

## **Message by President**

### **Global Compact Network, India**

### **8<sup>th</sup> Annual General Body Meeting (AGM)**

**Date: November 6<sup>th</sup>, 2012**

**Venue: SCOPE Convention**

**Centre, New Delhi**

Dear Members,

I am privileged to welcome you to the 8th Annual General Meeting of the Global Compact Network, India.

Today, after this AGM, we also honour the memory of our founding President in the Third Annual Subir Raha Memorial Lecture who had the vision and foresight way back in 2003 to realise the relevance of this global initiative for corporate India. Today, we pass through tumultuous times. With the economic depression triggered by the avarice of a few bankers and super – storm Sandy that caused unprecedented damage as the backdrop, issues espoused by the United Nations Global Compact become increasingly relevant and urgent on the implementation horizon.

Our ten universal principles sequestered under the four categories of Human Rights, Labour, Environment and Anti – Corruption are becoming directly relevant to the Corporate world each day. From the realm of the exotic and idealistic they have migrated toward the practical and inevitable and as we move forward, we are sanguine that they will become firmly integrated with corporate strategy. While we are still in the realm of volunteerism, the business operating paradigm and its governance structures are grudgingly but increasingly moving toward mandatory compliance. Though this appears a long – shot today, we must take note that our movement is only a decade old and even within this decade, we have accomplished much, especially on the advocacy front. However, the challenges are steep and our resolve must not waver.

We are informed that we are one of the better performing global networks that have actually formulated and adopted a strategic plan. At the Rio Regional Meeting of the UNGC earlier this year, we were adjudged one of the most sustainable networks from amongst 101 of our peers based on our activities, membership, engagement with key stakeholders and quality of interventions. However we are loath to rest on such endorsement and as I elaborate on our efforts this past year, you will realise that though some headway has indeed been made, much more needs to be done.

Allow me to present our activity report to you in chronological order.

An exclusive training on preparation and submission of COP was organised on April 25th 2011 at New Delhi while a two - day training programme on embedding Global Compact principles in Business Practices was organized on Sept 8th and 9th 2011 in New Delhi. Apart from providing guidance on how to incorporate the ten principles into business operations, discussions were held on challenges companies faced in embedding Global Compact principles in their respective organizations. The training also focused on preparing a draft strategy, an implementation plan and preparing COPs.

Consultation on UN Women's Empowerment Principles was organised on December 15th 2011 at New Delhi that elicited participation from thirty three organisations. A Primer was also launched during this consultation with the support of the Oil and Natural Gas Corporation Limited (ONGC). The Primer builds a strong case for women's empowerment leading to a healthier bottom-line for the corporate sector. It examines how the value chain can be expanded at the community level to include women, thereby providing more choices to the consumer.

You would be aware of the Collective Action Project that was entrusted to GCNI last year. The project is making extremely good progress and has been adjudged the best performer amongst its peers in four countries namely Brazil, Nigeria, Egypt and South Africa. As part of this project seminars were organised on October 8th 2011 at Mumbai and on December 20th 2011 at Chennai. These seminars focused on business risks and ethical dilemmas, the high cost associated with corruption and importance of effective regulatory mechanism and collective action in fighting corruption in business.

The 2nd Subir Raha Memorial Lecture was delivered by Mr. B Muthuraman, Vice Chairman of Tata Steel Limited on June 27th 2011. The lecture dwelled upon issues of Corporate Governance and Corporate Social responsibility. A Workshop on Human Rights, Business and Corporate Social Responsibility was organized on July 15 - 16' 2011 at New Delhi. Mr. Salman Khurshid, the Hon'ble Union Minister for Law & Justice and Minority Affairs was the institutions towards integrating UNGC principles into the academic core curriculum. It also identified challenges in 'operationalizing' the guiding principles proposed by UN Secretary General's special representative on business and HR for implementation of the UN 'Protect, Respect and Remedy Framework'. Corporate best practices on Human Rights were also discussed.

We were indeed privileged that Mr. N.R Narayana Murthy agreed to Chair the India CEO Forum on Business and Human Rights that is directed toward strengthening commitment of Companies toward Human Rights and to identify, debate and articulate issues relevant to policy formulation. The inaugural event was held on February 13th this year at which an elaborate agenda leading upto 2014 was adopted.

On March 21st this year, we held our 7th National Convention at New Delhi and had the honour and privilege of welcoming Ms Jayanthi Natrajan, Hon'ble Minister of State for Environment and Forests, Government of India. The theme of the convention 'Corporate perspective toward sustainable development' was selected to focus attention on and garner support from Corporate India for the Rio + 20 Summit. The Hon'ble Minister spoke about her concern for the 'Last Indian' who toiled each day for earning a bare sustenance based livelihood and for whom complex climate change issues are too esoteric. In this context, she expressed her priority toward addressing the matter of 'Livelihood sustainability' as against 'Lifestyle sustainability' that according to her, was more a matter of concern for the developed world. Subsequently, she indeed forcefully articulated this perspective at the Rio + 20 Summit when she led the Indian delegation there. At this Convention, the Hon'ble Minister also launched the GCNI website and released the Policy Paper of Collective Action Project: Business Case for Public - Private Dialogue on Anti-corruption and Green Economy.

In addition to these events, our monthly meetings for experience sharing and knowledge dissemination functioned smoothly for which we thank our members for their generous support in hosting them. Engagement with media and policy makers has been one of the highlights of the past year that has resulted in visibility of the network and found itself in various consultations and policy reviews with Ministry of Corporate Affairs, Ministry of Personnel and the Planning Commission.

Apart from these activities, we also held elections of the Governing Council for the term 2011 - 13. Mr. R. Bandhopadyay, former Secretary, Ministry of Corporate Affairs, Government of India was appointed returning officer. The results were declared on 20th June, 2011 and the new Governing Council took over from 1st July, 2011.

We have had a full calendar and have made some progress through our outreach and advocacy initiatives. However, I would like to bring a few issues of concern to your notices as well. The first issue is of our membership. While this year we enrolled new members and increased our membership from 90 to 107, I believe this membership base is too small given the size of Corporate India. In our strategic plan 2015, our goal is to encourage at least 1000 leading companies, 2000 leading SMEs and top 100 educational institutions to participate effectively in the UN Global Compact Programme. Given these aspirations, our membership base is modest and needs to be augmented.

Sub - Committees on Human Rights and Anti - Corruption are functional for the past two years and preparatory work has been done on two more sub - committees on Women Empowerment Principles and Child Rights that we propose to bring to the Governing Council soon for its formal approval.

We had also planned sub - committees on Training, membership, PRME and Sustainability & Environment that have yet to take - off and this area will be in our focus this year. We activated two Chapters in Mumbai and Hyderabad this year and have plans to activate new Chapters in Bangalore, Chennai, Kolkata for which we elicit your gracious support if you have contacts and influence in these cities.

I also acknowledge the support of our Secretariat that despite few personnel and frugal resources has performed most commendably and has been central to our efforts this year.

In conclusion, I would like to acknowledge the support of my colleagues on the Governing Council whose advice, active support and resourcefulness has been of immense value to the Global Compact movement in this country. While I am confident that their support will continue, I also seek the support of our members in reaching - out to their peers and engaging with them more effectively to solicit their participation and association with GCNI.

I thank you for investing your time and resources in engaging with the Global Compact Initiative this past year and look forward to your continued association with us this year as well.

**Nov 6th 2012**

**(Sudhir Vasudeva)**