



MEETING SUMMARY

The UN Global Compact Board held its first scheduled meeting of 2022 in person and as a videoconference. The meeting focused on sharing the refreshed Performance Dashboard and the progress the UN Global Compact has made against the strategy and the priorities for the upcoming year, as well as the role the Our Common Agenda has in advancing the implementation. Executive Directors from Local Network Ukraine, Tatiana Sakharuk, and Local Network Poland, Kamil Wyszowski, joined virtually to provide an update on the Ukraine crisis. Closing this segment of the Board Meeting, Ms. Sanda Ojiambo, CEO & Executive Director of the UN Global Compact, provided a brief update on the gender programme.

UN Secretary-General António Guterres, the Chair of the Board, joined for 45-minutes in an independent session where he provided high-level remarks on the Ukraine crisis, climate action, and gender equality & women's empowerment, followed by an engaging discussion on the challenges the private sector needs to overcome within these focus areas and commitments to address the issues.

1 WELCOMING & INTRODUCTORY REMARKS

Mr. Patrick Chalhoub, CEO of Chalhoub Group, opened the meeting by welcoming the UN Global Compact Board to the UAE. Mr. Chalhoub then handed the floor to Mr. Waleed Salman, the Chairman of Local Network UAE Board, who thanked Patrick for hosting the dinner the previous night and welcomed the Board to the Middle East and North Africa (MENA) Climate Week. Mr. Salman shared that the region has a renewed focus on climate, especially with COP27 being hosted in Egypt and COP28 in the UAE. He remarked that the UAE is proud to have leaders across the MENA region come together to discuss climate matters and focus on actions and outcomes from the post-Paris agreement. Mr. Salman shared that the UAE has developed a strategy to become net-zero by 2050 and remarked on the opportunity for businesses to align their corporate strategies with the country's commitment. Mr. Salman concluded his remarks by thanking the Board for being in Dubai and excusing himself from the meeting. Mr. Chalhoub praised Mr. Salman for his leadership at the local level and shared his hope that the Regional Hub, that will be based in Dubai, will help Local Networks recruit more participants. Mr. Chalhoub supported having Board Meetings outside of NYC and emphasized the benefits of having the Board engage closely with Local Networks and the regional market.

Following the welcoming remarks, UN Global Compact Board Co-Vice Chair, Ms. Solange Ribeiro, provided introductory remarks by greeting Mr. David Atkin, CEO of Principles of Responsible Investment, and Mr. Umberto Malnati, Directorate General for Development Cooperation at the Ministry of Foreign Affairs and International Cooperation of Italy (MAECI), to their first Board Meeting. Mr. Atkin and Mr. Malnati provided brief remarks on deepening collaborative efforts and understanding the progress the UN Global Compact has made. Ms. Ribeiro noted that Dr. Musimbi Kanyoro has been renewed for a second term.

Ms. Ribeiro bid farewell to two Board Members: Mr. Steve Kenzie, Co-Chair for the Global Network Council & Executive Director of Local Network UK, and Mr. Emanuel Chirico, former CEO of PVH Corps. Mr. Kenzie thanked the Board and noted he looks forward to all the collaborations with current members. Mr. Chirico was unable to join the meeting but Ms. Ribeiro shared the contributions Mr. Chirico had made during his term and thanked him for his leadership.



2 BUSINESS SINCE LAST: UPDATE

BACKGROUND

Ms. Sanda Ojiambo, CEO & Executive Director of the UN Global Compact, began the segment by thanking Mr. Chalhoub for hosting the Board Meeting and the UN Global Compact Executive team for leading on the implementation of the strategy. Ms. Ojiambo then provided an update on the Compact's progress in the following areas:

- **2021 Performance Dashboard:** Ms. Ojiambo shared that the UN Global Compact has met and exceeded all but one of its targets. She noted that the Board is looking at a new performance dashboard framework and the results are those reported to date. The baseline has been established so now the Global Compact will aim to set aspirational targets to make a greater impact. Within 'Build', the UN Global Compact has enhanced its capabilities with the new refreshed business model where the organization secured great revenue growth, expanded its operations to 72 countries, and continued its efforts to diversify its staff. Under 'Reach', the participants have grown where many consist of those who joined this past year. In 'Engage', the UN Global Compact realigned engagements, transitioned programming, organized five global flagship events and reached over 75,000 companies. Under 'Progress', Ms. Ojiambo shared key results within the climate, gender, human rights, global governance and sustainable finance focus areas. Business ambition for 1.5C campaign now has 1,200 companies committed and over 1,200 companies have set Science-Based Targets, 750 of those companies have approved targets; the Water Resilience Coalition hosted two flagship events in Brazil and India; and the CFO Taskforce committed to invest more than \$500B over the next five years towards SDGs. The taskforce will broaden their mandate and recruit more business members, and aim to have an initiative specific within the gulf region. Lastly within 'Achieve', the UN Global Compact will raise the floor and the ceiling across the Ten Principles to address urgent issues. For example, Local Network Portugal collaborated with the Secretary of State in 2021 to launch a national target encouraging companies to commit to 40% women in leadership by 2030.
- **2022 Goals & Key Priorities:** Ms. Ojiambo underscored the importance of fundraising to support the UN Global Compact's programmatic work. She noted that the Global Compact is looking at more earmarked funding and other diverse ways to secure funding. The UN Global Compact will continue to engage companies through the refreshed business model and hopes to increase the number of participants. Flagship events will be moving more towards a hybrid model, such as COP27 in Egypt which will be an excellent opportunity to bring the voice of the private sector to UN proceedings.
- **Continuing to engage in and advance the larger ecosystem:** The Global Compact will engage business leaders to identify what new paradigms exist for the private sector post-COVID and with ongoing crises such as the Ukraine war. This is an opportunity for the UN Global Compact to drive forward, through leadership, on the resilience and robustness of the Ten Principles and examine key leadership lessons to navigate such troubling times.
- **2022 Performance Dashboard:** Ms. Ojiambo highlighted the critical wins of the organization, including increased funding through diversified fundraising with stakeholders and governments, balanced regional growth to address Local Network needs as well as regional and global priorities, and accelerated corporate action and ambition with regard to the UN Global Compact and rescuing the SDGs. The Secretary-General raised 5 alarms – on COVID, global finance, climate action, lawlessness in cyberspace, and peace and security. The UN Global Compact will address these areas through its work, as appropriate.



- **Five Strategic shifts:**
 - **Accountable Companies** – The Communication on Progress (CoP) is the tool that will measure accountable companies. The digitization of this tool has been completed and participating companies have been invited to join the Early Adopters Programme to use the enhanced CoP. More than 1000 companies have registered to submit the new CoP in the months of April and May of this year. A universal submission period was introduced where participants are required to submit the CoP between the months of February and May. Non-communicating participants will be limited to a 6 month period, which will only serve to strengthen the integrity of our initiative. The 1,000 Early Adopter Companies' submissions will be analyzed to look at trends to understand what is coming out of this enhanced CoP, how that applies to the work at the Global Compact and demonstrate the progress it seeks to achieve.
 - **Balanced Growth of Local and Regional Networks for Global Coverage** – The UN Global Compact officially launched Local Networks in Uruguay and Saudi Arabia recently, and recruited staff for regional hubs in Panama, Bangkok, Dubai and Abuja. The Global Compact also successfully recruited Country Managers for its expansion efforts in Angola, Azerbaijan, Botswana, the Caribbean, Francophone & Central West Africa, Kuwait, Peru, Qatar and Uzbekistan.
 - **Measurable Impact in Prioritized Areas** – Programmatically, new Think Labs for the Just Transition, Anti-Corruption and Governance, Living Wage, Women Entrepreneurship and Inclusive Procurement are ongoing. The Global Compact experienced a great turnout for its Accelerators. For SDG Ambition, 550 companies participated, 196 companies for Young SDG Innovators, 551 companies for Target Gender Equality and 677 companies for Climate. Participant targets were exceeded across the board.
 - **Harnessing the Collective Action of SMEs** – The foundational e-learning tool for SMEs will be launched at the Leaders' Summit in June. The UN Global Compact also developed strong partnerships with the International Labour Organization, the International Trade Centre, International Chamber of Commerce and International Finance Corporation to drive the strategy.
 - **Strong and Active Engagement with the UN** – The Global Compact's UN Relations team is working with the 4 Guardians of the Ten Principles to develop joint work plans to deepen our collaboration. In December 2021, the UN Member States overwhelmingly reaffirmed their support for the UN Global Compact's mandate in engaging the private sector and advancing the SDGs for the resolution that was adopted by the General Assembly. It was an important outcome for the Global Compact's continued mandate and assistance.
- **Our Common Agenda:** This report is the Secretary-General's articulation of his second term on how to drive forward and accelerate the pace of achievement of the SDGs. It has 12 commitment areas with distinct references made to the UN Global Compact, emphasizing its critical role to mobilize the private sector to participate, with references to the 2021-2023 strategy and the Ten Principles, as well as the important role in raising ambition and stronger private sector engagement to drive the SDGs.

Mr. Alex Stein, Managing Director of the Foundation for the Global Compact, then presented the Compact's financial results through December 2021. The organization had a positive year where it was able to exceed its revenue goal. Annual contributions from participating companies are the basis of the



Foundation's revenue generation, being unrestricted and sustainable, and it is anticipated that this would continue to grow. The Foundation has been able to maintain the same level of financial contributions from government funding. There are additional efforts in trying to grow this funding and the Foundation is looking at earmarked funding from governments.

Mr. Stein stated that 2021 was the last year for the Action Platforms (AP). The transition to a new model enabled broader participation by companies in the Global Compact's programmatic areas, and Mr. Stein stated that this should help sustain revenue at similar levels to the AP levels. The Foundation takes a percentage of the annual contributions from companies and sets them aside for the Local Network Development Fund, which helps emerging Local Networks be able to build their capabilities and capacities. In 2021, much of that money was not spent, so this year, the Foundation started to use the funds for Local Network development. The Foundation spent 94% of what was expected. There were less expenses on travel and events due to COVID and adapting to hybrid formats. That, along with the revenue generation, enabled the Foundation to have a net positive at the end of the year.

3 UKRAINE CRISIS RESPONSE: UPDATE

Ms. Ojiambo updated the Board on the actions that the UN Global Compact has taken in response to the Ukraine Crisis. She also welcomed Ms. Tatiana Sakharuk, the Executive Director of the Local Network in Ukraine, and Mr. Kamil Wyszowski, the Executive Director of Local Network Poland, who joined for this part of the meeting.

The UN Global Compact sits within the UN Secretariat so the organization takes guidance, positioning and messaging from the UN Secretary-General. The Secretary-General has come out strong in condemning the war in Ukraine and the UN Global Compact continues to message in the same way. Ms. Ojiambo expressed her sincerest empathy for colleagues in Ukraine who were forced to flee and reside in different parts of Europe.

The initial responses were driven by the UN Secretary-General to address the political context in terms of the crisis and war that emerged between the two countries. His message was amplified and the Global Compact also provided its own messaging highlighting the need for responsible business practices. Ms. Ojiambo stated that the Global Compact continues to monitor the situation to see how the organization can best safeguard its reputation and seek advice and guidance from the Executive Office of the Secretary-General and the Office of Legal Affairs.

The Global Compact, along with the UN Office for the Coordination of Humanitarian Affairs, issued a Business Guide to enable companies to think about how to best respond in such situations and called for humanitarian support for the crisis, which echoes the broader humanitarian appeal that is led by the United Nations. Through this initiative, the UN Global Compact is examining what responsible business could and should look like in cases of war and conflict, and understand the challenges and impact war and conflict have on the private sector. Ms. Ojiambo emphasized that this is a moment to reshape business engagement using the Ten Principles and testing its robustness.

Based on concerns raised by the Board, and through Local Networks and staff, participant companies from the Russian Federation were being assessed through the Global Compact's integrity measures to identify businesses that may be in violation of the Ten Principles as the war in Ukraine unfolds. Local Networks were asked to share any information that may indicate that a company is violating the principles and media sources were also being reviewed to remain up to date on the current landscape.



The Global Compact remained active on social media. On 28 March, the “Good for Business” campaign was launched to drive values around the Ten Principles through its stakeholders. The campaign brought an additional element of demanding peace, which will help more stakeholders show their solidarity and the importance of driving forward a principled-approach.

Ms. Ojiambo shared that the UN Global Compact has provided financial support to Local Network (LN) Ukraine to support their transitions. Other Local Networks have also made pledges to help support, including 5000 Euros from LN Spain, \$30,000 USD from LN Japan and 20,000 Euros from LN Germany. The funds help cover at least half of the operating costs of LN Ukraine to ensure it can remain active. Ms. Ojiambo noted that she is continuously connecting with Ms. Sakharuk and Mr. Wyszowski to monitor and support their efforts.

The previous week, Ms. Ojiambo shared that she met with the First Lady of Poland in New York, USA, who provided first hand information on the humanitarian situation, with a key focus on women and children, and asked the UN Global Compact to continue supporting the mobilization of the private sector to provide support for the humanitarian appeal. Ms. Ojiambo then handed Ms. Sakharuk the floor to share her insights and experience.

Ms. Sakharuk shared that LN Ukraine grew from having one person in their office to 17 people, and secured more than 100 Ukrainian companies to join the UN Global Compact in the last five years. Now, Ukrainians, including the LN staff, had been displaced from their homes and separated from their families. Ms. Sakharuk stated that she was doing everything she could to save resources to help relocate her team to safer places. To date, Ms. Sakharuk has been able to relocate four staff members to Warsaw, Poland and three to other countries outside of Ukraine but 10 people still remain in Ukraine.

During the 33 days (as of 28 March), the Russian’s attacks have led to destruction and 20,000 deaths. In Mariupol, Ukraine, hospitals, schools and surviving women were attacked. Ms. Sakharuk stated that Russian soldiers seized control of two nuclear power plants, which was concerning. With the continued violence, more than 10M Ukrainians fled for safety.

Ms. Sakharuk voiced that the UN Global Compact should reconsider the participation of businesses who continue to operate in Russia and launch a human rights platform to challenge companies to act responsibly.

She shared that LN Ukraine is supporting organizations that are helping Ukrainians during this war including the Zero Hunger with Ukrainian Association, an organization looking for international collaboration to provide food for civilians; Mental Help, a group of 10 psychologists providing mental health support for civilians and who are in need of financial support to provide long-term care; Save LIFE, a group that produces and distributes tourniquets to Ukrainians and is seeking financial support; and lastly, UN Global Compact projects like the Anti-Corruption Collective Action that addresses infringements when organizations try to provide humanitarian support, and the Climate Action Initiative where LN Ukraine convened 50 ecologists to develop a methodology to understand the full scope of environmental damage that has and will occur from this conflict. Ms. Sakharuk closed by thanking LN Poland for supporting her family and LN Ukraine.

Mr. Wyszowski later provided a few additional remarks. In collaboration with LN Ukraine, LN Poland organized meetings with government officials including the Polish government and the European Commission to explore ways to support Ukrainian refugees through funding distribution, long-term assistance coordination and reconstruction and stabilization of Ukraine’s power plants, as well as



evacuating people from orphanages and providing employment opportunities. He then shared that he was in contact with the United Nations humanitarian efforts to request that LN Poland become a part of their humanitarian system so they could engage the private sector to support efforts in their country.

Lastly, Mr. Wyszowski noted that the Government of Poland has reached out asking how the Global Compact is approaching Russian participant companies and how the government feels that it is not beneficial to keep them in the Initiative. He stated that LN Poland is consulting with the UN Office for the Coordination of Humanitarian Affairs to streamline a regional rescue protocol. Mr. Wyszowski shared that Polish and Ukrainian businesses have provided humanitarian assistance and that they are being used as a case study to develop a report. With the help of the UN Global Compact, the private sector is able to answer appeals for support and the Local Networks are able to coordinate on the ground.

4 GENDER PROGRAMME: UPDATE

Ms. Ojiambo provided a high-level overview of the gender programme initiatives and welcomed Ms. Cynthia Muffuh, Head of Gender and Human Rights, to the UN Global Compact. Ms. Ojiambo stated that the gender memo highlights two key areas of our work, the Women's Empowerment Principles and the Target Gender Equality Accelerator. The Global Compact will craft a gender strategy that would be responsive to the current realities. It is one of the priority areas of the UN Global Compact's work under SDG5 but the interlinkages with climate, finance and peace and conflict moving forward were also recognized.

5 REMARKS FROM THE UN SECRETARY-GENERAL

Mr. Polman welcomed the UN Secretary-General Mr. Antonio Guterres and provided an overview of what the Board had discussed earlier that day. Ms. Ojiambo then highlighted the progress the UN Global Compact made on key initiatives in implementing the strategy, and moving metrics to outcomes in order to create that movement within the private sector and drive forward the SG's priorities on climate, finance and equalities. Ms. Ojiambo emphasized that this is the time to raise the ambition of the private sector and the UN Global Compact is the effective tool to mobilize the Our Common Agenda and focus on the SDGs.

The Secretary-General began by welcoming the Board's discussion on gender equality and providing an overview of key issues since the last meeting covering topics from geopolitics to climate to COVID-19. He noted that the war in Ukraine was at the top of mind. Russia has brought death, destruction and devastation to Ukraine and its people. However, the war extends beyond Ukraine. It is a shock to the global economy and an assault on the world's most vulnerable people and countries. The Secretary-General noted that even before the conflict, developing countries were struggling with record inflation, rising interest rates, looming debt burdens, exponential increases in cost of financing and scandalously uneven recovery from COVID-19. Now, developing countries face skyrocketing prices for food, fuel and other essential supplies. This is hitting the poorest the hardest and planting the seeds for political instability and unrest around the globe.

He shared his gratitude to the Global Compact for mobilizing private sector support to the UN Flash Appeal for Ukraine. The Ten Principles of the Global Compact have never been more relevant. The Secretary-General shared that businesses need to be engaged, committed and outspoken in support for human rights, the rule of law and peace.



In the same vein, the Secretary-General stated that businesses need to ramp up climate advocacy and action. The world is nowhere near achieving the 1.5-degree goal of the Paris Agreement. Keeping 1.5 alive requires a 45 percent reduction in global emissions by 2030 and carbon neutrality by mid-century. Instead, global emissions are set to increase by almost 14 percent in the 2020s. Last year alone, CO2 emissions grew by 6 percent to its highest levels in history. Coal emissions have surged to record highs. The Secretary-General remarked that the world is sleepwalking to climate catastrophe. No country and no corporation can insulate itself from the impacts. The Secretary-General underscored that those in the private sector still financing coal must be held accountable and stated that it is a foolish investment, leading to billions in stranded assets. It is time to end fossil fuel subsidies, stop the expansion of oil and gas exploration and speed up the decarbonization of major sectors such as shipping, aviation, steel and cement. But even the most ambitious action will not erase the fact that the situation is already bad, in many cases and places, irreversibly so.

That is why adaptation and mitigation must be pursued with equal urgency. This requires enormous increases in finance – public, blended and private. In the private sector, more investments in the net-zero and climate-resilient transition need to be made in emerging economies. There needs to be assurance that the trillions mobilized by the private sector lead to effective positive outcomes on the Sustainable Development Goals. It is the right and profitable thing to do.

The Secretary-General stated that he counted on their leadership as Board Members to drive powerful, credible and accountable private sector action. The challenges the world faces – from an unequal recovery from COVID-19, to climate change, inequality, poverty and proliferating conflicts – are largely the result of a deeply rooted patriarchy. The Secretary-General emphasized that gender equality and gender parity are not only a matter of women's rights, but fundamental prerequisites for a safer, more peaceful and sustainable world for all. However, the world is moving backwards. The World Economic Forum's latest report found that it will now take over 135 years to close the gender gap worldwide, an increase of 35 years since the pandemic. Ultimately, gender equality is a question of power.

The Secretary-General acknowledged that it is still a male-dominated world with a male-dominated culture and power structures. He noted that a structural challenge requires structural changes, including special measures and quotas where necessary to fast-track women's equal participation in decision making. At the UN, the Secretary-General shared that for the first time in history, gender parity was achieved in senior management at headquarters and around the world. He stated that he committed to achieving this across the entire organization, at every level, in every entity, by 2028.

The Secretary-General emphasized the need for equal participation of women in all sectors and all levels of decision making. He was encouraged to learn that over 90 percent of companies who signed up to the Global Compact's Target Gender Equality initiative set ambitious targets for women's leadership, alongside over 800 actions ranging from implementing family-supportive practices to closing the gender pay gap. Together with the over 6,200 CEOs who have signed and adopted the Women's Empowerment Principles, a 265 percent increase since 2018, there is clear momentum to build upon.

In his concluding remarks, the Secretary-General encouraged the Board to share their thoughts on how to drive investment in women's economic inclusion, from eradicating the bias in algorithms for credit distribution against women-led companies to advancing gender-responsive procurement.



MEETING ATTENDANCE

BOARD MEMBERS:

1. H.E. Mr. António Guterres | Secretary-General, United Nations (Virtual)
2. Ms. Clara Arpa Azofra | CEO, ARPA Equipos Móviles de Campaña (In-Person)
3. Ms. Sharan Burrow | General Secretary, International Trade Union Confederation (Virtual)
4. Mr. Patrick Chalhoub | CEO, Chalhoub Group (In-Person)
5. Mr. Stephen Cotton | General Secretary, International Transport Workers Federation (In-Person)
6. Mr. John W.H. Denton | Secretary General, International Chamber of Commerce (Virtual)
7. Dr. Delia Ferreira Rubio | Chair, Transparency International (Virtual)
8. Dr. Musimbi Kanyoro | Chair, United World Colleges (In-Person)
9. Mr. Steve Kenzie | Co-Chair Global Network Council; Executive Director, GCN UK (In-Person)
10. Mr. Marco Lambertini | Director General, WWF International (Virtual)
11. Mr. Anand Mahindra | Chairman, Mahindra Group (Virtual)
12. Mr. Roberto Marques | Executive Chairman and Group CEO, Natura & Co. (Virtual)
13. Sir Mark Moody-Stuart | Chairman, Foundation for the Global Compact (In-Person)
14. Ms. Flora Mutahi | CEO, Melvin Marsh International (In-Person)
15. Ms. Sanda Ojiambo | CEO & Executive Director, UN Global Compact (In-Person)
16. Mr. Paul Polman | Co-Vice Chair of the Board, UN Global Compact (Virtual)
17. Ms. Solange Ribeiro | Co-Vice Chair of the Board, UN Global Compact (In-Person)
18. Mr. Roberto Suarez-Santos | Secretary General, Int'l Organisation of Employers (In-Person)
19. Mr. Jean-Pascal Tricoire | CEO, Schneider Electric (Virtual)
20. Ms. Sandra Wu, Wen-Hsiu | Chairperson and CEO, Kokusai Kogyo Co. Limited (Virtual)

NEW BOARD MEMBERS:

21. Mr. David Atkin | Chief Executive Officer, Principles for Responsible Investment (In-Person)
22. Mr. Umberto Malnati | Directorate General for Development Cooperation at the Ministry of Foreign Affairs and International Cooperation (MAECI) (Virtual)

OBSERVERS:



23. Ms. Sue Allchurch | Chief of Outreach and Engagement, UN Global Compact
24. Mr. Ole Lund Hansen | Chief of Global Operations, UN Global Compact
25. Ms. Lila Karbassi | Chief of Programmes, UN Global Compact
26. Ms. Olajobi Makinwa | Chief of Intergov'tl Relations and Africa, UN Global Compact
27. Ms. Melissa Powell | Chief of Staff, UN Global Compact
28. Mr. Alex Stein | Managing Director, Foundation for the Global Compact
29. Mr. Dan Thomas | Chief of Communications, UN Global Compact

GUESTS:

30. Ms. Griet Catteart | Head of Labour Rights, UN Global Compact
31. Ms. Cynthia Muffuh | Head of Gender and Human Rights, UN Global Compact
32. Ms. Tatiana Sakharuk | Executive Director, Local Network Ukraine
33. Mr. Waleed Salman | Chairman, Local Network UAE Board
34. Mr. AbdulRahim Sultan | Director General, World Green Economy Organization
35. Mr. Kamil Wyszowski | Executive Director, Local Network Poland

REGRETS:

36. Mr. Emanuel Chirico | Chairman & CEO, PVH Corp.
37. Mr. Ren Hongbin | Vice Chairman of State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
38. Mr. Guy Ryder | Director General, International Labour Organization