

Group of 78 Annual Policy Conference 2005
Internationalism Revitalized, or "Pax Americana":
W[h]ither Canada?

GLOBAL COMPACT MEMBERS DISCLOSE ACTIONS
SUPPORTING GOOD CORPORATE CITIZENSHIP

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The United Nations today (<http://www.un.org/News/Press/docs/2005/eco91.doc.htm>) announced the results of the first phase of a policy requiring participant companies to disclose their progress in implementing the main principles of Secretary-General Kofi Annan's (<http://www.unglobalcompact.org/Portal/Default.asp>) Global Compact initiative, which seeks to advance good corporate citizenship and responsible globalization.

"This is an important milestone in the evolution of the Global Compact and voluntary initiatives generally," said Georg Kell, Executive Head of the Global Compact. "We now have in place a tool that will promote transparency and make companies more accountable to their stakeholders with respect to their commitment."

The policy went into effect on 30 June 2005 for the 977 participants that have been in the Global Compact for at least two years. The Compact today includes nearly 2,200 companies from more than 80 countries with a combined market capitalization of more than \$4.5 trillion.

It asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption. Since he first envisioned the initiative in 1999, Mr. Annan has encouraged participating companies to make clear statements of support and submit an annual report that includes concrete examples of "good practices" for other firms to emulate.

The so-called Communication on Progress policy requires that participants - to avoid being identified as "inactive" on the Compact's website - develop an annual disclosure to their stakeholders on implementation actions within two years of joining the Global Compact initiative.

Among the key results, 98 per cent of the 73 "Financial Times Global 500" companies produced Communications for their stakeholders, via annual "sustainability" or financial reports, or other key communications. Also, 38 per cent overall - or 367 companies - developed Communications for their stakeholders.

Mr. Kell said that the initial results are "encouraging as they represent the beginning of a long-range process." He emphasized that many companies around the world are actively implementing the Compact principles but may have not yet developed Communications on Progress.

In a separate announcement yesterday, GlobeScan, an international opinion research company, released the results of a survey showing that three in four people around the world - and majorities in each of the 18 countries surveyed - say that their respect for a company would go up if it partnered with the United Nations to address social problems.

For more details go to UN News Centre at <http://www.un.org/news>