



Global Compact Network Australia

MEDIA RELEASE

Former Global Chair of Shell and Anglo-American addresses Australian business leaders on corporate sustainability leadership.

Melbourne, Friday 12 November - According to Sir Mark Moody-Stuart, the former global Chair of Shell and Anglo-American and current Chair of the Foundation for the Global Compact, corporate sustainability leadership today calls for a sophisticated and comprehensive approach to integrating human rights, labour, environment and anti-corruption into business strategy and operations.

Sir Mark Moody-Stuart spoke at a meeting of business members, signatories and colleagues of the Australian Network of the United Nations Global Compact hosted by ANZ early this week. With more than 6,200 corporate signatories in over 130 countries, the Global Compact is the world's largest voluntary corporate responsibility initiative. Moody-Stuart further explained that businesses need to go both "wide and deep" on the Global Compact's ten universal principles addressing the role of business in respecting human rights, upholding labour standards, safeguarding the environment and fighting corruption.

The Australian Network, one of more than 80 national networks in the Global Compact worldwide, was launched in Parliament House in 2009 by the then-Minister for Superannuation and Corporate Law, Senator the Hon Nick Sherry and Georg Kell, Executive Director of the UN Global Compact. Over the past year the Network has seen more than a 50 percent increase in Australian signatories, now including some of the country's largest businesses such as the Commonwealth Bank, Woolworths, BHP Billiton and Westpac, together with a raft of smaller businesses. Companies sign on for their entire corporate group, therefore Australian companies that are subsidiaries of international companies are now becoming activated through the Australian Network, such as Nestle Australia, Shell Australia and UBS.

According to Moody-Smith

Local Networks, wherever they are, provide an opportunity for companies large and small, national and international, to set priorities for their country in relation to the ten principles and to choose which areas to work on first. If this can be done in conjunction with civil society and labour organisations under the safe umbrella of the UN Global Compact the results can have a bigger impact.

Rosemary Sainty, heading the Secretariat of Global Compact Network Australia (GCNA) –

GCNA reflects an Australian operating context and provides Australian businesses both large and small with the opportunity to engage collectively on the international platform of sustainable, responsible business practice, dialogue and activity.

The Network is currently preparing to launch its first business working group on the first two principles of the Global Compact addressing the challenging area of business and human rights.

- ENDS -

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MEDIA NOTES

About the United Nations Global Compact (UNGC)

The [United Nations Global Compact](#) is a call to companies around the world to align their strategies and operations with ten universal principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of broader UN goals. The Global Compact is not a regulatory body, but a voluntary leadership platform for dialogue and learning. With more than 8,700 business and non-business signatories in over 130 countries, it is the world's largest corporate responsibility initiative.

About the Australian Network of the United Nations Global Compact (GCNA)

Vision: Australia's strongest corporate citizenship movement committed to the areas of human rights, labour, environment and anti-corruption. Mission: To engage the UN Global Compact signatories in Australia through local events and the fostering of a strong, supportive network of like-minded businesses. Launched in May 2009 with seed funding from the Australian Government (Treasury) through St James Ethics Centre's National Responsible Business Project.

Founding Members of the Australian Network include Accenture, Allens Arthur Robinson, Australia Post, KPMG, Nestle Australia, St James Ethics Centre and Westpac.

http://www.hub.ethics.org.au/ungc/global_compact_network_australia

Notes from Sir Mark Moody-Stuart address. ANZ, Melbourne November 8, 2010

3 Key Challenges At The UNGC Board Level

1. Width vs depth

- 10 years since UNGC founded: 8000+ corporate signatories and civil society/labour organisations
 - This union is essential to address the challenges with which we are faced
- Companies can no longer 'just sign up' – UNGC has delisted approx. 1000 to date
- UNGC has had good growth – yet 'still scratching the surface'
- The question of how to expand will be answered through:
 - Through small and medium enterprise (which has to be done at the local level)
 - Must answer the question of what's in it for them (one of the key drivers of the recently launched UNGC Blueprint)
 - A differentiated model – that has a wide pipeline to attract but also an ability grow more sophisticated members
 - Ensuring that duplication of effort is avoided (hence a new relationship with the GRI)
- Monitoring of the annual Communication on Progress (COP) requirement
 - To an extent is clearly needed – yet it is up to society as to what is an accurate reflection of progress
- Growth target of 20,000 companies by 2015

2. UNGC Board Working Groups

- Each group of issues (labour, environment, etc) has a UNGC Board sponsor

3. Principles for Responsible Investment (PRI)

- Corporate concern over the extent to which investors are taking interest in CR/sustainability (Accenture study launched June 2010)
- PRI also faces breadth and depth issues
- Will 'grow some teeth' – similar process to UNGC and COP
 - Yet, will be supported by fiduciary/stewardship legislation)

Other Issues:

Local networks

- Approximately 80 globally
- Are key to involving SME – who are the largest employers
- Must engage with civil society / labour organisations (Confederation of British Industry example)
- Decrease the administrative burden at 'head office'
- Each local network must identify their priorities (based on local issues)

Corruption

- No country is immune. The call to action is how does/should a local network progress thinking/government actions/society or business at large.

Questions from the floor:

- Gender equity – 'global' issue that could be championed by UNGC
- Preferred supplier those that support the UNGC (has worked well with quality issues in past) – important to be cautious – in that smaller (i.e. local) suppliers could lose out
- Delisting companies – has it galvanised support? – Yes, in each case the company is contacted. In developing countries there were some issues, e.g. language that UNGC has taken steps to redress (in the form of greater latitude).
- Integrity measures – previous focus of NGOs was to have a 'kangaroo court' in NY with companies accused of doing wrong – "not interested in having the choir, want all the sinners in"
- China. There is increasing interest in Chinese investment globally. UNGC has approx 200 Chinese signatories (many of whom produce excellent COPs – have also opened the doors to foreign companies operating in China). Message to Chinese companies should be: "many bitter lessons have been learnt by western companies... not necessarily because we were wicked.. just unintended consequences". It is also worthy to note that the many standards were not created to control Chinese companies – they were designed to make things better. This resonates with the local paradigm - 'contributions to a harmonious society'.
- UNGC Blueprint – developed to maintain differentiation and to continue to grow the leading edge. How can companies support 'the UN in its mission' best?

Thanks to Michael Parks, Manager - Corporate Responsibility, Group Corporate Affairs, ANZ for the compilation of these notes.



In photos;
Sir Mark Moody-Stuart, Chair, UN Global Compact Foundation;
Rosemary Sainty, Head, Secretariat, GCNA;
Graham Paterson, Chair-elect, GCNA and Head of Group Sustainability, Westpac