



Review of the Communication on Progress of the UN Global Compact

4th meeting of the UNCEBTS, July 2021

1. BACKGROUND: THE REVIEW OF THE CoP

THE CoP: BACKGROUND (I)



CoP is UNGC's main accountability and transparency framework



CoP needs to be enhanced to strengthen UNGC's integrity and credibility



UNGC reporting needs to add value to participants

THE CoP: BACKGROUND (II)

- The CoP is business annual report disclosing its work to embed the Ten Principles into their strategies and operations, as well as efforts to support societal priorities.
- The current CoP requires bizz to submit a report containing: a) a statement by the chief executive expressing continued support for the UN Global Compact, b) a description of practical actions the company has taken or plans to take to implement the Ten Principles, and c) measurement of outcomes.
- Companies that fail to report or to meet the reporting requirements over time will be removed from the initiative.

2. CHANGES IN THE NEW CoP



ENHANCED OBJECTIVES OF THE NEW CoP

- Foster public **transparency and accountability** on corporate sustainability performance to help safeguard the integrity of the UN Global Compact initiative;
- Demonstrate a company's **commitment to implement the Ten Principles**;
- **Gather data on performance** of UN Global Compact participants on the Ten Principles and the SDGs.
- **Enhance stakeholder access to information** regarding participants' implementation of the Ten Principles and contribution towards the achievement of the SDGs;
- **Promote continued learning** and help drive corporate sustainability performance

THE NEW CoP: EXPECTED CHANGES

- ❑ At the center of the new CoP: a **online questionnaire** with granular questions on the Ten Principles and the SDGs;
- ❑ Revised **CoP requirements** are expected to include: a) CEO statement of support; b) a small number of required actions to be implemented by participating businesses; c) and a set of mandatory questions in the questionnaire connected to the Ten Principles to be answered on an annual basis
- ❑ An **open data base** for all stakeholders to access the comparable information submitted by participating businesses;
- ❑ New **support services** for participants;

ABOUT THE NEW CoP QUESTIONNAIRE

- ✓ Mostly multiple choice questions; most questions to be optional
- ✓ Draft CoP questionnaire covers relevant topics on sustainability governance, human and labour rights, the environment and anti-corruption connected to the Ten Principles and the SDGs
- ✓ Sector-agnostic questions (sector-specific questions to be developed in the future, as needed)
- ✓ Draft questions are aligned with the UN Guiding Principles on Business and Human Rights and to the extent possible to relevant existing sustainability reporting standards
- ✓ Includes indicators from other UN initiatives, e.g. UNCTAD/ISAR core indicators
- ✓ Includes questions aligned with statistics identified by the Task Team on Wellbeing and Sustainability (e.g. on water-use efficiency, energy efficiency or GHG) and will provide additional easily collectable data of interest to NSOs and other stakeholders

DRAFT CoP QUESTIONNAIRE - OVERVIEW OF STRUCTURE

SECTION	SUB-SECTION	CONNECTION TO UNGC TEN PRINCIPLES / UN SDGs	Sub-Section will contain MANDATORY Questions	Sub-Section will contain OPTIONAL Questions
Sustainability Governance	A. Sustainability Culture & Values	UNGC Principles 1 - 10	X	X
	B. Governance of your Board/highest governance body and responsibilities for sustainability governance	UNGC Principles 1 - 10	X	X
	C. Due Diligence, Materiality & Reporting	UNGC Principles 1 - 10	X	X
Human Rights & Labour (UNGC Principles 1 - 6)	A. Human Rights: General Questions Based on the Responsibility to Respect Human Rights	UNGC Principles 1 and 2	X	X
	B. Priority/Salient/Material Human and Labour Rights Issues	UNGC Principles 1 and 2	X	X
	C. Freedom of Association	UNGC Principle 3	X	X
	D. Forced and Compulsory labour	UNGC Principle 4	X	X
	E. Child Labour	UNGC Principle 5	X	X
	F. Discrimination in respect of Employment and Occupation	UNGC Principle 6	X	X
	G. Occupational Health & Safety	UNGC Principles 1 -6	X	X
Environment (UNGC Principles 7 - 9)	A. Environmental protection	UNGC Principles 7 - 9	X	X
Anti-Corruption (Principle 10)	A. Anti-Corruption	UNGC Principle 10	X	X
	B. Compliance & Ethics	UNGC Principle 10	X	X
Additional Governance Sections	Tax	Connected to SDG 16		X
	Privacy	Connected to SDG 16		X
Economic	Waste & Circularity	Connected to SDG 12		X
	Product & Services	Connected to SDG 12		X
	Energy Use/Renewables	Connected to SDG 7		X
	Inclusive Growth	Connected to SDG 8		X
Business Models	Business Models	Connected to SDGs: 1 - 17		X
Additional Environment Sections	Climate Action	Connected to SDG 13		X
	Water	Connected to SDG 6		X
	Oceans	Connected to SDG 14		X
	Forest, biodiversity, land use	Connected to SDG 15		X
	Air pollution	Connected to SDG 3, 11 and 13		X
	Chemical Pollution	Connected to SDG 3, 6 and 13		X
	Resource Use, Extractives & Local Communities	Connected to SDG 7 & 12		X

3. TIMELINE



WORKPLAN & TIMELINE (under review)

	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan 2022	Feb	Mar	Apr	May	Jun	Q3	Q4	2023 (feb-may)	
CoP metrics/questionnaire	[Solid blue arrow]							[Dashed blue arrow with text: PILOT (tbc)]									
Consultations	[Solid dark blue arrow]																
Digital development	[Solid blue arrow]																
Comms & Marketing		[Solid green arrow]															
Announcement, launch & Implementation				●							●					●	
Operationalization & Adoption		[Solid dark green arrow]															

OPERATIONALIZATION & PREP FOR ADOPTION	Define/implement processes & capacity-building needs (trainings/resources) for client engagement/support, due diligence and integrity, programmatic activities, digital, data analysis and maintenance working in collaboration with all teams in the office plus LN secretariats
● ANNOUNCEMENT	Announcement on the new CoP requirement to be launched in early 2022
● OFFICIAL LAUNCH	Deliverables: CoP Questionnaire + digital platform + guidance (launch: March 2022)
IMPLEMENTATION ●	Companies will be expected to report with the new CoP starting 2023 (reporting period: 1 Feb – 31 May, tbc).

EXTERNAL CONSULTATIONS

Second round	March – April 2021	Core partners, issue expert orgs, limited # of companies	Review Version 1 of the CoP, differentiation levels & SME approach
Third round	July – Dec 2021	UN Guardians, LNs, EN, Board	Review Version 2 of the CoP
PILOT	Q1 2022	SMEs, MNEs	Platform + Questions

Annex



BENEFITS OF THE NEW CoP

- The CoP questionnaire will guide companies to act and measure their performance on the Ten Principles and the SDGs
- The CoP questionnaire will help companies identify and set sustainability goals
- The CoP data base will make relevant and comparable sustainability data easily accessible to Governments, investors, UN entities and other stakeholders
- CoP will contribute data for UNGC's own Monitoring & Evaluation framework

