

ANNUAL MANAGEMENT REPORT 2019



Global Compact
Network South Africa



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INTRODUCTION

2019 OVERVIEW

In 2019, GCNSA consolidated and strengthened delivery of value to members. Being the second year in operation as an independent entity and in line with the Strategy 2018-2020, we focused on doing the following:

- Strengthening our foundation by building the required organisational structures
- Building financial sustainability
- Strengthening our role as convenors and catalysers and;
- Delivering on programmes that demonstrate action and impact.

GCNSA achieved significant milestones in key areas that include programme delivery, membership, finances & cash flow and human resources.

FINANCES & CASH FLOW

Income from membership and project sponsorship improved significantly compared to the previous year.

Membership income increased from R 2,054,025 to R 2,872,600 while project sponsorships increased from R 582,199 to R 1,144,522. This is an overall increase of 52%. Our cash flow was steady throughout the year and we had a surplus into 2020 of about R1,5m. Please note that this is a view from our unaudited management report. Audited financials will be finalised and published by June 2020.

At the end of 2019 however, we had several unpaid invoices, amounting to R1,278,000. We consider outstanding invoices as good debt and R 728,000 have already been paid in during January 2020, leaving only 3 unpaid invoices.

Increased income is dependent on growth in the membership base. Project sponsorship requires the building of relationships over time and strong fundraising and proposal development skills internally.

In 2020, GCNSA will need to explore additional income streams to further supplement core income.

HUMAN RESOURCES

Human resourcing increased in 2019 from one to four core staff including the Executive Director, a Stakeholder Engagement Manager, a short-term SDG/VNR Support Manager and a Programmes Intern. In 2020, GCNSA will begin building up Senior Programmes & technical capacity required to sufficiently deliver on strategy.

MEMBERSHIP

Membership grew by 11% (8 new companies) during the year and there is great potential to grow further, especially from the pool of large listed companies. Our value proposition is relevant and strong, with more companies increasingly interested in being involved in the UN Global Compact. This, despite the current tough economic environment. In 2020, we envisage that a few large companies that we have already engaged will join the movement. South Africa is a priority country for the UN Global Compact, alongside Nigeria, Kenya and Morocco- in building an effective movement of responsible businesses in the African continent.

The integrity measures and the annual reporting requirements of being a UN Global Compact company is still challenging for smaller companies. The rate of de-listings due to non-reporting has tended to be higher at this level. There is need for GCNSA to develop a segmented strategy (including resourcing) that considers the needs of SMEs. It is an on-going strategic discussion at the global level as well.

New Global Compact Entrants in 2019

1. Global Energy Migration
2. SAP South Africa
3. SSMTL Recycle & Waste Management Primary Cooperative
4. Uniq Holdings
5. CongreType PTY Ltd.
6. Umvoto Africa
7. SA Medical Research Council
8. HRTorque Outsourcing

Delistings: During the period, a total of 12 mostly small organisations were delisted from the Global Compact mainly due to failure to report on progress.

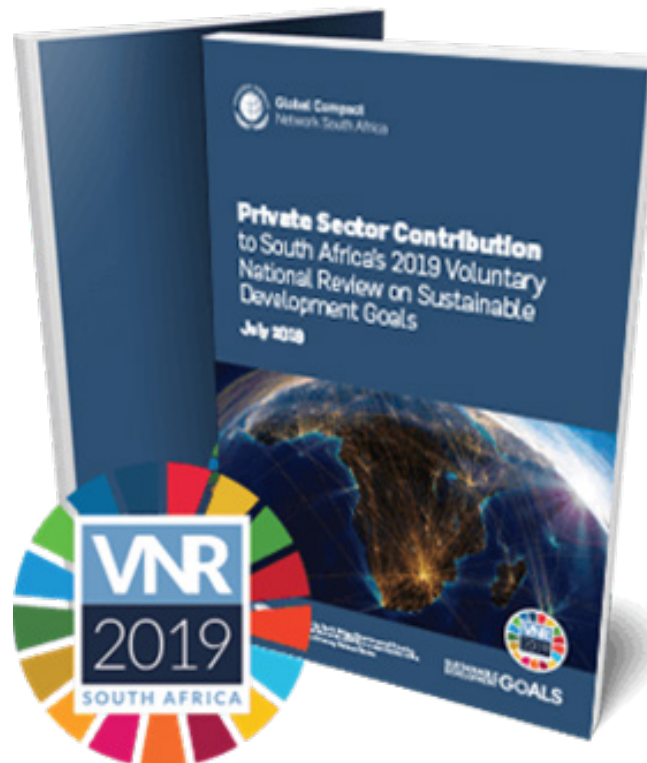
PROGRAMMES

Voluntary National Review on the SDGs

Our highlight in 2019 was the successful collaboration with several SDG Private Sector Champions and the Department of Planning Monitoring and Evaluation – DPME- to deliver the 2019 Voluntary National Review.

The collaborative process of delivering on the VNR report and the quality of the case studies elevated the voice of companies on the SDGs and strengthened GCNSA relationship with the DPME.

Once again, the DPME has requested that we prepare companies for the next VNR in 2021. As a value-add to companies that participated in 2019, GCNSA is turning company SDG narratives into short animated videos. Completed SDG videos are available on GCNSA Youtube Channel.





GCNSA was present during South Africa's report back to the UN High Level Political Forum in New York on 17 July 2019.

We were represented by two board members; Khanyi Chaba (Old Mutual) & Kgomotso Tshaka (AngloGold Ashanti).

A Focus on Young People and Business: Through the Lens of Human Rights & the SDGs

In December 2018 during the International Human Rights Day, we launched a platform for young people and business. The concept was a platform where young people and business could regularly engage on common issues framed on human rights and the SDGs; and together co-create solutions. Shortly after, the Global Compact Office introduced the Global Impact Initiatives with some priority areas targeted at young people. GCNSA implemented two of the Programmes in 2019. These programmes are a good basis to strengthen SDG innovation, pipelining and championship in participating companies.

Young SDG Innovators Programme

The Young SDG Innovators are professionals (under 35s) in Global Compact participating companies who work in teams to identify opportunities and develop solutions that are relevant to their companies but have broader application towards innovation for the SDGs. A 10-month process, we offer them mentorship and coaching, in-person and virtual trainings, live case studies, team challenges and feedback sessions. During the first cohort of Innovators, we enrolled 11 companies (a total of 26 Innovators).

The first phase of the Programme comes to an end in May, after which the Innovators will present their SDG solutions back to respective companies.

The SDG Innovators will also participate in the upcoming Leader's Summit in New York during June 2020, with specialized events that will bring together Innovators from other countries. Together, they will be part of the global alumni in June 2020, after which the Innovators will present their SDG solutions back to respective companies.



Young SDG Innovator, Jean-Paul Appel

UN Global Compact Young SDG Innovators

PARTICIPATING COMPANIES



Young SDG Innovators participants and GCNSA Team, during the first YSIP Camp.

Young SDG Pioneers Programme

We also implemented the SDG Pioneers Programme, an annual recognition of professionals in participating companies doing impactful work on the SDGs.

The winner was Sarah Whitten of Standard Chartered Bank; 1st runner up was Elvina Hercules of Sasol; and 2nd runner up was Blaine Van Wyk of

Distell. They are ambassadors for responsible business both in their companies and for the values that we hold as the Global Compact. We have received positive feedback from participating companies regarding the youth programmes hence in 2020, we are continuing with the SDG Pioneers and the Young SDG Innovators Programmes.



The Compact Dialogues on the SDGs

A Platform for Strategic Business Conversations

On a regular basis and for continued learning on the SDGs, we availed our signature platform, The Compact Dialogues on the SDGs, where a company or two share their SDG processes, methodologies and milestones.

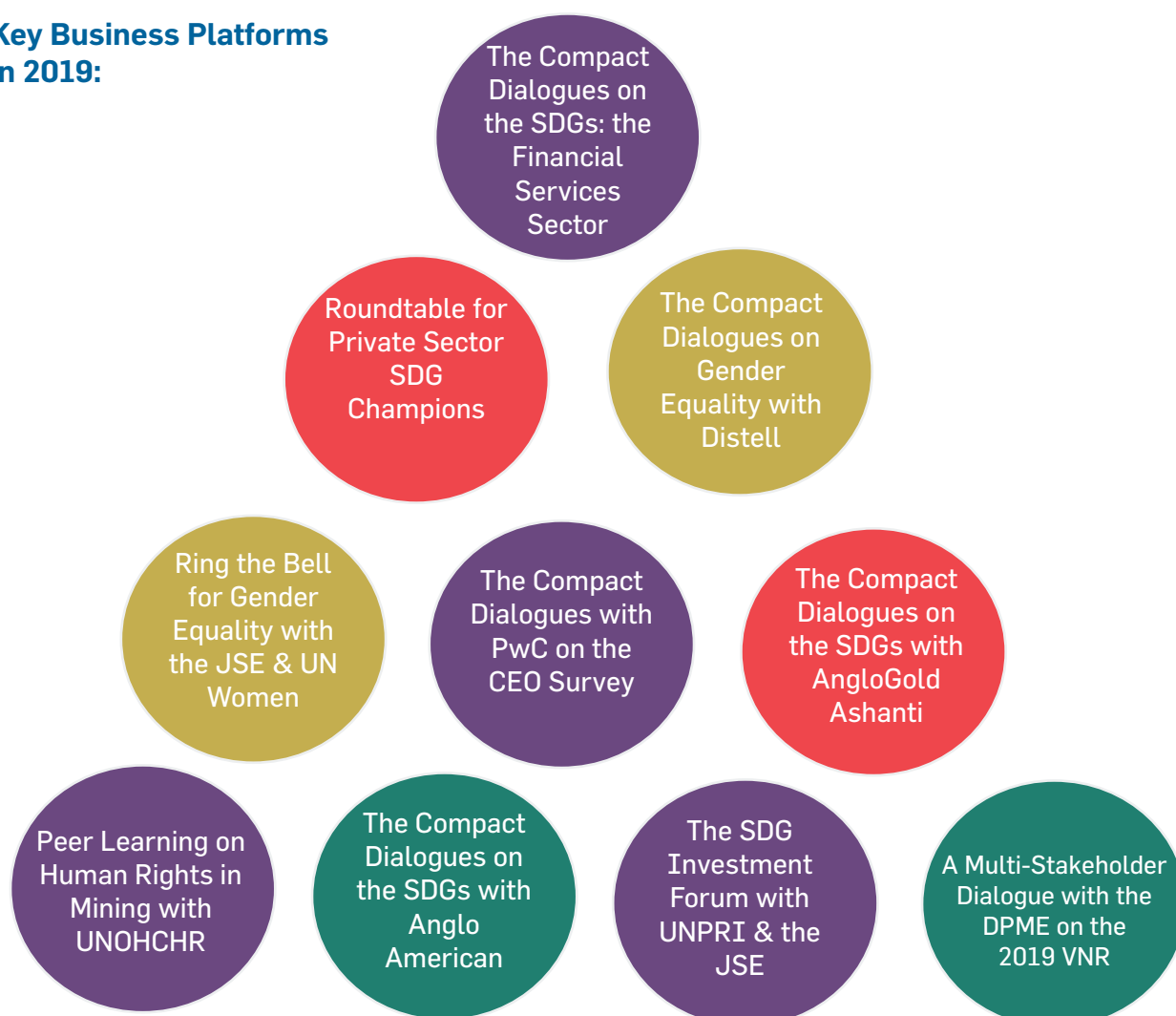
Significant learning on the SDGs is still a priority, as globally, we are generally behind on implementation of the SDGs, with companies being at different stages and performance. Feedback from companies indicate that they do find value in peer-learning on the SDGs, hence the platform is active and available on an on-going basis.

In 2019, we coordinated the Voluntary National Review engagements through The Compact Dialogues platform and obtained company commitments to participate.

THE UN GLOBAL COMPACT MISSION:

MOBILIZE A GLOBAL MOVEMENT OF SUSTAINABLE COMPANIES AND STAKEHOLDERS TO CREATE THE WORLD WE WANT

Key Business Platforms in 2019:



LOOKING FORWARD TO 2020/2021

The current GCNSA strategy would have come full cycle by the end of 2020. As the Board of Directors review the Strategy ahead of 2021, GCNSA will strive to enhance collaboration with the UN Country Office and UN Global Compact in the delivery of the SDGs, especially the priority Global Impact Initiatives. Although already delivering on the SDGs, the structured approach of the GII's potentially strengthens value delivery to business. GII's are prioritised due to their relevance and potential to drive great impact on the SDGs, with the objective to escalate action to at least 1000 companies in each implementing country.

The current four Global Impact Initiatives are:

1. SDG Ambition
2. Young SDG Innovators
3. Target Gender Equality
4. Target Climate 1.5 deg

In continuing with the work on the SDGs, we will apply The SDG Ambition; a new implementation framework for deepening integration into business. We will couple this with The SDG Action Manager; a newly launched tool for SDG Impact Assessment, tracking and benchmarking of company performance.

GENDER EQUALITY: Our intention is to continue with advocacy of the Women Empowerment Principles and encourage companies to assess their overall performance using the Gender Gap Analysis Tool. The WEPs and the Tool are aligned to support - The Target Gender Equality, a new framework for delivery. TGE is designed to enable companies to set ambitious corporate targets for women's representation and leadership in business.

HUMAN RIGHTS IN MINING: Besides our track record supporting business on governance and anti-corruption & through Social and Ethics Committee of Boards, GCNSA is best known for its support to business on human rights. In the past year and given the interest from different organisations on human rights issues in the mining sector; coupled with a request from the Minerals Council SA for support on human rights, GCNSA will be leading a collaborative intervention on human rights in Mining. The detailed plan will be communicated soon.

A YOUTH INDEX ON RESPONSIBLE COMPANIES:



GCNSA Partners and JSE ring the bell for Gender Equality

In alignment with efforts to be an organisation that centres the voices and aspirations of young people and brings them together with business; GCNSA will implement its youth index during the financial year. The details of the process will be presented during Roundtable engagements with members.

GCNSA STRATEGY & GOVERNANCE: GCNSA is a business-led platform that drives private sector response to the national and global challenges of poverty, inequality and environmental degradation. Our key focus is on private sector contributions to achieving the UN SDGs, using a principles-based approach framed by the UN Global Compact Ten Principles.

2019-2022 Board Structure & Sub-Committee members

Audit, Risk & Finance	Fundraising/ Recruitment	Programmes	Nominations & Rem
Driekie Havenga Bridgitte Backman Kgomotso Tshaka	Kathleen Ebersohn Tanya Dos Santos Khanyi Chaba Michael Solomon	Paul Kapelus Driekie Havenga Brian Chicksen Rashid Toefy Michael Solomon	Nozipho J Bardill Brian Chicksen



Board of Directors: Global Compact Network SA

















Top Row: Nozipho J Bardill (Chair); Nardos Bekele-Thomas (UN RC); dr. Acheng Ojwang (ED); Kathleen Ebersohn (Discovery); Driekie Havenga (Nedbank)

Mid Row: Tanya Dos Santos (Investec); dr. Brian Chicksen (Independent); Paul Kapelus (Synergy); Khanyi Chaba (Old Mutual); Kgomotso Tshaka (AngloGold Ashanti)

Bottom Row: Rashid Toefy (WC Gov); Bridgitte Backman (Distell); prof. Michael Solomon (Independent)



Board Meetings 2019

Date	Place	Attendance
20 Feb 2019	Teleconference	Nozipho January-Bardill Kathleen Ebersohn Rashid Toefy Brian Chicksen Tanya Dos Santos Driekie Havenga Michael Solomon
29 April 2019	Gibs Rooftop Pavillion	Nozipho January-Bardill Paul Kapelus Achieng Ojwang Brian Chicksen Khanyisile Chaba Tanya Dos Santos
30 July 2019	Gibs Rooftop	Nozipho January-Bardill Paul Kapelus Achieng Ojwang Brian Chicksen Kgomotso Tshaka Michael Solomon Driekie Havenga Bridgitte Backman
Nov Board		Postponed

IN CONCLUSION

GCNSA launched and delivered high impact programmes in 2019, solidifying its brand presence within business. The GCNSA is now increasingly known for its work on the SDGs and Youth & Innovation, alongside its track record on human rights and anti-corruption. In 2020, we will increase momentum on the SDGs, by supporting companies to adopt more ambitious SDG targets and equipping them to reach key milestones.

In 2020 we also have a focus on membership growth, as we seek the critical private sector mass that is required for impact on the SDGs.

Contact Us:

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