



MEETING SUMMARY

The UN Global Compact Board held its second in-person meeting of 2019 in New York, coinciding with the opening of the 74th session of the UN General Assembly. Board related events began with a dinner on the evening of 22 September where Board Members heard from the Secretary-General on the priorities of the United Nations and the key role Board Members must play in helping to drive progress on the Sustainable Development Goals (SDGs), and specifically on climate action. On 23 September, Board Members attended the UN Private Sector Forum — a gathering hosted by the Secretary-General for business CEOs, Heads of State and UN leaders to come together and discuss cross-sector issues — which served as the High-level Luncheon of the UN Climate Action Summit. Throughout the week, Board Members attended several other important business focused events held in parallel to the five summits happening as part of UN General Assembly Week, including the SDG Business Forum held on the sidelines of the SDG Summit, as well as the High-level CEO Roundtable on Corporate SDG Finance and Investment, held on the sidelines of the High-level Dialogue on Financing for Development.

The Board meeting on 24 September, hosted at the UN Global Compact Office, focused on updating Board Members on the Compact's efforts throughout the year, and provided a platform for Board Members to share their own efforts in support of the UN Global Compact and the 2030 Agenda on Sustainable Development. Board Members received updates on the Compact's progress against its goals, as well as on three key focus areas: the Compact's strategy for growth, an update on the programmatic portfolio and how it is designed to scale impact, and the Compact's upcoming 20th anniversary. Board Members then listened to an inspirational update from the Board's two labour representatives on a Just Transition.

The next meeting of the UN Global Compact Board will take place in Geneva, Switzerland on 20 January 2020, immediately preceding the World Economic Forum Annual Meeting in Davos, Switzerland.

1 WELCOMING REMARKS & BOARD MEMBER EFFORTS

UN Global Compact Board Vice-Chair, Paul Polman, opened the meeting by stating that the momentum for sustainable development was coming from the private sector, and that the time is now for business to step up and lead even more. Given this context, Mr. Polman reaffirmed the relevance of the Compact's priorities, including its two primary campaigns: Making Global Goals Local Business and Business Ambition for 1.5°C; as well as the areas of focus for its new Global Impact Initiatives (GIIs): climate, gender, and the SDGs.

UN Global Compact Board Vice-Chair, Bola Adesola, then invited Board Members to present on their efforts in support of the Compact and its mission since the last meeting. Sandra Wu, Chairperson & CEO of Kokusai Kogyo Co. Ltd, and Clara Arpa Azofra, CEO of ARPA Equipos Móviles de Campaña, both shared what their companies have done in the past months, including supporting Global Compact Local Networks and regional and national Governments to deliver the SDGs. Other Board Members shared their efforts as well, and then Mr. Polman challenged all Board Members to integrate the Compact into five events in which they are participating in the next year.

Mr. Polman closed the segment by calling on Board Members to "be disruptive" as an avenue for positive systemic change, and then leading a discussion around inclusive and equitable growth that previewed the presentation to come on a Just Transition.



2 BUSINESS SINCE LAST & CLIMATE ACTION SUMMIT

Lise Kingo, CEO & Executive Director of the UN Global Compact, began the segment by giving an overview of progress on the SDGs from the *UN Global Compact Progress Report 2019* and *2019 UN Global Compact–Accenture Strategy CEO Study on Sustainability* — both launched during the UN Climate Action Summit. She highlighted that the world is not on track to achieve the SDGs, especially in the areas of environment (including climate and the ocean) and inequalities (including gender equality, human rights, and decent work). Then she presented on the Compact's strategy to address these inadequacies, including reaching tipping points through the launch of three new Global Impact Initiatives (GIIs), intended to deliver impact at scale:

- **SDG Ambition** will help companies mainstream the Ten Principles and the SDGs into business strategy, operations, and stakeholder engagement
- **Target Gender Equality** will help companies set ambitious targets and increase women's leadership at all levels in business, including the supply chain
- **Target Climate 1.5°C** will help companies set ambitious science-based targets and take business action to deliver on a 1.5°C future.

She also presented a simple model — launched at the UN Climate action Summit — for incorporating the Ten Principles and the SDGs into core business, aligned with the new GII on SDG Ambition. The model recommends that for full integration of the Ten Principles and the SDGs, they must be integrated into three core areas of the business:

- **Strategy:** in the company's purpose, governance, and corporate strategy
- **Operations:** in the company's unit business strategies, total quality management, and people management
- **Stakeholder Engagement:** in the company's annual reporting, communications, and sales and marketing

Ms. Kingo then presented on the Compact's progress so far against its 2019 goals, and on its balanced scorecard, both of which show very favorable results.

Alex Stein, Managing Director of the Foundation for the Global Compact, then presented on the Compact's financial progress, including the status of the engagement model. The new engagement model was rolled out in 2018, and 2019 marks its first full year in operation. Results from the end of 2018 show a substantial increase in general contributions over past years, and mid-year results from 2019 show that increase growing even further. Notably, Global Compact Network revenue has risen faster than UNGC NY revenue. Mr. Stein then presented recommended changes to the engagement model going forward, developed in consultation with Global Compact Networks.

Board Members applauded the UN Global Compact for the success of the engagement model, and especially for the positive impact that it is having on Global Compact Networks. They were impressed by the simple model for incorporating the Ten Principles and the SDGs into core business, and asked the Compact to focus on showing companies (including SMEs) *how* they achieve that integration, and to make sure that the guidance is rolled out at the local level through Global Compact Networks.

3 GROWTH STRATEGY

Sue Allchurch, Chief of Outreach & Engagement, presented the status of the Compact's growth strategy for adding more business participants to the initiative. Ms. Allchurch began by highlighting that the Compact is on-target to deliver its goals for 2019, and is ahead in terms of total participants, participants with annual revenue greater than \$50M, and participants engaging at the higher Participant tier. Ms. Allchurch emphasized that the Compact was able to exceed targets because of a large number of conversions of companies that were participants before the engagement model was introduced, did not sign up the model in 2018, but did sign up in 2019. Essentially, the Compact retained even more companies than expected during the implementation of the engagement model. That is excellent news for the model, but it doesn't capture growth among new companies



that have never participated before. Recruitment of those new companies is slightly behind-target when looking at companies with annual revenue greater than \$50M, but on-target overall. Even so, recruitment of large companies is still greater than it was before the introduction of the engagement model.

Overall, Ms. Allchurch noted that the four driver of the growth strategy (Improved Value Proposition, Multiplier Initiatives, Enhanced Capabilities, and Integrated Marketing Plan) are working, and the Compact will need to focus on the key lessons that have been learned during the past year in order to reach long-term growth ambitions.

- **The value proposition needs ongoing improvement:** The Academy must be developed for Asian markets, which means translation into local languages; the GIIs need to be delivered locally across the globe; SMEs need to be supported.
- **Local Network foundational capacity is critical:** Global Compact Networks that have the most local activity have the best retention of SMEs; the pace of recruitment in Asia doubled following a “road show” that engaged companies locally.

For the first time since the Compact began surveying participants, companies are reporting that among their main reasons for being a UN Global Compact participant is to receive guidance on how to implement sustainability into business strategies and operations. In previous years, only 20% of companies listed that among their main reasons for participating; this year, 61% of companies did. This statistic provides insight into what participants are looking for from the Compact’s value proposition.

Following Ms. Allchurch’s presentation, Olajobi Makinwa, Chief of Intergovernmental Relations & Africa presented on the Compact’s Africa Strategy, and requested input from the Board — especially Board Members from Africa — in order to refine the strategy.

Board Member feedback focused on how the Compact could make a strong business case for companies to join, and on the need for recruitment to be driven at the local level through Global Compact Networks. Board Members recommended that different regions will require different strategies to spur growth, and that may require branding the Compact and its programmes in multiple different ways.

4 THE ROAD AHEAD FOR SCALING IMPACT

In the afternoon, Lila Karbassi, Chief of Programmes, presented on the road ahead for scaling impact through the UN Global Compact programmatic portfolio. Ms. Karbassi spoke about the Compact’s progress in each of the four issue areas of the Ten Principles: human rights, labour, environment, and anti-corruption. In particular, she highlighted the Business Ambition for 1.5°C campaign, and the Compact’s new focus on ending working poverty.

Ms. Karbassi spoke about the ways in which UN Global Compact programmes are delivering on the three tracks of the initiative’s Theory of Change:

- **Innovation & Thought-Leadership** is delivered primarily through the Action Platforms
- **Scaling Globally** will be delivered primarily through the new Global Impact Initiatives (GIIs) and through the Academy
- **Enabling Environment & Impact** is delivered through multiple avenues, including the Compact’s work on financing the SDGs, and in particular, its new CFO network; and through a revision of the Communication on Progress (CoP), which will be the main way to measure progress on the Ten Principles.

Board Members emphasized their support of the Business Ambition for 1.5°C campaign, calling on all CEOs on the Board to join the campaign if they have not already done so. They expressed optimism that the GIIs will be able to deliver tipping points by focusing on scaling locally, and reinforced importance of the Compact’s work on financing the SDGs.



5 COMMUNICATIONS & UNGC 20TH ANNIVERSARY

Dan Thomas, Chief of Communications, presented the plans for the UN Global Compact's 20th anniversary in 2020. A campaign to celebrate the anniversary will take place across the world throughout 2020, but the big global celebration will take place during the 2020 Leaders Summit on 15-16 June in New York, where stakeholders will come together for a day at United Nations Headquarters followed by a day at the Javits Center.

The main objectives of the campaign will be to celebrate the history of the Compact and recognize the people who have been involved; to mobilize stakeholders to drive tipping points; and to look forward to the next 10 years with a view to 2030.

Mr. Thomas then sought Board Member input and feedback on the elements of the campaign.

Board Members expressed that the campaign should look forward more than backward and position the Compact as the new crossroads for business, civil society, and Governments, and the UN — one that is based on principles. Board Members also suggested that the campaign provide guidance for how Global Compact Networks can celebrate the anniversary locally.

6 INSPIRATIONAL UPDATE: A JUST TRANSITION

With an aim to inspire Board Members to action, Sharan Burrow, General Secretary of the International Trade Union Confederation (ITUC), and Philip Jennings, Former General Secretary of UNI Global Union, gave a presentation on a Just Transition to an economy aligned with 1.5°C.

A key requirement of the Paris Agreement on climate change is that countries must have national plans for keeping global temperature increase well below 2°C that "take into account the imperative of the Just Transition of the workforce, and the creation of decent work and quality jobs." The idea being that the only way to move the global economy where it needs to go to combat climate change is to take a human-centered approach, and transition in a way that is inclusive and equitable. Many industries will be changed by climate action; there is no way to avoid that, but there is a way to reduce the impact on workers of job and livelihood losses from industry phase-out, and thereby prevent the resulting devastation for communities. That requires action from Governments and companies that demonstrates a respect for the institutions of work and the dignity of work — including collaborating with trade unions and promoting collective bargaining among workers — and builds trust with workers by engaging them in the planning process.

To this end, the ITUC has set up a Just Transition Centre that helps mobilize unions and workers for climate action through concrete plans that improve the material conditions of workers and bring down emissions. There are also actions that the UN Global Compact can take to help facilitate a Just Transition.

Even actors with the best intentions cannot deliver a net-zero future in time to stabilize the planet with a labour crisis that is fueling anger and fear. The goal is not to put companies out of work, but to ensure that there is hope for the future of work. There are no jobs on a dead planet, and there are no jobs in a future labour market with no Just Transition.

Board Members listened to the presentation and then engaged in a lively discussion around how they could help create this new economy and new social contract.

MEETING ATTENDANCE

BOARD MEMBERS:

1. **Ms. Bola Adesola** | Vice-Chair of the Board, UN Global Compact; Former Managing Director & CEO, Standard Chartered Bank Nigeria
2. **Ms. Clara Arpa Azofra** | CEO, ARPA Equipos Móviles de Campaña
3. **Ms. Sharan Burrow** | General Secretary, International Trade Union Confederation
4. **Mr. Patrick Chalhoub** | CEO, Chalhoub Group
5. **Mr. Philip Jennings** | Former General Secretary, UNI Global Union
6. **Dr. Musimbi Kanyoro** | Former President & CEO, Global Fund for Women
7. **Ms. Lise Kingo** | CEO & Executive Director, UN Global Compact
8. **Mr. Guilherme Peirão Leal** | Founder & Co-Chairman of the Board, Natura Cosméticos
9. **Mr. Anand Mahindra** | Chairman, Mahindra Group
10. **Sir Mark Moody-Stuart** | Chairman, Foundation for the Global Compact
11. **Ms. Flora Mutahi** | Founder & CEO, Melvin Marsh International
12. **Ms. Kristin Pålsson** | Chair, UNGC Government Group; Deputy Director, Swedish MoFA
13. **Mr. Carlo Pereira** | Co-Chair, Global Network Council; Executive Secretary, GCN Brazil
14. **Mr. Paul Polman** | Vice-Chair of the Board, UN Global Compact; CEO, Unilever
15. **Ms. Fiona Reynolds** | CEO, Principles for Responsible Investment
16. **Mr. Francesco Starace** | CEO & General Manager, Enel SpA
17. **Mr. Roberto Suarez-Santos** | Secretary General, International Organisation of Employers
18. **Mr. Jean-Pascal Tricoire** | Chairman & CEO, Schneider Electric
19. **Ms. Sandra Wu, Wen-Hsiu** | Chairperson & CEO, Kokusai Kogyo Co. Limited