

UN GLOBAL COMPACT
COMMUNICATION ON ENGAGEMENT FOR
NON-BUSINESS ORGANISATIONS 2020–2022
TRANSPARENCY INTERNATIONAL SECRETARIAT



United Nations Global Compact
685 3rd Avenue, 12th Floor
New York, NY 10017
United States

Re: Statement of Continued Support for the UN Global Compact

Berlin, 09 September 2022

Dear Secretary General,

I am writing to confirm the continued support of the Transparency International (TI) secretariat for the Principles of the United Nations Global Compact.

In 2004 the UN Global Compact added a 10th Principle Against Corruption. Ever since, our secretariat has endeavoured to support the mission of the UN Global Compact and has cooperated actively with the initiative in numerous ways. As the organisation leading the fight against corruption, we are committed to maintaining our support for the Global Compact and in particular the 10th Principle Against Corruption and will continue our active cooperation with this important initiative.

This fourth Communication on Engagement (COE) highlights activities that our Secretariat undertook between July 2020 and June 2022 in contributing to the Global Compact's agenda, with a focus on its 10th Principle. It provides an update on, for example, our work as part of multi-stakeholder initiatives against corruption, our studies assessing and promoting corporate transparency and business integrity, and participation in relevant international high-level fora. Our national chapters that are members of the Global Compact's local networks are entities in their own right and as such are required to submit individual COEs. Hence, this report relates to our International Secretariat only.

Also, an important development in our continuous exchanges and collaboration with the Global Compact, Chair of TI's International Board was selected to the UNGC Board in 2020. On behalf of the Secretariat, it is my great pleasure to express our continued support for the UN Global Compact and to renew our commitment to the initiative and its principles, and the 10th Principle in particular.

Sincerely,

Daniel Eriksson

CEO

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1. ABOUT TRANSPARENCY INTERNATIONAL

Transparency International gives voice to the victims and witnesses of corruption. We work together with governments, businesses and citizens to stop the abuse of power, bribery and secret deals.

As a global movement with one vision, we want a world free of corruption. Through chapters in more than 100 countries and an international secretariat in Berlin we are leading the fight against corruption to turn this vision into reality.

Transparency International's Secretariat tackles corruption on regional and global stages. Based in Berlin, it provides leadership for the movement's international initiatives, supports chapters and coordinates our regional work through knowledge sharing, advocacy and coalition building.

In collaboration with chapters, the Secretariat produces numerous studies, tools and policy positions. It serves as a knowledge centre, offering valuable insights into the dynamics of corruption, and advocates for new approaches to tackling it.

Transparency International has a strong belief in coalitions. These efforts bring together a wide variety of representatives, including policy-makers, citizens, companies and the media. Transparency International has played a crucial role in bringing about and bolstering anti-corruption initiatives such as the OECD Anti-Bribery Convention, the UN Convention against Corruption and the UN Global Compact.

2. TRANSPARENCY INTERNATIONAL AND THE UN GLOBAL COMPACT

On 24 June 2004, participants at the UN Global Compact Leaders' Summit unanimously agreed to add a 10th Principle Against Corruption. Since that milestone was achieved, Transparency International has endeavoured to support the mission of the Global Compact and to cooperate actively with the initiative.

Since 2020, our International Board Chair, Ms. Delia Ferreira Rubio, represents Transparency International at the UN Global Compact Board, strengthening the partnership and collaboration between the two organizations.

In addition, our network is involved with the Global Compact local networks. Several of our chapters have been active in these networks, namely in Australia, Austria, Georgia, Germany, Kenya, Korea, Lebanon and Turkey. Under the umbrella of TI's new movement-wide strategy "[Holding Power to Account](#)", our chapters operate as independent organisations, with their strategic priorities and work plans based on the specific environments where they are active. As such, they are required to submit their own COEs separately. This report focuses on the engagement of our international secretariat with the Global Compact in the past 2 years.

2.1 PROMOTING BUSINESS INTEGRITY

Driving integrity into business is one of the seven strategic objectives of the TI Movement and the Business Integrity Programme of the Transparency International Secretariat has been supporting the aims of the Global Compact and working closely with the Initiative since 2004. The Business Integrity Programme has promoted the Global Compact within our network of some 100 chapters and has encouraged them to collaborate with the Global Compact, more specifically to ensure the implementation of the 10th Principle against Corruption.

Based on TI's Strategy 2030 "Holding Power to Account", we aim for business commitment to responsible and accountable conduct which is central to whether entrusted power and globally, is discharged for the common good. With our new Strategy document, we will be focusing on the two core outcomes for the next 10 years:

- A critical mass of business leadership fulfilling strong integrity commitments
- More effective exposure and punishment of corrupt business

In light of the above, for TI-S, driving integrity in business means supporting a fundamental transformation: from compliance driven (“prevent and detect misconduct”) to integrity driven (“responsible self-conduct”) approaches. The Secretariat henceforth encourages business leaders to be key drivers of integrity management and hold power to account in decision-making. In spirit of the Strategy 2030, the Secretariat focuses on expanding its partnerships and exchanges with business leaders who commit to pro-actively shape business integrity beyond minimum legal compliance. In addition, the Secretariat will continue to produce and contribute to the business integrity literature through the development of key indicators to measure businesses’ anti-bribery, anti-corruption, and integrity implementation progress, taking also into account the latest ESG trends and developments in the next 2 years of the strategy implementation phase.

Central to our approach and our strategic outcomes is our work with bodies and initiatives such as the Global Compact. Our Secretariat, through its Business Integrity Programme, has concentrated its work over the past two years on the following activities to promote collective action as a means of addressing corruption. As a major collective action initiative, the UN Global Compact is and will continue to be an important platform and partner for Transparency International.

2.2 OUR WORK WITH INTERNATIONAL BUSINESS-FOCUSED ANTI-CORRUPTION INITIATIVES

The Transparency International secretariat represents the Transparency International movement in various international fora, with the aim of contributing to their agendas and advancing international standards to achieve greater integrity and transparency in the business sector.

As part of its commitment to collaborate with the Global Compact, Transparency International has over the years contributed its expertise to the development of a number of Global Compact key resources, for use by companies that participate in the 10th Principle Working Group. This included Global Compact corporate guidance materials focusing on risk assessment, supply chains and whistleblowing. Transparency International promotes these resources to internal and external audiences.

In addition, much of our advocacy work broadly supports the objectives of the Global Compact’s 10th Principle. We participate in a number of business fora (some of which the Global Compact also contributes to).

Whistleblower Protection

After contributing to the adoption of a ground-breaking EU Directive on Whistleblower Protection in 2019, TI-S monitored the transposition process in the EU member states and supported its national chapters to conduct advocacy at national level to ensure that the Whistleblower protection laws adopted not only comply with the directive but also clause some of the Directive’s loopholes and weakness. 19 TI Chapters have submitted policy recommendations to their government, proactively or in response to consultations, often at several stages of the transposition process (TI

[Austria](#), [Belgium](#), [Bulgaria](#), [Czech Republic](#), [Denmark](#), [Estonia](#), [France](#), [Germany](#), [Greece](#), [Ireland](#), [Italy](#), [Latvia](#), [Lithuania](#), Portugal, Romania, Slovakia, [Slovenia](#), Spain, [Sweden](#), and the [Netherlands](#)).

At the end of June 2022, TI had been able to successfully input into the legislative process in Denmark, France, Latvia, Lithuania and Sweden and the laws adopted go beyond the minimum standards of the EU Directive to meet with best practice in several aspects, including a wider material scope, which was our main advocacy ask.

Transparency International has also been working with Government Accountability Project and the Whistleblowing International Network to improve the protection of whistleblowers in the UN, [repeatedly](#) calling on the UN to urgently reform whistleblower protection at its agencies, funds and programmes.”

Public contracting and collective action

In July 2021, Transparency International kickstarted a [new project](#), funded by the Siemens Integrity Initiative, aimed at developing a new global standard for the integrity pact and building a global multi-stakeholder coalition for its promotion and application on strategic public investments. The project has a relevant emphasis on collective action and business integrity and will focus on industries and sectors that are critical to the achievement of Agenda 2030.

In August 2022, the [Global Integrity Pact Compendium](#) was published on Transparency International website. This includes an interactive map through which users can explore integrity pact implementation across 28 different countries, as well as a downloadable database with basic information on individual integrity pact projects.

Illicit Financial Flows and Anti-Money Laundering

In response to FATF’s public consultation on their recommendation 24 concerning Business Ownership, in March the FATF Plenary adopted the revisions to the resolution incorporating many of the suggestions made by Transparency International.

World Economic Forum Partnering Against Corruption Initiative

Transparency International has continued to participate in the work of the World Economic Forum’s Partnering against Corruption initiative (PACI), as a board member of the initiative (**PACI Vanguard**) as well as on working group level. PACI was created more than 10 years ago by a group of CEOs from the engineering and construction, mining and metals, and energy sectors, and is recognised as a prominent cross-industry anti-corruption initiative, with more than 80 corporate members and CEO-level involvement. Ms. Ferreira Rubio represents TI in the WEF-PACI initiative. Ms. Ferreira Rubio is also the co-chair of the [Global Future Council on Transparency and Anti-Corruption](#).

In anticipation of the Davos Agenda 2021, a [blog](#) published by our Business Integrity Programme highlighted the new challenges stemming from the COVID-19 pandemic and the importance of a strong, explicit, visible and active business leadership commitment beyond being a tick-the-box exercise of the compliance teams and programs.

International Anti-Corruption Conference (IACC)

The Business Integrity team organized a panel on the IACC 2020, which took place in December 2020, on “The purpose of companies redefined - A roadmap to transparent, fair and responsible business” at the International Anti-Corruption Conference in December 2020, with representatives from various sectors ranging from SOEs (Enel), pension funds (Council on Ethics The Norwegian Government Pension Fund Global), international organisations (Alliance for Integrity) and private sector (Siemens Healthineers, BASF).

In the last decade, corruption challenges have increased in complexity and reach given the ongoing inequality and digital and technology developments encountered in the current Fourth Industrial Revolution, as well as severity of climate change.

Panellists discussed potential solutions and accountability measures (e.g. anti-corruption and responses to changing digital ecosystem) on how the purpose of enterprises has to address the needs of society. One of the key take-aways was that if more and more businesses join collective action initiatives, we will be able to change responsible business landscape for the better. Another key outcome was the need for the companies to invest on inclusive leadership culture.

Business and Human Rights

Building up from the [earlier TI submissions](#) to the UN Working Group on Business and Human Rights (see COE 2020) in December 2020, incorporating the inputs of several colleagues from TI Secretariat and Chapters who are experts in the business and human rights were shared in the TI submission to a [public consultation](#) from the UN Working Group on Business and Human rights on the UN Guiding Principles. This topic remains to be a key component of our business integrity work and we will continue to monitor UN Working Group’s work and the implementation of the UN Guiding Principles on Business and Human Rights.

2.3 FOSTERING GREATER CORPORATE TRANSPARENCY AND ACCOUNTABILITY

Promoting transparency in corporate reporting

Since 2008, TI has published a number of “Transparency in Corporate Reporting (TRAC)” reports. The methodology of these studies has continually evolved to keep up to date with international standards in corporate transparency.

The latest TRAC report from 2016 was the second edition of our flagship study [Transparency in Corporate Reporting: Assessing Emerging Market Multinationals](#).

In May 2022 the Chapters who work on and interested in Business Integrity came together with TI-S experts at TI's "Movement Summit", following which a TRAC working group among the TI Chapters working on TRAC as a research and advocacy tool, was established under the leadership of TI Spain.

The Business Integrity Country Agenda (BICA)

Developed in 2014, [BICAs](#) aim to create a body of evidence on business integrity practices and conditions in a country and serve as the basis for building a shared reform agenda and collective action. BICA reports also provide important insights for risk assessment measures by companies.

In 2020 national chapters in [Serbia](#) and [Romania](#) published their first BICA reports, a project funded by the European Bank for Reconstruction and Development.

3. CONCLUSION

The current economic and health crisis stemming from the COVID-19 pandemic showed, once again, the importance of resilient and transparent supply chains, as well as government accountability and transparency.

If we want to be better prepared for any future crisis, be it another pandemic or an environmental disaster, businesses will need to shift from "risk-to-business" to "risk-to-people" approaches that can improve business integrity. This is why we need strong multi-stakeholder partnerships and dialogue now, more than ever, between governments, businesses and NGOs.

We strongly believe that significant progress in the fight against corruption requires the constructive collaboration of business, governments and civil society. The UN Global Compact offers a unique platform for joint efforts against corruption and other global challenges, and as such it is a natural and indispensable partner for fulfilling our mission of ensuring a world free from corruption.

We welcome the opportunity to report on our continued engagement with the Global Compact and hope this short report provides a compelling snapshot of our activities that support the Global Compact's 10th Principle, either directly or indirectly.