

The Value of Sustainability in the Supply Chain

Tuesday 28 July 9am AEST

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United Nations
Global Compact



Objectives of Today's Session

Agenda	Objective
1. Introduction – The UN Global Compact	Understand the mission of the UN Global Compact and how we engage with business
2. UN Global Compact and Supply Chain Sustainability	Get an overview of the UN Global Compact's work on supply chain sustainability, the definition and the business case
3. Practical Steps for Implementation	Understand the steps taken to build more sustainable supply chains
4. Relevant Tools and Resources	Get an overview of existing tools and resources for companies
5. Business Practices	Examples of good practices from companies

The United Nations Global Compact – An Overview

Launched on 26 July 2000 in New York with roughly 40 businesses

“A more sustainable and inclusive global economy.”

Multi-stakeholder platform for collective action

Rooted in universally accepted conventions:

Universal Declaration of Human Rights

ILO Declaration on Fundamental Principles and Rights at Work

Rio Declaration on Environment and Development

UN Convention Against Corruption



The United Nations Global Compact - Today

UNITED NATIONS GLOBAL COMPACT

8,000+

Business participants

4,000+

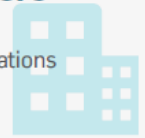
Non-business participants

28,000+

Disclosure reports submitted

Stakeholders

- Business
- Industry Associations
- Investors
- Civil Society
- Labour
- Academia
- Government



Global Network

- Europe
- Latin America
- North America
- Asia & Oceania
- Africa
- MENA



Platforms & Programmes

- Human Rights & Labour
- Women's Empowerment Principles
- Children's Rights and Business Principles
- Child Labour Platform
- Caring for Climate
- CEO Water Mandate
- Food + Agriculture Business Principles
- Anti-Corruption
- Business for Peace
- Business for the Rule of Law
- Business and Education
- Supply Chain Sustainability
- Global Compact LEAD



Business Partnership Hubs

- Water
- Climate and Energy
- Social Enterprise
- Anti-Corruption Collective Action
- UN-Business Partnership



Sister Initiatives

- Global Compact Cities Programme
- Principles for Responsible Investment (PRI)
- Principles for Responsible Management Education (PRME)
- Sustainable Stock Exchanges (SSE)



Global Compact Network Australia

- 120 Participants
- Network Contact Person: Alice Cope (alice.cope@unglobalcompact.org.au)
- www.unglobalcompact.org.au/



Vision: The Global Compact Network Australia aims to be the leading driver in the country of effective business practices that deliver social, economic and environmental gains.

Mission: The Global Compact Network Australia leads, enables and connects business, government and civil society to practically apply the principles of the UN Global Compact.

Global Compact
practically apply the principles of the UN
business, government and civil society to
Australia leads, enables and connects
Mission: The Global Compact Network



What is Expected of Global Compact Participants?

Leadership Commitment (CEO and Board)

Letter from Chief Executive to UN Secretary-General Ban Ki-moon

Willingness to engage in continuous performance improvement

Setting strategic and operational goals, measuring results, communicating internally and externally

Openness to dialogue and learning around critical issues

Participate in events at local (and global), engage in stakeholder dialogue

Commitment to transparency, accountability & public disclosure.

Annual Communication on Progress (COP)



The United Nations Global Compact Clarified:

The Global Compact is...

...a voluntary initiative to promote and advance responsible business

...a universal value framework to help business get organized

...a global network of like-minded businesses and other stakeholders

...a platform for innovation

The Global Compact is not...

...a regulatory body

...a substitute for regulation at the national or international level

...a PR exercise

...a UN seal of approval or label



Supply Chain Sustainability – Our Definition

‘Management of environmental, social and economic impacts, and encouragement of good governance practices, throughout the lifecycle of goods and services.’



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The Business Case

BUILDING THE BUSINESS CASE FOR SUPPLY CHAIN SUSTAINABILITY ³

BUSINESS DRIVERS FOR SUPPLY CHAIN SUSTAINABILITY

Sustainability-related risks

- Maintain social license to operate
- Meet existing and emerging legal and reporting requirements
- Minimize business disruption from environmental, social and economic impacts
- Protect company's reputation and brand value; meet investors' and stakeholders' expectations

Sustainability-driven productivity

- Reduce cost of material inputs, energy, transportation
- Increase labour productivity
- Create efficiency across supply chains

Sustainability-advantaged growth

- Meet evolving customer and business partner requirements
- Innovate for changing market

GOVERNANCE, MANAGEMENT, TRANSPARENCY



The UN Global Compact and Supply Chain Sustainability



The UN Global Compact Advisory Group

- **A.P. Moller—Maersk** (Denmark)
- **ArcelorMittal** (Global)
- **Barrick Gold** (Canada)
- **Boyner Holding** (Turkey)
- **BSR** (Global)
- **Carbon Trust** (Global)
- **Cemex** (Mexico)
- **Cisco Systems Inc.** (USA)
- **Ernst & Young** (Global)
- **Fairtrade International** (Global)
- **Ford Motor Company** (USA)
- **Inditex S.A.** (Spain)
- **Infosys Technologies Ltd** (India)
- **Mahindra & Mahindra Limited** (India)
- **Nestlé S.A.** (Switzerland)
- **N Brown Group** (UK)
- **PA Consulting** (Global)
- **Reed Elsevier Group plc** (UK)
- **Restaurantes TOKS** (Mexico)
- **Safaricom Limited** (Kenya)
- **Sedex** (UK)
- **Social Accountability International (SAI)** (Global)
- **Arche Advisors** (USA)
- **Telenor Group** (Norway)
- **Vattenfall AB** (Sweden)
- **Volkswagen Aktiengesellschaft** (Germany)

Practical Steps for Implementation



From UN Global Compact's: **Supply Chain Sustainability - The Practical Guide for Continuous Improvement**
(<https://www.unglobalcompact.org/library/205>)

COMMIT

- Develop the business case by understanding the external landscape and business drivers. (Chapter 2)
- Establish a vision and objectives for supply chain sustainability. (Chapter 2)
- Establish sustainability expectations for the supply chain. (Chapter 3)

ASSESS

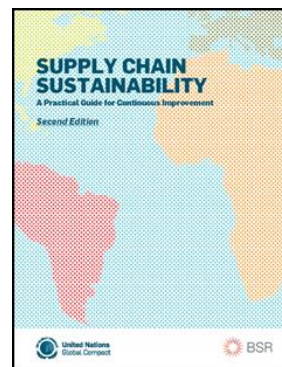
- Determine the scope of efforts based on business priorities and impacts. (Chapter 4)

DEFINE and IMPLEMENT

- Communicate expectations and engage with suppliers to improve performance. (Chapter 5)
- Ensure alignment and follow up internally. (Chapter 6)
- Enter into collaboration and partnerships. (Chapter 7)

MEASURE and COMMUNICATE

- Track performance against goals and be transparent and report on progress. (Chapter 8)



Practical Steps for Implementation

Commit

- Getting Started on Supply Chain Sustainability
- Establishing Sustainability Expectations for the Supply Chain



Practical Steps for Implementation

Assess

Determining the Scope of the Programme



Practical Steps for Implementation

Define

Engaging with Suppliers

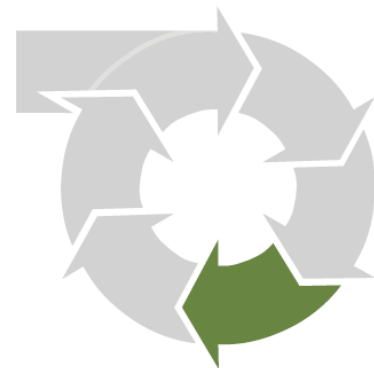


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Implement

- Determine Roles & Responsibilities
- Industry Collaboration & Multi-Stakeholder Partnerships



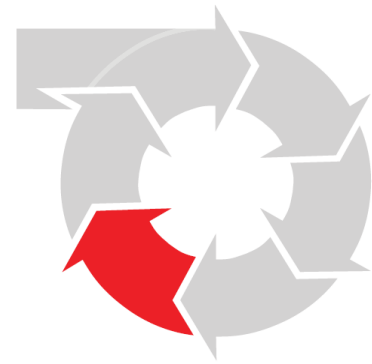
Practical Steps for Implementation

Measure & Communicate

Establishing Goals and Tracking Performance



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Resources

https://www.unglobalcompact.org/library/search/utf8=~/&search[keywords]=&search[topic_groups][]=41&search[content_type]=&search[sort_field]=



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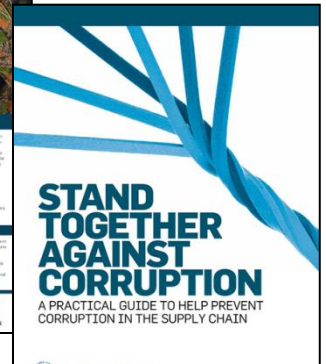
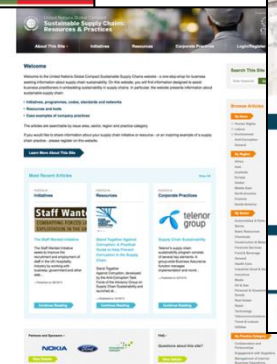
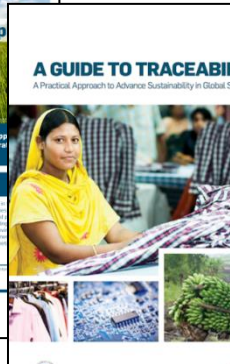
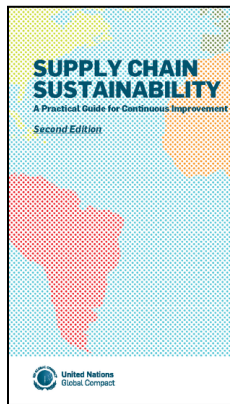
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ISSUE TOPIC SECTOR LANGUAGE

Active Filters: TOPIC Supply Chain x Clear All

36 results

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Examples of Good Practice



Supply Chain Prioritization

- Gaining transparency in the supply chain
- Focus on high risk of negative impact on environment and people



Reducing Risk of Human Trafficking

- Site visits and reporting
- Code of Basic Working Conditions and Human Rights



Preventing Corrupt Practices

- Business Conduct Advisory Service for staff and contractors
- Safeguard whistleblowers



Australia's First Bank.

Multistakeholder Engagement

- Code of Conduct development and continuous improvement



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Recap: How to Engage

Join the UN Global Compact

Share Your Story

Join the Global Compact Network Australia

Participate in Community (Webinars/Events/Forums)



Thank You!



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