

UNITED NATIONS  
GLOBAL COMPACT

# PROGRESS REPORT

2018



United Nations  
Global Compact



## **ABOUT THE UNITED NATIONS GLOBAL COMPACT**

The **United Nations Global Compact** is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and nearly 70 Local Networks.

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

## **ACKNOWLEDGMENTS**

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## **PHOTOS**

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The mission of the United Nations to foster a peaceful, prosperous, inclusive and sustainable world requires bringing people and society together to support common goals. The private sector can and must play a central role in this effort by advancing international cooperation, engaging in public-private partnerships, finding innovative solutions to shared challenges and doing business responsibly. I am encouraged that thousands of businesses around the world — of all sizes and from all sectors — are demonstrating support for UN values and objectives through their commitment to the UN Global Compact and its Ten Principles, which encompass fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

This report details the work of the world's leading corporate sustainability initiative, and aims to promote better, more tangible understanding of the contribution of business as the world strives to implement the 2030 Agenda for Sustainable Development and achieve the 17 Global Goals. Together with its Local Networks, the UN Global Compact will continue its efforts to create a critical mass of responsible companies to help fulfil the core promise of the 2030 Agenda: to leave no one behind. In that spirit, I recommend this progress report to a wide global audience.

**– H.E. António Guterres**  
Secretary-General of the United Nations



As we mark the first three years of the 2030 Agenda and its Sustainable Development Goals, this *Progress Report* offers a snapshot of how far we have actually come as a global community and, in particular, the private sector's contribution to this global effort.

These 17 Global Goals and their 169 targets are a scorecard for the world's progress. This report provides an assessment of how businesses are adopting the Ten Principles of the UN Global Compact into their strategies and operations, as well as an evaluation of their actions to deliver on the Global Goals.

We have come a long way since the turn of the century. The maternal mortality rate in sub-Saharan Africa has declined by 35 per cent, and the under-five mortality rate has halved. In South Asia, a girl's risk of marrying in childhood has declined by over 40 per cent. And in the least developed countries, the proportion of people with access to electricity has more than doubled. Globally, labour productivity has increased and unemployment decreased. The proportion of the world's workers living with their families below the poverty line on less than US\$ 1.90 a day declined from 26.9 per cent to 9.2 per cent in 2017.

Despite these advances, our lack of progress to rollback climate change, build peaceful and just societies, empower women and ensure people have enough to eat could severely hamper our ability to deliver on the 2030 Agenda as a whole. The challenges facing the world today are multi-dimensional and interconnected. In a rapidly polarizing world, pressing environmental and political crises affect groups such as women, youth and indigenous communities disproportionately.

This report offers some encouraging evidence that the private sector is stepping up to the challenge. Around 80% of the companies participating in the UN Global Compact are taking action to deliver on the Global Goals, and 66% are addressing the Goals through adherence to our Ten Principles as the first essential step.

The Global Goals have also created new ways of working, with all sectors exploring opportunities to scale up their collective impact through cross-sector partnerships — with business as a vital partner across all 17 of the Goals.

The UN Global Compact supports thousands of responsible companies on this journey with tools, learning opportunities, accountability and encouragement.

However, three years since all 193 UN Member States adopted the 2030 Agenda to thunderous applause in the



General Assembly, we need to be showing action and impact at scale.

To achieve the momentum needed and exponential shift required to deliver on this Agenda, it is clear we will need to find ways to better measure and manage progress on every one of the Goals in order to ensure our shared ambition is matched by the impact required. This will also require better company reporting, particularly on societal impact and activities in the supply chain, as you will see in this report.

These are tall challenges but, for the first time ever, we have a scorecard that allows us to unite in joint action to achieve the world we all want. It can be done...

**– Lise Kingo**  
CEO & Executive Director of the  
United Nations Global Compact

# EXECUTIVE SUMMARY

## BUSINESSES DEMONSTRATE HIGH PUBLIC COMMITMENT AND RESPONSIBLE CORPORATE ENGAGEMENT, AT THE EXECUTIVE LEVEL AND WITH STAKEHOLDERS

The 2018 *United Nations Global Compact Progress Report* is an assessment of how businesses are adopting the Ten Principles of the Global Compact in their strategy and operations, as well as an evaluation of their actions to deliver on the UN Sustainable Development Goals, commonly referred to as "Global Goals." The findings are both encouraging and informative — the level of engagement from CEOs and top executives is sending a strong message to employees, customers and stakeholders on the importance of sustainability to business. And it is encouraging to see that 80 per cent of companies are reporting that they are taking actions to advance the Global Goals. Now, with fewer than 5,000 days remaining to meet the deadline of Agenda 2030, commitments needs to translate into tangible action and impact, the measurement of which remains a challenge.

As the largest corporate sustainability initiative in the world, the UN Global Compact is well-positioned to support businesses to take action on the Global Goals. The UN Global Compact provides a practical framework for the development, implementation and disclosure of sustainability policies and practices, offering participants a wide spectrum of workstreams, management tools and resources — all designed to help advance sustainable business models and markets.

This year, our research demonstrates that business leaders are increasingly embedding corporate sustainability throughout their company's strategy and operations and are publicly committing to them.

For the majority of companies that responded, corporate responsibility policies are addressed by executive leadership. Approximately 68 per cent of respondents reported developing and/or evaluating policies at the CEO level, while 73 per cent attest that corporate responsibility is a priority management and

governance function, reporting on which is approved by the Board of Directors or equivalent.

Additionally, publicly communicating their commitment is among the top actions that companies take (79 per cent) to embed corporate responsibility throughout their strategies and operations, and 64 per cent report that the Board of Directors establish or approve these targets.

Engagement on responsible action is not only limited to the internal organizational environment — but also to external supply chain partners. Approximately 86 per cent of large companies with more than 50,000 employees report that they include corporate responsibility expectations in external documents such as contracts and purchase orders. While this figure drops to 58 per cent for companies with fewer than 5,000 employees.

Most companies report on their sustainability commitments. However, they need to do more to publicly communicate their actions and the impact of their specific sustainability initiatives. For example, 55 per cent of companies have not integrated sustainability metrics into their annual financial reports. Effective communication about the impact business is having on people and the planet is essential for responsible business practices, as set out in the UN Guiding Principles on Business and Human Rights.

Further, we support the efforts of the business community to more effectively communicate their sustainability actions publicly. In 2018, together with the Global Reporting Initiative (GRI), we published *Integrating the Sustainable Development Goals into Corporate Reporting: A Practical Guide*. This resource outlines a three-step process to embed the Global Goals into existing business and reporting processes. It helps businesses better report their impact on the Global Goals and address the information needs of relevant stakeholders. This Guide follows an approach aligned with the GRI Standards and the UN Guiding Principles on Business and Human Rights.

**+90%**

OF COMPANIES REPORT THAT THEY HAVE POLICIES OR PRACTICES IN PLACE COVERING ALL TEN PRINCIPLES

**68%**

OF COMPANIES REPORT THAT CORPORATE RESPONSIBILITY POLICIES AND STRATEGIES ARE DEVELOPED AND/OR EVALUATED AT THE CEO LEVEL

## WHICH OF THE FOLLOWING GLOBAL GOALS DO YOUR ACTIVITIES TARGET?

Consistent with last year's survey, companies say that the top three Global Goals they are targeting are Goal 8 on Decent Work and Economic Growth, Goal 5 on Gender Equality and Goal 3 on Good Health and Well-Being.

69%	<b>GOAL 8</b>	DECENT WORK AND ECONOMIC GROWTH
64%	<b>GOAL 5</b>	GENDER EQUALITY
62%	<b>GOAL 3</b>	GOOD HEALTH AND WELL-BEING
53%	<b>GOAL 9</b>	INDUSTRY, INNOVATION AND INFRASTRUCTURE
53%	<b>GOAL 12</b>	RESPONSIBLE CONSUMPTION AND PRODUCTION
48%	<b>GOAL 4</b>	QUALITY EDUCATION
48%	<b>GOAL 13</b>	CLIMATE ACTION
43%	<b>GOAL 7</b>	AFFORDABLE AND CLEAN ENERGY
43%	<b>GOAL 10</b>	REDUCED INEQUALITIES
40%	<b>GOAL 17</b>	PARTNERSHIP FOR THE GOALS
37%	<b>GOAL 11</b>	SUSTAINABLE CITIES AND COMMUNITIES
36%	<b>GOAL 6</b>	CLEAN WATER AND SANITATION
28%	<b>GOAL 1</b>	NO POVERTY
28%	<b>GOAL 16</b>	PEACE, JUSTICE AND STRONG INSTITUTIONS
23%	<b>GOAL 2</b>	ZERO HUNGER
21%	<b>GOAL 15</b>	LIFE ON LAND
13%	<b>GOAL 14</b>	LIFE BELOW WATER



## BUSINESS COMMITMENT TO THE TEN PRINCIPLES IS STRONG

Businesses show strong commitment across the four overarching categories of the Ten Principles of the UN Global Compact: human rights, labour, the environment and anti-corruption. More than 90 per cent of companies report that they have policies or practices in place covering all Ten Principles. The following is an overview of some key data points found this year.

### HUMAN RIGHTS

Approximately 92 per cent of companies have instituted policies and practices related to human rights, with 80 per cent reporting that they incorporate human rights principles within the company's overall corporate codes. Meanwhile, 53 per cent of companies report that they offer human rights training and awareness programmes for employees. Finally, 72 per cent of companies report that the UN Global Compact has had an essential to moderate impact on enabling them to address human rights.



### LABOUR

Over 85 per cent of companies report that they have policies for non-discrimination, equal opportunity and to ensure safe working conditions. At the same time, 62 per cent of the companies claim that the UN Global Compact has had an essential to moderate impact on the how they address labour rights.

### ENVIRONMENT

Of the companies that responded, 78 per cent attest to having sustainable consumption and responsible use objectives. A quarter of the companies report to fully integrate water, climate change, renewable energy and biodiversity issues into their corporate strategy and operations. Two-thirds of companies report that the UN Global Compact has had an essential to moderate impact on how they address environmental matters.

### ANTI-CORRUPTION

Approximately 82 per cent of companies report that they integrate the tenth principle against corruption within their overall corporate code and principles, while two-thirds report to have zero tolerance policies towards corruption and explicit policies addressing anti-corruption. Meanwhile, 62% of companies attest that the UN Global Compact has had an essential to moderate impact on their ability to address anti-corruption.

## BUSINESS IS INCREASINGLY ADDRESSING THE GLOBAL GOALS

Of the business respondents, 80 per cent report that they are taking action to advance the Global Goals.

When looking at which specific Goals their activities focus on, 69 per cent of companies report to specifically focus on Goal 8 on Decent Work and Economic Growth, 64 per cent focus on Goal 5 on Gender Equality and 62 per cent focus on Goal 3 on Good Health and Well-being. In contrast, Goal 14 on Life Below Water is targeted by only 13 per cent of companies, while Goal 15 on Life on Land is targeted by just 21 per cent of companies. Businesses are taking a lead on the critical environmental goals through the UN Global Compact Action Platform for Sustainable Ocean Business, which aims to develop a framework for leadership for the Global Goals and the ocean.

There remains untapped potential for business to address the Global Goals more holistically. A core feature is their interconnectedness, thus business action towards one Goal may progress or impede the achievement of others. Identifying and addressing these interconnections will help businesses build systemic solutions that amplify progress across Goals and minimize negative inter-Goal impacts.

Given this interconnectivity, businesses are uniquely positioned to drive progress across multiple

Goals. For example, smart or digital water metering in production units will drive progress on Clean Water and Sanitation (Goal 6), Industry, Innovation and Infrastructure (Goal 9), Responsible Consumption and Production (Goal 12) and Life Below Water (Goal 14).

Caution must be exercised when taking steps to prioritize and advance the Global Goals, as there may be unintended consequences and adverse impacts on some Goals, despite





driving progress on others. And although there is no single "human rights" Goal, a study by the Danish Institute for Human Rights showed that more than 90 per cent of the 169 SDG targets reflect core international human rights and labour standards.

Companies participating in the UN Global Compact recognize this interconnectedness, with 66 per cent noting that they are addressing the Global Goals through adherence to the Ten Principles. In fact, integrating the Ten Principles is reported to be the main business activity driving progress on the Global Goals. For further insights, companies should refer to the *Blueprint for Business Leadership on the SDGs*, which illustrates how the five leadership qualities of Ambition, Collaboration, Accountability, Consistency and Intentionality can be applied to business strategies, business models, products, supply chains, partnerships and operations to raise the bar and create impact at scale.

## TRANSLATING INTO STRONG FINANCIAL PERFORMANCE

Arabesque S-Ray<sup>®</sup>, a source for sustainable metrics that integrates environmental, social and governance (ESG) criteria with financial and momentum analysis, conducted a portfolio analysis of UN Global Compact signatories. It revealed that UN Global Compact signatories outperform competitors on multiple fronts.

The mean ESG score of UN Global Compact signatories is 55.87, while the rest of the universe (composed of ~7,000 publicly listed companies across the world) is 50.56. In addition to ESG, Arabesque also calculates a UN Global Compact score — a norms-based assessment of business integration of the Ten Principles of the UN Global Compact. Signatories have a mean score of 62.21 compared with 53.89 for companies not participating in the UN Global Compact.

In deeper granularity, UN Global Compact participants outperform in 30 out of 36 dimensions, ranging from intellectual property to resource management. Compared to the sample, these signatories rank 31 per cent higher on corporate governance, 22 per cent higher on human and labour rights, and 29 per cent higher on emissions management among others.

## ROOM TO IMPROVE ON IMPLEMENTATION OF PROCEDURES TO ASSESS RISK AND IMPACT ON HUMAN RIGHTS

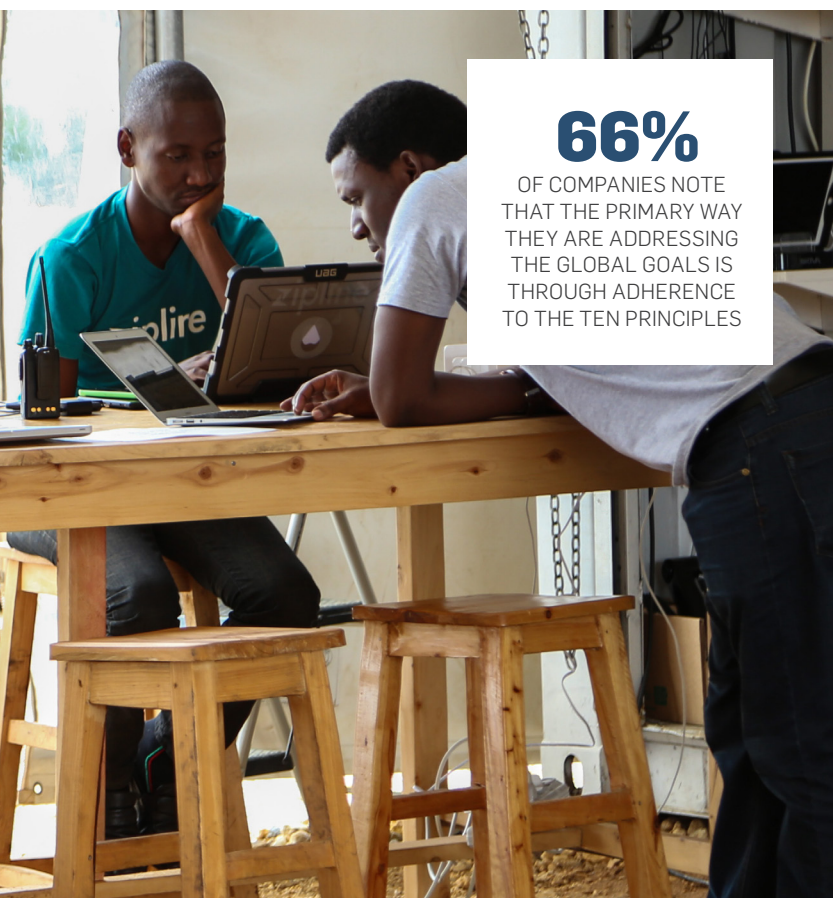
Approximately 27 per cent of companies perform risk assessments directly linked to human rights, with 17 per cent conducting impact assessments linked to human rights. One-third take human rights into account in their supply chain and subcontracting operations.

Today, more than 450 million people work in supply chain-related jobs, which represents a space where more business action would have significant impact on sustainable development. Currently, 42 per cent of companies conduct due diligence processes on potential suppliers.

Companies are addressing this through the UN Global Compact Action Platform on Decent Work in Global Supply Chains. This alliance of companies is committed to respecting human rights and fundamental principles and rights at work by leveraging their supply chains and taking collective action to address decent work deficits.

# 80%

OF COMPANIES REPORT THAT THEY ARE TAKING ACTION TO ADVANCE THE GLOBAL GOALS.



# 66%

OF COMPANIES NOTE THAT THE PRIMARY WAY THEY ARE ADDRESSING THE GLOBAL GOALS IS THROUGH ADHERENCE TO THE TEN PRINCIPLES

## TOP 5 ASPECTS OF HUMAN RIGHTS ADDRESSED IN COMPANY POLICIES

### 93%

WORKPLACE HEALTH & SAFETY

### 92%

NON-DISCRIMINATION

### 89%

GENDER EQUALITY

### 76%

HEALTH

### 72%

LIFE, LIBERTY, SECURITY OF THE PERSON

\*Through machine learning and big data analytics, Arabesque's technology, S-Ray<sup>®</sup>, systematically combines over 250 environmental, social and governance (ESG) metrics with news signals from over 50,000 sources across 15 languages. It applies a values-based lens on universal principles of humanity, together with a systematic assessment of ESG factors that are financially material to corporations.

## THE UN GLOBAL COMPACT IS HELPING COMPANIES ADVANCE THEIR SUSTAINABILITY EFFORTS

More than 80 per cent of companies report that participation in the UN Global Compact is a pathway to increasing trust through making a public commitment to sustainability. Approximately 64 per cent of companies publicly advocate for actions in relation to the Ten Principles and other UN goals. Meanwhile, 41 per cent have company leaders participating in conferences and public policy interactions related to the Ten Principles. Currently, the main impact that the UN Global Compact has on business is related to the acquisition of knowledge on sustainability and the promotion of sustainability actions across the value chain.

Looking forward, there are many areas where the UN Global Compact can continue to work with business to enhance sustainability performance: 76 per cent of companies want the UN Global Compact to focus on helping them implement sustainability into business strategy and operations; 68 per cent want to emulate good practice examples; 75 per cent report to have insufficient internal processes to monitor and measure sustainability impact, and 70 per cent highlight the lack of standard performance metrics.

**Together with its Local Networks, the UN Global Compact will continue its efforts to create a critical mass of responsible companies to help fulfil the core promise of the 2030 Agenda: to leave no one behind.**

— António Guterres, UN Secretary-General

## OUR PARTICIPANTS REPORT THAT THE UN GLOBAL COMPACT HAS PLAYED AN IMPORTANT ROLE IN...

driving our implementation of sustainability policies and practices

**66%**

guiding our corporate sustainability reporting

**65%**

motivating our company to advance the Global Goals

**71%**

## METHODOLOGY

This report incorporates insights from the 2018 UN Global Compact Annual Survey: a comprehensive questionnaire of corporate participants that asks business to report on their sustainability commitments and action. This year, 1,130 companies from 100 countries participated in the survey. This report highlights some of the key data gathered through the survey. You can explore this and additional data in greater depth at [progress.unglobalcompact.org](http://progress.unglobalcompact.org).

In addition to the Annual Survey, this report also draws upon the wider UN Global Compact data repository, such as the UN-Business Partnerships survey, Communication on Progress reports, and external studies and resources from the United Nations and other key organizations.

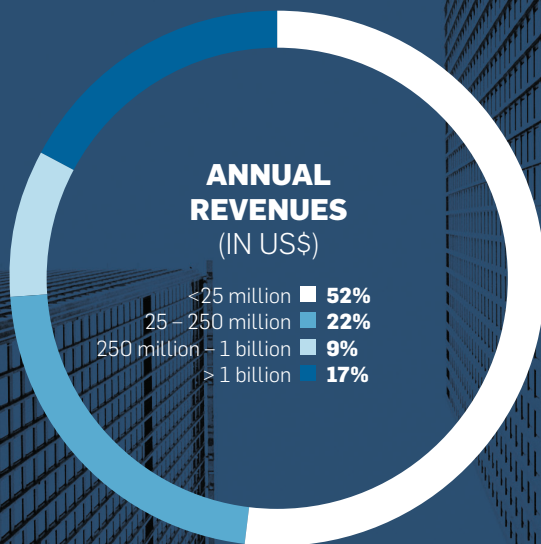
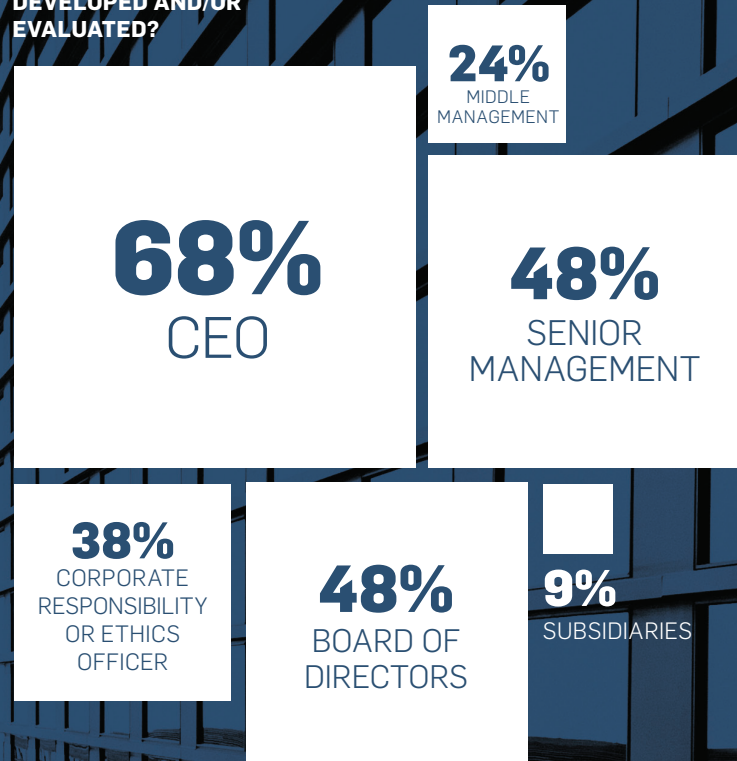
The designations employed and the materials in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations. The designations "developed" and "developing" used for countries and regions are intended for statistical purposes only and do not express any judgment about the stage reached by a particular country, territory or area in the development process.



**TOP 5 SECTORS REPRESENTED  
IN THE SURVEY**

- 213**  
INDUSTRIAL GOODS AND SERVICES
- 71**  
CONSTRUCTION AND MATERIALS
- 70**  
TECHNOLOGY
- 57**  
FINANCIAL SERVICES
- 57**  
FOOD & BEVERAGE

**AT WHAT LEVELS WITHIN  
YOUR COMPANY ARE  
CORPORATE RESPONSIBILITY  
POLICIES AND STRATEGIES  
DEVELOPED AND/OR  
EVALUATED?**



**REGIONAL REPRESENTATION**

- 608**  
EUROPE
- 206**  
LATIN AMERICA
- 158**  
ASIA
- 51**  
AFRICA
- 49**  
MENA
- 45**  
NORTHERN AMERICA



# THE UNITED NATIONS GLOBAL COMPACT: A PRINCIPLES-BASED APPROACH TO THE SUSTAINABLE DEVELOPMENT GOALS

Launched in 2000, the United Nations Global Compact is a call to companies everywhere to align strategies and operations with Ten Principles in the areas of human rights, labour, environment and anti-corruption. As the UN flagship for responsible business action, the UN Global Compact is built on the fundamental belief that business can be a powerful force for good and play a significant role in improving our world.

Over the past 18 years, the UN Global Compact has evolved into a leadership platform for the development, implementation and disclosure of responsible corporate practices. Today, the UN Global Compact is the world's largest corporate sustainability initiative, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, with activities supported by nearly 70 Local Networks.

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

To accelerate progress in 2015, all 193 Member States of the United Nations agreed to an ambitious agenda to free humanity from poverty, secure a healthy planet for future generations, and build peaceful, inclusive societies as a foundation for ensuring lives of dignity for all. In support of the 2030 Agenda for Sustainable Development, the

United Nations formulated 17 Sustainable Development Goals, otherwise known as the Global Goals, to define what success will look like in 2030.

For the past three years, the UN Global Compact has worked with businesses and other organizations from all over the world to develop and share ideas on ways businesses can measure their individual impact on the Global Goals, and help

accelerate global progress toward their fulfillment by 2030.







# WHAT THE TEN PRINCIPLES MEAN FOR BUSINESS

Smart companies understand that principles-based business is about far more than minimum standards or compliance. Principles provide the common ground for partnerships, a moral code for employees, an accountability measure, and ultimately are the foundation for building trust across the board.

To contribute positively to sustainable development, companies must implement the Ten Principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption, each derived from landmark UN Declarations and Conventions. By embedding these Ten Principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

The Ten Principles are a universal framework for responsible business conduct, guiding business toward practices that ensure financial profit is

not generated at the expense of people, society or the environment. This principles-based approach provides a common ethical and practical framework for corporate responsibility — one that can be understood and implemented by businesses around the world, regardless of size, complexity or location.

## THE UNIVERSAL APPLICABILITY OF THE TEN PRINCIPLES

Because the Ten Principles are derived from core UN Declarations and Conventions, they are relevant and applicable around the world wherever a company might have a presence. The Ten Principles are derived from:

- 1 The Universal Declaration of Human Rights
- 2 The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- 3 The Rio Declaration on Environment and Development
- 4 The United Nations Convention Against Corruption

## 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.

## MAKING THE CONNECTION: THE TEN PRINCIPLES AND THE GLOBAL GOALS

For responsible business, the Ten Principles represent the fundamental values that they should embed in their business strategy and operations to guide their conduct, and the 17 Sustainable Development Goals describe the destination towards which we want to go — time-bound, quantitative targets to work towards.

By defining clear objectives and targets for global society to reach by 2030, the Global Goals provide a unique opportunity for business — and a source of inspiration to explore how to develop new business models, product and service innovations, and solutions to tackle the challenges outlined by the Goals. Taking a principles-based approach to the Global Goals by first integrating the Ten Principles ensures that attempts to make a positive contribution to the Global Goals are not undermined by negative impacts that business might have as the result of neglecting its responsibilities related to human rights, labour, environment and anti-corruption.

To understand how a company can meaningfully contribute to sustainable development, it must first understand its actual and potential, direct and indirect, negative and positive impacts across its entire value chain related to all Ten Principles and 17 Global Goals. By understanding and prioritizing its impacts, and taking action to prevent, mitigate and remedy any negative impacts while investing in scaling positive impacts, a company ensures it is making a positive contribution to the Global Goals and sustainable development more broadly.

**“Businesses can contribute in important ways to the realization of a world free of poverty and hunger by 2030, including through job creation, technological innovation and the provision of finance resources. The private sector brings both agility in delivery and new approaches to SDG implementation. The 2030 Agenda cannot be achieved by Governments alone. To address the needs of the most vulnerable in communities around the world, we need a bolder approach to partnership, a dynamically engaged business community, and new forms of sustainability financing.”**

— Amina J. Mohammed, Deputy Secretary-General of the United Nations, 17 July 2018



# A CLOSER LOOK AT PERFORMANCE: PROGRESS ON THE TEN PRINCIPLES

The 2018 *UN Global Compact Progress Report* takes stock of how companies participating in the UN Global Compact are performing when it comes to integrating the Ten Principles into their business strategies and day-to-day operations.

This year marks the 10th anniversary of this survey. For some parameters, we can now track performance all the way back to 2008 to assess how companies have maintained or changed their sustainability practices over the years.

Good performance on the Ten Principles is when a company not only states its public commitment to them and establishes policies covering the four areas, but when this commitment is also translated into concrete action, such as assessing the company's risks and impacts to improve conduct, and regularly monitoring and evaluating performance.

## The findings are encouraging, and we see good performance in some important areas:

### Sustainability reporting is becoming mainstream

An increasing number of companies publicly disclose their sustainability activities. In 2018, 65 per cent of companies report they publicly disclose their sustainability policies and practices. Looking at our largest participants (with more than 50,000 employees) 100 per cent report that they issue a sustainability report (40 respondents). This is up from 50 per cent of companies in 2008 indicating that they had submitted a Communication on Progress (CoP).

### Strategic leadership

Sustainability is treated strategically, and at a higher level in business organizations. In 2018, 68 per cent of companies report that the CEO is responsible for their corporate responsibility strategy, and 48 per cent allocate this responsibility to the Board of Directors. This figure has been fairly consistent over the years.

### Risk assessments on the rise

Approximately 37 per cent of respondents report that they conduct corporate responsibility risk assessments, an increase from 32 per cent in 2012.

### Integrating sustainability

Approaches to integrating sustainability into core business strategies and operations have remained fairly consistent over the years (44 per cent report that they integrate responsibility for sustainability into different corporate functions, and similarly, 44 per cent say they allocate responsibility to their different business units). When this question was first posed in 2011, 48 per cent were integrating sustainability into relevant corporate functions, and about half (49 per cent) were integrating into business unit strategies and operations.

# 65%

OF COMPANIES REPORT THEY PUBLICLY DISCLOSE THEIR SUSTAINABILITY POLICIES AND PRACTICES

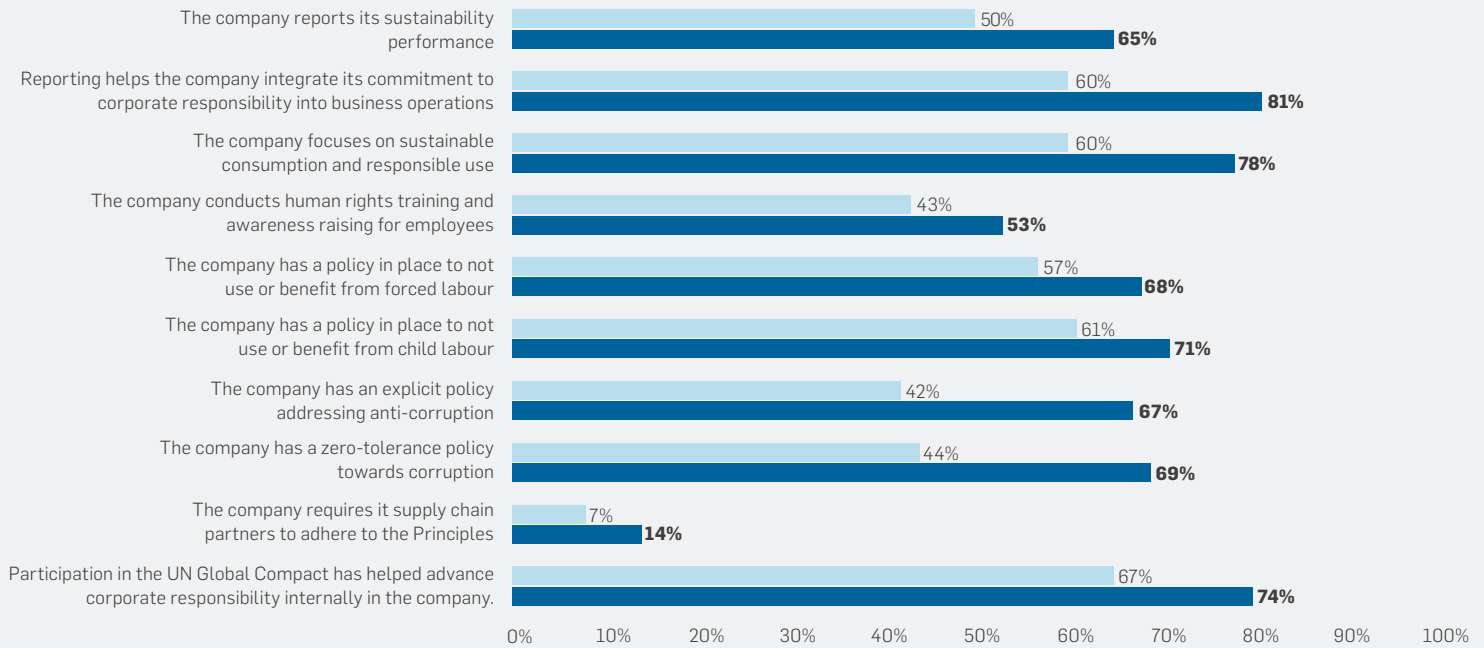
# 37%

OF RESPONDENTS REPORT THAT THEY CONDUCT CORPORATE RESPONSIBILITY RISK ASSESSMENTS, AN INCREASE FROM 32% IN 2012

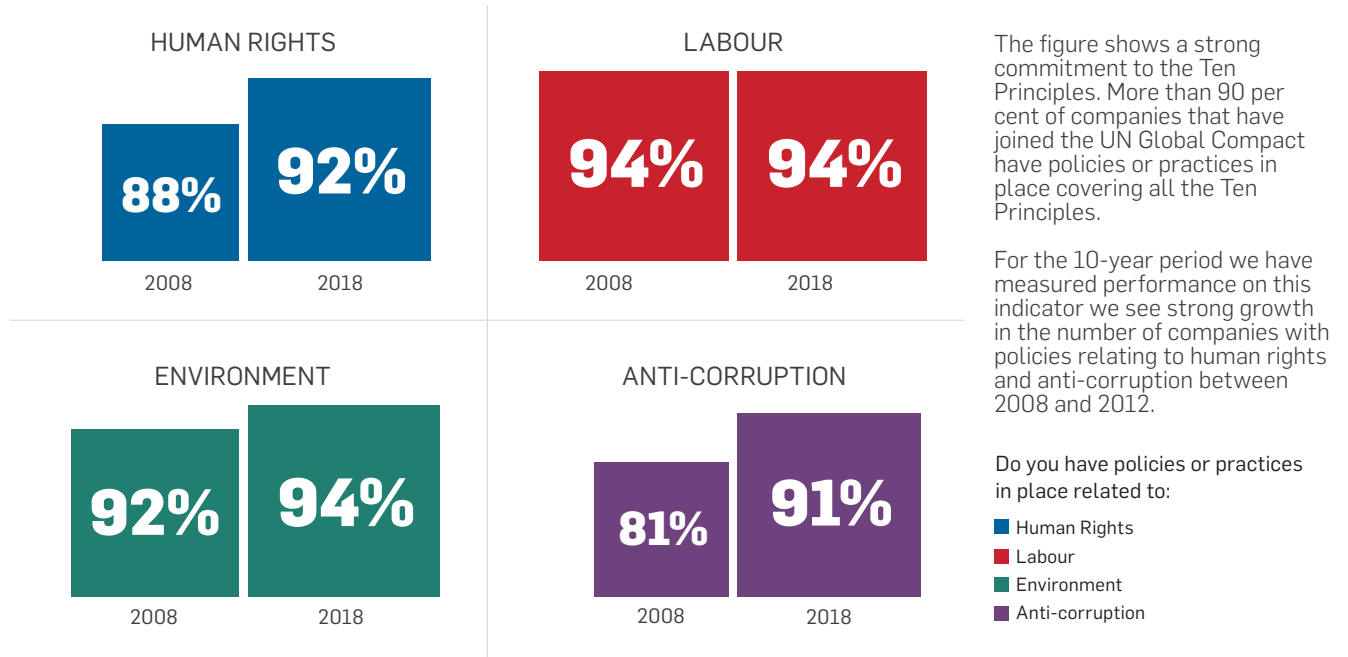


### 10 AREAS WITH PROGRESS OVER 10 YEARS

■ 2008    Total number of respondents  
■ 2018    2008: 718  
                   2018: 1138

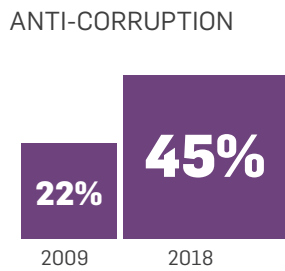
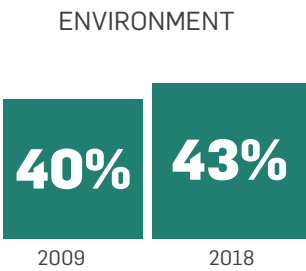
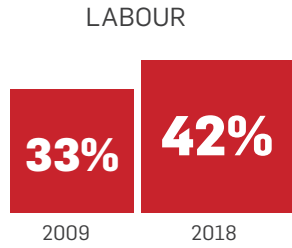
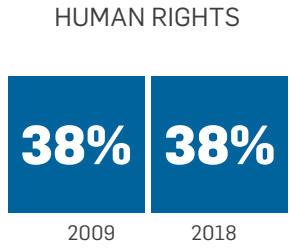
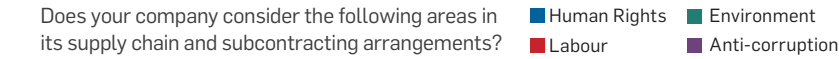


### LOOKING ACROSS THE ISSUES: OVER 90% HAVE POLICIES AND PRACTICES IN PLACE ACROSS THE TEN PRINCIPLES



### STEADY RISE IN SPREADING SUSTAINABILITY THROUGHOUT THE SUPPLY CHAIN

Does your company consider the following areas in its supply chain and subcontracting arrangements?

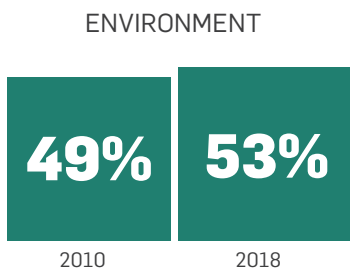
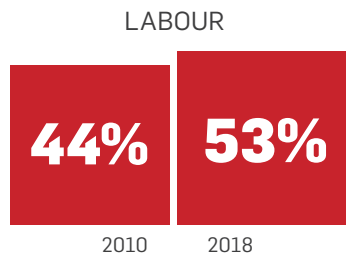
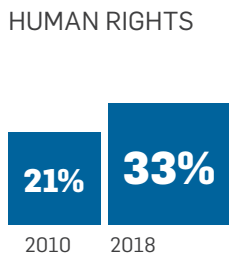


**SUPPLY CHAIN:**  
Applying sustainability throughout the value chain is one of the main challenges that companies face in realizing the commitment to the Ten Principles.

We have seen steady growth in extending sustainability throughout the supply chain since 2009 across the issues. While still less than 50 per cent implement the against the Ten Principles, the growth seen is promising, particularly when it comes to anti-corruption, which saw the steepest gain of 23 per cent since 2009. Today, 45 per cent of companies say they have activities to combat corruption in the supply chain.

### STILL ROOM FOR IMPROVEMENT IN MONITORING PERFORMANCE

Does your company monitor and evaluate its performance related to:



**MONITORING AND EVALUATION:**  
Systematically and objectively assessing an on-going or completed project, programme or policy, and its design, implementation and results

There is growth in reporting and monitoring practices. More than half of respondents currently report that they are monitoring performance on the labour and environmental principles. In fact, when it comes to labour, we see a promising improvement in practices from 2010 when only 44 per cent of companies reported that they monitored performance, compared to 53 per cent today.

### PUBLIC DISCLOSURE:

A non-confidential communication of activities and investments, typically the results of your impact assessment and monitoring and evaluation efforts.

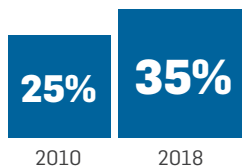
Approximately 65 per cent of companies report that they disclose their overall sustainability performance and practices to the public. Indeed, for many, the public reporting of commitments is the main reason to join the UN Global Compact. When we look at reporting on the different issues, however, the numbers are lower. There has been a noted rise in reporting on anti-corruption over the years, increasing from 27 per cent in 2010 to 36 per cent today.

### WHILE REPORTING HAS BECOME MORE MAINSTREAM, REPORTING ON SPECIFIC ISSUES REMAINS CHALLENGING

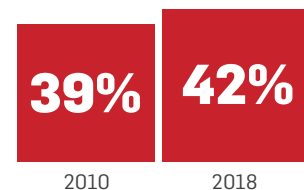
Does your company publicly disclose its policies and practices related to:

■ Human Rights ■ Environment  
■ Labour ■ Anti-corruption

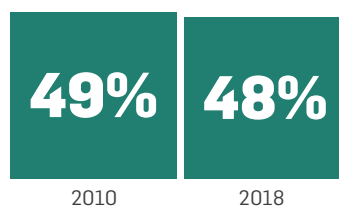
#### HUMAN RIGHTS



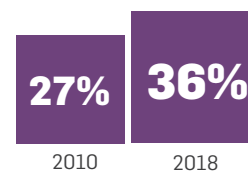
#### LABOUR



#### ENVIRONMENT



#### ANTI-CORRUPTION



### IMPACT ASSESSMENT:

A process for identifying, understanding, assessing and addressing the effects of your company's programmes, projects and activities on society and your operating environment

Nearly 90 per cent of companies report that they have some form of policy or practice in place relating to all Ten Principles. Looking at impact assessment, however, we still see a low percentage of companies with a clear assessment of impact.

### MIND THE GAP: IMPACT ASSESMENT IS LAGGING BEHIND

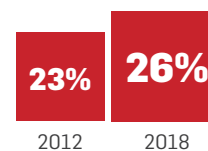
Does your company conduct impact assessments on:

■ Human Rights ■ Environment  
■ Labour ■ Anti-corruption

#### HUMAN RIGHTS



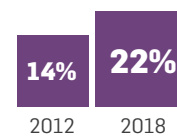
#### LABOUR



#### ENVIRONMENT



#### ANTI-CORRUPTION



# PROGRESS ON THE SUSTAINABLE DEVELOPMENT GOALS

This section is a review of current progress on each of the 17 Global Goals and considers impact measurement perspectives drawn from the wider literature and repository of the UN Global Compact. We assess the impact of business across the Global Goals — with the aim of recognizing opportunities and challenges faced by corporate leaders as they seek to report impact towards Agenda 2030. It is based on the companies' reported actions toward advancing the Global Goals.

This section looks at what Goals businesses report to be targeting (which most say are Goal 3, Goal 5 and Goal 8), also where they report to be having impact (which are also Goal 3, Goal 5 and Goal 8). And for which goals they have products and services which directly address the relevant targets, which are Goal 3, Goal 8 and Goal 12).

This section highlights how business is taking action to advance the Goals, notably through their commitment to the Ten Principles and partnerships. It also provides an overview of the areas that are perceived as most challenging, like extending their commitment through the supply chain. The data is drawn from the UN Global Compact Annual Survey and from an assessment of some of the most recently submitted Communications on Progress (CoP).

As we look ahead, the UN Global Compact is reorienting its approach to gathering information from companies so that we can better tell stories about how they are having an impact on societal goals. Our objective is to provide critical insights into how the private sector is helping to advance the Global Goals, and learn what the next steps are for scaling-up action so that people and planet can thrive.





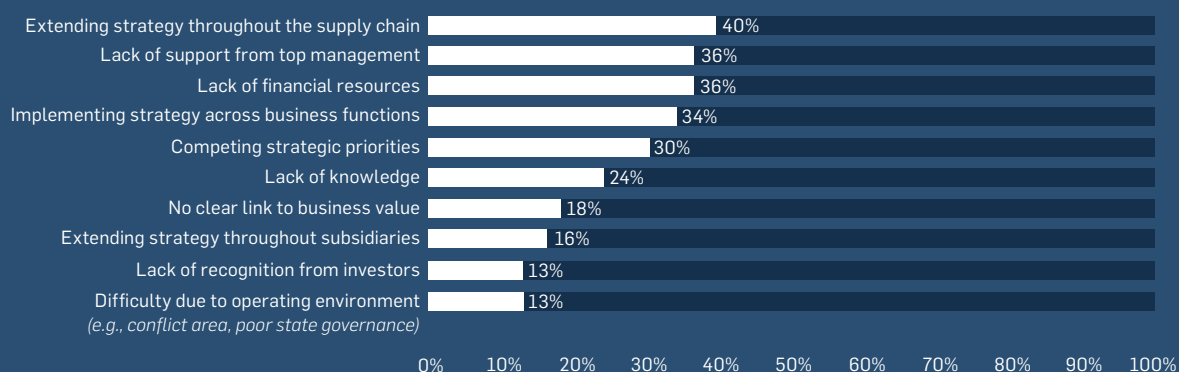
## ACTIONS THAT COMPANIES TAKE TO ADVANCE THE GLOBAL GOALS

Companies report that upholding the Ten Principles of the UN Global Compact is one of the primary ways that they are contributing to the Global Goals. This reinforces the relevance and core nature of the Ten Principles in terms of advancing the global sustainability agenda. Over half of companies are engaging in partnership projects with public or private organizations which shows that alliances are a key mechanism to have impact across the Goals.



## WHAT CHALLENGES DOES YOUR COMPANY FACE IN ADVANCING TO THE NEXT LEVEL OF IMPLEMENTATION?

Consistent with last year, the most difficult area is extending strategy throughout the supply chain. The UN Global Compact Action Platform on Decent Jobs in Global Supply Chains will help to identify solutions.





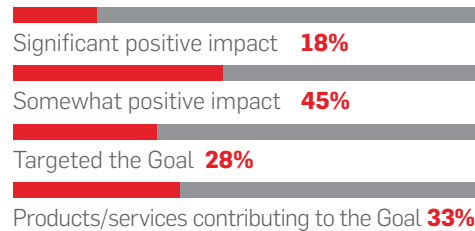




Extreme poverty affects 636 million, or 8 per cent of the global population.<sup>2</sup> It is estimated that one-in-five persons in developing countries live on less than US\$ 1.25 a day.<sup>3</sup> The international poverty line, estimated by the World Bank, is currently defined as US\$ 1.90 a day, using 2011 purchasing power parity.<sup>4</sup>

### UN Global Compact participant responses to Goal 1:

Companies report to have:



### ONE-IN-FIVE

persons in developing regions live on less than US\$ 1.25/day

### 8%

of the Global Population still live in extreme poverty

### 19%

companies report not to have any policies in place to pay adequate wages in the 2018 UN Global Compact Annual Survey

<sup>2</sup>World Data Lab <https://worldpoverty.io/>

<sup>3</sup>Report of the Secretary-General (2017) Progress towards the Sustainable Development Goals, United Nations Economic and Social Council, E/2017/66

<sup>4</sup>World Bank Group, Global Poverty Line <http://www.worldbank.org/en/topic/poverty/brief/global-poverty-line-faq>

<sup>5</sup>Human Rights Watch (2018) Human Rights in Supply Chains <https://www.hrw.org/report/2016/05/30/human-rights-supply-chains/call-binding-global-standard-due-diligence>

<sup>6</sup>UN Global Compact, OXFAM, The Poverty Footprint <https://www.unglobalcompact.org/library/3131>

## UN Global Compact Company Contribution

Globally, companies are reporting progress on eliminating poverty in 2018. Compared to statistics from the 2017 UN Global Compact Annual Survey, in which 34 per cent of companies reported to have a positive impact on Goal 1, this year, 45 per cent of companies report to have a positive impact. A high percentage of companies from Africa are reporting progress — with 84 per cent reporting significant and somewhat positive impact.

### Broad Considerations for Business

Of the respondents, 34 per cent self-reported that they have no impact on Goal 1. However, companies do make a contribution towards eliminating poverty through their direct impact on linked factors such as the promotion of social protection systems, legal rights to resources, and so forth. Companies' impact on decent employment, access to capital, nutrition, healthcare, education and sanitation are vital cross-overs that progress Goal 1.

Young workers are particularly susceptible to living under the international poverty line as they are paid substantially lower wages than adults. Measuring the number of quality jobs increased for marginalized groups and the removal of employment barriers are thus important variables in assessing impact on Goal 1. Forced labour, poor working conditions and unfair wages do exist among more than 450 million people globally who work in supply-chain related jobs estimated by the ILO.<sup>5</sup>

The *Poverty Footprint* is an assessment tool that enables companies and civil society partners to understand corporate impacts on multi-dimensional poverty. As a tool to help implement the SDGs, the Poverty Footprint provides a comprehensive overview of factors that influence poverty, and it emphasizes stakeholder engagement and partnership between companies and civil society as a means for establishing pro-poor business strategies.<sup>6</sup>

### Case Study: Unilever Shakti Initiative

Unilever's Shakti Initiative in India, aimed at creating employment and entrepreneurship opportunities for women by building a last-mile distribution network, has immensely benefited over 75,000 women from low income families through higher incomes. The Shakti entrepreneurs are also trained in basic accounting, sales, communication and IT skills, and provided with smartphones to facilitate greater sales. The success of Shakti has prompted Unilever to scale up the programme to South-East Asia, Africa and Latin America.



Currently, 795 million people, or 1 in 9 globally, are undernourished.<sup>7</sup> Asia alone accounts for 64 per cent of total undernourished people in the world. The targets of Goal 2: Zero Hunger include specific targets on agriculture, particularly small-scale food producers. The agriculture industry is the world's largest employer — providing livelihood for 26 per cent of the global population.<sup>8</sup>

### UN Global Compact participant responses to Goal 2:

Companies report to have:

Significant positive impact **14%**

Somewhat positive impact **39%**

Targeted the Goal **23%**

Products/services contributing to the Goal **28%**

Food losses and waste amounts to:

**~\$680 BILLION**  
in industrialized countries

**~\$310 BILLION**  
in developing countries

**~1.3 BILLION TONNES**  
of food produced in the world for human consumption every year—roughly 1/3—gets lost or wasted

**222 MILLION TONNES**  
of food wasted by consumers in rich countries each year vs.

**230 MILLION TONNES**  
net food production of sub-Saharan Africa<sup>9</sup>

### UN Global Compact Company Contribution

High impact industries such as food and beverage producers as well as retailers demonstrate strong positive impact on Goal 2: 85 per cent report a significant to positive impact, and 60 per cent attest to setting targets linked to hunger elimination. Globally, there remains tremendous opportunity for business to impact Goal 2. In Asia, particularly, fewer than one-fifth of companies report to have any significant impact despite the region having the most undernourished people.

### Broad Considerations for Business

Impact assessment on Goal 2 is inherently linked to many factors including the availability, affordability and accessibility of nutritional sources, as well as secure and equal access to land for small-scale farmers — dimensions upon which corporate impact on Goal 2 can be assessed. Measuring impact on Goal 2, thus, would require companies to measure how their operations impact these dimensions as well, including through their respect for land rights and the payment of fair prices in their supply chains. Since a third of the produced food ends up as waste, companies looking to measure their impact can also consider the ways in which their own practices contribute to or may alleviate food waste.

### Case Study: Kellogg Breakfasts for Better Days

Kellogg launched the Breakfasts for Better Days™ program in 2013 with the aim of donating 2.5 billion servings of food to people vulnerable to hunger across the globe. The program is driven in collaboration with food banks and includes further commitments including nutrition education programs for children, support to farmers to sustainably improve yield and reduce waste and employee volunteering.

<sup>7</sup>FAO, IFAD and WFP (2015) The State of Food Insecurity, pg. 2, <http://www.fao.org/3/a-i4646e.pdf>

<sup>8</sup>ILO (2018) Employment by Sector, ILO World and Social Outlook

<sup>9</sup>UN FAO, Key Findings on Food Loss and Waste <http://www.fao.org/save-food/resources/keyfindings/en/>

<sup>10</sup>Zero Hunger Challenge [http://www.un.org/en/zerohunger/pdfs/ZHC%20Commitment%20Framework\\_Business%20FAQ\\_FINAL.PDF](http://www.un.org/en/zerohunger/pdfs/ZHC%20Commitment%20Framework_Business%20FAQ_FINAL.PDF)





Each year, more than 6 million children die globally before the age of five. Children born into poverty are almost twice as likely to die than those from wealthier families. Vaccines and access to quality medication has improved since 2000: 15.6 million deaths have been averted by measles vaccines, 6.2 million deaths from malaria were averted, and HIV has dropped 38 per cent since 2001.<sup>11</sup> Chronic non-communicable diseases such as cardiovascular disease, cancer, diabetes and respiratory disease are now the leading causes of death and illness worldwide. They are projected to cost \$47 trillion by 2030 and push millions of people below the poverty line.<sup>12</sup>

### UN Global Compact participant responses to Goal 3:

Companies report to have:

Significant positive impact **32%**

Somewhat positive impact **51%**

Targeted the Goal **62%**

Products/services contributing to the Goal **64%**

### 400 MILLION PEOPLE

lack access to essential health services globally<sup>13</sup>

### 6 MILLION CHILDREN

under the age of five die annually

### \$16 TRILLION

Global economic cost due to mental illness over the next two decades<sup>14</sup>

### \$576 BILLION

Annual loss to US economy due to employee illness<sup>15</sup>

<sup>11</sup>UNDP (2018) Goal 3: Good Health and Well-being <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-3-good-health-and-well-being.html>

<sup>12</sup>WHO (2011) The Global Economic Burden of Non-Communicable Diseases <http://apps.who.int/medicinedocs/en/d/Js18806en/>

<sup>13</sup>WHO, (2015) Press Release, New Report Shows that 400 Million do not have access to essential Health Services <http://>

[www.who.int/mediacentre/news/releases/2015/uhc-report/en/](http://www.who.int/mediacentre/news/releases/2015/uhc-report/en/)  
<sup>14</sup>Science Daily (2018) Poor Mental Health Days May Cost the Economy Billions of Dollars <https://www.sciencedaily.com/releases/2018/07/180730120359.htm>

<sup>15</sup>Forbes (2012) US Workforce Illness Cost Annually <https://www.forbes.com/sites/brucejapsen/2012/09/12/u-s-workforce-illness-costs-576b-annually-from-sick-days-to-workers-compensation/#561121e45db0>

## UN Global Compact Company Contribution

Approximately 83 per cent of companies report having a positive impact on Goal 3, and are also increasingly (85 per cent) implementing policies and programmes to promote the good health and well-being of their employees. About 89 per cent of African companies have reported setting targets to advance Goal 3, compared to 62 per cent of North American companies and 59 per cent of European companies. Expectedly, 77 per cent of companies in the healthcare space, including healthcare equipment and services, pharmaceuticals and biotechnology, report significant positive impact on Goal 3, and 97 per cent report setting targets to achieve Goal 3.

## Broad Considerations for Business

An interconnected approach to understanding impact would incorporate additional dimensions pivotal to measuring a company's holistic impact on Goal 3. A major risk factor for infectious diseases and mortality is the lack of safe water, sanitation and hygiene (WASH) services, which disproportionately affects sub-Saharan Africa and Central/Southern Asia. Thus, an impact on Goal 6 on Clean Water and Sanitation will have, among others, a direct bearing on Goal 3. Yet 43 per cent of companies reporting a significant or positive impact on Goal 3 also report no impact on Goal 6.

## Case Study: AstraZeneca Young Health Programme

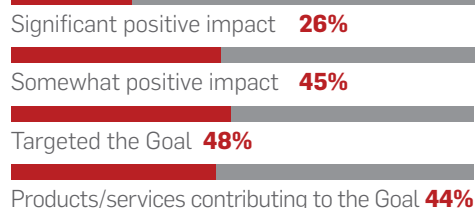
AstraZeneca's Young Health Programme (YHP) targets young people and focuses on prevention of non-communicable diseases (NCDs) like type 2 diabetes, cancer, heart and respiratory disease. The YHP addresses NCD risk behaviours (such as tobacco use, alcoholism, unhealthy eating, physical inactivity) and provides support to young people through on-ground education and mentoring programs. Launched in 2010, the programme has reached over 20 countries and improved the lives of over 2.25 million youth.



Enrollment in primary education in developing countries has reached 91 per cent in 2015, yet 57 million primary-aged children remain out of school worldwide, 50 per cent of whom live in conflict-affected areas. 103 million youth lack basic literacy skills, with 60 per cent being women, resulting in further marginalization from decent work and employment opportunities. Globally, six out of ten children and adolescents do not achieve the minimum level of proficiency in reading or mathematics.<sup>16</sup> Additionally, the shortage of trained teachers and poor school conditions (particularly lack of electricity and clean water) in many parts of the world are jeopardizing prospects for quality education.

#### UN Global Compact participant responses to Goal 4:

Companies report to have:



#### 4 MILLION OF 7.4 MILLION

refugee school age children do not undergo schooling<sup>17</sup>

#### 750 MILLION

Population of illiterate adults globally<sup>18</sup>

#### 1.4 MILLION

Jobs at risk by 2026 in the US due to technological disruption in the absence of reskilling<sup>19</sup>

### UN Global Compact Company Contribution

Corporate progress is strong: 71 per cent companies report having a positive impact on Goal 4. Sub-Saharan Africa and Southern Asia account for over 70 per cent of the global out-of-school population. Companies in Africa are reporting strong progress: 86 per cent of companies have reported a positive impact on Goal 4, with over half of them reporting significant progress, and three-fourths reporting targets to boost education levels.

### Broad Considerations for Business

Business can develop their future workforce through cost-effective education products and services. Recent analysis shows that digital skills are a seminal trend impacting the employment sector in developing countries. In developed economies, 90 per cent of jobs require some level of digital skills.<sup>20</sup> This is necessitated by the increasing pace of adoption of new technologies, requiring employee upskilling as well as graduate training to develop a labour force capable of working with emergent technologies. Private sector initiatives like the Global Coalition for Education can play a significant role through engagement with policymakers to advocate for quality education. Initiatives must be cognisant of any inter-goal positive or negative impacts, or exasperating risks associated with Goal 5 on Gender Equality or Goal 10 on Reduced Inequalities.

### Case Study: BASF's Educational Initiatives in Africa

BASF drives progress on Goal 4 in Africa through investment in projects aimed at improving education levels of children and youth. BASF has donated over 1 million desks to schools as part of the Tutudesk Campaign. The company has set up Kids' Labs and Virtual Chemistry Laboratories to promote science education in African schools.

<sup>16</sup>UNDP (2018) Goal 4: Quality Education <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-4-quality-education.html>

<sup>17</sup> UNHCR (2018) Turn the Tide: Refugee Education in Crisis Report

<sup>18</sup>UNESCO (2017) UIS Fact Sheet No.45

<sup>19</sup>WEF (2018) Towards a Reskilling Revolution Report

<sup>20</sup>UNESCO (2017) Working Group on Education: Digital Skills for Life and Work

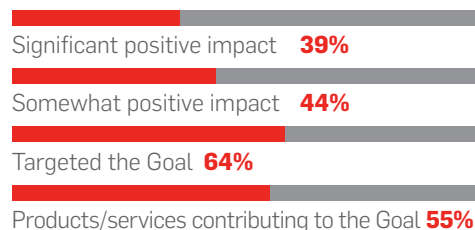
<sup>21</sup>Starbucks, Initiatives <https://news.starbucks.com/news/starbucks-canada-launches-canadian-work-placement-program-with-three-not-fo>



Globally, women earn only 82 cents for every dollar that men earn doing the same work, and are more likely to be unemployed and overrepresented in low wage, vulnerable, or undervalued jobs.<sup>22</sup> In 18 countries, men can legally prevent their wives from working.<sup>23</sup> Gender-based discrimination and patriarchal attitudes have resulted in physical and/or sexual violence, with seven in ten women around the world experiencing physical and/or sexual violence in their lifetime.<sup>24</sup>

### UN Global Compact participant responses to Goal 5:

Companies report to have:



### 217 YEARS

Estimated to achieve gender equality at workplace

### 82 CENTS

Earnings of women per dollar earned by men

**SEVEN OUT OF TEN WOMEN** experience physical and/or sexual violence

### 15 MILLION

girls under the age of 18 lose their childhood to harmful practices such as child marriage

## UN Global Compact Company Contribution

Approximately 83 per cent of companies reported a significant or positive impact on gender equality, and 68 per cent reported no pay gap between women and men in top management. Further, 90 per cent of the companies reporting to have non-discrimination policies and 87% reporting to have equal opportunity policies.

### Broad Considerations for Business

The share of women in the global workforce is weak. Women constitute just 39 per cent of the global workforce,<sup>25</sup> hold fewer than a quarter of managerial positions and less than 4 per cent of CEO positions.<sup>27</sup> The number of Fortune 500 women CEOs has plummeted from 32 in 2017 to 24 in 2018, a significant drop (25 per cent) in a single year.<sup>28</sup>

If the employment participation and wage gaps were closed globally, women could increase their income by up to 76 per cent, a global value of US\$17 trillion.<sup>29</sup> The effects on the economy and spending power of the consumer would spur growth for many companies far increasing results from a business-as-usual approach. Additionally, studies have shown that introducing more women in the workplace brings together more diverse perspectives and results in more creative and innovative solutions and products.

Women's Empowerment Principles Gender Gap Analysis Tool is an online platform which helps global business leaders identify strengths, gaps and opportunities to improve gender equality and women's empowerment in the workplace and within the markets and communities they serve. The tool offers an assessment of a company's progress in advancing gender equality, profiling companies as "Beginner," "Improver," "Achiever" or "Leader." Visit [weps-gapanalysis.org](http://weps-gapanalysis.org).

### Case Study: L'Oreal

L'Oreal has been at the forefront of promoting gender equality in the workplace. Women comprise 70 per cent of L'Oreal's workforce, 62 per cent of executives, 33 per cent of executive committee members and 46 per cent of board members. Women managed 58 per cent of the company's brands (as of December 2016). L'Oreal was ranked first among over 3,000 global companies by Equileap, a non-profit organization that aims to accelerate progress towards gender equality at work.

<sup>22</sup>PEW Research (2018) Gender Pay Gap Facts <http://www.pewresearch.org/fact-tank/2018/04/09/gender-pay-gap-facts/>

<sup>23</sup>World Economic Forum (2015) Countries where women require husband's permission to get a job <https://www.weforum.org/agenda/2015/11/18-countries-where-women-need-their-husbands-permission-to-get-a-job/>

<sup>24</sup>UNDP (2018) Goal 5: Gender Equality <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-5-gender-equality.html>

<sup>25</sup>World Economic Forum, Closing the Gender Gap Parity Task Force <https://www.weforum.org/projects/closing-the-gender-gap-gender-parity-task-forces>

<sup>26</sup>World Bank (2017) Labour Force, Female Statistics <https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS>

<sup>27</sup>Catalyst (2018) Percentage of Women in Senior Roles <https://www.catalyst.org/knowledge/women-management>

<sup>28</sup>Fortune (2018) The Share of Female CEOs in the Fortune 500 <http://fortune.com/2018/05/21/women-fortune-500-2018/>

<sup>29</sup>Action Aid (2015) Close the Gap! The cost of inequality in women's work, pg. 9

<sup>30</sup>IFC (2017) Tackling Childcare Report, October <https://www.ifc.org/wps/wcm/connect/2ec7e545-437e-43bb-8d2a-c929229c6ce6/Tackling+Childcare+Repo rt+Final+October+2017.pdf?MOD=AJPERE>

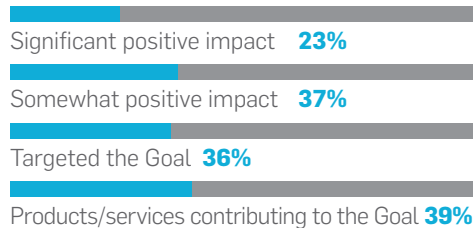




Water scarcity affects more than 40 per cent of the global population, and nearly 663 million people do not have access to clean drinking water.<sup>31</sup> Around 1.2 billion people globally live in areas of water scarcity, and 1.8 billion people are expected to live in regions with absolute water scarcity by 2025.<sup>32</sup> Northern Africa and Western Asia experience water stress levels above 60 per cent, which indicates the strong probability of future water scarcity.<sup>33</sup> Each day, nearly 1,000 children die due to preventable water and sanitation related diseases, and women in sub-Saharan Africa collectively spend 40 billion hours a year collecting water.

### UN Global Compact participant responses to Goal 6:

Companies report to have:



**80%** of global wastewater flows back into the ecosystem without being treated or reused<sup>34</sup>

**892 MILLION** people worldwide still practise open defecation<sup>35</sup>

**2.3 BILLION** people lack even a basic sanitation service<sup>36</sup>

### UN Global Compact Company Contribution

Business is driving positive impact on clean water and sanitation efforts — 60 per cent of companies report to have a positive impact on Goal 6. But there is more to be done: although the objectives of Goal 6 are universal, there is a critical need in regions that are more severely water scarce, particularly in Asia and Africa for companies to make positive contributions. One-fifth of companies surveyed reported having operations in these water scarce regions, and yet, half of them have not set minimum water reduction targets. Even at a global level, over half of companies report to not have water conservation targets for facilities located in water-stressed regions. Fewer than a quarter of the companies across the world have fully integrated water stewardship into the company strategy and operations.

### Broad Considerations for Business

Businesses across sectors can have a multi-fold impact on water, from auditing its direct operations (water-use assessments) to wider supply chain and watershed management (supplier strategy, water risk), to enhancing community engagement (supporting local groups, water education), to even contributing to the development of public policy (collective advocacy, transparency reporting). In 2010, the UN General Assembly explicitly recognized the human right to safe drinking water and sanitation, and the Human Rights Council reaffirmed this recognition.

The CEO Water Mandate is a public-private initiative designed to assist companies in the development, implementation and disclosure of water sustainability policies and practices. Visit [ceowatermandate.org](http://ceowatermandate.org).

### Case Study: Suez France

Suez delivers clean water and sanitation services to millions of people on five continents while taking stronger steps to safeguard the natural resources of the planet. To deal with the threat of climate change, shrinking biodiversity and dwindling natural resources, a transformation of Suez’s business model radically upgrades its environmental management methods from a “use and throw away” approach to a “resource efficiency approach.”

<sup>31</sup>UNDP (2018) Goal 6: Clean Water and Sanitation <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-6-clean-water-and-sanitation.html>

<sup>32</sup>UN Water (2018) Water Scarcity Facts <http://www.unwater.org/water-facts/scarcity/>

<sup>33</sup>UN Sustainable Development Knowledge Platform (2017) Progress of Goal 6 <https://sustainabledevelopment.un.org/sdg6>

<sup>34</sup>UN Water, <http://www.unwater.org/water-facts/quality-and-wastewater/>

<sup>35</sup>UN Water, <http://www.unwater.org/water-facts/water-sanitation-and-hygiene/>

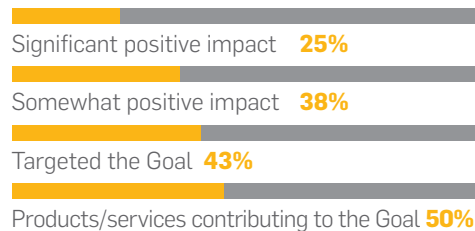
<sup>36</sup>UN Water, <https://washdata.org/report/jmp-2017-report-final>



Energy is the dominant contributor to climate change, accounting for 60 per cent of global greenhouse gas emissions and necessitating a shift towards cleaner renewable sources of power generation like solar, wind and hydro. One in seven people around the world still lack access to electricity and over 3 billion people, most of them in Asia and sub-Saharan Africa, cook with unclean fuels.<sup>37</sup>

### UN Global Compact Participant responses to Goal 7:

Companies report to have:



### 14 BILLION

Number of cooling devices by 2050 (from current 3.6 billion)<sup>38</sup>

### 2052

Depletion year of known crude oil reserves

### 2088

Depletion year of known coal deposits<sup>39</sup>

### BETWEEN 1990 AND 2010

the number of people with access to electricity has increased by 1.7 billion

## UN Global Compact Company Contribution

Companies are making progress in developing capabilities for affordable and clean energy — 63 per cent of companies report to have significant to positive impact on Goal 7. Nearly 27 per cent of African companies and 24 per cent of Asian companies report a significant impact on Goal 7, on par with companies in Europe (20 per cent) and North America (24 per cent), even though the per capita consumption of electricity in developed nations far exceeds that of developing nations. Developing countries are investing more than developed countries in renewable technologies due to their cost effectiveness. Fewer than half the global companies surveyed meet less than a quarter of their energy requirements from renewable sources of power. Only 18 per cent of companies have reported to have fully integrated renewable energy policies.

## Broad Considerations for Business

Companies across the globe are setting goals to reduce their reliance on conventional energy by shifting to cleaner technologies. The RE100 is a collaborative union of 140 global companies who have committed to procure 100 per cent of their energy requirement from renewable sources by a specified year.<sup>41</sup> While managing energy consumption is an effective method to measure contributory impact on Goal 7, renewable energy producers need to be cognisant of potential human rights violations and their impact across other Global Goals.

## Case Study: Microsoft and Renewable Energy

Microsoft joined the RE100 initiative in 2015 and has invested in 1.2 GW of renewable energy. The company has been sourcing 100 per cent of its electricity requirements from renewable sources since 2014 and its data centres have been carbon neutral since 2012. In 2018, Microsoft signed the largest corporate solar deal in the US with Power to supply 315 MW to its data centres in Virginia.

<sup>37</sup>UNDP (2018) Goal 7: Affordable and Clean Energy <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-7-affordable-and-clean-energy.html>

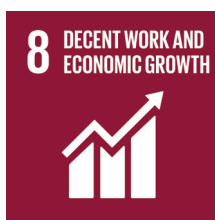
<sup>38</sup>Oil and Gas Technology (2018) World Energy Consumption Report <http://www.oilandgastechology.net/news/global-quadrupling-cooling-appliances-14-billion-could-see-staggering-increase-world%E2%80%99s-energy>

<sup>39</sup>Electricity (2018) The End of Fossil Fuels <https://www.ecotricity.co.uk/our-green-energy/energy-independence/the-end-of-fossil-fuels>

<sup>40</sup>Frankfurt School FS-UNEP Collaborating Centre (2018) Global Trends in Renewable Energy Investment <http://fs-unep-centre.org/sites/default/files/publications/gtr2018v2.pdf>

<sup>41</sup>RE100, <http://there100.org/companies>

<sup>42</sup>Business and Human Rights Resource Centre <https://www.business-humanrights.org/en/ethiopia-gibe-iii-dam-impacts-indigenous-people-in-lake-turkana-and-omo-river-region>



Exploitation of workers and labour rights violations remain systemic around the world. An estimated 168 million children are victims of child labour,<sup>43</sup> 193 million — or 5.6 per cent of the global population — is unemployed. This is especially true among young people; the youth unemployment rate reached 13 per cent in 2014, three times higher than adults. It is estimated that 470 million jobs will be needed to absorb new entrants to the labour market between 2016-2030.<sup>44</sup>

### UN Global Compact participant responses to Goal 8:

Companies report to have:

Significant positive impact **43%**

Somewhat positive impact **47%**

Targeted the Goal **69%**

Products/services contributing to the Goal **65%**

### 6,000 DEATHS/DAY

(2.3 million/year) due to work-related accidents or diseases<sup>45</sup>

### 4 BILLION

people do not have social security<sup>46</sup>

### 24.9 MILLION

in forced labour in 2016<sup>47</sup>

### 212 MILLION

Number of people that will be out of work by 2019

### 600 MILLION

Number of jobs that need to be created by 2030 to keep pace with growth of working age population

## UN Global Compact Company Contribution

The business community reports to have the strongest contribution to Goal 8 compared to other goals — with 89 per cent of companies reporting to have a significant to positive impact on providing decent work and economic growth. Companies also report progressive practices on labour rights — 94 per cent have policies and practices specifically advancing labour rights, and 71 per cent and 68 per cent report to have policies on not using or benefiting from child labour and forced labour, respectively. Close to three-fourths of companies benchmark supply chain partners to the Ten Principles of the UN Global Compact and 88 per cent of companies report to have policies to ensure safe working conditions.

## Broad Considerations for Business

Business must consider impact across the organizational value chain. According to the ILO, more than 450 million people globally work in supply-chain related jobs.<sup>48</sup> While global supply chains can offer important opportunities for economic and social development, they also present risks that businesses may have inadvertently failed to mitigate and respond to. These challenges are also opportunities for business to link efforts on Goal 8 with other Goals, including Goal 1, through promoting the payment of adequate minimum wages as well as safe working conditions, and Goal 10 through its emphasis on a fair income, security in the workplace and social protection for individuals and families. This is a direct means to reduce inequalities in income, wealth and economic influence.

The UN Global Compact Decent Work in Global Supply Chains Action Platform will build an alliance of companies committed to respecting human rights and fundamental principles and rights at work by leveraging their supply chains and taking collective action to address decent work deficits.

## Case Study: Nestle Needs YOUth

Nestle's global youth initiative, Nestle Needs YOUth, was conceived with the objective of equipping 10 million young people with skills to improve employability and help them become successful agripreneurs and entrepreneurs by 2030. The programme also encompasses training for farmers to adopt sustainable agricultural practices and waste disposal methods.

<sup>43</sup>ILO (2016) Global Estimates of Child Labour [https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms\\_575541.pdf](https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575541.pdf)

<sup>44</sup>UNDP (2018) Goal 8: Decent Work and Economic Growth <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-8-decent-work-and-economic-growth.html>

<sup>45</sup>ILO, Occupational Safety and Health, [https://www.ilo.org/moscow/areas-of-work/occupational-safety-and-health/WCMS\\_249278/lang--en/index.htm](https://www.ilo.org/moscow/areas-of-work/occupational-safety-and-health/WCMS_249278/lang--en/index.htm)

<sup>46</sup>ILO, [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_601903/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_601903/lang--en/index.htm)

<sup>47</sup>Global Slavery Index, <https://www.globalslaveryindex.org/2018/findings/highlights/>

<sup>48</sup>ILO (2017) How Data Can Protect Workers Health and Lives, [https://www.ilo.org/asia/media-centre/articles/WCMS\\_551700/lang--en/index.htm](https://www.ilo.org/asia/media-centre/articles/WCMS_551700/lang--en/index.htm)

<sup>49</sup>Human Rights Watch (2018) Human Rights in Supply Chains <https://www.hrw.org/report/2016/05/30/human-rights-supply-chains/call-binding-global-standard-due-diligence>

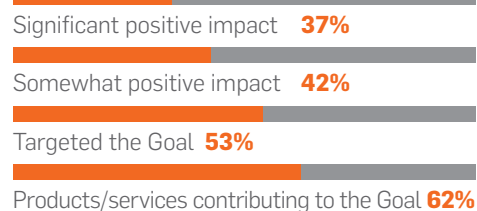




Worldwide, 2.4 billion people lack access to basic sanitation and 2.6 billion people in developing countries do not have access to consistent electricity services.<sup>50</sup> Over 3.5 billion people across the world do not have access to the internet;<sup>51</sup> 90 per cent of whom are from developing nations. Africa has an internet penetration level of just 21.8 per cent, the lowest in the world, as opposed to an 80 per cent penetration level in Europe in 2017.<sup>52</sup> UNCTAD estimates that in some low-income African countries, infrastructure constraints cut business productivity by 40 per cent.<sup>53</sup> Without access to all-season roads, people remain marginalized from crucial services and markets. Patents encourage innovation and provide incentives for research. In 2016, China registered the most patents, totalling 1.3 million.<sup>54</sup>

### UN Global Compact participant responses to Goal 9:

Companies report to have:



### 5.1 BILLION

Unique mobile phone users globally

### BARELY 30%

The amount of agricultural production that undergoes industrial processing in developing countries, compared to 98 per cent in developed nations

## UN Global Compact Company Contribution

Globally, companies have shown progress in developing infrastructure to aid in the developmental process, with 79% reporting a significant to positive impact on Goal 9. It is encouraging to observe 45% of African companies reporting a significant impact on the goal, a higher proportion than North American (40%) or European (32%) companies. This may be a contributing factor to the 20% jump in the number of internet users in Africa in 2017.

## Broad Considerations for Business

Measuring impact on Goal 9 will require a more holistic SDG impact assessment criterion that links to Goal 1 (Poverty Reduction), Goal 8 (Decent Work), Goal 10 (Reduced Inequalities) and Goal 12 (Responsible Consumption and Production). Measuring the performance of high impact industries such as Banks, Financial Services, Construction and Materials, Industrial Goods and Services, Technology and Telecommunications across these goals will be indicative of business impact on Goal 9. Also, new advancements like automation which threaten to disrupt the livelihoods of millions of workers employed in manufacturing hubs across the globe, particularly in Asia, and limit the process of job creation in the industry must be part of impact analysis.

## Case Study: BMW

BMW's electric vehicles sub-brand BMWi signed a MoU with UN Environment to provide technical support to accelerate the MOVE platform, an initiative to promote electric mobility in Latin America and the Caribbean. BMWi's engagement extends beyond introduction of electric vehicles and includes installation of electric charging stations.

<sup>50</sup>UNDP (2018) Goal 9: Industry, Innovation and Infrastructure <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-9-industry-innovation-and-infrastructure.html>

<sup>51</sup>Wearsocial (2018) Global Digital Report <https://wearesocial.com/blog/2018/01/global-digital-report-2018>

<sup>52</sup>Statista (2018) Internet Penetration by Region [https://www.statista.com/statistics/265149/internet-penetration-rate-by-](https://www.statista.com/statistics/265149/internet-penetration-rate-by-region/)

[region/](#)

<sup>53</sup>UN Conference on Trade and Development (2009) Economic Development in Africa Report [http://unctad.org/en/Docs/aldcafrica2009\\_en.pdf](http://unctad.org/en/Docs/aldcafrica2009_en.pdf)

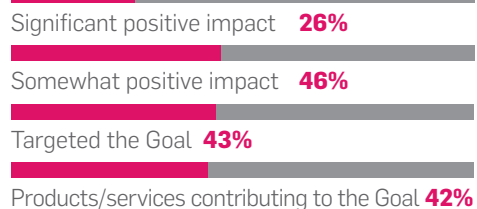
<sup>54</sup>WIPO (2017) China Tops Patent, Trademark, Design Filings in 2016 [http://www.wipo.int/pressroom/en/articles/2017/article\\_0013.html](http://www.wipo.int/pressroom/en/articles/2017/article_0013.html)



Income inequality within countries has worsened despite marginal improvement in inter-country inequality. The richest 1 per cent hold more than half of the total global wealth.<sup>55</sup> In 2017, economic inequality was the major driving force behind the migration of 258 million people from their home countries to other nations.<sup>56</sup>

### UN Global Compact participant responses to Goal 10:

Companies report to have:



### 3.5 BILLION — 2.7%

Share of global wealth owned by bottom half of the world's population

### \$2 TRILLION

Increase in women's incomes if equal pay is provided in developing countries<sup>57</sup>

### 97%

Percentage of transgender employees reporting discrimination or harassment at work<sup>58</sup>

### 64.4%

Percentage of products exported by least developed countries faced zero tariffs

### 50%

Higher likelihood of women living below the median income compared to men

### UN Global Compact Company Contribution

Of the respondents, 43 per cent attested to targeting Goal 10, and the products and services of 42 per cent of the respondents are reported to contribute to this Goal. One-fourth of the companies report to have a significant positive impact. Two-thirds of the companies pay their executives more than twice the salary of the median employee; 22 per cent pay executives over ten times the compensation of the median employee. Close to half the companies have fewer than 20 per cent of their new hires representing marginalized or disadvantaged groups including women, persons with disabilities and religious or ethnic minorities.

### Broad Considerations for Business

While the first action for business would be to ensure equality among their direct employees — such as through working to reduce salary gaps within their organizational pyramid — companies can also focus on reducing inequality amongst their indirect employees and workers. This would require greater product traceability and supply chain transparency. Implementing the UN Guiding Principles on Business and Human Rights is also crucial, particularly to enable businesses to see and understand their impact on diverse stakeholders such as local communities. With 24.9 million people around the world are being victims of forced labour, permeating supply chains across all industries, business must take steps to end modern slavery.

### Case Study: Telenor

Telenor is working to reduce inequality through a focus on supply chain sustainability, with 97 per cent of its suppliers covered by requirements on health and safety, human and labour rights, the environment and anti-corruption. Capacity building and rigorous monitoring of compliance means that over 80 per cent of non-conformities are mitigated within a year. As the largest telecommunications provider in Myanmar, a country battling with corruption, the policy has been particularly important to improve wages and working conditions, and Telenor has trained over 15,000 workers in the country.

<sup>55</sup>The Guardian (2017) Income Inequality <https://www.theguardian.com/inequality/2017/nov/14/worlds-richest-wealth-credit-suisse>

<sup>56</sup>UN (2017) Population Facts

<sup>57</sup>Actionaid (2018) Close the Gender Gap Report

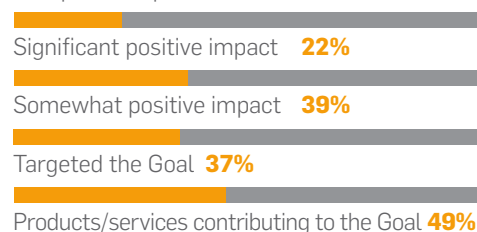
<sup>58</sup>Huffington Post (2016) Workplace Discrimination: The LGBT Workforce [https://www.huffingtonpost.com/kurina-baksh/workplace-discrimination-\\_b\\_10606030.html](https://www.huffingtonpost.com/kurina-baksh/workplace-discrimination-_b_10606030.html)



In the coming decades, 95 per cent of the urban expansion will take place in the developing world. Unplanned city growth in South Asia and Africa has led to squalid living conditions, pollution, outbreak of contagious diseases and lack of access to water, power and sanitation facilities. Currently, half of the world's population (~3.5 billion people) live in cities of which 828 million people live in slums.<sup>59</sup> A study of the 85 largest cities in the United States revealed that health savings from parks amounted to over \$3 billion in addition to environmental savings.<sup>60</sup>

### UN Global Compact participant responses to Goal 11:

Companies report to have:



### 6.5 BILLION

Estimated urban population by 2050

### 60 – 80%

Percentage of global energy consumption by cities

### 75%

Percentage of global carbon emissions by cities

### 883 MILLION

Number of people who live in slums today, primarily in Eastern and South-Eastern Asia

## UN Global Compact Company Contribution

Construction and Materials, Real Estate and Utilities companies report strong impact on progressing sustainable cities and communities: 78 per cent of companies report to have a significant to positive impact on Goal 11. Regionally, companies in Africa (48 per cent) are reporting slightly greater impact than companies in developed regions such as Europe (33 per cent) and North America (43 per cent).

The UN Global Compact Cities Programme, the urban arm of the UN Global Compact, facilitates collaboration between cities and regional governments with the private sector and civil society. Addressing complex global challenges on the local level, it is a platform for partnered sustainable urban development action. Visit [citiesprogramme.org](http://citiesprogramme.org).

## Broad Considerations for Business

Businesses own property, develop physical assets and offer services throughout the urban space, positioning them to have a large role in shaping sustainable urban areas and connecting residents to essential services. In the construction sector, business leadership can include the development and delivery of resilient infrastructure, buildings, and materials that maximize mobility and access to green space while minimizing resource use, pollution and negative impacts on vulnerable groups in society. The business impact on Goal 11 can be measured by studying the progress across high impact industries like construction, finance and insurance, manufacturing, retail, tourism, transportation and energy. However, fewer than one-third of the companies across these industries have reported significant positive impact on Goal 11, with the best performers being construction (35 per cent) and tourism (33 per cent). Urban cities are a platform where human rights are protected; where equity, fair labour practices, and transparency and good governance are constructed and promoted.

## Case Study: Mastercard's "City Possible"

Pioneered by Mastercard, City Possible is a new model of public-private partnerships that brings together cities with a united private sector to address challenges that are shared by most cities. Connecting city leaders from across the globe to share learnings and best practices aims to shift the conversation in urban technology to focus on people. By tapping into the super power of collaboration, cities, companies and organizations all are empowered to foster inclusive, accessible and sustainable communities.

<sup>59</sup>UNDP (2018) Goal 11: Sustainable Cities <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-11-sustainable-cities-and-communities.html>

<sup>60</sup>Healthy Parks Healthy People Central, Urban Planning

and the Importance of Green Space in Cities to Human and Environmental Health <http://www.hphpcentral.com/article/urban-planning-and-the-importance-of-green-space-in-cities-to-human-and-environmental-health>

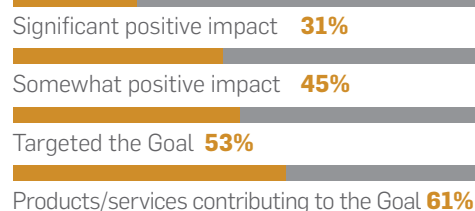




Approximately 86 per cent of the world's population resides in countries that consume resources at a rate faster than they can be replenished, leading to an ecological deficit.<sup>61</sup> At this rate, we would require 1.7 Earths to satisfy the global resource demand. Only 3 per cent of the world's water is fresh for human consumption, and only 20 per cent of the world's energy consumption comes from renewable sources.<sup>63</sup>

### UN Global Compact Participant responses to Goal 12:

Companies report to have:



### 1.3 BILLION TONNES

Amount of food wasted or lost annually

### 4.5 TRILLION

Potential value unlocked through adoption of circular economy business models by 2030<sup>66</sup>

### UN Global Compact Company Contribution

Globally, large corporations are leading the way, with 86 per cent reporting a positive impact on Goal 12. Meanwhile, 61 per cent of companies in Asia, where a significant proportion of global production is done, report to have set targets centred around Goal 12, and 65 per cent claim that their products and services contribute to achieving these targets. Globally, 78 per cent of companies have policies and practices promoting sustainable consumption and responsible use of resources, and 62 per cent have cleaner and safer production objectives. However, only 12 per cent conduct corporate responsibility due diligence of their entire supply chain, and fewer than one-fifth assist suppliers with resources for improvement projects, training and goal-setting.

### Broad Considerations for Business

Companies are measuring progress on Goal 12 by tracking resource consumption and raw material costs; however, corporate actions aimed at driving down resource intensity have far reaching consequences on the quality of land and water resources and climate change mitigation. Additionally, minimization of food spoilage and wastage during production, transportation, storage and consumption can go a long way in alleviating global hunger and having a direct impact on attainment of Goal 2 targets.

### Case Study: Renault

Renault has partnered with several companies to build a reverse supply chain to recycle automobile components, resulting in 36 per cent of the mass of a Renault vehicle made in Europe being constituted by recycled materials and thereby, minimizing the ecological footprint of mining activities and plastic production that degrade land, water and air quality.<sup>67</sup> This demonstrates that it is imperative to follow a multi-dimensional approach while estimating the impact of business on Goal 12.

<sup>61</sup>UN Framework Convention on Climate Change (2018) Earth's Annual Resources Budget Consumed in Just 7 Months <https://unfccc.int/news/earth-s-annual-resources-budget-consumed-in-just-7-months>

<sup>62</sup>WWF (2018) August 1 marks Earth Overshoot Day in 2018 <https://www.wfindia.org/?17542/August-1-marks-Earth-Overshoot-Day-in-2018>

<sup>63</sup>UNDP (2018) Goal 12: Responsible Consumption and Production <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-12-responsible-consumption-and-production.html>

<sup>64</sup>WWF (2018) August 1 marks Earth Overshoot Day in 2018 <https://www.wfindia.org/?17542/August-1-marks-Earth-Overshoot-Day-in-2018>

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<sup>65</sup>UNDP (2018) Goal 12: Responsible Consumption and Production <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-12-responsible-consumption-and-production.html>

<sup>66</sup>Accenture Strategy, Waste to Wealth Executive Summary [https://www.accenture.com/\\_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Strategy\\_7/Accenture-Waste-Wealth-Exec-Sum-FINAL.pdf](https://www.accenture.com/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Strategy_7/Accenture-Waste-Wealth-Exec-Sum-FINAL.pdf)

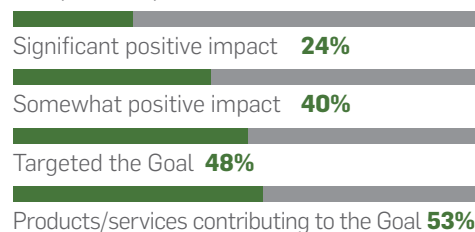
<sup>67</sup>Ellen Macarthur Foundation, Short Loop Recycling of Plastics in Vehicle Manufacturing <https://www.ellenmacarthurfoundation.org/case-studies/short-loop-recycling-of-plastics-in-vehicle-manufacturing>



From 1880 to 2012, average global temperature increased by 0.85 degrees Celsius, and since 1970, the number of natural disasters worldwide has quadrupled to ~400 a year. For each 1-degree Celsius increase in temperature, grain yields decline by 5 per cent and greenhouse gas emissions are 50 per cent higher than 1990 levels. Goal 13 aims to mobilize \$100 billion annually by 2020 to address the needs of developing countries and mitigate climate-related disasters.<sup>68</sup>

### UN Global Compact participant responses to Goal 13:

Companies report to have:



### \$1 TRILLION

Loss to global economy due to flooding in coastal cities by 2050<sup>69</sup>

### 52 TO 98 CENTIMETRES

Rise in sea levels under business-as-usual scenario by 2100<sup>70</sup>

### 2016, 2015, 2017

Warmest years on record<sup>71</sup>

### 50%

Percentage global emissions of CO<sub>2</sub> have increased since 1990

### UN Global Compact Company Contribution

Half of the companies reported to have targets to achieve Goal 13, with 94 per cent reporting environment-related policies and practices. Fewer than a quarter have reported incorporating climate change policy into the overall company strategy, and 60 per cent of the companies have reported that they do not measure their greenhouse gas emissions. Science-based targets provides companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions. Learn more at [unglobalcompact.org/take-action/action/science-based-target](http://unglobalcompact.org/take-action/action/science-based-target).

### Broad Considerations for Business

Rapidly shifting climate patterns can seriously impede the achievement of several other goals including Goal 3 (Good Health and Well-being), Goal 7 (Affordable and Clean Energy), Goal 8 (Decent Work and Economic Growth), Goal 9 (Industry, Innovation and Infrastructure), Goal 10 (Reduced Inequalities), Goal 11 (Sustainable Cities and Communities), Goal 12 (Responsible Production and Consumption), Goal 14 (Life Below Water) and Goal 15 (Life on Land). This is best demonstrated by the case of sub-Saharan Africa, which is among the most vulnerable regions to climate change. Rising temperatures have led to loss of economy, forced mass migrations, competition among communities for dwindling resources like water, abuses against women and children, and rise of extremist groups, all of which have ramifications on the political stability of the region, which in turn results in an environment which is not conducive to doing business. Business can lead and arrest this slide by leveraging a \$783 billion investment opportunity in clean energy in the region.<sup>72</sup>

### Case Study: SkyPower

SkyPower delivers utility-scale solar energy projects across the world. Operating in 36 countries, SkyPower works hand in hand with diverse communities to meet their increasing energy needs with clean, sustainable, solar solutions. In 2006, SkyPower brought together experts, investors and civil society to advocate and ensure that clean energy and climate action were legislative priorities for Ontario, Canada, with the introduction of the Renewable Energy Standard Offer Programme. This programme gave small businesses, farmers and communities an equal chance to access renewable energy, neatly demonstrating the commercial gains for small and large businesses in the transition to renewable energy.

<sup>68</sup>UNDP (2018) Goal 13: Climate Action <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-13-climate-action.html>

<sup>69</sup>The Guardian (2013) Coastal Cities face \$1 trillion floods by 2050: Study Finds <https://www.theguardian.com/environment/2013/aug/19/coastal-cities-trillion-floods-2050>

<sup>70</sup>IPCC, Sea Level Change [https://www.ipcc.ch/pdf/assessment-report/ar5/wg1/WG1AR5\\_Chapter13\\_FINAL.pdf](https://www.ipcc.ch/pdf/assessment-report/ar5/wg1/WG1AR5_Chapter13_FINAL.pdf)

<sup>71</sup>World Meteorological Organisation, <https://public.wmo.int/en/media/press-release/wmo-confirms-2017-among-three-warmest-years-record>

<sup>72</sup>IFC, Climate Investment Opportunity Report [https://www.ifc.org/wps/wcm/connect/51183b2d-c82e-443e-bb9b-68d9572dd48d/3503-IFC-Climate\\_Investment\\_Opportunity\\_Report-Dec-FINAL.pdf?MOD=AJPERES](https://www.ifc.org/wps/wcm/connect/51183b2d-c82e-443e-bb9b-68d9572dd48d/3503-IFC-Climate_Investment_Opportunity_Report-Dec-FINAL.pdf?MOD=AJPERES)

<sup>73</sup>Science Based Targets Initiative, <https://sciencebasedtargets.org>



The ocean is one of the largest carbon sinks in the world, absorbing 30 per cent of the carbon dioxide generated by human activity.<sup>74</sup> Over 3 billion people across the world depend on marine and coastal ecosystems for their livelihood. As much as 40 per cent of the ocean is heavily affected by pollution, depleted fisheries, loss of coastal habitats and other human activities. The market value of marine and coastal resources and industries is estimated to be \$3 trillion USD per year, or about 5 per cent of global GDP.

### UN Global Compact participant responses to Goal 14:

Companies report to have:

Significant positive impact **9%**

Somewhat positive impact **22%**

Targeted the Goal **13%**

Products/services contributing to the goal **16%**

### 8 TO 13 MILLION TONNES

Volume of plastic dumped into marine ecosystems annually

### 1.6 MILLION SQ. KILOMETRES

Size of the Great Pacific Garbage Patch (twice the size of France)<sup>76</sup>

### 3 BILLION

Number of people who rely on the ocean as their primary source of protein

### 200 MILLION

Number of people employed directly or indirectly by marine fisheries

## UN Global Compact Company Contribution

The ocean is an area where companies can make a greater contribution, considering only 13 per cent of respondents indicated having targets linked with Goal 14. Up to 80 per cent of the plastic in the world's oceans originates from Asia; however, only one-fifth of Asian companies have reported to have set objectives to achieve the targets linked with Goal 14. The UN Global Compact Sustainable Ocean Business Action Platform focuses on growth, innovation and sustainability, exploring how to best protect the health of the ocean. It aims to mobilize the private sector to take tangible action, make investments and form partnerships to leverage the ocean as a resource to deliver the Global Goals.

### Broad Considerations for Business

The ocean covers most of the planet's surface and is a vital part of the biosphere, producing more than half of the world's oxygen and regulating global temperatures. It is an important part of the global economy, providing natural resources and open spaces for transportation and other economic activity. The importance of the ocean is set to grow, as it has potential to provide protein to feed a growing world population and accommodate offshore renewable energy production.

Economic activity both on the ocean and on land is depleting common resources, such as fish stocks, and degrading vital ecosystems. The effects of greenhouse gas emissions, such as ocean acidification and warming, are further stressing the health and productivity of the ocean. The interconnected and fluid nature of the ocean ecosystem, exemplified by fish migration and ocean currents, makes it hard to fully understand the long-term impacts of ocean depletion and degradation.

As many of the Targets of Goal 14 has deadlines already in 2020, taking immediate action is critical. The multi-stakeholder group participating in the Sustainable Ocean Business Action Platform commits to exploring ideas and inspiring innovations for technical and operational improvements to advance ocean health.

Public-private partnerships are necessary to explore attractive and viable solutions and establish guidelines and best practices for sustainable use and management of the ocean.

### Case Study: H&M's BIONIC®

H&M's BIONIC® yarn was introduced in 2017 as part of its Conscious Collection that uses sustainably sources raw materials. BIONIC® is manufactured using recovered and recycled shoreline waste, including plastic bottles and bags. A single BIONIC® dress is designed using 88 PET bottles that pollute oceans and waterways.

<sup>74</sup>UNDP (2018) Goal 14: Life Below Water <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-14-life-below-water.html>

<sup>75</sup>Nikkei Asia, Asian Plastics Choking World Oceans <https://asia.nikkei.com/Spotlight/Cover-Story/Asian-plastic-is-choking-the-world-s-oceans>

<sup>76</sup>The Guardian (2018) Great Pacific Garbage Patch Sprawling with Far more Debris [https://www.theguardian.com/](https://www.theguardian.com/environment/2018/mar/22/great-pacific-garbage-patch-sprawling-with-far-more-debris-than-thought)

[environment/2018/mar/22/great-pacific-garbage-patch-sprawling-with-far-more-debris-than-thought](https://www.theguardian.com/environment/2018/mar/22/great-pacific-garbage-patch-sprawling-with-far-more-debris-than-thought)

<sup>77</sup>Climate News Network (2017) High Marine Extinction Risk By 2100 <https://climatenewsnetwork.net/23166-2/>

<sup>78</sup><https://phys.org/news/2018-07-sea-world-trillion-year.html>

<sup>79</sup>WIRED (2018) Lab Grown Meat <https://www.wired.com/story/lab-grown-meat/>





Up to 75 per cent of the world's land area is degraded, and this figure could rise to 90 per cent by 2050, with adverse impacts being visible primarily across Asia and Africa.<sup>80</sup> The latest IUCN Red List research finds that 26,000 species of flora and fauna are at the brink of extinction.<sup>81</sup> Humans represent just 0.01% of all living things on Earth; however, research has shown that we have been responsible for the loss of 83 per cent of all wild animals and half of the plants.<sup>82</sup> Worldwide, 2.6 billion people depend directly on agriculture to earn a living, and eight out of ten people living in rural areas in developing countries rely on traditional plant-based medicines and healthcare.<sup>83</sup>

### UN Global Compact participant responses to Goal 15:

Companies report to have:

Significant positive impact **12%**

Somewhat positive impact **30%**

Targeted the Goal **21%**

Products/services contributing to the Goal **26%**

### 1.8 BILLION

People facing absolute water scarcity by 2025<sup>84</sup>

### 135 BILLION

People displaced by desertification by 2045<sup>85</sup>

### 3 BILLION TONNES

Potential volume of carbon fixed annually by restoration of degraded soil<sup>86</sup>

## UN Global Compact Company Contribution

Less than half of the business respondents (42 per cent) reported having a positive impact on Goal 15. The metals and mining industry contributes significantly to land degradation; however, very few companies (6 per cent) in the industry have set targets to counter the impact of their activities. Only 10 per cent of companies globally have fully integrated biodiversity policies with the overall corporate strategy. 15 of the 17 megadiverse countries of the world are in Asia, Africa and Latin America; however, close to half the companies located in these regions have reported having no impact or a negative impact on Goal 15, and fewer than 30 per cent have attested to setting targets to achieve the Goal or fully integrating biodiversity issues into their business strategy.

## Broad Considerations for Business

The industries that significantly impact the condition of land include agriculture, forestry, metals and mining, and the activities of these industries affect the quality of other natural resources like water and air. Globally, around 2.6 billion people depend on agriculture and 1.6 billion people depend on forests for a livelihood. Hence, it is imperative that these industries take the lead in driving actions to restore the quality of land resources. Goal 15 is closely linked with elimination of hunger (Goal 2), access to clean water (Goal 6), tackling climate change (Goal 13) and restoration of marine ecosystems (Goal 14), and therefore, any tangible impact on Goal 15 will require a more holistic impact assessment criterion across all Global Goals.

## Case Study: Beraca

Beraca provides natural and organic-certified ingredients for the cosmetics industry, that are ethically sourced from the Amazon Rainforest. The company subsequently found commercial success by developing economic and social inclusion opportunities for thousands of families while working to ensure the environmental integrity of the region. Currently, 2,500 families at 105 community centers in 12 Brazilian states — supply local crops to Beraca. In order to effectively measure the social impacts of the programme's activities, Beraca partners with the University of São Paulo to monitor the progress of the local development index.

<sup>80</sup>SDG Knowledge Hub (2018) Third World Atlas on Desertification Offers Customizable Data to Combat Land Degradation <http://sdg.iisd.org/news/world-atlas-shows-70-of-earths-lands-degraded/>

<sup>81</sup>The Guardian (2018) Red List Research Finds 26000 Species Under Extinction Threat <https://www.theguardian.com/environment/2018/jul/05/red-list-research-finds-26000-species-under-extinction-threat>

<sup>82</sup>The Guardian (2018) Human Race and Wild Mammals Study <https://www.theguardian.com/environment/2018/may/21/human-race-just-001-of-all-life-but-has-destroyed-over-80-of-wild-mammals-study>

<sup>83</sup>UNDP (2018) Goal 15: Life on Land <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-15-life-on-land.html>

<sup>84</sup>UN Convention to Combat Desertification, Land and Drought <https://www.unccd.int/issues/land-and-drought>

<sup>85</sup>UN Convention to Combat Desertification, Land and Human Security <https://www.unccd.int/issues/land-and-human-security>

<sup>86</sup>UN Convention to Combat Desertification, Land and Climate Change <https://www.unccd.int/issues/land-and-climate-change>

<sup>87</sup>Wiley Online Library (2007) Restoring Jarrah Forest Trees after Bauxite Mining in Western Australia <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1526-100X.2007.00289.x>

<sup>88</sup>Future Terrains, <http://www.futureterrains.org/wp-content/uploads/2014/04/WCMT-report-full-images.pdf>



UNHCR estimates that there are 10 million stateless people around the world who are denied nationality and associated rights, leaving them vulnerable to a wide range of abuses.<sup>89</sup> According to the Global Peace Index, the impact of violence on the global economy is USD 14.76 trillion in 2017,<sup>90</sup> and 68.5 million people were forcibly displaced.<sup>91</sup> Businesses and individuals pay an estimated \$1.5 trillion in bribes each year, which represents about 2% of global GDP — and 10 times the value of overseas development assistance (World Bank).

### UN Global Compact participant responses to Goal 14:

Companies report to have:

Significant positive impact **18%**

Somewhat positive impact **35%**

Targeted the Goal **28%**

Products/services contributing to the Goal **28%**

### 10%

Average increase in cost of doing business due to corruption

### \$1.5 – 2 TRILLION

Loss to global economy due to corruption in governmental institutions<sup>92</sup>

### 31%

Proportion of prisoners held in detention without sentencing, remained constant in the last decade

## UN Global Compact Company Contribution

Approximately 69 per cent of companies report to have zero-tolerance policies towards corruption, yet only half of them have policies limiting the value of gifts, and fewer than one-third have attested to having policies against collusion and policies mandating pre-approval of facilitation payments.

The UN Global Compact Peace, Justice and Strong Institutions Action Platform aims to provide global business standards in understanding, implementing and reporting on business engagement in these areas.

## Broad Considerations for Business

Corruption hinders responsible business practices, fair competition and market stability. It impedes foreign investment and economic growth. It prevents people, countries and businesses from fulfilling their potential and achieving the Global Goals. The Anti-Corruption Call to Action of the UN Global Compact is an initiative that has brought together private sector enterprises on a common platform to demand Governments implement anti-corruption measures and establish systems of good governance. Launched in 2014, the initiative has over 250 signatories with the common objective of elimination of corruption of all forms.<sup>93</sup>

## Case Study: Linklaters NY

Linklaters LLP, works to translate the Global Goals into local realities within the New York legal community, as well as more broadly within the private and public sectors. This includes working with: The New Partnership for Africa's Development, African Union states and other pan-African entities to develop a project that would create tailored governance frameworks to combat illicit financial flows; The UK's Independent Commission for Aid Impact to analyze the impact of DFID's anti-corruption programming, particularly on the poor; UN University to conduct a governance review of the UN development system to ensure it is fit for purpose in the age of the Global Goals.

<sup>89</sup>UNHCR, Stateless People <http://www.unhcr.org/stateless-people.html>

<sup>90</sup>Vision of Humanity (2018) Global Peace Index <http://visionofhumanity.org/app/uploads/2018/06/Global-Peace-Index-2018-Snapshot.pdf>

<sup>91</sup>UNHCR (2018) Forced Displacement <http://www.unhcr.org/news/press/2018/6/5b27c2434/forced-displacement-above-68m-2017-new-global-deal-refugees-critical.html>

<sup>92</sup>Reuters (2016) IMF: Global Corruption Costs Trillions in Bribes, lost Growth <https://www.reuters.com/article/us-imf-corruption/imf-global-corruption-costs-trillions-in-bribes-lost-growth-idUSKCN0Y22B7>

<sup>93</sup><https://www.unglobalcompact.org/take-action/action/anti-corruption-call-to-action>



The UN Conference on Trade and Development estimate the realization of Agenda 2030 requires USD \$5 – \$7 trillion annually in addition to pooling technological capabilities, manpower and other resources by multiple stakeholders.<sup>94</sup> Developed countries have not lived up to their development aid commitments; only six countries have achieved the Overseas Development Assistance commitment target of contributing 0.7% of the Gross National Income towards foreign aid.<sup>95</sup>

### UN Global Compact participant responses to Goal 17:

Companies report to have:

Significant positive impact **24%**

Somewhat positive impact **42%**

Targeted the Goal **40%**

Products/services contributing to the Goal **40%**

Organizations that companies partner with to drive progress on the Global Goals:

**76%**  
Non-governmental organizations

**59%**  
Companies

**54%**  
Academia

**50%**  
Industry associations

**46%**  
Government

**44%**  
United Nations

**32%**  
Other multilateral organizations

### UN Global Compact Company Contribution

Nearly 51 per cent of companies recognize that building up partnerships is an effective way to advance the Global Goals. According to the Commission for Latin America and the Caribbean (ECLAC), compared to global average, companies in the region maintained stronger partnerships with Governments (+8 per cent), NGOs, (+6 per cent), academia (+8 per cent) and academia (+9 per cent).

### Broad Considerations for Business

Partnerships between stakeholders are key to the progress in achieving the Global Goals and hence, the attainment of the targets linked to Goal 17 have a direct bearing on all the Goals. The case study of USAID's efforts to make coffee supply chains sustainable effectively demonstrates the linkages between Goal 17 and the rest of the Goals. USAID partners with global coffee companies to support small-scale coffee growers in Africa, Latin America, Asia and the Caribbean with technology, credit, access to markets and education on sustainable farm practices, using public and private funds. This collaborative ecosystem has helped improve farmer incomes (Goals 1 and 10) and nutrition levels (Goals 2 and 3), while lowering the environmental footprint of coffee cultivation (Goals 12, 13, 14, 15).

### Case Study: Accenture and ID2020 Alliance

Accenture is a founding member of the ID2020 Alliance, a public-private partnership aimed at providing a digital identity to every individual across the world and safeguarding the Right to Identity enshrined in the Universal Declaration of Human Rights. The alliance of companies, non-profits and Governments targets the provision of legal identity for all, including birth registration, by 2030 that will ultimately enable efficient delivery of basic services and developmental benefits to those in need. The prototype, built by Accenture in collaboration with Microsoft and Avanade, leverages blockchain technology and enables data sharing with multiple parties with high security.

<sup>94</sup>Government of Switzerland (2017) Remarks by Ambassador Michael Gerber, High Level Conference on Financing for Development [http://www.un.org/esa/ffd/high-level-conference-on-ffd-and-2030-agenda/wp-content/uploads/sites/4/2017/11/Ministerial-Round-Table-1\\_Gerber.pdf](http://www.un.org/esa/ffd/high-level-conference-on-ffd-and-2030-agenda/wp-content/uploads/sites/4/2017/11/Ministerial-Round-Table-1_Gerber.pdf)

<sup>95</sup>UNDP (2018) Goal 17: Partnerships for the Goals <http://www.undp.org/content/undp/en/home/sustainable-development-goals/goal-17-partnerships-for-the-goals.html>

<sup>96</sup>ID2020 Alliance, <https://id2020.org/>







**THIS IS A SUMMARY OF REPORTED OVERALL POSITIVE IMPACT ON EACH GLOBAL GOAL AND THE PRODUCTS AND SERVICES TARGETING THE GOALS.**



Goal 1  
No Poverty



Goal 2  
Zero Hunger



Goal 3  
Good Health and Well-Being



Goal 4  
Quality Education



Goal 5  
Gender Equality



Goal 6  
Clean Water and Sanitation



Goal 7  
Affordable and Clean Energy



Goal 8  
Decent Work and Economic Growth



Goal 9  
Industry, Innovation and Infrastructure



Goal 10  
Reduced Inequalities



Goal 11  
Sustainable Cities and Communities



Goal 12  
Responsible Consumption and Production



Goal 13  
Climate Action



Goal 14  
Life Below Water



Goal 15  
Life on Land



Goal 16  
Peace, Justice and Strong Institutions



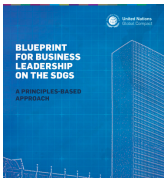
Goal 17  
Partnerships for the Goals



- Companies reporting positive impact on the Global Goals
- Companies reporting Global Goals that products and services contribute towards

Source: UN Global Compact Annual Survey 2018

# KEY RESOURCES



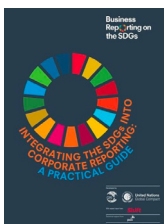
## BLUEPRINT FOR BUSINESS LEADERSHIP ON THE SDGS

Aims to inspire all business — regardless of size, sector or geography — to take leading action in support of the achievement of the Sustainable Development Goals (SDGs). It illustrates how the five leadership qualities of Intentionality, Ambition, Consistency, Collaboration and Accountability can be applied to a business' strategy, business model, products, supply chain, partnerships, and operations to raise the bar and create impact at scale. The Blueprint is a tool for any business that is ready to advance its principled approach to SDG action to become a leader.



## THE SDG COMPASS

Guides companies on how they can align their strategies as well as measure and manage their contribution to the realization of the SDGs. The SDG Compass presents five steps that assist companies in maximizing their contribution to the SDGs: understanding the SDGs, defining priorities, goal setting, integrating sustainability and reporting.



## INTEGRATING THE SUSTAINABLE DEVELOPMENT GOALS INTO CORPORATE REPORTING: A PRACTICAL GUIDE

Outlines a three-step process to embed the Sustainable Development Goals (SDGs) into existing business and reporting processes. It helps business to better report their impact on the SDGs and address the information needs of relevant stakeholders. This Guide follows an approach that is aligned with the UN Guiding Principles on Business and Human Rights and the GRI Standards.

## EXPLORE MORE DATA FROM THE 2018 UN GLOBAL COMPACT ANNUAL SURVEY

Visit [www.progress.unglobalcompact.org](http://www.progress.unglobalcompact.org) to explore the data found in this report and more from the Annual Survey. You will be able to dive deeper into the data and explore what implementation looks like in your geography and among companies of your size.



## THE ACADEMY

The UN Global Compact Academy is the premier learning platform for sustainable companies, designed to give Participants the knowledge and skills they need to meet their sustainability objectives, mitigate business risks and achieve long-term growth.

The Academy offers learning opportunities on a range of topics across the Ten Principles of the UN Global Compact, with a special focus on the Global Goals, and it allows learners to measure their progress.

To access the Academy Learning Platform, please visit visit: [academy.unglobalcompact.org](http://academy.unglobalcompact.org).

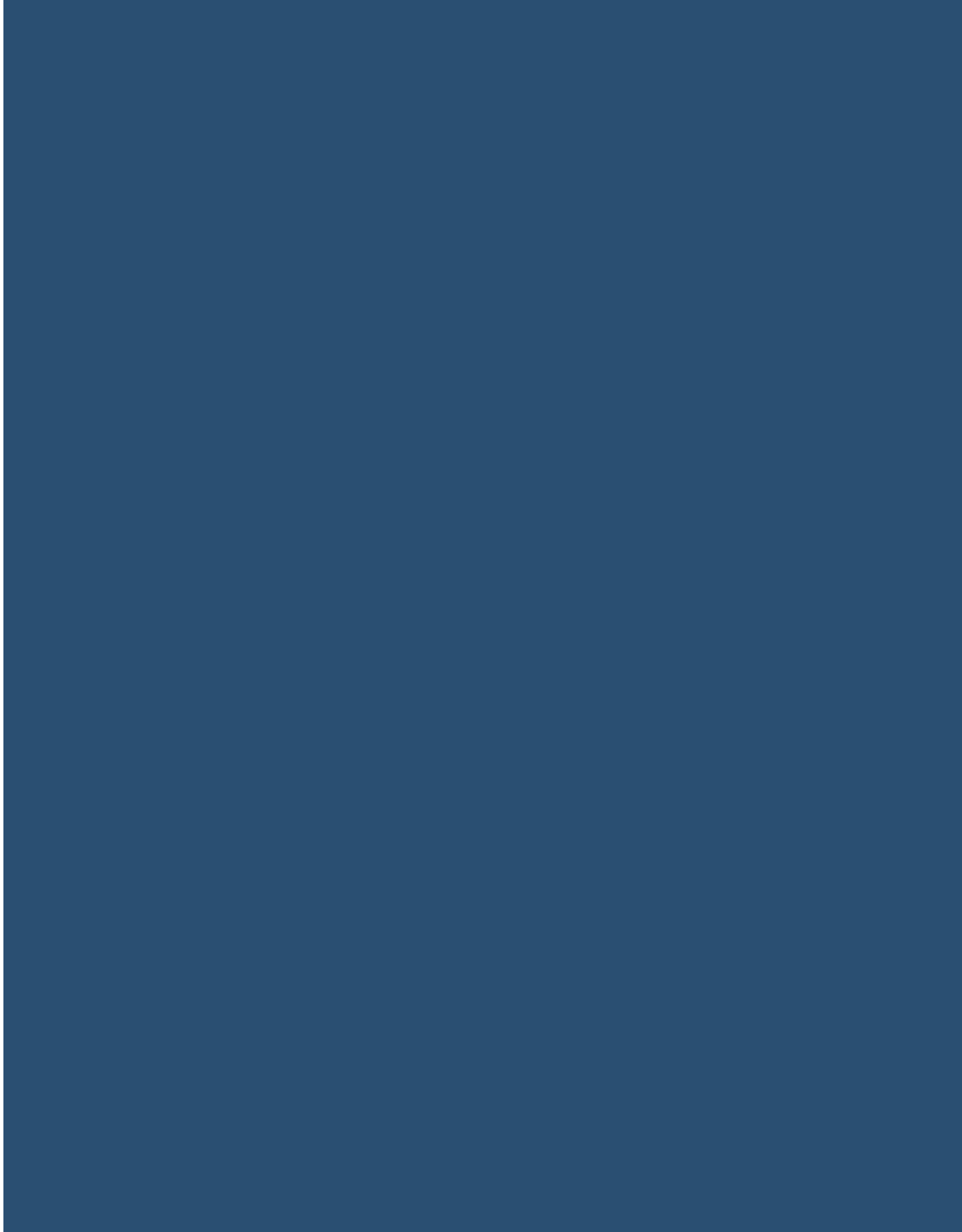
## ACTION PLATFORMS

The UN Global Compact invites its Participants to collaborate with like-minded peers and experts on unique and innovative approaches to critical corporate sustainability issues through our suite of Action Platforms. To achieve the ambitious and necessary goals set out in the 2030 Agenda for Sustainable Development, the UN Global Compact has developed a portfolio of Action Platforms to advance responsible business activities and fill emerging gaps in meeting the Global Goals, the pillars of the 2030 Agenda. Rooted in the Ten Principles of the UN Global Compact, each Action Platform will convene business, Global Compact Local Networks, leading experts, civil society, Governments and UN partners to solve complex and interconnected issues, explore new market opportunities and innovate around the Sustainable Development Goals.

## 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 headquarters and view sustainability through a local lens.

Global Compact Local Networks are all businessled, multi-stakeholder platforms anchored in the Ten Principles of the UN Global Compact and uniquely positioned to advance the Sustainable Development Goals. 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.





## THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



### HUMAN RIGHTS

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



### LABOUR

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



### ENVIRONMENT

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



### ANTI-CORRUPTION

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

## ABOUT THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and nearly 70 Local Networks.

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



United Nations  
Global Compact

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