



# ANNUAL REPORT

## 2022



**Global Compact**  
Network South Africa

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# Executive Summary

**Dr. Achieng Ojwang**  
*Executive Director*

## Overview

2022 began with much hope for recovery from the Covid Pandemic with several organisations returning to their physical workspaces or maintaining a hybrid system of working. While the severity of the Pandemic has receded, South Africa has faced a massive energy crisis resulting in rolling loadshedding, slowing down business activities and sustainable economic growth.

A Network of the world's largest corporate sustainability platform, the Global Compact Network South Africa worked with participating companies during 2022 to identify opportunities that exist in Sustainable Development Goals, encouraging the integration of SDG priorities to accelerate impact on priority Goals. We believe that the SDGs present a myriad of business opportunities that business can realise through deep integration, ambitious action, innovation, and collaboration. The UN Global Compact Ten Principles on Human Rights, Labour Protection, Environmental Protection and Anti-corruption are foundational, and we encourage participants to take a principles-based approach in the delivery of the SDGs.

This annual report for 2022 reflects the Network's collective achievements during the year and highlights what is new in our 2023 strategy, business model and governance.

## GCNSA Governance

In the first quarter of 2022, GCNSA welcomed a new Board of Directors who succeeded the founding Board (2019-2022) led by Ambassador Nozipho J. Bardill. The new Board comprising CEOs of participating companies is chaired by Mpumi Madisa, the CEO of Bidvest Group. The Board has steered the governance of the Network during the year, building up and instilling a new strategic direction for GCNSA.

The Board profile is included in this report and demonstrates a diversity of CEOs from both large and smaller companies, across sectors and includes the United Nations Resident Coordinator to forge a closer collaboration between business and the UN in South Africa.

## The GCNSA Strategy

GCNSA is a business-led platform working to scale and accelerate the collective impact of business in South Africa, by delivering on the priorities of the National Development Plan, the SDGs & the Ten Principles of the UN Global Compact.

The Ten Principles on Human Rights; Labour Protection; Environmental Protection and Anti-Corruption is our Environmental Social and Governance Framework. ESG is foundational for business progression on sustainability. During 2022, GCNSA delivered Programme Accelerators to business participants and included the SDG Innovation Accelerator for Young Professionals; the SDG Ambition; the Climate Ambition Accelerator; and Target Gender Equality.

At the beginning of 2023, we have introduced an additional Accelerator on Business and Human Rights due diligence. Participating companies also benefited from other resources including the Global Compact Academy, Tools, and Guidance on a range of topics.

Our thought leadership platform - The Compact Dialogues on the SDGs- drove a series of strategic business conversations and peer learning on issues such as Youth & Innovation, Women in Climate & Energy, Anti-Corruption and The Business Case for the SDGs. With the range of platforms and guidance to participants, our objective is to drive measurable business impact on prioritised areas. Several companies (mostly large) have benefited from the 5 Accelerators, resources and available platforms on offer by the UN Global Compact.

In November 2022, the Board convened a strategic review session and introduced additional dimensions to GCNSA delivery going forward. The key strategic shifts are:

- Delivery of the SDG work into key sectors to drive impact and to encourage stronger participation in the UN Global Compact.
- Development of a data strategy to amplify sustainability delivery and to support sustainability leadership and championing by CEOs.
- Forging of advocacy partnerships with like-minded organisations that require companies to report on their sustainability targets i.e., the JSE- a more collaborative approach in supporting companies to improve their performance.
- Amplify the GCNSA strength in convening to drive peer-learning and enhance value to SMEs, creating linkages and networking opportunities with the larger companies.

In 2023, GCNSA is aligning with this new strategic direction.

## **The Business Model**

At the last AGM in 2022, we informed participants about the enhanced UN Global Compact value proposition, the new business model, and the accompanying annual fees benchmark. Additionally, we made a request to members to approve the introduction of a universal payment period, whereby participating companies would pay their dues between January and May of each year. GCNSA also requested approval to set a Rand to Dollar rate to standardize payment across each category of companies. The AGM approved both requests and we are implementing this approach during the first half of 2023 and are realising a much stronger cash flow and more efficient and standardised collection of revenue.

## **Financial Results 2022**

GCNSA Financials for 2022 have now been audited, obtaining a clean 5th audit since establishment as an independent organisation. Total revenue for the year ended 31 Dec. 2022 stood at R 8.7 m, an increase of 32.53% from the previous year at R 6.6 m. This growth is substantive for our small organization and a good indication of how we ran the non-profit company during the financial year.

Total expenditure at the end of 2022 stood at R 5.2 m, up from R 3.6 m. This significant increase can be explained from salaries (the filling of new positions) and a return to in-person delivery of programmes. We expect these movements to stabilise more in 2023 and to be more reflective of the nature of our operations.

Surplus for the year was R3.4 m, up from R 2.9 m in the previous year, an increase of 18.54%. This is positive given the significant increase in expenditure during the year.

GCNSA financial reserves increased by 47% to R 10.7 m, up from R 7.2 m in 2021. Note that the revenue share of R 2.1 million for the UN Global Compact in New York is included in the reserves and will be dispatched once MOUs for 2023 are finalised and signed.

### **Participant Growth**

GCNSA has continued to grow during 2022, ending the year at 91 participating organisations based in South Africa. This is a growth of 19%, from 84 participants at the end of 2021. At the moment, the participant base in South Africa stands at 96 and we are encouraging more companies to join to collectively drive impact on the SDGs and the Ten Principles.

### **The New Communication on Progress Portal**

Companies participating in the UN Global Compact will no longer be required to submit their narrative sustainability or integrated reports. Instead, the UN Global Compact has on the 27th of March 2023 launched a new system of reporting, the Digital Communication on Progress (CoP), which is metrics based. This metric-based framework enables UN Global Compact Participants to report on their sustainability efforts consistently, easily track their progress and compare performance with peers.

We have made available support to companies that include a live-demo sessions, CoP support materials as well as on-demand recordings of previous Academy sessions. A link to Frequently Asked Questions can be found here:

[UN Global Compact Communication on Progress Frequently Asked Questions](#). All companies participating in the UN Global Compact from around the world are expected to submit their COPs by 30 June 2023.

### **Sustainability Leadership: The Africa Business Leaders' Coalition at COP 27**

In 2022, the UN Global Compact established the Africa Business Leaders Coalition, a CEO-led movement committed to advancing sustainable growth, prosperity, and development across the African Continent. Ahead of COP 27, the UN Global Compact facilitated CEO roundtable engagements in Johannesburg, Nairobi, Casablanca, Abuja, Abidjan and Cairo. This led to over 55 CEOs (including 11 CEOs from South Africa) from the African continent signing a climate commitment at COP 27. CEOs that signed the statement are expected to follow through with ambitious climate actions within their companies.

The ABLC as a CEO platform will continue with the Climate Agenda during 2023 and leading up to COP 28 in Dubai and beyond that, the CEOs will collectively decide the next agenda for action. We welcome more CEOs to join the ABLC and help drive the sustainability agenda in the Continent.

### **What is New in 2023?**

#### *Voluntary National Review on the SDGs 2024*

The Department of Planning, Monitoring and Evaluation in the Presidency has announced that in July 2024, South Africa will once again report back to the UN member States on the country's collective performance on the SDGs. Like in 2019, GCNSA is the government's private sector partner on the VNR process. We welcome another collaborative process with companies in South Africa to shape the SDG narrative and showcase private sector performance on the SDGs.

### *Private Sector Response to Gender Based Violence*

In 2023, GCSNA will begin supporting the private sector response to the GBV pandemic. We are in the scoping process and will do this in collaboration with key organisations across sectors. We will leverage our convening capacity to drive peer learning in response to the National Strategic Plan on GBV.

### *Scaling up SDG Innovation Programme for Young Professionals*

Building on GCNSA success in mentoring young professionals (intrapreneurs) on SDG Innovation, we are working on a redesign of this programme to suit young entrepreneurs and to be inclusive of young people from communities and TVET colleges. With the redesigned Programme, we aim to scale up and open the SDG Innovation space for partnerships. We will keep companies updated on our progress.

To conclude, GCNSA will continue to work with companies to scale and accelerate impact on South Africa's priority areas, identify opportunities for collaboration for greater impact and grow the base of Global Compact participants. I thank you for your support during 2022 and look forward to more collaborative delivery during 2023.

Achieng Ojwang

**Executive Director**



# Foreword by the Chairperson of the Board

**Mpumi Madisa**  
*Chairperson of the Board*

Recent events such as Covid and the global energy crisis are accelerating and creating a greater sense of urgency for focusing on sustainable development. Sustainability now sits at the centre of business continuity for companies and at the heart of developing thriving and successful economies.

The current Board was appointed exactly a year ago at the last AGM on 25 March 2022. During November 2022, we convened our first strategy session having gained sufficient understanding of the Network and the mandate of the UN Global Compact. The UN Global Compact Network South Africa plays a major role in providing leadership in South Africa for the implementation of the SDGs and the Ten Principles of the UN Global Compact, the key intent being to scale and accelerate the collective business impact.

To strengthen the delivery of the value proposition, the Board gave a new strategic direction that requires the GCNSA to do the following:

- Leverage the GCNSA's convening power to deepen the implementation of the SDGs into the business by segmenting and taking value directly to industry sectors and to specific categories of stakeholders such as SMEs.
- Build capacity for sustainability leadership in business by making available aggregated sustainability data and trends in business. Data availability will support a stronger advocacy of the SDGs.
- Establish or strengthen partnerships with other organisations that require sustainability disclosures and ESG metrics for improved business performance. This would strengthen alignment and value addition particularly for listed companies.

In the coming months, the GCNSA will begin engaging the private sector on the Voluntary National Review on the SDGs, ahead of South Africa reporting back in 2024 to the UN Member States on our collective performance. The VNR is yet another opportunity for the private sector to collaborate with government on showcasing the country's collective performance on the SDGs and how we are creating business opportunities as we contribute to society. I call on business and umbrella organisations to join the UN Global Compact Network South Africa on this national process.

In 2022, GCNSA continued to grow both in company participation and in revenue, having been established in 2018 as a non-profit company. The full results are contained in this report.

I urge more companies to join the UN Global Compact and benefit from the available sustainability resources, accelerators, platforms, and global networking & learning opportunities.

Mpumi Madisa  
**Chairperson of the Board**

# GCNSA AT A GLANCE IN 2022



## Company Participation

**GCNSA Total Participants: 96**  
**New Participants: 16**



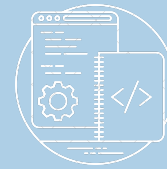
## Global Engagements

**Global & Regional engagements: 8**  
**Companies participated: 20**



## Thought Leadership

**The Compact Dialogues on the SDGs**  
**Total in 2022: 5**



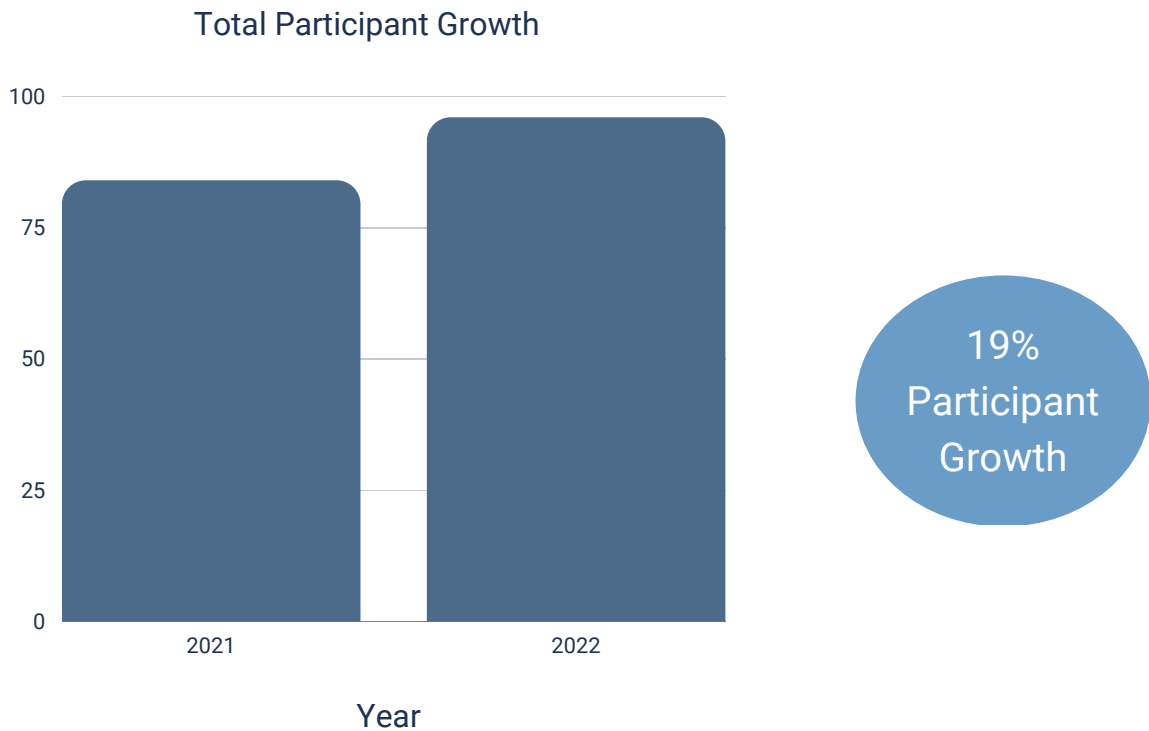
## Programmes

**Total Accelerators: 4**  
Climate Ambition Accelerator, Target Gender Equality, SDG Ambition & Young SDG Innovators



# Participant Growth

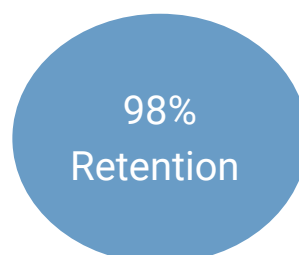
Global Compact Network South Africa grew by 19% in participation, making the total number of participants 96.



To effectively deliver impact on sustainability GCNSA continues to focus on growth of diverse range of companies including large and medium enterprises.

## Retention:

The retention rate for 2022 was 98%. Five companies were delisted due to non-communication.



# UN Global Compact Participants in South Africa

# New 2022 Participants



# Programmes

## Programmes Overview

In line with our 2021-2023 strategy, we led and shaped corporate sustainability matters of key prioritised areas through our programmes. The prioritised areas were inclusive of innovation, work and economic growth, gender equality, climate action and partnerships. The programmes that created value for our participant companies shown below.

## Accelerators Implemented in 2022

The Climate Ambition Accelerator, Target Gender Equality Accelerator, the SDG Ambition Programme and the Young SDG Innovators Programme are the four accelerators that GCNSA offered in 2022.





Network  
South Africa

YOUNG  
SDG  
INNOVATORS



## Young SDG Innovators Programme

The SDG Innovators Programme is GCNSA's flagship programme. 2022 was the third cohort of the programme since 2019. 15 South African Companies participated in the 2022 SDG Innovation Accelerator. In 2022, this programme engaged 45 young and upcoming leaders (who are 35 years or younger) from Participant Companies to learn how to use the Sustainable Development Goals (SDGs) as a catalyst for the development of new products and services using breakthrough innovation.



“ I felt the program was well constructed and provided excellent insight into the SDGs, their intent and relevance to business. The program has broadened my thinking, the way I look at problems and go about solving them - for the SDGs and beyond.

”

-Young SDG Innovators Participant, 2022





# CLIMATE AMBITION ACCELERATOR



## Climate Ambition Accelerator

35 companies from African continent registered for the second round of the Climate Ambition Accelerator (17 of which were South African companies). The Climate Ambition Accelerator is a six-month program that aims to provide businesses with the information and abilities they need to move quickly toward establishing science-based emissions reduction targets that are in line with the 1.5°C route, setting them on a road to net-zero emissions by 2050. During the year 2022, a cumulative of 33 employees underwent training under the programme.



“The Climate Ambition Accelerator helped our company to understand the Science Based Targets and will help us define our Climate strategy.”

-CAA Participant from Madagascar



# TARGET GENDER EQUALITY



## Target Gender Equality

21 employees from 11 South African companies participated in the Target Gender Equality Programme. TGE urges strong action in setting and achieving ambitious corporate targets for women's representation and leadership through facilitated performance analysis, capacity-building workshops, peer-to-peer learning, and multi-stakeholder engagement.



“

The programme is a great way to diversify the way in which we think about and approach gender equality. **There is also a wealth of information that is made available** that is so useful. it's also a great way to gain insights into what others are doing within their spaces to advance gender equality.

”

-TGE Participant from Clicks Group



## SDG Ambition Accelerator

The SDG Ambition Accelerator Programme is module-based and supports companies to set ambitious corporate targets on identified SDG benchmarks. The SDG benchmarks are articulated specifically to allow Business to set targets which are relevant to their own Business practices and progress the SDGs. In 2002, GCNSA co-hosted this 2nd round with Kenya which was a regionally executed programme, a collective of 25 employees underwent training.





# Thought Leadership

## The Compact Dialogues on the SDGs

The Compact Dialogues on the SDGs is our signature platform for strategic business conversations on key sustainability priorities. It is available during the year for stakeholders to drive peer learning, share best practice, challenges and sustainability opportunities. During 2022 we held strategic conversation on Women in Climate and Energy, SDG Innovation and Anti-corruption amongst others. We encourage companies to make use of The Compact Dialogues Platform to share their stories.



# Africa Business Leaders Coalition

The Africa Business Leaders Coalition (ABLC) aims to advance Africa's sustainable growth, prosperity, and development by mobilizing key executives on the continent to actively and meaningfully engage together on Africa's most pressing issues as an organized, forward-looking, principles-based, and unified voice.

The ABLC convened six regional roundtable discussions held in Abidjan, Cairo, Casablanca, Johannesburg, Lagos, and Nairobi from June to August 2022. The Roundtable discussions solicited input from more than 50 CEOs and Chairs on the issue of climate, which formed part of the Africa Business Leaders' Climate Statement - the first ever private sector statement on climate action in Africa.



## ABLC South Africa Signatories to the CEO Climate Statement at COP 27



# Global & Regional Engagements

Global, Regional, and Local events provide an opportunity for companies to connect with industry peers, experts and the UN as well as show bold leadership through sharing the work they do. In 2022, GCNSA participated in a total of seven global and regional events. Events South African companies participated in:

Event	Company Participating	Topic
Uniting Business Live	MTN Sibanye Stillwater	The Future is Now: Young Professionals Catalysing Innovation for the SDGs
Uniting Business Africa	Africa Hub Naspers Vodacom	How the private sector can accelerate and support climate change initiatives across the African continent.
Target Gender Equality Live	Anglo American Clicks	Accelerating the pace of change in corporate South Africa
Ring The Bell	JSE MTN	Gender Equality Today for a Sustainable Tomorrow
Youth, Business & Innovation Conference	Companies participating in the Young SDG Innovators Accelerator Programme	SDG Business Solutions Showcasing
Open House	UN Global Compact Sappi Redefine Properties	Accelerate your Sustainability Journey
UN Global Compact Public Address	Gordon Institute of Business Science	Principled Business for Sustainable Growth in Africa



# Sustainability Leadership

## CEO Roundtable Breakfast in Johannesburg

UN Global Compact ASG & CEO, Sanda Ojambo launching the Africa strategy in Johannesburg.



The Global Compact Africa Strategy aims to advance corporate sustainability through the development of Africa focused programmes and engage greater numbers of businesses on the continent to enable a Pan African sustainability strategy.



# 2022 Audited Financials

GLOBAL COMPACT NETWORK SOUTH AFRICA NPC  
REGISTRATION NO. 2018/073580/08

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 R	2021 R
<b>ASSETS</b>		<b>11 001 279</b>	<b>7 996 062</b>
<b>Non current assets</b>		<b>61 426</b>	<b>44 498</b>
Equipment	3	61 426	44 498
<b>Current assets</b>		<b>10 939 853</b>	<b>7 951 564</b>
Accounts receivable	4	119 770	638 350
Cash and cash equivalents	5	10 820 083	7 313 214
<b>Total assets</b>		<b>11 001 279</b>	<b>7 996 062</b>
<b>RESERVES AND LIABILITIES</b>		<b>11 001 279</b>	<b>7 996 062</b>
<b>Reserves</b>		<b>10 745 658</b>	<b>7 271 590</b>
Accumulated surplus		10 745 658	7 271 590
<b>Current liabilities</b>		<b>255 621</b>	<b>724 472</b>
Deferred membership fees		119 770	638 350
Provision for leave pay	6	135 851	86 122
<b>Total reserves and liabilities</b>		<b>11 001 279</b>	<b>7 996 062</b>

GLOBAL COMPACT NETWORK SOUTH AFRICA NPC  
REGISTRATION NO. 2018/073580/08

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 R	2021 R
<b>INCOME</b>		<b>8 771 816</b>	<b>6 618 663</b>
Grants and donations	7	100 000	-
Membership fees		8 162 743	6 462 572
Reimbursements		33 313	-
Interest received		475 760	156 091
<b>EXPENDITURE</b>		<b>5 297 748</b>	<b>3 688 137</b>
Accounting fees		48 253	43 967
Audit fee		-	25 395
Bank charges		5 881	5 566
Banners and branding		14 152	760
Computer costs		17 691	18 616
Consulting fees		265 059	73 206
Depreciation		37 299	27 231
Entertainment and refreshments		43	-
Event costs		6 024	-
General expenses		2 092	-
Postage and courier		3 309	62
Printing and stationery		-	8 417
Programme costs		640 807	93 584
Provision for leave pay		49 729	(643)
Publications and communication		63 974	52 545
Repairs and maintenance		-	440
Salaries, wages and contributions	8	4 018 372	3 315 498
Subscriptions		-	12 600
Travel and accommodation		121 325	-
Website costs		3 739	10 873
<b>SURPLUS FOR THE YEAR</b>		<b>3 474 068</b>	<b>2 930 526</b>

GLOBAL COMPACT NETWORK SOUTH AFRICA NPC  
REGISTRATION NO. 2018/073580/08

## STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2022

	Accumulated Surplus R	Total R
Balance at 31 December 2020	4 341 064	4 341 064
Surplus for the year	2 930 526	2 930 526
Balance at 31 December 2021	7 271 590	7 271 590
Surplus for the year	3 474 068	3 474 068
Balance at 31 December 2022	10 745 658	10 745 658

GLOBAL COMPACT NETWORK SOUTH AFRICA NPC  
REGISTRATION NO. 2018/073580/08

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

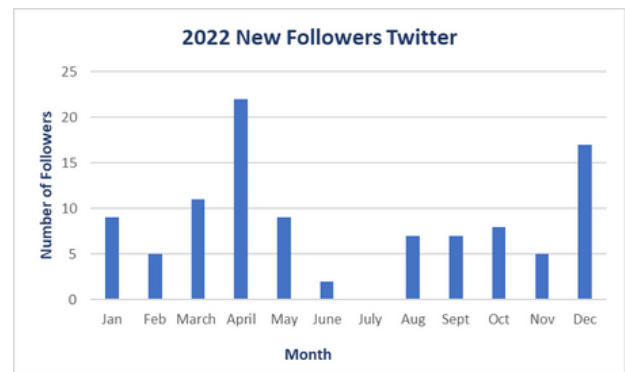
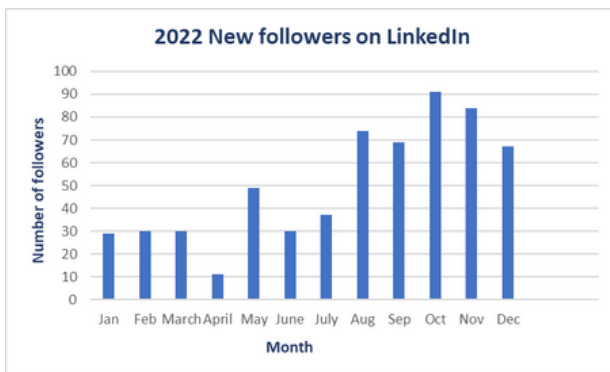
	Note	2022 R	2021 R
<b>Cash flows from operating activities</b>			
Cash receipts from funders and membership		7 777 476	5 784 122
Cash paid to programmes, suppliers and employees		(4 692 140)	(2 983 099)
<b>Cash generated from operations</b>	9	<b>3 085 336</b>	<b>2 801 023</b>
Interest received		475 760	156 091
<b>Net cash inflow from operating activities</b>		<b>3 561 096</b>	<b>2 957 114</b>
<b>Cash flows (utilised in) investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		<b>(54 227)</b>	<b>(43 487)</b>
Acquisition of assets		(54 227)	(43 487)
<b>Net increase in cash and cash equivalents</b>		<b>3 506 869</b>	<b>2 913 617</b>
Cash and cash equivalents at beginning of year		7 313 214	4 399 597
<b>Cash and cash equivalents at end of year</b>	5	<b>10 820 083</b>	<b>7 313 214</b>

# Media & Communications

## Overview

To ensure GCNSA maintains regular engagement with our audience, the organisation uses digital media and traditional media. Social media platforms such as LinkedIn, Twitter, YouTube, Instagram and the Local Network's website provide an interactive portal into GCNSA programmes and news, while traditional media works to build knowledge on GCNSA and to amplify brand awareness and potential growth.

The total number of GCNSA social media followers across all platforms (YouTube, Twitter, Instagram & LinkedIn) to a total of 3,351 followers. Our largest increase in followers was on LinkedIn, with our follower base growing by 601 followers. Combined engagement across platforms increased significantly, with more engagements than in 2021.



## Newsletter & Articles

The GCNSA also communicates through other mediums such as editorials, news articles, and the GCNSA newsletter.



ISSUE 4

DECEMBER 2021

### THE COMPACT NEWSLETTER





# Governance

## Board of Directors



**Mpumi Madisa**  
*Board Chairperson*  
Bidvest



**Dr. Achieng Ojwang**  
*Executive Director*



**Dr. Ayodele Odusola**  
*Interim UN Resident Coordinator*  
Pretoria



**Tanya Dos Santos**  
Investec



**Kgomotso Tshaka**  
AngloGold Ashanti



**Dean Morris Mthombeni**  
GIBS



**Bertina Engelbretch**  
Clicks Group



**Israel Noko**  
NPI Governance Consulting



**Kathleen Ebersohn-Khuvutlu**  
Old Mutual



**Natascha Viljoen**  
Anglo American



**Phuthi Mahanyele-Dabengwa**  
Naspers

# The GCNSA Sub-committees

## Strategy & Growth

Kathleen Ebersohn-Khuvutlu  
*Chairperson*

Tanya Dos Santos

Israel Noko

Mpumi Madisa

## Audit & Risk

Dean Morris Mthombeni  
*Chairperson*

Kgomotso Tshaka

Phuti Mahanyele- Dabengwa

## Remuneration & Nomination

Bertina Engelbrecht  
*Chairperson*

Mpumi Madisa

Phuti Mahanyele-Dabengwa

## Sub-committee meetings

Meeting	Date	Venue
Remuneration & Nomination	7 November 2022	Virtual
Audit	15 September 2022	Virtual
Strategy and Growth	31 October 2022	Virtual



# 2022 Board Meetings

Meeting	Date	Venue
Board Meeting	23 February 2022	Virtual
Annual General Meeting & New Board Elections	25 March 2022	Virtual
Board Meeting (Formalisation)	11 May 2022	GIBS
Board Meeting	21 July 2022	The Space at Ten Bompas
Board Meeting	29 September 2022	Virtual
Board Meeting (Strategy Session)	29 November 2022	GIBS

# GCNSA Team



**Dr Achieng Ojwang**  
Executive Director



**Rethabile Mbokodi**  
Programme Manager



**Sifiso Nkosi**  
Programme Coordinator



**Debra Matanga**  
Participant Engagement Coordinator



**Fezekisa Makeleni**  
Executive Assistant & Operations



**Sanelisiwe Mabaso**  
Communications Intern

# Global Compact Network South Africa



[www.globalcompactsa.org.za](http://www.globalcompactsa.org.za) | [@GlobalcompactSA](https://www.instagram.com/GlobalcompactSA) |  
+27 11 771 4142 |  
[info@globalcompactsa.org.za](mailto:info@globalcompactsa.org.za)



**Global Compact**  
Network South Africa