

Environmental Principles Training Package

Module

1

INTRODUCTION TO THE GLOBAL
COMPACT

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MODULE 1: INTRODUCTION TO THE UNGC

TIME: 2 hours (suggestion only)

OBJECTIVES

The objectives of this session are to:

- provide an opportunity for delegates to introduce themselves;
- clarify expectations;
- discuss the course agenda and objectives;
- introduce the Global Compact;
- provide an overview of the three environmental principles, and
- outline the benefits of participating in the Global Compact.

SUGGESTED PROCEDURE

If possible, before beginning the course, you should arrange for the delegates to have read the background reading relevant to this module and its exercises. These readings are in the *Delegates' Manual*, and include:

- Kofi Annan's speech to the World Economic Forum
- The Rio Declaration on Environment and Development
- The Johannesburg Declaration
- The Stockholm Declaration
- Three extracts/critiques on the Global Compact.

If resources allow, each delegate should be given a complementary copy of the *Global Compact Resource Package*. More details on availability can be found at:

www.uneptie.org/pc/pc/tools/globalcompact.htm

The session begins with a welcome and introductory "ice-breaker" session. The nature of this session will depend on the size of the group and the level of seniority in the group. It is by no means an essential component of this module.

While a suggested ice-breaker is outlined below, you as the trainer should feel free to tailor this to suit the circumstances. You should aim to spend no more than 30 minutes on the exercise.

Once the introduction and ice-breaker session has been completed, revert to the PowerPoint slides that outline the course objectives, the timetable and the route map. You may also wish to place the basic schedule for the course on a flipchart. The advantage of doing this is that it can be left up in the room allowing the trainer to refer back to it to remind delegates of what has been covered and where they are going next in sessions. Make a note of any objectives that have been identified by delegates and that are not addressed in the curriculum and ensure that this is incorporated into one of the sessions or exercises later in the seminar. If a topic of interest is raised by delegates that cannot be incorporated into the agenda try and arrange for a lunchtime debate or session at some stage in the seminar.

It is suggested that you spend approximately 1 1/2 hours on the PowerPoint presentation (this

includes the ice-breaker session), followed by a minimum of 15 minutes for questions. Spend approximately 45 minutes on Exercise 1-1. The slides are available online at: <http://www.unep.fr/outreach/compact/index.htm>.

Speaker's Notes

Slide 1 Title Slide

Use this opportunity to welcome the class and to introduce yourself (if required).

Slide 2 Introductions and "Ice-breaker"

If this is the first time that the group of people has come together it is important that they get to know each other. There are various ways in which this can be done. The following proposed "ice-breaker" and introductions exercise is **one option** in which this can be achieved. As the trainer you may feel more comfortable to use another, less detailed approach depending on the nature of the class delegates.

Ask delegates to draw a stick figure on their flipchart and to address the following areas (using words or images):

Names in group

HEAD: What do you as a group think are the key characteristics of people who work in your respective fields?

FEET: What do you want to walk away with by the end of the course i.e. objectives for being here? You could have shared objectives or individual objectives with names against these.

HANDS: What skills / experience do you bring (shows combination of skills eg between us 35 years of experience in enviro field, John has degree in x, Sally worked as a planner for x, Peter represents 500 workers, etc.)

OPTIONAL: Personalise the stick figure – discuss what interests / hobbies etc you have in common as group and draw these onto stick figure (i.e. all like soccer so draw in football boots, birding, so include a pair of binoculars, etc.) This helps to get people talking and to find things in common.

The aim of this introductory exercise is to get people talking quickly and to share things about themselves. It also helps to surface their objectives and can immediately open the discussion on a topic relating to the programme. The drawing and personalising part helps relax the individuals and also gets more creative thinking started as it stimulates right brain thinking.

The groups will each have 20 minutes to discuss and produce their flipchart. They will then be asked to do brief presentations to go through key points from their flipchart with other groups. If possible, try to keep this to 10 minutes, although this will vary considerably depending on the size of the class.

Slide 3 Course objectives

Explain that the course has been designed to meet the following objectives:

- to introduce the Global Compact and its three environmental principles – for existing and relative newcomers to the Compact;
- to convince managers that it is in their company's interests to undertake activities in support of the Global Compact, and
- to help delegates develop strategies and programmes that support the three principles.

Slide 4 Course structure

Explain that the course will be split over five modules, comprising the following (*note: this may vary depending on the specific training needs and objectives of your particular course, and the final structure*):

- **Module 1: Introducing the Global Compact (UNGC)** – The main objectives of this module are to introduce the course, to provide an overview of the UNGC, reviewing how it has developed since it was proposed in 1999.
- **Module 2: The Business Case for the UNGC Environmental Principles** – This module provides an overview of corporate sustainability and outlines the business case for environmental responsibility, demonstrating the importance of these for business. This is achieved through a combination of presentation and discussion sessions – depending on the delegates' needs and level. The module is split into two sessions.
- **Module 3: Understanding the UNGC Environmental Principles** –The module is split into three sessions, one per principle.
- **Module 4: From Principle to Practice: Case Studies in Implementation** – In this module, delegates are introduced to a large cross section of tools for sustainability. They will be encouraged to work through a diverse range of case studies, solve problems, design strategies and debate the issues that emerge from these. The main objective of this module is to equip delegates with the full 'toolbox' that will enable them to return to their company and (where relevant) to incorporate the UNGC environmental principles into their businesses.
- **Module 5: Business and Sustainability Initiatives: An Overview** – This module is optional, but provides a sound overview of all the current environmental and sustainability-related management standards, codes of conduct and sectoral business initiatives. Most of these have been developed over the last decade, with a number of the initial standards being developed around the time of the 1992 Rio Earth Summit. The module should serve to motivate and inspire the delegates by showing them how corporations are making sense of sustainable development in different ways. It will help them to understand all the various tools in the broader context of environmental sustainability codes, standards etc, as well as to introduce them to the range of initiatives and resources available from which to draw ideas and to learn from.

Slide 5 The Global Compact – Background

At the World Economic Forum in January 1999, UN Secretary General Kofi Annan called on business leaders to join an international initiative aimed at bringing business together with UN agencies, labour, NGOs and other civil-society actors to foster partnerships in the pursuit of a more sustainable and inclusive global economy. While corporate citizenship has emerged as a distinct business approach in the past decade, the Secretary General recognised that there was a need for a global framework to assist companies in the development and promotion of values-based management world-wide.

Refer delegates to the Global Compact Resource package found at www.uneptie.org/pc/pc/tools/globalcompact.htm for additional background information.

Slide 6 Understanding the Global Compact

Explain that the Global Compact is not a UN agency but a network that exists to promote an initiative. At its core is the Global Compact Office with six UN agencies – the Office of the High Commissioner for Human Rights (OHCHR), the International Labour Organisation (ILO), the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), United Nations Industrial Development Organisation (UNIDO) and United Nations Office on Drugs and Crime (UNODC).

In addition to the United Nations, which acts as a convenor and facilitator, each of the following relevant social actors are represented in the Global Compact network:

- *Companies*, whose actions it seeks to influence.
- *Labour*, in whose hands the concrete process of global production takes place.
- *Civil society organisations*, representing the wider community of stakeholders.
- *Governments*, who defined the principles on which the initiative is based.

The Global Compact aims to encourage innovation, creative solutions and good practices among its participants. As a voluntary corporate citizenship initiative, it is *not* a substitute for regulatory structures or other codes. It relies on 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.

With the Global Compact rooted in internationally accepted principles, delegates in this course can feel confident that their actions are being guided by values that are universally supported and endorsed.

The emphasis in the Global Compact is to bring about corporate change through the use of a learning approach that facilitates discussion between the various groups and builds new relationships for future projects. In adopting such an approach, rather than a policing regulatory approach, the Global Compact has gone into “uncharted territory”, and this has invited some criticism from those who would like it to have sharper teeth in the form of monitoring and verification. However, as stated, these are not areas within the mandate of the Global Compact.

Slide 7 The benefits of participating in the Global Compact

There are many benefits associated with subscribing to the Global Compact. By engaging in it, business leaders demonstrate a position of leadership with regard to corporate citizenship, sharing experiences and learning with like-minded companies and organisations, building relationships with other companies, government bodies, labour, NGOs and international organisations, and partnering with UN agencies.

The Global Compact is one of the only initiatives that seek to shift the debate about the role of business in society and emphasises open markets. In addition, it is unique in providing companies with access to UN expertise, which is among the most specialised in the world. The Global Compact also offers a simple framework for engagement without expensive certification and tick-the-box type monitoring.

Slide 8 The Ten Principles

The Global Compact is based on a series of documents that are almost universally accepted within the international community. These include the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at work, the Rio Declaration on the Environment, and the UN Convention Against Corruption. The Global Compact draws on these documents, for the universal values they express, as the basis of the ten principles. The Global Compact asks companies to integrate these principles into their core business operations and to pursue projects and corporate activities that advance the principles and broad UN goals. One of the overriding objectives is to embed the principles (hence corporate citizenship) into corporate-management strategy and decision-making. In signing the Global Compact, the business community is saying that it is prepared to stand up and be judged by its actions rather than its words.

Slide 9 Environmental Principles

Read these out: Businesses are encouraged to ...

7. *Support a precautionary approach to environmental challenges;*
8. *Undertake initiatives to promote greater environmental responsibility; and*
9. *Encourage the development and diffusion of environmentally friendly technologies.*

Slide 10 Key Characteristics of the Global Compact

Explain that there are three key characteristics that define the Global Compact, and these include the fact that it represents a *learning approach*, it comprises a *diversity of actors and approaches* and that it is a *decentralised network*. Each of these characteristics is then explored in more detail in the following slides.

Slide 11 Key Characteristics: A Learning Approach

The central idea here is that the relative significance of the principles of the Global Compact will differ a great deal between companies, and that companies may choose to focus on vastly differ-

ent elements of a chosen principle. An important underlying objective of these principles is to encourage innovation and creative solutions. Companies may often face dilemma situations when attempting to implement what seem, at first glance, to be simple principles. An important goal of the UN Global Compact is to assist companies in addressing these dilemmas – including possible trade-offs between the different principles – by sharing their respective experiences with other UNGC participating companies.

Slide 12 Key Characteristics: Diversity of Actors and Approaches

A central component of the Global Compact is the diversity of actors involved. These include non governmental organisations (NGOs), trades union, companies, business organisations and academia. Each one of these groups is involved in various capacities in the Global Compact.

The Global Compact is not about “preaching to the converted” but rather aims to induce change in those sectors of business where improvement is needed. It tries to achieve this by bringing together partners from business and other organisations to learn from each other. The Global Compact allows for shared learning between companies, even those that compete with each other for markets and capital. Such companies have realised that the complex challenges of sustainable development need an active balance of cooperation and competition. In this sense, the Global Compact operates as a catalyst for shared learning. There is also another important reason for identifying and sharing good implementation practices: none of those actively committed wants to see the Global Compact, as it extends its reach, turn into a ‘two-speed’ initiative with only a small number committed while others drag their feet and act as free-riders.

Slide 13 Key Characteristics: A Decentralised Network

The Global Compact is not a large bureaucracy. Only a handful of staff works in the UN Global Compact office, with delegated co-ordinators in the agencies. This is largely because the Global Compact is owned by the organisations that participate in it, and it exists more through their actions, as opposed to those of the UN. In this way, it is a call to action with the UN and its agencies playing a co-ordinating role rather than a driving force.

Slide 14 UNEP Division of Technology, Industry and Economics

UNEP, as one of the six core agencies, is guardian of the environmental principles in the Global Compact. The focal point for this in the UNEP is its Division of Technology, Industry and Economics (UNEP DTIE) based in Paris, France.

UNEP DTIE has the following activity areas:

- | | |
|--------------------------------------|--|
| ■ Chemicals management | www.chem.unep.ch/ |
| ■ Ozone management | www.uneptie.org/ozonaction/ |
| ■ Energy and transport | www.uneptie.org/energy/ |
| ■ Environmentally sound technologies | www.unep.or.jp/ |
| ■ Economics, finance and trade | www.unep.ch/etu/index.htm |

- Sustainable production and consumption www.uneptie.org/pc/home.htm
- Business and Partnerships <http://www.unep.fr/en/branches/partnerships.htm>

Slide 15 Key Characteristics: What the UNGC is not

It should be clear at this stage, that the Global Compact is *not* any of the following:

- a code of conduct;
- a mechanism to check compliance;
- a mandatory set of guidelines;
- a regulatory system, or
- an attempt to shift governmental responsibilities to business.

Slide 16 Useful references

You could mention the following as useful references and guides, which you should encourage delegates to source in their own time:

- The UN Global Compact Resource Package – available from the UN Global Compact website: www.uneptie.org/pc/pc/tools/globalcompact.htm
- Raising the Bar (edited by Fussler, C; 2004)
- The Employer's Guide to the Global Compact by the International Organisation of Employers (2001): www.ioe-emp.org/ioe_emp
- Global Compact Self-assessment Tool currently being developed by the Business for Social Responsibility (2004): www.bsr.org

Exercise 1.1 – Critically reviewing the UN Global Compact

Read Extracts 1-3 (below), then undertake the following activities:

- 1. Split the class in half, with one half role-playing as Global Compact proponents and the other as its critics. Initiate a debate with the following title: "The Global Compact: An excuse for business-as-usual or the basis for shared responsibility?"**
- 2. In groups, draw up a table with two columns, one with the Global Compact proponent's arguments, the other with its critics. Discuss these, and if possible try to distil them into a few key words.**
- 3. Each group will present their respective tables, and the class will come up with a definitive set of arguments for and against.**

The aim of this exercise is to provide delegates with an opportunity to identify and critically review some of the strengths and potential weaknesses of the Global Compact, based on three extracts. This will take the form of a structured mini-debate amongst the delegates. Allow at least half an hour for this exercise.

In the course of the discussion and debate, try and encourage delegates to consider the following areas:

- The extent to which the Global Compact can be distinguished from other international initiatives (such as ISO 14001), and what added-value the Global Compact brings in comparison to these other initiatives.
- Consider who actually drives the initiative? Is it the UN, big business, multi-stakeholders or individuals? What is their motivation for doing so?
- Critically review the issue of quality control, the entry and exit rules, the monitoring and follow-up activities, and annual communications and reporting.
- Consider integrity and trust issues: will the Global Compact inspire real change, or can it be used as a basis for simple window dressing?
- Understand the concerns that many have with the idea that the UN is working more closely with big business; this is opposed by some NGO groups (as reflected for example by the Campaign for a Corporate Free UN).
- Is the implementation of the principles realistic? How can their implementation be enhanced? Consider such issues as management tools, the extent of internal capacity, and flexibility / relevance to local needs.