



MEETING SUMMARY

The UN Global Compact Board held its bi-annual meeting in New York on 22 June 2016. Sir Mark Moody-Stuart, Vice-Chair of the Board and Chair of the Foundation for the Global Compact, chaired the meeting. Sir Mark recognized the following Board Members for their financial support of the strategic projects of the UN Global Compact in 2016: Mr. Kurt Bock, Ms. Güler Sabanci, Ms. Marilyn Carlson Nelson and Ms. Monica de Greiff.

By expressing his deep appreciation to Board Members for their championship of corporate sustainability, the UN Secretary-General noted that "the UN Global Compact is one of the most successful initiatives that the United Nations ever created". In reflecting on his tenure as Secretary-General, he expressed how pleased he was to be able to support the growth and strengthening of the Compact around the world. The Secretary-General highlighted the important role of the UN Global Compact as the entry point for business to the UN as we embark on implementing the Sustainable Development Goals and the Climate Agreement. He called on Board Members to continue championing the UN Global Compact and asked them to pay even greater attention to issues of women's empowerment and youth unemployment. Board members interacted with the Secretary-General by sharing recent activities they have undertaken to advance the Sustainable Development Goals and shared their perspectives on the UN Global Compact's new strategy for 2020. Board Members also expressed their appreciation for the Secretary-General's leadership in strengthening UN-business collaboration.

The next meeting of the UN Global Compact Board will take place on 28-29 November, 2016 in New York.

1 UNGC 2020 STRATEGY WORKSHOP

Board Members engaged in an in-depth strategy session co-facilitated by Executive Director Lise Kingo and Peter Lacy, Managing Director at Accenture. At this point in the process, the strategy review has engaged more than 1,500 stakeholders across the UN Global Compact, informed by consultations with more than 300 stakeholders – including the Executive Management Team, UN partners, the Group of Friends, the Governments Group, Local Networks, employees– supported by a survey of more than 1,200 participants and analysis of management data, financial information and competitor benchmarking.

The UN Global Compact will require a forward-looking strategy that sets the direction for the organization and will be guided by a clear Vision for 2030: "Mobilizing a global movement of sustainable companies and stakeholders to create the world we want". The Global Compact Ten Principles, the UN 2030 Agenda, including the SDGs and the Paris Agreement, will set the direction for this journey.

The Board's discussion reflected an appreciation of the strong value of the initiative and its foundation in the Ten Principles, as well as a desire to strengthen its unique reach, authority and impact. The areas of consensus are summarized below:

- **Unique Legitimacy:** Importance of the unique position of the UN Global Compact within the UN system, granting a position of legitimacy and moral authority
- **Breadth & Reach:** Critical ability to reach and engage emerging markets and companies at an earlier stage of maturity on sustainability
- **Aspirational Expectations:** Unique position to set expectations, from the Ten Principles to aspirations on the SDGs
- **Platform for Business:** Ability to provide responsible, principle-based business a voice in the UN and in collaboration with governments and policymakers (e.g. on SDG Action Plans)
- **Pivot to SDGs:** Window of opportunity to build upon the foundation of the Ten Principles and engage business to shift global markets towards sustainability

- Global/local coordination: Enormous potential for global/local proposition and impact with greater coordination and consistency between HQ and Local Networks

The discussion also emphasized the need for the 2020 Strategy to focus on the notion of “One Global Compact”, with HQ and Local Networks operating culturally as one – with shared vision, ambition, objectives and ways of working. There was broad agreement that the unique DNA of the UN Global Compact creates a foundation to pursue the vision for 2030 through four key focus areas, enabled by expertise in HQ, the Local Networks and a new digital platform:

- **Responsible Business & Leadership Practices**
 - Bold, public positions on expectations for responsible business
 - Advocate for aspirational expectations and leading practice on human rights, labour, environment and anti-corruption
 - The Ten Principles as the standard of responsibility for business
 - Champion and challenger of the private sector
- **SDGs as the “North Star”**
 - Understanding and communication of business impact and individual/collective contribution to global goals
 - Refocusing of capabilities and expertise based on business responsibilities and opportunities in contributing to the SDGs
- **Global/Local Platform & Connector**
 - Next-generation digital platform, single information and collaboration hub for participants, networks and peers
 - Effective co-working relationships with Local Networks, issue specialists and peer organizations
 - Productive connections and feedback between business and the UN, governments and civil society
- **Impact, Measurement & Performance**
 - Global authority on corporate performance and sustainability leadership
 - Identification and fostering of disruptors and innovators, curator of best practice
 - Focused on upside of sustainability commitment through business opportunity and global goals
 - Convener of business rapid response and contribution to urgent challenges

Input from Board Members centered around two priority areas: **Reinventing the Business Model** and **Strengthening Local Networks**. Areas of consensus included:

- The foundation of the UN Global Compact will continue to be the Ten Principles, with the SDGs as an opportunity and platform for business to innovate
- The unique positioning of UN Global Compact as a “platform of platforms” – to serve as a connector
- Mandatory fees are needed, with the majority of Board Members suggesting that these should apply to all companies (not only to large companies)
- A strong emphasis on the need to support Local Networks but not through a one-size-fits all approach, with a clear mission and priorities that are aligned with the broader vision

Overall, the Board strongly endorsed the direction of the strategy, providing the basis for an additional consultation period with stakeholders in the coming months. The 2020 Global Strategy will be finalized in

October and presented at the Annual Local Networks Forum in Dubai. It will be shared with the incoming UN Secretary-General for endorsement and implementation will begin in January 2017.

Action Points:

- Global Compact HQ will invite members of the Board for a final review of the draft 2020 Strategy in a conference call that will take place during the first or second week of October following an additional consultation period with stakeholders, which will run through September.

2 INTEGRITY MEASURES UPDATE

Board Members approved a proposed amendment to the initiative's integrity measures/dialogue facilitation mechanism, which empowers the Global Compact HQ and Local Networks to initiate dialogue without waiting for a complaint to be raised by a third party. Specific edits include the following:

- Proactive engagement of participants by the Global Compact HQ or a Local Network (only active and advanced in status) only when there is a finding of guilt by a competent court or other body, or an admission by an authorized representative of a company relating to a matter that meets the criteria of egregious or systematic abuse of the Ten Principles as set out in the integrity measures policy and FAQs;
- De-listing of corporate participants, after proactive engagement by the Global Compact HQ or a Local Network, is allowed as a last resort after consultation with the Board;
- Opportunity to engage with a participant outside of the dialogue facilitation process - when there is a finding by a competent court of other body or admission of guilt by an authorized representative of a company – in the form of an informal "letter of concern".

At the request of two Global Compact Local Networks, the Board endorsed the recommendation to de-list two companies, from the list of participants of the UN Global Compact (respectively affiliated with the requesting Networks). The Networks' requests were supported by credible findings of egregious and systematic abuse of the Global Compact principles and were submitted after engaging in dialogue with the company or attempting to do so.

The Board agreed that consultations on future requests to de-list a participant, pursuant to the amended integrity measures policy described above, can take place via email.

Action Points:

- Global Compact HQ will implement the revised integrity measures policy.
- Global Compact HQ will remove from the list of UN Global Compact's participants the two companies, as per the recommendation of the respective Global Compact Networks.

MEETING ATTENDANCE

Attendees:

- | | |
|---------------------|---|
| 1. Jorge Abrahao | 12. Sir Mark Moody-Stuart |
| 2. Bola Adesola | 13. Gustavo Perez Berlanga |
| 3. Inger Andersen | 14. Jyrki Raina |
| 4. Toshio Arima | 15. Pierre Sane |
| 5. John Danilovich | 16. Cobus de Swardt |
| 6. Mónica de Greiff | 17. Fu Chengyu |
| 7. Lise Kingo | 18. Henrik O. Madsen |
| 8. Sam di Piazza | 19. Francesco Starace |
| 9. Isabel Garro | 20. Observer – Natascha Weisert, Government of Germany |
| 10. Y.W. Junardy | 21. Observer – John Cox, Government of United Kingdom |
| 11. Linda Kromjong | |

Regrets:

- | | |
|---------------------------|-------------------|
| 1. Kurt Bock | 6. Paul Polman |
| 2. Marilyn Carlson-Nelson | 7. Guler Sabanci |
| 3. Phillip Jennings | 8. D.K. Sarraf |
| 4. Decheng Li | 9. Martin Skancke |
| 5. Bob Collymore | 10. Arif Naqvi |