



# The Earth Charter, GRI, and the Global Compact:

Guidance to Users on the Synergies in Application  
and Reporting

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## Executive Summary

The Earth Charter – an inspiring and visionary set of widely endorsed values and principles - offers some of the most comprehensive guidance available on how to build a just and sustainable global society. It is, however, not alone. There are literally hundreds of different voluntary initiatives that seek to help individuals and organizations contribute to improved social, environmental, peace and economic conditions.

This creative and diverse array of approaches can often be complex and confusing, and their inter-relationships unclear to users and observers alike. Increasingly, Earth Charter users and endorsers face a range of practical questions about their use of the Charter – and so do users of other initiatives who may be encountering the Earth Charter for the first time.

These include *implementation* questions. For example, Earth Charter users may be wondering how they can best implement the Charter's general vision and specific Principles, where they can find information on the approaches taken by others, and how they can celebrate and communicate their use of the Earth Charter with the wider world. Users of other initiatives, such as the Global Reporting Initiative (GRI) or United Nations Global Compact, may be asking where to get extended normative or ethical guidance on the specific actions they should be taking in connection to sustainability and related global principles. Such questions of implementation are what can lead users to seek synergistic approaches.

There are also *relationship* questions. These include how the Charter relates to some of the other leading global initiatives, and in particular the UN Global Compact and the Global Reporting Initiative (GRI). At first glance, these may appear to be *competing* approaches. Earth Charter International, the Charter's secretariat, strongly supports however a *complementary* view, and encourages all organizations to participate in both the GRI and the Global Compact, in addition to adopting the Earth Charter.

This paper has been developed to provide both general and specific guidance on questions of both implementation and relationship. It attempts to provide a clear and practical assessment of the main similarities and differences between the Earth Charter, the Global Compact and the GRI; and *it provides practical advice on how Earth Charter users might use these other initiatives to implement the Charter, and vice versa.*

*Equally, this guidance paper should be of interest to users of the Global Compact and GRI, and other initiatives, to better understand the role and potential of the Charter.* In most cases, use of the Earth Charter is entirely consistent with, and complementary to, engagement with these other initiatives. Among other benefits, the Charter helps set these other leading processes in a wider normative and visionary context.

### **Seeing the Earth Charter in Context**

*How does the Earth Charter relate to other leading initiatives such as the UN Global Compact and the Global Reporting Initiative (GRI)? This guide will help Earth Charter users – as well as those using the GRI and Global Compact – to understand the synergies and complementary strengths of these three initiatives, and help organizations to integrate the Earth Charter into their global engagement and reporting processes.*

It is hoped that by raising awareness of the complementary nature of these different-yet-complementary initiatives, their respective users can make best use of all the resources available to them to support their efforts to work towards a better world.

## 1. Introduction

The aims of the Earth Charter are clear. It is designed as an ethical 'blueprint' - to offer a comprehensive and inspiring set of interdependent considerations, values and principles which individuals and organizations can use to become part of 'a sustainable global society founded on respect for nature, universal human rights, economic justice and a culture of peace'.

While, however, the Charter gives guidance anyone can use on *what* needs to be done, and *why*, it does not stipulate *how* this should be done.

This was a deliberate choice made by the Charter's many authors, who recognized that different cultures and organizations would take different approaches at different times. They understood the importance of developing diverse, flexible and creative approaches to the implementation of the Charter's 16 principles and 61 supporting principles.

### **The Earth Charter's Aims**

*The aims of the Earth Charter are clear. It is designed to be an ethical 'blueprint' - to offer a comprehensive and inspiring set of interdependent considerations, values and principles which individuals and organizations can use to become part of 'a sustainable global society founded on respect for nature, universal human rights, economic justice and a culture of peace'.*

Since the Charter was launched in 2000, a number of other related initiatives have emerged. Among the most important of these are the UN Global Compact and the Global Reporting Initiative (GRI). In many respects, these two initiatives are complementary with the Earth Charter. There are many overlaps, but there are also useful differences. All three initiatives enjoy a high global reputation and level of uptake by user organizations, though the expression of that uptake varies greatly.

Of particular note, all three instruments underline the growing public interest in what an organization is *doing* about the world's problems, and being transparent about it. Is it 'walking the talk' as regards key social or environmental issues like climate change and labor rights? What are its main challenges, and how is it addressing them? For their part, companies are seeking a level playing-field, and often see voluntary instruments as a way of developing a coherent strategic response in a flexible, voluntary framework.

*In recognition of the synergies and complementarities between the Earth Charter, the GRI, and the Global Compact, this paper has been developed as a practical guide to help organizations in three ways:*

- *To understand how the Earth Charter relates to these two other leading global sustainable development initiatives – the UN Global Compact and the Global Reporting Initiative (GRI)*

### **Working Towards A Common Vision**

*By using and endorsing the Earth Charter, organizations engage in a world-wide effort to build a sustainable global community. The Charter calls on governments - as well as individuals and organizations - to renew their commitment to the United Nations.*

- *To use these recognized international frameworks to support the implementation of a commitment to Earth Charter Principles, and to use the Earth Charter to support organizational engagement with the Global Compact and the GRI*
- *To communicate publicly how organizations are using the Earth Charter, in concert with GRI Guidelines and with Global Compact reporting commitments — "telling the world."*

Organizations of all kinds increasingly understand that they live in a world where international principles and norms are finding expression in many new ways. It is hoped that the paper will be helpful in putting some of these developments in context, and particularly help Earth Charter users in advancing their implementation of the common visions reflected in the Global Compact, the GRI, and the Earth Charter.

Equally, the paper should prove valuable to organizations that currently use the Global Compact or GRI frameworks, but who may not yet know about the Earth Charter. As the next section will show, while the three initiatives have much in common, there are also differences. The Earth Charter, for example, covers a wider spectrum of issues and principles, which Global Compact and GRI users might also find illuminating. Both the similarities and differences can be instructive.

## 2. A Short History

Before describing in detail the ways in which the UN Global Compact and GRI can be seen as complementary to the Earth Charter, it is important to recall their parallel histories.<sup>1</sup>

The Earth Charter, UN Global Compact and GRI share common roots. They all stemmed in large part from the recognition – registered notably by the 1987 Brundtland Commission report *Our Common Future*, and built on by the 1992 United Nations Conference on Environment and Development – that human consumption and production practices were becoming increasingly unsustainable, and that issues of environmental protection were inseparable from human development concerns.

Importantly, these high level intergovernmental processes acknowledged that sustainable development could not be achieved without continued economic growth, with a special emphasis on the development needs and potential of the developing world, and a partnership-based approach involving government, business and civil society.

Given this background, it is not surprising that that all three initiatives also share five distinctive core characteristics. Specifically, they are all:

- **Sustainability-oriented:** they seek to integrate economic, social, environmental considerations

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<sup>1</sup> For more information, see also 'The Earth Charter: Adding Value with Global Values', September 2006 (available at [http://www.earthcharterinaction.org/pdfs/ECI\\_GRI\\_GC\\_DiscPaper\\_060921.pdf](http://www.earthcharterinaction.org/pdfs/ECI_GRI_GC_DiscPaper_060921.pdf))

- **Norms-based:** they are derived in large measure from existing international norms and principles, developed and agreed by governments (e.g. the Universal Declaration of Human Rights)
- **Globally relevant:** they can be used by all organisations, in both developed and developing countries, whether large or small
- **Partnership-based:** they encourage a multi-stakeholder approach, engaging the business and civil society sectors, and sometimes public agencies as well, from all corners of the globe
- **Voluntary:** to enable greatest flexibility of use and experimentation, the instruments they developed were for voluntary use.

## The Earth Charter

The Earth Charter was first called for in the pages of the Brundtland Commission report, and a draft was first developed for consideration at the 1992 United Nations "Earth Summit" in Rio de Janeiro. The global Earth Charter Initiative was conceived in 1994 as a global civil society process, at the initiative of Maurice Strong (the Secretary-General of the Earth Summit), and Mikhail Gorbachev (president of Green Cross International and former President of the Soviet Union), with critical support from Jim McNeill (lead author of *Our Common Future*) and Ruud Lubbers (then Prime Minister of the Netherlands). The Earth Charter was formulated as an integrated set of the fundamental principles for building a just, sustainable and peaceful global society in the 21st century.

### ***How to Tell the World***

*Do you want to communicate to your stakeholders on how you are using the Earth Charter? Reporting is key, and use of the GRI Guidelines will simplify the task and add credibility. Did you know that GRI-based reports are also recognized by the UN Global Compact as 'Communications on Progress'?*

*For more on synergy and reporting, see the following box.*

Over the next seven years, consultations on the text of the Earth Charter engaged over 100,000 people in 47 countries. Over 5,000 experts from many disciplines, as well as individual citizens and students, submitted written comments. The process was governed by an independent, high-level Commission, and the final text of the Charter was agreed upon at UNESCO headquarters in Paris in April, 2000. The Charter was launched in 2000 at a special ceremony at the Peace Palace, The Hague. Over the next five years, the Earth Charter was formally endorsed by thousands of organizations and institutions, including the global assemblies of UNESCO and the IUCN - World Conservation Union.

Since its launch, thousands of individuals, companies, non-profit organisations and public agencies around the world have formally endorsed the Charter, and are using it in a variety of ways.

The Earth Charter's key elements include:

- A clear and inspiring statement of shared challenges, values and principles developed through an open, global process of dialogue and consultation
- The process was governed by a distinguished and balanced group of civil society leaders
- The document is freely available for use by anyone or any organization concerned about the world's problems and wanting to be part of the solution
- The Charter is widely accepted as an authoritative reference document for applications ranging from education to international law

While not seeking to replace the many international conventions and declarations on human rights, the environment, and peace, the Earth Charter responds to a need for an accessible and authoritative summary of the underlying issues, principles and values. Importantly, it also stands as a kind of 'people's treaty', enabling citizens from around the globe, and from many diverse cultural or sectoral backgrounds, to work together on a shared action agenda.

The text of the Charter and related information can be found at: <http://www.earthcharter.org/>

## The UN Global Compact

The Global Compact was launched in 2000 by the then UN Secretary-General, Kofi Annan. It consists of a set of ten 'universal principles', supported by a learning forum, and brings together a unique group of intergovernmental organizations, and representatives of the business, labour and NGO communities. The principles cover human rights, labour, environment and anti-corruption.

Key elements include:

- 10 principles derived from key intergovernmental instruments
- Participation is free and open to companies of all sizes
- Participation requires a CEO and Board level commitment
- It has several thousand participants and a global network of local organisations
- Users are required to make an annual 'Communication on Progress' (COP)

### ***Making the Most of the Synergy ... and Reporting on It***

*An organisation can signal its commitment to the Earth Charter's comprehensive vision by including reference to the Charter in its Annual Report. This can be done whether or not the organization has formally endorsed the Charter. All that is necessary is a simple sentence such as 'Our engagement on global sustainable development issues is inspired by the Earth Charter.' Or an organization can use the Charter to frame, or to supplement, a more comprehensive report on its activities related to sustainability and social responsibility.*

*Earth Charter International strongly encourages organizations using the Charter to also commit to the UN Global Compact, to report publicly using the appropriate GRI indicators.*

*ECI strongly invites organizations already committed to the Global Compact and the GRI to consider deepening and expanding their commitment to the vision of a just, sustainable, and peaceful world, using the Earth Charter as a guide. The Charter helps to place the Global Compact's commitments in a broader ethical context. It also provides clear normative guidance on both issues covered by the GRI reporting guidelines, and on issues not yet covered by GRI.*

*The Annexes to this paper provide more specific guidance on how to use the Charter in a reporting context, and how to find additional resources on the links between the Earth Charter, the GRI and the Global Compact.*

- It has been recognised by the 2005 World Summit, the UN General Assembly and the Group of Eight (G8).

Endorsed strongly by Ban Ki-moon, the current Secretary General, the Global Compact responds to the recognition that if the fruits of globalisation are to be shared more evenly, and sustainability issues successfully addressed, the government, business and other sectors need to work together more closely on a shared agenda. It also recognises the need for a learning forum where best practices and experiences are shared.

Further information on the Global Compact is available at [www.globalcompact.org](http://www.globalcompact.org).

## The Global Reporting Initiative (GRI)

The GRI arose out of a joint initiative in 1997 by the Coalition for Environmentally-Responsible Economies (CERES) and the United Nations Environment Programme (UNEP). The GRI's mission is to make reporting on economic, social and environmental aspects of performance as normal and important as financial reporting. The GRI was officially launched in 2002 at a ceremony at the UN Headquarters in New York.

Key elements include:

- A set of agreed principles and 'sustainability' indicators
- Developed through a global and balanced multi-stakeholder process
- Governed by a distinguished group of business and civil society leaders
- Recognised by the 2002 UN World Summit on Sustainable Development (WSSD) and used by over a thousand organisations worldwide
- Available for use by all organisations

The GRI helps respond to questions such as 'what does sustainable development mean for my organisation?' and 'what are the economic, social and environmental impacts of my organisation?' The GRI's sustainability indicators are freely available for use by all organisations. By complementing financial reporting, reporting on these aspects of performance is intended to benefit managers, shareholders and stakeholders alike.

Details on the GRI can be found at [www.globalreporting.org](http://www.globalreporting.org).

### 3. Similarities, Synergies and Differences

As noted above, all three initiatives are for voluntary use, and have strong multi-stakeholder elements in their design, adoption and governance. How they are used is largely up to the choice of the user. Although all are free-standing (i.e. they were not designed to be used in combination with other instruments), because they are largely complementary, increasing attention has been

#### **A Broader Set of Commitments**

*The Earth Charter identifies a broad spectrum of ethical commitments that may be very relevant to an organisation's reputation, global engagement, and stakeholder relationships, but that are not explicitly included in the GRI or Global Compact. These include, for example, issues related to peace and conflict prevention, economic justice, gender equality, family well-being, the prevention of cruelty to animals, and sustainable consumer choices, among others.*

given to developing comparative materials to help users with the implementation process. Several of these are referenced in [Annex A](#).

One of the formal differences between the three instruments is their target audience. While the Earth Charter and GRI are designed for use by any organisation (i.e. whether business, civil society or public agency), the primary user group of the Global Compact is the business sector. That said, however, some public agencies are using the Global Compact internally, and support its use in the business community and beyond. All three instruments can be used by small and medium sized enterprises.<sup>2</sup>

In particular, it should be noted that a closer organic partnership has emerged between the Global Compact and the GRI. The two organisations have developed a strategic alliance, and developed guidance on how to make the most of their synergies.<sup>3</sup> It makes eminent sense, for example, that organisations participating in the Global Compact can, if they wish, make their required 'Communications on Progress' using the GRI Guidelines.

On the same logic, Earth Charter users may also want to use the advantages of either the Global Compact or GRI to facilitate, share or communicate their use of the Charter. This section now outlines how Earth Charter users might draw on these parallel initiatives to help their efforts to adopt and promote the values and objectives of the Charter.

As noted above, the main similarities between the three initiatives include that they are all designed to help raise awareness about the urgency of moving towards sustainable development, and some sort of framework for guiding action, sharing information, and assessing experience. The Earth Charter and the Global Compact both offer strong 'directional' guidance (i.e. on *what* to do). For its part, the GRI is more focused on helping with the measurement and reporting of activities undertaken (i.e. the *how* to do aspect).

While the Earth Charter maintains a list of endorsers and supporters, both the Global Compact and GRI have more formal stakeholder relationships, and mechanisms for regular discussion and exchange of experience. They also offer a range of practical guidance on a wide range of aspects regarding implementation of their respective principles and indicators.

So in considering these three initiatives – Earth Charter, Global Compact and GRI – how should an organization determine whether to use one, two, or all three? Three 'tests' are suggested.

a) **Self-sufficiency test.** Established Earth Charter users have developed their own unique ways of implementing the Charter. New users might be considering practical aspects for the first time. Questions that commonly arise include: What issues and Principles are most relevant to us? Which of these are the highest priority for additional action? How can we measure the impact of our activities? How can we share our experience with the world? Such questions lead to a key question for determining

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<sup>2</sup> See, for example, 'The GRI sustainability reporting cycle: A handbook for small and not-so-small organizations', 2007.

<sup>3</sup> See 'Making the Connection', 2007.

whether to also engage with the GRI and Global Compact: "Do we have all that we need, or would additional context or guidance be useful?" Here, it will be important to identify what particular assistance would help – e.g., more guidance on how to measure and report progress (GRI), or learning from experiences of organizations engaged in applying global principles (Global Compact) in relation to content or process questions.<sup>4</sup>

On the other hand, GRI or Global Compact users might be asking themselves, "What's next? Where do we go to ensure that we have addressed the full range of global ethical issues affecting our business?" The Earth Charter may be the answer to that question.

The Earth Charter Business and Organizational Resource Center website contains a number of materials that users of the Charter, the GRI and the Global Compact can draw on in developing their own approach.<sup>5</sup> Workshops and other events are also held on a regular basis – both by ECI, and by independent service providers – that can help current or potential users exchange ideas and experience.<sup>6</sup>

b) **Relevance test:** If the 'Self-sufficiency test' produces the result 'we need more guidance,' it is then valuable to consider what other initiatives are relevant. In fact, many hundreds of instruments and initiatives have been developed over the last decade to address various human rights, environmental, accountability, transparency and corruption issues. Some of these have been developed by the business sector, some by international organisations, some by NGOs, and some by a mix of these.<sup>7</sup> This paper has selected the Global Compact and the GRI because they appear to share the greatest common ground with the Earth Charter (i.e. covering social, environmental and economic issues), are also largely derived from agreed international norms, and have been officially recognised by the world's governments. Earth Charter International strongly recommends use of the GRI and commitment to the Global Compact.

Table 1 (below) offers a summary overview of the complementary nature of the three initiatives. As can be seen, an Earth Charter user who is particularly interested in, for instance, promoting the ecological integrity principles of the Charter, might explore whether the three environmental principles of the Global Compact add to their understanding and strengthen their organizational commitment to act. They can also consider which of the GRI's 'Environment Performance Indicators' might be most relevant to them. These indicators are a shorthand way of identifying the issues that many stakeholders regard as the most important, and provide a practical approach to measuring and communicating performance.<sup>8</sup>

<sup>4</sup> See 'EC-Assess: The Earth Charter Ethics-Based Assessment Framework', 2007. This provides an integrated ethical assessment tool for evaluating commitment and performance levels against the Charter's 16 Principles.

<sup>5</sup> See: <http://www.earthcharter.org/>

<sup>6</sup> See, for example, the earth Charter in Action website: <http://www.earthcharterinaction.org/>

<sup>7</sup> See, for example, 'The Corporate Responsibility Code Book', Deborah Leipziger, 2003

<sup>8</sup> The full text of the GRI Sustainability Reporting Guidelines can be found at:

<http://www.globalreporting.org/ReportingFramework/G3Online/>

**EC-ASSESS:  
The Earth Charter Ethical Assessment Tool**

*Earth Charter International has produced a simple, open source assessment tool that can assist any organization in locating the "ethical holes" in its sustainability and social responsibility programs. "EC-ASSESS" is available for free download from the earthcharter.org website. Use of the tool can support implementation of the Global Compact, and help identify areas for supplemental reporting in a GRI reporting context.*

**Table 1: Comparative Overview**

Issue Area	Earth Charter	UN Global Compact	GRI
<b>Social and Labour</b>	<p>The Earth Charter puts human life in the broader context of the 'community of life'. While the social and employment dimension runs throughout the Charter, the principles under Section III (Social and Economic Justice) are the most relevant here. These focus on:</p> <p><b>Principle 9:</b> Eradicate poverty as an ethical, social and environmental imperative.</p> <p><b>Principle 10:</b> Ensure that economic activities and institutions at all levels promote human development in an equitable and sustainable manner.</p> <p><b>Principle 11:</b> Affirm gender equality and equity as prerequisites to sustainable development and ensure universal access to education, health care, and economic opportunity.</p> <p><b>Principle 12:</b> Uphold the right of all, without discrimination, to a natural and social environment supportive of human dignity, bodily health, and spiritual well-being, with special attention to the rights of indigenous peoples and minorities.</p> <p>Section IV (Democracy, Nonviolence, and Peace) is also relevant. See, in</p>	<p>The Global Compact has principles relating to both 'human rights' and 'labour standards'. These are combined here for ease of reference.</p> <p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p><b>Principle 2:</b> Make sure that they are not complicit in human rights abuses.</p> <p><b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p><b>Principle 4:</b> The elimination of all forms of forced and compulsory labour.</p> <p><b>Principle 5:</b> The effective abolition of child labour.</p> <p><b>Principle 6:</b> The effective abolition of discrimination in respect of employment and occupation.</p>	<p>The GRI 'Social Performance Indicators' cover labour practices, human rights, society and product responsibility.</p> <p>There are 14 <b>Labor Practices and Decent Work Performance Indicators (LA1-14)</b>. These cover the following 'aspects': Employment (LA1-3); Labor/Management relations (LA4-5); Occupational Health and Safety (LA6-9); Training and Education (LA10-12); and Diversity and Equal Opportunity (LA13-14).</p> <p>There are 9 indicators for <b>Human Rights (HR 1-9)</b>, covering: Investment and procurement practices (HR1-3); Non-discrimination (HR4); Freedom of Association and Collective bargaining (HR5); Child Labor (HR6); Forced and Compulsory Labor (HR7); Security Practices (HR8), and Indigenous Rights (HR9).</p> <p>Finally, there are 8 <b>'Society Performance Indicators' (SO1-8)</b>. These cover: Community (SO1); Corruption (SO2-4); Public Policy (SO5-6); Anti-Competitive Behaviour (SO7); and</p>

	particular, <b>Principle 13</b> (protection of freedoms of opinion, expression, peaceful assembly, etc.).		Compliance (SO8).
<b>Environmental</b>	<p>The Earth Charter recognises that the well-being of humanity depends on preserving 'a healthy biosphere'. The most relevant principles of the Charter are contained in Section II (Ecological Integrity).</p> <p><b>Principle 5:</b> Protect and restore the integrity of the Earth's ecological systems, with special concern for biological diversity and the natural processes that sustain life.</p> <p><b>Principle 6:</b> Prevent harm as the best method of environmental protection and, when knowledge is limited, apply a precautionary approach.</p> <p><b>Principle 7:</b> Adopt patterns of production</p> <p><b>Principle 8:</b></p>	<p>The Global Compact identifies 3 broad principles in this area:</p> <p><b>Principle 7:</b> Business should support a precautionary approach to environmental challenges</p> <p><b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility</p> <p><b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>GRI offers a total of 30 '<b>Environmental Performance Indicators</b>'.</p> <p>'Aspects' covered include: Materials (EN1-2); Energy (EN3-7); Water (EN8-10); Biodiversity (EN11-15); Emissions, Effluents and Waste (EN16-25); and Products and Services (EN26-30).</p> <p>The 9 '<b>Product Responsibility Performance Indicators</b>' are relevant both to both social and environmental sections. They cover: Customer health and safety (PR1-2); Product and service labelling (PR3-5); Marketing communications (PR6-7); Customer privacy (PR8); and Compliance (PR9).</p>
<b>Economic</b>	<p>The Earth Charter recognises throughout the importance of the economic dimension. It emphasizes the need to address poverty, and promote transparency and social justice.</p> <p>Sections II, III and Section IV (Democracy, Nonviolence, and Peace) have principles relevant to the role of economic activity.</p> <p>Note in particular: <b>Principles 5-8, and 9-12</b> (above), and <b>Principle 13</b> (regarding protection of freedom of association).</p>	<p>While the Global Compact does not identify 'economic' principles as such, several of its principles relate to economic issues. Its tenth principle is also directly related to economic aspects.</p> <p><b>Principle 10:</b> Business should work against corruption in all its forms, including extortion and bribery.</p>	<p>GRI identifies a total of 10 '<b>Economic Performance Indicators</b>'.</p> <p>These include the following 'aspects':</p> <p>Economic Performance (EC1-4)</p> <p>Market Presence (EC5-7)</p> <p>Indirect Economic Impacts (EC8-9).</p>

c) **Completeness test:** Finally, it is important to check how far other instruments cover the principles or issues of greatest priority to the user. Here a caveat needs to be flagged. All initiatives are unique. As [Table 1](#) shows, while there is significant principle and content overlap between the three initiatives, there are also areas with no overlap. Neither the Global Compact nor GRI explicitly address the wider contextual issues to the same extent as the Earth Charter. Nor do they cover issues such as peace and non-violence, animal rights, democracy, and the spiritual dimension. While these may be issues that might be covered in the future, for the time being Earth Charter users who see these issues as material will need to develop their own approaches, extend the basic method or approach of (e.g.) the GRI to support their reporting, or identify kindred initiatives and instruments that might offer additional synergies.<sup>9</sup>

In assessing the issue of completeness, the GRI offers useful guidance in two respects.

First, GRI contains guidance on the various principles and factors to take into account in the context of reporting. These include the organisational profile, the underlying strategy and analysis, relevant governance commitments, and the proposed report parameters.

Second, the GRI specifically invites communication on 'commitments to external initiatives' (see Guideline 4.12 in the GRI Reporting Guidelines). This provision enables Earth Charter users who decide to use the GRI Guidelines for reporting purposes to give public profile to their support for the Charter.

A more detailed outline of the main ways that the GRI indicators can relate to the Earth Charter principles is set out in the Table at [Annex B](#).

## 4. Finding the Synergies

Just as there is no single 'right' way of implementing the Earth Charter, it is important to stress that there are many ways of linking Charter implementation with initiatives such as the Global Compact and GRI.

A simple way of approaching the three instruments might be as follows.

a. *Identify the Earth Charter principle/s of main concern, and check whether there are analogous Global Compact principles.* If so, consider how far the latter support or add to understanding of the Earth Charter principle. For example, the phrasing or formulation of a principle in the Earth Charter may fit your organizational needs better (or vice versa).

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<sup>9</sup> In the longer term, the Global Compact and GRI organisations may wish to consider whether their respective instruments or implementing guidance might be amended to address such issues. At that time, the experience of Earth Charter secretariat and users could prove invaluable

Check also whether there is additional Global Compact material on the principle, relevant to your organization. This can be done by searching the Global Compact website, including for relevant meetings or examples of Communications on Progress.<sup>10</sup> Also, check whether the general guidance provided in the GRI Guidelines is useful in providing additional context (e.g. there are some references to the relevant international conventions).

*b. Identify the main implementation implications of the principle/s.* How do they affect such things as organizational long term goals and strategy; production processes; management and training; communication? Identify in particular whether the principle can be expressed in some measurable form. Where a principle does not lend itself to measurement (e.g. Principle 1 of the Earth Charter on 'Respect Earth and life in all its diversity'), consider how it might be broken down into actions that advance its content, as well as which specific supporting principles are both related and material to your organization. This can be done through staff meetings and/or the creation of specialist teams. (Note that the "EC-ASSESS" tool can be helpful here; see box on that topic.)

*c. Identify and define implementation actions that can be expressed in measurable terms* (e.g. goals, timelines and other performance indicators). In this connection, the GRI Guidelines might prove particularly useful, since – like the Earth Charter – they reflect indicators that have been developed through a detailed global multi-stakeholder negotiating process. If suitable, the GRI indicators can then be used to prepare the foundations for a future 'sustainability report'. By using GRI indicators, an Earth Charter user would be able to communicate its performance in an internationally-recognized and understood format. Moreover, a report prepared on the basis of GRI indicators and addressing the Compact's principles is also accepted in the Global Compact framework as a 'Communication on Progress'.

Table 2 below offers one possible framework for approaching the implementation process. Earth Charter users and others are invited to use the framework to consider their own implementation pathway.

**Table 2: Framework for a Management Action Plan**

What?	Why?	How?	When?	Who?
What Principle is sought to be advanced?	Why prioritize this Principle?	How will it be achieved? How will we know we have made progress?	By when should measurable progress be achieved?	Who is responsible?
Identify the Earth Charter Principle/s and supporting Principles that you want to work on. These will probably include those most material to your organization.	Define internal rationale for selecting the Principle/s. If Global Compact and GRI also address the Principle, this will provide supporting argumentation.	Develop internal management tools/yardsticks for implementation. Identify how these will be supported by organizational mission, strategy and work plan.  Use GRI indicators	Set interim and/or long-term timelines for assessing progress, and revising strategy and work plans as necessary.	Identify/appoint responsible authorities, e.g. team leader and support group. Amend job descriptions, etc., as necessary.

<sup>10</sup> [www.unglobalcompact.org](http://www.unglobalcompact.org)

Check whether Global Compact or GRI has relevant coverage. <sup>11</sup>		where relevant.		
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If an Earth Charter user decides to make a public communication on their performance against Earth Charter Principles, the GRI can be used not only to provide assistance in selecting the appropriate indicators, but also on matters such as defining the report content and reporting boundaries. GRI identifies a number of principles that can be used in determining report content and quality. These include: materiality; stakeholder inclusiveness; sustainability context; completeness; balance; comparability; accuracy; timeliness; clarity; and reliability.<sup>12</sup> It can also be used to check what ‘standard disclosures’ are recommended in a report. These include issues going to an organization’s strategy and profile, its management approach and performance indicators.<sup>13</sup>

Importantly, both the Global Compact and GRI offer a network of organizations from the business, civil society and public agency sectors. These offer opportunities for Earth Charter users for exchanging experiences (e.g. in the Global Compact Local Networks context), and for training (e.g. using the GRI certified training programs). The websites of both organizations also offer a wide range of publications that help explain their operation and benefits.

## 5. Conclusion

The Earth Charter, the Global Compact, and the GRI can each stand alone as a well-regarded and established framework to support an organization's engagement on a wide range of ethical and performance issues. However, it is likely that most organizations will benefit most from incorporating *all three* initiatives into their thinking, planning, programming and reporting. Their complementarities and synergies provide the business, public, or voluntary-sector organization with a very comprehensive range of solutions for framing, guiding, and reporting on their work in this work.

By adapting the most useful and relevant aspects of each initiative, the organization can truly optimize its engagement on the issues of global sustainable development. In committing to work with all three, the organization signals that its engagement is (1) grounded in global agreements and United Nations processes, (2) open to external accountability through public reporting mechanisms, and (3) anchored in broad and inclusive global ethical vision for a just, sustainable, and peaceful world.

More practically, Earth Charter users can make use of the Charter itself, and the synergies of the GRI and Global Compact, to:

- *reduce* the transaction costs of their own activities to advance the Charter’s principles

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<sup>11</sup> The EC-ASSESS tool, referred to elsewhere in this paper, could be particularly useful here.

<sup>12</sup> See GRI Guidelines, Part 1: Defining Report Content, Quality, and Boundary.

<sup>13</sup> See Part 2: Standard Disclosures.

- *accelerate* the timeframe for their implementation
- *help* spread the word about the Charter's wider relevance, and
- *communicate* their own performance to the world, and in so doing,
- *celebrate* its own achievements and be an inspiration to others!

## **Annex A: Resource Materials**

### **Earth Charter and relations with other initiatives**

The Earth Charter: Adding Value with Global Values – The Earth Charter’s role and relationships with GRI and the UN Global Compact (2006).

### **Some other relevant global initiatives**

Global Compact Principles

(<http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>)

Global Compact Communication on Progress

<http://www.unglobalcompact.org/COP/Overview/index.html>

OECD Guidelines for Multinational Enterprises, 2000

[http://www.oecd.org/departement/0,3355,en\\_2649\\_34889\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34889_1_1_1_1_1,00.html)

### **Relations between other initiatives**

GRI Sustainability Reporting Guidelines 2006

(<http://www.globalreporting.org/ReportingFramework/G3Online/>)

Making the Connection: The GRI Guidelines and UNGC Communication on Progress (2007)

<http://www.globalcompactsummit.org/docs/UNGC07-MakingTheConnection.pdf>

Synergies between the OECD Guidelines for Multinational Enterprises (MNEs) and the GRI 2002 Sustainability Reporting Guidelines (2004)

The UN Global Compact and the OECD Guidelines for Multinational Enterprises: Complementaries and Distinctive Contributions (2005).

### **Further reading on corporate citizenship initiatives**

Ethics Codes, Corporations and the Challenge of Globalization edited by Wesley Cragg (Edward Elgar Publishing, 2005), and its 2007 Compendium of Ethics Codes and Instruments of Corporate Responsibility.

The Sustainability Handbook: The complete management guide to achieving social, economic and environmental responsibility, William R. Blackburn (2007)

Corporate Social Responsibility: An Implementation Guide for Business, IISD, 2007

[http://www.iisd.org/pdf/2007/csr\\_guide.pdf](http://www.iisd.org/pdf/2007/csr_guide.pdf)

## Annex B: Earth Charter and GRI — Corresponding GRI Indicators

(This table is designed as a quick reference guide to some of the main issue overlaps between the Earth Charter and the 2006 GRI Sustainability Reporting Guidelines. Numerical references relate to the principal corresponding paragraphs or sections of the relevant instrument. The table is not intended to be comprehensive or authoritative, and should be used in conjunction with the full original texts.)

<b>What the Earth Charter says...</b>	<b>Where GRI is relevant</b>
General	4.12 Commitments to External Initiatives (This enables Earth Charter users to reference their use of the Charter in a public manner.)
<b>Preamble</b>	
This section provides important contextual information about the state of the Earth, and the urgency of taking individual and collective action in the context of a 'shared vision' based on common challenges and values.	No equivalent provision, however GRI is intended to address many of the issues covered by the Charter, building on a multi-stakeholder approach and increased transparency. The Earth Charter Preamble can be used to frame and inspire an engagement with the GRI.
Principles <sup>14</sup>	
<b>I. Respect and Care for the Community of Life</b>	
1. Respect Earth and life in all its diversity	EN11-15 on biodiversity LA 1-14 on labor and work PR indicators on customer health and safety
2. Care for the community of life with understanding, compassion and love	LA 1-14 on labor and work EN 16-25 on emissions, effluents and waste EC 1, 5,6,7,8, 9 on economic performance
3. Build democratic societies that are just, participatory, and peaceful	As above.
4. Secure earth's bounty and beauty for present and future generations	As above. Also EN3-7 on energy (climate change) and society performance indicators. PR 1-7 on product safety and marketing.
<b>II. Ecological Integrity</b>	
5. Protect and restore the integrity of Earth's ecological systems, with special concern for biological diversity and the natural processes that sustain life	All environmental and product responsibility indicators. Also economic indicators on climate change and indirect economic impacts. Product responsibility performance indicators.
6. Prevent harm as the best method of environmental protection and, when knowledge is limited, apply a precautionary approach	EN 16-25 on emissions. PR3-5 on product and service labeling.
7. Adopt patterns of production, consumption, and reproduction that safeguard Earth's regenerative capacities, human rights, and community well-being	Product responsibility indicators. EN 6-7 on renewable energy and efficiency. EN 26-30 on products and services.
8. Advance the study of ecological sustainability and promote the open exchange and wide application of	LA 6-12 on occupational health and safety, and training. SO5-6 on public policy.

<sup>14</sup> For reasons of length, the Charter's 61 supporting principles are not included here. These contain valuable detail on the overarching principle mentioned.

the knowledge acquired	
<b>III. Social and Economic Justice</b>	
9. Eradicate poverty as an ethical, social and environmental imperative	Economic indicators in general, as well as labor indicators.
10. Ensure that economic activities and institutions at all levels promote human development in a equitable manner	As above.
11. Affirm gender equality and equity as prerequisites to sustainable development and ensure universal access to education, health care, and economic opportunity	LA 13-14 on diversity and equal opportunity, and LA 10-12 on training. Human rights indicators.
12. Uphold the right of all, without discrimination, to a natural and social environment supportive of human dignity, bodily health, and spiritual well-being, with special attention to the rights of indigenous peoples and minorities	HR 4 on non-discrimination. LA 13 on minority groups. HR9 on indigenous rights. EN 11-15 on biodiversity. EN16-25 on emissions.
<b>IV. Democracy, Nonviolence, and Peace</b>	
13. Strengthen democratic institutions at all levels, and provide transparency and accountability in governance, inclusive participation in decision-making, and access to justice	Social and labor indicators in general. HR 5-7 on freedom of association and collective bargaining. SO2-4 on corruption.
14. Integrate into formal education and life-long learning the knowledge, values, and skills needed for a sustainable way of life	LA 8,10-12 on training and education.
15. Treat all living beings with respect and consideration	See Principles 1-2, above.
16. Promote a culture of tolerance, nonviolence, and peace	No direct equivalent indicators.
<b>'The Way Forward'</b>	
This section contains suggested commitments to 'seek a new beginning'. These include commitments to: adopt and promote the values and objectives of the Charter; develop and apply the vision of a sustainable way of life; deepen the global dialogue; build a partnership between government, civil society and business; and renew the commitment of nations to the UN.	No direct equivalent engagements.