



**The  
Global  
Compact**



# **“Societal responsibility and the Global Compact: a challenge for the UN System”**

**Briefing to UN Facilities Managers**

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# Agenda

- I. What is the Global Compact?
- II. Impact and Outcomes
- III. UN's Internalization of the Principles
- IV. UN's Progress... thus far
- V. Benefits for Facilities Management





# What is CSR/ Corporate Citizenship?

## Definitions:

### CSR

**“The integration of social and environmental concerns into business policies and operations”**

**-- United Nations**

**“Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business”**

**-- BSR**



**“Doing well by doing good”**



## The Global Compact



### The Global Compact: What it is ...

- Truly global corporate citizenship initiative
- Launched 26 July 2000
- Multistakeholder platform
- Voluntary approach – fostering organizational change
- Beyond philanthropy
- Platform based on internationally agreed principles

### ...What it is not

- Not a regulatory instrument
- Not a substitute for standards/codes – not a compliance-based approach
- Not a PR exercise



## Objectives and Vision

- Make the 10 principles part of business strategy, operations and culture
- Facilitate cooperation among global stakeholders

### Objectives and Vision

*“To help create a more sustainable and inclusive global economy”*





## The 10 Principles



# The Ten Principles

### 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 Standards

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 should 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 all forms of corruption, including extortion and bribery.



## How to participate



## Company steps to participate:

- Letter of support from the CEO to the Secretary-General expressing support for the GC and a commitment to work toward implementation of the principles

and

Clear public statement of support and publicly advocating the Compact and its principles

- **Annual Communication on Progress (CoP)**



**After four  
years...**



## **Activities:**

- Yearly Policy Dialogues, Learning Forums
- Partnership Projects to advance MDGs
- Decentralized Outreach, Regional / National Networks

## **Feedback - we need:**

- more targeted business-oriented engagement mechanisms
- improved local networks to facilitate local engagement and quality control
- leverage resources and expertise of core UN agencies more efficiently

*- McKinsey 2004 Impact Assessment*



## The Network



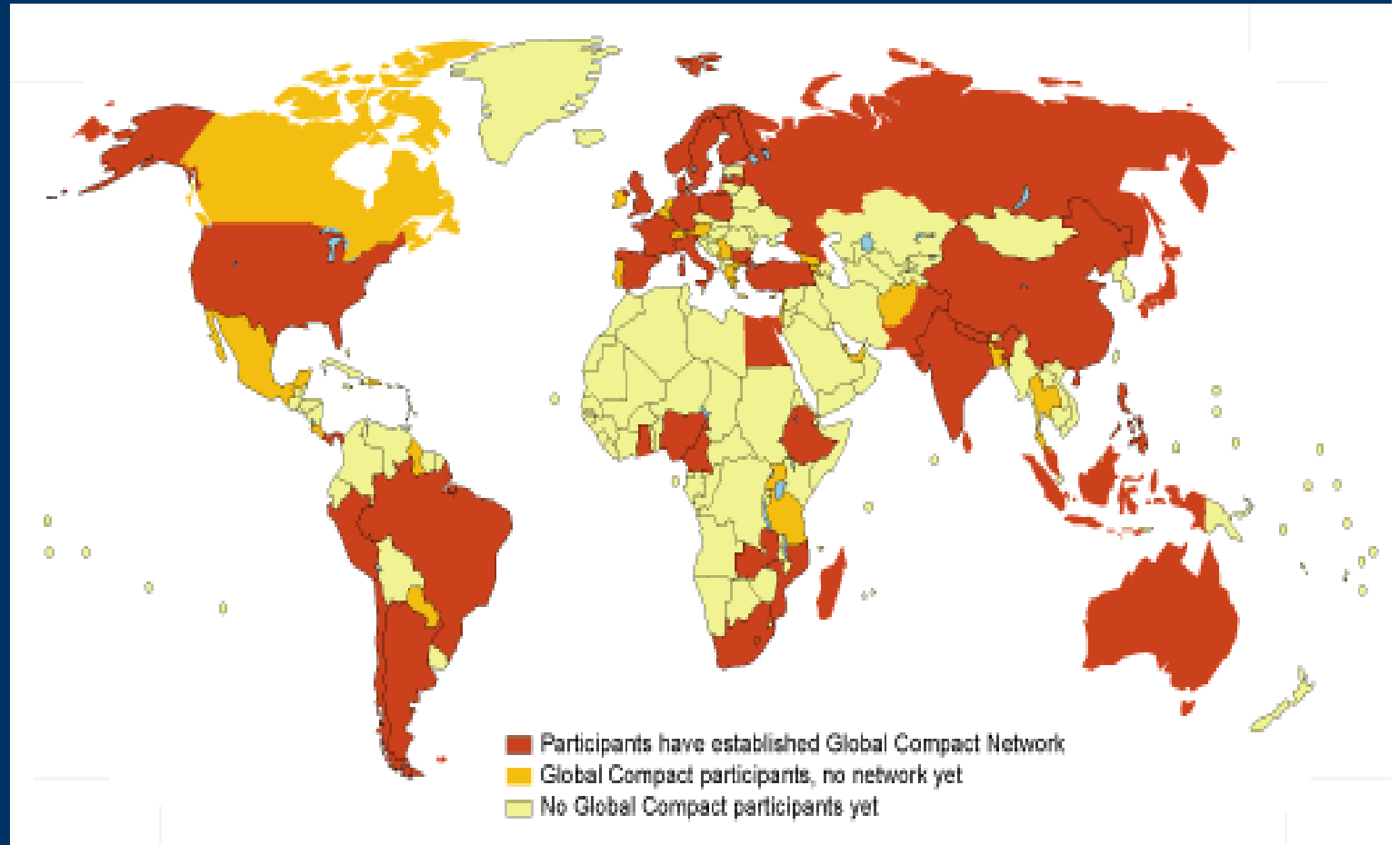
## After four years: world's largest voluntary corporate citizenship initiative, involving:

- Individual Companies: 1,800+ businesses from over 70 countries from all continents; multinationals and SMEs; Wide range of industry sectors
- Business Associations
- International Labour
- NGOs/Civil Society Organizations: Human Rights, Environment & Development
- Research, Academic, Consulting Institutions
- United Nations: six core agencies and GC Office (EOSG)



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## The Network





## Impact and Outcomes



# Impact and Outcomes

- McKinsey Study: 50% of companies developed policies or accelerated existing policies as a result of Global Compact
- Introduced concept of Corporate Responsibility in many parts of developing world
- Introduced topic of human rights into many boardrooms for first time
- Special initiatives:
  - Growing Sustainable Business in LDCs
  - Conflict Impact Assessment and Risk Management Guide
  - “Who Cares Wins”: investment companies commit to integrating social/environmental issues



# Internalization of the Compact's Principles... Why now?

## Why now?

- Preserve the UN's credibility
- Secretary-General requested that a review be carried out to “explore the extent to which the UN can embrace the Compact's principles in its own procurement, human resources and pension fund policies.”
- “Low awareness of the materiality of GC principles to UN purposes...
- We cannot afford silence at the centre, stifling innovation and service delivery.
- No logical, ethical or legal bar exists to managing the Organization's staff and service functions in consonance with the Compact principles.
- Every part of the Department of Management has to assess the way it does business in light of the principled imperatives...” ( *Judge Karen Burstein, “The Right Road” Report to USG Bertini, February 2004.*)





## **External Benefits for the UN**



# **What's in it for the UN System?**

## **Externally:**

- Advancing UN mandates, goals, internationally agreed principles, core values in the global marketplace
- Filling gaps in global governance, complementing governmental action with voluntary engagement of business in collaboration with other stakeholders
- Expanding credibility of the UN, facilitating role, ability to work with business and industry to mobilize their resources for common good
- UN ability to adapt, stay relevant, transforming its relationship with private sector



## **Internal Benefits for the UN**



# **What's in it for the UN System?**

## **Internally:**

- Advancing UN reform and innovation
- Improved coordination between UN agencies, jointly developing and implementing partnership projects
- Learning from business: management style, business models, entrepreneurship, delivery efficiency and impact
- Challenge to internalize the principles, practice what we preach, inspire internal champions, improve working environment and staff morale



## What is already happening in-house?

- **Establishment of Advisory Group**
- **Four Working Groups Established**
  1. Investment Management
  2. Procurement
  3. Human Resources Management
  4. Facilities Management
- **Global Compact Office supporting efforts – network of experts, communication of results**
- **Recognition that this is an organizational change process that will continue to evolve**
- **Target - to demonstrate progress by JUNE 2005**

**UN**  
**Internalizing**  
**the principles**





## Investment Management



# 1. Investment Management:

- Working to develop an investment policy promoting the GC principals, which complements their fiduciary responsibility.

- In July 2004, Board of JSPF approved an approach:

*"aimed at integrating the goals of sustainable development and the principles of the Global Compact into the Fund's operating processes and investment policies. It requested that periodic reports be provided on the status of implementation" ...*



## Procurement



## 2. Procurement:

- Participates in the Interagency Group on Responsible Procurement (work with UNEP-UNDP/IAPSO-WB to develop a Sustainable Procurement Training Package)
- Incorporated an Appendix into their solicitation documents that brings the Compact and its principles to the attention of the supplier.
- Working to develop a UN Supplier Code of Conduct and Implementation strategy.
- Brief participants of “How to do business with the UN” seminars about the GC.
- Vendor registration form on the Global Marketplace portal contains questions related to the Global Compact



## Human Resources Management



### 3. Human Resources Management:

- Focus thus far has been on implementation of gender, anti-discrimination policies.
- Have undertaken work related to integrity.
- Exploring how they can increase awareness among UN staff re: the GC (i.e. incorporate something into the staff rules, include training programme for all new staff, provide link to the GC website)



## Facilities Management



### 4. Facilities Management:

- Shared standards and protocols on environmental stewardship, allowing for different local contexts.
  - Fair Pack Policy
  - Safety Construction Guidelines
  - UN Procurement Process and Standard Construction/Professional and Services Contracts
  - Evaluation of Technical Proposals
- Safety Construction Guidelines compliance
- OSHA training (others abroad?)
- Code Compliance (anticipation?)
- Use of Environmentally friendly materials, products, and practices



## **Facilities Management**



# Outcomes from Beirut

- Expect vendors to subscribe to the principles
- Create/improve INFM website database of best practices
- Commit to an annual report on progress made



## Benefits



# Benefits for Facilities Management?

- Meeting the challenge set by the Secretary-General
- Setting examples for others to follow (supply chain management)
- Cost Savings
- Sense of accomplishing the greater mission
- CSR effort part of a greater SWOT analysis



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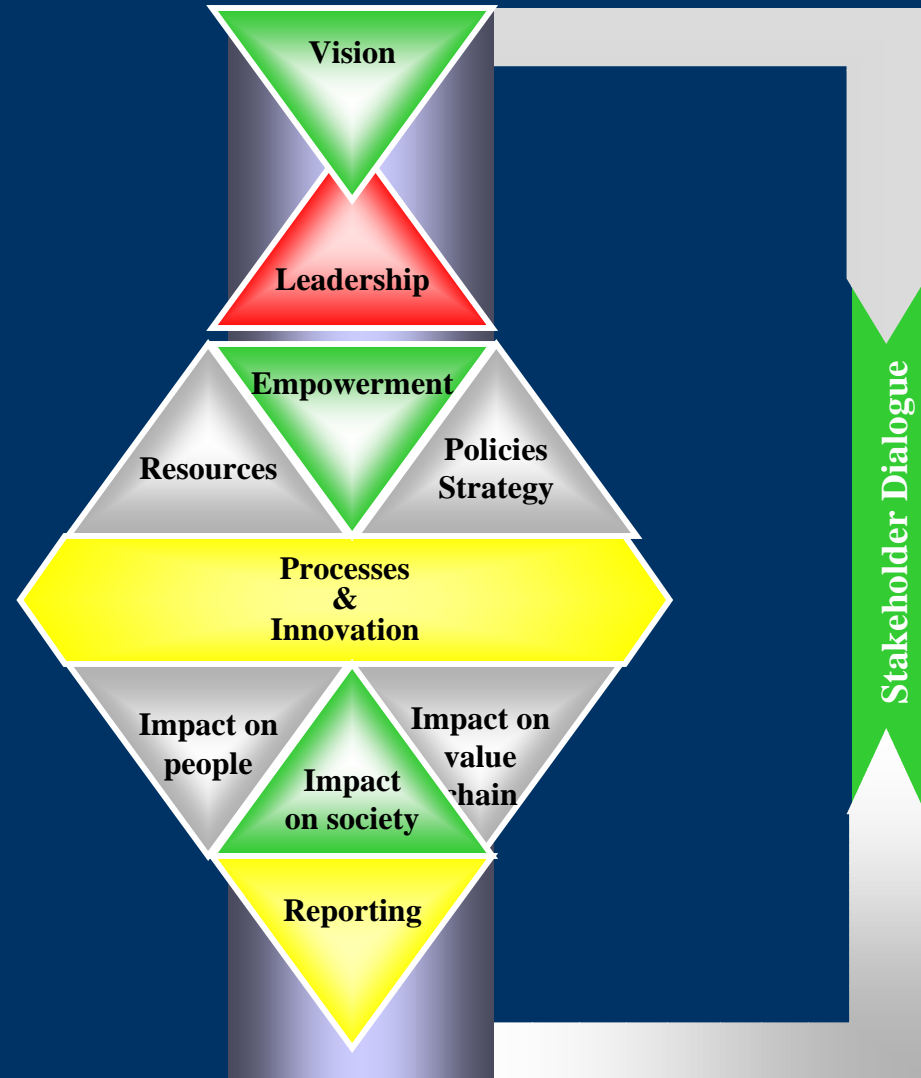
## Managing for Quality in the UN System



# Global Compact Performance Model

### ✂ Toolbox

- ✂ Policy tools, eg International Declarations, Global Compact principles
- ✂ Assessment tools, eg Env Impact Assessment, WB 1998 Handbook
- ✂ Management tools, eg 2000 UNSG 's Guidelines, EMS / ISO 14001, SA8000
- ✂ Reporting tools, eg GRI Guidelines





## Facilities Management: Translating the principles into action

- Greatest impact; If we had unlimited resources what would we do to minimize negative or maximize positive social and environmental impact?

**How**

- What actions can we take that will achieve social and environmental goals as well as offer cost savings? What is the environmental debt of replacing items and what is the timeline for financial return?





**Next  
Steps???**



## New Ideas?

-Zero Footprint building components and systems

"Optimizing components in isolation tends to pessimize the whole system."

- Paul Hawken, Amory Lovins, and L. Hunter Lovins – from the book Natural Capitalism

-Indoor air quality innovations

- UV light air scrubbers (Photo-catalytic processes- products that oxidizes CO<sub>2</sub>, acetone, formaldehyde, hydrocarbons, and other VOCs)



# Resources

-Raising the Bar

-Natural Capitalism

<http://www.natcap.org/images/other/HBR-RMINatCap.pdf>

**Resources**





**“Let us choose** to unite the power of markets with the authority of universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations.”

- Kofi Annan

Secretary-General  
of the United Nations



[www.unglobalcompact.org](http://www.unglobalcompact.org)