



## MEETING SUMMARY

The UN Global Compact Board held its first scheduled meeting of 2021 as a videoconference. UN Secretary-General António Guterres, the Chair of the Board, joined the meeting for an hour and officially launched the Compact's new 2021-2023 global strategy - marking a unique milestone for the organization. The launch of the new strategy was the culmination of several months of collaborative effort from various stakeholders across the organization, including the Board which was actively engaged in its development. The Secretary-General delivered high-level remarks and also engaged in a discussion with the Board, where Members validated the strategic directions and shared how they would support the Global Compact in bringing the new strategy to life, especially in the context of global recovery from the COVID-19 pandemic. The Deputy Secretary-General, Ms. Amina Mohammed, joined this discussion as well. Ms. Sanda Ojiambo, CEO and Executive Director of the UN Global Compact also presented the plan for operationalization of the new strategy.

During the last segment of the Meeting, Board Members were presented with a framework to further enhance their engagement with the Global Compact and asked for feedback on their areas of interest.

The Compact plans to host its next virtual Board session in May 2021, to provide Board Members with an update on the strategy implementation process and to align in advance of the Leaders' Summit which will take place from 15-16 June 2021.

## 1 WELCOME REMARKS & INTRODUCTIONS

UN Global Compact Board Vice-Chair, Mr. Paul Polman, opened the meeting by taking note of the Compact's participant growth rate of 19% in 2020 and expressing appreciation for the remarkable progress made despite the COVID-19 pandemic and for how quickly the organization pivoted to the new ways of working. Mr. Polman commended the organization for successfully planning and delivering a number of strategic events including, the Compact's 20th Anniversary and the Leaders' Summit and acknowledged the success of the Academy. Mr. Polman thanked Board Members for their deep engagement in the strategy development process and welcomed their contributions to its implementation in the years ahead.

Setting the tone for the forthcoming discussion, Mr. Polman acknowledged the devastating impact of the COVID-19 pandemic on people and the planet but noted that one positive outcome had been greater awareness of the interconnectedness of the biodiversity, climate and health - issues previously perceived as being separate and unconnected. He noted that the pandemic also allowed us to reflect on the role of business, governments and civil society, and their individual and collective responsibilities. Mr. Polman then shed some light on the recent results of the 2021 Edelman Trust Barometer, which showed that public trust in the private sector exceeded trust in governments, civil society and the media. Mr. Polman mentioned that in his opinion, this re-affirmed the role of the Global Compact as a driver for responsible business and signaled strong positive momentum for the implementation of the new strategy.

## 2 BUSINESS SINCE LAST & REFLECTIONS ON 2020

### BACKGROUND

Ms. Sanda Ojiambo, CEO & Executive Director of the UN Global Compact, began the segment by reflecting on the difficult circumstances in which the Board had convened, noting that deaths from the pandemic had crossed two million globally and businesses were still reeling from the financial impact of the pandemic. Noting that there was a very clear demand from people, civil society and governments for business to play a key role in COVID-19 recovery, Ms. Ojiambo observed that this demand had further affirmed the Compact's *raison-d'être* and shaped its growth this year.



With this framing, Ms. Ojiambo then provided an update on the Compact's progress on its balanced scorecard for 2020. Despite the uncertainties created by the pandemic, the Compact had delivered strong results, meeting or exceeding targets on the majority of indicators across Growth, Organization, Brand and Financials. Ms. Ojiambo then provided some overall reflections on the 2020 strategy and the solid foundation that was laid, including a strong business model and a One Global Compact approach to working. She also outlined key lessons learned, based on which the Compact was making certain strategic shifts going forward.

Mr. Alex Stein, Managing Director of the Foundation for the Global Compact, then presented the Compact's financial progress through 31 October, 2020. Anticipating a slowdown in income due to COVID, the organization had implemented a number of cost-saving measures, with the pivot to virtual events further reducing spending. However, through October, the Compact had met the majority of its financial goals for the year and projections were anticipated to be only slightly below budget. These developments ensured that the Compact would end the year with a balanced budget.

Ms. Ojiambo then shared some highlights from the last quarter, centering her comments around Four Ps: Purpose, Programmes, Partnerships, and People.

Board Members congratulated the Global Compact on its remarkable growth and achievements, at the global and local levels, given the difficult circumstances. They emphasized that it was important to ensure that this growth translated into real progress. Much of the discussion focused around the need to better measure impact as part of the new strategy.

## 3 REMARKS FROM THE SECRETARY-GENERAL

Mr. Polman welcomed UN Secretary-General António Guterres, and briefed him on the Compact's strong progress on its goals before inviting him to give his remarks.

The Secretary-General began by expressing his admiration for the dynamism of the private sector and the business community in general, and the Global Compact in particular, especially given the troubled times. He noted that the private sector was more engaged and was asking Governments to do more to create the right environment for markets to work in a positive way and to fully implement Agenda 2030 and the Paris Agreement. Acknowledging that the world was not on track to achieve the SDGs, the Secretary-General encouraged Board Members to make 2021 the year of healing. In this regard, he emphasized that business had a central role to play and could lead by doing the right thing in its operations and using its influence to encourage governments to do the right thing as well.

The Secretary-General affirmed the role of the Global Compact in encouraging companies to uphold the Ten Principles and deliver on the SDGs and officially launched its strategic plan for 2021 through 2023. The Secretary-General stated that the new strategy "aims to galvanize bold, rapid progress by businesses of all sizes, in all sectors" and briefly summarized five key actions outlined in the strategy, to boost business impact on the SDGs, summarized below:

- (i) The strategy would strive for enhanced accountability. The Global Compact would set specific, measurable targets for its participants through an enhanced reporting framework.
- (ii) The strategy envisioned balanced growth of the UN Global Compact network — especially in regions where fewer companies had adopted the Ten Principles. This effort would lead to new national and regional Global Compact networks with a focus on the global South as well as China and the United States.
- (iii) The strategy would aim for maximum impact by combining global coherence with local flexibility, with companies adapting to each country's unique context.
- (iv) The strategy called for harnessing the energy and influence of small and medium-sized enterprises, which are extremely important drivers of local economic activity
- (v) The new strategy would encourage strong engagement with UN partners, particularly at the local level.

The Secretary-General stated that taken together, these strategic shifts provided critical opportunities for private sector engagement at a historic moment and encouraged all Board Members to consider how to scale up the investments and contribution of the private sector to achieve the SDGs.

## 4 OPERATIONALIZATION OF THE 2023 STRATEGY

Following the Secretary-General's remarks, Ms. Ojiambo thanked him for inspiring the Board and for officially launching the new strategy. She reiterated that business as usual was not enough and that the new strategy sought to raise expectations on how business will operate and serve as an enabler for change. Ms. Ojiambo emphasized that the strategy articulated a new Strategic Ambition to "Accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through accountable companies and ecosystems that enable change." She then broke down this ambition into 8 distinct phrases and words, explaining the rationale and intent behind their inclusion.

Ms. Ojiambo reiterated the five strategic shifts and presented on the operationalization workstreams and their objectives. She conveyed that making this strategy come to life was the next major challenge for the Compact and was pleased to note that all 69 Local Networks had embraced the new strategy and were ready to participate in its implementation. In conclusion, Ms. Ojiambo thanked the Boston Consulting Group which led the Compact through an extensive stakeholder engagement process, as well as the EOSG, the Local Networks, the Government Group, the Board, the Expert Network, Global Compact participants and a wide range of experts, who ensured that this was an all-stakeholder effort made possible by their dedicated collaboration.

Then Ms. Bola Adesola, Vice Chair of the UN Global Compact Board, led Board Members in a discussion to provide their reflections on the new strategy and share how they would support in its implementation. She began by calling on three speakers before opening it up to the rest of the Board Members for a free-flowing discussion. First, Ms. Adesola called on Mr. Patrick Chalhoub, CEO, Chalhoub Group who shared his contributions to strengthening the Local Network in UAE and noted that in order to grow in a balanced way, it was important for the Compact to strengthen its Local Networks, build a strong regional presence and enhance its proposition for SMEs. He also emphasized the importance of enhancing collaboration with UN Resident Coordinators, Country Teams and Governments to enhance visibility and recognition. Ms. Adesola then called on Ms. Clara Arpa, CEO, ARPA Equipos Móviles de Campaña who validated the Compact's decision to achieve global collective impact by focusing its programming on a few key 'Lead and Shape' issues where it would channel organizational energy, focus and resources. She also highlighted issue areas where the Compact was best positioned to co-operate with others who are leading as well those where it would follow and amplify existing efforts. Ms. Arpa then emphasized the role of Local Networks in adapting programming to local priorities and the focus on curated programming for SMEs, given their role as drivers of local economic activity. In this manner, she emphasized that the Compact's programmes could achieve global coherence, while responding to national contexts. Lastly, Ms. Adesola called on Ms. Sharan Burrow, General Secretary, International Trade Union Confederation. Ms. Burrow was pleased to note the reinstatement of the primacy of the Ten Principles and stressed that the Global Compact must be both a house for principles and also support business reform. Ms. Burrow also conveyed her appreciation for the 'easy to join, hard to stay' requirement with respect to participation in the Global Compact, given its impact on enhancing accountability.

Following Ms. Burrow's remarks, Ms. Adesola opened the discussion to the rest of the Board Members. The Secretary-General's inspirational remarks and call-to-action were well received. Board Members expressed their strong support for the Global Compact's new strategic direction and welcomed the strategy's orientation towards collective action and the ambition to build back better together. They were also pleased to see the emphasis on integration of the Ten Principles as the core of the Compact and welcomed the continued focus on the Local Networks as well as the entire UN system, especially in developing countries.

In summarizing the Board Discussion, Ms. Adesola noted that based on the contributions made by Board Members, it was clear that work on implementation of the strategic directions had already begun, and the strategy just provided more focus and a framework to deliver.

## 5 DISCUSSION ON BOARD ENGAGEMENT



Mr. Polman opened the discussion noting that it should be viewed from the perspective of the constraints to in-person engagement brought on by travel restrictions and virtual working. He noted that the discussion would seek to identify what could be done given these constraints and invited Ms. Ojiambo to present the enhanced Board Engagement Plan.

Ms. Ojiambo initiated the discussion by noting that although everyone was working virtually, Board Members had expressed an interest in further engaging in the work of the Global Compact, in their bilateral conversations with her. To that end, the Compact had developed and shared with Board Members a draft framework of engagement for their feedback. She further mentioned that the Office would reach out to them to identify and map their potential areas of interest and develop a customized engagement plan. Ms. Ojiambo presented the plan, highlighting the following points:

- The Board Terms of Reference (ToR) highlighted the expectations of Board Members and the engagement plan drew from the ToR.
- The proposed ways to enhance engagement were not mutually exclusive – in many ways Board Members were already engaging in multiple ways. The current framework simply provided an opportunity to point them out and better structure them.
- Under Advocacy, Board Members could serve as Ambassadors for the initiative, representing it at various forums, raising awareness and now championing the new strategy. They could support company recruitment at regional and local levels, strengthening Local Networks and providing more opportunities for growth. Additionally, they could also strengthen UN and Government engagement.
- Under Advisory, the Compact would continue to seek guidance from Board Members, at the global level as well as for its Local Networks. As it advanced further in its strategy implementation, the Compact would rely on lessons learnt as well as business insights from Board Members and their knowledge of various footprints, countries and geographies where their businesses operated. The Compact could also seek strategic advice on programme development and execution as well as on engagement with the Local Networks.
- Finally, under Accountability, the Compact would request all Board Members to engage fully in the mandate of the new strategy, uphold the Ten Principles and meet the requirements of the Global Compact

Ms. Ojiambo then provided Board Members an update on key strategic planned events for the year, including Target Gender Equality (16 Mar), Leaders Summit (15-16 June), Uniting Business Live (20-22 Sept), Young SDG Innovators Summit (13 Oct) and Caring for Climate (Nov, date TBC). She also mentioned a few other business events where the Compact would have a presence, including the WEF Annual Meeting, the UN Food Systems Summit, COP26 and the Making Global Goals Local Business events organized by Local Networks around the world. She sought feedback on how the Compact could structure the calendar of engagements for Board Members through the year.

Mr. Polman concluded the session by thanking everyone and informing Board Members that the Compact planned to organize another Board Meeting in May, to provide them an update on the implementation of the strategy and to align in advance of the Leaders Summit scheduled for Jun 15-16.

## MEETING ATTENDANCE

### BOARD MEMBERS:

1. **H.E. Mr. António Guterres** | Secretary-General, United Nations
2. **Ms. Bola Adesola** | Vice-Chair of the Board, UN Global Compact
3. **Ms. Clara Arpa Azofra** | CEO, ARPA Equipos Móviles de Campaña
4. **Ms. Sharan Burrow** | General Secretary, International Trade Union Confederation
5. **Mr. Patrick Chalhoub** | CEO, Chalhoub Group
6. **Mr. Emanuel Chirico** | Chairman & CEO, PVH Corp.
7. **Mr. John W.H. Denton** | Secretary General, International Chamber of Commerce
8. **Dr. Delia Ferreira Rubio** | Chair, Transparency International
9. **Mr. Philip Jennings** | Former General Secretary, UNI Global Union
10. **Dr. Musimbi Kanyoro** | Former President & CEO, Global Fund for Women
11. **Mr. Steve Kenzie** | Co-Chair Global Network Council; Executive Director, GCN UK
12. **Mr. Anand Mahindra** | Chairman, Mahindra Group
13. **Sir Mark Moody-Stuart** | Chairman, Foundation for the Global Compact
14. **Ms. Flora Mutahi** | CEO, Melvin Marsh International
15. **Mr. Paul Polman** | Vice-Chair of the Board, UN Global Compact
16. **Ms. Sanda Ojiambo** | CEO & Executive Director, UN Global Compact
17. **Mr. Francesco Starace** | CEO & General Manager, Enel SpA
18. **Mr. Jean-Pascal Tricoire** | CEO, Schneider Electric
19. **Ms. Marie Wibe** | Chair, UNGC Government Group; Senior Advisor, Danish MoFA
20. **Ms. Sandra Wu, Wen-Hsiu** | Chairperson and CEO, Kokusai Kogyo Co. Limited