



United Nations Global Compact Leaders Summit
5-6 July 2007
Geneva, Switzerland

GENEVA DECLARATION

Preamble

It is unprecedented in history to have the objectives of the international community and the global business community so aligned. Common goals, such as building sustainable markets, combating corruption, safeguarding human rights and protecting the environment, are resulting in new levels of partnership and openness among business, civil society, labour, governments, the United Nations, and other stakeholders.

Underlying this new spirit of collaboration is the belief that globalization, if rooted in universal principles, has the power to improve our world fundamentally – delivering economic and social benefits to people, communities and markets everywhere. The need for action is urgent. Poverty, income inequality, protectionism and the absence of decent work opportunities pose serious threats to world peace and markets.

Business, as a key agent of globalization, can be an enormous force for good. Through a commitment to corporate citizenship and the principles of the UN Global Compact, companies can continue to create and deliver value in the widest possible terms. In this way, globalization can act as an accelerator for the diffusion of universal principles, creating a values-oriented competition for a “race to the top”.

Understanding this unique moment in time, we, the participants of the Global Compact Leaders Summit gathered in Geneva, agree to the following statements and pledges:

The Role of Business in Society

- 1) Globalization is redefining the role of business in society. As interdependencies between markets, communities and people deepen, business organizations face an ever-widening range of environmental, social and governance issues.
- 2) Companies that proactively adopt and implement corporate citizenship practices – through the UN Global Compact principles or other similar corporate responsibility initiatives – are better positioned to ensure the sustainability of their operations and the markets and communities in which they do business and depend on.
- 3) Responsible business practices can contribute to social and economic inclusion, helping to advance international cooperation, peace, development, and the protection of human rights – the fundamental goals of the United Nations.
- 4) Open and accurate communication on progress on the integration of the UN Global Compact principles is important for companies to measure their performance and allow stakeholders to assess that progress.
- 5) Partnership and collaboration with stakeholders – including governments, civil society and labour – are essential as the dilemmas, challenges and opportunities at both the global and local levels are sometimes too complex for any one actor to address or solve alone.
- 6) Investors and the finance community are increasingly placing importance on the proper management of environmental, social and governance issues by companies, and are incorporating this interest into investment decision-making and value considerations. The Principles for Responsible Investment is a framework for institutional investors in this regard. Using standardized methodologies and indicators, such as the Global Reporting Initiative, is essential to allow investment decisions to be made on the basis of comparable data.
- 7) In situations of weak state governance or in areas of the world where tensions or conflict prevail, investors (and the companies they invest in) can sometimes play a more helpful role through engagement rather than divestment, provided such activities are in line with the principles of the UN Global Compact and use the various tools and guidelines developed by multi-stakeholder groups to ensure that such investment is likely to be beneficial in those situations.

- 8) Investors can contribute positively by encouraging companies in which they invest to be transparent and ensure that they are pursuing responsible business practices, while urging governments in these states to act responsibly and uphold pertinent laws and international norms.
- 9) Lenders can ensure that funds loaned are applied in ways that are aligned with international standards. The Equator Principles provide a platform to encourage the application of commonly agreed standards.

Actions for UN Global Compact Participants

- 10) We, the participants of the *Global Compact Leaders Summit*, commit to advance the implementation of the UN Global Compact and its ten principles continuously in the areas of human rights, labour conditions, the environment and anti-corruption. We will strive to give concrete meaning to a principles-based approach in our strategy, operations and culture.
- 11) We will engage in responsible advocacy on global challenges, including climate change and the Millennium Development Goals. We will work in partnership and collaboration with other stakeholder groups to arrive at practical solutions to common problems.
- 12) We will seek to ensure that our corporate citizenship commitments and policies are embedded throughout our organizations, including relevant governance bodies and subsidiaries, and commit to report on our activities through annual Communications on Progress.
- 13) We will seek to mobilize our subsidiaries and business units around the world to engage in the UN Global Compact's Local Networks, with a view to strengthening them so that the ten principles are embedded in cultures and languages everywhere.
- 14) We will encourage our supply chain partners and other organizations we do business with to commit to the UN Global Compact and its ten principles.
- 15) We commit to build on best practices and form alliances and collaborative efforts with other businesses, including between foreign and local companies, and within industry sectors.
- 16) We will seek to instil the tenets of corporate citizenship in tomorrow's business leaders, through support for initiatives such as The Principles for Responsible Management Education.

Actions for Governments

- 17) We, the participants of the *Global Compact Leaders Summit*, are taking steps to make the global economy more robust and inclusive by implementing universal principles into business practices. But, responsible business practices will provide benefits to society only in an enabling environment. We call on Governments to cultivate environments with effective economic institutions and supportive policy to provide long-term stability and promote transparency and entrepreneurship.
- 18) We urge Governments to ratify and effectively implement relevant conventions and declarations, including the ILO core labour standards and the United Nations Convention against Corruption.
- 19) We call on Governments to provide support for responsible business on national and international levels through public advocacy and educational support.
- 20) We call on Governments to support an open international trading system and discourage protectionism and inward orientation.
- 21) We recognize that the UN Global Compact is an innovative public-private partnership with a governance, support and funding structure specifically tailored to the diversity of its stakeholders and its mission to advance UN values among the global business community. We encourage the Member States of the United Nations and the Secretary-General to continue to support the initiative and uphold its position within the Organization.

In conclusion, we, the participants of the Global Compact Leaders Summit, believe that through responsible business practices a more sustainable and inclusive economy can be realized.