



# **United Nations** Global Compact

**Meeting of the Global Compact Board**

**United Nations Headquarters**

**New York**

**25 March 2010**

**Prepared by the Global Compact Office**

## Executive Summary

The Global Compact Board met at United Nations Headquarters in New York on 25 March 2010. UN Secretary-General Ban Ki-moon opened the meeting by emphasizing the importance of the Global Compact — particularly in the aftermath of the global financial crisis — in advancing corporate sustainability and UN goals. The meeting was chaired by Sir Mark Moody-Stuart, Vice-Chair of the Board. Discussion focused on the status of Board Working Groups, integrity measures (particularly the Communication on Progress) and the 2010 Leaders Summit.

Following the meeting, Board members joined Government representatives at a lunch and provided an update on the meeting's proceedings. Government representatives in attendance indicated strong support for the Global Compact and its advancement of the sustainability agenda. (See Appendix 2 for summary of discussion and list of attendees.)

### *Outcomes and recommendations emerging from the Board meeting include:*

A one-year moratorium on delisting companies based in non-OECD/G20 countries will be in effect from 1 January 2010 to 31 December 2010. During this time the Global Compact Office will provide recommendations for the adaptation of the COP requirements for different participant categories and for capacity-building on the ground, with a special emphasis on companies that are based in non-OECD/G20 countries. These recommendations will be presented to the Board at its next meeting (25 June 2010). The Global Compact Office may share recommendations with Board members prior to the next meeting to elicit their feedback. Recommendations should consider the resources and unique operating environments of companies located within non-OECD/G20 countries. Recommendations should also consider the unique circumstances faced by companies that employ less than 250 employees.

Formalization of the Board approval process for publications and other guidance materials.

Agreement that the work of the Special Representative to the Secretary-General (SRSG) on Business and Human Rights should continue to be actively integrated into the work of the Global Compact.

The ten principles should remain central in communications and publications of the Global Compact. The ten principles are inter-related, and the Board should explore these linkages in future meetings.

The Board supported the Global Compact's strategy for this year's Leaders Summit.

A full list of speakers and speaking opportunities for each plenary session will be made available to all Board members by the end of April. Board members will support efforts to increase Summit registration and sponsorship.

The Board supported the blueprint for leadership within the Global Compact. The Global Compact Office will continue to explore the components of the blueprint and its operational outcomes. Efforts to develop and refine this model have direct implications for the Global Compact in offering a more tangible approach to addressing the initiative's second objective: to catalyse actions in support of broader UN goals, including the Millennium Development Goals (MDGs).

A Summit evaluation will be developed to assess participant reactions and perceptions. Results from this assessment will be presented to Board members following the Summit.

## Opening of the Meeting

**UN Secretary-General Ban Ki-moon** opened the meeting, welcoming Board members to the United Nations and thanking them for their commitment to the initiative. The Secretary-General noted that the meeting was taking place during a pivotal year — the 10<sup>th</sup> Anniversary of both the Global Compact and the Millennium Development Goals (MDGs). The Secretary-General emphasized that in the wake of the global financial crisis a brighter spotlight has been placed on the issues advocated by the Global Compact, in particular restoring trust in markets and shifting incentives from short-term profit maximization to long-term value creation.

The Secretary-General noted the growth of the Global Compact over the past ten years. In 2000, the Global Compact was endorsed by 40 companies. Today, the Global Compact has over 7500 participants and 90 country networks. The Secretary-General indicated that the Global Compact's importance will continue to increase, particularly with the upcoming Leaders Summit. In this regard, he urged Board members to support the Global Compact's efforts to make the Summit a success. He also emphasized that the Board should ensure that the Millennium Development Goals (MDGs) remain a part of the Global Compact's agenda, as the private sector is essential to advancing the MDGs. The Secretary-General asked Board members to join him at the 3<sup>rd</sup> Annual Private Sector Forum on the occasion of the upcoming MDG Summit in September 2010.

The remainder of the meeting was chaired by Sir Mark Moody-Stuart, Vice-Chair of the Board.

## Agenda Item 1: Briefings on Board Working Groups and the Global Compact Office

Georg Kell, Executive-Director of the Global Compact Office, provided an update on overall trends and recent developments of the Global Compact with a focus on the pace of growth, which remains strong. Subsequently, an update was provided on each of the Board-led working groups.

**Mary Robinson**, Chair of the Human Rights Working Group, discussed recent developments of the Working Group, specifically the soft launch of the Women's Empowerment Principles (WEPs) on 8 March. These principles, which were co-developed with UNIFEM, offer concrete suggestions on how business can empower women in the workplace and community. The WEPs will be showcased during the Leaders Summit along with CEO statements of support, which are currently being collected. In addition, good practice notes on human rights due diligence and reporting have been developed. She expressed a concern of the working group regarding the lack of an explicit reference to human rights and the role that Special Representative to the UN Secretary-General on Human Rights (SRSG on Human Rights) would have at the Summit. **Ms. Robinson** urged that more emphasis be placed on the ten principles, which should be taken together, as the foundation for the role and work of the Global Compact. **Georg Kell** clarified that the SRSG on Human Rights was invited to present his work on human right in plenary at the Summit and that there was a continued, close co-operation between the two offices.

A briefing on the Labour Rights Working Group was provided by Working Group Co-Chair **Guy Ryder**. The Labour Rights Working Group is currently developing a *Guide for Business on the Labour Principles*, which will translate the Global Compact's principles on labour into concrete business practices. The Working Group is also working towards its long-standing goal of better integrating the role of organized labour within the Global Compact Local Networks. Mr. Ryder indicated that a starting point may be found in issues such as child labour, where a consensus can more easily be reached. Mr. Ryder also highlighted the impact of the financial crisis on labour rights in general, noting that the average unemployed individual does not regard corporate responsibility as a solution to the jobs crisis. Rather they look to Government for solutions — this is a global social reality that the Global Compact should realize and work within, he argued.

**Chad Holliday**, Co-Chair of the Environmental Working Group, noted that a goal of the Working Group is to enhance the applicability of the Global Compact's environmental principles to business operations. The Working Group, in partnership with Duke University, has recruited 25 companies to support the development of an environmental stewardship framework for business. The framework will be applied to a test group of 50 companies. Board members were encouraged to actively engage in this Working Group, as membership continues to form. An update was also provided regarding upcoming events including the Caring for Climate Signatories Meeting and a business side event at the upcoming UN Conference on Climate Change (COP16), to be held in Mexico City.

**Huguette Labelle**, Chair of the Anti-Corruption Working Group, discussed the development of key guidance materials for the Leaders Summit. An emphasis was placed on the *Reporting Guidance on the 10<sup>th</sup> Principle* — developed jointly by the Global Compact and Transparency International — which was launched in December 2009 and is already being utilized by Global Compact participants. Several other tools and resources in development will address key issues relevant to anti-corruption, including corruption in the supply chain and resisting extortion.

**Sir Mark Moody-Stuart** reported on behalf of the Responsible Investment in Conflict-Affected Countries Expert Group, noting that this workstream constitutes the first joint effort between the Global Compact and the Principles for Responsible Investment (PRI) Initiative. An outcome document in development compiles best practices that will provide specific guidance to investors on potential red flags as well as on advantages and disadvantages of investment opportunities in conflict-affected countries. The update was followed by a report on the last expert group meeting, which was held in Sudan. The meeting provided an opportunity for many investors to see for themselves the state of the nation and to better understand the investment environment in Sudan.

**Fernando Chico Pardo** noted that investors often claim to lack the resources to invest based on the ten principles, suggesting that this could be due to a general lack of awareness of how the ten principles translate into practice. It would be important to educate pension fund managers on this issue.

**Mary Robinson** asked whether the outcome document on Responsible Investment in Conflict-Affected Countries will address the role of women in peacekeeping.

The Global Compact Office responded that the UN Interagency Team will consult on the document; the team includes UNIFEM.

**Sir Mark Moody-Stuart** agreed that inclusiveness was essential and suggested that an ethnic dimension should also be included in the document.

An update on the Supply Chain Sustainability Working Group was provided by Ursula Wynhoven of the Global Compact Office. The Working Group, currently consisting of 29 business representatives, is in the process of developing three resources for the Leaders Summit.

## RESOURCE REVIEW

The board discussed increasing their involvement in the oversight and approval of guidance documents developed by the Global Compact.

**Toshio Arima**, in response to the many resources discussed during the meeting, raised the issue of Board oversight and approval of guidance material developed by the Global Compact. He noted that while the Board does not have the capacity to approve every document, it does need to be notified when these documents are being developed and for what purposes. He suggested that the Board discuss the possibility of formalizing the process of obtaining Board approval.

**Ntombifuthi Mtoba** agreed that a formalized process of Board approval would be welcomed. She noted that the work of the Global Compact is not policy but guidance and that the Board should be notified when a document is finalized.

**Sir Mark Moody Stuart** concurred that a formal process was needed and suggested that the Board be made aware when a document is being developed and be allowed to comment on key points.

**Huguette Labelle** suggested that the Board be brought in at an early stage of the development process of publications. This would allow Board members to become aware of new resources early in the development process, and they would be better positioned to assist in case challenges arise.

**Ntombifuthi Mtoba** agreed but suggested that communications be sent through the chairs of the relevant working groups.

**Laurent Corbier** raised the possibility of having the materials available on a private website, allowing the Board to be directed to the resources via a hyperlink rather than individual emails.

The Global Compact Office recommends including an update on resources under development in the monthly communication to Board members. The communication would include information on resources that are in various stages of development and would call attention to newly proposed resources or those that are of particular note.

## **CENTRALITY OF TEN PRINCIPLES**

**Mary Robinson** expressed her concern that Global Compact communications and publications are losing focus on the ten principles.

**Sir Mark Moody-Stuart** noted that the ten principles are at the core of the initiative. He added that the principles are also UN goals, as each is backed by a relevant UN convention or declaration. He further stressed that the critical relationship between the ten principles and the integrity measures — including the dialogue facilitation mechanism and the Communications on Progress (COPs).

**Chad Holliday** stressed that the ten principles must be viewed holistically.

**Huguette Labelle** agreed that the ten principles are most effective when viewed as the sum of their parts.

**Mary Robinson** suggested that in future meetings, the Board should explore how to enhance the linkages between the Global Compact principles.

## **ADDITIONAL UPDATES**

The Global Compact Office also updated the Board on the Principles of Responsible Investment (PRI), the Principles of Responsible Management Education (PRME), and the Global Compact's Local Networks (GCLNs). The updates highlighted the evolution and growth of these workstreams and emphasized efforts underway in preparation for the Leaders Summit — including side events and Local Network guidance materials being developed.

The Board discussed the importance of synergizing the work and findings of the UN Special Representative to the Secretary-General (SRSG) on Business and Human Rights, John Ruggie, with that of the Global Compact. The Global Compact Office recognized the important contribution of the SRSG's

work to the underlying objectives of the ten principles, noting that contact with Prof. Ruggie's office is frequent. The SRSG has been invited to speak at the Leaders Summit.

Each of the Working Groups indicated that they increasingly rely on the use of web-enabled teleconferences ("webinars") for their deliberations. The use of webinars allows a greater number of stakeholders to participate and provide input and also reduces the environmental impact caused by air travel.

**Outcomes: Briefings on Board Working Groups and Global Compact Update**

The Global Compact Office will seek to find solutions to formalize the Board approval process of publications and other guidance materials.

The work of the Special Representative to the Secretary-General (SRSG) on Business and Human Rights should continue to be actively integrated into the work of the Global Compact.

The ten principles should remain centrally positioned in Global Compact communications and publications of the Global Compact. The principles are inter-related and the Board should explore this connectivity in future meetings.

## Agenda Item 2: Review of Progress on Integrity Measures

The Board reviewed the progress on implementation of the integrity measures — comprised of the Communications on Progress policy, logo policy and dialogue facilitation process. Based on a recent disproportionate delisting of companies from non-OECD/G20 countries, the Board was asked to provide input regarding the suitability of the Communication on Progress (COP) process for companies from all economies.

In response to the recent delistings, the Global Compact Office proposed a one-year moratorium on delisting companies that are based in non-OECD/G20 countries. During the moratorium the Global Compact Office would streamline the COP requirements and build capacity on the ground to facilitate the disclosure efforts of companies based within non-OECD/G20 nations.

Board discussion on this topic covered the following areas:

**Agreement with temporary moratorium:** The Board agreed with the decision to introduce a one-year moratorium on the delisting of companies from non-OECD/G20 countries, to be in effect from 1 January 2010 to 31 December 2010.

The Board further stressed that the moratorium is not intended to weaken the COP requirement. Instead, it is a temporary measure to allow for thorough review of COP procedures to ensure their suitability for all companies. The objective of this measure is to assure that quality of Global Compact engagement is enhanced. Verbal support for the temporary moratorium was expressed by: *Toshio Arima, Chad Holliday, Sir Mark Moody-Stuart, Ntombifuthi Mtoba* and *Guy Ryder*.

**Small and medium-sized enterprises:** Several Board members noted that small and medium-sized enterprises (SMEs) constitute a majority of delisted companies and raised the question whether the current COP process is suitable for these types of organizations. As some Board members stated, SMEs may not find all COP criteria relevant to their operations, creating additional challenges to the successful completion of the report. In addition, most SMEs do not have the same resources as larger companies to complete this process in a comprehensive and timely manner.

The Board did not agree that the moratorium should be extended to SMEs generally. However, Board members suggested that any streamlining of the COP requirements should account for the resources and unique challenges of SMEs. Additionally, large companies that require Global Compact participation of their subsidiaries and supply chain partners should be encouraged to provide support to these companies to meet the disclosure requirements of the Global Compact.

**Proposed modification of the COP process:** Board members affirmed that this temporary measure must coincide with the Global Compact Office scaling up efforts to provide companies within non-OECD/G20 countries with relevant guidance and resources to improve the likelihood that they successfully meet the COP requirement.

It was stressed that the COP process must not be too cumbersome, and requirements regarding completion and submission must be clearly expressed. The Global Compact Office should assure that duplication of efforts, especially in relation to similar reporting frameworks such as the Global Reporting Initiative (GRI), is avoided. As companies could be overwhelmed by extensive reporting requirements of multiple initiatives, Board members underscored the importance of

ensuring that the Global Compact's requirements are aligned with requirements of other initiatives.

**Support at the local level:** The Board indicated that relevant guidance and resources regarding the completion and submission of a COP should be available in all UN languages. The Local Network system should be engaged to support companies — particularly in non-OECD/G20 countries — in completing and submitting a COP. Understanding that Local Networks have varying degrees of capacity, engagement could include functions such as direct training, providing guidance and translation support. Board members proposed exploring alternate regional support systems — particularly for countries where a Local Network does not currently exist — such as liaising with local chapters of the International Chamber of Commerce (ICC) and mobilizing other UN agencies and programmes. *Young-Chan Nam* and *Jean Rozwadowski* expressed support for engaging with stakeholders and local ICC chapters, respectively.

**Provisional participation:** To better position the COP requirement, Board members discussed that the process of joining the Global Compact could be modified. One suggestion, following an earlier recommendation from NGOs, was to grant only provisional participant status upon submission of the initial CEO letter. The company would then be given a pre-determined amount of time to submit a first COP. Once the COP has been submitted and accepted, the company would gain full participant status.

**Board endorsement of the COP:** An issue was raised regarding whether the board of directors within a company should be required to endorse a COP before it is submitted to the Global Compact. Board endorsement of the COP would be an indication that the requirement is embedded within the company's operations. However, Global Compact Board members were concerned about adding an extra requirement to the COP submission process.

The Board asked that the Global Compact Office develop detailed recommendations for the adaptation of the COP requirements for different participant categories and for capacity-building, specifically as they apply to companies based in non-OECD/G20 countries. The recommendations should be operationalized and have clear implications for the COP process. It was requested that the action plan be presented to the Board in preparation for its next meeting on 25 June.

*Guy Ryder* expressed appreciation for information provided by the Global Compact Office regarding the dialogue facilitation mechanism. He indicated that it was precisely the information that the Board had previously requested. Board members asked that similar updates on dialogue facilitation be provided at future Board meetings.

#### **Outcomes: Review of Progress on Integrity Measures**

A one-year moratorium on delisting companies based in non-OECD/G20 countries will be in effect from 1 January 2010 to 31 December 2010.

The Global Compact Office will provide recommendations for the adaptation of the COP requirements for different participant categories and for capacity-building on the ground, with a special emphasis on companies based in non-OECD/G20 countries. These recommendations will be presented to the Board in preparation of its next meeting on 25 June 2010. Recommendations should consider the resources and unique operating environments of companies located in non-OECD/G20 nations and the circumstances faced by companies that employ less than 250 employees (SMEs).

The Global Compact Office will continue to provide updates on the dialogue facilitation process at future Board meetings.



### **Agenda Item 3: Discussion on Preparation for the UN Global Compact Leaders Summit 2010**

The Global Compact Office provided an overview of preparations for the Leaders Summit 2010. This included a review of Summit logistics, key deliverables and registration to date. This year's Summit is seen as an enormous opportunity to advance the agenda of the Global Compact, as the event is expected to gather an unprecedented number of representatives from the private sector, investors, academics and Government.

The Summit agenda includes a review of the sustainability agenda to date and maps the trajectory over the next 10 years. There will be an opportunity to explore what constitutes leadership within the Global Compact. In conjunction with the UN focus on the Millennium Development Goals in 2010, the Summit will, in part, focus on the private-sector contribution to the MDGs. This portion of the Summit will review what the private sector has done to contribute to development and will provide a framework for advancing and expanding the private-sector contribution to the MDGs.

**Blueprint for Leadership within the Global Compact:** The Board was presented with a preliminary overview of a proposed blueprint for leadership within the Global Compact, which emphasizes implementation, engagement and advancing global sustainability priorities. The Global Compact Office proposed unveiling the blueprint at the Leaders Summit.

An important component of the Blueprint is the incorporation of advancing sustainability priorities, particularly those that fall under the MDGs. This aspect of the Blueprint is an active advancement of the second objective of the Global Compact to "catalyse actions in support of broader UN goals, including the MDGs". The leadership model within the Global Compact will provide the structure and foundation to more tangibly monitor participants' work toward advancing the MDGs.

The Board supported the Blueprint for Leadership within the Global Compact workstream. The Global Compact Office is positioned to continue exploring the components of the Blueprint and its operational outcomes. Efforts to develop and refine this model have direct implications for the Global Compact in offering a more tangible approach to addressing the initiative's second objective.

**Sir Mark Moody-Stuart** requested a full list of speakers and available opportunities for each plenary session in the interest of assuring that all relevant constituents receive presentation opportunities. The Board was assured that the Global Compact Office was placing a strong emphasis on balancing the demography of presenters. In addition, Governments that have actively supported the initiative will be given recognition for their efforts.

**Huguette Labelle** emphasized the importance of actively engaging industry leaders who have been influential and successful in their efforts to advance work toward the ten principles.

**Mary Robinson** stressed the importance of fully integrating the ten principles into the Summit's agenda.

Board members indicated that it would be worthwhile to develop and administer a Summit evaluation. The evaluation would help the Global Compact Office to determine attendee perceptions of the event and proceedings. Results from the evaluation could be used to plan future events.

Overall, the Board was supportive of the Global Compact's strategy for the Leaders Summit, indicating that the Global Compact Office should continue with the planning and strategy as currently developed. The Board recognized the need for increased registration and corporate sponsorship of the event as one of the primary objectives for the Summit. Board members were requested to use their channels to support these objectives.

**Outcomes: Discussion on Preparation for the UN Global Compact Leaders Summit 2010**

The Board supported the Global Compact's strategy for the Leaders Summit.

A full list of speakers and speaking opportunities for each plenary session will be made available to all Board members by the end of April.

The Board supported the Blueprint for Leadership within the Global Compact. The Global Compact Office will continue to explore the components of the Blueprint and its operational outcomes. Efforts to develop and refine this model have direct implications for the Global Compact in offering a more tangible approach to addressing the initiative's second objective.

Board members will support efforts to increase Summit registration and sponsorship.

The Global Compact Office will develop a summit evaluation to assess participant reactions and perceptions. Results from this assessment will be presented to Board members following the Summit.

**Agenda Item 4: Update on the Foundation for the Global Compact**

*Sir Mark Moody-Stuart* briefly updated the Board on the activities of the Foundation for the Global Compact, focusing on the need to increase fundraising activities. The Foundation has recently expanded its capacity and infrastructure under its new Director, Celina Gorre — including a new office space that also accommodates Global Compact staff. The Foundation's current priorities are to increase capacity to follow-up with participants regarding pledges and to streamline its accounts receivable/accounts payable processes. A consultant has been hired to directly manage fundraising matters. Looking forward, the Foundation will also address the funding relationship between the Foundation and Local Networks, which often need their own funding but may have capability to raise funds for themselves.

## Appendix 1: Members of the Global Compact Board

### ***Business***

Toshio ARIMA	Director and Executive Advisor to the Board, Fuji Xerox, Japan
Guillermo CAREY	Senior Partner, Carey & Allende Abogados, Chile
CHEN Ying	Director, Beijing Rong Zhi Institute of Corporate Social Responsibility, China
CHEY Tae-Won*	President & Chairman, SK Group, Republic of Korea
Fernando CHICO PARDO	President of Grupo Aeroportuario del Sureste (ASUR), Mexico
José Sergio GABRIELLI DE AZEVEDO*	President and CEO, Petrobras, Brazil
Chad HOLLIDAY	Chairman of the Board, DuPont, US
Jamshed IRANI	Director of the Board, Tata Steel, India
Anne LAUVERGEON*	Chair of the Executive Board, Areva, France
Juan de la MOTA	President, Global Compact Spanish Network
Ntombifuthi MTOBA	Chair of the Board, Deloitte, South Africa
Mads ØVLISEN*	Adjunct Professor, Copenhagen Business School Chair, Lego, Denmark

### ***International Labour and Business Organizations***

Antonio PEÑALOSA*	Secretary-General, International Organization of Employers
Jean ROZWADOWSKI	Secretary General, International Chamber of Commerce
Guy RYDER	General Secretary, International Trade Union Confederation
Manfred WARDA	General Secretary, International Federation of Chemical, Energy, Mine and General Workers' Unions

### ***Civil Society***

Habiba AL MARASHI*	Chair, Emirates Environmental Group
Oded GRAJEW*	Chair, Instituto Ethos de Empresas e Responsabilidade Social
Huguette LABELLE	Chair, Transparency International
Mary ROBINSON	Chair, Realizing Rights: The Ethical Globalization Initiative

### ***Ex-Officio***

Sir Mark MOODY-STUART	Chairman, Foundation for the Global Compact
Georg KELL	Executive Director, UN Global Compact Office

### ***Substitute Board Members***

NAM Young-chan	Representative from SK Group for Mr. CHEY
Laurent CORBIER	Representative from Areva for Ms. LAUVERGEON
Jose CARLOS VIDAL	Representative from Petrobras for Mr. GABRIELLI DE AZEVEDO

\* Not present at 25 March 2010 Board meeting

## Appendix 2: Discussion over Lunch with Government Representatives and UN Global Compact Board Members

Following the meeting, Board members joined Government representatives for a discussion on advancing the corporate sustainability agenda. The discussion was focused, in part, on the Global Compact Leaders Summit 2010.

Summary of discussion:

- **UN Secretary-General Ban Ki-moon** opened the luncheon urging guests to heed the lessons of the financial crisis (see Appendix 3). The Secretary-General also recalled, with fondness, how the Republic of Korea was a latecomer to the Global Compact but is now host to one of the most robust Local Networks.
- Vice-Chair of the Global Compact Board **Sir Mark Moody-Stuart** updated attendees on key outcomes of the Board meeting, particularly on developments regarding the integrity measures and preparations for the Leaders Summit.
- **Hugette Labelle** briefed the attendees on the guidance materials being developed by the Anti-Corruption Working Group and emphasized the importance of addressing corruption as a prerequisite to achieving social stability.
- **Chad Holiday** updated the Government representatives on the work of the Environmental Working Group, particularly the development of best practices in the lead-up to the Leaders Summit.
- **Mary Robinson** provided a summary of her presentation to the Board regarding the work of the Human Rights Working Group. She reiterated the importance of working with the SRSG and of ensuring that the 10 Principles remain a cornerstone of the Global Compact's growth.
- **Guy Rider** in his capacity as Co-Chair of the Labour Rights Working Group noted the need to develop and strengthen labour unions on the national level, particularly in the wake of the financial crisis.
- **Chen Ying** and **Juan de La Mota** provided updates on Local Networks in China and Spain, respectively. **Chen Ying** emphasized the reach of the Networks, as they also encompass many business associations. **Juan de La Mota** stressed that in order for Local Networks to be effective they need support and guidance from Governments, who should lead by example. He reinforced Ms. Chen's assertion that Local Networks play an important educational role, particularly in regards to SMEs.
- **H.E. Mrs. Regina Maria Cordeiro Dunlop**, Deputy Permanent Representative of Brazil, noted that her country is proud to have the fourth largest number of companies in the Global Compact as well as two representatives on the Board. She explained that the Government of Brazil has actively encouraged the acknowledgement of sustainability issues within BM&F Bovespa, the Brazilian stock market. She mentioned that representatives of organized Labour have been crucial in advising President Luiz Inacio da Silva in the aftermath of the recent financial crisis.
- **H.E. Ms. Claudia Blum**, Permanent Representative of Colombia, acknowledging that Colombia recently opened a Global Compact Regional Support Centre in Bogotá and emphasized that corporate sustainability is a tool that enhances democracy and stability. Investment in corporate sustainability has contributed to the positive societal transformation that Colombia has experienced. Prioritizing these matters at the Government level leads to greater trust and confidence of citizens, investors and among the international community. It is critical that Governments work with civil society and support the Local Networks to advance this agenda.
- **H.E. Mr. Martin Ney**, Deputy Permanent Representative of Germany, reaffirmed Germany's support of the Global Compact, noting the importance of the initiative, particularly in the context of economic and social changes in Germany. Indicating that corporate sustainability is critical to equitable globalization, he emphasized that Germany has integrated these principles and practices into the national development agenda. For instance, the Foreign Affairs Office recently launched a corporate sustainability strategy, in the process creating a web-based platform to

advise German companies on corporate sustainability matters and to increase the visibility of these initiatives.

- **H.E. Manjeev Singh Puri**, Deputy Permanent Representative of India, emphasized that business is a key facet of society and thus must also become involved with the United Nations. He further noted that India, like Germany, has evolved to become a strong supporter of corporate responsibility, which can no longer be considered simply as a form of philanthropy, but rather, has to be understood in terms of value creation.
- **H.E. Mr. Herman Schaper**, Permanent Representative of the Netherlands, recognized that corporate sustainability can yield profit generation and affirmed that his Government was devoted to raising awareness of these issues among Dutch companies. He stressed the importance of increased coherence between international organizations and relevant initiatives.

### **Government Representatives attending lunch with Board members:**

H.E. Mr. Tête António	Permanent Observer of the African Union
H.E. Ms. Claudia Blum	Permanent Representative of Colombia
H.E. Mr. Federico Alberto Cuello Camilo	Permanent Representative of Dominican Republic
H.E. Mr. Claude Heller	Permanent Representative of Mexico
H.E. Mr. Herman Schaper	Permanent Representative of the Netherlands
H.E. Mrs. Regina Maria Cordeiro Dunlop	DPR of Brazil
H.E. Mr. Martin Ney	DPR of Germany
H.E. Mr. Manjeev Singh Puri	DPR of India
H.E. Mr. Shin Boonam	DPR of the Republic of Korea
Mr. Erik Hoeg	DPR of Denmark
Mr. Mohamed Fathi Edrees	DPR of Egypt
Mr. Ebenezer Appreku	DPR of Ghana
Mr. Erik Lundberg	Minister Counsellor of Finland
Ms. Maria-Francesca Spatolisano	First Counsellor of the European Union
Mr. Li Kexin	Counsellor of China
Mr. Eric Deudal	Counsellor of France
Ms. Shuli Davidivich	Counsellor of Israel
Mr. Francisco Barrios de Tiedra	Counsellor of Spain
Mr. Per Bäckman	Counsellor of Sweden
Mr. Satoshi Morita	Advisor of Japan

### **Appendix 3: Secretary-General's Remarks to United Nations Global Compact Ambassadorial Lunch**

Ten years ago, the United Nations launched the Global Compact. It was designed to be a small, experimental initiative to advance universal values and engage business to support United Nations goals.

In 2000, just over 40 companies came to United Nations headquarters to make a formal commitment to advancing sustainability principles in their operations and within their communities.

In 10 short years, that initiative has grown to become the largest corporate citizenship and sustainability initiative in the world -- with 8,000 corporate participants and stakeholders from over 130 countries.

I thank ambassadors here today for supporting the Global Compact and for giving it both political and financial support.

Over the years, the Global Compact has grown to become a critical platform for the United Nations to engage effectively with enlightened global businesses. The initiative has proven to be an important instrument to galvanize support from the private sector to advance the goals of the United Nations.

The need for responsibility and leadership has never been greater. As the world is working to restore trust and confidence in markets, we must heed the lessons of the recent financial crisis. First, business, civil society and Governments will be increasingly called upon to build markets that provide better access for the poor. Second, a shift from short-term profit maximization to long-term sustainable value creation is necessary. Corporate responsibility must become the cornerstone of ethically robust markets. There is a strong case that addressing critical issues, such as poverty and climate change, can simultaneously spur growth and tackle long-term challenges.

This year we will bring the private and public sectors together at the Global Compact Leaders Summit 2010. This will take place here in New York on 24-25 June. The Summit will provide a substantive platform to take stock of collective challenges and create momentum to scale up promising solutions. I count on high-level leaders from Government and business to attend the Summit.

At the Summit there will also be a strong emphasis on the Millennium Development Goals, which is a major priority this year.

We have an enormous opportunity to make progress on critical issues by continuing to align the private sector with United Nations goals.

Thank you for doing your part to advance this effort.