



THE GLOBAL COMPACT

CORPORATE CITIZENS IN THE WORLD ECONOMY

“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

United Nations Secretary-General Kofi Annan first proposed the Global Compact in an address to the World Economic Forum on 31 January 1999. The Global Compact’s operational phase was launched at UN Headquarters in New York on 26 July 2000. The Secretary-General invited business leaders to join an international initiative—the Global Compact—that would bring companies together with UN agencies, labour and civil society to support ten universal principles in the areas of human rights, labour and the environment.

Through the power of collective action, the Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalization. In this way, the private sector—in partnership with other social actors—can help realize the Secretary-General’s vision: a more sustainable and inclusive global economy.

Today, hundreds of companies from all regions of the world, international labour and civil society organizations are engaged in the Global Compact. The Global Compact is a direct initiative of the Secretary-General; its staff and operations are lean and flexible.

The Global Compact is a voluntary corporate citizenship initiative with two complementary objectives:

- Making the Global Compact and its principles part of business strategy and operations

- Facilitating cooperation among key stakeholders and promoting partnerships in support of UN goals

To achieve these objectives, the Global Compact offers facilitation and engagement through several mechanisms: Policy Dialogues, Learning, Local Networks and Partnership Projects.

The Global Compact is not a regulatory instrument—it does not “police”, enforce or measure the behavior or actions of companies. Rather, the Global Compact relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based.

The Global Compact is a network. At its core are the Global Compact Office and four UN agencies: Office of the High Commissioner for Human Rights; United Nations Environment Programme; International Labour Organization; and the United Nations Development Programme. The Global Compact involves all the relevant social actors: governments, who defined the principles on which the initiative is based; companies, whose actions it seeks to influence; labour, in whose hands the concrete process of global production takes place; civil society organizations, representing the wider community of stakeholders; and the United Nations, the world’s only true global political forum, as an authoritative convener and facilitator.

HOW TO PARTICIPATE

To join this free initiative all you need to do is this:

- Write a letter from the Chief Executive Officer (and, where possible, endorsed by the board) to Secretary-General Kofi Annan expressing support for the Global Compact and its principles
- **Fill out the company information sheet found on www.unglobalcompact.org**
- Send both documents by post or fax to UNDP in Georgia:

Global Compact
UNDP CO Georgia
P.I. 0179 Tbilisi
Fax: (99532) 250271/72

Your application letters and company information will then be passed on to the Global Compact head office in New York.

Example of actions taken by a company who joined:

Macrofarm is a Bulgarian distributor of pharmaceutical products who joined the UN Global Compact in March 2003. Since then, the company has been committed the Global Compact and has, among other things, done the following to integrate the principles into its operations:

- Macrofarm has granted its employees the right to collective bargaining
- Macrofarm has adopted a non-discrimination policy (ethnic, gender, age, religious, etc.) that applies at all levels of the organization
- Macrofarm has adopted an equal opportunity policy and actively hires ethnic minorities in Bulgaria
- Macrofarm is committed to refrain from employing underage people
- All employees have employment contracts and are provided with social security

THE TEN PRINCIPLES

The Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and 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
- The United Nations Convention Against Corruption

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

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.

WHY PARTICIPATE

There are numerous benefits to participating in the Global Compact. These include:

- Manage the direct cost of doing business by tackling matters that increase costs, for instance corruption, environmental degradation, ethnic conflict and inadequate health and educational systems
- Get knowledge about practical solutions to contemporary problems related to globalization, corporate citizenship and sustainable development
- Harnessing business opportunities by meeting like-minded companies
- Increase attractiveness of company to foreign companies looking for business relationships, thus increasing chances for joint ventures
- Improve perception of Georgia as an investment destination by foreign investors
- Improve employer-employee relations by providing an arena for dialog between employers and employees
- Increase understanding among people of the private sector's important role in the creating economic growth and development
- Getting closer to the EU by being proactive in implementing labour and environmental standards
- Partnerships between public and private sectors

Companies who join are expected to:

- Set in motion changes to business operations so that the Global Compact and its principles become part of strategy, culture and day-to-day operations
- Publicly advocate the Global Compact and its principles via communications vehicles such as press releases, speeches, etc.
- Publish in its annual report or similar corporate report (e.g. sustainability report) a description of the ways in which it is supporting the Global Compact and its ten principles

For further information, please visit www.unglobalcompact.org