

MEETING SUMMARY

The UN Global Compact Board held its second scheduled meeting of 2021 as a videoconference. The session, led by the Vice-Chairs Mr. Paul Polman and Ms. Bola Adesola, focused on updating Board members on the outcomes of the operationalization phase of the 2021-2023 strategy, with specific attention to programmes, the geographic expansion and a proposal for a new business model. Deputy Secretary-General H.E. Amina Mohammed joined the session for an hour. She delivered high-level remarks and also engaged in a discussion with the Board, where the Members shared their plans and ideas to support the implementation of the strategy and highlight actions needed to accelerate progress.

During the last segment of the Meeting, Board Members engaged in a closed-door session for an operational update. Ms. Sanda Ojiambo, CEO & Executive Director of the UN Global Compact, presented the new organizational structure of the Foundation for the Global Compact to ensure its separation from the UN Global Compact Office.

The Compact plans to host its next virtual Board session in September 2021 as a videoconference during the UN General Assembly Week.

1 WELCOME REMARKS & INTRODUCTIONS

UN Global Compact Board Vice-Chair, Mr. Paul Polman, opened the meeting by bidding farewell to three members of the Board who concluded their terms: Vice-Chair Ms. Bola Adesola, Mr. Philip Jennings and Mr. Francesco Starace. Mr. Polman thanked the three departing members for their commitment, leadership and engagement in the Board, acknowledging the outstanding contributions and professional expertise they brought to the Board.

Mr. Polman then welcomed and introduced four new members: Mr. Marco Lambertini, Director General, WWF International, who will fill the environment seat; Mr. Guy Ryder, Director General, International Labor Organization, as the first member of the newly created rotational seat of the four UN entities that are referred to as the "Guardians of the Ten Principles"; Mr. Stephen Cotton, General Secretary, International Transport Workers' Federation (ITF), who will fill the labour seat, and Mr. Rasmus Abildgaard Kristensen, Head of Department, Green Diplomacy and Climate Danish Minister of Foreign Affairs, new Government Group representative from Denmark.

Finally, Mr. Polman noted the renewal of the term of seven Board members (Mr. Anand Mahindra, Mr. Jean-Pascal Tricoire, Mr. Patrick Chalhoub, Mr. Ren Hongbin, Ms. Clara Arpa Azofra, Ms. Flora Mutahi and Ms. Sandra Wu, Wen-Hsiu) for an additional three-year term and thanked the members for their continued engagement.

2 BUSINESS SINCE LAST UPDATE

BACKGROUND

Ms. Sanda Ojiambo, CEO & Executive Director of the UN Global Compact, began the segment by acknowledging the work of the Global Compact staff and its leadership team to operationalize the 2021-2023 strategy.

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, exceeding all targets for growth across all regions with peaks in priority areas and generating more than 6,000 leads. Concurrently, the Compact has continued to deliver new programmatic activities, including the launch of the new Climate Ambition Accelerator in April 2021, and to strengthen global-regional-local partnerships through events and training sessions, such as the Making Global Goals Local Business Event in Africa and the



Target Gender Equality Live in March 2021. Upcoming events include the 2021 Annual Local Network Forum on 25-27 May and the 26-hour virtual Leaders Summit on 15-16 June. Ms. Ojiambo also emphasized the strong UN support to the new strategy and the strengthening of relationships with the four "Guardians" of the Ten Principles.

Mr. Alex Stein, Managing Director of the Foundation for the Global Compact, then presented the Compact's financial results in 2020 and the first quarter of 2021. Overall, 2020 was described as a successful financial year, during which the Compact met nearly the entirety of its pre-COVID goal. The organization had implemented a number of cost-saving measures since March 2020, which ensured the end of the year was met with a balanced budget. Cost saving measures continued to be implemented during the first quarter of 2021 as the strategy operationalization phase was finalized and priority areas were identified for investments. This has also resulted in a balanced budget for this period. Based on the revenue received during the first quarter, projections for 2021 have been revised to reflect a slight increase in revenue and a more significant increase in expenses, to ensure coverage for significant investments on the delivery of the strategy.

The Board congratulated the Compact for its continued financial growth during the challenging COVID times and its responsible financial management throughout 2020.

3 2023 STRATEGY OPERATIONALIZATION OUTCOMES

PRESENTATION

Ms. Ojiambo started this segment by reiterating the Compact's Strategic Ambition and its focus on accelerating and scaling the collective impact of business. Ms. Ojiambo then provided a summary of the projects that have been completed during the course of the operationalization phase:

- **Value proposition for business** – An overall proposition has been shaped to articulate the Compact's intentions and ambitions for delivery through the new strategy and the ways in which the UN Global Compact is uniquely positioned to delivery through this strategy.
- **Strategic Alliances and Partnerships** - A broad array of existing partnerships was reviewed in order to develop a more focused, intentional and impact-oriented approach to collaborations.
- **Government engagement and policy dialogue** - Concrete and actionable policy positions are under development for the Compact to advocate through policy dialogues at the local level, which will support companies in the Compact to raise their sustainability targets and impact. Finally, a set of target countries with strong impact potential has been identified and work is underway to kick off the Cooperation Framework dialogues by the end of 2021.
- **Communications strategy** - Based on a SWOT analysis, four important shifts have been identified in the Compact's communications strategy.

Ms. Ojiambo also presented two ongoing projects:

- **SME Strategy** – An SME expert with extensive global experience has been hired to develop the strategy by end of July 2021.
- **Renewed approach to Strategic Planning and Success Measurement** – a holistic revamp has been undertaken to annual strategic planning with the development of a framework that will enable the Compact to better track its progress and report to stakeholders on its results/success.

Programmes and Communication on Progress (COP) - Ms. Lila Karbassi, Chief of Programmes, presented the redesign of the Compact's programmes in alignment with the new strategy, which has reorganized issue areas under three main categories:

- **Lead and shape**
- **Cooperate with others**
- **Follow and amplify**

The programme portfolio will follow an impact logic to ensure the planned activities support the achievement of a specific thematic goal and to track progress through the COP. The programmatic offerings, which will



include training programmes, peer learning and working groups, will be included in the annual contribution fee to encourage the engagement of a larger and more diversified group of companies.

Ms. Karbassi also updated the Board members on the status of the COP review, which will offer a tool for companies to better measure, track and disclose their performance on the Ten Principles and their contribution to the SDGs. Stakeholder consultation is underway and the final changes to the COP will be announced in September, with enforcement of the new format in Q1 2022.

Geographic expansion & New Business Model – Mr. Ole L. Hansen, Chief of Global Operations, shared an update on the plans for geographic expansion and the ongoing review of the business model. With regard to the first item, he presented a mapping that reflects the ambition of the strategy in terms of geographic expansion. 24 countries have been identified for the first round (2021-2022), with specific focus on Africa, Eastern Europe, Asia and Middle East, while 20 additional countries have been identified for the second wave of expansion.

With regard to the new business model, consultations have been underway with Local Networks to modify the current model, which was implemented in 2018. The new system aims to collect additional resources to deliver on the strategy and ensure that revenue is more evenly distributed across Networks. One of the main proposed changes suggests the collapse of signatories and participants into one engagement tier, with price differentiation between large and small businesses.

During the brief discussion that followed the presentation, Board members stressed the importance of maintaining the simplicity of the new COP process and clarify the narrative around its review, which is not aimed at creating a new standard. Additional time was requested for Board members to discuss and reflect on the proposed changes to the business model, to ensure it meets businesses' needs and expectations in the aftermath of the COVID crisis.

4 REMARKS FROM THE DEPUTY SECRETARY-GENERAL

Ms. Adesola welcomed UN Deputy Secretary-General Amina Mohammed and briefed her on the Compact's progress on the operationalization of its new strategy before inviting her to give her remarks.

The Deputy Secretary-General began by congratulating the Compact's Board for its work and leadership as the initiative enters its strategy operationalization phase. She noted that the new strategy comes at a critical time, amidst the challenges of the COVID pandemic, and the UN Global Compact has a key role to play in the response to determine the recovery after the COVID crisis. Building on twenty years of solid growth, the Deputy Secretary-General affirmed that the role of the Compact is now to challenge companies to go beyond words and pledges and conduct a massive reallocation of resources to help deliver the SDGs. In this regard, she was pleased to note that the new strategy outlines a clear ambition to propel global growth and impact at scale.

The focus of the new strategy on the expansion in the Global South was welcomed by the Deputy Secretary-General, who expressed confidence in the Compact's commitment to a more balanced growth. The Deputy Secretary-General also acknowledged the central role of the Global Compact Local Networks to the new strategy and invited the Board members to support the strengthening of the networks by having companies in their supply chain join and engaging with them. The Deputy Secretary-General emphasized how the convening power of the UN and its Local Networks can help bring together Governments, civil society, academia and enterprises of all sizes to move important pipelines to achieve the SDGs.

The new strategy was described by the Deputy Secretary-General as an important development for the broader UN system. She noted that the enhanced accountability mechanism embedded in the new COP will add value to all UN entities working with the private sector, reinforcing a common approach across the UN system.

In her final remarks, the Deputy Secretary-General stressed the importance of climate as well as the economic empowerment of women as an integral part of the sustainable development agenda. Thanks to technology, which allowed interconnectivity during the pandemic crisis, key stakeholders can continue to work together to achieve the common agenda. Recalling the Secretary-General's call for increased multilateralism,



the Deputy Secretary-General reiterated the importance for all actors to join the discussion on sustainable development and make their contribution, reunited by the convening power of the UN.

The Deputy Secretary-General concluded her remarks by thanking the departing Board members for their time and dedication in supporting and strengthening the Compact. She also welcomed the new Board members. She then re-affirmed the unique position of the UN Global Compact to build trust and help translate global commitments into concrete action. Recognizing the importance of principled leadership to deliver on this mission, she encouraged all Board members to reflect on what more can be done to accelerate progress on the SDGs, but also seize the opportunity to deepen their engagement to the UN Global Compact and help it deliver its mission to deliver for people and the planet.

5 BOARD DISCUSSION WITH DSG

Following the inspirational remarks of the Deputy Secretary-General, Ms. Adesola opened the discussion to the rest of the Board members, inviting them to reflect on the ways they can help bring the new strategy to life and highlight the actions needed to accelerate progress. Overall, Board Members expressed strong appreciation with the Deputy Secretary-General's leadership and with the significant progress made by the Compact on the operationalization of the new strategy, with particular regards to its focus on geographic expansion, SME engagement and the enhanced accountability that will be provided through the COP.

Board members also shared their ideas and contributions to further enhance the implementation of the strategy, including actions and commitments made by their companies and organizations to raise the corporate ambition for achieving the SDGs. Gender equality, climate change and decent work in the supply chains were mentioned among the main thematic issue areas of focus. Several Board members also referred to their close work with and support of Local Networks to implement the strategy in the countries of their companies' operations.

Following the Board's discussion, Ms. Adesola invited the Deputy Secretary-General to share her final reflections. The Deputy Secretary-General began by expressing her enthusiasm for the Board Members' ideas. In particular, she noted the importance to reinforce the UN footprint on the ground and leverage its convening power, including with the help of country teams and UN agencies that work with the private sector on the ground. She also remarked the important issues raised by the Board and the need to tailor the approach to address them to the local realities, while also finding common grounds, when possible. In closing, the DSG reiterated her full disposal and commitment to the Board adding that a lot of work will have to be put in towards the global recovery in the next months and that much more can be done towards that.

5 OPERATIONAL UPDATE

During this segment, Ms. Ojiambo shared the three recommendations developed by the UN Office of Legal Affairs to appropriately manage from a legal standpoint the relationship between the UN Global Compact, a UN entity, and the Foundation for the Global Compact (the Foundation), a U.S.-based non-profit:

- The UN Global Compact and the Foundation for the Global Compact must be treated as independent legal entities
- Team members of the Foundation should report into Foundation's managers
- The Foundation should have independent US compliant HR policies and practices

Ms. Ojiambo then presented the new organizational structure of the Foundation to ensure its separation from the UN Global Compact. The new structure entails the creation of two new roles called resource partners, so that any Foundation employee will report into one of these new roles. The resource partners will receive the strategic direction oversight from the members of the Executive Management Team.

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In his final remarks, Mr. Polman stressed that change will not affect the work of the Board nor its relationship with the Compact, who will continue to carry out its tasks by working collaboratively among the different entities.

Mr. Polman concluded the session by thanking everyone and informing Board Members that the Compact planned to organize another Board Meeting in September as a videoconference. He also reminded Board members of the upcoming Leaders Summit and thanked those who will participate to the event. Finally, he reiterated his farewell and appreciation for the departing members, while welcoming the new members.

While departing the Board, Ms. Adesola reaffirmed her commitment to the UN Global Compact and expressed gratitude for the opportunity to co-chair the dedicated Board of the Compact together with Mr. Polman.

MEETING ATTENDANCE

BOARD MEMBERS:

1. **H.E. Ms. Amina Mohammed** | Deputy 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** | Chair, United World Colleges
11. **Mr. Steve Kenzie** | Co-Chair Global Network Council; Executive Director, GCN UK
12. **Mr. Rasmus Abildgaard Kristensen** | Head of Department, Green Diplomacy and Climate, Danish MoFA
13. **Mr. Anand Mahindra** | Chairman, Mahindra Group
14. **Mr. Roberto Marques** | Executive Chairman and Group CEO, Natura & Co.
15. **Sir Mark Moody-Stuart** | Chairman, Foundation for the Global Compact
16. **Ms. Flora Mutahi** | CEO, Melvin Marsh International
17. **Mr. Paul Polman** | Vice-Chair of the Board, UN Global Compact
18. **Ms. Sanda Ojiambo** | CEO & Executive Director, UN Global Compact
19. **Mr. Ren Hongbin** | Vice Chairman of State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
20. **Mr. Francesco Starace** | CEO & General Manager, Enel SpA
21. **Mr. Roberto Suarez-Santos** | Secretary General, Int'l Organisation of Employers
22. **Mr. Jean-Pascal Tricoire** | CEO, Schneider Electric
23. **Ms. Sandra Wu, Wen-Hsiu** | Chairperson and CEO, Kokusai Kogyo Co. Limited

NEW BOARD MEMBERS:

24. **Mr. Guy Ryder** | Director General, International Labor Organization
25. **Mr. Marco Lambertini** | Director General, WWF International
26. **Mr. Stephen Cotton** | General Secretary, International Transport Workers Federation (ITF) as an observer, new member effective 22 May 2021