



Leadership Briefing from the UN Global Compact

Leader's Summit Executive
Brief

June 2021

Note from the Authors

The findings in this leadership briefing of the UN Global Compact are supported by Accenture and is the world's most comprehensive to-date insights on business contribution to the UN Sustainable Development Goals.

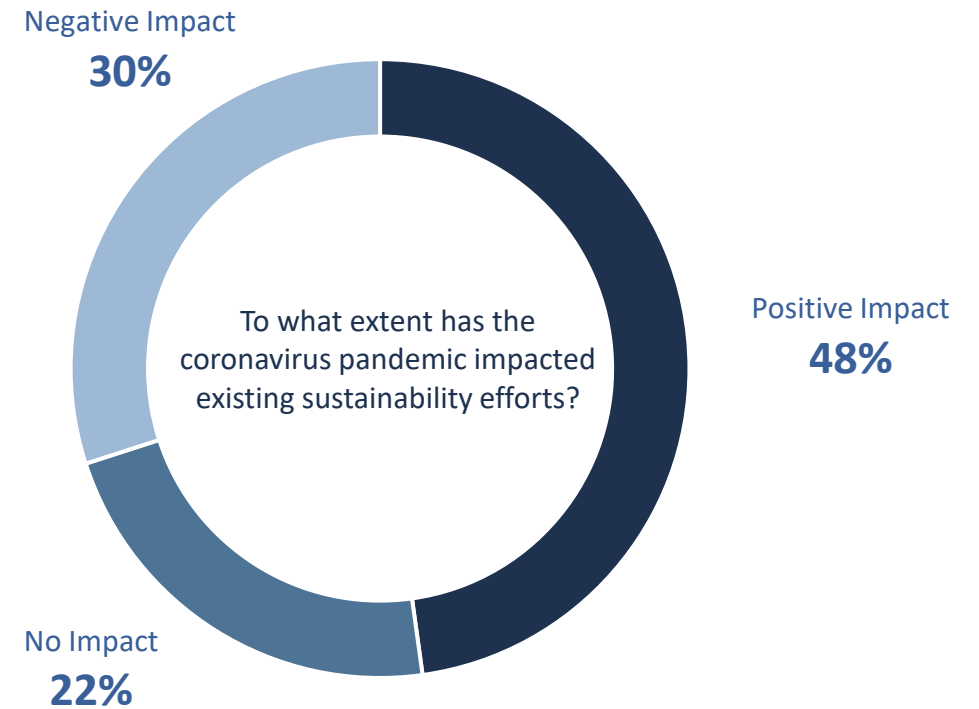
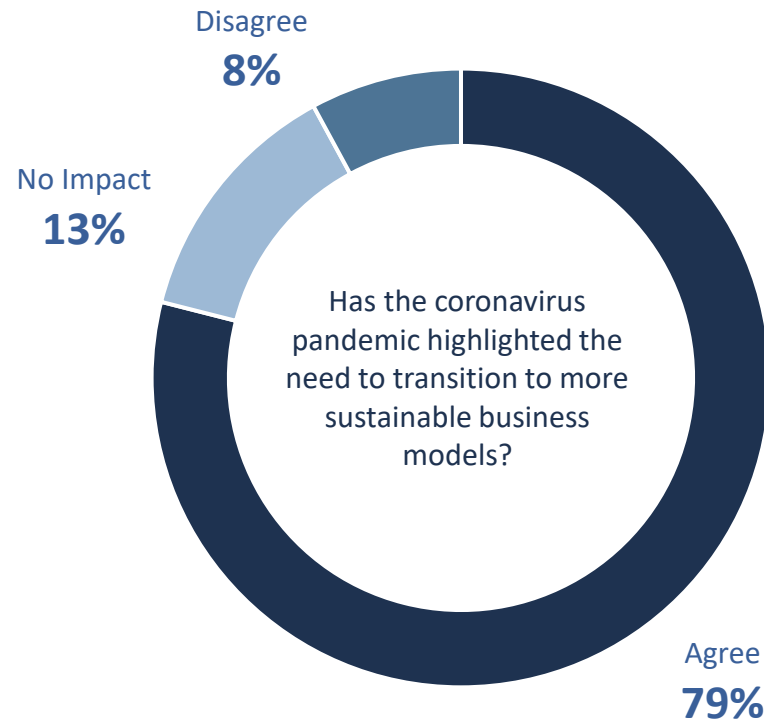
The insights in this executive summary, curated specially for the UN Global Compact Leader's Summit 2021, represent the views of 1,122 CEOs and 1,300 business practitioners across 113 countries and 21 industries.

We hope these insights will shape constructive dialogue between business, government, the United Nations and other partners at the Leader's Summit.

The final reports will be shared at the UNFCCC Climate Change Conference (COP26) in November.



More than a year into the coronavirus pandemic, sustainability remains firm on the CEO agenda, globally



70% of UNGC companies say COVID-19 has increased the importance of corporate responsibility

Expectations of the private sector are increasing

The COVID-19 pandemic changed the relationship between the market economy, state, and society world-wide.

While national lockdowns disrupted economies worldwide, the private sector, state and civil society have gained new significance in protecting people and communities.

This dramatic shift has recalibrated the public's perception of the role of markets, government, and society in response to the worldwide shock.



Business leaders have been experiencing the pressure to act on sustainability – and expect it to grow significantly

Pressure to act on sustainability has grown over the last three years

62% of CEOs say that the pressure to act on sustainability grew significantly over the last three years

18% of CEOs ranked the investors as a top three influential stakeholder on future sustainability management in 2016

The pressure continues to mount as investor focus moves toward sustainability

73% of CEOs say they expect the pressure to act on sustainability to grow significantly over the next three years

31% of CEOs ranked the investors as a top three influential stakeholder on future sustainability management in 2021

% of CEOs who ranked a stakeholder as one of their top three most influential

2016 Stakeholder Ranking

1	Customers & Consumers	55%
2	Employees	43%
3	Governments	37%
8	Investors & Shareholders	18%

2021 Stakeholder Ranking

1	Customers & Consumers	73%
2	Employees	35%
3	Investors & Shareholders	31%
4	Governments	31%

The Global South is at risk of experiencing long-term setbacks

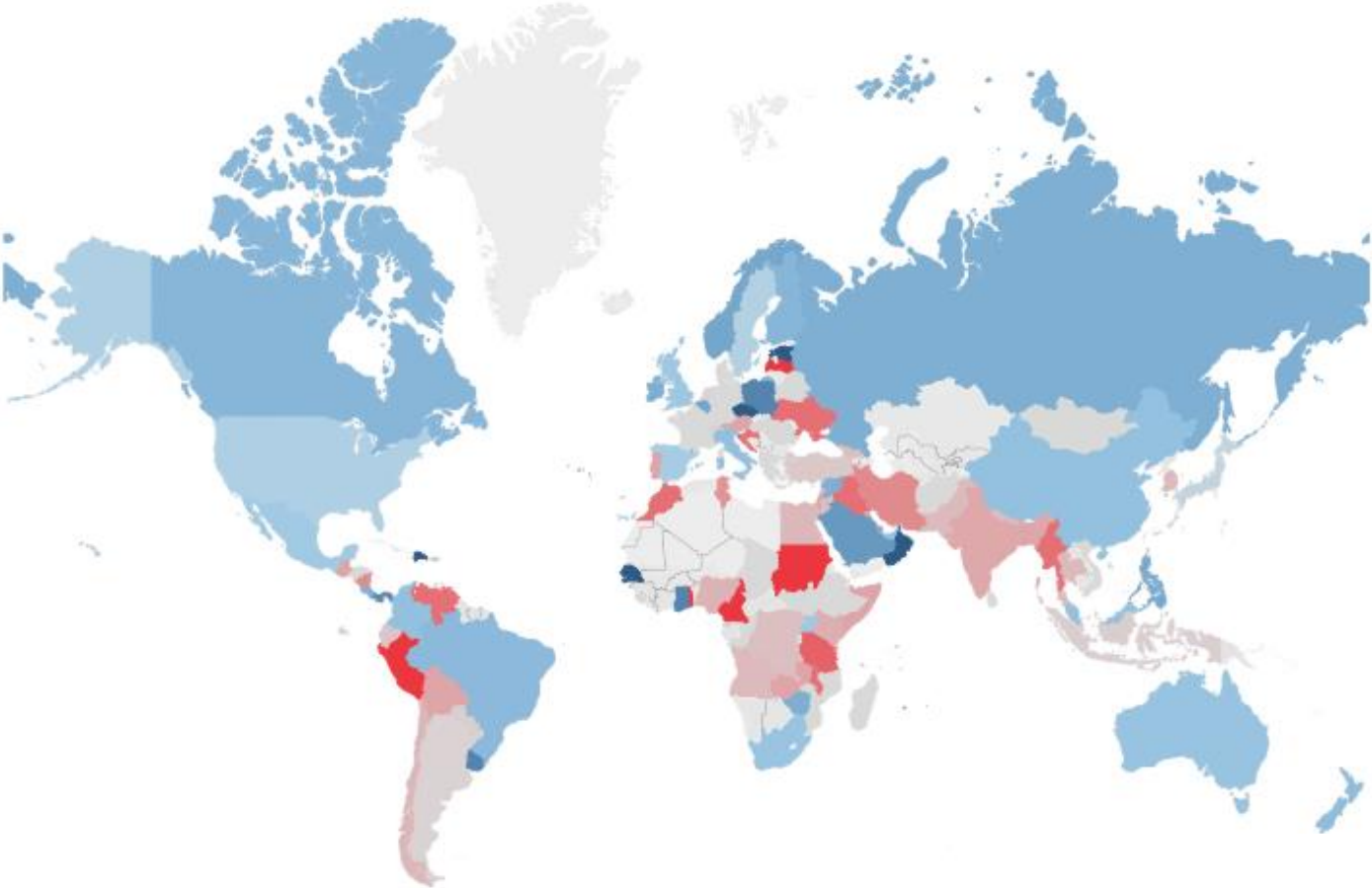
The COVID-19 pandemic continues to devastate lives and livelihoods around the world. It poses the greatest risks to developing countries and to vulnerable communities – specifically social and economic challenges such as fragile health systems, social protection measures, and financial markets.

The UN is highlighting the power of the Global South to support and advance sustainable development, even during these challenging times.

There is an urgency to scale up Southern development successes, share them widely through enhanced cooperation, build a strong recovery, and achieve the Sustainable Development Goals by 2030.



The pandemic has disproportionately impeded sustainability progress in the Global South

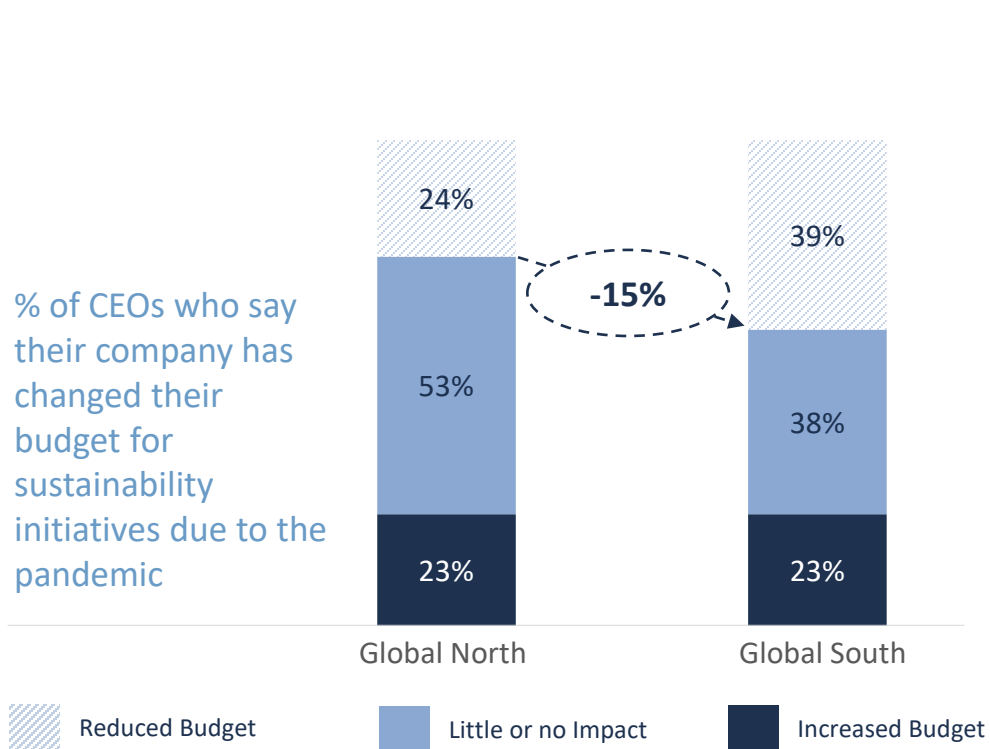


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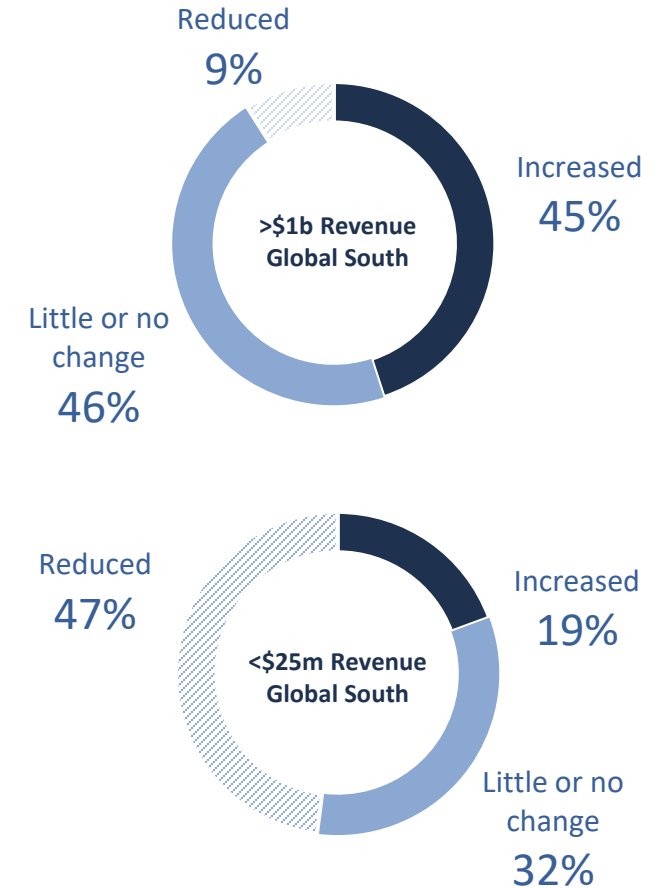
Twice as many CEOs from the Global South (42%) say the pandemic has had a negative impact on sustainability efforts relative to those from the Global North (22%)

- Significantly accelerated
- Moderately accelerated
- Little or no change
- Moderately delayed
- Significantly delayed
- Information unavailable

Budgets for sustainability initiatives are shifting in the Global South, while the Global North's remain consistent

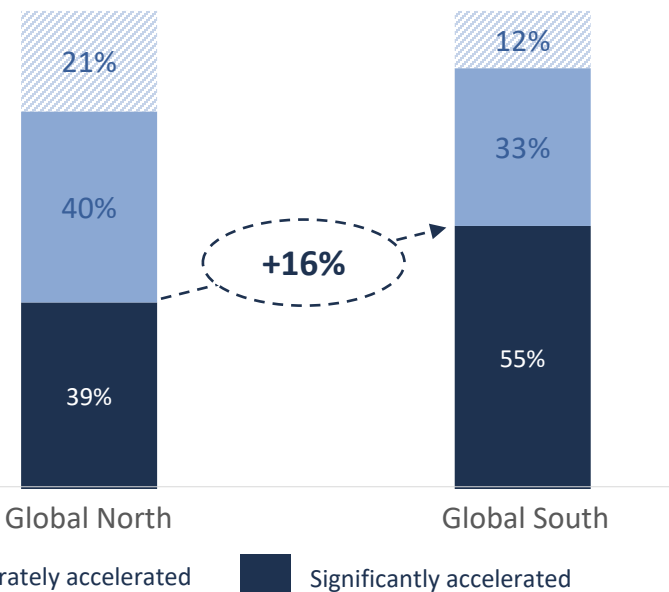


Changes in budget for sustainability differ widely by company size across the Global South, with the smallest companies having to reduce budgets most significantly



Despite financial constraints, CEOs from the Global South continue to prioritize sustainability actions

% of CEOs who say their company has adopted more ambitious sustainability targets or milestones due to the coronavirus pandemic



Little or no change
 Moderately accelerated
 Significantly accelerated

Top areas in which CEOs in the Global South are prioritizing investment over the next 2-3 years

- 1 Adopting sustainability targets in line with Agenda 2030 (51%)
- 2 Establishing core sustainability governance (27%)
- 3 Upskilling or recruiting talent with expertise in sustainability (24%)
- 4 Developing new products or services (22%)
- 5 Investing in resilient and sustainable manufacturing and production (17%)

UN Secretary-General's message on South-South Cooperation

Southern countries are demonstrating the spirit of South-South cooperation, equal partnership and global solidarity during the pandemic, by collaborating in science, technology and innovation, delivering medical supplies, providing financial resources, sending health workers and experts to bridge gaps in capacity, and sharing best practices.

The United Nations is playing its part in supporting South-South and triangular cooperation through the pandemic, by fast-tracking financial allocations for developing countries as they cooperate with each other and with development banks and agencies.

António Guterres
Secretary-General of the United Nations

September 2020

Supply chains are in the eye of the storm

COVID-19 has disrupted supply chains around the world. However, they have also been a vital lifeline to support the response, keeping essential medical supplies, food and other key necessities flowing where they are needed most.

The repurposed and reshaped supply chains of the future will need to be characterized by both resilience and responsibility. These will help communities manage the short-term crisis and enable businesses to build around their customers and help economies rebound.

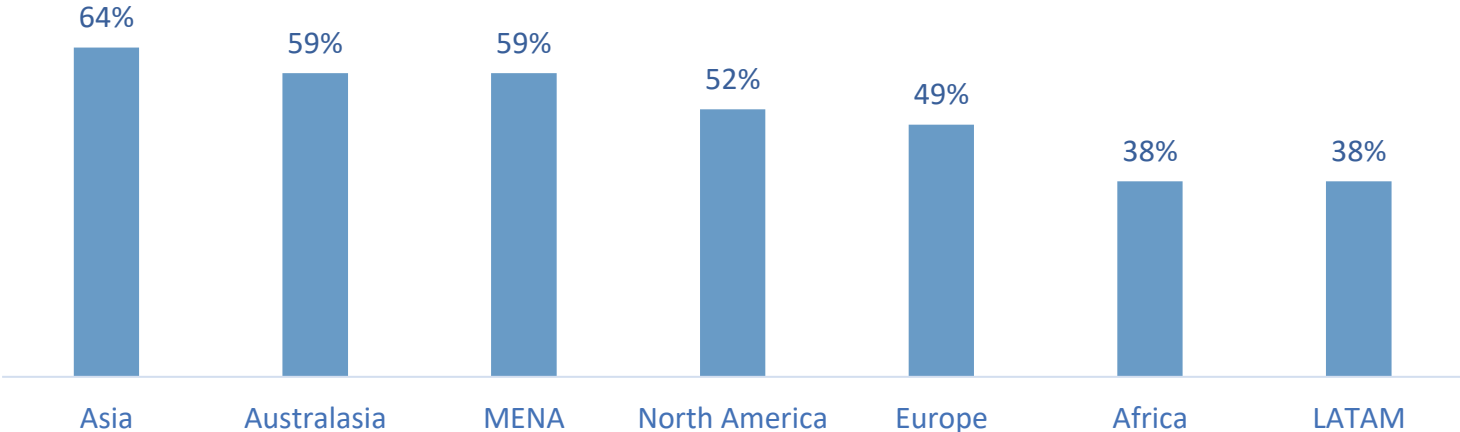
Business leaders must make rapid decisions, and take immediate actions to sustain business operations to serve their customers, clients and communities, as well as protect and support their workers.



Supply chain resilience and transparency is an imperative to advance sustainability

50%

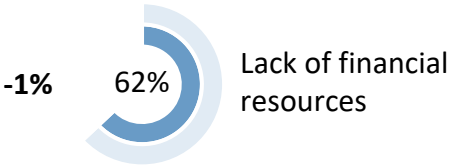
of companies globally say that supply chain sustainability has grown in importance since the COVID-19 pandemic; however, perspectives vary regionally



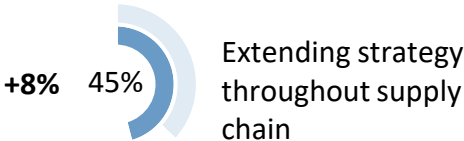
CEOs from small organizations face financial constraints, but as company size increases, CEOs say **extending sustainability strategy through the supply chain is the top barrier**

ANNUAL REVENUE

< \$25m



\$25-\$250m



\$250m-\$ 1bn



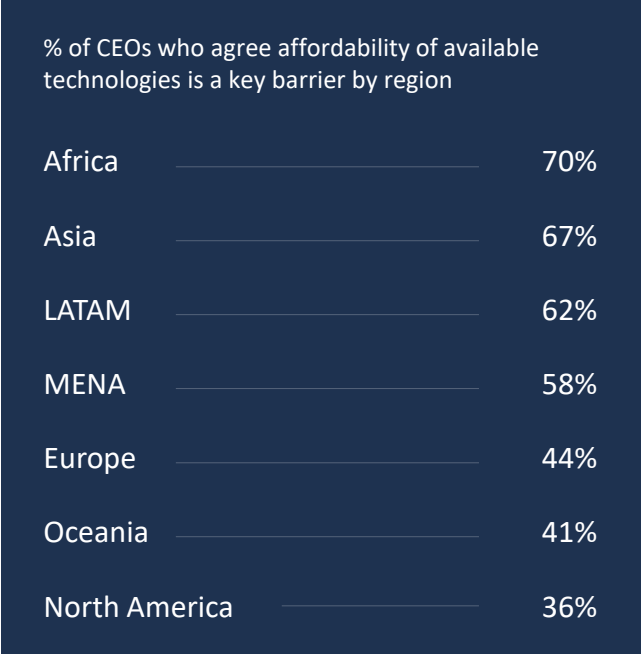
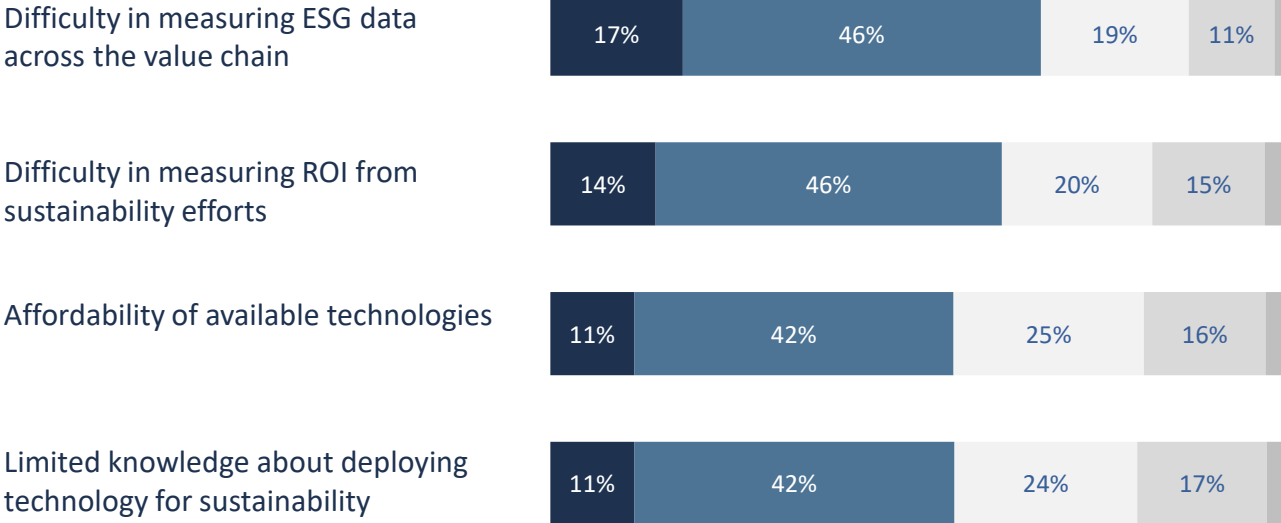
> \$1bn



2019 2021

Accelerating development and accessibility of technology solutions is critical to building responsible value chains

Key barriers to sustainability across industries



Strongly Agree
 Neither Agree or Disagree
 Strongly Disagree

Agree
 Disagree

Implications on decent work

For many workers, a job does not provide a way out of poverty for their family. The current COVID-19 pandemic has shown the stark vulnerability of low-paid workers and made clear the consequences on human capital.

The COVID-19 pandemic disrupted labour markets around the world on a historically unprecedented scale. The ILO estimates that in 2020, 114 million jobs were lost relative to 2019, hitting young workers and women particularly hard.

Despite progress, decent work deficits remain alarmingly widespread – 24.9 million people are trapped in forced labour, 152 million children are estimated to be in child labour, 80% of countries violate the right to collective bargaining, and 54 countries deny or constrain freedom of speech and assembly.



Promoting decent work across the value chain remains a challenge for the global economy

Leaders are promoting decent work within their own company

...but struggle to extend those principles further down the value chain

72%

of companies offer a living wage to employees

20%

of companies ensure that a living wage is provided to workers in their supply chain

81%

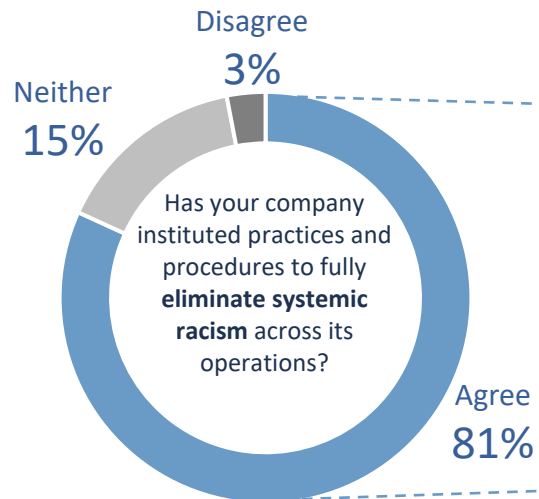
of CEOs have instituted practices to progress toward eliminating systemic racism across operations

43%

of CEOs say that systemic inequalities across the value chain pose a barrier to sustainability in their industry

Today's commitments are promising a more diverse and inclusive future workforce

Companies are taking action to create a more diverse and inclusive workforce

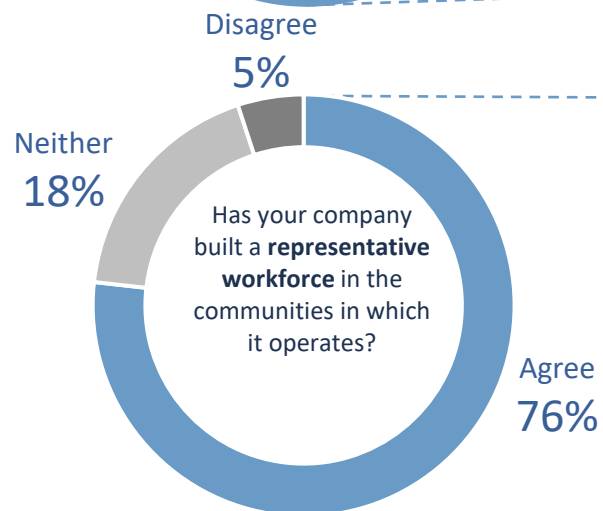


54%

of companies have implemented inclusive policies that promote diverse teams

42%

of companies say leadership is accountable to diversity and inclusion targets



82%

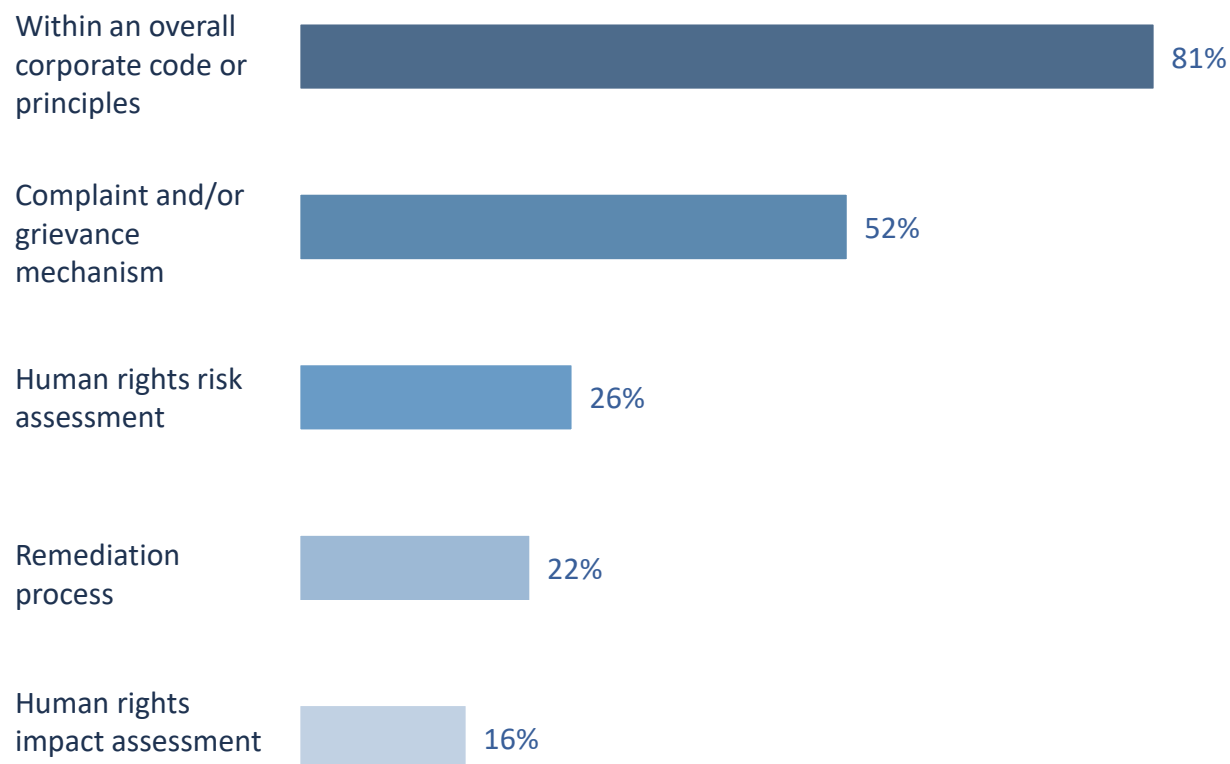
of companies say gender equality is incorporated into company corporate sustainability strategy

51%

of companies have set a target for 31-50% women's representation at the Board of Directors level within the next 4 years; up from 48% in 2020

Companies are strong on human rights internally but struggle to extend policies across operations

How companies promote human rights through their operations



Companies say...

89% of companies have policies and practices in place related to human rights

72% of companies are implementing the Guiding Principles on Business & Human Rights

But, CEOs say...

32% of CEOs agree that lack of strict human rights policy enforcement is a barrier to sustainability in their industry

Protecting people and communities through strong and just institutions

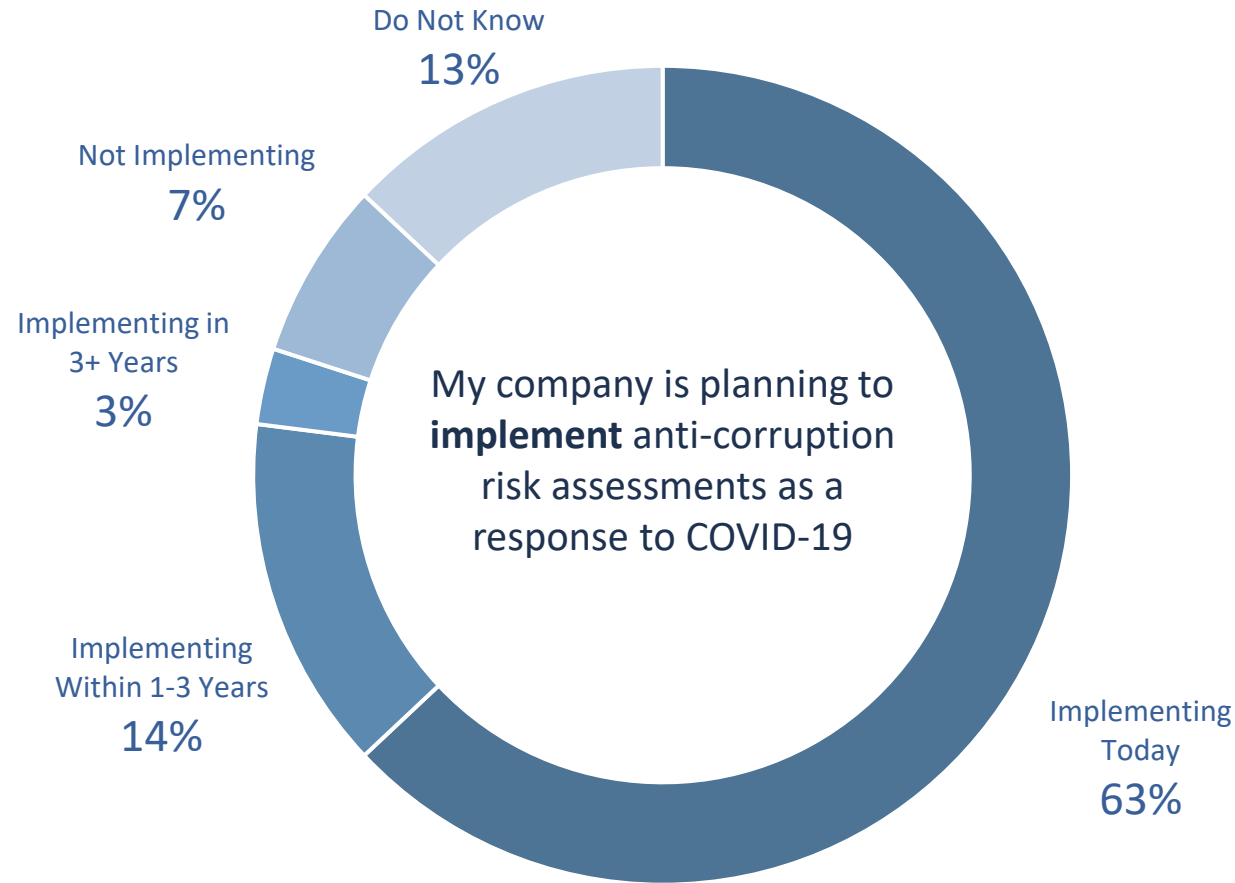
Transformational governance is a bold new concept for business that expands the “G” – or governance element – in ESG – the environmental, social, and governance issues that determine corporate sustainability.

Transformational governance calls on businesses to provide greater accountability, integrity, and transparency as a driver to responsible conduct, enhanced ESG performance and strengthened public institutions, laws, and systems to create more peaceful, just and inclusive societies.

That means modelling ethical leadership in their organizations. It means partnering with government, civil society and others to strengthen institutions, laws and systems, nationally and internationally.



Global value chains are more susceptible to corruption due to market disruptions from the pandemic



Companies say...

58%

have a zero-tolerance policy toward corruption

48%

have a whistleblower policy on anti-corruption that includes protection against retaliation

The Road to Glasgow

2021 is a make-or-break year to confront the climate emergency. However, there is currently a dramatic gap in ambition when it comes to 2030 NDC targets, both at the country and corporate level.

There is no solution to the climate crisis that does not hold businesses accountable for their impact on the climate and harness their power to transform the global economy.

Short term action paired with long term plans aligned with the Paris Agreement is what the world needs and exactly what science-based targets deliver. Companies with science-based targets are already cutting emissions at scale – SBTi companies with approved targets collectively reduced their annual emissions by 25% between 2015 and 2019.



In the months before COP26, companies have room to grow to reach ambitions set forth before COP21

2015 AMBITION

PRIORITIZING
CLIMATE
CHANGE

80% of CEOs told us action on climate change was an urgent business priority

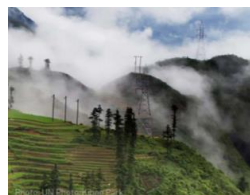
SCIENCE-BASED
ACTION

43% of CEOs said science-based reductions were among the most important actions

2021 REALITY

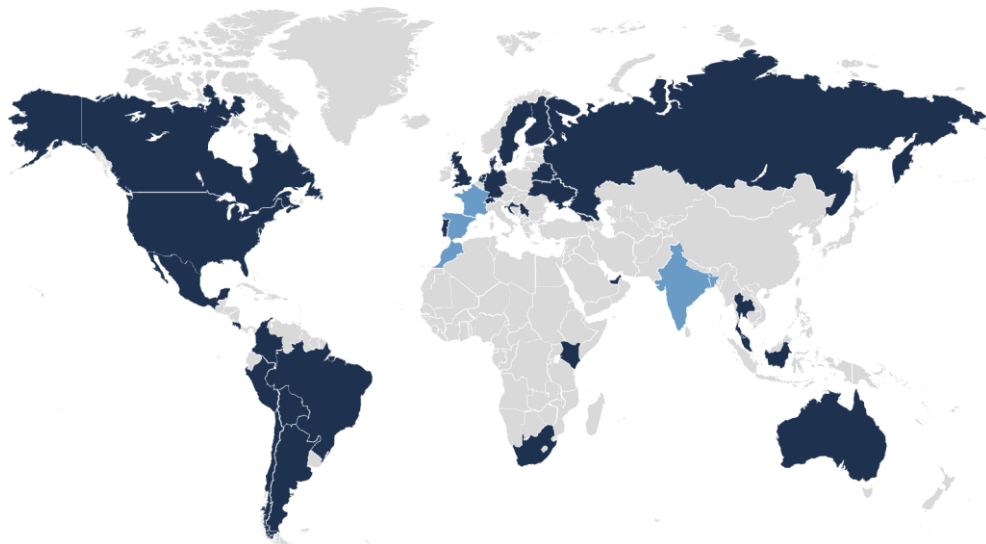
58% of companies say they are prioritizing Goal 13 on Climate Action

32% of CEOs say their company has already set or plans to set a net-zero emissions reduction target validated by SBTi within the next year



41% of companies with an approved science-based target are aligned to 1.5°C

The SDG Ambition Accelerator helps raise sustainability ambition to 2030



■ Dark blue shading indicates a Local Network that is a confirmed Round 2 participant
■ Light blue indicates a Local Network that participated in Round 1

Assistance in setting targets aligned with the SDGs

Cross-company networking & discussions

Guidance in incorporating SDGs into business operations

ROUND ONE CREDENTIALS

600+
Companies registered

65+
Countries reached

81%

of participants were satisfied with the program overall

77%

of participants agreed that the accelerator helped them **shape ambitious goals**

79%

of participants agreed that the accelerator helped them **identify new ways to contribute to the SDGs**

ROUND TWO REGISTRATION

Let's together learn

How to strategically prioritize actions that accelerate your contribution to the 2030 Agenda.

How to set targets aligned with absolute benchmarks that today seem aspirational but are critical to our future economies and societies.

How to hardwire the SDGs into core processes and management systems, to materially accelerate progress toward the SDGs.

REGISTRATION FOR ROUND 2 OPENS ON JUNE 17TH

UPCOMING INSIGHTS

THEMATIC DEEP DIVES

Issue based deep-dives
UN General Assembly, 2021

DIGITAL MEDIA

CEO voices and leadership briefings
UN Climate Change Conference (COP26), 2021

CLIMATE REPORT

CEO Climate Study
UN Climate Change Conference (COP26), 2021

CEO Perspectives from the Global South
CEO Study
Special Briefing
2021

Special Focus
CEOs on sustainable business in the Asian Century

Special Focus – Carbon Pricing

In the view of CEOs and business leaders across regions and industry sectors, carbon pricing is an essential tool for governments and policymakers in advancing progress on international climate goals and unlocking the potential of the private sector in addressing the climate challenge.

Business leaders see carbon pricing as a key to addressing climate change through regulatory action and market-based mechanisms. They see carbon pricing as a key to addressing climate change through regulatory action and market-based mechanisms. They see carbon pricing as a key to addressing climate change through regulatory action and market-based mechanisms.

40%, and well over the 20% in Europe, for example. This focus on the importance of sustainability for business success may reflect, in part, the imperative presented by urban transformation across the region, as providing the means for a transition towards a new resource economy characterized by intelligent urban centers, enabled by new technologies and powered by clean energy, many companies see a unique opportunity to differentiate their business and drive new means of growth.

The lens of proximity: From philanthropy to social business.



Executive Summary

Revealing sustainability: From frustration to opportunity

- Business leaders are more likely to be satisfied with their company's sustainability performance than in previous years.
- Of those who are not satisfied, 60% of CEOs and 50% of CFOs see sustainability as a key to competitive advantage.
- Business leaders are more likely to be satisfied with their company's sustainability performance than in previous years.

Embedding sustainability: From short-term results to long-term prosperity

- Business leaders are more likely to be satisfied with their company's sustainability performance than in previous years.
- Of those who are not satisfied, 60% of CEOs and 50% of CFOs see sustainability as a key to competitive advantage.

Caring for Climate: An Urgent Priority

Business leaders are more likely to be satisfied with their company's sustainability performance than in previous years.

Growth & Innovation: A Climate of Opportunity

Business leaders are more likely to be satisfied with their company's sustainability performance than in previous years.



ABOUT THE CEO STUDY PROGRAM

The CEO Study program, developed by the UN Global Compact and Accenture, is an effort to enhance understanding and commitment between the United Nations and the private sector. The program is an extensive review of the advancing corporate sustainability movement, and the publications coalesce dominant views of CEOs, business leaders and UN executives to track developments in sustainability.

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 13,000 companies and 3,000 non-business signatories based in over 160 countries, and 69 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 on social.

ABOUT ACCENTURE

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services— all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 537,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities.

