



## MEETING SUMMARY

The UN Global Compact Board held the first of its bi-annual Board meetings on 18-19 July 2017 in New York. On 18 July, UNGC Board Members attended the SDG Business Forum, an important segment of the High-Level Political Forum (HLPF) on Sustainable Development, which included a high-level luncheon with the Secretary-General and President of the General Assembly. The Forum was followed by a post-event reception and Board Members were joined by the executive management team of the UN Global Compact for dinner.

During the Board meeting on 19 July, held at UN Headquarters, Secretary-General António Guterres delivered remarks for the first time since assuming Chairmanship of the UN Global Compact Board. The meeting also focused on updating Board Members on three of the UN Global Compact's priority areas detailed in its recent 2020 Strategy: One UN Global Compact culture initiative, Governance Review, and Integrity Measures Review.

The next meeting of the UN Global Compact Board will take place in Geneva, Switzerland on 29-30 November 2017. The Board meeting is intended to coincide with the annual United Nations Forum on Business and Human Rights and the UN Global Compact is currently exploring unique engagement opportunities for Board Members as part of the broader Forum programme.

Moving forward, it has been decided that UN Global Compact Board meeting dates will be set approximately two years in advance with meeting locations to alternate between New York and Geneva. While confirming dates this far in advance may preclude the Secretary-General from joining one (and potentially both) meeting(s), there is consensus that ensuring the highest level of Board Member availability and engagement is of paramount importance to effectively advance the work of the UN Global Compact Board.

## 1 BUSINESS SINCE LAST

Lise Kingo began the segment by highlighting important trends that are influencing the World at large, the broader UN system, and the UN Global Compact more specifically. With increased global political and social instability, demands for hyper-transparency, and budgetary pressures, the United Nations has recognized the need to reform and adapt to effectively deliver on the 2030 Agenda for Sustainable Development. Ms. Kingo noted that the Secretary-General's recent report<sup>1</sup> on the UN reform agenda included specific references to further leveraging the capacities of the UN Global Compact. The primary avenues through which the UN Global Compact will help to support and advance the Secretary-General's vision for UN reform and implementation of the 2030 Agenda include:

- **Making the SDGs a reality through global and local business action** – by leveraging the UNGC NY office and over 70 Global Compact Local Networks (GC LNs) throughout the world
- **Driving Innovative Partnerships** – by convening business and the UN, increasing coordination and capacity building particularly between in-country UN Resident Coordinators and GC LNs, and by expanding the measuring and reporting on UN-Business partnerships impact
- **Strengthening the UN Brand** – by raising the bar on what it means to be a UN Global Compact participant through enhanced integrity measures and progress reporting requirements
- **Unlocking Finance for the 2030 Agenda** – by enhancing collaboration with the UNGC's sister initiative – Principles for Responsible Investment (PRI), expanding offerings dedicated to sustainable finance, and by making financing the theme of this year's UN Private Sector Forum to build awareness

Focusing internally, Ms. Kingo highlighted the UN Global Compact's progress to date on implementation of its recently developed 2020 Global Strategy with results through Q2 of 2017 showing strong delivery across all Growth, Brand, Financial, and Organizational targets captured in the UN Global Compact's balanced scorecard. Alex Stein, Chief Financial Officer for the UN Global Compact, presented on the initiative's year-to-date financials and provided Board Members with a refresher on the details of the new mandatory contribution

<sup>1</sup> Repositioning the UN development system to deliver on the 2030 Agenda – Ensuring a Better Future for All [\[LINK\]](#)

business model that will be implemented across the global organization as of 1 January 2018. Mr. Stein also highlighted several adjustments made to the business model to address various points raised by GC LNs during consultations over the past year.

Board Members with an affiliation to GC LNs raised the issue of revenue splits between the NY office and GC LNs. During the course of this discussion, a consensus emerged that enough time has been spent during the past two years discussing the details of the new business model and it is now imperative to move forward with preparations for its implementation. Board Members agreed that after the new business model is launched, the NY office and GC LNs would have updated and reliable financial data that can be analyzed to ensure that neither group is disproportionately impacted.

## 2 REMARKS FROM THE SECRETARY-GENERAL

H.E. António Guterres attended his first UN Global Compact Board meeting since assuming the role of Secretary-General of the United Nations in January 2017. As part of his remarks, the Secretary-General highlighted that the business community has an important role to play in shaping the future and encouraged business to expand its important role in supporting the communities they operate in, particularly within fragile states. Regarding the UN Global Compact, the Secretary-General noted that he views the initiative as a champion of good practices, through the Ten Principles, that can help elevate ethical and responsible practices across the private sector. In addition, the Secretary-General sees the UN Global Compact playing an integral role in advising the boarder UN system on how to create the right conditions for the large scale involvement of the business community. Secretary-General Guterres mentioned climate, financing for the SDGs, and the humanitarian & peace agenda as specific areas where he seeks the UN Global Compact's partnership with key stakeholders to help deliver on the ambitious 2030 Agenda.

After outlining his focus areas as part of the reform agenda at the United Nations, the Secretary-General was briefed by Lise Kingo on the key priorities of the UN Global Compact. To conclude the segment, Bola Adesola and Henrik Madsen, two highly engaged members of the UN Global Compact Board, provided the Secretary-General with a brief overview of their efforts in support of the UN Global Compact's work.

## 3 ONE GLOBAL COMPACT CULTURE INITIATIVE

Michael Eichenwald and Andrew Soren from LRN, a leading advisor on principled and values based organizational cultures, provided an overview on the first phase of the UN Global Compact's culture initiative. It was noted that an integral part of the new UNGC 2020 Strategy was the need for the entire global organization to work as *One Global Compact*, which required new ways of behaving, making decisions, and working together. A co-creative process was undertaken to develop a new values and behavior framework, which will serve as the foundation for how all internal stakeholders of the initiative should make decisions, hold each other accountable, and work together across the NY office and over 70 Local Networks. Board Members were walked through the UN Global Compact's new framework that is centered on the three values of the United Nations (integrity, professionalism, respect for diversity) along with behaviors that were uniquely identified by staff and Local Networks of the UN Global Compact.

Feedback from Board Members was highly supportive of the model and centered on two key points:

- The new value and behavior model, grounded in the three UN values, seems highly appropriate for the UN Global Compact
- It is important to quickly implement and disseminate the new framework across organizational systems and processes to ensure that these shared values become a true driver for transformational change both within the UN Global Compact, as well as across its broader ecosystem

## 4 GOVERNANCE REVIEW: INITIAL RECOMMENDATIONS

Jacqui Boardman and Christian Toennesen from Carnstone Partners presented a series of ten initial recommendations to ensure the UN Global Compact's governance structure is fit-for-purpose to deliver on the ambitious UNGC 2020 Strategy and broader UN 2030 Agenda. It was noted that consultations on the Governance Review will continue until the next Un Global Compact Board Meeting in November with final recommendations to be delivered for the Secretary-General's review by year's end.

Feedback from Board Members included consensus on the following key points:

- The Governance Review is a timely exercise and the UN Global Compact's governance structure is in need of refresh as it has not changed since its founding seventeen years ago
- The numbers of seats on the UN Global Compact Board should be streamlined while maintaining its multi-stakeholder nature
- UN Global Compact Board sub-committees should be established to help support the varied work of the group
- UN Global Compact Board meeting dates should be set approximately two years in advance to ensure greater availability and engaged of Board Members for these important sessions

## 5 UNGC INTEGRITY MEASURES REVIEW

Melissa Powell updated Board Members on the results of the extensive consultation process conducted to review the UN Global Compact's integrity measures. A series of eight key recommendations were presented across three key areas in which the UN Global Compact felt it could enhance its policies and procedures to better safeguard the brand and reputation of the UN and to ensure promotion and recognition of responsible business. The three areas included: entry of new participants, engagement with existing participants, and exit/re-entry of participants that do not uphold the initiative's integrity measures.

Board Members were strongly supportive of the enhanced integrity measures and their feedback was incorporated into the following list of revised recommendations submitted to the Secretary-General's office:

- **ENTRY**
  1. No automatic acceptance of companies and final decision on admission rests with UNGC NY office
  2. Increase scrutiny of "high-risk" companies (i.e. high-risk sectors and those with integrity issues) and introduce a "pre-joining phase"
  3. Align exclusionary criteria with the UN System (i.e. tobacco and controversial weapons)
  4. Enhance required criteria for non-business participants
- **ENGAGEMENT**
  5. Enhance screening of speakers, sponsors, partners, and any leadership recognition
  6. Introduce an automated review process of all COPs and manually review for "high-risk" companies
  7. Adjust COPs to include SDG-related goals and targets
- **EXIT**
  8. Develop a de-listing and re-joining policy

It was also agreed that when communicating about the decision to exclude tobacco companies from participation in the UN Global Compact, it should be made clear that the decision was taken in line with the World Health Organization Framework Convention on Tobacco Control, but not as a direct result.

## MEETING ATTENDANCE

### BOARD MEMBERS:

1. **Mr. Jorge Abrahão** | Former President, Instituto Ethos de Empresas e Respons. Social
2. **Ms. Bola Adesola** | Managing Director and CEO, Standard Chartered Bank Nigeria
3. **Mr. Toshio Arima** | Director and Executive Advisor to the Board, Fuji Xerox
4. **Mr. Gustavo Perez Berlanga** | Former President, Global Compact Network Mexico
5. **Ms. Alice Cope** | Chair, Global Compact Local Network Advisory Group
6. **Mr. John Danilovich** | Secretary-General of the International Chamber of Commerce
7. **Ms. Monica de Greiff** | President, Chamber of Commerce of Bogota
8. **Mr. Fu Chengyu** | Former Chairman, Sinopec Group
9. **Mr. Y. W. Junardy** | President, Global Compact Network Indonesia
10. **Ms. Linda Kromjong** | Secretary-General, International Organization of Employers
11. **Mr. Henrik Madsen** | Former Chief Executive Officer, DNV GL
12. **Mr. Mads Øvlisen** | Former Chief Executive Officer, Novo Nordisk
13. **Ms. Fiona Reynolds** | Managing Director, Principles for Responsible Investment (PRI)
14. **Ms. Melanie Robinson** | Executive Director for the UK, Board of the World Bank Group
15. **Mr. Pierre Sané** | President, Imagine Africa International

### OBSERVERS:

16. **Ms. Huguette Labelle** | Former Chair, Transparency International  
↳ on behalf of Mr. Cobus de Swardt
17. **Ms. Marina Migliorato** | Head, Sustainability Innovation & Stakeholders Engagement, Enel  
↳ on behalf of Mr. Francesco Starace
18. **Mr. Thorsten Pinkepank** | Director of Corporate Sustainability Relations, BASF  
↳ on behalf of Mr. Kurt Bock
19. **Mr. Frederic Sicre** | Managing Director, The Abraaj Group  
↳ on behalf of Mr. Arif Naqvi

### EX-OFFICIO:

20. **H.E. Mr. António Guterres** | Secretary-General, United Nations
21. **Sir Mark Moody-Stuart** | Vice-Chair, UN Global Compact Board
22. **Ms. Lise Kingo** | Executive Director, UN Global Compact