# ONE GLOBAL COMPACT

## Accelerating and Scaling Global Collective Impact

United Nations
Global Compact

# ONE GLOBAL COMPACT

From climate change to equality, the world is not on track. Research predicts that we are likely to miss the goal of limiting global warming to 1.5°C unless immediate, rapid and large-scale climate action is taken. Exacerbated by the pandemic, the economic gender gap is also widening. Couple these challenges with almost 1 in 10 children subject to child labour, 7,500 people dying from unsafe and unhealthy working conditions every single day, and rampant inequality and racism worldwide and it's clear we need bold action. Business has a critical role to play.

**The pressure on companies is escalating**
Mounting expectations from customers, employees and investors is putting pressure on companies to act. The pandemic has highlighted the need to transition to more sustainable business models. Businesses are expected to play a critical role in creating a more sustainable and equitable world. But how do you get started?

**Uniting business for a better world**
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**
Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals (SDGs) through accountable companies and ecosystems that enable change. With the UN Global Compact, committed companies achieve sustainable value by delivering measurable impact to the world's most pressing challenges.

## WE ENABLE COMPANIES TO

**Drive impact on specific goals**, where businesses have an outsized effect on outcome

**Scale ambitious action** through our 69+ Local Networks and global multi-stakeholder network

**Make measurable progress** and communicate it through a trusted reporting framework

**Human Rights | Labour | Environment | Anti-corruption**

With more than 14,000 companies and 3,800 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 delivering impact where it matters.

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| **14,000+** Companies | **3,800+** Non-business signatories | Based in **160** Countries | **69** Local Networks |

# THE TEN PRINCIPLES AND THE 17 GLOBAL GOALS

**The Ten Principles and the 17 Sustainable Development Goals**
The Ten Principles of the UN Global Compact provide a common ethical and practical framework for operationalizing corporate sustainability. Derived from UN Declarations and Conventions, these universal principles represent the fundamental values that business should embed in their daily strategies and operations.

The 17 Sustainable Development Goals (SDGs) have a different but deeply related purpose for business. As the heart of the 2030 Agenda for Sustainable Development, the Global Goals demonstrate the scale and ambition of the boldest vision for humanity ever adopted. They represent aspirational, long-term targets for governments, business and other stakeholders to work towards creating the world we want. Together, the Ten Principles and the SDGs equip business with both the values and vision to help companies make a meaningful contribution to people and the planet.

**HUMAN RIGHTS**

**LABOUR**

**ENVIRONMENT**

**ANTI-CORRUPTION**

# OUR NETWORK

**Our Local Networks**
On the ground, companies face unique challenges to operating responsibly and have different opportunities to make a positive impact. Companies with operations and supply chains extending around the world need to understand locations far from their headquarters and view sustainability through a local lens.

Our Global Compact Local Networks advance the UN Global Compact and its Ten Principles at the country level. They help companies understand what responsible business means within different national, cultural and language contexts and facilitate outreach, learning, policy dialogue, collective action and partnerships. Through our networks, companies can make local connections — with other businesses and stakeholders from NGOs, government and academia — and receive guidance to put their sustainability commitments into action.

# OUR WORK

**Solving the world's most pressing challenges**
Seven focus areas where businesses have an outsized effect on outcomes.

1. **Anti-Corruption**
   The annual cost of bribery — just one subset of corruption — is estimated to be between 1.5 to 2 trillion dollars — roughly two percent of global GDP. Corruption is a considerable obstacle to economic and social development around the world and undermines the achievement of the SDGs. Companies must proactively develop and implement policies and concrete actions to advance anti-corruption internally and within their supply chains, as well as engage in Collective Action with business peers, governments, civil society and international organizations to help ensure a level playing field for all.

2. **Climate Change**
   The world is heading for a temperature rise of over 3°C this century. Already today, we are at 1.2°C of warming and witnessing unprecedented climate extremes and volatility on every continent. We have until 2030 to halve emissions from 2010 levels to achieve net zero emissions by 2050. Business has a key role to play in accelerating progress towards a zero-carbon and resilient economy. In support of this vision, we call on business leaders to contribute to achieving net zero by 2050 and take into account social impact and growing inequalities related to climate change.

3. **Human Rights**
   Scaling business respect for human rights is central to the mission of the UN Global Compact and our Ten Principles. Human rights are also critical to the achievement of the 2030 Agenda, with more than 90% of the SDG targets linked to human rights and labour standards. Unfortunately, less than 20% of companies participating in the UN Global Compact conduct human rights impact assessments. Companies must move from commitment to action by enacting ongoing human rights due diligence processes and setting concrete targets to address their salient human rights issues — nationally, regionally and globally. Human rights should not be seen as a charitable contribution or an afterthought, but as the foundation of sustainable business.

4. **Labour and Decent Work**
   Decent work deficits remain alarmingly widespread; 160 million children — or 1 in 10 globally — are estimated to be in child labour, 7,500 people die from unsafe and unhealthy working conditions every single day, and more than 630 million workers worldwide — almost 1 in 5 or 19% of all those employed — did not earn enough to lift themselves and their families out of extreme or moderate poverty. Violations of labour rights in global value chains often occur in lower tiers; meanwhile, 74% of countries exclude workers from the right to establish and join a trade union. Advancing decent work and raising the living standards of all workers requires companies to adopt sustainable, responsible and inclusive workplace practices. Companies with supply chains must use their leverage to contribute to the realization of decent work.

5. **Gender Equality**
   The disproportionate impacts of COVID-19 on women and girls have widened the gender equality gap by a generation. At the current rates of progress, it will take an estimated 268 years to close the economic gender gap. Businesses are stepping up, but progress has been slow and fragmented. Companies must take concrete action and demonstrate measurable impact to advance gender equality across the workplace, marketplace and community while continuing to promote a holistic, rights-based approach grounded in the Women's Empowerment Principles.

6. **SDG Integration**
   Even before the pandemic, the world was off track to achieve the SDGs by 2030. In only a short period of time, the COVID-19 pandemic has unleashed an unprecedented crisis causing further disruption to SDG progress and affecting the world's most vulnerable. While awareness of the SDGs is at an all-time high, very few companies report that they are positioning sustainability and the SDGs at the center of their business strategy. To change this trajectory, businesses everywhere must develop more ambitious business strategies and goals to advance the SDGs through their core business practices.

7. **Transformational Governance**
   The most recent Edelman Trust Barometer found that businesses are under increasing pressure to drive societal change with 86% of respondents expecting CEOs to "speak out on societal issues". Transformational governance provides a framework for businesses to address stakeholder expectations by adopting a broader approach to the "G" in ESG. By doing so, businesses can inspire greater accountability, inclusivity, integrity and transparency within private and public institutions.

Through our work in these seven focus areas, we empower participating companies of the UN Global Compact to drive impact by:

- Engaging in Collective Action on Anti-Corruption and implement anti-corruption compliance programmes
- Setting 1.5°C aligned and/or net-zero targets approved by the Science Based Targets initiative (SBTi)
- Enacting ongoing human rights due diligence processes
- Implementing UN Global Compact labour principles within all aspects of business operations to provide and promote decent work for all workers across the company's supply chains
- Setting targets and corresponding policies and programmes to increase women's representation and leadership
- Developing more ambitious business strategies and goals to advance the SDGs
- Adopting a broader approach to the "G" in ESG through greater accountability, inclusivity, integrity and transparency internal and external to the business.

# OUR WORK

**Coalitions**
Multi-stakeholder coalitions to scale ambitious action

**CEO Water Mandate**
The CEO Water Mandate advances water stewardship through a commitment platform for business leaders and learners. In implementing water stewardship, its over 200 endorsing companies also identify and reduce critical water risks to their businesses, seize water-related opportunities, and contribute to water security and the Sustainable Development Goals.
The Water Resilience Coalition, one of the Mandate's flagship initiatives, aims to elevate global water stress to the top of the corporate agenda and preserve the world's freshwater resources through CEO leadership, industry-driven collective action in water-stressed basins, and ambitious, quantifiable commitments.
ceowatermandate.org/resilience/

**Ocean Stewardship Coalition**
The Ocean Stewardship Coalition convenes leading governments, companies, NGOs, academic institutions and UN partners, offering a vital forum for cross-sectoral collaboration to drive action and determine how the ocean, and ocean industries, can deliver on the Paris Agreement and all 17 of the Global Goals. The Coalition promotes a principles-based approach to sustainable ocean business grounded in the Sustainable Ocean Principles, broadening engagement in emerging markets, and Small Island Developing States (SIDs). As a UN Global Compact initiative, the Coalition seeks to bring the voice of the business community to UN processes, including the UN Ocean Conference and UN Climate Change Conference (COP).
unglobalcompact.org/take-action/ocean

**Science Based Targets initiative**
The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).
sciencebasedtargets.org/about-us

**CFO Taskforce for the SDGs**
The Chief Financial Officer (CFO) Taskforce for the SDGs' goal is to inspire a new meaning for the role of CFOs as the architects of long-term sustainable value creation by raising awareness of the transformative impact of corporate finance across financial markets, the global economy and society as a whole. It also aspires to create a market for corporate SDG investments and finance that is sufficiently diverse and transparent to channel trillions of dollars of financial investments towards effective private-sector solutions for the Sustainable Development Goals. The taskforce provides CFOs with a platform to share ideas, develop new concepts and frameworks, and make recommendations to unlock private capital and create a market for mainstream SDG investments. The taskforce consists of 60 members and aims to reach 1000 members by 2023.
cfotaskforce.org/

# WAYS TO ENGAGE

**Why join the UN Global Compact? Here is how you benefit**
The United Nations Global Compact helps you cut through the complexity by enabling you to connect, learn, lead and communicate. No matter your size, sector or geographic location, all companies can contribute. Wherever you are on your sustainability journey, you will find relevant resources to help you accelerate progress.

## CONNECT

Connect with industry experts, peers and with the UN at the global and national level.

- **Engage Locally:** Take part in one of our more than 69 Local Networks.
- **Events and Conferences:** Participate in flagship, regional and thematic events and conferences.

## LEARN

Gain the knowledge and skills to make progress and deliver impact.

- **Guidance & Tools:** Get access to the resources you need to take the next step on your sustainability journey with access to the UN Global Compact library. With guides, toolkits and best practices, we can help you commit to, assess, define, implement, measure and communicate your sustainability strategy.
- **Training:** Join the UN Global Academy to enhance your knowledge and capabilities with learning opportunities on fundamental and advanced business practices available regardless of your corporate function or where you are on your sustainability journey. Get access to training sessions, master classes, e-learning courses, and influencer series.
- **Peer Learning Groups:** Take part in our facilitated learning communities that provide participants an opportunity to connect, share, and learn from each other on an on-going basis at the global, regional and local level.
- **Accelerators:** Our Accelerators are run in close collaboration with Global Compact Local Networks and are designed to activate and support cohorts of companies to make progress on specific goal(s) over a specific time frame at the local level.

## LEAD

Show bold leadership and inspire others. Influence and advocate for change and major impact.

- **Think Labs:** Shape UN Global Compact's thought leadership on critical sustainability issues and continuous performance improvement. They help define our thinking, curate best practices and develop knowledge, guidance and tools that empower business sector action on urgent topics.
- **Policy Advocacy:** Increase ambition across policy or industry within targeted areas. Our policy advocacy activities connect relevant stakeholders and shape policy positions.
- **Call to Action Campaigns:** Join our calls to action for business to publicly support policy positions or join campaigns advocating for change at the global and local level.

## COMMUNICATE

Build trust and credibility by communicating measurable progress towards your sustainability goals and targets.

- The **Communication on Progress (CoP)** is an annual disclosure to stakeholders on progress made in implementing the Ten Principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption, and in supporting broader development goals. The new, standardized CoP will help companies better contribute to sustainability and share their progress in advancing the Ten Principles; increase their accountability; and establish a global repository of relevant, comparable corporate sustainability data that will be open and accessible to all. The new CoP will be submitted through the Global Compact website by business participants.
- Take advantage of our **Participant Profile** to showcase your company's CoP and commitment to sustainability.
- Get recognized for the work you do through our **Recognition Programmes.**

# THE BUSINESS CASE FOR SUSTAINABILITY

**Arabesque/University of Oxford Meta-analysis of 200 Academic Studies**

## Good ESG performance results in:

**50%**
Lower cost of capital

**88%**
Better operational performance

**80%**
Better stock price performance

**7%** Higher Return on Equity (ROE)

**During COVID-19, companies with higher ESG scores performed 50% better than their peers (Bloomberg)**

**99%**
of CEOs from companies with more than US$1 billion in annual revenues believe sustainability will be important to the future success of their business

**Companies' ESG performance is increasingly important to a range of stakeholders**

**Consumers**
**83%**
of consumers think companies should be actively shaping ESG best practices

**Employees**
**25%**
of companies that are rated the most attractive to young talent have better ESG performance

**Investors**
**88%**
of investors believe companies that priorities ESG initiatives represent better opportunities for long-term returns that companies do not

*PwC Consumer Intelligence Series June 2, 2021 | EY 2020 Climate and Institutional Investors Survey | 2020 study by Marsh & McClennan ESG as a Workplace Strategy*

# JOIN US

If you are ready to deliver impact that matters and unite for a more sustainable and equitable future for all, join us. Visit unglobalcompact.org/participation to learn more.

Required financial contribution ranges from USD $2,500 to USD $30,000 depending on annual revenue and country location. Participation in coalitions incur a fee over and above annual contribution.

# 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.

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