

Good Shepherd Microfinance Communication on Engagement (October 2016 to August 2018).

Part I: Statement of Continued Support by the Chief Executive

I am pleased to confirm that Good Shepherd Microfinance (GSM) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our first Communication on Engagement with the United Nations Global Compact, covering the period since we joined the Compact in October 2016, to August 2018. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that we have taken to support the UN Global Compact and its Principles, as befits a community-focused charitable organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours Sincerely,



Peter McNamara
Acting Chief Executive Officer
Good Shepherd Microfinance

Part II: Description of Actions

Good Shepherd Microfinance is a strong supporter of the ten UN Global Compact universal sustainability principles, and we also embrace broader UN and societal goals including the Sustainable Development Goals. Since joining the UN Global Compact in late September 2016, we have undertaken a range of practical actions to ensure that we embed our good intentions into good practice, as briefly described in the sections below.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

At Good Shepherd Microfinance we enshrine human dignity, justice and rights ('do no harm') as elaborated by the UN Guiding Principles on Human Rights and Labour, in our everyday work. The six principles as outlined above, are enshrined in our strategic plan (see the report on <http://goodshepherdmicrofinance.org.au/assets/files/2016/05/Count-Me-In-GSM-Strategic-Direction.pdf>) which guides our approach to ensuring equality in health, civil, social and political rights for everyone we associate with, along with the right to freedom of expression which apply to all our work premises.

Our core mission as a microfinance charity is the fullness of life for all people, living in connected and resilient communities. We define our purpose as enabling the economic wellbeing of people with low incomes, particularly women and girls. We do this through our six core values of human dignity, respect, social justice, audacity, compassion and reconciliation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

At Good Shepherd Microfinance, we support the four principles that encompass the environment and anti-corruption, in the way we work. We take every step we can to create a more energy-efficient workplace, and also design energy-efficient options for the products, services and programs we offer our clients, in order to protect our environment and natural resources. We also ensure that we comply with all regulatory requirements, including anti-corruption and anti-bribery legislation.

Part III. Measurement of Outcomes

Good Shepherd Microfinance embraces evidence-based design and delivery in everything we do. We have a dedicated and expert Program Design and Advisory Services (PDAS) team which has created a comprehensive Theory of Change for the organisation as a whole. This team also works with all operational teams to ensure that each program and/or service has a robust Program Logic, so that we can clearly identify the desired outcomes, as well as how we will measure progress towards these outcomes.

The PDAS team at Good Shepherd Microfinance is also responsible for monitoring and evaluation for all programs and services delivered by the organisation. We regularly publish our progress through Annual Reports and program-specific reports, sharing our learnings and insights with key stakeholders so that the ecosystem that we deliver our services in, is able to experience continuous improvement (see <http://goodshepherdmicrofinance.org.au/publications/>).

As an example, our Financial Inclusion Action Plan (FIAP) program has a world-leading partnership with the Centre for Social Impact (CSI) and EY, which has created a unique Theory of Change describing how organisations can take practical actions to enhance financial inclusion and resilience within their own sphere of influence, thereby contributing to Sustainable Development Goals of improving inclusive growth, and reducing inequalities (see the report on <http://goodshepherdmicrofinance.org.au/assets/files/2018/04/FIAP-Program-Report-Part-One-March-2018-WEB-180423.pdf>).

We have also mapped <http://goodshepherdmicrofinance.org.au/assets/files/2018/04/Financial-Inclusion-Action-Plan-FIAP-Program-Submission-to-Treasury-Inquiry-March-2018.pdf> how actions taken by FIAP organisations contribute to 12 of the 17 Sustainable Development Goals, which will inform the ongoing monitoring and evaluation plan for this innovative cross-sectoral program.

In this way, Good Shepherd Microfinance is able to ensure that we clearly identify our desired outcomes, and then measure our progress towards these in a transparent manner.