



GLOBAL COMPACT NETWORK **ITALY** FOUNDATION



ACTIVITIES REPORT **2013**



Network Italy

GLOBAL COMPACT NETWORK ITALY FOUNDATION

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UNITED NATIONS GLOBAL COMPACT

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GLOBAL COMPACT NETWORK ITALY FOUNDATION

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INTRODUCTION

PRESENTATION OF THE REPORT

Every year, the Global Compact Network Italy Foundation produces an Activities Report intended for the New York Global Compact Office, all the organizations that subscribe to the Foundation, and the partner organizations and its internal and external stakeholders. The Report is set up as an important information-giving and communication tool concerning the Foundation's objectives, the governance system and the people involved as staff and contributors, the Founders and the Participants but, above all, concerning the state of the implementation of the initiatives that make up the Foundation's activity program and the results achieved in the year referred to. In order to allow the reader the opportunity of following the organization's developments and to compare the objectives (general and specific) declared the previous year with the activities implemented and the results achieved in the following one, the Foundation's program guidelines for the year to come are presented at the end of every edition of the Report. Every year the Report also presents an introductory research paper about the United Nations Global Compact that represents the reference framework of all the Foundation's initiatives. The document is produced in both Italian and English and is only disseminated in electronic format. The choice not to produce a version on paper is in line with the eco-friendly approach adopted by the Foundation at both organizational management level and implementation of the activities level. This first issue of the Report refers to the period dating from the establishment of the Foundation on 10th June 2013 until 31st December 2013.



LETTER FROM MARCO FREY

President of the Global Compact Network Italy Foundation

We officially present the Global Compact Network Italy Foundation with this Report, established mid-2013 in line with the evolving path of the Italian Global Compact Network which began over ten years ago.

The Report marks a further step forward in the structuring of the reporting process of the activities which in recent months has already seen the activation of certain tools, such as the newsletter, the renovation of the website and the activation of specific communication tools.

As can be verified from reading the document, there are numerous and substantial ongoing activities, starting from those developed by the Working Groups where firms are the main protagonists of what we tangibly do. From this perspective, one of the goals that we set ourselves is to involve as many corporate participants as possible in our activities, based on their specific skills and responsibilities. This is fully in line with one of the Global Compact's main aims concerning the integration of social responsibility and sustainability in corporate processes.

Speaking of which, one of the results we are most proud of is the platform on the evaluation of the sustainability of suppliers (TENP), based on the Global Compact principles, which is now undergoing the testing phase.

The spirit of partnership is not limited, however, to the firms and the Network, but is also strongly projected externally. In the Report the numerous institutions and organizations are indicated with which the Foundation has collaborated in the multiple initiatives accomplished in this short stretch of time, thanks also to the continuity with the pre-existing activities and relations.

To everyone, Founders and Participants, and partners, the people who have supported us along this path of continuing improvement go our heartfelt thanks: the spirit of the Global Compact is one of “collective actions” and everything we are achieving is to your credit.

The commitment continues, as can be seen in the latest session, and next year we will be here to recount exactly what we succeeded in doing regarding the demanding goals we have set for ourselves.

A handwritten signature in black ink that reads "Marco Frey". The signature is stylized, with a large, sweeping flourish at the end that extends to the right and then curves back down.

Marco Frey
President of the
Global Compact Network Italy Foundation

UNITED NATIONS GLOBAL COMPACT

DESCRIPTION OF THE INITIATIVE

The United Nations Global Compact is the corporate citizenship's broadest strategic initiative in the world.



It stems from the desire to promote a sustainable global economy: respectful of human and labor rights, protecting the environment and promoting anti-corruption. It was proposed, for the first time in 1999, at the World Economic Forum in Davos, by former UN Secretary General Kofi Annan, who, on that occasion, had invited the world economy leaders to present at the forum to sign up to a “Global Pact” together



with the United Nations, in order to address in a spirit of cooperation the most critical aspects of globalization. Never before had the desire to align the objectives of the international community with those of the private interests of the business world been proclaimed so clearly. Therefore, starting from July 2000, the United Nations Global Compact was operationally launched at the United Nations Building in New York. Since then over 10,000 companies and organizations from more than 130 countries around the world have joined, creating a new reality of global collaboration.

INITIATIVE PARTICIPANTS' STATUS *(data till November 30, 2013)*

Total	11,997
Business Participants	7,903
Stakeholder Organizations <i>(Non-profit Participants)</i>	4,094
No. Countries of origin	Oltre 130
COPs submitted	23,367
Delisted Businesses	4,223

The United Nations Global Compact is:

in a broad sense:

- a **voluntary initiative** of adherence to a set of principles (the *Ten Principles of the United Nations Global Compact*) that promote the values of sustainability in the long term through political action, corporate practices, responsible social and civil behaviours which also consider future generations;

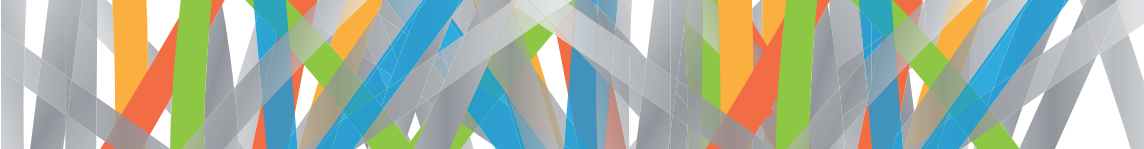
- a **commitment**, signed by participating company directors with the United Nations, to contribute to a new phase of globalization characterized by sustainability, International cooperation and partnership in a multi-stakeholder perspective.

from an operational viewpoint:

- a **network** that unites governments, firms, United Nations agencies, trade unions and civil society organizations, with the aim of promoting the culture of corporate citizenship on a global scale;
- a **platform** for the processing of policies and guidelines for the management of sustainable economies and policies;
- an **operating structure** for firms that are involved in responsible business for developing, implementing, maintaining and spreading sustainable practices and policies;
- a **forum** within which to learn about, compare, and share business experience and critical aspects about globalization.

From this perspective the initiative aims to achieve two complementary goals:

- to make the United Nations Global Compact and its *Ten Principles* an integral part of the strategy and daily operations of the participating firms;
- to catalyze the actions in support of the more general United Nations objectives, including the Millennium Development Goals.



These two objectives are followed by requesting all the participating organizations participating in the United Nations Global Compact to commit themselves to:

1. bringing about all the necessary changes to make the Global Compact and its principles part of the strategy, culture and daily operations of the organization and promoting collective actions in support of the more general UN Development Goals;
2. promoting and spreading the Global Compact and its principles through communication channels such as press releases, public interventions, etc.;
3. communicating with their stakeholders, once a year (in the case of firms) or once every two years (in the case of stakeholder organizations), about the progress recorded in the implementation of the *Ten Principles* and with reference to the initiatives promoted to support the UN Millennium Development Goals.

THE TEN PRINCIPLES

HUMAN RIGHTS

PRINCIPLE I: Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE II: Make sure that they are not complicit in human rights abuses.

LABOUR STANDARDS

PRINCIPLE III: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE IV: The elimination of all forms of forced and compulsory labour;

PRINCIPLE V: The effective abolition of child labour; and

PRINCIPLE VI: The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

PRINCIPLE VII: Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE VIII: Undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE IX: Encourage the development and diffusion of environmentally friendly technologies.

ANTI CORRUPTION

PRINCIPLE X: Businesses should work against corruption in all its forms, including extortion and bribery.

In September 2000, with the unanimous approval of the Millennium Declaration, 191 Heads of States and Governments signed a global pact of joint efforts between rich countries and poor countries. Eight goals (MDGs) emerged from the United Nations Millennium Declaration, which represent a pact at global level between rich countries and poor countries, based on a mutual commitment to do what is needed to build a safer, more prosperous and fairer world for everyone. These crucial eight goals should be achieved by 2015.



1. Eradicate extreme poverty and hunger

- Halve the percentage of people whose income is less than \$ 1 a day, between 1990 and 2015
- Achieve full and productive employment and decent work for everybody, including women and young people
- Halve the percentage of people who suffer from hunger, between 1990 and 2015



2. Achieve universal primary education

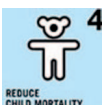
- Ensure that by 2015 all children everywhere, whether male or female, can complete a full course of primary schooling





3. Promote gender equality and empower women

- Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education by 2015



4. Reduce child mortality

- Reduce the mortality rate of children under 5 by two thirds, between 1990 and 2015



5. Improve maternal health

- Reduce the maternal mortality rate by three quarters, between 1990 and 2015
- Achieve universal access to reproductive health services by 2015



6. Combat HIV/AIDS, Malaria and other diseases

- Stop the spread of HIV/AIDS, and reverse the trend, by 2015
- Reach the goal of universal access to treatment for all HIV/AIDS sufferers, by 2010
- Drastically reduce the incidence of malaria and other major diseases, and reverse the trend, by 2015



7. Ensure environmental sustainability

- Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources trend
- Reduce biodiversity loss, achieving a significant slowing-down of the rate of loss by 2010
- Halve the percentage of people without access to drinking water and basic sanitation by 2015
- Achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020



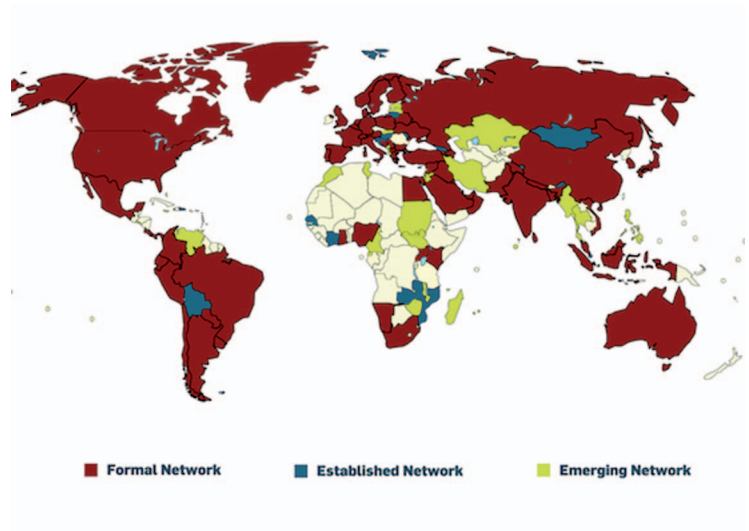
8. A global partnership for development

- Address the specific needs of least developed countries, land-locked countries and small island developing states
- Develop a more open trading and financial system, which is better regulated, and non-discriminatory
- Deal comprehensively with the problems of developing countries' debts
- Make it possible in cooperation with pharmaceutical companies for developing countries to access essential medicines at affordable prices
- In cooperation with the private sector, make the benefits of new technologies available, especially with regard to information and communication



LOCAL NETWORKS

Local Networks are clusters of participants who come together to advance the United Nations Global Compact and its principles within a particular geographic context. They perform increasingly important roles in rooting the Global Compact within different national, cultural and language contexts, and also in helping to manage the organizational consequences of the Global Compact's rapid expansion. Their role is to facilitate the progress of companies (both local firms and subsidiaries of foreign corporations) engaged in the Global Compact with respect to implementation of the *Ten Principles*, while also creating opportunities for multi-stakeholder engagement and collective action. There are 101 Networks at the moment.



HIGHLIGHTS 2013 UNITED NATIONS GLOBAL COMPACT

■ **CORPORATE SUSTAINABILITY AND THE UNITED NATIONS POST-2015 DEVELOPMENT AGENDA.** As the 2015 deadline for the Millennium Development Goals approaches, the United Nations Global Compact has been charged with integrating the business prospects in the Post-2015 Development Agenda. To this end, numerous activities were pursued in 2013, on a global scale, with the aim of acknowledging and discussing inputs coming from the world of business. In detail:

- **Leaders Summit 2013: Architects of a better world** (New York, 19-20 September) Presided over by the U.N. Secretary-General Ban Ki-moon the event reunited CEOs, civil society leaders, government and U.N. representatives. The summit provided an important opportunity to start the discussion about the Post-2015 Agenda and at unprecedented levels to promote the commitment of the business world towards the resolution of global priorities, such as climate change, water, food, female empowerment, children's rights, work and education.
- **Architects of a better world: building the architecture for the involvement of businesses in the Post-2015 Development Agenda** - The publication, produced together with the Global Reporting Initiative (GRI) and the World Business Council for Sustainable Development (WBCSD) illustrates the main elements necessary for improving corporate sustainability as an effective contribution to sustainable development, creating value for both businesses and society.



■ **THE UNITED NATIONS GLOBAL COMPACT BUSINESS PARTNERSHIP HUB.**


During 2013 an interactive platform was launched. It was designed with the aim of putting firms and potential partners in contact in order to activate projects supporting the UN Development Goals. Currently the platform facilitates the creation of partnerships in the areas of *anti-corruption, climate and energy, social entrepreneurs and water.*

■ **GLOBAL CORPORATE SUSTAINABILITY REPORT 2013.**

On the basis of the responses given by about 2,000 firms located in 113 countries in the *UN Global Compact Annual Implementation Survey*, the report provides an overview of the actions undertaken by these firms to incorporate responsible practices into their strategies, operations and culture.

■ **INTRODUCTION OF THE REPORTING OBLIGATION FOR NON-BUSINESS PARTICIPANTS.**

Since 31 October 2013 also the UN Global Compact non-business participants have to report about all the activities implemented in support of the initiative as well as about the results obtained, producing a *Communication on Engagement (COE)*. This is to the benefit of their stakeholders and is to be carried out every two years.



GLOBAL COMPACT NETWORK ITALY FOUNDATION

WHO WE ARE

THE PATH

2002 - The Global Compact Network Italy was created thanks to the coordination of **Cittadinanzattiva** and the support of the Global Compact Office, the International Labour Organization (ILO), the United Nations Development Programme (UNDP) and several institutions, business and Italian universities.



2003 - The Global Compact Network Italy has been managed by the **ILO – International Labour Organization** in relation to the broad project: “Sustainable Development through the Global Compact”, financed by the Italian Ministry of Foreign Affairs - Italian Development Cooperation. This project was established to promote corporate citizenship as a means for development cooperation in countries of the Mediterranean area. The project was not developed only to promote the Global Compact in Italy, but also to spread it as a vehicle of corporate citizenship together with other international instruments: the OECD Guidelines and the ILO Tripartite Declaration.



2006 – The Italian Global Compact Network Steering Committee nominated Marco Frey of the Sant’Anna School of Advanced Studies as its President and sanctioned the passage of its technical secretariat to **FONDACA – Active Citizenship Foundation**, in order to allow the Network to play a central role in terms of promotion and dissemination of the United Nations Global Compact at a national level. The new organization has worked towards the following main goals: to consolidate the Network as an entity of propulsion for the United Nations Global Compact in Italy; involving more and more Italian firms and organizations in the UN initiative; bestowing a greater gravity and continuity to their commitment to the *Ten Principles of the Global Compact* and, more generally, to the theme of sustainability.



2010 – The Italian Global Compact Network Assembly unanimously approved a **new governance model for the Network**, thus marking an important step along the path towards the consolidation and development of the initiative. The new governance model is characterized by the voluntary participation of the Italian organizations subscribing to the United Nations Global Compact; by the leadership role of a Steering Committee made up of representatives of the organizations participating in the Network and supported by a Technical Secretariat entrusted to FONDACA – Active Citizenship Foundation; and by the organizations participating in the Network covering its running costs, its coordination and some of its activities.



2013 – On June 10th 2013, the Global Compact Network Italy (GCNI), active since 2002, became legally established as the **Global Compact Network Italy Foundation**. Eighteen organizations took part in the Foundation's establishment, private enterprises (of different productive sectors and dimensions), universities and research centres, non-profit foundations and civil society organizations. More in particular, the **Promoting Founders** of the Global Compact Network Italy Foundation are:

Acea

Ansaldo STS

Edison

Enel

Eni

ERGO

Fondazione Eni Enrico Mattei

Fondazione per lo Sviluppo Sostenibile

Gruppo Generali

Italcementi

LATI Industria Termoplastici

Pentapolis

Snam

Sodalitas

Sofidel

TELECOM Italia

Terna

Università Ca' Foscari Venezia

MISSION AND OBJECTIVES

The Global Compact Network Italy Foundation was established with the primary purpose of contributing to the development of the UN Global Compact in Italy, an initiative for the promotion of a culture of corporate citizenship fostered and managed by the United Nations on a global scale.

The Foundation mission is to spread the knowledge of the UNGC, favouring the increase of subscribers throughout the country and, with increasing seriousness and credibility, to promote the commitment to corporate sustainability among the businesses and organizations of Italian members and their partners. The Global Compact Network Italy Foundation also aims to play an active role in defining and implementing strategies for growth and consolidation of the Global Compact of the United Nations at regional and international levels, providing its contribution to achieving the overall objectives of the initiative on a global scale, meaning the creation of “a more inclusive and sustainable global economy”.



GOVERNANCE

The Global Compact Network Italy Foundation Roles are:

- the **Board of Directors**, vested with all the powers to identify the actions to be taken and the criteria for the achievement and implementation of the objectives of the Foundation and its ordinary and extraordinary management.
- the **President** (and two **Vice-Presidents**), is the legal representative of the Foundation before third parties, and acts and stands before any administrative or judicial authorities. In relations with the Board of Directors, the President has the power of impulse and initiative over the administration and management of the Foundation. In addition, the President embodies the institutional representation of the Foundation.
- the **General Secretary**, first of all is the point of contact between the Foundation and the Global Compact Office in New York. The Secretary provides the organizational and administrative management of the Foundation, as well as the organization and promotion of individual initiatives, providing resources and tools needed for their practical implementation; acts as coordinator between the various organizations of the Foundation and the United Nations Global Compact and looks after and promotes the external relations of the Foundation.
- the **Auditor**, verifies the correct accounting of the Foundation and its legal books and provides advice to the Board and to the founders of the regularity of financial statements and compliance with tax and social contributions, drawing up a written report on the balance sheet.

COMPOSITION OF THE FOUNDATION ROLES

Board of Directors	Marco Frey , Director of the Institute of Management of the Sant'Anna School of Advanced Studies and Founder of Ergo, spin-off of the School (<i>President</i>)
	Sabina Ratti , Sustainability - Senior Vice President, Eni S.p.A. (<i>Vice-President</i>)
	Luigi Lazzareschi , CEO, Sofidel Group (<i>Vice-President</i>)
	Alessandro Beda , Steering Counselor, Sodalitas Foundation (<i>Counselor</i>)
	Marina Donati , Head of Corporate Social Responsibility Generali Group Head Office, Assicurazioni Generali S.p.A. (<i>Counselor</i>)
	Stefano Gardi , Sustainable Development Director, Italcementi Group (<i>Counselor</i>)
	Francesca Magliulo , Corporate Responsibility Manager, Edison S.p.A. (<i>Counselor</i>)
	Chiara Mio , Professor at the Department of Management and Delegate of the Rector to environmental sustainability and social responsibility of the University, Ca' Foscari University of Venice (<i>Counselor</i>)
	Fulvio Rossi , CSR Manager, Terna S.p.A. (<i>Counselor</i>)
General Secretary	Alessia Sabbatino
Auditor	Domenico Antonelli

STAFF AND EXTERNAL COLLABORATORS

Laura Lamberti	Communication and Organization
Giacomo D'Orazio	Webmaster
Mauro Fanti	Grafic designer
Monica Datta	Translation and correction of texts in English language



FOUNDERS AND PARTICIPANTS (data till December 31, 2013)

PROMOTING FOUNDERS



FOUNDERS



PARTICIPANTS



HOW TO PARTICIPATE

MEMBERS

Membership is open to:

- Italian businesses and organizations participating in the UNGC;
- subsidiaries of multinational companies participating in the UNGC which operate in Italy;
- businesses, not exercised on an individual basis and with less than ten employees (micro-enterprises), which are located in Italy.

Foundation members are divided into:

- **Promoting Founders:** these are the companies and organizations who have endorsed and promoted from the beginning the path that led to the creation of the Foundation by participating in its deployment phase.
- **Founders:** these are the companies and organizations that have become part of the Foundation undertaking to contribute to the achievement of the purposes of the same, not only supporting the organization financially, but also participating actively in the institutional life and the implementation of planned initiatives.

PARTICIPANTS

Companies and/or organizations may qualify as Participants which, sharing the aims of the Foundation and being interested in participating in initiatives and activities which it organizes throughout the country, decide to sup-



port the Foundation through annual cash contributions in an amount not less than that established by the Board of Directors for the Participants. The status of the Participant, unless otherwise approved by the Board of Directors, may be kept for up to one year, after which the Participant companies and/or organizations may submit an application to the Board of Directors for admission to the Founders.

WHAT WE DO

INSTITUTIONAL ACTIVITIES

The start-up of the organization

Throughout 2013 the Global Compact Network Italy Foundation was fully active in managing the start-up phase of the organization. This allowed it to define the procedures and to develop the necessary tools to guarantee the smooth functioning of the Foundation and to launch the course of the structure's consolidation and development.

The contribution of the Foundation's Board of Directors which was convened three times by the President in the first six months of the organization's activities, was fundamental in this. The meetings offered opportunities to update and check on the start up activities, such as those connected to the definition and implementation of specific projects, as well as for reflection and discussion about the organization's

development strategies.

Also in 2013 two Members of the Global Compact Network Italy Foundation meetings were held. During the first meeting, held at the moment of the organization's establishment, the Foundation's statutory bodies were nominated and its strategic objectives were shared. At the second meeting, held at the end of October, the results obtained during the months of activity were presented and shared, the 2014 program outlines were agreed and the Foundation's first budget was discussed and approved. Also representatives from the firms and organizations participated as observers in the Members' meeting.

External Communication

In 2013, some important institutional communication tools of the Foundation were created. In particular:

- **Website** - The Global Compact Network Italy Foundation website is the organization's main communication channel. The website allows the user an in-depth study opportunity about the United Nations Global Compact and about the Global Compact Network Italy Foundation that is presented, covering the history of the Italian Global Compact Network through a description of its mission and aims, of the organizations that subscribe with the status of "Founders" or "Participants" and ending with the numerous activities implemented. With the section "News from the Network" on the homepage, the Foundation continuously updates its users about news regarding the policies and initiatives of the United Nations Global Compact, as well as regarding institutional matters, new subscribers and planned activities.

Furthermore, in order to raise awareness about the subscribing organizations' commitment to sustainability and corporate responsibility, the Foundation has dedicated a specific section on its homepage to the diffusion of news, initiatives and publications about its Members and Participants, whether connected to the United Nations Global Compact or focused on topics of interest (in the "The Network Noticeboard" section).

- **Newsletter Service** - During its constitution, the Global Compact Network Italy Foundation has activated its Newsletter service, aimed at: informing users about the Foundation institutional life and the projects and initiatives which have been implemented or scheduled; communicating all updates on the United Nations Global Compact policies and the main news from the policy community active at national and international level on sustainability issues; raising awareness about projects and activities carried out by the Members and Participants of the Foundation, as well as their social and reporting documents and publications on matters of interest. The Foundation Newsletter is produced in Italian and English and will come out bi-monthly. In 2013, three issues were sent out. All the issues sent out are available on the "Newsletter Archive" page of the Foundation website.
- **Social Network** - In October 2013, the Global Compact Network Italy Foundation activated its Twitter profile. In the daily management of the profile, the Foundation interacts with organizations and individuals interested in it and in the United Nations Global Compact (followers), as well as collecting information on the main updates coming from the national and international community committed to sustainability and corporate responsibility topics (following).

More specifically through its Twitter profile, the Global Compact Network Italy Foundation aims to:

- provide information about their activities (programs, initiatives and events, publications, broadcasting media presence, etc.)
- present the companies and organizations that are Founders and Participants of the Foundation
- inform about new Foundation memberships
- promote the *Ten Principles of the United Nations Global Compact*
- inform about news and initiatives of the United Nations Global Compact
- disseminate good practices of sustainability and CSR implemented by companies that adhere to the Foundation
- give information about initiatives on sustainability issues (programs, initiatives and events, publications, etc.) that are promoted by companies and organizations which support the Foundation

Before the Foundation's Twitter profile was activated there was a benchmarking exercise involving several organizations active on the social network and in many aspects comparable to the Foundation, and an analysis of case-studies of other Global Compact Local Networks present on the platform through the administration of an Interview Questionnaire.



The promotion of the United Nation Global Compact and of the Global Compact Network Italy Foundation

The event “Global Compact Network Italy Foundation: objectives and activities” was held in Milan, at the venue of FEEM - Fondazione Eni Enrico Mattei, on October 30th. The meeting was aimed at an in-depth analysis of the UN Global Compact (UNGC) and a presentation of the Global Compact Network Italy Foundation. Through their contributions, five of the businesses which compose the Directive Board (Edison, Eni, Gruppo Generali, Italcementi, Terna), described the possible ways of involvement of Founders and Participants in the Foundation programs and activities and they clarified the benefits and the opportunities of the adhesion. Representatives of several companies of different sizes and productive sectors attended the meeting, as well as non-profit organizations and academic institutions engaged on issues of corporate sustainability.

With the aim of promoting the Global Compact and the Italian Network at national level, the President, the General Secretary and certain members of the Global Compact Network Italy Foundation Board of Directors also took part in the following events, on behalf of the Foundation:



Event	Date	Venue	Organized by
Buono per te, buono per il pianeta	June 11th	Milan	Barilla, SDA Bocconi, Centromarca
Presentation of the State of the World Report 2013 - "È ancora possibile la sostenibilità?" produced by the Worldwatch Institute	September 20th	Padova	WWF
ENEL, 10 anni di sostenibilità	October 1st	Milan	Enel
Seminar on renewable energies, Salone della CSR e dell'Innovazione Sociale	October 1st	Milan	Bocconi University, CSR Manager Network, Unioncamere, Alleanza delle Cooperative Italiane, Sodalitas Foundation, Koinètica
The States General of the Green Economy	November 7th	Rimini	National Council for Green Economy, Ministry of Environment
Sodalitas Stakeholder Forum "Insieme per la coesione sociale"	November 12th	Milan	Sodalitas Foundation, Assolombarda
Presentation of the Report "Imprese e Diritti Umani: il caso Italia"	November 13th	Rome	Sant'Anna School of Advanced Studies, Ministry of Economic Development, sponsored by the Italian Chamber of Deputies
Business and Human Rights Workshop: Embedding human rights across departments	November 20th	Milan	Sodalitas Foundation, CSR Europe
Sustainability International Forum - SIF	November 20th	Rome	Pentapolis - Associazione per la responsabilità sociale, The Club of Rome, Global Compact Network Italia, WWF
ABI Forum	November 28th	Rome	ABI - Associazione Bancaria Italiana
NIBR Plenary Meeting	December 5th	Milan	NIBR

Dialogue with institutional actors

The Global Compact Network Italy Foundation entered into dialogue with a series of institutional actors throughout 2013 with the aim of promoting the culture of sustainability and of contributing to the creation of a context favourable to the implementation of corporate citizenship practices on behalf of the firms and organizations that operate within the national territory. Of particular note are the talks with the Ministry of Foreign Affairs, with the Ministry of Economic Development as well as with the Ministry of Labour and Social Policy about the National Action Plan on Corporate Social Responsibility 2012 – 2014; with the Ministry of Foreign Affairs about the Italian Action Plan on the “UN Guiding Principles on Firms and Human Rights” and with the Antitrust Authority on Legality Ratings Regulations. The Global Compact Network Italy Foundation also played an active role in the field of the States General of the Green Economy promoted by the National Council for Green Economy, made up of 66 business organizations that represent the green economy in Italy, in collaboration with the Ministry of Environment and the Ministry of Economic Development. The venture, coordinated by the Foundation for Sustainable Development, aims to lead the Italian economy in a new direction towards a green economy to create new opportunities of sustainable lasting development and to indicate the way out from the economic and climatic crisis. Professor Frey, representing the GCNI Foundation, coordinated the Finance & Credit Working Group’s activities.



Collaboration and coordination with the UNGC Office and other local Networks

The Global Compact Network Italy Foundation is in constant contact with the New York Global Compact Office and with the Global Compact Local Networks, in particular the European ones with the aim of contributing to the definition and implementation of the growth and consolidation strategies of the United Nations Global Compact on a regional and international scale. During 2013 the Foundation had talks with the New York Global Compact Office, in coordination with the European Local Networks, in order to actively contribute to the definition of the new United Nations Global Compact financing policy to be implemented from January 2014. The Foundation has given its availability to test its “collaborative funding model”. This model, allowing for the fact that the two fundraising processes are completely independent, envisages that, recognizing the importance of the two dimensions that characterize the United Nations Global Compact (global and local), they join forces in order to make, especially the participating firms, aware of the importance of supporting the initiative as a whole by making an economic contribution to the Foundation for the Global Compact and for the subscription to the Global Compact Network Italy Foundation.

The Foundation also participated in the **Leaders Summit 2013: Architects of a better world** (New York, 19-20 September) represented by Marco Frey, President of the Global Compact Network Italy Foundation, and by a delegation of participating firms including Enel and Eni. During the closing plenary session of the event, Paolo Andrea Colombo, President of Enel, made a speech.



SUPPORT ACTIVITIES

Assistance and support activities

During its first semester of activity the Global Compact Network Italy Foundation dealt with numerous requests for support and assistance from the participating firms and organizations as well as others. In detail:

- Requests for information about UNGC and GCNI Foundation programs and activities;
- Assistance to the firms and organizations participating in the UNGC regarding matters about the participation in the initiative (e.g. requests for the logo, requests for IDs and passwords to access the restricted area, etc.);
- Support in producing and transmitting the Annual Communications;
- Support in revising the Annual Communications - Advanced Program;
- Requests for various types of support specific to corporate needs relating to the implementation of the *Ten Principles of the Global Compact* both in the firms' core business and in their spheres of influence;
- Requests for support in organizing meetings/seminars/events promoted or organized by the participating firms and/or organizations to raise awareness within their structures;

Further support is offered to the participating firms and organizations on the Foundation website in the form of the most useful documents and publications from the New York Global Compact Office available in Italian versions.

E-mail alert service on initiatives and opportunities

In July 2013, the Foundation Global Compact Network Italy launched an e-mail alert service for all its Members and Participants, aimed to point out initiatives and opportunities of interest focused on sustainability and corporate responsibility themes (conferences, workshops, seminars, awards, publications, etc..) and promoted by the same Members and Participants or by organizations external to the Foundation. On average, from the date of activation of service to December 31, 2013, the Foundation sent a message a week to all organizations that adhere to it, using an e-mail format produced ad hoc (“The GCNI Foundation points out to its Members and Participants”).

Thematic meetings

The Global Compact Network Italy Foundation has organized a series of thematic meetings during which businesses and adhering organizations have had the opportunity to talk about and discuss issues of more general interest related to the topics of sustainability and corporate responsibility.

Among these, the seminar “The Eco-system Services in Business Management” held on July 8th, in Rome at the headquarters of UniCredit should be noted. The meeting was organized by the Global Compact Network Italy Foundation, in collaboration with the Sant’Anna School of Advanced Studies of Pisa and the CURSA - University Consortium for Socioeconomic Research and Environment. The seminar allowed us to investigate the role of eco-system services in business management and to introduce some tools for quantifying and mapping them, meanwhile enhancing some of the best practices identified on the national scene. The following experts participated as



speakers in the meeting: David Marino, Associate Professor of Economics and Rural Appraisal, Faculty of Mathematical, Physical and Natural Sciences of the University of Molise; Marta Ceroni, Lecturer, Gund Institute for Ecological Economics, University of Vermont; Stefano Pogutz, Lecturer and Researcher, Department of Management and Technology, Bocconi University. Marco Frey, President of the Global Compact Network Italy Foundation, introduced the meeting, which ended with the testimonies of representatives of four companies that subscribe to the Foundation: Enel, Eni, Italcementi Group, UniCredit.

During the meeting, the Global Compact Network Italy Foundation “Environment” Working-Group was formally established.



ACTIVITIES OF THE PROMOTION OF MULTI-STAKEHOLDER PARTNERSHIPS AND OF COLLECTIVE ACTIONS

There are **five thematic Working Groups** within the Global Compact Network Italy Foundation that aim not only to share and value the experiences of the participating firms and organizations but also and above all to identify practical and innovative solutions for the implementation, at a local level, of the principles and mechanisms identified by the UNGC at a global level.

“Sustainable Supply Chain” Working Group



Recognizing the importance that the supply chain assumes in contributing to the improvement of the firms' sustainability performances and more generally of their competitiveness as a whole, consistent with what is provided for by the UN Global Compact with reference to the scope of application of the *Ten Principles* promoted by the initiative, the Working Group set itself the following goals:

- to share and implement a monitoring tool for the sustainability performance of the firms belonging to the supply chains of the Network members;
- to define and implement support mechanisms for the sustainability performance of the firms belonging to the supply chains of the Network members, encouraging suppliers to adopt the best practices in terms of respect for human rights, labour rights, environmental responsibility and business ethics;



- to contribute to the diffusion of sustainability principles and practices among Italian firms with specific reference to the PMI, intervening in the supply chains.



a Global Compact Network Italy Foundation Project

During 2013 the Working Group made official a self-assessment questionnaire for suppliers organized according to the *Ten Principles of the UN Global Compact* and made available to the firms subscribing to the Foundation so that they can integrate it into their business processes for the pre-qualification of suppliers.

Thanks to the support and concrete efforts of certain members of the Working Group (A2A, Acea, Ansaldo STS, Edison, Eni, Italcementi Group, Nestlé Italiana) an IT platform, the *TenP - Sustainable Supply Chain Self-Assessment Platform* has been set up. This allows the firms that contributed to its creation and those that decide to use it, to collect and share information about the sustainability performance of their suppliers, aiming to use it to identify challenges and common solutions to improve sustainability within their own supply chains. The platform will be officially launched in April 2014.

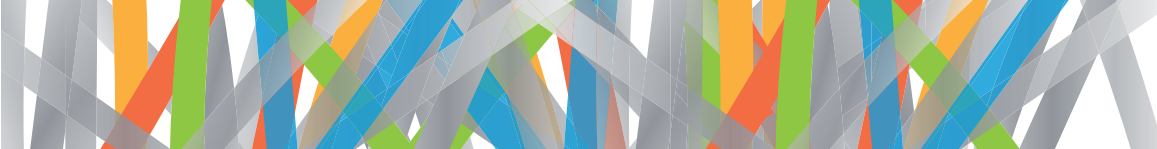
“Reporting” Working Group



The “Reporting” Working Group was launched with the two-fold aim:

- of carrying out a detailed analysis of the sustainability reporting frameworks principally utilized by the firms (21 Criteria of the UN Global Compact Advanced Program, Guidelines for Global Reporting Initiative GRI-G4, Integrated Reporting






Framework) in order to clarify the existing connections between them and to analyse and better understand the operational aspects connected to their application on the part of the firms;

- of conducting research into the inherent criticalities in the application of the principle of materiality as intended in the Global Reporting Initiative GRI-G4 Guidelines through the Working Group participants sharing their experiences.

The Working Group is mainly made up of representatives from the firms subscribing to the Foundation with a solid experience in the production of sustainability reporting documents. It is also supported by Professor Chiara Mio's scientific coordination from the Management Department at the Ca' Foscari University in Venice and as Delegate of the Dean for environmental sustainability and social responsibility of the University. It also has support from the FEEM – Fondazione Eni Enrico Mattei researchers.

The Working Group met three times in the second half of 2013. During the meetings the most recent versions of the above mentioned reporting framework were presented in detail, and the operational complexities connected to their use were analyzed focusing on the application of the principle of materiality as intended in the Global Reporting Initiative GRI-G4 Guidelines. Also the activities for the first semester in 2014 were planned.



“Anti-Corruption” Working Group



The Working Group on the “Fight against Corruption” was established with the aim, on one hand to create an opportunity for the comparison and in-depth study of corporate compliance systems and programs, and on the other to activate and implement talks with the institutions in order to promote legality and transparency in business dealings.

Referring to the first aim, during the second part of 2013 a mapping of the risk areas was made, of the internal regulations and corporate compliance programs adopted by the Working Group firms with reference to both corruption in public offices and in the private sector. Also planned for the first semester of 2014 are a series of meetings set up with the intention of systematically conducting an exchange of good practices on internal regulations and/or on corporate compliance programs.

A channel for dialogue with the Antitrust Authority was also opened during 2013, in order to support corrective measures to be implemented and to define lines of collaboration for the promotion of the Legality Ratings Regulations in the Italian business community.

Members of the Working Group are made up of representatives of the compliance, internal audit and legal affairs functions of the firms subscribing to the Foundation. The Working Group can also count on the active participation of Transparency International Italy.

“Environment” Working Group



The Environment Working Group, formally active since July 2013 with the seminar “Eco-system services in business management” (see page 34), aims firstly to develop a line of reasoning on the interdependence that exists between corporate activity and eco-system services, starting from an analysis of the practices implemented by the firms subscribing to the Foundation. Another goal is to pinpoint the best reporting methods on corporate performances in eco-system services. Most of the Working Group members are environment managers in the organizations subscribing to the Foundation along with some university researchers (CURSA, Sant’Anna School of Advanced Studies, Bocconi University, etc.) with whom the Foundation collaborates in organizing a summer school about eco-system services.

“Human Rights” Working Group



The “Human Rights” Working Group was set up with three main goals:

- to deepen knowledge about Human Rights from a business viewpoint highlighting the implications that they have or can have for firms irrespective of the context in which they operate;
- to contribute to the development of tools that can help firms to integrate Human Rights into their daily practices;
- to promote the safeguarding of Human Rights through collective actions to be carried out together with its subscribers.



The members of the Working Group, having dedicated a series of meetings to analyzing the *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, have made a working plan that foresees, during 2014, the creation, testing and sharing of:

- an assessment tool for Human Rights on production sites;
- an assessment tool for Human Rights in due diligence processes;
- a basic training tool on Human Rights available to the firms subscribing to the Foundation for use in their internal training and awareness raising activities.

During the second half of 2013, the Foundation also involved members from the "Human Rights" Working Group in talks with expert organizations and institutions in order to contribute to the promotion of the Human Rights topic in a national context.

In detail:

- **Launch of the Children's Rights and Business Principles in Italy** - On 28th October 2013, UNICEF Italian Committee, the Global Compact Network Italy Foundation and Save the Children Italy launched *Children's Rights and Business Principles* in Italy, 10 principles defined at international level in collaboration with the three organizations above and that call for a reinforcement of the commitment made by companies to respect and promote children's rights in the workplace, in markets and in the communities referred to. The Italian launch follows those of another 34 countries globally.

- **Extended Public Consultation on the Italian Action Plan on the “United Nations Guiding Principles on Business and Human Rights”** - In November 2013, the Global Compact Network Italy Foundation accepted the Ministry of Foreign Affairs’ invitation to participate in an extended public consultation on the Italian Action Plan for the Public Administration to put into action the “UN Guiding Principles on Business and Human Rights” to be carried out by the Communication from the European Commission COM (2011) 681. To such end, it involved Working Group members in the consultation, handing out the Action Plan to them and asking for their observations. The document containing the entire contribution from the Foundation on the Action Plan was sent, in coordination with the Sodalitas Foundation, on 4 December 2013 to the Ministry of Foreign Affairs.

In addition, the Foundation together with the Italian Committee for UNICEF and Save the Children Italy sent a contribution on the specific topic of *Children’s Rights and Business Principles* to the aforementioned Ministry.



PARTNERS

The Global Compact Network Italy Foundation avails itself of a well-structured network of partners made up of various organizations which don't subscribe to the United Nations Global Compact, but are in line with all or some of the initiative's objectives. The Foundation's partners are private or public companies, universities and research centres, government institutions at local and national level, non-profit and civil society organizations, as well as international organizations. They contribute to the implementation of the Foundation's activities, sharing thematic knowledge, technical skills, human resources, and material, logistical or financial resources. In cases where collaboration is very strong, the Global Compact Network Italy Foundation may even start up broadened processes of activities planning.

We would like to thank the following organizations for having supported and/or collaborated with us towards reaching the Foundation's objectives and the creation of its activities program during 2013:

UNICEF Italian Committee

CURSA - University Consortium for Socioeconomic Research and Environment

Italian Ministry of Foreign Affairs

Transparency International Italy

Save the Children Italy

Sant'Anna School of Advanced Studies

PROGRAM GUIDELINES 2014

MISSION

The Foundation, in accordance with the Ten Principles of the UN Global Compact (UNGC), aims to:

- be recognized as an institutional spokesperson that allows companies engaged in sustainability in a multi-stakeholder perspective to be heard
- raise awareness and the level of national involvement
- help make sustainability the main lever of change in pursuit of a future that is more efficient, more equitable and safer in the management of resources
- be characterized as a subject oriented towards the development of operational solutions and the creation of shared economic, social and environmental values
- encourage partnerships, collective actions and dialogue among all actors in the promotion of sustainability
- promote accountability, fairness and transparency in communication and corporate reporting
- endorse the contribution of Italian companies and synergies at international level

GUIDELINES

The more specific guidelines at this stage are as follows:

- ensure the best start-up phase and ordinary operations of the Foundation

- clearly define the objectives and targets for medium and long term development, in strict accordance with the guidelines and opportunities for collaboration within the UN Global Compact
- reinforce its position at national level and its role at international level on issues related to the United Nations Global Compact Principles, in line with the mission

OBJECTIVES

- To spread the knowledge of the United Nations Global Compact in Italy through participation in events and initiatives promoted by public and private stakeholders especially active in the field of sustainability, with particular reference to everything that arises within an international perspective
- To increase the membership of the Foundation from companies and stakeholder organizations at national level involved in corporate responsibility and sustainability
- To maximize the quality of the participation of firms and organizations belonging to the Foundation through its program of activities and the concrete results of this involvement
- To make the most of the partnership with the Italian institutions engaged in the topics chosen as a priority in the activities of the Working Groups (sustainability in the supply chain, human rights and the role of firms, natural capital and ecosystem services, the fight against corruption and integrated reporting)
- To create increasingly important and fruitful synergies with its partners and expand its network of relationships with new key players on the Italian and international scenes

- To foster the greatest transparency and quality of communication and measurement possible in the context of sustainability on the part of the member organizations, starting from the Communication on Progress, and also through benchmarking and stakeholder engagement activities.





GLOBAL COMPACT NETWORK ITALY FOUNDATION



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