

United Nations Global Compact

# PROGRESS REPORT

2019



**United Nations**  
Global Compact



## **ABOUT THE UNITED NATIONS GLOBAL COMPACT**

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption. Launched in 2000, the mandate of the UN Global Compact is to guide and support the global business community in advancing UN goals and values through responsible corporate practices. With more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 60 Local Networks, it is the largest corporate sustainability initiative in the world.

For more information, follow **@globalcompact** on social media and visit our website at **unglobalcompact.org**.

## **ACKNOWLEDGMENTS**

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Cover photo: Kibae Park/UN Photo

## **DISCLAIMER**

The inclusion of company names and/or examples in this publication is intended strictly for learning purposes and does not constitute an endorsement of the individual companies by the UN Global Compact.

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## FROM AWARENESS TO DELIVERY

The global business community is increasingly acting as a force for good — and in a world that demands it. Corporate sustainability, once a fringe idea adopted only by the most mission-driven idealists, is gradually becoming mainstream. Companies that neglect their responsibilities to people and the planet are quickly learning the risks of consumer and investor backlash to both short and long-term business success. Smart companies have moved beyond incremental efforts to embed sustainability deep into their strategies and operations, from the boardroom to the last link in their supply chain.

The United Nations Global Compact works with companies at all stages of their sustainability journey — from beginners to leaders — to help them align with our Ten Principles on human rights, labour, the environment and anti-corruption, and to advance societal goals. Since the adoption of the Sustainable Development Goals and Paris Climate Agreement in 2015, businesses around the world have been using our principles-based approach to ensure these twin plans for transformative progress are advanced holistically and effectively.

Four years later, while important progress has been made, change is not being felt everywhere. And where progress exists, it lacks the ambition and scale needed to deliver the Global Goals. Regrettably, the global landscape for sustainable development has deteriorated since 2015. Multilateral cooperation is declining as geopolitical tensions broil, and public trust in institutions is weakening. Business has both a vested interest and an enormous opportunity to step up to support a world that is more just, peaceful and prosperous, but first we must shift from awareness to delivery.

This annual *UN Global Compact Progress Report* is a stocktaking of our business participants and their efforts to embed our Ten Principles and advance the 2030 Agenda. It demonstrates that the vast majority of UN Global Compact participants are working to integrate the Ten Principles into how they do business. Furthermore, 81 per cent of our participants say they are taking action to advance the Global Goals.

This report also highlights critical areas that demand immediate action at the global level, particularly around climate change and inequality — for women, young people and for workers in the global supply chain.

No challenge this big, or this vital, can be solved by one sector alone. This report lays out the important role business can play in advancing all 17 Global Goals. What we need now is to create tipping points, defined by Malcolm Gladwell as “the moment of critical mass, the threshold, the boiling point.” This is how we can generate the transformation we need to meet our common targets.

The biggest tipping point lies in embracing universal principles for responsible business. If all companies everywhere fully integrated the Ten Principles of the UN Global Compact into their business strategy, day-to-day operations and organizational culture, we would be well on our way to achieving the Global Goals by 2030.

The UN Global Compact is offering new guidance for companies to implement the required transformations throughout strategies and operations. This guidance will be launched through Global Impact Initiatives that will be delivered through our global network around the world.

What we need now is a radical reimagining of our way of life on this planet. Business-as-usual is incongruent with the transformation promised to those furthest behind; those who are least responsible for putting our planet at risk and yet feeling the effects of a warming and inequitable world most strongly.

In 2019, the UN Global Compact is putting the spotlight on young people and their contributions to sustainable development. Young people have the courage that we all need to rise to the challenge of our lifetime. Let me take this opportunity to amplify the voice of 16-year-old climate activist Greta Thunberg:

“It is still not too late to act. It will take a far-reaching vision, it will take courage, it will take fierce, fierce determination to act now, to lay the foundations where we may not know all the details about how to shape the ceiling. In other words, it will take cathedral thinking. I ask you to please wake up and make the changes required possible.”

As we approach the decade of delivery for the 2030 Agenda, we must ensure that both the Sustainable Development Goals and the Paris Climate Agreement are a top priority for all sectors of society. This is not the hour to back away from international cooperation and multi-stakeholderism, or settle for small glimpses of progress where transformation is needed.

In this moment, we must think boldly, and act swiftly. We must all be activists.



**Lise Kingo**  
**CEO & Executive Director**  
**United Nations Global Compact**



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# EXECUTIVE SUMMARY

**OUR MISSION:  
MOBILIZE A  
GLOBAL  
MOVEMENT OF  
SUSTAINABLE  
COMPANIES AND  
STAKEHOLDERS  
TO CREATE THE  
WORLD WE WANT**



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# EXECUTIVE SUMMARY

## JOURNEY TO 2030

In September 2015, an unprecedented agenda to lift all of humanity and protect our planet was launched by world leaders at an historic United Nations summit. At the heart of the 2030 Agenda for Sustainable Development are its 17 Sustainable Development Goals and 169 related targets, which together demonstrate the interconnectedness of global problems while lighting the path ahead to a better world.

Three months later, the Paris Climate Agreement was adopted to urgently strengthen the global response to the climate crisis, and accelerate the actions and investments needed to transition to a low-carbon future.

Yet despite a flurry of excitement and commitments in response to these powerful and interdependent masterplans, an analysis of progress four years on finds that the world has collectively fallen short. Now, to deliver on this extraordinary opportunity to promote peace and prosperity on a healthy planet, efforts from all stakeholders must be exponentially intensified.

To better understand how all sectors of society can ramp up efforts and get on schedule, a thorough examination into progress to-date has been undertaken with the backdrop of 2019 as a major stocktaking year. As UN Member States review country-level progress, the *United Nations Global Compact Progress Report 2019* looks specifically at the actions of participating companies worldwide on the journey to 2030.

The findings of this report are largely based on data from this year's annual survey of our participants featuring results from 1,584 respondents representing 40 industries and 107 countries. It also considers also key reports from this year, such as the *UN Global Compact–Accenture Strategy CEO Study 2019* and the UN Secretary-General's *Sustainable Development Goals Report 2019*.

This report provides essential insights into how companies are applying universal principles to their strategies and operations and partnering with other stakeholders to support the 2030 Agenda. Finally, it identifies the transformations needed to get the business community on track as we approach 2020 and the decade of delivery.

**“The people of the world do not want half measures or empty promises. They are demanding transformative change that is fair and sustainable... Together, let us kick-start a decade of delivery and action for people and planet.”**

António Guterres, Secretary-General of the United Nations, July 2019

## **DESPITE PROGRESS, THE WORLD IS NOT ON COURSE**

This report attempts to answer two primary questions: “What progress have we made to-date?” and “Are we on track to meet our goals?”

On this, the evidence is clear: progress has been made, but nowhere near the scale and pace necessary to achieve any of the 17 Global Goals or realize the promise of the Paris Agreement.

Change is happening on many fronts, but not uniformly around the world. This unequal progress is present both within and among countries, impeding long-term growth.

Where changes are taking place, they are not significant enough to match the ambitions of the 2030 Agenda. Despite efforts, inequalities are rising, especially for those most impacted by the mounting climate crisis.

Now, the world must remobilize and step up its activities so that the commitments made in 2015 can be fulfilled.

## **THE STATE OF GLOBAL PROGRESS**

The 2030 Agenda is rooted in the fundamental commitment that “no one will be left behind.” And yet, we are regressing on our pledge to create an equal world where both women and men can thrive, and are now more than 200 years away from closing the economic gender gap.

Inequalities are rising everywhere, especially for those most impacted by — and least responsible for — the climate crisis. 2019 is set to be the hottest year on record, propelling the Earth towards a point of no return.

With global progress falling short in critical areas, it is clear that no sector of society is doing enough, including business. But there is still time to shift the world onto a more sustainable path, and business has an important role to play.

## **BUSINESS CAN HELP GET US BACK ON TRACK**

To deliver the greatest impact for the 2030 Agenda, we need the full engagement of the business community with its resources and global reach. In fact, the 2019 *CEO Study* surveying UN Global Compact participants demonstrates that 86 per cent of CEOs recognize that the global economic system needs to refocus on equitable growth.

Smart CEOs also know that sustainable business is good business, with 73 per cent reporting that it builds trust and reputation, and 44 per cent pointing to opportunities for sustainability to generate revenue and meet demands from consumers.

Companies are also increasingly committed to transparently and publicly communicating their corporate sustainability efforts. In fact, since the UN Global Compact — the world’s largest corporate sustainability initiative — was launched in 2000, nearly 65,000 annual corporate sustainability reports have been submitted by its business participants.

## WHICH OF THE GLOBAL GOALS IS YOUR COMPANY TAKING ACTION ON?

66%	<b>GOAL 8</b>	Decent Work and Economic Growth
61%	<b>GOAL 5</b>	Gender Equality
60%	<b>GOAL 3</b>	Good Health and Well-being
50%	<b>GOAL 12</b>	Responsible Consumption and Production
48%	<b>GOAL 13</b>	Climate Action
48%	<b>GOAL 9</b>	Industry, Innovation and Infrastructure
47%	<b>GOAL 4</b>	Quality Education
40%	<b>GOAL 7</b>	Affordable and Clean Energy
39%	<b>GOAL 17</b>	Partnerships for the Goals
39%	<b>GOAL 10</b>	Reduced Inequalities
34%	<b>GOAL 11</b>	Sustainable Cities and Communities
32%	<b>GOAL 6</b>	Clean Water and Sanitation
28%	<b>GOAL 16</b>	Peace, Justice and Strong Institutions
25%	<b>GOAL 1</b>	No Poverty
21%	<b>GOAL 15</b>	Life on Land
20%	<b>GOAL 2</b>	Zero Hunger
13%	<b>GOAL 14</b>	Life Below Water



## A PRINCIPLES-BASED APPROACH TO THE GLOBAL GOALS

The Ten Principles of the UN Global Compact are an authoritative framework that guides business in the areas of human rights, labour, environment and anti-corruption. Derived from UN Declarations and Conventions, these universal principles represent the fundamental values that business should embed in their strategies and operations.

The 17 Global Goals have a different but deeply related purpose and represent aspirational, time-bound and quantitative targets for business and other stakeholders to deliver the transformation that will create the world we want.

Together, the Ten Principles and the Global Goals equip business with both the values and the vision needed to help the private sector be a powerful force for good.

## GLOBAL GOALS ARE A GUIDING LIGHT FOR BUSINESS

When asked about the Global Goals, 59 per cent of companies that responded to our survey see them as an ambitious framework or guiding light to identify social and environmental opportunities.

Importantly, it is the CEOs themselves who are making the Global Goals a priority, with 85 per cent stating that they are personally committed to ensuring that their company is a sustainability leader.

2018 saw an increase to 81 per cent of companies reporting actions to support the Global Goals, up from 75 per cent in 2017.

As we have seen in previous years, the top three Global Goals that companies report taking action on are Goal 8: Decent Work and Economic Growth, Goal 5: Gender Equality and Goal 3: Good Health and Well-being. On the other hand, the Goals receiving the least attention are Goal 15: Life on Land, Goal 2: No Hunger and Goal 14: Life Below Water.

# 81%

OF COMPANIES REPORT  
TAKING ACTIONS TO  
SUPPORT THE GLOBAL  
GOALS

# 89%

OF COMPANIES REPORT  
HAVING POLICIES AND/OR  
PRACTICES COVERING ALL  
TEN PRINCIPLES



YOUTH SNAP A PHOTO AT THE YOUNG SDG INNOVATORS PROGRAMME IN DENMARK, 2019



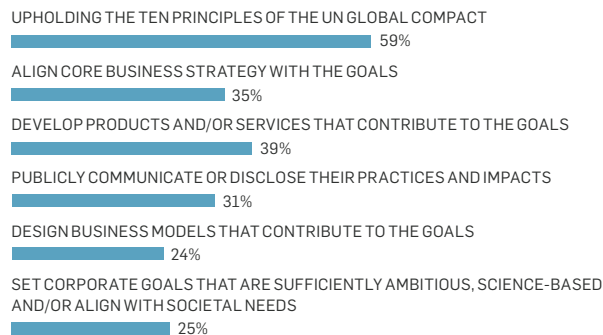
## RAISING THE BAR

Our annual survey shows that many CEOs are now aware of the Global Goals. However, many business commitments are not ambitious enough or mainstreamed across global operations. Only 32 per cent of CEOs indicate their company has or plans to set corporate goals that are sufficiently ambitious, science-based and aligned with the needs of society.

Our survey of CEOs also reveals that while 71 per cent recognize the critical role that business *could* play in contributing to the delivery of the Global Goals, a mere 21 per cent believe that business *is* actually playing that role.

Only 25 per cent of companies have corporate goals that adequately support the goals of society. Meanwhile, action from business to support the Global Goals also appears to be kept separate from the broader business strategy and does not meaningfully influence products and services or business models.

### ACTIONS THAT COMPANIES TAKE TO ADVANCE THE GLOBAL GOALS

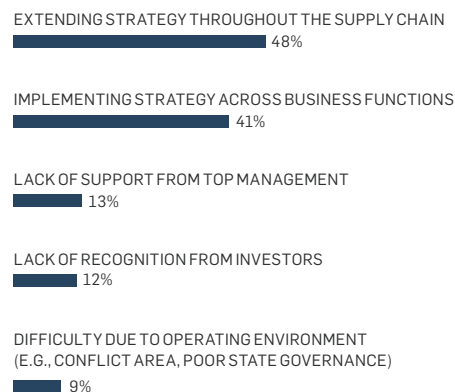


## OBSTACLES TO SUCCESS

The major challenge identified by large companies is how to mainstream their commitments through their business operations and supply chain, particularly those that operate across multiple geographies.

Smaller companies, meanwhile, struggle to attain the financial resources necessary to deliver impact at scale.

### Challenges faced by large companies



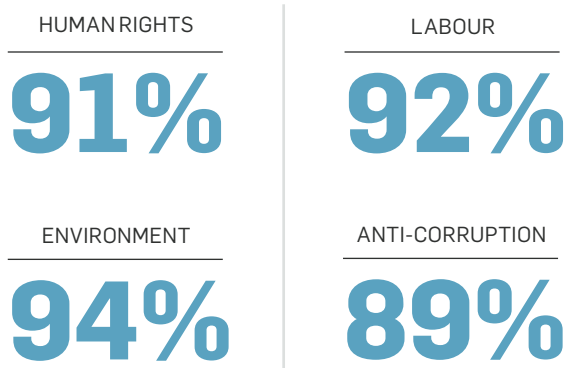
A total of **625 COMPANIES** have committed to set greenhouse gas emission reduction targets in line with climate science through the Science Based Targets initiative in line with the Paris Agreement.<sup>1</sup> And **80 COMPANIES** have also now committed to set targets in line with a 1.5 degrees Celsius scenario, which the world's preeminent climate scientists identify as the "safe" upper limit for global temperature rise.<sup>2</sup>

1. Science Based Targets, 2019. 2. Intergovernmental Panel on Climate Change (IPCC), *Global Warming of 1.5 °C*, Geneva, 2019.

## THE POWER OF PRINCIPLES

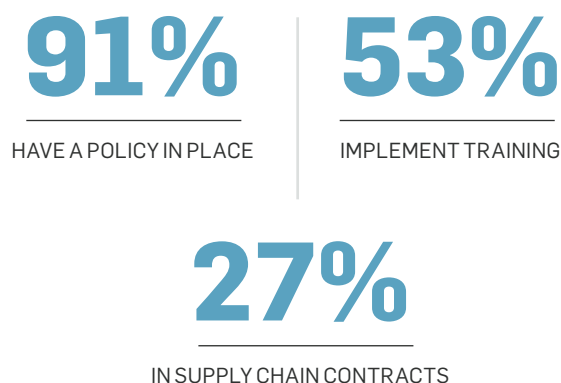
Encouragingly, nearly 90 per cent of companies have policies and practices on all Ten Principles in the areas of human rights, labour, the environment and anti-corruption.

### POLICIES AND PRACTICES IN PLACE ACROSS THE TEN PRINCIPLES



However, the potential of embedding these universal principles is not fully realized. While most companies have policies and processes, they are not cascaded throughout their business and across supply chain.

### HOW COMPANIES ARE EMBEDDING THE TEN PRINCIPLES



For example, our survey of companies reveals less than half of respondents — 46 per cent — conduct training and awareness programmes on human rights for their employees. And only a quarter factor the Ten Principles into supply chain and subcontracting arrangements. Further, 12 per cent fewer companies are taking a zero-tolerance approach to corruption compared to 2018.

When looking at how companies are incorporating the Ten Principles, the principles related to the environment (Seven to Nine) remain well implemented. Our survey shows that 66 per cent are using environmentally-friendly technologies, and 65 per cent are maximizing resource efficiency. Impact assessments, however, are still lagging behind. For example, only 36 per cent of companies report their emissions and just 28 per cent of companies conduct life-cycle assessments.

Our annual survey found that a vast majority of companies are advancing social sustainability issues through upholding Principles One through Six. For example, 85 per cent report addressing workplace health and safety, and 81 per cent ensure that their company adheres to non-discrimination policies.

At the same time, we are not seeing this high level of commitment apply to ensuring an adequate standard of living (41 per cent), and there is also seen a reduction in the number of companies with forced labour and child labour policies.

Concerning the Tenth Principle against corruption, while 89 per cent of companies attest to addressing anti-corruption in their corporate policies, only 55 per cent have a specific anti-corruption code, and just 51 per cent have a zero-tolerance policy.

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## MOBILIZING A GLOBAL MOVEMENT

As a special initiative of the Secretary-General, the UN Global Compact works with companies at all stages of their sustainability journey to become powerful forces for good. Long-term business success depends on a healthy and prosperous planet, and equality and inclusion can help foster stability and improve private sector performance.

To support companies as they increase their activities to deliver the Global Goals, major transformations have to be delivered at scale and through local implementation.

Global Compact Local Networks based in 67 countries worldwide are mobilizing action and activities at the national level in both mature and emerging markets. In 2018, Local Networks engaged nearly 19,000 companies through hosting over 1,700 awareness-raising workshops. They also set more than 175 policy dialogue initiatives in motion, directly involving over 3,000 companies.

It is clear that action on the Ten Principles and the Global Goals must be embedded into business operations and scaled globally, with climate and gender as urgent priorities. The UN Global Compact is offering new guidance for companies to implement these transformations throughout strategies and operations. This guidance will be launched through Global Impact Initiatives that will be delivered through Local Networks around the world.

In this complex and rapidly-evolving political and business landscape, the old models no longer apply. Business cannot thrive in societies that fail nor on a planet that is in crisis. To create the world we all want, companies need to raise their sustainability ambitions and act decisively for people and planet to thrive, now and for generations to come.







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# PROGRESS

# THE STATE OF OUR WORLD



The 17 Sustainable Development Goals envision a healthy planet free from poverty and inequality by 2030. They recognize that solutions to global challenges like hunger, injustice and climate change must be advanced holistically, and that all sectors of society have an important role to play.

To meet the 2030 deadline to transform our world, the pace and scale of progress must be urgently accelerated by all stakeholders, including business. By examining the state of our world, we can better understand where progress is advancing, stalling or moving backwards, and then shift onto a path towards the future we want.





## WE NEED SIGNIFICANT, LONG-TERM TRANSFORMATIONS

A review of nearly two decades of global progress shows that transformational change is possible. Since the Millennium Development Goals (MDGs) were introduced in 2000, extreme poverty and child mortality have been reduced by half, while access to electricity in the least developed countries has doubled.<sup>1</sup> International financial flows to developing countries in support of clean and renewable energy have almost doubled since 2010 to \$US 18 billion in 2016.<sup>2</sup> Economies have bounced back to the levels recorded before the 2008 financial crisis, with increased labour productivity and employment rates.

Yet despite these and other positive trends, headway on some of the Global Goals is lagging significantly. Countries performed particularly poorly on Goal 13 (Climate Action), Goal 14 (Life Below Water) and Goal 15 (Life on Land).<sup>3</sup>

## THE CLIMATE CRISIS IS REAL

In 2018, global carbon emissions reached the highest level in human history.<sup>4</sup> The window of opportunity to shift to a path that will limit global temperature rise to 1.5 °C above pre-industrial levels, in line with the latest climate science from the Intergovernmental Panel on Climate Change (IPCC)<sup>5</sup>, is rapidly shrinking. Greenhouse gas emissions continue to increase far beyond the limits aimed for in the 2015 Paris Agreement on climate change.

Global warming and overconsumption have already tested the limits of the Earth's natural resources: the ocean, freshwater reserves, arable land, forests and the Earth's biodiversity.<sup>6</sup> One million species around the world are currently facing extinction, with 75 per cent of the terrestrial environment and 66 per cent of marine environments "severely altered" by human activity.<sup>7</sup>

These trends are threatening the future of human health and well-being. In 2019, the World Health Organization identified air pollution as the greatest environmental risk to health, with nine out of ten people breathing polluted air.<sup>8</sup>

Meanwhile, malnutrition keeps threatening the lives of millions of children worldwide. In 2018, 49 million children under five years of age suffered from malnutrition, while 40 million children under five years of age suffered from obesity, a global increase since 2000 of 10 million. These children, whether malnourished or overweight, begin their lives at a distinct disadvantage: they face learning difficulties in school, earn less as adults and face barriers to participation in their communities.<sup>9</sup>

## OVERCONSUMPTION DAMAGES OUR PLANET

High-income countries are generating damaging environmental and socio-economic consequences that spill over into developing countries. Overconsumption leaves negative footprints across the planet. From 2000 to 2015, more than one-fifth of the Earth's total land area was degraded — largely as a result of human activity. This degradation has led to widespread desertification and deforestation.<sup>10</sup>

The erosion of natural resources — coupled with climate-related disasters — exacerbates entrenched socio-economic deprivation and fuel social unrest in already vulnerable regions of the world. For example, in the period from 1998 to 2017, direct economic losses from natural disasters — with climate-related disasters accounting for more than two-thirds of these events — were estimated at nearly \$3 trillion. For low- and middle-income countries, such disasters claimed a disproportionate percentage of their GDP and led to the deaths of 1.3 million people.<sup>11</sup>

According to the EAT-Lancet Commission on Food, Planet, Health, food is the single most important lever to elevate human health and sustain the environment.<sup>12</sup> However, current trajectories are not moving in the right direction. Global hunger, for example, is on the rise for the third consecutive year, which can be largely attributed to climate change and conflicts. This alone is a clear indication that the world will not be able to reach Goal 2 (Zero Hunger) by 2030 at the current speed of progress.<sup>13</sup>

1. United Nations Department of Economic and Social Affairs (UN DESA). *Special Edition: Progress towards the Sustainable Development Goals Report of the Secretary-General*, New York, 2019, p. 2.
2. *ibid*, p. 12.
3. Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN). *Sustainable Development Report*, New York, 2019.
4. UN DESA. *Special Edition: Progress towards the Sustainable Development Goals Report of the Secretary-General*, New York, 2019, p. 16.
5. Intergovernmental Panel on Climate Change (IPCC). *Global Warming of 1.5 °C*, Geneva, 2019.
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9. UNICEF, World Health Organization, World Bank Group. "Key findings of the 2019 edition". *Joint Child Malnutrition Estimates — Levels and Trends*, 2019, p. 2.
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11. UN DESA. *Special Edition: Progress towards the Sustainable Development Goals Report of the Secretary-General*, New York, 2019, p. 3.
12. EAT-Lancet. *Commission on Food, Planet, Health: Summary Report*, Oslo, 2019, p. 5.
13. International Institute for Sustainable Development (IISD). *Global Sustainable Development Report (GSDR)*, 2019, p. 80.

## ANTI-POVERTY EFFORTS STALL WHILE INEQUALITY GROWS

Despite important progress on reducing poverty, eradicating extreme poverty remains a global challenge with half of the world's countries not on track to achieve Sustainable Development Goal 1 (No Poverty).

In fact, since 2015, the pace of poverty reduction has slowed down, with baseline projections suggesting that the target of ending poverty by 2030 will be missed.<sup>14</sup> In middle- and high-income countries, rising inequalities and persistent gaps in people's access to services and opportunities remain significant barriers.<sup>15</sup>

While the global unemployment rate has returned to pre-2008 financial crisis levels, not all have benefited.<sup>16</sup> Despite having a job, eight per cent of the world's workers and their families still lived in extreme poverty in 2018. The situation remains particularly alarming in sub-Saharan Africa, where the share of working poor stood at 38 per cent in 2018. In 2016, 55 per cent — as many as 4 billion people — were not covered by any social safety net.

While the incomes of the world's wealthiest one per cent continues to grow, wage growth in the countries of the Organisation for Economic Co-operation and Development (OECD) has been sluggish. According to the OECD Compendium of Productivity Indicators 2019, rising employment in the 36 OECD countries have largely been in low-paid, low-quality and low-security jobs.<sup>17</sup>

In addition, the continued existence of many of these jobs is uncertain, with a recent ILO report projecting that an increase in climate change-related heat stress will result in productivity losses equivalent to more than 80 million jobs.<sup>18</sup>

## YOUNG PEOPLE AND WOMEN ARE BEING LEFT BEHIND

Children and youth are overrepresented among the planet's poorest people. One in five children live in extreme poverty and one-fifth of the world's youth were not engaged in any type of education, employment or training in 2018.<sup>19</sup> The absence of education and skills training can point to a future of poverty and deprivation: for the youth themselves, their families and their communities.

There also is a stark difference between young women and young men. Young women are twice as likely as young men to be unemployed or remain outside the labour force, without education or skills training.<sup>20</sup> And while women made up 39 per cent of the world's labour force in 2018, only 27 per cent of managerial positions were held by women.

Women overall are paid less than men and continue to face gender-based discrimination, violence and abuse while discriminatory laws and gaps in legal protection persist in many countries.<sup>21</sup>

## BUSINESS CAN RISE TO THE CHALLENGE

Failure to respond to these challenges with the essential urgency and scale needed could reverse decades of social and economic progress and place the lives and well-being of billions of people at risk.

The political landscape for the implementation of the 2030 Agenda has become more turbulent since 2015. According to Edelman Trust Barometer, widespread public dissatisfaction with the system and the fear of losing jobs to automation and globalization has led to a lack of public belief in institutions. While trust in institutions is at an all-time low, 75 per cent of the global population trust their employer. The report finds that people want their employer's CEO to be personally involved and champion diversity and sustainability. People not only want a job; they want to feel they are part of a movement with the mission of making the world a better place.<sup>22</sup>

## A PEOPLE-CENTRED APPROACH TO SUSTAINABLE DEVELOPMENT

Tackling climate change and empowering women and girls offer a major opportunity for delivering all 17 Global Goals. The 2030 Agenda for Sustainable Development calls for major transformations in every country on a range of crucial issues: skills and jobs, health, clean energy, biodiversity and land use, cities and digital technology among many others.

These transformations require the balance of short-term and long-term concerns as well as the placement of human rights principles at the core of a new and just economic model that captures the needs of the most vulnerable and ensures no one is left behind.

14. UNDESA. *Special Edition: Progress towards the Sustainable Development Goals Report of the Secretary-General*. New York, 2019, p. 3.

15. *ibid.*, p. 14.

16. *ibid.*, p. 2.

17. Organisation for Economic Co-operation and Development (OECD). *Compendium of Productivity Indicators 2019*, Paris, 2019, p. 31.

18. International Labour Organization (ILO). *Working on a warmer planet: The impact of heat stress on labour productivity and decent work*. Geneva, 2019, p. 13.

19. UNDESA. *Special Edition: Progress towards the Sustainable Development Goals Report of the Secretary-General*. New York, 2019, p. 12.

20. *ibid.*, p. 12.

21. *ibid.*, p. 10.

22. Edelman. *2019 Edelman Trust Barometer*, New York, 2019, p. 38.



# **PROGRESS ON THE TEN PRINCIPLES**





## A LOOK AT OUR ANNUAL SURVEY DATA

This section provides an overview of key findings from the 2019 UN Global Compact annual survey. This survey is administered in multiple languages to participants to better understand both the policies that they have in place and the activities that are being undertaken to advance the Ten Principles. This year, we received nearly 1,600 respondents from over 100 countries.

Overall, the results show that reflecting the Ten Principles in core corporate policies remains high at nearly 90 per cent across all issue areas. Within companies, 67 per cent of respondents indicated that their corporate responsibility policies and strategies were developed and/or evaluated at the CEO level. Half of these companies are also conducting trainings for employees on critical sustainability topics. However, companies are less active in tracking progress and embedding the Ten Principles across the supply chain.

## THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION

### POLICIES AND PRACTICES IN PLACE ACROSS THE TEN PRINCIPLES

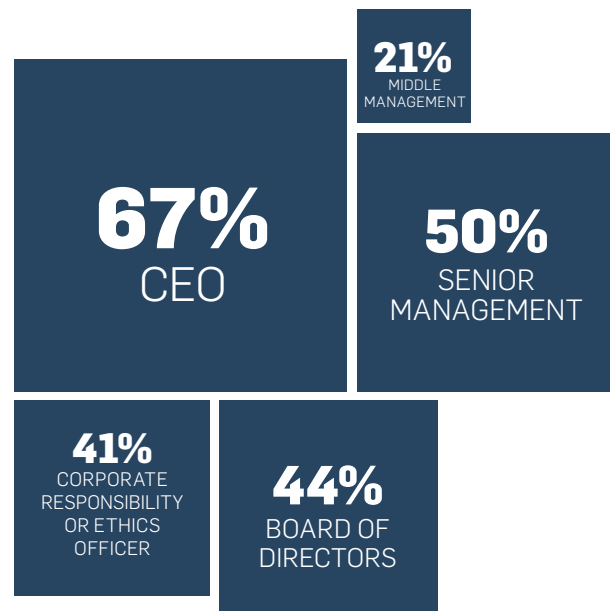
HUMAN RIGHTS		LABOUR	
<b>94%</b>	<b>91%</b>	<b>96%</b>	<b>92%</b>
2015	2019	2015	2019

ENVIRONMENT		ANTI-CORRUPTION	
<b>96%</b>	<b>94%</b>	<b>91%</b>	<b>89%</b>
2015	2019	2015	2019

While the vast majority of companies have policies in place there was a slight decline since 2015.

### AT WHAT LEVELS ARE CORPORATE RESPONSIBILITY POLICIES AND STRATEGIES DEVELOPED AND/OR EVALUATED?



Companies report that they are developing and evaluating corporate responsibility strategies at various levels. The most reported was at the CEO level.

## SOCIAL

In the social areas of Human Rights and Labour, core rights are being addressed in company policies particularly on gender, non-discrimination, health safety and security.

However, there are some weaknesses that if left unaddressed, will hold the business community back from advancing core social Global Goals. Child and Forced Labour protection is back down to 2009 levels and assurance of an adequate standard of living for employees has declined (41 per cent compared with 46 per cent in 2018).

### ASPECTS OF HUMAN RIGHTS THAT ARE ADDRESSED IN COMPANY POLICIES

#### Life, liberty and security of the person



#### Forced labour



#### Child labour



#### Right to privacy



#### Non-discrimination



#### Gender equality



#### Workplace health and safety



#### Adequate standard of living



#### Freedom of association



### HOW COMPANIES TAKE THE LABOUR PRINCIPLES INTO ACCOUNT IN THEIR POLICIES/PRACTICES

#### Free to form and join trade unions



#### No forced labour



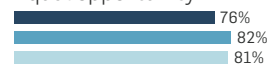
#### No child labour



#### Non-discrimination



#### Equal opportunity



#### Ensure safe working conditions



#### KEY



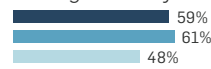
## ENVIRONMENT

The implementation of policies related to the Environment remain high at 94 per cent, and there is evidence of renewed efforts to track environmental impacts. Resource efficiency and environmentally-friendly technologies are being implemented in over 60 per cent of companies, consistent with findings from the previous year. In terms of assessment, 28 per cent of companies conduct a life-cycle assessment and 33 per cent run a water footprinting exercise, up from 29 per cent last year.

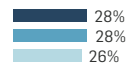
Reporting of emissions and other strategic data is implemented by 36 per cent of companies (up slightly from 32 per cent in 2009). We need to see higher ambitions and tracking of GHG emissions if we are to limit global temperature rise to 1.5 degree Celsius, the upper limit for avoiding the worst effects of climate change.

### ACTIONS COMPANY TAKES TO IMPLEMENT THE ENVIRONMENTAL PRINCIPLES

#### Management systems



#### Life-cycle assessment and costing



#### Water footprinting



#### Resource efficiency



#### Environmentally-friendly technologies



#### Report emissions & strategic data



#### Public commitments to ambitious environmental actions



#### KEY



PHOTO: © GENNADIY RATUSHENKO / WORLD BANK



## ANTI-CORRUPTION

Anti-corruption is a core issue is required to underpin stable institutions, and when under control, it can enable stable economic activities.

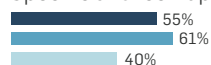
However, anti-corruption policies are proving hard for business to embed, and there are some genuine and worrying areas of decline that could negatively impact progress in the least developed countries.

While globally the implementation of anti-corruption policies and practices has declined, regions where local anti-corruption programmes were implemented saw improvements. For example, in the Middle East and North Africa region, 94 per cent of companies indicated that they had policies and practices in place around anti-corruption, compared to 86 per cent the previous year. In Sub-Saharan Africa and Asia, this figure was at 95 per cent.

Globally, 55 per cent of companies report implementing a specific anti-corruption code, and 51 per cent have a zero tolerance policy to address the issue.

### HOW COMPANIES TAKE THE ANTI-CORRUPTION PRINCIPLE INTO ACCOUNT IN POLICIES AND PRACTICES

#### Specific anti-corruption code



#### Within overall corporate code



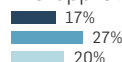
#### Zero-tolerance policy



#### Specialized unit



#### Pre-approval of facilitation payments



#### Value of gifts limited



#### KEY



**Through our anti-corruption project** which has been run locally for over the past five years, we have found that working on the ground through local stakeholders allows us to expand the reach of our work.

In Egypt alone, 680 participants from 400 small and medium-sized enterprises (SMEs) and other stakeholders were trained on anti-corruption and compliance.

Similar work has been underway in Nigeria, Kenya, Brazil and Japan. In Brazil, there is an increased interest in and awareness of the value of Collective Action in fighting corruption among over 220 business, Government and civil society representatives.

In Japan, increased awareness of anti-corruption practices among more than 260 representatives of businesses, the investor community, academia and civil society.

In Kenya, the project raised awareness of the 2016 Bribery Act and the importance of anti-corruption Collective Action to drive long-term change among 150 representatives of large companies, SMEs, Government and civil society.

Finally, in Nigeria, awareness-raising efforts engaged over 300 civil society, business, Government and financial sector actors on the value of Collective Action in fighting corruption and the important role that Micro, Small and Medium Enterprises (MSMEs) can play.

# HOW COMPANIES CAN EMBED THE TEN PRINCIPLES INTO OPERATIONS

Participants of the UN Global Compact are implementing policies to ensure that steps are taken to embed the Ten Principles. An effective policy is an important step, but from there, companies need to further implement and embed the principles into operations. Survey results show that this deeper level of engagement is challenging for companies.

## PRIORITIZATION THROUGH ASSESSMENT

Broader sustainability risk and impact assessments happen infrequently, with just 38 per cent of companies conducting a general sustainability risk assessment and 29 per cent conducting a general sustainability impact assessment. The highest rates of impact and risk assessments are in the environment area. Less than half of participants surveyed carried out assessments for human rights, labour and anti-corruption.

Assessment of these core areas is critical for companies to understand where they stand and their sustainability context before defining a course of action. These rates are fairly consistent with findings from 2015.

# 38%

CONDUCT A GENERAL SUSTAINABILITY RISK ASSESSMENT

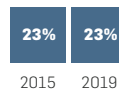
# 29%

CONDUCT A GENERAL SUSTAINABILITY IMPACT ASSESSMENT

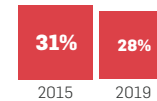
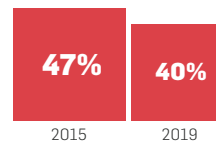
### RISK ASSESMENT

### IMPACT ASSESSMENT

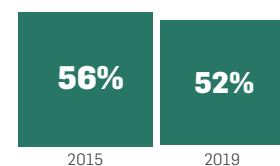
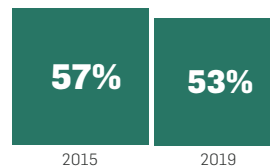
#### HUMAN RIGHTS



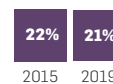
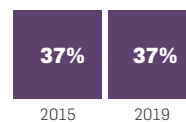
#### LABOUR



#### ENVIRONMENT



#### ANTI-CORRUPTION



## EMBEDDING THE TEN PRINCIPLES

Looking across the Ten Principles, roughly half or more of companies report having training and awareness programmes in place to addressing a specific issue area, except for Human Rights, where only 46 per cent conduct dedicated training.

Ensuring a company's sustainability commitments reach across the complex global supply chain is a difficult undertaking, which explains the low rate of implementation. Of the companies that are making efforts to implement through their suppliers, 61 per cent include corporate responsibility expectations in relevant documents (e.g. contracts, proposal requests and purchase orders) and 50 per cent incorporate responsible purchasing practices into procurement staff training.

# 53%

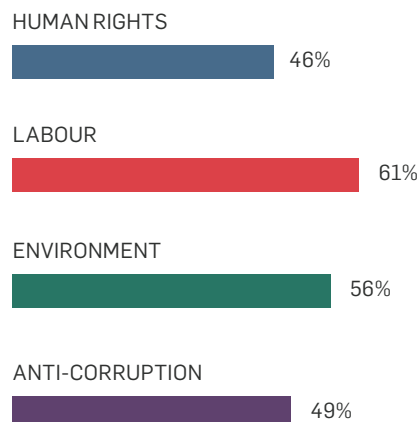
**OF COMPANIES CONDUCT  
TRAINING PROGRAMMES  
FOR EMPLOYEES ON THE  
TEN PRINCIPLES**

# 13%

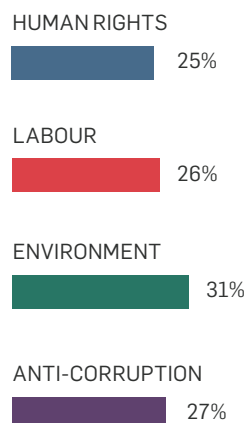
**OF COMPANIES REQUIRE  
SUPPLIERS IN THEIR  
VALUE CHAIN TO COMMIT  
TO THE TEN PRINCIPLES**

## COMPARING IMPLEMENTATION ACTIVITIES ACROSS THE TEN PRINCIPLES

### TRAINING AND AWARENESS PROGRAMMES FOR EMPLOYEES



### SUPPLY CHAIN AND SUBCONTRACTING AGREEMENTS



## MEASURING AND REPORTING

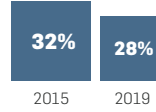
Surveys from previous years have shown that roughly 50 per cent of companies consistently monitor and evaluate performance in the areas of Labour and Environment over time. Historically, Anti-Corruption and Human Rights have been under-measured in comparison.

However, recent findings indicate a decrease in the number of companies that are monitoring and evaluating performance across all four issue areas.

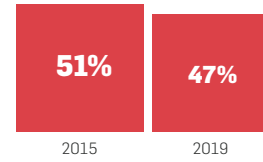
At the same time, larger companies are measuring at higher rates compared to SMEs. More than 50 per cent of large companies are measuring against Labour and Environment, whereas slightly more than 30 per cent are measuring Human Rights and Anti-Corruption.

## MONITORING & EVALUATION

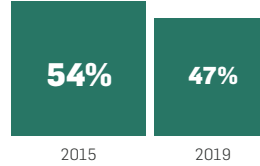
### HUMAN RIGHTS



### LABOUR



### ENVIRONMENT



### ANTI-CORRUPTION

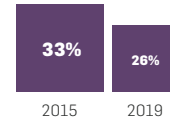


PHOTO: © JONATHAN ERNST / WORLD BANK



## PUBLIC DISCLOSURE

Over 70 per cent of companies indicate they have reported publicly on their overall sustainability performance. In terms of communicating this commitment internally 66% of companies have done so. Meanwhile 55% of companies conduct monitoring and evaluation of their sustainability performance. When looking at the specific Principle areas, Environment is reported on most frequently, followed by Labour, Human Rights and finally, Anti-Corruption. Trends over time indicate these areas have been reported on at around the same rates.

## MULTI-STAKEHOLDER DIALOGUE

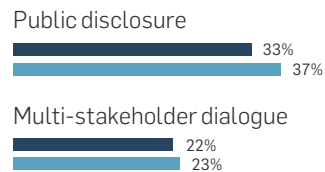
Companies are also encouraged to communicate through multi-stakeholder dialogue with the constituents whom are most significant to their operations. Overall, less than 30 per cent of companies engaged in this exercise.

## CHALLENGES

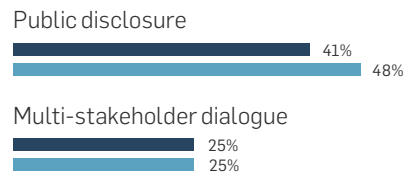
When asked to indicate the challenges faced in sustainability reporting, companies' top answers were a lack of standard performance metrics (40 per cent) and too many reporting standards and frameworks (37 per cent). SMEs also indicated the lack of resources as a major challenge, while large companies said that their organizations had an insufficient process to monitor, measure and report.

## COMPARING COMMUNICATION ACTIVITIES ACROSS THE PRINCIPLES

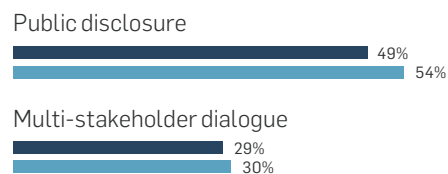
### HUMAN RIGHTS



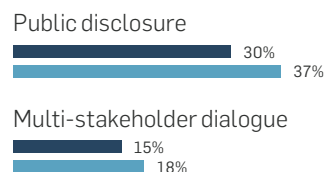
### LABOUR



### ENVIRONMENT



### ANTI-CORRUPTION



**KEY**  
 ■ 2019  
 ■ 2015

# 71%

**OF COMPANIES HAVE REPORTED PUBLICLY ON THEIR OVERALL SUSTAINABILITY PERFORMANCE**

# 66%

**COMMUNICATE THIS COMMITMENT TO AN INTERNAL AUDIENCE**

# 55%

**OF COMPANIES MONITOR AND EVALUATE THEIR GENERAL CORPORATE SUSTAINABILITY PERFORMANCE**

# PROGRESS ON THE GLOBAL GOALS



## BUSINESS ACTIONS AND CHALLENGES RELATED TO ADVANCING THE GOALS

Companies report that upholding the Ten Principles of the UN Global Compact is one of the primary ways that they are contributing to the Global Goals. This reinforces the relevance and core nature of the Ten Principles in terms of advancing the global sustainability agenda.

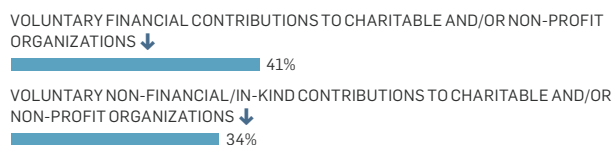
At the same time the biggest challenges faced in advancing the Goals is extending their strategy through the supply chain and across business functions. For SMEs the biggest challenge is a lack of resources.

### ACTIONS THAT COMPANIES TAKE TO ADVANCE THE GLOBAL GOALS

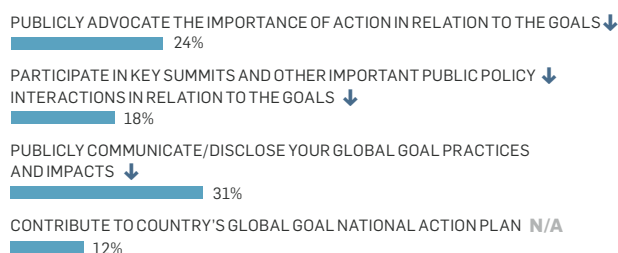
#### CORE BUSINESS



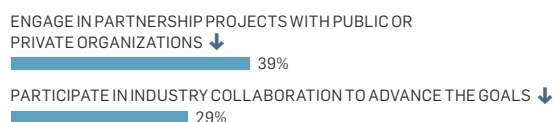
#### SOCIAL INVESTMENT AND PHILANTHROPY



#### ADVOCACY & PUBLIC POLICY



#### COLLABORATION AND PARTNERSHIPS



#### CHALLENGES THAT COMPANIES FACE



#### COMPANY SIZE





## WHICH OF THE FOLLOWING ARE THE GOALS THAT COMPANIES ARE TAKING ACTION ON



GOAL 8. DECENT WORK AND ECONOMIC GROWTH  
66%



GOAL 10. REDUCE INEQUALITIES  
39%



GOAL 5. GENDER EQUALITY  
61%



GOAL 11. SUSTAINABLE CITIES AND COMMUNITIES  
34%



GOAL 3. GOOD HEALTH AND WELL-BEING  
60%



GOAL 6. CLEAN WATER AND SANITATION  
32%



GOAL 12. RESPONSIBLE CONSUMPTION AND PRODUCTION  
50%



GOAL 16. PEACE, JUSTICE AND STRONG INSTITUTIONS  
28%



GOAL 13. CLIMATE ACTION  
48%



GOAL 1. NO POVERTY  
25%



GOAL 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE  
48%



GOAL 15. LIFE ON LAND  
21%



GOAL 4. QUALITY EDUCATION  
47%



GOAL 2. ZERO HUNGER  
20%



GOAL 7. AFFORDABLE AND CLEAN ENERGY  
40%



GOAL 14. LIFE BELOW WATER  
13%



GOAL 17. PARTNERSHIPS FOR THE GOALS  
39%



Note: symbols indicate progress made since 2018.

**THIS IS A SUMMARY OF REPORTED OVERALL POSITIVE IMPACT ON EACH GLOBAL GOAL AND THE PRODUCTS AND SERVICES TARGETING THE GOALS.**







TOHOMINA AKTER PICKS AMARANTH FROM HER VEGETABLE GARDEN ON THE MORNING OF THURSDAY, APRIL 19, 2012, IN CHAR BARIA VILLAGE, BARISAL, BANGLADESH. © LAURA ELIZABETH POHL/BREAD FOR THE WORLD

# PROGRESS BY GOAL









Living under the internationally agreed poverty line (\$1.90/day) is extreme poverty. As of 2018, 8% of the global population lives in extreme poverty,<sup>1</sup> down from 10.9% in 2013.<sup>2</sup> Despite achieving the lowest record of extreme poverty to date, about 600 million people still live in extreme poverty (excluding Syria). Efforts are lagging in high concentration regions such as Nigeria in Sub-Saharan Africa, which has surpassed India with the greatest number of people (89 million) living in extreme poverty.<sup>3</sup> Climate change impacts poor communities the hardest. It is critical to build resilience towards increasing extreme weather events such as floods and hurricanes to impact poverty and hunger reduction.

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 1:

Companies report to have:

Significant positive impact **16%**

Somewhat positive impact **41%**

Taking action on the Goal **25%**

Products/services contributing to the Goal **25%**

#### 20 MILLION

the number of people who are expected to escape poverty in 2019<sup>4</sup>

#### MORE THAN 340 MILLION

workers are currently living with their families on less than US\$1.90 per person

#### 36% TO 8%

decline in Extreme Poverty from 1990 to 2018

<sup>1</sup>World Bank (2019) Decline of Global Extreme Poverty

<sup>2</sup>UN (2018) Secretary-General's Report on the SDGs

<sup>3</sup>Brookings (2018) The Start of a New Poverty Narrative

<sup>4</sup>Ibid

<sup>5</sup>Ibid

<sup>6</sup>LO (2018) The Daily Reality of Working Poverty

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Globally, companies are reporting average progress on eliminating poverty. However, while extreme poverty is rampant in sub-Saharan Africa, only 28% of companies from Africa are reporting significant progress. Globally, nearly a third (30%) of companies report to have no or a negative impact on Goal 1. Progressing Goal 1 requires fostering economic growth in emerging markets, generating skilled talent and prevention of social exclusion of the world's most vulnerable.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 1

While 83 million people have escaped extreme poverty since the launch of the SDGs, this falls short of the expected 120 million (through linear projection) to achieve Goal 1 by 2030.<sup>5</sup> 780 million women and men who are working, are still not earning enough to lift themselves and their families out of poverty.<sup>6</sup> Business will play a clear role in generating the economic activity and decent employment opportunities to progress Goal 1, in addition to supporting stakeholders by improving supply chain resilience, respecting labor rights and promoting social protection principles.

Young people face numerous challenges when entering the labour market particularly in developing economies. Connecting business operations with key value levers of poverty eradication such as investment in education, fair pay policies and gender equality targets are some of the methods in which business can have an impact on Goal 1. Falling oil prices and weak government institutions have further exacerbated poverty in sub-Saharan Africa in recent years, and companies can help strengthen government institutions through strict taxation policies and initiating cross-sectoral partnerships.

## CASE STUDY

THE CHINA DEVELOPMENT BANK drives poverty alleviation efforts by helping underprivileged regions to adopt sustainable finance mechanisms to improve efficiency in allocating public and private resources. Through planning, advisory, education and training programmes, the bank brings greater access to financial information and expertise to local governments. By the end of 2017, the China Development Bank had provided a cumulative total of RMB58.79 million (US\$ 8.5 million) of poverty alleviation loans in support of industrial development and start-ups, especially those run by women in Hanzhong city, Shaanxi. The supported initiatives enabled about 4,000 underprivileged households to lift themselves out of poverty.





As of 2018, 821 million or 1-in-9 people globally go to bed hungry and 1-in-3 suffer from some form of malnutrition.<sup>7</sup> After a prolonged decline, world hunger is rising due to factors such as drought and disasters linked to climate change.<sup>8</sup> As the population grows, the food gap (the delta between amount produced and the amount required to meet demand) is estimated to more than double the required crop calories in 2050 compared to 2010 levels.<sup>9</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 2:

Companies report to have:

Significant positive impact **12%**

Somewhat positive impact **33%**

Taking action on the Goal **20%**

Products/services contributing to the Goal **22%**

#### ONE-THIRD OF FOOD

produced globally is lost or wasted each year—costing the global economy \$750 billion

#### 21%

share of undernourished people in the African population<sup>10</sup>

#### 1-IN-3 WOMEN

of reproductive age globally is affected by anaemia

“The quest for food security can be the common thread that links the different challenges we face and helps build a sustainable future.”

José Graziano da Silva, United Nations Food and Agriculture Organization (FAO) Director-General

<sup>7</sup>World Food Programme (2019) Zero Hunger

<sup>8</sup>UN (2018) Secretary-General's Report on the SDGs

<sup>9</sup>UNDP (2018) Creating a Sustainable Food Future

<sup>10</sup>FAO (2018) State of Food Security & Nutrition around the World

<sup>11</sup>Accenture (2017) Digital Agriculture: Improving Profitability

<sup>12</sup>UNDP (2018) Creating a Sustainable Food Future

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Few companies globally report significant impact on Goal 2 and 32% report to have no impact. Additionally, fewer than 15% of companies located in Asia and Africa report to have any significant impact on Goal 2, despite the region having the most undernourished children under the age of five. However, high impact industries such as food and beverage producers and retailers are reporting positive impact: 24% say they are having significant positive impact and 44% are taking actions linked to Goal 2.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 2

Businesses can have a substantial impact on Goal 2 by raising production efficiency through secure and equal access to sustainable land use and by building resilient food and agriculture portfolios.<sup>11</sup> Leading companies across the agricultural supply chain are deploying new approaches that increase yields and minimize wastage and spoilage. They are also shifting to raw inputs that are more resilient, nutritious and efficient in their natural resource use per caloric output. While diet shifts are under way in developed countries, it will be critical for companies to innovate sustainable foods that are accessible to wider populations and extend strategies to the growing developing world for impact.

If today's production levels were to remain constant through 2050, feeding the planet would entail clearing most of the world's forests, wiping out thousands more species, and releasing enough greenhouse gas emissions to exceed a 1.5°C and 2.0°C warming target—even if emissions from all other human activities were eliminated.

## CASE STUDY

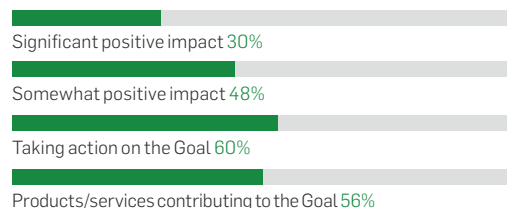
Nestle believes that its business success is based on the health of the 4.1 million farmers supplying the company. Through its Rural Development Framework, Nestle identified that up to 70% of farmers in certain areas of its supply chain are short of food for three months of the year. In order to tackle hunger and malnutrition in rural communities, Nestle has implemented programs to promote greater food system resilience. In Kenya, Nestle has provided dietary education, support for building kitchen gardens, and guidance for planting drought-resistant crops. In Mexico, Nestle has partnered with a food bank to deliver nutritious and diverse foods to coffee-growing communities.



5.4 million children died globally before the age of five in 2017, of which 4.1 million deaths occurred within the first year of life.<sup>13</sup> Immunization is one of the most effective interventions: 15.6 and 6.2 million deaths have been averted by measles and malaria vaccines, respectively, and HIV rates have dropped 38% since 2001.<sup>14</sup> However, chronic non-communicable diseases such as cardiovascular disease, cancer, diabetes and respiratory disease are now the leading causes of death and illness worldwide. Good health and well-being have a multiplier impact on quality education and gender ratios in communities.

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 3:

Companies report to have:



#### 8.4 YEARS

additional years added to life expectancy by investing in stronger health systems<sup>15</sup>

#### 36.9 MILLION PEOPLE

globally live with HIV<sup>16</sup>

#### 71%

of deaths globally are due to non communicable diseases<sup>17</sup>

#### 99%

of all maternal deaths occur in developing countries<sup>18</sup>

#### 3.4 MILLION

adult deaths as a result of being obese or overweight<sup>20</sup>

<sup>13</sup>WHO (2017) Global Health Observatory Data

<sup>14</sup>UNDP (2018) Goal 3: Good Health and Well-being

<sup>15</sup>WHO (2017) Global Health Observatory Data

<sup>16</sup>Ibid

<sup>17</sup>WHO (2018) Non-Communicable Diseases (factsheet)

<sup>18</sup>WHO (2017) Maternal Mortality (factsheet)

<sup>19</sup>UN (2018) Secretary-General's Report on the SDGs

<sup>20</sup>FAO (2014) Obesity and overweight factsheet

<sup>21</sup>WHO (2011) The Global Economic Burden of Non-communicable Diseases

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Optimistically, 78% of companies are reporting to have a positive impact on Goal 3 and are also increasingly (93%) implementing policies and programs that account for workplace health and safety of their employees. Three-quarters of companies in the healthcare space, including healthcare equipment and services, pharmaceuticals and biotechnology, report significant positive impact on Goal 3, and most (92%) report to have set targets to achieve the Goal.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 3

Business plays a significant role in effective public healthcare delivery, especially as an innovator in digital healthcare interventions. Nearly half (45%) of all countries and 90% of least developed countries have less than one physician per 1,000 people. Leading companies are advancing technologies, such as healthcare informatics, Artificial Intelligence (AI), and blockchain to reach more people and reduce intervention costs. For example, AI algorithms can diagnose wounds via smartphones and are enabling caretakers and doctors to remotely monitor and advise patients.

Beyond the direct provision of healthcare, companies can impact Goal 3 through efforts on Goal 6 (Clean Water and Sanitation), Goal 2 (Zero Hunger), Goal 1 (No Poverty) and Goal 13 (Climate Action). A major risk for infectious disease and mortality is the lack of safe water, sanitation and hygiene (WASH) and rising rates of non-communicable diseases – which are largely linked to diets that are calorie dense, but nutritionally poor – are projected to cost \$47 trillion by 2030 and push millions of people below the poverty line.<sup>21</sup>

## CASE STUDY

AstraZeneca, in collaboration with the Cambridge Institute for Sustainability Leadership, launched a pilot project at Lake Victoria's Dunga Beach in Kenya to protect communities from indoor air pollution by transforming waste into clean energy. The project aims to prevent exposure to air pollutants by offering a substitute to wood-burning cookstoves. The project implements 50 flexi-biogas domestic-scale digesters and two community scale digester. The biogas generated from the digesters can be used as cooking fuel to replace the dirty waste currently used as burning fuel. The pilot project is part of AstraZeneca's new sustainability strategy coined 'Healthy Planet, Healthier People', that aims to promote human health by targeting environmental determinants of health.



Globally, primary education enrolment reached 89% in 2017<sup>21</sup>, yet 617 million children and adolescents are not achieving minimum proficiency levels in reading or mathematics by the end of primary education.<sup>22</sup> 101 million youth lack basic literacy skills, of which more than 55% are women, who remain marginalized from decent work and employment opportunities.<sup>23</sup> Lack of trained teachers and poor conditions – such as lacking electricity and clean water – in schools further jeopardize prospects for quality education. Primary education of girls can reduce gender inequality globally: women currently account for two-thirds of 750 million adults without basic literacy skills.<sup>24</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 4:

Companies report to have:

Significant positive impact **24%**

Somewhat positive impact **45%**

Taking action on the Goal **48%**

Products/services contributing to the Goal **42%**

#### **60%**

of all schools dropouts occur within the first three grades of schooling<sup>25</sup>

#### **1-IN-5 CHILDREN**

adolescents and youth is out of school<sup>26</sup>

#### **ONLY 3%**

business leaders plan to invest significantly more in reskilling in the next 3 years while investment in AI increased 60%, 2017 over 2016<sup>27</sup>

#### **37.9%**

global tertiary school enrollment rate in 2017<sup>28</sup>

<sup>21</sup>World Bank Database (2018) Primary School Enrolment

<sup>22</sup>UN (2018) Secretary-General's Report on the SDGs

<sup>23</sup>UNICEF (2018) Literacy (Education)

<sup>24</sup>UNESCO (2019) Education and Gender Equality

<sup>25</sup>UNESCO (2018) Data to Nurture Learning

<sup>26</sup>UNESCO (2018) Out of School Children, Fact Sheet No.48

<sup>27</sup>Accenture (2018) Big Disconnect: AI, Leaders and Workforce

<sup>28</sup>World Bank Database (2018) School enrollment

<sup>29</sup>UNESCO (2017) Newsroom: Zero Progress on Out of School

<sup>30</sup>UNESCO (2017) Digital Skills for Life and Work

<sup>31</sup>WEF (2018) Global Gender Gap Report

<sup>32</sup>Global Partnerships for Education (2018) 5 Ways Education can Help Achieve Gender Equality

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Corporate progress on Goal 4 is strong: 68% of companies reported to have a positive impact on Goal 4. However, large sections of the population in developing countries are still deprived of access to quality education. Sub-Saharan Africa and South Asia, for example, account for over three-quarters of the global out-of-school population.<sup>29</sup> Yet, companies in Africa are reporting strong progress: 83% of companies have reported a positive impact on Goal 4, with close to half reporting significant progress and over two-thirds setting targets geared toward raising education levels.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 4

Business can progress Goal 4 most effectively by empowering their future workforces with technological capabilities, skills and expertise. In developed economies, 90% of jobs require some level of digital skills<sup>30</sup>. Additionally, AI and automation is triggering an urgent call to reskill workers. Over three-quarters (78%) of business and IT executives agree that increasing employee velocity has increased the need for reskilling in their organizations. Special attention also needs to be paid to the digital divide between men and women to avoid exasperating educational inequalities: women constitute just 22% of AI professionals globally.<sup>31</sup>

Impact on Goal 4 is closely linked to Goal 5 (Gender Equality), Goal 3 (Good Health and Well Being) and Goal 8 (Decent Work). An additional school year can increase a woman's earnings by up to 20% and decrease the probability of HIV by 6.7%. Girls with secondary schooling are 5x less likely to become child brides and are 4x less likely to be victims of Female Genital Mutilation (FGM).<sup>32</sup> Access for all to comprehensive sexuality education also contributes to HIV prevention, as well as broader sexual and reproductive health and gender equality outcomes.

## CASE STUDY

RELX GROUP — a company specialized in information and analytics — established a free-of-charge SDG Resource Centre to raise awareness and advance the implementation of the Sustainable Development Goals. The site contains articles, reports, tools, events, videos and legal guidance on the Global Goals developed by the RELX Group and UN partners, including the UN Global Compact. The site's SDG News Tracker provides up-to-the-minute news about the Global Goals from around the world, searching millions of articles published daily across more than 75,000 news sources in the six UN languages as well as in German.





Globally, 63% of women aged between 25-54 are part of the labour force, compared to 94% men in the same age group.<sup>32</sup> Women also earn approximately 20% less than men doing the same work.<sup>33</sup> Politically, women hold only 20% of ministerial and 24% of parliamentary positions.<sup>34</sup> Economically, women have similar access to financial services as men in just 60% of countries<sup>35</sup> and spend 2.6x more time on housework and other unpaid activities.<sup>36</sup> Women are also disproportionately impacted by climate change and extreme weather events.

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 5:

Companies report to have:

Significant positive impact **33%**

Somewhat positive impact **48%**

Taking action on the Goal **61%**

Products/services contributing to the Goal **44%**

#### **70%**

of women globally prefer to work at paid jobs<sup>37</sup>

#### **68%**

Global Gender Gap score estimated by The World Economic Forum<sup>38</sup>

#### **1-IN-3**

women experience physical and/or sexual violence<sup>39</sup>

#### **33**

the number of women CEOs in the Fortune 500 (up 37% from 2018)<sup>40</sup>

#### **28.8%**

share of female researchers<sup>41</sup>

<sup>32</sup>UN Women (2019) Facts and Figures: Economic Empowerment

<sup>33</sup>WEF (2019) Closing the Gender Gap Parity Task Force

<sup>34</sup>UN Women, IPU (2019) Women in Politics (press release)

<sup>35</sup>WEF (2018) Global Gender Gap Report

<sup>36</sup>UN Women (2018) Turning Promises into Actions

<sup>37</sup>ILO (2017) Towards a Better Future for Women and Work

<sup>38</sup>WEF (2019) Closing the Gender Gap Parity Task Force

<sup>39</sup>UNDP (2018) Goal 5: Gender Equality

<sup>40</sup>Fortune (2019) Fortune 500 Female CEOs

<sup>41</sup>UNESCO (2018) Women in Science

<sup>42</sup>WEF (2019) Closing the Gender Gap Parity Task Force

<sup>43</sup>World Bank (2017) Labour Force, Female Statistics

<sup>44</sup>World Bank (2018) The Cost of Gender Inequality

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Perceptions of progress on gender equality do not yet match the actual pace of change required. While 79% of companies reported significant or positive impact on gender equality and 82% reported to have gender equality embedded into their corporate sustainability strategy, it is estimated to take 202 years at this rate to close the economic gender gap and achieve equality in the workplace.<sup>42</sup> Similarly, while most (87%) companies report to have non-discrimination and equal opportunity (83%) policies, the share of women in the global workforce remains weak: as of 2018, women constitute just 39% of the global labour force.<sup>43</sup>

## BUSINESS OUTLOOK AND IMPACT ON GOAL 5

Companies can play a crucial role in ensuring the economic empowerment of women. The economic opportunity, not just the social imperative, of closing the gender gap is colossal: according to the World Bank, human capital wealth could increase by 21.7% globally and total wealth by 14% with gender equality in earnings; simply by ensuring equal pay for work of equal value.<sup>44</sup>

Later in this report we highlight three areas that with sufficient investment could create tipping points for impact in the gender space. We focus on the opportunities found in the following areas: Women in Leadership: Achieving Gender Balance, Making the Future of Work, Work for Women through inclusivity and Gender Lens Investing.

Women's Empowerment Principles Gender Gap Analysis Tool is an online platform which helps global business leaders identify strengths, gaps and opportunities to improve gender equality and women's empowerment in the workplace and within the markets and communities they serve. Visit [WEPS-GAPANALYSIS.ORG](https://weeps-gapanalysis.org).

## CASE STUDY

MAS Kreedaa a subsidiary of MAS Holdings with the spirit of understanding that women can be competitive in the workplace if they have good-quality, reliable childcare at the workplace. They provide a safe and well supervised childcare center on premises. This has led to an increase in the number of women (working mothers) in leadership positions. They have also seen positive business-related impacts, such as reduction in absenteeism, retention of skill, productivity / efficiency and they have become an employer of choice. This case examples was recently featured in the UN Global Compact Adaemy session Advancing Gender Equality through Employer-Supported Childcare which was convened in partnership with IFC.



Water scarcity affects more than 40% of the global population and nearly 663 million people do not have access to clean drinking water.<sup>44</sup> A further 2 billion people globally live in countries experiencing high water stress,<sup>45</sup> with Northern Africa and Western Asia experiencing water stress levels above 60%, which indicates strong probability of future water scarcity.<sup>46</sup> Further, more than 80% of wastewater from human activities is discharged into water bodies without any treatment, resulting in nearly 1,000 child deaths each day due to preventable water and sanitation-related diarrheal diseases.<sup>47</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 6:

Companies report to have:

Significant positive impact **20%**

Somewhat positive impact **32%**

Taking action on the Goal **32%**

Products/services contributing to the Goal **35%**

**80%** of global wastewater flows back into the ecosystem without being treated or reused<sup>48</sup>

**1.8 BILLION** people use a drinking water source that is contaminated with faecal matter<sup>49</sup>

**2.2 MILLION** deaths annually due to diarrhea<sup>50</sup>

**40 BILLION** hours women in sub-Saharan Africa collectively spend collecting water every year

<sup>44</sup>UNDP (2018) Goal 6: Clean Water and Sanitation

<sup>45</sup>UN Water (2018) Water Scarcity Facts

<sup>46</sup>UN SDG Knowledge Platform (2017) Progress of Goal 6

<sup>47</sup>UN (2019) SDGs: Clean Water and Sanitation

<sup>48</sup>UN Water (2018) Quality and Wastewater

<sup>49</sup>ibid

<sup>50</sup>UN Water (2018) Water Sanitation and Hygiene

<sup>51</sup>UNEP (2019) Measuring Progress

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

One-third (30%) of companies report to have no impact on Goal 6. For companies to make positive contributions, they can develop and adopt water stewardship strategies, especially in water scarce regions of Asia and Africa. Yet, fewer than a quarter of the companies surveyed reported having water management fully integrated in their strategy and operations, and half have not set minimum water reduction targets.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 6

Business across sectors can put mechanisms in place that reduce water abstraction (extracting water from a natural source) for operational uses such as irrigation and industrial applications and reduce their water consumption. The agricultural sector, for example, uses over two-thirds (69%) of all water globally. Increased private investment in wastewater management is critical to achieve Goal 6. As of 2018, only 59% of domestic wastewater flow is collected and treated while the remaining untreated water poses environmental and public health risks.<sup>51</sup>

Impact on Goal 6 can progress Goal 3 (health and well-being), Goal 14 (life below water) and Goal 15 (life on land). Water strategy can reduce water-borne and waste-related illnesses leading to healthier communities. Improving water use in business operations also enhances ecological integrity and natural ecosystems.

The CEO Water Mandate is a public-private initiative designed to assist companies in the development, implementation and disclosure of water sustainability policies and practices. Visit [CEOWATERMANDATE.ORG](https://ceowatermandate.org).

## CASE STUDY

SUEZ facilities have potential to generate alternative resources, including water, energy and secondary raw materials, and contribute to the protection of natural resources. In Spain, SUEZ's Granada wastewater treatment plant has become a biofactory, where all of the treated wastewater and sewage sludge is used in agriculture. The grease and sand produced are converted into compost and, after 2020, the surplus electricity generated by the plant will be injected back into the distribution network. In Chile, the wastewater treatment plants of Aguas Andinas have been awarded the Momentum for Change Award of the United Nations Framework Convention on Climate Change for their balanced benefits on people's quality of living and on the health of the ecosystem.



The share of renewables in global energy consumption is growing, with significant gains in hydropower in East Asia and the Pacific in 2017. However, most (78.5%) of the energy is derived from fossil fuels<sup>52</sup>, and close to a quarter of the global rural population still lacks access to electricity<sup>53</sup>, with over 3 billion people—most in Asia and sub-Saharan Africa—cook with unclean fuels.<sup>54</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 7:

Companies report to have:

Significant positive impact **25%**

Somewhat positive impact **35%**

Taking action on the Goal **40%**

Products/services contributing to the Goal **41%**

#### 14 BILLION

Number of cooling devices by 2050 (from current 3.6 billion)<sup>55</sup>

#### 2052

Depletion year of known crude oil reserves

#### 2088

Depletion year of known coal deposits<sup>56</sup>

“The strong nexus between energy and water calls for developing integrated systems that can marshal the synergies between energy and water projects. Addressing both energy and water in concurrent summits presents a unique opportunity for integrated and sustainable solutions.”

Wu Hongbo, Former Under-Secretary-General of the United Nations

<sup>52</sup>REN21 (2018) Renewables 2018: Global Status Report

<sup>53</sup>World Bank Database (2018) Access to Electricity

<sup>54</sup>UNDP (2018) Goal 7: Affordable and Clean Energy

<sup>55</sup>Oil and Gas Technology (2018) World Energy Consumption Report

<sup>56</sup>Electrocity (2018) The End of Fossil Fuels

<sup>57</sup>Frankfurt School FS-UNEP Collaborating Centre (2018) Global Trends in Renewable Energy Investment

<sup>58</sup>UNGC-Accenture (2012) Sustainable Energy for All: The Business Opportunity

<sup>59</sup>UNEP (2018) Renewable Trend

<sup>60</sup>LO (2019) Future of Work: Major Trends

<sup>61</sup>WHO, (2018) Household Air Pollution and Health

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Companies are making progress in developing capabilities for affordable and clean energy – 60% of companies report to have significant to positive impact on Goal 7, yet only about a quarter of African (25%) and Asian (27%) companies report significant impact on the Goal. Developing countries are investing more than developed countries in renewable technologies due to their cost effectiveness. On the other hand, developed regions of the world like Europe are witnessing a decline in clean energy investments.<sup>57</sup> Nearly half of the global companies surveyed meet less than a quarter of their energy requirements from renewable sources of power, yet only 22% of companies have reported to have fully integrated renewable energy policies.

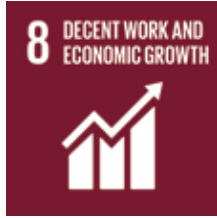
## BUSINESS OUTLOOK AND IMPACT ON GOAL 7

Business is uniquely positioned to significantly progress Goal 7 as a driver to provide capital, develop efficient products and services, support innovation and enable knowledge-sharing and learning related to clean energy.<sup>58</sup> Globally, R&D investment in renewable energy reached a record high in 2017, increasing 6% to \$9.9 billion. This was driven by corporate R&D which rose 12% while government spending remained unchanged.<sup>59</sup> The transition to a clean energy economy and the subsequent creation of green jobs should align with decent work principles.<sup>60</sup>

Progress on Goal 7 also has a direct impact on Goal 5 (gender equality). According to WHO, around 3 billion people rely on open fires and simple stoves run on polluting fuels.<sup>61</sup> The dominant role of women and girls in food preparation puts their health and livelihood at risk due to exposure to indoor air pollution leading to premature deaths.

## CASE STUDY

COVESTRO is pushing boundaries by directly targeting the Sustainable Development Goals with its research and development projects. The company has set as its goal that by 2025, 80% of its spending in research and development projects will be targeted in areas that specifically contribute to the achievement of the Global Goals. Covestro already uses its materials to enable solutions that advance sustainable development — for example, the company's polyurethane resin is used to build long-lasting, resilient wind blades advancing the transition towards clean energy.



Progress toward Goal 8 has been slower than expected. Poor working conditions are identified as the main global challenge in the world of work. The global unemployment rate has declined but more than 170 million people remain unemployed. Global inequality, both within and between countries and regions, has been identified as the main obstacle to achieving decent work and sustainable growth. Despite modest progress there are still 152 million children trapped in child labour and around 40 million victims of modern slavery.<sup>62</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 8:

Companies report to have:

Significant positive impact 40%

Somewhat positive impact 47%

Taking action on the Goal 66%

Products/services contributing to the Goal 57%

**61%**  
of the global workforce is informally employed<sup>63</sup>

**48%**  
women's participation in the labor force as compared to 75% for men

**1 MILLION**  
annual increase in the number of unemployed persons

**2.3 MILLION**  
people die annually due to work-related accidents or diseases.<sup>65</sup>

"Ending poverty and promoting decent work are two sides of the same coin. Decent work is both the major instrument to make development happen and also in effect, the central objective of sustainable development."

Guy Ryder, ILO Director-General

<sup>62</sup>ILO (2019) World Employment and Social Outlook: Trends

<sup>63</sup>ILO (2018) Occupational Safety and Health

<sup>64</sup>ILO (2018) Modern Slavery and Child Labour

<sup>65</sup>ILO (2017) How Decent Work and Climate Resilience Grow Together

<sup>66</sup>ILO (2018) World Employment and Social Outlook: Trends

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Most (87%) of companies report to have a significant to positive impact on Goal 8. Companies also report progressive practices on labour rights – 92% have policies and practices specifically advancing labour rights, and about two-thirds report to have policies on not using or benefiting from child and forced labour (69% and 67%, respectively). However, close to a quarter of companies do not benchmark supply chain partners to the Ten Principles of the UN Global Compact and 35% of these companies report not having a similar priority for suppliers. Most (88%) companies report to have policies in place to ensure safe working conditions.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 8

More than 450 million people work in supply chain-related jobs. While complex global supply chains can offer important opportunities for economic and social development, they often present serious human rights risks that many companies have failed to mitigate and respond to effectively. Companies should undertake "human rights due diligence" measures to ensure their operations respect human rights and do not contribute to human rights adverse impacts. By addressing their human rights impacts and committing to advance decent work in global supply chains, companies contribute to building resilient and productive workforce and societies. Business success is closely linked to the prosperity of the communities in which they operate and in the long term, companies thrive only if societies thrive.

Business investment in transitioning towards a green economy will further create new jobs in environmentally friendly production processes. The ILO has coined the term Green Jobs to describe employment in sectors like renewable energy, electric cars and organic agriculture<sup>65</sup> estimated to create 24 million additional jobs by 2030 if the right policies to promote a greener economy are put in place.<sup>66</sup>

The UN Global Compact Decent Work in Global Supply Chains Action Platform is building an alliance of companies committed to respecting human rights and fundamental principles and rights at work by leveraging their supply chains and taking collective action to address decent work deficits.

## CASE STUDY

RESTAURANTES TOKS hired an individual coffee producer and asked them to organize the company's other coffee producers. Through this effort, the company built its own cooperative, consisting of 120 coffee producers this season, and 500 projected for next season. The company now buys coffee directly from the producers without intermediaries. The producers in the cooperative are paid up to 100% more than what they usually earn in the supply chain. The coffee project serves as a trust-building initiative between the company and its suppliers and continues to contribute to raising the standard of living for individuals working within the supply chain.



There are only 3.9 billion people globally using the internet which limits the potential to expand internet-based businesses. In 2018, Africa had an internet penetration level under 25%, the lowest in the world, as opposed to an 80% penetration level in Europe.<sup>69</sup> Patents encourage innovation and provide incentives for research. In 2017, 3.17 million patents were filed globally, driven by heightened patent activity in Asia, particularly in China.<sup>70</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 9:

Companies report to have:

Significant positive impact **33%**

Somewhat positive impact **41%**

Taking action on the Goal **48%**

Products/services contributing to the Goal **59%**

#### **2.3%**

of global GDP is spent on research and development <sup>71</sup>

#### **7.7 BILLION**

billion—mobile cellular subscriptions globally <sup>72</sup>

#### **28%**

Representation of women in the science and engineering workforce <sup>73</sup>

“Without the private sector we will not have the necessary innovation, we will not have the necessary capacity to discover new markets, new products, new services and to be able to develop new areas in the economy.”

António Guterres, United Nations Secretary-General

<sup>69</sup>Statista (2019) Internet Penetration Rate by Region

<sup>70</sup>WIPO (2018) Intellectual Property Facts and Figures

<sup>71</sup>WIPO (2017) World Bank Database

<sup>72</sup>World Bank Database (2018) Mobile Subscriptions

<sup>73</sup>NGCP (2018) Girls and Women in STEM

<sup>74</sup>WEF (2018) The Future of Jobs Report

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Globally, companies have shown progress in developing infrastructure to aid in the developmental process, with 74% reporting a significant to positive impact on Goal 9. It is encouraging to observe 31% of African companies reporting a significant impact on the Goal, which is at par with the proportion of North American (32%) and European (34%) companies.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 9

It is important for business to recognize both the benefits and potential unintended consequences of the fourth Industrial Revolution on Agenda 2030. Automation threatens to disrupt millions of workers employed in manufacturing hubs across the globe, particularly in Asia. Mitigating negative consequences with positive action such as reskilling the workforce ensures inclusive human capital growth. 75 million jobs are expected to be displaced by 2022, however, repurposing could also create 133 million roles; an opportunity to ensure inclusion of vulnerable groups and gender equality.<sup>74</sup> Technology can protect the rights of workers across the value chain through fair wages and safe working conditions. Furthermore, businesses must balance ethics and innovation to prevent misuse of products and services and negative human rights impacts (e.g. 3D printing could become a route to manufacture weapons, disrupting law and order).

Progress on Goal 9 has a direct impact on Goal 10 (Reduced Inequalities). Businesses need to make geographically equitable investments: infrastructure gaps could exasperate economic inequalities between the global north and global south. For instance, 90% of manufacturing industries are owned by and located in the Northern hemisphere. Inversely, the South (with three-quarters of the global population) has access to only one-fifth of the world's income.

## CASE STUDY

UPM's Biofore strategy guides the company's work towards its 2030 responsibility targets and contributes to the achievement of the Global Goals. UPM's experience and position as a promoter of sustainable forestry and user of wood biomass enable the company to seize the limitless potential of bioeconomy. UPM works to develop renewable and responsible solutions to reduce the world's reliance on fossil-based materials.





In a business-as-usual scenario, the wealthiest 1% are expected to hold 39% of the total global wealth by 2050.<sup>75</sup> Marginal improvement in achieving gender parity has had positive impacts on political empowerment, economic participation, educational attainment and the health of women, although complete gender equality is not foreseeable in the near future.<sup>76</sup> Disadvantaged groups like persons with disabilities, migrants, LGBT+ individuals and indigenous peoples continue to be denied access to equal opportunities.

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 10:

Companies report to have:

Significant positive impact **22%**

Somewhat positive impact **46%**

Taking action on the Goal **39%**

Products/services contributing to the Goal **34%**

#### 10% OF WORKERS

receive 48.9% of total global pay, while the lowest-paid 50% of workers receive just 6.4%.

“The United Nations, whose membership comprises almost all the states in the world, is founded on the principle of the equal worth of every human being.”

Kofi Annan, Former Secretary-General, United Nations<sup>79</sup>

<sup>75</sup>UNDP (2019) Goal 10: Reduced Inequalities

<sup>76</sup>WEF (2018) Global Gender Gap Report

<sup>79</sup>Nobel Prize (2001) Kofi Annan Nobel Lecture

<sup>80</sup>Marketwatch (2018) Fortune 500 CEO Pay

<sup>81</sup>ILO (2018) Global Commission on the Future of Work: Work for a Brighter Future

<sup>82</sup>Ibid

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Most (91%) companies report to have policies related to Human Rights, with more than a third taking action to advance Goal 10 and reporting their products and services contribute to this Goal (39% and 35%, respectively). However, only about a quarter of companies surveyed conduct human rights risk assessments only or report to have a significant positive impact (26% and 24%, respectively). The average CEO-to-worker pay ratio is 339 to 1 for Fortune 500 companies, a trend that is in line with soaring income inequality across the world. Median-salaried employees in most companies would take 45 years to earn what their CEOs earn in a single year.<sup>80</sup>

## BUSINESS OUTLOOK AND IMPACT ON GOAL 10

Businesses can have a significant impact on Goal 10 by implementing policies and practices to support equality of opportunity, treatment, and outcome for all, within their own operations and across the supply chain.

As the world enters the fourth Industrial Revolution, businesses need to take responsibility for building a just and equitable future of work by focussing on a human-centered agenda: 2 billion people make their living in the informal economy and 344 million jobs need to be created by 2030.<sup>81</sup> While social protection has been extended globally, persons with disabilities are five times more likely than the average to incur catastrophic health expenditures and resumes that identify persons as LGBT receive 30% fewer call-backs for employment.

Reducing inequalities can help close the gender pay gap: women are paid ~20% less than men. Additionally, only 53% of all households have internet access globally, and this share drops to 15% in emerging countries.<sup>82</sup>

## CASE STUDY

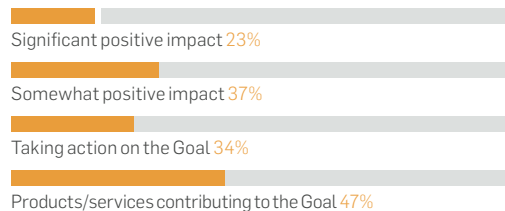
JAPAN ASIA GROUP LIMITED's group company Kokusai Kogyo established a subsidiary TDS to focus on providing job opportunities to people with physical disabilities in response to a Japanese Government employment initiative. Utilizing Government programs, TDS's work space was designed with fully accessible elevators, restrooms and parking spaces wider than regulations required. Over the years TDS has grown into an in-house source of expertise on the needs of persons with disabilities, and its contribution to group profits have made it an important subsidiary. For example, TDS now gives Kokusai Kogyo a competitive edge in city and facility accessibility planning and in developing navigational software for persons with disabilities.



Currently, half of the world's population, approximately 3.5 billion people live in cities and an estimated 828 million people live in slums. Inadequate housing in urban areas adversely impacts equity, safety and economic growth, while increasing vulnerability to natural disasters and diseases. Global population growth will need to be balanced with new demands on urban infrastructure while managing its impact.

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 11:

Companies report to have:



**46%** expected rural to urban migration by 2040<sup>82</sup>

**1-IN-8** people live in slums across the world<sup>83</sup>

**91%** global urban population breathing air that does not meet WHO's air quality standards<sup>84</sup>

**3.4 MILLION** deaths annually due to air pollution

**\$387.9 BILLION** size of the green building materials market by 2023 (CAGR of 11.7% during 2018-2023)<sup>85</sup>

<sup>81</sup>UNDP (2018) Goal 11: Sustainable Cities

<sup>82</sup>Global Infrastructure Outlook (2019) Forecast

<sup>83</sup>UN Habitat (2016) Slum Almanac

<sup>84</sup>UN (2018) Background Notes SDG 11

<sup>85</sup>I/MARC Group (2018) Green Building Materials Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2018-2023

<sup>86</sup>UNGC-Accenture (2015) CEO Study: A Call to Climate Action

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Construction and materials, real estate and utilities companies continue to report strong impact on progressing sustainable cities and communities: 60% of companies report to have a significant positive impact on Goal 11. The UN Global Compact Cities Programme, the urban arm of the UN Global Compact, facilitates collaboration between cities and regional governments with the private sector and civil society. Addressing complex global challenges on the local level, it is a platform for partnered sustainable urban development action. Visit [CITIESPROGRAMME.ORG](https://citiesprogramme.org).

## BUSINESS OUTLOOK AND IMPACT ON GOAL 11

Businesses have a large role in shaping sustainable urban areas and connecting residents to essential services and by developing resilient infrastructure, buildings, and materials that maximize mobility and access to green space while minimizing resource use, pollution, and negative impacts on vulnerable groups in society (e.g. a financial institution partners with a city government to issue green bonds to attract investment in sustainable infrastructure).

Impact on Goal 11 is connected to Goal 13 (Climate Action): low-carbon solutions in the building and transportation sectors are enabling greater efficiency. Companies in the household and mobility sectors are also innovating natural refrigerants in cooling and refrigeration appliances as well as growing the electric vehicles and shared mobility markets. Smart cities are also better connected to police services, educational institutions, and medical centers that can aid the growth and development of the community.

## CASE STUDY

BASF creates solutions to reduce resource consumption at construction sites. The company's Green Sense® Concrete package optimizes concrete mixtures by reducing environmental impacts and meeting performance requirements at consistent costs. The Green Sense Concrete technology supports the use of recycled materials which match both project specifications and the quality of raw materials. This results in buildings with smaller carbon footprints and a reduced environmental impact compared with buildings utilizing conventional concrete mixtures. During the construction of the One World Trade Center in New York City, BASF's solutions helped save around 15,800 tons of CO2 equivalents and 25,400 megawatt hours of energy. This equals the yearly CO2 emissions of approximately 1,400 people.



Most of the world's population (86%) resides in countries that consume resources at a rate faster than the Earth can replenish these resources.<sup>87</sup> Today, we require 1.7 earths to satisfy global resource demand. If this level of consumption is sustained, we would require two earths to support the global population by 2030.<sup>88</sup> To transition to a "one planet" world, where we consume only the resources that the earth can regenerate, we must decouple economic prosperity from resource use and environmental impact.

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 12:

Companies report to have:

Significant positive impact 27%

Somewhat positive impact 45%

Taking action on the Goal 50%

Products/services contributing to the Goal 56%

#### \$4.5 TRILLION

Value potential of circular economy by 2030–\$4.5 trillion (4% of projected GDP)<sup>89</sup>

#### \$990 BILLION/YR

Cost of global food wastage<sup>90</sup>

#### ONLY 20%

of global e-waste is properly recycled<sup>91</sup>

#### LESS THAN 1%

of clothing is recycled, a loss of more than \$100 billion in materials each year<sup>92</sup>

#### 95% OF THE VALUE

of plastic packaging material, worth \$80-120 billion is lost each year<sup>93</sup>

<sup>87</sup>UNFCCC (2018) Earth's Annual Resources Budget Consumed in Just 7 Months

<sup>88</sup>WWF (2018) August 1 marks Earth Overshoot Day in 2018

<sup>89</sup>Accenture (2017) Waste to Wealth Executive Summary

<sup>90</sup>FAO (2019) Resources: Key Findings

<sup>91</sup>ITU (2017) Global e-Waste Monitor Report

<sup>92</sup>Ellen Macarthur Foundation (2017) New Textiles Economy Report

<sup>93</sup>New Plastics Economy (2016) Rethinking the Future of Plastics

<sup>94</sup>Accenture (2017) Waste to Wealth Executive Summary

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Globally, large corporations are leading the way, with 79% reporting a positive impact on Goal 12. 76% of the companies have policies and practices promoting sustainable consumption and responsible use of resources, and 57% have cleaner and safer production objectives. However, only 42% of the companies conduct corporate responsibility due diligence of their entire supply chain. Regionally, 58% of companies in Asia, which accounts for a large proportion of global production and is growing domestic material consumption rapidly relative to biocapacity, report to have set targets centred on Goal 12. In North America, where there is also a sizable gap in resource availability versus consumption, 52% of companies report targets for Goal 12, whereas companies in Africa where biocapacity is comparably high, just 29% of companies report targets for Goal 12.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 12

Businesses can lead impact on Goal 12 by transitioning from a linear 'take-make-dispose' economy to a circular economy in which materials are constantly cycled back through the value chain for re-use, resulting in less energy and resource consumption. Many companies are beginning to deploy circular models that replace finite raw inputs with recycled materials or renewable resources, keep products at highest utility and increase their collection at end-of-life to re-enter the production cycle or adjacent industries.

Emerging technologies are enabling the circular economy, such as material science, sorting and recycling technologies, and sensors that enable asset monitoring for extended use and reuse. Many companies are also engaging in partnerships to build ecosystems and alternative supply chains.<sup>94</sup>

## CASE STUDY

A.P. MOLLER–MAERSK believes that stronger, more inclusive growth can be enabled by working with partners to multiply the benefits of trade. A particular focus area for Maersk is reducing food loss during transportation by investing in innovation and partnerships. In Nigeria, Maersk is engaging with the International Finance Corporation (IFC) and local agricultural organizations. Tomatoes are a staple crop in Nigeria, but because of poor infrastructure, nearly half of all tomatoes are lost post-harvest. The partnership brings together IFC's investment expertise, Maersk's transport and logistics expertise and local supermarket chains to bring more tomatoes to the domestic market and reduce food loss.



Rising global temperatures due to greenhouse gas emissions have increased the incidence of extreme weather events and threaten to raise global sea levels, submerging major coastal cities across the world. For each 1-degree Celsius increase in temperature, grain yields decline by 5%. Greenhouse gas emissions are 50% higher than 1990 levels. Goal 13 aims to mobilize \$100 billion annually by 2020 to address the needs of developing countries and adapt to climate-related disasters.<sup>95</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 13:

Companies report to have:

Significant positive impact 25%

Somewhat positive impact 36%

Taking action on the Goal 48%

Products/services contributing to the Goal 52%

#### \$1 TRILLION

loss to the global economy due to flooding in coastal cities by 2050<sup>96</sup>

#### 52 TO 98 CENTIMETRES

Rise in sea levels under business-as-usual scenario by 2100<sup>97</sup>

#### 2016, 2015, 2017

Warmest years on record<sup>98</sup>

"We are the first generation that can end poverty, and the last generation that can take steps to avoid the worst impacts of climate change. Future generations will judge us harshly if we fail in upholding our moral and historical responsibilities."

Ban Ki-Moon, Former United Nations Secretary-General

<sup>95</sup>UNDP (2018) Goal 13: Climate Action

<sup>96</sup>World Bank (2018) Coastal Cities at Highest Risk of Floods

<sup>97</sup>IPCC (2018) Sea Level Change

<sup>98</sup>World Meteorological Organisation (2017) Warmest Years Record

<sup>99</sup>SBTi (2019) Why Set a Science Based Target?

<sup>100</sup>BSR (2018) Private Sector Leadership on Climate Adaptation

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Fewer than half of companies have reported to be taking action to achieve Goal 13 and one-third have attested that they have no or negative impact on the Goal. Although most (94%) companies surveyed report to have environment-related policies and practices, fewer than a quarter have reported incorporating climate change policy into their overall company strategy. Science-based targets provides companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions. Learn more at [unglobalcompact.org/take-action/action/science-based-target](http://unglobalcompact.org/take-action/action/science-based-target).

## BUSINESS OUTLOOK AND IMPACT ON GOAL 13

The IPCC has reported that global temperatures will increase by 1.5°C by 2030, critically elevating the need for business to play a greater role in progressing Goal 13. A clear pathway is urgently setting emissions reduction goals through the Science-Based Targets initiative (SBTi). Presently, 566 of the world's largest companies have set an SBT or have committed to set one to drive climate action and business stability: 63% of executives say their SBT drives innovation; 35% have increased regulatory resilience; 52% report elevated investor confidence and 55% say they have gained competitive advantage.<sup>99</sup>

Climate change further represents material risk to business, urging focus toward climate resilience activities. The number of registered weather-related events has tripled in the last three decades, resulting in insurance losses of approximately \$50 billion alone in the last 10 years.<sup>100</sup> Climate action also presents market opportunities in areas such as clean fuels, low-carbon and low-energy buildings, smart cities, use of intelligent urban public transport and the harnessing of digital, technological and data revolutions.

## CASE STUDY

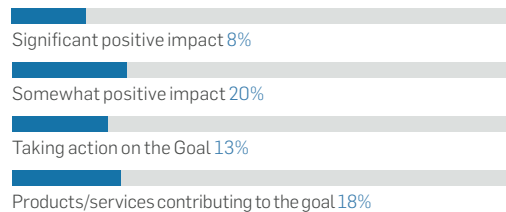
IBERDROLA has set a science based target and announced its target to reduce the intensity of its CO2 emissions to 150 grams per kWh in 2030 (a level 50 percent less than its emissions in 2007), and to be carbon-neutral by the 2050. Iberdrola has closed 15 coal and oil plants and works closely with local authorities to guarantee jobs and minimize impact on the supply chain and the local economy. The company has integrated the Sustainable Development Goals as part of its business strategy and corporate governance system and focuses its efforts on sustainable energy (Goal 7), water & sanitation (Goal 6), partnerships (Goal 17) among others.



Globally, over 40% of the oceans are heavily affected by pollution, depleted fisheries, loss of coastal habitats and other human activities. By 2050, the oceans are expected to contain more plastic than fish, and more than 90% of coral reefs are at risk of dying off. In 2019, the Intergovernmental Science-Policy Platform on Biodiversity & Ecosystem Services Global Assessment found that up to 300 million people in coastal areas are at increased risk due to loss of coastal habitat protection and 1 million animal and plant species are at risk of extinction, and emphasized that transformative changes are needed in order to restore and protect nature.<sup>101</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 14:

Companies report to have:



#### \$3 TRILLION

market value of marine and coastal resources and industries, equivalent to 5% of the global GDP<sup>104</sup>

#### 1.6 MILLION SQ. KILOMETRES

Size of the Great Pacific Garbage Patch (twice the size of France)<sup>105</sup>

#### \$14 TRILLION

Rising sea levels could cost the world \$14 trillion by 2100<sup>106</sup>

<sup>101</sup>IPBES (2018): IPBES Assessment Guide Summary. Secretariat of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, Bonn, Germany

<sup>104</sup>FAO (2019) Shining the spotlight on "Life below Water"

<sup>105</sup>Scientific Report (2018) Great Pacific Garbage Patch Sprawling with Far more Debris

<sup>106</sup>UK National Oceanographic Centre (2018) Flooding from Rising Sea

<sup>107</sup>Climate News Network (2017) High Marine Extinction Risk By 2100

<sup>108</sup>CB Insights (2019) Food and Beverage Trends Report

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Over half of companies (55%) report to have zero or negative impact on Goal 14. Surprisingly, only a subset of companies (20%) in the consumer goods industry – which is responsible for over one-quarter (26%) of all plastics used globally – have reported setting targets on Goal 14 and just 32% report to have a positive impact.

Global Goals, Ocean Opportunities: a recent report developed by the Sustainable Ocean Business Action Platform and its partners elaborates the role of business in securing a healthy, productive and well-governed ocean. Private sector innovation and investment, together with strong public and private governance frameworks, could exponentially increase the amount of sustainable resources delivered from the ocean, including healthy food, secure and affordable clean energy, and more efficient and lower-carbon transport.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 14

Restoring and protecting ocean health will be vital in achieving the Global Goals. Climate change, waste and plastic, habitat destruction, overfishing, and poor governance are key risks that will require global and collective action. Through the UN Global Compact's Sustainable Ocean Business Action Platform, top five tipping points for business to address are: traceable seafood, zero emission shipping, ocean renewable energy, zero plastic waste and mapping ocean resources.

Taking an interconnected approach on Goal 14 linked to poverty and hunger presents innovative opportunities to protect marine ecosystems as well as safeguards the rights of vulnerable communities living in coastal areas. Lab-grown cultured fish meat, for example, is being developed by emerging food start-ups and is a viable solution to tackling the global challenge of hunger, malnutrition and food contamination while preventing overexploitation of fish stocks.<sup>108</sup>

## CASE STUDY

CERMAQ is developing new technologies such as the iFarm to enable more sustainable aquaculture in efforts to create food systems that can help ensure increased food security and improved nutrition. Rather than relying on group-based treatment of fish, iFarm allows for individual-based treatment and improved accuracy. Implementing the iFarm model will allow for huge gains in the growth of salmon production. Improved aquaculture practices are vital for restoring and maintaining the health of the ocean





Three-quarters (74%) of the poor are affected by land degradation globally through reduced and loss of economic productivity from land use.<sup>109</sup> 2.6 billion people depend directly on agriculture and 1.6 billion on forests for their livelihood.<sup>110</sup> Humans represent just 0.01% of all living things on the earth; however, research has shown that we have been responsible for the loss of 83% of all wild animals and half of the plants.<sup>111</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 15:

Companies report to have:

Significant positive impact 11%

Somewhat positive impact 30%

Taking action on the Goal 21%

Products/services contributing to the Goal 27%

#### 60-80%

of earth's fresh water provided by mountain ranges

#### 80%

of all terrestrial species of animals, plants and insects are in forests<sup>112</sup>

#### \$125 TRILLION

annual value of ecosystems to human livelihood and well-being<sup>113</sup>

#### 1 MILLION

animal and plant species are threatened with extinction, many within decades<sup>114</sup>

<sup>109</sup>UNEP (2019) Measuring Progress

<sup>110</sup>UN (2019) Goal 15: Life on Land

<sup>111</sup>National Academy of Sciences of the United States of America (2018) Biomass Distribution of the Earth

<sup>112</sup>ibid.

<sup>113</sup>UNDP (2019) Goal 15: Life on Land

<sup>114</sup>UN (2019) Nature's Dangerous Decline 'Unprecedented'; Species Extinction Rates 'Accelerating'

<sup>115</sup>UNDP (2018) Creating a Sustainable Food Future

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Less than half of companies (41%) have reported to have had a positive impact on Goal 15, just 22% have declared Goal 15 in their targets and only 27% say their products or services contribute to this Goal. The metals and mining industry contribute significantly to land degradation, however, few companies (45%) in the industry have set targets to counter their impact, and only 13% have fully integrated biodiversity policies within their overall corporate strategy. 15 of the 17 megadiverse countries of the world are in Asia, Africa and Latin America. However, 41% of the companies located in these regions have reported having no or negative impact on Goal 15.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 15

Businesses can protect natural ecosystems across multiple tiers of their supply chain, such as through implementing deforestation-free policies, sustainable forestry management, soil health or regenerative management practices. Efforts to impact Goal 15 can also protect valuable assets, such as by limiting loss of plant biodiversity needed for pharmaceutical research or protecting topsoil for agricultural productivity.

Action on Goal 15 is also closely linked with impact on Goal 2 (Zero Hunger) and Goal 13 (Climate Action). For example, as agricultural land area shifts (e.g. from temperate areas to the tropics) within regions, businesses should ensure that food production expands through productivity gains rather than land conversion, protecting natural ecosystems and avoiding increases in greenhouse gas emissions and loss of biodiversity. Nature-based climate solutions can contribute approximately one-third of the CO2 reductions needed by 2030.<sup>114</sup>

## CASE STUDY

PERNOD RICARD's Campo Viejo Winery has used innovative tactics to reduce and offset greenhouse gas emissions, leading to it becoming the first winery in Spain to reach a carbon-neutral status in 2011. The winery has practices to preserve the flora and fauna of the surrounding areas and it has significantly reduced pesticide-use in favour of natural methods of pest control. Moreover, Pernod Ricard's employees have set up 'insect hotels' and other makeshift habitations around the winery to encourage a variety of species to inhabit the area, further enhancing the site's biodiversity.



5.1 billion people or two-thirds of the global population lack meaningful access to justice. Women and children are the worst affected: one billion children are victims of violence while half of women believe it is pointless to report sexual harassment cases to the police.<sup>115</sup> UNHCR estimates that 68.5 million people worldwide are forcibly displaced because of persecution, conflict and violence,<sup>116</sup> and according to UNDP, one billion people cannot prove who they are and remain legally invisible. Further, The Global Peace Index found that the impact of violence on the global economy was \$14.1 trillion in 2018,<sup>117</sup> while two-thirds of government spending went toward military and internal security.

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 16:

Companies report to have:

Significant positive impact 15%

Somewhat positive impact 35%

Taking action on the Goal 28%

Products/services contributing to the Goal 26%

#### \$1.26 TRILLION

cost of corruption, bribery, theft and tax evasion in developing countries per year, which, if redirected, could lift those who are living on less than \$1.25 per day above \$1.25 for at least six years<sup>118</sup>

#### \$1.5 TRILLION

in bribes businesses and individuals pay each year (equivalent to approximately 2% of global GDP) least six years

#### MORE THAN 1.1 BILLION

people do not exist officially and do not have a proof of identity<sup>119</sup>

<sup>115</sup>NYU (2019) Task Force on Justice Report

<sup>116</sup>UNHCR (2019) Figures at a Glance

<sup>117</sup>Institute for Economics & Peace (2018) Global Peace Index

<sup>118</sup>UN (2019) SDG 16: Peace and Justice

<sup>119</sup>PRJ

<sup>120</sup>Ibid

<sup>121</sup>Accenture Strategy (2018) Competitive Agility Index

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Globally, 36% of companies have reported that they have no or a negative impact on Goal 16, and fewer than one-third of companies have targets linked to the Goal. Only 13% of companies have reported having policies that mandate publicization of political donations, and despite 57% of companies reporting to have zero-tolerance policies towards corruption, less than half have policies limiting the value of gifts and less than a quarter have policies against collusion or mandating pre-approval of facilitation payments.

The Peace, Justice and Strong Institutions Action Platform aims to provide global business standards in understanding, implementing and reporting on business engagement related to Goal 16. The platform also seeks to provide a forum for all stakeholders to engage in meaningful dialogue that results in concrete action towards improving accountability, integrity and transparency within businesses and the countries in which they operate.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 16

Lack of effective, inclusive institutions and a stable environment hinders responsible business practices, fair competition and market stability. It can enhance costs, impede foreign investment and generate legal and reputational risks. Corruption is a structural impediment to the protection of human rights: effective institutions on can recover the \$1.26 trillion cost of corruption, bribery, theft and tax evasion estimated globally and lift those below \$1.90/day out of poverty for 6 years.

Trust can also be a competitive advantage: a study of 25,000 global consumers conducted by Accenture Strategy found that, of customers who switched companies in the past year, 46% did so because they lost trust in the company. Customers are willing to speak up, organize and boycott when their expectations are not met. Action on Goal 16 should be considered a pathway to enhancing consumer loyalty and shareholder trust while creating an equitable society.<sup>121</sup>

## CASE STUDY

OANDO participates in a multi-stakeholder partnership with fellow Action Platform participant Sumitomo Chemical as well as DFID, and USAID to invest in quality education and safer learning environments in North Eastern Nigeria (where Boko Haram is active). This project touches on multiple SDGs - 4, 5, 16 - and the role of Goal 16 as an enabling Goal.



The realization of Agenda 2030 depends on strong global partnerships and cooperation. However, Official Development Assistance reduced by 0.6% in real terms from 2016 to \$147 billion in 2017. Sustainable and responsible investments such as green bonds represent high-potential sources of capital. In 2018, global green bonds reached \$155.5 billion, up 78% from 2017.<sup>121</sup>

#### UN GLOBAL COMPACT PARTICIPANT RESPONSES TO GOAL 17:

Companies report to have:

Significant positive impact 25%

Somewhat positive impact 39%

Taking action on the Goal 39%

Products/services contributing to the Goal 37%

The landscape of UN-business partnerships reveals traditional approaches persist, restricting the ability to scale impact beyond pilot projects.<sup>122</sup>

**48%**

Bilateral

**37%**

Multi-stakeholder

**15%**

Network and Alliance-based collaboration  
Industry associations

"In an age where community involvement and partnerships with civil society are increasingly being recognized as indispensable, there is clearly a growing potential for cooperative development and renewal worldwide."

Kofi Annan, Former United Nations Secretary-General

<sup>121</sup>UN (2018) Secretary-General's Report on the SDGs

<sup>122</sup>UNGC-Accenture (2018) CEO Study: Transforming Partnerships

<sup>123</sup>Ibid

<sup>124</sup>UNGC-Accenture (2016) CEO Study: Window of Opportunity

## UN GLOBAL COMPACT COMPANY CONTRIBUTION

Globally, only 40% of companies report to be taking action to build partnerships. Nearly two-thirds (62%) of North American companies and 45% of Asian companies have reported to have set targets centred around Goal 17, as opposed to fewer than one-third of European companies. North American and Asian companies are taking constructive steps in achieving these targets.

## BUSINESS OUTLOOK AND IMPACT ON GOAL 17

In the 2016 UN Global Compact-Accenture Strategy CEO Study 2016, over three-quarters of CEOs believed partnerships will help them deliver positive outcomes within the next five years.<sup>125</sup> This past year has further seen a re-emergence in business partnerships to deliver the Goals.

Recognizing that multi-stakeholder partnerships at the national or sub-national level are especially critical drivers of progress on the Goals, the UN undertook important reforms in 2018-2019 to strengthen the organization's ability to promote partnerships between business, governments, and other stakeholders. Changes included ensuring that all UN Resident Coordinators (the senior most UN representative in countries where the UN operates) have a dedicated partnership and economist function in their offices. The reforms also emphasized the unique role of the UN Global Compact in better connecting United Nations country teams with the private sector, including small and medium-sized enterprises, at the national and local levels. In support of these reforms, a Guidance Note was circulated to all Global Compact Local Networks and UN Resident Coordinators to activate deeper collaboration between Local Networks, their business stakeholders, and UN counterparts.

## CASE STUDY

ARM is the founder and chair of 2030Vision, a partnership that connects businesses, NGOs, academia and Governments with the technology solutions needed to realize the Global Goals. 2030Vision is a collaboration between Arm, 'Be He@lthy, Be Mobile', British Council, the British Council, Fauna & Flora International, Project Everyone, SustainAbility, The New York Academy of Sciences, the UN Global Compact, UNICEF and the University of Cambridge Judge Business School. It is a platform for collaboration, new partnerships and innovation to transform the use of technology, so that by 2030 all people can live their lives to their full potential, whilst at the same time unlocking the commercial opportunities related to meeting the Goals.



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# THE WAY FORWARD



# MAINSTREAMING RESPONSIBLE BUSINESS



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



35%

OF COMPANIES ALIGN  
CORE BUSINESS STRATEGY  
WITH THE GLOBAL GOALS

The data presented in this report demonstrates that mainstreaming the Ten Principles and the Global Goals in strategies and operations is still a major challenge for companies. As the business arm of the United Nations, the UN Global Compact is responding to this need by providing further support to companies in anchoring the Principles and Goals in all business activities throughout the supply chain.

## GLOBAL IMPACT INITIATIVES

The primary way we are scaling-up support is through launching new guidance for companies to help deliver the 2030 Agenda by transforming their business. This guidance will be launched through a series of Global Impact Initiatives that will be delivered by Global Compact Local Networks around the world.

Through supporting companies in driving integrated strategies to advance the Global Goals, **SDG Ambition** will strive to mainstream SDG integration and ambitious action. This Global Impact initiative will facilitate the development of more innovative and aspirational approaches for business to embed SDG-aligned practices deep into operations and across the value chain.

While the **SDG Ambition** Global Impact Initiative will focus on the Global Goals more broadly, we are also launching issue-specific initiatives on climate and gender, which have been identified as two of the biggest gaps to achieving the Global Goals by 2030.

Together, these Global Impact Initiatives will raise the bar for business action in the decade of delivery and empower the private sector to play a key role in creating the world we all want.



United Nations  
Global Compact

## FULL INTEGRATION OF THE TEN PRINCIPLES AND THE GLOBAL GOALS



### IN STRATEGY

#### PURPOSE

- In Articles of Association
- In vision/mission statement
- In company values



### IN OPERATIONS

#### UNIT BUSINESS STRATEGIES

- In all unit/functional strategies
- In key business investments, including employee pension funds
- In all business partnerships



### IN STAKEHOLDER ENGAGEMENT

#### ANNUAL REPORTING

- In annual reporting
- In quarterly announcements
- In UN Global Compact annual reporting

#### GOVERNANCE

- In Board responsibilities
- In Board capabilities
- On Board agenda

#### TOTAL QUALITY MANAGEMENT

- Across the Total Quality Management system
- In supply chain management
- Across procurement

#### COMMUNICATIONS

- To all employees
- To all investors and shareholders
- To all stakeholders

#### CORPORATE STRATEGY

- Key Global Goals set future direction
- Aspirational targets for the Global Goals and Principles
- Balanced scorecard includes key Global Goals and Principles

#### PEOPLE MANAGEMENT

- Performance/remuneration is based on Balanced Score card
- Training on the Ten Principles and Global Goals
- Hiring/promotion based on values and targets

#### SALES AND MARKETING

- In brand and product communication
- In all customer engagements
- Across all business partners

# CREATING A TIPPING POINT ON CLIMATE ACTION



**SUSTAINABLE  
DEVELOPMENT  
GOAL 13**

**TAKE URGENT ACTION TO COMBAT  
CLIMATE CHANGE AND ITS IMPACTS**



PHOTO: © UN PHOTO/MARK GARTEN

**“Here at the United Nations we have launched a campaign calling on businesses to join the fight to limit global temperature rise to 1.5° C.”**

**António Guterres**  
**Secretary-General of the United Nations**  
**August 2019**

Climate change is the defining issue of our time. The last four consecutive years have been hottest on record and current pledges toward the Paris Agreement on Climate Change put the world on a 3.5°C warming scenario. From the business end, climate risks are increasingly impacting supply chains, operations and financial longevity. The world saw \$160 billion worth of damage to the global economy in 2018 due to natural disasters. More than 200 of the world's largest companies reported in 2019 that climate change could cost them a combined total of \$ 1 trillion.

Recent report by the Intergovernmental Panel on Climate Change (IPCC) indicates that we have less than 12 years to change course to limit planet's warming to 1.5° Celsius. Unprecedented collaboration will be required by all sectors of society to drastically cut global greenhouse gas emissions within this decade and to enable a just transition towards a net zero future. The private sector has an integral role to play in accelerating this transformation forward commensurate with what climate science demands.

Urgent climate action is undoubtedly a global imperative. At the same time, climate change is a mega driver in achieving the Sustainable Development Goals (SDGs) – in its absence, it is virtually impossible to achieve them. Climate action is strongly interconnected with many of the SDGs such as energy (Goal 7), water (Goal 6), ocean (Goal 14), health (Goal 3) among others. Addressing climate change in the next years can unlock economic and sustainable development benefits worth \$26 trillion from now to 2030.

# CLIMATE ACTION: THREE TIPPING POINTS

To date, over 2,400 companies have committed to advancing the Paris Agreement through a range of actions from carbon pricing, science based targets, to taking renewable energy and adaptation action. A growing movement of the finance community – responsible for combined assets of \$118 trillion – is equally demanding Paris compatible actions and disclosure in their investments.

While climate change has risen as top priority for business and finance leaders, the pace of action and investments are far from meeting the 1.5° Celsius scenario. We will need businesses everywhere to accelerate climate ambition to reach tipping points that put us on a net zero economy future.



## 66%

**OF COMPANIES REPORT THAT  
CLIMATE-RELATED ISSUES ARE  
INTEGRATED INTO THEIR  
BUSINESS STRATEGY**

## 1. SCIENCE BASED TARGETS

The Science Based Targets initiative provides companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions. To date, 563 companies have committed to setting science-based targets. The business benefits of science-based climate action are clear. Leading companies are already proving that a 1.5°C-compliant business model is possible, and there is evidence that these companies will be best-placed to thrive as the global economy undergoes a just transition to a net-zero future by 2050. Ultimately we have to aim for net negative.

## 2. CLIMATE NEXUS AND NATURE-BASED SOLUTIONS

Businesses are seeing climate change not as a stand-alone issue, but rather as a global cross-cutting challenge that impacts all aspects of people, prosperity and planet. Nature based solutions – from water, land, biodiversity, ocean to food and agriculture – can help advance both mitigation and adaptation challenges with potential to remove up to 12 GT of greenhouse gases per year. By building resilience across business sectors through nature-based solutions, additional \$2.3 trillion benefits can be added to the global economy.

## 3. AMBITION LOOPS

With hundreds of businesses pursuing bold climate change solutions and countries updating national climate plans in advance of 2020, the opportunity for greater ambition abounds. No company or Government can rise to the climate challenge on their own. Public corporate commitments on climate action help demonstrate the economic case for ambitious climate policy, and Governments can build on the growing business leadership to enact stronger, more ambitious policies. These kind of 'ambition loops' - positive feedback loops in which private sector leadership and Government policies reinforce each other - are emerging around the world. In order to implement the Paris Agreement and to realize a net-zero future, we will need to mainstream ambition loops in every country for public-private sectors to continuously ratchet up climate action.



## UN GLOBAL COMPACT ENGAGEMENTS ON CLIMATE CHANGE

### PATHWAYS TO LOW CARBON AND RESILIENT DEVELOPMENT ACTION PLATFORM

The UN Global Compact's work on climate action is anchored in our "Pathways to Low Carbon and Resilient Development" Action Platform and the Caring for Climate initiative (a joint platform of the UN Global Compact, UN Environment and UN Climate Change). These multi-stakeholder platforms will help expand the alliance of leading companies and partner organisations to accelerate climate and development action locally in support of the Paris Agreement and the Sustainable Development Goals.

### UN CLIMATE ACTION SUMMIT 2019

UN Secretary-General António Guterres is convening the UN Climate Action Summit on 23 September 2019 to raise ambition to tackle climate change. The Summit will mobilize leaders from all sectors to accelerate ambition and demonstrate concrete progress towards global climate action. It will also challenge all stakeholders to boost national climate and development implementation. The UN Global Compact is driving business ambition and innovation to help ensure meaningful private sector contributions toward the Climate Action Summit.

## BUSINESS AMBITION FOR 1.5°C: OUR ONLY FUTURE

In the lead up to the UN Secretary-General's Climate Action Summit and beyond, the UN Global Compact is leading a communications and advocacy campaign — together with a strong network of partners representing business organizations and industry leaders — calling on companies to step up and commit to setting science-based targets aligned with limiting global temperature rise to 1.5°C above pre-industrial levels.

The campaign invites those visionary leaders who commit their companies to a 1.5°C target to be recognized at the UN Climate Action Summit in New York — emphasizing the implementable, scalable and replicable business solutions that will support a genuinely systemic transformation.

### GLOBAL IMPACT INITIATIVE

To deliver impact at scale, the UN Global Compact is working its business participants at the local level to generate behaviour change through a series of Global Impact Initiatives. **Target Climate 1.5°C** is focused on scaling up corporate climate action by raising awareness, showcasing a holistic approach to corporate climate action and supporting science-based target setting. This Global Impact Initiative will be complementary to the "Business Ambition for 1.5°C — Our Only Future" campaign and emphasize the importance of "ambition loops," or positive feedback loops between bold business leadership and bold Government policies. Ultimately, Target Climate 1.5°C aims to facilitate a just transition of our global economy to a net-zero future by 2050.

**BUSINESS  
AMBITION FOR 1.5°C**



**OUR ONLY  
FUTURE**

# CREATING A TIPPING POINT ON GENDER EQUALITY



**SUSTAINABLE  
DEVELOPMENT  
GOAL 5**

**ACHIEVE GENDER EQUALITY AND  
EMPOWER ALL WOMEN AND GIRLS**



ROBERT SKINNER, UNOP, WITH LISE KINGO, UN GLOBAL COMPACT, AND PHUMZILE MLAMBO-NGCUKA, UN WOMEN AT THE 2019 WOMEN'S EMPOWERMENT PRINCIPLES FORUM. PHOTO: © UN GLOBAL COMPACT/CHAE KHIN

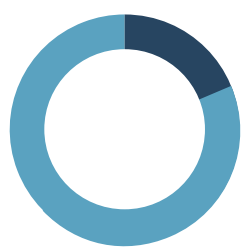
Gender equality and the empowerment of women and girls is essential to a wide range of 2030 Agenda objectives, including poverty reduction, promoting economic growth and labour productivity, enhancing health and education, strengthening resilience to disasters and ensuring more peaceful and inclusive communities.

Yet progress on gender equality is slower than expected. Women are still paid approximately 20 per cent less than men; only 130 countries have laws prohibiting sexual harassment in employment; and women spend an average of four hours and 25 minutes each day on unpaid work, such as caring for relatives or house work, more than three hours longer than men.

When it comes to advancing gender equality, business has an important role to play and much to gain. When women are empowered, economies grow and businesses thrive. Achieving 30 per cent female representation on corporate boards could add six percentage points to net margin and companies with the highest level of women on their executive teams are 21 per cent more likely to register above average profits than companies in the lowest levels. Companies with above-average diversity within their management teams have innovation revenue of 45 per cent, versus 26 per cent for those with below-average leadership diversity.

# WOMEN'S EMPOWERMENT: THREE TIPPING POINTS

The UN Global Compact has identified three key areas through which companies can expand gender equality in their organizations: women in leadership, workforce inclusivity and gender lens investing.



**80%**

**OF FOOD CONSUMED IN ASIA  
AND SUB-SAHARAN AFRICA IS  
PRODUCED BY AN ESTIMATED**

**500 MM**

**SMALLHOLDER FARMERS,  
MOST OF WHOM ARE WOMEN.**

## 1. WOMEN IN LEADERSHIP: ACHIEVING GENDER BALANCE

Women remain critically underrepresented in decision-making roles across business. Research shows that, compared to men, women are 22 per cent less likely to reach manager level or above and while the percentage of Fortune 500 female CEOs increased in 2018, only 33 Fortune 500 companies have female CEOs, or 6.6 per cent.

Increased commitment and action to increase women's business leadership is a key instrument for improving a company's financial performance. For example, when women fill 30 per cent to 39 per cent of boardroom seats, enterprises are 18.5 per cent more likely to have improved business outcomes. The potential positive impact of committing to women leaders goes beyond financial returns. Having women in top leadership positions can also drive sustainability performance and broader progress on the 2030 Agenda. Women's business leadership has also been shown to boost a company's environmental, social and corporate governance performance, leading to reduced greenhouse gas emissions, stronger worker relations, improved gender equality performance and reduced incidences of fraud and other unethical practices. Compared to organizations with all male leadership teams, organizations with at least one female senior leader have nearly three times the number of women on the fast track for promotion.

## 2. WORKFORCE INCLUSIVITY: MAKING THE FUTURE OF WORK, WORK FOR WOMEN

Female participation in the workforce lags today: women made just 39 per cent of the global labour force in 2018. As the landscape of work changes with the onset of the Fourth Industrial Revolution, driven by technology, and the shift to net-zero emissions, women face the risk of greater exclusion from the workforce. For example, 97 per cent of cashiers are expected to lose their jobs to automation and nearly two-thirds of cashiers (73 per cent) are now held by women. Women are also underrepresented in the fields expected to grow: they make up just 22 per cent of artificial intelligence professionals globally, a [industry] market expected to be worth more than \$190 billion by 2025. This gap extends to the growing green economy, which is expected to create 65 million new low-carbon jobs by 2030. Yet only about one third of hires in the renewable energy sector, for example, are women.

Business plays a crucial role in ensuring these workforce changes expand gender equality rather than widen the gender gap.

### 3. GENDER LENS INVESTING

One of the fastest growing segments of sustainable investing, gender lens investing is the third key impact area for business and an important driver of business gender equality performance. The term "Gender lens investing" (GLI) is one of the fastest growing segments of sustainable investing and involves deliberately incorporating a gender analysis into a financial analysis in order to get better outcomes for women and girls, taking into consideration their economic opportunities and social well-being. According to Veris Wealth Partners in New York City, the total assets of publicly traded securities being managed with gender lens investment criteria increased to \$2.4 billion in 2018, a 23-fold increase from \$100 million in 2014. Gender lens investors deliberately incorporate a gender analysis into financial analysis and target advancing women in leadership, increasing women's access to capital, securing gender equity and the well-being of women in the workplace to supporting development of products and services beneficial to women and girls and increasing access to capital for women entrepreneurs. Many emerging funds and indices focused on gender equality are guided by the Women's Empowerment Principles, a joint effort of UN Global Compact and UN Women.

Initiatives such as the Billion Dollar Fund, which aims to invest \$1 billion in companies founded by women by 2020, help women entrepreneurs, overcome barriers to starting and growing their businesses. In 2017, for example, women-founded companies in the United States received just 2 per cent of the \$85 billion invested by venture capitalists.

## UN GLOBAL COMPACT ENGAGEMENTS ON GENDER EQUALITY

### WOMEN'S EMPOWERMENT PRINCIPLES

In 2010, the UN Global Compact and UN Women introduced the Women's Empowerment Principles (WEPs), which laid down business policies and practices to level the playing field and create opportunities for women and girls. From equal pay for work of equal value, to zero tolerance for sexual harassment, to supporting and building relationships with women-owned businesses, the WEPs are guiding the transformation of workplaces and value chains around the globe. The principles have helped transform business policies, practices and approaches to create opportunities for women and girls. June 2019, more than 2,200 businesses have endorsed and begun implementing the seven Principles.

### GENDER GAP ANALYSIS TOOL

Grounded in the Women's Empowerment Principles, the Gender Gap Analysis Tool helps companies evaluate their gender performance across leadership, workplace, marketplace and community and pinpoint areas for intervention. Data aggregated from the WEPs tool provides insights on the current state of corporate performance on gender equality. With the Gender Gap Analysis Tool, companies can begin identifying their strengths, gaps and opportunities to improve their performance on gender equality.

### RING THE BELL FOR GENDER EQUALITY

The UN Global Compact, UN Women, Sustainable Stock Exchanges Initiative, International Finance Corporation, World Federation of Exchanges and Women in ETFs have worked together for the past five years on the "Ring the Bell for Gender Equality" events. More than 65 exchanges around the world have participated in these global bell ringing events. They bring attention to the private sector's pivotal role in advancing gender equality to achieve the Global Goals and raise awareness of the WEPs.

### GLOBAL IMPACT INITIATIVE

To deliver impact at scale, the UN Global Compact is working with its business participants at the local level to generate behaviour change through a series of Global Impact Initiatives. Through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue at the country-level, **Target Gender Equality** supports companies in setting and reaching ambitious corporate targets for women's representation and leadership across business and at all levels. It helps business to deepen implementation of the Women's Empowerment Principles and strengthen contributions to Sustainable Development Goal 5.5, which calls for women's full and effective participation and opportunity for leadership, including in economic life.





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# **GLOBAL COMPACT LOCAL NETWORKS**

# **MAKING GLOBAL GOALS LOCAL BUSINESS**

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**“Global change must be built from the bottom up. Companies engage with people — workers, unions, consumers, suppliers — at the local and country levels. This is where they interact with institutions and with natural resources.”**

AMINA MOHAMMED  
DEPUTY SECRETARY-GENERAL  
OF THE UNITED NATIONS

# GLOBAL COMPACT LOCAL NETWORK ACTIVITIES

Change happens locally. Small and medium-sized enterprises — accounting for more than 95 per cent of firms and creating the bulk of worldwide employment — predominantly operate in national markets. Even large multinational companies must adapt to local priorities and challenges, addressing the impact they have through local operations and subsidiaries. It is at the local and national levels that partnerships are built, projects are implemented and new solutions are put to use.

The United Nations Global Compact is uniquely positioned to accelerate country-level action and collaboration. Through its 67 Local Networks around the world, the Global Compact is working closely with more than 9,000 business and 3,000 non-business participants, and the numbers are growing every day.

## BUSINESS-LED, MULTI-STAKEHOLDER PLATFORMS

Global Compact Local Networks span both mature and emerging markets around the world. The strongest growth can be seen in some of the markets of the Global South, where the social and environmental pressures are most significant and where the need for accelerated action is the greatest.

Several Local Networks have been operating for more than a decade and are fully embedded in their local business community. Others are still in the early phases of defining a new national agenda around corporate sustainability and multi-stakeholder partnerships. The Local Networks are all business-led, multi-stakeholder platforms anchored in the Ten Principles of the UN Global Compact and uniquely positioned to advance the Sustainable Development Goals (SDGs).

Over the past few years, Local Networks have been building stronger governance structures and they have generally become much more resourceful, allowing them to support national implementation of the Global Goals in a strategic and systematic manner.



# SYSTEMATIC BUSINESS ENGAGEMENT

Global Compact Local Networks focus on five types of activities that consistently and systematically drive — at a national level — the implementation of the Ten Principles and business engagement on the Global Goals:

## 1. AWARENESS RAISING:

Helping Business Understand  
SDG Risks and Opportunities

## 2. CAPACITY BUILDING:

Mainstreaming a principle-  
based approach to the SDGs

## 3. RECOGNIZING

**LEADERSHIP:** Providing  
inspiration through Good  
Business Practices

## 4. POLICY-DIALOGUE:

Engaging Responsible  
Business on national SDG  
Action Plans and Policies

## 5. MULTI-STAKEHOLDER PARTNERSHIPS:

Facilitating collaboration  
and collective action

The five workstreams are closely connected and build on the outcomes of one another. Business interest in capacity-building activities, for example, requires companies to understand the Global Goals and the business opportunities involved. This understanding is often driven by the inspiration provided by leading companies. Further, business commitment and capacity on sustainable development is a prerequisite for effectively engaging companies in a public-private dialogue, which in turn helps build trust and lay the groundwork for multi-stakeholder partnerships and collective action.

**The UN General Assembly Resolution “Towards Global Partnerships” specifically recognizes “the important role that Global Compact Local Networks will play in supporting the implementation of the 2030 Agenda” and that Local Networks “provide an avenue for diffusing United Nations values and principles and facilitating partnerships with business on a broad scale.”**

(A/RES/70/224)

This chapter showcases how Local Networks around the world are engaging businesses and investors to implement the 2030 Agenda. It also shows how the different initiatives ultimately connect to the mission of the UN Global Compact: to activate a global movement of sustainable companies and stakeholders to create the world we want.

Over the course of the past 12 months, Local Networks have organized more than 1,770 workshops and events aimed at raising awareness and building capacity. In the process, the Local Networks have directly engaged with about 19,000 companies and through public-private partnerships, close to 1,180 companies. It is estimated that more than 175 policy dialogue initiatives were also set in motion, directly involving 3,182 companies in policy discussions with local government officials.

Featured here are examples from more than 40 countries and across the five systemic business engagements that illustrate the wealth and variety of initiatives that Local Networks are working on every day.







# AWARENESS RAISING

## HELPING BUSINESS UNDERSTAND SDG RISKS AND OPPORTUNITIES

Adapting the 2030 Agenda to countries, communities and people around the world begins with expanding awareness: among companies, local policy makers, investors, trade unions, civil society organizations, academic institutions, consumers and citizens in both developed and developing countries. Local Networks are uniquely positioned to bring to life the mobilization of a truly global movement of sustainable companies which can, in turn, help advance the Global Goals. It is with this ambition that, since 2015, the United Nations Global Compact has been running the Making Global Goals Local Business campaign. The campaign has already helped thousands of companies around the world acquaint themselves with the Global Goals and their relevance to business.

## RAISING AWARENESS ACROSS COUNTRIES, CULTURES AND LANGUAGES

Global Compact Local Networks are central to the Making Global Goals Local Business campaign and the broader awareness-raising activities of the UN Global Compact. While the Local Networks are business-driven, they have the capacity to convene relevant players from Government, the UN system, academia and civil society. Importantly, they are deeply embedded within the local community and connect with relevant organizations and individuals in the local language, with messages and tools adapted to the local culture and traditions.

Global Compact Local Networks reach companies through a variety of events and activities almost every day. These activities range from CEO roundtables — connecting Local Networks with businesses at the highest level — to more specialized conferences focusing on just one or several Global Goals to roadshows that reach companies throughout the country. An estimated 19,024 companies participated in one or more of the 840 SDG-related awareness-raising events and activities organized by the Local Networks in the past 12 months. In addition, Global Compact Local Networks are actively advocating for the Global Goals and relevant initiatives through traditional and social media, and other types of campaign initiatives. Through a variety of activities, Local Networks are hence not only rallying existing UN Global Compact Signatories around the Global Goals, but also reaching thousands of companies that have not yet made a public commitment to sustainability.

## **BELARUS** Established **2007** + **65** Companies

### National Forum on Sustainable Development - Building Consensus

The National Coordinator on the Implementation of the SDGs in Belarus collaborated directly with Global Compact Network Belarus to organize the first National Forum on Sustainable Development, held on 24 January 2019.

The Forum gathered more than 400 delegates, including representatives from various Ministries, United Nations agencies, civil society and the private sector. Following the Forum, consensus was reached on the best approach to pursue the SDGs collectively engaging different relevant stakeholders. It was agreed that any national regulations, programmes or initiatives targeting the country's development needed to be anchored in the Global Goals and the National Sustainable Development Strategy of the Republic of Belarus 2035.

Achieving the SDGs in Belarus will be guided by four core areas: green transition to inclusive and sustainable growth; focus on future generations; digital transformation and social innovation; and gender equality in society.

Panel discussions reflected this direction and tackled several topics, including sustainable economic growth as a prerequisite to ensure a high quality of life for the Belarusian people, environmental safety, sustainable use of natural resources, and access to high-quality healthcare, education and decent work. Special consideration was given to digitalization as a driver of economic growth and transforming the energy system for sustainable development. The Forum has helped set the stage for future SDG actions in Belarus.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 6

**AWARENESS  
RAISING ACTIVITIES**

# 50

**COMPANIES  
REACHED**

## **PARAGUAY** Established **2008** + **52** Companies

### Beating Plastic Pollution

On World Environment Day, Global Compact Network Paraguay and Supermarket Real Villa Morra, of the Riquelme Group, carried out a campaign to raise awareness about the negative impact from the use of plastics on the planet. The campaign consisted of two actions: providing reusable bags to supermarket customers and sharing key messages via social networks under the slogan #BeatPlasticPollution.

The reusable bags designed for the campaign were given to customers in exchange for their plastic bags on 5 June 2018 at the Real Villa Morra Supermarket. A press conference was held before the campaign to promote responsible consumption and encourage consumers to avoid the use of plastic bags.

The one-week digital campaign supported by important influencers and adapted for the local market, presented alarming statistics about the destructive consequences of plastic on the ecosystem. The campaign argued for regulation of plastic use as the only way to minimize its negative impact. In only six days, the campaign reached 34,025 people through Facebook and generated 2,741 comments, a significant reach in a country with only 7 million people.

Other initiatives held by Network Paraguay's Environmental Working Group in 2018 addressed environmental issues. Activities included presenting at the Green Investment Platform conference, which focused on attracting green investments to the country and tackling environmental issues found across a company's entire supply chain.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 21

**AWARENESS  
RAISING ACTIVITIES**

# 40

**COMPANIES  
REACHED**

### SDG Young Professionals Programme

Global Compact Network Netherlands established a SDG Young Professionals Programme in 2017 to mobilize young professionals to band together and inspire action on the SDGs directly through their employers.

These young leaders have developed various initiatives including the creation of an SDG game as a tool to raise awareness among company employees. The game, launched in October 2018 at the Annual Local Network Forum in Dubrovnik, Croatia, inspired other Local Networks around the world to adapt the model to their own countries.

Other notable initiatives included fundraising for and raising awareness on practical steps that can help beat food waste by targeting company employees and tapping into different youth networks. The Network is lending its expertise to other Local Networks as they launch their own country initiatives to mobilize youth leadership on the SDGs.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

**7****AWARENESS  
RAISING ACTIVITIES****250****COMPANIES  
REACHED**



**TUNISIA**Established **2015**+ **36** Companies

### Integrating the Ten Principles

In April 2018, Global Compact Network Tunisia held its second SDG Annual Forum with more than 110 participants from companies, civil society and United Nations organizations. The forum zeroed in on how the private sector in Tunisia can anchor themselves in the Ten Principles of the UN Global Compact as they work towards the SDGs.

The event promoted discussion on the implementation of the SDGs by companies in Tunisia and identified the challenges unique to the Tunisian context. An outcome of the Forum was the development of specific guidelines for SDG implementation in Tunisia, rooted in the Ten Principles.

Using the insights gained during the Forum, Network Tunisia will continue to create initiatives helping companies examine their own operations and pinpoint the actions necessary to carry out the SDGs. It will also encourage regular peer-learning opportunities, best practices and partnerships among Tunisian companies.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

**4**
**AWARENESS  
RAISING ACTIVITIES**
**100**
**COMPANIES  
REACHED**


**SRI LANKA**Established **2011**+ **32** Companies**Restoring Biodiversity and Stimulating a National Dialogue on Climate Change**

In Colombo on 31 July 2018, Dilmah Conservation, working in collaboration with Global Compact Network Sri Lanka and Biodiversity Sri Lanka, began a national dialogue on the threats, responses and opportunities surrounding climate change.

The event featured Sri Lankan and international speakers from Government, the private sector and academia. The focus of discussion emphasized addressing the predicted impact climate change will have on Sri Lanka. It showcased ways for businesses and individuals to adapt and explored innovative solutions being developed by entrepreneurs and start-up communities.

The inaugural Forum presented forecasts for the next three decades and options for building resilience. It emphasized solutions for the

adoption of green city planning, renewable energy sources, climate-smart technologies and policies for the agricultural sector. It also addressed the urgent need to restore Sri Lanka's ancient cascade system to offset the deterioration of the local environment.

Though previously published in scientific journals, the information had not been widely disseminated within the private sector prior to the national dialogue. Another important outcome of the event was the launch of a series of follow-up lectures and brief sessions in 2018 on various scientific aspects of climate change. The intent moving forward is to hold monthly sessions hosted by Network Sri Lanka and Biodiversity Sri Lanka, to expand the national dialogue on climate change and to build on existing momentum.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****3****AWARENESS  
RAISING ACTIVITIES****40****COMPANIES  
REACHED****JAPAN**Established **2003**+ **274** Companies**Mainstreaming the SDGs in Business: 2018 Survey Results**

Over the past three years, Global Compact Network Japan and the Institute for Global Environmental Strategies (IGES) have jointly investigated the awareness and efforts of Network Japan member companies and organizations on the SDGs by conducting a survey. The latest report summarizing the results, Mainstreaming the SDGs in Business: Actions by Companies and Organizations in Japan, includes the results of the 2018 SDG survey and that of another survey focused on diversity management. The latter survey was carried out with the cooperation of the WE EMPOWER programme, which is supported by the European Union, UN Women and ILO.

The results of the 2018 survey revealed that Network Japan members have made progress in integrating the SDGs into their core business. For example, the level of awareness on the SDGs among top management increased by 23 percent to 59 percent in one year as well as a noted rise in the number of companies focusing on the implementation phase.

Regarding relevant SDG topics, diversity management and women's advancement are seen to be tackled by most Network members, followed by responsible procurement and SDG reporting. The survey on diversity management found that key challenges in Japan were systemic gender inequalities in the workplace, unconscious bias and limited efforts to address these issues as companies often only rely on corporate legal compliance. Some leading companies have integrated women's advancement into diversity for innovation and pushed for diversity management through work-style reforms, for both women and men. An English-language version of the full report will be issued by Network Japan in late 2019 for public dissemination.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****7****AWARENESS  
RAISING ACTIVITIES****350****COMPANIES  
REACHED**

**INDONESIA**Established **2006**+ **52** Companies**World Water Day Celebration 2018**

Global Compact Network Indonesia and UNESCO Jakarta co-organized an event to celebrate World Water Day 2018 on 4 April. The event brought together water experts, policy makers from Government and non-governmental organizations, private sector members, researchers and students for an interactive exchange of views.

The event launched UNESCO's World Water Development Report (WWDR) 2018, Nature-Based Solutions for Water, which was officially presented to the Government of Indonesia. The report gives policy and decision-makers — within and outside the water community — information on how to better manage water resources and how access to water supplies and

sanitation services are essential to overcoming poverty and addressing various social and economic inequities.

More than 80 participants attended the half-day event held at the Atma Jaya Catholic University of Indonesia, in Jakarta. The event created a platform for discussion on water education needs for Indonesian businesses in the context of reducing negative impacts on human well-being and the natural environment.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****23****AWARENESS  
RAISING ACTIVITIES****150****COMPANIES  
REACHED****RING THE BELL FOR GENDER EQUALITY**

In celebration of International Women's Day, more than 80 stock exchanges around the world joined 46 Global Compact Local Networks, the Sustainable Stock Exchanges initiative, UN Women, the International Finance Corporation, World Federation of Exchanges, and Women in ETFs (exchange-traded funds) to "Ring the Bell for Gender Equality". The series of market opening or closing bell-ringing events drew attention to the critical role businesses and markets can, and must play, in closing the gender equality gap.

As a result of the partnerships, 14 stock exchanges took the additional step of signing the CEO Statement of Support for the Women's Empowerment Principles, outlined by the UN Global Compact. Paul Polman, Vice Chair of the United Nations Global Compact Board and SDG Advocate, took part in the bell-ringing event hosted by the Indonesia Stock Exchange, and organized by Global Compact Network Indonesia, on 13 March.



## EGYPT



Established **2004**

+ **65** Companies

### Business for Peace Annual Event (B4P)

Under the auspices of Egypt's Ministry of Planning, Global Compact Network Egypt hosted the fifth edition of the Business for Peace Annual Event (B4P) on 7 - 8 November at the historic Marriott Mena House Hotel in Cairo. The event was held in collaboration with the United Nations Peacebuilding Support Office, the International Organization for Migration, the United Nations Children's Fund, the United Nations Information Centre in Cairo and the Principles for Responsible Management Education, an initiative of the United Nations Global Compact.

Within the context of how socially responsible businesses can set the stage for a better future, the event attracted 300 people including multinational corporations, small and medium-sized enterprises, business associations, Government, United Nations officials, NGOs, Local Networks and, academia. The event's aim

was to motivate and expand the Business for Peace (B4P) community by sharing experiences, emerging practices and learning. The emphasis was on moving beyond anecdotal examples to systemic solutions. It called for private sector contributions and partnerships to achieve the SDGs while sustaining peace. The event also highlighted the private sector's role in developing solutions in humanitarian crises and complex emergencies, particularly for people impacted by conflict.

The two-day event featured numerous thematic sessions. These included empowering women as agents of peace; promoting entrepreneurship to sustain peace; empowering migrants and their host communities in Egypt to promote community cohesion, tolerance and diversity; and the private sector's contribution to support interfaith understanding.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 8

**AWARENESS  
RAISING ACTIVITIES**

# 452

**COMPANIES  
REACHED**



## CROATIA



Established **2007**

+ **26** Companies

### Conference on Investing in Sustainability

On 16 April 2019, Global Compact Network Croatia, the Croatian Employers' Association and Deloitte Croatia organized the Investing in Sustainability conference. The event gathered more than 100 participants from companies in central Europe, Local Networks from the Russian Federation and Portugal, and the Croatian Ministry of Environmental Protection and Energy as well as the Ministry of Economy, Entrepreneurship and Crafts.

The conference zeroed in on investments in sustainability and the various approaches. Local and global experts participated in a panel discussion on the emergence of green bonds, which led to an article in the national business weekly and extended awareness of sustainable investing in the country.

The event also offered a practical session on the importance of non-financial reporting. Led by Network Croatia, the session laid out the progress made by companies and presented the UN Global Compact's and the Global Reporting Initiative (GRI)'s new guidance on SDG reporting.

This segment was particularly relevant as investors and other stakeholders pay greater attention to non-financial data. According to Network Croatia, there is room for improvement even as more companies regularly report on their non-financial data. The session demonstrated that non-financial reporting is not a burden, but can benefit a company by shaping a more robust internal system of strategic management; improve its market position, enhance its reputation among stakeholders, improve relationships with local communities and create greater transparency.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 3

**AWARENESS  
RAISING ACTIVITIES**

# 100

**COMPANIES  
REACHED**

**BULGARIA**Established **2003**+ **20** Companies**NORTH MACEDONIA**Established **2004**+ **8** Companies**SDG Business Forum**

As a joint initiative between Global Compact Local Networks in Bulgaria and North Macedonia, a conference, Global Objectives for Local Sustainability, was held on 14 March 2019 in Skopje. The conference highlighted efforts made in the Bulgarian private sector to align business operations with the SDGs. This event was the culmination of a European Union-funded project, Building Cross-sector Partnerships for Sustainable Development in North Macedonia.

The Forum brought together leading companies from North Macedonia, the Economic Chamber of Macedonia, civil society organizations and Global Compact Network UK. Also attending were Nicola Bertolini, head of cooperation at the Delegation of the European Union to the Republic of North Macedonia; Deputy Minister of Foreign Affairs Andrej Zernovski and Benjamin Perks, UNICEF Representative to North Macedonia.

Bertolini stressed the European Union's commitment to actively support the country's successful implementation of the SDGs. "The EU is strongly committed to the SDGs and we hope, through our help, to build good cross-sector partnerships, thus spreading the awareness on the debates concerning education and the environment. What we are trying to do is turn the Global Goals into local solutions that can respond to dynamic societal changes and people's expectations," he added.

The cooperation between the two Local Networks helped lay down a significant cross-sector dialogue and promote ongoing cross-sector partnerships for sustainable development. A tangible output of the joint initiative is a manual, drafted by Network Bulgaria, on the implementation of the SDGs within the Bulgarian context and a compilation of good practices to be shared with North Macedonia and other Local Networks in the region.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)**

Bulgaria

North Macedonia

**7****AWARENESS  
RAISING  
ACTIVITIES****7****AWARENESS  
RAISING  
ACTIVITIES****50****COMPANIES  
REACHED****50****COMPANIES  
REACHED****DRC**Established **2017**+ **27** Companies**Promoting Women's Empowerment Principles in the Democratic Republic of the Congo**

Together with Élan RDC, UN Women and Global Compact Network DRC, the first edition of the Women Drive Growth workshop was held in Kinshasa on 5 October 2018. The event explored how expanding women's economic participation would improve Kinshasa's economy. After the session, 10 companies expressed interest in signing onto the Women's Empowerment Principles (WEPPs) and joining the UN Global Compact.

Network DRC recognizes the value of promoting the Ten Principles and the SDGs among different stakeholders. This initiative has raised awareness of the private sector's crucial role in contributing to sustainable development and empowering women. Network DRC aims to develop in the future strong partnerships with academic institutions to help forge future leaders who understand the value of aligning business practice with the SDGs.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****6****AWARENESS  
RAISING ACTIVITIES****23****COMPANIES  
REACHED**



## ARGENTINA



Established **2004** + **226** Companies

### Aligning Business Models with the SDGs

Global Compact Network Argentina, collaborating with UNDP and the National Council of Social Policy Coordination, launched a report, Contributions of UNGC Argentinian Companies to the SDGs at a September 2018 event which attracted more than 250 people. The report aimed to showcase the contribution UN Global Compact companies in Argentina have made towards the SDGs. Its findings were based on a thorough assessment of the Communication on Progress reports of more than 60 companies. The assessment sought to answer the following four questions:

1. How many and which Argentinian companies report on their contribution to the SDGs?
2. What reporting tool is most commonly used by these companies?
3. What are the most reported-on SDGs?
4. Which sectors in Argentina seem to be most engaged in contributing to the SDGs?

Key findings from the small sample revealed that while all companies made explicit mention to the SDGs, the majority of reporters, 86 per cent, were large companies as opposed to SMEs. The SDGs most commonly covered were Goal 4 (Quality Education); Goal 7 (Affordable and Clean Energy); Goal 8 (Decent Work and Economic Growth); Goal 12 (Responsible Consumption and Production); and Goal 13 (Climate Action) with the telecommunications, automotive and food sectors leading efforts in Argentina.

At the event, Gabriela Agosto, Executive Secretary of the National Council for the Coordination of Social Policy, said, "We are convinced that good results depend on the synergies and involvement of all actors ... we celebrate the publication of the report and find in the UN Global Compact the best ally to spread this agenda among the Argentine business sector."

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 40

**AWARENESS  
RAISING ACTIVITIES**

# 2,000

**COMPANIES  
REACHED**







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# CAPACITY BUILDING

## MAINSTREAMING A PRINCIPLES-BASED APPROACH TO THE GLOBAL GOALS

Global Compact Local Networks are the primary channel for the UN Global Compact to support continuous learning and improvement in the thousands of companies currently signed up as participants to the initiative. Over the past year alone, Local Networks organized about 930 activities and events aimed at building capacity in nearly 6,800 companies. Networks from Australia to Argentina were running task forces and working groups on SDG-related challenges and issues, helping develop, translate and promote tools and resources for local business communities. All Local Networks work with companies participating in the UN Global

Compact to support them in meeting their annual reporting requirement — a document known as the Communication on Progress. Support is offered through various initiatives, including individual coaching sessions and peer reviews for exchanging knowledge. The Local Networks tailor their support based on the size and sector of the company. Capacity building is crucial to supporting companies as they implement their commitments and make their operations and value chains more sustainable. At the same time, building these competences is a precondition for effective dialogue and partnerships with Governments and other stakeholders.

**VIETNAM**Established **2007** + **12** Companies**Eco-Climate Action Training Workshop for the Textile Industry**

In October 2018, Global Compact Network Vietnam, Global Compact Network Germany, Vietnam Chamber of Commerce and Industry, World Wide Fund for Nature (WWF) Vietnam and WWF Germany joined forces to develop and organize an Eco-Climate Action Training workshop. The event aimed to spark concrete actions within the textile industry in Vietnam. Five German fashion brands and the workshop organizers mobilized about 80 participants from 30 supplier factories to attend a two-and-a-half day training in Ho Chi Minh City. The training was delivered by Systain Consulting of Germany and financed by Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), a German development agency, on behalf of the German Federal Ministry of Economic Cooperation and Development.

According to a Vietnamese study, the country's energy efficiency could be improved by 20 per cent with little or no investment. The workshop highlighted channels for energy optimization, including financing models for solar equipment and climate mitigation activities, such as greenhouse gas accounting, setting targets for greenhouse gas reduction; energy efficiency and renewable energy sources. Practical guidelines for a textile factory were introduced and applied during working sessions, with input from the five German fashion companies on their own climate and emission reduction strategies.

A post-workshop survey indicated 83 per cent of the participants found the training relevant for their current activities; 87 per cent considered their general participation useful; and 88 per cent said it raised their awareness of climate and energy issues.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****1****CAPACITY BUILDING  
ACTIVITIES****80****COMPANIES  
REACHED****LEBANON**Established **2015** + **118** Companies**Inclusion of People with Disabilities Initiatives**

In partnership with ShareQ, a nonprofit organization focused on social innovation in Lebanon, Global Compact Network Lebanon launched an online platform — ProAble — to connect employers with potential employees with physical, social or financial disabilities. Company human resource (HR) and recruitment departments are tapping into the platform, which now houses 145 registered companies and 203 candidates searching for employment.

In addition, Network Lebanon hosted an HR training workshop to deliver a comprehensive educational experience on people with disabilities in the Lebanese workplace. Using the human rights and labour areas of the Ten Principles of the UN Global Compact and Goal 10 (Reduced Inequalities) as an anchor, this workshop drew HR managers from leading companies in Lebanon to discuss including people with disabilities in the Lebanese workforce. The workshop's first

segment centered on dismantling stereotypes while the second segment introduced practical guidelines to accommodate a person with a hearing or visual impairment or a physical disability in the workplace.

Network Lebanon also joined forces in 2018 with the Office of Information Technology at the American University of Beirut to support the Accessibility for a Bolder Learning Experience (ABLE) initiative. This initiative aims to increase the retention and success rates of students with disabilities and to support their readiness for life after university. It helps the students by expanding their access to campus-wide IT resources. As a first step, Network Lebanon brought representatives from government and the private sector to the table for policy dialogues. Part of the initiative's launching event, the dialogues aimed to improve access to basic rights for people with disabilities.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****10****CAPACITY BUILDING  
ACTIVITIES****200****COMPANIES  
REACHED**

**KENYA**Established **2007**+ **123** Companies

### Business and Human Rights Peer-Learning Workshop

The Office of the United Nations High Commissioner of Human Rights in partnership with Global Compact Network Kenya, organized a two-day Business and Human Rights Peer Learning workshop on 22 - 23 January 2019. It aimed to help companies in Kenya learn about the UN Guiding Principles on Business and Human Rights. About 40 participants from the private sector, including the agriculture, logistics, financial services, ICT and mining industries, attended the two-day workshop.

The workshop equipped participants with practical knowledge on how to begin implementing the Guiding Principles and align their business practices. In addition, the workshop gave participants an opportunity to discuss their role

within the country's National Action Plan (NAP) on Business and Human Rights. Githu Muigai, a member of the UN Working Group on the issue of human rights and transnational corporations and other business enterprises, briefed companies on how they can use the country's NAP to make the Guiding Principles a reality in their day-to-day operations. Kenyan participating businesses were then able to deliver their input to the Kenya NAP and commit to carrying out human rights due diligence activities.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

**10****CAPACITY BUILDING  
ACTIVITIES****40****COMPANIES  
REACHED**



## GERMANY

Established 2004 + 445 Companies

### Human Rights Coaching in Ethiopia, Ghana and Tunisia

In 2018, Global Compact Network Germany carried out a series of pilot trainings on business and human rights in Ethiopia, Ghana and Tunisia. These trainings used the backdrop of the German government's National Action Plan: Implementation of the UN Guiding Principles on Business and Human Rights, adopted in 2016.

Given that some of the key human rights challenges for German businesses are related to their supply chains, these trainings were aimed at suppliers and subsidiaries of German companies as well as local businesses in Ethiopia, Ghana and Tunisia.

As part of the training, participants learned about developments and relevant frameworks in the field of business and human rights (including the Ten Principles, the SDGs, and the Guiding Principles), and discussed implications for their own business operations and supply chains. They were given practical tips and tools on how to start developing a human rights approach while securing the business benefits of enhanced social sustainability. In Tunisia, the training, along with a workshop bringing together various stakeholders working on corporate responsibility, was organized in close cooperation with Network Tunisia.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 50

CAPACITY BUILDING  
ACTIVITIES

# 400

COMPANIES  
REACHED



## PANAMA

Established 2002 + 51 Companies

### Gender Equality is Good Business

In line with Panama's National Strategic Plan 2030 and its intent to achieve gender equality and empower all women and girls, the country's Ministry of Labor and Labor Development (MITRADEL) announced in 2018 the local roll-out of UNDP's Gender Equality Seal.

Rooted in the 2030 Agenda and meant to rally the private sector and public institutions, the Seal is being rolled out through MITRADEL, with the collaboration of the Ministry of Commerce and Industries, the National Institute for Women (INAMU) and UNDP.

The Gender Equality Seal aims to establish a model for gender equality for companies and organizations across the country while increasing competitiveness and eliminating gender gaps. The Seal would be granted to companies and organizations with, for example, evidence of balanced participation between women and men in decision-making areas and established criteria that allows for equitable assessment and compensation for the work performed by women and men.

To support the national initiative and leverage the training it received from the ministry, Global Compact Network Panama organized a series of workshops to adequately prepare companies for the Seal. The workshops shed light on the Government's aspirations for companies and focused on promotion of the Women's Empowerment Principles (WEPs), a joint initiative of UN Women and the UN Global Compact, to help companies pinpoint the gender gap in their workplaces and ways to adopt good practice. The WEPs Gender Gap Analysis Tool was used to help companies assess their gender equality performance.

The workshops also highlighted the work of various initiatives held in Panama on Goal 5 (Gender Equality) and provided a platform for peer learning and exchange. Since 2018, nearly 100 companies have benefited from Network Panama events that emphasized the WEPs. Companies increased their understanding of their own internal gender gaps, the tasks needed to bring them in line with state priorities, and various alliances available in Panama to spark joint action on gender equality.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 15

CAPACITY BUILDING  
ACTIVITIES

# 60

COMPANIES  
REACHED

### Peer Learning Group on Human Rights

Since 2018, Global Compact Network Denmark has run a Peer Learning Group on Human Rights and Business with more than 80 participants. The group continues to grow in numbers as well as enthusiasm. Since its launch, it has benefited from workshops that build members' capacity to develop and implement human rights policies, conduct due diligence and impact assessments, and report on their progress. At the sessions, participants collaborate with expert member organizations, such as the Danish Institute for Human Rights and the law firm Kromann Reumert.

A core feature of the Peer Learning Group is the exchange of best practices, challenges and experiences in implementation of human rights. Smaller group discussions smooth the way for companies to benefit from peer learning in an open and transparent fashion. The group also provides a collaborative space where members can co-create initiatives and feed their input directly to an advisory group made up of Network Denmark members.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

**12****CAPACITY BUILDING  
ACTIVITIES****150****COMPANIES  
REACHED**

### Capacity-Building on Non-Financial Reporting

Throughout 2018, Global Compact Network Guatemala gathered companies to training workshops to help them develop a Communication on Progress in line with their commitment to the UN Global Compact. The training shed light on the benefits companies derive from gathering sustainability data and tracking their progress towards implementing the Ten Principles and the SDGs. They were designed to accommodate companies' varying levels of understanding and maturity in non-financial reporting, which remains relatively new in Guatemala.

The workshops challenged company representatives to gain a better understanding of what exactly sustainability signifies and its added value for business, along with how to measure and report on impact. The training led to better quality reports with an increased level of ambition among Network Guatemala participating companies.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

**2****CAPACITY BUILDING  
ACTIVITIES****44****COMPANIES  
REACHED**



**CANADA**Established **2013**+ **64** Companies**Sustainability Reporting Peer Review Programme**

In 2018, Global Compact Network Canada hosted the seventh session of its Sustainability Reporting Peer Review Programme. This initiative helps companies compare and improve their corporate sustainability reports and receive qualitative feedback from their peers. In place since the inception of Network Canada in June 2013, the programme is one of the Network's most popular.

The peer-review exercise included an assessment template with a set of guiding questions for each group member to use in evaluating their peers. Network Canada encourages honest, critical and to-the-point feedback while conducting the reviews. At a roundtable discussion

that ended the programme held from July to September, participants shared their reporting challenges and successes and exchanged tips. All participants recognized the benefits of the peer-review exercise. Network Canada plans to embed the SDGs into the programme in future years as a way to improve sustainability reporting and transparency in Canada.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****9****CAPACITY BUILDING  
ACTIVITIES****100****COMPANIES  
REACHED****CHILE**Established **2007**+ **76** Companies**Intercultural Communication as a Way of Diminishing Cultural Disparities**

On 5 June 2018, Global Compact Network Chile organized a workshop on intercultural communication with the International Organisation for Migration (IOM). The session aimed to raise awareness of racism and discrimination in Chilean society and the workplace and show how intercultural communication can be used as a tool for companies and society to overcome these societal challenges.

After a brief presentation on the migratory landscape in Chile, the IOM focused on stereotypes and the different forms of discrimination faced by migrants in Chile and around the world. The IOM speaker emphasized how intercultural com-

munication can be used to challenge prejudices and promote cultural diversity. Illustrations of various forms of positive communication and ways to leverage culture as an interactive process were presented. The workshop showed how companies can welcome and integrate migrant workers and promote a work environment based on intercultural communication. Through the use of practical exercises, UN Global Compact participants in Chile began to understand that migration, whether on a national or international scale, and discrimination are universal experiences that most people live or witness at some point in their lives.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****15****CAPACITY BUILDING  
ACTIVITIES****40****COMPANIES  
REACHED**



## BRAZIL



Established 2003

+ 535 Companies

### Tackling Corruption through Collective Action

In 2018 Global Compact Network Brazil brought together business participants, government representatives and civil society actors to gauge ongoing corruption challenges and explore how they can be effectively remedied. The group identified a Collective Action initiative for the construction sector, which had been embroiled in the country's biggest corruption scandal.

Network Brazil, along with the Ethos Institute, carried out a dialogue with the four largest Brazilian construction companies. The dialogue led to, among other achievements, the development of a learning tool outlining sector-specific guidance on reducing corruption risk. Called Integrity in the Construction Sector: Discussing the Challenges and Proposing Solutions to the Industry, the learning tool contains a public statement from large construction companies acknowledging past misconduct and affirming their commitment to improved compliance

standards, both individually and collectively. The tool is a critical first step in establishing a principles-based Collective Action initiative for the construction sector.

Laying out a compilation of 13 scenarios, the learning tool captures the operational, legal and reputational risks that companies may face in their daily operations and outlines strategies to mitigate and overcome the risks. Network Brazil also developed a robust Roadmap Report, which outlines a path for continuity in implementing a principles-based Collective Action initiative in the construction industry.

Network Brazil continues to promote dialogue between businesses, government and civil society members to improve the business landscape, and mobilize strategic partners towards concrete action on anti-corruption.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 28

CAPACITY BUILDING  
ACTIVITIES

# 700

COMPANIES  
REACHED



## SWITZERLAND



Established 2011

+ 128 Companies

### Peer Learning on Sustainable Supply Chain Management

In 2019, Global Compact Network Switzerland launched a Peer Learning Group on Sustainable Supply Chain Management. This group is an initiative of Network Switzerland and öbu - Swiss Business Council for Sustainable Development. About 15 to 20 companies meet quarterly at a participating company to share their challenges and good practices.

The sessions are organized and held by Network Switzerland and öbu, along with one

or more participating companies. Participants fully define the initiative by shaping the agenda, timeline and topics. Past topics have included exploring how companies carry out human rights risk assessments in the supply chain; measures companies take to evaluate and develop their suppliers; standards systems; and labels that can be used for sustainable supply chain and procurement processes. Topics change with the evolving needs of participants and are anchored in the creation of solutions.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 19

CAPACITY BUILDING  
ACTIVITIES

# 150

COMPANIES  
REACHED

**USA**Established **2007**+ **379** Companies**Gender Equality and the Future of Work**

Global Compact Network USA has developed various programmes to support the advancement of Goal 5 (Gender Equality). In December 2018, Network USA hosted a half-day regional peer learning event to discuss gender equality and the future of work in the United States. Held at the Gap headquarters in San Francisco, the event attracted more than 100 representatives from participating UN Global Compact companies.

Management consultants McKinsey & Company set the stage with an engaging presentation on the state of women in corporate America based on their annual Women in the Workplace study. The study is conducted with the women's organization Lean In. The study reports that companies are highly committed to gender diversity, but the commitment has not translated into meaningful progress. Women continue to be vastly underrepresented at every level of corporate America.

Next, a lively corporate panel explored the many ways in which business can act to promote gender equality in the workplace, marketplace and community. UN Global Compact participating companies and UN Women discussed a variety of topics: the impact of office culture on gender, diversity and inclusion; the treatment of women in global supply chains; how companies are addressing the #MeToo movement; and the importance of the Global Goals in achieving gender equality.

Representatives from Network USA and the UN Global Compact closed the event with a workshop on the Women's Empowerment Principles Gender Gap Analysis Tool, a business-driven tool designed to help companies from around the world assess gender equality performance.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****7****CAPACITY BUILDING  
ACTIVITIES****230****COMPANIES  
REACHED****NICARAGUA**Established **2014**+ **17** Companies**Social Responsibility and Sustainability for the Renewable Energy Sector**

In 2018, Global Compact Network Nicaragua organized a series of workshops titled Social Responsibility and Sustainability for the Renewable Energy Sector in Nicaragua: Fundamental Matters of CSR, Guiding Principles of the United Nations and the SDGs. The workshops were held in Managua, Matagalpa and León.

Companies, Government, NGOs, academia and research institutes, participated in workshops discussing renewable energy sources, namely hydroelectric, wind, biomass, geothermal and

photovoltaic energy generation. Attendees also participated in training sessions about the UN Guiding Principles for Business and Human Rights and the SDGs.

Small and medium-size enterprises (SMEs) in attendance notably expressed the necessity to reinforce partnerships among multiple stakeholders in order to strengthen sustainability within operations amidst the challenges in implementing human rights related practices.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****4****CAPACITY BUILDING  
ACTIVITIES****88****COMPANIES  
REACHED**



## COLOMBIA



Established 2009

+ 337 Companies

### The Integrity Week

In partnership with Alliance for Integrity, Global Compact Network Colombia over the past two years has rolled-out several initiatives promoting the Tenth Principle of the UN Global Compact on anti-corruption as well as Global Goal Target 16.5: substantially reduce corruption and bribery in all its forms. The target is part of Goal 16 on Peace, Justice and Strong Institutions. The alliance is a business-driven, multi-stakeholder initiative aiming to promote transparency and integrity in the economic system.

In October 2018, the partnership led to the launch of The Integrity Week Colombia, during which corruption prevention trainings were held specifically for small and medium-sized enterprises. Participants gained practical

insights and guidance delivered by company compliance experts.

During the week, the Alliance for Integrity launched the Alliance Integrity App, a self-diagnostic tool for all types of business organizations. The digital tool helps businesses assess issues of integrity and transparency and identify any internal gaps. At least 80 company representatives of various sectors attended an event to promote its use. Representatives from Government and The United Nations Office on Drugs and Crime, another strategic ally of the Local Network in its fight against corruption, also were present.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 33

CAPACITY BUILDING  
ACTIVITIES

# 100

COMPANIES  
REACHED



## TURKEY



Established 2002

+ 139 Companies

### Advancing Human Rights through Business CEO Roundtable

In collaboration with the UN Country Team, Global Compact Network Turkey in 2018 organized two CEO roundtables: Human Rights in Business and The Integration of Refugees and the Role of Business. The roundtables aimed to help businesses apply a principles-based approach to the SDGs and examined the integration of human rights into the Turkish business environment. The events also forged recommendations for subsequent steps on the road ahead. Inclusion, especially of women and youth, was a core issue for all sectors. The top executives also agreed businesses need to push for advances in equality for employees.

Some of the key learnings of the roundtables:

- Complex problems cannot be solved without inputs from CEOs
- Cooperation and communication among CEOs can change corporate practices for the better
- Multinational companies must share good practices and expertise in Turkey
- The private sector should use partnerships and dialogue to cooperate and heighten awareness of human rights and assume collective responsibility for their social impacts
- Businesses need to move beyond legal requirements on human rights issues and set long-term goals, anchored in corporate sustainability strategy

These roundtables have sparked dialogue among top leaders from a variety of sectors in Turkey. Network Turkey envisions the high-level platforms will ignite collective action on human rights across the country, and potentially, in the region.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 16

CAPACITY BUILDING  
ACTIVITIES

# 35

COMPANIES  
REACHED

3



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# RECOGNIZING LEADERSHIP

## PROVIDING INSPIRATION THROUGH GOOD BUSINESS PRACTICES

Companies look for inspiration within their country and industry on how to take their business to the next level. Recognizing and promoting good sustainability practices is thus a key strategy Local Networks can use to engage companies not yet fully committed to the Global Goals and accelerate the corporate sustainability movement.

Many Global Compact Local Networks recognize good business practices that contribute

to the achievement of the Global Goals, helping to shine a light on the efforts made by entrepreneurs and companies alike. This includes developing and promoting hundreds of case studies and business solutions through publications, newsletters, websites, panels, documentaries and other media. Over the past year, Local Networks have collectively showcased inspiring practices from more than 1,600 companies, contributing to a rich database of local learnings on sustainability.



## PAKISTAN



Established 2005

+ 41 Companies

### Connecting the SDGs with Sustainable Business Growth

Global Compact Network Pakistan hosted more than 40 companies at their Annual Business Sustainability Forum in January 2019. The Forum gave Pakistani companies a mechanism - through interactive panel discussions and case studies - to show how their internal operations are being aligned with the Ten Principles and the SDGs.

Other presentations included a demonstration of the application of blockchain technology (HireLabs Inc.) to promote SDG 4 (Quality Education); using information technology (Integration Xperts) to transform health care management in the public and private sectors and promote SDG 3 (Good Health and Well-Being); and empowering youth (Leisure Leagues Pakistan) in low-income

areas in Karachi by increasing their employability and promoting SDG 4 and SDG 5 (Gender Equality). UN Global Compact companies also detailed the challenges and successes they have encountered when carrying out their SDG initiatives.

An immediate outcome of the Forum was the creation of the Local Network's SDGs Champions Club. The club, which already has 30 companies, will help business replicate good practices and apply the SDGs in various industries. To follow these companies' progress and accompany them on their journey, Network Pakistan is rolling out a series of training programs on SDG implementation adapted to the local context.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 3

COLLECTION OF  
GOOD PRACTICE  
INITIATIVES

# 9

COMPANIES  
INVOLVED



## FRANCE



Established 2005

+ 1146 Companies

### Identifying Ambassadors for Sustainability

Tour de France PME, the roadshow Global Compact Network France launched in 2016 to heighten awareness of sustainable business practices among small and medium-size businesses (SMEs), is evolving. During 2018 and 2019, Network France identified 15 local ambassadors among the most active UN Global Compact SMEs in France. Their mission is to expand awareness - within their own networks of influence - of the importance of corporate social responsibility issues, the UN Global Compact and the SDGs.

The ambassador initiative, resulting directly from the roadshow, aims to pull in the smaller companies that make up the majority of the private sector in France. Their participation is critical to boost the French private sector's contributions to the achievement of the SDGs. The ambassadors are creating a space in which responsible business practices in different regions around the country can be replicated and taken to scale. By using information hubs, regular meetings and special sessions, ambassadors are keeping the roadshow alive and amplifying its efforts to reach even more companies.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 1

COLLECTION OF  
GOOD PRACTICE  
INITIATIVES

# 23

COMPANIES  
INVOLVED



## CHINA



Established 2011

+ 244 Companies

### 2018 China Business Summit for SDGs

Global Compact Network China hosted the 2018 China Business Summit for the SDGs in Beijing with the theme, New Era, New Momentum and New Development. This summit showcased the Chinese business community's active response to the 2030 Agenda. It featured keynote speeches, forums, exhibition boards and best practice awards with an emphasis on leveraging technology to achieve sustainable development.

Gathering China's largest companies, the summit highlighted key themes such as sustainable supply chains, corporate compliance management and new economic development. The summit provided an arena to recognize best practices, spread stories of achievement and smooth the way for peer learning among Chinese enterprises as they implement the SDGs.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 1

COLLECTION OF  
GOOD PRACTICE  
INITIATIVES

# 40

COMPANIES  
INVOLVED



## GEORGIA



Established 2016

+ 15 Companies

### Business for the SDGs - Recognizing Good Practice

For the second time in Tbilisi, Georgia, a CSR Award Ceremony was held as a joint initiative of Global Compact Network Georgia and the Civil Development Agency. More than 160 participants from the private sector, Government, diplomatic corps, civil society and academia attended the 2 May 2019 event.

Carl Hartzell, Ambassador of the EU to Georgia; Ekaterine Mikabadze, Deputy Minister of the Georgian Ministry of Economy and Sustainable Development; Louisa Vinton, UNDP Resident Representative in Georgia; and Molly Lien, Head of the Swedish International Development Cooperation Agency in Georgia, delivered opening remarks.

The ceremony highlighted the challenges Georgia faces in implementing Agenda 2030 and the critical role the business sector, alongside Government and civil society, plays in achieving the Global Goals. The CSR awards recognized

significant contributions to the SDGs through responsible business conduct in six categories: Quality Education (SDG 4); Gender Equality (SDG 5); Decent Work and Economic Growth (SDG 8); Sustainable Cities and Communities (SDG 11); Partnerships for the Goals (SDG17); and UN Global Compact Local SDG Pioneer.

The initiative gathered submissions from 32 companies based in Georgia, more than double the previous year and were featured in a publication compiling good practices in the country. A notable improvement was the quality of the projects, which reflected companies' strategic and long-term approach to corporate sustainability and the embedding of responsible practices into their core operations. The company applications were evaluated by an independent panel, of international and local experts, from government, Local Networks, civil society, international organizations, academia and business associations.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 3

COLLECTION OF  
GOOD PRACTICE  
INITIATIVES

# 79

COMPANIES  
INVOLVED



## ECUADOR



Established **2011**

+ **125** Companies

### Leaders for the SDGs

In 2018, Global Compact Network Ecuador launched the Leaders for the SDGs initiative providing a multi-stakeholder platform for collective action and leadership on the Global Goals. Through various workshops, companies were guided to identify SDGs and relevant targets to tackle and were supported in developing actionable plans. Workshops consisted of 17 roundtables representing one SDG and gathering 20 companies each. As part of the initiative, companies benefited from access to issue expertise and peer-learning as well as to potential partnership opportunities.

Through this initiative, Network Ecuador has been able to create strategic alliances on the SDGs leveraging different actors both on the international and national arena and showcase good practice among companies in the country.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 1

**COLLECTION OF  
GOOD PRACTICE  
INITIATIVES**

# 340

**COMPANIES  
INVOLVED**











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# POLICY-DIALOGUE

## ENGAGING RESPONSIBLE BUSINESS ON NATIONAL SDG ACTION PLANS AND POLICIES

Robust national action plans and policies meant to achieve the Global Goals are key instruments to advance the 2030 Agenda while strengthening the business case for corporate sustainability. They can include a host of different elements — including national goals and targets, new regulations, retooling of procurement policies, new pricing mechanisms or taxes on environmental or social capital — that increase the incentives for companies to engage in sustainable development.

The development and implementation of effective national action plans relies primarily on Governments, but to pursue transformative goals, we need collective, coordinated and complementary action from all sectors of society. Local Networks are engaged in the establishment of institutional arrangements in many countries around the world to involve relevant stakeholders in a dialogue on the development of national action plans and public policies and to accelerate the local implementation of the Global Goals.

## PUBLIC-PRIVATE DIALOGUE

Global Compact Local Networks can play a critical role in creating a platform for principles-based businesses to be involved in public policy and support the development and implementation of national action plans. Local Networks can be important partners for Governments by providing an attractive and effective space for multi-stakeholder dialogues, as already occurs in many countries around the world.

Through a variety of formal and informal arrangements, Global Compact Local Networks help national and local governments bring the perspectives of relevant private sector players into the national SDG processes. Local Networks typically work within the auspices of the relevant UN Country Teams and closely collaborate with UN Resident Coordinators, who lead and coordinate the Organization's multidimensional support to Governments through Local Network SDG Action Plans. Over the past year, 1,755 initiatives that smoothed the way for policy dialogues were organized by Local Networks, engaging more than 3,180 companies around the world.

Twenty-five Local Networks in 2018 and/or 2019 made a direct contribution to Voluntary National Review reports, presented at the High-level Political Forum, with 41 Local Networks contributing to the Governmental process for national implementation of the Global Goals.



## AUSTRALIA

Established 2009 + 126 Companies

### Embedding Human Rights in Global Supply Chains: Modern Slavery and Beyond

For the fifth consecutive year, the 2018 Australian Dialogue on Business and Human Rights, convened by Global Compact Network Australia and the Australian Human Rights Commission, brought leaders together to drive the business and human rights agenda forward. More than 120 stakeholders attended the 13 November 2018 session in Sydney, held under the theme: Embedding Human Rights in Global Supply Chains: Modern Slavery and Beyond.

The theme recognizes Australian businesses mounting expectations to prevent and address modern slavery in their own business operations and supply chains. The session focused on strengthening cross-sector collaboration as slavery is positioned within the broader human rights framework.

The national dialogue explored various topics: conducting human rights due diligence; situating modern slavery efforts within the broader human rights framework; responding to actual instances of modern slavery; providing a living wage; measuring the effectiveness of efforts to combat modern slavery; ensuring access to remedy; updates on NSW Modern Slavery Act and the Commonwealth Modern Slavery Act.

The Dialogue results continue to be examined through Network Australia's Modern Slavery Community of Practice, a small, business-focused interactive forum that works with companies to assist them with understanding and responding to Australia's Commonwealth Modern Slavery Act, and their broader salient human rights risks. The Community of Practice has also consulted with the New South Wales State Government's Department of Premier and Cabinet on the NSW Modern Slavery Act. These discussions include consideration of international standards such as the United Nations Guiding Principles on Business and Human Rights (UNGPs). The Community of Practice is also a formal consultation channel for the Department of Home Affairs and has been instrumental in ensuring that the UNGPs are included in the draft guidance for reporting against the Commonwealth Modern Slavery Act. Dialogue discussions also have helped businesses understand the importance of giving victims access to effective remedies. Along with considerations of non-judicial mechanisms, these discussions have enhanced the role of the Australian National Contact Point (AusNCP) as a vehicle for grievances and remedies for victims. Subsequently, Network Australia now holds a place on the AusNCP Governance and Advisory Board.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 20

POLICY DIALOGUE  
INITIATIVES

# 100

COMPANIES  
ENGAGED



## UNITED KINGDOM

Established 2003 + 381 Companies

### Developing Actions to Reduce Gender Pay Gap

Global Compact Network UK explored different perspectives on the gender gap in pay at its 7 June 2018 event: Gender Pay Gap Reporting: A Driver of Change? The event offered business participants a better understanding of government and civil society expectations under the national Gender Pay Gap reporting regulations.

All organizations subject to the reporting regulations had published the relevant data and 94 per cent had met the submission deadline. Within Network UK, several managers said the regulations helped create the business case for tackling gender inequality in the workplace

and produced more active interaction with all employees on gender and diversity issues. Yet the Government Equalities Office estimates only about 50 per cent of employers have developed and implemented an action plan to tackle their gender pay gap.

The event reviewed methods of reporting gender pay gap figures, practical actions to close the gap and best practices. It also served as the kick off of the Local Network's Diversity & Inclusion Working Group, which meets regularly to discuss the gender pay gap and broader diversity and inclusion issues.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 2

POLICY DIALOGUE  
INITIATIVES

# 19

COMPANIES  
ENGAGED



## REPUBLIC OF KOREA



Established 2007

+ 163 Companies

### Promoting Science-Based Targets

Global Compact Network Korea, in collaboration with WWF Korea and CDP Korea, hosted the Climate Action Roundtable in April 2018. For the second year, the roundtable brought together Government, private sector, civil society and international organizations to spark climate action among Korean companies and promote the Science Based Targets initiative, a partnership between UN Global Compact, CDP, the WWF and World Resources Institute. The roundtable looked at the Republic of Korea's progress on its 2030 National Greenhouse Gas Reduction Goals as well as its nationally determined contributions, its plan to comply with climate actions outlined in the Paris Agreement. Participants also discussed the challenges and concerns companies face as they shift to renewable energy.

Network Korea aims to enhance climate action by working closely with the Korean National Assembly, which launched the Right to Renewable Energy initiative in November 2018. This initiative is comprised of 47 Assembly members, Network Korea and civil society groups.

Even as the necessity and economic and business value of renewable energy becomes more apparent, there remain no corporate renewable energy procurement mechanisms in the Republic of Korea. The energy initiative aims to reduce roadblocks and create an enabling environment to develop the country's renewable energy system, in line with global trends towards a low carbon economy. Through the Climate Action Roundtable and the Right to Renewable Energy initiative, Network Korea hopes to advocate for more UN Global Compact participants in the Republic of Korea to join the Science Based Targets initiative.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 10

POLICY DIALOGUE  
INITIATIVES

# 100

COMPANIES  
ENGAGED



## POLAND



Established 2001

+ 51 Companies

### COP 24: Innovative Solutions for a Sustainable Planet

Global Compact Network Poland organized several events with the Polish Government during the Katowice Climate Change Conference, known as COP 24, held in Katowice, Poland on 6 - 12 December 2018. Recognizing the important role of non-party stakeholders to reach the international climate goals of the Paris Agreement, Network Poland organized with the Ministry of Investment and Economic Development and the United Nations Framework Convention on Climate Change (UNFCCC) a two day Urban Summit. High-level representatives from business and local and global Governments gathered to discuss a plan for action to mobilize cities' contribution to sustainable development and to identify innovative solutions for air and water pollution. Two new reports by Network Poland, "Sustainable Cities - Improving Air Quality in Poland" and "Improving Water management in Poland 2019" were launched and served as a basis for discussions.

Network Poland invited Polish cities and other stakeholders to join and declare specific commitments to contribute to achieving the Paris Agreement. In the presence of COP 24 President Michal Kurtyka and Minister of Investment and Economic Development Jerzy Kwieciński, 100 cities signed a Declaration and joined the UNFCCC Global Climate Action Portal (NAZCA). This online platform captures commitments to climate action by companies, cities, subnational, regions, investors, and civil society organizations.

The Summit also aimed at encouraging corporate efforts to implement the 2030 Agenda and recognized 20 engaged companies acting on SDG 6 (Clean Water and Sanitation), SDG 11 (Sustainable Cities and Communities), SDG 14 (Life Below Water) and SDG 15 (Life on Land).

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 10

POLICY DIALOGUE  
INITIATIVES

# 30

COMPANIES  
ENGAGED





# MULTI-STAKEHOLDER PARTNERSHIP

## FACILITATING COLLABORATION AND COLLECTIVE ACTION

The facilitation of public-private dialogues by Local Networks on the Global Goals is not only important to the development of effective national goals, plans and policies. Ongoing engagement also makes it possible for public and private sector organizations to find new ways to pursue shared objectives and explore innovative models for multi-stakeholder partnerships.

An important aspiration of the UN Global Compact is therefore to support national SDG implementation by clearing the path for more strategic and effective collaboration between businesses, the UN, Government and other stakeholders through its Local Networks.

## BUILDING MORE STRATEGIC PARTNERSHIPS

Global Compact Local Networks are well positioned to support the United Nations in its efforts to engage in deeper and more long-term partnerships with the private sector. In several countries in the Global South, Local Networks already support UN Country Teams by finding business partners with relevant expertise. Local Networks also provide support by arranging partnerships that address local implementation challenges while building on the existing experiences of public-private partnerships around the world. For some Local Networks, collaboration with the UN system has only very recently become a priority, creating a huge potential to scale up these efforts in the years ahead.

There are examples from around the world of Global Compact Local Networks supporting collaboration and partnerships in many different shapes and forms. From online platforms and events that help match partnerships needs and interests, to ongoing initiatives to facilitate collective action, Local Networks are accelerating their efforts to address challenges across the sustainability spectrum, including corruption, gender inequality and unemployment. Throughout the past year, nearly 1,200 companies have participated in one of the 168 partnership projects brokered by a Global Compact Local Network. Finally, Local Networks are increasingly fostering collaboration among participants across countries, setting the stage for new opportunities for regional cooperation among businesses looking for new markets connected to the Global Goals.



Established **2002** + **225** Companies

### Collective Action Series: From Words, to Actions to Communications in the Circular Economy

In collaboration with the Management Institute of the Sant'Anna School of Advanced Studies - Pisa, Global Compact Network Italy held a three-part collective action workshop on the circular economy over the course of 2018. The workshops gathered large companies, small and medium-sized enterprises, startups, non-profit organizations, public bodies, national and local administrations, universities and research institutions.

The first workshop introduced the concept of the circular economy, an economic system aimed at minimizing waste and making the most of resources, followed by a look at the drivers and obstacles surrounding the implementation of circularity practices. The different approaches used to measure circularity at the organizational, sectoral and supply chain level were part of another presentation.

The second workshop was led by a European Commission representative, who laid out the strategies and operations started by the EU to

shift to a circular economy. The representative highlighted the business benefits generated by these practices. Experts from the Sant'Anna School of Advanced Studies - Pisa shared the results of a survey, completed by the participants, on material and immaterial circularity. The session's final portion was dedicated to sharing experiences working with the circular economy.

The third workshop was delivered in the format of a business game: asking participants to develop innovative solutions, assess risks and develop joint strategies. The workshop series culminated in a presentation of different initiatives to help participants improve their efforts over time within the circular economy.

Network Italy will sustain its efforts to expand awareness of the circular economic model by promoting joint multi-stakeholder initiatives, participating in meetings and conferences and working on legislative initiatives.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

2

**PARTNERSHIPS  
FACILITATED**

15

**COMPANIES  
INVOLVED**



Established **2003** + **62** Companies

### Strategic Partnerships on Corporate Social Responsibility

Global Compact Network Peru and the Embassy of Sweden in Peru have created a strategic partnership to promote responsible and sustainable business. The partnership was formed out of the shared interest of promoting sustainability within SMEs in the context of operating within the supply chain of larger multinational companies. The foundations of this partnership are based on using the UN Guiding Principles on Business and Human Rights, the 2030 Agenda, the Ten Principles, prioritizing the inclusion of small and medium-size enterprises (SMEs) in value chains and encouraging sustainable investment.

The initial collaboration of the Swedish Government and Network Peru brought together business leaders at an event to discuss human rights, business and corporate social responsibility (CSR). A separate event focused on the

inclusion of SMEs in value chains. The Deputy Director of CSR of the Ministry for Foreign Affairs of Sweden and the Director of CSR in the Department of Promotion and Sustainable Commerce of the Swedish Government participated in both events.

Network Peru also organized a visit to the Industrial Park of Villa El Salvador, in Lima, on 22 March 2018 with the participation of the Swedish Ambassador and managers from SMEs. The visit demonstrated the important role SMEs have in the country's economy by providing opportunities for jobs, investment and revenue streams.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

3

**PARTNERSHIPS  
FACILITATED**

15

**COMPANIES  
INVOLVED**



## SPAIN



Established **2004**

+ **1296** Companies

### Multi-stakeholder Partnerships to Localize the 2030 Agenda

This year Global Compact Network Spain and the Basque Government, together with three Basque Employers' Associations (CEBEK, SEA and ADEGI), have launched a unique public-private partnership to promote and adapt the SDGs within companies in Spain.

From Network Spain's point of view, this is an ideal channel to embed the SDGs: each actor contributes in their own way yet all are united through a common principles-based approach to the Global Goals. The business associations will help spread the Local Network's message through their expansive business networks. Network Spain will give companies the knowledge and tools to help raise awareness and support the implementation of the SDGs. Government support will in turn reinforce the partners' messages through implementation

of its Regional Plans for the 2030 Agenda and increasingly engage businesses in policy dialogues.

The first phase of the partnership will produce two key initiatives during 2019. One initiative is wide-scale corporate sustainability trainings—both online and in-person—targeting more than 4,000 companies. The second initiative is the launch of a new management tool, customized for the country and rooted in the SDG Compass, on how to align corporate strategies as well as measure and manage contributions for the realization of the SDGs.

The partnership will be replicated in other regions across Spain, including in Aragon and Andalucía, and mobilize local Government and business associations.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 8

**PARTNERSHIPS  
FACILITATED**

# 404

**COMPANIES  
INVOLVED**



## RUSSIAN FEDERATION



Established **2008** + **28** Companies

### Promoting UN-Business Partnerships and the 70th Anniversary of the Universal Declaration of Human Rights

In October 2018, Global Compact Network Russia and the UN Information Centre (UNIC) in Moscow organized a roundtable to celebrate the 70th Anniversary of the Universal Declaration of Human Rights. The roundtable zeroed in on the opportunities for Russian companies in the SDG arena and was supported by Government officials, including the Ministry of Foreign Affairs of the Russian Federation and the Ministry of Economic Development of the Russian Federation.

Exploring ways in which Russian companies can develop partnerships with the United Nations was a key intention of the roundtable. Network Russia is taking inventory of its existing sustainability initiatives to smooth the way for

business partnerships with the United Nations. Vladimir Kuznetsov, director of UNIC in Moscow, stressed how the UN Global Compact and its Local Networks are playing an important role in improving the quality and quantity of partnerships.

Participants detailed experiences and examples of successful cooperation between various UN agencies and the Russian private sector. As a result of the roundtable, Network Russia is creating a brief guidance document for Russian firms. Entitled UN and Russian Business: Framework and Prospects for Cooperation, it will lay out the discussion results and opportunities for joint action initiatives on the SDGs.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 3

**PARTNERSHIPS  
FACILITATED**

# 15

**COMPANIES  
INVOLVED**

**UKRAINE**Established **2013**+ **27** Companies**Partnerships for Sustainability**

Global Compact Network Ukraine held its Partnership for Sustainability Award ceremony on 6 December 2018 in Kiev to recognize multi-stakeholder partnership projects in the categories of People, Planet, and Prosperity and Peace. The sustainability award is a long-term initiative managed by Network Ukraine to foster partnerships among businesses, business associations, Governments, civil society and academic institutions. Network Ukraine's role was to gather different companies managing different projects under one platform.

The sustainability award encourages projects forged through partnerships on the basis that they cover wider audiences, produce stronger

results and are more sustainable. The Local Network received more than 30 submissions involving projects from Ukraine and Belarus. The Jury comprised of Local Networks from Switzerland and Lebanon.

The submissions and case studies were placed on an Internet platform, available to the public and media reaching more than 4 million people. During the event, panel discussions were held on the challenges and opportunities companies face as they build sustainable partnerships.

At least two new partnerships were established as a direct result of the Award ceremony with one Ukrainian project to be replicated in Belarus.

**LOCAL NETWORK  
ACTIVITY SNAPSHOT  
(PAST 12 MONTHS)****4****PARTNERSHIPS  
FACILITATED****9****COMPANIES  
INVOLVED**



## MEXICO



Established 2005



+ 430 Companies

### Collaboration Agreement for SDG Implementation

Global Compact Network Mexico, chaired by CEMEX, signed a collaboration agreement on 27 May 2019 with the Mexican Government and the Mexican Business Association (Consejo Coordinador Empresarial) to advance the implementation of the 2030 Agenda. The objective is to contribute to the SDGs by promoting collaboration between the public and the private sectors, mobilize resources and strengthen institutional capacities.

The agreement was also signed by the International Chamber of Commerce Mexico (ICC Mexico); Alliance for Social Corporate Responsibility (Aliarse); Global Companies Executive Committee (CEEG); the Global Environmental Management Initiative-Gemi; and the Mexican Center for Philanthropy (CEMEFI), among others.

As per the agreement, thematic committees will be created on topics such as biodiversity, circular economy, climate change, sustainable cities, decent work, transparency, resiliency, diversity and eradication of poverty. The committees will aim to forge multi-stakeholder partnerships between key actors to roll out concrete actions towards the Global Goals. In addition, the committees will develop a strategy for measuring the impact of the initiatives. Relevant work is also being developed with the Mexican Stock Exchange on sustainable investment.

Following Goal 17 (Partnerships for the Goals), the collaboration agreement successfully brings together the national government, civil society, the private sector and other key actors to achieve the ambitious targets of the 2030 Agenda.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 15

PARTNERSHIPS  
FACILITATED

# 200

COMPANIES  
INVOLVED



## BOLIVIA



Established 2017



+ 14 Companies

### Thematic Working Groups for SDG Implementation

Global Compact Network Bolivia, in partnership with the United Nations Country Team (UNCT) in 2019 launched thematic working groups to support the implementation of the 2030 Agenda. These working groups are led by UN Global Compact participants and supported by the relevant UN Agency in Bolivia. The aim is to create spaces to generate multi-stakeholder partnerships and to provide technical support for the implementation of the SDGs. The working groups are in line with the Bolivian country team's work plan and with the country's National Development Plan. The working groups established are as follows:

#### 1. Environment

Led by The Coca Cola Company and Bagó Laboratories of Bolivia and supported by the Office of the Resident Coordinator and UNDP. The group is developing a virtual platform to compile good practices on water and climate change.

#### 2. Childhood, Adolescence, and Education

Led by Banco Nacional de Bolivia S.A and supported by the Office of the Resident Coordinator, UNICEF, the Swedish Embassy in Bolivia, and with the participation of organizations and companies from various sectors.

The group developed the online Self Diagnosis Tool: "Companies for Childhood."

#### 3. Sustainable Cities

Led by Aguaí S.A., Los Portones del Urubó and SASA and supported by the Office of the Resident Coordinator, UN-Habitat, the Government of Bolivia through the Ministry of Public Works, Services and Housing, and Swedish International Cooperation Agency (SIDA). The group supports efforts in the implementation of the New Urban Agenda in Bolivia. The private sector plans to participate through a separate Global Compact Sustainable Cities Roundtable.

#### 4. Gender, Education, and Health

Led by Banco Fie S.A and supported by the Office of the Resident Coordinator and UN Women. On June 2019 the Women's Empowerment Principles were launched together with 15 organizations.

#### 5. Decent Work

Led by Idepro IFD and Junior Chamber International with support from the Office of the Resident Coordinator, ILO, UNICEF, and UNDP. The working group is collaborating with the government on youth employment issues.

### LOCAL NETWORK ACTIVITY SNAPSHOT (PAST 12 MONTHS)

# 5

PARTNERSHIPS  
FACILITATED

# 50

COMPANIES  
INVOLVED



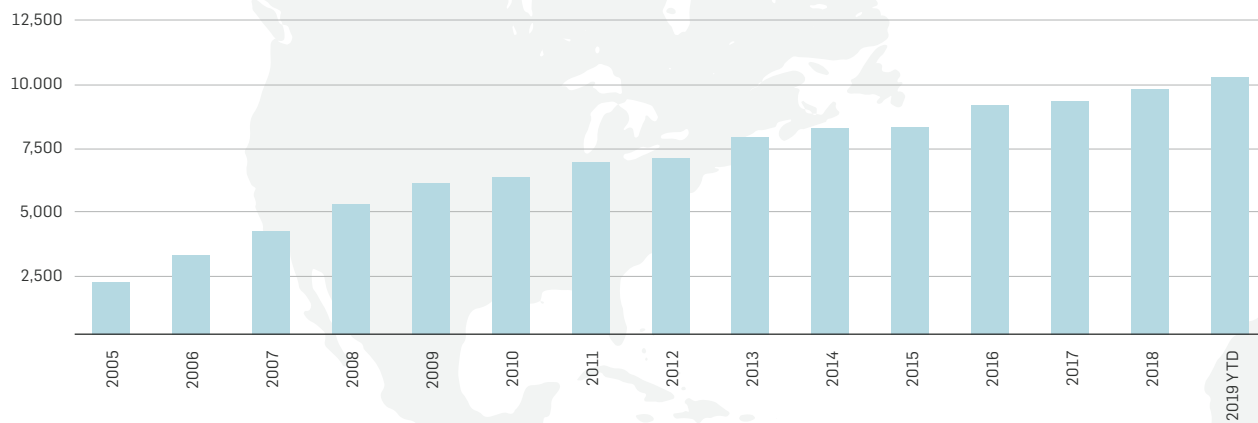
# THE UN GLOBAL COMPACT BY THE NUMBERS

Following is an snapshot of UN Global Compact participants today. See characteristics of our companies and where you can find them.

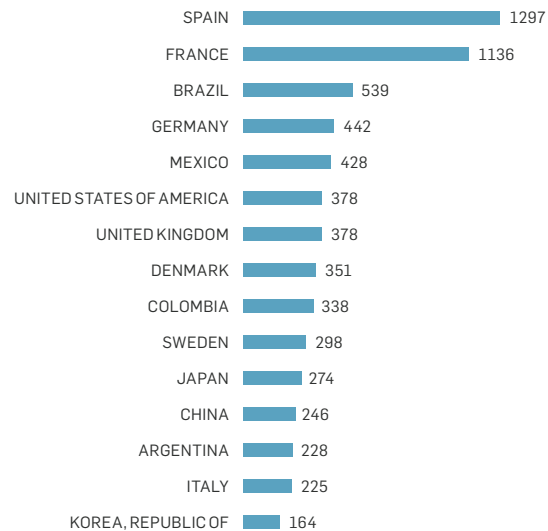
## 159

**COUNTRIES WITH  
UN GLOBAL COMPACT  
BUSINESS PARTICIPANTS**

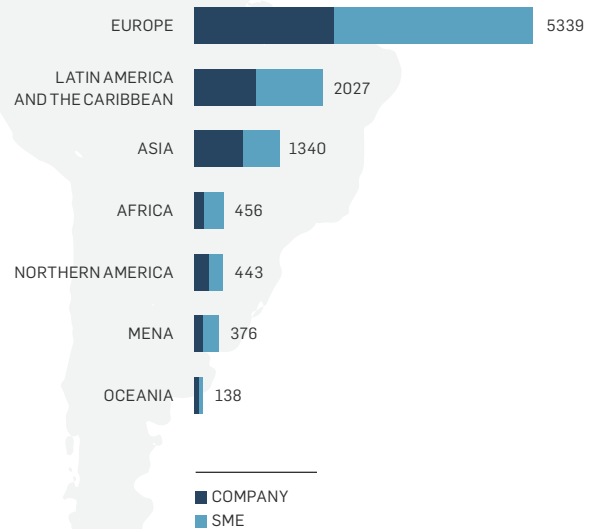
### TOTAL NUMBER OF PARTICIPANTS



### BUSINESS PARTICIPANTS BY COUNTRY



### COMPANIES BY REGION



# 9,134

NUMBER OF COMPANIES  
DELISTED FOR FAILURE  
TO COMMUNICATE  
PROGRESS

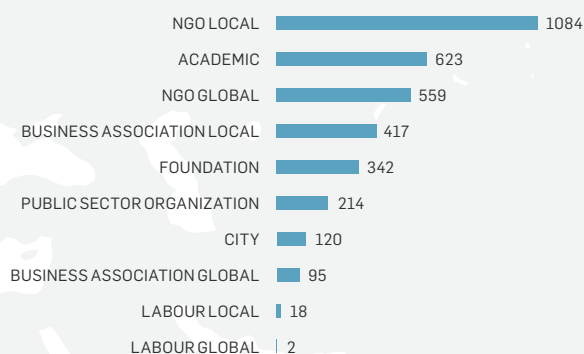
# 3,474

NON-BUSINESS  
PARTICIPANTS

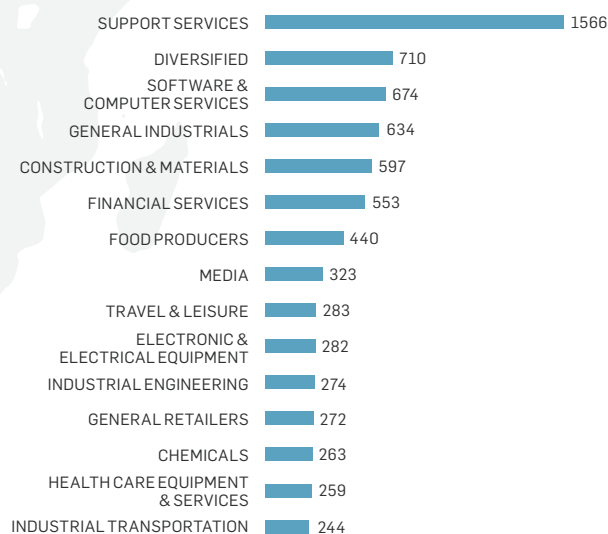
# 68,305,538

PEOPLE WORKING IN THE PRIVATE SECTOR FOR  
A UN GLOBAL COMPACT PARTICIPANT

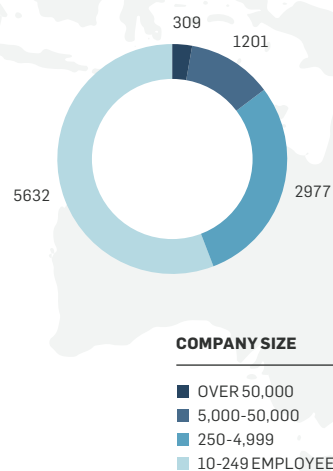
## NON BUSINESS PARTICIPANTS



## COMPANIES BY SECTOR



## PARTICIPANTS BY NUMBER OF EMPLOYEES



### COMPANY SIZE

- OVER 50,000
- 5,000-50,000
- 250-4,999
- 10-249 EMPLOYEES

# KEY RESOURCES



**INTEGRATING THE SUSTAINABLE DEVELOPMENT GOALS INTO CORPORATE REPORTING: A PRACTICAL GUIDE**



**THE BLUEPRINT FOR BUSINESS LEADERSHIP ON THE SDGs**



**HUMAN RIGHTS: THE FOUNDATION OF SUSTAINABLE BUSINESS**



**GLOBAL GOALS, OCEAN OPPORTUNITIES**



**THE SDG COMPASS**



**THE UN GLOBAL COMPACT ACADEMY**



**THE UN GLOBAL COMPACT-ACCENTURE STRATEGY CEO STUDY**



**1.5°C BUSINESS LEADERSHIP**



**BUSINESS LEADERSHIP BRIEF FOR HEALTHY PLANET, HEALTHY PEOPLE**



## THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



### HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.



### LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



### ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.



### ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

## ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption. Launched in 2000, the mandate of the UN Global Compact is to guide and support the global business community in advancing UN goals and values through responsible corporate practices. With more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 60 Local Networks, it is the largest corporate sustainability initiative in the world.

For more information, follow [@globalcompact](https://twitter.com/globalcompact) on social media and visit our website at [unglobalcompact.org](https://unglobalcompact.org).



United Nations  
Global Compact

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The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.