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GUIDE TO CORPORATE SUSTAINABILITY

SHAPING A SUSTAINABLE FUTURE



United Nations Global Compact





**THE UNITED NATIONS
GLOBAL COMPACT
WORKS WITH
BUSINESSES IN THE
REALMS OF HUMAN
RIGHTS, LABOUR,
ENVIRONMENT AND
ANTI-CORRUPTION TO
TRANSFORM OUR WORLD.
WE'RE SHAPING A
SUSTAINABLE FUTURE,
AND YOU NEED TO BE A
PART OF IT.**

WHAT IS CORPORATE SUSTAINABILITY?

A primer on the five defining features of corporate sustainability

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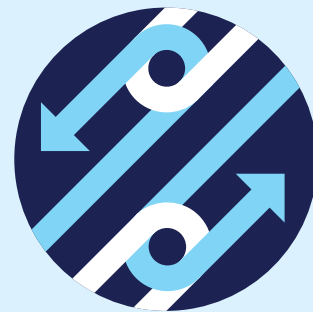
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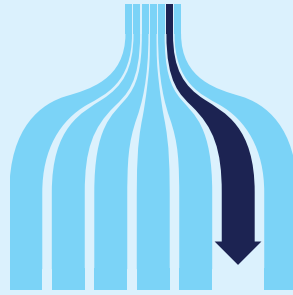
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SUSTAINABLE
COMPANIES
DO**



PRINCIPLED BUSINESS



STRENGTHENING SOCIETY



LEADERSHIP COMMITMENT



REPORTING PROGRESS



LOCAL ACTION

WHAT IS CORPORATE SUSTAINABILITY?

Corporate sustainability is imperative for business today – essential to long-term corporate success and for ensuring that markets deliver value across society. To be sustainable, companies must do five things: Foremost, they must operate responsibly in alignment with universal principles and take actions that support the society around them. Then, to push sustainability deep into the corporate DNA, companies must commit at the highest level, report annually on their efforts, and engage locally where they have a presence.

The connection between the bottom-line and a company's environmental, social and governance practices is becoming clear. The well-being of workers, communities and the planet is inextricably tied to the health of the business. The smart choice is to proactively manage a company's operations and value chain – looking at risks and opportunities through a wide lens.

At the same time, our world's challenges – ranging from climate, water and food crises, to poverty, conflict and inequality – are in need of solutions that the private sector can help to deliver. Businesses are responding, moving beyond their basic responsibilities and going further into a

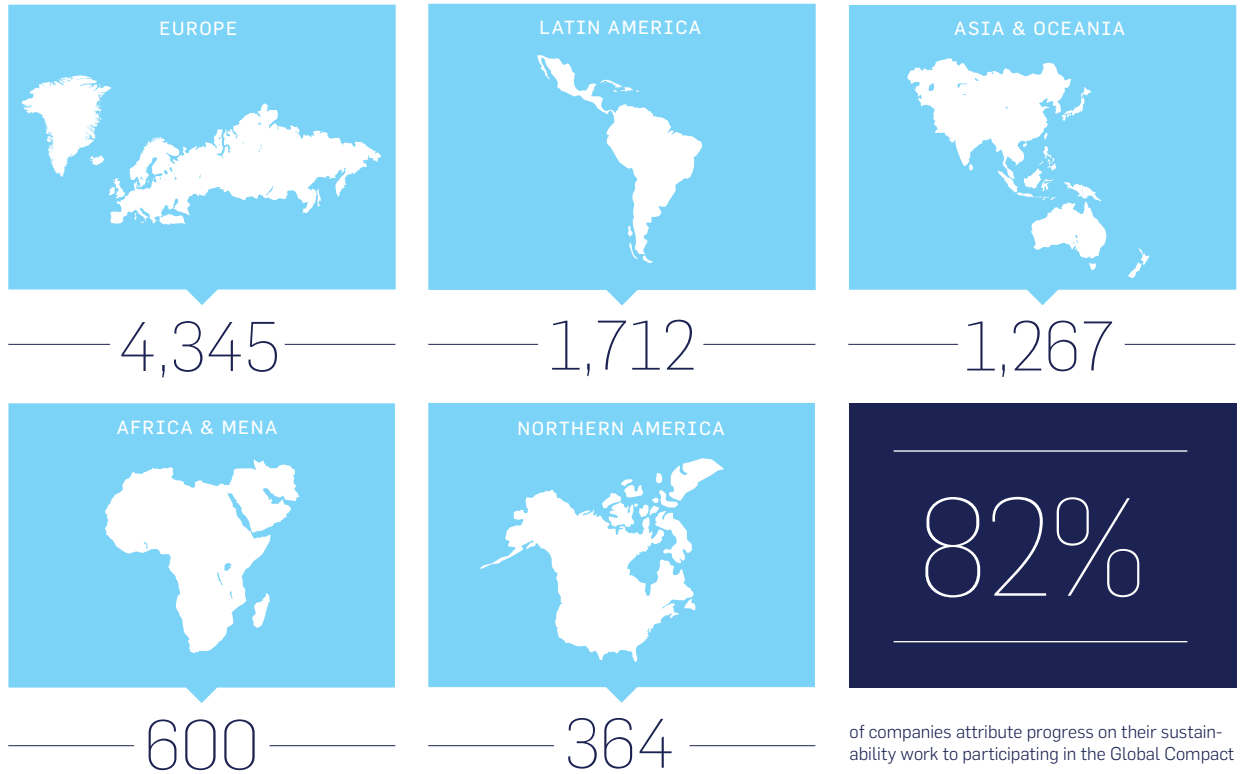
strategic opportunity space. This includes business models, products and services with a joint societal and economic return; publicly advocating for government policies that advance sustainability priorities; and, importantly, collaborating with peers to make systemic changes.

The Global Compact is the world's largest global corporate sustainability initiative, with over 8,000 companies and 4,000 non-business participants based in over 160 countries. A vanguard of companies in all key markets is taking action. Our participants represent nearly every industry sector and size, and come equally from developed and developing countries. The idea

and practice of responsible business is rooted in all continents. We have over 85 country networks that are convening companies to act on sustainability issues at the ground level.

At the Global Compact we help companies, whether beginners on the sustainability journey or recognized champions, to meet their commitments to operate responsibly and support society. We do this through a range of activities at the international and local levels – from raising awareness and developing resources and best practices, to facilitating partnerships and developing action initiatives on critical issues like climate, water and women's empowerment.

BUSINESS PARTICIPANTS AROUND THE WORLD



WHAT COMPANIES WANT FROM THE GLOBAL COMPACT

- 1 Good practice examples
- 2 Tools & guidance
- 3 Trainings

This guide lays out five defining features of corporate sustainability, which the Global Compact asks businesses to strive towards – looking at why each element is essential, how business can move forward and what the Global Compact is doing to help.

1: PRINCIPLED BUSINESS

For any company seeking to be sustainable, it begins with operating with integrity – respecting fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. The Global Compact’s Ten Principles provide a universal language for corporate responsibility – understood and interpreted in 160 countries around the world by over 8,000 companies – and a framework to guide all businesses regardless of size, complexity or location.

Respecting principles in business operations and supply chains is a baseline for corporate sustainability. Yet, principles are about far more than compliance. They provide common ground for partners, a moral code for employees, an accountability measure for critics. A growing number of companies are seeing beyond risk, finding real value in actively addressing social, environmental and governance issues.

2: STRENGTHENING SOCIETY

Sustainable companies look beyond their own walls and take actions to support the societies around them. Poverty, conflict, an uneducated workforce, and resource scarcity, for example, are also strategic issues for business success and viability. With business activity, investments and supply chains reaching all corners of the earth, companies are choosing to be active stakeholders in societies for the long run, knowing that they cannot thrive when the world around them is deteriorating.

Companies are aligning core business activities, philanthropy and advocacy campaigns with UN goals and issues. Collaboration, in particular, is essential. Companies and stakeholders are coming together to provide a collective voice and share risks in tackling major challenges that no single player can overcome, such as corruption, climate change and discrimination.

” CORPORATE SUSTAINABILITY IS A COMPANY'S DELIVERY OF LONG-TERM VALUE IN FINANCIAL, ENVIRONMENTAL, SOCIAL AND ETHICAL TERMS.

3: LEADERSHIP COMMITMENT

Effecting change begins with the company's leadership. A public commitment by the chief executive, with support from the Board of Directors, is required to participate in the Global Compact. Leadership must send a strong signal throughout the organization that sustainability counts, and all responsibilities are important.

This means instigating action in key areas: Board ownership of the agenda; adjustments to policies and practices; alignment of government affairs; training and motivating employees; pushing sustainability into the supply chain; and disclosing efforts and outcomes. Leaders also recognize they cannot shift systems alone, working with others to shatter barriers and increase the odds of success. Sustainability requires a long-term vision and commitment to ongoing efforts, both to ensure progress and keep pace with a rapidly changing world.

4: REPORTING PROGRESS

Non-financial reporting expectations have evolved from a feel-good supplement to a strategic report showing measurable gains and losses. As a chief accountability measure, signatories to the Global Compact are required to produce an annual Communication on Progress (COP), typically included as part of their sustainability or annual report, providing the company's stakeholders with an account of their efforts to operate responsibly and support society. Over 28,000 COPs can be found on the Global Compact website.

A number of stakeholders are driving businesses to be more transparent – from investors and consumers, to citizens and civil society groups. A top priority is to find ways to better measure sustainability impacts, which will help to direct effective corporate strategies, inform community and stakeholder dialogues, and guide investor decision-making.

5: LOCAL ACTION

While the Global Compact principles are universal, companies exist and act within nations and communities with highly varying expectations of what responsible business means. Additionally, the types of issues a company faces and how it can actively support local and national priorities ranges greatly. To help business navigate sustainability on the ground, we have Global Compact Local Networks in approximately 85 countries.

Our networks exist to support business participants – large, small, foreign and local firms. They are organized and run locally – led by business, but always bringing key stakeholders to the table from civil society, labour and academia. Global Compact networks foster learning, reporting, networking, partnerships and advocacy – all with the goal of advancing sustainability understanding and performance country by country.

TOP 3 REASONS WHY COMPANIES PARTICIPATE IN THE GLOBAL COMPACT

79%

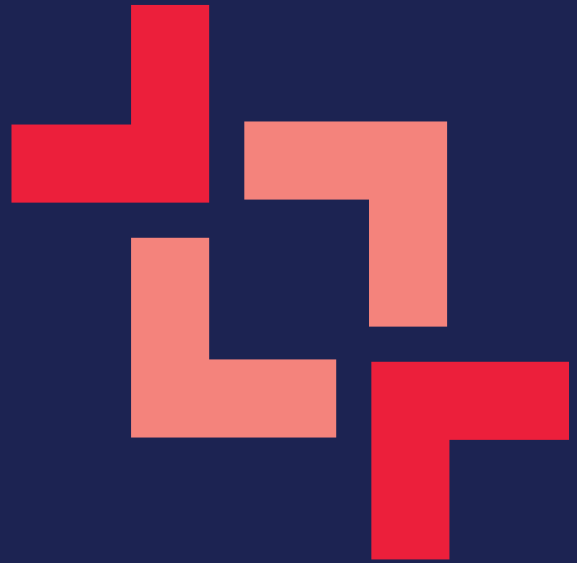
Increase trust in company through commitment to sustainability

59%

Universal nature of the principles

56%

Promotes action on sustainability within the company





THE POWER OF PRINCIPLES

Corporate sustainability starts with a company's value system and a principled approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Global Compact principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

Human Rights

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 Make sure that they are not complicit in human rights abuses.

Labour

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 The elimination of all forms of forced and compulsory labour;
- 5 The effective abolition of child labour; and
- 6 The elimination of discrimination in respect of employment and occupation.

Environment

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 Undertake initiatives to promote greater environmental responsibility; and
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

**BUSINESS
INCREASINGLY
TAKING ACTION
ON HUMAN
RIGHTS
(2009-2013)**

10%

Increase in specific corporate principles on human rights

8%

Increase in complaint mechanisms

5%

Increase in operational guidance notes

RESOURCES

Some Key Business & Human Rights Guidance Materials

Business & Human Rights Learning Tool

Human Rights Management Framework

Human Rights & Business Dilemmas Forum

How to Develop a Human Rights Policy

Guide to Human Rights Impact Assessment & Management

Human Rights Reporting Guidance

Business Reference Guide to the UN Declaration on the Rights of Indigenous Peoples

Human Rights & Labour Webinar Series





HUMAN RIGHTS PRINCIPLES 1-2

Respecting and supporting human rights remains one of the most challenging areas of corporate sustainability. Yet in an increasingly interconnected world with closer scrutiny of corporate impact on people and communities, more businesses are coming to realize their legal, moral and commercial need to do so within their activities and business relationships.

Beyond the minimum responsibility to respect human rights, companies are also finding that voluntary actions which support social development – such as creating diverse and inclusive workplaces, investing in communities and public policy advocacy, and engaging stakeholders – have business benefits as well.

The Global Compact brings clarity to this field by demonstrating the business case and emphasizing practical solutions. We help companies navigate a range of challenges through resources, ranging from guidance documents, webinars and online forums, to special initiatives on the rights of groups – such as women, children, indigenous peoples and persons with disabilities.

Working in close cooperation with the UN Office of the High Commissioner for Human Rights and leaders in the field, and in alignment with the Guiding Principles on Business and Human Rights, we are putting forward approaches that are good for business and for human rights.



HOW WE ARE HELPING BUSINESS

→ Human Rights Checklist

Following are the types of policies and practices essential for rooting human rights into a company's strategies, operations and culture. Data shown represents the percentage of Global Compact companies that indicate taking a specific action.

- Specific human rights code 35%
- Within overall corporate code 72%
- Risk assessment 21%
- Impact assessment 14%
- Operational guidance notes 24%
- Complaint mechanism 39%
- Employee training & awareness 44%
- Supply chain arrangements 27%
- Employee performance assessment 36%
- Monitor & evaluate performance 31%
- Public disclosure of policies & practices 29%
- Multi-stakeholder dialogue 22%

→ Human Rights and Business Dilemmas Forum

Implementing human rights principles can raise a number of practical dilemmas for business. The *Human Rights and Business Dilemmas Forum* helps companies tackle questions related to approximately 25 human rights and business themes, such as migrant workers, security forces, gender equality, community relocation, product misuse and privacy. The multi-stakeholder online forum is designed to stimulate discussion, enhance

collective understanding of human rights themes, and identify practical approaches to real-world dilemmas. At the forum you can explore an expanding list of human rights themed dilemmas that are relevant to business, including explanation of the risks to business and suggestions for how to approach the dilemma.



Women's Empowerment Principles

Gender equality is a fundamental and inviolable human right; it is also essential to expand economic growth, promote social development and enhance business performance. The *Women's Empowerment Principles – Equality Means Business* initiative is engaging over 800 companies from all sectors and regions to advance gender equality and women's empowerment in the workplace, marketplace and community. A joint initiative with UN Women, the WEPs outline seven steps to empower women and highlight how full partic-



Photo: Mark Henley/Panos Pictures

ipation by women in economic life is essential to build strong economies; establish more stable and just societies; improve quality of life also for men, families and communities; and propel business objectives.

→ Children's Rights and Business Principles

Human rights apply to all children, and safeguarding these rights helps build the strong, well-educated communities vital to creating a stable and productive business environment. The *Children's Rights and Business Principles* identify actions that all companies should take to respect and support children's rights through core business, strategic social investments, advocacy, public policy and partnerships. Such action can help companies address risk management, build reputation, and enhance the social license to operate. Developed in collaboration with Save the Children and UNICEF, the CRBPs call on the business community to evaluate and take responsibility for their impact on the well-being of children.



Photo: UNICEF/NYHQ2009-1240/Pirozzi

**BUSINESS
WORKING
TOWARDS
HIGHER
STANDARDS**
(2009-2013)

15%

Increase in mechanisms for age verification

8%

Increase in monitoring & evaluation of performance¹

6%

Increase in vocational training & counseling

RESOURCES

Guide to the Labour Principles of the UN Global Compact

Eliminating Child Labour – Guides for Employers

Child Labour Monitoring Resource Kit

E-Learning Tool on Human Trafficking

Human Trafficking & Business

Combating Forced Labour

Disability in the Workplace

Addressing the Retention of Identity Documents

Occupational Safety & Health in the Supply Chain





LABOUR PRINCIPLES 3-6

Decent working conditions, including those that protect the safety and health of workers, are far from assured in today's global business community. The illicit use of child labour and forced labour remains a risk as global supply chains extend to distant regions. Hazardous workplaces continue to exist, particularly in the mining, manufacturing and construction industries.

Companies everywhere need to look deeper into their own operations and value chain to uphold labour standards. By promoting decent work and inclusive employment opportunities, business also plays a role in advancing societal priorities, including by partnering with workers to improve industrial relations and building more resilient economies and communities.

The Global Compact's labour principles are championed by the International Labour Organization (ILO). A range of guidance exists, especially related to child labour, forced labour and discrimination. The Global Compact focuses on disseminating these resources among business participants and supporting related projects. Additionally, because labour issues have important cross-cutting implications, much work also falls under our human rights and supply chain portfolios.

→ Labour Checklist

Following are the types of policies and practices essential for rooting labour standards into a company's strategies, operations and culture. Data shown represents the percentage of Global Compact companies that indicate taking a specific action.

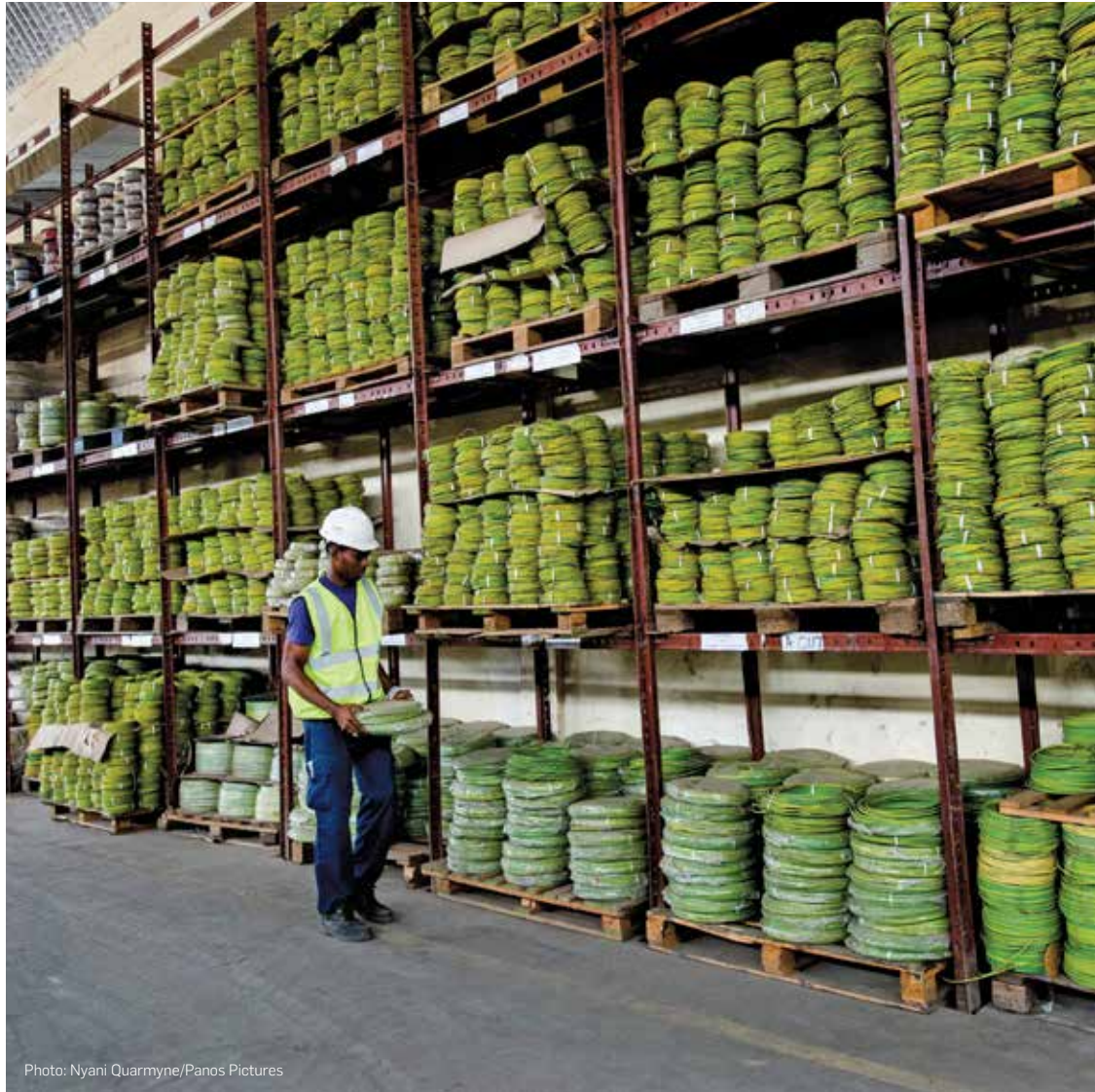
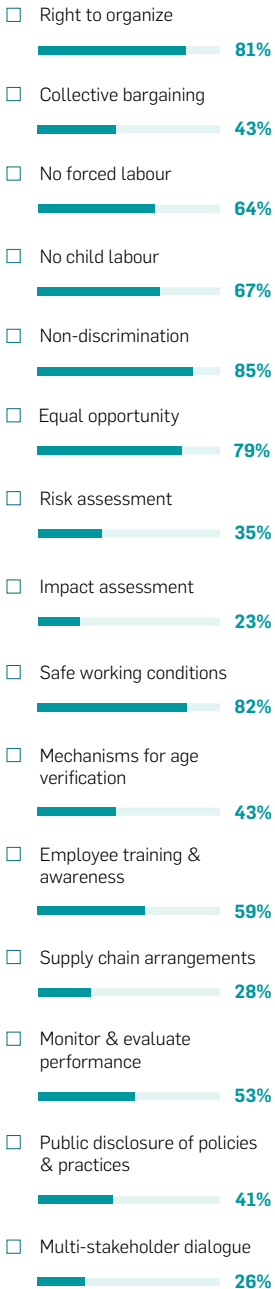


Photo: Nyani Quarmyne/Panos Pictures

HOW WE ARE HELPING BUSINESS

→ Child Labour Platform

The *Child Labour Platform* is a multi-sector, multi-stakeholder forum for sharing experiences and lessons learned in eliminating child labour, particularly in the supply chain. The Platform delivers training and capacity support to address obstacles and key dilemmas faced by business, links with global and local initiatives against child labour,

and fosters practical action that can make a difference in affected communities. Co-chaired by the International Trade Union Confederation (ITUC) and the International Organisation of Employers (IOE), and coordinated by the ILO and the Global Compact, companies and relevant organizations are encouraged to join the Child Labour Platform.



ILO Helpdesk for Business

The *ILO Helpdesk for Business* is a free service to assist company managers and workers on how to better align business operations with international labour standards. The Helpdesk offers individual assistance – provided confidentially by email or over the phone – from labour experts at the ILO. The Global Compact promotes the Helpdesk to business participants as a resource for improving their understanding of the labour principles and other labour topics.

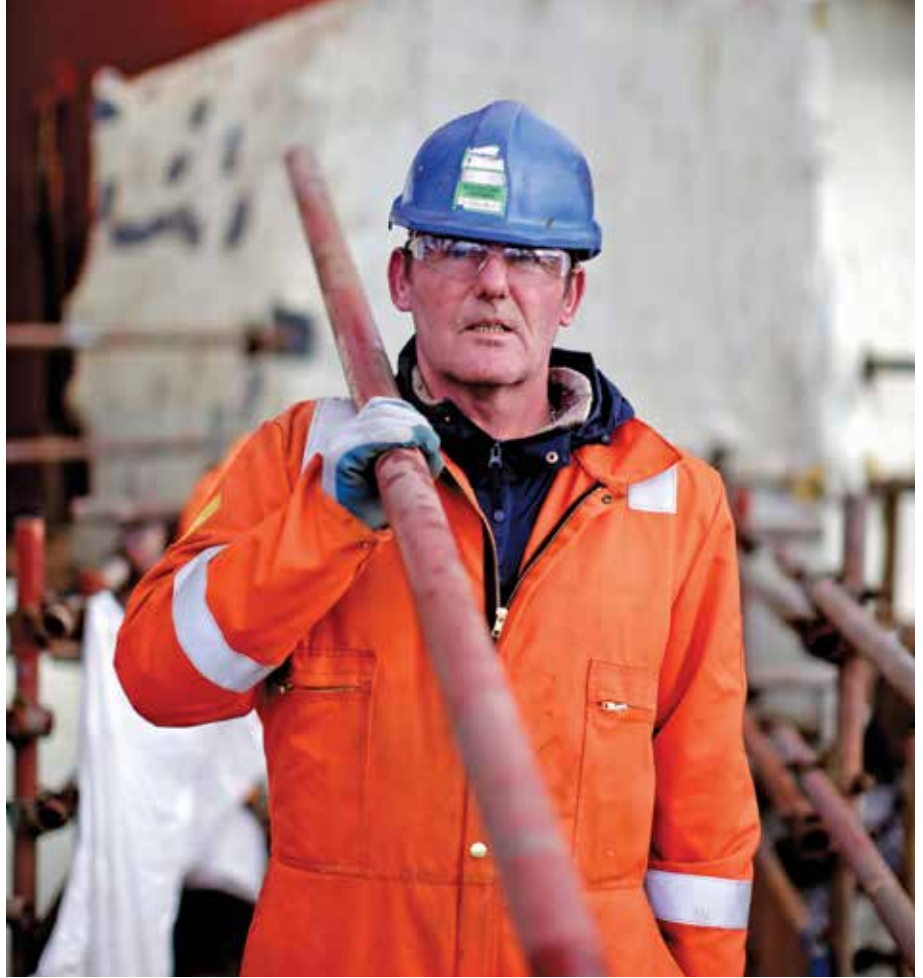


Photo: Kieran Dodds/Panos Pictures



→ Webinar Series

The Global Compact hosts a *Webinar Series* on specific labour topics. Each webinar is conducted by ILO experts and engages business participants with practical guidance and relevant tools and resources for advancing the labour principles. Several cross-cutting topics have explored the workplace dimensions of human rights including gender equality and women's empowerment, indigenous peoples' rights, children's rights and the rights of persons with disabilities.

**COMPANIES
COMING
CLEAN ON
ENVIRONMENT
(2009-2013)**

8%

Increase in public disclosure of policies and practices

6%

Increase in reporting of emissions and strategic climate data

6%

Increase in setting consumption and responsible use objectives

RESOURCES

Environmental Stewardship Strategy

Action Hubs: Climate, Energy & Water

Business and Climate Change Adaptation

Guides for Responsible Corporate Engagement on Climate & Water Policy

Respecting the Human Right to Water & Sanitation

Corporate Water Accounting

Guide to Water-Related Collective Action

Scaling Up Global Food Security and Sustainable Agriculture

Framework for Corporate Action on Biodiversity and Ecosystems





ENVIRONMENT PRINCIPLES 7-9

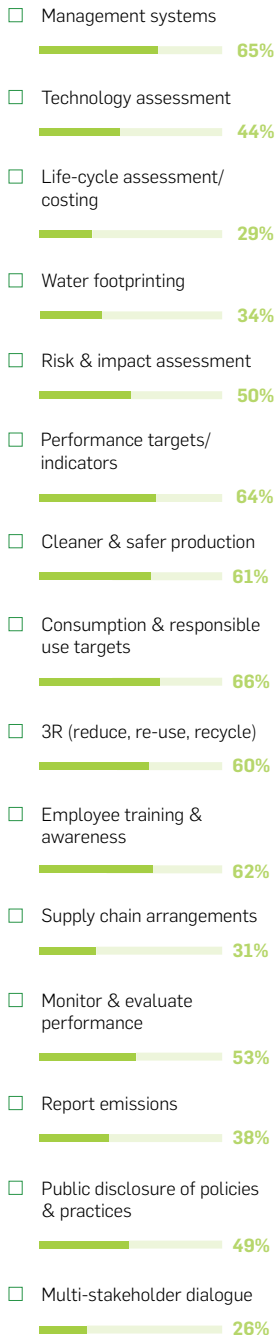
The world today is facing unprecedented, interconnected environmental challenges in areas including climate change, water, energy, biodiversity and agriculture. With business relying on natural resources directly and via supply chains, new corporate efforts are needed to address environmental responsibilities, value natural capital, and better understand the linkages between resources.

To prepare for this increasingly challenging landscape, the Global Compact's Environmental Stewardship Strategy is designed to help companies develop a holistic and comprehensive strategy. It recognizes the growing linkages among various environmental issues as well as their connections to social and development priorities.

The Global Compact pushes companies to move beyond traditional approaches based largely on compliance and narrow risk assessments. We ask business to actively address environmental risks and opportunities, and have major efforts underway with business in the areas of climate, water and food. As a result, we are seeing businesses around the world preparing for a more sustainable future and becoming part of the solution.

→ Environment Checklist

Following are the types of policies and practices essential for rooting environmental stewardship into a company's strategies, operations and culture. Data shown represents the percentage of Global Compact companies that indicate taking a specific action.



HOW WE ARE HELPING BUSINESS

→ Caring for Climate

Businesses are seeing climate change not as a stand-alone environmental issue, but rather as a global cross-cutting challenge to which they need to adapt in order to remain profitable. *Caring for Climate* is the world's largest business and climate initiative, providing a framework to implement practical solutions and help shape public policy.

Nearly 400 companies from 60 countries have signed on to Caring for Climate – led by the Global Compact, UN Environment Programme (UNEP) and the secretariat of the UN Framework Convention on Climate Change (UNFCCC). Chief executives who endorse

the initiative agree to set goals, develop and expand strategies and practices, and publicly disclose emissions. Also companies commit to advocate for a global climate change agreement in global and local policy discussions.

Setting a price on carbon that reflects the toll that fossil fuels are taking on the planet is a key step to limit greenhouse gas emissions and get ahead of the climate change curve. Our *Business Leadership Criteria on Carbon Pricing* challenges companies to integrate carbon pricing into corporate long-term strategies and investment decisions, advocate for carbon pricing, and communicate progress.





CEO Water Mandate

Advancing water stewardship to address shared risks is essential. The *CEO Water Mandate* brings together companies, both leaders and learners, interested in addressing the global water crisis. Endorsed by approximately 130 companies, the CEO Water Mandate assists companies in the development, implementation and disclosure of water sustainability policies and practices.

The Mandate helps companies to share best and emerging practices and to forge partnerships addressing access to water and sanitation. The initiative's tools and resources help companies tackle water-related business risks, communicate their policies and practices to stakeholders, and contribute to the sustainable management of shared freshwater resources.



→ Food + Agriculture Business Principles

As the world's population grows to nine billion by 2050 and demand on global food systems intensifies, business will be a critical partner in designing and delivering effective, scalable and practical solutions for food security and sustainable agriculture.

To advance the positive impact of business in this space and enable principle-based partnerships, the Global Compact facilitated the development of the *Food + Agriculture Business Principles*, the first set of global voluntary business principles for the food and agriculture sector. The FAB Principles reflect common, fundamental elements of existing voluntary standards and technical compliance platforms in the industry, and cover issues ranging from food security, health and

nutrition, to human rights, good governance, and environmental stewardship, as well as ensuring economic viability across the entire value chain.

The principles offer a basis for all responsible businesses – regardless of size, crop or location – to collaborate with the UN, governments, civil society and others to deliver global food security solutions and align their operations with sustainable development goals.

**RISING BUSINESS
TIDE AGAINST
CORRUPTION
(2009-2013)**

14%

Increase in policies
related to corruption

11%

Increase in
zero-tolerance policy

13%

Increase in
anti-corruption
management systems

RESOURCES

Business Against
Corruption: A
Framework for
Action

The Fight Against
Corruption
E-Learning Tool

Anti-Corruption
Tools Inventory

Guidance on Anti-
Corruption Risk
Assessment

Reporting Guidance
on the 10th Principle
against Corruption

Resisting Extortion
& Solicitation
in International
Transactions

Practical Guide
to Help Prevent
Corruption in the
Supply Chain

Fighting Corruption
in Sport Sponsorship
& Sport Related
Hospitality

Anti-Corruption
Collective Action
Hub



 **ANTI-CORRUPTION
PRINCIPLE 10**

Corruption has considerable impacts on business: impeding growth, escalating costs and posing serious legal and reputational risks. It is also a major hindrance to advancing societies, with a disproportionate impact on poor communities. Corruption raises transaction costs, undermines fair competition, distorts development priorities, and impedes long-term foreign and domestic investment.

New and tougher anti-corruption regulations continue to emerge worldwide, prompting companies to focus on measures to protect their reputations and the interests of their shareholders. Investors are acknowledging that corruption can negatively impact value and pose financial, operational and reputational risks to their investments. All companies need robust anti-corruption measures and practices as part of their corporate sustainability strategy.

The Global Compact and our partners are working to help companies on a range of anti-corruption issues, including risk assessment, reporting and supply chain practices. Additionally, we are mobilizing business to provide a united voice against corruption, as collective action is essential for bringing an end to a systemic issue that is too complex for any company to tackle alone.

→ Anti-Corruption Checklist

Following are the types of policies and practices essential for rooting anti-corruption into a company's strategies, operations and culture. Data shown represents the percentage of Global Compact companies that indicate taking a specific action.

- Within overall corporate code **71%**
- Zero-tolerance policy **54%**
- Management systems **47%**
- Specialized unit **32%**
- Risk assessment **27%**
- Impact assessment **15%**
- Policy is publicly accessible **45%**
- Anonymous hotline for reporting corruption **32%**
- Sanction system for breaches **35%**
- Employee training & awareness **46%**
- Supply chain arrangements **28%**
- Record instances of corruption **31%**
- Monitor & evaluate performance **30%**
- Public disclosure of policies & practices **32%**
- Multi-stakeholder dialogue **16%**

→ Risk Assessment

Assessing risks is a crucial step to implement corporate sustainability successfully, decrease the exposure to various risks and avoid costly damages. Good compliance starts with a comprehensive understanding of a company's corruption risks. *The Guidance*

on Anti-Corruption Risk Assessment provides practical steps on how to complete an assessment: establish the process, identify the risks, rate the risks, identify mitigating controls, calculate remaining residual risk and develop an action plan.



→ Public Reporting

Public reporting sends a strong signal to employees, investors and consumers that a company is serious about its commitment to transparency and responsible business practices. *The Reporting Guidance on the 10th Principle against Corruption* equips business with a practical means to report on anti-corruption policies and actions comprehensively and effectively. It includes a

broad set of reporting elements and is rooted in existing practice, including indicators of initiatives such as PACI, FTSE4Good, Transparency International, the Global Reporting Initiative and the International Corporate Governance Network. To help companies of all sizes and at all stages, the matrix provides guidance for reporters on a basic and a desired level.



Photo: Mark Henley/Panos Pictures



Photos: ABOVE Philippe Lissac/Godong/Panos Pictures BOTTOM RIGHT Giacomo Pirozzi/Panos Pictures

→ Supply Chain

Businesses all over the world are exposed daily to corruption risks in the supply chain, and increasingly recognize the associated costs and risks – including reputational, financial and, under some legislation,

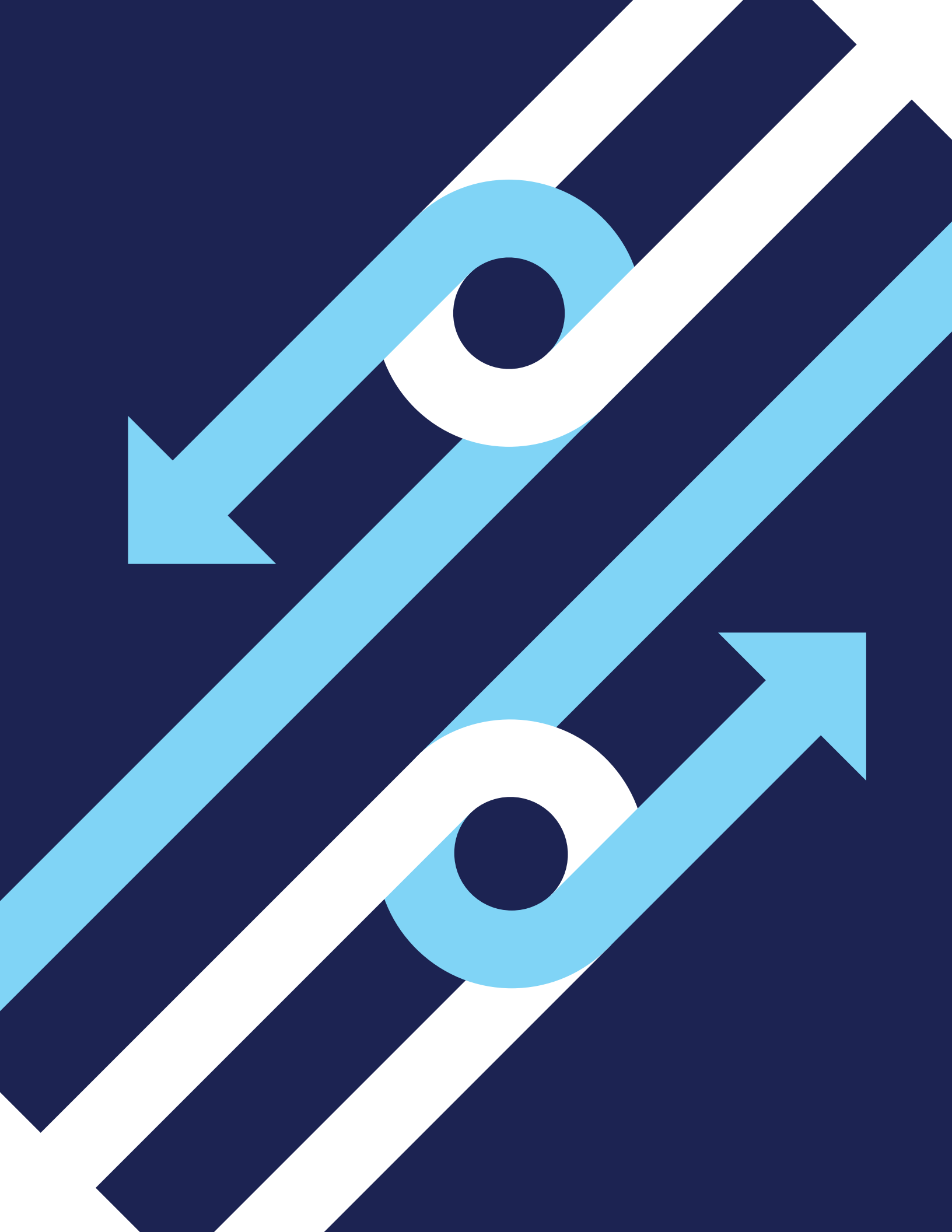
legal consequences. The challenge of fighting corruption is compounded by the significant gap in resources and capacities that exists between large companies and smaller ones. *Stand Together Against Corruption* helps companies reduce corruption risks in their supply chains, outlining the business case and providing pragmatic guidance on policies, procedures and practices.

→ Call to Action

The Global Compact is mobilizing companies around the world to join our *Call to Action: Anti-Corruption and the Global Development Agenda* – an appeal by the private sector to governments to promote anti-corruption measures and implement policies that will establish systems of good governance. It underscores that anti-corruption and good governance are fundamental pillars of a sustainable and inclusive global economy, and must be included in the global development

agenda in order to prevent development efforts from being further undermined by corruption. All companies are encouraged to sign the Call to Action and continue to advance best practices within their sphere of influence.







2: STRENGTHENING SOCIETY

EVERYONE BENEFITS FROM A BETTER WORLD

Strong markets and strong societies go hand in hand. Even the most principled companies are challenged to thrive in communities marked by instability, to find skilled labour where adequate education is lacking, or to withstand disasters stemming from climate change. Companies are looking to their core business, as well as philanthropy, advocacy and partnerships, to support society in ways that also contribute to profitability. With the United Nations expected to launch a ground-breaking set of global sustainable development goals in 2015, business will have a newly relevant framework to guide their efforts towards society – representing a huge opportunity to drive sustainable business.

The most fundamental contribution a company can make towards achieving societal priorities is to be financially successful *while* upholding a high standard of ethics and treatment of employees, the environment and the community. Doing

business responsibly – in line with the Global Compact principles – can be a tall order for companies of all sizes – whether a multinational with operations in 100 countries, a business heavily reliant on suppliers in markets with substandard norms, or

a small company located in an underdeveloped or conflict-prone country.

At the same time, companies are seeing that economic, social and environmental issues matter, not just in the communities where they are located,

→ Society Checklist

Following are the types of actions companies can take to strategically support societal goals. Data shown represents the percentage of Global Compact companies that indicate taking a specific action.

Core Business

- Align core business strategy 59%
- Develop products & services or business models 51%

Social Investment

- Tie philanthropic contributions to core competencies 61%
- Coordinate & not duplicate philanthropy efforts 44%
- Consider impacts of funding efforts 40%

Advocacy

- Publicly advocate need for action 55%
- Participate in events on public policy 33%

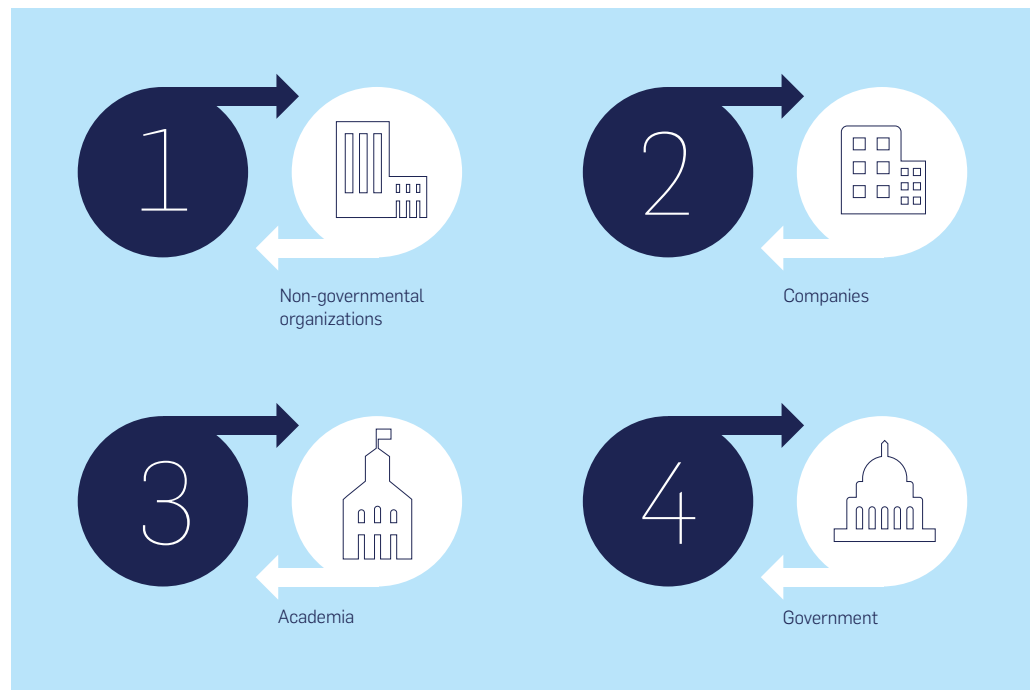
Partnerships

- Implement partnership projects 73%
- Local partnerships* 92%
- Global partnerships* 45%

*of those companies implementing partnerships

” SMART COMPANIES LOOK AT THE WORLD AROUND THEM, SEE THAT THE STAKES COULDN'T BE ANY HIGHER, AND BECOME PART OF THE SOLUTION.

WHO COMPANIES PARTNER WITH MOST OFTEN



but also for long-term business viability. Therefore, companies are increasingly taking actions and partnering with peers and other stakeholders to actively support societal goals.

CORE BUSINESS Companies can have an enormous impact when they decide to tackle sustainability chal-

lenges through their core business. Finding marketable solutions and developing business models that help deal with the risks of our time, for example related to climate, water scarcity or youth unemployment, is a huge opportunity for business growth and building new markets. Examples include companies focused

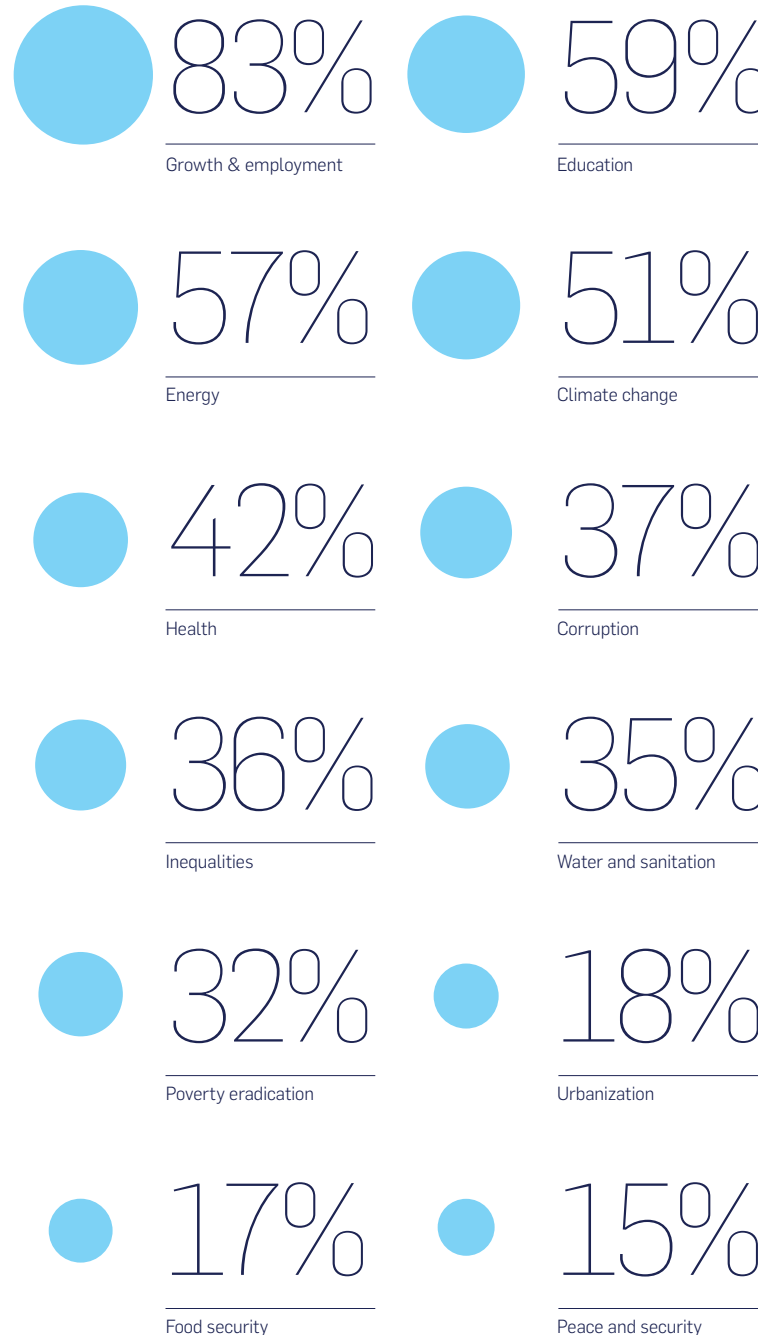
on developing energy efficient solutions, as well as those that are looking to deliver affordable life-improving products to the poor.

STRATEGIC PHILANTHROPY In the past, a company’s philanthropic efforts were often mistaken for a corporate responsibility approach. There are clear differences, and each has value. Using the wealth of business to support societal causes has made a difference on key issues, such as education and health. And employees often place value in their company’s philanthropic work, both through financial giving and volunteering. But many companies are now taking a more strategic approach, which mean ensuring that contributions are connected to core business, not duplicating the efforts of others, and taking responsibility for the unintended effects of funding in areas like local customs, traditions and religions.

ADVOCACY Business “statesmanship” is essential for raising the urgency of sustainability issues at the global and local levels. Advocacy by business leaders can influence peers, consumers and, importantly, governments on the need to tackle societal crises and how responsible business practices can help. In the realms of carbon pricing and transparent public procurement, for example, the collective voice of business can encourage policy makers to move rapidly in the right direction.

PARTNERSHIP Increasingly, companies are understanding that they must collaborate and coinvest in solutions to shared, systemic challenges. In a major shift over the past 15 years, stakeholder groups—including business, investors, governments, UN, civil society and labour—are increasingly joining forces on common objectives covering all societal goals from poverty alleviation and peace, to disaster relief, environmental protection and equality. For business, this also means a willingness to move beyond first-mover approaches and embrace partnerships and collective action efforts that pool resources, share risks and aim to find solutions faster.

COMPANIES BELIEVE THEY CAN HAVE A POSITIVE IMPACT ON SUSTAINABLE DEVELOPMENT CHALLENGES



CEOS SAY BUSINESS SHOULD DO MORE¹¹

84% of Global Compact CEOs believe companies should play a leading role in addressing global sustainability challenges, but...

33% feel that business is currently making sufficient efforts

RESOURCES

- A Global Compact for Development
- UN-Business Partnerships Handbook
- Catalyzing Transformational Partnerships
- Framework for Action – Social Enterprise & Impact Investing
- Guidance on Responsible Business in Conflict-Affected & High-Risk Areas
- Responsible Business Advancing Peace: Case Examples
- Water as a Casualty of Conflict



HOW WE ARE HELPING BUSINESS

Photo: UNICEF/BANA2013-00254/Haque

→ Business Partnership Hub

To make an impact on critical goals, we must unite interested parties around projects and solutions that can be rapidly scaled up. The *UN Global Compact Business Partnership Hub* aims to do just that, utilizing digital technology and map-based analytics to bring partners to the table. This interactive, online platform is designed to connect business with potential partners in support of societal goals. Through the Hub, companies and other

organizations can find partners for their own projects or join existing ones.

There are currently over 200 projects and 200 organizations on the Hub, populating it with needs and offers across sectors, issues and geographies. The hub currently features the following topics:

Anti-Corruption

Countering corruption through collective action to enhance good corporate practices in a region or sector

Climate and Energy

Accelerating collective action and partnerships on climate change mitigation, adaptation and finance

Social Enterprise

Facilitating partnerships with social enterprises to scale promising solutions

Water

Assisting stakeholders to identify collaborators to improve water management in regions of strategic interest

UN-Business Partnerships

Matching business resources with needs from UN organizations and allowing companies to make commitments to support the UN



Peace

Conflict and instability not only impact people and the environment, but also pose risks to all parts of the business sector. Building on over a decade of work, *Business for Peace* supports business to implement the Global Compact principles in challenging environments and catalyzes collaborative action to advance peace.

Over 100 business participants from 30 countries are engaged in our Business for Peace initiative. They seek to advance peace in the workplace, marketplace and local communities by paying heightened attention to the Global Compact principles;

taking action to advance peace individually and in collaboration with others; and annually communicating on their progress.

Because sources of instability vary depending on the local context, the work of Global Compact Local Networks is key, with 17 networks taking action. Their areas of focus include: natural resource management; training programmes to increase human capital, especially for ex-combatants and youth; encouraging entrepreneurship and job creation; and fostering inter-religious and inter-cultural understanding.



Education

Education is ranked the most urgent sustainability challenge by Global Compact companies – recognizing that education equips individuals with knowledge and skills critical to development and economic growth. Our *Framework for Business Engagement in Education* guides business to create education and learning opportunities for children, youth and adults. Developed with the UN Special Envoy on Education, UNICEF and UNESCO, the goal is to help companies identify the business case and carry out engagement activities in a responsible manner.



Poverty

The Global Compact and Oxfam are developing a *Poverty Footprint* tool, which will enable companies and civil society organizations to work together to assess corporate impacts – both positive and negative – on people living in poverty. With the goal of helping companies contribute to poverty alleviation, this assessment tool is designed to promote business model innovation, cross-organizational learning and corporate transparency.



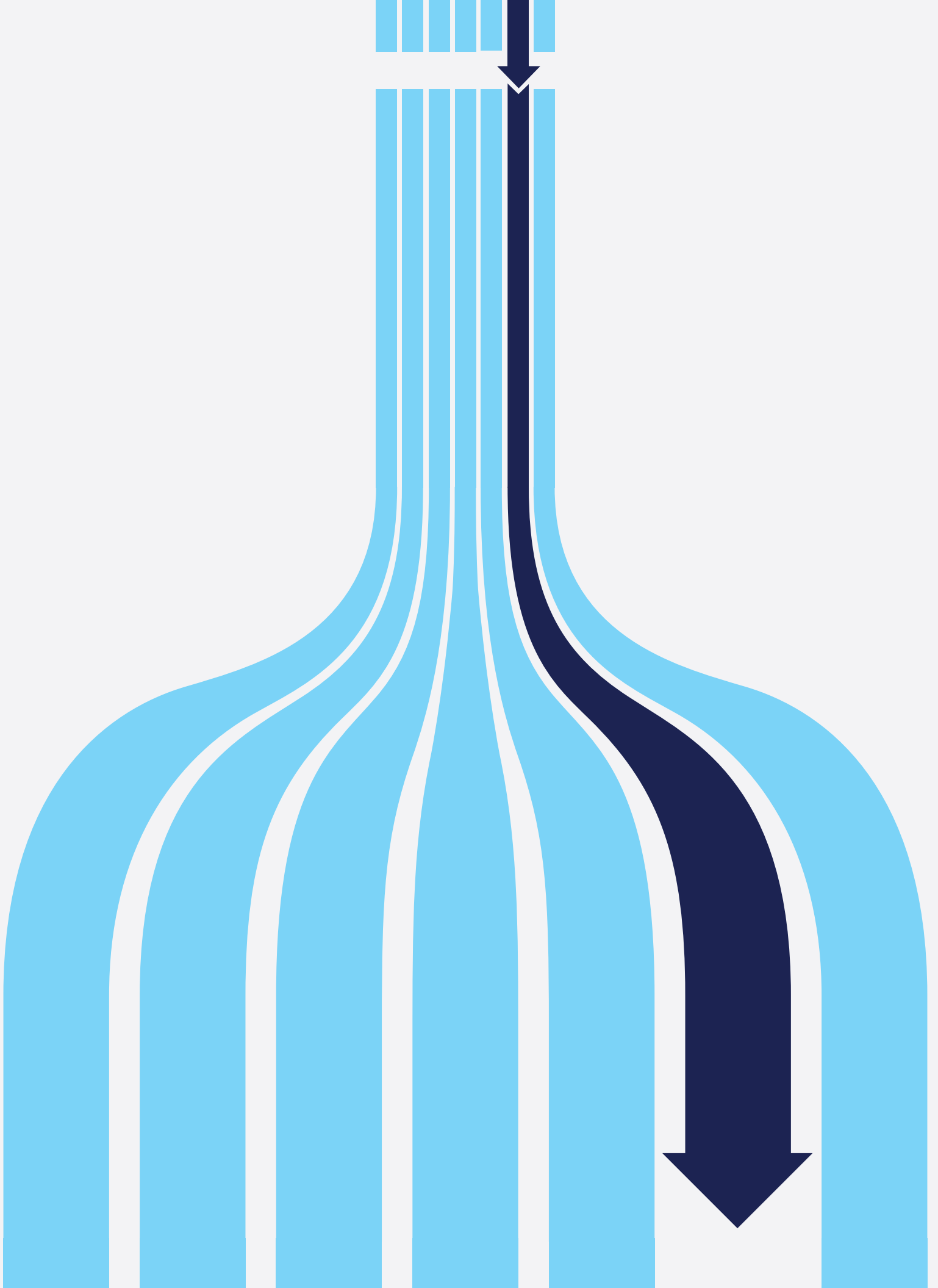
Rule of Law

Like peace and stability, the rule of law is essential for sustainable and inclusive economic growth. Where the rule of law is weak, it is harder for businesses to function and meet their corporate responsibilities.

In collaboration with the UN Secretary-General's Rule of Law Unit, the *Business for the Rule of Law* initiative is working to provide guidance on how business can support the rule of law and reinforce business respect for the Global Compact principles.

Among other things, the rule of law includes legal systems that foster economic investment by increasing the security of contracts, lowering levels of corruption, and allowing for timely, fair, transparent and predictable resolution of disputes. It is also concerned with legal identity and empowerment for individuals and organizations, enabling transition from the informal sector into the formal economy. Such individuals and organizations are at the base of many companies' supply chains.







3: LEADERSHIP COMMITMENT

LEADING FOR THE LONG TERM

Full buy-in from the chief executive and the Board of Directors is essential to orient a company towards sustainability for the long term. The good news is that this agenda is increasingly resonating with top leadership, with the majority of CEOs considering sustainability important to the future success of their business (93%), a route to competitive advantage in their industry (80%), and an opportunity for growth and innovation (78%).^{††} Also, by choosing a path of sustainability, leaders are taking responsibility for our shared future – making sure that business plays a key role in solving our world’s biggest challenges.

The Global Compact requires a company to be committed at the highest level in order to participate in our initiative. To effect change, a company’s leadership needs to send a clear message that shifting towards sustainability is a strategic priority. Once companies make the commitment, we aim to put them on a path of continuous improvement. Whether a beginner or a seasoned leader in the field, there is a constant need to act, reflect, adjust and even innovate in order to meet responsibilities and keep up with a rapidly changing world.

To help our participants progress, the Global Compact’s Management Model guides companies of all sizes through the process of committing to, assessing, defining, implementing, measuring and communicating a corporate sustainability strategy. The model forms a circular process by which companies can continuously adjust and improve alignment with the Ten Principles and other sustainability priorities.

The Global Compact is working hard to support business in relation to the

Board of Directors, General Counsel, and the supply chain. These areas – at opposite ends of the corporate ladder – are essential for embedding sustainability into business, yet currently are not adequately addressed. Also, educating business students – the leaders of tomorrow – on the centrality of sustainability is essential with serious efforts underway, thanks to the global reach of the Principles for Responsible Management Education (PRME). Breaking through in these areas will define future sustainability leadership.

→ Supply Chain Checklist

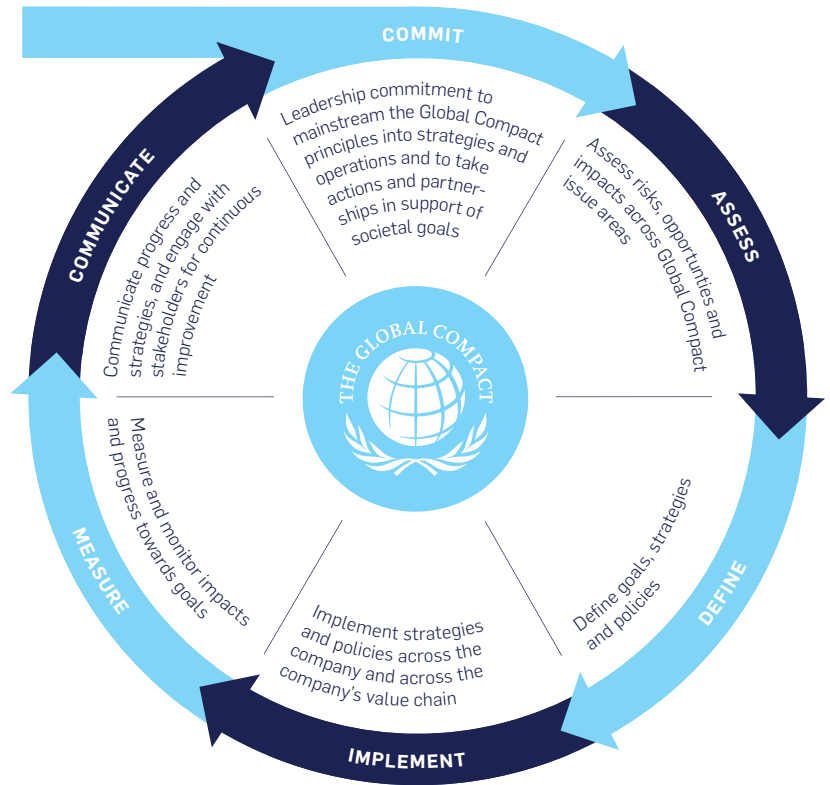
Following are the types of policies and practices essential for rooting supply chain sustainability into a company's strategies and operations. Data shown represents the percentage of Global Compact companies that indicate taking a specific action.

- Expect suppliers to adhere to sustainability principles 83%
- Include expectations in supplier documents 60%
- Incorporate expectations into procurement staff training 42%
- Train relevant staff 31%
- Conduct sustainability due diligence on potential suppliers 36%
- Assist suppliers in setting/reviewing goals 17%
- Provide training for suppliers 17%
- Regular business review 38%
- Supplier self-assessment 36%
- Audit(s) by company staff 34%
- Audit(s) by third party 17%
- Verification of remediation activities 12%
- Reward supplier sustainability performance 13%

TOP CHALLENGES TO IMPROVING PERFORMANCE

- 1 Extending strategy throughout the supply chain
- 2 Lack of financial resources
- 3 Implementing strategy across business functions

THE GLOBAL COMPACT MANAGEMENT MODEL



BOARD OF DIRECTORS

Boards of Directors have been largely absent from the discussion on sustainability, and we are working hard to change that precedent. Boards uniquely can set a company's long-term goals and lay out strategies that allow for investments and adjustments necessary over time to shift towards a truly sustainable operation. As the material impact of non-financial issues is recognized by investors, getting Boards tuned in to sustainability is not just good business sense but also increasingly their fiduciary duty linked to risk management, growth opportunities and stakeholder interests.

Through our *Global Compact Board Programme*, we are supporting Boards to be in the best position to lead on

sustainability. Developed together with PRME in collaboration with BCG, DLA Piper and BSR, our programme helps Boards: achieve alignment on the company's business case for sustainability; agree on company ambitions for integration into strategy and business model innovation; and create an action plan for embedding sustainability into Board responsibilities and structures.

The Board Programme is tailored to each company and delivered in-house by a roster of experts. It is the first programme of its kind to support Boards of Directors to oversee and help drive their company's sustainability strategy, with a view to protect and support financial value creation.

”
LEADERS
SPEAK UP
ON ISSUES
OF PUBLIC
CONCERN,
AND HELP
SHAPE
POLICIES
THAT
SUPPORT
SOLUTIONS.

IT ISN'T EASY TO WALK THE TALK



WHAT BOARDS SHOULD DO

39%
Discuss and act on these issues as part of regular agenda

54%
Appoint sub-committee/individual member responsible

15%
Provide corporate responsibility training for board members

51%
Establish or approve sustainability targets

57%
Approve reporting on corporate responsibility

9%
Link executive remuneration packages to sustainability performance

SUPPLY CHAIN

Global Compact participants rank supply chain practices as the biggest challenge to improving their sustainability performance. Extending the Ten Principles into the supply chain is a difficult endeavor – often due to the size of the supply chain, distance from suppliers, and partners operating where there are lower standards.

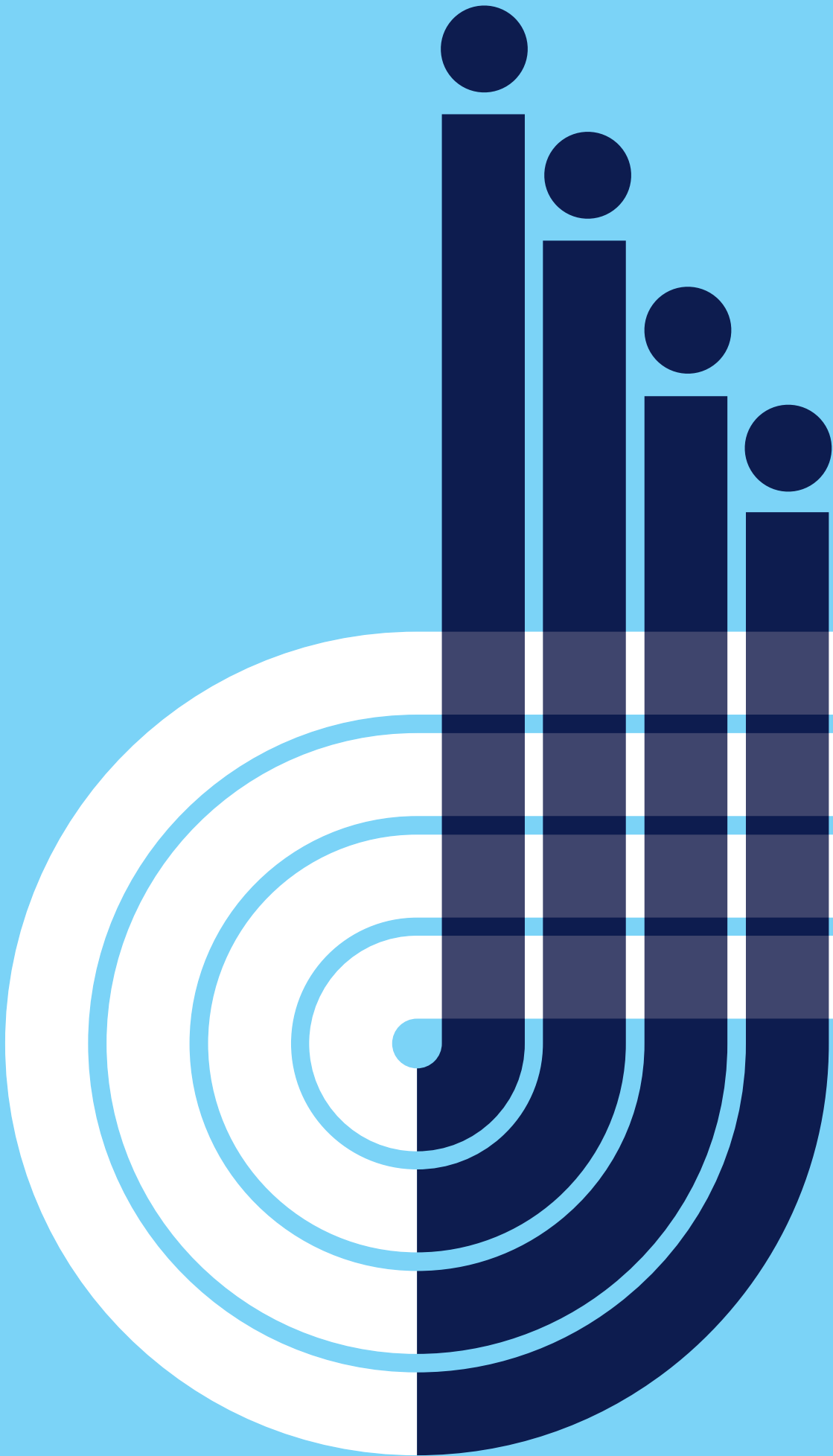
Progress can be made when the priority is set at the top of the organization. If the chief executive sees the supply chain as an extension of their workforce and community, then expectations can be set related to best practices in key areas such as selection, training, auditing and remediation. This includes broader understanding within an organization of how deci-

sions made – beyond procurement – have impacts on the supply chain, for example by legal staff, product developers and marketing. In addition, companies must look at their supply chain as a whole, including suppliers beyond their first tier that may have the most significant risks or challenges in addressing sustainability issues.

To help, the Global Compact hosts a website that is a one-stop shop for materials, initiatives and business practices on supply chain sustainability. Additionally, we develop guidance, for example our recent *Guide to Traceability*, and host webinars on topics such as gender equality and occupational health and safety in the supply chain.

LEADERSHIP BLUEPRINT

The Global Compact sets leadership targets that all companies can work towards, while hoping to inspire advanced performers to reach the next level of sustainability. The *Blueprint for Corporate Sustainability Leadership* provides a plan for business in relation to implementing the Ten Principles and taking action in support of societal goals – identifying 50 criteria for leadership. Through our Global Compact LEAD platform, approximately 60 companies have committed to implement the Blueprint and report against its criteria – with the aim to achieve higher levels of performance, tackle challenging and frontier corporate sustainability issues, and also encourage greater action by the broader business universe.




4: REPORTING PROGRESS

TRANSPARENCY BUILDS TRUST

Reporting to stakeholders in a transparent and public manner is fundamental for companies committed to sustainability. The Global Compact requires participating companies to produce an annual Communication on Progress (COP) that details their work to embed the Ten Principles into their strategies and operations, as well as efforts to support societal priorities. To date, over 28,000 COPs have been posted to the Global Compact website. This growth – both in terms of the sheer number of reports and their sophistication – is largely driven by demand from key stakeholders including investors, civil society, governments and consumers. Sustainability reporting has gone mainstream.

WHY REPORT? A powerful driver of non-financial reporting is the investment community. Mainstream investors are increasingly pushing companies to act and report – thanks to the work of groups such as the Principles for Responsible Investment (PRI) – with 1,200 investors managing assets up to \$40 trillion – and the Sustainable Stock Exchanges (SSE) initiative – now counting 16 exchanges representing over 17,000 listed companies with market capitalization surpassing USD 36 trillion. These players are increasingly looking

for information from business on the materiality of sustainability, and are starting to value environmental, social and governance (ESG) factors.

Also, consumers, local communities and civil society organizations are demanding more transparency by business – on their sourcing, labour practices or carbon emissions, for example. ESG disclosure has become a key tool for societal engagement. For consumers, this information can direct purchasing decisions towards more re-

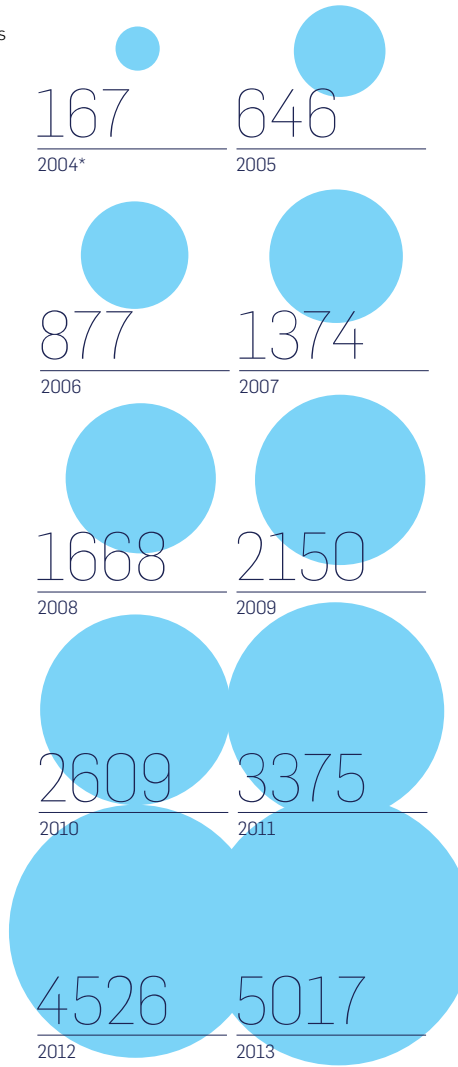
sponsible and sustainable companies – which still holds enormous potential for rewarding corporate responsibility.

Once only a voluntary activity, there is a trend towards mandatory non-financial reporting. For example, in South Africa, China, Denmark, Finland, Indonesia, and most recently the European Union there are requirements in place for companies – be they large, publicly-listed or state-owned companies – to disclose ESG practices. The Global Compact's COP reporting framework serves as a good

REPORTING BY NON-BUSINESS PARTICIPANTS

Over 4,000 non-business organizations participate in the Global Compact. These stakeholders are asked to submit a Communication on Engagement (COE) every two years as a way to express their commitment to the Global Compact and communicate the ways they advance the initiative.

A STEADY RISE IN REPORTING BY GLOBAL COMPACT COMPANIES



*The COP policy was introduced in 2004.

starting point, and in many cases meets government requirements.

ABOUT THE COP

Business participants in the Global Compact commit to issue an annual COP, a public disclosure to their stakeholders on progress made in implementing the Ten Principles into strategies and operations, and in supporting society. Companies that fail to report or to meet the criteria over time may be removed from the initiative.

EACH COP MUST CONTAIN:

- 1 A statement by the chief executive** expressing continued support for the Global Compact and renewing the participant’s ongoing commitment to the initiative and its principles.
- 2 A description of practical actions** that the company has taken or plans to undertake to **implement the Global Compact principles.**
- 3 A measurement of outcomes** regarding the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results.

The overall format of a COP is flexible and COPs can be prepared in any language. The COP should be fully integrated into the company’s main stakeholder communications, most often their annual or sustainability report. If the company does not publish formal reports, a COP can be created as a standalone document, with a Basic COP Template available for those new to reporting.

The Global Compact provides guidance on sustainability reporting ranging from introductory material on how to fulfil the requirements to more advanced resources which help companies develop comprehensive and integrated reports.

Based on a company’s self-assessment, COPs are categorized as GC Advanced, GC Active or GC Learner depending on the depth of their disclosure.

The number of companies reporting is increasing – for example, nearly 50%

more reports were submitted in 2013 than 2011 – and the quality of reporting is also improving. The percentage of COPs at the GC Learner level is diminishing, down to roughly 10%. At the same time, less than 10% of companies are submitting reports at the GC Advanced level – with clear room for improvement at the top end.

REPORTING STANDARDS & FRAMEWORKS

The Global Compact collaborates with other frameworks – for example, the Global Reporting Initiative (GRI), CDP and ISO 26000 – to ensure that standards are aligned and that meeting the requirements of one framework helps to comply with the others. The Global Compact encourages companies to use complementary reporting frameworks, with the goal of facilitating more quality reporting with less duplication.

For example, the GRI guidelines are widely used, with the Global Compact and GRI providing a “Making the Connection” document to illustrate how the two initiatives complement each other. Likewise, Global Compact participants are encouraged to use the new International <IR> Framework. The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time.

BRIEFING INVESTORS

As investors call for more disclosure, they are seeking to better understand the link between sustainability and financial performance. Developed with PRI, the *Value Driver Model* provides key metrics that companies can use to illustrate how their sustainable business strategies contribute to overall performance – in terms of revenue growth, productivity and cost savings, and reducing risk – and how investors can consider this data in their investment decisions. Companies are encouraged to host ESG Investor Briefings – modelled on a quarterly financial call – using the Value Driver Model as a basis for communicating ESG return on investment to an audience of mainstream investors.

”
**INVESTORS
 ARE
 PUSHING
 COMPANIES
 TO ACT AND
 REPORT ON
 SUSTAIN-
 ABILITY.**

COMPANIES IDENTIFY BENEFITS OF SUSTAINABILITY REPORTING



Helps integrate corporate responsibility into business operations



Improves reputation



Demonstrates active participation in the Global Compact



Enhances stakeholder relations



Enhances commitment by the CEO



Promotes internal information sharing



Provides information for investors

RESOURCES

Introductory reporting resources

Basic Guide to the Communication on Progress

Basic COP Template (Available in 11 languages)

Advanced reporting resources

Making the Connection - Using GRI's Guidelines to Create a COP

Your Path to External Assessment

Issue-specific reporting resources

Human Rights COP Reporting Guidance

The Women's Empowerment Principles: Reporting on Progress

Caring for Climate and The Carbon Disclosure Project

Corporate Water Accounting

Reporting Guidance on the 10th Principle Against Corruption





A LOCAL LENS FOR GLOBAL CHANGE

On the ground, companies face unique challenges to operating responsibly and have different opportunities to make a positive impact. Companies with operations and supply chains extending around the world need to understand locations far from headquarters and view sustainability through a local lens. Our Local Networks advance corporate sustainability at the grassroots level – in over 85 countries – by helping companies understand what responsible business means within a national context. Through our networks, companies can make local connections and receive guidance to put their sustainability commitments into action.

Global Compact Local Networks bring together companies of all sizes – foreign and domestic – with key stakeholders to identify sustainability challenges and opportunities, and provide practical guidance for action. A number of Global Compact Local Networks are strong, established entities with capability to convene, organize and implement major business-led solutions, and facilitate collaboration

efforts. Local Networks carry out a range of activities to help:

NETWORKING

Participation in a Local Network provides companies the opportunity to interact and network with a variety of stakeholders, including other businesses, civil society, government, academia, business associations and investors – sharing experiences and

challenges related to advancing their work on Global Compact issues. Local Networks can be a valuable resource for subsidiaries.

LEARNING

Local Network workshops and trainings provide learning opportunities for Global Compact participants to gain a better understanding of the Ten Principles, as well as the issues, opportunities

and challenges most relevant in a given country. Networks play an especially important role supporting company efforts to fulfil the annual COP reporting requirement through training and peer review.

POLICY DIALOGUE

Increasingly political and public issues are relevant to a company’s commercial future. Local Networks convene multi-stakeholder policy dialogues, allowing businesses to engage with local and national government – both to urge them to create policies that will incentivize sustainability and to understand how to comply with legislation that affects sustainability.

PARTNERSHIPS

Ninety percent of all partnerships are formed locally. Local Networks play a key a role in facilitating collective action and partnerships. For example over the past year, networks in Brazil, Colombia, India and Kenya piloted a Local Network Partnership Capacity Building Project, which was successful in enhancing their ability to broker and support an increased number of collaborations.

TOOLS

Networks provide participants with a number of tools ranging from translations of global resources, especially on the Ten Principles and reporting, to those addressing local topics. In 2013 the following networks developed tools for participants: Argentina, Austria, Azerbaijan, Bosnia-Herzegovina, Colombia, Ecuador, Egypt, France, Germany, Japan, Namibia, the Netherlands, Peru, Russia, Singapore, Spain and the United Kingdom.

KEY



GLOBAL COMPACT



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



SOCIETY



REPORTING



SUPPLY CHAIN

Local Snapshot

In the past year, Local Networks carried out over 600 activities. This map provides a snapshot of the topics and locations where Local Networks are helping business and other stakeholders to take action. In many cases, individual networks are undertaking numerous activities on a range of issues.

LEARN MORE

unglobalcompact.org/networks



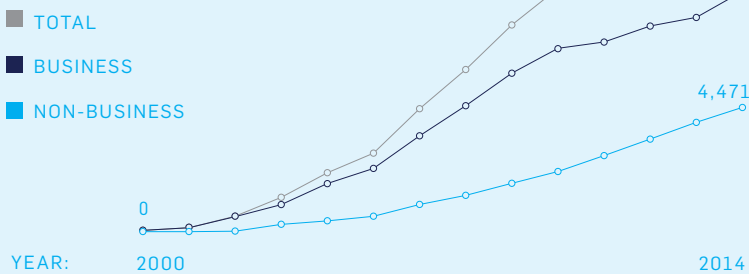


ANNEX

OUR SIGNATORIES

8,000+ COMPANIES
 4,000+ NON-BUSINESS
 160+ COUNTRIES

GLOBAL COMPACT GROWTH



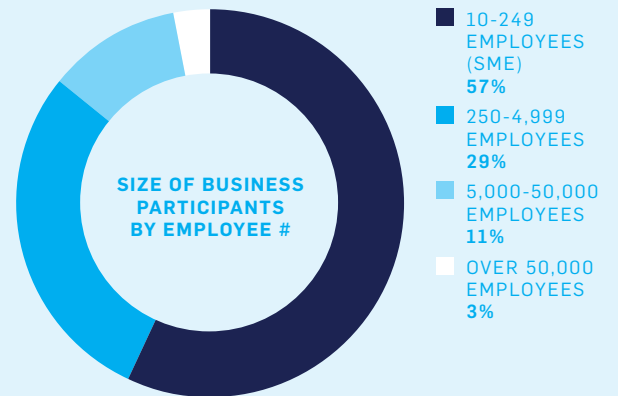
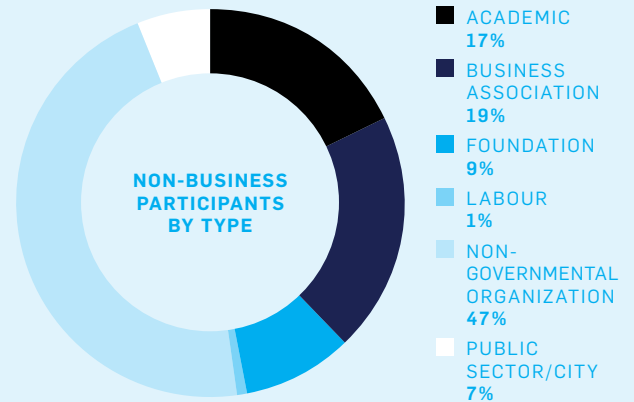
NUMBER OF PEOPLE EMPLOYED BY GLOBAL COMPACT COMPANIES

58,600,000

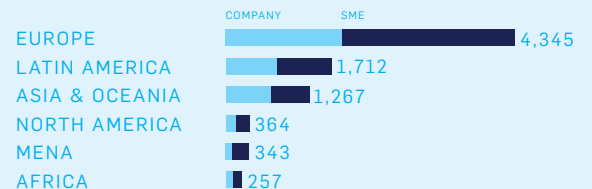
ABOUT DATA IN THE GUIDE

Findings are based on the Global Compact Annual Implementation Survey, unless otherwise noted. In November 2013, all

companies in the Global Compact were invited to take the anonymous online survey. 1,486 companies from 116 countries responded. The survey has been conducted annually since 2007.



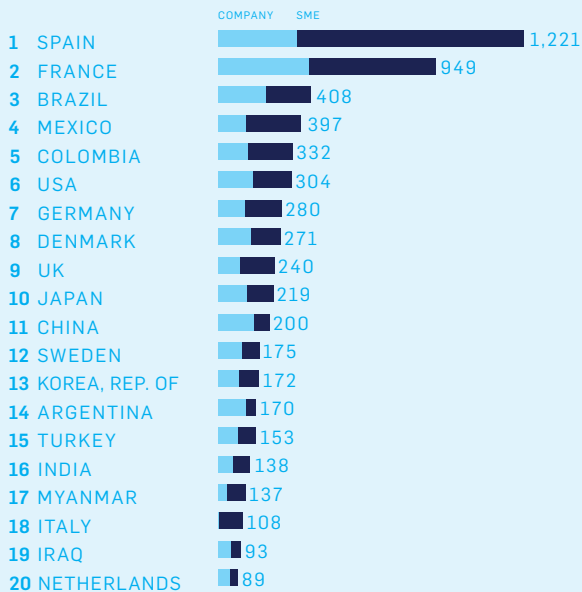
BUSINESS PARTICIPANTS BY REGION & SIZE



† Data on monitoring and evaluating labour performance not available for 2009. 8% increase based on 2010-2013 data.

†† UN Global Compact-Accenture CEO Study 2013

TOP 20 COUNTRIES



RELATED INITIATIVES

Deeply connected to the Global Compact are initiatives which bring mainstream investors, stock exchanges, business schools and municipalities into the fold of corporate sustainability.

The **Global Compact Cities Programme** is dedicated to the promotion and adoption of the Global Compact Ten Principles by cities, and provides a framework for translating the principles into day-to-day urban governance and management. The Cities Programme, with an international secretariat based at RMIT University in Melbourne, Australia, focuses on collaboration between all levels of Government, business and civil society to enhance sustainability, resilience, diversity and adaptation within cities and in the face of complex urban challenges. Approximately 80 cities across regions are engaged. www.citiesprogramme.com

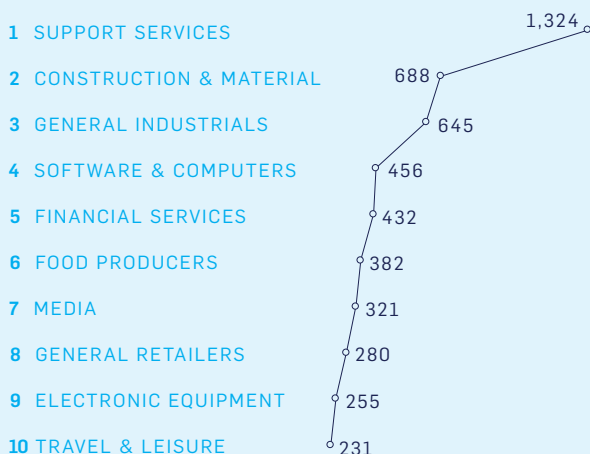
The United Nations-supported **Principles for Responsible Investment (PRI)** initiative is a network of international investors working together to put the six Principles for Responsible Investment into practice. The PRI were devised by the investment community and reflect the view that environmental, social and governance (ESG) issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors if they are to fulfil their fiduciary (or equivalent) duty. In implementing the Principles, signatories contribute to the development of a more sustainable global financial system. Launched in 2006 by UNEP Finance Initiative and the UN Global Compact, the PRI provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices and so better align their objectives with those of society at large. Over 1,200 investment institutions have become signatories, with approximately US\$ 45 trillion assets under management. www.unpri.org

The **Principles for Responsible Management Education (PRME)** is a UN Global Compact sponsored initiative with the mission to inspire and champion responsible management education, research and thought leadership globally. Higher education institutions become

signatories to the six Principles for Responsible Management Education. The PRME are inspired by internationally accepted values and provide an engagement structure for academic institutions to advance corporate sustainability by incorporating universal values into curricula and research. PRME seeks to establish a process of continuous improvement among institutions of management education in order to develop a new generation of business leaders capable of managing the complex challenges faced by business and society in the 21st century. Approximately 600 signatory institutions from 80 countries have engaged with the initiative. www.unprme.org

Sustainable Stock Exchanges (SSE) is a peer-to-peer learning platform for exploring how exchanges, in collaboration with investors, regulators, and companies, can enhance corporate transparency and performance on ESG issues and encourage sustainable investment. The Sustainable Stock Exchanges initiative is convened by the UN Conference on Trade and Development (UNCTAD), the UN Global Compact, the UN Environment Programme's Finance Initiative (UNEP FI), and the Principles for Responsible Investment (PRI) and currently counts 16 partner exchanges from around the world. www.sseinitiative.org

TOP 10 SECTORS



ABOUT THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate policies and practices. Launched in 2000, it is largest corporate sustainability initiative in the world, with over 8,000 companies and 4,000 non-business signatories based in 160 countries. www.unglobalcompact.org



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Designed by Hyperakt
Published December 2014 | 10.0M

TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



United Nations Global Compact

HUMAN RIGHTS

- 1 BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND
- 2 MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES.

LABOUR

- 3 BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECT BARGAINING;
- 4 THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR;
- 5 THE EFFECTIVE ABOLITION OF CHILD LABOUR; AND
- 6 THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION.

ENVIRONMENT

- 7 BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;
- 8 UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY; AND
- 9 ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.

ANTI-CORRUPTION

- 10 BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY.