

STRATEGY AND GOVERNANCE

Speaker

Ole Lund Hansen

Chief Global Operations,
United Nations Global Compact





“

Halfway to Agenda 2030, this is a pivotal time for the UN Global Compact to refine its strategic direction, focusing on scale and impact.

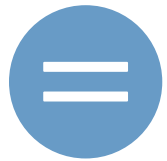
The UN Global Compact can again play a critical role by mobilizing the private sector to reinvigorate and accelerate progress on the SDGs. The private sector is an integral part of the solution, and we need more private sector engagement and leadership.

This is not a time for tinkering. It is a time for transformation.

António Guterres
UN Secretary-General and
Board Chair of the UN Global Compact



UN GLOBAL COMPACT STRATEGY EXTENSION TO YEAR 2025



Given that this is a continuation and update rather than a pivot or new direction, we have opted to **keep the Strategic Ambition statement, the Ten Principles, the strategic framework, and Lead and Shape SDGs framework** as the base structure for the extension



Based on what we've heard through stock-taking of our progress over the last three years through consultations, we have **adjusted our five priority areas for 2024-2025 to double down on key successes and address remaining gaps**



KEY FINDINGS | GENERAL CONSENSUS EMERGED IN CONSULTATIONS ON KEY SUCCESSES IN RECENT YEARS & CRITICAL OPPORTUNITIES FOR 2024-25



PROGRESS & SUCCESSES

- **Strong multi-dimensional growth** in recent years characterized by participant base more than doubling, strong growth of local coverage, and launch of Regional Hubs
- **Delivered on a powerful value proposition** through a wide portfolio of value-generating offerings, and relevant and localized programming
- **Strengthened positioning & external voice** through elevated UN positioning through ASG appointment and success of flagship activities, e.g., ABLC
- **Created solid foundation for measurable impact** with the expected launch of the enhanced CoP and a broader shift towards outcome orientation

KEY FINDINGS | GENERAL CONSENSUS EMERGED IN CONSULTATIONS ON KEY SUCCESSES IN RECENT YEARS & CRITICAL OPPORTUNITIES FOR 2024-25



IDENTIFIED OPPORTUNITY AREAS

"Unfinished business"

- Evolve from **engagement to accountability**
- Support global and local growth through **increased role clarity**
- Leverage **enhanced CoP** for impact measurement
- Enhance **UN partnership** on local levels

Areas to revisit & new opportunities

- Refine definition & action against "**enabling ecosystems**"
- Simplify **strategic ambition** and solidify tagline
- Remain **relevant and progressive** on value proposition
- Amplify **CEO and leadership voices**
- Elevate and invest in **digital transformation**
- **Optimize resourcing** to ensure delivery globally and locally



STRATEGIC AMBITION

1. Accelerate –

urgency to move the agenda forward and leveraging unique capabilities to catalyze and amplify the work of others

2. Global scale – full scope of the UN

3. Collective impact –

recognizing this cannot be done alone or in a silo, including businesses and non-businesses of all sizes and across all sectors and geographies

4. Business – the driving force for action and progress

Accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through ambitious, accountable companies and environments that enable change

5. Upholding the Ten Principles – the DNA of the Global Compact, which are timeless

6. Delivering the SDGs – global consensus on the development framework, which are time-bound

7. Ambitious, accountable companies – businesses are motivated and enabled to embed responsible business practices and demonstrate positive changes in their behavior

8. Environments that enable change – Influencing the broader environment that businesses operate within to enable significant and long-lasting change

PROGRAMME AREAS



Environment

- **Climate and Nature**: achieving carbon neutrality and setting Science-Based Targets for businesses transition to net zero
- **Ocean**: promote sustainable ocean business opportunities and advance the Just Transition in operations
- **Water**: promote water stewardship to help business participants manage water-related risks and contribute to sustainable management of the world's freshwater sources



Social sustainability

- **Human Rights**: educate and support participants to respect human rights and ensure they are not complicit in abuses, extend risk-management frameworks
- **Labour and Decent Work**: strengthen respect for labour rights, promote inclusive workplaces, advance decent work and raise living standards for all workers across business operations and supply chains.
- **Gender**: achieving gender equality in business operations, and ending all forms of discrimination against women



Governance

- **Anti-corruption**: support participants to work against corruption in all its forms, including bribery and extortion, by looking internally and externally at their operations, identifying areas of exposure and favouring transparency and reporting in all cases
- **Transformational Governance**: support participants to infuse good governance and strong legal practices across their business operations



Cross-cutting

- **Sustainable Finance**: convening CFOs to infuse responsible practices and sustainability into all aspects of financial management and align more financing with the SDGs
- **SDG Integration**: challenging companies to develop more ambitious business strategies and goals to advance the SDGs through their core practices

PROGRAMME MODELS

CONNECT | LEARN | LEAD | COMMUNICATE

Events



The Academy



Peer Learning Groups



Accelerators



Policy Advocacy & Campaigns



Think Labs



UN GLOBAL COMPACT COALITIONS



**CEO
WATER
MANDATE**

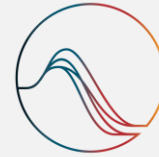
Scaling adoption of water stewardship practice by companies in critical geographies and sectors



**OCEAN
STEWARDSHIP
COALITION**



A principles-based approach to sustainable ocean business



**SCIENCE
BASED
TARGETS**

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Enabling companies to set science-based emissions reduction targets



**CFO
COALITION
FOR THE SDGs**



Scaling corporate finance and investment as a catalyst for delivering the SDGs

PREPARE EU BUSINESSES FOR NEW REGULATION



WHERE WE WORK

5

REGIONAL HUBS

12

EXPANSION COUNTRIES

63

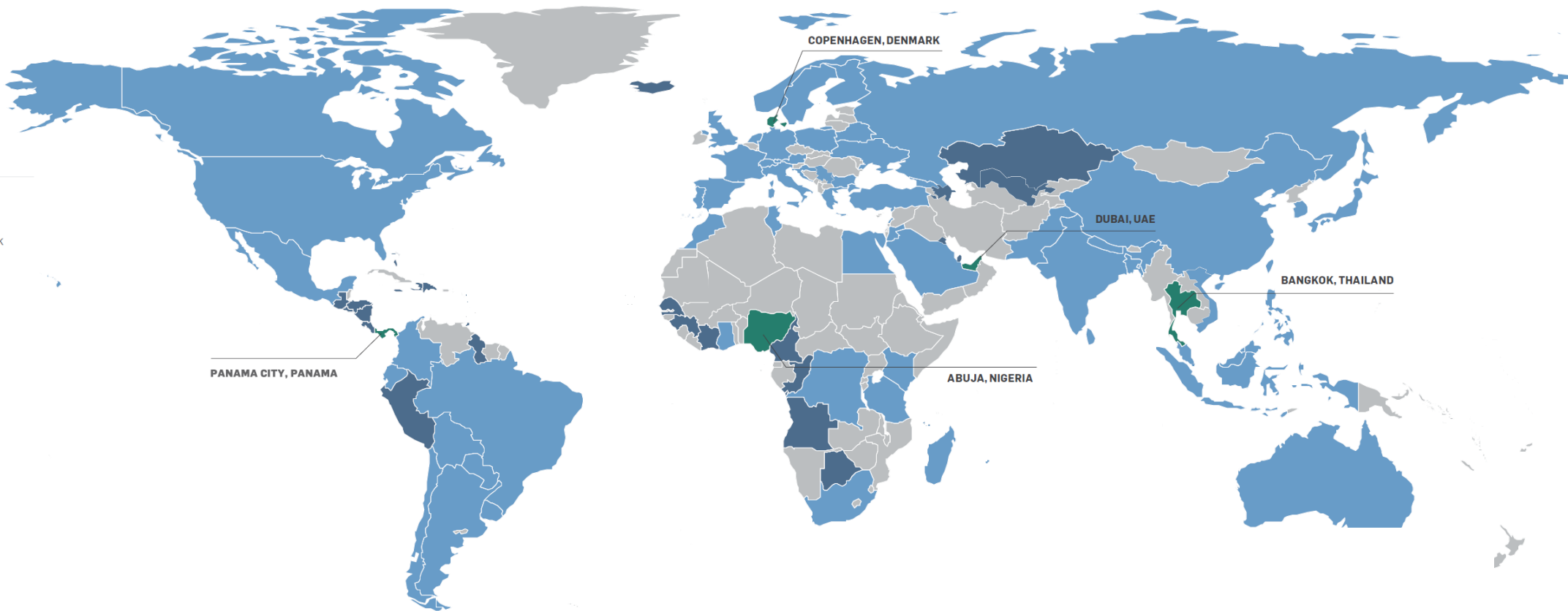
GC LOCAL NETWORKS



101

COUNTRIES COVERED

- KEY
- REGIONAL HUBS
 - EXPANSION COUNTRY
 - GLOBAL COMPACT NETWORK



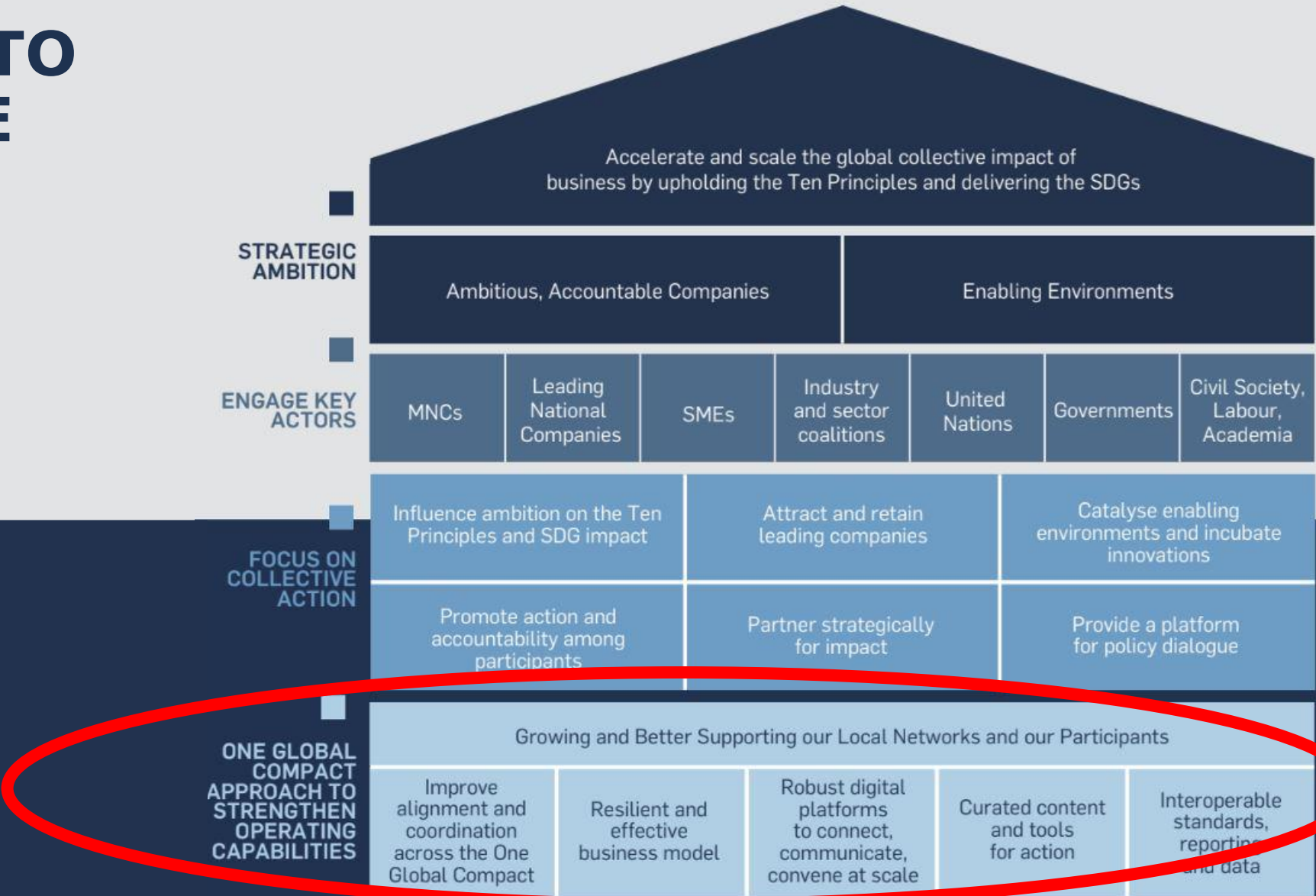
UNIQUE SOURCES OF VALUE BY THE UN GLOBAL COMPACT



2024-2025 STRATEGIC PRIORITY AREAS

- 1** | **Ambitious and accountable companies:** Continue to support our participant companies as they move faster and farther to ensure corporate sustainability and responsible business practices with a focus on driving private-sector accountability, credibility and ambition.
- 2** | **Enabling environments:** Beyond mobilising company action, the UN Global Compact recognises that it must participate in and influence the broader environment within which businesses operate to enable significant and long-lasting change
- 3** | **Measurable impact in prioritized areas:** Delivering concrete, measurable impacts remains at the core of the UN Global Compact's strategy, we will continue to advance meaningful change through focused, programmatic engagements across our environmental, social and governance portfolios
- 4** | **Further regionalization and localization across the UNGC's portfolio and partnerships:** Advance regionalization and localization across all areas of work including enhanced coordination with partners; convening platforms at all levels; and building opportunities and capacity for Local Networks and businesses to delivery relevant, compelling programming.
- 5** | **Investing in our digital transformation:** Focus on an internal digital transformation for the organization to better deliver programming and impact at scale and ensure effective support for growing participant base

FRAMEWORK TO DELIVERY THE STRATEGY



GOVERNANCE FRAMEWORK



LOCAL NETWORK QUALITY STANDARDS

Governance

- Statutes and Membership
- General Assembly and Board
- Secretariat
- Roles and Responsibilities

Management

- Strategic Planning and Reporting
- Communication and Engagement
- Integrity and Branding

Hosting

- Plan to phase out hosting of Networks launched in 2019. Now applies to all types of host organizations, including UN and Gov entities
- Strengthens strategic alignment and growth within UNGC. Reduces brand, legal and integrity risks for UNGC and host organization
- Continued partnerships with former host organizations centered around programmes and events rather than admin and operations

LOCAL NETWORK GOVERNANCE MODELS

MODEL I HOSTED

Local Network hosted by another local entity

ED Report Line

Reports to the LN Board and Host organization

Nature of GCN Board

Non-legal oversight

Accountability and Alignment

Very low accountability without a legal board and challenges in alignment due to dependence on third party Host

16 LNs are under Model I and it is currently being phased out

MODEL II INDEPENDENT

LN is registered as an Independent legal entity

ED Report Line

Reports to LN Board

Nature of GCN Board

Legal oversight and liability

Accountability and Alignment

Improved alignment and accountability but Board runs the risk of not aligning or engaging with global priorities

44 LNs are currently under Model II

MODEL III BRANCH OFFICE

ED and LN staff hired as FGC staff and reporting into UNGC

ED Report Line

Reports to the Regional Head with input from the LN Board

Nature of GCN Board

Non-legal oversight and advisory

Accountability and Alignment

Strong accountability to UNGC and absolute alignment as ED and Staff report to UNGC.

3 LNs under Model III (China, Morocco, Austria)

GCN AUSTRIA AS OF 1 JANUARY 2024

MODEL III BRANCH OFFICE

ED and LN staff hired as FGC staff and reporting into UNGC

ED Report Line

Reports to the Regional Head with input from the LN Board

Nature of GCN Board

Non-legal oversight and advisory

Accountability and Alignment

Strong accountability to UNGC and absolute alignment as ED and Staff report to UNGC.

3 LNs under Model III (China, Morocco, Austria)

GCN AUSTRIA AS OF 1 JANUARY 2024

GCN Austria:

General Assembly

Identify member priorities and needs. Approves business Board of Advisory members

Board of Advisors

Provide strategic insight and advice for Secretariat and GCO+FGC

Secretariat

Executive Director and other Network staff implementing all local activities

UN Global Compact:

Global Compact Office (GCO)

Strategic oversight and support through Regional Hub

Foundation Global Compact (FGC)

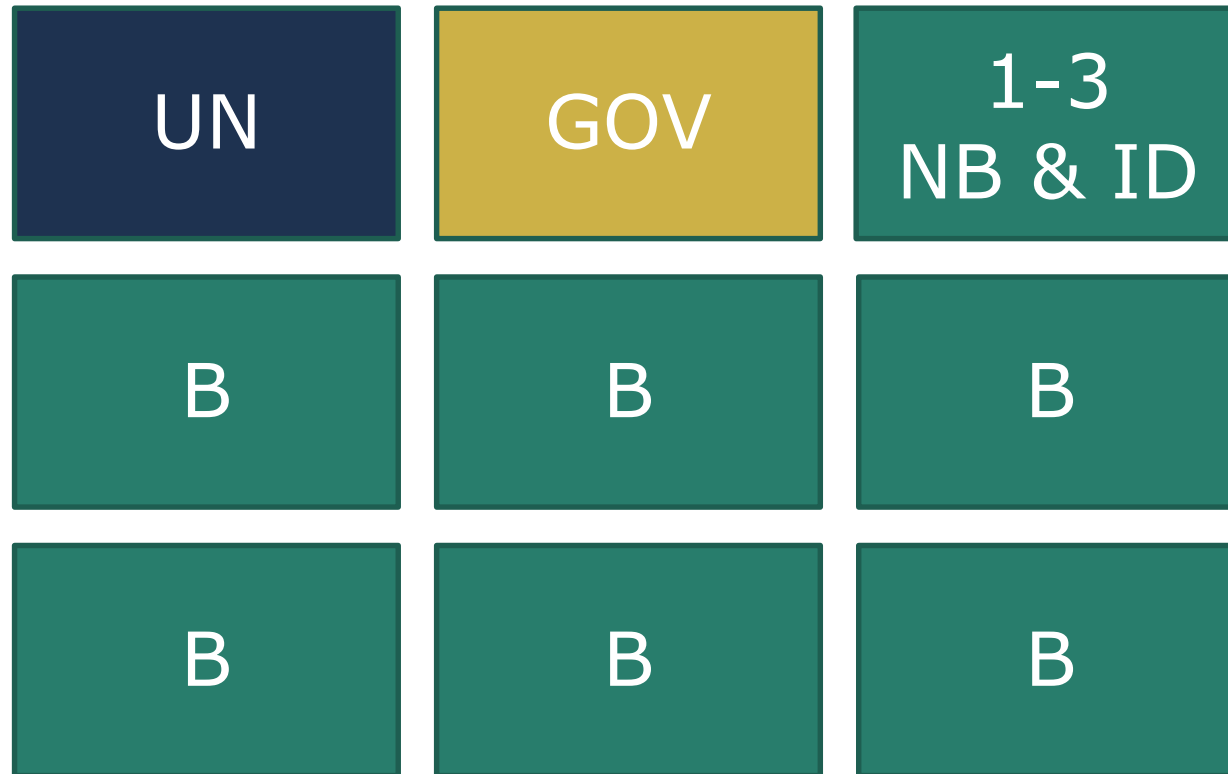
Manages HR and accounting. Financial oversight.

BOARD OF ADVISORS

ROLES AND RESPONSIBILITIES

- No legal or financial responsibilities
- Provide strategic insights and advice to GCN Austria and UNGC
- GCN Austria priorities and planning
- Advocacy and outreach

BOARD OF ADVISORS COMPOSITION



BOARD OF ADVISORS TIMELINE FOR 2024-25 GROUP

Call for nominations

Open Call for 4 Business Member Seats open from 21.11. to 4.12.

Invitations sent to UN, Government and Non-Business representatives

Review

All nominees screened through an Integrity Check by GCO and GCN Austria

Review against skills matrix to secure diversity of skills and expertise.

Selection

Selection by Executive Director, in consultation with existing Board; Approval by GCO

Announcement

Announcement of new Advisory Board by 14 December

Advisory Board will be in tenure from 1 January 2024