



UN Global Compact Board Meeting Report 6-7 May 2013

The UN Global Compact Board held its biennial meeting in New York on 6-7 May 2013. Board members reported to the UN Secretary-General at the meeting, which was chaired by Sir Mark Moody-Stuart, Vice-Chair of the Board and Chair of the Foundation for the Global Compact. Discussion focused on the Global Compact's Strategic Review; the Global Compact Leaders Summit 2013; sustainable funding for the initiative; a review of the integrity measures and next steps related to the initiative's strategy for growth. Following is a summary of the Board's discussions and key outcomes.

Welcome and Report from the Executive Director of the UN Global Compact Office and Agenda Item 1: Review of the Global Compact Strategy

Background

Georg Kell, Executive Director of the UN Global Compact Office, reported on the initiative's progress related to all issue areas and sister-initiatives including the Principles for Responsible Investment (PRI) and Principles for Responsible Management Education (PRME). He noted that the initiative is continuing to grow steadily and that retention is improving. Mr. Kell also highlighted the Global Compact's preparations for the Global Compact Leaders Summit 2013 (19-20 September), as well as the initiative's activities to incorporate the private sector perspective into the UN post-2015 global development agenda.

Discussion of 2014-2016 Global Compact Strategy

Prioritization of Activities

Sir Mark Moody-Stuart noted that priorities of the Global Compact as outlined in the strategy are informed by a number of sources, including the Board, business participants, working group members and Governments.

- Priorities of the Global Compact should be determined based on where the Global Compact can have the most impact. (Polman, Hägglund, DiPiazza, Tukaki)
- Prioritization could be approached through the lens of the *Blueprint for Corporate Sustainability Leadership*. (Arima)
- The ten principles should be the Global Compact's focus. Working on a wide range of issues puts a strain on the Global Compact's limited resources. (Hägglund, Wilton, Raina, Pes)
- All participants are required to report on the ten principles and are expelled if they do not. This clearly demonstrates the central role of the principles in the initiative. Moreover, the Global Compact's additional issue platforms are closely connected to the principles and broader UN goals, which the Global Compact has long supported as part of the UN. The issue platforms also reflect demand from participants, respond to globally relevant challenges and offer opportunities for significant impact. (Moody-Stuart, Sané, Polman, Labelle, Kell)
- The Global Compact's activities must also reflect the priorities of different regions. If we exclude some priorities, we are excluding some regions. (Sané)

- The range of issues addressed by the Global Compact can seem overwhelming, particularly to SMEs, companies or Local Networks with limited capacity. (Cheng) However, not every company or network has to engage with every issue. (Moody-Stuart, Tukaki)

Strengthening the Value Proposition

- The Global Compact's value proposition, strategy and engagement opportunities should be positioned differently for various target groups, including SMEs, multinational companies, beginner participants, advanced participants, prospective participants, and participants from different regions or sectors, among other groups. (Sané, Hägglund, Tukaki, Pes, Sabanci, Cheng) As a UN organization, the value should also be clear to the UN and to Governments. (Polman)
- It will be important to sharpen the Global Compact's value proposition at both the global and local levels. Doing so will help address some of the other strategic challenges. (Masilela, Polman, Moody-Stuart)
- The Global Compact should not seek to grow in number at the expense of quality. (Labelle, Raina, Greenhill) While many companies join as beginners, the initiative and the networks provide the tools, guidance and engagement opportunities to help them improve corporate sustainability performance. (Moody-Stuart, Greenhill, Wilton, Labelle, Tukaki)
- SMEs will require different types of support and guidance, and Global Compact tools and resources need to be more accessible to them. (Sabanci, Cheng)
- While global priorities are important, local action is critical. Local Networks can play a key role in helping companies implement the principles at the local level, especially if better supported by the Global Compact. The Local Network Advisory Group can also help the Global Compact in operationalizing programmes and initiatives locally. (Tukaki, Labelle, Sabanci)
- The Global Compact should partner with other UN agencies to further increase system-wide cohesiveness. It was noted that this is already the case in many issue areas. Partners outside the UN are also critical and should be chosen strategically. (Wilton, DiPiazza, Greenhill, Tukaki, Kell)
- Instead of creating additional issue platforms, the Global Compact could support existing initiatives. It is important that partners collaborate and are not in competition. (Greenhill, Wilton)
- Partners can also play a key role in raising awareness of the Global Compact and encouraging new companies to join. (Carrier)
- As part of the UN, the Global Compact's universal principles and moral imperative are important elements of the value proposition. (Polman, Labelle)
- The size of the initiative is one of the Global Compact's major advantages that should be leveraged. The initiative is particularly unique because of its multi-stakeholder nature. (DiPiazza, Moody-Stuart)

Strengthening Governance and Financial Accountability

Sir Mark noted the revised Terms of Reference (TOR) for Board Members distributed at the meeting. Mr. Kell highlighted the UN System Private Sector Focal Points Meeting and the Annual Local Networks Forum (ALNF) where networks agreed to an improved Memorandum of Understanding (MoU) and a new logo policy. Local Networks also established a new Advisory Group to provide guidance to the Global Compact Office and serve as a conduit for Local Networks to raise ideas and concerns. The Advisory Group selected a Chair, Matthew Tukaki, who was present as the Local Network member on the Board.

- The Global Compact Board has direct oversight of the initiative's integrity measures. Because only the UN Secretary-General – not Board members external to the UN – can instruct the UN staff, for all other issues, the Board makes recommendations to the Secretary-General in his role as Chair of the Global Compact Board. (Moody-Stuart)
- With regard to the Global Compact's funding policy (see Agenda Item 3), in December 2012, the Board advised that the Global Compact make every effort to ensure the maximum number of companies are making a voluntary contribution. (Moody-Stuart)

Outcomes

- The Board reviewed the "2014-2016 Global Compact Strategy" and provided valuable recommendations
- The Board encouraged further development and sharpening of the Global Compact value proposition.

Agenda Item 2: Global Compact Leaders Summit 2013

(Joint Session with the Global Compact Government Group, Group of Friends and Board Members of the Foundation for the Global Compact)

Background

The Global Compact Office presented plans for the upcoming Leaders Summit and the Private Sector Forum: Africa, which will be held as part of the main Summit Programme on 20 September. There will also be a number of side events on 19 September.

Chaired by UN Secretary-General Ban Ki-moon, the *UN Global Compact Leaders Summit 2013: Architects of a Better World*, to be held 19-20 September 2013, will bring together chief executives with leaders from civil society, Government and the United Nations to unveil a new global architecture for corporate sustainability. The Summit will set the stage for business to shape and advance the post-2015 development agenda – putting forward a framework for business to contribute to global priorities, such as climate change, water, food, women's empowerment, children's rights, decent jobs, and education, at unprecedented levels.

With regard to Africa, the Global Compact is preparing a strategy for working more closely with the continent and strengthening its relationship with the African Union. The Global Compact will also brief African ambassadors on the Summit and Private Sector Forum and seek their advice.

The Global Compact invited the Board and Governments to share their impressions and offer guidance for the Summit.

Discussion

Summit Themes and Outcomes

- At the Summit, business should send a clear message to Governments that they are ready and willing to contribute to the post-2015 development agenda and have impact. There is also an opportunity to show, in advance of the General Assembly, the global architecture for corporate sustainability and how they can engage. Business has the opportunity to send a strong signal to Governments and can play an important role regardless of the outcomes of the intergovernmental process. (Denmark, Switzerland, Greenhill, Moody-Stuart, Kell)
- It is important to remember that the private sector is being engaged to support sustainable development. It is the responsibility of Governments to protect human rights and ensure basic needs are met. (Collymore)

- The idea of mutual responsibility – between developed and developing countries, and between Government and business – is critical to the post-2015 agenda. The Summit is an opportunity for the UN to increase transparency and awareness of all stakeholders of the agenda. The greater business community likely knows little about the process. (Labelle, DiPiazza)
- The Summit offers an opportunity to focus on achieving the MDGs as the 2015 deadline approaches. (Polman)
- On the Private Sector Forum: Africa, the themes are exciting, but governance should also be on the agenda. (Polman)
- Inequality (social, gender) and scarcity (water, land management) are important issues to address at the Summit. (Denmark)
- There should be an outcome related to labour and business support for sustainable growth and employment. (Raina)
- It is important to focus on supporting Local Networks in Africa and recognizing business leadership there on a larger scale. (Nigeria)
- Business can engage in the post-2015 process during the implementation phase – using financial resources, and capacity building. The post-2015 agenda will also present great opportunities for the private sector, including new green industries. (China)

Summit Format

- It will be important to have a high impact speaker to draw CEOs to the Summit. (Polman, Sabanci)
- The Summit should focus on action more than theory. Summit sessions must be very short and with effective discussions. Outcomes should communicate the role of business, alongside Government and civil society. (Polman, Sabanci, DiPiazza, Tukaki)

Outcomes

- The Board welcomed the decision to make the post-2015 global development agenda the focus of the Leaders Summit and to use it to put forth an ambitious agenda to Governments.

Agenda Item 3: Sustainable Funding for the Global Compact

(Joint Session with the Global Compact Government Group, Group of Friends and Board Members of the Foundation for the Global Compact)

Background

The Global Compact Office presented an overview of the Global Compact Trust Fund, which receives voluntary contributions from Governments, and the Foundation for the Global Compact, which receives voluntary contributions from the private sector, including their income, expenditure and auditing process. It was also noted that the Foundation receives pro bono legal support from law firm Latham & Watkins.

The Global Compact does not – and has never – received funding from the United Nations budget. The initiative relies on a mix of public-private funding from Government donors, as well as contributions from a minority of business participants.

With a strong financial base, the Global Compact can make critical investments to improve operations (for example through translating materials, upgrading IT infrastructure, hiring staff to better manage participant engagement and upgrading the website); enhance global brand value and

strengthen accountability; increase impact through issue platforms; provide support to SMEs; and support and build the capacity of Local Networks.

Discussion

- By making a contribution, Governments demonstrate important political support for the Global Compact. The Global Compact could benefit from a wider base of Government donors. Governments may consider also involving aid agencies as many are shifting to focus on the private sector as a driver of development. (Moody-Stuart, Greenhill)
- The growth of private sector funding during difficult financial times is commendable. It is important that funding for the Global Compact from the public and private sector remains balanced. (Greenhill, Moody-Stuart)
- The main objective is for companies to join the Global Compact, implement the principles and report on progress. Corporate contributions are voluntary, though strongly encouraged. (Moody-Stuart)
- Communicating the need for increased funding is critical. The Global Compact will need to make a clear case to businesses, networks and Governments for why increased funding is necessary and what it will be used for. (Hägglund, Arima)
- It is clear that both the Global Compact Office and Local Networks will need increased funding to grow, and a fundraising strategy must consider both perspectives. Networks have varying structures, levels of capacity and funding, and there will not be a one-size-fits-all solution. At the ANLF, the Local Networks have agreed to come up with collaborative fund-raising strategies by September. (Tukaki, Kell, Wilton)
- Networks need to increase financial transparency. Though challenging, it will be useful to better understand the financial position of the Local Networks as well as the in-kind and financial contributions companies are making at both the local and global level. (Kell, DiPiazza, Ovlisen, Engshuber, Germany)
- The ALNF made good progress in securing collective buy-in from Local Networks into the initiative's global strategy for growth. Governments need to be involved in funding discussions, including on how best to support Local Networks and involve development agencies. (Switzerland)
- It could be useful to conduct a survey of companies that do not contribute to better understand their reasons and whether there is a connection with their local engagement or contributions. (Collymore, Moody-Stuart, Tukaki)

Outcomes

- Both Board members and Governments welcomed the transparency provided on the Global Compact's financial situation.
- Board members encouraged further efforts to improve the initiative's financial viability, including by winning over more Governments to contribute, developing joint fundraising with Local Networks and implementing measures to increase voluntary contributions.

Agenda Item 4: Review of Progress on Integrity Measures

Background

The Board received the "Progress Report on Integrity Measures", which reported on the three main Global Compact Integrity Measures: (1) the Communication on Progress (COP); (2) logo policy and brand management; and (3) the facilitation of dialogue on alleged systematic and egregious abuse.

The Global Compact provided an overview of logo use, the process for applying to the Global Compact, as well as the history and current status of the dialogue facilitation process. Recent updates included the development of a “We Support” logo for networks, as result of discussions at the ALNF. In terms of dialogue facilitation, most companies are grateful for the opportunity. It was noted that the LEAD Steering Committee was supportive of the idea, proposed by Board members Brent Wilton and Philip Jennings at the last Board meeting, that more be expected of LEAD companies in terms of stakeholder dialogue. The Global Compact noted that this is also consistent with the *Blueprint for Corporate Sustainable Leadership*, which among other things encourages stakeholder dialogue and having in place effective company level grievance mechanisms.

With regard to the COP, the Global Compact presented the topics of differentiation, retention, training and improving the clarity of requirements. It was noted that reporting is improving as result of proactive steps being taken by the COP team, reporting that 61% of new participants submitted a COP in 2012, up from only 46% in 2010.

The Global Compact outlined the three-pronged strategy for SME support that is currently being piloted. Its elements include: (1) allowing extra time to submit a COP; (2) working with relationship managers; and (3) increasing communication with Local Networks so they can also support these companies. There are no separate COP requirements for SMEs, but differentiation offers basic reporting criteria that allow SMEs to report easily. There is also a basic reporting template for SMEs, which requires them to report across all four issues, but not each individual principle.

The Global Compact has streamlined the advanced reporting requirements with LEAD reporting and is undertaking continued efforts to coordinate with other initiatives, including the Global Reporting Initiative (GRI), with which the Global Compact has an MOU, and the International Integrated Reporting Committee (IIRC).

Discussion

- There needs to be more time spent on financing and empowering Local Networks to support reporting. Networks play a key role in helping all participants, and especially SMEs, report so that they are not delisted. (DiPiazza, Polman, Arima, Tukaki, Moody-Stuart) While some networks, like Australia, spend a lot of time working with companies on their COPs, Local Network capacity is often very limited, which underscores the importance of developing a funding model to support local and global growth. (Tukaki)
- SMEs will require specific attention, resources and support to complete their COPs. (Tilaar, Moody-Stuart)
- An annually renewed CEO-level commitment to the Global Compact and CEO-approved annual COP is both important and challenging for companies to do on a yearly basis. It may make sense to consider different levels of signing off. (Polman, DiPiazza)
- The importance of coordination with other reporting frameworks, particularly the GRI was noted. (Hägglund)
- There would be a benefit to have COP due dates at the same time as is the case in Australia. (Tukaki) This has been discussed with companies, and the feedback is that the beauty of Global Compact is that it is flexible and can align with their regular reporting. If a Local Network feels it is important to synchronize, it can. (Kell, Moody-Stuart)
- It is important for companies to reach integrated financial and non-financial reporting, so when a CEO signs a financial report he or she also signs the COP. (Pes) While this would be ideal, integrated reporting would be challenging to demand from all participants and is still far from mainstream. (Moody-Stuart)

- The objective of the Global Compact is to ensure that participants commit to advance the ten principles and to produce a public report, which can be vetted by NGOs and other stakeholders. The Global Compact Office does not have capacity to screen each COP for accuracy. The initiative's contribution is transparency on non-financial issues. (Moody-Stuart and Kell)
- It might be useful to give Board members talking points of how to describe the Global Compact's accountability and integrity measures. This could be helpful in responding to criticisms of the initiative. (Labelle, Raina)
- It would be worth putting together a small group of companies and civil society organizations to carefully analyze the details of the COP requirements. COP requirements for major corporations have grown to be extremely numerous and complex and may not all be absolutely essential. (Moody-Stuart, Polman, DiPiazza)
- The Global Compact has done an excellent job facilitating dialogue under challenging circumstances. The Global Compact was also commended for the thoroughness of its response to the Wilton/Jennings letter. (Wilton)

Outcomes

- The Board welcomed the Global Compact's progress in implementing the integrity measures.
- The Board welcomed the Global Compact's work to support SMEs in reporting and encouraged continued efforts.
- The Board agreed to form a group to review COP requirements.

Agenda Item 5: Review of Progress on Strategies for Global Compact Growth

Background

The Global Compact Office presented progress on its strategy to grow to 20,000 participants by 2020, as well as a set of principles for growth for the Board's consideration. In light of its current rate of net growth, the Global Compact will need to implement additional efforts to reach its target. Efforts underway include outreach from investors to non-participants, analysis to identify underserved groups, recruiting at Local Network events, webinars and training, hiring Relationship Managers and strengthening the IT infrastructure. Future efforts could include encouraging Board members and current participants to recruit others, including from their supply chains; working with international business associations, national chambers of commerce and national small business associations; civil society organizations; and UN procurement and pension funds to reach out to potential signatories.

Discussion

- It is critical to carefully consider which companies are recruited and to ensure new participants are fully committed to the Global Compact and understand the requirements. Otherwise, there are reputational risks and the potential for significant turnover. Once companies are delisted, it is unlikely that they will engage or support the Global Compact again in the future. (Greenhill, Labelle, DiPiazza)
- The Global Compact should define specific criteria and work on recruiting the companies that meet them. Because the objective of the Global Compact is to have impact related to the ten principles and UN goals, the initiative should target companies with potential to make transformational change rather than recruit as many small companies as possible. (Polman, Sané, Moody-Stuart)

- Supply chain recruitment should be considered carefully. If a company has the resources to support their supply chain in joining the Global Compact, it could be very effective. However, if companies do not support suppliers, it could be damaging. (DiPiazza)
- The Global Compact's strategy is good. However, by pushing for 20,000 by 2020, the Global Compact team may not be able to achieve excellence. It is more important to have a clear strategy and value proposition in place and then scale up. Since the initiative is not on track to reach the goal by 2020, for 2014-2016, the Global Compact should manage this risk and consider a lower target or setting other goals such as market capitalization. (Greenhill, Engshuber)
- The Global Compact's brand is important to recruiting new members. Raising awareness of the initiative through economic publications, linking the Global Compact's work to current events in the media, and through other influencers like academics could contribute to growth. (Arima, Pes, Hägglund)
- For companies, especially SMEs, that are not aware of the Global Compact, it may be effective for them to be introduced to the initiative by an organization they already work with, like a national chamber of commerce. Local partners must be selected carefully to avoid creating competition on the ground. (Carrier, Wilton)
- Outreach to new participants should be coordinated with Local Networks. Local Networks should be able to recruit companies, especially SMEs. Some networks have already begun to make efforts in this area. (Arima, Tukaki, de Grief, Wilton). The Global Compact should develop a dedicated recruitment strategy for Asia (Tukaki).

Outcomes

- The Board welcomed the principles for growth put forward stressing the importance of driving quantity through quality.

Miscellaneous

Combining Human Rights and Labour Working Groups

As chairs of the Human Rights Working Group, Sané and Moody-Stuart proposed that the two groups merge and noted that the terms of reference would be updated accordingly.

- From the labour perspective, combining the groups makes sense as human rights and labour issues are closely aligned in the Guiding Principles on Business and Human Rights. (Wilton)
- Collaboration among agencies within the UN working on similar topics is also important. This is more complex in some areas than others. The Global Compact is working toward coherence and collaboration especially at the country level. (Tilaar, Kell)

Outcomes

- The Board welcomed the merging of the Human Rights and Labour working groups.

Closing

The next Board Meeting will be held immediately following the Leaders Summit on 21 September from 9:00 am – 12:00 pm.

Appendix 1: Members of the Global Compact Board

Chair

H.E. Ban Ki-moon, Secretary-General of the United Nations

Vice Chair

Sir Mark Moody-Stuart (Ex Officio), President & Chairman, Foundation for the Global Compact

Business

Mr. Toshio Arima, Director and Executive Advisor to the Board, Fuji Xerox, Japan

Mr. Kurt W. Bock, Chairman of the Board, BASF SE, Germany

Ms. Marilyn Carlson-Nelson, Chairperson, Carlson, USA*

Mr. Fernando Chico Pardo, President, Grupo Aeroportuario del Sureste (ASUR), Mexico

Mr. Robert Collymore, Chief Executive Officer, Safaricom Limited, Kenya

Ms. Monica de Greiff, Chief Executive Officer, Bogota Chamber of Commerce, Colombia

Mr. Samuel di Piazza, Vice Chair, Institutional Clients Group, Citi, USA

Mr. Fu Chengyu, Chairman, Sinopec Group, China*

Mr. Andrei Galaev, former Chief Executive Officer, Sakhalin Energy Investment Company Ltd., Russia*

Mr. S. Gopalakrishnan, Executive Co-Chairman, Infosys, India*

Mr. Björn Hägglund, Member of the Board, Alfa Laval AB, Sweden

Mr. Li Decheng, Standing Vice President and Director General, China Enterprise Confederation/China Enterprise Directors Association*

Mr. Elias Masilela, Chief Executive Officer, Public Investment Corporation, South Africa

Mr. Arif Masood Naqvi, Vice Chairman and Group Chief Executive Officer, Abraaj Capital Holdings Limited, UAE*

Mr. Angel Pes Guixa, President, Global Compact Network Spain

Mr. Paul Polman, Chief Executive Officer, Unilever, United Kingdom

Ms. Güler Sabanci, Chairperson, Sabanci Holding, Turkey

Ms. Maria das Gracas Silva Foster, President and Chief Executive Officer, Petrobras, Brazil*

Ms. Martha Tilaar, Chairperson, Martha Tilaar Group, Indonesia

Mr. Sudhir Vasudeva, Chairman and Managing Director, Oil and Natural Gas Corporation (ONGC) Ltd., India*

International Labour and Business Organizations

Mr. Jean-Guy Carrier, Secretary-General, International Chamber of Commerce

Mr. Philip Jennings, General Secretary, UNI Global Union*

Mr. Jyrki Raina, General Secretary, IndustriALL Global Union

Mr. Brent Wilton, Secretary-General, International Organisation of Employers

Civil Society

Mr. Jorge Abrahão, President, Instituto Ethos de Empresas e Responsabilidade Social

Ms. Huguette Labelle, Chair, Transparency International

Ms. Julia Marton-Lefèvre, Director-General, International Union for Conservation of Nature*

Mr. Pierre Sané, President, Imagine Africa International

Other Ex-Officio

Mr. Wolfgang Engshuber, Chair of the Board, Principles for Responsible for Investment

Mr. Robert Greenhill, Managing Director and Chief Business Executive, World Economic Forum

Mr. Georg Kell, Executive Director, UN Global Compact Office

Mr. Matthew Tukaki, Chair, Global Compact Local Network Advisory Group

Alternates

Mr. Duoshen Cheng, China Enterprise Confederation

Ms. Ana Paula Grether de Mello, Petrobras

Ms. Jane Wang, Sinopec Group

Observers

Mr. Mads Øvlisen, Chairman, Danish Council on Corporate Social Responsibility, Denmark

Ms. Sara Krüger Falk, Head of Section, Ministry of Foreign Affairs of Denmark (Danida)

Ms. Laura Nielsen, Special Advisor, Ministry of Foreign Affairs of Denmark (Danida)

Mr. Are-Jostein Norheim, CSR Ambassador, Ministry of Foreign Affairs of Norway

*Not present at 6-7 May Board meeting

Appendix 2: Government Attendees of the UN Global Compact High-Level Luncheon

H.E. Mr. Tête António, Permanent Observer of the African Union to the UN
H.E. Mr. Ismael Abraão Gaspar Martins, Permanent Representative of Angola to the UN
H.E. Mr. Charles Thembani Ntwaagae, Permanent Representative of Botswana to the UN
H.E. Mr. Octavio Errázuriz, Permanent Representative of Chile to the UN
H.E. Mr. Néstor Osorio, Permanent Representative of Colombia to the UN, President of ECOSOC
H.E. Mr. Tekeda Alemu, Permanent Representative of the Federal Democratic Republic of Ethiopia to the UN
H.E. Mr. Thomas Mayr-Harting Head of the Delegation of the European Union to the UN
H.E. Mr. Hans Peter Wittig, Permanent Representative of Germany to the UN
H.E. Mr. Csaba Körösi, Permanent Representative of Hungary to the UN
H.E. Mr. Desra Percaya, Permanent Representative of the Republic of Indonesia to the UN
H.E. Ms. Marjon V. Kamara, Permanent Representative of Liberia to the UN
H.E. Mr. Hussein Haniff, Permanent Representative of Malaysia to the UN
H.E. Mr. Milan Jaya Nyamrajsingh Meetarbhan, Permanent Representative of the Republic of Mauritius to the UN
H.E. Mr. António Gumende, Permanent Representative of Republic of Mozambique to the UN
H.E. Mrs. U. Joy Ogwu, Permanent Representative of Nigeria to the UN
H.E. Mr. Geir O. Pedersen, Permanent Representative of Norway to UN
H.E. Mr. Are-Jostein Norheim, CSR Ambassador, Ministry of Foreign Affairs of Norway
H.E. Mr. Mohammad Masood Khan, Permanent Representative of Pakistan to the UN
H.E. Mr. Abdou Salam Diallo, Permanent Representative of the Republic of Senegal to the UN
H.E. Mr. Jeremiah Nyamane Kingsley Mamabolo, Permanent Representative of South Africa to the UN
H.E. Mr. Fernando Arias, Permanent Representative of Spain to the UN
H.E. Mr. Mårten Grunditz, Permanent Representative of Sweden to the UN
H.E. Ms. Kristin Pålsson, CSR Ambassador, Ministry of Foreign Affairs of Sweden
H.E. Mr. Paul Seger, Permanent Representative of Switzerland to the UN
H.E. Ms. Elizabeth Cousens, Representative to ECOSOC from the United States of America to the UN

H.E. Mrs. Regina Maria Cordeiro Dunlop, Deputy Permanent Representative of Brazil to the UN
H.E. Mr. Bafegitgue Ouattara, Deputy Permanent Representative of Côte d'Ivoire to the UN
H.E. Mr. Erik Laursen, Deputy Permanent Representative of Denmark to the UN
H.E. Mr. José Blanco Conde, Ambassador of the Dominican Republic to the UN
H.E. Mr. Mootaz Ahmadein Khalil, Permanent Representative of Egypt to the UN
H.E. Mr. Martins Briens, Deputy Permanent Representative of France to the UN
H.E. Ms. Koki Muli Grignon, Deputy Permanent Representative of Kenya to the UN
H.E. Mr. Charles P. Msosa, Permanent Representative of Malawi to the UN
H.E. Mr. Levent Eler, Deputy Permanent Representative of Turkey to the UN

Mr. Karl Lagatie, First Secretary, Belgium
Ms. Chen Yingzhu, Third Secretary, China
Ms. Sara Krüger Falk, Head of Section, Ministry of Foreign Affairs of Denmark (Danida)
Ms. Laura Nielsen, Special Advisor, Ministry of Foreign Affairs of Denmark (Danida)
Mr. Pertti Ikonen, Ministry of Foreign Affairs of Finland, Aid for Trade Coordinator
Mr. Bertrand Furno, Financial Counsellor, Treasury Representative, Permanent Mission of France to the UN
Ms. Laure Serra, Attachée, Permanent Mission of France to the UN
Ms. Anaïs Etillieux, French Development Agency (AFD) Partnerships with the UN
Mr. Hermann Nicolai, Head of Division, Federal Foreign Office, Germany
Ms. Stephanie Kage, Counsellor, Permanent Mission of Germany to the UN
Mr. Peter Silberberg, Permanent Mission of Germany to the UN
Ms. Nicole Maldonado Pyschny, Federal Ministry for Economic Cooperation and Development, Germany
Mr. Stefano Stefanile, First Counsellor, Italy
Mr. Katsuhiko Takahashi, Minister, Japan
Mr. Henning Kloster-Jensen, Deputy Head of Section, Ministry of Foreign Affairs of Norway
Ms. Ann Kristin Johnsen, Ministry of Foreign Affairs of Norway
Ms. Marta Pedrajas Herrero, Ministry of Foreign Affairs of Spain, General Secretariat for International Cooperation for Development
Ms. Andrea Ries, Swiss Agency for Development and Cooperation (SDC)
Mr. Pio Wennubst, Counsellor, Permanent Mission of Switzerland to the UN

Appendix 3: Meeting with the Secretary-General

Background

UN Secretary-General Ban Ki-moon, Chair of the Global Compact Board, joined the meeting to discuss the progress of the initiative. The Secretary-General's remarks were followed by brief interventions by several Board members. [View the Secretary-General's full remarks.](#)

Remarks

The Secretary-General welcomed new Board members Jyrki Raina and Robert Greenhill, as well as Matthew Tukaki, the Chair of the newly established Local Network Advisory Group, and thanked everyone for their commitment to the Global Compact and the guidance they provide as members of the Board.

Referencing the recent tragedy at a garment factory in Bangladesh, the Secretary-General acknowledged the need for companies to more closely monitor their supply chains and uphold ILO standards. He called on the Global Compact to continue to carry out its essential role in promoting safe and sustainable employment opportunities, and recognized the need to further scale up these efforts.

The Secretary-General commended the progress of the strategic review, specifically noting the inclusion of the Chair of the newly established Local Network Advisory Group, and the joint session between the Board and donor Governments. He acknowledged the importance of building stronger relationships with Governments, specifically noting the push towards achieving the Millennium Development Goals (MDGs) and setting priorities for the post-2015 period.

The Secretary-General concluded by pointing to the 2013 Leaders Summit as an opportunity for business and the UN to work together towards common goals, and welcomed Global Compact efforts in deepening partnerships, including the UN Partnership Facility. He again commended the Board for their commitment, but urged them to do even more in their individual and professional capacities.

Discussion

Güler Sabancı reported that her company has been asking its suppliers to join the Global Compact. She acknowledged the growth of the Women's Empowerment Principles in Turkey and noted that her foundation is working closely with UN agencies on improving women's rights in her country.

Matthew Tukaki expressed his appreciation to be elected to represent Local Networks and noted that while Local Networks were all moving in the same direction, they often encounter challenges related to capability and capacity on the ground.

Jyrki Raina emphasized the importance of the labour principles, reiterating the factory collapse in Bangladesh. Mr. Raina noted the unsustainable business model of low wages and the opposition to freedom of association. He urged the Global Compact to engage further with the ILO and expressed his hope for a legally-binding international agreement on building and fire safety

Robert Greenhill noted the long history of collaboration between the Global Compact and the World Economic Forum (WEF). He reported on the WEF's work on anti-corruption and expressed his belief that we are approaching a tipping point in terms of legislation and businesses engagement. He commended the leadership of both the Secretary-General and Mr. Kell for their ability to turn a concept like the Global Compact into an institution.

Jean-Guy Carrier expressed his belief that there has been a rebirth of interest in business ethics, and noted that after 50 years of being cut off, Myanmar businesses are enthusiastic to connect. He shared

that International Chamber of Commerce (ICC) has been asked to train business representatives in Myanmar on basic international trade concepts as well as the Global Compact.

Paul Polman stated that everything was on track to deliver the report for the High-Level Panel on the Post-2015 Development Agenda by the end of May. He highlighted several upcoming meetings, including the G8 in London where nutrition will be on the agenda and a meeting in June in Indonesia on illegal deforestation. He urged the UN to support the deforestation issue and to keep food security on the agenda at the G20.

Huguette Labelle reported that the Working Group on the 10th Principle convened a large meeting in India and launched a year-long campaign to mobilize business around anti-corruption. She stated that the post-2015 framework should be grounded in good governance, and noted that the G20 and Governments should be encouraged to provide an enabling environment.

Duosheng Cheng highlighted the activities of the Local Network China, including awareness raising, training, research, and a major conference on business and human rights in China. He noted the contribution of the network in the development of a Government-led pollution control plan and presented activities planned in preparation for the Leaders Summit.

Björn Hägglund reiterated Mr. Carrier's comments, noting an increased interest in human rights, labour and the Global Compact in response to current events.

Fernando Chico Pardo reported that the Local Network Mexico is nearing 500 participants, noting that 33% of those companies are SMEs. He urged for more interaction to increase participant numbers. He also highlighted the development of a stock market index of Global Compact companies by the Local Network.

Wolfgang Engshuber provided an update on PRI, including efforts to provide training to signatories and working towards a robust reporting framework. PRI is working closely with the Global Compact to provide input to the post-2015 process. PRI also recently completed a campaign in which signatories wrote letters encouraging companies to join the Global Compact. He emphasized the need to create one voice for the financial sector, particularly within the UN, and to better integrate different types of investors, noting the lack of corporate pension funds in the PRI.

Toshio Arima reported that the Local Network Japan is steadily growing with 11 working groups and no delisted companies. In order to continue growth, the network unanimously agreed to double their annual fee for members.

Are-Jostein Norheim (Observer, Norway) expressed appreciation for the opportunity to meet with Board members in a joint session with Donors and commented that he was pleased with the progress of 2011-2013 Global Compact Office strategy. He noted that his Government is actively engaging with the private sector in Norway and the Nordic Local Network to increase knowledge of the Global Compact and encourage more companies to join the initiative.

Kurt Bock reported on the work of BASF on chemical industry standards and supplier responsibility, and expressed support for the LEAD Working Group on the Post-2015 Development Agenda. He acknowledged the need to move from incremental to transformative impact and noted the challenges related to advancing the ten principles and UN goals and issues.

Angel Pes Guixa expressed the view that Local Networks are important for partnerships and enhancing the value proposition of the Global Compact. He added that the ALNF was a constructive meeting and reported that the Spanish network is developing a project to encourage collaboration.

Jorge Abrahão reported Ethos' activities toward developing sustainable cities, including business contributions to public policies on environment and anti-corruption. Ethos is encouraging companies to discuss the post-2015 sustainable development agenda and related opportunities.

Elias Masilela expressed optimism for the Local Network South Africa's agenda and noted that its increase in participants has been predominately large enterprises. He emphasized the need to attract more SMEs due to the nature of the African economy.

Samuel DiPiazza expressed his appreciation for the leadership and transparency of the Global Compact Office throughout the strategic review process.

Robert Collymore highlighted the importance of human rights and anti-corruption, particularly in Kenya. He noted that while there is business support for this agenda, it is not always at the CEO level. Local Networks are in the best position to act but often lack capacity. He emphasized the importance of strengthening the role of SMEs and the informal business sector.

Sir Mark Moody-Stuart noted to the Secretary-General the huge range of issues covered and how many of the Board members represent Local Networks.

The Secretary-General thanked the Board members for their contributions and commended them for their efforts to advance the ten principles within a broad framework. He reiterated the importance of the issues discussed, including Local Network activities and system-wide coherence.

He highlighted the launch of the "MDG Momentum: 1,000 Days of Action" and the importance of finding agreement on the Sustainable Development Goals to guide the next 15 years. He emphasized that many of the priorities of the MDGs will be carried over into the post-2015 development agenda, including climate change, poverty eradication and sustainable energy. He called on Board members to align their companies' priorities with these, and other, important UN issues.

The Secretary-General also touched on the issue of climate financing and emphasized the importance of mobilizing business and other sources of financing to fill the gap when Government funding is limited. He called on business to reach out to universities and schools to teach future business and society leaders about the Global Compact principles. He concluded by thanking Board members for their strong leadership and commitment.

Appendix 4: Summary of the UN Global Compact High-Level Luncheon

On 6 May, Global Compact Board Members met with Ambassadors to discuss the future of the Global Compact at a luncheon attended by the Secretary-General as Chair of the Global Compact Board.

The event was co-hosted by *H.E. Mr. Desra Percaya, Permanent Representative of the Republic of Indonesia to the UN; H.E. Mr. Macharia Kamau, Permanent Representative of Kenya to the UN; and H.E. Mr. Geir O. Pedersen, Permanent Representative of Norway to the UN.* During the luncheon, Ambassadors and Board Members shared their views on how the Global Compact can help to bring the corporate sustainability movement to the next level, with a view to contributing to the post-2015 global development agenda.

Opening the lunch meeting, *H.E. Ambassador Geir O. Pedersen, Permanent Representative of Norway,* discussed the recent tragedy in Bangladesh, encouraging international companies to stay in the country, to help improve working conditions, and to support the development of a sustainable industry that can contribute to economic development. He noted the importance of multi-stakeholder collaboration involving business, trade unions, civil society and Governments who not only must enact laws but also enforce them. He commended the Global Compact for its expansion over the past 13 years, its success in establishing the ten principles as the basis for responsible and sustainable business, and its development of tools and resources. He noted that the Global Compact's ability to engage business demonstrates that the private sector understands the value of working together to solve common global challenges, including those related to the post-2015 agenda. The Ambassador noted that initiatives of the Secretary-General, such as Every Woman Every Child and Sustainable Energy for All, showcase effective collaboration between the UN, business, NGOs and Governments, and he encouraged the UN to continue to work with other stakeholders. Finally, he congratulated Sabanci for being the first company in Turkey to sign the CEO statement in support of the Women's Empowerment Principles.

United Nations Secretary-General Ban Ki-moon also took note of the tragedy in Bangladesh. He highlighted that at the same time, an increasing number of businesses around the world are coming to understand their role in addressing urgent social, economic and environmental challenges and embracing the Global Compact principles. He commended a recent effort by a large group of Chinese CEOs who urged their Government to take action to address climate change, and he encouraged other businesses to make similar efforts. The Secretary-General recognized the growth of the Global Compact and highlighted the upcoming Global Compact Leaders Summit, which will unveil a new global architecture for scaling up corporate sustainability and aligning business with UN priorities, including the post-2015 agenda. He emphasized that the Global Compact has done much already to bring the voice and perspectives of business to the post-2015 agenda. The Secretary-General expressed his confidence that the Global Compact, working closely with the proposed UN Partnership Facility, will be able to accelerate business involvement in multi-stakeholder partnerships at just the time we need them the most. The Secretary-General expressed his hope that Member States will give favourable consideration to his UN Partnership Facility proposal, which will be presented to the General Assembly in September. Finally, the Secretary-General thanked Governments that are working to advance responsible business practices and support the Global Compact, especially the Donors and Friends group, and called on all present to build momentum for the Leaders Summit.

Sir Mark Moody-Stuart, Vice-Chair of the Global Compact Board and Chairman of the Foundation for the Global Compact summarized the morning meeting's discussion of the Global Compact's future strategy, including prioritization of the Global Compact's issue work and governance of the initiative globally and locally. He noted that at the recent Annual Local Networks Forum, a Local Network Advisory Group was established. He invited the chair of the Local Network Advisory Group, Matthew Tukaki, who also holds an ex officio position on the Board, and Board member, Güler Sabanci, to speak briefly on their experiences at the morning's meeting.

H.E. Mr. Desra Percaya, Permanent Representative of the Republic of Indonesia to the UN thanked the Secretary-General for his efforts to support the growth of the Global Compact. He was encouraged to learn that the number of Global Compact participants in Indonesia has reached over

100. He noted that companies, like Martha Tilaar, have encouraged the Government to play a more active role to implement ten principles in Indonesia. The Ambassador noted the strong participation of diverse stakeholders at the 4th meeting of the High-Level Panel on Post-2015 Development in Bali, which demonstrated growing momentum for multi-stakeholder collaboration around this agenda. He emphasized that the private sector should utilize its capacity and capital to make investments to create jobs and boost growth. He noted that business efforts to shape and implement the post-2015 agenda should be in addition to also fully implementing the Global Compact ten principles. Finally, he expressed the hope that the Global Compact will encourage many businesses to support the post-2015 development agenda.

H.E. Ms. Koki Muli Grignon, Deputy Permanent Representative of Kenya to the UN, thanked the Secretary-General for chairing the lunch and expressed gratitude to members of the Global Compact for their efforts to move the development agenda forward. She commended the Global Compact for advancing the ten principles, actively participating at Rio+20, and continuing to ensure that views of business feed into the post-2015 agenda. While States have the primary responsibility for sustainable development, multi-stakeholder collaboration involving business is critical – a notion referenced in the Rio+20 outcome document. She expects that the post-2015 agenda will retain focus on human development and poverty eradication while building on lessons learned from the Millennium Development Goals (MDGs). She emphasized that the private sector should continue to make foreign direct investments and demonstrate responsible business practices.

H.E. Mr. Mootaz Ahmadein Khalil, Permanent Representative of Egypt to the UN spoke about the opportunity for Governments, the UN, business and civil society to collaborate to shape and advance the post-2015 agenda at the local, regional and international level and encouraged all present to engage in the process. The Ambassador commended Georg Kell for his leadership of the Global Compact, noting that the initiative's growth. Mention was also made of an event hosted at the mission recently to discuss the preliminary idea of the Partnership Facility that the Secretary-General proposed.

Mr. Paul Polman, Global Compact Board Member and Chief Executive Officer of Unilever summarized the various achievements and lessons learned from the MDGs and noted the challenges that now lie ahead post-2015. He called on Governments and business to be proactive and support ambitious goals for the post-2015 agenda.

H.E. Mr. Hans Peter Wittig, Permanent Representative of Germany to the UN showed support for increasing the role of Local Networks in the Global Compact governance structure, noting their importance in fostering transformative partnerships. He acknowledged the critical role the private sector will play in the implementation of the post-2015 agenda and welcomed discussions on the topic set to take place at the Leaders Summit in September. He further committed, on behalf of the German Government, to engage on broad social goals at global and national levels.

H.E. Mr. Néstor Osorio, Permanent Representative of Colombia to the UN, President of ECOSOC, emphasized the importance of entrepreneurship and urged Governments to act as facilitators for the private sector in achieving the goals of the post-2015 agenda. He noted that ECOSOC stands ready to fulfill its role as the platform for private and public sectors to conduct all integrated tasks related to the post-2015 agenda.

Mr. Georg Kell, Executive Director, UN Global Compact, expressed his gratitude to the Secretary-General, Governments and private sector representatives for their continued trust and support of the Global Compact. Without their critical support, the Global Compact could not exist or grow. Now the initiative is ready to deliver on a massive scale and spur action in support of UN goals. At the upcoming Global Compact Leaders Summit (19-20 September), a new global architecture for corporate sustainability will be unveiled offering a comprehensive framework for business to contribute to global priorities, such as climate change, water, food, women's empowerment, children's rights, decent jobs, and education, at unprecedented levels.