



**Global Compact**  
Network UK

## **UN Global Compact Network UK Global Goals Working Group**

### **2020 Annual Report**

In 2017, the UN Global Compact Network UK launched a Sustainable Development Goals (SDGs) Working Group, later re-named the Global Goals Working Group. The purpose of the Group is to bring participating UK Network members together with experts and peers to discuss the challenges they are facing in effectively engaging on the Goals. It also provides an opportunity to share good practices and identify concrete actions that companies can take to make progress on the Goals.

In 2020, the Global Goals Working Group held four virtual meetings. Each meeting focussed on a different theme, covering:

- The impact of the COVID-19 crisis on the SDGs;
- Using the SDGs in post-COVID-19 recovery;
- Measuring impact on the Goals;
- Sustainable finance for the SDGs.

This report aims to summarise the key learnings from each of these meetings.

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## The impact of the COVID-19 crisis on the SDGs

The COVID-19 pandemic has jeopardised, and in many respects reversed, progress towards the SDGs. It presents more than just a crisis for our health and well-being; the pandemic continues to disrupt our work, our supply chains, our cities and communities, our economies, and our societies. The interrelated nature of the SDGs means that these impacts threaten to cause many negative knock-on effects on all sustainable development efforts, making the 2030 Agenda more urgent and necessary than ever.

The Global Goals Working Group focussed on SDG 5: Gender Equality and SDG 13: Climate Action to explore the impacts of the pandemic. The Group invited Myles McCarthy, from the [Carbon Trust](#), and Elisabeth Resch, from the [UN Global Compact](#), to consider opportunities for companies to strengthen the positive impacts and respond to the adverse effects that the crisis has evoked.

### Impacts on SDG 5 and SDG 13

- Many aspects of the COVID pandemic have had a disproportionately adverse effect on women and girls, for example:
  - 70% of healthcare workers risking their lives are women;
  - 60% of women's employment is in the informal economy with few protections; and
  - domestic violence has increased by 25% in some countries following the lockdowns.
- Business travel is often a significant part of an organisation's carbon footprint; however, the implications of the pandemic have meant that the world has woken up to the practicality of virtual meetings which could positively boost progress towards SDG 13. The expectation of face-to-face client/customer relations has changed, and technology has rapidly developed in response to the increased demand for online engagement.
- There may be significant changes in drivers for corporate sustainability and stakeholder groups' views and expectations post-COVID-19; for example, changes in consumer expectations, changes in buying habits and priorities, and investors expecting higher demonstration of risk evaluation.
- The pandemic has demonstrated the vulnerability of our global supply chains which has knock-on impacts on all the Goals.

### Key recommendations and opportunities

- Companies should continue best practices that have arisen out of the pandemic; for example, further endorsement of flexible working arrangements and the greater reliance on technology and virtual meetings which will reduce the need for business travel and could have benefits for disability access.
- Companies could take the [Target Gender Equality COVID-19 Quiz](#) to understand some of the actions that businesses can take to ensure a gender-sensitive and gender-inclusive response to the pandemic. Examples of actions include:
  - embracing flexible working arrangements;
  - promoting safe and affordable childcare options;
  - investing in long-term parental leave opportunities to reduce the negative impacts on women and girls; and

- raising awareness about domestic violence and ensuring resources are shared widely, especially when shelters are closed during lockdowns.
- Companies could use the opportunity of the pandemic to further promote, both internally and externally, the need for action for the SDGs.

## Resources

[Recording](#) of guest speakers, Myles McCarthy from the Carbon Trust and Elisabeth Resch from UN Global Compact.

[Uniting Business to Tackle COVID-19](#) – The UN Global Compact has compiled a series of COVID-19 issue area briefs that detail the impact of the pandemic on a range of SDG issues worldwide:

- [Anti-corruption](#) (Goal 16);
- [Climate](#) (Goal 13);
- [Decent Work](#) (Goal 8);
- [Gender Equality](#) (Goal 5);
- [Human Rights](#) (multiple Goals);
- [Oceans](#) (Goal 14);
- [Sustainable Finance](#); and
- [Water Stewardship](#) (Goal 6).

[UN Global Compact Academy Business and COVID-19 webinar series](#) – Watch on-demand the UN Global Compact Academy series on business and COVID-19. The sessions cover a diverse range of topics including leadership, the future of the global economy, helping small businesses, supporting women, human rights, and climate action in times of crisis.

[Shared Responsibility, Global Solidarity: Responding to the socio-economic impacts of COVID-19](#) – “A hard truth is that we could have been better prepared for this crisis. The MDGs and the SDGs could have put us on track towards a world with access to universal health coverage and quality health care and more inclusive and sustainable economies.” The UN report describes the speed and scale of the outbreak, the severity of cases, and the societal and economic disruption of COVID-19.

[The SDG Impact of COVID-19](#) – In this podcast series, RELX gathers expert opinion from a range of RELX business areas and their partners, exploring the impact of COVID-19 on the SDGs.

[Sustainable Development Report 2020: The Sustainable Development Goals and Covid-19](#) – Prepared by independent experts at the Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung, the report explores the short-term impacts of the COVID-19 crisis on the SDGs. It then frames the implementation of the Goals in terms of six broad transformations which can guide the immediate post-crisis recovery. The report includes the SDG Index and Dashboards for all UN member states.

## Using the SDGs in post-COVID-19 recovery

COVID-19 recovery plans present an opportunity for businesses, civil society, and government alike, to use the SDGs to recover quicker from the pandemic and build a more inclusive, sustainable, and resilient future. The UN Global Compact Network UK coordinated a [letter](#) with [UKSSD](#) and over 150 organisations to call on Prime Minister Boris Johnson to use the SDGs to create a socially just and green recovery. This letter was supported by Lord McConnell, Co-Chair of the [APPG on the United Nations Global Goals for Sustainable Development](#), who also raised it in the House of Lords.

Together with Lord McConnell, the Global Goals Working Group considered the opportunities, both internally and externally, to further advocate for the use of the SDGs in a post-COVID-19 world.

### Action to date

- The APPG on the United Nations Global Goals for Sustainable Development (referred to as the APPG hereafter) was established in 2015 to promote and monitor the progress of the SDGs. In 2020, they launched a website, twitter feed, and a newsletter to keep everyone informed about their work.
- In June 2020, the APPG launched an inquiry to collect evidence on the UK's progress on the SDGs, the impact of COVID-19, and recommendations for ensuring the Goals are at the centre of the UK's recovery plans. Members of the Global Goals Working Group, as well as the wider UN Global Compact Network UK membership, were invited to contribute to the inquiry and the [final report](#) features a number of our inputs.
- Members such as [ScottishPower](#) and [SSE](#) have highlighted the roadmaps that they have produced for policymakers to drive a green recovery that stimulates economic growth and investment in a net zero future. Further information and links to these documents can be found below.
- Lord McConnell commended the advocacy work to date but also emphasised the importance of organisations advancing the Goals themselves, particularly at times of governmental inaction.
- Throughout the year, members of the Global Goals Working Group presented their approach to advancing the SDGs within their organisations which also addresses the impact and recovery from the COVID-19 pandemic. Further resources below include examples of actions that companies are taking to ensure that sustainability remains at the heart of their recovery efforts.

### Key recommendations and opportunities

- Individuals can sign up to receive direct updates from the APPG [here](#), as well as find out information about upcoming events and opportunities to feed into the APPG's activities.
- In 2020, the UN Global Compact Network UK took on the mission of UKSSD. This included launching a new [SDG Advocacy Working Group](#) in order to continue discussions around using the SDGs in post-COVID-19 recovery, to explore opportunities to shape a responsible business environment in a post-COVID-19 world, and to influence the UK government's agenda. All members and external stakeholders are invited to join and can sign up to receive updates [here](#).

## Resources

[Letter to the Prime Minister](#) – The UN Global Compact Network UK letter to the Prime Minister calling on the UK government to use the SDGs to create a socially just and green recovery from the COVID-19 pandemic. The response issued by Rt Hon Anne-Marie Trevelyan MP, the Secretary of State for the then Department for International Development (DFID), is also available to download from this link.

[APPG on the United Nations Global Goals for Sustainable Development website](#) – More information about the APPG's news, events, and links to their previous reports.

[Building Back Better: The SDGs as a roadmap for recovery](#) – The report is the culmination of the APPG's inquiry addressing the UK's progress on the SDGs in light of COVID-19, with contributions from over 50 organisations. The report finds that COVID-19 has put gains made towards achieving the SDGs at risk and concludes that the SDGs should be considered as part of the new Foreign, Commonwealth and Development Office (FCDO) strategy.

[Unlocking Net Zero: 10 Practical Steps For A Green Recovery](#) – Produced by ScottishPower, the priorities and regulatory changes set out in the report are focused on changes the UK government could make to quickly boost private investment in the economy and create jobs.

[A Greenprint For Building A Cleaner, More Resilient Economy](#) – Produced by SSE, the report recommends a five-point action for the UK government to greenlight billions of pounds of private investment in low carbon infrastructure, committing to a net zero power sector by 2040 and helping get the UK on track to meet its climate action commitments.

[The Sustainable Development Goals: Our Framework for COVID-19 Recovery](#) – The UN has detailed the priorities that COVID-19 response plans must address for each SDG. These not only ensure that the Goals are achieved within the next ten years but also that governments address the most pressing challenges that have been exacerbated by the pandemic.

[CEOs Taking Action](#) – A series of videos produced by CEOs from UN Global Compact companies sharing what they are doing as part of their response, recovery, and resilience efforts in light of COVID-19.

[Uniting Business to Tackle COVID-19](#) – The UN Global Compact COVID-19 issue area briefs, as listed above, include a variety of resources to help companies build back better and recover stronger.

## Measuring impact on the Goals

As corporate sustainability reporting continues to advance, measuring and disclosing impact on the SDGs has become a key driver for businesses to demonstrate transparency and strengthen accountability, engage stakeholders, and importantly, accelerate their sustainable development efforts.

### Challenges

- Many companies now include the SDGs in their annual reporting processes but struggle to meaningfully measure and report on their impact towards the Goals.
- In addition to this, many organisations particularly struggle with managing the assessment of, and reporting on, negative impacts.
- Some objectives – such as raising awareness of the SDGs – are difficult to measure.
- Companies can often have hundreds of sustainability KPIs, making it difficult to prioritise what to report on.

The Global Goals Working Group invited Jo Fackler, Engagement Lead from the [Impact Management Project](#) (IMP), to explore these challenges with the Group and share how the IMP is helping to build global consensus on measuring, managing, and reporting impacts on sustainability.

### The Impact Management Project

- The IMP provides a forum for building global consensus on measuring, managing and reporting impacts on sustainability. It convenes a [Practitioner Community](#) of over 2,000 practitioners to share best practices, delve into technical issues, and identify areas where further consensus is required in impact measurement and management. It also facilitates a Structured Network of standard-setting organisations (including the UN Global Compact) that, through their specific and complementary expertise, are coordinating efforts to provide comprehensive standards for measurement, management and reporting of impacts on sustainability.
- Developed in consensus with the IMP Practitioner Community, the impact management norms provide a logic for sharing information about impact goals and performance across value chains. Guidance on these includes a definition of impact, the five dimensions of impact, data categories and ABC of impact that are used to set goals and measure performance, as well as strategies that investors can use to understand their own contribution to the impact of an enterprise. A summary of these is below, and detailed guidance can be found on the [IMP website](#):
  - **Definitions:** An outcome is the result of an action or event which is an aspect of social, environmental, or economic well-being. An impact is the change in outcome (positive or negative) caused by an organisation, directly or indirectly, wholly or partially, intended or unintended.
  - **Five dimensions of impact:** After hundreds of conversations across the IMP's Practitioner Community, the IMP reached consensus that impact can be measured across five dimensions (what, who, how much, contribution, and risk).

- **The ABC of impact:** To guide organisations measuring their impact, the ABC can be used to assess whether an impact is ‘Acting to Avoid Harm’, ‘Benefitting Stakeholders’ or ‘Contributing to Solutions’. This analysis can help organisations to determine where best to allocate resources and how to meaningfully report on the impacts.
- **Investors:** The IMP has also produced guidance on how investors can contribute to the impact of assets using four types of strategies.

### Key recommendations and opportunities

- Companies could view best practice and learn from the IMP’s selection of reports, case studies, guidance, and examples on their [Resource and Examples webpage](#).
- Individuals could be recognised as part of the IMP Practitioner Community and participate in [Managing Impact](#), a collaborative project with the Harvard Business Review Idea Lab for participants to join discussions, explore issues in greater depth, and share best practice. To participate in Managing Impact, individuals should:
  - Set up a free account with Harvard Business Review [here](#);
  - Log into the Idea Lab [here](#);
  - Contribute to the Managing Impact discussions [here](#).

### Resources

[The Impact Management Project website](#) – More information about the IMP, resources, and examples.

[SDG Compass](#) – A five-step guide on how to align strategies as well as measure and manage contribution to the realization of the SDGs. Step 5 includes guidance on assessing SDG reporting priorities through materiality.

[Integrating the SDGs into Corporate Reporting: A Practical Guide](#) – A three-step guide which compliments the SDG Compass to help organisations embed the SDGs into existing business and reporting processes. It follows an approach that is aligned with the UN Guiding Principles on Business and Human Rights and the GRI Standards.

[Analysis of the goals and targets](#) – The report is a first step towards a uniform mechanism for business to report on their contribution to, and impact on, the SDGs in an effective and comparable way. It contains a list of existing and established disclosures that businesses can use to report, and identifies gaps where disclosures are not available.

[In Focus: Addressing Investor Needs in Business Reporting on the SDGs](#) – Features recommendations on how corporate reporting on the SDGs can best address investors’ information needs.

## Sustainable finance for the SDGs

Meeting the Goals by 2030 will require leaders to rethink corporate finance and corporate investments. Although global SDG investment has progressed in recent years, it remains far from the target to meet the \$2.5 trillion investment gap needed to achieve the Goals, according to the [UN Conference on Trade and Development](#). There is a strong mandate from the UN to work on financing for the SDGs, not only to address this investment gap, but to maximise the trillions of dollars of market opportunities that the SDGs are estimated to open up.

CFOs have a critical role to play as the stewards of trillions of dollars in corporate finance. For the final meeting of the year, the Global Goals Working Group invited Marie Morice, Head of Sustainable Finance at the [UN Global Compact](#), to talk about the newly launched [CFO Taskforce for the SDGs](#).

### The CFO Taskforce for the SDGs

- The UN Global Compact convenes a Taskforce of CFOs to provide a platform to interact with their peers, investors, financial institutions, and the United Nations. Here they can share ideas, develop new concepts and frameworks, and provide recommendations to unlock private capital and create a market to mainstream SDG investments.
- Before the Taskforce was created, [guides](#) were produced to help companies mainstream SDG investments and to share guidance around specific financial instruments – including the innovative SDG-linked bond.
- SDG-linked bonds differ from a green bond which raises capital for a particular project only (for example, raising money for a windfarm or a hospital). An SDG-linked bond looks at attaching capital raising to the whole strategy of a company rather than just a specific project.
- The CFO Taskforce for the SDGs launched in 2019 to further drive action and generate thought leadership. Membership of the Taskforce is reserved for CFOs or equivalent corporate officers. They play a key role in shaping the broad agenda and work programme. Marie also set up an Expert Group which is composed of subject matter experts in corporate finance, from a variety of functional roles including sustainability, finance, and accounting. The Expert Group contributes technical expertise and support for the CFOs and participates directly in research and consultation activities.
- The first 9 months of the Taskforce focused on issuing a set of principles. The [CFO Principles](#) guide CFOs and their teams to start applying an SDG lens to the business. For the next 12 months the group will issue a set of blueprints to implement the principles, and then the hope is to create a Corporate SDG Finance initiative in the final 3 months. Over time, the idea of the Taskforce is to collect examples that can be shared with members as case studies.
- [UNEP Finance Initiative](#) (UNEP FI) have developed a framework/set of questions that are specifically related to the positive and negative impacts for SDG investing. More information can be found [here](#). It links to Principle 1 of the CFO Principles around the impact thesis.

## Key recommendations and opportunities

- Companies should commit to the CFO Principles and set targets and a timeline to implement them inside their organisations.
- Members could consider joining the Taskforce and/or Expert Group to work with peers on the programme of activities, to pioneer financial innovation to drive value, and to share outputs with stakeholders. For more information about joining, email [sustainablefinance@unglobalcompact.org](mailto:sustainablefinance@unglobalcompact.org)

## Resources

[Recording](#) of guest speaker Marie Morice from the UN Global Compact.

[CFO Taskforce website](#) – More information about the Taskforce, members, and how to get involved.

[CFO Principles on Integrated SDG Investments and Finance](#) – The CFO Principles supplement the UN Global Compact's Ten Principles to support companies in the transition to sustainable development and to leverage corporate finance and investments toward the realization of the SDGs.

[Scaling SDG Finance for the Sustainable Development Goals](#) – This guide explores the role of corporate finance and investments in scaling finance for the SDGs, including how foreign direct investment, financial intermediation and public-private partnerships can be a source of finance for less liquid SDG investments that cannot be invested directly by portfolio or institutional investors. This includes providing access to finance in countries with less developed financial markets or for SDG solutions that are too small or illiquid to attract portfolio investors.

[SDG Bonds | Leveraging Capital Markets for the SDGs](#) – This guide explores the role of the bond market in the realization of the SDGs. With \$6.7 trillion of annual issuance, bonds can provide a cheap, reliable, and scalable source of capital for a variety of stakeholders involved in the implementation of Agenda 2030. SDG bonds also provide an answer to the lack of SDG investment opportunities for institutional investors.

[Corporate Finance | A Roadmap to Mainstream SDG Investments](#) – Investors, governments, and other stakeholders are increasingly demanding that companies demonstrate sustainable strategies aligned with the SDGs. This report provides guidance to companies looking to integrate the SDGs into their financial strategy and business model.

[UNEP FI SDGs and Impact webpage](#) – More information on the UNEP FI's Positive Impact Initiative which works with finance sector representatives and other stakeholder groups to mainstream impact analysis and management in business and finance as a cornerstone to financing the SDGs.

[UNCTAD World Investment Report 2020](#) – Monitors global and regional FDI trends and documents national and international investment policy developments, with a particular focus on investment in the SDGs.

## List of contributors

### Guest speakers

Myles McCarthy, Director, Carbon Trust

Elisabeth Resch, Advisor, Global Impact Initiatives, UN Global Compact

Lord McConnell, Co-Chair of the APPG on the United Nations Global Goals for Sustainable Development

Jo Fackler, Engagement Lead at the Impact Management Project (IMP)

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