



United Nations Global Compact



**US Network
Meeting**

**UN GLOBAL COMPACT: US NETWORK CONFERENCE
“INTEGRATING CSR INTO PUBLIC POLICY INITIATIVES”**

**MAY 13, 2009
9.30AM TO 5.15PM**

**UNITED NATIONS FOUNDATION
1800 MASSACHUSETTS AVE, NW
WASHINGTON, D.C.
(LOCATED IN SEIU BUILDING)**

SUMMARY OF KEY POINTS MADE BY SPEAKERS AND IN DISCUSSIONS

WELCOME AND INTRODUCTIONS

Gavin Power, Deputy Director, UN Global Compact, <http://www.unglobalcompact.org>, welcomes US Network participants including corporate executives, civil society representatives, academics and other public policy experts.

Summary of key points:

- This is the first meeting of the UNGC US network in 2009, the first US Network meeting to be held in Washington, D.C., and the first time a US Network conference has focused exclusively on the intersection of CSR and public policy.
- Notes key stakeholders in the room and background of the US Network, which has grown into the fifth largest UNGC Country Network in the world (UNGC has established approximately 80 Country Networks in the Global North and South). During the past two years numerous prominent US companies have joined the UNGC, and the UNGC Office expects many more to join in the coming months.
- With respect to the topic of the event, there is a growing convergence among the interests of public sector, business, and civil society on a range of public policy

- issues, including food and energy, labor, water, poverty, and development. Public policy spheres interact with business at all levels: local, national, federal, global.
- Regulatory and non-regulatory public policy actions and measure are increasingly being integrated by companies in a holistic fashion, encompassing: advocacy; responsible lobbying; public-private partnerships; trend-spotting; and transparency and disclosure. This is resulting in a new architecture emerging in companies, with multi-stakeholder learning and dialogue as a key component. Still, much more work remains to be done with respect to taking a holistic, integrated approach to corporate public policy efforts.
 - Introduces panel topics for the day, thanks PricewaterhouseCoopers for its sponsorship of the event, and introduces Kathy Calvin, Executive Vice President of the UN Foundation.

Kathy Calvin, Executive Vice President, UN Foundation,
<http://www.unfoundation.org>

Summary of key points:

- The mission of the UN Foundation is to link people, ideals, and resources to the important work of the United Nations.
- Public-private partnerships are the most effective way to get work done; no one sector has the capacity to undertake today's global development challenges.
- Development practitioners are getting smarter about how each sector defines its role and how organizations can leverage money and talent in other sectors.
- The UN Foundation does not undertake anything unless the project is done in partnerships. Though partnering is not easy, it's much deeper and more important than sharing resources.
- Introduces Peter Yeo, Vice President of Public Policy, UN Foundation.

ENGAGING POLICYMAKERS

Gavin Power introduces the panel and leads discussion at end.

Anna Walker, Senior Manager, Government Affairs, Levi Strauss & Co.,
<http://www.levistrauss.com/>

Summary of key points:

- Since 2000, Levi Strauss & Co. – a 150-year-old apparel company – has pursued market liberalization of trade and supports linkages between labor provisions and trade agreements.
- Levi Strauss strives for responsible sourcing on several levels: factory (moderating and mediating processes), community (including a focus on HIV/AIDS and other community issues), and the public sphere.
- Levi Strauss works to fill in the voids when public policy has not been effective or is lacking.

- The company has been an advocate for Lesbian, Gay, Bisexual, & Transgender (LGBT) community rights. With respect to energy and climate issues, Levi Strauss hopes to reach carbon neutrality and is encouraging government policy makers to help companies reach carbon neutrality faster and at a lower cost.

Michael Shank, Director of Communications for Congressman Mike Honda,
<http://honda.house.gov/>

Summary of key points:

- Two best practices for engaging policymakers: be transparent and be relevant.
 - o On transparency: CSR has been cloaked in PR for a long time. There is an issue of mistrust between the public and private sectors. Many policy makers expect ulterior motives. Corporations need to emphasize the potential for shared, sustainable value creation. Firms should emphasize the knowledge, expertise and resources that the private sector can bring to solving issues traditionally in the public domain. But firms should not hide the fact that their CSR strategies can also be good for their bottom line.
 - o On relevancy: policy makers will ask how a firm can impact constituents in a meaningful way. If you want an ally for global initiatives, you need to show what you will do locally.
- Increasingly, the private sector is being asked to play a role in local issues/problems. Example: in Afghanistan and Pakistan, 75 cents of every dollar goes back to foreign business, and this creates a problem for building capacity at a local level. The National Solidarity Program in Afghanistan is one success: it takes a local community and involves them in every step of the decision-making process. How can the private sector thrive and do it in a way that helps build broken communities?
- In climate change policy, governments are waiting for business and business is waiting for government.
- A Security Advisory Council study found that among 50 extractive industries in West Africa, the more a company engaged with the local communities at all levels, the more secure their operations were.

Kara Hartnett Hurst, Managing Director, East Coast, Business for Social Responsibility (BSR), www.bsr.org

Summary of key points:

- Stakeholder communities are becoming savvier about what is happening; business can no longer operate in two spheres where advocacy and actions are counter.
- Sustainability and CSR reporting might need to be done differently in different countries, but you need to have an overarching scheme that is not in conflict and shows a unified plan. Information should not conflict.
- BSR works to bring conversations together throughout the entire system. Example of cooperation between Shenzhen's local government, the electronics

industry, and related companies. Example of the Ghana Responsible Mining Alliance. Example of the Health Enables Returns (HER) Program working in China and Pakistan: for every \$1 devoted to women's health, BSR sees a \$3 return to companies.

- How do companies maneuver in places where the law is good, but not being implemented? How does our government and China's government work together to make sure that policies are being implemented well?
- Next steps: evaluate the context in which you operate; understand cultures and communities, stakeholder groups, priority issues. Do a gap analysis and build on existing policies and strengths.

Steve Rochlin, Head of North America, Accountability,
<http://www.accountability21.net/>

Summary of key points:

- We must recognize that the lobbying supply chain is very complex.
- Drivers for responsible lobbying: companies are waking up to the idea that sustainability is big business and a new form of lobbying is happening.
- Lobbying now asks: how we can be an advantage to responsible business? This embrace of the global "game change" means considering climate change, water, poverty concerns, human rights. These are seen as opportunities.
- The way a company complies can be a competitive advantage. The first business to have the strictest rules can lead policy making and have an edge on competitors.
- The [Towards Responsible Lobbying](#) report helps outline how lobbying can be productive and responsible and includes considerations about: how well you are aligning your policy interests with stakeholders; how you choose pertinent issues to engage in; how you communicate with stakeholders; how you evaluate your processes.
- Policing is not enough and responsible lobbying must connect to business performance and strategy.

Discussion

- There is a tremendous need for business to have a resource where they can search and find appropriate partners for their projects. There is www.grants.gov, where the Federal Government lists all its grant money available.
- To work in emerging markets, present them with a value proposition that truly meets their needs.
- How can organizations communicate sincerity and the need for collaboration with communities in healthcare?
 - o One of the most interesting trends is the way companies are integrating with stakeholders. For example, some companies are establishing external advisory panels to provide input on public policy and CSR-related issues.

- It is a constant challenge to be creative in telling the whole picture, how to appeal to the non-verbal.
- [A recent study from George Mason](#) notes that the majority of the environmentally concerned have never contacted their member of Congress or an elected official. But on consumer behavior they were very active. So how do we work with the private sector to engage policymakers?

[BREAK]

MULTI-STAKEHOLDER ENGAGEMENT

Gabriella Rigg, Policy Advisor, Office of International Labor and Corporate Social Responsibility, U.S. State Department, <http://www.state.gov/g/drl/lbr/>

Summary of key points:

- The Office of International Labor and CSR promotes worker rights and voluntary corporate and social issues. The State Department views CSR issues as a positive compliment to its long-standing policy goals of environmental stewardship and good governance.
- The Office serves as a resource to companies and NGOs in terms of labor diplomacy and works with local governments to provide feedback on labor and human rights situations in countries.
- The Office sees “CSR” as helping to advance U.S. foreign policy objectives.
- The Office facilitates stakeholder dialogue by bringing the private sector together with civil society. In labor and human rights concerns, positions can become so entrenched that stakeholders must be re-engaged to show people that they have an interest in better labor practices. About 15 million are engaged in on-going labor programs to help build capacity of local government, trade unions, etc.
- Examples of how the Office of International Labor and CSR engages companies:
 - [Voluntary Principles on Security and Human Rights](#). This came about after increased instances of human rights violations in conflict zones in relation to the extractive industries. 18 of the world’s largest oil, gas, and mining companies are members and have provided real examples on where companies are making a difference.
 - Working to stop forced child labor in cotton production in Uzbekistan.
 - An initiative led by the Western Hemisphere bureau: a joint-action plan to collaborate for exchange of information and removal of ethnic discrimination. Priority themes: education, employment, culture, health. Develop a private-sector component to enhance this initiative. How can we play a role in helping to further racial/ethnic equality?

James Lyons, VP of Policy and Communications, Oxfam America, www.oxfamamerica.org

Summary of key points:

- Oxfam engages the private sector and looks for opportunities for integrating CSR. All our work is multi-stakeholder.
- Oxfam is best-known for its campaigns that challenge corporations to do the right thing. Examples: Starbucks and Burger King. Oxfam sees campaigns as a last resort and would like to engage in a more positive vein.
- Oxfam seeks to
 - o Engage in policy reform
 - o Connect government relations and CSR goals constructively in ways that will not harm the economic bottom line but will enhance the bottom line from a CSR standpoint, as well.
- Keys to engagement are summed up in the business case for CSR in policy:
 - o A vested interest in supply change
 - o Building political capital is essential to what companies do
 - o Everyone now is focused on the green market (suggestion that the social market is right around the corner as we emerge from the impacts of the global financial crisis and come to realize that we are one market, interconnected)
 - o Opportunity to strengthen brand through alignment

Adam Greene, VP of Labor Affairs and Corporate Responsibility, US Council for International Business, <http://www.uscib.org/>

Summary of key points:

- For the US Council for International Business, in areas of labor and CSR, the main engagement is on multinational enterprises. USCIB works exclusively in the multi-lateral realm.
- There is always a link between CSR and public policy because most issues covered in CSR are regulated in some way: corruption, ethics, consumer protection, etc. There will always be a nexus and it will change according to how CSR and public policy play and engage with each other and connect.
- USCIB is moving into a realm where it's widely seen as necessary to tackle broader issues, and central to take a holistic, broad view that addresses broad topics. Examples:
 - o Child enforced labor. To get at the root of the cause requires societal and root changes. It's going to require a lot more collective actions to get at the root causes.
 - o Human rights: Still heavily rooted in conflict resolution between corporate players and NGOs. Bring in governments to create a multi-stakeholder network.
 - o Anti-corruption: There is a collective push from the ICC, UNGC, Transparency International, and WEF to create a follow-up mechanism to the UN Convention Against Corruption.

Discussion

- There is legislation governing purchasing by government agencies, but the government could be doing a lot more to ensure they are sourcing responsibly.
- Call for a record or stories/examples of organizations that businesses can model themselves after.
- When trying to be effective, be pragmatic – the moral argument is rarely as effective as the security argument (forced migration, food riots, etc.). In a collaborative context, rational arguments work better.
- The most effective argument in a case is different depending on who you're talking to: there is a business case (eg, reputation damage) for a US company not to have child labor in its supply chain. However, consideration must be given to the prospect of the child and the child's family becoming destitute.

[LUNCH – COURTESY OF PRICEWATERHOUSECOOPERS]

PUBLIC-PRIVATE PARTNERSHIPS

Jane Nelson, Senior Fellow and Director of Corporate Social Responsibility Initiative, Harvard University, <http://www.hks.harvard.edu/m-rcbg/CSRI/>

Summary of key points:

- The main reason we need to develop public-private partnerships is because markets aren't working and because governments aren't working as they should. Almost every strategic pub-private partnership is driven because there is a market or government failure or both.
- We need new models because markets don't work to solve all problems. Example, pharmaceuticals: in many cases, poor communities pay more than the middle class.
- Identify the policy constraints and governance gaps.
- Key types of areas of partnerships:
 - o Operational
 - o Capacity-building/social investment
 - o Systems change/systemic impact (an individual company can do much by partnering with government, but sometimes the system isn't working and then there is a need for much more complex coalition building)
 - Type 1: coalition building that tries to employ accountability
 - Type 2: trying to improve market performance: agricultural commodity projects, electronics and recycling projects.
 - Global health partnerships: the most complex to develop, but governments and businesses have more trust in each other in this sector.
 - Other examples: CERES coalition on climate change. Coalitions around hunger, water, etc, to address specific issues.

- The main reason to go into pub/private partnerships is because there is a market failure or a government failure.

Thomas Sales, Team Leader, UNDP Growing Sustainable Business Initiative,
<http://www.undp.org/partners/business/gsb/>

Summary of key points:

- The 4 billion people who live on less than \$8/day have a combined purchasing power of \$5 trillion. We see this as a development challenge, but also a long-term business opportunity.
- Private sector is emerging as a development partner.
- UNDP has decided to focus on “pro-poor business models/inclusive markets.” This creates opportunities for innovation: Examples: Grameen, Submila (South African brewing company).
- UNDP’s Private Sector Programs: three complimentary global initiatives:
 - o Growing Sustainable Business: focused on operational partnerships at country-level
 - o Growing Inclusive Markets: research, analysis, and tools
 - o Business Call-to-Action: mobilization and monitoring of businesses to promote and support the MDGs.
- Important aspect of UNDP is that it has staff on the ground and can assess where opportunities are and if they are doable. They provide market research and co-fund feasibility studies, for example.
- Success stories include:
 - o Unilever sourcing plant oil from Tanzanian farmers
 - o Malawi adding market value for own Premium Coffee
 - o Madagascar artemisinin plants to fight malaria and increase farmer’s income.

Adrianna Logalbo, Deputy Director - Nothing But Nets Campaign, UN Foundation
<http://www.nothingbutnets.net/>

Summary of key points:

- Founded in 1998 after Ted Turner donated 1 billion dollars to the UN. The campaign’s entire mandate is to bring together people in support of the UN and is trying to be a gateway for orgs/company to have an impact in the UN.
- Set the goal to end malaria deaths by 2015.
- To deliver nets to end malaria deaths, the organization is engaging everyone from the NBA to Exxon, religious orgs, etc. 100,000 Americans devoted to this campaign.
- Malaria rates are declining with more nets in refugee camps.
- The vision: for water users and managers to be responsible stewards and to build a global certification and rewards system so water users can gain recognition for their stewardship activities.

- Next steps: brand recognition, water footprinting conferences to present the framework of accounting standards.

Paul Alsenas, Director, Cuyahoga County Planning Commission,
<http://planning.co.cuyahoga.oh.us/>

Summary of key points:

- A local case of sustainable whole-systems transformation with public-private partnerships.
- The region has landed on sustainability as the most powerful framework to make transformation social, environmental, and economic change.
- Area of overlap = total community health.
- The organization actually bases its work on these aspects: ecological design principles, paradoxical theory of change, disruptive innovation, biomimicry, whole-systems thinking, Michael Porter's work, etc. Regional approach is very important.
- On networks: Ask 'who is in your network' if you're going to be truly responding in a sustainable way. Try to energize specific hubs of specific networks according to how their strengths match with the whole system's needs.
- Have moved to a 4th-sector model: public-private-nonprofits—and the three working in a new integration with public sector leadership in entrepreneurial ventures.
- The government is driving innovation here and there are "For Benefit Corporations" emerging.

Bennett Freeman, Senior Vice President, Policy, Calvert Group,
<http://www.calvertgroup.com/>

Summary of key points:

- Two stories from Calvert:
 - o Story 1: Advocacy partnerships. Group of leading apparel brand retailers came together with Calvert, and other labor and human rights NGOs came together to talk about Uzbek cotton. This coalition has two tracks: 1) economic track of boycotting Uzbek cotton and 2) diplomatic track of engaging Uzbek government to work with the ILO.
 - Emblematic of the blurring of boundaries.
 - Mainstreaming corporate social responsibility movements.
 - Built on converging but conflicting interests.
 - The only real differences arise over tactics, not purpose.
 - o Story 2: The Calvert Women's Principles. Developed in 2003-2004. Based on the view that there are deeply entrenched gender bias issues, violence, and harassment and other issues across the spectrum and created to bring together civil society, governments, and investors to address these

issues. Calvert's women's principles will be implemented throughout the world.

- In the new administration, there will be a revitalization of labor organizations, more integrated approach to revenue transparency, the extractive sectors, action on human rights on the internet.
- The next 4-8 years will be years of tremendous challenge and innovation where partnerships are more front-and-center than ever.

Discussion

Summary of key points:

- There have long been public-private partnerships. What's new is the kinds of places in which public-private partnerships are being done, what's being tackled, and the level of sophistication.
- Two issues:
 - o there's a history of public-private partnerships that we need to tap into.
 - o the clear risk that we not think that the culture exists the same way in other kinds of cultures.
- The public-private partnership is one of the most exciting exports that America can offer to the world. The conversation happening now about foreign assistance and the opportunity to work with USAID, etc. Companies are spreading the ethos of partnership. Some of the most exciting things are happening at the local level and resurrecting some of the past local development partnerships.
- Two things will drive companies to the public-private partnership table:
 - o The reality that government sets requirements on disclosure and then companies decide what disclosures will be on
 - o Leading companies who do exciting things in this area and showing partnerships can be profitable.
- Leading companies are already thinking about essential business process change.
- There's the need for advocacy and creating a political climate for the legislation.
- Sustainability is a journey with much serendipity. If you stay on the fundamentals, you have resilience, continuity.
- Have a constant interdependence conversation. In the traditional sense, many of these projects would not be economically sustainable. We're going to have to have fundamentally different models of financing to make base-of-the-pyramid models work.

[BREAK]

BREAKOUT SESSIONS: GUIDED DISCUSSION ON PUBLIC POLICY ISSUES – CURRENT TRENDS AND VISIONS FOR THE FUTURE

CLIMATE/WATER THEME

Anne Kelly, Director, Corporate Governance Programs, CERES,
www.ceres.org

Summary of key points:

- Water is the first climate crisis
- CERES uses a 14-point framework, works with BICEP, and is focused on progressive energy

Lisa Neuberger-Fernandez, Strategy & Policy Lead, Accenture,
www.accenture.com

Summary of key points:

- Accenture helps clients become sustainable high-performance organizations
- Accenture's environment strategy is designed to achieve business and environmental outcomes. Environmental goals include reducing carbon emissions from business travel and office energy use as well as reducing water use and waste to landfill.
- Accenture is launching a global Eco Challenge on UN World Environment Day 2009. The Eco Challenge is an online tool in which employees can estimate their carbon footprint at home and work and then choose from more than 150 pledges to help reduce that footprint.

Brad Figel, Director, Government Relations, Nike, www.nike.com

Summary of key points:

- What does advocacy mean?
 - Depends on the audience: political, to NGOs and stakeholders.
- If you aren't thinking about CSR, you won't be in business long.
- Programs in place match with advocacy.
- Create as broad a coalition as possible.

Discussion

Summary of key points:

- Even if a company is doing well in one area, you still need to scrutinize work in other areas.
- There are so many models to follow in CSR, there is no excuse for bad CSR.
- Important to find alignment with suppliers, especially to maintain public image.
- Policy focus of companies ties to their largest area of impact, area of expertise or sphere of influence – i.e. BICEP for consumer products companies & Accenture focus on Smart Grid.

SUSTAINABILITY AND FINANCE

David Constantijn Kruijff, Investment Officer, International Finance Corporation, <http://www.ifc.org/>

Summary of key points:

- Microfinance differs from country to country – it cannot be defined in one way globally. Typically, where commercial banks stop lending, that's where the playing field starts.
- Evolution of micro-finance: from a focus on credit to a broader focus including savings, remittances and insurance. By now there are many formalized structures in place to serve micro-financing markets.
- Within IFC there is a growing focus on collective investment vehicles.
- Microfinance tends to work with the entrepreneurial poor. Most microfinance institutions do not reach the poorest of the poor. Where you have basics already, micro-finance can work. In some parts of sub-Saharan Africa, micro-financing is difficult to set up because there's no infrastructure.

Aileen Nowlan, Senior Associate, Ashoka Foundation, <http://www.ashoka.org/>

Summary of key points:

- Ashoka is involved in a spectrum of finances and assesses social entrepreneurs to see which models and ideas have had impact or have been replicated during the Ashoka's 30-year history.
- Ashoka has financed collaborative entrepreneurship around economic citizenship in projects where business models can be effective: housing, health, small farmers, access to energy.

Lisa Woll, CEO, Social Investment Forum, <http://www.socialinvest.org/>

Summary of key points:

- SRI practitioners do so through portfolio analysis: shareholder advocacy, voting via shares.
- Members are involved in the UNGC, responsible investing and global reporting initiatives.
- Work with the SEC: looking to work with them in a range of areas. Environmental social governance disclosure. To give them a proposal on how we would require disclosure. SEC requires disclosure of financial issues; it does not require reporting on social/environmental disclosure on issues that can lead to long-term social/environmental risk.
- Have requested that the administration establish an office on CSR and for an officer of innovation on CSR.

- Concern that federal employees are working on huge social, environmental, and strategic projects but federal employees themselves do not have sustainable investment options.

RESPONSIBLE TRANSITIONS

David Berdish, Director of Sustainability, Ford Motor Company,

www.ford.com

Summary of key points:

- What do we mean with transitions?
 - Transition in the size of the company?
 - Transition from a company that did things together (lobbying) with GM & Chrysler to one that moves independently?
 - Transition from a company that has been selling mostly trucks to one selling other cars mostly?
 - Transition from internal combustion engines mostly to other types of cars (biofuel, electric etc)?
 - Transition that today's discussion will focus on: Transition towards better human rights management & fair labor practices – there is a strong connection to the UNGC principles?
- Shutting down plants: what are the considerations?
 - They are not being moved overseas, they are being shut down – reality of the business / markets.
 - Shutting down plants is also about the marketing mix and the types of product that the plant can produce.
 - Engage with the UAW on every occasion.
 - Community presence and community support.
 - Outsourcing: Ford's plants in other locations produce for those locations mostly. Every Ford product in the USA is produced either in USA, Canada or Mexico.
 - Indigenous population policy: staff in every location (US and abroad) is mostly local.
 - First company to implement Human Rights policies in the industry.
 - Started with the 7-point ILO code and enhanced it with 3-points after joining the UNGC.
- Challenges faced in transitions:
 - Ford's human rights standards are sometimes higher than those of the country they operate in, and that sometimes brings Ford into conflict with governments and local officials.

- There is no competitive advantage to having a human rights code in the motor industry at the moment.

Jim Thomas, Vice President, CSR, JC Penney, www.jcpenney.com

Summary of key points:

- JC Penney is a “sustainable” business in the sense that it has been in business for 150 years and is not closing any stores (actually opening 17 new ones). However, the long range growth statistics are slowing.
- Focus for today: engaging associates in CSR.
- Voluntary green teams – it brings together people around issues that they are passionate about in their personal and professional lives.
- Looked at the example from HP (grassroots efforts that was established around sustainability), Wal-Mart (Personal Sustainability Practice)
- Way to communicate very simply to associates, via five pillars: Community, Associate, Responsible Sourcing, Environment, Sustainable Products.
- Inclusion / Diversity: a cross-company CSR group is the most diverse group in the company.
- Integrating CSR into the stores: engage associates at all levels, e.g.
- Energy captains who monitor energy use in stores.
- Community champions (community efforts, volunteerism, after school program (United Way, YMCA, Boys& Girls Club etc)
- Good top management support is essential.
- One of the benefits of this kind of effort is that an employee engagement / associate program can be done very successfully without a lot of capital investment.
- The CSR program connects really well with associates’ personal goals. Annual associate survey of 2008 showed that 83% of JC Penney’s associates agree with the fact that JC Penney acts in a responsible manner, 67% score on employee engagement.

Discussion

Summary of key points:

- As a result of the overall economic situation there have been job losses all over the world. First concern = associates, then other stakeholders like suppliers
- It’s good that the State Department monitors what is happening in other countries. But it is discouraging when the human rights and other violations happening in the US are not coming under scrutiny.

CLOSING REMARKS

Gavin Power thanks speakers, panel and audience members, supporters, and UN Foundation and recognizes Cecily Joseph at Symantec (www.symantec.com), Unni Nair at Case Western Reserve University (www.case.edu), and the Fowler Center for Sustainable Value, the Weatherhead School of Management, Case Western Reserve University (www.worldbenefit.case.edu).

POST NETWORKING AND CLOSE

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