# UN GLOBAL COMPACT

## 2020 ANNUAL MANAGEMENT REPORT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOREWORD</td>
<td>3</td>
</tr>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>4</td>
</tr>
<tr>
<td>2020 OVERVIEW</td>
<td>7</td>
</tr>
<tr>
<td>ORGANIZATIONAL SNAPSHOT</td>
<td>10</td>
</tr>
<tr>
<td>PARTICIPANT SNAPSHOT</td>
<td>12</td>
</tr>
<tr>
<td>PROGRAMMATIC OVERVIEW</td>
<td>13</td>
</tr>
<tr>
<td>COMMUNICATIONS &amp; BRAND OVERVIEW</td>
<td>23</td>
</tr>
<tr>
<td>LOCAL ACTION: GLOBAL COMPACT NETWORKS</td>
<td>26</td>
</tr>
<tr>
<td>UN &amp; GOVERNMENT ENGAGEMENT OVERVIEW</td>
<td>29</td>
</tr>
<tr>
<td>FINANCIAL OVERVIEW</td>
<td>32</td>
</tr>
<tr>
<td>ENGAGEMENT MODEL UPDATE</td>
<td>33</td>
</tr>
<tr>
<td>INTEGRITY MEASURES OVERVIEW</td>
<td>34</td>
</tr>
<tr>
<td>BOARD RELATIONS &amp; ENGAGEMENT</td>
<td>37</td>
</tr>
</tbody>
</table>

## ABOUT THE UN 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 10,000 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.

## ABOUT THIS REPORT

This annual management report is intended to provide the public with an overview of the Compact's progress across key strategic and operational focus areas, as well as to highlight key activities undertaken, and resources created, to promote business action on UN issues and priorities. It is available on the UN Global Compact and Foundation for the Global Compact websites.
FOREWORD

The 20th anniversary year of the United Nations Global Compact arrived at a moment of global crisis. The COVID-19 pandemic, with its twin health and socio-economic crises, has swiftly and dramatically upended lives and livelihoods in nearly every corner of the globe this year. It has exposed the fragility of our systems and aggravated rampant inequalities that were already making life difficult for the most vulnerable. At the same time, we continue to face a global climate emergency with irreversible impacts for people and the natural systems that sustain us. While these crises have imperiled progress towards the SDGs, it also makes their achievement all the more urgent and necessary. As we set our sights on 2021, we still face uncertain times, but a sustainable recovery is not only possible; it is essential.

Fortunately, the reaction to the pandemic offers hope. The urgent response from Governments, businesses, civil society organizations and others reflects a renewed commitment to global cooperation in efforts to build back better or better still, to build forward better. Despite the disruptions this extraordinary year has brought, more companies than ever have expressed interest in the work of the UN Global Compact and the Ten Principles. To mark the 75th anniversary of the United Nations and the 20th anniversary of the UN Global Compact, more than 1,200 CEOs of UN Global Compact member companies committed to working cooperatively - across borders, sectors and generations - to pursue an equitable and sustainable recovery. Business leaders from companies large and small, representing nearly every industry in more than 100 countries, have endorsed this call for inclusive multilateralism. Indeed, support for corporate sustainability is at an all-time high among UN Global Compact member companies. More than 90 per cent of participating CEOs say it is central to the future success of their businesses.

And yet, there is still a gap between commitment and action.

Our 2020 Progress Report shows that 84% of companies participating in the UN Global Compact are taking action to achieve the SDGs. However, only 46% are embedding sustainability into their core business operations; only 37% are designing business models that contribute to the SDGs; and just 17% require their supply-chain partners to adhere to the Ten Principles of the UN Global Compact. The Progress Report also reveals a persistent gap in analyzing impacts across the Ten Principles, which span human rights, labour rights, the environment and anti-corruption. While 62% of companies conduct environmental impact assessments, only 18% conduct such assessments for human rights, 25% for anti-corruption and 29% for labour rights. As a result, business progress towards the 17 SDGs remains uneven, or at the very least, difficult to assess. It is clear, as well, that corporate ambition needs to better align with actual societal and environmental needs. Companies need to move beyond policy commitments and ramp up action throughout their operations and value chains, in line with the Ten Principles. However, only 39% of our participating companies say they have set targets that, they believe, are sufficiently ambitious to deliver on the 2030 Agenda for Sustainable Development. To achieve meaningful impact in this Decade of Action, it is clear that business must step up the scale and pace of change.

With a network of more than 12,000 business participants and 3,000 non-business signatories, plus Local Networks in 69 countries, the UN Global Compact is uniquely positioned to support companies on their journey to a more sustainable and inclusive future. Global Compact Local Networks are actively supporting business cooperation with critical Global Impact Initiatives on SDG integration, gender equality and climate action. The Action Platforms are pushing the needle on sustainability performance by delivering numerous frameworks and tools to inspire and guide business everywhere. Meanwhile, the Academy continues to provide companies with learning opportunities to help them meet their sustainability objectives. To help companies better assess their sustainability performance under the Ten Principles, the UN Global Compact is enhancing the Communication on Progress, our annual reporting framework. In cooperation with Member States, the UN Global Compact is also working to create an enabling environment for sustainable business by advocating for policies that back corporate ambition with regulatory support. Moreover, as a main driver of private-sector engagement with the UN, the Global Compact is advancing strategic collaborations between business and the UN system at the regional, national and local levels.

The pandemic has underscored the need for a new social contract in which business is a powerful force for good, encouraging an increasing number of companies, including SMEs, to join the UN Global Compact. It has also provided a unique opportunity to reset, elevate our ambition, and focus on delivering collective impact at scale. This year’s crises have been a wake-up call, reminding us that global cooperation is imperative - and that the 2030 Agenda can only succeed with the full engagement of the private sector. As the UN Global Compact completes its first 20 years and embarks on a new era, we reaffirm our vision and our mission: to mobilize a movement of responsible partners in uniting business for the better world we all want.

– Sanda Ojiambo, CEO & Executive Director, UN Global Compact
1. **EXECUTIVE SUMMARY**

The 2017-2020 Global Strategy of the UN Global Compact was built on four pillars, designed to drive change and to utilize the unique role of the Compact. Over the past four years, significant progress was made within each of these pillars:

- **Global Advocate for Responsible Business & Leadership Practices**: The Global Compact amplified its unique advocacy role as a promoter of responsible business practices and UN values on a range of issues, including climate change, decent work, gender equality, ocean sustainability, sustainable finance, and SDG leadership.
- **SDGs as the Lighthouse**: With the Ten Principles at the foundation, the Global Compact created the “Making Global Goals Local Business” campaign with a view to raising awareness and engaging companies to advance more ambitious action on the SDGs.
- **Global Platform & Connector**: The Global Compact leveraged its UN connection, neutrality and tremendous global-local reach to become the “Platform of Platforms.” Bringing together such a large and diverse group of like-minded and committed partners allowed the initiative to truly deliver on its mission of mobilizing a global movement.
- **Impact & Performance**: The initiative leveraged its position as the largest and most inclusive network of companies to become the trusted authority on communicating the impact of, and progress on, responsible business.

A substantive transformation was required across the global organization to deliver against each of these areas. As part of this multi-year journey, the UN Global Compact planned to develop across two distinct phases in order to be in a position to drive impact and value at scale by 2020:

1. **Baseline**: securing the foundational people, processes and technology needed to deliver on future ambitions — getting the basics right.
2. **Retention & Growth**: implementing a new business model to set the stage for sustained participant & financial growth.

Taken together, these two phases have created a solid foundation for the Global Compact to expand its global-local capabilities and offerings, as it advances forward in the next phase to deliver **Impact and Value at Scale**.

Over the past four years, the UN Global Compact focused its activities on delivering against three “Must-Win Battles”:  

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**UNGC STRATEGIC PHASES**

- **Phase I**: Retention & Growth
- **Phase II**: Impact & Value at Scale

- **Phase III**: Modern, professional, global organization...
1. Creating Sustainable **GROWTH**
2. Optimizing the Global **ORGANIZATION**
3. Clarifying and Strengthening the **BRAND**

At the outset of developing the 2017-2020 strategy, the Global Compact identified the below nine high-level goals as a way to measure whether the initiative had successfully delivered on its ambitions:

<table>
<thead>
<tr>
<th>GROWTH</th>
<th>ORGANIZATION</th>
<th>BRAND</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New fee structure and sharing revenue model across the UNGC in place</td>
<td>• “One Global Compact” in place, backed by annual engagement surveys</td>
<td>• Strong, sharp, clear and bold brand anchored in UN values and principles</td>
</tr>
<tr>
<td>• Sustainable participant and financial growth across the initiative</td>
<td>• Lean, efficient, supportive, engaged GCO with the required competencies</td>
<td>• Supporting, inspiring and engaging companies globally</td>
</tr>
<tr>
<td>• Strong, clear value proposition adopted across the UNGC</td>
<td>• Good quality, efficient, engaged LNs across the world</td>
<td>• Driving the scale and impact of the companies’ efforts</td>
</tr>
</tbody>
</table>

Looking back on the Global Compact’s accomplishments over the past four years, it is clear that a significant transformation has occurred, giving the organization a solid foundation to shift focus to impact at scale:

Starting with **Growth**, a key accomplishment has been the development of a new business model with robust revenue streams for Local Networks and the Global Compact. Since the implementation of the business model, Local Networks are estimated to have earned more than USD 17 million in income. Additionally, over USD 2 million have been allocated to build capacity and finance projects in Local Networks in developing countries through the Local Network Development Fund. Over the past four years, the Global Compact has also been able to achieve excellent net company growth, at an average rate of 39%, with increased growth in Asia, Africa and Latin America.

As for **Organization**, the new governance structure has been critical to enhancing the Compact’s operations, including through a refreshed Board and enhanced integrity measures. The “One Global Compact” way of working helped enhance close collaboration with Local Networks, as well as a move towards regional hubs, with staff currently located in Africa, Asia, Latin America, the Middle East and Europe.

In terms of **Brand**, the Academy has successfully engaged more than one thousand companies so far, with close to 4000 registered users on the platform from more than 90 countries. The Global Impact Initiatives on SDG Ambition, Gender Equality and Youth Innovation continue to roll out programming, with 1085 companies signed up cumulatively across the three initiatives as of the end of 2020. The Action Platforms have delivered a number of key outcomes, supporting and challenging companies to embed the Ten Principles into their operations and take action to advance the SDGs. Notably, the Compact built significant momentum around corporate climate action through the Science-Based Targets Initiative (SBTi) and its Business Ambition for 1.5 campaign.

**In 2020**, the Compact’s most transformational achievements can be summarized in the following five buckets:

- The roll-out of the **Global Impact Initiatives** delivered through highly engaged Global Compact Local Networks, to generate behaviour change across a critical number of companies, and accelerate implementation of the SDGs at the local level.
A strengthened brand, manifested through a successful communications campaign and a stellar line-up of virtual events, to mark the 20th Anniversary of the initiative and the 75th anniversary of the United Nations.

The continuing success of the Action Platforms, which produced cutting edge thought leadership on human rights, labour, climate and anti-corruption, jointly with companies, experts, civil society, Governments and UN partners, catalyzing business uptake of the Ten Principles.

A fast growing Academy, which successfully tailored its offerings to provide companies with expert guidance on how to respond and recover from the global pandemic.

The success of the engagement model and the participant growth that it has led to on a global scale, especially in previously under-represented markets.

As it wraps up its twentieth year, the UN Global Compact is proud to have accomplished much of what it set out to achieve in 2017. However, a lot still remains to be done to realize the 2030 Agenda for Sustainable Development. It is clear that better impact measures are needed, to understand how participants are truly making progress on the implementation of the Ten Principles. The new enhanced CoP framework, which is planned to be rolled out in 2021, will enable measurement of company progress and enhance accountability. The collective strength of the Global Compact’s diverse range of stakeholders also needs to be leveraged further, especially SMEs, who account for well over half of the initiative’s business participants and employ most of the world’s workers. In the spirit of One Global Compact, global and local ecosystems also need to be further catalyzed, to strengthen Local Networks, facilitate multi-stakeholder partnerships and facilitate business adoption of the Ten Principles.

The UN Global Compact is ready to take the next leap – to mobilize business behind ambitious and transformative targets, to deepen SDG integration and to strengthen accountability, especially in the context of global recovery from COVID-19. It will continue supporting and challenging companies of all sizes and from all sectors around the world, to accomplish bigger and bolder goals and drive meaningful progress towards the 2030 Agenda for Sustainable Development. As the sun sets on its 2020 strategy, the UN Global Compact has a solid foundation to accelerate and scale the global collective impact of business, by upholding the Ten Principles and delivering the SDGs through accountable companies and ecosystems that enable change.
## 2. 2020 OVERVIEW

The purpose of this report is to provide United Nations Global Compact stakeholders with an overview of the initiative’s progress in key strategic and operational focus areas during 2020, as well as to highlight recent activities undertaken to promote business action on the Ten Principles and UN priorities. Aligned with its 2020 Global Strategy, the UN Global Compact focused its activities on delivering against three crucial “Must-Win Battles”:

1. Creating Sustainable **GROWTH**
2. Optimizing the Global **ORGANIZATION**
3. Clarifying and Strengthening the **BRAND**

These Must-Win Battles served as the basis for the below scorecard that identifies key related organizational goals and reflects progress through the end of the 2020 calendar year:

### UNGC 2020 ANNUAL MANAGEMENT REPORT

#### 2020 Balanced Scorecard

##### GROWTH

<table>
<thead>
<tr>
<th>GOAL</th>
<th>TARGET</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generate significant number of new joiner leads</td>
<td>≥8,500</td>
<td>15,443 ●</td>
</tr>
<tr>
<td>Achieve overall net company growth target</td>
<td>+3%–9%</td>
<td>+19% ●</td>
</tr>
<tr>
<td>Achieve growth targets for large companies (≥$50M) in three key markets: USA, Asia, Africa</td>
<td>USA: +15%–20%</td>
<td>USA: +24% ●</td>
</tr>
<tr>
<td></td>
<td>Asia: +13%–15%</td>
<td>Asia: +23% ●</td>
</tr>
<tr>
<td></td>
<td>Africa: +6%–24%</td>
<td>Africa: +31% ●</td>
</tr>
<tr>
<td>Implement Africa Strategy, delivering LNDNF &amp; grant funds to LN, and substantive engagement of African companies by UNGC NY &amp; LNs</td>
<td>$300K</td>
<td>$318K ●</td>
</tr>
<tr>
<td></td>
<td>500 companies</td>
<td>1,066 companies ●</td>
</tr>
</tbody>
</table>

##### ORGANIZATION

<table>
<thead>
<tr>
<th>GOAL</th>
<th>TARGET</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Track employee engagement through global launch of inaugural values survey</td>
<td>UNGC NY: Q4</td>
<td>OFF-TRACK ●</td>
</tr>
<tr>
<td>GCNs:</td>
<td>Q4</td>
<td>●</td>
</tr>
<tr>
<td>Facilitate smooth transition to new ED with development of key strategy documents</td>
<td>Cornerstones: Draft 2023 strategy</td>
<td>COMPLETE/ ON-TRACK ●</td>
</tr>
<tr>
<td>Support strong collaboration between GCNs and Governments in delivering VNIs</td>
<td>≥5 Countries</td>
<td>COMPLETE ●</td>
</tr>
<tr>
<td>Clarify UNGC/GPC governance in line with UN recommendations</td>
<td>Q4</td>
<td>To Be Communicated ●</td>
</tr>
</tbody>
</table>

##### FINANCIALS

<table>
<thead>
<tr>
<th>GOAL</th>
<th>TARGET</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure general contribution income target</td>
<td>$9.5M–10.6M</td>
<td>$9.4M ●</td>
</tr>
<tr>
<td>Secure Action Platform and Global Impact Initiative income targets from private sector contributions</td>
<td>APs: $3.2–4.6M</td>
<td>$3.4M ●</td>
</tr>
<tr>
<td>OITs: $700K–1M</td>
<td>$573K ●</td>
<td></td>
</tr>
<tr>
<td>Secure Government funding target (core + earmarked)</td>
<td>$2.6M–3.5M</td>
<td>$3M ●</td>
</tr>
<tr>
<td>Secure Grant funding income target</td>
<td>$2.2M–3.1M</td>
<td>$2.7M ●</td>
</tr>
</tbody>
</table>

##### BRAND

<table>
<thead>
<tr>
<th>GOAL</th>
<th>TARGET</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present new CoP framework, corporate sustainability data platform, and CoP implementation plan</td>
<td>CoP Framework: Q4</td>
<td>OFF-TRACK/ ON-TRACK ●</td>
</tr>
<tr>
<td>Data Platform: Q4</td>
<td>Impl Plan: Q4</td>
<td>●</td>
</tr>
<tr>
<td>Launch UNGC Academy series on COVID-19 and deliver globally</td>
<td>≥18 sessions</td>
<td>≥18K viewers</td>
</tr>
<tr>
<td>Roll out Global Impact Initiatives: SDG Ambition, Target Gender Equality, and YSP Round II</td>
<td>SGD 25, 10 persons</td>
<td>200 events</td>
</tr>
<tr>
<td>Mark UNGC 10th Anniversary through 20-year Progress &amp; Impact Report and virtual Leaders Summit</td>
<td>Report: Q2</td>
<td>10K registered part</td>
</tr>
</tbody>
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Through the end of 2020, the UN Global Compact has registered strong results across all four areas captured in its Balanced Scorecard:

- **Growth:** The UN Global Compact grew substantially in 2020, adding new participants from all over the world, including Africa, China and USA, markets that have been historically underrepresented. The Compact exceeded its growth targets for these regions, and generated far more leads than anticipated. Although growth was projected to be slow in Q2-Q4 due to the COVID-19 pandemic, overall results have exceeded targets with net company growth at 19%. These strong results are encouraging given the continuing pandemic and have allowed the Global Compact to further its growth in emerging markets, especially Africa, where over USD 300K were allocated to Local Networks, through the LNDF and grant funds, to implement programmatic
activities and support resource-constrained networks.

- **Organization:** The UN Global Compact underwent a smooth leadership transition in 2020 with our new CEO & Executive Director, Ms. Sandra Ojiambo assuming the post in June. The transition was formalized at a special session of the UN Global Compact Board, chaired by the UN Secretary-General, and subsequently at the 20th Anniversary Leaders Summit. While the Compact decided to postpone the launch of its inaugural employee/LN survey to early 2021 as part of a broader organizational review, significant efforts have been made to support staff in light of remote working arrangements. The Compact also created a new Diversity & Inclusion Taskforce to identify measures to nurture a more diverse, anti-racist and inclusive workplace.

- **Brand:** The UN Global Compact hosted its largest event ever this year: the 2020 Leaders Summit. Registration for the virtual event far surpassed the goal of 10,000 participants — more than doubling it. The 26-hour event also featured the launch of the 20th Anniversary Progress Report, marking 20 years of impact. The UN Global Compact Special Academy series on COVID-19, which was launched at the very end of Q1, was completed in Q2, and engaged more than 21,000 viewers across the world. The Compact also rolled out three Global Impact Initiatives (GIIs), with a far greater number of Local Networks and companies signing up to participate, than targeted, expanding the scale of the initiative. Refining the Compact’s Communication on Progress (CoP) reporting requirement and the related data platform remains in process, and will extend to 2021, due to the complexity of the topic and significant shifts in the global reporting landscape.

- **Financials (as of Oct’20, to be updated):** Because of COVID-19, revenue from company required contributions is slightly below expectations with $9.4 million raised to date, and is projected to be slightly below budget for the year. While the Global Compact has raised $4 million for Action Platforms, revenue is also projected to be below expectations for the year. Contributions from governments have met targets, while GII income remains behind. Income from grant funding fell within the target range, as expected. With expense controls in place to mitigate against expected downturns, the Global Compact expects to end the year with at least a break-even budget despite expected shortfalls in revenue.

### 2020 STRATEGIC PRIORITIES

The UN Global Compact tracked progress on the key goals for 2020 and a status summary is captured below.

#### GROWTH

- **Accelerate Lead Generation & Participant Growth:**
  - Generate ≥ 8,500 new leads for prospective joiners
  - Obtain ≥ 3% overall net company growth
  - Achieve growth targets across key markets:
    - >15-20% net company growth in USA
    - >13-15% net company growth in Asia
    - >6-24% net company growth in Africa
  - Secure ≥ $9.5-10.6m in general contributions

- **Diversify & Engage the UN Global Compact Group:**
  - Expand Government Group with 4 new Member States (including 2 from Global South)
  - Increase general core contributions to ≥ $2m USD and earmarked project contributions to ≥ $600k USD

- **Expand Fundraising Capacity & Income Streams:**
  - Secure ≥ $2.2-3.1m USD from events sponsorship
  - Raise ≥ $700k-1m USD for Global Impact Initiatives (GIIs)
  - Receive ≥ $3.2-4m USD from Action Platform contributions from the private sector

#### ORGANIZATION

- **Cement ‘One Global Compact’ Globally:**
  - Conduct Annual Values Survey in NY & GC or
  - Deploy and fully embed the roles of new Regional Liaisons
  - Deepen up-stilling and engagement of GCG Board Members
  - Strengthen foundational capacity in select GCNs to enable participant growth & greater Gov’t/UN engagement

- **Prepare UN Global Compact for Transition to a Post-2020 Strategy:**
  - Develop “Strategic Cornerstones 2025” document
  - Facilitate smooth transition to new ED
  - Strengthen strategic planning across Theory of Change

- **Anchor UN Global Compact’s New Role Across the UN System:**
  - Support 10 GCNs in implementing new guidelines to more closely collaborate with UN Resident Coordinators
  - Develop and pilot project on UNGC engagement in VNrs, achieving 5-8 examples of strong collaboration between GCNs and Governments at country level
  - UNGC/UN to drive implementation of IRT outcomes on adoption of 10 Principles across UN system

#### BRAND

- **Drive Scale & Impact Across Theory of Change:**
  - Deliver on existing 7 Action Platforms and evolve concept for next cycle
  - Roll-out new Global Impact Initiatives (GIIs):
    - SDG Ambition and Young SDG Innovators
    - Target Gender Equality
    - Target 1.5°C (including related Campaign)
  - Roll-out new Sustainable Finance Strategy (including CFO Network and SDG Investment Forums)
  - Continue roll-out of Academy content in several languages

- **Enhance Participant Accountability & Transparency:**
  - Present new CoP reporting framework and initiate implementation
  - Recognize leadership on the SDGs with new LEAD criteria
  - Launch data warehouse with participant & SDG data

- **Sharpen UN Global Compact Brand via 20th Anniversary Campaign:**
  - Conduct global communications campaign with GCNs
  - Develop 10 Year Progress & Impact Report
  - Launch a Platform of Platforms event on 15-16 June
Creating Sustainable GROWTH
The UN Global Compact exceeded its 2020 growth targets both overall and in key markets, making significant gains in Africa, USA and China. While the Global Compact did achieve the diversification target for the Government Group, welcoming Costa Rica and Mexico, it fell slightly short of the expansion target of adding 4 new members in 2020. Event revenue was much lower than expected for 2020 with the cancellation of the in-person September Leaders Summit. However, there was good response to calls for sponsorship for the virtual Leaders Summit held instead and net revenue from events was positive.

Optimizing the Global ORGANIZATION
The UN Global Compact continued to cement the ‘One Global Compact’ vision globally by strengthening foundational capacity in select Local Networks through recruitment of qualified staff, capacity building, and representation of UN Global Compact staff in Global Network Council Board Meetings. Scaling this up will continue to be a priority in 2021 and beyond. The transition to the post-2020 strategy is currently underway, with operationalization expected to continue into the first quarter of 2021, driven through a number of work streams. The role of the UN Global Compact as a driver of responsible private sector engagement with the UN was further reinforced through participation of 13 Local Networks in their government’s Voluntary National Review (VNR) processes. The Global Compact also advanced efforts to position Local Networks as advisors and partners to Resident Coordinators and UN Country teams worldwide. In September, the Global Compact and the UN’s Development Coordination office created a new joint staff position to further strengthen collaboration and ensure that UN Resident Coordinator Offices and UN Country Teams are equipped to fully leverage UN Global Compact frameworks, tools and resources and promote private sector engagement. The Global Compact also helped launch a “Partnership Officers Network” in Latin America and the Caribbean to offer a new platform for knowledge sharing and exchanging good practices, with potential to replicate and scale in other regions.

Clarifying and Strengthening the BRAND
A major focus of 2020 was the 20th Anniversary Campaign, which was manifested through a successful communications campaign involving all Local Networks, the launch of the 20 year Progress Report and a virtual ‘Platform of Platforms’ event in June, which was the UN Global Compact’s largest convening by far, with 22,908 registered participants from over 180 countries. The 3 GIIIs and Action Platforms continued to drive impact through programming delivered in collaboration with Local Networks. By tailoring it’s offerings to better support companies in light of COVID-19, the Academy gained close to 4,000 registered users, drawing over 52,000 unique views from more than 90 countries across live and on-demand sessions. Although good progress has been made, the launch of the enhanced Communication on Progress, related new leadership criteria and the corresponding data warehouse have been postponed to 2021.
3. ORGANIZATIONAL SNAPSHOT

The United Nations Global Compact is comprised of a headquarters office located in New York (UNGC NY) and a series of Global Compact Local Networks around the world. The UN Global Compact is supported by the Foundation for the Global Compact, a US-based a 501(c)(3) non-profit that exists solely to provide vital financial, operational and programmatic assistance for the work of the UN Global Compact. The Foundation for the Global Compact is also headquartered at UNGC NY. The office leads on the development of the organization’s strategy, programmatic offerings and global events, and manages strategic relationships with the UN, Member States and participants engaged at the global level. The office also handles global communications and marketing and manages the initiative’s administration needs.

Global Compact Local Networks are multi-stakeholder initiatives that advance corporate sustainability at the national and regional level by helping companies understand what responsible business means within their national context. Organized and run locally, Local Networks offer a venue for both local firms and subsidiaries of foreign corporations to improve their ability to put sustainability commitments into action and to build local partnerships. As of the end of the December 2020, the UN Global Compact has 69 Local Networks spread across the Compact’s five regional groups: Africa, Asia-Pacific, Eastern Europe and Middle East, Latin America & Caribbean, and Western Europe & North America. Over 50% of Networks are located in developing countries.

To provide regional and on-the-ground support to Local Networks, facilitate stronger collaboration with Resident Coordinators and UN Country Teams, the Global compact has also deployed a number of its liaisons to Regional Hubs around the world, including Latin America and the Caribbean, Africa, Asia Pacific, China, MENA and Europe. These regional liaisons are UN Global Compact staff members who cater support to national and regional priorities and promote engagement with the private sector engagement.

UN Global Compact also partners with its four sister initiatives, each of which has been developed to mobilize key stakeholder groups that have a critical role in the future of corporate sustainability. The Compact has played a foundational role in the establishment of all four initiatives, and it continues to play a critical role in each of their governance.

- Principles for Responsible Investment (PRI)
- Principles for Responsible Management Education (PRME)
- Sustainable Stock Exchanges (SSE)
Global Compact Cities Programme (Cities)

In collaboration with these initiatives, the Compact works with investors, academia and cities in a number of ways, ranging from taking part in global policy discussions to contributing tools and guidance for their day-to-day operations.

THE UN GLOBAL COMPACT WAY

Developed in the spirit of ‘One Global Compact’ through collaboration between UNGC NY and the Global Compact Local Networks, the model below represents the Compact’s organizational values.

The values determined to be most important for UNGC NY and Local Networks are those of the UN: Integrity, Respect for Diversity, and Professionalism. The actions associated with each value, however, are unique to the Compact, and reflects its particular focuses and opportunities. These three UN values and nine UN Global Compact behaviors — along with the Compact’s mission — comprise the UN Global Compact Way.

In 2020, the Global Compact also developed a ‘Way of Management Processes & Policies Handbook’ which gives an overall introduction to the UN Global Compact, its key reoccurring processes and describes how they are managed. This internal handbook is a living document, revised frequently to reflect any changes to the organization’s processes and/or policies over time.
4. PARTICIPANT SNAPSHOT

The UN Global Compact experienced steady growth in 2020 and now has a participant base comprised of (as of 2 Dec):

- Business Participants: 12,388
- Non-Business Participants: 3,951
- Total Participants: 16,339

**BUSINESS PARTICIPANTS**

Growth: During 2020, **2,290 new business participants joined** the UN Global Compact, bringing the cumulative net number of businesses to 12,388. This represents overall net company growth of 19%, exceeding the 2020 goal target of between 3% and 9%. As in previous years, regional distribution of new joiners tracked closely with the regional distribution of all companies, with the highest number of new joiners coming from Western Europe. However, the Compact also saw strong growth numbers in Africa, China, and USA, where it has historically been underrepresented. Concerted efforts made over 2019 and 2020 to attract larger companies in these regions have paid off – in 2020, UN Global Compact participants with annual revenue over 50 million USD grew by 25% in Africa, by 23% in USA, and by 29% in China. Middle East and Eastern Europe also grew at 24%. Comparatively, while the rate of growth was slower in Asia-Pacific (1%), Western Europe (8%) and Latin America & Caribbean (11%), the total number of companies with annual revenue over 50 million USD from these regions was higher, due to progress made over previous years.

Delistings: **365 business participants were delisted** from the UN Global Compact in 2020, with 51% of them being expelled due to a failure to communicate on progress — the primary requirement for continued participation in the initiative. Of the remaining, 24% withdrew voluntarily, 15% were removed for being non-responsive and the rest were either consolidated into another company, ceased to exist or had an integrity issue.

**NON-BUSINESS PARTICIPANTS**

During 2020, **389 new non-business participants joined** the initiative, bringing the total to 3,951 non-business participants, and **104 non-business participants were delisted** from the initiative, with the primary reason being a failure to submit the biennial Communication on Engagement (COE).
5. PROGRAMMATIC OVERVIEW

UN Global Compact programmes seek to support the initiative’s vision to mobilize a global movement of responsible companies and organizations to create the world we want. Programmes are rooted in the Ten Principles and are multi-stakeholder in nature to maximize collaboration and impact across business, civil society, Governments and the UN. Building on two decades of expertise on environment, social, governance and financial issues, the UN Global Compact Programmes team mobilizes business to meaningfully contribute to the 2030 Agenda, and to demonstrate the essential role that the private sector can play in contributing to broader UN goals and priorities.

As illustrated in the graphic below, the programme portfolio seeks to achieve three goals aligned with the organization’s theory of change:

1. Driving thought leadership and innovation
2. Scaling responsible business practice globally
3. Advocating for an enabling environment to support and accelerate sustainability solutions

KEY MILESTONES AND ACHIEVEMENTS IN 2020

- In March 2020, the UN Global Compact issued its COVID-19 Special Appeal calling on business leaders to unite to support workers, communities and companies affected by COVID-19.
- The UN Global Compact Academy produced a weekly series of digital sessions between April and June to provide companies with guidance on how to respond and recover from the global pandemic. The series drew 21,000 registrants from 87 countries.
- Action Platforms continued to develop cutting edge thought leadership on human rights, labour, climate and anti-corruption, by convening companies, leading experts, civil society, Governments and UN partners to catalyze business action on the Ten Principles.
- Global Impact Initiatives (GIIs) began challenging companies to set and reach ambitious corporate targets within the SDG Ambition and Target Gender Equality accelerator programmes.
- Over 1300 CEOs demonstrated their commitment and support for inclusive multilateralism by signing the Statement from Business Leaders for Renewed Global Cooperation as the world faced an unprecedented disruption and global transformation.
- Through the Uniting Business to Recover Better Statement, over 150 global corporations urged world leaders for net-zero recovery from COVID-19. This was the largest ever UN-backed CEO-led climate advocacy effort to date.

SHAPING THE GLOBAL SUSTAINABILITY AGENDA: HIGHLIGHTS FROM 2020

Over the course of 2020, the UN Global Compact led multiple programmes on the topics of its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. Below is a snapshot of key activities and events across the Ten Principles and interlinked themes:

COVID-19 Response

In March 2020, the UN Global Compact issued its COVID-19 Special Appeal calling on business leaders to unite to support workers, communities and companies affected by the pandemic. In the spirit of solidarity and international...
cooperation, the Special Appeal encouraged business leaders everywhere to use the Ten Principles as their guide in responding to the crisis.

In support of the Compact’s response to COVID-19, the UN Global Compact Academy launched a weekly series of digital sessions to support companies with guidance to respond and recover from the global pandemic. Sessions included: *Leadership in a global crisis, COVID-19 and the world of work, How business can empower women during the pandemic, Climate action, Small businesses and COVID-19 and How sustainable finance can shape a stronger global economy better equipped to deliver the SDGs.* From April to June, 16 sessions were produced with 59 executive-level speakers, drawing 21,000 registrants from 87 countries. The series led to 5,738 new leads, which was the Compact’s highest performing marketing campaign of 2020. 85% of post-session survey respondents said they would recommend the UN Global Compact Academy to a friend and 79% felt that the series helped them understand the necessary policies and procedures for responding to COVID-19 in the workplace.

To further operationalize the COVID-19 Special Appeal, the Global Compact developed a series of practical engagements and linked with key partner organizations to tackle the crisis. Highlights include:

- **Uniting Business and Governments to Recover Better**: A statement from 170+ companies engaged in the Science Based Targets initiative and the Business Ambition for 1.5°C campaign calling on Governments to work with them to boost climate ambition and policies during the recovery phase. This is the largest ever UN-backed CEO-led climate advocacy effort till date.

- **Call to Action on Imminent Threats to the Integrity of Global Supply Chains**: Issued in April by the COVID-19 Task Force of the Action Platform for Sustainable Ocean Business, which is comprised of 67 diverse stakeholders from governments, academia, science, UN agencies and businesses. This call recommended the adoption of an internationally recognized “key worker” status system enabling unhindered movement, across international borders, for personnel key to the safety and integrity of ocean-related supply chains.

- **Call to Action in the Garment Industry**: The Global Compact endorsed this call led by ILO, to support garment manufacturers survive the economic disruption caused by the pandemic and to protect garment workers’ income, health and employment. A COVID-19 Action Plan for the Garment Industry was developed as part of this call and endorsed by global brands and manufacturers, and relevant employers’ and workers’ organizations.

In addition, the Global Compact developed and published practical guidance for companies to help them make sustainable choices during and after the pandemic:

- **COVID-19 issue area briefs**: To help companies navigate the sustainability challenges magnified by COVID-19, the Global Compact compiled a series of COVID-19 issue area briefs that detail the impact of the pandemic on a range of sustainability issue areas including gender equality, ocean, water stewardship, climate, decent work, sustainable finance, human rights, and anti-corruption. Each brief includes a variety of resources to help companies build back better and recover stronger.

- The Global Compact has been encouraging companies to adopt an **inclusive COVID-19 response**, with a specific focus on socio-economic and gender inclusivity. Through the Global Compact’s work, it has promoted the narrative that corporate respect across economic, social, cultural, and civil and political rights are fundamental to the success of the response and recovery from the pandemic. On gender-inclusivity in particular, the Global Compact rolled out best practices and guidance to companies in relation to the pandemic, including thematic briefs and the Target Gender Equality COVID-19 Quiz. It also organized a number of webinars and events focusing on COVID-19 and gender equality, including a webinar with Business for Social Responsibility (BSR), a Cherie Blair Foundation webinar on woman-owned businesses, an International Gender Champions webinar on leadership in the pandemic and the Women Rise for All event hosted by the UN Deputy Secretary-General focusing on women leaders during COVID-19.
GLOBAL IMPACT INITIATIVES

To deliver impact at scale, the UN Global Compact has developed Global Impact Initiatives (GIIs) designed to generate behaviour change across a critical number of companies. Delivered primarily through Global Compact Local Networks, GIIs offer diverse engagement opportunities, including awareness raising campaigns, capacity-building sessions, trainings, mentoring and blended learning.

**SDG Ambition Accelerator** helps companies set ambitious corporate targets and accelerate integration of the SDGs into core business management. Having been officially launched on the sidelines of the World Economic Forum Annual Conference in Davos in January, the Accelerator provides guidance to companies to enable them to move beyond incremental progress and step-up transformative change – unlocking business value, building business resilience, and enabling long-term growth. In June, the Compact launched Scaling Business Impact for the Decade of Action – an introduction to SDG Ambition, which introduced the SDG Implementation Framework and laid down the case for ambitious goal setting as a key driver to accelerate progress on the SDGs. Following the launch, three guides were developed to help companies operationalize the framework. These were:

- **Raising Ambition for a Decade of Action** Challenges organizations to set more ambitious goals and targets in the areas in which business is positioned to have a substantial impact. Business leaders can use this document to support their strategy and set goals ambitious enough to deliver the SDGs by 2030.
- **Designing Business Systems for the Decade of Action** (previously referred to as the Integration Guide) Presents the approach through which the ten SDG Ambition benchmarks can be integrated into core business processes and systems to enable effective measurement & management of sustainability performance. Business can use this publication to identify the system opportunities to integrate the SDGs into core business processes.
- **10 SDG Ambition Benchmark Reference Sheets** Provide illustrative details regarding the steps to integrate each of these benchmarks into a company’s business systems, as well as the key design decision required to engage technology partners.

The Accelerator is being delivered through the Local Networks. By the end of 2020, more than 640 companies and 30 Local Networks have signed up for the first Module of the Accelerator which will kick off in January 2021. Given the virtual nature of the programme, the Global Compact has also been able to include companies headquartered in countries where Local Networks are yet to sign up to run the Accelerator.

**The Young SDG Innovators Programme (YSIP)** is an SDG innovation and intrapreneurship accelerator programme for young professionals in participating companies of the UN Global Compact.

In its first year, YSIP engaged 325 young innovators from 130 companies in 10 countries. In total, 86 new business solutions were identified and developed out of which 12 have been partially or fully funded, or are in the process of implementation. 75% of young innovators reported having presented their solutions to senior (c-suite) management and 81% are in discussion about funding and resourcing for their solutions.

During the 20th Anniversary Leaders Summit, 34 teams from the programme presented their breakthrough SDG solutions. A dedicated YSIP Lounge and SDG Futures Lab showcased breakthrough innovations developed through the Young SDG Innovators programme that demonstrated how disruptive technologies and sustainable business models could shape the future of food, energy, fashion and finance, amongst others. For instance, one innovation from Turkey sought to re-purpose electronic waste for creating a second or third life for electronics. A panel of SDG innovation and intrapreneurship experts provided feedback on how to implement these ideas.

Programme activities for Round 2 are set to begin in January 2021 and will engage at least 354 innovators in 144 companies (as of December 2020). A total of 17 GCLNs have signed up to run this round locally. Building off of the learnings from this programme, the Global Compact will roll out guidance and training for the broader participant base around how business can better promote intergenerational leadership by engaging young professionals in their ranks; and how business can adopt an entrepreneurial mindset to leverage the SDGs to drive their innovation processes.
Target Gender Equality (TGE) supports companies in setting and reaching ambitious corporate targets for women’s representation and leadership, starting at the Board and Executive Management levels. TGE is currently being rolled out in collaboration with 19 Local Networks, engaging more than 300 companies representing both large and small companies and a wide range of sectors, including male-dominated industries such as construction, technology and engineering. To support recruitment efforts and help companies recognize the importance of gender equality and women’s leadership for effective COVID-19 response and recovery efforts, the UN Global Compact launched an informative video featuring all 19 participating Local Networks and an interactive Target Gender Equality COVID-19 Quiz. Till date, more than 1,000 users have accessed the quiz and the data collected from it has been used by Local Networks to further engage Global Compact participants. The Compact also established a Target Gender Equality Global Coalition, bringing together expert organizations that are committed to advancing women’s business leadership to support the global roll out of TGE. UN Global Compact Board Member, and former President & CEO of the Global Fund for Women, Musimbi Kanyoro was also appointed as a Special Advisor for this GII.

In-country TGE programming continued to be rolled out through the year, including tailored facilitations of the WEPs Gender Gap Analysis Tool and capacity building workshops to help companies better understand gaps in their current gender equality performance, set targets, tackle barriers and measure and communicate progress. For example, Global Compact Network Brazil is running a larger campaign under the title “Equidade é Prioridade” (Equity is a Priority) calling on companies to commit to having 30% of women in senior leadership positions by 2025 and/or having 50% women in senior leadership positions by 2030. This will be monitored and made publicly available through the WEPs Gender Gap Analysis Tool. While also other companies can join the TGE programme, they are strongly encouraged to first make the commitment. All commitments can be viewed here. A wide range of learning opportunities were also made available, including an Academy e-learning tool on gender equality, good practices shared through a newly launched TGE Newsletter, and gender equality focused sessions at Global Compact flagship events, including a TGE Lounge at Uniting Business Live.

ISSUE AREAS
The UN Global Compact works to support companies to embed the Ten Principles on human rights, labour, environment and anti-corruption, into business strategies and operations. This work seeks to shift mindsets and support and inspire companies to uphold their basic responsibilities to people and the planet. Highlights of these efforts are outlined below.

HUMAN RIGHTS & GENDER: Since rolling out the human rights strategy at the end of 2019, the Global Compact focused its human rights efforts on three strategic aims: Meeting the Baseline, Setting the High Bar and Accountability. As such, it strengthened its emphasis on human rights due diligence as a means to closing the persistent and significant gap between corporate aspirations and actions, and announced its support for mandatory human rights due diligence legislation at the 9th Annual UN Forum on Business and Human Rights. Bi-monthly thematic calls with the Business and Human Rights Local Networks Group and a collective presence at the UN Forum on Business and Human Rights further strengthened the close working relationship with Local Networks on this topic.

Along with 25 Local Networks, the Global Compact participated in the Ring the Bell for Gender Equality Initiative for the sixth consecutive year to raise awareness of the critical role that financial markets can play in driving progress on gender equality. It also created an Academy e-learning course and translated the WEPs Gender Gap Analysis Tool into five new languages to provided additional tools to companies to advance
gender equality. In March, the Compact launched the 2020 edition of the Global Trends and Opportunities Report in collaboration with BSR, which provides insights on global corporate performance on gender equality and showcase the efforts of partners and other stakeholders to drive women’s empowerment globally.

» LABOUR: The Global Compact continued working closely with the ILO to support participating companies to integrate its Labour Principles into their business operations through its Action Platform on Decent Work in Global Supply Chains. It continued co-chairing the Child Labour Platform — the leading business initiative to eradicate child labour in supply chains. As a partner of the Global Deal Initiative it also promoted the principle of social dialogue by emphasizing public-private partnerships and multi-stakeholder collaboration in all its work streams.

» ENVIRONMENT & CLIMATE: In addition to releasing the Uniting Business to Recover Better Statement, the Global Compact continued to focus efforts on the growing momentum around corporate climate action through the Science-Based Targets Initiative (SBTi) and its Business Ambition for 1.5 campaign, reaching important milestones. SBTi passed the bar of more than a thousand companies taking action, including more than 360 of which aligned their science-based emission reduction targets with a 1.5°C trajectory. 2020 also marked the launch of Race to Zero - a global campaign steward by UN High Level Climate Champions and aimed at mobilizing leadership and support for a zero-carbon recovery in the lead up to COP26. The 1.5°C campaign was the most ambitious corporate commitment featured in the Race. The Global Compact also launched the new Water Resilience Coalition to raise ambition and accelerate corporate action to build water systems that are resilient to the impact of climate change.

» ANTI-CORRUPTION: In the anti-corruption space, the Global Compact focused on advancing the project, Scaling up Anti-Corruption Collective Action within Global Compact Local Networks. In addition, it launched the Anti-Corruption Collective Action Working Group to develop the Anti-Corruption Collective Action Playbook for Local Networks, and further engaged with four Networks that are in the process of developing anti-corruption collective action initiatives to carry out over the next three years. In addition to the project, the Global Compact has been actively involved in the preparatory process for the United Nations Special Session of the General Assembly against Corruption (UNGASS), which will take place in April 2021. In May, the Compact submitted a contribution to the political declaration that will be adopted by the General Assembly at UNGASS. The Global Compact also participated in the United Nations Global Task Force on Corruption to develop a Common Position paper.

REPORTING & IMPACT

SDG Action Manager: Developed in collaboration with B Lab and launched in Q1, this internal management tool enables businesses to track their sustainability performance. Since its launch, over five thousand companies have signed up to the platform. The Global Compact has promoted the tool both at the global and local levels, through webinars held for Local Networks and at the 20th Anniversary Leaders Summit. Local Networks themselves have started to partner with local B Lab Chapters to promote the tool. In addition, the Global Compact is exploring using the tool as part of the SDG Ambition GII, as a way to help participants form a clear understanding and baseline of where they stand in terms of their progress on the SDGs.

Review of the Communication on Progress (CoP): Refining the approach to the UN Global Compact’s CoP reporting requirement remains in process, and given the highly strategic nature of the project and required breadth of consultations, this effort will stretch into the first half of 2021. In Q1 and Q2 2020 consultations were held with a number of stakeholders (businesses, UN entities, governments, civil society, reporting standards, and investors) to identify ways to improve the current CoP. Extensive research was also done, supported by recognized experts in the field, to develop a preliminary draft for an enhanced CoP questionnaire. The questionnaire will be shared for consultations in 2021. Efforts are also underway to develop a data warehouse that will make CoP data easily accessible and comparable to interested stakeholders.
UN GLOBAL COMPACT ACADEMY

The Academy continues to grow and as of December 2020, touts 1028 companies and 3,939 users on the platform, with over 52,000 unique viewers from more than 90 countries, across live and on-demand sessions. While the first half of the year was dedicated to the COVID-19 Special Series, during the second half of 2020, the Academy has focused on supporting the development of global tracks for the SDG Ambition Accelerator and foundational e-learning courses for companies. To improve accessibility and impact around the world, translation continued to be a major focus for 2020 and the Academy now has 32 on-demand sessions, 16 Essentials Guides, and 5 E-Learning courses available in English, French, Spanish, and Portuguese.

ACTION PLATFORMS

Through its portfolio of Action Platforms (APs), the UN Global Compact invites businesses to collaborate with like-minded peers and experts to develop unique and innovative approaches to critical sustainability issues. In 2020, Action Platforms met recruitment goals with over 140 companies across 35 sectors. Confirmed in at least one platform. A robust set of virtual activities and engagements were offered across each of the seven themes: reporting; sustainable finance; decent work; climate and health; water security; and peace, justice and strong institutions. Some of these activities are highlighted below.

**Sustainable Finance:** Following the launch of the Taskforce of Chief Financial Officers (CFOs) working to integrate the SDGs into corporate finance in December 2019, the **CFO Principles on Integrated SDG Investments and Finance** were launched in September during the historic virtual UNGA75. These are the first ever UN-backed principles for integrated SDG corporate finance and investment and supplement the Ten Principles, covering four major areas specifically relevant to the role of CFOs, including SDG-aligned strategy development, measurement, financing, and investor communications.

**Decent Work in Global Supply Chains:** The AP launched important outputs from Phase I (decent work), including four leadership briefs and the "Decent work toolkit for sustainable procurement," which was translated into multiple languages. It also developed pillars for Phase II (working poverty), organizing a webinar series on the topic. In the wake of the COVID-19 crisis, a **COVID-19 Peer Group on Decent Work** was created, involving AP participants, as well as experts and contributors. This group provided an opportunity to share best practices as well as challenges, and inform the development of a COVID-19 issue brief on Decent Work. The Global Deal (a multi-stakeholder initiative for social dialogue and inclusive growth initiated by the Swedish Prime Minister and developed in cooperation with OECD and ILO) also joined the Action Platform as a new partner this year.
**Business Ambition For Climate and Health:** The number of companies pledging to set climate targets in line with limiting global temperature rise to 1.5°C above pre-industrial levels and reaching net-zero emissions by no later than 2050 kept growing, with more than 360 companies committed to the Business Ambition for 1.5°C campaign as of December 2020. The companies span over 43 sectors, are headquartered in 50 different countries and have combined annual direct emissions of nearly 521 million tons of CO2, equivalent to the emissions of 134 coal-fired power plants. The 1.5°C campaign represents the most ambitious engagement of the high-level climate champions campaign. Race to Zero, which mobilizes leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero carbon recovery. The AP also pushed for thought leadership and ambition on the climate-nature-health nexus through a set of consultations and webinars around both workstreams of the Action Platform: Business Ambition for 1.5°C and NDC enhancement and Putting a Human Face to Climate Change. The Platform also hosted a multi-stakeholder high-level session on Climate Ambition: Uniting for a 1.5°C Future in a Post-COVID World at the 20th Anniversary Leaders Summit featuring former UN Secretary-General Ban Ki-moon, among others.

**Sustainable Ocean Business:** The AP entered its third year in 2020 and marked a number of key milestones, including the launch of the Ocean Stewardship 2030 report in June during the virtual High Level Meeting on Sustainable Ocean Business. The report offers a roadmap for how ocean-related industries and policymakers can jointly secure a healthy and productive ocean by 2030. In October, the UN Global Compact issued a joint statement with UN-OhCHR and the UN Working Group on Business and Human Rights, calling for businesses across the value chain to mitigate the humanitarian crisis being unleashed on seafarers stranded due to the COVID-19 pandemic, and also urged immediate government action. This was preceded by an event held on World Maritime Day, organized jointly with the International Maritime Organization, the ILO, the International Chamber of Shipping and the International Transport Workers’ Federation to discuss the present crisis and raise awareness. During UN General Assembly week, the AP launched the first set of Practical Guidelines for the Sustainable Ocean Principles, and convened the inaugural Ocean Stewardship Annual Review to take stock of current progress and identify key areas of action for the coming year. In addition, it released the Blue Bonds reference paper and the Practical Guidance to Issue a Blue Bond to guide investments to increase sustainable, science-based ocean solutions.

**Water Security Through Stewardship:** The AP entered the final year in its current formulation with 31 companies, 2 local networks, and support from SDC (Swiss) and SIDA (Swedish) development agencies. It focused its efforts on the WASH4Work Partnership which launched the updated WASH Pledge as a direct business response to COVID-19, to commit companies to ensure access to safe water, sanitation and hygiene for its employees and workers in its supply chains. In March, the AP also released a whitepaper on Business Water Resilience to integrate climate change into business decision making on water. It continued to promote critical thought leadership in the area of water stewardship by launching additional case studies on the implementation of contextual water targets to facilitate the uptake of nature-based solutions and jointly developed a landscape assessment on Benefit Accounting of Nature Based Solutions for Watersheds.

**Peace, Justice and Strong Institutions:** The AP focused on reprioritizing and realigning its activities in response to converging global crises including climate, economic, health and racial/social injustices. The AP community agreed that in light of recent developments the need for demonstrating business leadership on Goal 16 was more pressing than ever. To that end, it led the development of ‘A Statement from Business Leaders for Renewed Global Cooperation’ that reinforced the essential nature of Goals 16 and 17 to realizing the 2030 Agenda. This statement was signed by over 1300 CEOs from over 100 businesses and presented to the UN Secretary General at the UN Private Sector Forum on the margins of the 75th Session of the UN General Assembly. In the last quarter of the year, the Platform focused on conducting virtual country consultations, engaging Local Networks, Action Platform Patrons, Participants and Partners to discuss their understanding of the targets of Goal 16, and examples of implementation at the national level.
Reporting On The SDGs: The AP organized six workshops to increase awareness and identify innovative practices on SDG reporting. In July it organized its annual multi-stakeholder session in connection with the UN High-level Political Forum to discuss how corporate sustainability data can be leveraged to inform Voluntary National Reviews. In addition, a series of capacity building workshops on SDG reporting for Local Network participants were organized in partnership with Global Reporting Initiative (GRI) and PricewaterhouseCoopers (PwC) in seven countries, training more than 700 participants. The AP also updated its resources to include the latest list of disclosures from established standards that businesses can use to report on their SDG targets. After four years of a successful run, the platform will end its work as scheduled in December. By developing extensive thought leadership, case studies and relevant tools for businesses and building the capacity of hundreds of business practitioners through in-person workshops and online sessions, the AP significantly increased awareness on the value for business and society, of measuring and disclosing impact on the SDGs. The work of the platform also informed the CoP review process.

PRME: PRME focused on establishing a robust strategic direction, kick-started by the appointment of the PRME Board — composed of representatives from the UN, private sector, academia, and the Global Compact. A major milestone for PRME was the 2020 Virtual PRME Global Forum in June, which highlighted the role of responsible management education in the Decade of Action. The event attracted 1,080 participants and included 70 speakers on 26 panels and keynote addresses over the two days. The Global Forum also served as a platform for the launch of an important PRME publication, the Blueprint for SDG Integration into Curriculum, Research, and Partnerships, and led to new ways of engaging with the PRME community, such as through a series of ‘PRME Deans Dialogues’ and ‘Chapter Talks’. To further expand the mission and vision of PRME locally, the Secretariat began restructuring and re-engaging with PRME Regional Chapters worldwide.

EVENTS & RESOURCES

UN GLOBAL COMPACT LEADERS SUMMIT: 20 YEARS OF UNITING BUSINESS

Over 26 hours of continuous virtual programming — including more than 100 global, regional and local sessions — the 20th Anniversary UN Global Compact Leaders Summit on 15-16 June was the UN’s largest, most inclusive and most sustainable convening of purpose-driven business leaders committed to tackling societal challenges and advancing the SDGs. With 22,908 registered participants from over 180 countries, it was also the Compact’s largest convening by far. Under the theme of “Recover Better, Recover Stronger, Recover Together,” the event marked the 20th anniversary of the UN Global Compact, providing a platform of platforms where leaders from business, civil society, Governments and the UN were challenged to reflect on the importance of collaboration and public-private partnerships, and increase their ambition to achieve the SDGs.

Speaking during the opening session on 15 June, UN Secretary-General António Guterres said he was “encouraged to see so many companies, of so many sizes and from so many sectors and countries, recognizing the urgent need for global unity and international cooperation.” He then called on business to “[integrate] the Ten Principles of the UN Global Compact into their core strategy and operations, taking strong steps to support the SDGs, and reporting publicly on progress.” Recordings of the plenary sessions can be viewed here.

The Leaders Summit also marked the transition to new leadership for the UN Global Compact, with Ms. Sanda Ojiambo taking over from Ms. Lise Kingo as CEO & Executive Director. Reflecting on five years of leadership, Ms. Kingo left participants with the following call to action: “The Ten Principles and the SDGs must inform every decision and action — big and small, in every part of business. All the way into the supply chain. We need many more businesses to adopt this approach, so it becomes the new normal.”

At the event, the Compact, in collaboration with DNV GL, also released the UN Global Compact 20th-Anniversary Progress Report: Uniting Business in the Decade of Action — an analysis of the progress businesses have made in embedding the Ten Principles in their strategies and operations to align with the universal values of the UN, and in contributing to the 17 SDGs. Based on annual survey data supported by interviews with UN Global Compact participants, the report takes stock of how businesses are performing on critical sustainability topics. Broadly, the report finds that companies need to take more ambitious actions, at scale, to meet the objectives of the 2030 Agenda and create the world we want. For example, while 84% of participants are taking action on SDGs, only 46% are embedding
them into their core business and only 39% have targets that are sufficiently ambitious, science-based and/or align with societal goals.

Together with Russell Reynolds Associates, the UN Global Compact also launched Leadership for the Decade of Action. The report sets out to discover what can be learned from business leaders who are integrating sustainability across strategy, operations and stakeholder engagement and what this means for how board and C-suite leaders are selected. It reveals an urgent need for transformational business leaders who look beyond near-term profits to make the long-term sustainability and resilience of our world a top business priority — both within and beyond their firms and broader ecosystems.

» Uniting Business LIVE at UNGA75

More than 12,000 business and sustainability experts joined Government, Civil Society and UN leaders for Uniting Business LIVE from 21–23 September, the UN Global Compact’s virtual event to mark the opening of the 75th session of the UN General Assembly. Five Heads of State, 12 Government Ministers, the President of the UN General Assembly, the UN Secretary-General, Heads of 15 UN organizations and more than 50 CEOs of the world’s most sustainable companies expressed support for the SDGs as the best roadmap to tackle COVID-19 and other urgent challenges. The online gathering included the Private Sector Forum (21 September), the Global Impact Forum (22 September) and the SDG Business Forum (23 September). Sessions from each day can be viewed here. Outcomes included:

- A powerful Statement for Renewed Global Cooperation signed by more than 1,200 CEOs from over 100 countries.
- The launch of the CFO Principles on Integrated SDG Investments and Finance, the first ever UN-backed principles on this topic.
- Release of new guidance on integration of the SDG Ambition GII into corporate strategy
- A commitment from more than 250 companies to advance women’s leadership and equality by participating in the Target Gender Equality GII
- The launch of the COVID-19 Private Sector Global Facility jointly with UNDP and the International Chamber of Commerce.

» High-Level Meeting of Caring for Climate

In the run up to the UN Climate Ambition Summit on 12 December and the fifth anniversary of the Paris Climate Agreement, the UN Global Compact organized the eighth annual High-Level Meeting of Caring for Climate jointly with UNFCCC and UNEP. The event convened COP25 and COP26 Climate Champions together with leaders from business and finance, from sub-national government, civil society, and the United Nations to identify actions and partnerships business can undertake to recalibrate toward a 1.5°C pathway — and ultimately toward a zero-carbon future by 2050. Leaders representing initiatives such as the “Race to Zero” and “Business Ambition for 1.5°C” engaged in an interactive dialogue, taking stock of progress since the Paris Agreement, discussing strategies for a green recovery to tackle the twin crises of the COVID-19 pandemic and climate change, and exploring ideas for strengthening inclusive multilateralism. Sessions from the meeting can be viewed here.

» SDG Ambition: Scaling Business Impact for the Decade of Action under the auspices of HLPF 2020

At an official side event of the United Nations High-Level Political Forum on 14 July, the UN Global Compact convened leaders from Government, business and the UN for a dialogue on SDG Ambition: Scaling Business Impact for the Decade of Action. The virtual 60-minute event showcased the new UN Global Impact Initiative — SDG Ambition — which aims to challenge and support companies to deepen integration of the SDGs and the UN Global Compact Ten Principles into their business strategy, operations, and stakeholder engagement. A recording of the event can be viewed here.
KEY RESOURCES

**Family-Friendly Workplaces: Policies and Practices to Advance Decent Work in Global Supply Chains:** Guides employers in implementing family-friendly policies that support parents and caregivers in their own operations and using their influence and leverage to promote such policies among business partners and within their supply chains. The large-scale business disruptions and the socioeconomic crisis resulting from COVID-19 have exacerbated the situation. Now, more than ever, family-friendly policies and practices are needed to support workers and their families during the crisis and beyond.

**Blue Bonds Reference Paper:** Outlines the opportunities for the ESG bond market to secure capital for ocean-related projects and companies that have made, or are planning to make, a significant contribution to the Sustainable Development Goals. The Sustainable Ocean Principles of the UN Global Compact serve as a baseline for issuers to ensure they meet the minimum expectations of a holistic approach to sustainability aligned with the SDGs.

**Ambition Guide: Setting Goals for the Decade of Action:** Establishes the initial set of SDG Ambition Benchmarks that challenge organizations to set more ambitious goals and targets in the areas in which business is positioned to have a substantial impact. Business leaders can use this document to support their strategy and set goals ambitious enough to deliver the SDGs by 2030.

**Integration Guide: Designing Business Systems for the SDGs:** Presents the approach through which the ten SDG Ambition benchmarks can be integrated into core business processes and systems to enable effective measurement & management of sustainability performance. Business leaders can use this publication to identify the system opportunities to integrate the SDGs into core business processes.

**SDG Ambition Benchmark Reference Sheets:** Provide illustrative details regarding the steps to integrate each of the SDG Ambition Benchmarks into a company’s business systems, as well as the key design decisions required to engage technology partners.

**Corporate Water Resilience in an Uncertain Future:** Outlines why companies should address water-related risks of climate change and present case studies of actions being taken to better integrate corporate efforts on climate change and water. Companies should address water-related risks to climate change across their direct operations, surrounding communities, supply chain and broader network, and collaborate with strategic partners to make a positive impact.

**Business and Human Rights – Navigating the legal landscape:** This report provides guidance on the evolving business and human rights legal landscape and the consequent legal considerations that apply to multinational companies.
6. COMMUNICATIONS & BRAND OVERVIEW

The strength of the UN Global Compact brand continued to reach new heights over the course of 2020, due to a successful 20th Anniversary campaign and a shift from in-person to virtual events, resulting in an increased emphasis on social media and digital communications across the organization. The virtual 20th Anniversary Leaders Summit and Uniting Business LIVE during UNGA week in September attracted the biggest audience that the UN Global Compact has seen in any event till date. These events also attracted top tier media coverage and significantly enhanced social media reach.

MEDIA

“Media reach refers to the number of people that may potentially have been reached through the media outlets that mentioned the UN Global Compact in their coverage”

The total media potential reach in 2020 was 51.4 billion — up 31% from 39.3 billion in 2019 and up 238% from 15.2 billion in 2018. The largest spikes in media reach occurred during March, June and September 2020.

SOCIAL MEDIA

Social media followers increased by 21% in 2020. The number of followers across all platforms in 2020 totaled 219K, up from 247K in 2019. Notably, the UN Global Compact Instagram account reached 10K followers in October, which automatically marks the UN Global Compact as an “influencer”. The peak month for both followers and impressions were June during the virtual 20th Anniversary Leaders Summit.

- Total social media followers across all platforms totaled 300,375, a 24% increase from 2019 (247,266)

In 2020, the UN Global Compact posted on social media between 31–50 times per week across our four platforms (Twitter, Facebook, LinkedIn and Instagram). Many of these posts included video highlights and social media cards — like the ones shown below — that were reposted by other partners too. Many of the visuals used on the Global Compact social media channels in 2020 also incorporated the 20th Anniversary branding, as seen below.
SDG MEDIA ZONE AT DAVOS

The UN Global Compact launched its 20th anniversary campaign in January in Davos by producing the UN’s SDG Media Zone on the sidelines of the World Economic Forum’s Annual Meeting in partnership with the UN Department of Global Communications. Over three days, the UN Global Compact convened 91 Government leaders, CEOs, UN heads, activists, influencers and entrepreneurs, through 46 short panel discussions on topics related to the SDGs, which were broadcast live on UN Web TV to a global audience. These videos were viewed 147,000 times. Social media reach was also high, with 1.6 million impressions and 21,000 engagements, which was double the number achieved at the first SDG Media Zone at the 2019 Web Summit in Lisbon.

BRAND & COMMUNICATION HIGHLIGHTS IN 2020 (further detailed in the 2020 Communications Impact Report)

- **20th Anniversary campaign**: In 2020, the UN Global Compact marked its 20th anniversary with a successful communications campaign under the new tagline “Uniting Business For A Better World”. To commemorate the occasion, the Communications team introduced the geometric SDG shaped motif that appeared on all communications materials throughout 2020. Though the anniversary was celebrated throughout the year, the campaign was designed to peak during five major events during the year: The SDG Media Zone at Davos (21-23 January), UNGA Leaders Summit (15–16 June), and Twentieth Anniversary of the UN Global Compact (26 July), Uniting Business LIVE (21-23 September) and UN Day (24 October).

- **COVID-19 Academy Sessions**: To help companies navigate the sustainability challenges magnified by COVID-19, the Communications team joined forces with the Academy to produce a weekly series of 12 high-level virtual discussions that were broadcast over Zoom. These high-profile sessions featured 57 CEOs, UN and civil society leaders and other experts and attracted more than 21,000 live viewers from 87 countries. These sessions generated 5,738 leads and 85% of post-session survey respondents said they would recommend the UN Global Compact Academy to others. 79% felt that the series helped them understand the necessary policies and procedures for responding to COVID-19 in the workplace.

- **CEO transition**: In advance of the Leaders Summit in June, UN Secretary-General António Guterres announced the appointment of Ms. Sandra Ojiambo as the new CEO & Executive Director of the UN Global Compact. Ms. Ojiambo officially took over the reins from Ms. Lise Kingo at the Leaders Summit on 16 June. The announcement received significant top tier media coverage on outlets such as CNBC Africa, BBC World and Business Daily Africa as well as on social media.

- **Leaders Summit**: Faced with the prospect of having to cancel its in-person event in New York in June, for up to 2,000 guests, the UN Global Compact pivoted to a virtual event on the same dates attracting an extraordinary 22,000 registrations from 185 countries with a total of 94,264 event page views. With over 26 hours of continuous virtual programming — including more than 100 global, regional and local sessions — the Leaders Summit was one of the UN’s largest, most inclusive and most sustainable convening of purpose-driven business leaders. The virtual event format enabled stakeholders from around the world, including all the 68 Global Compact Local Networks, to participate. The UN Secretary-General and the President of the UN General Assembly delivered opening remarks. In addition to business leaders, a number of Heads of State also delivered remarks, including German Chancellor Angela Merkel and the Presidents of Botswana, Colombia, Costa Rica and Ethiopia. The Leaders Summit received top tier media coverage in The Guardian, Bloomberg News and WEF to name a few.

- **Uniting Business LIVE**: This virtual event took place over three days during UNGA week in September and integrated the Private Sector Forum, the SDG Business Forum and the inaugural Global Impact Forum, each held on a different day. Over 12,000 people registered, reducing the carbon footprint by 98.5% compared to the UNGA in 2019. This event also saw the launch of a CEO-level Statement from Business Leaders for Renewed Global Cooperation, which received coverage in Forbes and the CFO Principles on Integrated SDG Investments which received coverage in the Wall Street Journal.

- **UN Day**: To mark the 20th anniversary of the UN Global Compact and the 75th anniversary of the United Nations, the Global Compact organized a global social media activation event on UN Day, 24 October. The aim
was to engage staff who work for companies affiliated with the Global Compact. The activation was executed with the UN75 team in six languages and achieved strong results, some of which are highlighted below:
  - 69% of the total 11,500 users completed the activation
  - 94% shared it via their personal social media accounts
  - 1.9 million impressions reached through the activation

**Special Anniversary Film:** To commemorate the Global Compact’s special 20th anniversary, a film narrated by Sanda Ojiambo and featuring the UN Secretary-General, Lise Kingo, Paul Polman, Sir Mark Moody-Stuart and other key stakeholders, was released on the organization’s Youtube channel on 15 June. As of Q4 2020, the film has been viewed more than 11,800 times. It can be viewed [here](#).

**Caring for Climate High-Level Meeting:** The UN Global Compact jointly with UNEP, UNFCCC and the COP 25 and 26 Climate Champions convened the SG and leading climate experts for a dialogue on creating a resilient, zero-carbon recovery. The annual meeting, which is normally held during the yearly COP event, convened virtually this year, marking the fifth anniversary of the Paris Agreement. Over 1,400 people registered.

**Making Global Goals Local Business - Africa:** In collaboration with Local Networks in South Africa, Kenya, Ghana, Democratic Republic of the Congo, Indian Ocean & Mauritius, Nigeria, Tanzania, and Morocco, the Global Compact hosted a day-long series of multi-stakeholder dialogues exploring how businesses in Africa can realize the goals of the 2030 Agenda. Over 2,000 people registered, ensuring strong coverage on social media. Ms. Ojiambo was also interviewed by CNBC Africa and Euronews Business Africa.

**WEBSITE**

The ungloabalcompact.org website saw a 14% increase in unique users in 2020. The total number of unique users was 1.9 million in 2020, up from 1.6 million in 2019 and 1.3 million in 2018. Growth in traffic to the website may be attributed to growth in other channels including media, social media and Bulletin subscribers, which often links back to the website, driving traffic to the site.
7. LOCAL ACTION: GLOBAL COMPACT NETWORKS

The 89 Global Compact Local Networks (GCLNs) around the world advance corporate sustainability at the national and regional levels, helping companies understand local opportunities, challenges and expectations. Organized and run locally, Local Networks offer a venue for both local firms and subsidiaries of foreign corporations to improve their ability to put sustainability commitments into action and to build local partnerships.

LOCAL NETWORKS RESPONSE TO COVID-19

GCLNs have been at the forefront of helping businesses, both large and small, to help them recover faster from the socio-economic impacts of the pandemic. To that end, they launched a diverse range of local programming and activities in addition to localizing and amplifying the Special Appeal of the UN Global Compact in many different languages. This included the creation of new thematic working groups, new public-private partnerships, joining forces with UN Resident Coordinators, virtual town halls, exchanges and webinars, supporting the collection of essential healthcare supplies, as well as developing guides, good practice collections and online platforms to support businesses, including top leadership, in navigating this crisis. Some of these activities are highlighted below:

>> Special Academy Series: Regional Perspectives

The special UN Global Compact Academy series on business and COVID-19 took a trip around the world to spotlight perspectives on leadership in a global crisis across six regions. Throughout the sessions, participants called for a strong multilateral approach to lead the world out of this crisis. Each session emphasized the importance of blending regional efforts to coordinate locally-led solutions to deliver the 2030 Agenda for Sustainable Development. The importance of harnessing innovation and new technologies to respond and recover was emphasized, as well as the need to put the most vulnerable at the center of response and recovery efforts.

For each regional session, the Compact engaged the Executive Directors of the UN Economic Commissions of that region, business leaders in the region — including some UN Global Compact Board Members and GCLN Board Members, and other high-level representatives. The sessions attracted over 2,000 attendees and were held in regional languages with simultaneous translation. A summary of key takeaways, recommended resources, and the session recordings can be found here.

>> Global Compact Network Korea launched COVID-19 Corporate Responsibility Report, compiling 26 response strategies adopted by Korean members (companies and institutions) in the context of COVID-19. This publication offers Korean companies the opportunity to incorporate sustainability into their activities during the COVID-19 pandemic based on examples from other peers in the market. It is also an exchange platform for member companies to share their strategies and knowledge in the fight against COVID-19. The report was distributed among many stakeholders such as academia, civil society, and business associations to increase their awareness of the UN Global Compact.

>> Global Compact Network Colombia launched a Business Self-Diagnosis Tool for businesses to measure their actions during the pandemic. The tool takes into account methods for responsible business conduct, the SDGs and the Ten Principles of the UN Global Compact. This tool is free for all companies and it is most suited to businesses in Colombia and the Latin-American region.

>> Global Compact Network Brazil hosted a series of webinars on COVID-19 and Corruption from April to June 2020. The webinars covered a number of issues faced by corporate integrity departments, including ethical leadership, whistleblowing, and transparency in the context of a health pandemic.

>> Global Compact Network Paraguay partnered up with the Government of Paraguay and other UN agencies under the banner of “Todos Por Paraguay” to prioritize local actions, bring private sector voices on board, and
channel funds and essential supplies. Various publications compiling good practices by Paraguayan businesses were released, along with guidance on remote working in times of COVID-19.

**Global Compact Local Networks across Africa joined forces for a regional webinar series** diving deeper into the impact of COVID-19 across issue areas and their relevance within the African context. The COVID-19 series explored responsible business responses in Africa where companies shared their best practices in ensuring safe business continuity and identifying new opportunities emerging from the crisis.

**Global Compact Network Philippines pivoted to support a resilient recovery for MSME’s in the aftermath of the COVID-19 crisis.** In collaboration with UNIDO, the Network rolled out its initiative titled “Uniting Business for MSME Sustainability,” which seeks to help MSMEs recover better by embedding the Ten Principles and the SDGs within their recovery plans. It established three Business Expert Groups comprised of large companies, MSMEs, UN and other key stakeholders to develop recommendations for implementation, leveraging on the “People, Planet and Prosperity, and Peace” pillars of the UN System and the Philippine Government’s development cooperation framework.

### GLOBAL COMPACT NETWORK CAMPAIGNS AND PROGRAMMES

**Making Global Goals Local Business (MGGLB) Africa:**
Business and civil society executives from across Africa joined United Nations leaders at a virtual UN Global Compact gathering in December to call for greater commitment to the SDGs in response to challenges created by the COVID-19 pandemic. Themed as “Uniting Business for the Africa We Want: Decade of Action and Opportunities”, the event convened more than 2,000 executives and experts from 35 African countries with UN Deputy Secretary-General Amina J. Mohammed delivering the opening remarks. Organized in collaboration with GCLNs in South Africa, Kenya, Ghana, Democratic Republic of the Congo, Nigeria, Tanzania, Morocco, and Mauritius, the event’s wide-ranging agenda included supply chain challenges and opportunities for increasing gender equality in every phase of doing business. As an integral part of the Global Compact’s Africa Strategy, MGGLB Africa sought to raise the profile of the organization in the region and foster impactful partnerships. The event also served as a key platform to recruit new companies, drawing prospects from 19 different countries in the region. The event was featured in regional news, enhancing brand awareness across the region.

**SDG Pioneers:** In February, 16 GCLNs launched a search for a new cohort of SDG Pioneers - business leaders who are doing an exceptional job to advance the SDGs. Selected national-level Pioneers will be locally recognized and advance to the global round which will open on 11 January 2021. The participating Local Networks rolling out Local Rounds include Bangladesh, India, China, Brazil, Netherlands, UK, Italy, Croatia, Georgia, Turkey, Lebanon, Nigeria, South Africa, Kenya, Mexico, and USA.

**Local Network Programmes:**

**Global Compact Network Turkey published a Diversity and Inclusion Guide for Business**, offering guidance on designing and implementing policies that nurture more diverse and inclusive workplaces. The publication is an output of the Local Network Diversity and Inclusion (D&I) Working Group and was presented at the 9th Annual Forum on Business and Human Rights in November. The Guide includes a particular focus on inclusion of LGBTI+, refugees and people with disabilities and delves into the following thematic areas: High Level Corporate Leadership for D&I, Fair Workplaces: Inclusive Policies, Health, Safety and Well-being, Human Resource Improvements, Advocacy and Reporting.

**Global Compact Network Colombia launched a publication on Good Practices in Anti-corruption** with the support of the Alliance for Integrity and UNODC Colombia. The publication details 11 case studies which are based on the experiences of the private sector in Colombia and focus on dealing with conflicts of interest, risk-management, creating a culture of integrity and effective complaint channels. The launch webinars of the publication attracted more than 400 participants.
Regional Network launched in Africa for Mauritius and the Indian Ocean. Launched in October, this is a multi-stakeholder regional platform for businesses in Comoros, Madagascar, Mauritius and Seychelles to align their strategies and operations with the Ten Principles and take action to advance the SDGs. In December, the regional network hosted a high-level roundtable on sustainable ocean business and the blue economy at MGGLB Africa. Three companies from the Network have also signed up to the SDG Ambition Accelerator, and the Network is working with the Global Compact and GCLNs in Morocco, Democratic Republic of Congo and Tunisia to launch a francophone CFO Taskforce.

SHARING AND PEER LEARNINGS

2020 Virtual Regional Meetings: Between June and July, the Global Compact organized a series of virtual meetings with staff of more than 65 Local Networks to promote peer-to-peer learning, sharing and networking between GCLNs and UNGC staff. The event included 36 sessions spanning 75 topics relevant to the work of the Local Networks. Meet and greet sessions with the new CEO & Executive Director, Ms. Sanda Ojiambo were also organized for Local Networks in all six regions. Local Network staff expressed that being able to interact with peers working in similar work streams allowed them to better relate to a number of topics and issues. It also served as an opportunity to cross-pollinate and increase the exposure of Local Networks to UN Global Compact staff as well as staff in other Local Networks.

Local Network Hub 2.0: In July, the Global Compact completed an 8 month process to redevelop the Local Network Hub, a professional communications platform used by UN Global Compact staff and its 69 Local Networks. Improvements to the platform centered on the introduction of well-defined groups across projects, thematic areas and communications. The improvements serve to allow the UN Global Compact to have a real time understanding of the interests and work streams that specific Local Network staff members engage in. Other important changes include the development of country pages from which Local Networks can manage their files, share local examples and provide up-to-date information on staffing and priorities.
8. UN & GOVERNMENT ENGAGEMENT OVERVIEW

In 2020, the UN Global Compact continued to implement its UN & Government Relations Strategy, anchoring activities in four critical goals:

**GOVERNMENT RELATIONS STRATEGIC DEVELOPMENTS**

**Leveraging the UN Global Compact Government Group**: In 2020, the UN Global Compact Government Group convened two times to review the Compact’s progress and to provide strategic guidance, under the chairmanship of Switzerland. The Government Group also welcomed two new members: Costa Rica and Mexico. In addition, Nigeria also attended the November 2020 meeting. Key topics discussed during the year included: Implementation of the Africa Strategy, the need to develop a stronger Monitoring & Evaluation framework to show the UNGlobal Compact’s impact and development outcomes and working more strategically with partners across the corporate sustainability space. The Group has been a key stakeholder in the development of the UN Global Compact 2021-2023 Strategy, providing political, programmatic and financial support.

**Engaging the UN Global Compact Group of Friends at the Ambassador-level**: Two Group of Friends meetings took place in 2020 at the Ambassador level, chaired by Switzerland. These meetings provided an opportunity to engage over 28 participating Governments, across all regional groups, in the strategic discussions around the 2021-2023 Strategy and on how the UN Global Compact could best leverage its assets to recover better from COVID-19. Overall, Member States welcomed the new strategic direction of the UN Global Compact, while highlighting the important role of the private sector in the achievement of the SDGs, and the growing importance of the mandate of the UN Global Compact in the COVID-19 era and in the Decade of Action.

**Supporting Government engagement at the country level via Local Networks**: In 2020 the UN Global Compact continued to facilitate engagement with Governments at the country-level through its Local Networks. One key achievement was the Local Networks’ engagement in national Government-led Voluntary National Reviews (VNRs), which allowed them to establish themselves as key representatives of the voice of the private sector in their countries and deepen their long-term cooperation with governments and other UN agencies. During the 2020 VNR cycle, 13 Local Networks were involved to varying degrees in the VNR process of their countries, with Argentina, Georgia, Costa Rica, Bulgaria and Finland standing out as examples of strong collaboration. Member States of the Group of Friends commended the support of the Local Networks in engaging a multitude of stakeholders in the VNR process, and in strengthening development coordination at the country level. They also noted the shared challenge of measuring business impact on the SDGs and the added value of the UN Global Compact in promoting strong corporate reporting and transparency.

**Engaging Governments in Programmatic Work and Strategic Events**: 2020 also saw more systematic communication and engagement between UN Global Compact and Governments around key programmes and common priorities. In 2020, 5 Member States (Sweden, United Kingdom, Portugal, Norway and Switzerland) served as
patrons of different Action Platforms. The Global Compact also secured high-level Government engagement during key events and milestones, such as the UNGC 20th anniversary, the High-Level Political Forum, and the UN General Assembly week. This year marked a record in government participation in UNGC flagship events, including the participation of nine Heads of State and Government (Germany, Botswana, Ethiopia, Costa Rica, Sweden, Colombia, Antigua and Barbuda, Norway, Barbados) as keynote speakers in various events.

**Implementing the Africa Strategy:** The UN Global Compact strengthened its engagement with Governments from the Global South, most notably in Africa, by implementing its Africa Strategy (2019-2023) and launching the UN Global Compact Africa Hub. A key goal of the Africa Strategy is to enhance deeper collaboration between the Global Compact and Governments. UN agencies, UN country offices and regional organizations in Africa, leading to impactful public-private partnerships that advance Agenda 2030, Agenda 2063 and national development priorities. The Africa Hub has played an important role in this regard, by strengthening the capacities of 11 GCLNs in Africa. Between March to June, the Hub hosted a COVID-19 webinar series on a range of topics specific to the region including MSMEs and the informal economy, responsible business responses to the pandemic, gender equality and women’s empowerment and the future of business in Africa. The Hub also hosted a session highlighting African perspectives on leadership in a global crisis. These webinars strengthened the Global Compact brand across the region, with nearly 900 participants in total and high-level speakers ranging from Government, Business, SMEs, Academia and UN-entities. The Hub also helped organize the high-level MGGLB Africa event in December, which saw the participation of the UN Deputy Secretary-General and a number of high-level representatives from the public and private sector in Africa.

**GOVERNMENT GROUP MEMBERS**

- CHINA
- COLOMBIA
- COSTA RICA
- DENMARK
- FINLAND
- FRANCE
- GERMANY
- ITALY
- MEXICO
- NETHERLANDS
- NORWAY
- POLAND
- PORTUGAL
- SPAIN
- SWEDEN
- SWITZERLAND
- UNITED KINGDOM

**GROUP OF FRIENDS MEMBERS**

- AFRICAN UNION
- ALGERIA
- ARGENTINA
- AUSTRALIA
- BANGLADESH
- BELGIUM
- BRAZIL
- BULGARIA
- CANADA
- CHILE
- CHINA
- COLOMBIA
- DENMARK
- DOMINICAN REPUBLIC
- ECUADOR
- EGYPT
- ETHIOPIA
- EU
- FINLAND
- FRANCE
- GERMANY
- GHANA
- GUATEMALA
- HONDURAS
- INDIA
- INDONESIA
- IRELAND
- ITALY
- JAPAN
- KENYA
- LEBANON
- MALAWI
- MEXICO
- MONACO
- NETHERLANDS
- NEW ZEALAND
- NIGERIA
- NORWAY
- PERU
- POLAND
- PORTUGAL
- REPUBLIC OF KOREA
- RUSSIAN FEDERATION
- SINGAPORE
- SOUTH AFRICA
- SPAIN
- STATE OF PALESTINE
- SWEDEN
- THAILAND
- TURKEY
- UNITED ARAB EMIRATES
- UNITED KINGDOM
- UNITED STATES OF AMERICA

**UN RELATIONS STRATEGIC DEVELOPMENTS**

In the first quarter of 2020, UN Global Compact convened the UN Emergency Private Sector Focal Points Network to mobilize business support for UN COVID-19 response efforts. After an initial focus on China in January and February,
the effort expanded globally in March as the pandemic spread. Together with UN OCHA, and consulting closely with WHO, UNGC co-published a Business Guide on COVID-19 response giving companies an overview of how the private sector could join with the UN to take collective action to stem the pandemic. A variety of related advocacy and outreach efforts followed. Similarly, in response to the Beirut port explosions in August, the UN Relations team worked closely with the UN Connecting Business Initiative, the Global Compact Network in Lebanon, and the UN Country Team in Lebanon to promote business support for humanitarian relief.

Recognizing UNGC’s Virtual Leaders Summit as a historic opportunity for the entire UN family, the UN Relations team supported 24 different UN agencies to partner with the Compact on this event - helping make the Summit the largest ever online convening between the United Nations and business, and a showcase of innovative UN-business partnerships across the Organization. A UN Pavilion space featured each of the 24 participating UN Partner organizations, including over 50 live sessions across time zones offering business participants the chance to explore myriad sustainability themes, UN partnership and networking opportunities.

In September, UNGC and DCO created a new joint staff position designed to further strengthen collaboration between the Compact, Local Networks, UN Resident Coordinator Offices (RCOs) and UN Country Teams (UNCTs). In this new dual role, a Private Sector Officer is advancing three key priorities of mutual interest to both UN DCO and UNGC: ensuring RCOs and UNCTs are equipped to fully leverage UNGC frameworks, tools and resources; promoting private sector engagement in the new UN “Cooperation Frameworks” (national country plans on SDG implementation); and supporting the pool of new “partnership and development finance officers” (a new RCO staff position introduced as part of UN Development System reform and recently recruited to all RCOs) to build capacity and facilitate linkages between partnership officers, UNGC and its Local Networks. A “Partnership Officers Network” created in Latin America and the Caribbean this year and supported by UNGC, offered a new platform for knowledge sharing and exchanging good practices, with potential to replicate and scale in other regions in the coming year. This development took place under the leadership of UNGC’s Regional Manager for Latin America and the Caribbean, with UN Relations Team support, leveraging the Regional Manager’s position embedded within the DCO Regional Office with joint UNGC-DCO responsibilities.

The Global Compact continues to strengthen bilateral relationships with a number of UN partners, with a strategic focus on expanding beyond collaborating on specific events to co-creating new resources and activities and building broader coalitions tackling specific development objectives for greater scale and impact. Recent examples include UNGC working closely with UNDP and the International Chamber of Commerce to launch the new “COVID-19 Facility” focused on supporting SME recovery and resilience, and a partnership with UNIDO and the Philippines Global Compact Network to raise awareness and build capacity among SMEs on various local sustainability challenges.
9. **FINANCIAL OVERVIEW**

Through October 2020, The UN Global Compact has maintained healthy financial results, with income exceeding expenditure by over $3 million despite the uncertainties created by COVID-19. Details on financial performance as of October 2020 can be found below. GCLN income and expenditure is not captured here, but Networks will submit detailed accounting records by year-end, to be reflected at a later date.

*Note: The UN Global Compact Office in New York utilizes resources from both its UN Trust Fund and the Foundation for the Global Compact to deliver against the broader goals of the UN Global Compact. The information presented below reflects the financial realities of the two entities.*

### UNGC 2020 ANNUAL MANAGEMENT REPORT

**2020 Financial Results (as of Oct 2020, Unaudited)**

#### III. STATEMENT OF ACTIVITIES

**ACCOUNTS**

| REVENUE | OCT 31 2020 | OCT 31 2020 | OCT 31 2020 | 2020 | 2020 | %
<table>
<thead>
<tr>
<th>Trust Fund</th>
<th>Foundation</th>
<th>CONSOLIDATED</th>
<th>CONSOLIDATED</th>
<th>BUDGET REMAINING</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary contributions, governments</td>
<td>2,696,708</td>
<td>-</td>
<td>2,696,708</td>
<td>2,685,256</td>
<td>1,208,547</td>
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<tr>
<td>Company required contributions</td>
<td>-</td>
<td>9,391,286</td>
<td>9,391,286</td>
<td>10,921,042</td>
<td>1,229,656</td>
</tr>
<tr>
<td>Action Platforms</td>
<td>-</td>
<td>4,603,050</td>
<td>4,603,050</td>
<td>4,531,648</td>
<td>25,408</td>
</tr>
<tr>
<td>Events &amp; Sponsorship</td>
<td>-</td>
<td>714,844</td>
<td>714,844</td>
<td>760,000</td>
<td>165,156</td>
</tr>
<tr>
<td>Grants</td>
<td>-</td>
<td>2,726,655</td>
<td>2,726,655</td>
<td>2,176,000</td>
<td>449,245</td>
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<tr>
<td>PRME</td>
<td>-</td>
<td>273,472</td>
<td>273,472</td>
<td>625,000</td>
<td>351,528</td>
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<tr>
<td>Revenue designated for UNDCF</td>
<td>-</td>
<td>874,075</td>
<td>874,075</td>
<td>1,208,850</td>
<td>424,788</td>
</tr>
<tr>
<td>Other revenue</td>
<td>3,110</td>
<td>150,852</td>
<td>153,965</td>
<td>209,034</td>
<td>13,945</td>
</tr>
<tr>
<td>Total Revenue*</td>
<td>3,600,000</td>
<td>-</td>
<td>3,600,000</td>
<td>26,548,122</td>
<td>2,059,887</td>
</tr>
</tbody>
</table>

**EXPENSES**

| Employee Salaries and Benefits | 3,535,785 | 8,352,526 | 8,883,321 | 15,201,012 | 3,272,691 | 70% |
| Non-employee compensation (Consults) | 34,900 | 5,562,042 | 5,565,958 | 4,354,238 | 778,878 | 82% |
| Occupancy & Office | 28,250 | 1,458,424 | 1,481,684 | 1,790,000 | 317,128 | 82% |
| Grants and other transfers (UNDCF) | - | - | - | 900,000 | 900,000 | 100% |
| Depreciation | 110,175 | 110,175 | 110,175 | 110,175 | 110,175 | 100% |
| Travel | 45,471 | 147,094 | 242,965 | 1,067,000 | 824,515 | 77% |
| Technology | 4,881 | 110,859 | 115,740 | 92,079 | 317,128 | 100% |
| Events | 8,225 | 614,421 | 622,746 | 2,341,000 | 1,519,238 | 70% |
| Other operating expenses | 518,608 | 407,043 | 725,931 | 1,473,907 | 682,820 | 50% |
| Other expenses* | 2,250 | 3,600,000 | 3,602,250 | 100,000 | (3,502,250) | 100% |
| Total Expenses | 3,976,516 | 18,019,305 | 21,995,819 | 28,351,448 | 5,465,628 | 92% |

**NET OPERATING SURPLUS / (DEFICIT)**

| 2,923,307 | 1,270,128 | 3,593,436 | 186,674 |

*Includes support from FGCC

**INCOME**: Through October 2020, the Global Compact has raised approximately $19m in revenue from the private sector, and has secured another $2.7m from Government pledges. After a slow Q1, annual contributions from companies are now roughly aligned with expectations. Given the COVID-19 crisis, the Compact projected that revenue from those contributions may be as much as 20% below budget for the year, but so far that revenue has been only 5% below budget — a very favorable result. Although Action Platform funding was strong through Q3, it is projected to come in slightly behind budget for the year, based on the assumption that funding may slow in the last months of the year. Government funding was steady and contributions met the revised targets. Event registration income and sponsorship were much lower than expected, due to the pivot of the 2020 Leaders Summit from an in-person event to a virtual event. However, event expenditure was likewise reduced with the new format, thus netting a cost neutral event.

**EXPENSES**: Through October 2020, the organization has expended approximately $17.2 million, or about 76% of the projected annual budget. The Compact has taken significant measures to reduce costs for the year, including by instituting hiring and travel freezes, and by limiting non-essential expenses. Pivoting the 2020 Leaders Summit to a virtual event also reduced expenditure by a large amount. Given the success of these cost-cutting measures, and the fact that the reduction in income has not been as significant as expected, the Compact expects to end the year with a net surplus.
10. ENGAGEMENT MODEL UPDATE

The Compact requires modest financial contributions from engaged companies with annual revenue over 50 million USD, with no required contributions for companies below this threshold, to maintain the inclusive nature of the initiative. The details of the Engagement Model are presented below, along with a status update as of 2 December 2020.

ENGAGEMENT MODEL

The Engagement Model offers two different types of engagement, each with tiered contribution levels based on a company’s annual revenue. **Participants** engage at the global and local levels, and have greater access to training, programmes and events through UNGC NY. **Signatories** engage primarily at the local level through their Local Networks. All income stemming from these annual contributions is shared between UNGC NY and Local Networks, with 5% set aside for a new Local Network Development Fund, a mechanism created to help new and developing Networks.

<table>
<thead>
<tr>
<th>COMPANY/REVENUE TIER BY ANNUAL REVENUE (USD)</th>
<th>PARTICIPANT REQUIRED ANNUAL CONTRIBUTION (USD)</th>
<th>SIGNATORY REQUIRED ANNUAL CONTRIBUTION (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;$5B</td>
<td>$20,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>$1B - $5B</td>
<td>$15,000</td>
<td>$7,500</td>
</tr>
<tr>
<td>$250M - $1B</td>
<td>$10,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>$50M - $250M</td>
<td>$5,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>$25M - $50M</td>
<td>$2,500</td>
<td>None (Local Network fees may apply)</td>
</tr>
<tr>
<td>&lt;$25M</td>
<td>$1,250</td>
<td>None (Local Network fees may apply)</td>
</tr>
</tbody>
</table>

TARGETS

The Compact sought to end 2020 with a total of at least **11,247 companies**, of which 4,001 have annual revenue over 50 million USD (and are thus required to make a contribution). This target includes both the retention of companies that signed up to the model in 2019 and recruitment of new companies.

PROGRESS

The Compact exceeded its targets overall, with **12,388 companies** signed up to the Engagement Model as of the end of 2020 versus a target of 11,247. This number reflects both significant growth in new joiners as well as a large number of conversions of companies that had previously signed up. While recruitment of completely new companies started slow, it picked up significantly in the second half of the year, leading to better than expected growth overall.

Overall, 18% of all companies have signed up to the Participant tier, and for companies with annual revenue over 50 million USD, 25% have signed up to the Participant tier. Both of those metrics are slightly below target relative to the goal for 2020.
11. INTEGRITY MEASURES OVERVIEW

OVERVIEW
This portion of the report provides a brief overview of the implementation of the integrity measures of the UN Global Compact in 2020. It is organized around the following main components:

- **Implementation of enhanced integrity policies and procedures**: Over the course of 2020, the UN Global Compact continued to implement the recommendations that stemmed from the integrity review conducted in 2017, including the full re-instatement of micro-enterprises. A routine audit was conducted by the UN Office of Internal Oversight Services (OIOS) to review the implementation of the policies and procedures put in place as a result of the 2017 integrity review and resulted in five recommendations to address identified gaps, which are being addressed in the months following the audit. Additionally, a new integrity requirement has been introduced for companies who wish to join Action Platforms in 2021.

- **Reporting**: In order to address the unprecedented challenges of the pandemic, the Compact enabled an automatic extension of the reporting deadline for those organizations that were due to submit their CoP/COE from 1 March to 30 November 2020. As a result, the number of de-listed participants significantly dropped during the specified period. In parallel, the Compact has continued to work on the enhanced CoP, which is expected to be launched in 2021.

- **Allegations of abuse of the Ten Principles**: The number of matters raised by external third parties under the Integrity Measures has decreased (13 in 2020, 24 in 2019, 18 in 2018) while the number of issues addressed by the UN Global Compact through engagement at the working level has remained steady (7 in 2020, 6 in 2019 and 8 in 2018). One matter triggered a formal letter of concern from the UN Global Compact Executive Director to the company’s Chair of the Board.

- **Logo use by UN Global Compact Participants**: The number of logo requests has remained steady. However, the number of misuse cases has increased by 35% in 2020, which is likely the result of a higher number of applications received in 2020. All cases of misuse are addressed with a cease and desist notice to the relevant party, which is generally effective.

IMPLEMENTATION OF ENHANCED INTEGRITY POLICIES AND PROCEDURES
During 2020, the Compact enhanced its procedures to safeguard the brand and reputation of the initiative and of the United Nations:

- **Re-instatement of micros**: In Q1 2020, the initiative revised its joining policy to accept all businesses and organizations that fulfill the requirements for participation regardless of the number of employees. Global Compact Local Networks have supported the screening process of these organizations, under the close guidance of UN Global Compact HQ.

- **OIOS audit**: The UN Global Compact participated in a routine audit conducted by the Office of Internal Oversight Services (OIOS) between November 2019 and August 2020. The audit focused on reviewing the implementation of integrity policies and procedures put in place following the integrity review in 2017. The auditors appeared largely satisfied with the extensive sample testing they undertook of the existing integrity policies and procedures of the UN Global Compact and made five recommendations to address identified gaps. An implementation plan has been developed to address these recommendations.

- **Integrity criterion for Action Platform participants**: Given the central role of the Action Platforms and the resulting programmatic initiatives stemming from the work of these groups, as of 1st January 2021, the UN Global Compact will conduct a basic due diligence review prior to welcoming new companies into Action Platforms. The basic review will help to ensure the integrity of the initiative and to identify any significant risks. Current Action Platform participants will not be subject to this new requirement in 2021 and can continue to engage in the platform(s) they are already a part of, recognizing their ongoing and active engagement in those issue areas.

- **Support to the UN System**: Over the course of 2020, the Compact continued to provide ongoing support to the UN System by conducting due diligence for the EOSG, including its Global Investors for Sustainable Development Alliance and the Climate Action Summit (CAS).
REPORTING

The reporting requirement of the UN Global Compact is an important way to promote transparency regarding whether participants are living up to their commitments. Participants of the Compact are required to submit a report on their efforts toward implementation of the Ten Principles on an annual (for business participants) or biennial (for non-business participants) basis. These publicly available reports provide an opportunity for stakeholders to hold companies accountable to their commitment to the UN Global Compact and to the Ten Principles. Organizations that fail to submit a report on progress are listed as non-communicating for one year and then expelled from the initiative.

Over the course of 2020, the Compact conducted a review of its Communication on Progress (CoP) policy. The new CoP is expected to be launched in 2021. In light of the adoption of the SDGs and recent and on-going developments in the corporate sustainability reporting landscape, the review is an opportunity to enhance the Compact’s reporting requirements by making them more robust, data driven and relevant to its stakeholders. In Q1 and Q2 2020 dozens of stakeholders (businesses, UN entities, governments, civil society, reporting standards, and investors) were engaged in consultations to identify ways to improve the current CoP. Extensive research has been done by the Compact, which, supported by recognized experts in the field, is currently working to develop a preliminary draft for an enhanced CoP questionnaire. The questionnaire will be shared for consultations in early 2021. In parallel, the IT team is working on the development of a data warehouse that will make CoP data easily accessible and comparable to interested stakeholders and an automated review prototype is being tested to support basic quality control of the submitted reports.

Communication on Progress (CoP):

The CoP is the annual reporting requirement expected of business participants. In 2020, recognizing that participants may need additional time to submit their reports as a result of the COVID-19 related crisis, the Compact enabled an automatic 9-month extension of the reporting deadline for all organizations whose CoP/CoE due date fell inclusively between 1 March and 30 November 2020. As a result of this measure, the number of participants de-listed for failure to communicate on progress, traditionally the main reason for de-listing from the UN Global Compact, significantly decreased in 2020 (compared to 966 de-listings in 2019). This year, the total number of de-listings was 365, with most of them being voluntary withdrawals.

The reporting extension was in effect until 30 November and it is likely that the de-listing rates will either resume to their regular pre-COVID-19 levels (approximately 2,000 per quarter) as of Q1 2021. It is noteworthy that the differentiation levels and quantity of reports that were still submitted in 2020 remained consistent with 2019 and 2018 reporting levels. Analysis shows that 5033 reports of CoPs submitted met the criteria of GC Active level (82%), while 609 reports met the GC Advanced level (10%) and 443 reports met only the GC Learner level (7%).

Communication on Engagement (CoE):

The CoE is the biennial reporting requirement expected of non-business participants. The policy requires non-business participants to submit their CoE through the UN Global Compact website every two years, disclosing their activities and outcomes in support of the initiative. In 2020, a total of 875 CoEs were submitted. The decrease from 2019 (1,121 CoEs submitted) is likely due to the COVID-19 related extension of the deadline, which also applied to non-business participants.

ENGAGING PARTICIPANTS ON ALLEGATIONS OF ABUSE OF THE TEN PRINCIPLES

The UN Global Compact offers a platform for dialogue and continuous improvement around integrity issues, and has Integrity Measures in place to safeguard the integrity of the initiative and of the UN. Two processes are outlined in the integrity measures: dialogue facilitation and proactive engagement.

- **Dialogue Facilitation**: The dialogue facilitation process offers a mechanism for third parties to raise concerns about UN Global Compact participants who may be egregiously and systematically violating the Ten Principles. During 2020, the Compact dealt with 13 matters raised by third parties under its Integrity
Measures. 3 of these were accepted under the scope of the dialogue facilitation process. In one instance, a dialogue was offered but the complainant did not follow up on the offer. In another instance, in which a third party resumed the concerns raised in 2019, the dialogue facilitation process was offered again, conditional to the removal of a public statement that was breaching the confidentiality of the process. To date, the statement has not been removed hence a dialogue could not be established. In the third and final instance, a dialogue was established and a response is awaited from the company by end of December 2020. One matter has yet to be determined pending further analysis after consultation with the relevant Local Network. The remaining 9 matters were deemed out of scope as they either referred to an individual dispute or they raised issues with a Government.

- Proactive Engagement: If there has been a finding of guilt by a court of law or admission of guilt by an authorized representative that relates to egregious or systematic abuse of the Ten Principles, the Compact can take the decision to proactively engage in dialogue with the participant. Proactive engagement is used when issues are significant enough that, if not dealt with, they may threaten the credibility and reputation of the UN Global Compact and the United Nations. This process happens via a formal letter of concern sent by the UN Global Compact CEO & Executive Director to the company’s Chair of the Board. Informal engagement also takes place at the working level when there are emerging concerns regarding an egregious or systematic abuse of the Ten Principles. These allegations have usually been identified in multiple mainstream media sources and have resulted in the launch of an official investigation by public authorities. During the course of 2020, the Compact addressed 8 matters at the working level and one through a formal letter sent by the UN Global Compact Executive Director to address severe allegations of human rights violations concerning the company’s subsidiary, concurrently with a dialogue initiated by the relevant Local Network with the working level contact points at the subsidiary. Two of the instances addressed at the working level were led by the relevant Global Compact Network.

**LOGO USE BY UN GLOBAL COMPACT PARTICIPANTS**

All organizations who wish to use the UN Global Compact Endorser Logo must submit an online request through the UN Global Compact website. All instances of misuse of the logo or the Compact’s name are addressed promptly with a cease and desist communication, which is typically effective. Serious instances may result in a participant being delisted and/or referred to the United Nations Office of Legal Affairs. During the course of 2020, 63 instances of logo or name misuse were reported. This is an increase of nearly 35% compared to the number of cases reported in 2019 (41). This increase is likely due to the higher number of applications received throughout 2020. Over the course of 2020, the UN Global Compact continued to enhance the capacity of the Local Networks to more proactively address instances of logo misuses by their participants and new applicants. Out of the 63 instances of logo or name misuse during the year, 54 were closed.

The number of logo requests during 2020 was 2219 which was less than in 2019 (1999 requests). The approval rate for logo requests was 49.6%, a slight reduction from 2019 (55%).

![Logo Approvals](image-url)
12. BOARD RELATIONS & ENGAGEMENT

In 2020, UN Global Compact Board Members continued to play an active role in advancing its mission, through public engagements, supporting a range of programmatic initiatives and active participation in meetings. Below is a summary of key highlights.

Board Meetings: In 2020, the Global Compact organized 3 Board Meetings and 2 Strategy Sessions with the Board. The January Board Meeting was held in Geneva, preceding the World Economic Forum’s Annual Conference in Davos and updated Board Members on the Compact’s 20th anniversary campaign, discussed the road ahead post the 2020 Strategy and provided updates on integrity procedures and the CoP framework. The June Board Meeting was a special session chaired by the UN Secretary-General, to formalize the transition to the incoming CEO and Executive Director, Ms. Sanda Ojiambo, and introduce her to the Board. The September Board Meeting was held at the start of the 75th Session of the UN General Assembly and was also chaired by the SG. The meeting focused on how the Global Compact can support business and the UN to build back better after the pandemic. As part of the strategy development process, the Global Compact also hosted two shorter Board sessions between November and December. All meetings, except the one in January, were held virtually.

Public Engagements: Board members actively participated in a number of events organized by the Global Compact throughout the year. Key events included the launch of the SDG Ambition GII at Davos, UNGA Leaders Summit, Twentieth Anniversary of the UN Global Compact, Uniting Business LIVE (which included the Private Sector Forum, the Global Impact Forum and the SDG Business Forum), MGGLB Africa and the Caring for Climate High-Level Meeting High Level Meeting. In addition, they also spoke at various events organized by Local Networks in their countries, serving as brand ambassadors of the Global Compact.

Supporting Programmatic Initiatives: Board Members served as advisors to the Global Impact Initiatives and Action Platforms, contributed to the 20th anniversary campaign and served on the selection committee for SDG Pioneers. Several Board Members were among the first to commit to a number of Global Compact initiatives such as the Business Ambition for 1.5°C campaign and the CFO Principles on Integrated SDG Investments and Finance. Many Board Members also rallied CEOs from their home country/region/industry to sign on to the Statement from Business Leaders for Renewed Global Cooperation. In addition, Board Members participated as panelists in the following Academy sessions this year:

- Covid-19 and Supporting the World of Work
- Covid-19 and Human Rights: Protecting the Most Vulnerable
- Global Cooperation for Crisis Response
- Helping Small Businesses Survive COVID-19
- Regional Perspectives on Leadership for a Global Crisis: Africa
- Regional Perspectives on Leadership for a Global Crisis: Asia-Pacific