"Unless globalization works for all, it will work for nobody," said UN Secretary General Kofi Annan on January 31, 1999 at the World Economic Forum in Davos. For the first time, he called upon business representatives from all over the world to become involved in setting up social and ecological cornerstones to support a new global economy. The aim was to make business part of the solution to meet the challenges posed by globalization.

The idea behind the UN Global Compact, which includes representatives from the private sector as well as the United Nations, labor associations and civil society, of promoting universal social and environmental principles was born. In July 2000, the operating phase was launched at the headquarters of the United Nations in New York.

Success story

Today the UN Global Compact is the biggest CSR initiative in the world, with more than 2,700 participants from all sectors of business, labor associations and organizations from more than 90 countries.

"The Global Compact has the potential to be a truly global platform, with great appeal not only in the industrialized countries but also in the developing world," said Kofi Annan. In Austria, seven companies are already involved with constructive dialog.
Working together towards a common goal

In Austria, OMV and Wienerberger were the first companies to commit themselves to the Global Compact in 2003. They were followed by Adecco Austria, EVN, software-systems.at – and most recently, Conness Austria and EnergyCabin.

Around the world, both multinationals from the industrialized nations and small companies from emerging countries are engaged in the Global Compact. “It is vital that we become proactive to turn the challenges such as the supply of water and energy in Africa into opportunities,” explained the Director of the UN Development Program (UNDP), Klaus Töpfer.

Think global – act local

In addition to the corporate participants, there are around 40 active national and regional networks across the world. These have evolved to support the Global Compact in a local context through dialog, education, implementation of the principles and partnership projects and to promote quality assurance. In Austria, this task is performed by respACT austria.

For an international company like Wienerberger it is important to be transparent for external stakeholder groups. By signing the UN Global Compact in 2003, we made an official commitment to corporate social responsibility. We actively champion ethical corporate conduct and ensure rigorous implementation of the ten principles of the Global Compact for good corporate citizenship throughout the whole Wienerberger Group. To date, this commitment has been very positively valued by the public. Hannes Reithofer, CEO Wienerberger

The profile of the Global Compact has increased in recent years, particularly in the financial sector. Financial analysts are taking more and more notice of a company’s voluntary efforts in relation to the environment, social issues and corporate governance in their company risk assessments. Pension funds managing assets of over four billion US dollars are participating in the “Principles for Responsible Investments” initiative launched this year, which will reinforce this trend. We hope that in the next few years, participants in the initiative will set even greater store by the quality of implementation and we are working particularly closely with our local networks to make the global values of the Global Compact relevant at a local level. We hope that in a regional context, a lively exchange with other networks in Western and Eastern Europe will make the ten principles of the Global Compact a standard for all socially responsible companies.

Birgit Errath, UN Global Compact office, New York

In our Code of Conduct we have committed ourselves to corporate responsibility in line with the triple bottom line (economy, environment, social issues). Our participation in the UN Global Compact demonstrates to the outside world that we also live these values and strive to implement them. We see the UNGC as a great opportunity to measure ourselves against other larger global companies and to learn from them. We are involved in a wide range of measures based on the UNGC and the Millennium Development Goals such as sustainable education and health projects in Pakistan and the Future Energy Fund in the renewable energy sector.

Wolfgang Rutenstorfer, Generaldirector OMV

By signing up to the UN Global Compact in September 2005, we have also enshrined the universal standard for economic, social and environmental issues for the whole company as a sign to the outside world. Although EVN already operates in line with all ten principles of the Compact as the company lives up to its responsibility, we nevertheless see this as an incentive to further improve and in particular, to systematically include all companies in the EVN Group in this commitment.

Burkhard Hofer, Chairman of the Management Board EVN

software-systems.at has been actively involved in the UN Global Compact initiative since 2004. The Austrian market leader in the field of international fund data and financial data research and operator of the Finance & Ethics Academy knows that ethical criteria are becoming more and more important in the selection of investments. This trend is confirmed by the sustainable investments of software-systems.at which also take account of the Global Compact.

Richard Lernbass, MD of software-systems.at

In our sector, recruitment consultancy, we have to particular account of principle No. 6 – the elimination of discrimination in employment and occupation. Here we have established a Code of Conduct which prohibits any type of discrimination. Furthermore, our staff undergo continuous training to prepare for difficult situations such as a customer only wanting to recruit Austrians. We recently set up the “whistle blower” hotline which employees can call if they feel they are suffering from sexual harassment or have seen this behavior going on around them.

Stefano Longo, Managing Director Adecco GmbH

Our commitment to the principles of the UN Global Compact, EnergyCabin® refers very closely to issues of environmental protection. As a developer, producer and distributor of mobile systems for the use of renewable energies, EnergyCabin® is concentrating on establishing the widespread and easy use of these energies in order to be able to meet the challenges of the global growth in demand for energy on a sustainable basis. EnergyCabin® has made the ninth UNGC principle in particular – to encourage the development and diffusion of environmentally friendly technologies – THE priority environmental policy mission at the center of all its corporate operations.

Karl Heinz Lesch, Managing Director of EnergyCabin
How can companies benefit?

Sustainable investment funds now account for a volume of around 8 billion euros in the German-speaking market. In the first eight months of 2005 alone, this investment segment saw growth of 28 per cent according to figures published by the Sustainable Business Institute (SBI). Sustainable investment is therefore no longer a niche product. Investors have recognized that responsible companies are more successful in the long term and are beginning to reward this to a greater and greater extent.

However, participation in the Global Compact brings with it many other additional advantages:

- Companies already active in Corporate Social Responsibility (CSR) can use their corporate sustainability reports to also communicate their Global Compact activities at negligible expense.
- Participating companies are managing risk by taking a proactive stance on critical issues.
- The development of practical solutions for current problems relating to globalization, corporate social responsibility and sustainable development in a multi-stakeholder context.
- Access to the global influence and the mobilization power of the United Nations with respect to governments, companies, labor organizations, civil society and other interest groups.
- Participants exchange ideas and information of successful approaches and experience between participants.

Ten principles for a better world

The Global Compact is based on ten principles which participating companies must uphold. These cover human rights, labor standards, environmental protection and since 2004 anti-corruption.

Human rights

The Secretary General calls upon international business leaders:

Principle 1: to support and respect the protection of international human rights in their sphere of influence and
Principle 2: to make sure that their own companies are not complicit in human rights abuses.

Labor standards

The Secretary General calls upon international business leaders to advocate the following:

Principle 3: to uphold freedom of association and the effective recognition of the right to collective bargaining,
Principle 4: to eliminate all forms of forced labor,
Principle 5: to effectively abolish child labor and
Principle 6: to eliminate discrimination with respect to employment and occupation.

Environmental protection

The Secretary General calls upon international business leaders:

Principle 7: to support a precautionary approach to environmental challenges,
Principle 8: to undertake initiatives to promote greater environmental responsibility,
Principle 9: to encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: to work against all forms of corruption including extortion and bribery.
Membership of the Global Compact

Your company would like work towards a fairer world and assume its corporate social responsibility as part of the Global Compact

Participation criteria for companies:

- The managing director or CEO sends a letter to the Secretary General Kofi Annan, preferably endorsed by the Management Board, expressing support for the Global Compact and its principles (address: United Nations, New York, NY 10017; Fax: +1212-963-1207)

- The company sets in motion changes to its business operations so that the Global Compact and its principles become part of strategy, culture and day-to-day operations.

- The company will publicly advocate the Global Compact and its principles through its press releases, speeches and similar forms of communication.

- In its annual report, the company will describe how it is supporting the Global Compact and its ten principles. This “Communication on Progress” is an important tool with which to render public account of how the company is implementing the Compact.

Contact and advice:
respACT austria, Dr. Werner Mikulitsch,
Contact: +43 (0) 710 10 77-13, w.mikulitsch@respact.at

Useful books

„Leading the Way in communication on progress“

Short practical guide to implementing and communicating the 10 principles of the Global Compact. Tips and experiences from many participating companies giving step-by-step help on how to best structure your “communications on progress”.

„A Guide for Integrating Human Rights into Business Management“

Comprehensive information guide on setting up an internal Global Compact strategy – indicating risks and opportunities on implementation and tips for organization.

The brochures are available as downloads from:
http://www.unglobalcompact.com/NewsAndEvents/recent_publications.html

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