



**An Alliance to Mainstream Responsible Corporate Citizenship:
A Call to Action From the UN Global Compact and the Global Reporting Initiative**
October 2006

Context

“Responsible Corporate Citizenship” (RCC) stands at a crucial crossroads. In many respects the *battle of ideas* has been won: the business case for corporate responsibility – that is, the embedding of values and principles into organizational strategies and culture – has been widely embraced by a critical mass of corporations in both Northern and Southern economies. The growth of the UN Global Compact, the Global Reporting Initiative (GRI) and other citizenship initiatives reflects an acceptance that in today’s interconnected world economy such a business approach can be a key driver of competitiveness and sustainable development.

At the same time, however, the RCC movement risks de-evolution, commoditization, and the fate of many previous “management fads”. In an attempt to respond to a wide spectrum of stakeholders and their related expectations, business organizations have pursued a sometimes-bewildering array of programmes and initiatives – some internally generated, others external to the enterprise. In addition, even in leadership companies there exists – often simultaneously – a state of fragmentation, inconsistency, duplication and uncertainty with respect to citizenship strategy and execution. The very real danger is that the prevailing state of affairs, if it persists, will cause organizations to “hunker down” into disparate, lowest-common denominator approaches, devolving RCC into a box-ticking exercise based on a compliance orientation rather than a principles-based approach to business management that contributes to good global governance. Such a scenario would most surely constrict – and possibly strangle – the public space that companies and other societal actors have collectively created to innovate, experiment and collaborate.

What is needed, therefore, is a formula that provides the global private sector with an opportunity to embrace an RCC macro-strategy that is at once comprehensive, organizing, integrated and enjoys – by virtue of inherent principles – near or total universal acceptance. Equally, the formula must enable the many important corporate responsibility associations, institutes and other “enablers” to elevate their *raison d’être* through the knowledge that embracing the formula will allow them to offer members and clients a greater range of value-add resources and services – designed to further the objectives of the *triple-bottom-line*.

The formula described below proposes an international alliance around the two most significant global citizenship initiatives: the UN Global Compact, covering, broadly speaking, *implementation*; and the Global Reporting Initiative, encompassing *transparency* and *reporting*. It is believed that an international alliance of actors that promotes and/or supports these two synergistic initiatives offers the best path forward – to avoid the pitfalls described above and, in so doing, to achieve the ultimate objective: a true mainstreaming of Responsible Corporate Citizenship.

I. Synergy: UN Global Compact and Global Reporting Initiative

Since its launch in 2000 the UN Global Compact has grown to become the world’s largest corporate citizenship initiative. More than 2,700 companies from approximately 100 countries, as well as 500 hundred civil society and international labour organizations, are engaged – all working to advance ten universal principles in the areas of human rights, labour standards, the environment and anti-corruption. The Global Compact today includes approximately 50 country/local networks – most in the developing world. While the country networks vary in quality and inclusiveness, they have effectively anchored the initiative in key markets around the world and hold the promise of achieving true scale.

The Global Reporting Initiative, likewise, has grown significantly in stature and importance. The GRI Reporting Framework complements the ten principles by providing a credible, trusted, disclosure framework that Global Compact participants and other companies can use to follow up their commitments, demonstrate



their accountability, and communicate their progress towards the realizing these principles. Upwards of 1000 organizations from a spectrum of sectors and from all around the world have declared their use of the GRI Sustainability Reporting Guidelines and other Framework components.

The Global Compact and the GRI share important similarities. At their core both employ a multi-stakeholder approach with respect to overall strategy and governance. In addition, each initiative is aspirational and voluntary in nature – designed to complement regulatory schemes, not replace them.

Most practically, a key synergy is that the GRI Guidelines can be used to produce the Global Compact's annually required Communication on Progress, which participating organizations must produce to demonstrate progress towards attainment of the ten principles. Under the newly released Third Generation ("G3") version of the GRI Guidelines, the relationship is even stronger. The G3 is a robust disclosure framework that offers enhanced clarity about how Global Compact disclosures can be met through GRI-based reporting. Structurally, the G3 provides principles, disclosures on management, and performance indicators – all organized in a framework that clearly responds to each of the Global Compact's disclosure requests. Furthermore, each of the Global Compact disclosure requests has a parallel disclosure element in the G3 Guidelines.

II. Organizations Promoting "CSR"

A key factor in driving the modern-day "corporate social responsibility" (CSR) movement has certainly been the work – in many cases, pioneering – of CSR business associations, institutes, and other entities. These organizations, now located in virtually every region of the world, offer members and associates a platform to pursue the development of citizenship practices through the offering of tools and standards, the convening of learning conferences and forums, and other activities.

While these organizations have played a crucial role in helping to advance corporate social responsibility, they have played a lesser role, generally speaking, in the quest to realize Responsible Corporate Citizenship – that is, the promotion of a principles-based approach whose component dimensions include universal legitimacy; a leadership and performance model based on the twin concepts of implementation and transparency; and global governance. This, of course, has much to do with the fact that it is only recently that the UN Global Compact and GRI have attained a significant degree of international stature, acceptance and brand awareness.

Events and evolution have created an opportunity space for both sides. By aligning their activities more closely with the UN Global Compact and GRI, CSR organizations have the opportunity to help companies advance their citizenship efforts while at the same time elevating their mission in the sense of contributing to a more effective framework for global governance – one that contributes to a more sustainable and inclusive world economy.

III. A Call to Action

With the above providing the context, consideration and rationale, it is proposed that the key relevant players undertake "an alliance for the future" based on convergence around the UN Global Compact and the GRI with the following overall objective: ***"To mainstream Responsible Corporate Citizenship in order to build a more sustainable and inclusive world economy"***.

Therefore, the UN Global Compact and the GRI invite CSR organizations to join an alliance with the following mutually reinforcing missions:

- 1. The UN Global Compact and the GRI promote convergence to the international business community and other stakeholders*
- 2. CSR organizations collectively support the UN Global Compact principles and the goals of the GRI Reporting Guidelines*

It is believed that such an alliance would deliver a range of benefits to supporters, including:

- Providing new-era, globally relevant focus to CSR strategies and activities
- Showcasing initiatives and thought leadership of organizations on websites and other platforms of UN Global Compact and the GRI



- Connecting activities of organizations to country networks – and leveraging associated relationships – of UN Global Compact and the GRI
- Distributing – more broadly – tools, resources and issue leadership
- Securing organizations premium roles/positions at key events, including the 2007 UN Global Compact Leaders Summit

While the overall strategy and tactics would require refinement, it is likely that future initial activities would include: i) advocacy ii) greater research and analysis iii) enhanced compatibility of applied models and tools of organizational change, and iv) synergies through alignment of incentives and rewards.

Clearly, many other issues need to be addressed including the advocacy and communications framework, operationalization, and governance.

We invite organizations to express their support for the proposed alliance via the UN Global Compact's email address, globalcompact@un.org, and/or the GRI's email address, info@globalreporting.org.

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