

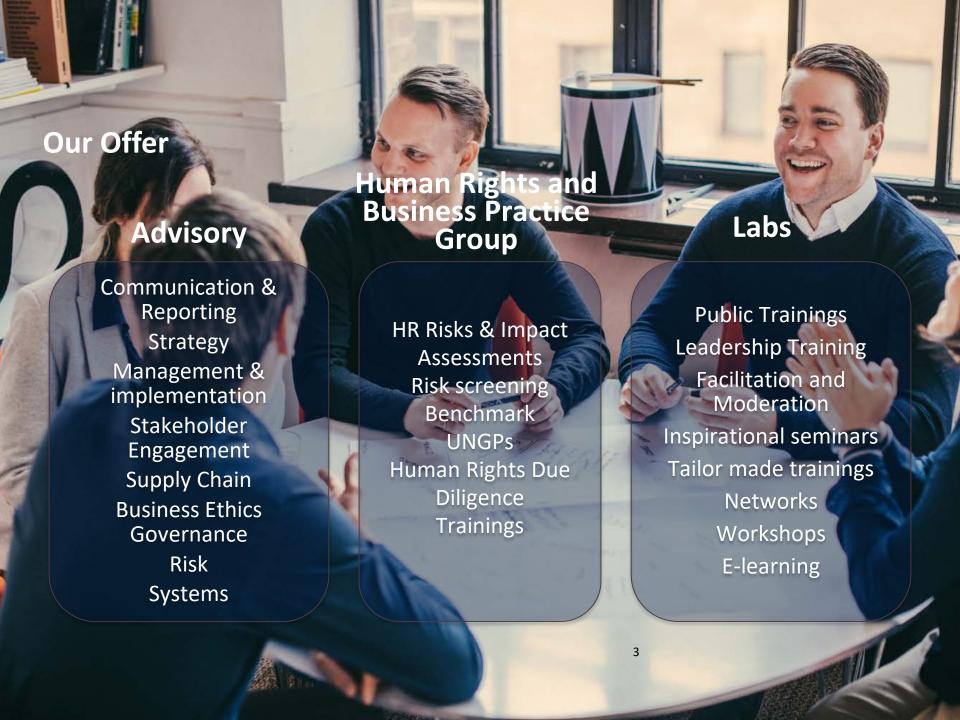
UN Global Compact What, How and Why?

5/12 2017 Reykjavik, Iceland











Erika Eriksson

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Former Project Manager at the International Chamber of Commerce in Stockholm, Focal Point for the UN Global Compact Nordic Network





Who is in the room?





LINE EXERCISE

Sustainability
is a fairly
new concept
for us

Sustainability is a part of our strategy



AIM WITH THIS SESSION

- Describe what the UN Global Compact is
- Explain how it works (requirements)
- Define the business case, discuss the value of UN Global Compact



AGENDA

10.15-10.30 Introduction

10.30-11.00 What is UNGC?

11.00-11.30 UNGC Practical

11.30-11.45 Value of UNGC

11.45-12.00 Q/A and Summing up











What is the UN Global Compact?

- The world's largest corporate sustainability initiative
- Established in 2000

"I propose that you, the business leaders gathered in Davos, and we, the United Nations, initiate a global compact of shared values and principles, which will give a human face to the global market." Kofi Annan (1999)

- A voluntary initiative to promote sustainable development and good corporate citizenship;
- A set of values based on 10 universally accepted principles divided into 4 issue areas



OUR MISSION

MOBILIZE A GLOBAL MOVEMENT OF SUSTAINABLE **COMPANIES AND** STAKEHOLDERS TO **CREATE THE WORLD** WE WANT

UN Global Compact

Human Rights



- 1) Businesses should <u>support and respect</u> 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 **<u>support</u>** 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.



4 CORNERS

HUMAN RIGHTS



LABOUR



ANTI-CORRUPTION

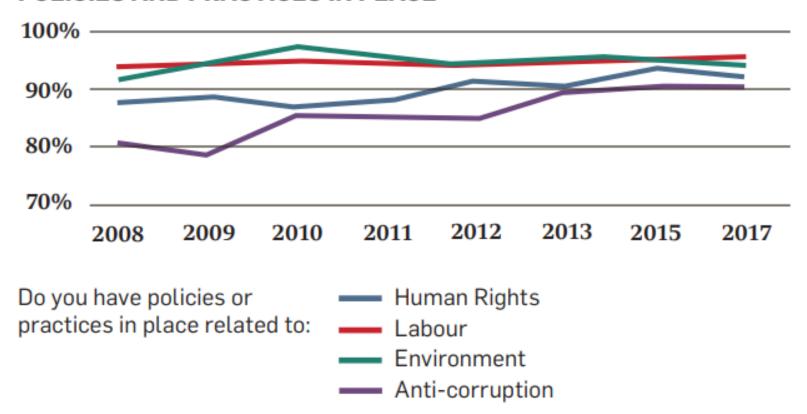


ENVIRONMENT





PERCENTAGE OF RESPONDENTS WITH POLICIES AND PRACTICES IN PLACE







UN Global Compact - Statistics



COUNTRIES WITH **UN GLOBAL** COMPACT BUSINESS **PARTICIPANTS**

OF FORTUNE 500 COMPANIES PARTICIPATE IN THE UN GLOBAL COMPACT

PEOPLE WORKING IN THE PRIVATE SECTOR. WORK FOR A UN GLOBAL COMPACT COMPANY

LOCAL **NETWORKS** AROUND THE WORLD

7,448 COMPANIES HAVE BEEN EXPELLED FROM THE UN GLOBAL COMPACT NON-BUSINESS **PARTICIPANTS**

SECTOR BREAKDOWN **OF PARTICIPANTS**









161 Real Estate

















325 Personal & Household Goods



























785 Technology



3,137 Industrial Goods





75% OF COMPANIES REPORT THAT THEY TAKE ACTIONS TO ADVANCE THE **GLOBAL GOALS**



Global Compact and the SDGs

THE UN GLOBAL COMPACT: A COHERENT FRAMEWORK FOR SUSTAINABLE BUSINESS

The Ten Principles are the fundamental values that businesses embed in their business strategy and operations to guide their conduct, and the 17 Sustainable Development Goals are time-bound targets defining the destination we have to work towards.





























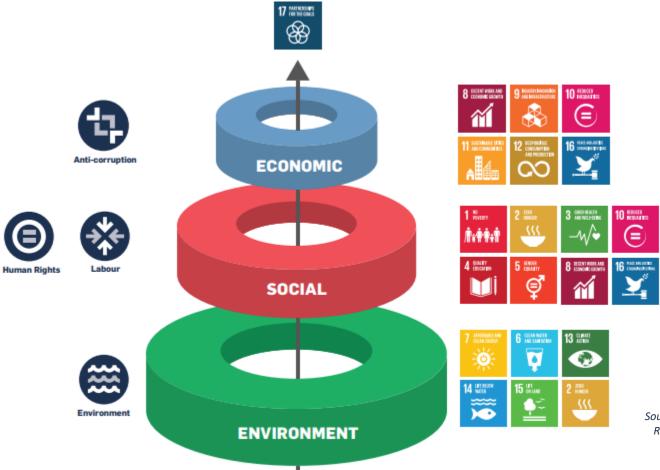


Source: United Nations Global Compact Progress Report, 2017. Business solutions to Sustainable Development





UN Global Compact and the SDGs



Source: United Nations Global Compact Progress Report, 2017. Business solutions to Sustainable Development





We the People

For The Global Goals

LET'S GET PRACTICAL







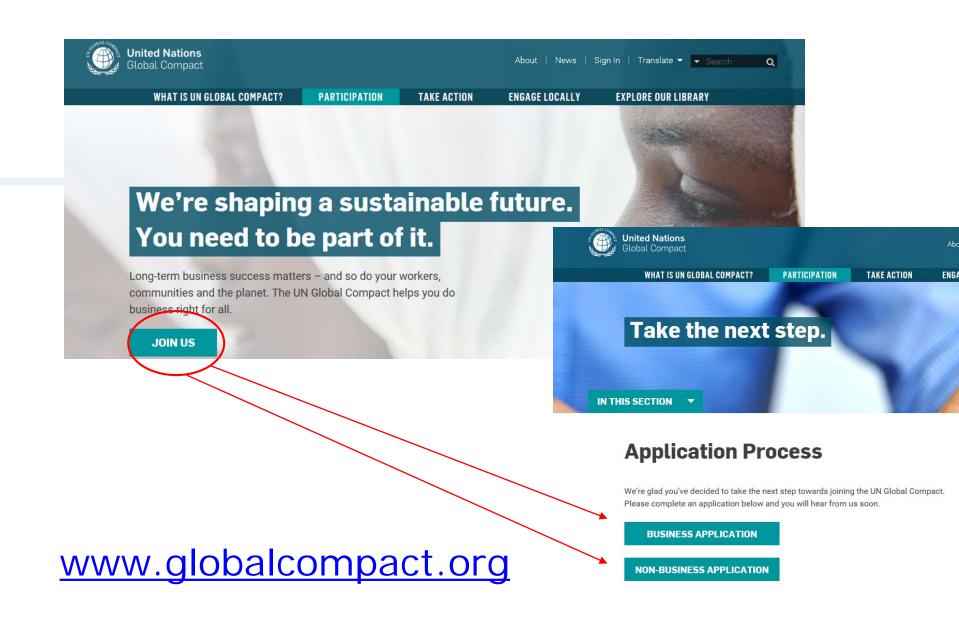
How to become a signatory?

- > At least 10 employees
- No illegal activities
- > 2 engagement tiers (2018)













- Your commitment
- How you intend to implement the principles in your organisation

That you understand, and will adhere to the reporting requirements

Commitment Letter

21.09.2015 H.E. Ban Ki-Moon Secretary-General United Nations New York, NY 10017

Dear Mr. Secretary General,

I am pleased to confirm that G supports the ten principles of the UN Global Compact with respect to human rights, labor, environment and anti-corruption. With this commitment, we express our intent to support the Global Compact advancing these principles, and will make a clear statement of this

We also pledge to participate in and engage with the UN Global Compact in the following way(s):

- We will participate in the Global Compact Local Network in Lebanon and engage in our work in
- We will continue to fight for the environment through our several projects and events that aim at raising awareness about environmental issues
- We will continue our work in helping businesses commit to their environmental responsibilities

We recognize that a key requirement for participation in the Global Compact is the submission of a Communication on Engagement (COE) that describes our organization's efforts to support the implementation of the ten principles and to engage with the Global Compact. We support public accountability and transparency, and therefore commit to report on progress within two years of joining the Global Compact and every two years thereafter according to the Global Compact COE policy.

Sincerely yours,

Nader Nakib President





What is a COP and COE?







Communication on Progress (COP)

For business participants

Communication to stakeholders

Flexible format (integrated report is encouraged)

Optional language

To be submitted online

Communication on Engagement (COE)

For non-business participants

Communication to stakeholders

Flexible format (integrated report is encouraged)

Optional language

To be submitted online



Communication on Progress (COP)

For business participants

Communication to stakeholders

Flexible format (integrated report is encouraged)

Optional language

To be submitted online

Yearly basis

Report work in all 4 issue areas

Different levels

Communication on Engagement (COE)

For non-business participants

Communication to stakeholders

Flexible format (integrated report is encouraged)

Optional language

To be submitted online

Bi-annual basis

Report work within at least 1 of 4 issue areas

One level





How, what and when?

1. Know your deadline

Understand the minimum requirements and the COP and COE Policy

3. Define what type of report

4. Define which level to report on

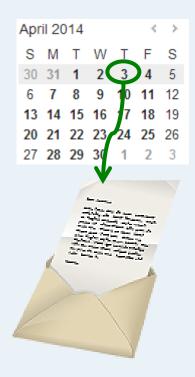
5. Prepare your report



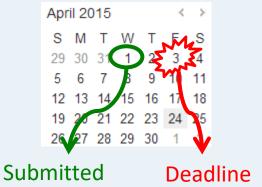


1. Know your deadline

SIGNATORY

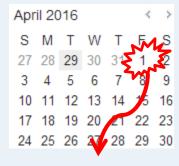


FIRST COP





SECOND COP



Deadline



...Every year





2. Minimum requirements for COP & COE

- 1. A CEO statement of continued support
- 2. Description of actions in each of the 4 issue areas (report or explain principle)
- 3. Measurement of outcomes / result

COP Policy >>>





1. Statement expressing your continued support



[Date]

To our stakeholders:

I am pleased to confirm that [Company Name] reaffirms its support of the Ten Principles of the United Nations UN Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

[Full name] [Title]







2. A description of your practical actions in each of the 4 issue areas

Human Rights	Labour	Environment	Anti-sc ruption
Example 1: On a regular basis and when workers are assumed new assignments, all workers receive safety trainings. Example 2: Yearly Human Rights workshop on different relevant themes; trafficking, privacy issues, community engagement etc.	Example: We have a clear policy on not to use, be complicit in, or benefit from forced labour.	Example 1: The company has set goals for reducing water consumption and / or for increasing recycled water at all workplaces. Example 2: The company has set targets for waste reduction and / or targets for increased recycling of waste and continuously measures progress and goal fulfilment.	Example: The company has developed an action plan to visualize risks of corruption, bribery or bribery. The action plan includes minimum requirements and obligations that the company requires to be taken into account in activities in high-risk countries.





3. A measurement of outcomes / result

Issue Area Example

Human Rights

- We ensure that the work environment is safe on our facilities and that workers have access to necessary and sanitary facilities. Number of trainings this year: XX
- We protect workers from workplace-related violence, including mental, verbal of disexual harassment or threats. 2 Roundtable-discussions has been arranged on the topic his year.
- Take action to eliminate defects or side effects that can harm or threaten people's type and health as a result of our manufacturing practices. X amount of checks are conducted yearly.

Labour

- Ensures that the company does not participate in any form of forced activity. X audits this year
- Implement and comply with current standards regarding minimum wages.
- Ensures that employment-related decisions are based on relevant and objective criterion.

Environment

- Avoid environmental damage through regular maintenance of production processes and environmental protection systems (control of air pollution, waste, water treatment systems, etc.)
- Crisis management system in place. Preventive activities to avoid the occurrence of any accidents that may affect and damage the environment and health.
- Minimizes usage, and ensures safe handling and storage of chemicals and other harmful and environmentally hazardous substances.

Anticorruption

- Evaluates and investigates the risk of corruption in all business contracts.
- Denotes "anti-corruption" and / or "ethical business" in contract with a business partner.
- Ensures that internal procedures comply with the company's anti-corruption commitments.





3. Define type of report

The following formats are accepted:

- A stand alone document
- Part of a sustainability or corporate social responsibility report
- Part of an annual financial report

More information >>>





3. Define type of report

The following formats are accepted:

- A stand alone document
- Part of a sustainability or corporate social responsibility report
- Part of an annual financial report
- A Basic COP Template
- An express COP Only for SMEs with less than 250 employees

More information >>> Express COP Info >>>





4. Define which level to report on

- GC Active
- GC Advanced
- GC Learner

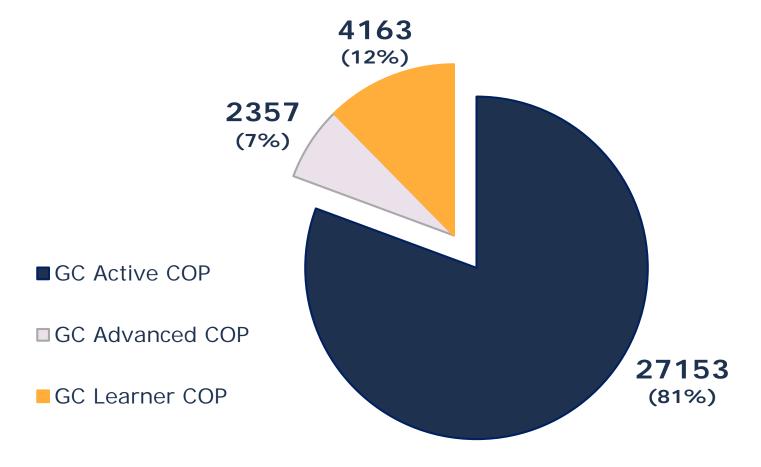
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How to sumbit a COP webinar >>>

GC Active Webinar >>>

GC Advance Info >>>
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COP Levels



May, 2017





GC Active

fulfils the 3 minimum requirements

- A CEO statement of continued support
- 2. Description of actions in each of the 4 issue areas (report or explain principle)
- Measurement of outcomes / result

Ways to submit

- GC Active Questionnaire + PDF
- Basic Template
- Express COP Template

GC Advanced

fulfils the 3 minimum requirements

+

Other additional requirements:

- Implementing the Ten Principles into Strategies & Operations
- Taking Action in Support of Broader UN Goals and Issues
- Corporate Sustainability
 Governance and Leadership

Ways to submit

 GC Advanced questionnaire (additional questions + best practice)



Requirements for Advanced COP

Implementing the Ten Principles into Strategies & perations

• Criterion 1, 2

Robust Human Rights Management Policies & Procedures

Criterion 3, 4, 5

Robust Labour Management Policies & Procedures

Criterion 6, 7, 8

Robust Environmental Management Policies & Procedures

Criterion 9, 10, 11

Robust Anti-Corruption Management Policies & Procedures

Criterion 12, 13, 14

Taking Action in Support of Broader UN Goals and Issues

Criterion 15, 16, 17, 18

Corporate Sustainability Governance and Leadership

Criterion 19, 20, 21

More info >>>

GC Advanced

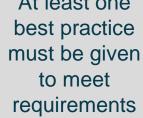






Requirements for Advanced COP

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principal	iples integration
Any relevant policies, procedures, and activities that the company plans to undertake to fulfil including goals, metrics, and responsible staff	II this criterion,
System to track and measure performance based on standardized performance metrics	
Dialogues with the representative organization of workers to regularly review progress made priorities for the future	e and jointly identity
Audits or other steps to monitor and improve the working conditions of companies in the sup principles of international labour standards	ply chain, in line with
Process to positively engage with the suppliers to address the challenges (i.e., partnership a corrective approach) through schemes to improve workplace practices	approach instead of
Outcomes of integration of the Labour principles Outcomes of integration of the Labour principles	
Other established or emerging best practices	
	At least one hest practice







5. Prepare your report

Consider:

- How much time do you need to report?
- What indicators do you need to measure and/or collect on a regular basis during the year to report outcomes?
- Do not wait until the last minute. This requires time and preparation
- Do you need ideas? Use UN Global Compact Management Model and the Global Compact Self-Assessment Tool
- Review your report using our checklist

<u>UNGC Management Model >>></u> <u>UNGC Self-Assessment Tool >>></u>



Submission practice

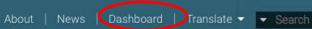














WHAT IS UN GLOBAL COMPACT?

PARTICIPATION

TAKE ACTION

ENGAGE LOCALLY

EXPLORE OUR LIBRARY



Login



Forgot your username or password?









Edit your organization's profile

Organization Details

Participant ID: 4969

Status: Active

Participant since: 2008-01-29

COP Due Date: 2013-12-03

Organization Type: SME

Ownership: Private Company

Sector: Support Services

Employees: 10

Country:

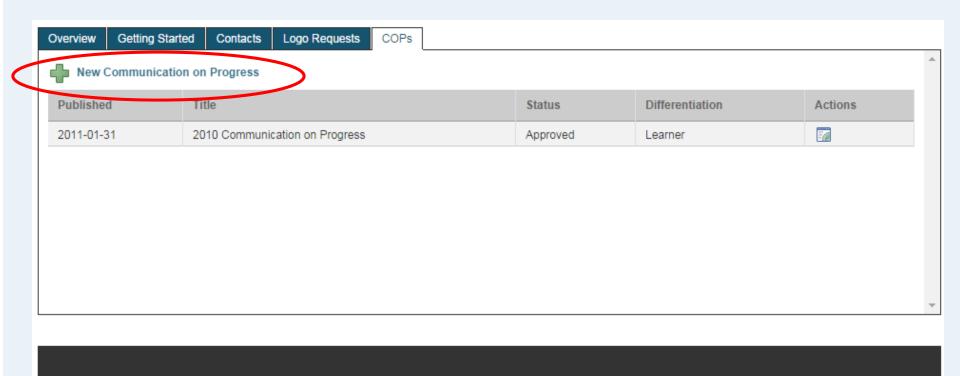
Contact Information

Highest Level Executive: Mr. Contact Person

Contact Point: Mr. Contact Person











Instructions	Express	Basic	GC Active	GC Advanced	Grace Letter	Cycle Adjustment	Drafts	
Please choo	ose among	the follo	wing option	s to publish you	r COP on the	Global Compact we	ebsite	
Express		Contains three yes-or-no questions. This option is designed for companies with less than 250 employees who have minimal reporting capacity.						
Basic		If your company is new to sustainability reporting, this template will guide you in creating your COP.						
GC Active		Your report fulfills the three minimum requirements for the GC Active level and you are not aiming to qualify for the GC Advanced level.						
GC Advanced		Your COP meets the GC Active level requirements and the GC Advanced criteria.						
Grace Letter		Request a 90 day extension to your COP deadline. A letter explaining the reasons for the request must be uploaded.						
Cycle Adjustr	nent	Submit a one-time deferral of up to 11 months to align your COP deadline with your company's reporting cycle.						





Basic COP Template

Submitting a Communication on Progress (COP)

Instructions Express Basic GC Active GC Advanced Grace Letter Cycle Adjustment Drafts

Submit a Basic

Smaller and less experienced companies can complete this template to create their COP. Translations of the template are currently available in several languages. Please note that the COP submission can only be completed through the web-based template.

• Arabic • German • Bussian

SpanishTurkish

Ceneral information

I Human Rights

Labour

Sineronment

Anti-Comption

Submit your COP

Save Drait

Statement of the company's chief executive (CEO or equivalent) expressing continued support for the Global Compact of the renewing the company's ongoing commitment to the initiative and at principles.

Support for the Global Compact of the Clinical Compact of the

3.

ChineseEnglish

Submit a Basic COP here

JapaneseKorean



4.





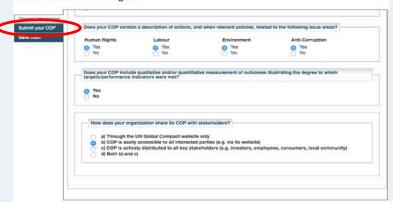


GC Active COP

Submitting a Communication on Progress (COP)



3. Communication on Progress



Communication on Progress

General Information
Over Draft

The Communication on Progress is in the following format:

Stand alone document
Part of a sustainability or corporate (social) responsibility report
Part of an annual (financial) report
Express COP

What is the time period covered by your COP7

Start date
End date
April \$ 2015 \$ April \$ 2016 \$

Pose your COP contain a statement by the CEO (or equivalent) appreading continued support for the Global Compact and necessing your company's ongoing commitment to the initiative and its principles?

Communication on Progress

General Information
Submit your COP
Save Draft

Required: upload the COP as a PDF file

Additional PDF file

Optional: provide a link to your web-based COP. The link should be in the format 'http://company.com'

Language
English

© Cancel

Submit





GC Advanced COP



United Nations Global Compact

Communication on Progress

Conservational Authority Conservation on Progress

Conservational Authority Conservation on Progress

Conservational Authority Conservation on Progress

Flagured spice the COP as a POF file

Laboration of Progress

Laboration of Progress

Laborational Pof file

Conservation file In the Conservation of Progress of Progress on Progress on

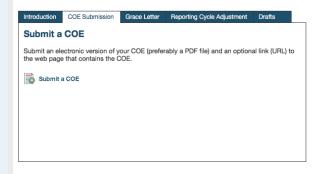






COE

1. Submitting a Communication on Engagement (COE)





3.

Communication on Engagement

Construction on Engagement

Does your COE contain a statement by the chief executive or equivalent expressing continued support for the Global Compact and renewing the participant's engoing commitment to the initiative and its principles?

Vea
No

The COE centains a description of the practical actions that the organization has taken to support the Global Compact and to engage with the initiative.

Engage with Global Compact Local Networks
Join and/or propose partnership projects on corporate sustainability

Engage companies in Global Compact elated issues
Join and/or support special initiatives and work streams

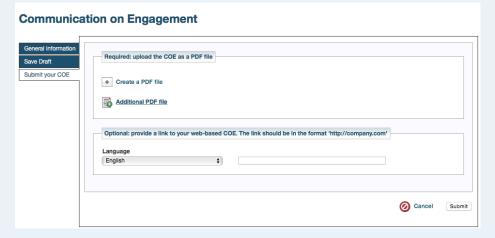
Provide commentary to companies on Communications on Progress

Participate in Global Compact global, and local events

Other actions to support the Global Compact and to engage with the initiative

Does your COE include qualitative and/or quantitative measurement of outcomes illustrating the degree to which targets/performance indicators were met?

4.







Modifications of deadlines

Grace Period:

- In case of a foreseeable delay in submission
- 90 extra days
- Provide an explanation
- Submitted online

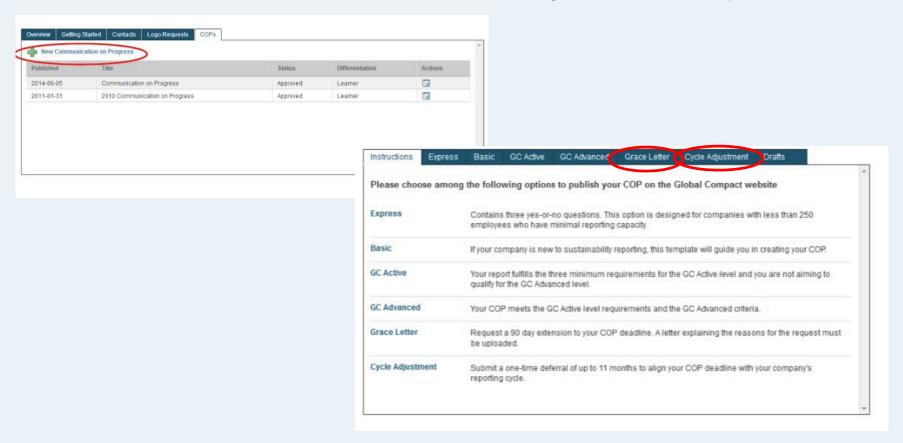
Adjustment Request:

- For organisations that wishes to align their COP submission with their reporting cycles
- Can only be requested once
- Requested online



Modifications of deadlines

Submission of Grace Period and / or Adjustment Request







Global Compact Logo



WE SUPPORT



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

More info & Policy >>>





THE VALUE OF UNGC

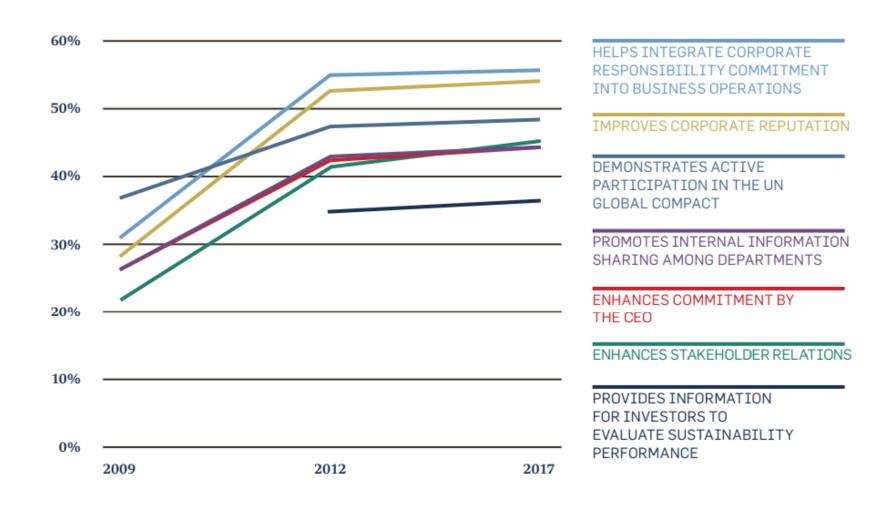
11.30 - 11.45







How does your company benefit from sustainability reporting?







VALUE OF UN GLOBAL COMPACT

A win-win for business and the society

TOP 3 REASONS WHY COMPANIES PARTICIPATE

79% Increase trust in the company through a commitment to sustainability

59% Universal nature of the principles

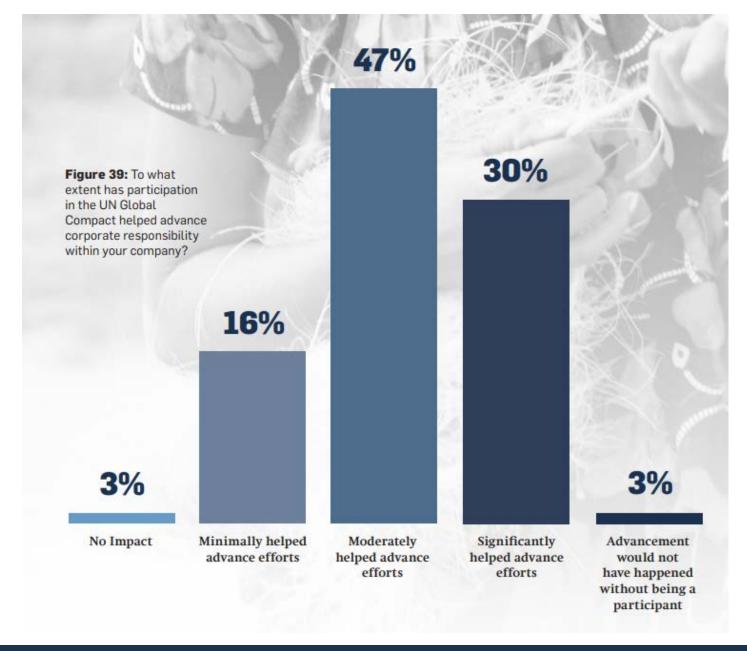
56% Promotes **action** on sustainability within the company

Source: UN Global Compact Annual Implementation Survey











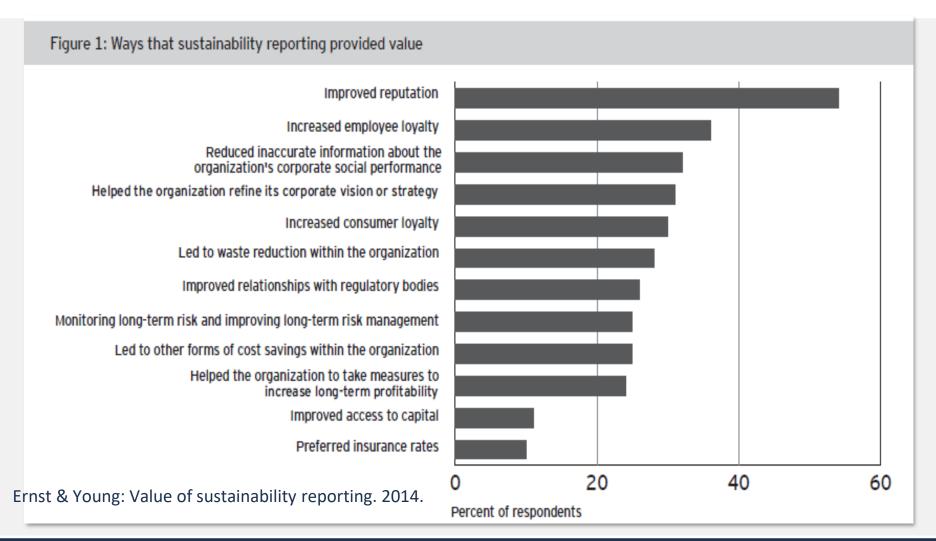


Discuss 2&2

- ➤ Which are your reasons for engaging in the UN Global Compact?
- ➤ What is the added value on short and long term?
- >Are there any drawbacks, why?



VALUE OF SUSTAINABILITY REPORTING







Toolbox

Action Platforms

Beginning in 2017 we are offering a new portfolio of Action Platforms to advance business activities and outcomes in relation to the Ten Principles and the SDGs. Developed in consultation with LEAD companies, Local Networks, UN agencies and relevant partners, Action Platforms fill emerging gaps in advancing the SDGs. They are tailored for up to 40 companies and require a fee.

LEARN ABOUT OUR NEW PLATFORMS

Practical Tools & Resources

The new global goals will require companies to work more strategically on sustainability – from goal setting, to measurement and reporting. Our library contains over 200 resources, all searchable by the SDGs relevant to your business.



Toolbox

UN GLOBAL COMPACT 2017 TOOLBOX



The UN Global Compact helps companies shape their corporate sustainability approach based on our Ten Principles and the UN Sustainable Development Goals (SDGs). In 2017, we will offer an extensive toolbox – including best practice resources, executive briefings, new action platforms and events – designed for companies anywhere along their sustainability journey, from beginners to leaders. Together, we can Make Global Goals Local Business.



HUMAN RIGHTS



DECENT



GENDER



ANTI-CORRUPTION



PEACE



HUMANITARIAN



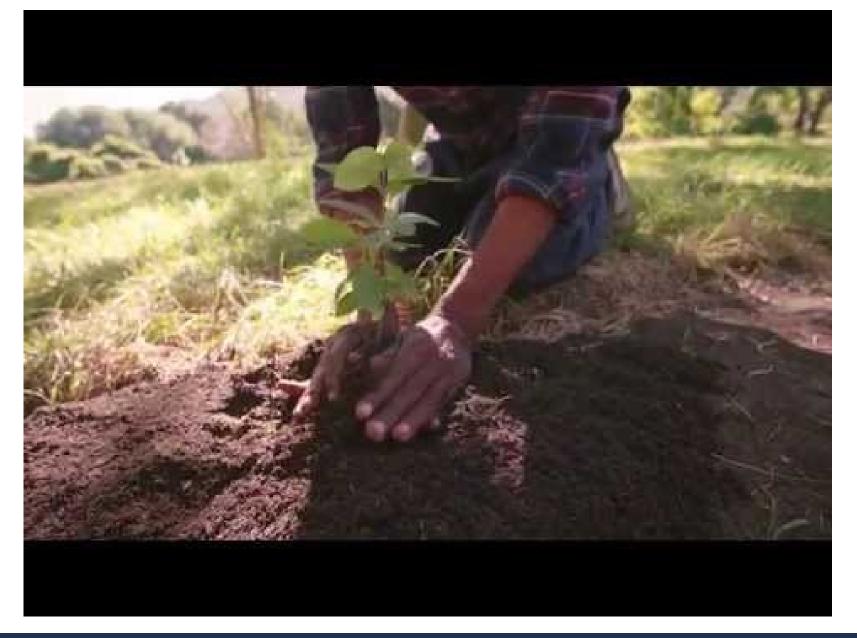
FOOD & WATER



CLIMATI









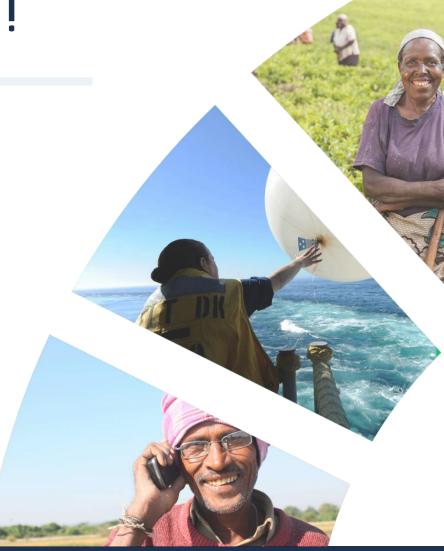


Thank you!

Erika Eriksson

Enact Sustainable Strategies

erika.eriksson@enact.se







UN Global Compact IS NOT

- …a regulatory authority
- ...a substitute for regulation at the national or international level
- ...a UN seal of approval or label
- ...a PR exercise



There are so many useful materials in the website. What is the must important to read for a beginner?

- The 10 principles (link)
- Basic Guide to COP (link)
- What you can do (link)

COP

- how to ensure compliance?
- How to leverage
 COP as opportunity

What does it means to be a more than a basic signatory? Expectations?

See slide 29-32

What requirements are there for who is allowed to join?

See slide 13

See slide 21

What requirements are there for staying as a participant?

- Compliance: See slide 21

As such, access to information improve to become even more Are there differences between the Nordic countries when it comes to engagement?

No, in general the level of engagement is similar in all Nordic countries. When it comes to engagement of different companies it can of course vary depending on a number of factors. But in general, the companies in the Nordics are seen as vary active in the UNGP context.

What support, and where to find it can I utilize that UNGC have (for a small enterprise)?

- There are a number of COPs submitted by SMEs that one can access via UNGPs website. They serve as a source of information and inspiration for others
- How to engage and Support SME Suppliers in their commitment to sustainability (link)
- A guide to Traceability for SMEs (link)



