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Dear Prof. Chiappo,

I am delighted to present the *United Nations Global Compact Annual Review 2010*, providing an overview of where the initiative stands in its efforts to advance human rights, labour, environment and anti-corruption principles in business strategy and operations globally. The Annual Review reveals how and to what extent participating companies are implementing the principles, taking action in support of broader UN goals, and engaging with the Global Compact locally and globally.

Notably, the Annual Review examines corporate sustainability policies and practices – from the Boardroom through the supply chain – based on findings from the 2010 Global Compact Implementation Survey completed by over 1,200 companies in 100 countries. The annual survey reveals a diverse picture of performance, with participants spanning all stages of development and sophistication in their corporate responsibility efforts. Among the findings:

- For companies of all sizes, environment and labour issues are addressed significantly more often than human rights and corruption – a key finding in each of the past three annual surveys;
- Larger companies and publicly traded companies are performing at higher rates on all issues than small- and medium-sized enterprises (SMEs);
- Compared to 2009, environmental actions increased substantially, anti-corruption efforts rebounded after a drop in the 2008-2009 period, and human rights and labour rates were static;
- The majority of companies are challenged to move from policy to action across all issues, as well as in subsidiary and supply chain practices, and pressed to report comprehensively;
- Three quarters of companies are taking action to advance broader UN goals, with environmental sustainability, education and poverty being the most common areas. A majority of these companies report utilizing core business, social investment and advocacy strategies;
- Nearly three quarters of Global Compact participants rank their practices at the beginner to intermediate level – with just one quarter calling their sustainability efforts more advanced; and
- A higher percentage of companies reported positively on the impact of the Global Compact on their company's corporate responsibility efforts in 2010. Seventy-nine percent of companies indicate at least moderate impact from engaging in the Global Compact – up 12 percent from 2009.

Prof. Gianfranco Chiappo
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