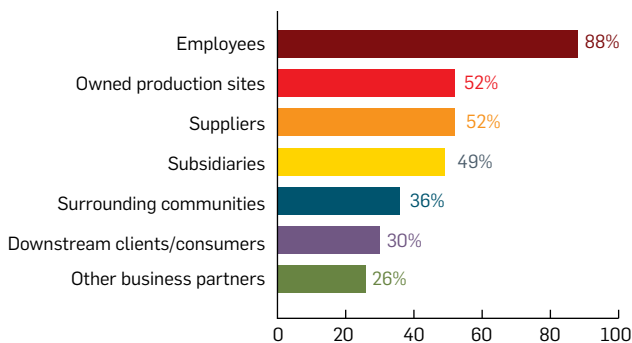
### CEO Water Mandate endorsers



## How does your company take the environmental principles into account in its policies or practices?



## To which groups do your company's environmental policies and practices apply?



## What actions does your company take to implement environmental policies and practices?



### Performance targets & indicators

**UC RUSAL** (Russia, Aluminum) was the first Russian company to complete the monitoring and analysis of its greenhouse gas emissions. The company is developing and implementing several energy-efficient reduction technologies including the use of hydropower as a clean energy resource to satisfy 80% of its energy demand for aluminum production. UC RUSAL will invest over US\$10 billion into new projects and the modernization of current production capacities over a three-year period.

### Cleaner & safer production objectives

**StatoilHydro** (Norway, Energy) has stored roughly ten million tons of CO<sub>2</sub> from natural gas production in the Sleipner field in an aquifer more than 800 meters below the seabed. This carbon capture and storage project continues to capture one million tons of CO<sub>2</sub> a year. The reservoir is continuously monitored with the participation of several national and international research organizations.

**Tata Steel** (India, Metals and Mining) has reduced the energy consumption of its steel production from 12 to 6.5 gigacalories per ton of liquid steel over 35 years, and plans to bring it to 5.5 in the next seven years. The company has set a vision to reduce CO<sub>2</sub> emissions from 2.1 to 1.5 tons by 2015. Initiatives have included modernization of plant and machinery, emphasis on energy efficiency, use of fuel substitutes, recovery and re-use of by-products, as well as retirement of old units.

### Suppliers

**Unilever** (United Kingdom, Consumer Goods) promotes sustainable tea cultivation among smallholder farmers in supplier countries such as Kenya. This is done via the development of farmer field schools, in collaboration with the Kenyan Tea Development Agency and the UK Government. A commitment has also been made to achieve Rainforest Alliance certification of its Lipton brand tea globally by 2015.

### Surrounding communities

**SABMiller Plc** (United Kingdom, Beverage) undertook a high-level study into long-term water availability for all of its sites. The company developed and introduced a watershed mapping tool which identifies the quantity of water used at each stage of the value chain and calculates the proportion of available local water resources. SABMiller also uses this tool to engage with local farmers in an effort to increase water efficiency.

### CER and/or sustainability reporting

**Nestlé** (Switzerland, Food and Beverage) is one of a small number of companies to issue a Water Management Report in addition to its broader annual corporate responsibility report. The water report addresses how the company manages water in its operations, as well as in relation to consumers, agriculture and communities.

### Good industry practices

**Aramex** (UAE, Transportation and Logistics) set the goal of becoming the world's first carbon neutral global logistics and transportation company in its 2006 Sustainability Report, the first to be issued in the region. The company is in the process of working with leasing companies to change its fleet to hybrids, but has faced challenges due to lack of incentives given falling gasoline costs, and the limited availability and high cost of hybrids in the region. The company is also transitioning to natural gas, with half of its Egyptian fleet already converted. Additionally, Aramex is reducing emissions through route and delivery timing optimization.

**TÜV Rheinland** (Germany, Support Services) has carried out various tests in the tourism industry with more than 60 hotels around the world tested

or certified according to the Hotel Eco-Standard and ISO 14001, including hotels of the Rezidor Group. Joint projects between WWF and local hotel owners in Africa have been implemented by the company. Together with tour operators and the aviation industry, experts of TÜV Rheinland are exploring new ways of avoiding CO<sub>2</sub> or using CO<sub>2</sub> offsets in projects.

### Technology assessment

**China Mobile** (China, Telecommunications) works continuously to increase network efficiency as a key way to reduce its climate impact. The company reduces energy use of its network equipment through standardizing requirements for auxiliary parts and structures within base stations. China Mobile has conducted environmental and energy assessments for its wireless equipment, switches, transmitters and small-scale servers.



# Anti-Corruption

The integration of 10th principle into the corporate responsibility agenda in 2004 sent a signal worldwide that business shares responsibility for eliminating corruption. While progress has been made in the intervening years, respondents to our 2008 survey identify anti-corruption as the most difficult of the Global Compact issue areas to implement. A majority of surveyed companies do include aspects of corruption within overall corporate codes of conduct, yet only a minority are taking necessary steps to tackle the issue, including recording instances of corruption, having sanction systems in place to deal with breaches and establishing hotlines for anonymous reporting of corrupt practices. Less than 2 in 10 survey respondents require suppliers to have anti-corruption policies.

The Global Compact, in collaboration with a broad alliance of business participants and other stakeholders, intensified efforts to address implementation gaps in 2008. A first step was to bolster our Global Compact Working Group on Anti-Corruption by ensuring it included expertise from all regions and company sizes. Then, to better understand key anti-corruption challenges and develop methods for addressing them, the reconstituted Working Group identified priority workstreams, including: reporting, supply chain, tools and resources, and public-private partnerships. Work in seven key areas will be carried out by sub-groups in 2009, with the end-goal of helping companies improve overall performance in the complex area of anti-corruption.

## Anti-Corruption Working Group

A key objective in 2008 was to bring new momentum to the Global Compact's Anti-Corruption Working Group, which was launched in 2004 upon the introduction of the 10th principle. The group was reconfigured to include members from Africa, Asia and Latin America, as well as small- and medium-sized enterprises — areas that were previously under-represented.

In a June 2008 meeting, the Working Group identified seven priority workstreams linked to the implementation of the 10th principle, each to be managed by sub-groups. Two of these groups — Taskforce on 10th Principle Reporting and Taskforce on Supply Chain — met in Athens in early November in coordination with Transparency International's Annual Anti-Corruption Conference.

### Multinationals and Supply Chain

In 2008, the group's taskforce on supply chain began work to develop a framework that will help companies to counter corruption in the supply chain. When completed, the framework will include guidelines and tools, such as: a code of conduct for suppliers; recommended contract language; due diligence or qualification guidelines; an auditing protocol; and training materials. In addition, the group will further develop the business case through case examples and provide a platform for collective action by large and small companies.

### Reporting

Few companies comprehensively report on the 10th principle in their annual Communication on Progress. When they do report, most state the existence of policies to combat corruption, but explanation of actual implementation tends to be weak. The goal of the task force on reporting is to help mainstream reporting by companies on anti-corruption efforts in financial and/or sustainability reports. The group is developing reporting guidance that follows the anti-corruption management cycle from commitment to implementation to monitoring. It will not introduce new reporting indicators, but instead highlight elements that should be included for comprehensive-

ness. Additionally, the group will showcase positive reporting experiences.

### Additional Priority Areas

**Education:** Promoting the integration of anti-corruption and ethics courses into the curricula of business schools, in collaboration with the Principles for Responsible Management Education (PRME).

**Tools and Resources:** Developing an inventory of existing anti-corruption tools and resources for easy review and access.

**Multi-Stakeholder Dialogue Networks:** Expanding multi-stakeholder dialogue networks to the local level, involving public counterparts, and potentially leading to joint training sessions on transparency in public procurement.

**CEO Statement:** Developing a chief executive statement addressed to governments on the implementation of an effective UN Convention Against Corruption (UNCAC) review mechanism.

**Media Engagement:** Identifying ways to induce more positive media coverage of corporate anti-corruption efforts.

## NEW RESOURCES

### Clean Business Is Good Business

Outlines why companies should actively engage in the fight against corruption, providing a short summary of key arguments and information, including: facts and figures; background on international law; overview of countries and industries most prone to the issue; the business rationale and what companies can do. Jointly launched by the ICC, Transparency International, the Global Compact and the WEF Partnering Against Corruption Initiative.

### Fighting Corruption through Collective Action – A Guide for Business

Provides options for combating market corruption based on "how to" examples from many regions and sectors. Launched by the World Bank Institute and a consortium of businesses and non-governmental organizations, this guide includes a range of tools that help users tailor collective action frameworks to their specific circumstances.

### The UN Convention Against Corruption (UNCAC)

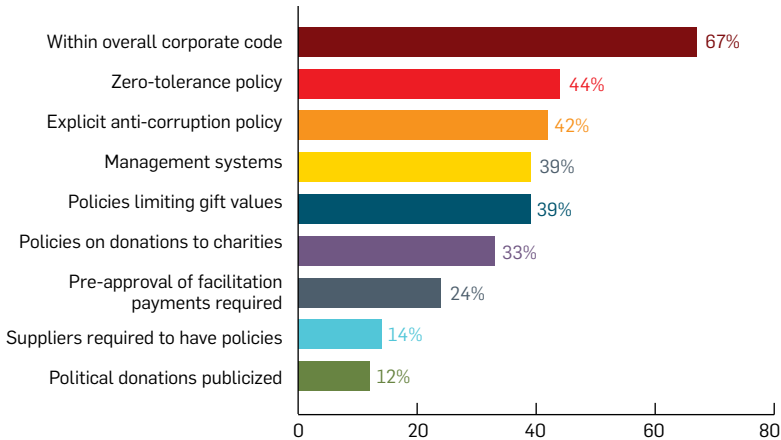
UNCAC is the underlying legal instrument for the 10th Principle. In 2008, at the 2nd session of the Conference of the State Parties to UNCAC, representatives of the business community came together in a forum which culminated in the Bali Business Declaration. By means of this document, the business community called upon States that had not yet done so to ratify and implement the Convention, and urged the Conference to adopt a mechanism to review its implementation.



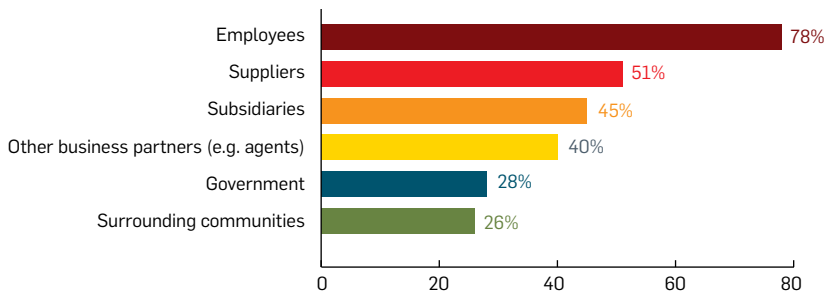
The United Nations Office on Drugs and Crime (UNODC) promotes the full implementation of the United Nations Convention against Corruption (UNCAC), the first legally-binding, international anti-corruption instrument.



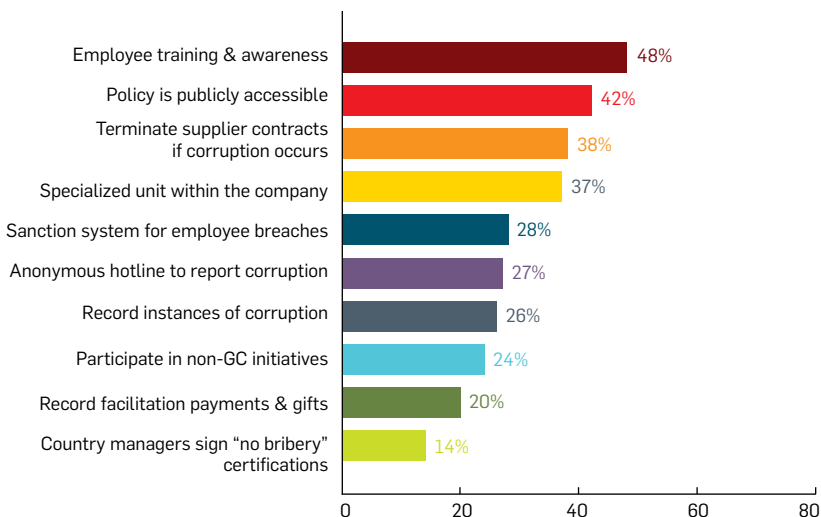
## How does your company take the anti-corruption principle into account in its policies or practices?



## To which groups do your company's anti-corruption policies and practices apply?



## What actions does your company take to implement anti-corruption policies and practices?



### Zero tolerance

**Sanlam Ltd.** (South Africa, Financial Services) has implemented the Financial Crime Combating Policy (FCCP), a detailed zero-tolerance anti-corruption policy. The FCCP specifically addresses theft, fraud, misconduct, unfair business practices, unauthorized investment schemes and other criminal actions. The policy sanctions dismissal of offending employees and termination of contractual relationships with offending parties.

### Management systems

**Siemens AG** (Germany, Technology, Hardware and Equipment) launched a global compliance programme following the bribery scandal that emerged in late 2006. The company implemented a new Managing Board position, and established a new organizational structure to pool compliance issues and drive global standardization in the areas of legal matters, compliance and audit. The company also increased training and implemented a control system to eliminate significant deficiencies.

### Suppliers

**Thales** (France, Aerospace and Defense) implemented a Purchasing and Corporate Responsibility Charter stating that suppliers must comply with their Code of Ethics, as well as with the principles of the Global Compact and the OECD. This policy involves selecting suppliers for each market based on fair selection, defining and meeting mutual commitments, identifying and sharing risks, and protecting suppliers' intellectual property rights. Thales implements an assessment questionnaire within all divisions and countries to track compliance with the Charter.

### Employee training & awareness

**MTN** (Nigeria, Telecommunications) engages in a number of programmes to promote ethical business practices among employees. The company communicates its zero-tolerance approach to fraud through regular emails to employees. MTN also organized an anti-fraud road show across all locations in Nigeria to increase awareness and compliance among employees. In addition, it participates in the Convention on Business Integrity and has also sponsored numerous events, such as the Women's Anti-Corruption Forum.

### Policy is publicly accessible

**Sumitomo Chemical** (Japan, Chemicals) publishes its Charter for Business Conduct on the company website. The Charter was created to guide business activities based on compliance and responsibility, and includes provisions to comply with national and international laws and regulations, conduct business transactions based on fair and free competition, and communicate openly with stakeholders. Sumitomo Chemical's website posts a protocol for reporting incidents of corruption through their Speak Up System.

# Contribution to Development

The contribution of business to sustainable development is essential for achieving critical social objectives, particularly the Millennium Development Goals (MDGs). Global Compact participants are assisting in areas including poverty reduction, climate change, gender equality, healthcare, education, and humanitarian relief through their core business operations, social investments, philanthropy and advocacy.

Half of companies surveyed in 2008 are engaging in cross-sector projects to address development gaps. Many of them are doing so through Global Compact Local Networks. Examples of business efforts towards sustainable development can be found in this section, and throughout this Annual Review. In 2008, we encouraged companies to share progress made towards sustainable development objectives in their annual Communication on Progress.

The Global Compact launched the “Partnership Assessment Tool” in December 2007 to help improve the quality and effectiveness of partnerships. The tool was distributed widely across the UN system and at the local level during 2008. In addition, work began on the development of a complementary tool to assess the combined MDG footprint of core business and partnerships, and will be released in 2009.

Identifying and sharing business solutions to the global food crisis – an issue of great importance across the UN system – was another area of focus for the Global Compact in 2008. Through the development of “Food Sustainability: A Guide to Private Sector Action”, the Global Compact, in coordination with a range of UN organizations, sought to demonstrate how responsible business can be a force for good and deliver practical solutions in support of work by governments, the UN and other stakeholders to securing food for all and putting an end to a devastating global crisis.

# Food Sustainability

Taking comprehensive and coordinated actions to address the food crisis and its root causes was a priority for the United Nations in 2008. While government leadership is crucial for addressing the implications of the food crisis, business also has a vital role to play, often in partnership with others, to develop and implement innovative responses.

**Food Sustainability - A Guide to Private Sector Action**, released in conjunction with the UN Private Sector Forum in September 2008, features dozens of examples of best and emerging practices in seven key areas relating to food sustainability:

## 1. Water management

**Netafim** (Israel, Industrial Engineering) delivers Sustainable Water Management solutions. Since inception, the company has pioneered innovative, low-volume irrigation systems and has developed new drip irrigation methods, which helps minimize water resources depletion, significantly reduces usage of nutrients and crop protection material, and prevents water sources pollution. These advanced irrigation methods, coupled with agronomic know-how, enable irrigation of areas that suffer from water shortage and accessibility, increase yield per soil and water unit, and preserve soil fertility by preventing soil erosion.

## 2. Agricultural inputs and infrastructure

**Novozymes** (Denmark, Pharmaceuticals and Biotechnology) enzymatic and microbial biosolutions can increase the yield of a wide range of processes, including agriculture and animal farming. One biosolution allows farmers to raise the level of phosphates in soil using a naturally occurring fungus, versus industrial fertilizers that emit substantial quantities of greenhouse gases and are often too expensive for farmers. The Novozymes biosolution results in better crop quality, fertilizer efficiency, greater stress tolerance, higher yield and cost savings.

## 3. Financial mechanisms and risk management instruments

**Swiss Reinsurance Company** (Switzerland, Financial Services) launched the Climate Adaptation Development Programme in 2007 to create a financial risk transfer market for the effects of adverse weather in emerging countries. The market will help smallholder

farmers buy agricultural inputs, overcome a lack of collateral for micro-credit solutions, draw upon agricultural extension services, accumulate income, and ultimately improve food sustainability. Swiss Re is engaged in partnerships with non-profits, universities and humanitarian relief organizations in many parts of Africa, including Ethiopia, Ghana, Malawi and Rwanda.

## 4. Nutrition

**Grameen Danone Foods** (Bangladesh, Food), launched in 2006 by the Grameen Group and Groupe Danone, has developed a yoghurt to meet the specific nutritional needs of Bangladeshi children, which are often lacking through their normal diet. By the end of 2009, it is expected that the affordable yoghurt will reach 300,000 children. The company also aims to fight poverty through a "proximity-based" model that promotes local business activity and creates jobs in production, sales and distribution.

## 5. Energy and biofuels

**Petrobras** (Brazil, Oil and Gas) is working to develop the biofuels market while also promoting family farms as suppliers. The company has developed support programmes for oilseed planting for 55,000 low-income families living close to its facilities. The initiative promotes local cooperatives, training for qualification, technical management of the production chain and market development. One of the main values of the programme is planting of oleaginous crops along with staple foods. This supports a multi-crop model, preserving local culture and ensuring food production.

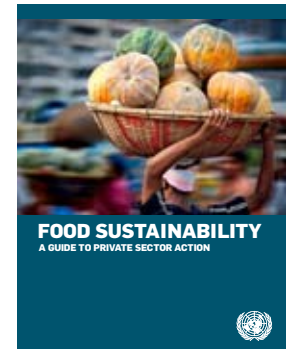
## 6. Information and communication technology

**Microsoft** (US, Software and Computer Services) launched "Digital Green" to bring audio-visual information on new farming trends and techniques to small and marginal farming communities in India. Recordings – involving both experts and local farmers – are shown to individuals on laptops, small groups using shared TV and DVD players, and communities through a village cable network. In a four-month trial, adoption of agriculture practices was increased by six to seven times over classical person-only agriculture extension. Plans are underway to extend the services to a wider population of farmers.

## 7. Job opportunities for rural low income populations

**Shirosawa Company SAIC** (Paraguay, Food and Beverage) determined that sesame could be harvested in the country and exported to Japan. Shirosawa arranged for Japanese companies to provide the necessary expertise and financial investment to aid small-scale farmers in the cultivation of this new crop. The company works directly with over 20,000 small sesame farmers, with a staff of approximately 100 employees engaged in agricultural extension, production and export. As a result, farmers in Paraguay's poorest regions have an additional source of income and access to the global market.

*The guide was produced by the Global Compact Office, in partnership with a broad alliance of UN agencies and Bretton Woods institutions.*



## New Commitments

In addition to profiling good business practices in the Food Sustainability guide, the Global Compact helped to secure new commitments by participants during the 2008 UN Private Sector Forum, including:

**Ericsson** (Sweden): Create Innovation Centre comprised of 3 regional development hubs in Nigeria, Kenya and South Africa to develop applications and tools for the rural poor.

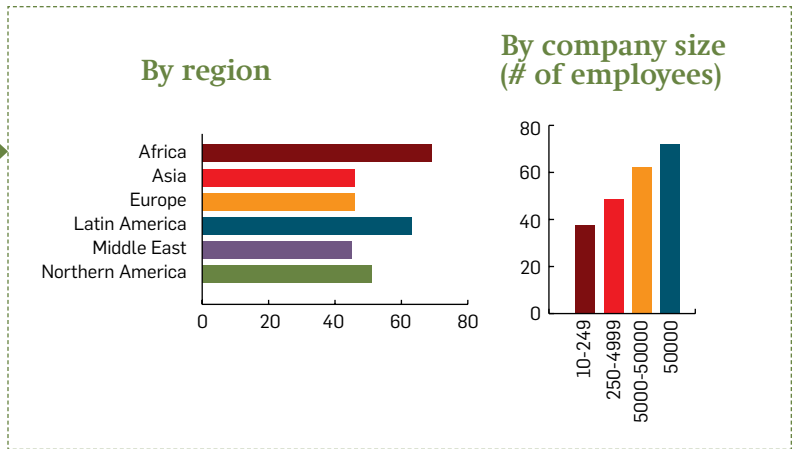
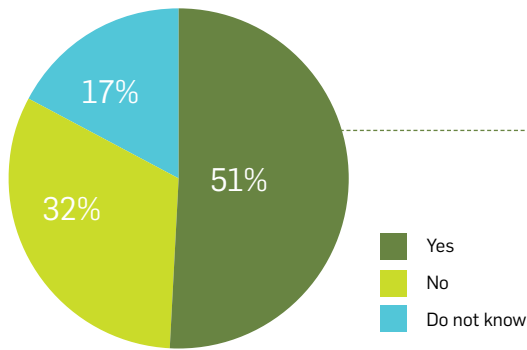
**Finlay International** (Bangladesh): Create 10,000 new jobs in Bangladesh by 2011 by bringing poultry and dairy facilities to people.

**MAP International** (USA): Expand cell phone based banking model using biometric identification that will allow provision of financial services to people who have not previously had access to bank accounts.

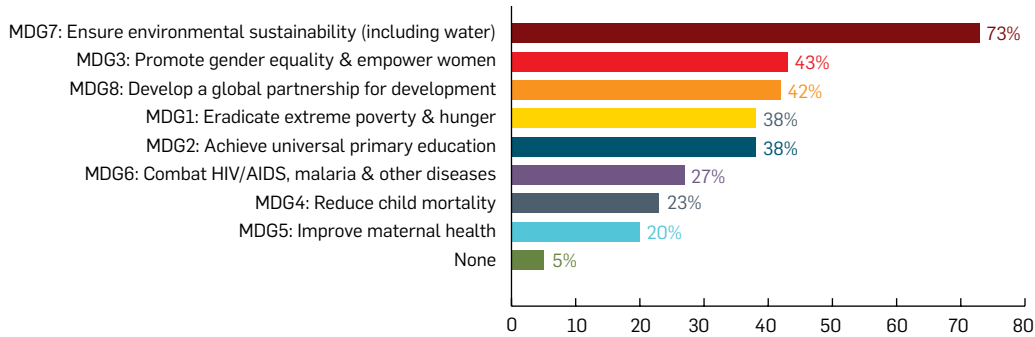
**Nedbank** (South Africa): Develop programme with three other large banks to lower cost of financing for smallholder farmers.

**Yara International** (Norway): \$60 million investment to build fertilizer terminals in two ports in Tanzania and Mozambique to improve efficiencies for agricultural inputs.

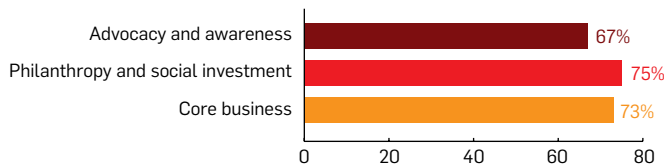
### Has your company engaged in cross-sector partnerships?



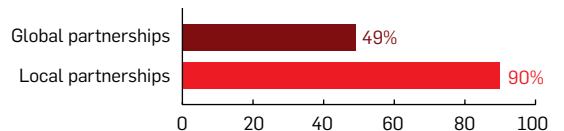
### Which MDG(s) has/have been targeted by your company's partnerships?



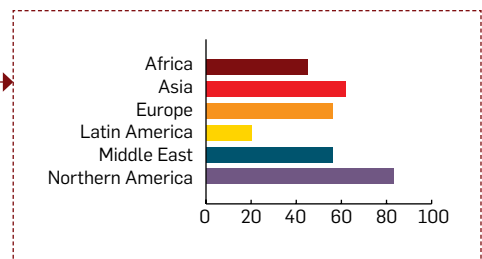
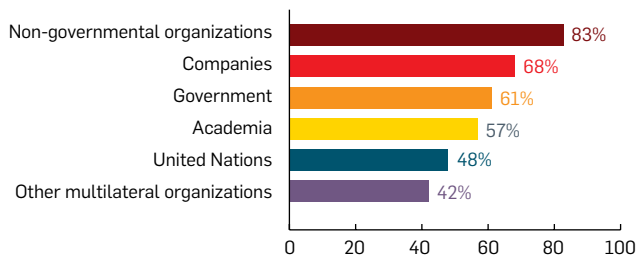
### In which type of partnership activity has your company engaged?



### At what level(s) has/have your partnership projects occurred?



### What types of organizations have you partnered with?





## NEW RESOURCES



**The Partnership Assessment Tool (PAT)** is a scorecard to be used when forming new partnership initiatives which

systematically examines the internal and external aspects of the governance of the partnership, as well as the elements contributing to the desired outcomes. Specifically, PAT looks at six key dimensions of partnerships: (1) alignment, (2) internal partnership management, (3) external partnership management, (4) multiplier effect, (5) environment and (6) socio-economic.



**The UN & the Private Sector: A Framework for Collaboration**

The Global Compact developed a short guide to UN-private sector

collaboration in 2008. Featured is the "Framework for Business Engagement with the UN", developed by Professor Jane Nelson, which outlines the different ways in which the private sector can make an effective contribution to global challenges through (1) core business operations, (2) social investments and philanthropy, and (3) advocacy, policy dialogue and institutional frameworks. The brochure also includes information on UN organizations working closely with the private sector and links to helpful resources.

### **Business Call to Action**

The BCTA challenges companies to find new business opportunities for the 21st century — using core business in a way that both contributes to the MDGs and the company's success. The Global Partnership for the Business Call to Action — with UNDP, the Clinton Global Initiative, IBLF, the Global Compact and the UK Government — will take forward the BCTA towards 2015. The partnership will track commitments and identify lessons learned, which it is hoped will then be replicated and implemented globally.

# Business and Peace

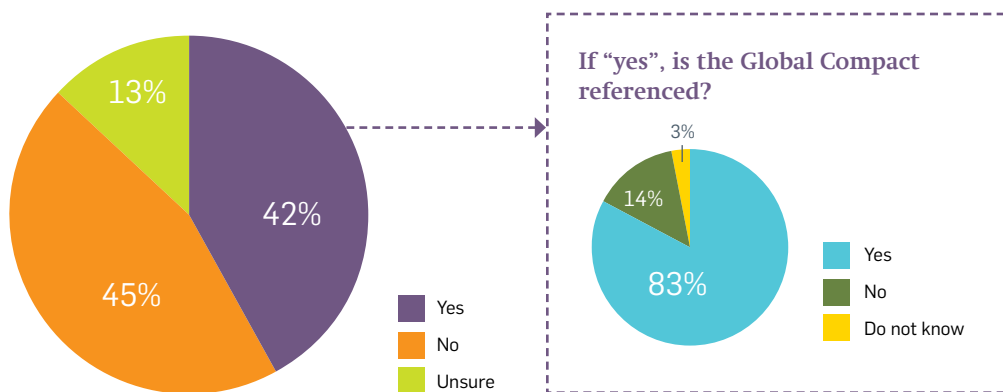
In 2008, the Global Compact continued our work to better understand and raise awareness of how the private sector can be a valuable partner in conflict prevention and post-conflict reconstruction efforts. Through a survey of Global Compact participants, for the first time we took stock of how companies are implementing conflict-sensitive practices, such as avoiding aggravating social tensions, managing security issues linked to human rights and applying such policies throughout the supply chain. Existing needs, for example in the area of learning and dialogue among participants, were identified.

Another key development in 2008 was the launch of a Global Compact Local Network in Sudan following two years of consultations and preparatory work. The network seeks to provide a forum for businesses – domestic and international – to share experiences, stimulate collective action and enhance the capacity of the private sector to make a meaningful contribution to achieving peace through the implementation of the Ten Principles. Finally, the Global Compact is continuing work with a multi-stakeholder network to develop policy guidance on responsible investment in conflict-affected countries, to be released in 2010. We will further explore the conditions under which private investment may lead to economic development and peace, which can lead to improved identification and mitigation of investor risks.

## Survey: Role of Business in Conflict Prevention, Management and Peace-Building

In collaboration with American University and International Alert, we conducted a survey of all Global Compact business participants to learn more about the levels of risk and uncertainty experienced by companies operating in conflict-prone countries, and what strategies, if any, they have implemented. Over the past 10 years, a variety of resources have been developed to assist companies in implementing conflict-sensitive business practices and the aim of this survey was to assess progress made, as well as the needs of participants. Less than half (42%) of the approximately 400 respondents reported having a code of conduct, policy statement or other formalized response dedicated to addressing conflict risk. However, of those companies that do have a policy, the vast majority (83%) contain an explicit reference to the Global Compact, suggesting that participants see strong linkages between conflict-sensitive business practices and the Ten Principles.

### Does your company have a strategy, code or policy for addressing conflict risk?



#### Talisman Energy Inc.

(Canada, Oil and Gas) With operations in a variety of conflict-affected countries, Talisman works under its Policy on Business Conduct and Ethics (PBCE) to ensure that consistent standards are applied wherever it does business. The policy reflects the company's pledge to conduct business safely, in an ethically,

socially and environmentally responsible manner, and articulates Talisman's commitment to the Global Compact, the Extractive Industries Transparency Initiative (EITI) and the Voluntary Principles on Security and Human Rights. The Policy applies not only to employees, officers and directors, but also to independent contract workers. The company promotes the application of these

ethical business practices by joint venture partners and third party suppliers. Notably, in 2008, for the first time Talisman finalized an agreement with a regional government that includes clauses binding the government to adhere to the principles of EITI, as well as respect for and compliance with human rights principles.

### NEW PUBLICATION

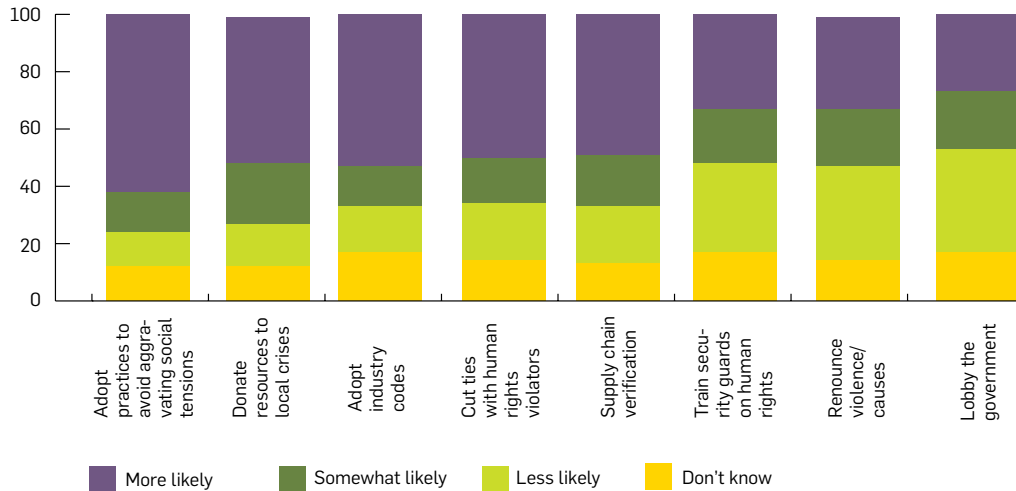
#### Peace through Commerce - Responsible Corporate Citizenship and the Ideals of the United Nations Global Compact

Published in 2008 as part of the John W. Houck Notre Dame Series in Business Ethics, the book looks at the purpose of the corporation, the influence of legal and peace studies, and the experiences of career NGO officials and business leaders to better understand how commerce can help promote peace. Edited by Professor Oliver Williams, the publication stems from a 2006 conference co-organized by the Global Compact on "Peace through Commerce: Partnerships as the New Paradigm".

### Responsibility to the Future: Business, Peace, Sustainability

On 26-28 June the Global Compact and Strategic Foresight Group co-hosted an international event in Mumbai, where more than 250 business leaders, government representatives and other stakeholders from 25 countries explored the relationship between business, development and peace. The President of India, Mrs. Pratibha Patil, provided the inaugural address. Among the key outcomes were recommendations for mitigating poverty, climate risks and violence in an integrated manner, and the launch of several projects to promote sustainable business practices that contribute to development and peace.

## How likely is your company to engage in the following activities within conflict-prone countries?



**Newmont** (US, Metals and Mining) In its Batu Hijau mine in Indonesia, Newmont employs a 7,000-person workforce that is diverse in terms of ethnicity, culture and religion. As a result, the company experienced many incidents and tensions, especially between expatriates and nationals. To address these challenges, Newmont instituted a non-segregated housing complex, trained employees and dependents in cross-cultural understanding, and provided places of worship and gathering for different religions. Conflicts have dropped drastically in the past two years, with minimal issues reported between expatriate and national employees.

**ArcelorMittal** (Luxembourg, Metals and Mining) was the first major foreign investor in Liberia after the civil war. In 2007 the company began work to reopen mines in Nimba County and began reconstructing a 300-kilometre railway. Under its Community Engagement Standard, ArcelorMittal developed a social action plan and hired community liaison officers to responsibly engage communities affected by operations. Through dialogues and consultations, the relocation and resettlement of the local population is being successfully facilitated. In addition to creating over 500 direct and 2,000 indirect jobs, ArcelorMittal has helped reopen two hospitals and a school. The company has also pro-

vided support to the Government for the implementation of the Extractive Industries Transparency Initiative.

**Abu Dhabi National Energy Company (TAQA)** (UAE, Oil and Gas) mobilized a wide variety of businesses in the Middle East to raise funds to support humanitarian relief efforts in Gaza. TAQA donated USD 150,000 to the United Nations Central Emergency Response Fund (CERF), the UN's central donation facility that collects contributions year-round to help ensure that funds are on-hand to allow for immediate humanitarian relief in emergencies.

### EITI & Voluntary Principles on Security and Human Rights

The Global Compact supports two complementary voluntary initiatives. The Extractive Industries Transparency Initiative (EITI) aims to strengthen governance in resource-rich countries by improving transparency and accountability through the verification and full publication of company payments and government revenues from the extractives sector. The Voluntary Principles on Security and Human Rights guide companies in ensuring the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.

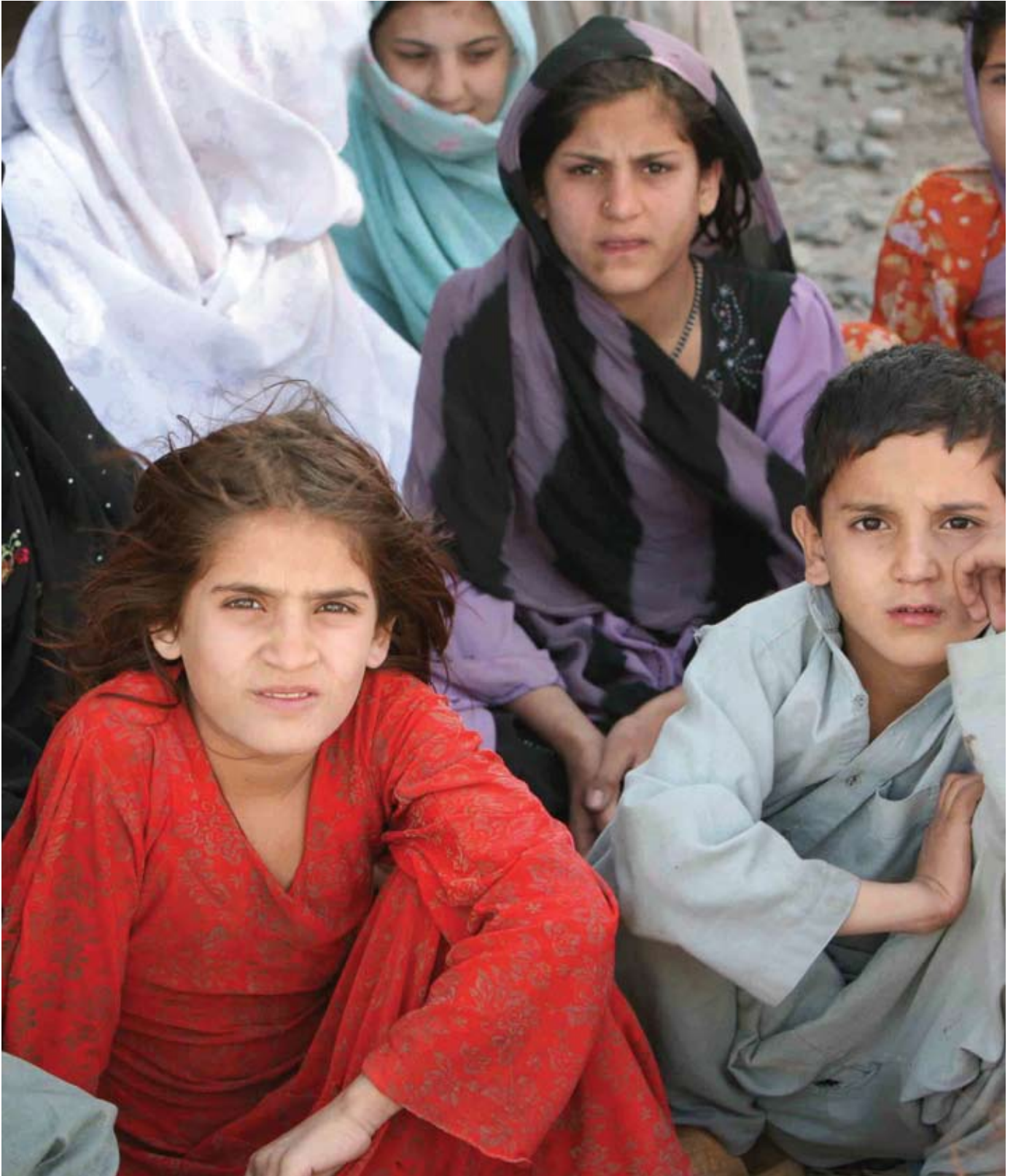
## Sudan: Global Compact Launched

After two years of local awareness-raising and support from the Global Compact Office, the Global Compact Local Network Sudan was officially launched on 1 December 2008 in Khartoum. The launch brought together more than 150 senior representatives of business, the UN, government and civil society. The involvement of several companies subject to public criticism for their activities in the country made it a remarkable event.

Through the network, businesses operating in Sudan — domestic and international — can discuss challenges and seek practical solutions. Already, several opportunities for engagement have been identified — ranging from business action to support vulnerable populations, to sustainable environmental management. A comprehensive plan of activities has been adopted for 2009, and a Steering Committee, working with the Local Network Secretariat and the Global Compact Office, will seek to further increase awareness, recruit new participants, stimulate collective action and advance implementation of the Ten Principles.

**D'TASI Co. Ltd**, a Sudanese company that supports international businesses in efforts to contribute to development and sustainable peace in the country, launched the Comprehensive Health for Returnees Population Project in November 2008 in partnership with the European Union (ECHO), Save the Children and DAN (a local NGO). Based in the Aldalanj area in South Kurdufan, the project aims to avert new conflicts from arising around limited natural resources, existing grievances among groups, and the return of large numbers of people following the Comprehensive Peace Agreement. The joint project helps provide primary health services, food security, clean water supply, income generating opportunities and environmental protection.





The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) mobilizes action to alleviate human suffering in disasters and emergencies. The Office of the United Nations High Commissioner for Refugees (UNHCR) provides critical coordination and leadership to protect displaced persons and refugees.

# Financial Markets

The past year's events in global financial markets underscore the importance of transparency, accountability and a focus on long-term investment horizons over short-term considerations. While economic and financial crises have seriously impacted portfolio valuations and investment organizations, there remains a committed community of institutional investors serious about advancing the tenets of "responsible investment", recognizing both the material and ethical dimensions.

In recent years, a growing group of mainstream investors has begun making ground-breaking efforts to retool their investment strategies and models to address environmental, social and governance (ESG) issues. The Global Compact has played a role in helping to advance this work through the Principles for Responsible Investment (PRI) and Who Cares Wins initiatives.

*"Investee companies that take account of environmental, social and governance issues are more likely to offer good, long-term returns. As current and potential shareholders in these companies we want to urge them to take action on these major issues. The UN Global Compact is an extremely important tool for helping companies to achieve long-term business success while also fulfilling society's expectations that they should operate responsibly."*

*— Donald MacDonald, Chair of the PRI*

# The Principles for Responsible Investment

The PRI, convened by UNEP FI and the Global Compact, reached 470 signatories representing \$18 trillion in assets under management by the end of 2008. In addition to work by signatories to individually exercise responsible ownership and investment practices, a number of collective efforts were undertaken in 2008 to encourage greater corporate engagement and reporting on ESG. These investor coalition campaigns highlighted PRI's natural linkages with the Global Compact.

## The Seoul Initiative

Taking its name from the June 2008 conference where the idea was developed, a group of PRI signatories took the extraordinary step of writing to nearly 9,000 publicly traded corporations in November 2008, urging them to join the Global Compact. The 52 investors, who manage approximately US\$4.4 trillion in assets, plan to send follow-up letters to the targeted companies in 2009 and release the results of the campaign.

## Good COP-Bad COP

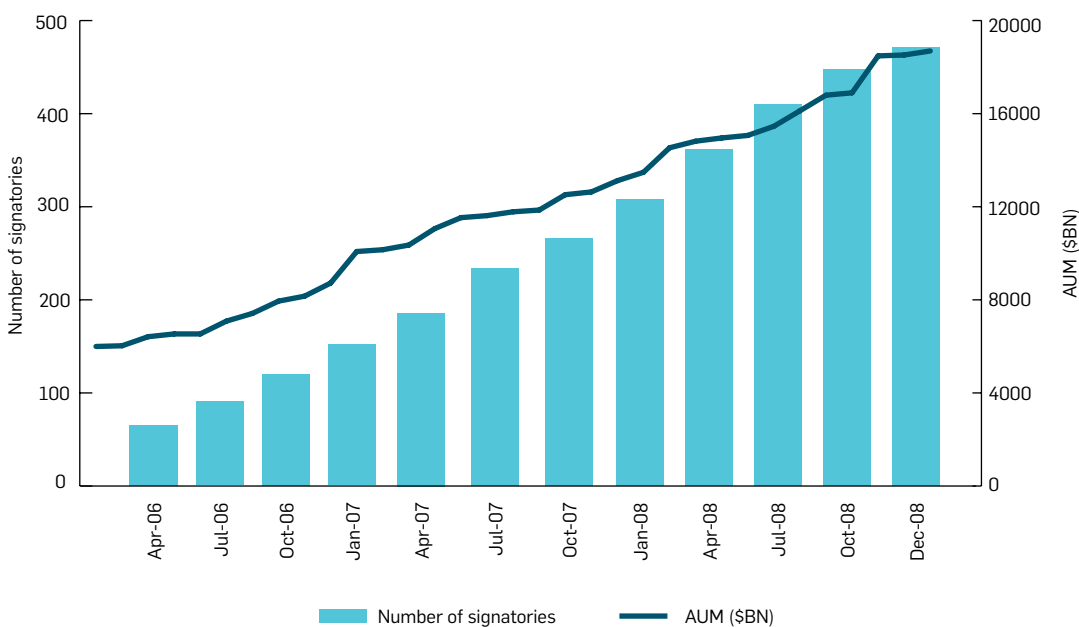
Focusing on disclosure, a group of PRI signatories wrote to the chief executives of approximately 100 companies in 30 countries in early 2008. In the letters, the investor coalition either praised a company's exemplary disclosure using the Global Compact's Communication on Progress (COP) or urged them to urgently comply with the COP requirement. The action resulted in over 30%

of companies previously identified as non-compliant submitting COPs and improving engagement with the Global Compact. Based on the success of the initiative, the action was repeated in January 2009.

## Action on Water

Acknowledging the material risks presented by the growing global water crisis, a group of PRI investors undertook a campaign in December 2008. In letters to chief executives of 100 companies in high-impact sectors, the coalition of investors urged them to make water management a priority and encouraged them to endorse the Global Compact's CEO Water Mandate. The investors underscored the importance of broad water sustainability strategies, including both implementation efforts and material water disclosure.

## Number of signatories and assets under management (AUM)



## Who Cares Wins: The Final Chapter

The Global Compact's work with the financial markets began in 2004 with the launch of the Who Cares Wins initiative, co-developed with the Swiss Government and the International Finance Corporation. The initiative focused on assisting financial analysts and asset managers on the incorporation of ESG issues into research and investment processes. The initiative had natural partners in the UNEP Finance Initiative and the Enhanced Analytics Initiative.

The final report of the Who Cares Wins initiative was released in December 2008. Entitled "Future Proof?", the report takes stock of the outcomes of the four-year initiative. The report concludes that considerable progress has been made since 2004, with many analysts now equipped with the necessary techniques to integrate ESG issues. However, it also notes that this know-how is not yet widely applied in the industry, and urges the financial sector to more actively address ESG issues, particularly in light of the financial and economic crises that emerged in 2008.

# Communication on Progress

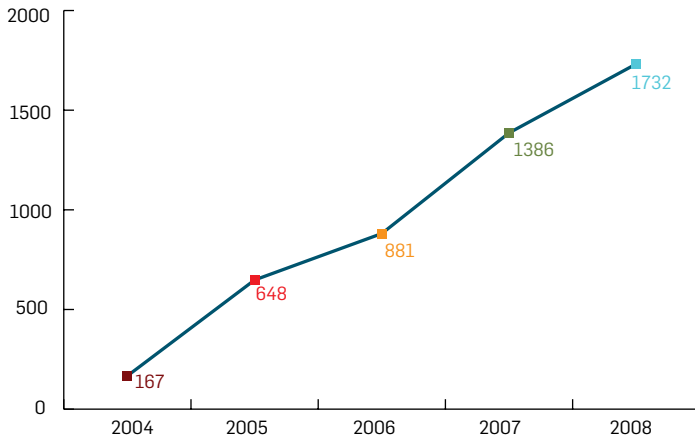
Companies that join the Global Compact make an explicit commitment to communicate annually to their stakeholders on progress made in implementing the Ten Principles, and in supporting broad UN development goals. This annual Communication on Progress (COP) is an important demonstration of a participant's commitment, and, as such, failure to produce a COP will result in delisting from the initiative. All Global Compact special projects – such as the CEO Water Mandate and Caring for Climate – have disclosure requirements. The COP is also an instrument for transparency, and thus the accountability of the Global Compact and our participants.

A strong majority of companies hold an “active” status in the Global Compact, with the number of COPs submitted annually growing steadily. In terms of content, companies are generally challenged to report in a comprehensive manner on their environmental, social and governance (ESG) work. Often the focus is too much on policies, and not enough on impacts. Instead of systematic trends in COP quality by region or sector, the Global Compact has observed pockets of progress and failure. This was confirmed by an in-depth review of select COPs by the Fondation Guilé, which found wide disparity with regard to the comprehensiveness and quality of reporting among the largest companies, and relatively advanced reporters, participating in the Global Compact.

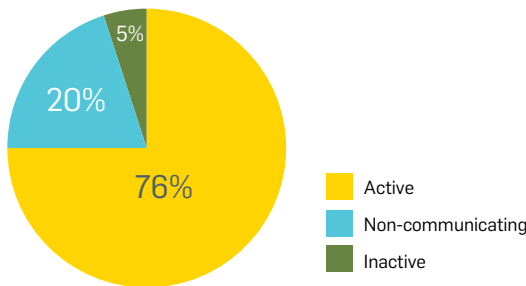
The COP policy is designed – at a minimum – to bring accountability to corporate engagement under the Global Compact banner. This goal is being realized thanks to concerted efforts to provide deeper guidance and training resources for companies on reporting, particularly at the Local Network level. In time, we hope that COPs will indicate far more than a company's active engagement in the Global Compact. A number of projects are underway to further develop the utility and value of COPs, for example by providing more clear criteria for COP content, developing better guidance on human rights, environment and anti-corruption disclosure, and building stronger links between investors and COPs.

# COP Landscape

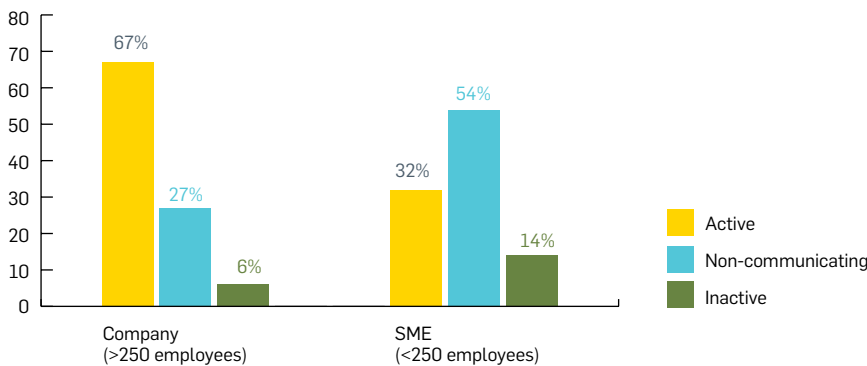
COPs submitted per year



Status of Global Compact participants



Status of participants in Global Compact more than 2 years



# 1732

## COPs posted to the Global Compact website in 2008

A record number of COPs were posted in 2008, representing a 25% increase from 2007 and almost a 100% increase from 2006. By the end of the year, approximately 5,000 COPs were available on our website for public review – representing one of the largest global repositories of corporate disclosure on ESG issues.

# 404

## Companies delisted from the Global Compact in 2008

The Global Compact delisted 404 companies in 2008 for failure to communicate progress, pushing the total number of companies removed over 800. Removing "free riders" from the initiative remains an effective method for insuring the value of engagement in the Global Compact for the thousands of companies that are committed.

# 76%

## Companies in the Global Compact with an "active" status

And for participants engaged in the initiative more than two years, 67% of companies with over 250 employees remain in good standing. This figure is much lower for SMEs (companies with less than 250 employees), emphasizing that much work remains to be done to facilitate the development and posting of COPs by small companies. This is one reason why the policy allows for a wide range of reporting styles, which can be informal. Ensuring that the COP policy does not overly burden SMEs and that there is relevant guidance will be a greater priority moving forward.

## The Drive Toward Quality Reporting

The COP policy is aligned with a growing trend in corporate sustainability reporting, and calls by stakeholders for greater transparency. Limited early efforts by some companies to disclose actions around ESG issues in annual financial reports mark an important shift in thinking on the financial materiality of these realms. Ultimately, more comprehensive and accurate disclosure is required before strong links can be made between engagement on Global Compact issues and a company's long-term value.

The Global Compact is aware that improvements in the quality of reporting will take time. Many companies participating in the initiative are beginners in the field of non-financial reporting and need guidance in preparing a first COP, and then making improvements over time. In the future, we hope that more companies will use established frameworks and indicators when reporting, such as the Global Reporting Initiative.

The Global Compact is undertaking a variety of efforts, often with partners, in a drive toward higher quality reporting.

### Guidance

The Global Compact, particularly through the support of Local Networks, has worked to improve COP guidance, as well as communication with participants related to deadlines. In 2007, for the first time, the Global Compact began providing systematic, basic feedback to companies on COPs. In the future, COP reminder emails will be sent in more languages, the process for posting COPs will be simplified, more training workshops will be held at the local level, and guidance materials will be translated into more languages.

**Practical Guide to the Communication on Progress:** This 2008 edition of the guide contains updated information about creating, sharing and posting a COP, as well as practical examples of how companies are communicating progress. Also included are helpful definitions, tips on where to begin, examples and relevant GRI indicators.

**Human Rights:** In September 2008, the Global Compact, Realizing Rights and the Global Reporting Initiative jointly called on companies to commit to improve at least one aspect of their human rights reporting. The invitation was part of a collaborative project, "Human Rights — A Call to Action", which

aims to significantly improve understanding of how and why to disclose practices relating to human rights.

**Environment:** Measurable and verifiable actions on environmental protection are increasingly called for. Caring for Climate signatories commit to set emissions reduction targets, increase the efficiency of their energy usage and report on their achievements in the COP. The CEO Water Mandate has established core principles related to next-generation water disclosure including materiality and stakeholder inclusiveness, convergence with existing reporting platforms, and continuous improvement.

**Anti-Corruption:** The Global Compact Anti-corruption Working Group has begun development of reporting guidance that follows the management cycle from commitment to implementation to monitoring. It will not introduce new reporting indicators, but instead highlight elements that should be included for comprehensiveness. Additionally, the group will showcase positive reporting practices.

### Minimum Criteria

When the Global Compact launched the COP policy in 2004, it marked an important, yet untested step for bringing accountability to our voluntary initiative. The need for the policy to be clarified and improved over time was expected.

In May 2008, the Global Compact Board requested that the Global Compact Office more clearly identify a "minimum requirement" for COPs. In collaboration with KPMG International, the Global Compact Office undertook a consultation with key stakeholders which included interviews with 27 business and 20 non-business stakeholders. This consultation confirmed the need to clarify minimum requirements for the COP.

Based on this, clarifications will be made to the policy in 2009, including: requiring companies to disclose actions in all four of the Global Compact issue areas (human rights, labour, environment and anti-corruption) after five years of engagement in the initiative or to explain why an area is not relevant to the business; modifying reporting deadlines for new signatories from two years to one year after joining; and asking companies to indicate the content of the COP at time of posting based on a short questionnaire.

### Communicating Progress: Status

**Active:** A company that is in compliance with the COP policy because it (i) joined the Global Compact within 2 years or (ii) met the annual COP deadline.

**Non-communicating:** A company that has failed to produce a COP either within 2 years of joining the Global Compact or within 1 year of its previous COP.

**Inactive / Delisted:** A company that has failed to produce a COP either within 3 years of joining the Global Compact or within 2 years of its previous COP. These companies are delisted from the initiative after 1 year of becoming "Inactive".

*All that is required to return to "active" status is a COP. Delisted companies must re-join the Global Compact and post a COP.*

In 2009, the updated COP policy will be introduced and implemented in a way which ensures that Global Compact participants will not be overly burdened and will have sufficient time to comply. The Global Compact intends to remain a flexible initiative that welcomes participants of all sizes, regions and sectors, and at all levels of engagement on corporate responsibility issues.

**Local Support**

Increasingly, Global Compact participants turn to Local Networks for guidance and support in meeting the COP requirement. Many Local Networks, for example Mexico and India, have taken decisive measures to raise awareness about the COP commitment to avoid a majority of their participants becoming inactive. Practical steps taken by networks include: hosting COP peer reviews and clinics, translating guidance into the local language, and providing COP feedback.

Additionally, one of the outcomes of the Annual Local Networks Forum in 2008 was the creation of a Working Group which will explore the role of networks in facilitating participant COPs. The group plans to clarify requirements for how networks are expected

to support companies in this regard, as well as assisting the Global Compact Office in checking COP content and quality.

**Incentives**

Our **Notable COP** programme recognizes outstanding Communications on Progress. These COPs are selected for their strong adherence to the policy and because they represent illustrative and inspirational examples of communicating progress. Showcasing outstanding COPs – with respect to the quality and comprehensiveness of the information they provide – can be a strong incentive for companies, particularly as efforts increase to link COPs with mainstream financial market analysis.

This linkage with **financial markets** was strengthened in 2008, when a group of institutional investors (all signatories of the Principles for Responsible Investment) wrote to the chief executive officers of approximately 100 companies in 30 countries regarding their COP status. Companies were either praised for exemplary disclosure using the COP or urged to comply with the COP policy urgently. Based on this effort, 30% of the targeted companies took actions to regain an “active” status. A similar effort was undertaken again in January 2009.

**What Is Required?**

A company must post a COP annually to the Global Compact website. Ideally, the COP is mainstreamed in a company’s existing communications methods (e.g. sustainability report), however the format is flexible. Stand-alone COP documents are often submitted by smaller companies.

**A COP must contain three elements:**

- 1.** Statement of continued support for the Global Compact;
- 2.** Description of practical actions that the participant has taken to: (1) implement the Global Compact principles and (2) undertake partnership projects in support of broad UN goals; and
- 3.** Measurement of progress toward outcomes using, as much as possible, indicators or metrics, such as those developed by the Global Reporting Initiative (GRI).

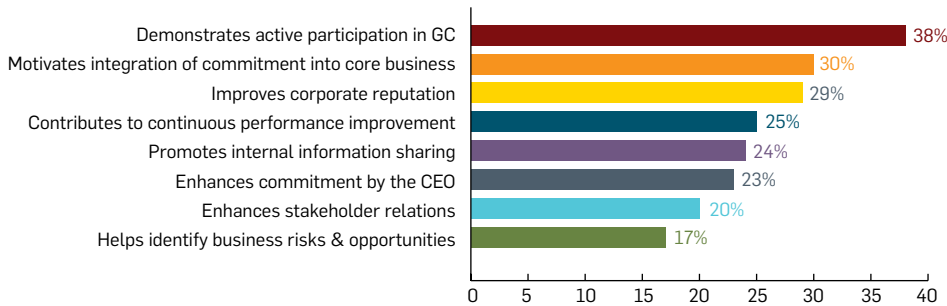
**Using GRI G3 Guidelines for the COP**

Companies are encouraged to use the Global Reporting Initiative’s (GRI) established frameworks and indicators when reporting.

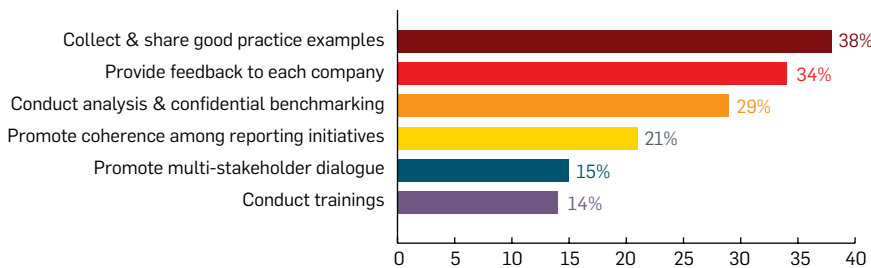
The GRI G3 Guidelines address the status of implementation and performance for each Global Compact principle, and can provide guidance on many relevant decisions related to reporting that enhance the quality of the COP.

The Guidelines offer an incremental approach that allows companies to increase reporting at their own pace, consistent with the concept of continuous improvement on which the COP is based.

**Does your company benefit from the COP process?**



**How can the Global Compact help your company with its efforts to communicate progress?**

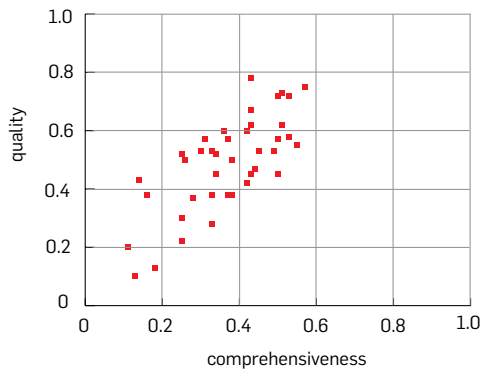


## Fondation Guilé COP Study

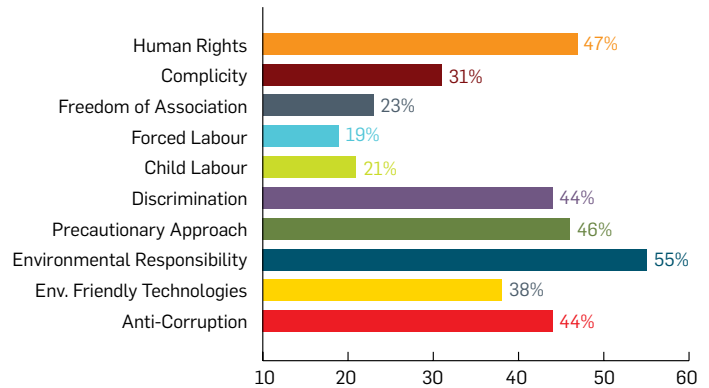
A COP survey conducted by the Fondation Guilé assessed the COPs of 40 companies from four industry sectors — split evenly between developed and emerging economies for each sector — using a robust methodology. The study revealed three main findings:

- Not all Global Compact principles are covered with the same level of detail;
- Even among the 40 large companies surveyed, there is a wide disparity with regard to information available per principle;
- Reported information is not comprehensive, with COPs focusing more on commitments and management systems than on materiality, performance and achievements.

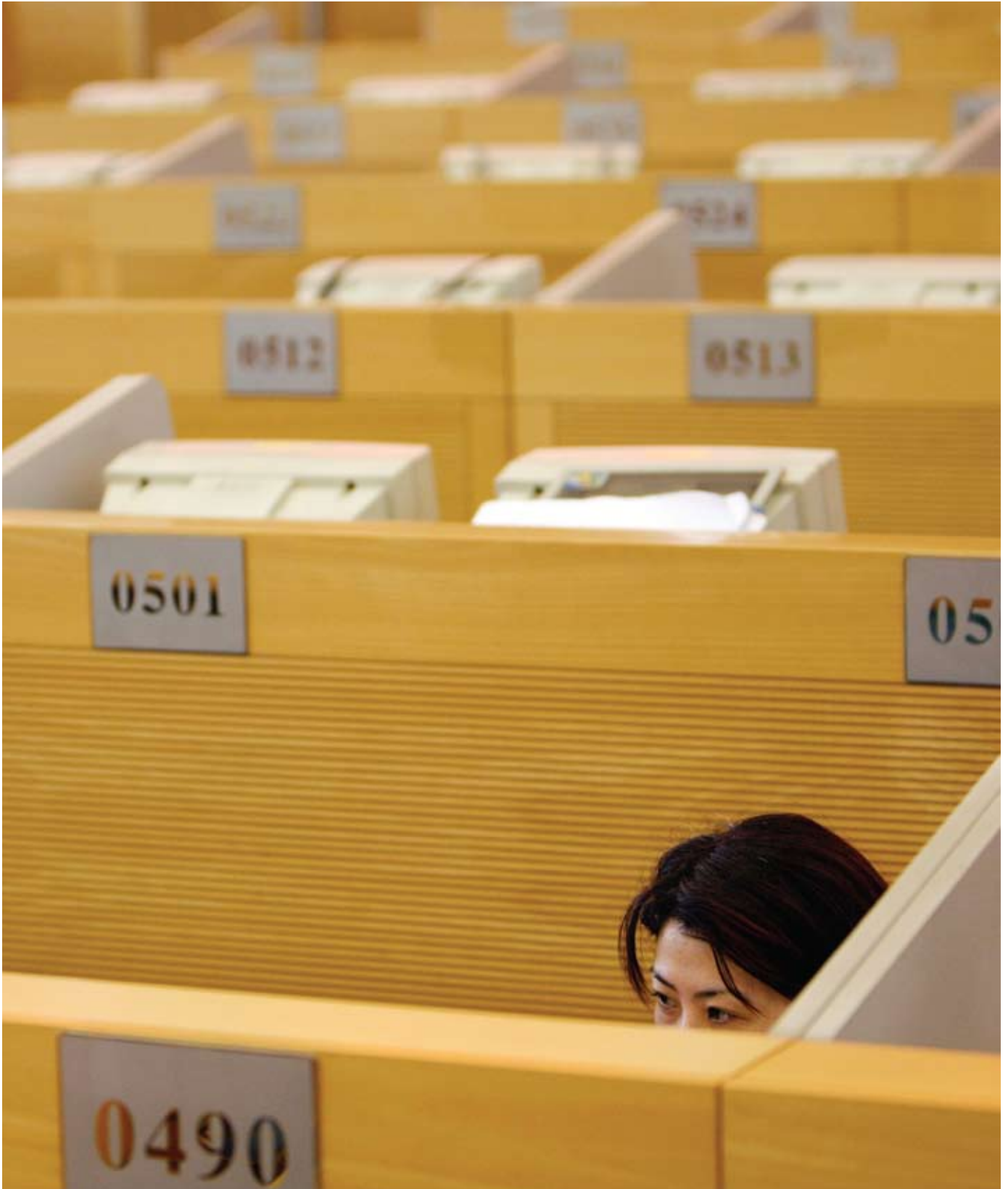
### Overall reporting performance of COPs



### Comprehensiveness of information reported by principle







# Foundation for the Global Compact

Through the Foundation for the Global Compact, business participants financially support the UN Global Compact. All companies participating in the initiative are asked to make an annual voluntary contribution.

In 2008, donations to the Foundation helped fund a number of important programmes, events and publications, including the Africa Private Sector Forum, Communications on Progress (COP) working groups, Local and Regional Network meetings, and the CEO Water Mandate and the Caring for Climate initiatives, among others.

**Contributions totaling US\$1.1 million were received in 2008 thanks to generous support by the following companies:**

**Over US\$ 20,000**

- Broad Air Conditioning
- HSBC Holdings plc.
- Petrobras SA
- Royal Dutch Shell plc.
- The Coca-Cola Company

**US\$ 5,001 – US\$ 20,000**

- Aktiebolaget SKF
- Anglo American
- ArcelorMittal
- Celer Soluciones, S.L.
- Coca-Cola HBC
- Daimler AG
- Deutsche Bank AG
- Deutsche Post (in kind)
- Diageo Plc
- Fundacion fondo de cultura de Sevilla
- Heineken International
- Hindustan Construction Company Ltd.
- ICA AB
- ING Group
- Nexen Inc.
- Norsk Hydro ASA
- Oil and Natural Gas Corporation
- PetroChina Company Limited
- Rio Tinto
- Suez
- Symantec Corporation
- Tetra Pak Limited
- Trelleborg AB
- TUV Rheinland Holding AG

**US\$ 1 – US\$ 5,000**

- 2Moro SAS
- A Raymond SCS
- ABN AMRO Bank N.V.
- Ading Ad Skopje
- African Petroleum PLC
- AG2R
- Akkok Sanayi ve Gelistirme A.S.
- Akritas S.A.
- Alcatel-Lucent
- Altana AG
- AMPEG Technologie and Computer Service GmbH
- Aqua y Saneamientos Argentinos S.A. - AySA
- Arla Foods amba
- Armacell Group
- ASUR - Grupo Aeroportuario del Sureste, S.A. de C.V.
- Autocesta Rijeka-Zagreb d.d
- Aviatour
- Aviva Sigorta AS

- Aviva
- AvivaSA Emeklilik ve Hayat AS
- AXA
- Ayr Aviation
- Barrick Gold Corporation
- Befesa Medio Ambiente, S.A.
- BHP Billiton
- Bombeo Energia y Compacion de Madrid (BECMA)
- Bouygues
- Broedrene Hartmann A/S
- Brown Flynn
- C.I.P.I. - Compagnie Internationale de Promotion Industrielle
- CA, Inc.
- Caixa Catalunya
- Caja De Ahorros Y Monte De Piedad De Zaragoza Aragon Y Rioja - Ibercaja
- Caja Madrid
- Caja Provincial De Ahorros De Jaen
- Caja de Ahorros y Pensiones de Barcelona (La Caixa)
- Calvert Group Ltd.
- Carvalho, Coimbra y Esteves, Lda.
- Cassa di Risparmio di Volterra S.p.A
- Cassab Ahun SRL
- CEGELEC Nord et Est
- Centrica plc
- Citizen Holdings Co., Ltd.
- City Developments Limited
- Cloetta Fazer
- Coca-Cola Beverages Hrvatska d.d.
- Colombia Movil S.A. E.S.P.
- COMBIS d.o.o.
- Confidi Roma Gafiart
- Consolidated Contractors International Co.
- Constructus Ltd.
- Corporate Fashion International Ltd.
- CPT AG
- Danfoss Groups
- Deloitte Croatia
- Deutsche Post World Net
- Dexia Group
- DnB NOR ASA
- Eastern Produce Kenya Ltd.
- Edelman
- Eiffage
- Ekol Logistics Co. Inc.
- Electrical Industries Limited

- Elektroncek D.D.
- ENI
- Environnement S.A.
- EPOS Health Consultants
- EPS (Engineering and Professional Services, Inc.)
- Essilor International
- EUROTECH France
- Euskaltel
- Exaro Resources Ltd.
- FAI rent-a-jet AG
- Fairmount Minerals
- Financiere de Champlain
- Folksam
- Gahoud Holding Co. Ltd
- Garrigues
- Geodis
- Global Calcium Pvt Ltd
- GlobeScan Incorporated
- Grant Thornton Amyot LLC
- Grindeks
- Gris Decoupage
- Groupe SEB
- Groupe Vedior France
- Grupo Eroski
- Grupo Inmobiliario y Constructor M, S.A. de C.V.
- Grupsa System
- HaiConsult - Consulting Fund
- HC Tekstil Tas.Gumr.lth.lhr. Ltd.Sti.
- Hellenic Petroleum
- Hilti Aktiengesellschaft
- Hiroca CxA
- Holcim Ltd
- Holmen AB
- IFOP
- Impact Development Training Group
- Infosys Technologies Ltd.
- Instituto Tecnológico y de Estudios Superiores de Monterrey, Campus Queretaro
- International Distillers Lanka Limited
- Ipek Kagit Sanayi
- Iquest
- Izanet Global Services S.L.
- Jal Group Tunisia
- Jason Electronics (Pte) Ltd
- Kedrion s.p.a
- Kelani Valley Plantations Limited
- Kenya Grange Vehicle Industries Ltd.
- Kjaer Group A/S
- Kluntz A/S
- Koç Holding
- Kongsberg Gruppen ASA
- Koninklijke Philips Electron-

- ics N.V.
- Korea Electric Power Industrial Development Co. Ltd
- KPMG LLP
- KPMG, Cardenas Dosal, S.C.
- Lanka Hydraulic Institute
- Lantrade Global Supplies Ltd
- Lazare Kaplan International Inc.
- Li and Fung Limited
- Lindex
- LM Ericsson
- Mabroc Teas Pvt Ltd.
- Magadi Soda Company
- Mahindra & Mahindra Ltd.
- Mane
- Mansour Manufacturing & Distribution Group of Companies
- Masisa Argentina S.A.
- Maxibit Worldwide AB
- Miele & Cie. KG
- MIPS - Mozambique International Port Services
- MTN Nigeria Communications Ltd.
- Naouri Group
- NATIXIS
- Netafim
- Newman Foundation, The
- Nexen Inc.
- NOBA Verbandmittel Danz GmbH & Co. KG
- Nordea Bank AB
- North American Communications
- Novartis International AG
- Novo Nordisk AS
- Novozymes
- NOCBC Bank Ltd.
- Okbil Bilgisayar Elektronik Danismanlik Pazarlama Sanayi ve Dis Ticaret
- Orsys
- Otto GmbH & Co KG
- Ozka Tyre and Rubber Co.
- Pan Asia Banking
- PARTICIP GmbH
- Perstorp Holding AB
- Petrofin Group
- Pfizer, Inc.
- Phoenix Design Aid A/S
- Phytomonitor
- Pranda Jewelry Public Company Ltd.
- PricewaterhouseCoopers
- Privredna Banka Zagreb
- Rahimafrooz Batteries Ltd.
- REN - Redes Energeticas Nacionais, SGPS, SA

- Representaciones Industriales jbl S.A. de C.V.
- Rhodia
- Rideau Recognition Solutions Inc.
- Rosy Blue
- RWE AG
- Sa Van Den Broeke-Lutosa
- SAB Ingenierie Informatique
- SAP AG
- Sasol Ltd.
- Seguros Catalana Occidente, S.A.
- Selamoglu International Transport
- Senoko Power Ltd
- Shaheen Airport Services
- Sigdopack S.A.
- SINAK Corporation
- Sinosteel Corporation
- Sirota Consulting, LLC
- SK Energy Co., Ltd.
- Société Générale
- software-systems.at
- Sokoa S.A
- Sotral S.P.A
- SPERIT, IT Consulting Services S.L.
- StatoilHydro ASA
- Steel Authority of India Limited
- Steelhenge Consulting Limited
- Stopanska Banka Ad
- Suzano Papel e Celulose
- Talisman Energy Inc.
- Tata Chemicals
- Taxis G7
- Teck Cominco
- Tek-Ser Ltd.
- TGI Consultoria em Gestao Ltda.
- Thal Engineering
- The Dow Chemical Company
- TNT N.V.
- Todini Costruzioni Generali S.p.A.
- Trimo, d.d.
- Veolia Environnement
- Volkswagen AG
- Vukmir and Associates, Law Firm
- Westpac Banking Corporation
- Xiring
- Yuksel Holding A.S. - Yuksel Holding Co., Inc.
- Zhejiang Zhenhua Electronics Co., Ltd
- Zygon Baltic Consulting Ltd.

# Annex A

## Global Compact Resources

The following resources been produced by the Global Compact Office – often in cooperation with key partners and experts – or by one of the associated UN agencies. For more information and to download resources, please visit the Global Compact website: <http://www.unglobalcompact.org/AboutTheGC/publications.html>

### GENERAL

#### UN Global Compact -

##### **Corporate Citizenship in the World Economy**

Provides a brief introduction to the Global Compact, outlining the main objectives of the initiative, the business case for participation as well as some of the ways in which companies can engage. (UNGC, 2008)

#### After the Signature -

##### **A Guide to Engagement in the Global Compact**

Introduction to the Global Compact and overview of the commitment that companies make when signing on to the initiative. Practical steps are suggested to start the implementation process and maximize engagement, such as participation in Global Compact Local Networks. (UNGC, 2008)

#### Inspirational Guide to

##### **Implementing the Global Compact**

Presents practical examples of how corporate signatories of the Global Compact have approached implementation of the Ten Principles, emphasizing the solutions developed to related challenges and dilemmas. (UNGC, 2007)

#### Global Compact Slide Collection

Slides highlight the case for responsible business practices and provide an update on the initiative. Intended to assist Global Compact participants, Local Network representatives and other stakeholders in advocacy and awareness-raising. (UNGC, 2008)

#### Inspirational Guide to

##### **Implementing the Global Compact – Africa**

Case examples illustrate the wide range of innovative and sustainable activities being undertaken by businesses across Africa. (UNGC, 2008)

#### 2007 Global Compact Annual Review

Provides a comprehensive picture of the initiative and the efforts made by business and other stakeholders to advance the Global Compact's mission and principles. (UNGC, 2007)

#### 2007 Global Compact

##### **Leaders Summit Report and DVD**

Comprehensive documentation of the 2007 Global Compact Summit on corporate citizenship, including key outcomes; studies, reports and initiatives launched at the event; a video archive of major speeches, statements and presentations; and an extensive library of photographs. (UNGC, 2007)

#### UN Global Compact Operational

##### **Guide for Medium-Scale Enterprises**

An easy-to-follow guide for medium-scale enterprises engaging in the Global Compact. (UNGC/UNIDO, 2007)

#### Your Guide to the

##### **Global Compact – A Resource Package**

Provides extensive information on the Global Compact and practical guidance for companies seeking to implement the ten principles into business operations. (UNGC, 2006)

#### Towards Responsible Lobbying

Examines the current issues around political lobbying and sets out to reinvigorate the debate. It also proposes a comprehensive framework which companies and NGOs can use to assess the responsibility of their own lobbying activities and to identify areas for improvement (UNGC/AccountAbility, 2005).

#### Raising the Bar – Creating Value

##### **with the United Nations Global Compact**

This book outlines how the Global Compact can stimulate organizational change while creating business value, assisting managers of large and small companies in translating the principles into business practices. (UNGC/Greenleaf, 2004)  
*Purchase required.*

## COMMUNICATION ON PROGRESS

### **Practical Guide to Communication on Progress**

Revised edition contains updated information about creating, sharing and posting a COP, as well as practical examples of how companies are communicating progress. Also included are helpful definitions, tips on where to begin, examples and relevant GRI indicators. (UNGC, 2008)

### **Making the Connection: The GRI Guidelines and the Global Compact Communications on Progress**

Advice and support for linking sustainability reporting under the new Third Generation (G3) of GRI's Sustainability Reporting Guidelines with the preparation of an annual Communication on Progress (COP). (UNGC/GRI, 2007)

## LOCAL NETWORKS

### **VI Annual Local Networks Forum – Meeting Report**

Representatives from over 70 Global Compact Local Networks gathered two days at the 6th Annual Local Networks Forum in October 2008 to share experiences in their efforts to advance the Global Compact at the local level (UNGC, 2008).

**Local Network Report: Deepening Engagement at the Local Level**  
Presents the results of the first comprehensive survey of Global Compact Local Networks and highlights lessons learned about network building and performance, as well as numerous activities and examples of solutions developed by Local Networks. (UNGC, 2007)

## HUMAN RIGHTS

### **Human Rights Translated: A Business Reference Guide**

Illustrates through the use of examples and suggested practical actions how human rights are relevant and can be managed in a corporate context. (UNGC/Castan Centre for Human Rights Law/IBLF/OHCHR, 2008)

### **Embedding Human Rights in Business Practice II**

The second volume in this case study series explores the practical meaning of human rights for companies, presenting 20 case studies on business practices. (UNGC/OHCHR, 2008)

### **Human Rights and Business Learning Tool**

An internet-based learning tool developed to assist managers and corporate responsibility professionals in companies participating in the Global Compact. (UNGC/OHCHR/UNSC, 2007)

### **Human Rights Framework**

A poster designed and translated into six languages to give a publicly displayed, easily referenced overview for companies to use in implementing a human rights policy. (UNGC/BLIHR/IBLF, 2007)

### **Human Rights Impact Assessment Guide**

Provides overview of the process of implementing a human rights assessment programme into a company. (UNGC/IBLF/IFC, 2007)

### **A Guide for Implementing Human Rights into Business Management**

Showcases the experiences of ten companies in implementing human rights. (UNGC/BLIHR/OHCHR, 2006)

### **Embedding Human Rights in Business Practice**

Explores the practical meaning of human rights for companies, presenting four case studies and a policy report on different business practices. (UNGC/OHCHR, 2004)

## LABOUR

### **The Labour Principles of the UN Global Compact - A Guide for Business**

Explains the four labour principles of the UN Global Compact and provides an inventory of key resources to help integrate these principles into business operations. (ILO/UNGC, 2008)

### **Combating Forced Labour - A Handbook for Employers and Business**

Provides guidance to employers' organizations and individual companies on forced labour and human trafficking, including practical tools and materials that help identify why it is a concern for business and actions that can be taken. (ILO, 2008)

### **Eliminating Child Labour - Guides for Employers**

Three practical guides provide ideas, advice and examples for the prevention of child labour, the withdrawal of children from work and the protection of young workers from hazardous conditions. (ILO, 2007)

### **ILO-IPEC Guidelines for Developing Child Labour Monitoring Processes**

Guidelines providing information on how to design, develop and operate child labour monitoring along with practical examples that will help to adapt the model to specific child labour situations. (ILO, 2006)

## **ENVIRONMENT**

### **Caring for Climate: A Call to Business Leaders**

Outlines engagement opportunities through the Caring for Climate initiative, which assists companies to advance practical solutions, share experiences and inform public policy. (UNGC/UNEP/WBCSD, 2008)

### **2008 Meeting Report - Caring for Climate**

Report of the first meeting of Caring for Climate signatories convened in October 2008. (UNGC/UNEP, 2008).

### **Caring for Climate: Tomorrow's Leadership Today – Climate Change, Environmental Responsibility and Examples of Corporate Leadership**

A collection of case studies demonstrating innovative examples of Global Compact participants taking action to address climate change. (UNGC/UNEP/WBCSD, 2007)

### **The CEO Water Mandate**

Assists companies in developing a comprehensive approach to water management, covering six key areas: direct operations, supply chain and watershed management, collective action, public policy, community engagement, and transparency. (UNGC/ Ministry for Foreign Affairs Sweden, 2007)

### **Unchaining Value - Innovative Approaches to Sustainable Supply**

Explores how supply chains function in order to identify new approaches to building sustainability capacity at the local supplier level, as well as identifying initiatives that will encourage and enable consumer demand for more sustainable solutions. (UNEP/UNGC/SustainAbility, 2008)

### **The Global Compact**

#### **Environmental Principles Training Package**

Training manual on the Global Compact's environment principles, primarily for new companies – from medium-sized businesses in developing countries to large multinationals. (UNGC/UNEP, 2005)

#### **Measuring Business Success from Sustainability Certification**

Indicators that enable companies to assess the financial value of sustainability certification schemes in their strategy development and planning process. (UNGC/Rainforest Alliance, 2007)

#### **Talk the Walk – Advancing Sustainable Lifestyles through Marketing and Communications**

Overview of how marketing can foster sustainable consumptions and a toolbox for practitioners on how to run sustainable lifestyles marketing campaigns. (UNGC/UNEP/Utopies, 2005)

## **ANTI-CORRUPTION**

### **Fighting Corruption through Collective Action - A Guide for Business**

Outlines options for combating market corruption based on “how to” examples from many regions and sectors. Includes a range of tools that help users tailor collective action frameworks to their specific circumstances and needs. (World Bank Institute with collaborators including UNGC, 2008)

### **Clean Business is Good Business – The Business Case Against Corruption**

Brochure outlining why companies and corporate practitioners should actively engage in the fight against corruption. (UNGC/ICC/Transparency International/WEF PACI, 2008)

### **Business Against Corruption – Case Stories and Examples**

Examples of how to deal with challenges when implementing the Global Compact's anti-corruption principle. (UNGC, 2006)

### **Business Against Corruption - A Framework for Action**

Resources and tools to assist companies in implementing the 10th principle on corruption. (UNGC/IBLF/Transparency International, 2005)

### **Business Fighting Corruption: Experiences from Africa**

Case studies showcasing how organizations in Africa are addressing the challenge of corruption. (GC Regional Learning Forum/GTZ, 2007)

## **CONTRIBUTION TO DEVELOPMENT**

### **Meeting Report - United Nations Private Sector Forum**

Summarizes the discussions and outcomes of the first UN Private Sector Forum which gathered 100 chief executives, Heads of State and Government, heads of UN entities, and heads of civil society organizations on 24 September 2008. Includes concrete recommendations for how the private sector, governments and the UN can contribute to the Millennium Development Goals and Food Sustainability. (UNGC, 2008)

### **Food Sustainability - A Guide to Private Sector Action**

Examples of best and emerging practices in seven key areas relating to food sustainability, as well as suggested actions for businesses. (UNGC with broad alliance of collaborators, 2008)

### **The United Nations and the Private Sector: A Framework for Collaboration**

Outlines different ways in which the private sector can collaborate with UN agencies, funds and programmes to address global challenges. Describes how business can contribute through their core business operations, social investments and philanthropy, and advocacy, policy dialogue and institutional frameworks. (UNGC, 2008)

### **Business Guide to Partnering with NGOs and the UN**

A tool providing information to assist in the partner selection process and by identifying leading non-profit social actors from around the world that have demonstrated skill and excellence in partnering with companies. (UNGC/Dalberg, 2007)

### **Enhancing Partnership Value - A Tool for Assessing Sustainability and Impact**

An interactive tool to improve the effectiveness and developmental value of partnerships between the UN system and the private sector. (UNGC/UNDP/UNOP/UNITAR, 2007)

### **Joining Forces for Change: Demonstrating Innovation and Impact through UN-Business Partnerships**

Showcases a broad spectrum of cutting edge initiatives seeking to unleash the potential of UN-business partnerships. (UNGC, 2007)

### **Business UNusual – Facilitating United Nations Reform Through Partnerships**

Shows how partnerships between UN and business have acted as a catalyst for reform and institutional innovation throughout the UN system by infusing private sector management practices and performance based thinking. (UNGC/GPPI, 2005)

## **BUSINESS AND PEACE**

### **Peace through Commerce - Responsible Corporate Citizenship and the Ideals of the United Nations Global Compact**

Published in 2008 as part of the John W. Houch Notre Dame Series in Business Ethics, the book looks at the purpose of the corporation, the influence of legal and peace studies, and the experiences of career NGO officials and business leaders to better understand how commerce can help promote peace. (Notre Dame, 2008). *Purchase required.*

### **Enabling Economies of Peace: Public Policy for Conflict-Sensitive Business**

Identifies a range of concrete actions that Governments and international organizations can undertake to better assist private-sector efforts to promote effective conflict-sensitive business practices. (UNGC, 2005)

## **FINANCIAL MARKETS**

### **Who Cares Wins - Future Proof**

Summarizes the strategic outcomes of the Who Cares Wins Initiative, a series of working conferences and financial industry consultations that took place between 2004 and 2008. The report proposes a number of actions to further integrate ESG issues into mainstream investment decision-making and ownership practices. (UNGC/FDFA/IFC, 2008)

### **New Frontiers in Emerging Markets Investment**

Conference report from the 2007 “Who Cares Wins” annual meeting. (UNGC/FDFA/IFC, 2007)

**Principles for Responsible Investment**

Voluntary principles providing guidelines on how to incorporate environmental, social and governance issues into mainstream investment decision-making and ownership practices. (UNGC/UNEPFI, 2006)

**Communicating ESG Value Drivers at the Company-Investor Interface**

Conference report from the 2006 “Who Cares Wins” meeting. (UNGC/FDFA/IFC, 2006)

**Investing for Long-Term Value: Integrating environmental, social and governance value drivers in asset management and financial research**

Conference report from the 2005 “Who Cares Wins” meeting. (UNGC/FDFA/IFC, 2005)

**Who Cares Wins: One Year On**

Review of the integration of environmental, social and governance value drivers in asset management, financial research and investment processes. (UNGC/IFC, 2005)

**Who Cares Wins – Connecting Financial Markets to a Changing World**

Addresses how the financial industry should integrate environmental, social and governance issues in their financial analysis, research and investment recommendations. (UNGC, 2004)

**EDUCATION****Principles for Responsible Management Education: A Global Initiative – A Global Agenda**

The mission of the PRME initiative is to inspire and champion responsible management education, research and thought leadership globally. PRME seeks to establish a process of continuous improvement among institutions of management education in order to develop a new generation of business leaders. (UNGC, 2008)

# Annex B

**Global Compact Events 2008**

This list includes events organized by the Global Compact Office, or closely associated with the Global Compact on a global level. It does not include the numerous events held by Local Networks around the world.

**Africa’s Industrial Drive - The Private Sector and Corporate Citizenship**

22 – 23 January, Addis Ababa  
Organized by Commission of the African Union and the Global Compact Office

**Regional Meeting of Global Compact Network Focal Points: Africa**

24 – 25 January, Addis Ababa

**PRME and Net Impact: Meeting of US - East Coast Student Leaders**

25 January, New York  
Organized by the Global Compact Office

**Business Coalition: The United Nations Convention against Corruption as a New Market Force**

30 January, Bali  
Organized by ICC, Transparency International, OECD, UNODC and the Global Compact Office

**Inaugural Conference of the CEO Water Mandate**

5 March 2008, New York  
Organized by the Global Compact Office and the Pacific Institute

**Fourth Communication on Progress Workshop**

3 – 4 April, Geneva  
Organized by the Global Compact Office

**Global Compact Network Launch: Gulf Cooperation Council States**

7 April, Dubai

**Global Compact Network Launch: Russia**

10 April, Moscow

**Progress & Value Workshop: Beijing**

17 – 18 April, Beijing  
Organized by the Barcelona Center for the Support of the Global Compact



**Global Business Summit  
for the Environment (B4E)**

22 – 23 April, Singapore  
Organized by UNEP and the Global Compact  
Office

**Global Compact Network Launch: Namibia**  
23 April, Windhoek

**US Network Conference:  
Business and Human Rights**  
28 April, Boston

**Global Compact Human Rights Working  
Group Meeting**  
29 April, Boston

**Global Compact Board Meeting**  
1 May, New York

**Regional Meeting of Global Compact  
Network Focal Points: Europe**  
28 – 29 May, Athens  
Organized by the Global Compact Office

**Global Compact Network Launch: Greece**  
28 May, Athens

**First Meeting of the Global Compact Working  
Group on Labour Principles**  
30 May 2008, Geneva

**Third Meeting of the Global Compact  
10th Principle Working Group**  
5 – 6 June, Vienna

**Changing Landscapes: Towards a  
Sustainable Economy in Asia**  
17 – 18 June, Seoul  
Organized by the Principles for Responsible  
Investment, UNEP Finance Initiative,  
the Global Compact Office and the  
Global Compact Korea Network

**Regional Meeting of Global Compact  
Network Focal Points: Asia**  
17 – 18 June, Seoul

**Progress & Value Workshop: Delhi**  
23 – 24 June, Delhi  
Organized by the Confederation of Indian  
Industry, the Global Compact Office and the  
Global Leadership Network

**Responsibility to the Future:  
Business, Peace, Sustainability**

26 – 28 June, Mumbai  
Organized by Strategic Foresight Group and the  
Global Compact Office

**Junior Chamber International - UN Summit**  
28 – 29 July 2008, New York  
Organized by Junior Chamber International  
and the Global Compact Office

**CEO Water Mandate:  
Second Working Conference**  
21 – 22 August, Stockholm  
Organized by the Global Compact Office and  
the Pacific Institute

**Global Compact Signing Ceremony: Malaysia**  
27 August, Kuala Lumpur

**Regional Meeting of Global Compact Network  
Focal Points: Latin America and the Caribbean**  
3 – 4 September, Bogota

**African Private Sector Initiative: Strengthen-  
ing African Private Sector Competitiveness in  
a Global Context**  
22 September, New York  
Organized by the Global Compact Office,  
the International Trade Centre (ITC) and the  
World Bank

**UN Private Sector Forum: The Millennium  
Development Goals and Food Sustainability**  
24 September, New York  
Organized by the Global Compact Office, FAO,  
IFAD, IFC, ILO, OCHA, UN DESA-Global Alliance  
for ICT and Development, UNDP, UNEP, UNICEF,  
UN Office for Partnerships, WFP, World Bank

**UN System Private Sector Focal Points Meeting**  
2 – 3 October, Geneva  
Organized by the Global Compact Office, UNDP,  
UNICEF and the UN Office for Partnerships

**First General Meeting of  
Caring for Climate Signatories**  
20 – 21 October, Geneva  
Organized by the Global Compact Office,  
UNEP and WBCSD

**VI Annual Local Networks Forum**

21 – 22 October, Bonn

Organized by Fundació Fòrum, the Global Compact Office, and Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH commissioned by the German Federal Ministry for Economic Cooperation and Development. Hosted by Deutsche Post World Net Headquarters.

**Global Compact Human Rights Working Group Meeting**

22 October, Bonn

**Global Compact Network Launch: Sudan**

1 December, Khartoum

**Global Forum for Responsible Management Education**

4 – 5 December, New York

Organized by the Global Compact Office and the PRME Secretariat

**Global Compact Board Meeting**

15 December, New York

**Second Meeting of the Global Compact Labour Working Group**

16 December, New York



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# The Ten Principles of the United Nations Global Compact

## 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 are asked to 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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