



Global Compact Network Italy

THE GLOBAL COMPACT NETWORK ITALY
Guidelines for Activity and Governance
- Approved on October 27, 2010 -

October 2010

Background

During 1999 the Secretary General of the United Nations, Kofi Annan, launched the Global Compact to harness the power of collective action in the promotion of responsible corporate citizenship. The Compact provides a framework of 10 principles within which companies are invited to manage their operations:

1. To support and respect the protection of internationally proclaimed human rights;
2. To ensure that business is not complicit in human rights abuses;
3. To uphold the freedom of association and the effective recognition of the right of collective bargaining;
4. To support the elimination of all forms of forced and compulsory labour;
5. To support the effective abolition of child labour;
6. To support the elimination of discrimination in respect of employment and occupation;
7. To support a precautionary approach to environmental challenges;
8. To undertake initiatives to promote greater environmental responsibility;
9. To encourage the development and diffusion of environmentally friendly technologies;
10. To work against corruption in all its forms, including extortion and bribery.

This voluntary initiative has two key objectives:

1. Mainstream the ten principles in business activities around the world, and
2. Catalyse actions in support of the UN goals.

In November 2001, a number of Italy based signatories of the Global Compact met to explore the value and possible function of an Italian Network as part of the Global Compact's programme of establishing local networks. It was decided to proceed, and since then there has been a developing programme of activity including:

- Liaison with the Global Compact office and with other local networks;
- Addressing the operationalisation of the 10 principles and clarifying the expectations of SMEs and other institutions;
- Sharing individual company experiences;
- Engaging with NGOs and other non-corporate organisations;
- Supporting participant in producing their COPs.

This paper sets out the basis upon which the Italian Network of the Global Compact operates. It affirms its Purpose, Key Objectives, Key Principles, Programme Content, Governance and Management, the Role of the Secretariat and some other general policy measures.

Purpose of the Italian Network of the UN Global Compact

The Global Compact Network Italy serves as a focal point of coordination, communication and support for the Italian based signatories of the UN Global Compact.

Key Objectives

The objectives of the Italian Network are:

- to provide Italian signatories of the Global Compact with a forum to consider and advance issues of mutual interest and concern;

- to provide a mechanism through which performance and reporting on Global Compact principles can be improved by mutual support;
- to enable participants to share and exchange practice and experience;
- to provide input to the Global Compact on its future development and activity;
- to promote the Global Compact principles throughout the Italian business community;
- to act as a link between the Italian Network's participants and the international initiatives in favour of the achievement of the Millennium Development Goals;
- to help promote and support the Global Compact worldwide.

Key Principles

The activities of the Italian Network take place within the following framework:

- it is a multi-stakeholder initiative;
- it is the collective action of those Italian signatories of the Global Compact that are committed to playing an active part in achieving the UN Global Compact general objectives;
- it seeks long term continuous improvement in the implementation of the UN Global Compact principles;
- it engages with other business associations, government, and civil society organisations and networks in the promotion of the Global Compact principles.

Programme Content

Led by the Steering Committee, the Italian Network and its Participants achieves its objectives through a range of activities to include:

- ensuring a regular exchange of information between the Global Compact office and the Italian Network participants;
- providing appropriate channels of communication between Italian Network participants;
- maintaining a website with links to the Global Compact and other appropriate organisations;
- providing regular opportunities for Italian Network participants to meet and discuss matters of common concern;
- reviewing and clarifying the application of the Global Compact principles;
- developing mutually supportive materials for the application and reporting on the Global Compact principles;
- facilitating a system of 'Peer Review' between signatories to aid the continuous improvement of implementation and reporting of the Global Compact principles;
- supporting the Global Compact office in the monitoring of the COPs of Italian Network participants;
- liaising with the local networks in other countries to share experience and practice;
- undertaking or commissioning appropriate research or information gathering;
- such other activities as the Network Participants shall decide from time to time.

Governance and Management of the Global Compact Network Italy

In order to provide continuity, proper governance, and acceptable outcomes for the Italian Network participants, the following are the key elements in the management of the programme:

- 'Participants' are:

- signatories of the Global Compact based in the Italy that agree to participate in the Italian Network; they may be ‘corporate participants’ or ‘stakeholders organizations’, as may be determined from time to time;
 - Italian based subsidiaries and local branches of multinational companies that joined the Global Compact on corporate basis that agree to participate in the Italian Network;
 - companies with less than ten direct employees (micro-enterprises) that agree to participate in the Italian Network;
- the Steering Committee is formed by volunteers from the participating organisations to oversee the management and activities of the Italian Network. It determines priorities, approves the activity plan, oversees and advises the Secretariat, and takes responsibility for the proper governance of the programme. The Steering Committee is presided by a Chairperson;
 - a Secretariat facilitates and supports the Steering Committee and the Participants in the achievement of their objectives;
 - working groups or sub-committees drawn from the Italian Network participants are convened from time to time to address particular topics on behalf of the Network and to carry out specific aspects of the Italian Network’s objectives, such as marketing the Global Compact to potential Italian signatories, monitoring the performance of existing Italian signatories on reporting and compliance with the Global Compact principles, and representing the Italian Network at the UN or elsewhere;
 - the costs of the Italian Network are shared by the Participants as determined annually by the Steering Committee;
 - participants also support the Programme by voluntarily contributing knowledge, information and materials, and an appropriate amount of the time of colleagues to attend programme activities;
 - all aspects of the objectives, activities, governance, and management of the Italian Network are reviewed with the Participants each two years in order to determine whether and in what framework the programme should continue;

Organizational Status

Given that the current Secretariat is provided by FONDACA – Active Citizenship Foundation, a not for profit organization based in Rome, the Italian Network is operated using this document as a control and thereby avoid the costs and administrative processes involved in creating a new legal entity.

Participants in the Italian Network

Network Participants are asked to sign a ‘Statement of Support for the Italian Network of the UN Global Compact’ to confirm their agreement with its purpose, objective and principles. However, payment of the annual fee may be interpreted as agreement with the terms herein.

To maintain good standing in the Italian Network, participants must also fulfil the following obligations:

- maintain their standing as an “Active” participant in the UN Global Compact as defined by the UNGC integrity policy (referring to companies which are expected to produce a COP according to the *UNGC Integrity Measures*);
- participate in the Italian Network COP peer review process as defined by the Steering Committee: this may include acting as a peer reviewer and/or submitting a COP for review when called upon;
- pay the appropriate fee, as determined by the Steering Committee for participation in the Network.

The Steering Committee

The Steering Group of the Global Compact Network Italy determines priorities, approves the activity plan, oversees and advises the Secretariat, and takes responsibility for the proper governance of the Network's programme. It also determines how to share among Participants the Network management costs.

The Steering Committee is formed by volunteers from the participating organisations. It may consist of up to 9 members drawn from multinational, SME corporate participants and 'stakeholders organizations', but requires a fifty percent plus one quorum of actual members to make decisions. There is a preference that Steering Committee Members remain in position for no less than one year and no more than three years, and elections are held for vacant roles.

Elections should follow the steps outlined below:

1. Members are asked for nominations for positions
2. Nominated individuals are engaged to determine whether they are willing to stand for role
3. In the event of multiple candidates, a confidential vote will be taken during the Global Compact Network Italy Annual Meeting

The Steering Group is presided by a Chair authorised by the Network to act on behalf of the Local Network at the Annual Local Networks Forum, in the management of the Network logo and more in general to represent the Network whenever an official representation is required. The Chairperson is proposed by the Steering Committee and nominated by the Network participants during the Global Compact Network Annual Meeting. He remains in position for three years. He can be confirmed more than once.

The Secretariat

The role of the Secretariat of the Italian Network is to facilitate and support the Steering Committee and Participants in the achievement of their objectives and can be summarised as:

- maintain regular contact and exchange with the Global Compact office on behalf of the Italian Network;
- hold and up date records of Italian signatories to the Global Compact Italian Network;
- keep Italian Network participants updated with Global Compact developments;
- co-ordinate, arrange, provide documentation for the Italian Network and Steering Committee meetings and record and circulate the proceedings of meetings;
- co-ordinate the activities of any working groups and committees of the Italian Network;
- co-ordinate the maintenance of a website for the Network;
- provide informed input and materials to enhance discussion on the Global Compact principles; liaise with other appropriate organisations and networks as may be required from time to time on behalf of the Italian Network;
- facilitate the direction of queries raised by the Italian Network signatories from time to time;
- invoice participants directly according to the Italian Network participant fee schedule herein;
- hold the funds of the Italian Network in accordance with audited fund-holding procedures and report on the receipt and expenditure of funds as required by the Steering Committee;
- prepare an annual report on the activities and finances of the Network.

The Secretariat is identified and nominated by the Steering Committee. It remains in position for three years. It can be confirmed more than once.

Transitory measures

The new Global Compact Network Italy governance framework will be introduced starting from November 2011. Till then the Network operates according to the existing governance structure as described in '*The Global Compact Network Italy Governance System – October 2009*' (Appendix 1).

Allegations of Systematic or Egregious Abuses

Thus, when a matter is presented in writing to the Global Compact Network Italy Secretariat, it will:

- use its judgement to filter out prima facie frivolous allegations. If a matter is found to be prima facie frivolous, the party raising the matter will be so informed and no further action will be taken on the matter by the Global Compact Network Italy Secretariat
- if an allegation of systematic or egregious abuse is found not to be prima facie frivolous, the Global Compact Network Italy Secretariat in concert with the Steering Committee, will forward the matter to the participating company concerned, requesting
 1. written comments, which should be submitted directly to the party raising the matter, with a copy to the Global Compact Network Italy Secretariat, and
 2. that the Global Compact Network Italy Secretariat be kept informed of any actions taken by the participating company to address the situation which is the subject matter of the allegation.
 3. if the participating company concerned refuses to engage in dialogue on the matter within two months of first being contacted by the Global Compact Network Italy Secretariat, it will be officially signalled to the Global Compact Office.

The Global Compact Network Italy Secretariat will anyway informally inform the Global Compact Office on the above-described actions taken by the Global Compact Network Italy Secretariat.