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Can we envision a day when a critical mass of companies is investing in a better world? Where business is delivering value for the long-term – not just financially, but also socially, environmentally and ethically? Over a decade ago, it was hard to imagine, but we can now say with confidence that a global movement is underway.

It was this fragile state of the union between business and society that led the UN Secretary-General in 1999 to propose that business and the United Nations jointly initiate a “global compact of shared values and principles, to give a human face to the global market.” From 40 companies that came together at our launch in 2000, the Global Compact has grown to 8,000 companies and 4,000 non-business signatories based in more than 145 countries. We now have 100 country networks that are convening like-minded companies and facilitating action on the ground, embedding universal principles and responsible business practices in all continents.

EFQM has played a critical role in the development of the Global Compact. Our partnership, formed a decade ago, introduced us to the continuous performance model, which inspired the Global Compact’s Communications on Progress (COP) methodology. EFQM’s mission and the Global Compact’s aspirations are strategically aligned. As the business and society agenda has evolved significantly over the past decade,

a stronger collaboration between the two organisations promises to build a healthier balance between businesses, citizens and the planet.

The reality is that environmental, social and governance challenges affect the bottom-line. Market disturbances, social unrest and ecological devastation have real impacts on business vis-à-vis supply chains, capital flows, and employee productivity. We also live in a world of hyper-transparency, with people now more empowered than ever to hold Government and the private sector accountable for their actions. There has been a fundamental shift as companies come to realise that it is no longer enough to mitigate risk, but that they are expected to contribute positively to the communities in which they operate.

More persuasive than the risks are the opportunities that come with going global. As economic growth has migrated East and South, more companies are moving from being resource takers, to market builders. Now, when faced with complex issues – extreme poverty, lack of education, gender inequality, environmental degradation – responsible companies see themselves as equal stakeholders for the long run, knowing that they cannot thrive in societies that fail. This has encouraged business to collaborate and co-invest in solutions that produce shared value for business and society.





About United Nations Global Compact

The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally-accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Endorsed by chief executives, the UN Global Compact is a leadership platform for the development, implementation, and disclosure of responsible corporate policies and practices. Launched in 2000, it is the world's largest voluntary corporate sustainability initiative, with 8,000 corporate signatories in 145 countries, and Local Networks in 100 countries.

While we have seen a great deal of progress, there is much work to be done. Companies everywhere are called on to do more of what is sustainable and put an end to what is not. We need corporate sustainability to be in the DNA of business culture and operations. The priority is to reach those who have yet to act, and especially those actively opposing change. Governments must create enabling environments for business and incentivise responsible practices. Financial markets must move beyond the short-term, where long-term returns become the overarching criteria for investment decisions. We need clear signals that good environmental, social and governance performance by business is supported and profitable.

What will the future look like? The pieces are in place to achieve a new era of sustainability. The good news is that enlightened companies – which comprise major portions of the global marketplace – have shown that they are willing to be part of the solution and are moving ahead. Decisions by business leaders to pursue sustainability can make all of the difference. We can move from incremental to transformative impact, showing that responsible business is a force for good.



CREATING A SUSTAINABLE FUTURE