



United Nations
Global Compact

UN GLOBAL COMPACT CHINA STRATEGY



OVERVIEW

The United Nations Global Compact is a call to action for all companies to align their operations and strategies with Ten Principles in the areas of Human Rights, Labour, the Environment and Anti-Corruption. Founded in the year 2000 by the United Nations Secretary-General, the Global Compact has become the world's largest corporate sustainability initiative, counting more than 15,000 participating companies and 3,000 non-business entities across 162 countries.

China can play a key role in advancing the mission of the UN Global Compact globally. As the world's largest developing country, China is not only home to the biggest number of Fortune 500 companies (a total of 143 Chinese companies made it to the Global 500 list in 2021), but also home to more than 44 million small and medium-sized enterprises (SMEs). China's sizable domestic economy, overseas investment and trade have a profound impact on the well-being of billions of people and the sustainable development of our planet.

The number of participants from China joining the UN Global Compact increased from 200 to 377 between 2018 and 2020, marking China as the fastest growing market for UN Global Compact in terms of membership in the Asia Pacific region. By May 2022, the number of participants from China had exceeded 560 and there is great potential and room to further engage Chinese companies and to help them on their sustainability journey.

According to UN Sustainable Development Report 2021, China ranked 57th globally in terms of

sustainable development. Given the potential to address the current gap of sustainable development and growing policy ambitions, it is of strategic importance for UN Global Compact to mobilize Chinese companies both inside and outside China to maximize their positive contributions towards the achievement of the Sustainable Development Goals (SDGs).

The UN Global Compact China Strategy reconciles with and further supports the ambition of the Global Strategy 2021–2023: 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.

Recognizing China's long history, rich culture and social values, UN Global Compact China Strategy strives to factor in China's uniqueness and local priorities while ensuring its alignment with our Ten Principles and global ambition. The process to develop the China strategy has involved interviews with more than 50 stakeholder groups both from China and globally. Building upon these rich inputs and existing operations of the UN Global Compact in China, the strategy re-designs the key focus areas and value propositions for UN Global Compact to engage stakeholders more effectively to achieve our strategic aspirations. In order to enable meaningful impact by delivering values in selected key areas, the strategy includes five key enablers: membership strategy, stakeholder engagement, fundraising strategy, marketing and communications strategy, and organizational development.

STRATEGIC ASPIRATIONS

UN Global Compact China Strategy aims to **accelerate and scale the global collective impact of Chinese businesses by upholding the Ten Principles of the UN Global Compact in delivering the SDGs**. This aspiration can be further expanded on in two aspects, mission-driven and demand-driven.

MISSION-DRIVEN TO ADVANCE THE WORK OF THE UNITED NATIONS: to support the mission of the UN Global Compact and mainstream the Ten Principles in China, and engage key stakeholders from China to maximize their collective impact to accelerate the Sustainable Development Goals both in China and globally.

























DEMAND-DRIVEN TO SUPPORT CHINA'S SUSTAINABLE DEVELOPMENT PRIORITIES: to mobilize Chinese companies' collective action and impact in supporting China's development priorities reflected in China's 14th Five-Year Plan (FYP) (2021–2025) to accelerate the SDGs, in alignment with the UN Global Compact Global Strategy and United Nations Sustainable Development Cooperation Framework 2021–2025 for China.

KEY FOCUS AREAS TO MAXIMIZE IMPACT ON THE SDGs

The China strategy identifies seven key focus areas where UN Global Compact will conduct its work to maximize impact. The **seven areas** cover all Ten Principles of the UN Global Compact with special focus on: **combat climate change, reduce inequalities, advance decent work, take collective actions against corruption, engage private sector through the Belt and Road Initiative to accelerate the SDGs, strengthen South-South cooperation through China-Africa business collaboration on the SDGs, and foster business innovation and SDG partnerships through the Global Development Initiative**.

These focus areas can be categorized into two pillars of work: “Engage Chinese stakeholders domestically” and “Engage Chinese stakeholders to benefit the world”.

All these seven focus areas aim to contribute to the implementation of the 2030 Agenda for Sustainable Development and accelerate the achievement of the Sustainable Development Goals (SDGs).

		LEAD AND SHAPE	CO-OPERATE WITH OTHERS	FOLLOW AND AMPLIFY	
Combat climate change	<ul style="list-style-type: none">Corporate net-zero strategyClimate finance				
Reduce inequality	<ul style="list-style-type: none">Rural revitalizationGender equality				
					
Take collective actions against corruption	<ul style="list-style-type: none">Collective Action Against Corruption				
Advance decent work	<ul style="list-style-type: none">Improve employee well-beingSupply chain sustainability				
					
Engage private sector through the Belt and Road Initiative to accelerate the SDGs	<ul style="list-style-type: none">Thought leadership developmentCapacity building and policy dialoguesSDG project incubation				
					
Strengthen South-South cooperation through China-Africa business collaboration on the SDGs	<ul style="list-style-type: none">Establish China-Africa business dialogue on climate changeFoster China-Africa business collaboration on SDGs				
					
Foster business innovation and SDG partnerships through the Global Development Initiative	<ul style="list-style-type: none">Expedite business innovation for the SDGsFoster partnerships to accelerate on the SDGs				



VALUE PROPOSITION

As the world's largest corporate sustainability initiative, the UN Global Compact can provide unique value to participants from China through its United Nations mandate and recognition for progress, broader social and economic impact, tailored capacity building, and sustainable business growth.

UNITED NATIONS MANDATE AND RECOGNITION

FOR PROGRESS: We provide all our participants with the opportunity to report annually on their progress on adhering to the Ten Principles and sustainability targets. As UN Global Compact participants, corporate commitment and best practice can be shared with global peers to foster learning, development, and collaboration.

BROADER SOCIAL AND ECONOMIC IMPACT: we will continue to provide networking opportunities and access to policy dialogue with governments and other key stakeholders to enhance positive social and economic impact from companies to the communities and countries where they operate and invest.

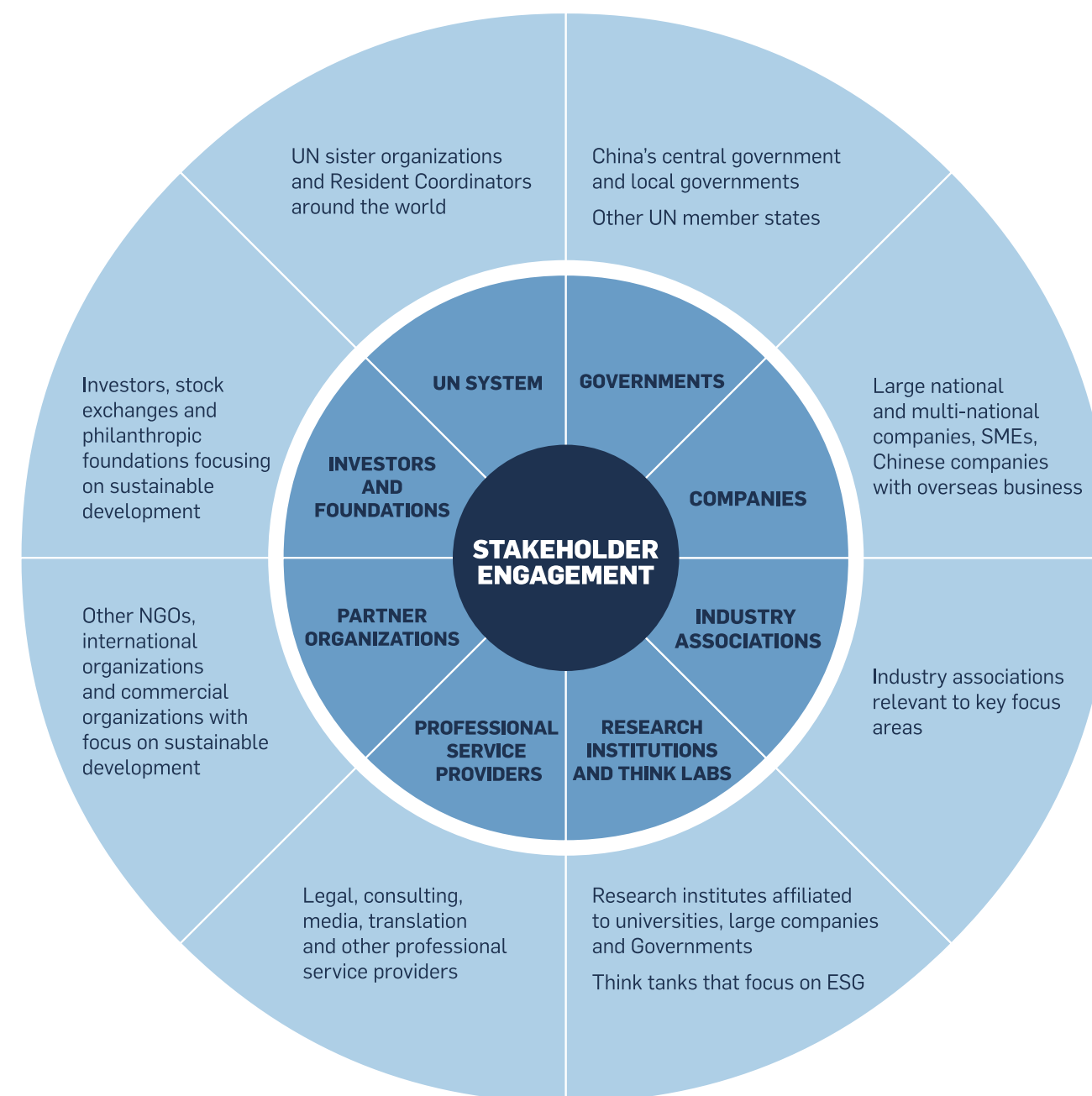
TAILORED CAPACITY BUILDING: Through developing and disseminating our Academy learning courses and co-developing with our Chinese and global partners new training materials, we will offer sustainability and ESG training and capacity building opportunities for corporate executives, ESG managers and other key stakeholders at both strategic and operational level. Through our Accelerator programmes on a range of sustainability topics including climate change and gender equality, we will engage a group of leading companies to accelerate actions in support of the Paris Agreement and the SDGs at country level.

SUSTAINABLE BUSINESS GROWTH: understanding business desire to grow and necessity to adopt a principle-based approach to the SDGs, we will continue to offer a platform for business innovation and partnerships to explore sustainable business models and projects that enable change at scale for long term business success and sustainable development for all stakeholders.

STAKEHOLDER ENGAGEMENT

UN Global Compact will continue to engage with various types of stakeholders to advance its mission in China. These stakeholders include the United Nations system, China's central and local governments, enterprises,

industry coalitions, research institutions and think tanks, investors and foundations, peer organizations, and professional service providers.



ORGANIZATIONAL DEVELOPMENT

With full confidence in China and Chinese stakeholders as important contributors to advance the 2030 Agenda for Sustainable Development, the UN Global Compact will continue to strengthen its investments in the Chinese market by building a stronger team through its liaison office based in China. We will elevate our support to Chinese stakeholders and business communities to help strengthen their capacity and know-how to implement the Ten Principles of Global Compact and foster innovative partnerships to contribute to the acceleration of the Sustainable Development Goals. National partnerships will be formed with key business and industrial associations to facilitate joint efforts for greater business engagement and maximize collective impact on the Sustainable Development Goals.

CONCLUSION

This China strategy will enable the UN Global Compact to unlock the potential of business and other stakeholders to maximize their impact on the SDGs and contribute to sustainable development in China and the rest of the world. With clear strategic aspiration, key focus areas, strong value propositions and efficient operational enablers, the China strategy responds to the Chinese Government's strong political will to advance the 2030 Agenda for Sustainable Development and address the needs and uptake on responsible business practices rooted in the Global Compact Ten Principles from Chinese companies. The strategy reinforces the commitment of the UN Global Compact to constructive engagement, proactive outreach and dialogue, and long-term strategic collaboration with the world's most populous developing country in order to maximize positive impact on the Sustainable Development Goals during this Decade of Action.

STRATEGIC ASPIRATIONS

Accelerate and scale the global collective impact of Chinese business by upholding the Ten Principles and delivering the SDGs

KEY FOCUS AREAS AND VALUE PROPOSITION

KEY FOCUS AREAS:		VALUE PROPOSITION:	
Combat climate change	Engage private actor through the Belt and Road Initiative to accelerate the SDGs	United Nations mandate and recognition for progress	Tailored capacity building
Reduce inequalities	Strengthen South-South cooperation through China-Africa business collaboration on the SDGs	Broader social and economic impact	Sustainable business growth
Advance decent work			
Take collective actions against corruption	Foster business innovation and SDG partnerships through the Global Development Initiative		

ENABLERS

Membership strategy	Stakeholder strategy	Fundraising strategy	Marcom strategy	Organizational development
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Note: UN Global Compact would like to thank Boston Consulting Group for its invaluable support in the development of this China Strategy.

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



HUMAN RIGHTS

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



LABOUR

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



ENVIRONMENT

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



ANTI-CORRUPTION

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

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the **United Nations Global Compact** is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 15,000 companies and 3,000 non-business signatories based in over 160 countries, and 69 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

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



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