UN GLOBAL COMPACT

THE ENHANCED COMMUNICATION ON PROGRESS

ENHANCING REPORTING ON THE TEN PRINCIPLES

APRIL 2023

THE BUSINESS CASE OF SUSTAINABILITY REPORTING

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OF SUSTAINABILITY REPORTING

Corporate sustainability reporting helps businesses:

To better engage stakeholders (and attract investments)

To support sustainable decision-making processes and management

To showcase (with data and narrative) how your business identifies and addresses impacts and risks and leverages opportunities; and to explain how your business strategy contributes to sustainability

To hold the company accountable for making progress towards societal goals

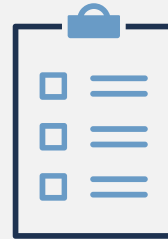# UN GLOBAL COMPACT'S REPORTING AND ACCOUNTABILITY MECHANISM: THE COMMUNICATION ON PROGRESS

THE NEW COMMUNICATION ON PROGRESS (CoP) HAS TWO REQUIREMENTS:

CEO Statement of Continued Support

- Statement expressing continued support for the UN Global Compact and renewing the participant's ongoing commitment to the Ten Principles

CoP Questionnaire

- A questionnaire on corporate actions and performance related to the Ten Principles and the SDGs

CoP Digital Platform

Both requirements will be completed through the new CoP digital platform

COP QUESTIONNAIRE | PURPOSE

This new accountability and transparency mechanism is designed to be specifically connected to the Ten Principles.

The enhanced questionnaire enables participants to:
- Learn and identify gaps in current sustainability performance
- Measure and demonstrate progress on the Ten Principles in a more standardized way
- Compare performance with peers on issues connected to Ten Principles and the SDGs

COP QUESTIONNAIRE | OVERVIEW

→ Contains 43-80 questions connected to our ten principles (governance, human rights, labour, the environment and anti-corruption)

→ Designed to help operationalize and accelerate action on the Ten Principles and SDGs

→ Aligned with the UNGP on Business and Human Rights (including questions on commitment, action/prevention, stakeholder engagement, tracking progress, remediation) and ILO conventions

→ Question answers are mostly in multiple choice, but also in quantitative and narrative format

→ Builds on and aligns with existing reporting frameworks and standards

→ All questions are mandatory and must completed prior to submitting

THE QUESTIONNAIRE IS ORGANIZED INTO FIVE SECTIONS

Governance

HUMAN RIGHTS   LABOUR   ENVIRONMENT   ANTI-CORRUPTION

WITHIN EACH SECTION, QUESTIONS ADDRESS...

	Commitment	Prevention	Performance	Response, remediation and reporting
Governance (G)	✓	✓	✓	✓
Human Rights (HR)	✓	✓	*	✓
Labour (L)	✓	✓	✓	✓
Environment (E)	✓	✓	✓	✓
Anti-Corruption (AC)	✓	✓	✓	✓

Note: The enhanced Communication on Progress does not include quantitative questions on Human Rights

TOPICS COVERED IN THE CoP QUESTIONNAIRE - OVERVIEW

Governance

- Board/highest governing body
- Publicly stated commitments
- Code of conduct
- Responsible individuals / Formal structure
- Risk assessment process
- Due diligence process
- Processes to raise concerns
- Capturing lessons learned
- Executive pay
- Sustainability disclosures
- Data assurance

Human Rights

- *[See labour-specific human rights topics under 'Labour']*
- Freedom of expression *(if material)*
- Access to water and sanitation *(if material)*
- Digital security/privacy *(if material)*
- Gender equality and women's rights *(if material)*
- Rights of indigenous peoples *(if material)*
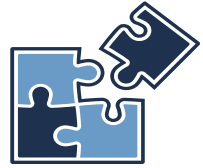- Rights of refugees and migrants *(if material)*

Labour *(part of human rights)*

- Freedom of association and the effective recognition of the right to collective bargaining
- Child labour
- Forced labour
- Non-discrimination in respect of employment and occupation
- Safe and healthy working environment
- Working conditions *(if material)*
- *Performance indicators (collective bargaining agreement, women in managerial positions, gender pay gap, injury frequency, incident rate)*

Environment

- Climate change
- Energy & resource use
- Water
- Oceans
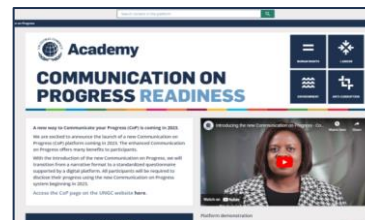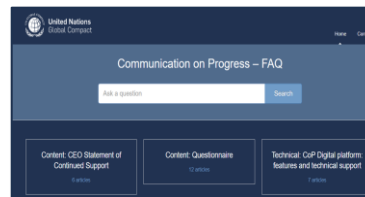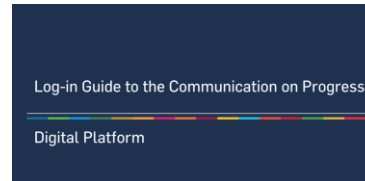- Forests/biodiversity / land use
- Air pollution
- Waste

Anti-Corruptio

- Anti-Corruptio

ABOUT THE ACCESS AND USE OF CoP DATA

- Most questions of the CoP questionnaire are in multiple-choice and quantitative format, which facilitates aggregation and visualization of answers

- All CoP responses will be publicly available on the UN Global Compact website

- The CoP will constitute one of the largest, free public repositories of corporate sustainability information

- The UN Global Compact will do aggregated analysis of the CoP data, but will do no scoring or ranking associated with the CoP questionnaire

- UN entities and governments are encouraged to use CoP to inform their decision making (e.g. inform their programmatic work and governments, inform SDG monitoring, inform VNRs processes)

2023 CoP SUPPORT RESOURCES

- **CoP Policy**

- **2023 CoP Questionnaire**

- **2023 CoP Guidebook**

- **Participant Dashboard User Guide** (for participants)

- **Helpscout FAQ Tool**

- **UN Global Compact Academy CoP Page** (for participants)
  - 2023 Roll-out Sessions
  - Questionnaire Section Deep Dives
  - 2022 Information Sessions
  - 2022 Questionnaire Q+A Sessions

- **Local Network Offices** (for participants)

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