



MEETING SUMMARY

The UN Global Compact Board held its first meeting of 2019 on 21 January in Geneva, Switzerland. The meeting was preceded by a dinner on the evening of 20 January with senior UN officials and members of the UN Global Compact's Internal Review Team, a senior multi-stakeholder group convened by the Deputy Secretary-General, that also met on 21 January to finalize a series of recommendations to the Secretary-General on future opportunities for the Compact to scale its impact.

The Board meeting on 21 January, held at the InterContinental Genève, focused on updating Board Members on the Compact's efforts during 2018, and on its plans for 2019. A morning session on "the road ahead for scaling impact" included the presentation of the Compact's new global impact initiatives, a set of three goals in the areas of driving action on climate change, closing the gender gap, and mainstreaming the Sustainable Development Goals (SDGs). These impact initiatives were developed in line with the Compact's new Theory of Change and reflect areas where the Compact is best positioned to drive tipping points within the market. In the afternoon session, Board Members were briefed on the Compact's new strategy for participant growth, the outcomes of the IRT Meeting held that morning, and the Compact's strategy for engaging with the UN System and Governments more broadly.

The next meeting of the UN Global Compact Board will take place in New York during UN General Assembly Week in September.

1 WELCOMING REMARKS & BUSINESS SINCE LAST

UN Global Compact Board Vice-Chair, Paul Polman, opened the meeting by emphasizing the need to reach tipping points on sustainable development, particularly on climate. He emphasized that the world cannot solely rely on Governments to drive the sustainable development agenda, and that for at least the next 10 years, businesses and civil society must come together to help lead the charge. Mr. Polman highlighted the urgency of this task, noting that although the world has made significant progress in many areas, there are a few headed in the wrong direction, including food security, income inequality, and deforestation. He reinforced the importance of business and civil society organizations working together in fora like the UN Global Compact Board, emphasizing that when those groups come together and create frameworks, tools, and alliances meant to keep us accountable to future generations, there is vast potential for positive change.

UN Global Compact CEO & Executive Director, Lise Kingo, then gave an update on business since the last meeting, beginning with the progress that the world has made on the SDGs so far, including a sharp drop in infant mortality and a decrease in both the number and percentage of people living in extreme poverty. In terms of risks, Ms. Kingo emphasized that the UN Global Compact sees climate change and inequalities as the two most pressing global challenges. Drawing from the Compact's 2018 Progress Report, Ms. Kingo highlighted the specific goals that UN Global Compact participants reported taking action on (e.g., Goal 8 on Decent Work & Economic Growth, and Goal 5 of Gender Equality), and the goals for which the Compact has an opportunity to encourage business action (e.g., Goal 14 on Life Below Water and Goal 15 on Life on Land).

Board Members agreed with the need to reach tipping points, and called out labour rights as a particular issue, suggesting that the Compact can show companies how to make the action that they take on Goal 8 best-practice.

Ms. Kingo then turned to the Compact's progress on its 2018 goals, presenting the organization's balanced scorecard. The scorecard was largely positive, demonstrating the success of the new engagement model, and showing only a few places where the Compact fell just shy of its most ambitious targets.

Ms. Kingo then invited Alex Stein, Managing Director of the Foundation for the Global Compact, to present on the Compact's financial results for 2018 and projections for 2019. Mr. Stein highlighted that the Compact ended 2018 with a slight budget surplus, driven primarily by expenses that were purposefully conservative as the Compact assessed the outcome of its new engagement model. Now that the success of the model has



been shown (and general contributions from participants has grown by over \$1m), the Compact plans to increase expenses in 2019 by investing in further capacity in NY. Mr. Stein ended by presenting the projected general contributions from participants over the period of 2016 to 2020, which show a sharp increase in the total amount, but an even sharper increase in the amount going to Local Networks (both directly and through the Local Network Development Fund). This reflects the revenue sharing model that UNGC NY has with the Local Networks, which projects Local Network income coming in line with UNGC NY income by 2020.

Board Members congratulated the Compact on its new engagement model, emphasizing that seeing the Local Network income rise so sharply is an excellent indicator of its success. Board Members who work closely with Global Compact Local Networks expressed that the relationship between the Local Networks and UNGC NY has never been as strong as it is now, and that the key to the model's success is the value proposition.

2 THE ROAD AHEAD FOR SCALING IMPACT

Lise Kingo began the segment by sharing key themes from the discussion on "the Road Ahead" from the previous Board Meeting, which the Compact has taken forward and is integrating into its plan for 2019. Those themes are:

- Advancing Action on Climate Change
- A New Social Contract
- Creating a Movement
- Measuring & Reporting on Impact

Theory of Change & 2019 Priorities

Ms. Kingo then presented the Compact's 2019 Goals & Priorities, which fall within three broad categories outlined in the organization's 2020 Strategy: Creating Sustainable Growth, Optimizing the Global Organization, and Clarifying & Strengthening the Brand. These categories and goals are largely internal and reflect what the Compact must do to be fit-for-purpose to deliver on its ambitions.

GROWTH	ORGANIZATION	BRAND
<ul style="list-style-type: none"> ▪ Intensify Participant Growth and Engagement Across Pivotal Markets & Sectors ▪ Diversify Government Group Composition & Enhance Substantive Engagement ▪ Maintain and Expand Fundraising Capacity & Diversify Income Streams 	<ul style="list-style-type: none"> ▪ Develop and Implement New Value Chain Model in line with Theory of Change ▪ Enhance Ability to Deliver Locally ▪ Enhance the Impact of UNGC Collaboration with UN system 	<ul style="list-style-type: none"> ▪ Refine COP to Expand Data Capture and Further Enhance Integrity Standards ▪ Pivot Ways of Working into Platform of Platforms Concept ▪ Drive Impact Through Scaling of Programmatic Offerings

Starting in 2019, these organizational goals will be complemented by new impact goals, derived from the Compact's Theory of Change. The Compact's new Theory of Change shows the overarching vision that the organization has for the change it would like to see in the world, and articulates three avenues of action that the Compact will take to achieve that goal. Those avenues are: Innovating & Thought Leadership, Scaling Globally, and Enabling Environment & Impact.

Taken together, these three pillars will facilitate a world where the private sector reduces negative impact and where companies create positive environmental, social, and governance outcomes in the places in which they operate and have impact.

Goals for Impact

Ms. Kingo then invited Lila Karbassi, Chief of Programmes, to present the UN Global Compact's new focus areas for impact. Ms. Karbassi presented the suite of three Global Impact Initiatives — designed in



collaboration with Local Networks — which fit into the Compact's broader programmatic portfolio for 2019 and are built on the idea of a principle-based approach to business. The impact initiatives and their specific goals are:

- **MAINSTREAMING SUSTAINABLE DEVELOPMENT GOALS:** By the end of 2020, 100% of UN Global Compact participants have a public commitment to global goal action aligned with their core business
- **DRIVING ACTION ON CLIMATE CHANGE:** By the end of 2020, 2,000 UN Global Compact participants have made at least one public commitment on climate action supporting a 1.5° pathway towards a net-zero future
- **CLOSING THE GENDER GAP:** All UN Global Compact participants prioritize gender equality, demonstrating commitment, action and accountability

These ambitious goals are designed to help business reach tipping points on sustainable development. They follow the premise that if 2,000 companies are actively supporting a pathway toward a 1.5° temperature increase and if 10,000 are showing how they are prioritizing gender equality, then that creates the critical mass necessary to bring global change. These goals also fit into areas of the Compact's programmatic work where there are already robust tools to draw on, like the Science-Based Targets initiative, and the Women's Empowerment Principles.

Ms. Karbassi then zeroed in on climate specifically. With the UN Secretary-General's Climate Summit taking place in September of 2019, the Compact will maintain a strong focus on climate throughout the year. Just as the topic of human rights was integrated across UN Global Compact activities throughout 2018, climate (and specifically the push for business to take action in line with an ambitious 1.5° pathway) will be integrated throughout 2019. The Compact is well-positioned to drive this focus in 2019, having recently launched a publication called *The Ambition Loop*, which details how bold Government policies and private sector leadership can reinforce each other, creating a positive feedback loop that leads to greater climate action.

There was broad support among the Board for the three Global Impact Initiatives, and for the specific goals that accompany them. Feedback focused primarily on what the Compact can do to get companies to commit to those goals, and included the following:

- In order to attain the scale necessary to reach tipping points, the Compact should partner with organizations that have global networks and reach, and UNGC NY should work with Local Networks to translate these initiatives for each local audience and to define the priorities for small companies in their region.
- It is important that companies be able to go to their subsidiaries and their supply chain and say, "the UN Global Compact is the one place where we will all go to make change." That simplicity is the strength of the Ten Principles.
- The Compact must help companies understand that committing to ambitious climate targets is not a burden, it is a business opportunity. When the consequences of climate change catch up to businesses, they will see that it is bad for them and that action on climate is good for business. But, the world cannot afford to wait until then.

3 GROWTH STRATEGY

Sue Allchurch, Chief of Outreach & Engagement, presented the Compact's new growth strategy for adding more business participants to the initiative. Ms. Allchurch began by highlighting the results of 2018's push to sign up companies to the new engagement model. Notably, the Compact reached its ambitious target for total companies retained, and now has a base of over 9,000 companies signed up to the model. The Compact fell just shy of the target on the total number of large companies retained (those with annual revenue greater than \$50m), but that number will grow as priority companies are contacted individually in a final push to get them to sign up to a tier. The only category in which the Compact did not reach at least 90% of the target was the



number of large companies signed up to the higher Participant tier. While many more small companies than expected chose the Participant tier (172% of the target), the Compact will need to improve the value proposition for large companies to choose Participant in order to meet more ambitious revenue targets.

Ms. Allchurch then moved on to the growth strategy for 2019, which shows steady growth in the number of small companies joining, and significantly higher than average growth among large companies (20% versus a 5-year average of 11%). That growth will be concentrated in China, USA, and Africa, where the Compact has historically had low uptake relative to the size of the market.

There will still be a focus on retention in 2019, but it will be around converting large companies from the Signatory to the Participant tier, and retaining small companies (who historically are lost at a rate of 18% annually due to failure to submit a Communication on Progress) by working with them at the local level and helping them report on their progress as an engagement activity.

Ms. Allchurch then presented the support plan that is going to allow the Compact to reach its growth targets. It focuses on four areas:

- **IMPROVED VALUE PROPOSITION:** rolling out the new Global Impact Initiatives through the Local Networks for Participants and Signatories, and through the UN Global Compact Academy for Participants
- **ENHANCED CAPABILITIES & CAPACITY:** including CRM and marketing automation, and significant enhancements at the local level
- **MULTIPLIER INITIATIVES:** working with partners to encourage making commitment to the Ten Principles a standard practice for partnerships and procurement
- **INTEGRATED MARKETING PLAN:** campaigns specifically focused on recruitment and retention, and the strategic use of partnerships and influencers

Feedback from the Board was very positive, with many Board Members stating that they would like to be highly involved in growing UN Global Compact participation in the identified regions. The Board also recommended that the Compact help Local Networks share best practice among each other to facilitate driving growth at the local level.

4 UN & GOVERNMENT RELATIONS UPDATE

Olajobi Makinwa, Chief of Intergovernmental Relations & Africa, began this session by speaking on the UN Global Compact's current engagement of Governments and the ways in which that engagement is being enhanced. She focused specifically on the effort to get more countries from the Global South involved in the Government Group, and highlighted some high-profile engagement of G77 Governments during 2018.

Melissa Powell, Chief of Staff, then presented on the Compact's positioning within the UN system, and the opportunity to further leverage the Compact's UN identity by working more closely with UN agencies, funds, and programmes. With the UN's reform agenda, the Compact has an opportunity to work closely with UN partners and Country Teams through the Local Networks to help drive progress at the local level. Memoranda of Understanding (MoUs) have already been signed with 5 UN agencies that are strategic partners to this end.

Ms. Powell then introduced the topic of the Internal Review Team (IRT), and welcomed the Board Members who sat on the IRT to give their reflections on the process and outcomes, prompting a discussion among the Board.

Board Members were very supportive of the Compact working more closely with Governments and the UN, both at the global and local levels, and of the Compact providing guidance to Government and UN agencies on best-practice for responsible procurement.



MEETING ATTENDANCE

BOARD MEMBERS:

1. **Ms. Bola Adesola** | Vice-Chair of the Board, UN Global Compact; Managing Director & CEO, Standard Chartered Bank Nigeria
2. **Ms. Inger Andersen** | Director General, International Union for Conservation of Nature
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. John W.H. Denton** | Secretary General, International Chamber of Commerce
7. **Mr. Philip Jennings** | Former General Secretary, UNI Global Union
8. **Ms. Lise Kingo** | CEO & Executive Director, UN Global Compact
9. **Mr. Anand Mahindra** | Chairman, Mahindra Group
10. **Sir Mark Moody-Stuart** | Chairman, Foundation for the Global Compact
11. **Ms. Flora Mutahi** | CEO, Melvin Marsh International
12. **Ms. Kristin Pålsson** | Chair, UN Global Compact Government Group; Deputy Director, Swedish Ministry for Foreign Affairs
13. **Mr. Carlo Pereira** | Co-Chair, Global Network Council; Executive Secretary, Global Compact Network Brazil
14. **Mr. Paul Polman** | Vice-Chair of the Board, UN Global Compact; Former CEO, Unilever
15. **Mr. Roberto Suarez-Santos** | Acting Secretary General, International Organisation of Employers
16. **Mr. Jean-Pascal Tricoire** | CEO, Schneider Electric
17. **Ms. Sandra Wu, Wen-Hsiu** | Chairperson and CEO, Kokusai Kogyo Co. Limited