

WHY THIS BOOK MATTERS

THIS BOOK FILLS A CRITICAL VOID. IT OUTLINES how the Global Compact and its principles can stimulate organisational change and provides an essential framework for the credibility and effectiveness of the Global Compact. The significance of this book is best appreciated in the context of the overall mission of the Global Compact.

As a voluntary initiative, the Global Compact has two operational objectives: making the Compact and its principles part of business strategy and operations everywhere and offering an effective platform for multi-stakeholder solution finding.

Since the formal launch of the Compact in July 2000 there has been much experimentation with learning and dialogue at the global and national levels to give practical meaning to the second objective. This has inspired many initiatives and projects.

But the viability of the Compact can be established only if the first objective is met both with regard to its quantitative *and* its qualitative aspirations. Certainly, the commitment to the Compact around the world has progressed well. Today, over 1,000 companies and dozens of labour and civil society organisations from over 70 countries constitute the network.

However, the qualitative aspects (i.e. the degree to which participating companies internalise the idea of responsible corporate citizenship and the Compact's principles) remain a central critical challenge.

The leadership model of the Compact — involving CEOs being backed by company boards to put their commitment in writing to the UN Secretary-General — has proven effective. Change must start at the top, and change requires the support of leaders. But a commitment alone is not sufficient. Such a commitment must be honoured, and change must be reflected in tangible performance improvements.

But what does it mean to implement the Compact and its principles? What expectations can be established? And isn't it true that the strength of the Compact — the simplicity and broad nature of the principles — is also its weakness? Are not the principles too broad as a basis for management change? How can one establish benchmarks and performance indicators for implementation? Is it possible to establish a framework that is broad enough for a global, cross-sectoral initiative, relevant to front-runners and newcomers alike? And is it true that for issues such as human rights there

are hardly any tools available to guide effective implementation?

When Claude Fussler first proposed working on a 'performance model' for the Compact we knew that, if successful, it could provide answers to these critical questions. A Global Compact Policy Dialogue on Business and Sustainable Development, in January 2002, set into motion an ambitious project under Claude's competent and creative leadership. Nearly two years later, this project has concluded its work.

Raising the Bar offers a comprehensive framework for translating the Compact into business practices that create value and progress towards sustainable development. It has exceeded our expectations. The book not only establishes how a leadership commitment can be implemented but also offers a wealth of practical guidance and information. In addition, it shows that improved social and environmental performance is, above all, a question of a commitment to deep process changes that require sustained efforts, and that these changes bring clear rewards.

Hundreds of people from many countries have contributed to this book, bringing together the best material available at this juncture. A truly international editorial team deserves credit for

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having produced *Raising the Bar* with few resources but much dedication:

- Claude Fussler of the World Business Council for Sustainable Development, the intellectual and operational team leader
- Aron Cramer, Business for Social Responsibility, co-editor
- Sebastian van der Vegt, International Labour Organisation, co-editor
- Peter Frankental, Amnesty International
- Shelley Hayes, World Business Council for Sustainable Development
- Marcelo Linguitte, Instituto Ethos
- Patrick Margaria, European Foundation for Quality Management

- Cornis van der Lugt, United Nations Environment Programme
- Ursula Wynhoven, Global Compact Office
- Ellen Kallinowsky of Gesellschaft für Technische Zusammenarbeit (GTZ) also provided wise support from the Compact Office

Raising the Bar leverages a proven performance dynamic — it shares benchmarks, tools and learning from business leaders. It will be a living asset to help us all realise the full potential of the Global Compact.

Georg Kell
Executive Head, Global Compact Office
New York, June 2004