



NEWSLETTER 1: July 2009

United Nations Global Compact Network Launched in Australia!



The Australian Network of the UN Global Compact was formally launched at the 10th National Business Leaders Forum on Sustainable Development at Parliament House Canberra, on 28 May 2009 by Mr Georg Kell, Executive Director of the UN Global Compact, supported by Senator the Hon Nick Sherry, Minister for Superannuation and Corporate Law.

The UN Global Compact is the largest corporate citizenship initiative in the world with more than 5000 signatories from business and **revolves around 10 principles** on human rights, labour, the environment and anti-corruption. The principles are derived from international declarations and conventions that enjoy widespread government support namely the Universal Declaration of Human Rights; the ILO Declaration on Fundamental Principles and Rights at Work; the Rio Declaration on Environment and Development; and the UN Convention against Corruption.



I congratulate new and long-standing Australian business participants in the UN Global Compact for their commitment to responsible and sustainable business practices.

Senator the Hon Nick Sherry, Minister for Superannuation and Corporate Law

In his keynote address Georg Kell spoke of the 'dawn of a new crossroad' as businesses come to terms with their environmental impacts and responsibilities including the consumption of resources, production of goods and services, and emissions. He identified the real lessons from the Global Financial Crisis as being

- (i) that companies must shift their collective focus from short-term profitability to long-term value creation,
- (ii) that we must update our perspective on risk in recognition of our global economic interconnectivity and interdependence and
- (iii) that it is critical for markets to be imbued with a sense of ethical principles in order to be sustainable.

Georg spoke of the need to "re-tool" and of the importance of environmental stewardship in the lead up to the inter-governmental Climate Change talks in Copenhagen at the end of the year. The Global Compact provides the most ideal vehicle to advocate the cause of sustainability, and in support of this Georg identified the Principles for Responsible Investment, as engaging with investors in order to have them recognise that non-financials have a crucial role to play in long-term performance.



SIGNATORY ROUNDTABLE

On the second day of the Forum, a roundtable consultation for Australian signatories was held in Parliament House and presented an excellent opportunity for those in attendance to hear directly from Georg Kell, who spoke of the importance of building a Network with adequate resources including an inner circle of business signatories, and the drawing in of multi-stakeholder support base. Georg Kell suggests that each country network provides something unique back to the UN Global Compact and contributes to the strengthening of the initiative:

Country networks are absolutely key for the UN Global Compact and increasingly are actually defining what the Compact is. The amount of activity that is now generated by the 5300 corporate participants and 1000 non-corporate participants around the world is increasingly driven from the bottom up – where innovation is generated by collective action that is organised and taking shape and where the interface with public policy making occurs.

Recent Australian signatories include Woolworths and Drake International. They join long-standing Australian participants such as Westpac, BHP Billiton, Foster's and Allens Arthur Robinson. Companies sign on for their entire corporate group, and so there are hundreds of other Australian companies that are subsidiaries of international companies that are already participants. These businesses are now becoming activated through the Australian Network, for example BP Australia, Nestle, Unilever, Cadbury Schweppes, Microsoft and UBS. Australia is the most recent country to establish a Network.

With the launch of the UN Global Compact Network in Australia (housed by St James Ethics Centre and made possible through funding from the Federal Government - Treasury) the number of companies becoming signatories to the UN Global Compact is expected to grow.

St James Ethics Centre will work with Australian business signatories to establish a vibrant inclusive Australian Network of the UN Global Compact, and offer practical help for organisations to integrate and operationalise the principles into their business practices, drawing from the Global Reporting Initiative, also housed at the Centre. In addition we are provided with an excellent opportunity to 'connect-the-dots' between those businesses reporting on the 'CSR' of their operations and the investment community's ability to analyse their 'ESG' portfolios more deeply.

Rosemary Sainty, UN Global Compact Focal Point

INITIATION OF THE WORKING GROUP

Following a series of consultations in April a call to signatories to form a working group to build the Australian Network of the UNGC was made. The first meeting is now currently being planned, from which to build an Australian Network structure and program of activities.

7TH ANNUAL LOCAL NETWORK FORUM IN ISTANBUL

In the last week of June, Rosemary Sainty attended the 7th Annual Local Network Forum in Istanbul, Turkey as the Focal Point for Australia where she participated in a range of sessions on aspects of the principles of the Compact, and presentations on best practice from Networks around the world. Rosemary was joined by two other Australians: Matthew Tukaki from Drake International, one of our most recent signatories, who gave an excellent speech on the first day of the Forum, and Caroline Bayliss from the UN Global Cities Program. The final day of the conference was dedicated to working with the focal points of our Asia-Pacific region, and it is here that we as a Network can make some excellent links, as these Focal Points represent most of our country's trading partners.



Networks represented around the table include Australia, Malaysia, China, Singapore, Sri Lanka, and Pakistan.

LINKS WITH THE PRI INITIATIVE FOR INVESTORS

The Network will be working closely with the Responsible Investment Association and its recently funded Academy as well as aiming to build strong links with the **UN Principles for Responsible Investment** and UNEP FI secretariats in Australia.

The UNGC is closely connected to the UN PRI. According to Donald MacDonald, Chair of the PRI initiative and Trustee of the BT Pension Scheme:

The UN Global Compact is an extremely important tool for helping companies to achieve long-term business success while also fulfilling society's expectation that they should operate responsibly. It provides companies with a framework of widely accepted standards to use in their management of environmental, social and governance (ESG) issues. Participation in the UN Global Compact sends a strong signal to investors that companies are both alert to the business implications of ESG issues, and taking active steps to incorporate them in their strategy and risk management.

The UN PRI has called on chief executive officers of approximately 9000 companies to commit to the [UN Global Compact](#) and its ten principles.



Georg Kell believes that in order to progress the corporate citizenship agenda we must connect the investment community with the principles of corporate citizenship and create awareness that non financial issues matter. The role, and influence, of the investment community becomes instantly apparent when Kell explains that the 400 institutional investors that support the UNPRI represent over US\$18 trillion, accounting for roughly 10% of global liquidity.

NOTICES RELATING TO THE GLOBAL COMPACT

With the launch of the Australian Network, there will be the opportunity for involvement in current initiatives coming out of the Global Compact Office, representing an excellent opportunity to participate in a global capacity. We will keep Australian Network members abreast of these initiatives in this section of the Newsletter as they come to hand.

Training Survey

Our regional Network is being supported by the UNESCAP Office in Bangkok, who are looking at developing a training program for the Global Compact Communication on Progress Report. All signatories are invited to **respond to the two questions below as regards their training needs and this will serve to inform the scope of this project**, which can then be run region – wide. Responses can be emailed to the Focal Point (email below).

1. How well does your company understand what is required to implement the Global Compact in the broad areas of Human Rights, Labour, Environment and Anti-Corruption?

2. Which of these broad categories would your company's need for training most relate to? (indicate as many categories as are applicable):

- (a) better understanding issues surrounding the Global Compact,
- (b) how to implement the Global Compact,
- (c) better understanding of management tools (eg, online resources) to aid implementation,
- (d) better understanding of using the Global Compact to build brand,
- (e) learning through others (eg, through case studies),
- (f) completing communications on progress (COPs),
- (g) devising strategies with other managers in your company, and
- (h) broader CSR training (eg, CSR reporting and CSR in the supply chain).



For more information contact the **Australian Focal Point to the UN Global Compact:**

Rosemary Sainty, Head, Responsible Business Practice, St James Ethics Centre: rosemary.sainty@ethics.org.au
www.thehub.ethics.org.au

