



CIMA[®]

Communication on Engagement

Activities in support of the
United Nations Global Compact
April 2017 – July 2019



The Chartered Institute of Management Accountants

The Chartered Institute of Management Accountants (CIMA), founded in 1919, is the world's leading and largest professional body of management accountants. As part of The Association of International Certified Professional Accountants (the Association), its members and students operate in 179 countries, working at the heart of business. CIMA members and students work in industry, commerce, the public sector and not-for-profit organisations. CIMA works closely with employers and sponsors leading-edge research, constantly updating its qualification, professional experience requirements and continuing professional development to ensure it remains the employers' choice when recruiting financially trained business leaders.

The Association is the most influential body of professional accountants, combining the strengths of the American Institute of CPAs (AICPA) and CIMA to power opportunity, trust and prosperity for people, businesses and economies worldwide. It represents 657,000 members and students in public and management accounting and advocates for the public interest and business sustainability on current and emerging issues. With broad reach, rigour and resources, the Association advances the reputation, employability and quality of CPAs, CGMA designation holders and accounting and finance professionals globally.

The CGMA designation is the most widely held management accounting designation in the world. It was established in 2012 by the AICPA and CIMA to elevate the profession of management accounting globally. It distinguishes more than 150,000 accounting and finance professionals who have advanced proficiency in finance, operations, strategy and management. In the U.S., the vast majority are also CPAs. The CGMA designation is underpinned by extensive global research to maintain the highest relevance with employers and develop competencies most in demand. CGMA designation holders qualify through rigorous education, exam and experience requirements. They must commit to lifelong education and adhere to a stringent code of ethical conduct. Businesses, governments and not-for-profits around the world trust CGMAs to guide critical decisions that drive strong performance.

Introduction

To our stakeholders:

I am pleased to confirm that the Chartered Institute of Management Accountants reaffirms its support of the United Nations Global Compact (UNGC) and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. CIMA has been a signatory to the UNGC since 2010. This is our Communication on Engagement with the UNGC, covering April 2017 to July 2019. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that we have taken to support the UNGC and its Principles. We also commit to sharing this information with our stakeholders using our primary channels of communication.



Andrew Harding, FCMA, CGMA

Chief Executive, Management Accounting

London, August 2019

The UN Global Compact's Ten Principles:

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: 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;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: 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.

This Communication on Engagement is focused on the activities of CIMA from April 2017 to July 2019.

CIMA qualified accountants are required to uphold the highest ethical and professional standards. We are committed to maintaining public confidence in management accounting. Our qualifications, professional experience requirements and Continuing Professional Development (CPD) programmes are constantly reviewed and updated to reflect the changing demands from employers and the public. This ensures that our members and students are the first choice for many employers who are recruiting financially trained business leaders.

We use our status as an influential professional body to highlight the most pressing issues relating to responsible business, governance and sustainability. Our magazines, websites, events and syllabus allow us to reach a huge audience, including our growing membership in emerging markets. Our activities include:

- Highlighting the benefits of a sustainable and responsible business
- Promoting the need for CFOs and management accountants to take the lead in embedding ethical values in their organisations
- Ensuring our members have access to the resources, knowledge and training they need to lead their businesses
- Working with partners worldwide to reach as many people as possible

This report gives specific examples of the action that CIMA has taken relating to the UNGC, grouped into five key areas:

- Education on topics related to the Global Compact Principles
- Applied research and thought leadership in relation to the Global Compact
- Dissemination of Global Compact Principles
- Partnerships for development
- Other activities, including internal activities that support the Global Compact Principles.

Access CIMA's previous submissions to the UNGC on the [Global Compact website](#), and the latest Communication on Engagement is also featured on our [website](#).

Education on topics related to the Global Compact

Actions and outcomes

Syllabus

In January 2019, we launched the updated [CIMA Professional Qualification](#). The Professional Qualification comprises the CGMA Competency Framework, the CIMA Syllabus, the CIMA Examinations and [Exam blueprints](#).

The updates to the Professional Qualification were determined after extensive, rigorous and robust global research involving more than 5,500 finance professionals from over 2,000 organisations across 150 countries. This research has given us a clear indication of the needs of businesses and employers from their finance professionals and we have updated our Professional Qualification to reflect these needs. Ethics, integrity and professionalism continue to underpin the Professional Qualification.

We also continue to offer the [Certificate in Business Accounting](#), which gives students from all backgrounds an entry route into the profession and has a strong focus on ethics and corporate governance.

The overall syllabus, from entry to strategic level, covers areas of the UNGC Principles related to sustainability and responsible business, raising awareness with tomorrow's business leaders. Specific topics covered include:

- United Nations Sustainable Development Goals
- Ethics in finance and in relation to technology and data usage
- Ethics in leadership and strategy
- Corporate Social Responsibility (CSR) and sustainability
- Sustainability in relation to an organisation's business model and ecosystem
- Principles and scope of reporting social and environmental issues (e.g., International Integrated Reporting Council guidance)
- Enhancing the value of non-financial capitals (human capital; intellectual capital; and social and relational capital)
- Issues related to tackling fraud and corruption

Accessibility to education

Anyone can study CIMA exams, whether they are new to business and accounting or have previous experience. Exams have been paperless since early 2015, with students able to sit exams throughout the year. The only requirements are competence in mathematics and the English language.

As part of the Association, CIMA has members and students in 179 countries.

During 2018, 25,405 new students joined CIMA. This includes a growth in the student body in a number of markets, including the Czech Republic, Mauritius, Myanmar, Lesotho and China.

A key challenge to those aspiring to become professional management accountants around the world is access to good quality resources. In line with goal 4 of the SDGs, to ensure fair access to good quality education, CIMA's website includes free and paid for online courses accessible to people all over the world.

From 1 August 2019, CIMA has removed exemption fees for students with prior learning in the accounting field. We recognise that exemption fees can be a barrier to education. By removing this barrier, we are making the accountancy profession more accessible to people around the world and demonstrating our commitment to improving social mobility.

CIMA has over 100,000 students. Every one of these students will have been exposed to topics related to the Global Compact.

CGMA Competency Framework

CIMA produces the [CGMA Competency Framework](#), which is designed to ensure professional management accountants and leadership understand the skills and knowledge required for their roles. Objectivity, ethical behaviour and integrity are key to the framework, as is the commitment to continuing professional development. The need for management accountants to be involved in advising on the role of sustainability is highlighted in the framework.

Continuing Professional Development

CIMA members are required to undertake yearly CPD, supporting their continued development and demonstrating their commitment to lifelong learning. See regulations Part I, 13–18 of the [Royal Charter, Byelaws and Regulations](#) for more information.

We provide a wide range of [resources](#) to help members meet their development needs, including the [CGMA Store](#), [CIMA On Demand](#) and other resources on [CGMA.org](#). Members also can access the [Digital Mindset Pack 2019](#) free of charge, which includes six hours of digital-future-focused CPD. Through these various channels, members have easy access to resources on the latest issues and developments relating to the Principles of the Global Compact, including ethics and sustainability reports, tools, videos and articles.

CIMA is actively upskilling the profession to deal with the disruption of technology, with over 24,500 downloads of our Digital Mindset CPD resource since its launch in January 2019.

Applied research and thought leadership in relation to the Global Compact

Actions and outcomes

Sustainability and responsible business research

CIMA and the Association continue to act as thought leaders on the topics of sustainability and responsible business, funding academic research and publishing our own materials in print and online.

A number of reports have been published relating directly to the Principles of the Global Compact and the SDGs, including a 2018 report titled '[The role of the accountant in implementing the Sustainable Development Goals](#)'.

Financial Management (FM) magazine (online and print) is updated regularly and often includes features, study articles and technical notes on topics relating to the Principles of the Global Compact. The magazine is available publicly online.

Links to a selection of CIMA reports and *FM* magazine articles related to the Global Compact Principles can be found in the Appendix.

CIMA continues to produce leading research and publications relating to the Principles of the Global Compact.

The Future of Finance

At CIMA, we recognise that the world is changing, with technological advances changing the way that business is done. Management accountants need to be at the forefront of leading businesses through technological change, and assessing the ethical risks and dilemmas presented by new technology.

In 2019, we have developed the [Future of Finance](#) campaign. Through this, a number of thought leadership pieces and other new resources have been made available online, all designed to help members and students fill their knowledge gaps relating to technological disruptors.

October 2019 will see a focus on Ethics, with thought leadership pieces published online and in *FM* magazine. New resources will also be made available including ethical dilemmas.

Anti-corruption research

The CIMA Code of Ethics includes sections related to bribery and corruption, and there is a section of the website dedicated to [anti-bribery guidance](#).

In June 2017, we published a thought leadership report titled [Keeping business clean: a CGMA guide to countering fraud and corruption](#), and an [accompanying briefing](#) co-produced with Transparency International. This report highlights recent developments and trends in fraud and corruption.

Integrated Reporting

CIMA continues to promote the value of Integrated Reporting, and the benefits of including non-financial information into reporting and decision-making. Association CEO Barry Melancon is current Chair of the Board of the [International Integrated Reporting Council \(IIRC\)](#).

The Association's [Annual Integrated Report for 2018](#) includes reporting on the activities of CIMA, a commitment to the Sustainable Development Goals and a recognition of the role of the accountancy profession in helping organisations support the delivery of these goals. Goals 5 (Gender Equality), 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities), 12 (Responsible Consumption and Production), 13 (Climate Action), 16 (Peace, Justice and Strong Institutions) and 17 (Partnerships for the Goals) were identified as goals which the Association's efforts support.

Dissemination of the Global Compact Principles

Actions and outcomes

Code of Ethics

We recognise that management accountants are in a position of trust, and need to ensure that they are always aware of the ethical expectations placed upon them.

CIMA members and students globally are bound by our Code of Ethics, based on the [International Federation of Accountants \(IFAC\) Code of Ethics](#).

The Code recently has been updated to reflect the most recent version of IFAC's Code of Ethics, and this new Code of Ethics will be brought into effect from early 2020.

A range of communications are planned for late 2019, using CIMA's main channels of communication, to ensure all members and students are familiar with the new Code of Ethics and understand their obligations relating to it.

CIMA members and students are always required to act with integrity and maintain the positive reputation of the accountancy profession. Members who do not meet the expectations of the Code of Ethics face disciplinary action. CIMA publishes [decisions](#) of recent conduct cases online.

CIMA's Code of Ethics focusses on five fundamental principles:

Integrity

Objectivity

Professional competence and due care

Confidentiality

Professional behaviour

Ethics support

CIMA receives about 100 phone calls and emails per year from students and members asking for advice relating to the Code of Ethics.

We offer free [helplines](#) to all our members and students. These include a UK Legal Helpline and a Code of Ethics helpline. Members can phone or email to receive guidance on the Code of Ethics and can choose to do this anonymously if they wish.

CIMA staff offer guidance on approaching ethical issues at work and point to further resources including a legal helpline and resources produced by other organisations including the [Institute of Business Ethics](#).

Events

CIMA and the Association proactively organise and participate in events around the world related to the themes of the UN Global Compact, including sustainability, responsible business and ethics.

In 2017 and 2018, Barry Melancon spoke at the Sustainability Investment Leadership Council. This event brings together accounting firms, law firms, investment firms and corporations to discuss sustainability issues.

Climate change, wealth inequality and equal pay for all genders were highlighted at the President's Dinner celebrating CIMA's centenary held in London on 8 March 2019. Paul Polman, chair of the International Chamber of Commerce, chair of The B Team and vice-chair of the UN Global Compact, delivered the keynote speech.

In September 2018, CIMA organised an event in Poland focussed on themes linked to responsible business, entitled 'Krakow Money Talks: CGMA Business Model Framework and Trust Lens'. The event focussed on how to use the CGMA Business Model Framework to look at the business through a lens of trust. A [highlights video](#) is publicly available on the CGMA website.

Social media

We make use of a number of channels to promote the Principles of the Global Compact, including social media, and are always exploring new ways to reach a wider audience.

A [Facebook Live event](#) in May 2018 discussing the importance of Sustainable Development Goals has been viewed over 12,000 times. A [Facebook video](#) on the role of management accountants in ensuring business sustainability received over 1,000 views.

CIMA makes use of social media including Facebook, LinkedIn, YouTube and Twitter to reach a wide audience.

Ethics resources

The section of the CIMA website on [Ethics](#) contains a large number of free resources relating to business ethics and responsible business. Resources include ethical dilemmas, an ethics checklist, videos and webcasts, and links to thought leadership pieces.

The Ethics pages and resources will be reviewed and new resources added in late 2019 to align with the new Code of Ethics.

Anti-money laundering

In the UK, CIMA is [registered](#) as an anti-money laundering supervisor. We monitor the activities of our members working in public practice to ensure their activities comply with anti-money laundering law. This includes an annual return which each monitored member is required to submit, and site visits to a number of members each year.

We provide [resources](#) via the CIMA website to support members in understanding anti-money laundering legislation. We also support the [Flag It Up](#) campaign, which brings together the UK Government with professionals in accountancy, legal and property sectors to spread awareness of money laundering and promote best practice. We have produced a [webinar](#) which aims to raise awareness of the obligations of accountants relating to anti-money laundering.

Partnerships for development

Actions and outcomes

Global partnerships

Through the Association, CIMA has a global reach and is involved in many partnerships and networks that span continents.

The Association partners closely with the [International Integrated Reporting Council \(IIRC\)](#). The IIRC brings together regulators, professional bodies, investors, NGOs and the accountancy profession to promote the value of Integrated Reporting. The Association is at the forefront of this, with Barry Melancon the current Chair of the Board and a number of our reports featured on the [IIRC website](#).

The Association is a member of the Accounting Bodies Network of the [Accounting for Sustainability \(A4S\)](#), giving a platform for discussing and promoting the role of finance leaders in promoting sustainability and the importance of resilient business models.

Additionally, in November 2017 the Association signed a Statement of Support of the [Task Force on Climate-related Financial Disclosures](#). The TCFD makes recommendations for disclosing climate-related risk in mainstream reporting, highlighting the importance of making mitigating climate change a key issue for businesses. The recommendations of the TCFD have been endorsed by a number of countries including the UK, and were recognised in the [Green Finance Strategy](#) published by the Department for Business, Energy and Industrial Strategy.

In June 2019, the Association [announced](#) a new partnership with the [World Business Council for Sustainable Development \(WBCSD\)](#). The partnership will see the two organisations work on issues related to sustainable reporting measures and driving long term success.

National and local partnerships

As part of the Association, CIMA has members and students in 179 countries. As such, we partner with many national- and local-scale organisations and bodies, furthering our work to support and spread awareness of the Principles of the Global Compact around the world.

In 2018, CIMA and the Warsaw School of Economics formed a partnership, resulting in the opening of the SGH Ethics Club, a unique project on a national scale aimed at the academic community and employers. The goal is to exchange knowledge and education in areas including promoting ethical behaviour in the business world and management based on the principles of social responsibility. The partnership has published a number of [resources](#) in Polish.

Encouraging volunteering in the community

CIMA encourages employees and members to volunteer in their local communities, recognising that businesses have a key role in contributing to a positive society. Employees at the Association are allowed volunteering days in addition to any other leave.

In July 2019, we held a town hall event in the London hub where staff shared their experiences of volunteering and the benefits it can have both personally and for the wider community.

In the UK, CIMA has partnered with [Inspiring the Future](#), which aims to give young people an insight into different career paths available to them.

Promoting social mobility in the UK

CIMA proudly supports the Lord Mayor's Appeal, a partnership of business, charities and communities which collaborate to deliver real change in London. CIMA is represented on the Diversity and Inclusion Senior Leadership Forum.

Since 2018, we have supported the '[She Can Be ...](#)' events in which teenage girls come into offices across the City of London to participate in workshops designed to raise their awareness and boost their confidence in aspiring to roles in the City.

Other activities relating to the Global Compact Principles

Actions and Outcomes

Modern Slavery Statement

We publish our [Modern Slavery Statement](#) annually. The statement lays out the steps we have taken to ensure that our business and supply chain are free from slavery and human trafficking.

CIMA commits to a range of mitigating actions including making staff aware of the Modern Slavery Policy, vetting all suppliers during the procurement process and ensuring contracts support the policy, and assessing the supply chain for vulnerabilities.

As an employer

The Association employs staff working for CIMA.

The Association recognises the importance ensuring everyone can bring their whole selves to work and has run a number of events related to this, including a webinar in July 2019 that Barry Melancon hosts on the topic of Diversity and Inclusion and a webinar in June 2018 entitled 'LGBTQ+ 101'.

Additionally, all staff are required to take training courses including online courses on diversity and inclusion, and recognising unconscious bias.

The Association has a flexible working policy that allows employees to fit work around their home lives. We also offer a range of training opportunities to staff, supporting their continuing professional development whatever their area of specialisation.

The Association has 34 offices in 20 countries, with corporate centres in London, Kuala Lumpur and Durham, North Carolina.

UK Gender Pay Gap Statement

We are committed to supporting UN SDG 5 on Gender Equality. In 2017 and 2018, the Association published a [UK Gender Pay Gap Statement](#). It saw a reduction in the difference in the mean hourly fixed pay between men and women from 18.3% to 14.3% in 2018 compared to 2017, and the median pay from 24.7% to 21.9%. We are confident that people of all genders are paid equally for doing equivalent roles across the business.

We recognise that, whilst we are making progress, there is more work to do and we are committed to continuing to focus on reducing the gender pay gap.

Sustainability and the environment

The Association has made commitments to reduce the environmental impact of our offices, including reducing plastic waste.

The Association has reduced usage of disposable coffee cups at the London office from 600 per month to zero.

In June 2019, we removed all coffee cups from our London office, giving all staff reusable cups.

We are also working toward removing all disposable plastic cups from the London office by late 2019. At the time of writing, about 2,250 plastic cups per month are thrown away.

Appendix

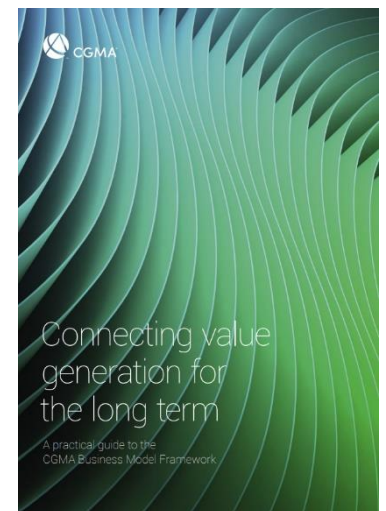
Highlights of CIMA outputs on topics related to the Principles of the Global Compact:



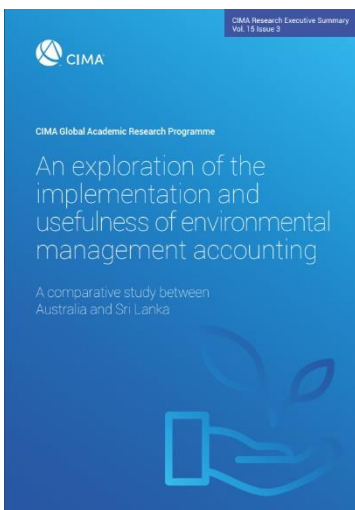
Report: *Creating a sustainable future: The role of the accountant in implementing the Sustainable Development Goals*



Report: *Keeping business clean: A CGMA guide to countering fraud and corruption*



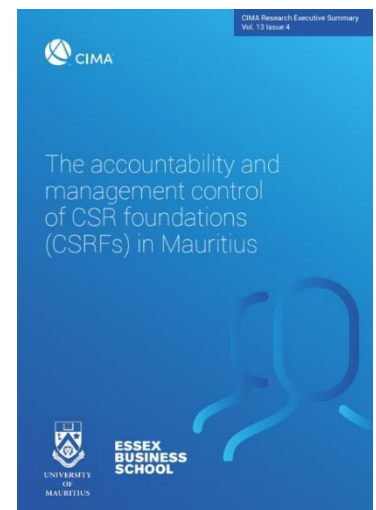
Report: *Connecting value generation for the long term*



Report: *An exploration of the implementation and usefulness of environmental management accounting*



Report: *Natural capital accounting: Revisiting the elephant in the boardroom*



Report: *The accountability and management control of CSR foundations (CSRFs) in Mauritius*

Why businesses should engage with the SDGs

By Samantha White
9 May 2018

Global economy and markets, Sustainability



How to build a more resilient and future-fit business model is a question that occupies the minds of leaders around the world.

The Sustainable Development Goals (SDGs) were formulated by the UN in partnership with businesses and with input from citizens as part of a commitment by world leaders towards ending extreme poverty, inequality, and climate change by 2030.

A new CGMA guidance paper, *Creating a Sustainable Future: The Role of the Accountants in Implementing the Sustainable Development Goals*, outlines the opportunities the SDGs offer to businesses and advice on how to embed them in your organisation's work.

Taking action to contribute to the goals can benefit society. But they can also benefit a company in terms of reputation, licence to operate, and long-term financial performance. Incorporating the goals into strategy can also help businesses face up to key challenges of the years ahead, such as

Article: 'Why businesses should engage with the SDGs'

The shifting shape of ethics

CFOs from around the world discuss ethics and the future.

By Shikha Edwards Davis
24 October 2018

Ethics



Today's global and highly competitive markets keep piling on the pressure on management accounting professionals striving to perform to the highest standards of ethics and transparency. We chatted with CFOs from different areas of the world who shared their thoughts on the challenges, changes, and future of ethics.



Dhiandendra Laksmama, ACMA, CGMA
CFO
PepsiCo (Indonesia)

Q. What do you see as the biggest ethical changes in the past few years?

A. The main change in ethics today, compared to, let's say, ten years ago, is driven by the market pressure itself. If I look at my own company, PepsiCo, the demands to deliver a certain performance are very high. Previously, it was an annual target that turned into quarterly performance being measured, with forecasts very closely tracked. That has an impact because then the gray areas of ethics come into question. Something may still be within the legal boundaries, but whether or not it's ethical — that's the question. It becomes even more crucial for professionals delivering top performance to do it in an ethical way.

Q. Do you think there is a misunderstood aspect of ethics?

A. I think that people confuse the fields of ethics and the law. In most cases this is true, but I feel that ethics is broader. Even if something is within the law you still have to consider whether it is morally acceptable, or good for the community, for example. The company may not face legal sanctions, but its reputation might be tarnished, which could have far-reaching consequences.

In this content you are in a better position than other professionals because you function in a

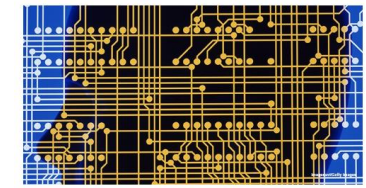
Article: 'The shifting shape of ethics'

Ethical implications of artificial intelligence

AI presents a new set of ethical challenges for business leaders whose deployment of mechanisation may have profound effects on the workforce and society.

By Jeff Drew, Ken Tysiac, and Samantha White
1 December 2018

Ethics, Technology and analytics



In the race to adopt rapidly developing technologies, organisations run the risk of overlooking potential ethical implications. And that could produce unwelcome results, especially in artificial intelligence (AI) systems that employ machine learning.

Machine learning is a subset of AI in which computer systems are taught to learn on their own. Algorithms allow the computer to analyse data to detect patterns and gain knowledge or abilities without having to be specifically programmed. It is this type of technology that empowers voice-enabled assistants such as Apple's Siri or the Google Assistant, among myriad other uses. In the accounting space, the many potential applications of AI include real-time auditing and analysis of company financials.

Data is the fuel that powers machine learning. But what happens if the data fed to the machine

Article: 'Ethical implications of artificial intelligence'

The screenshot shows the CIMA Ethics webpage. It features a navigation menu with options like 'Starting CIMA', 'Building', 'Qualifications', 'Training', 'Members', 'Employers', and 'Learning'. The main content area is titled 'ETHICS' and includes a sub-header 'CIMA is committed to upholding the highest ethical and professional standards and promoting public confidence in management accounting.' Below this, there are sections for 'Overview of the Code of Ethics', 'Ethics awareness tools', and 'Ethical dilemmas'. A sidebar on the right lists 'Pages of interest' such as 'Code of Ethics', 'Ethics code at a glance', and 'Web & Zoom'.

Online Resources: CIMA Ethics Webpages

The screenshot shows a LinkedIn post from CIMA, dated 24 May 2018. The post title is 'Why are Sustainable Development Goals important? With Dr Martin Farrar, Associate Technical Director.' It has 12K views, 21 likes, 4 comments, and 4 shares. The post content includes a video player showing two men in a discussion, with a background featuring the CIMA logo and the text 'ACCOUNTANCY JUST EFFICIENT INDUSTRY FORTUNE HO ACCUR'. Below the video, there is a 'Share' button.

Online Resources: 'Why are Sustainable Development Goals important?'

The graphic features the CGMA logo at the top left. The main text reads 'CGMA® Competency Framework 2019 Update'. The background is a vibrant purple and blue gradient with a circular pattern of light trails.

Online Resources: CGMA Competency Framework 2019 Update

The advertisement features the CGMA logo in the top left corner. The background is a dynamic, colorful swirl of light trails in shades of purple, blue, and yellow. The text reads 'Get the skills to get ahead. Your digital learning journey starts here'. A vertical line of dots on the left side indicates a progression or journey.

Online Resources: 'The Future of Finance'



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