

Our Collective Vision for the Global Compact Network South Africa

Address by

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This year, we celebrate the 15th anniversary of the UNGC. Established in 2000 to bring business together with other key stakeholders to advance the 10 Principles in the areas of human rights, labour, environmental protection and anti-corruption, the UNGC is still as relevant as it was back then, perhaps more.

Three years ago in 2013, together with the Advisory Committee of the Local Network, we decided to energise the Local Network and to prioritise the areas where we wanted to see improvement and to add the most value. We articulated the medium term priorities (our 7-point plan) as follows:

1. The need for quality and scale on sustainability;
2. Urgent need for sustainability leadership by business leaders & government;
3. Sustainability interventions in the supply chain;
4. Need to grow and fund the Local Network;
5. A focus on sustainability beyond domestic borders into the rest of the continent;
6. The role of investors on sustainability; and
7. Extending participation in the UNGC to Government, NGOs, Labour & Educational Institutions.

Today, I would like to share with you our achievements and vision for where we still need to go. The Local Network, with huge support from the NBI, has made significant strides to meet the objectives we set 3 years ago. A good amount of work has gone into supporting implementation by signatories. We have to remember that the UNGC is multi-stakeholder and even though the focus is on business behavior, it acknowledges participation by all sectors of society including government, universities, NGOs, Labour and other civil society organizations. Similarly, our platforms and offerings have been accommodating of all stakeholders.

This year's report coincides with an important year in the work of the UN. This is the year we take stock on our successes or failures in delivering on MDGs. It is also a year that will usher in the Post 2015 Agenda. In turn, this will put more responsibility on African corporates and CEO's to ensure the successful delivery of the SDGs as will be spelt out to us in the next few months.

The Post 2015 Agenda, places emphasis on the responsibility of the private sector to deliver on the SDGs. It also places emphasis on the reliance on private sector funds and not ODA.

This is a major challenge of balancing commercial concerns with economic development within the same boardroom.

1. Quality and Scale on Sustainability

On human rights, environmental protection and anti-corruption, we have focused on supporting the capacity of signatories to scale up on their sustainability performance. The Local Network has done this through trainings, dialogues, publication & sharing of case studies as well as linking local participants to global best practice and vice versa. One of the first big engagements I participated in, along with many South African Local Network participants, was the Rio+20 Corporate Sustainability Summit in June 2012.

As South Africa, we have also been trailblazers and seasoned in exporting best practice. This has been demonstrated through the various frameworks that we have developed and shared world-wide. A good example is the King III and the JSE SRI Index. But the jury is still out on how we manage sustainability risk in our own local environment and other areas of operations, especially in the rest of the continent.

The myriad of risks we continue to face today demonstrate the scale of work that is still outstanding. There is need for consistency and we cannot afford to be complacent. Often the risks may emanate from outside our immediate scope of influence, in other sectors. To reduce such risks, there is need for us to engage deeper and reach out to other key stakeholders to collaborate for greater gains on sustainability.

This brings me to the second objective:

2. The urgent need for sustainability leadership by business, government and other key actors

We acknowledged very early on that it is well and good to engage and do progressive work on sustainability, but that leadership is also an important ingredient to achieving desirable outcomes faster and sustain these. This is key. It should be our bread and butter and define the businesses we run.

In 2013, we established the CEO Roundtable as a platform for strategic leadership on the 10 Principles.

We have tabled a range of priority issues to the CEOs. In 2013, ahead of the UNGC Leaders Summit in New York, the CEO Roundtable engaged on the Post 2015 development agenda. We identified our own priorities in South Africa, overlaying these on what our continental priorities are and in what areas we would like to see strategic business action. These informed our contribution to the Post 2015 Agenda discussions at the global level.

Our top 5 priorities were identified as the following:

- Social protection
- Education and employment
- Supply chain sustainability
- Anti-corruption and;
- Improved labour relations (noted as specific to SA not continent-wide).

We need leadership to scale up our own performance on these key issues as the global response through the SDGs (Sustainable Development Goals) unfolds.

Through the CEO Roundtable, we have tabled the critical issue of labour relations and engaged with the Chamber of Mines. There is need for stability in labour and the Local Network will hold further consultations with key labour organisations to understand what role we could play going forward – in our quest for stability.

In November 2014, we also engaged the Minister for Public Services and Administration, Hon Chabane on the subject of anti-corruption and the LN's initiatives and especially our efforts to strengthen procurement through Integrity Pacts. We have sought a follow up meeting with the Minister for firm up commitments and collaboration on anti-corruption.

3. Sustainability Interventions in the Supply Chain

The growth of our economy depends on a strong, vibrant and inclusive business sector. The expansion of the economy, increased trade and the potential for job creation & employment lies on thriving and sustainable supply chains. All our efforts in our own entities and collectively through the Local Network need to factor in supply chains. Our next 3 year plan should elevate this area for improved action.

To deliver on all these priorities, the LOCAL Network itself needs to be strengthened. And that is why we said that there is-

4. Need to grow and fund the Local Network

The UNGC 10 Principles are universal and overarching but require local implementation and action. The Local Network plays an important role in connecting signatories for learning and coordinating collective action. Collective impact on sustainability also requires a critical mass of signatories, who can work together for greater results. South Africa's Network has

grown significantly in the past 2 years. We are now 74 direct signatories as opposed to about 54 signatories 2 years ago.

We also have a large number of Multi-National Companies that may be signed from elsewhere but have operations in South Africa. By virtue of being UNGC signatories, they are obliged to live their commitment here and to be active in the Local Network. We urge all existing signatories to use their influence to recruit more signatories for scale on sustainability.

Funding remains a challenge given the difficult environment within which we operate and the many competing demands for resources. We have, as a Local Network, refreshed our value proposition. We hope we are now in a better position to communicate our messaging effectively and to also use this to attract required resources. As signatories, you are all welcome to comment on the draft value proposition that was circulated with the agenda.

I want to take this opportunity to sincerely thank those companies that have responded to our call for a contribution to the Local Network. I am aware that a number of signatories are still consulting internally and may be in a position to contribute in the next financial year. We urge you to own the Local Network and to continue to be our champions.

5. A focus on sustainability beyond the borders into the rest of the continent

The Africa Strategy

Increased trade and integration across our continent is becoming a reality. Many of our South African companies are opening up operations in the rest of the continent. We have a responsibility to operate responsibly and sustainably.

At the global UNGC board level, this is an issue that the African board members have taken very seriously. So much so that we developed an UNGC Africa Strategy that spells out how we can work together as a continent to entrench the 10 Principles, deliver on the SDGs and to set the minimum standards of behavior in our continent.

We launched the Africa Strategy in Addis Ababa last June. We are now at a stage where we are popularizing the Strategy and bringing business along to understand the opportunities that exist for their involvement.

South Africa was appointed as chair of the Board sub-Committee to drive the implementation of the Strategy. The expectations are high. We will have to prepare ourselves for cause.

It will bring about huge opportunities, but we also have to contend with its commensurate challenges.

The initiative is positioned to respond to economic and social infrastructural gaps on the continent. These will have to be prioritized. Funding will have to be found. Resources will have to be put together to deliver on these projects

Tomorrow, there is a workshop of active Africa LNs in Nairobi to build life into the programmes:

- Prioritising the Post 2015 Agenda
- Identifying projects and programmes
- Partnering with African business leaders on a funding and implementation programme

6. The role of investors on sustainability

Our weakest link is work on investors. We shall come back and report on developments in this front, next year.

7. Extending UNGC participation to Government, NGOs, Labour & Academic Institutions

Whilst we have State Owned Corporations in the LN, reporting has been a challenge for most of them. This applies to SME's as well.

We have struggled to engage and attract organised labour and NGO's. Overall, we need to keep reaching out to non-business entities. We hopefully, will be able to report positive and notable progress on this, next year.

Conclusion

We need to brace ourselves up for the opportunities that will be brought along by the Post 2015 Agenda.

We need to step up our action towards delivering on our 7 point plan. A record of 71% success, is not good enough.

We need to take on the leadership challenge brought about and spelt out in the CEOs roundtable mandate.