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## **UN Global Compact and Global Reporting Initiative**

### **Strengthen Cooperation**

AMSTERDAM, THE NETHERLANDS – Two leading international initiatives that promote corporate citizenship have agreed to strengthen their collaboration to help companies to improve their economic, social, and environmental performance. UN Secretary-General Kofi Annan's Global Compact (GC) and the Global Reporting Initiative (GRI) announced a new agreement that will see shared outreach, pilot programs, performance models, and technical activities aimed at elevating corporate involvement in sustainable development.

The agreement articulates the linkage between the Compact's nine human rights, labour, and environmental principles and GRI's emerging global standard for sustainability reporting. The goal of collaboration is to embed the Compact's principles into day-to-day business operations while measuring and reporting performance with the GRI framework.

The new agreement strengthens collaboration first announced in December 2001, and builds on a new strategic approach for the GC. The GC recently announced that participating companies—in exchange for the GC's elimination of the formal requirement of annual submissions—should use their annual report or other prominent public report (e.g., sustainability report) to describe actions that demonstrate progress toward implementation of the GC principles.

“Companies participating in both initiatives have long stressed the understanding that the GRI is a practical expression of the Global Compact,” said Georg Kell, Executive Head of the UN Global Compact Office. “Therefore, we encourage companies to use GRI's 2002 Sustainability Reporting Guidelines to develop their reports to demonstrate their commitment to the Global Compact.”

More than 200 companies in 25 countries have already used the GRI Guidelines, and over 700 companies in 53 countries support the GC. Both parties believe that this collaboration will result in even greater uptake of the GC principles and the GRI Guidelines. This will also support GRI's objective to make organisational reporting on economic, social, and environmental performance as consistent, comparable and widely used as financial reporting.

“We are pleased with the Global Compact's step to encourage GRI reporting and thereby create an accountability mechanism for Compact endorsers,” said Ernst Ligteringen, Chief Executive of the GRI. “We look forward to Global Compact companies accepting this invitation to adopt the GRI Guidelines and will continue to explain to GRI reporters how the GC Principles relate to the GRI reporting framework.”

The complementary nature of the two initiatives enables companies, NGOs, labour organisations, and other stakeholders to engage in constructive dialogue and, through greater transparency, learn more about corporate actions taken in support of sustainable development.

A table summarising the linkages between the GC principles and the GRI indicators included in the 2002 Sustainability Reporting Guidelines can be found at [www.unglobalcompact.org](http://www.unglobalcompact.org) and [www.globalreporting.org](http://www.globalreporting.org). GRI is a Collaborating Centre of the UN Environment Programme.

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