



# Global Compact Network Australia

August 2010 Update – UN Global Compact Network Australia

Dear Signatories, friends and colleagues of the UN Global Compact Australian Network

Welcome to the August Newsletter for the Global Compact Network Australia (GCNA). I am delighted to announce the most recent Australian Signatories to the Global Compact:

**Australia Post**  
**La Trobe University**  
**ANZ Banking Group Ltd**  
**United Nations Association of Australia (Qld)**  
**Sustainable Event Alliance**  
**Jonsa Ellies (Aust) Pty Ltd**  
**Pacific Hydro**

We warmly welcome them to the growing list of Australian Global Compact Participants.

## 1. MEMBERSHIP

Following the Inaugural Annual Meeting of the GCNA in June a Membership Fees and Benefits schedule was adopted for the Network to enable financial sustainability and a Steering Committee was elected to progress the governance and vision of the Network:

*"To become Australia's strongest corporate citizenship movement committed to the areas of human rights, labour, environment and anti-corruption."*

On behalf of the Australian Network of the UN Global Compact (Global Compact Network Australia) I would like to formally acknowledge

**Allens Arthur Robinson and Australia Post**

as our first Founding Members of GCNA, and welcome

**ACCSR** as a Small Business Member of the Global Compact Network Australia.

**PROFILE**

### Corporate responsibility through voluntary measures

Leading companies take an integrated approach  
Profile by LOUIS WHITE

Australian businesses are increasingly taking the mantle of incorporating environmental, social and governance (ESG) issues both through everyday operations and supplier engagement.

Woolworths (ASX: WOW) and large industry super fund Clu are just two Australian businesses that have joined the United Nations Global Compact (UNGC) cause to improve business practices.

The UNGC is the largest voluntary corporate citizenship and sustainability initiative in the world, with more than 7700 corporate participants and stakeholders from over 130 countries. The UNGC Network Australia held its inaugural meeting in Australia in May, where practical strategies were debated amongst senior industry leaders.

Woolworths started incorporating ESG practices in 2003 by making plastic bags optional by selling cheap reusable shopping bags.

"We are part of the Global Reporting Initiative (GRI) principles of quality where we are rated A," Woolworths CEO Michael Lucemburgh said at the launch.

"We need our peer groups to work with us and have the same thought processes as it is hard to do it alone. We set ethical principles and practices when it comes to ESG issues and we expect our suppliers and contractors to follow suit. We meet with them regularly to develop best practice at every level."

**"The UNGC often gets criticised for not walking the big stick – but this would be to miss the point – this is a normative network, a principle-based initiative, not a compliance instrument."**  
Rosemary Saling, UN Global Compact focal point for Australia

While the UNGC principles are voluntary, businesses can put pressure on suppliers, customers, shareholders, employees and governments to get on board and support the initiative. But how much influence will it really have?

"The UNGC often gets criticised for not walking the big stick – but this would be to miss the point – this is a normative network, a principle-based initiative, not a compliance instrument," Rosemary Saling, Head, Responsible Business Practice Project and UN Global Compact focal point for Australia.

"It is aspirational and each principle on the surface seems like a no-brainer, but in reality can go very deeply into an organisation's sphere of influence and business operations."

"That said, there is a communication on progress annual requirement and in late May at the GRI conference in Amsterdam the GRI and Global Compact signed a Memorandum of Understanding to more closely align the two initiatives."

Woolworths has made active plans to ensure that both employees and stakeholders uphold ethical practices.

"We have an ethical sourcing policy in place that all our suppliers have to adhere to," Woolworths group manager community and sustainability Aminah Madrosian says.

"These involve four common risk factors across all brands and product categories relating to labour rights, environmental compliance, bribery and corruption and packaging."

"All vendors and agents have to comply and we can audit their facilities too."

For Clu CEO David Adis, common practices amongst investment and asset managers is crucial for ESG practices to be incorporated in investment portfolios.

"It is important that investment managers assess ESG risks and they should do this through proper analysis," Adis says.

"Issues such as the Principles of Responsible Investment (PRI) need to be considered, incorporating climate change strategies, OHS and good governance principles."

"The rubber will hit the road when we stop using investment managers because we are not happy with their investment analysis regarding sustainability issues. We really need to restructure the industry in the way people are rewarded."

ethical investor July 2010 issue 92 37

Download the Ethical Investor Article on the Inaugural Annual Meeting June 2010 from the GCNA website- Network News page

The Steering Committee is currently working with Allens Arthur Robinson's pro bono legal team in order to incorporate the Network, elect Office Bearers and establish an ABN from which to provide a tax invoice for membership fees. Once this process is complete all Australian participants will be notified. A bank account for the UN Global Compact Network Australia has been set up to accept fees with an interim invoice system until then. (The Membership Fees and Benefits schedule is downloadable from the Global Compact Network Australia website).

## 2. **\*\*DIARY DATES\*\***

### **“WELCOME EVENT” GLOBAL COMPACT NETWORK AUSTRALIA**

Please hold the following dates in your calendar (Note date change from Sept 2 to Sept 1)

#### **Melbourne**

**5.30-7.30pm, Wednesday Sept 1<sup>st</sup>, 2010**

**Hosted by KPMG**

#### **Sydney**

**5.30-7.30pm, Monday September 13<sup>th</sup>, 2010**

**Hosted by KPMG**

#### **Program:**

- welcome and networking for signatories with evening drinks,
- Australian Delegates feedback highlights from the New York Leaders Summit
- update from the Steering Committee
- invitation to participate on sub-committees
- Tim Costello speaking on the 63<sup>rd</sup> UN NGO Conference on Global Health and the Millennium Development Goals together with high profile delegate

The Melbourne Event is timed to coincide with the **63<sup>rd</sup> UN DPI/NGO Conference- “Advance Global Health: Achieve the MDGs”**. We will be working with the Australian Conference Convenor to keep you abreast of opportunities and public events associated with this prestigious UN event including the possibility of an audience with the Secretary General if he attends the Conference. This event will be then followed by a similar Welcome Event in Sydney with the same format and a high level speaker considering the Global Compact and the Millennium Development Goals. **Therefore please mark your diaries and a more detailed invitation will follow shortly.**

## 3. OTHER EVENTS:

**Brisbane, 17 September 2010- Australia-Pacific Earth Charter (+10) Festival: Corporate and Global Governance Stream - ‘Harvesting the Benefits’.** The United Nations Association Australia (Queensland) is partnering with the Griffith University Asia Pacific Centre for Sustainable Enterprises to host the Corporate and Global Governance Workshop to promote Corporate Social Responsibility and strengthen Business commitment to the principles and ideals of the Earth Charter (Day 2 of a 3 day festival celebrating the 10 year anniversary of the Earth Charter). They have generously offered to provide **a Queensland welcome** to the Global Compact Network Australia members by offering half price on the cost of registration (\$50). Special invited national and international business speakers include Clinton Squires, GM Australia, InterfaceFLOR; Brett Godfrey, frmr CEO Virgin Blue and Director, Tourism Australia; Sandy Blackburn-Wright, Westpac. The Earth Charter has been mapped to both the Global Compact and the GRI. <http://www.earthcharter.org.au/>

## 4. OTHER NEWS

**The UN Global Compact Leaders Summit (10<sup>th</sup> Anniversary)** was held at the United Nations in New York in June with an Australian delegation being hosted by the Australian UN Mission. There were many outstanding highlights to the Summit including a series of declarations and announcements (such as the New York Declaration, Ministerial Statement, GRI/UNGlobal Compact Agreement, Accenture CEO Study) together with valuable resources and tools (including the Blueprint for Corporate Sustainability Leadership and the UN Global Compact



Management Model). In addition video podcasts and Summit highlights can be found on the Summit website. I would encourage you to view these highlights.

<http://www.leaderssummit2010.org/>

**The VIII Annual Local Networks Forum** took place on 23 June in conjunction with the Leaders Summit. For a summary of the proceedings see the report on the Global Compact Website under Networks tab. The Forum included welcome news on the development of a basic CoP (annual Communication on Progress) template for small companies that will be automatically generated and submitted through a simple online template/questionnaire.

A summary report, feedback and reflections from the Australian Delegates on the Summit will be presented at the Melbourne and Sydney Welcome events in September.



**Regional Training** Rosemary Sainty, Secretariat GCNA attended a regional train-the-trainer course “Embedding GC and CSR into Your Organization” hosted by the Indonesian Global Compact Network, funded by UNESCAP and presented by CSR Asia, in July. The training program aims to provide participants with a draft strategy and action plan for implementing the Global Compact in their respective company, as well as a draft COP. All trainers have committed to run this training in our home countries at least once a year during the coming two years. Other regional trainers attending the Jakarta Training included colleagues from the

following Country Networks: Pakistan, Bangladesh, Indonesia and China.

#### **Follow-up: 8 June, Brisbane 2010- Pre-Summit Event, Brisbane, June 2010**

A highly successful and lively pre Summit Event was held in Brisbane in June with thanks to the United Nations Association Australia (Queensland) and Griffith University Asia Pacific Centre for Sustainable Enterprise. Speakers included Professor Malcolm McIntosh, Director APCSE; Professor Sandra Waddock, Boston College; Rosemary Sainty, GCNA; Bill McCredie, Allens Arthur Robinson and Fiona Nicholls, Rio Tinto. A number of excellent resources from the evening are downloadable from



<http://www.griffith.edu.au/business/sustainable-enterprise/resources> and include:

#### Presentation Slides

The UN Global Compact: Looking Forward Ten Years After - Malcolm McIntosh and Sandra Waddock (eds) Essays on the last and the next ten years inspired by the UN Global Compact

A Global Conversation on The Emerging Sustainable Enterprise Economy - Malcolm McIntosh and Sandra Waddock

#### **ROSEMARY SAINTY**

#### **HEAD, SECRETARIAT, UN GLOBAL COMPACT NETWORK AUSTRALIA**

Hosted by St James Ethics Centre GPO Box 3599 Sydney NSW 2001 Australia tel: +61 (0)2 9299 9566 mob: +61 417 961 036

[http://thehub.ethics.org.au/ungc/ungc\\_in\\_australia](http://thehub.ethics.org.au/ungc/ungc_in_australia)