



United Nations
Global Compact

UN GLOBAL COMPACT

2024-2025

GLOBAL STRATEGY EXTENSION



Halfway to Agenda 2030, this is a pivotal time for the UN Global Compact to refine its strategic direction, focusing on scale and impact.

The UN Global Compact can again play a critical role by mobilizing the private sector to reinvigorate and accelerate progress on the SDGs.

The private sector is an integral part of the solution, and we need more private sector engagement and leadership.

This is not a time for tinkering. It is a time for transformation.

António Guterres
UN Secretary-General and
Board Chair of the UN Global Compact



More must be done by businesses globally to accelerate corporate sustainability and responsible business practice. Our strategy and ambition are to grow and take our participants on a journey of demonstrated continuous improvement in the impact that they create.

Our goal is to raise the expectations of how businesses will embed all Ten Principles. These are intrinsic to a company and serve as the enabler for contributions towards achieving the 2030 Agenda for Sustainable Development.

The five priorities articulated in this strategy reflect our ambitions for global growth, prioritization and impact at scale.

Together, we will be One Global Compact uniting business for a better world.

Sanda Ojiambo
Assistant Secretary-General
CEO & Executive Director
UN Global Compact

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1. EXECUTIVE SUMMARY

MOMENT FOR ACTION

We, the United Nations Global Compact, believe that in this Decade of Action and as we move beyond the midpoint of the Sustainable Development Goals (SDGs), we must accelerate and scale the global collective impact of business, uphold the Ten Principles of UN Global Compact¹, and contribute to delivering the SDGs through ambitious, accountable companies committed to responsible business practice² and environments that enable positive change. This is how we contribute, this is how we catalyse impact, and it is how we, as One Global Compact, move forward together.

UN Global Compact was established in July 2000 by UN Secretary-General Kofi Annan to mobilise companies around the world in aligning their operations and strategies around ten universal principles in the areas of human rights, labour, the environment, and anti-corruption.

The underlying notion of the Ten Principles of the UN Global Compact is that corporate sustainability starts with a principles-based approach to doing business – it is “how” a business operates in society. This means operating in ways that meet fundamental responsibilities in each of the four areas. Embedding the Ten Principles into business strategies and operations ensures responsible business practices that limit harm to people and planet, and that contribute towards strong, long-term business performance.

Over the last 20 years, UN Global Compact has grown from a group of 44 businesses into what is today the largest corporate sustainability initiative³ in the world and a global movement of more than 18,000 businesses and over 3,000 non-business stakeholders across 163 countries.

While progress is being made, we recognise more must be done by businesses globally to accelerate corporate sustainability and responsible business practice. In solving for the world’s most pressing challenges, there is an opportunity for businesses to collaborate with the UN, Governments, Academia, civil society and their local communities of operation to drive forward innovative solutions and partnerships for impact.

Our strategy and ambition are to take business participants beyond the minimum, and onto a journey of demonstrated continuous improvement in the positive impact that they create. **Over time, our goal is to increase the number and degree to which businesses are embedding all Ten Principles of the UN Global Compact into their strategies and operations. These principles serve as a critical foundation for accelerating business contributions towards achieving the 2030 Agenda for Sustainable Development and the Paris Agreement.**

At the time of writing, the world is not on track to achieve the 2030 Agenda and the Sustainable Development Goals (SDGs). Halfway to the deadline for the 2030 Agenda, the Secretary-General’s SDG Progress Report shows that just 15% of the SDGs targets are on track; nearly 48% are off track and some 37% have stalled or have gone in reverse. We continue to experience the startling impacts of the global COVID pandemic, escalating conflicts, food insecurity, inequality, economic uncertainty and a worsening climate crisis. In the wake of these crises, most businesses are overwhelmed by the sheer number of challenges they are required to address, coupled with the uncertainty of the future. When surveyed, 93% of UN Global Compact CEOs reported that they are dealing with ten or more global challenges to their business. It is clear that the well-being of society, the health of the planet and the long-term sustainability of businesses are interconnected.

In the context of today’s poly-crises, the Secretary-General’s *Our Common Agenda* sets out a vision for inclusive multilateralism where Governments, business and civil society work together for effective, interconnected solutions. As we move forward, the UN is calling for delivery of a Rescue Plan for People and Planet, noting that transformations towards sustainable development require prioritising policies and investments that drive key transitions and serve as multipliers that advance progress across the SDGs. We must work collectively and credibly to drive key transitions across climate action and biodiversity, energy, food, education, jobs and social protection and

digital connectivity to achieve the necessary acceleration of impact by 2030. In order to turn these recommendations into action, global efforts are needed to secure a surge in SDG financing as laid out in the SDG Stimulus Plan to deliver Agenda 2030. Shifting corporate capital towards the SDGs will be vital to closing existing financing gaps. Therefore, business has a critical role to play in these rescue efforts – as well as powerful reasons to take action. Business cannot thrive unless people and the planet are also thriving. As we articulate the extension of our 2021-2023 strategy into 2024 and 2025, there is an urgent need for large-scale action to support people, planet, and prosperity. It is incumbent on the UN Global Compact to inspire ambitious and principled leadership to seize these opportunities, embed sustainable business models, and support businesses to do their part in this global collective effort to achieve the SDGs. Shifting towards principled, sustainable business practices has the opportunity to drive innovation, competitive advantage and positive impact across a company’s value chain. As a core interlocutor between the UN system and the private sector, the UN Global Compact will work to support and mobilise the private sector to enable our shared success.

Only through collective action can society overcome the compounding crises that we face and become more resilient on a trajectory to achieve the SDGs. The strategic ambition of the UN Global Compact is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through ambitious, accountable companies and more enabling environments.

PROGRESS MADE IN 2021-2023

Over the last three years, we have made progress across our five prioritised shifts from the 2021-2023 phase, as we invested in laying the foundations for our long-term success. Progress includes:

- **Strong multi-dimensional growth:** Increased the participant base of the UN Global Compact to over 18,000 companies, alongside significant growth in local coverage
- **Effective value-delivery for our participants:** Deepened the wide programmatic portfolio of value-generating offerings and transitioned toward more inclusive programming

- **Strengthened our global positioning and external voice:** Elevated positioning within the UN system to the level of Assistant Secretary General through engagement of leadership at the UN Global Compact in multiple forums and several successes in how we campaign, partner and convene through flagship activities
- **Created a solid foundation for measurable impact and continued scale:** Launched the enhanced Communication on Progress and fostered a broader organisational shift towards measurable impact

RENEWED PRIORITIES FOR 2024-2025

As we look ahead to 2024-2025, the strategy extension of the UN Global Compact aims to build upon this progress, advance core opportunity areas identified through the recent consultations, and fill remaining gaps in our 2021-2023 strategic shifts. We recognize that the tenets of our 2021-2023 strategy remain relevant and there is opportunity to further drive achievement of our ambitions. Over the next two years, we will take the opportunity to build upon the foundations we have established to focus and deliver against our programmatic priorities and ambitions. The five revised priorities laid out in this strategy extension are intended to enable meaningful new strides in the current global, environmental, and social context across three different levels – end impact, impact drivers, and foundational enablers.

- 1. Ambitious, accountable companies:** A continuation of the priority from the last three years, the UN Global Compact will strive to support our participant companies as they move faster and farther in ensuring corporate sustainability and responsible business practices with a concrete focus on driving private sector accountability, credibility and ambition. The UN Global Compact will focus on influencing companies’ ambition towards their commitments by supporting their ability to advance, building on the already strong capacity building and engagement opportunities available to participants.
- 2. Enabling environments:** Beyond mobilising company action, the UN Global Compact recognises that it must participate in and influence the broader environment within which businesses operate to enable significant

1. 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, the Ten Principles of the UN Global Compact are a universal and timeless framework for corporate sustainability and responsible business practice.
2. “Responsible” and/or “Sustainable” business practices refer to integrating interests of stakeholders with environmental stewardship, social responsibility and long-term value creation
3. “Corporate sustainability” initiative encompasses both responsible and sustainable business practices, and includes all corporate actions that may affect the environment, human rights, labor conditions and governance.
4. As outlined in The Sustainable Development Goals Report 2023, p.48

and long-lasting change. This includes regulations, the financial system, competition, etc. In the next two years, the UN Global Compact will focus efforts on developing new, catalytic approaches to influencing and advancing global, regional and local enabling environments. To deliver this priority, we will engage in five key ways: participating in global forums convened by others, amplifying CEO leadership, advancing thought leadership, catalyzing innovations, and where appropriate, convening multiple actors from the private sector, the UN system, Government, and civil society to drive public policy advocacy around a shared agenda.

3. Measurable impact in prioritised thematic areas:

Delivering concrete, measurable impact remains at the core of the UN Global Compact's strategy. Anchored on the Ten Principles, the UN Global Compact will continue to advance meaningful change through focused, programmatic engagements across our ESG and cross-cutting portfolio in the areas of human rights, labour and decent work, climate action and environment, anti-corruption & governance, gender equality, SDG integration, leadership and sustainable finance. We will aim to not only drive business progress and achieve impact, but to develop the methodologies to measure and monitor it long-term.

4. Regionalisation and localisation of the UN Global Compact portfolio and partnerships:

Building on progress to date, UN Global Compact will continue to leverage our global platform, Regional Hubs and Local Networks to advance regionalisation and localisation across all areas of our work - strengthening our global

alignment; enhancing coordination with partners at local levels (including sister UN agencies and UN Country Teams); leveraging voices and convening platforms at regional and local levels, and building opportunities and capacity for Local Networks and businesses to achieve scale and impact. We will also continue to further our work in regionalising our global strategy through priority setting for all regions. These efforts will enable the UN Global Compact to better understand and address private sector priorities on the ground, co-create and deliver compelling, transformative, and relevant programming across all contexts in which we operate. In addition, we will continue to invest in our global partnerships to advance our efforts to support the UN in its coordination and mobilisation of the private sector towards national priorities.

5. Investing in our digital transformation:

UN Global Compact will focus on a digital transformation of the organisation. Enhanced digital infrastructure and capabilities will enable us to better deliver programming and impact at scale and ensure that we can effectively support our participant base as it grows. Furthermore, it will support participant reporting requirements, enable better use of our data for evidence-based decision-making, and will effectively encourage multilateral dialogue between UN Global Compact participants and other actors to foster more effective knowledge sharing and collaboration.

Continued investment into our enhanced Communication on Progress (CoP) will also be integral to this strategy extension, enabling us to measure and link progress to impact across the Ten Principles.

This strategy extension will continue to bolster the differentiation of the UN Global Compact and its growth through an embrace of our unique roles, delivery through a focus on business progress and impact, and discipline through selectivity in what we do.

Together, we are One Global Compact uniting business for a better world.



2. INTRODUCTION AND CONTEXT

ROLE OF THE UN GLOBAL COMPACT

Over two decades, UN Global Compact has mobilised companies around the world to align their operations and strategies around Ten Principles in the areas of human rights, labour, the environment, and anti-corruption and enabled them to report on their progress in living up to these principles.

As a precursor to the global business sector's corporate sustainability movement and the ongoing efforts to mainstream Environmental, Social, and Governance (ESG) actions in the corporate world, UN Global Compact has played an important role in driving positive change in the expectations and behaviour of the business world. Today the movement for sustainability is flourishing with new entities at global and national levels all working toward demonstrating contributions to sustainability. UN Global Compact works with all companies, be they global or local, large or small, in the Global North or the Global South, all with a view to advancing the responsible business agenda. The participant base of the UN Global Compact reflects this diversity. Our due diligence process seeks to ensure business participants are genuinely aligned to serving the agenda.

With the broad-based support of all 193 member countries of the United Nations General Assembly, UN Global Compact remains the single, global normative authority and reference point for action and leadership within a growing global corporate sustainability movement.

PRINCIPLED CORPORATE SUSTAINABILITY FOR PEOPLE AND PLANET

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses embody the same values and principles wherever

they have a presence and know that good practices in one area do not offset harm in another.

By incorporating the Ten Principles of the UN Global Compact 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 establishment in 2015 of the Sustainable Development Goals (SDGs) has created a global consensus on the development framework for a better world. Engagement of the business community in this agenda is critical. Achieving the Global Goals and the goals of the Paris Agreement requires the business community from the large multinational corporations to the small and medium-sized enterprises to purposefully embed the Ten Principles in their operations.

In the context of today's poly-crises, the Secretary-General's Our Common Agenda sets out a vision for inclusive multilateralism where Governments, business and civil society work together for effective, interconnected solutions. It is incumbent on the UN Global Compact to inspire ambitious and principled leadership to seize these opportunities, embed sustainable business models, and support businesses to do their part in this global effort to achieve the SDGs. As we look towards the next two years, UN Global Compact will support the broader UN system as it mobilises around the key transitions across climate action and biodiversity, energy, food, education, jobs and social protection and digital connectivity; bolster efforts related to the SDG Stimulus (including the reform of the International Financial Architecture) and actively participate in the 2023 SDG Summit and 2024 Summit of the Future to amplify and foster transformative change towards UN priorities across local, regional and global levels.

In this Decade of Action, there is an urgent need for the business community to raise its ambition and use its resources, scale, and speed, to meaningfully contribute to delivering the SDGs. As businesses transition towards principled, sustainable business practices, the private sector will increase innovation, build business resilience, and advance their competitive advantage and positive impact across a company's value chain. It is now essential for businesses to embed principles of sustainability in their ways of working, set ambitious targets, and act with partners to accelerate delivery of the 2030 Agenda.

Only through collective action can society overcome the compounding crises that we face and become more resilient on a trajectory to achieve the SDGs.

EVOLVING CORPORATE SUSTAINABILITY WORLD

Progress is being made. Corporate sustainability has reached the mainstream, along with ever stronger calls for business leaders to show responsibility vis-a-vis all stakeholders in society, and a changed regulatory landscape. There is strengthened awareness and expectations of accountability in corporate action, and steady growth and interest in sustainable finance and ESG investment. Every participant of the UN Global Compact has committed to make progress on embedding the Ten Principles in their operations and ways of doing business. Companies are naturally at different stages in their sustainability and responsibility journeys and UN Global Compact has embraced them so long as they commit to continuing that journey and demonstrating progress.

As we look to the next decade, there is a significant cause for concern about the future of our society and planet. Within the global business community, current targets and actions are insufficient. Even within the current business participants of UN Global Compact, only 41% of companies believe their targets are sufficiently ambitious and only 51% are embedding SDGs into their core business⁵. We are at a crucial mid-point in the 2030 Agenda, with only seven years left to shift the world onto a 1.5°C trajectory, reduce global inequalities, and achieve the substance of the SDGs.

As we look towards the next two years, multi-stakeholder action will be critical to our collective success. The UN Global Compact will continue to support and mobilise the private sector to take bold action - they need to be equipped, enabled and accountable to contribute to accelerated progress on priority transitions, the SDGs and the Paris agreement.

We must continue to uphold the Ten Principles and rise to Kofi Annan's challenge to devise a "compact on the global scale, to underpin the new global economy." With this motivation, UN Global Compact will extend its 2023 Strategy to 2025 to further support the goals of the Decade of Action to catalyse bolder, faster, and at-scale action by businesses of all sizes, in all sectors, and across the world.

5. UN Global Compact 20th-Anniversary Progress Report: Uniting Business in the Decade of Action.

3. REFLECTIONS ON THE FIRST THREE YEARS OF OUR STRATEGY (2021-2023)

In late 2020, we launched our Global Strategy for 2021-2023, with the goal of establishing a clear path forward for the UN Global Compact in the Decade of Action. To achieve this, we prioritised five “strategic shifts” for the period, to better support and enable us to drive transformational change for society and the environment through business. Over the last three years we have laid critical foundations across core areas of our work, such as bolstering our value delivery to business participants and launching an enhanced Communication on Progress. As we reflect on the progress made, we also look towards the next two years as an opportunity to build on our strengths, close remaining gaps and invest in our foundations to enable continued scale in the years to come.

1. Accountable Companies In this first phase of the strategy (2021-2023), we aimed to move participant companies faster and farther than others in demonstrating progress on corporate sustainability and responsible business practices. Over the last three years, we have invested heavily in supporting participant companies to advance their understanding of the Ten Principles, particularly climate action, gender and good labour practices. In collaboration with SBTi, the mobilisation of the Business Ambition for 1.5°C campaign laid the groundwork for an increase in ambition and mainstreamed 1.5°C as the “new normal” of corporate target-setting. We have also endeavoured to increase the relevance of our support by localising and regionalising our content and offerings, in partnership with our Local Networks and newly created Regional Hubs. Furthermore, we enhanced and relaunched our Communication on Progress (CoP) which will form the foundations of our work in accountability moving forward. In 2023, we launched the Forward Faster Initiative focused on driving company accountability towards ambitious targets across issue areas. Our latest data estimates that 41 per cent of UN Global Compact business participants are setting ambitious goals tied to societal needs – a figure we aim to increase in the next two years.

2. Balanced growth of Local Networks and Regional Hubs for global coverage Over the last three years, we targeted growth in both the breadth (i.e., new Local Networks) and depth (i.e., extended engagement in existing Local Networks) of our work across the globe. Since 2020, we have successfully expanded our network, and now cover 102 countries through 62 Global Compact Local Networks. With our increased recognition of the importance to grow in developing and emerging economies, our organisational country coverage has shifted from 31% developing countries in 2020 to 68% at the end of 2022. In order to bolster our relevance by listening and responding closely to emerging business imperatives across different regions, we have invested in our Regional Hub model. Today we have five Regional Hubs, including two new Hubs created during the first three years of our strategy - one in Africa (Abuja) and one in Europe (Copenhagen), which add to the Asia-Pacific, Latin American and Middle East hubs. Subregional outposts such as one in the Caribbean are also being developed. Although we have experienced significant growth in prioritised areas, participant growth has been slow in Africa during the initial strategy period, highlighting the urgency to bolster our efforts. As we look ahead to the next two years, the UN Global Compact intends to continue its growth trajectory with a focus on ensuring balanced growth, alongside greater investment in internal capacity to ensure we maintain the quality of our offerings to our business participants.

3. Measurable impact in prioritised areas In the 2021-2023 phase of the strategy, we put the Ten Principles at the centre of our programmatic efforts and prioritised five SDGs the UN Global Compact intended to lead and shape in the private sector - Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Climate Action (SDG 13), Peace, Justice and Strong Institutions (SDG 16), and Partnerships (SDG 17). Over the last three years, we have worked to align our programming with these core themes and advance the tools available to enable measurement of impact going forward. With the re-launch of our Communication on Progress and

our investments in a central Monitoring and Evaluation (M&E) framework for the UN Global Compact, we look towards the next two years as a critical moment and opportunity to convert our programming successes into measured, material progress in prioritised issue areas.

4. Harnessing the collective action of SMEs In our 2021-2023 priorities, we emphasised the importance and role of small and medium sized enterprises (SMEs) in corporate sustainability and responsible business practices, especially in the Global South. Over the last three years, we have invested in developing our SME strategy, looking deeply at areas such as supply chains, and in growing our reach and relevance to this segment of the private sector. Today, 62 per cent of our participant base are SMEs. As we look towards the next two years, we intend to bolster our attention to this topic by ensuring the necessary capacity and expertise within the UN Global Compact Office and in Global Compact Local Networks to grow and implement our SME strategy.

5. Strong and active engagement with the UN As a core initiative of the United Nations, the UN Global-Compact recognized the importance and potential for magnified impact from deep collaboration with and across the UN system in its 2021-2023 strategy. Over the last three years, we have made significant progress in deepening collaboration with UN partners, including the development of shared work plans with the four “Guardians of the Ten Principles” and increased collaboration and coordination with the UN Resident Coordinator Group. Additionally, the Executive Director of the UN Global Compact’s position was elevated within the system to the level of Assistant Secretary-General providing a new platform for us to amplify our actions. As we look towards the next two years, our priority is to better support Global Compact Local Networks in their collaboration with other UN agencies and relevant Alliances convened by the Secretary-General at the global and country level. Furthermore, the Global Compact acts as a connector between its private sector stakeholders and the entities of the UN development system on specific topics, issues or events at the global, regional and national levels.

4. FIVE PRIORITIES FOR 2024 AND 2025

To develop the 2021-2023 strategy, a rigorous, evidence-based, and broad consultative process was followed. For each element of our strategic framework, a range of choices were evaluated and deliberated upon to identify the right way forward for the UN Global Compact.

This disciplined process set directions in several areas, as outlined above, which collectively amounted to five strategic shifts for the UN Global Compact over the first three years. Each of these shifts built upon existing foundations and successes and enabled meaningful new strides in the current global, environmental, and social context.

Looking towards the next two years, further consultations were conducted to take stock of the progress of the UN Global Compact against these five strategic shifts and identify opportunities going forward. As a result of this process, five priorities across three different levels – end impact, impact drivers, and foundational enablers - have been established for the UN Global Compact to focus on in the next two years of the strategy.

1. Ambitious, accountable companies: UN Global Compact will strive to support our participant companies as they move faster and farther than others in ensuring corporate sustainability and responsible business practices. In this regard, the UN Global Compact provides a clear framework for ambitious commitments through the Ten Principles and the SDGs, and supports participant businesses as they strive to be accountable to their commitments to society and the planet. Over the next two years, the UN Global Compact will focus on influencing companies' ambition exploring opportunities to leverage our enhanced Communication on Progress (CoP) to motivate increased ambition among business participants, while also providing a clear framework for companies to demonstrate progress. We acknowledge the complexities associated with rapidly evolving regulatory and reporting obligations and their significance for businesses, as well as the need for clear and streamlined processes. As part of our enhanced Communication on Progress (CoP) effort, we will consider both developing standardised progression steps for best-in-class companies to inspire greater action among business

participants and recognise examples among business participants. We will also continue to advance our goal of driving balanced, multi-dimensional growth in our participant base.

2. Enabling environments: UN Global Compact will broaden its scope of activities and focus on influencing the enabling environment, driving collective progress on the Ten Principles and fostering public-private dialogue for accelerating the SDGs and key transitions. Beyond mobilising company action, the UN Global Compact recognises that it must participate in and influence the broader environment within which businesses operate to enable significant and long-lasting change. To deliver on this priority, we aim to make a concerted effort to ensure that the various activities, campaigns, and agendas of the UN Global Compact are appropriately understood and embedded in broader conversations. To drive this work forward, the UN Global Compact will engage in five core levers of action: participating in global forums convened by others, amplifying CEO leadership and voices as a critical unlock for raising the ambition in the private sector across the globe, advancing thought leadership, catalysing innovations, and where appropriate, convening multiple actors from the private sector, the UN system, Government, and civil society to drive public policy advocacy around a shared agenda.

3. Measurable impact in prioritised areas: Delivering concrete, measurable impact remains at the core of the UN Global Compact's strategy. Anchored on the Ten Principles, the UN Global Compact will continue to advance meaningful change through focused, programmatic engagements across our ESG and cross-cutting portfolio in the areas of human rights, labour and decent work, climate action and environment, anti-corruption & governance, gender equality, SDG integration, leadership and sustainable finance. We will aim to not only drive business progress and achieve impact, but to develop the methodologies to measure and monitor it long-term.

4. Regionalisation and localisation of the UN Global Compact portfolio and partnerships: Building on progress to date, UN Global Compact will continue to leverage our global platform, Regional Hubs and Local Networks to advance regionalisation and localisation across all areas of our work - including strengthening global alignment through Local Networks and Regional Hubs; enhancing coordination with partners at local levels (including sister UN agencies and UN Country Teams) to increase our scale and scope; leveraging voices and convening platforms at regional and local levels, and investing in building opportunities and capacity for Local Networks and businesses to achieve scale and impact. To assist with these efforts, we will also further our work to regionalise our global strategic priorities, by extending national and country strategies (including our Africa and China strategies) through 2025 and developing priorities for all our regions. These efforts will enable the UN Global Compact to better understand and address private sector priorities on the ground and deliver compelling, transformative, and relevant programming across all contexts in which we operate. In addition, we will continue to invest in our global partnerships to advance our efforts to

support the UN in its coordination and mobilisation of the private sector towards national priorities. We will work to strengthen our positioning towards becoming a recognised partner of local governments in delivering the 2030 Agenda.

5. Investing in our digital transformation: UN Global Compact will focus on a digital transformation of the organisation. Enhanced digital infrastructure and scaling capabilities across the UN Global Compact will enable us to better deliver programming and impact at scale and ensure that we can effectively support our participant base as it grows. Furthermore, it will support participant reporting requirements, enable better use of our data for evidence-based decision-making, and will effectively encourage multilateral dialogue between UN Global Compact business participants and other actors to foster more effective knowledge sharing and collaboration.

Continued investment into our enhanced Communication on Progress (CoP) will also be integral to this strategy extension, enabling us to measure and link progress to impact across the Ten Principles.

FIGURE 1: FIVE PRIORITIES FOR 2024 AND 2025

- **AMBITIOUS, ACCOUNTABLE COMPANIES**
- **ENABLING ENVIRONMENTS**
- **MEASURABLE IMPACT IN PRIORITISED AREAS**
- **REGIONALISATION AND LOCALISATION OF THE UN GLOBAL COMPACT PORTFOLIO AND PARTNERSHIPS**
- **INVESTING IN OUR DIGITAL TRANSFORMATION**

5. STRATEGIC FRAMEWORK

The 2021-2023 UN Global Compact Strategy was built upon a Framework with five key elements, each representing a deliberate, specific set of choices on our ambition, on who we will engage, on the issues and programmes we will focus upon, and on how we will operate (See **Section 6** for more detail).and the value it provides to business?

To achieve this ambition, we continue to seek to drive impact through two main vectors: **Ambitious, Accountable Companies and Enabling Environments** (See **Section 7** for more detail).

We will drive this intended impact by engaging with key stakeholders including our business participants and other selected groups including the UN, governments, civil society, academia, investors, labour, and industry and sector coalitions (in particular, energy and extractives, transport, manufacturing, and infrastructure). At its core, this ambition requires the UN Global Compact to **harness the impact of united and aligned collective action** across all our Global Compact Local Networks, business participants, and stakeholders. (See **Section 8** for more detail).

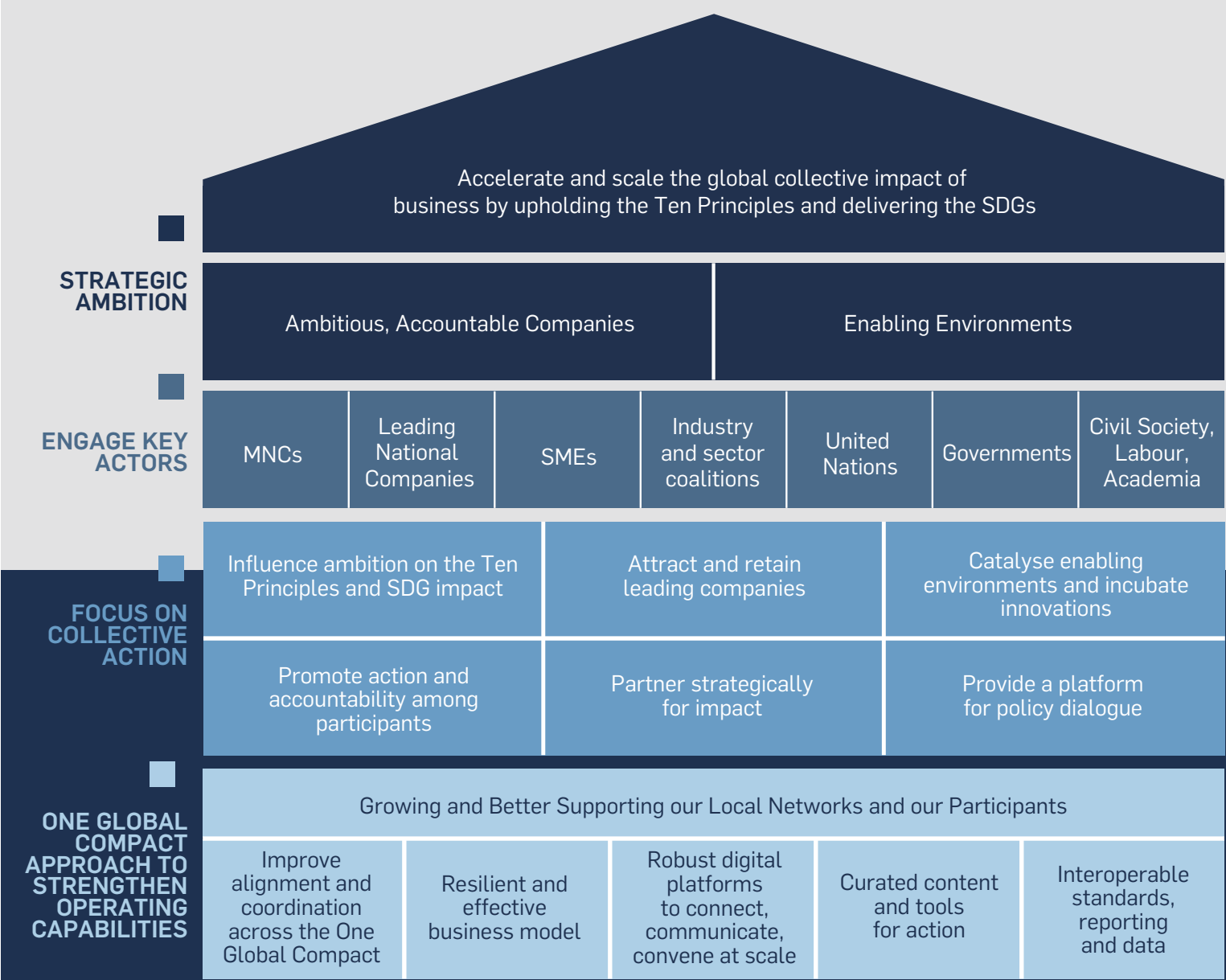
We have defined a set of issue areas where the greatest impact can be expected. For these, together with our Local Networks, business participants and partners, we will co-create **programmes** that are best suited to leverage our unique capabilities and achieve global scale. (See **Sections 10** for more detail).

We will achieve this collective action by embracing six focused roles, each of which leverage the unique assets of the UN Global Compact and its place in the world. (See **Section 11** for more detail).

To effectively and efficiently deliver, we will invest and ensure a **strong foundation of internal capabilities** that grow and empower effective Local Networks; improve alignment and coordination internally; refine our resourcing model; scale through robust digital platforms that connect, communicate, and convene; curate content and tools for action; and confirm progress with interoperable standards, reporting and data. (See **Section 12** for more detail)

Implementation of the strategy will be measured with clear indicators (See **Section 13**) and will begin with an operationalisation phase, bringing all relevant stakeholders together to initiate actions in various workstreams.

FIGURE 2: UN GLOBAL COMPACT STRATEGIC FRAMEWORK



6. OUR VISION AND AMBITION

In this Decade of Action, the strategic ambition of the UN Global Compact is to **accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through ambitious, accountable companies and environments that enable change.** Together, the Ten Principles and the SDGs equip business with both the values and vision to help companies make a meaningful contribution to people and the planet. This ambition is aligned with and supports the work of the universe of UN agencies and entities at all levels to advance the Global Goals to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

Through the consultative Strategy Extension process, UN Global Compact has refined the expression of our ambition's three core components: 1) Driving transformational change in business for both people and planet; 2) Central UN-entity bridging the private sector with the public sector; 3) Upholding the Ten Principles and delivering the SDGs.

DRIVING TRANSFORMATIONAL CHANGE IN BUSINESS FOR PEOPLE, PLANET, AND PROSPERITY.

Our most fundamental ambition is to drive transformational change through the global collective impact of business. Over time, our goal is to raise the floor – the baseline – and raise the ceiling – the expectations – on the social contract of business to communities across all Ten Principles in the areas of human rights, labour, the environment, and anti-corruption.

CENTRAL UN-ENTITY DRIVING PARTNERSHIP AND COLLABORATION BETWEEN THE PRIVATE AND PUBLIC SECTORS

One of the pivotal roles of the UN Global Compact is to act as a catalyst for driving collaborative change across public and private sectors. Our central purpose as an organisation is to **bring the collective impact of business and Governments together to drive transformational change for people and planet.** As we reflect on the mid-point of the 2030 Agenda for Sustainable Development, and the recent 20-year milestone of the UN Global Compact, we hope to bolster this core tenet of our identity, and act as a driver of cross-sector partnership and collaboration. Along these lines, we will promote and engage in public-private dialogues around the key transitions prioritised by the UN for accelerating SDG implementation.

UPHOLDING THE TEN PRINCIPLES AND DELIVERING THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The UN Global Compact was founded to “bring a human face to the global market”⁶ - mobilizing companies to uphold, promote, and embed the Ten Principles in business⁷. The underlying notion is that corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption. Our strategy and ambition are to take business participants



beyond this minimum, and onto a journey of demonstrated continuous improvement in the impact that they create. Responsible businesses manifest the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. Participants of the UN Global Compact agree to uphold these non-negotiable commitments. By incorporating the Ten Principles of UN Global Compact into strategies, policies, and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and the planet, but also setting the stage for long-term success.

While the Ten Principles are timeless and define how an organisation works and interacts with society, customers,

employees, suppliers, and the environment, the SDGs are a timebound framework for what we seek to achieve.

The stated ambition of the UN Global Compact relies on the adoption, integration, and implementation of the Ten Principles by the business sector as essential to positively contributing to the implementation of the 2030 Agenda and the achievement of the SDGs, and global collective impact. In this respect, the UN Global Compact encourages devising sustainable business models and corporate practices, as well as public-private dialogues for sustainability, in particular around the key transitions required to accelerate SDG implementation.

The strategic ambition of the UN Global Compact is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through ambitious, accountable companies and environments that enable change.

6. Secretary-General Kofi Annan Address to the World Economic Forum in Davos, Feb 1999.
7. These principles 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.

7. OUR DRIVERS OF IMPACT

We see a clear need for greater ambition by more individual companies, to embed the Ten Principles in their businesses, and demonstrate an increased focus and commitment towards specific corporate goals and targets.

Therefore, our strategy calls on us to continue to focus on collective corporate action, **where our business participants are not just representative of the world, but are ambitious in their aspirations, and demonstrate leadership in their accountability to the commitments they make to society and the planet.**

RE-DEFINING PARTICIPATION IN UN GLOBAL COMPACT: A COMMITMENT TO ACTION AND PROGRESS

To accomplish a united, collective impact at global, regional and country levels, we will focus our efforts in two broad areas: on ambitious, accountable companies and in enabling the environments in which they operate towards SDG acceleration.

Ambitious, accountable companies are businesses that are committed to accelerating their own individual commitments to society and to the planet and are ambitious in their goals to become leaders among their peers on responsible business, which will ultimately lead to long-term success and corporate advantage for businesses. To help companies easily chart a path with ambitious yet achievable commitments, UN Global Compact provides a framework for progress for participants through its Ten Principles and alignment with the SDGs.

We believe we have a responsibility to help our participant companies move faster and farther than the average company in demonstrating progress in corporate sustainability and responsible business practices.

By ensuring accountability to, and fulfilment of, the Ten Principles of the UN Global Compact and the SDGs, we provide a holistic approach and framework in which our participants are effectively accountable to their commitments to society. It is more important than ever for businesses to be ambitious in taking on credible, accountable pledges. Private sector leadership is vital to advance sustainable development and fight the existential threats of climate change, widening inequalities and a global pushback against human rights and gender equality.

This means forging partnerships with our business participants, ranging from MNCs to national companies to SMEs, who commit to setting clear priorities across the principles and SDGs, and have a willingness to do the work even when it gets uncomfortable, to advance their performance on corporate sustainability and responsible business practice. And to do so transparently.

It also means strengthening our accountability systems, such as the enhanced Communication on Progress (CoP), providing a participant engagement model that is inclusive, and encouraging for business participants from all industries, regardless of their starting point, to show a clear, demonstrable commitment to act and accelerate their measured progress.

The enhanced Communication on Progress (CoP) will continue to be an annual requirement for business participants and will enable businesses to recognise expected norms as guidance for action, learn how to effectively report on the Ten Principles and SDGs, track their own progress and identify areas for improvement, view data of others to identify best practices by industry or sector, and navigate curated content and tools based on their own progress. Clearly linking reporting and learning provides a significant new value proposition to business participants.

To further drive ambition and SDG acceleration, the UN Global Compact will challenge businesses to raise their ambition levels by taking tangible, accountable actions in five areas – gender equality, climate action, living wage, water resilience, and SDG finance and investment. Particularly in alignment with the Secretary-General’s call on all business leaders to present credible and detailed transition plans — in line with the recommendations of the High-Level Expert Group on net zero pledges.

Enabling Environments refers to the broader environment upon which companies, stakeholders, global and local communities and networks operate within, including barriers and enablers of collective action on the Ten Principles and the SDGs. Beyond mobilising company action, the UN Global Compact recognises that it must participate in and influence the broader environment within which businesses operate to enable significant and long-lasting change. This includes regulations, the financial system, competition, etc. In the next two years, the UN Global Compact will focus efforts on developing new, catalytic approaches to influencing and advancing global, regional and national enabling environments.

To deliver this priority, we will engage in five key ways: participating in global forums convened by others, amplifying CEO leadership, advancing thought leadership, catalysing innovations, and where appropriate, convening multiple actors from the private sector, the UN system and civil society locally, regionally and globally to drive advocacy around a shared agenda.

- Through participating in global forums, we expand our network of partners across geographies.
- Critical to our efforts will also be a renewed focus on amplifying CEO voices across our thought leadership, convenings and in other contexts to influence sector-wide ambition. We endeavour to bring together CEOs from across industries and geographies to drive collective action and impact.
- Through advancing thought leadership, we drive the ambition of an effective environment and create strong mechanisms to support accountability.
- Through catalysing innovations, we work with partners to incubate and develop game changing programs and platforms (e.g., SBTi) to drive impact.
- Finally, through convening, we strive to bring public and private actors together regionally and globally around shared agendas to foster connections, provide a platform for public-private policy dialogue and policy advocacy.

We aim to make a concerted effort to ensure that the various activities, campaigns, and agendas of the UN Global Compact are appropriately understood and embedded in broader conversations in order to encourage, facilitate, and drive collective collective progress on the Ten Principles and fostering public-private dialogue and impact towards achievement of the SDGs. Over the next two years, the UN Global Compact will build upon the foundation established through the strategy, strengthen efforts already underway and explore new, catalytic ways to effectively advance this priority.

We will actively work with partners to continually shape and reshape the global and national environments to ensure businesses are enabled to make positive sustainability-oriented changes through multi-stakeholder collective action, supportive regulatory structures, and active sustainability-focused policy platforms.

Beyond mobilising company action, the UN Global Compact recognises that it must participate in and influence the broader environment within which businesses operate to enable significant and long-lasting change.

8. BUSINESS PARTICIPANTS AND STAKEHOLDERS

The ambition of the UN Global Compact for global collective action requires the organisation to harness energy, focus and attention across all our Local Networks, Regional Hubs, business participants, and stakeholders.

As an initiative of the UN Secretary-General with a mandate from the UN member states, we strive to continually strengthen collaboration with sister agencies, with UN Resident Coordinators, and with UN Country Teams. We will maintain a closer partnership with the “Guardians of the Ten Principles,” namely the International Labour Organization (ILO), UN Environment Programme (UNEP), Office of High Commissioner for Human Rights (OHCHR), and the United Nations Office on Drugs and Crime (UNODC).

Businesses across all participant constituencies, including MNCs, national companies and SMEs, are critical stakeholders as they are our primary agents of change. However, UN Global Compact is not just for business, it is a business-led multi-stakeholder coalition. As such, we regularly engage with civil society, labour, academia, expert networks, foundations, funding partners, industry and sector coalitions, peer organisations, government partners, and the United Nations.

BUSINESS PARTICIPANTS

Our business participants comprise primarily three types of businesses: Multinational Corporations (MNCs), leading national companies, and small and medium sized enterprises (SMEs). Each of these business participants are a key constituency for the UN Global Compact, and we require solid representation and engagement of each type to ensure we have the global, collective, at-scale impact we seek. Additionally, in coordination with other UN entities, the participation of other stakeholders, including from govern-

ment, academia and civil society may be encouraged to participate, particularly in the framework of public-private dialogues.

The UN Global Compact provides business participants with a unique value proposition:

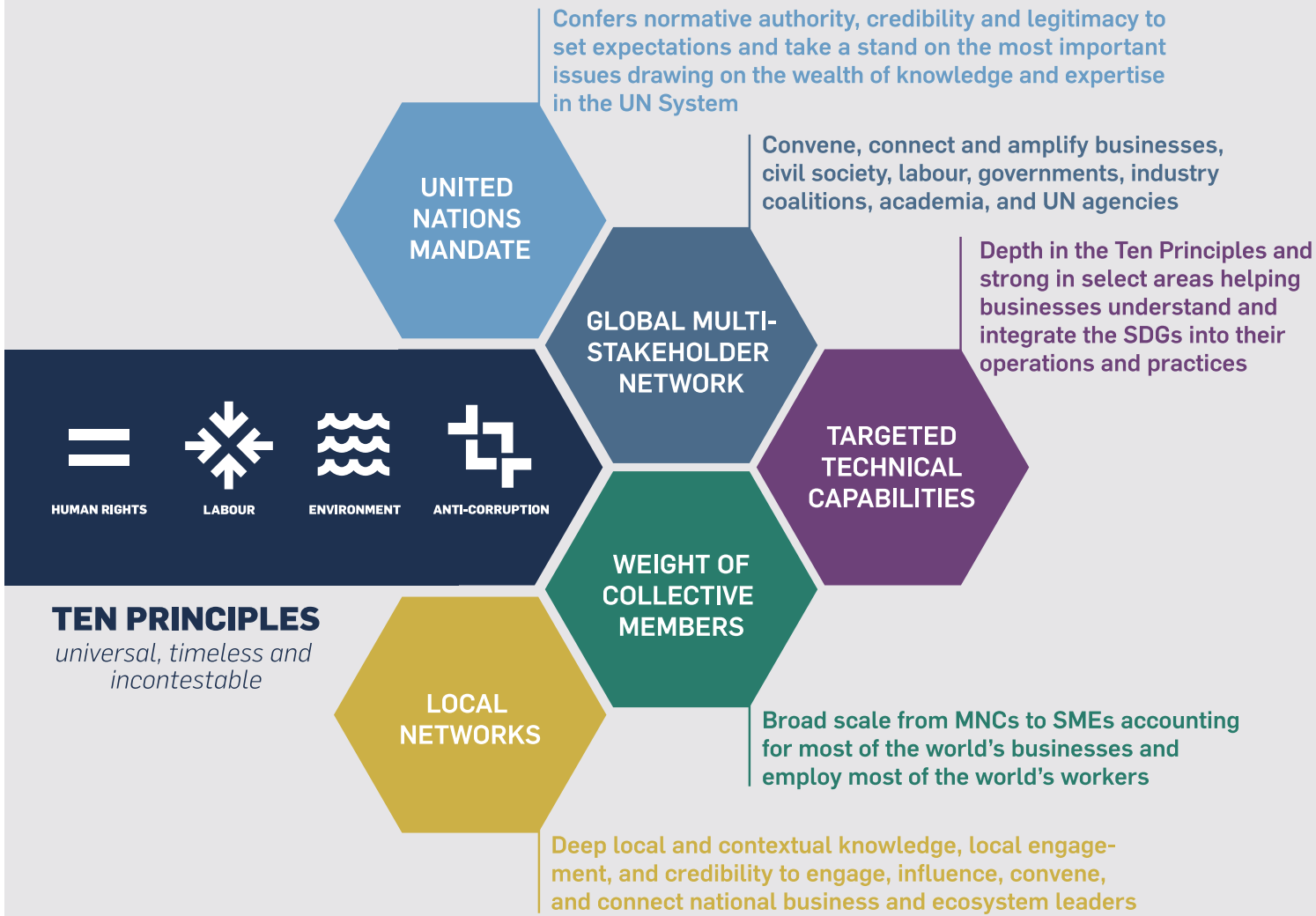
- First, the mission of the UN Global Compact is anchored on Ten Principles that are universal, timeless, and incontestable. These principles apply to all types of entities, sizes of business, wherever they operate in the world. They are the framework for what a responsible business must build into its ways of working.
- Second, through our global multi-stakeholder network and as part of the UN System, UN Global Compact is uniquely placed to convene, connect, and amplify businesses, civil society, labour, governments, industry coalitions, academia, and UN agencies to raise ambitions, catalyse action, advance policy dialogue, and curate and create knowledge, content and tools.
- Third, the normative authority of the UN Global Compact is drawn from the mandate conferred by all 193 members of the United Nations General Assembly. Our United Nations mandate “to advance United Nations values and responsible business practices” among the global business community ensures that the actions and activities of UN Global Compact come with the credibility and legitimacy to set expectations and take a stand on the most important issues, drawing on the wealth of knowledge and expertise in the UN System.
- Fourth, Global Compact Local Networks in all corners of the world provide deep local knowledge,

local engagement, and the credibility to engage, influence, convene, and connect national business and ecosystem leaders in each country where they are present.

- Fifth, the weight of collective business participants of the UN Global Compact includes a broad scale from MNCs to SMEs. Indeed, SMEs as a segment account

for most of the world’s businesses and employ most of the world’s workers. They have not been fully engaged in the corporate responsibility agenda in a clear and effective manner. That said, SMEs account for well over half of the business participants of the UN Global Compact and provide an essential opportunity for engagement in the global corporate sustainability and responsible business practice agenda.

FIGURE 3: UN GLOBAL COMPACT UNIQUE SOURCES OF VALUE FOR PARTICIPANTS



- Finally, UN Global Compact has built targeted technical capabilities and helps businesses understand and integrate the Ten Principles into their business practices to achieve desired SDG impact in their operations and practices. UN Global Compact programmes meet business needs at scale across issue area. As businesses transition towards principled, sustainable business practices, the private sector will increase innovation, build business resilience, and advance their competitive advantage and positive impact across a company's value chain.

While our broad value proposition is relevant to the entire business sector, UN Global Compact offers differentiated value to MNCs, national companies, and SMEs enabling all of us to achieve the global collective impact we seek.

FIGURE 4: UN GLOBAL COMPACT VALUE PROPOSITION BY PARTICIPANT CONSTITUENCY

MULTI-NATIONAL CORPORATIONS	LEADING NATIONAL COMPANIES	SMALL AND MEDIUM SIZED ENTERPRISES
■ Join leading companies committed to and recognized for a journey toward responsible, sustainable business and impact on the SDGs alongside the UN ■ Learn how to implement best practices in corporate sustainability in your business and supply chains through curated educational resources, practical tools and engaging with peers ■ Access to Local Networks to engage their national subsidiaries in better practices, a responsible business environment, and enable understanding of national impacts ■ Insight on the use of reporting to demonstrate and be recognized for impact on upholding the Ten Principles and delivering the SDGs, particularly in focus areas ■ Be involved in platforms to collectively engage governments and regulators on policy dialogue, including at the global level	■ Join leading companies committed to and recognized for a journey toward responsible, sustainable business and impact on the SDGs alongside the UN ■ Learn how to implement best practices in corporate sustainability in your business and supply chains through curated educational resources, practical tools and engaging with peers in their country context ■ Network with local responsible SMEs and other value chain actors ■ Insight on the use of reporting to demonstrate and be recognized for impact on upholding the Ten Principles and delivering the SDGs, particularly in focus areas ■ Be involved in platforms to collectively engage governments and regulatory bodies on policy dialogue	■ Join and learn from leading national companies committed to and recognized for a journey toward responsible, sustainable business and impact ■ Better understand norms and expectations for responsible business and a sustainable company ■ Access curated educational resources and practical tools to best practices for responsible business ■ Network with other companies across the value chain on a journey to sustainability ■ Collective representation to engage governments and regulatory bodies on policy dialogue that improve the context for SMEs

STAKEHOLDERS

Beyond business participants, UN Global Compact's unique role as a multi-stakeholder initiative enables us to leverage our capabilities to meet the specific needs of various stakeholders:

For industry and sector coalitions, UN Global Compact engages to advance the corporate sustainability and responsible business agenda through their participants and platforms. We connect them to respected and credible thought leaders, knowledge, resources, and thinking of the UN system and other partners. We provide an opportunity to be an action or knowledge partner on bringing into practice the Ten Principles. As we progress into the last two years of our strategy, UN Global Compact will continue to engage with sectors that are high priority in addressing SDG acceleration and achieving the goals of the Paris Agreement, such as energy transition, climate action and extractives, transport, manufacturing, and infrastructure.

For investors, UN Global Compact actively engages and advocates for the integration of corporate sustainability and responsible business practices, including ESG metrics, in investment decisions. This will further strengthen national and global sustainability ecosystems, increasing the incentives and making it easier for businesses to employ sustainable practices.

For governments, UN Global Compact is a vehicle through which governments can engage the private sector to advance their SDG-related policy objectives. We act as a policy interlocutor at global and regional levels and in all countries with Local Networks, and facilitate policy dialogue between governments, industry associations, and the private sector.

For Civil Society, Labour, Academia (i.e., PRME), UN Global Compact is a critical connector between the business community and these essential environment actors, drawing on expertise and experience of all partners to strengthen dialogue with business and government at the global and national levels.

For the United Nations, UN Global Compact brings the voice of the business sector and a credible engagement with all UN System participants – UN secretariat entities, agencies, funds and programmes, RCOs, and UNCTs – with a view to enabling greater alignment of business with the SDGs and demonstrated progress on the goals.

Specifically, our strategy extension calls for the UN Global Compact Local Networks to deepen local UN collaboration by engaging and supporting RCOs and UNCTs to incorporate business data, insights, and expertise in UN Common Country Analysis and Sustainable Development Cooperation Frameworks, and to implement, in partnership with the private sector, results under the Cooperation Frameworks.

For UN stakeholders, this strategy extension provides a prime opportunity to re-emphasize cross-agency collaborations, as outlined in our Memoranda of Understanding (MOUs), at the regional and local levels. It also enables consistent, unified messages across agencies in priority areas within the SDGs.

FIGURE 5: UN GLOBAL COMPACT KEY STAKEHOLDERS



9. PRIORITY PROGRAMMATIC ISSUE AREAS

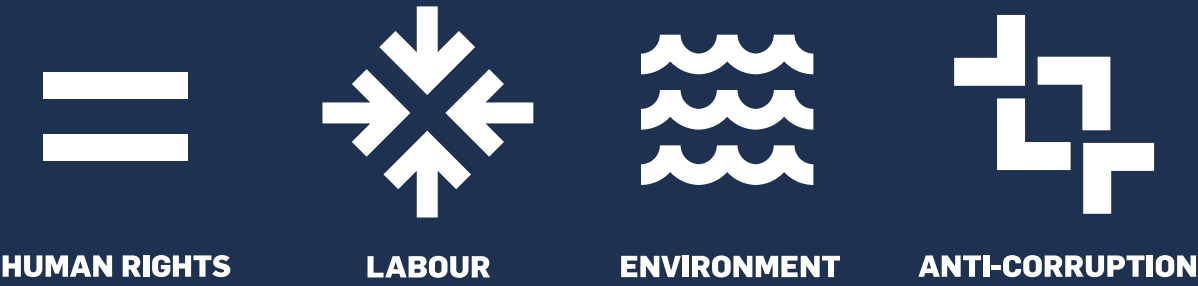
To achieve the global collective impact we seek, we will channel our organisation's energy and resources to a set of priority issue areas where business has the highest potential for impact and which can serve as multipliers advancing progress across all of the interconnected SDGs. In order to ensure that the private sector makes the greatest possible contribution to the 2030 Agenda, the UN Global Compact will continue to advocate for businesses to adopt a holistic approach to the SDGs anchored in the Ten Principles on human rights, labour, environment, and anti-corruption.

- The focus areas of the UN Global Compact, therefore, intend to:
- Be responsive to our business participants' needs
- Ensure relevance and inspire action by all types of businesses
- Prioritise actions where businesses have the highest potential for impact
- Be additive to global and national sustainability ecosystems
- Align with the broader UN priorities
- Leverage the unique capabilities of the UN Global Compact, our assets, and reach

In the broad stakeholder consultations completed for the 2021-2023 strategy, we prioritised our activities to accelerate action on the SDGs in three general categories: those issue areas where we will aim to lead and shape the private sector agenda, those on which we seek to cooperate with others and those for which we will amplify the work of others. **Appendix 1** summarises our SDG priorities that were outlined in the first phase of the strategy.

FIGURE 6: PRIORITY ISSUES

THE DNA OF THE UN GLOBAL COMPACT



LEAD AND SHAPE



CO-OPERATE WITH OTHERS



FOLLOW AND AMPLIFY





Making meaningful progress on the SDGs requires attention to its defining features of integration and indivisibility. Over the last three years, we have refined our programmatic portfolio to align with, and deliver against, the “lead and shape” issue areas⁸ as well as our multi-stakeholder coalitions. As such, our programmatic engagements across environment, social sustainability, governance and cross-cutting are focused on below issue areas:

ENVIRONMENT:

Climate: achieving net-zero GHG emissions, setting Science-Based Targets for businesses transition to net zero, and promoting Just and Equitable Transition, biodiversity and climate finance

Ocean: promote sustainable ocean business opportunities and advance the Just Transition in operations

Water: promote water stewardship to help business participants manage water-related risks and contribute to sustainable management of the world’s freshwater sources

SOCIAL SUSTAINABILITY:

Human Rights: support business participants to understand and commit to their responsibility to respect human rights and build participants' capacity to develop, implement and communicate ongoing human rights due diligence processes guided by the UN Guiding Principles on BHR (focusing on risks-to-people) as the means to act and account on their commitments.

Labour and Decent Work: strengthen respect for labour rights, promote inclusive workplaces, advance decent work and raise living standards for all workers across business operations and supply chains, ensuring companies move beyond policy commitments by taking concrete action to implement the four Labour Principles.

Gender Equality: support companies to take action and demonstrate measurable impact to advance gender equality across the workplace, marketplace and community by setting targets with corresponding policies and programmes that progress women’s economic empowerment and participation.

GOVERNANCE:

Anti-corruption: support business participants to work against corruption in all its forms, including bribery and extortion, by looking internally and externally at their operations, identifying areas of exposure and favouring transparency and reporting in all cases

Governance: support business participants to infuse good governance and strong legal practices across their business operations, value chains and legal, financial, and institutional systems.

CROSS-CUTTING:

Sustainable Finance: convening owners and providers of capital to infuse responsible practices and sustainability into all aspects of financial management and align more financing with the SDGs

SDG Integration: challenging companies everywhere to develop more ambitious business strategies and goals to advance the integration of SDGs frameworks through their core corporate strategies and practices

Leadership: addressing gaps in learning and action on sustainability leadership to mobilise CEOs to respond to systems-level issues aligned with UN priorities; strengthen strategic foresight and thought leadership on the evolving role of business in society

Furthermore, our work in enabling the environment is designed to advance SDG 17 by promoting partnership and system-wide change (see Section 7 for more detail) in all programmatic engagements. To stay relevant and to effectively hear perspectives from our network, a quarterly Programme Portfolio Review process has also been established to support the planning and implementation of the programmatic portfolio. This includes a process for reviewing proposed and emerging themes and issues against prioritisation criteria. Recognizing the importance of ongoing exchange and the nurturing of new ideas, an innovation pipeline was formalised in order to ensure new suggestions from Local Network, Regional, HQ staff, and partners are captured and discussed throughout the year.

In the next two years of this strategy, the UN Global Compact will not only further prioritise efforts within our 'Lead and Shape' issue areas but also expand our growing efforts to identify and collaborate on regional programmatic priorities. This will help us scale ambitious action through our multi-stakeholder coalitions and drive forward key areas of engagement within the portfolio, where we are best positioned to leverage business behaviour change and impact. This will also enable us to be even more focused in our work, prioritising the critical areas of the Lead and Shape issue areas where our business participants can have the most meaningful impact.

Later sections describe in more detail how we will continue to co-design and deliver our programmes, as One Global Compact at global, regional and local levels.

8.. Outlined in Appendix 1

10. EFFECTIVE PROGRAMMING DELIVERY

As denoted in the prior section, core programming will be aligned to the issue areas where UN Global Compact will lead and shape:

The Ten Principles: human rights, labour, environment, and anti-corruption; and

Lead and Shape prioritised issue areas: Gender Equality, Decent Work and Economic Growth, Climate Action, Peace, Justice and Strong Institutions, and Partnerships for the Goals.

In these areas, the UN Global Compact strives to enable material behaviour change in business through targeted programmes at scale. Across the thematic areas outlined in Section 9, our programming delivery includes:

- Curating best practices, knowledge, and tools that empower business sector action;
- Engaging in thought leadership or encouraging external research when there is additionality for doing so;
- Spotlighting issues to raise corporate ambitions;
- Leveraging the power of convening stakeholders in dialogues and engaging in advocacy to influence policy, financing and business behaviours; and,
- Reaffirming or developing strategic partnerships with critical ecosystem actors to drive implementation and catalyse innovation

To deliver on this mandate to accelerate and scale global collective impact, our core programmes will strive to achieve global coherence and local flexibility recognizing the unique context in each country.

Since the 2021-2023 Strategy, the UN Global Compact went through an extensive process to refine its programmatic portfolio and define six delivery channels to engage companies and stakeholders to drive progress, namely:

Think Labs: convene businesses, academia, civil society, Government and the United Nations entities to develop solutions to critical corporate sustainability challenges. They help define the UN Global Compact's thinking, curate best practices and develop knowledge, guidance and tools that empower business sector action on urgent topics;

Academy: serves as the digital learning platform of the UN Global Compact, providing business leaders and practitioners with actionable skills for their sustainability journey;

Strategic Events: convene, inspire, educate, connect, and, most importantly, mobilise global stakeholders to take bold action on corporate sustainability and the SDGs;

Accelerators: generate behaviour change across thousands of companies, delivered in close collaboration with Local Networks and Regional Hubs;

Peer Learning Groups: serve as opportunities for groups of companies to share best practices and challenges at the regional and local levels;

Policy Advocacy and Campaigns: include activities and timebound Call-to-Action campaigns implemented to support policy positions and drive ambitious action at global, regional and local levels.

This strategy extension requires us to increase our focus on effective delivery of our programmes to ensure we meet our end goals. To do so, we will ensure that we: emphasise regionalization and co-creation with Local Networks, align programmes with impact measurement, and emphasise our connection with business participants, particularly SMEs.

Emphasise regionalization and co-creation with Local Networks, business participants and stakeholders: Further regionalization and localization of programmes is key to meet the need for tailored and contextualised programmes that speak to regional and national market priorities, while ensuring overall alignment to global focus areas. To achieve scalable impact by being more relevant and accessible, it is crucial to focus on regionalization and localization as we expand beyond our current participant base of over 18,000 companies. Core programmes will be co-created with and delivered through Local Networks and Regional

Hubs, with the UN Global Compact Office playing its role to support, advise, and connect, enabled by digital platforms and targeted expertise. This tailoring will be guided by our central leadership with topic experts in labour, human rights, gender equity, anti-corruption and institutions, climate and environment, and SDG integration.

Through Regional Hubs, we aim to realise greater program efficiency, scalable partnerships, and the ability to proactively monitor and address regional responsible business trends, aligning and collaborating with both the UN Global Compact Office and Local Networks. We emphasise the importance of collaboration among Local Networks to strengthen alignment and effectively address regional priorities. In doing so, they receive regional topic expertise and leverage the work of other Local Networks to exchange best practices and minimise duplication of efforts.

Align with impact measurement: Programmes will also include a robust Monitoring and Evaluation (M&E) framework with clear output, outcome and impact indicators and targets, including that of the Forward Faster initiative, to be regularly assessed and reported on, providing transparency on progress, and creating an opportunity to pivot or adjust programmes needed to achieve the desired impact. This will allow us to directly evaluate and enhance delivery where required.

Emphasise connection with business participants, recognizing the importance of SMEs: We will continue to design and deliver our programmes with our business participants in mind. In particular, given the emphasis and importance of SMEs as a driver of local economic activity and as a core participant constituency, we will work to advance the implementation of our SME strategy, establishing broad-based, cross-cutting SME programming. This includes scaling SME best practices across company supply chains and through business associations. We will help our Local Networks design and tailor programming to meet the unique needs of local SMEs on their journey to advance their own corporate sustainability and responsible business practices, while scaling the use of Local Networks digital tools. We will apply the lenses of women and youth to SME programming, recognizing that the majority of SMEs are owned and led by these two demographics.



11. FOCUS ON COLLECTIVE ACTION: KEY ROLES OF UN GLOBAL COMPACT

With a clear and specific set of issues identified as our primary focus, we will take on six specific roles to achieve the global aggregate business action we seek.

INFLUENCE AMBITION ON TEN PRINCIPLES AND SDG IMPACT

Through our SDG Ambition Accelerator, the UN Global Compact Office and Local Networks challenge thousands of companies to raise their ambitions. We aim to influence companies' ambitions by supporting their ability to drive action towards their commitments. Specifically, our enhanced Communication on Progress (CoP) will provide greater acknowledgment of their progress, benchmarking against best-in-class standards as well as their own achievements since joining.

We also aspire to contribute as catalyst of SDG acceleration, particularly through public-private dialogues related to the key transitions (energy; climate, biodiversity and pollution; decent jobs and social protection; digital connectivity and transition; food systems; education) and means of implementation (financing, trade, technology and SDG localization) the UN is mobilising behind.

Our role will be crucial to continue raising the bar on expectations for sustainability performance from key stakeholders, and to offer or direct support for capacity building to meet those expectations, while actively advocating at the global level and providing strategic direction and propagating programmatic expertise to Local Networks and Regional Hubs.

ATTRACT AND RETAIN LEADING COMPANIES

We recognise the substantial opportunity to recruit and retain leading businesses through Local Network countries and foster stronger engagement with MNCs and their subsidiaries, national companies, and SMEs. This will not only enhance participant value but also facilitate cross-sector knowledge transfer, acting as a catalyst for ecosystem change and innovation.

SMEs account for most of the world's businesses and employ most of the world's workers and are over half of the business participants of the UN Global Compact - yet they have not been fully engaged in the corporate responsibility agenda. We are committed to improving programming for SMEs, fully engaging this vital community in the corporate responsibility agenda to drive impact and raise ambition over the next two years. Specifically, we will focus efforts for each participant type based on the unique needs and opportunities:

- **MNCs:** Invite global leaders in sustainability and SDG impact as part of the UN Global Compact leadership circle, as well as other MNCs and subsidiaries with genuine commitment and strong ambition. In the coming two years, the UN Global Compact will advance our approach to Key Account Management for MNC participants to further drive engagement and impact.
- **National Companies:** Ensure Local Network participants include most top national companies and the most sustainable companies.
- **SMEs:** Drive the growth of committed SME participants and their impact through a broad-based cross-cutting program.

With this strategy extension, we will also implement target metrics for Local Networks. For example, in participant recruitment, Local Networks can employ a top-company approach designed by the UN Global Compact Office, and seek to recruit the leading ten national companies in each region. Today, only 60% (~400) of the top ten leading firms in our 62 Local Networks have been recruited. In ten years, we strive to have above 90% of these companies as business participants.

PROMOTE ACTION AND ACCOUNTABILITY AMONG LEADING MNCS, NATIONAL COMPANIES, AND SMES

We recognise that the needs of MNCs, national companies and SMEs vary relative to their stage in the sustainability journey. To optimise value for our business participants, we will continue to strengthen our localisation and tailoring of programmatic

content. We will also place a greater emphasis on outcome orientation and improve the impact measurement in our programmatic initiatives taking into account the diverse participants we engage with.

Here our digital transformation will enable us to deliver a better participant experience in accessing more localised content and tools, through webinars, training, and master-classes. This transformation will also help implement the enhanced Communication on Progress (CoP) and impact measurement practices integrated across programmes to facilitate continuous self-assessment and learning by participant companies.

PARTNER STRATEGICALLY FOR IMPACT

Today the UN Global Compact has relationships with ~120 organisations, but there is a clear opportunity for more rigorous and well-focused strategic alliances across the sustainability ecosystem. Fulfilling this role means forming partnerships clearly linked to UN Global Compact ecosystems strategy to create impact on a shared agenda; focusing on fewer deeper partnerships, founded on agreed targets of mutual impact, and holding long-term potential. We will engage with both the UN system and the private sector at local, regional and global levels to scale our technical expertise, network, and key initiatives for formulating policy positions and engagements that can lead to changes in corporate strategy and operations and accelerate the SDGs. Within the UN system, we will continue to fortify our partnership with UN agencies to advance our efforts to support the UN in its coordination and mobilisation of the private sector, and advance greater coherence across the UN organisation.

CATALYSE ENABLING ENVIRONMENTS AND INNOVATIONS

We will focus on engaging multiple stakeholders to drive collective progress on the Ten Principles and foster public-private dialogue for accelerating the SDGs, leveraging our topic area expertise, strong participant base, convening power, and connection to the UN system. This area of work has been prioritised for action over the next two years, building on our existing efforts to date.

UN Global Compact has already incubated and created three systems-changing innovations: Science-Based Targets initiative (SBTi, an initiative focused on ambitious, science-based target setting for climate, towards a net zero economy), Principles for Responsible Management (PRME, a platform to develop the responsible leaders of the future, transforming management education) and Principles for Responsible Investment (PRI, network of investors advancing the six Principles for Responsible Investment).

PROVIDE A PLATFORM FOR POLICY DIALOGUE

Stakeholders see policy as an important enabler to advance the corporate sustainability agenda, but the UN Global Compact Office currently has few programmes or activities designed to steer policy dialogue and shape agendas.

Fulfilling this role means leveraging our strong link to the UN system and our credibility in bringing together governments, foundations, other UN agencies, leading private sector actors, and key decision makers across the ecosystem to advance specific recommendations for policy makers at global, regional, and local levels that can accelerate and scale business action.

FIGURE 7: SIX ROLES TO ACHIEVE UNITED GLOBAL COLLECTIVE ACTION

Influence ambition on the Ten Principles and SDG impact	Attract and retain leading companies	Catalyse enabling environments and incubate innovations
Promote action and accountability among participants	Partner strategically for impact	Provide a platform for policy dialogue

12. INVESTING IN OPERATING CAPABILITIES AND ENABLERS

To deliver our strategy effectively and efficiently we will need a strong and particular set of internal capabilities, including:

- Programme delivery through effective Local Networks and Regional Hubs providing global coverage
- Improving alignment and coordination between the UN Global Compact Office, Regional Hubs and Local Networks
- A resilient and effective UN Global Compact business model
- Robust digital platforms to connect, communicate, and convene at scale
- Curated content and tools for action
- Interoperable standards, reporting and data.

This strategy extension necessitates continued investment and change in our operating model to ensure we achieve our ambition, empower Local Networks and Regional Hubs, and build the capabilities necessary to deliver greater value to UN Global Compact participants as we scale.

GROWING AND BETTER SUPPORTING OUR LOCAL NETWORKS AND OUR PARTICIPANTS

With local presence in 102 countries around the world through 62 Local Networks, our Local Networks represent one of the organisation's primary differentiators and a strategic asset. The continued success of UN Global Compact is reliant upon strengthening the capabilities of the Local Networks, enabling them to generate value for

local business participants and catalyse greater impact through collective action and moving forward together as One Global Compact.

We recognise a key component of the long-term sustainability of the UN Global Compact is ensuring we are globally representative. While our focus, outcomes, visibility, and impact are strong in much of the Global North, we have seen tremendous opportunity to heighten our presence and impact in the Global South.

To achieve our stated ambition, UN Global Compact adopted a new operating model to rapidly expand its footprint through multi-country networks and established new Local Networks in priority countries in the Global South over the last three years. Additionally, we have seen an increase in the percentage of companies in any country actively engaging through a Local Network or participating in activities offered through a Regional Hub.

In the past three years, we have also significantly increased our presence in prioritised areas. In 2022 alone, our Local Networks hosted over 2,200 local convenings and reached over 40,000 companies. Globally, many of our Local Networks have successfully achieved significant participant growth and established strong partnerships with key stakeholders within their national and regional ecosystems. In Africa, one of our prioritised regions, we have expanded our presence in 18 countries through our ten Local Networks, and successfully convened 60 CEOs from the most exemplary companies in the region through the African Business Leaders Coalition (ABLC), who collectively represent nearly 1 million employees across the Continent.

The growth of our Local Networks will continue to be supported by a refreshed approach to MNCs, with a focus on strengthening engagement of all parts of MNCs and their supply chains in local sustainability ecosystems around the world. Based on this strategy and building on our continued progress in prioritised regions, we will continue to implement our Africa Strategy. We are committed to leveraging the Africa strategy as the critical stepping-stone towards ensuring balance in our footprint in the Global South and reaching women and youth.

STRENGTHEN LOCAL NETWORK RESOURCES AND CAPABILITIES

In the 2021-2023 strategy, we set out that successful Local Networks are characterised by eight critical ingredients to effectively catalyse action on the ground. Since the development of the strategy, the UN Global Compact Office and Global Compact Local Networks have collaborated and continued to refine and advance the definition of these ingredients.

Our 62 Local Networks are at varying stages of maturity, and targeted investments in capacity-building will be necessary to help each network achieve its maximum potential. Since the creation of the Local Networks Maturity Model in 2021, we have seen success in Local Networks leveraging specific measures to assess their progress and guide the UN Global Compact Office and Regional Hubs in providing support. With increased coordination between the UN Global Compact Office, Regional Hubs, and Local Networks, we will strive over the next two years to optimise resource allocation, invest in a new capacity building programme for Local Networks, and more effectively deliver programming on the ground.

EXPAND OUR PRESENCE THROUGH NEW LOCAL NETWORKS

In addition to strengthening each of our existing Local Networks through increased resourcing, more joint global programme adaptation and co-creation, and broad capacity building, we will continue to expand our footprint, particularly in the Global South, where we have already seen significant progress since 2021. New Local Networks in the Global South will invite participation from vibrant businesses in all sectors interested in adopting the Ten Principles and pursuing their sustainability journey.

ENHANCE ORGANISATIONAL SUPPORT THROUGH REGIONAL HUBS

To enable the founding of new Local Networks, a refreshed and regionalised operating model will facilitate the efficient delivery of tailored content to business participants of

UN Global Compact. UN Global Compact has established five Regional Hubs in Panama City, Abuja, Copenhagen, Bangkok, and Dubai (two more since 2021).

IMPROVING ALIGNMENT AND COORDINATION BETWEEN THE UN GLOBAL COMPACT OFFICE, REGIONAL HUBS AND LOCAL NETWORKS

To increase mutual transparency, trust, and collaboration within the organisation, we will continue to deliver on our strategic shift in how programme-related work is developed, allocated, managed, and implemented both centrally and with the Local Networks. This will continue to entail, most importantly, re-defining the global programmatic collaboration model to ensure new programmes are co-created with Local Networks in an agile and iterative fashion that builds upon local learning, clarifies roles, responsibilities, and authorities across the UN Global Compact Office and with Local Networks.

In the past three years, we have advanced our efforts to ensure localisation of our programmatic content to ensure relevance in all contexts. From global to local levels, for instance, we have seen particular success with the Science-Based Targets initiative (SBTi), localising Academy courses to the national level to adapt to the needs of our diverse participant base, and the launch of Peer Learning groups tailored to the needs of SMEs. Additionally, Regional Hubs have been set up to better provide support for Local Networks. In the next two years of the strategy, we will continue to deepen the localisation of our programming and enhance the delivery of our value proposition through effective collaboration between Global Compact Office, Regional Hubs, and Local Networks, as well as better leverage other UN agencies on the regional and local level.

IMPROVING ALIGNMENT: ROLE OF THE UN GLOBAL COMPACT OFFICE

The UN Global Compact Office has a significant role to play in programme design and delivery, especially through our digital platforms. The goal is for UN Global Compact to become the most valuable source for best-in-practice content, resources, and tools enabled by a leading-edge digital platform that enriches the participant experience.

The UN Global Compact Office is also uniquely equipped with the strong connection to other UN agencies and will strengthen this connection at both the global level, by ensuring united messaging across prioritised SDG topics, and at the local level, by reinforcing Local Networks' relationships with their national-level counterparts.

The UN Global Compact also plays a key role in recruiting, convening, and connecting leading MNCs at the global level. This includes driving in-person and virtual global and regional convenings.

IMPROVING ALIGNMENT: ROLE OF LOCAL NETWORKS

To accelerate and scale global collective impact, we must further strengthen and empower our Local Networks by closely aligning regional priorities to our global strategy and expand our local participant bases to strengthen our presence in key areas. Under the strategy, Local Networks will deliver our global strategy by translating and regionalising our global strategy in their respective contexts, taking the lead on programme delivery and impact measurement for their business participants including national companies, SMEs, and subsidiaries of MNCs, and scale digital practices in place.

Local Networks have three key roles in core programming with a focus on catalysing ambitious and accountable companies:

- They convene business participants and critical local stakeholders including local UN coordinators or agency representatives and corporate coalitions, bringing them together around a shared agenda to exchange ideas and best practices, and to generate momentum needed for behaviour and policy change.
- They connect business participants – subsidiaries of MNCs, national companies and SMEs - linking them to each other within sectors and value chains, and introduce those from different sectors and locations to learn from each other.
- They communicate to business participants, highlighting relevant content and tools curated or created by UN Global Compact, including digital resources curated by the UN Global Compact Office.

Together, this provides both a potential catalyst for innovation and the practical support businesses need to implement change.

IMPLEMENT A SINGLE, GLOBAL, COORDINATED ANNUAL STRATEGIC PLANNING PROCESS

To facilitate global coherence and local flexibility, we will implement a formal, focused, globally managed, and coordinated Annual Strategic Planning process across the UN Global Compact Office, Regional Hubs, and Local Networks.

This Annual Process will enable coordination and planning with external stakeholders, including UN stakeholders, as necessary. Within the UN Global Compact this process will enable coherence in direction, activities, communications, and budgeting and formally increase opportunities for input and collaboration by Local Networks as well as direct where the UN Global Compact Office should increase technical and operational support to Local Networks.

RESILIENT AND EFFECTIVE UN GLOBAL COMPACT BUSINESS MODEL

We will continue to enhance our funding base while placing increased emphasis on diversifying our funding sources. The overarching objective of our resilient and effective business model remains the augmentation of all revenues to enable growth in capacity and internal capabilities both at the UN Global Compact Office and within Local Networks. While the organisation has seen great progress through the refreshed business model in the first phase of the strategy, we remain focused on ensuring stability and predictability in core revenue streams, building internal resources for growth in new geographic and issue areas, enabling investment in catalytic issues, reinforcing Local Network capacity, underwriting sufficient Local Network resourcing, and enabling programmatic agility locally and regionally.

ROBUST DIGITAL PLATFORMS TO CONNECT, COMMUNICATE, CONVENE AT SCALE

In the next two years, we will re-emphasize our digital transformation and elevate it as a key priority. This will

enable UN Global Compact to better deliver programming and impact at scale and ensure we can effectively support our participant base as it grows. Reinforcing our digital infrastructure and scaling our existing programmatic offerings will serve to strengthen our engagement and delivery on prioritised areas, support participant reporting requirements and will effectively encourage multilateral dialogue between UN Global Compact business participants and other actors to foster more effective knowledge sharing and collaboration. Finally, ensuring the digital delivery of the enhanced Communication on Progress (CoP) will establish the foundation for generation of credible insights, which will provide leverage for us to shape ecosystem conversations on the topic in the next two years.

In the first phase of the strategy, it was our vision to invest in creating an integrated digital platform not only to deliver easily navigable, curated, and customized content centered on the business participant experience, but also to ensure that all stakeholders enjoy an effective, seamless, and efficient user experience. This remains our overarching goal, and as we enter the next two years of the strategy, we intend to revisit our overarching vision and roadmap for achievement, as well as take stock of the platforms and infrastructure we have today to optimize investment efforts and ensure a smooth transition.

CURATED CONTENT AND TOOLS FOR ACTION

Leveraging our existing and new digital platforms, we will continue to curate relevant and actionable best-in-class content and resources from UN Global Compact, the UN system, and industry coalitions. These resources will be tailored to specific industries, issue areas, geographies, company sizes, and stages of sustainability journey for each topic integrated with the enhanced Communication on Progress.

Our participant platform will also enable us to better leverage technical expertise from existing UN agencies and other partners, ensuring that we can focus our efforts on creating content that is truly additional and unique to our value proposition.

INTEROPERABLE STANDARDS
REPORTING AND DATA ECOSYSTEM

In the last three years, we have dedicated resources towards enhancing our Communication on Progress (CoP) reporting mechanism. This endeavour aims to foster objective reporting as part of our commitment to corporate transparency and building a sustainable future. While the Communication on Progress has always been a unique asset and tool of the UN Global Compact, the enhanced Communication on Progress will serve to strengthen our value delivery in the years to come. The enhanced Communication on Progress will support decision-making processes and help businesses measure progress in a standardised way - facilitating recognition, transparency, and comparability of corporate sustainability actions.

The enhanced Communication on Progress provides a window into the operationalisation of the Ten Principles and sustainability agenda in all participant companies. It also serves as a guide for those companies to make progress in their journeys. We will continue to invest in the successful delivery of the enhanced CoP, focusing on three specific areas.

SET NORMS AND INSPIRE ACTION

This includes norms all business participants can implement and specific targets for which all should aspire to demonstrate progress; goes beyond KPIs (e.g., complete a human rights assessment); and allows for voluntary reporting on other areas to demonstrate progress.

ADVANCE AMBITION AND
ACCOUNTABILITY

This includes setting the foundation for demonstrating progress and achievement of business participants on the Ten Principles and their contribution to the SDGs. While the UN Global Compact will measure its own progress and impact across multiple dimensions, the progress of our business participants and their aggregate contributions to society will be a key indicator of our success.

ENHANCED COMMUNICATION ON
PROGRESS AS A LEARNING TOOL

We believe we can strengthen the value of the enhanced Communication on Progress by reorienting it as a learning tool with practical guidance on successful implementation, curated materials and programmatic content and making harmonised data searchable by sector and geography. This will further enable the UN Global Compact to identify 'lighthouse' examples, which will be centrally curated and serve as benchmarks and aspirations for our business participants.

13. MEASURING
OUR IMPACT

Delivering concrete impact is at the core of the UN Global Compact Strategy, including the aim to realise a key strategic priority on "measurable impact in prioritised areas." The strategy calls on us to focus on collective corporate action, where our business participants are not just representative of the world, but they are accountable companies ahead of the world in demonstrating adherence to the Ten Principles and impact for the SDGs.

Over time, our goal is to raise the floor — the baseline — and raise the ceiling — the expectations— on the social contract of business to communities across all Ten Principles in the areas of human rights, labour, the environment, and anti-corruption.

As such, we will measure our aggregate progress on and the impact of our strategy across all strategic initiatives and programmes, using a combination of indicators to monitor outputs, outcomes, and impacts achieved. Key to communicating about the impact of the initiative are cross-functional efforts across data collection, analytics, and storytelling.

In advancing the strategic shift towards establishing measurable, evidence-based impact, the UN Global Compact has designed and adopted a new, holistic Monitoring and

Evaluation (M&E) framework. The intent of this framework is to effectively connect the organisation's immediate outputs to the long-term outcomes and impacts we aim to achieve. The underlying structure of the M&E framework allows the initiative to categorise performance measures and show progression on strategy implementation through five categories: Build, Reach, Engage, Progress, Achieve.

Indicators in each of the five categories are tracked and measured across UN Global Compact initiatives, capturing the holistic performance of the organisation. Ultimately, the UN Global Compact aims to invest in its capabilities, expand to reach for effective scale and meaningfully engage with companies and stakeholders to drive sustainability development results through (1) progress on corporate sustainability ambition and action and (2) holistic embedment of the Ten Principles into corporate strategies and operations as well as long-term positive impact on the communities within which they operate. The M&E Framework captures not only how we are continuing to scale meaningful engagement with companies, but also how UNGC companies are advancing their progress on prioritised issue areas and contributing to long-term impact. A high-level overview of the specific key performance indicators is included in the Appendix 3.

FIGURE 8: MEASURING OUR IMPACT

UNGC INITIATIVE	ENGAGE
BUILD Building the organization's capabilities to deliver the strategy (inputs)	Uphold the Ten Principles and Deliver the SDGs PROGRESS Meaningful advancement of UNGC company progress on priority issue areas ACHIEVE Holistic embedment of the Ten Principles & greater societal impact towards sustainable development
REACH Expanding the companies and stakeholders UNGC is able to reach (short-term outputs)	
ENGAGE Meaningful engagement of those companies, stakeholders & ecosystems (short-term outputs)	

14. CONCLUSION

At the time of writing, the world is not on track to achieve the 2030 Agenda and the Sustainable Development Goals (SDGs). We continue to experience the startling impacts of the global COVID pandemic, the most wars and civil strife in modern times, food and energy insecurity, inequality, economic uncertainty and a worsening climate crisis. There is an urgent need for large-scale action to support people, the planet, and prosperity.

For businesses, the SDGs represent a major transformation opportunity to drive resilience including creating new markets and investment opportunities that support SDG-aligned outcomes. In knowing and aligning the Ten Principles and SDGs with business priorities, companies can find new growth opportunities, lower their risk profile and ensure sustainable and competitive business outcomes.

Business has a critical role to play to drive impact towards the 2030 Agenda, which we will support. We are optimistic about the ability of the UN Global Compact to use this unique moment and elevate our ambition, to heighten and seize the urgency to act, and to accelerate and scale global collective impact by upholding the Ten Principles and delivering on the SDGs through ambitious, accountable companies and effective environments that enable positive change.

It is time to align with action-minded business participants, select prioritised areas of desired impact, and drive aggregate global and local action inspired by our guiding Ten Principles.

Our strategy extension will bring more differentiation and growth through an embrace of our unique roles, delivery through a focus on impact, and discipline through selectivity in what we do.

Together, we are One Global Compact uniting business for a better world.

ACKNOWLEDGEMENTS

The United Nations Global Compact launched an inclusive strategy development process over a 12-week period from October to December 2020, forming a broad-based engagement effort with more than 2,000 stakeholders across UN Global Compact and in the broader sustainability ecosystem. The initial strategy period, purposely set as 2021-2023, was officially approved by the United Nations Secretary-General.

In 2023, UN Global Compact subsequently initiated a strategy extension process to reflect on the first phase of the strategy from 2021-2023, assess progress to date and identify opportunities for improvement, which resulted in this strategy extension plan for 2024-2025. Similar to the 2020 process, a consultation exercise was completed across stakeholder groups to inform the priorities of the UN Global Compact for 2024-2025.

We are indebted to the UN Secretary-General, Deputy Secretary-General, UN Global Compact Board, Foundation for UN Global Compact Board, participant companies, Global Compact Local Networks, and UN Global Compact staff for their active engagement, direction, and support in informing the strategic directions set forth in this document.

We also wish to thank Boston Consulting Group (BCG) for support in guiding us through this strategy extension process.

STRATEGY DEVELOPMENT PROCESS

In 2020, during the development of the initial strategy period, the process included extensive consultations with internal and external stakeholders across the UN as well as the corporate sustainability space, detailed historical and document review, in-depth focus groups with core constituents, and four surveys which collected over 2,000 responses.

In 2023, an additional targeted consultation was completed for the Strategy Extension, including interviews across core stakeholder groups. Private sector perspectives were sought through consultations with the global leadership of the UN Global Compact and companies from all regions. Larger, open-forum meetings were held and facilitated by BCG with internal stakeholders including the Executive Management Team, the Local Network Global Network Council and Global Compact staff. In addition, offline consultations were completed with the four UN “Guardians of the Ten Principles”, Foundation for UN Global Compact Board Members, Global Compact Local Networks, and the Government Group. This document reflects the findings and recommendations that emerged from stakeholder inputs, discussions, analysis, and strategic planning. The UN Global Compact's Strategy Extension for 2024-2025 outlines the initiative's continued ambition to mobilise collective business contribution towards SDG acceleration in the next two years. The UN Global Compact's Strategy Extension for 2024-2025 was endorsed by the United Nations Secretary-General and noted by the UNGC Board in September 2023 [TBC].

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APPENDIX 1: RECALL OUR SDG PRIORITIES AS OUTLINED IN THE FIRST PHASE OF STRATEGY

LEAD AND SHAPE

Our primary priority is to catalyse private sector action to lead and shape the adoption and application of the Ten Principles in the areas of human rights, labour, environment, and anti-corruption. As the DNA of UN Global Compact, we will prioritise the adoption of the Ten Principles, and the continuous advancement of what it means to achieve them, as the fundamental vehicle for change, progress, and improvement.

In addition, UN Global Compact is uniquely positioned to lead and shape the business community's progress and action on five priority SDGs:

- **SDG 5:** Gender Equality
- **SDG 8:** Decent Work and Economic Growth
- **SDG 13:** Climate Action
- **SDG 16:** Peace, Justice and Strong Institutions
- **SDG 17:** Partnerships for the Goals

COOPERATE WITH OTHERS

There are six SDG areas where the UN Global Compact is best positioned to co-operate with others who are leading. UN Global Compact will be most additive by building on the existing momentum and engaging the business sector selectively. In these areas, UN Global Compact will engage when there is a compelling potential for impact by the business sector at scale and UN Global Compact is uniquely positioned to celebrate success and best practice, curate relevant content, and connect the business sector to relevant actors.

The SDGs in this category include:

- **SDG 6:** Clean Water and Sanitation
- **SDG 7:** Affordable and Clean Energy
- **SDG 9:** Industry, Innovation, and Infrastructure
- **SDG 10:** Reduced Inequalities
- **SDG 12:** Responsible Consumption and Production
- **SDG 14:** Life Below Water

AMPLIFY WITH OTHERS

The remaining six SDG areas are where the UN Global Compact is best positioned to follow and amplify existing efforts. UN Global Compact will be most additive by implementing or sharing case studies, best practices, and will connect the business sector to relevant actors and amplify the efforts of others.

The SDGs in this category include:

- **SDG 1:** No Poverty
- **SDG 2:** End Hunger
- **SDG 3:** Good Health & Well Being
- **SDG 4:** Quality Education
- **SDG 11:** Sustainable Cities and Communities
- **SDG 15:** Life on Land

APPENDIX 2: UN GLOBAL COMPACT STRATEGY VALUE DELIVERY KPIS

This appendix provides an overview of the key performance metrics being tracked through the Performance Logframe of the UN Global Compact to monitor delivery of the strategy and an increasing focus on outcomes-orientation across the organisation.

To note, Progress and Achieve metrics are currently under development in anticipation of data from the revamped Communication on Progress. Indicative Progress and Achieve metrics are included for reference and will continue to be refined by the organisation during the strategy extension period.

BUILD

Well-formed Global Compact Networks with Global Coverage

- Increased access of companies in any country to engage through a Local Network or participate in activities offered through a Regional Hub
- Percent of countries covered (out of 193 Member States)
- Percent of Local Networks in developing countries
- Global Compact Local Networks consistently meet operational quality standard requirements

Productive stakeholder engagement

- Participating companies utilize the new CoP to report on their progress
- Maintained/expanded financial support from Governments for UNGC's strategy implementation
- Strengthened political support from Governments
- Strengthened Government engagement at the local level
- Strong collaboration between LNs and UNCTs established

Strong organisational capabilities and diverse talent

- A balanced and diverse workforce is achieved from an informed recruitment practice
- Strong digital infrastructure is maintained and advanced to increase participant engagement
- Sound business model and financial performance
- Secured global funding to reach financial sustainability for programmatic activities
- Secured national funding to support programmatic implementation at local level
- Fee revenues and commitments cover future expenses, providing stability and predictability in core revenue streams

REACH

Robust and growing participant pool

- Increased total number of committed companies demonstrating accountability and progress (Total companies)
- Increase retention rate of businesses in the UNGC (Retention)

Connection into relevant ecosystems

- UNGC collaborates with key business associations and expands reach through their membership base (IOE, ICC, WEF)
- Increased access to academia ecosystem through PRME participants
- Expansion of academia networks through establishment of PRME Chapters
- UNGC establishes media reach and recognition beyond the participant base globally
- UNGC's social media is a growing platform for corporate sustainability updates and calls to action beyond participant base

ENGAGE

Attractive and compelling programming for companies

- Successful incubation and thought leadership development through the Think Labs
- Leverage UNGC's power of convening through UNGC flagship events
- Scale through successful locally organised events within regional or national contexts
- Successful, cohort-based Accelerator programmes
- Successful engagement through course-based Academies
- Ongoing, value-added Peer Learning Groups implemented within local contexts
- Robust library of content & tools that is utilized

Meaningful contribution to select ecosystems

- UNGC engages private sector in national public policy advocacy
- Enhanced LN contribution to Voluntary National Reviews and/or National SDG Implementation

PROGRESS

Environment: Climate Change (SDG 13 Climate Action)

- Number of companies set 1.5°C aligned and/or net-zero targets approved by the Science Based Targets initiative
- Number of companies establish a joint action plan(s) with contractors and supply chain partners to close the living wage and/or living income gap with measurable and time-bound milestones toward 2030
- Percent of companies to have taken action with the aim of preventing/mitigating environmental impacts related to climate change
- Percent of companies to have taken action with the aim of preventing/mitigating environmental impacts related to company adaptation and resilience

Environment: Water (SDG 6 Clean Water and Sanitation)

- Number of companies committed to the CEO Water Mandate
- Number of companies set Net Positive Water Impact targets through the Water Resilience Coalition
- Number of companies complete WASH assessment tool
- Percent of companies to have taken action with the aim of preventing/mitigating environmental impacts related to water

Environment: Oceans (SDG 14 Life Below Water)

- Number of companies engaged in Ocean Stewardship Coalition & signed onto the Sustainable Ocean Principles
- Percent of UNGC companies have adopted a policy commitment in relation to oceans
- Percent of UNGC companies have taken action with the aim of preventing/mitigating environmental impacts related to oceans

Social: Human Rights (UNGC Principles 1&2, All SDGs)

- Number of companies have adopted due diligence process to address risks/impacts related to human rights
- Percent of UNGC companies have taken action with the aim of preventing/mitigating impacts related to human rights
- Percent of UNGC companies that have conducted training for employees and/or supply chain on human rights
- Percent of UNGC companies set annual targets to assess progress on human rights risks/impacts over time

Social: Decent Work (SDG 8 Decent Work and Economic Growth)

- Percent of UNGC companies have adopted a policy commitment in relation to labour rights
- Percent of UNGC companies have taken action with the aim of preventing/mitigating impacts related to labour rights
- Percent of UNGC companies have Labour Principles integrated into operations
- Percent of UNGC companies provide trainings in relations to labour rights topics
- Percent of UNGC companies set annual targets to assess progress on human rights risks/impacts over time

Social: Gender Equality (SDG 5 Gender Equality)

- # Companies set targets and corresponding policies and programmes to increase women's representation and leadership
- % UNGC companies have taken action to prevent or mitigate rights impacts related to gender equality and women's rights

Anti-Corruption and Governance (UNGC Principle 10 and SDG 16 Peace, Justice and Strong Institutions)

- Countries with companies engaged on Anti-Corruption Collective Action through Local Networks
- Percent of UNGC companies with zero-tolerance policy for corruption.

- Percent of UNGC companies with anti-corruption compliance programmes
- Percent of UNGC companies where all employees receive training on anti-corruption and integrity
- Number of countries with companies have adopted a commitment to governance policies aligned with SDG 16.
- Percent of UNGC companies have taken action with the aim of preventing/mitigating adverse impacts on human rights, labour, environment and/or anti-corruption
- Percent of UNGC companies have taken action to advance SDG 16 internally and/or externally

Cross-cutting: Sustainable Finance (SDG 17 Partnerships for the Goals)

Number of CFOs joining the CFO Coalition for the SDGs Increased, scaled impact through CFO Coalition for the SDGs total market cap (*pending EY22 fiscal update)

ACHIEVE

Embedment of the Ten Principles

- Percent of UNGC companies adopt and adhere to Human Rights Principles
- Percent of UNGC companies adopt and adhere to Labour Principle

- Percent of UNGC companies adopt and adhere to Environmental Principles
- Percent of UNGC companies adopt and adhere to Anti-Corruption Principle
- Percent of UNGC companies holistically adopt and adhere all four Principle Areas

Environment impact:

- Number of companies on track to meet validated SBTi and/or net-zero targets
- Number of water stressed basins collective action is taken on
- Number of people with resulting increased resilience from water basins
- Number of affected people with WASH access by 2030

Social Sustainability impact:

- Number of companies on track to paying all employees a living wage by 2030
- Percent of women in managerial positions
- Percent of basic salary and remuneration of women to men

Cross-cutting impact:

- Amount of SDG-aligned corporate investment from the CFO Coalition

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.

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.

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. With more than 18,000 companies and 3,000 non-business signatories based in over 160 countries, and 63 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

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



United Nations
Global Compact

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