United Nations
Global Compact & PRME

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The UN & Business – Odd Couple?

Business
Profit & Growth Through Products & Services

United Nations
Peace, Development & Human Rights
Building Markets
Good Governance
Environment
Global Health
Security

Deepening Interdependencies
THE UN GLOBAL COMPACT: An Overview

- Launched in July 2000 in New York with ~40 companies

  **Today:** Roughly 8,000 active business participants in 132 countries, with nearly 4,000 non-business participants from civil society, labor & academia

- **Basic Goal:** Create a more *sustainable* and *inclusive* global economy → *Millennial Development Goals*

- Emphasis placed on *multi-stakeholder* platform

- Grounded in *universally accepted* conventions:
  - Universal Declaration of Human Rights
  - International Labour Organisation Declaration
  - Rio Declaration (Environment)
  - UN Convention Against Corruption
## THE UN GLOBAL COMPACT
The 10 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

### 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.
The Principles for Responsible Management Education is a UN-backed initiative to change the curriculum, research and learning methods of management education based on UN Global Compact/Corporate Sustainability approach.

Launched in 2007

As institutions of higher education involved in the development of current and future managers we declare our willingness to progress in the implementation, within our institution, of the following Principles…
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Deepening Interdependencies
### Corporate (Social) Responsibility/Corporate Citizenship/Corporate Sustainability

#### CSR as value creation
- **Purpose**: Innovative and promotes sustainable business model
- **Impact**: Fundamental strategic and operational impact
  - Shared value (business – institutions and communities)
  - Promote competitiveness and innovation
  - Promotes a sustainable business model
  - Integrates business into the community
  - Develops Human Capital (key in developing countries)
  - Incorporated into the Business Strategy
- **Benefits**

#### CSR as risk management
- **Purpose**: Compliance
- **Impact**: Medium to high strategic and operational impact
  - Mitigates operational impact
  - Mitigates operational risks
  - Supports external relationships
- **Benefits**

#### CSR as corporate philanthropy
- **Purpose**: Providing funding and skills
- **Impact**: Little strategic and operational impact
  - Corporate Philanthropy and sponsorships
  - Short-term benefits / not always sustainable
  - Limited funds available
  - Impact diluted because limited budget is allocated to many charities
  - Corporate competencies and other business assets not fully utilized.
  - Misalignment between business and social responsibility strategies and functions.
  - Result in minimal social and business impact of social programmes.
- **Benefits**
Sustainable Development

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

- *Our Common Future (Brundtland report), 1987*
Post-2015 Business Engagement Architecture

Sustainable Development Priorities
- Inclusive growth
- Social equity and progress
- Environmental protection

Long-term Business Goals
- Revenue growth
- Resource productivity
- Risk management

Advances
Motivates

Corporate Sustainability

United Nations Global Compact
Architects of a Better World

BUILDING THE POST-2015 BUSINESS ENGAGEMENT ARCHITECTURE
Post-2015 Issue Area Priorities
In a globe-spanning series of consultations, thousands of UN Global Compact participants offered their views on global development priorities they consider central to any future development agenda.

The illustration below reflects a series of highly focused discussions within Global Compact LEAD which identified recommendations on issue prioritization and framed the themes into four overarching categories: Inclusive Growth, Human Needs and Capabilities, the Resource Triad and the Enabling Environment.

Source: Global Compact LEAD consultations
For more details, please read the entire publication:
Launched at the Leaders Summit 2013

The Post-2015 Business Engagement Architecture was launched by the UN Secretary-General at the UN Global Compact Leaders Summit on 20 September 2013.

The Architecture outlines the priorities for how to motivate and support global business in realizing its full potential to advance sustainable development through action, collaboration and co-investment.

Photo Credit: Michael Dames/UN Global Compact
Architects of a Better World

An Open Invitation

The Architecture is designed as an invitation to organizations, initiatives and networks working globally to engage business on sustainable development to join forces with like-minded organizations to promote and support corporate commitments and actions that advance UN goals.

The Architecture is based on a common understanding that:

i) corporate sustainability strategies must be rooted in respect for universal principles;

ii) companies must adopt transparent processes for communicating to their stakeholders; and

iii) corporate sustainability initiatives, platforms and networks, while focused on business, should involve other stakeholder groups.
Overview of the Architecture

The Post-2015 Business Engagement Architecture illustrates the main building blocks necessary to enhance corporate sustainability as an effective contribution to sustainable development, creating value for both business and society.

Each of these building blocks must be further strengthened if they are to help take corporate sustainability to scale and turn business into a truly transformative force in the Post-2015 era. Individual companies, corporate sustainability organizations, Governments, investors, business schools, civil society, labour and consumers should be able to identify those areas in which they need to do more.

The following slides explain each element of the Architecture in more detail.
Corporate Sustainability as a Transformative Force

Central to the Architecture is a new corporate sustainability philosophy and orientation in three dimensions:

i) respecting universal principles;  
ii) taking action to support broader UN goals; and  
iii) engaging in partnerships and collective action at the global and local levels.

Maximizing the business performance in these three domains will require a level of corporate leadership and governance not yet realized.

This new global orientation for business, as first outlined by the Blueprint for Corporate Sustainability Leadership, roots the twin concepts of “respect” and “support” in the two objectives of the UN Global Compact. It also encompasses an expanded definition of corporate sustainability to mean a company’s delivery of long-term value in economic, social, environmental and ethical terms.
Architects of a Better World

Advancing Goals for Society and Business
As one of its novel features, the Architecture embodies the interconnectedness of global sustainable development priorities and long-term business goals.

Businesses contribute to the advancement of sustainable development priorities by implementing corporate sustainability strategies that advance inclusive economic growth, social equity and progress, and environmental protection. Those same strategies and practices contribute to revenue growth, resource productivity and the mitigation of operational, legal and reputational risks. Consequently, businesses that integrate sustainability into their strategies and operations are increasingly finding themselves in positions of long-term strength.

Enhancing this understanding of the overlap between public and private interests is key to motivating more companies to engage and take action.
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Strengthening the “Business Case”
The “business case” for corporate action on sustainability issues has been significantly strengthened over the last decade, driven by for example:

- Increased investor engagement (as advocated by UN-backed Principles for Responsible Investment – PRI)
- The education of more enlightened business leaders (as cultivated by the Principles for Responsible Management Education - PRME)
- Smarter Government policies
- Changing employee motivations

A new global development agenda provides opportunities to further enhance the interplay of drivers that are fostering enlightened business leaders genuinely motivated and inspired to formulate and implement new-era corporate sustainability strategies.

Leading companies have an important role to play in not only reacting to these developments, but in shaping shape markets and societies that motivate and inspire global business at large to embark on the transformation to more sustainable business models.
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Bringing Business Engagement to Scale
The Architecture presents a comprehensive menu of business engagement opportunities, allowing companies to share risks while scaling impact.

The Architecture connects the different types of platforms, initiatives and hubs that enable companies and other stakeholders to work together - by issue or by sector - to overcome systemic challenges and achieve common goals.

It bridges global efforts with the rapidly growing number of sustainability networks and initiatives that are facilitating action and partnerships at the national and local levels, where most sustainability challenges play out.
Building Trust

Building on more than a decade of experience of engaging business around UN priorities, it is clear that the Architecture must incorporate a set of robust accountability measures in order to make business commitments transparent and to ensure that progress towards them is real. The availability of public repositories for commitments, relevant standards and certification schemes, and appropriate reporting mechanisms will be important in order to transparently and accurately track progress.
Post-2015 Business Engagement Architecture

For more details, please read the entire publication:
Thank you

www.unglobalcompact.org

www.unpri.org

www.unprme.org