



**United Nations**  
Global Compact

# **UN GLOBAL COMPACT**

## **2022 ANNUAL REPORT**

## **ABOUT THE UN GLOBAL COMPACT**

The United Nations Global Compact, a special initiative of the UN Secretary-General, is a call to companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption. With the broad-based support of all 193 participant countries of the United Nations General Assembly, the UN Global Compact remains the single, global normative authority and reference point for action and leadership within a growing global corporate sustainability movement. The UN Global Compact intends to leverage that position and elevate expectations of how businesses will embed all Ten Principles of the UN Global Compact into their operations. The Ten Principles are intrinsic for the sustainability of business, people and the planet. They offer companies of all sizes a blueprint for contributing towards achievement of the 2030 Agenda for Sustainable Development and the Paris Agreement.

## **ABOUT THIS REPORT**

This Annual Report is intended to provide our stakeholders and the public with an overview of the progress of the UN Global Compact across key strategic and operational focus areas as well as to highlight key activities undertaken and resources created to promote business action on UN issues and priorities. It is available on the UN Global Compact and Foundation for the Global Compact websites. The inclusion of company examples in this report is intended strictly for learning purposes and does not constitute an endorsement of the individual companies.

## **ACKNOWLEDGEMENTS**

The UN Global Compact wishes to thank the Governments that have, over time, generously supported the initiative by contributing to the UN Global Compact Trust Fund: China, Denmark, France, Germany, Italy, Norway, Poland, Spain and Switzerland. Additionally, we are grateful for the financial support provided by companies and other organizations to the Foundation for the Global Compact.

For more information, follow **@unglobalcompact** on social media and visit our website at **unglobalcompact.org**.

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## FOREWORD: REFLECTING ON 2022

2022 was a year of implementation for the United Nations Global Compact. With our 2021-2023 Strategy guiding us, we made significant gains in our strategic ambition: to accelerate and scale the global collective impact of business by upholding the Ten Principles of the UN Global Compact and delivering the Sustainable Development Goals.

At the same time, the UN Global Compact has been guided by the global imperative of impact and acceleration. Halfway to 2030, the Sustainable Development Goals are off track, but the private sector can work with other stakeholders as an engine to re-ignite momentum.

We have faced a confluence of challenges unlike any other in our lifetimes. The faltering recovery from COVID-19 and the climate crisis were further layered by the Russian invasion of Ukraine in 2022, with global impacts across food, finance and energy systems.

Geopolitical divisions are undermining global solidarity - and globalization itself. The world of business continues to evolve, with a renewed understanding of the importance of sustainability, resilience, as well as sectoral and multi-stakeholder partnerships.

But we also know that the costs of inaction far exceed the costs of action.

2022 has too been a promising year for private sector action, with the mainstreaming of sustainability and ESG investment, amid a push for stronger credibility and accountability. From new developments in net zero target-setting to revamped efforts around human rights in supply chains, there is positive momentum for sustainable business.

As the world continues to reel from these interrelated crises, 2023 must be a year of renewed commitment and acceleration towards our shared objectives.

**"It is incumbent on the UN Global Compact to inspire ambitious and principled leadership to seize these opportunities, embed sustainable business models, align with other partners, and help rescue the Sustainable Development Goals - so that we can all build a global economy that works for people, planet, prosperity and peace."**

Sustainability is also at the heart of better business. It helps de-risk economies, create jobs, raise incomes, create a solid investment environment, and contributes to growth, development and stability. With an inclusivity mindset, business can also unlock the full potential of women and youth.

We cannot move incrementally. This is not a time for tinkering. It is a time for transformation.

A centrepiece is the SDG Summit in September 2023, which will serve as a midpoint stocktake of global progress towards the SDGs. The UN Global Compact is fully engaged in coordinating efforts across business on the road to the SDG Summit. These partnerships are more important than ever, as we galvanize the ambition to break through to a better future for all.

I would like to extend my gratitude to the UN Secretary-General António Guterres and UN Deputy Secretary-General Amina Mohammed for their continued leadership and support in the face of multiple crises. We could not have achieved any of this work without the efforts of UN Global Compact colleagues working in our Local Networks, regional offices and at headquarters. I would also like to thank our business participants, who advocate and take action for responsible business, and thank members of the UN Global Compact Board for their vital contributions to ensuring that business is a force for good.

Sincerely,



A handwritten signature in black ink that reads "Sanda Ojiambo".

**Sanda Ojiambo**  
**UN Assistant Secretary-General;**  
**Executive Director & CEO**  
**UN Global Compact**



## STRATEGIC AMBITION

Accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change





# EXECUTIVE SUMMARY



## THE STATE OF OUR WORLD

2022 began with renewed resolve to overcome the COVID-19 pandemic, build back better and rescue the SDGs. The United Nations kicked off the Secretary-General's proposals on Our Common Agenda to reinvigorate multilateral action - including a call to advance the UN Global Compact strategy, placing critical emphasis on transformative partnerships between the United Nations and the private sector.

From February, the operating environment for business was profoundly marked by the Russian invasion of Ukraine, with global impacts: rising energy costs, challenges in food security, inflation pressures, and challenges to ambitious climate action, among others. Heightened geopolitical tensions have narrowed the space for international cooperation, while also serving as a reminder of global interdependence in supply chains. At the regional level, additional challenges have posed obstacles to business and sustainability.

To galvanize leadership and find solutions, the United Nations established the Global Crisis Response Group, providing tailored policy advice to governments in this complex environment. It also helped broker the Istanbul Agreements in July 2022, including the Black Sea Grain Initiative, representing a beacon of hope for cooperation and stabilization of global markets.

Throughout this, the private sector has represented a source of dynamism, as a stakeholder with the ability to continue to drive leadership on sustainability, sometimes even in

advance of public policy. The latest iteration of the Edelman Trust Barometer shows business as the most trusted institution, even as the world of business continued to evolve in 2022<sup>1</sup>.

Heightened geopolitical instability has become a threat to globalization. The UN Global Compact was created at a time of optimism for global markets and their potential to be a force for good. Today, companies face the prospect of more localized supply chains, requiring fresh thinking on how to balance efficiency and resilience, so that markets can deliver for all.

This transformation of global business takes place against a backdrop of inflation and exchange rate fluctuation, with unstable energy costs, hikes in interest rates, and increase in wages. As companies adapt to this new normal, climate change remains the top global threat for business leaders, followed by the spread of misinformation, which undermines the trust needed to build a global economy that works for people, planet, prosperity and peace.

Finally, with ESG becoming a mainstream topic in business, 2022 saw stronger emphasis on the credibility and accountability of private sector commitments. Business leadership on sustainability is increasingly expected to be driven by concrete positive impact on communities, rather than internal risk management. However, ESG also faces backlash, with concerns ranging from corporate greenwashing to the legitimacy of corporate activism

<sup>1</sup> Edelman. 2022 Edelman Trust Barometer, New York, 2022, p. 5.

## 2022 STRATEGIC REVIEW

The UN Global Compact, with its Ten Principles at the core and positioned at the heart of the SDGs, is uniquely well-placed to thrive in this evolving environment.

2022 was a year of implementation and acceleration for the UN Global Compact. With the 2021-2023 Strategy providing the direction of travel, and building on the foundations laid out in 2021, during the past year we moved full steam in advancing our five strategic shifts.

2022 highlights include finalization of an approach for the revamped Communication on Progress; expansion and deepening of our presence far and wide with a new wave of country managers and growth plans; investments in monitoring & evaluation shifting focus on impact; a step-up in the Global Compact's offering for small and medium-sized enterprises; and elevated positioning of the initiative within the United Nations system.

At the same time, the external context has continued to evolve amid a confluence of crises with rippling effects, compelling the UN Global Compact to also undertake key initiatives for acceleration.

## >> ENVIRONMENT AND CLIMATE ACTION

We are tackling greenwashing through enhanced emphasis on credibility and transparency, including step-up in collaboration with the Science-based Targets Initiative. 2,200 companies now have set science-based targets. The Water Resilience Coalition has companies committed to Net Positive Water Impact targets, while the Think Lab on Just Transition is developing thought leaders on inclusive corporate climate action. We are also deepening our work on biodiversity and nature.

## >> HUMAN RIGHTS AND LIVING WAGE

The Business and Human Rights Accelerator is lifting efforts to mainstream human rights due diligence across business. Our Think Lab on Living Wage is also developing the thought leadership needed to amplify business action on wages, just as the Target Gender Equality accelerator plays a key role in setting targets for women's leadership in business.

## >> AFRICA STRATEGY

The UN Global Compact launched the Africa Business Leaders Coalition, convening 56 CEOs and their companies across Africa, resulting in a COP27 Statement on climate financing and commitments towards a just transition. We have also launched the Global Africa Business Initiative, leveraging the convening power of the United Nations to reinvigorate a positive, investment-oriented narrative for the Continent with the private sector at the centre.

## FIVE STRATEGIC SHIFTS

**1 Accountable companies**

**2 Balanced growth of local and regional networks for global coverage**

**3 Measurable impact in prioritized areas**

**4 Harnessing the collective action of SMEs**

**5 Strong and active engagement with the UN**

# 2022 AT A GLANCE

**90%** of surveyed companies confirmed that the UN Global Compact has helped them advance corporate responsibility policies and practices



**CONTINUED GROWTH**

**101** countries with UN Global Compact presence, **66%** developing countries

**18,000+** companies and **3,000+** non-business participants, representing nearly every sector and size.



**ACCELERATING AMBITION**

**1638** companies set 1.5°C and/or net-zero targets approved by SBTi

**17** CEO Water Mandate endorsers report implementing Contextual Water Targets, with **32** companies reporting targets and action plans for areas of high water stress.

**153** companies signed to the Sustainable Ocean Principles

**245** companies set targets & corresponding policies to increase women's representation



**SCALED ENGAGEMENT**

**89** organizations in **30** countries drove collective thought leadership through Think Labs

**56,000+** participants across **180+** countries in the Academy, guiding companies on their sustainability journey

**1,975+** companies in **60+** countries joined Accelerators to embed SDG-aligned practices into business operations and across the value chain



**COLLECTIVE ACTION & IMPACT**

**21** collective action projects facilitated by the Water Resilience Coalition across **15** basins in **6** different countries



**NEW CLASS OF SDG PIONEERS**

**10** new SDG Pioneers — business leaders who are doing an exceptional job in advancing the Global Goals through the implementation of our Ten Principles





## RENEWED FOCUS ON AFRICA

Global Africa Business Initiative launched to highlight the powerful business ecosystem in Africa

**56** CEOs representing companies from **9** African countries joined the Africa Business Leaders Coalition (ABLC)

ABLC released a Climate Statement with concrete actions for Africa on climate at COP27



## MORE UN COLLABORATION

**166** Local Network collaborations with UN partners on the ground

**22** of partnerships with RCs and UNCT with Local Networks



## INCREASED REACH & VISIBILITY

**12,000+** attendees at global, hybrid flagship convenings

**2,200+** locally organized convenings, engaging **22,100+** companies

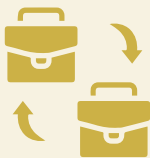
**40%** increase in social media engagement



## MOBILIZE PRIVATE SECTOR IN TIMES OF CRISIS

Urgent Call for Business Action in Ukraine

Collaborated with OCHA on the Business Guide: Ukraine Humanitarian Crisis



## GUIDANCE & BEST PRACTICES

**11** briefs and **8** toolkits launched to assist and guide businesses worldwide

New tools and guidance tailored for small and medium-sized enterprises.

**300+** original publications, **57** translations and **380+** number of mixed media content were produced by Global Compact Local Networks within their local context

# WHERE WE WORK

5

REGIONAL HUBS

12

EXPANSION COUNTRIES

63

GC LOCAL NETWORKS

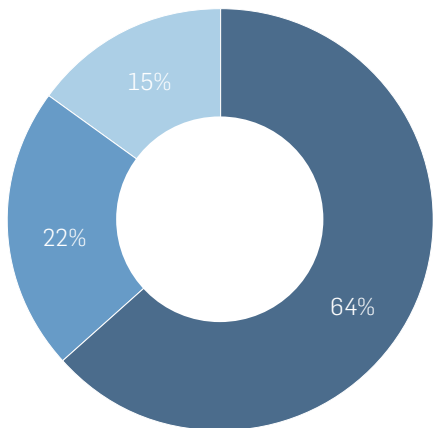


101

COUNTRIES COVERED

**KEY**

- REGIONAL HUBS
- EXPANSION COUNTRY
- GLOBAL COMPACT NETWORK



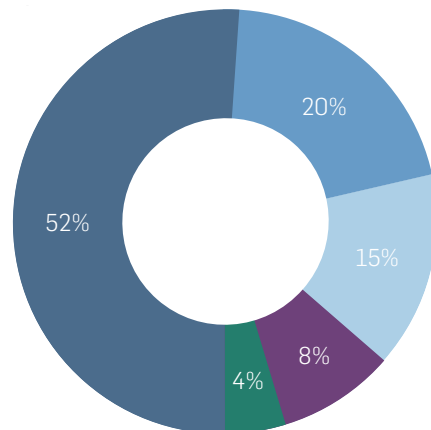
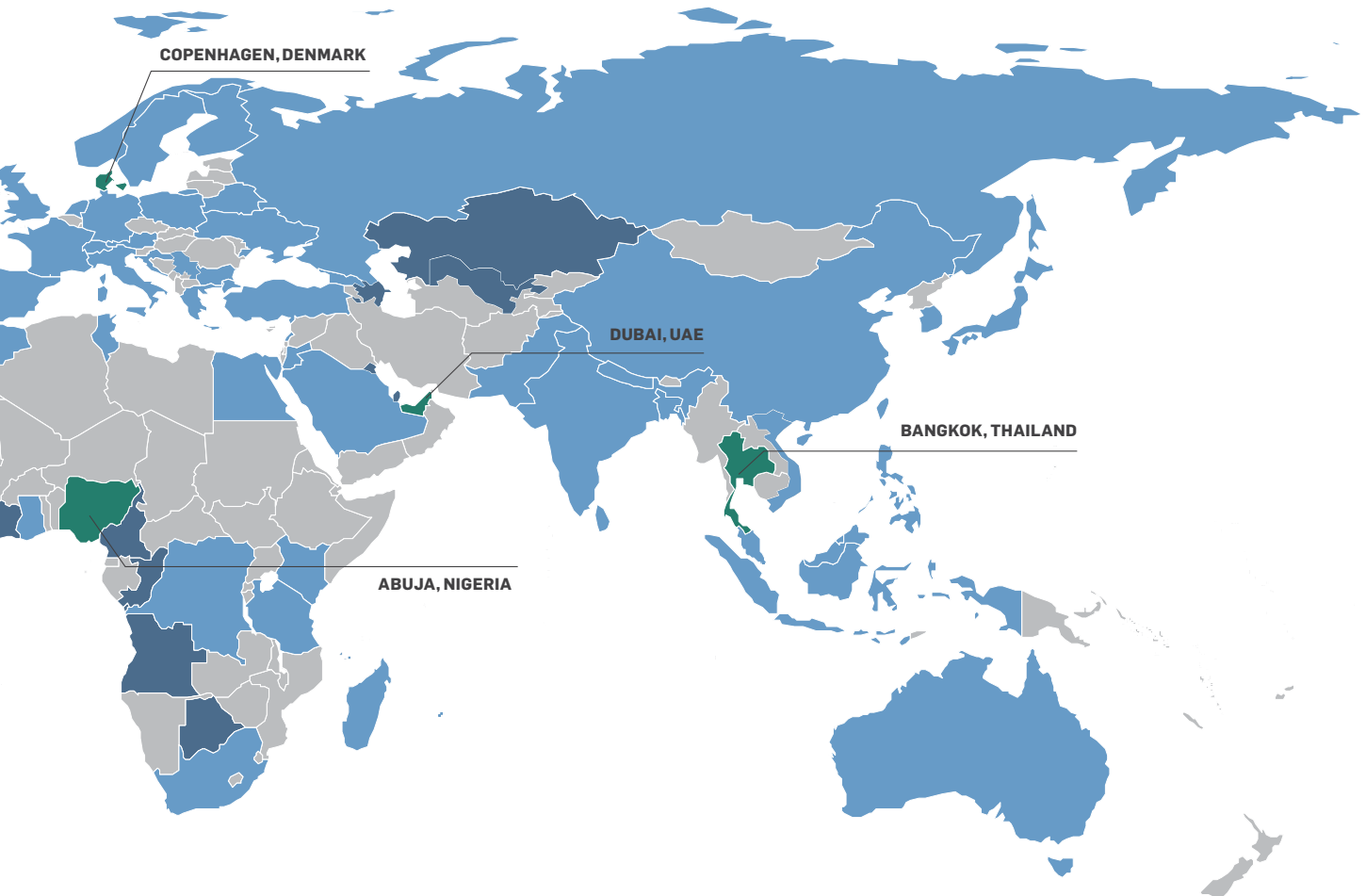
**PERCENTAGE OF PARTICIPANT BASE BY REVENUE**

- SMALL <50M
- MEDIUM 50M-1B
- LARGE >1B

# WHO WE WORK WITH

# 18,012

BUSINESS PARTICIPANTS



**PERCENTAGE OF PARTICIPANT BASE BY REGION**

- WESTERN EUROPE AND NORTH AMERICA
- LATIN AMERICAN AND CARIBBEAN
- AFRICA
- MIDDLE EAST AND EASTERN EUROPE
- ASIA-PACIFIC AND OCEANIA



## THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



### HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.



### LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



### ENVIRONMENT

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



### ANTI-CORRUPTION

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

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

## ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 18,000 companies and 3,000 non-business signatories based in over 160 countries, and 63 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

For more information, follow [@globalcompact](https://twitter.com/globalcompact) on social media and visit our website at [unglobalcompact.org](https://unglobalcompact.org).



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