

UNITED NATIONS COMMUNICATION ON PROGRESS EMERGES AS THE PRIMARY ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORTING CENTER

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ABSTRACT

This paper will identify the growing demands for transparency of social and sustainability behavior by business. It will review the new regulations for business by governments and how the information is being reported. The problem identified in the reporting mechanisms is the fact that they do not provide results that can be compared because the reports focus on different measurements. The reporting mechanisms will be discussed, and the paper will then describe a new reporting website, Communication on Progress, produced by the United Nations that will solve the problem. It will make reporting Environmental, Social and Governance (ESG) goals and results more accessible at a global level and will allow comparisons among companies.

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KEYWORDS: Environmental, Social, and Governance, Reporting, ESG, UN Global Compact

INTRODUCTION

Given the increasing concerns about poverty and global warming by citizens and governments, and the increasing demands for transparency of business by citizens, governments are now requiring companies to report their goals and progress in environmental, social and governance (ESG) areas as a means to provide data on how each company is serving “the long term goals of transparency” (World Economic Forum, 2017, para. 1). This paper will review new regulations for business by governments and the reporting mechanisms being used by businesses to demonstrate their adherence to the regulations. Because the current reporting mechanisms measure different elements of ESG, it will focus on the development of a new program by the United Nations that is focused on the Ten Principles for Business and the UN Sustainable Development Goals of UN Global Compact. This new program Communication on Progress will make reporting ESG goals and progress easier at a global level and will allow comparisons among companies. The rest of the paper is organized as follows. The next section contains a literature review. The following section shows the methodology and Results. The paper closes with concluding comments and suggestions for future research.

LITERATURE REVIEW AND BACKGROUND

In 2017, the International Business Council (IBC) of the World Economic Forum sponsored The Compact for Responsive and Responsible Leadership, which declared that “society is best served by corporations that have aligned their goals to serve the long-term goals of society,” and identified the UN Sustainable Development Goals (SDGs) as the roadmap for that alignment. (World Economic Forum, 2017, para. 1):

The European Commission, the executive branch of the European Union, adopted a proposal for a Directive on Corporate Sustainability Due Diligence on February 23, 2022 that requires

bringing to an end, preventing, mitigating and accounting for negative human rights and environmental impacts in the company's own operations, their subsidiaries and their value chains. In addition, certain large companies need to have a plan to ensure that their business strategy is compatible with limiting global warming to 1.5 °C in line with the Paris Agreement. (European Commission, 2022, para. 5)

On June 16, 2021 the U.S. House of Representatives passed the Corporate Governance Improvement and Investor Protection Act (H. R. 1187) that requires periodic disclosure of environmental, social, and governance (ESG) goals and progress by publicly traded companies, including direct and indirect greenhouse gas emissions and fossil fuel-related assets, that “are reflected in their operations, activities, and supply chains” (Mirza, 2021, para. 1). It was sent to the U.S. Senate, which referred it to the Committee on Banking, Housing, and Urban Affairs, on June 17, 2021, where no action has been taken as of December 2022. The Act established the Sustainable Finance Advisory Committee (SFAC) to advise the Securities and Exchange Commission (SEC) on ESG metrics, standards, and disclosure. (Congress.Gov, 2022).

The SEC has announced rules that require public companies to “enhance and standardize climate-related disclosures,” on risk management processes, including plans for severe weather events (Steinhaeuser, 2022, para. 2). One rule would help investors compare funds that identify funds as ESG or sustainable funds by requiring them to “to commit at least 80% of assets under normal conditions to investments that meet their ESG criteria. The other proposal would require funds that use ESG in their investment process to disclose more about how they do so in their prospectuses and annual reports” (Hale, 2022a, para. 4). The ESGs are increasingly becoming a political issue in the United States as politicians see them as an attack on fossil fuels. (Hale, 2022b).

ESG investing is growing as investors are now concerned about the impact of climate change and social problems. ESG is not just a major economies issue; countries around the world are scored for ESG to enable investors to make choices. One, Robeco, provides reports on 150 countries using its proprietary tool to “offer insights into the investment risks and opportunities associated with each country and provide investors with a better frame of reference for making comparisons among countries and regions from a risk/return perspective” (Robeco, 2021, p. 2). Others like S&P Dow Jones, Bloomberg, Morningstar, and PwC have ESG rankings of companies.

A wave of sustainable funds launched in recent years to meet that demand, and many conventional funds have adopted ESG criteria in a more limited way. We now count more than 550 funds available to U.S. investors in which ESG plays a central role. The universe has more than doubled over the past five years and has grown more than fivefold over the past decade. (Hale, 2022a, para. 5)

METHODOLOGY

We first describe the advances and reporting related to Environmental Social and Governance (ESG) from inception to present. We used data from United National Global Compact and Global Reporting Initiative for the analysis of the reporting, including what is missing from the documents. We tracked UN Sustainable Development Goals (SDGs) and Results, Communication of Progress reporting and the new Communication of Process Platform as a new focus for ESG reporting. Then, we present the results for three companies, KPMG, Nike and LM Ericsson who use the UN SDGs to report their ESGs.

RESULTS

There have been goals to develop models that companies could follow that would allow comparisons and increase transparency and accountability. Back in 2009 Rasche developed a model of accountability that

included the United Nations Global Compact for interested parties to discuss, but it did not result in an adopted model. Now, the UN Secretary-General has called for companies to use the Ten Principles and the Sustainable Development Goals of the UN Global Compact as the model.

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 15,000 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. (United Nations Global Compact, 2022d, para. 7)

The Ten Principles for Business were developed by the UN Global Compact. They have their roots in 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 (see Table 1).

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 enact 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. (UN Global Compact, 2022d, para 1)

Table 1: Ten Principles of the UN Global Compact

Area	Principle
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Human Rights	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Labour	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour;
Labour	Principle 5: Businesses should uphold the effective abolition of child labour;
Labour	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
Environment	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility; and
Environment	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

United Nations Global Compact (UN Global Compact, 2022c, para. 3)

Given the variety of reports companies use to report their ESG goals and performance, it is difficult to find comparable information. Back in 2005 Fussler, Cramer, and van der Vegt saw the need and created a model based on total quality management (TQM) to assist businesses in putting the Global Compact into practice. However, it was difficult for companies to implement a model created by researchers:

The growing demand for this alternative type of reporting has led to two important developments. First, the view that sustainability reporting should be mandatory is gradually gaining ground (unlike financial information, non-financial information is reported on a voluntary basis). Second, there is a growing perception that we need to improve the consistency and comparability in sustainability reporting. (Ormazabal, 2021, para 1)

Today, companies use the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), which is now part of International Financial Reporting Standards (IFRS), and Task Force on Climate-related Financial Disclosures (TCFD), and social responsibility reports of most companies now address all of them in the appendices, although completing all three is expensive for companies. Sustainable Accounting Standards Board (SASB) is a non-profit organization that has standards that identify the subset of environmental, social, and governance issues most relevant to financial performance in each of 77 industries. “The SASB standards were primarily developed to provide guidance for financial disclosure by companies” (Frigo & Whittington, 2020, para. 5). The goal of Task Force on Climate-related Financial Disclosures (TCFD), created by the Financial Stability Board, was to develop a set of climate-related financial disclosures that would allow financial groups to assess climate-related risks to allow investors and others to correctly value financial assets. Global Reporting Initiative (GRI) is an organization created by business leaders to enable “any organization – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development” (GRI, 2021, para. 1). Table 2 shows the UN Sustainable Development Goals, Targets and Indicators:

However, one can only compare companies that use each measure, and thus it is difficult to compare the ESG performance of companies. A global reporting mechanism that is easier to complete and provides a means for comparison is needed. The United Nations Global Compact and its Sustainable Development Goals (SDGs) are a solution, but currently it is a complicated process, and Schembera (2018) found that although there was a positive impact of companies participating in the UN Global Compact, the initiative’s accountability structure was weak. It has developed Targets and Indicators for each SDG, but these are focused on solving the problems identified by the SDG and may be difficult for companies to follow. The table below illustrates examples of Targets and Indicators for each SDG. SDG 3 has a target to “substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.” This is one that most companies that own or outsource to factories can adopt as a goal. However, for SDG 7, only certain companies can help “ensure universal access to affordable, reliable and modern energy services” or “increase substantially the share of renewable energy in the global energy mix.”

Table 2: UN Sustainable Development Goals (SDGs) and Results, Targets and Indicators

SDGs	Examples of Targets and Indicators
SDG 1 No Poverty End poverty in all its forms everywhere	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day. Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.
SDG 2 Zero Hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture	By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed. Note: not met by 2020
SDG 3 Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.
SDG 4 Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States.
SDG 5 Gender Equality Achieve gender equality and empower all women and girls	End all forms of discrimination against all women and girls everywhere. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.
SDG 6 Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all	By 2030, achieve universal and equitable access to safe and affordable drinking water for all. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes. By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.
SDG 7 Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	By 2030, ensure universal access to affordable, reliable and modern energy services. By 2030, increase substantially the share of renewable energy in the global energy mix. By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.

Table 2: UN Sustainable Development Goals (SDGs) and Results, Targets and Indicators (Continued)

SDGs	Examples of Targets and Indicators
SDG 8 Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<p>Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</p>
SDG 9 Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<p>By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p> <p>Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.</p> <p>Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020 (<i>In 2019, an estimated 96.5 per cent of the global population were covered by at least a 2G network</i>).</p>
SDG 10 Reduced Inequalities Reduce inequality within and among countries	<p>By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.</p> <p>By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.</p> <p>By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent.</p>
SDG 11 Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	<p>By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p> <p>Strengthen efforts to protect and safeguard the world's cultural and natural heritage.</p> <p>By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p> <p>By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.</p>
SDG 12 Responsible Consumption and Production Ensure sustainable consumption and production patterns	<p>By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.</p> <p>By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment (<i>between 2010 and 2019, global generation of e-waste – discarded electronic and electrical equipment – grew from 5.3 to 7.3 kilograms per capita, while the environmentally sound recycling of such waste increased at a much slower pace – from 0.8 to 1.3 kilograms per capita</i>).</p> <p>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>
SDG 13 Climate Action Take urgent action to combat climate change and its impacts	<p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>Integrate climate change measures into national policies, strategies and planning.</p> <p>Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p>

Table 2: UN Sustainable Development Goals (SDGs) and Results, Targets and Indicators (Continued)

SDGs	Examples of Targets and Indicators
SDG 14 Life Below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<p>By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</p> <p>By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information (<i>As of December 2019, over 17 per cent (or 24 million square kilometres) of waters under national jurisdiction (0 to 200 nautical miles from shore) were covered by protected areas</i>).</p> <p>Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries.</p> <p>Provide access for small-scale artisanal fishers to marine resources and markets.</p>
SDG 15 Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, Sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss	<p>By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.</p> <p>By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.</p> <p>By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.</p> <p>By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.</p> <p>Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.</p> <p>By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species End abuse, exploitation, trafficking and all forms of violence against and torture of children.</p>
SDG 16 Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<p>Promote the rule of law at the national and international levels and ensure equal access to justice for all.</p> <p>By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime.</p> <p>Substantially reduce corruption and bribery in all their forms.</p> <p>Develop effective, accountable and transparent institutions at all levels.</p> <p>By 2030, provide legal identity for all, including birth registration.</p> <p>Promote and enforce non-discriminatory laws and policies for sustainable development.</p>
SDG 17 Partnerships for the Goals Strengthen the means of implementation and revitalize the global partnership for sustainable development. These partnerships provide a forum for companies to share best practices	<p>Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.</p> <p>Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda.</p> <p>Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.</p> <p>Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships Data, monitoring and accountability.</p> <p>By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.</p>

Table 2 illustrates the UN Sustainable Development Goals (SDGs) and provides some examples. (UN Sustainable Development Goals, Targets and Indicators, 2022).

Communication on Progress (CoP) Platform 2023: A New Tool for Investors

The solution may be in a new initiative that the UN Global Compact is launching: a new Communication on Progress (CoP) platform 2023 that will allow companies to upload all information pertinent to ESG performance translated into Sustainable Development Goals (SDGs) and how they are included in their business processes. It provides information that will allow companies to be compared by investors, consumers and other stakeholders in terms of their commitment to ESG.

The UN Global Compact requires participating companies to produce an annual Communication on Progress (CoP) that details their work to embed the Ten Principles and the SDGs into their strategies and operations, as well as efforts to support societal priorities. The Communication on Progress website provides information, resources and examples of best practice on how businesses of all sizes can align their business strategies with the Ten Principles. It has information on best practices, resources and networking events. It has a list of Global Compact Patron and Sponsor companies that support the initiative through programmatic accelerator programmes, peer learning groups, think labs, and e-learning tools on the SDGs. To be eligible for Patron and Sponsor recognition, companies must demonstrate a commitment to the UN Global Compact and its Ten Principles, display strong performance in the sustainability area they are sponsoring and commit to funding and working on the program for a minimum of two years. (United Nations, 2022d).

It has created a new version of its platform for 2023 that will make it easier for companies to communicate their goals and programs by using a standardized questionnaire rather than requiring a narrative explaining what the company is doing. Companies may chose not to address some questions, but the minimum information is (see Table 3).

Table 3: Minimum Information required for the New Communication of Process Platform

1	A statement by the Chief Executive expressing continued support for the UN Global Compact and renewing the participant’s ongoing commitment to the initiative.
2	A description of practical actions the company has taken or plans to take to implement the Ten Principles in each of the four areas (human rights, labour, environment, and anti-corruption).
3	A measurement of outcomes.

(United Nations Global Compact, 2022a, para 7)

The website provides a list of companies that currently are included on the site. (United Nations Global Compact, 2022e) Companies will address each of sixteen criteria and each criterion has seven to nine elements. The criteria below are general, but they require systems and processes by companies to demonstrate that the companies’ actions meet the criteria (see Table 4).

The list of companies is ordered according to the date they joined the Global Compact. The list identifies the Type of company: small or medium sized enterprise (SME) or company, and the Sector such as Pharmaceuticals & Biotechnology, Travel and Leisure, Financial Services, Food & Drug Retailers, General Industrials, and Household Goods & Home Construction. It then identifies the Country of the company and the date it joined. The list is alphabetical according to the year it joined. The earliest year is 2010 when companies such as Unilever, Royal Dutch Shell, Rio Tinto, Nike, Cisco, Tata Steel, DuPont, Deutsche Bank, and Nestlé joined. As of October 2022, over 21,000 companies from 160 developed and developing countries had joined the UN Global Compact. Over 100 of those companies joined in October of 2022; over 3,049 have joined since January of 2022. (United Nations Global Compact, 2022e)

When a company name is highlighted, information on the type of company, the country, sector, ownership, global compact status and year it joined appears. A link leads to the CEO’s Statement, another leads to

Yahoo and Google Finance information, and another to information from the Business and Human Rights Resource Centre. There are links to Engagements. The UN Sustainable Development Goals symbols are listed and companies highlight the ones they have adopted. They include symbols for the Principles and the Global Goals of Human Rights, Labor, Environment, and Anti-Corruption the company has addressed in the most recent CoP report. Most companies list the icons for United Nations Sustainable Development Goals and highlight the ones they support. Finally there are links to all the Corporate Social Responsibility or Sustainability reports since the company started on CoP. Unilever as a video of its most recent CSR report. Knudsen(2011) noted that CoP will delist companies that do not meet the requirements. Since 2007 15,612 have been delisted for failure to report, although some companies may not exist any longer and thus did not report. For example, Unilever has Business Ambition for 1.5°C, Business for Peace Signatories, Carbon Pricing Champions, Caring For Climate, CEO Water Mandate, CFO Principles, Founding Companies, GC 100, Human Rights and Labour Working Group, Responsible Climate Policy Engagement, Target Gender Equality, and Women's Empowerment Principles.

Table 4: Communication on Progress Criteria

Strategy, Governance and Engagement	
Criterion 1	Mainstreaming into corporate functions and business units
Criterion 2	Describes value chain implementation
Human Rights	
Criterion 3	Robust commitments, strategies or policies in the area of human rights
Criterion 4	Effective management systems to integrate the human rights principles
Criterion 5	Effective monitoring and evaluation mechanisms of human rights integration
Labor	
Criterion 6	Robust commitments, strategies or policies in the area of labour
Criterion 7	Effective management systems to integrate the labour principles
Criterion 8	Effective monitoring and evaluation mechanisms of labour principles integration
Environment	
Criterion 9	Robust commitments, strategies or policies in the area of environmental stewardship
Criterion 10	Effective management systems to integrate the environmental principles
Criterion 11	Effective monitoring and evaluation mechanisms for environmental stewardship
Anti-corruption	
Criterion 12	Robust commitments, strategies or policies in the area of anti-corruption
Criterion 13	Effective management systems to integrate the anti-corruption principle
Criterion 14	Effective monitoring and evaluation mechanisms for the integration of anti-corruption
UN Goals and Issues	
Criterion 15	Core business contributions to UN goals and issues
Criterion 16	Strategic social investments and philanthropy

Table 4 shows the UN sixteen criteria. (United Nations Global Compact, 2022e)

Three Examples

A sampling of the information on the CoP website demonstrates the ability of companies to provide the information that is relevant to them, but also to see what elements they are not responding to. The information is self-reported (see Tables 5, Table 6 and Table 7).

Table 5 : KPMG

Company Information	Year Reported and Status	Relevant Policies Connected to CoP Criteria	SDGs for Which It Has Programs	Engagements for CoP Criteria
United Kingdom International Financial Services Sector	2022 Active Letter of Commitment from the CEO stating his continued support for the UN Global Compact and its ten principles. Meets all criteria for the GC Advanced level	Human Rights, Labour, Environment, Anti-Corruption. Included is a measurement of outcomes	SDG 3, 4, 5, 7, 8, 9, 10, 12, 13, 14, 15 and 17 For SDG 3, it lists Every Woman Every Child, which has data on women and children’s health, GBCHealth, which is a program it supports	Anti-Corruption Working Group, Human Rights and Labour Working Group, Responsible Climate Policy Engagement, Target Gender Equality, and Women's Empowerment Principles, each of which has a link

Communication on Progress (CoP) Platform 2023

KMPG has good descriptions of actions and engagements; an example is for SDG 3 in the chart above, which corresponds to CoP 3, 4 and 5. For the 16 CoP criteria KMPG only has the first item checked as ‘addressed,’ and the others are in progress. There is a link to a copy of its *Impact Report 2022: Planet People Prosperity Governance*. That report identifies diversity and environmental goals and accomplishments: its Global Board is comprised of four females and five members that identify as members of underrepresented social groups. Its goal is to have one of the categories represented at the leadership level by 2025. It has had an 18% reduction in net emissions since 2019. One issue is that KMPG checked that it ‘Applies’ the GRI Sustainability Reporting Guidelines or the GRI Standards, but did not check the items that were required to show it was in accordance with the GRI standards. This is an example of ‘in progress’ that may not be evident in other reports but is evident in CoP.

Table 6: Nike

Company Information	Year Reported and Status	Description of Actions or Relevant Policies	SDGs for Which It Has Programs	Engagements
United States of America Personal Goods Sector Publicly Listed	2022 Active Participant since July 26, 2000	Refers to CSR Reports	SDG 3, 5, 8, 12, 13 and 17	CEO Water Mandate, Founding Companies, and SBTi (Approved)

Communication on Progress (CoP) Platform 2023

For the Communication on Progress Nike lists all of its CSR reports from including the 2022 one, Communication on Progress_Nike FY21 Impact Report. From 2004-2007 it has its CSR reports, but from 2008 to the present, it has CoP reports, with two Grace years during which it did not submit a report. For each SDG it has links to the CoP SDG website, “How Your Company Can Advance Each of the SDGs,” which has suggestions for companies. For example, for Goal 12, Ensure sustainable consumption and production patterns, it has links to sites for “Why business should support supply chain sustainability,” “Global Compact Management Model,” “Global Reporting Initiative,” and “Additional Tools: SDG Compass; SDG Matrix.”

Table 7: LM Ericsson

Company Information	Year Reported and Status	Description of Actions or Relevant Policies	SDGs for Which It Has Programs	Engagements
Sweden Personal Goods Sector Publicly Listed	2022 Active Participant since July 26, 2000	Refers to CSR reports	SDG 4, 5, 8, 9, 12, 13, 16 and 17	Business Ambition for 1.5°C, Caring For Climate, CEO Water Mandate

Communication on Progress (CoP) Platform 2023

LM Ericsson belongs to the Global Compact 100, which is a stock index of UN Global Compact companies that are implementing the Ten Principles and have shown base-line profitability in doing so. It has links for Communication on Progress reports each year since 2007. For 2003 through 2006 it refers to its Sustainability Reports.

For the newcomers to CoP like Petlove, a Privately Held company from Brazil whose sector is General Retailers and has been a participant since November 2022, there is little information, except for a CEO Letter of Commitment.

CONCLUDING COMMENTS

The new Communication on Progress website is mandatory in 2023. It is the answer to the need for transparency, accessibility, and accountability in the area of company ESG goals, progress, and actions. It already has the majority of global corporations on board, plus small and medium sized enterprises from 160 developed and developing countries. It provides significant amounts of information on companies at the ‘click of a mouse,’ and thus is easy to use for investors, consumers, researchers, other companies, and stakeholders at large. The fact that the information is being monitored and companies are being expelled indicates third-party evaluation. It is the answer to the need for quality information to improve the responsibility of companies to its stakeholders.

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