

**MASTER**  
ENVIRONMENTAL ECONOMICS AND MANAGEMENT

# **The enhanced UN Global Compact Communication on Progress: a new tool for sustainability benchmarking?**

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**M**

2023



FACULDADE DE ECONOMIA



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THE ENHANCED UN GLOBAL COMPACT COMMUNICATION ON  
PROGRESS: A NEW TOOL FOR SUSTAINABILITY BENCHMARKING?

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Dissertation

Master in Environmental Economics and Management

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2023

## Acknowledgements

I would like to thank God, my family, and the people I love for all the support during this intense journey. When I am weak, you are strong for me.

I would like to thank my supervisors Prof. Cristina and Prof. Manuel for the support and for being humane in a world where people are seen as numbers. I could not have done it without your guidance.

I would like to thank my leaders, Caitlin and Ole, for the support and patience during the process. Working with purpose is a privilege.

I would like to thank all the colleagues I have interacted with throughout these years, I hope we learned with each other in our encounters.

*waiting in line, at a bakery*

- *Have you been helped, sir?*

*with a grateful smile*

- *By so many people my entire life.*

*(Adapted from Nathan W. Pyle)*

## **Disclaimer**

The opinions expressed in this publication are those of the author. They do not necessarily reflect the opinions or views of the UN Global Compact or its members.

## **Abstract**

Although progress has been made in many areas towards implementing the 2030 Agenda and the Sustainable Development Goals (SDGs), there is still a lack of momentum and speed to attain the 17 goals and their 169 targets. In line with the crucial role of the private sector in this scenario, Corporate Social Responsibility (CSR) extends beyond mere profit-seeking to encompass the ethical behavior of a company towards society, generating positive impacts towards the environment, consumers, employees, communities, and all stakeholders. The UN Global Compact (UNGC) is the world's largest voluntary CSR initiative, and its Communication on Progress (CoP) is a key reporting mechanism, that allows participating companies to transparently showcase their progress and efforts regarding CSR. As more and more companies are reporting CSR practices, it is crucial to establish a global, standardized, trusted, accessible and useful database, that can be used by different stakeholders, including the companies themselves in the benchmarking process. This dissertation aims to examine whether the UNGC CoP can be used as a sustainability benchmarking tool, based on criteria found in the literature review, and compare it with other existing reporting frameworks. Results indicate that the UNGC CoP can be considered a benchmarking tool, being applicable to nearly all phases of the benchmarking process. The study also shows that the CoP stands out regarding other frameworks due to ample coverage of the SDGs, number of reporting companies, accessibility to all stakeholders, and consolidation of the information into one platform.

Key words: Corporate Social Responsibility, Reporting, Global Compact, Benchmarking

## Resumo

Embora haja progresso em diversas áreas em relação à implementação da Agenda 2030 e dos Objetivos do Desenvolvimento Sustentável (ODS), ainda se nota a falta de ímpeto e velocidade para o cumprimento dos 17 objetivos e 169 metas. Em linha com o papel crítico do setor privado neste cenário, Responsabilidade Social Corporativa (RSC) vai além da simples busca por lucro e engloba o comportamento ético de uma empresa em relação à sociedade, gerando impactos positivos no meio ambiente, clientes, funcionários, comunidades, e todas as partes envolvidas. O Pacto Global das Nações Unidas (UNGC, sigla em inglês) é a maior iniciativa de RSC do mundo, e a sua Comunicação sobre Progresso (CoP, sigla em inglês) é um importante mecanismo de relato, que permite que empresas participantes demonstrem seu progresso e esforços em relação à RSC. Com cada vez mais empresas reportando práticas de RSC, é fundamental estabelecer uma base de dados global, padronizada, confiável, acessível e útil, que possa ser utilizada por diferentes partes envolvidas, incluindo as próprias empresas no processo de *benchmarking*. Esta dissertação tem como objetivo avaliar se o UNGC CoP pode ser utilizado como uma ferramenta de *benchmarking* em sustentabilidade, com base em critérios encontrados na revisão da literatura, e compará-lo com outras metodologias de relato existentes. Os resultados indicam que o UNGC CoP pode ser considerado uma ferramenta de *benchmarking*, sendo aplicável em quase todas as etapas do processo de *benchmarking*. O trabalho também aponta que o UNGC CoP se destaca em relação às outras metodologias por conta da sua ampla abrangência em relação aos ODS, quantidade de empresas relatando, acessibilidade para as partes envolvidas, e consolidação da informação em uma só plataforma.

Palavras-chave: Responsabilidade Social Corporativa, Relato, Pacto Global, *Benchmarking*

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## **List of abbreviations**

- CoP – Communication on Progress
- CSR – Corporate Social Responsibility
- GRI – Global Reporting Initiative
- MDGs – Millennium Development Goals
- SDGs – Sustainable Development Goals
- SR – Sustainability Reporting
- SRS – Sustainability Reporting Standard
- TCFD – Task Force on Climate-related Financial Disclosures
- UN – United Nations
- UNGC – United Nations Global Compact

## 1. Introduction

We are halfway down the road towards implementing the 2030 Agenda and the Sustainable Development Goals (SDGs), this is the “Decade of Action” as coined by the United Nations (UN)<sup>1</sup>. Although progress has been made in many areas, there is still a lack of momentum and speed to attain the 17 goals and their 169 targets set in 2015 by the General Assembly (United Nations, 2015). The SDGs established on that date were based on their predecessors, the Millennium Development Goals (MDGs) that were adopted in 2000. Hummel and Szekely (2021) highlight an important difference between these two global initiatives: while the SDGs were designed to be implemented by all countries, both the developed and the developing ones, the MDGs mainly focused on the developing ones. This new aspect is a global effort to bring together the world to eradicate poverty and bring progress to the economic, social, and environmental dimensions in a balanced way.

Moreover, as emphasized by Szennay et al. (2019), another key innovation of the 2030 Agenda and the 17 SDGs address is that not only the governments, but also businesses, civil society and other stakeholders as well, are called upon to pursue the agenda and the SDGs. This was an important step to bring the private sector into the collective journey towards sustainable development and also sharing accountability, since the SDGs and their respective targets will not be achieved without the contribution of the corporate stakeholders, especially regarding groundbreaking, innovative technologies and the large reach that multinational corporations have when deploying large scale solutions.

The “Sustainable Development Goals Report 2023”, launched in July (United Nations, 2023), highlights the importance of ambitious and fast action towards the SDGs. As an example, the report states that the COVID-19 pandemic and triple crises of climate change, biodiversity loss and pollution have exposed the world weaknesses and hindered progress towards the goals, for instance interrupting three decades of steady progress of poverty reduction and causing an increase in the number of people living in extreme poverty for the first time in years (United Nations, 2023). This highlights the urgency of action towards sustainability and the private sector plays a crucial role in this road map to successfully achieving the 2030 Agenda objectives.

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<sup>1</sup> “Decade of Action” (<https://www.un.org/sustainabledevelopment/decade-of-action/>)

The UN Global Compact (UNGC) is the world's largest voluntary corporate sustainability initiative calling on companies to align their strategies and operations with principles on human rights, labour, environment, and anti-corruption, and take action to advance the SDGs (Brockett & Rezaee, 2012; UN Global Compact, n.d.-c). In line with the UNGC mission, the UN Global Compact Communication on Progress (UNGC CoP) is a business tool that supports the decision-making process and helps businesses measure progress towards the implementation of the Ten Principles of the UNGC and the SDGs. Even more critically, the new and enhanced CoP enables companies to report such progress in a standardized way, boosting recognition, stimulating transparency, and enabling comparability of corporate actions concerning sustainability (UN Global Compact, 2023a, 2023c).

Berliner and Prakash (2014) underline that, due to the relevance and prestige of the UN, and the ambition of its mission, the UNGC is considered by its supporters to have the potential to reshape how businesses practice Corporate Social Responsibility (CSR) – the responsibility of companies for their impacts on society, to put it concisely, aiming to integrate social, environmental, ethical human rights and consumer concerns into their core strategy (Torrecchia, 2015). Poles apart, UNGC critics, such as Sethi and Schepers (2014, p. 207), consider it a flawed initiative that does not impose verifiable obligations to its participants, is “long on promises and short on performance” and welcomes companies with weak performance in CSR. These perspectives will be discussed more deeply further ahead in this study; however, it is important to note at this early stage that imposing complex barriers could be misunderstood as endorsing signatories, instead of functioning according to the UNGC’s purpose – a catalyzing platform for companies with different levels of experience in CSR practices (Rasche & Waddock, 2014).

Abhayawansa (2022) observes that identifying the connections among different corporate sustainability indicators, their materiality, and finally conducting a thorough benchmarking assessment are imperative to the decision-making process and to lay out the key next steps for each company to address its respective sustainability-linked issues. Even with a multitude of different reporting standards in place, if sustainability-related information is not systematically and consistently centralized, the process of collecting and compiling data from diffuse sources may be manual, subjective, and time consuming.

According to the literature review, throughout the years there have been several studies proposing new benchmarking models, with different phases and steps (Anand & Kodali, 2008;

Kyrö, 2003; Parast & Adams, 2012). As for CSR, the excess of standards and frameworks may hinder the prospect of convergence (Stolowy & Paugam, 2023). The main contribution of this study is to assess whether an existing CSR framework is applicable to an existing and widely accepted benchmarking model, optimizing resources. It does not envision to propose a new model or a new tool.

This dissertation aims to examine whether the new and enhanced UNGC CoP can be considered a sustainability benchmarking tool and compare it with other existing reporting frameworks in terms of applicability in the benchmarking process. To do so, literature about sustainability reporting standards is reviewed, and the information available regarding the pilot phase of the enhanced UNGC CoP, the Early Adopter Programme (EAP), is used. In summary, this study aims to answer these two research questions:

- Research Question 1 (RQ1): Can the enhanced UNGC CoP be used as a sustainability benchmarking tool?
- Research Question 2 (RQ2): What differentiates the enhanced UNGC CoP from other existing frameworks?

As for the structure of this study, besides this introductory section 1, a review of the literature is presented in section 2, where some relevant concepts and definitions regarding sustainable development, sustainability reporting and benchmarking are presented in addition to the description of the UNGC CoP and its new format. The following section, number 3, covers the methodology implemented to address the two research questions. The results are presented and discussed in section 4, compiling the answers to the assessments. The conclusions of this dissertation are revealed in section 5 along with the study limitations and suggestions for future research on this topic.

## 2. Literature Review

### 2.1. Sustainable development and the SDGs

The term “sustainable development” was initially mentioned in well-known conferences and publications between the 1960s and the 1980s, motivated by a rising awareness regarding the limits of global resources (Reiser, 2015). Sustainable development sheds light to inter and intragenerational equity and requires collaborative efforts towards building an inclusive, sustainable, and resilient future for people and planet, correspondingly entailing the harmonization of three pillars: economic growth, social inclusion, and environmental protection. In summary, it outlined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (United Nations, n.d.).

Adopted in September 2015 and summarized in Table 2, the resolution A/RES/70/1, “Transforming Our World: the 2030 Agenda for Sustainable Development”, brought a new perspective to the sustainability arena setting seventeen Sustainable Development Goals (SDGs) with 169 targets (United Nations, 2015). It also underlines a key aspect of sustainable development: the interdependence of issues.

“Sustainable development recognizes that eradicating poverty in all its forms and dimensions, combating inequality within and among countries, preserving the planet, creating sustained, inclusive and sustainable economic growth and fostering social inclusion are linked to each other and are interdependent.” (United Nations, 2015, p. 5)

The 2030 Agenda is focused on the 5 P’s – People, Planet, Prosperity, Peace, and Partnership – and, in line with the interdependence aspect previously mentioned, the proposed goals were not designed to function individually, instead they were conceived to be implemented in an interlinked way, as the resolutions states:

“The interlinkages and integrated nature of the Sustainable Development Goals are of crucial importance in ensuring that the purpose of the new Agenda is realized. If we realize our ambitions across the full extent of the Agenda, the lives of all will be profoundly improved and our world will be transformed for the better.” (United Nations, 2015, p. 2)

**Table 1:** The 17 SDGs

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<b>Sustainable Development Goals</b>	
“Goal 1	End poverty in all its forms everywhere
Goal 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3	Ensure healthy lives and promote well-being for all at all ages
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5	Achieve gender equality and empower all women and girls
Goal 6	Ensure availability and sustainable management of water and sanitation for all
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Goal 10	Reduce inequality within and among countries
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12	Ensure sustainable consumption and production patterns
Goal 13	Take urgent action to combat climate change and its impacts
Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development”

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Source: United Nations (2015, p. 14).

In this context and currently halfway towards the 2030 deadline for achieving these goals, Papoutsis and Sodhi (2020) have identified a positive link between corporate reports related to sustainability, following standards aligned with the SDGs, and the actual sustainability performance by companies. However, Hummel and Szekely (2021) found a lack of forward-looking metrics and information in said reports detailing future corporate plans and strategies towards sustainability, despite the quality with which such reports can describe the existing



actions in place towards the 2030 Agenda and a significant increase in the number of reporting companies in recent years. This panorama and the major social, environmental, and economic setbacks regarding the SDGs stated in the “The Sustainable Development Goals Report 2023”, by the United Nations (2023), underline the urgency of the present situation and substantiate the importance rapid and effective action towards the SDGs.

## **2.2. Corporate Social Responsibility**

Brockett and Rezaee (2012) articulate that Corporate Social Responsibility (CSR) is a concept that extends beyond mere profit-seeking to encompass the ethical behavior of a company towards society. Embodying corporate conscience, citizenship, and social performance in its business model, CSR claims that an organization has a responsibility to contribute positively to society. At its core, it shapes the mission of an entity, outlining what the company stands for and will uphold for its stakeholders.

The essence of CSR rests on generating positive impacts towards the environment, consumers, employees, communities, and all stakeholders. That is, it is undeniable that firms need to generate positive income, however, Torrecchia (2015) stresses that under the CSR lenses, economic progress is not pursued at the expense of societal welfare. This equilibrium between environmental, social, and economic considerations entails a commitment to transparency and accountability, establishing improved practices that generate wealth while improving society.

The notions of sustainable development and CSR are deeply interconnected, with both concepts being comparable to “moving targets”, which can only be met through a strategic process of continuous improvement. Strong advocates of strategic CSR such as Michael Porter and Mark Kramer brand this creation of benefits for both the corporation and society as creation of shared value, in which financial success converges with social responsibility (Branco, 2015a; Torrecchia, 2015).

CSR may be observed under two different perspectives, as presented by Matten and Moon (2008): explicit CSR and implicit CSR. They explain that the concept of "explicit CSR" encapsulates corporate policies that manifest through voluntary initiatives and strategies undertaken by corporations, merging social and business values to tackle issues identified as relevant to their social responsibilities. Explicit CSR is conditioned to corporate discretion and may

originate as a response to pressure from stakeholders or partnerships with governmental and nongovernmental organizations. In contrast, “implicit CSR” refers to corporations’ involvement with broader formal and informal institutions that advocate for societal interests and concerns. These norms are shaped collectively rather than individually, which indicates that implicit CSR is a reaction to the institutional environment and the communal responsibility towards general societal interests.

Matten and Moon (2008) conclude that explicit CSR and implicit CSR offer distinct perspectives on corporate responsibility. Explicit CSR highlights the proactive efforts of corporations to address societal concerns through voluntary actions. Implicit CSR positions corporations within a structure that defines collective responsibilities, and, while representative business associations often participate directly in shaping these requirements, individuals typically do not set personalized versions of these responsibilities. Nevertheless, another study proposes that these two perspectives may co-exist, suggesting that the UNGC can and should be viewed as an example of both explicit and implicit CSR (Brown et al., 2018). This will be discussed in more detail further ahead.

### **2.3. Sustainability Reporting and Standards**

Sustainability Reporting (SR) is a fundamental practice in the corporate world that involves measuring, disclosing, and being accountable for an organization’s efforts towards sustainable development. Branco (2015b) highlights how the involvement in activities aligned with sustainable development have become essential for a successful business model, with SR being a crucial component of corporate accountability and key for reputation-building. As outlined by Brockett and Rezaee (2012), an effective sustainability performance and a reporting model that properly reflects the CSR efforts, addressing the interests of all stakeholders, are two critical cornerstones for organizations. Reported sustainability information may have several purposes, including assessing the potential risks and returns associated with investments, evaluating the quality of CSR management, and informing the decision-making process. Ever since the 2007-2008 global financial crisis, investors are more and more interested not only in accurate and reliable financial information but also relevant non-financial information. This is even more accentuated in institutional investors who typically have a long-term investment horizon.

According to many studies, when it comes to Sustainability Reporting Standards (SRSs), the Global Reporting Initiative (GRI) takes center stage (Toker, 2015; Vigneau et al., 2015). Summarized by Brockett and Rezaee (2012), the GRI history begins with the Exxon Valdez environmental disaster of 1989, which drew attention to the urgent need for environmental responsibility in corporate practices. In response, the Coalition for Environmentally Responsible Economies (Ceres), a non-profit organization based in Boston, established the "Ceres/Valdez Principles." Throughout the 1990s, there was a gradual evolution in reporting practices, expanding beyond financial indicators to incorporate non-financial aspects. In 1997 Ceres started a "Global Reporting Initiative" with the primary objective of developing a sustainability information disclosure framework. The United Nations Environment Programme (UNEP) teamed up with Ceres in 1999 and, in 2000, the first GRI Sustainability Reporting Guidelines were issued, with the initial adoption of almost 50 companies. A year later, GRI achieved autonomy and relocated its operations to the Netherlands.

The GRI is an independent international organization that helps businesses take responsibility for their impacts, by providing a universal language for communicating those impacts. Headquartered in Amsterdam and supported by regional offices, GRI collaborates with diverse stakeholders from all over the world, including businesses, policymakers, civil society, and experts, to develop GRI Standards for sustainable reporting. These standards are widely adopted by over 10,000 organizations and they empower entities to address economic, environmental, and social challenges, fostering sustainable development by aligning growth strategies with environmental and societal well-being. The GRI standards enhance transparency and communication of sustainability contributions, enabling organizations to make informed decisions, reduce risks, realize business opportunities, and strengthen stakeholder relationships (GRI, 2023a). It is important to note that the GRI website does not have a reports repository, instead each reporting organization may publish their reports on their own pages (GRI, n.d.).

The annual "Survey of Sustainability Reporting" conducted by KPMG (2022), found out that 96% of the world's leading 250 companies report on sustainability, with the GRI being the most dominant standard in place. In line with these findings, Vigneau et al. (2015) point out that reporting has become the main task of teams responsible for CSR in companies, and that the GRI standards stand out "as the ultimate guideline on how to report". The authors also reason that these standards are used as a key guidepost for improving the process of gathering

data and reporting. The GRI also seeks alignment with the SDGs and in its publication “Integrating SDGs into sustainability reporting” the linkages between SDGs and several GRI standards are thoroughly described, including general and sector-specific guidelines. All the 17 SDGs have connections with at least one GRI guideline (GRI, 2022a).

Another actor in the SR arena, CDP, formerly known as "Carbon Disclosure Project," is a non-profit charity organization that operates a global disclosure system aimed at enabling investors, companies, cities, states, and regions to effectively manage their environmental impacts. Recognized as the primary standard in environmental reporting, CDP has the most extensive and comprehensive dataset regarding both corporate and city environmental actions. Having marked its 20th anniversary in 2020, CDP has evolved since its inception in 2000 as the "Carbon Disclosure Project", and the organization's name transition to simply "CDP" in 2013 served two purposes: (1) it preserved the global brand recognition it had developed; (2) it underlines the imperative of comprehensively understanding and addressing a wider spectrum of environmental impacts. Initially focused on encouraging companies to disclose their carbon-related impacts, CDP's scope has expanded and now encompasses broader environmental issues like deforestation and water security. Furthermore, CDP's influence extends beyond the corporate realm, providing support to cities, states, and regions as well (CDP, n.d.). CDP corporate questionnaires are also aligned with some of the SDGs, in particular the ones related to environmental issues, such as SDGs 6, 7, 13 and 15, while its questionnaire designed for cities, states and regions are also in line with SDGs 11 and 12 (CDP, 2021).

A third SRS focused on climate change issues that has been attracting attention is the Task Force on Climate Related Disclosures (TCFD). KMPG (2022) observed a significant growth in reporting of climate-related risks and emissions reduction targets aligned with the TCFD recommendations – 50% of companies in the worldwide sample disclosed carbon-related targets in 2017, while 71% of companies did so in 2022; whereas the numbers are even higher in the sample with the world's 250 largest companies, increasing from 67% in 2017 to 80% in 2022. The TCFD is an initiative established by the Financial Stability Board (FSB) to address the need for clear and comprehensive information on the financial impacts of climate change with the main goal of enhancing and encouraging the reporting of climate-related financial information by companies. Released in 2017, their disclosure recommendations are

structured in four main aspects of an organization: governance, strategy, risk management, and metrics and targets (TCFD, n.d.).

Even with the existence of several standards, the SRS field was relatively settled, with the GRI standing out as the main global standard setter, until when the International Sustainability Standards Board (ISSB) and the European Financial Reporting Advisory Group (EFRAG) both announced the release of new standards (Ali et al., 2023; Giner & Luque-Vílchez, 2022).

The ISSB, established by the International Financial Reporting Standards (IFRS) Foundation, is focused on creating high-quality global sustainability disclosure standards that cater to investor and financial market needs (IFRS, n.d.). In June 2023, the ISSB released its first standards, IFRS S1 and IFRS S2. In summary, IFRS S1 outlines disclosure requirements for companies to communicate their short, medium, and long-term sustainability-related risks and opportunities to investors; while IFRS S2, complementary to IFRS S1, provides specific guidelines for climate-related disclosures. Both standards are aligned with the TCFD recommendations and aim to improve confidence in sustainability reporting to inform investment decisions (IFRS, 2023).

The EFRAG is a private non-profit association created in 2001, initially focused on promoting IFRS standards adoption, under the support of the European Commission (EC) – which has been historically concerned about CSR matters. More recently, the EFRAG has been working on the European Sustainability Reporting Standards (ESRS) in collaboration with the GRI and taking the GRI standards as a reference (Giner & Luque-Vílchez, 2022). On 31 July 2023, the EC adopted the ESRS for use by all companies subject to the Corporate Sustainability Reporting Directive.

The announcement of these new standards reinforces the need for alignment, as the existence of competing standard-setting organizations together with an excess of standards may deter the possibility of convergence in sustainability reporting, as indicated by Stolowy and Paugam (2023). On a positive note, collaboration occurs and there are agreements between the standard-setters focused on alignment and mutual support, such as: the already stated cooperation between EFRAG and GRI; ongoing discussions about aligning the EFRAG's concept of materiality with other existing concepts (EFRAG, 2023); and the GRI-ISSB Memorandum of Understanding (MoU), aiming to ensuring complementary and interoperable criteria (GRI, 2022b, 2023b). After evaluating the MoU, Adams and Mueller (2022) conclude that although

both GRI and ISSB will maintain their current objectives, it indicates collaboration specifically on the double materiality approach, which the GRI has been calling for. The authors make a further positive comment regarding the MoU: it addresses a key frustration for academics, who consider that they were not properly heard during the ISSB consultation process.

Materiality, mentioned above, is a concept inherent and fundamental to SRSs, that involves determining what information is significant enough to be included in reports as identified by Abhayawansa (2022). Furthermore, it assists organizations in disclosing relevant information to stakeholders and helps auditors decide what information requires verification. Materiality acts as a filter to separate essential information from less relevant details, reducing clutter and enhancing the credibility and usefulness of reports. It is possible to detail three different approaches to materiality: financial materiality, impact materiality (or social and environmental materiality) and double materiality.

Financial materiality centers on economic value creation for the reporting entity's capital providers. It involves selecting information that impacts the financial performance, position, and development of the organization. Financial materiality is often associated with a so-called “outside-in” perspective, considering how sustainability issues affect the organization's performance or financial output. The criteria for determining financial materiality often revolve around the information needs of investors (Abhayawansa, 2022; Giner & Luque-Vílchez, 2022; Stolowy & Paugam, 2023).

Impact materiality relates to the entity's impact on the economy, environment, and society, considering the interests of multiple stakeholders. Also known as social and environmental materiality, it is aligned with the “inside-out” perspective, which considers the positive and negative impacts of the organization on people and the environment. It involves selecting information that reflects the organization's contributions or harm to societal and environmental issues (Abhayawansa, 2022; Giner & Luque-Vílchez, 2022; Stolowy & Paugam, 2023).

Double materiality combines both financial and impact approaches to materiality, recognizing the interchange between sustainability issues financially impacting the entity and the impacts of the organization on society and the environment (Abhayawansa, 2022; Giner & Luque-Vílchez, 2022; Stolowy & Paugam, 2023). However, Abhayawansa, 2022 draws attention to the challenges in defining clear parameters for this approach. While financial materiality often has a well-defined reference group (namely, investors), impact materiality lacks such a sharply

outlined audience. Meaning that an inadequate approach towards the audience may favor financial issues over social and environmental ones.

Abhayawansa (2022) concludes the argument suggesting a “single materiality” definition for sustainability reporting:

“Sustainability-related information is material if it relates to the organization’s discharge of its accountability in relation to financial, social, relational, natural, intellectual, human and manufactured capitals that have been bestowed to it by or obtained from investors and creditors, other stakeholders, society and the environment, and communicating its enterprise value in the short, medium and long-term, appreciating the dependencies between the environment, society and organizations.” (p. 20)

Lastly, Adams and Mueller (2022) and Ali et al. (2023) warn about reporting and reporting standards becoming ends in themselves, rather than being means to an end. Companies may become so absorbed in following SRS and the process of reporting that the original purpose for which the reporting was intended gets lost or overshadowed. They emphasize that reporting should serve as a means to achieve the original end, which is to advance CSR practices and to have a strong, positive contribution towards the SDGs.

## **2.4. The UN Global Compact**

Established on July 26, 2000, by former UN Secretary-General Kofi Annan, the United Nations Global Compact (UNGC) is the world’s largest voluntary corporate sustainability initiative with over 23,000 participants from 166 countries. It is a CSR initiative that calls upon companies to align their strategies and operations with a set of universal principles related to human rights, labor, environment, and anti-corruption. The UNGC serves as a voluntary framework for businesses to integrate responsible business practices into their core strategies, with the ultimate goal of contributing to broader societal goals and sustainable development (UN Global Compact, n.d.-c). It functions under a blended global-local system, where the overarching strategy and initiatives are designed globally, while the large number of participating companies are supported by over 60 Local Networks, which are clusters of participants who collaborate to advance the UNGC agenda in that country or particular geographic region. Besides contextualizing and realizing the UNGC vision within different national backgrounds, Local

Networks also implement their own activities, deepening the learning experiences of their participating companies (Gilbert, 2015).

### 2.4.1. The UN Global Compact and its relation to the SDGs

The UNGC ambition is to accelerate and scale the global collective impact of business with the help of its principle-based approach, and to deliver on the SDGs through accountable companies and ecosystems that enable change. It encourages companies to not only uphold its Ten Principles (see Table 2), encompassing human and labor rights, environmental protection, and anti-corruption measures, but also to take proactive actions that advance these principles and contribute to achieving the SDGs (Brockett & Rezaee, 2012; UN Global Compact, n.d.-c).

**Table 2:** The Ten Principles of the UN Global Compact

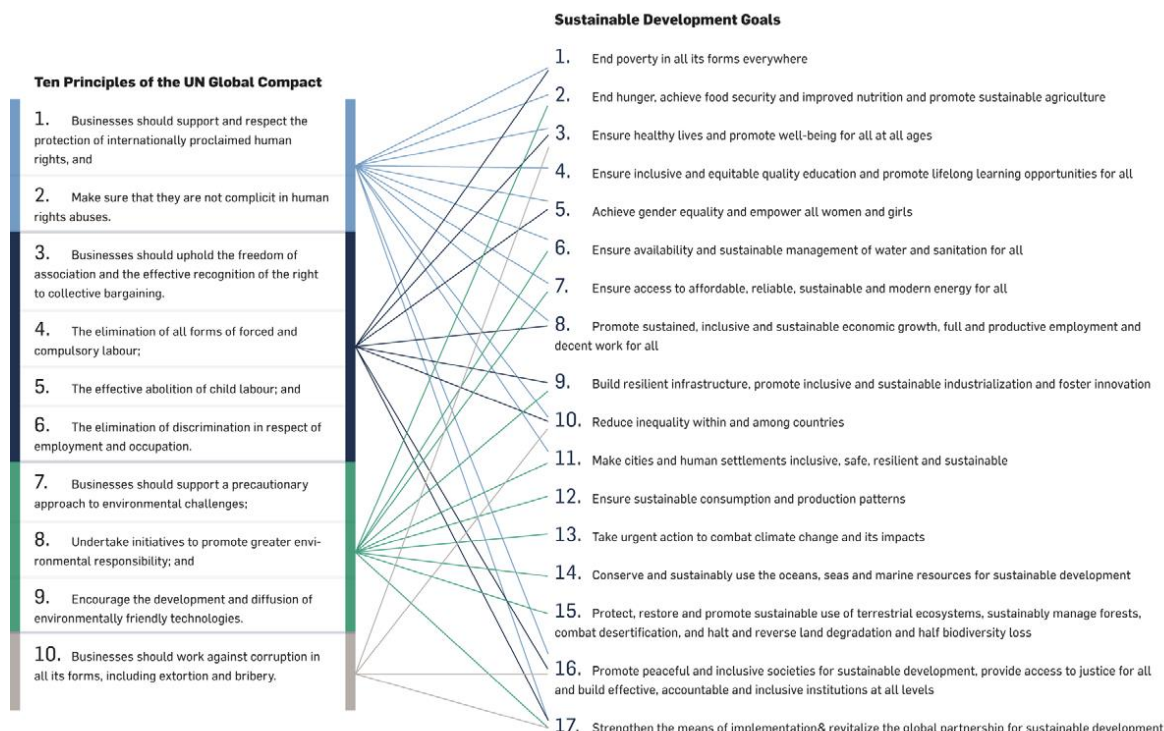
<b>The Ten Principles</b>	
“Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association 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.”

Source: UN Global Compact (n.d.-b).



The UNGC Ten Principles are essential for companies aiming to advance the SDGs (the primary linkages between the SDGs and the Ten Principles can be seen in Figure 2). These principles establish a universal definition of responsible business, requiring companies to uphold fundamental responsibilities across human rights, labor, environment, and anti-corruption. In line with the concept of CSR, this so-called principle-based approach involves identifying, preventing, mitigating, and addressing negative societal and environmental impacts, while fostering a culture of integrity (UN Global Compact, 2016). Companies should carefully reflect on their business models in relation to each SDG, adjusting practices to avoid harm that could undermine the goals: “Companies must not make the world’s problems worse before they try to make them better” (UN Global Compact, 2016, p. 5). By adhering to actions suggested by the Ten Principles, such as respecting employee rights, preventing pollution, and rejecting corruption, companies can significantly contribute to the progress of different SDGs.

**Figure 1: The Ten Principles and the SDGs**



Source: UN Global Compact (2016, p. 6).

#### 2.4.2. Different perspectives regarding the UN Global Compact

Brown et al. (2018) examine the UNGC under the implicit/explicit CSR framework and suggest that it manages to defy this dichotomous categorization of implicit or explicit CSR. Blending aspects of both, it constitutes a unique and paradoxical framework for CSR. For instance, the UNGC's initiation through a CEO's letter of intent to uphold its ten principles presents a first impression of explicit CSR, driven by a discretionary corporate commitment. Similarly, companies demonstrate their commitments to sustainability by reporting progress yearly. At the same time, the UNGC community logic and principle-based approach clearly personify a reflective characteristic of implicit CSR. The authors conclude that these contrasting logics, while seemingly conflicting, are in fact interconnected. They accentuate the importance of the implicit nature of the UNGC in terms of embedding norms and values of behaviors within corporations, while also acknowledging the importance of fostering behavioral change through the explicit CSR practices of member companies.

Literature suggests that implementing the UNGC Ten Principles and making progress towards the SDGs require considerable efforts and may incur significant costs, however the motivations and gains for joining this initiative outweigh the downsides. Ayuso et al. (2016) note that genuine participation in the UNGC requires a substantial amount of effort and, more specifically, that aligning business processes with the Ten Principles demands thorough internal evaluation and adjustment. In summary, the authors indicate that complying with the UNGC principles is not a trivial task for participating firms. In line with that, Arevalo et al. (2012) comment that, although expectations are high when joining UNGC, participants often find it difficult to implement the principles or communicate their implementation efforts. Still, participating in the UNGC offers several gains to companies (Arevalo et al., 2012; Ayuso et al., 2016; Brown et al., 2018; Coulmont & Berthelot, 2015), such as:

- Learning and networking – such a CSR initiative provides companies with access to guidelines, implementation tools and examples of best practices, as well as opportunities to collaborate with experienced participants;

- Image and legitimacy – being associated with a world-renowned initiative focused on responsible business practices can positively influence public perception and trust;
- Experience – time-based experience helps firms to deploy their resources to advance CSR strategies;
- Efficiency and impact – implementing the Ten Principles can lead to improved efficiency and cost reduction;
- Credibility for investors – UNGC affiliation signals to investors that the firm is making conscious efforts to align its decision-making processes with responsible practices.

When answering the question “Does voluntary corporate citizenship pay?”, Barros Kimbro and Cao (2011) indicate that it only happens when companies can provide such evidence. Their findings indicate that firms that choose to comply with the Communication on Progress (CoP) – UNGC’s main disclosure requirement – show higher market valuation and better investment opportunities compared to firms that do not report; demonstrate superior profitability; and have lower systematic risk. The study also points out that non-communicating firms, that initially associate with the UNGC but do not report progress, might experience short-term benefits, but these benefits disappear two years after joining.

Berliner and Prakash (2014) mention whilst UNGC supporters consider it to have the potential to reshape how businesses practice CSR, its critics indicate design flaws regarding the lack of monitoring and enforcement mechanisms to prevent non-compliance. Sethi and Schepers (2014), for example, argue that public pressure alone is not enough to drive changes in business behavior and compel companies to act towards on CSR, and criticize the UNGC CoP for lacking standardized CSR indicators, which hinders the effectiveness of stakeholder monitoring. Another flaw that is proposed is that the UNGC welcomes companies with weak performance in CSR, focusing purely on increasing numbers, and does not concentrate on strict accountability. While this may benefit participating companies’ public image, it relies on voluntary commitments without legal consequences for non-compliance (Clapp, 2005; Sethi & Schepers, 2014).

While agreeing with some of the criticisms, Berliner and Prakash (2014) emphasize that all rule structures have imperfections and limitations, and they commend the UNGC for promoting CSR and bringing it to the spotlight of global corporate policy agenda. Regarding the importance of maintaining low entry barriers for participation, Rasche and Waddock (2014) emphasize that selecting participants could be misinterpreted as endorsing specific companies, which contradicts the UNGC mission of being a catalyzing platform for companies with different levels of experience in CSR practices. Additionally, selecting eligible companies would likely favor those with strong CSR backgrounds, instead of functioning as an inclusive learning platform for businesses with different levels of experience and resources. Also on this point, Berliner and Prakash (2014) suggest that the success of CSR initiatives lies not in recognizing top performers but in inducing the progress of companies with average and weak performance.

There are also counterarguments in relation to only focusing on number of companies and not engaging in monitoring non-compliance. While participant numbers alone are insufficient to measure impact, Rasche and Waddock (2014) explain that transformational change requires both qualitative and quantitative growth, meaning that more participants need to engage, learn, and enhance their performance for the Compact to achieve its goals. And although there is not a formal monitoring process to avoid non-compliance, Amer (2018) shows that investors keep track of and penalize companies that join the UNGC and fail to report progress through the submission of a CoP, which can be seen as a way to ensure implementation.

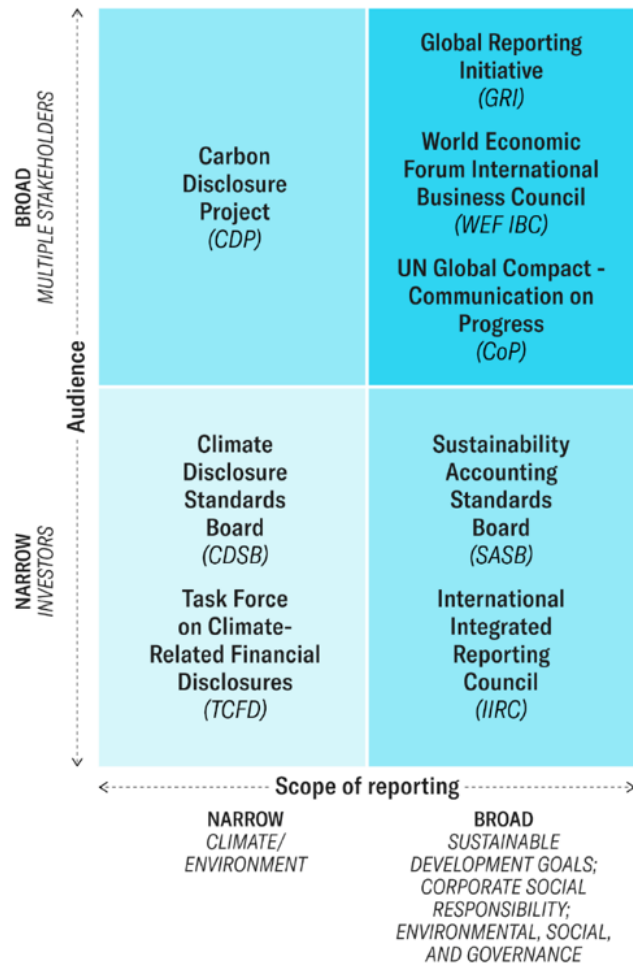
#### **2.4.3. The enhanced UN Global Compact Communication on Progress**

The Communication on Progress (CoP) is a key reporting mechanism introduced by the UNGC, that allows participating companies to transparently showcase their progress and efforts in aligning their business models with the Ten Principles and the SDGs (UN Global Compact 2023a). Reporting CSR progress in a transparent and public manner is fundamental for companies, as mainstream investors are incorporating such information into their strategies, while non-financial information is also influencing the decisions of consumers, local communities, and civil society organizations (UN Global Compact, n.d.-a). The CoP enables companies to consistently measure and express their progress regarding the Ten Principles and the SDGs; enhances credibility and brand value by showing their commitment to the UNGC agenda;

functions as a learning platform for participants to gain insights, identify gaps, access guidance, and continuously improve CSR performance; and facilitates benchmarking against peers being one of the largest sources of free, public and comparable corporate sustainability data (UN Global Compact, 2023c).

Rogmans and El-Jisr (2022) place the UNGC CoP in the upper-right quadrant of the “sustainability reporting matrix”, in which the Y-axis represents the audience breadth, and the X-axis characterizes the scope of sustainability reporting (see Figure 2). Sustainability reporting refers to the information that reporters provide about their performance to stakeholders and this matrix was designed to support decision makers when selecting the most relevant reporting framework to focus on. According to the matrix proposal, each reporting standard has a different scope regarding topics from narrow (focusing on greenhouse gas emissions, for example) to broad (covering several or all SDGs, for instance), and serves different ranges of audiences from a narrow group of stakeholders (e.g., investors) to broader groups (such as the general society). Taking into account that GRI is considered the main standard for sustainability reporting (Vigneau et al., 2015), and in accordance with the quadrant position in the previously mentioned matrix, in this dissertation UNGC CoP will be mainly compared with GRI and CDP.

**Figure 2:** Sustainability reporting matrix



Source: Rogmans and El-Jisr (2022).

An update process took place in 2022 and the enhanced CoP has been developed through collaboration with various stakeholders, including UN entities, businesses, governments, investors, and civil society organizations. In the updated format of the CoP, questions are strongly aligned with major global reporting frameworks such as the GRI and CDP, aiming to streamline sustainability reporting rather than adding more criteria to the already crowded sustainability reporting landscape (UN Global Compact 2023a). In 2022, a pilot stage of the new UNGC CoP took place and around 900 companies participated in the EAP, submitting

their enhanced CoPs. The list of companies that participated in this pilot initiative and their respective submissions are available on the UNGC “Early Adopters” webpage<sup>1</sup>.

The CoP involves the submission of a statement by the CEO expressing the company’s commitment to continue supporting the UNGC mission, and the submission of an online questionnaire that addresses various aspects of their advancement related to the Ten Principles and the SDGs. Regarding its structure, the CoP questions can be organized through two perspectives: sections and categories (see Table 3).

**Table 3:** UNGC CoP sections and categories

<b>Section</b>	<b>Materiality</b>	<b>Commitment</b>	<b>Prevention</b>	<b>Performance</b>	<b>Remediation and Reporting</b>
Governance	N/A	G1-G5	G6-G8	G10, G11	G9, G12, G13
Human Rights	HR1	HR2	HR3-HR6	N/A	HR7, HR8
Labour	HR1	L1-L1.2	L2-L5	L6-L10	L11, L12
Environment	E12	E1-E1.1	E2-E5	E6-E11, E13-E21	E22
Anti-Corruption	N/A	AC1-AC2	AC3-AC4	AC5	AC6-AC8

Source: UN Global Compact (2023a).

There are five sections: Governance, Human Rights, Labour, Environment, and Anti-Corruption. The first section, Governance, provides an overview of a company’s sustainability governance structure across all themes. The subsequent sections focus on the performance with respect to Human Rights, Labour, Environment, and Anti-Corruption, as seen in the Ten Principles (see Table 2). Within each section, there are questions covering five categories: Materiality, Commitment, Prevention, Performance, and Remediation and Reporting. Materiality is only covered in the Human Rights and Environment sections, where companies can select their material topics for disclosure, and a justification is required when considering certain questions immaterial. Regarding commitments, processes and policies that demonstrate commitment to progress towards sustainability are addressed. For prevention, information about efforts to prevent negative impacts is required. In relation to performance, companies may disclose the performance indicators to measure progress. In regard to Remediation and Reporting, there are

<sup>1</sup> UNGC CoP “Early Adopters”: <https://unglobalcompact.org/participation/report/cop/early-adopters>

questions about mechanisms to address incidents and learn from experiences, as well as reporting processes (UN Global Compact, 2023b).

Besides the alignment with major reporting standards mentioned previously, the CoP is deeply aligned with the SDGs: except for Goal 17, all the other Goals are covered by at least one question and some SDGs are covered by multiple CoP questions. It is important to note that SDG 17 is usually seen as a cross-cutting Goal focused on strengthening partnership to achieve all the SDGs (UN Global Compact, 2023a, 2023b; United Nations, 2015). The CoP questions and their linkages with the SDGs and reporting standards are detailed in the annex, while Table 4 illustrates the linkages in reverse order, i.e., how each SDG is related to the CoP questions.

**Table 4:** The SDGs and the UNGC CoP questions

<b>SDG</b>	<b>CoP questions</b>
Goal 1	HR1-8, L1-5, L7-12, E1-10, E20
Goal 2	HR1-8, E1-15, E20
Goal 3	L1-12, E1-5, E9, E10, E16-20
Goal 4	HR1-8, L1-5, L8, L9, L11, L12
Goal 5	G3-9, G11, HR1-8, L1-9, L11, L12
Goal 6	HR1-8, E1-5, E10-22
Goal 7	E1-5, E9, E10, E20-22
Goal 8	G1-9, G11-13, HR1-8, L1-5, L11, L12, E1-5, E9, E10, E20
Goal 9	HR1-8, L1-5, L11, L12, E1-5, E9-12, E20
Goal 10	HR1-8, L1-5, L11, L12
Goal 11	HR1-8, E1-12, E20
Goal 12	E1-22
Goal 13	E1-8, E22
Goal 14	E1-8, E10, E13-16, E18-22
Goal 15	E1-5, E10, E13-15, E17-22
Goal 16	G1-13, HR1-8, L1-3, L5-8, E1-3, AC1-8
Goal 17	-

Source: UN Global Compact (2023a).



When concluding their study, Berliner and Prakash (2014) expressed hope that changes to the UNGC design could boost the motivation for participants to engage in more meaningful CSR practices. With tens of thousands of companies reporting consistently and transparently on an annual basis, besides the overall alignment with major reporting standards, the enhanced CoP is deemed to have a great potential to increase corporate accountability and ambition on sustainability (UN Global Compact, 2023a).

## **2.5. CSR Benchmarking**

Within the context of corporate management, Parast and Adams (2012) draw a connection between CSR and benchmarking, arguing that such practices are mechanisms through which organizations imitate the practices and norms of other institutions and could be regarded as facilitators of organizational isomorphism. The concept of organizational isomorphism indicates that “organizational characteristics are modified in the direction of increasing compatibility with environmental characteristics” (DiMaggio & Powell, 1983, p. 4). This process requires firms to closely monitor changes in the environment, evaluate new technologies and best practices, and when they have common norms or standards, they may become similar overtime.

The term benchmarking has several definitions that often include, for example, measurement, comparison, identification of best practices, implementation, and improvement. The process can assist a company in setting goals for improving performance and is considered both resource and time intensive, therefore should be done meticulously (Anand & Kodali, 2008; Maltz et al., 2016). It can be described as the search for the best practices in the industry which will lead to exceptional performance; as the evaluation and improvement of an organization’s performance, technology, process, competence and/or strategy, within a delimited scope, by learning from or/and with another organization that is identified as having best practices in its respective field; or, in summary, as the process of looking outward to find best practices, looking inward to measure the current internal situation, and adapting to improve performance (Anand & Kodali, 2008; Kyrö, 2003).

Using the “Xerox” benchmarking methodology, Anand and Kodali (2008) implemented a process that consisted in “benchmarking the benchmarking models”. The “Xerox” model has four phases and ten steps (see Table 5), all of which were implemented by the authors when

benchmarking the models chosen for analysis. The first phase, Planning, has three steps: (1) identifying benchmarking subject, (2) identifying benchmarking partners, and (3) defining data collection process and collecting data. There are two steps in the second phase, Analysis: (4) determining current competitive gap and (5) projecting future performance. In third phase, Integration, the following two steps are: (6) communicating findings and gaining acceptance and (7) establishing functional goals. Last phase, Action, has the following steps: (8) developing action plans, (9) implementing plans and monitoring progress, and (10) recalibrating the benchmark. This model was selected because it has been cited, quoted, and positively rated consistently across several studies; most of the benchmarking models found in the literature are fundamentally based on the “Xerox” process; it is the most commonly used benchmarking model in practice; and it is one of the oldest models and with very little modification through the years (Anand & Kodali, 2008).

**Table 5:** “Xerox” benchmarking model

<b>Phase</b>	<b>Steps</b>
Planning	1. Identify benchmarking subject 2. Identify benchmarking partners 3. Determine data collection method and collect data
Analysis	4. Determine current competitive gap 5. Project future performance
Integration	6. Communicate findings and gain acceptance 7. Establish functional goals
Action	8. Develop action plans 9. Implement plans and monitor progress 10. Recalibrate the benchmark

Source: Anand and Kodali (2008).

By comparing the steps of several models with the steps of the “Xerox” model itself, Anand and Kodali (2008) benchmarked the benchmarking processes found in the literature and suggested a new methodology. A total of 71 different steps were identified across the 35 models assessed, and based on the occurrence and frequency of each step they were classified and

incorporated in the new model. The new proposed benchmarking process has 54 steps, grouped in 12 phases (see Table 6).

The first phase, “Team formation”, is strictly internal and includes steps regarding staff selection for the benchmarking study and possible capacity building necessities. Phase 2, “Subject identification”, regards the topic or area of business that will be benchmarked. Next, phase 3, “Customer validation”, details the steps for identifying customer expectations and alignment with company’s mission and values. Phase 4, “Management validation”, covers the outline of benchmarking process and its approval by the management team. Phase 5, “Self analysis”, is the internal assessment to characterize and to document the current situation, performance, and information available regarding the selected topic. Phase 6, “Partner selection”, consists of identifying the peers against which the company will be benchmarked. In phase 7, “Pre-benchmarking activities”, the company will collect preliminary information about the benchmarking partners (e.g., location, size, sector, etc.), and establish contact with them to discuss their participation in the study, explaining the expected outcomes and how the benchmarking process will be carried out. Phase 8, “Benchmarking”, consists of collecting and organizing information about the benchmarking partners. In phase 9, “Gap analysis”, based on the information collected, the competitive gap will be determined, identifying the best practices and their potential applicability to the company’s context. Phase 10, “Action plans”, is the summarization of findings, establishment of goals and development of an action plan to implement the applicable recommendations. Next, phase 11, “Implementation”, as the name suggests, is the implementation of the action plan proposed earlier aiming to close the performance gap identified. Finally, phase 12, “Continuous improvement”, includes monitoring the implementation and checking if targets are met, besides recalibrating and recycling the benchmarking process to ensure that the best practices identified are up to date.

**Table 6:** Benchmarking model proposed by Anand and Kodali (2008)

Phases	Steps
Team formation	1. Identify a leader of the team to carry benchmarking study 2. Form a benchmarking team with clear-cut definition of responsibility for each team member 3. Identify the capability of team and provide necessary training if required
Subject identification	4. Identify the strategic intent/area of the business which is to be benchmarked 5. Narrow down the number of subject areas (from the brainstorming stage) to a few areas in which benchmarking might have a considerable impact 6. Evaluate the importance of each subject area based on priorities
Customer validation	7. Identify benchmarking subject 8. Identifying the customers for the benchmarking information 9. Identify key customer expectations
Management validation	10. Validate the topic with respect to customers, company's mission, value and milestones, business needs, financial indicators, non-financial indicators, additional information that influence plans and actions 11. Prepare a proposal for benchmarking and outline the purpose and scope of the benchmarking project 12. Identify different resources required for benchmarking study. It includes resources like financial, travelling, man hours, etc. 13. Prepare a proposal for benchmarking and submit it to management to get their commitment, with clear explanation on the benchmarking project, its objectives, tentative time plan of benchmarking activities with target dates, the benefits, costs involved, resources required, etc.
Self analysis	14. Understand the current situation by studying and analyzing the existing information on the subject to be benchmarked 15. Identify the critical success factors (CSFs) based on the subject of benchmarking, strategic intent, core competencies and capability maps 16. Select the best performance measurement for CSFs 17. Specify the data in terms of units and intervals to make the comparison and the analysis phase easier 18. Measure the existing state of the subject to be benchmarked with respect to the CSFs/indicators 19. The subject to benchmarked is documented and characterized in order to determine and understand its inherent capability
Partner selection	20. Identify the external published information sources for collecting pre-benchmarking information by searching different technical and business journals, internal database, external databases, and public libraries 21. Identify the potential benchmarking partners based on the above data 22. Establish the requirements for the selection of benchmarking partners or for the characterization of the degree of relevance that any particular company may have as a potential benchmarking partner 23. Narrow the list to few benchmarking partners by comparing the candidates
Pre-benchmarking activities	24. Collect lower level detail on benchmarking partner prior to contacting them (e.g. location, when did they get started, no. of employees, product line, key managers, market share, revenue and profit, customer satisfaction, etc.) 25. Establish contact with the selected partner(s) and gain acceptance for participation in the benchmarking study 26. Make an initial proposal, which includes the subject, reason for selecting the organization, what you expect from them, when to visit them, agenda for the visit, format of information that will be exchanged, etc.

Phases	Steps
	27. Determine the data collection method – which can be a questionnaire or site visits or interview or a combination of all methods 28. Validate it after discussing with various experts including partners 29. Establish a protocol for performing the benchmarking study and also develop a non-disclosure agreement that tells about the information that will be shared and define the ethics of benchmarking 30. Prepare for reciprocal agreement, in case the benchmarking partner wishes to benchmark a different area in within the organization that wants to benchmark 31. Assess the information needs – write and review the questions, information required and other details to be collected with the benchmarking team members, so that there is a clear consensus and understanding about the information to be collected
Benchmarking	32. Perform benchmarking study which might include collecting information through questionnaire/survey, interview, site visit, etc. 33. Collect data on methods, procedures, performance measure and practices that are considered superior 34. Sort the collected information and data
Gap analysis	35. Determine current competitive gap 36. Identification of possible root causes and the superior practices that are responsible for the gap 37. Evaluating the nature of practices/methods/procedures (enablers) to determine their adaptability to the benchmarking company's culture by performing the feasibility study
Action plans	38. Prepare the report and communicate the findings of benchmarking throughout the organization and project the benefits in terms of dollars and get the management commitment 39. Make results available to benchmarking partners
Implementation	40. Establish functional goals 41. Project future performance 42. Develop the action plan with necessary recommendations and time frame for implementation 43. Gain acceptance from management and employees through commitment and participation, respectively, for implementing the action plans 44. Prioritize implementation of different practices 45. Deploy the action to the concerned product process owners with the target date for implementation and completion 46. Implement of action plans to bridge the gap 47. Provide training to the employees on new practices
Continuous improvement	48. Monitor results of the implemented actions 49. Check whether the target is reached 50. Recalibrate the benchmark and improve continuously 51. Ensure that best practices are fully integrated into process 52. Structure rewards system to recognize continuous improvement to the benchmarking team and the implementation team 53. Update the benchmarking report which provides the information on the best practices, how it was implemented in the benchmarked company and how it was adapted in the existing organization and a comparative analysis of the reported benefits, etc. which will help in learning purposes 54. Recycle the benchmarking process, i.e. perform new benchmarking studies for new areas/processes"

Source: Anand and Kodali (2008, p. 27).

Low and Ang (2015) list some benefits of benchmarking in CSR: challenging the *status quo* and providing direction for improvement; identifying performance gaps and promoting competitive awareness; and identifying the best CSR practices and the steppingstones to advance. Furthermore, as indicated by Branco (2015a), seeing CSR as a strategic issue, CSR benchmarking should be viewed as a long-term investment in the company's future competitiveness. That is, although an immediate pay-off is not expected, this may bring long term benefits to the company and its stakeholders.

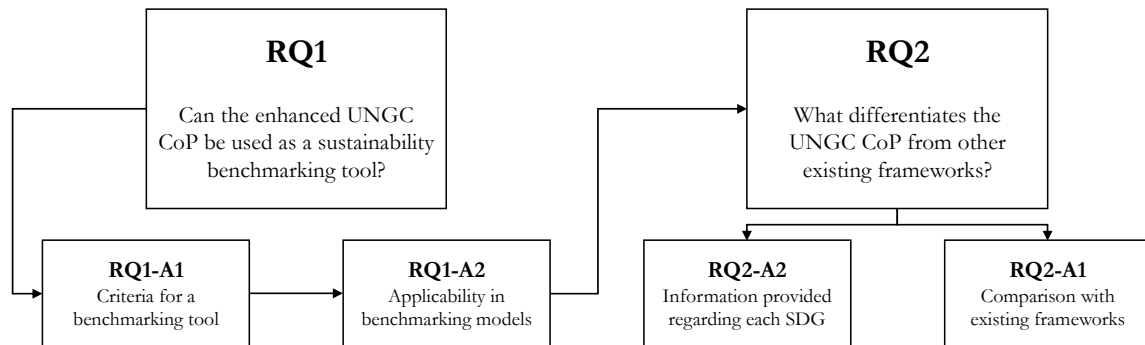
Parast and Adams (2012) highlight that in order to get benefits from benchmarking, companies need to effectively understand their peers' sustainability competencies, demonstrating that benchmarking depends on the availability and reliability of CSR data. This circles back to what has already been mentioned in this section: the value of sustainability reporting, materiality assessment and meaningful reporting standards.

As more and more companies are reporting CSR practices, it is crucial to establish a global, standardized, trusted, accessible and useful database, that can be used not only by financial stakeholders, such as investors, to assess the performance of companies, but also by the companies themselves in the benchmarking process with peers that are reporting similar information (Brockett & Rezaee, 2012).

### 3. Methodology

As mentioned, the underlying goal of this study is to investigate whether the enhanced UNGC CoP can be used as a sustainability benchmarking tool and compare its applicability in this process with other world-renowned frameworks. The methodology is divided into two parts, one for each research question. The proposed methodology used in this study is shown in Figure 3, with the flowchart illustrating the order of each assessment within each research question.

**Figure 3: Research Questions and Assessments**



#### 3.1. RQ1: Can the enhanced UNGC CoP be used as a sustainability benchmarking tool?

Although the answer to this question is simply “yes” or “no”, the process to confirm it requires a few steps. First and foremost, the UNGC CoP is a reporting tool, and its main purpose is to communicate progress – as the name “Communication on Progress” suggests. In this study, the goal is to assess its applicability as a benchmarking tool, without making any changes to its structure or operating mode.

Based on the literature review, it was possible to identify aspects that are paramount for both the sustainability reporting and benchmarking processes and, consequently, are key for an

efficient CSR benchmarking tool. Table 7 summarizes these aspects, that will be used in the first assessment (RQ1-A1): whether the CoP meets these criteria for a benchmarking tool.

**Table 7:** Key aspects for a sustainability benchmarking tool

<b>Key aspects</b>	<b>Sources</b>	<b>Does the framework meet the criterion?</b>
Comparable indicators and alignment with reporting standards	(Abhayawansa, 2022; Ali et al., 2023; Brown et al., 2018; Parast & Adams, 2012; Stolowy & Paugam, 2023; Vigneau et al., 2015)	Yes/No
Ample coverage of sustainability topics	(Anand & Kodali, 2008; Brockett & Rezaee, 2012; Brown et al., 2018; Kyrö, 2003; Parast & Adams, 2012)	Yes/No
Global reach	(Anand & Kodali, 2008; Brockett & Rezaee, 2012; Brown et al., 2018; Kyrö, 2003; Parast & Adams, 2012)	Yes/No
Data publicly accessible to all stakeholders	(Abhayawansa, 2022; Anand & Kodali, 2008; Brockett & Rezaee, 2012; Brown et al., 2018; Parast & Adams, 2012)	Yes/No

In the second assessment (RQ1-A2), based on the model proposed by Anand and Kodali (2008), the CoP applicability and usefulness in the phases of the benchmarking model will be assessed. This model was selected because it is a thorough and detailed model, and it was built based on the “Xerox” model, the most widely used process and the foundation for several other models conceptualized over time. The benchmarking models have phases, and each phase has its own steps. In this analysis, the assessment will be made only at the level of phases, because steps are excessively specific and granular. Table 8 compiles the phases in the model proposed by Anand and Kodali (2008), with the “Xerox” model’s phases in parentheses, and the assessment for each case whether the UNGC CoP is applicable, is not applicable or is partially applicable to at least one step within the respective phase.

**Table 8:** Applicability evaluation based on benchmarking models

<b>Phases of the benchmarking model</b>	<b>Applicable?</b>
1. Team formation (Planning)	Yes/No/Partially
2. Subject identification (Planning)	Yes/No/Partially
3. Customer validation	Yes/No/Partially
4. Management validation (Planning)	Yes/No/Partially
5. Self analysis (Analysis)	Yes/No/Partially
6. Partner selection (Analysis)	Yes/No/Partially
7. Pre-benchmarking activities (Analysis)	Yes/No/Partially
8. Benchmarking (Analysis)	Yes/No/Partially
9. Gap analysis (Integration)	Yes/No/Partially
10. Action plans (Action)	Yes/No/Partially
11. Implementation (Action)	Yes/No/Partially
12. Continuous improvement (Action)	Yes/No/Partially

Source: Adapted from Anand and Kodali (2008).

### **3.2. RQ2: What differentiates the UNGC CoP from other existing frameworks?**

If the UNGC CoP can be considered a benchmarking tool, the next key question is what differentiates it from other well-known frameworks. To answer that, two assessments will be made. First: Based on selected key aspects, what are the differences between the UNGC CoP and other existing frameworks? Second: For each SDG, does the CoP provide qualitative information, quantitative, both or none?

For the first assessment (RQ2-A1), the UNGC CoP will be compared to the GRI and CDP (see Table 9) regarding the following aspects: alignment with the SDGs, data accessibility, data systematization and topic coverage (Abhayawansa, 2022; Ali et al., 2023; Anand & Kodali, 2008; Brockett & Rezaee, 2012; Brown et al., 2018; Kyrö, 2003; Parast & Adams, 2012; Stollowy & Paugam, 2023; Vigneau et al., 2015). This selection of frameworks does not imply competition or opposition among the frameworks, it was based on the literature review that positions GRI as the main reporting standard in the world (KPMG, 2022; Toker, 2015; Vigneau et al., 2015), and CDP, GRI and UNGC CoP as frameworks designed toward broader audiences (Rogmans & El-Jisr, 2022).



For the second assessment (RQ2-A2), each SDG will be evaluated, and the results will be compiled using Table 10.

**Table 9:** Comparison with existing frameworks

<b>Criteria</b>	<b>UNGC CoP</b>	<b>GRI</b>	<b>CDP</b>
Alignment with the SDGs	Yes/No/Partial	Yes/No/Partial	Yes/No/Partial
Data accessible to stakeholders	Yes, to all/Yes, to some/No	Yes, to all/Yes, to some/No	Yes, to all/Yes, to some/No
Data systematization	Yes/No/Partial	Yes/No/Partial	Yes/No/Partial
Topic coverage	Broad/Narrow	Broad/Narrow	Broad/Narrow

**Table 10:** Information provided regarding each SDG

<b>SDG</b>	<b>Information provided by the framework</b>
Goal 1	Quantitative/Qualitative/Both/None
Goal 2	Quantitative/Qualitative/Both/None
Goal 3	Quantitative/Qualitative/Both/None
Goal 4	Quantitative/Qualitative/Both/None
Goal 5	Quantitative/Qualitative/Both/None
Goal 6	Quantitative/Qualitative/Both/None
Goal 7	Quantitative/Qualitative/Both/None
Goal 8	Quantitative/Qualitative/Both/None
Goal 9	Quantitative/Qualitative/Both/None
Goal 10	Quantitative/Qualitative/Both/None
Goal 11	Quantitative/Qualitative/Both/None
Goal 12	Quantitative/Qualitative/Both/None
Goal 13	Quantitative/Qualitative/Both/None
Goal 14	Quantitative/Qualitative/Both/None
Goal 15	Quantitative/Qualitative/Both/None
Goal 16	Quantitative/Qualitative/Both/None
Goal 17	Quantitative/Qualitative/Both/None

#### 4. Findings and discussion

To start this section, the UNGC CoP will be examined regarding RQ1: Can the enhanced UNGC CoP be used as a sustainability benchmarking tool? In this regard, the first assessment (RQ1-A1) is based on the aspects proposed by Table 7.

The updated and enhanced UNGC CoP was launched in 2022 after a review process that involved various stakeholders, including UN entities, businesses, governments, investors, and civil society organizations. The current version of the UNGC CoP is deeply aligned with existing reporting standards, notably the GRI standards, besides other well-known methodologies such as CDP and TCFD. According to the UN Global Compact (2023a), this was done by design, aiming to streamline the reporting process, instead of adding more criteria to the already crowded sustainability reporting landscape. This alignment also ensures that the information reported through the UNGC CoP is comparable both among different CoP submissions, and across the CDP questionnaires and corporate reports following the GRI guidelines produced by organizations that are also submitting the UNGC CoP.

In terms of coverage of sustainability topics, the UNGC CoP has a very broad scope. As seen in Table 4, SDGs 1 to 16 are covered by multiple CoP questions each. In addition to that and in line with the SDGs, the UNGC Ten Principles are also structured to cover a wide range of sustainability issues, from human rights and labor rights to environmental issues, also covering anti-corruption practices (UN Global Compact, n.d.-b, 2016).

Currently with over 23,000 participants across 166 countries, the UNGC has its global reach as one of its main strengths. As presented by Rasche and Waddock (2014), transformational change requires quantity and quality: more participants engaging, learning, and improving their CSR performance. With thousands of companies reporting consistently yearly, CoP is expected to have a great potential to increase corporate accountability and ambition on sustainability (UN Global Compact, 2023a). Besides these participation numbers, the UNGC operating model, with more than 60 Local Networks around the world (Gilbert, 2015), is also noteworthy and enables the framework to contextualize the global discourse to the local level.

Last but not least, a crucial aspect: accessibility. All UNGC CoP submissions, including data from previous years, are accessible to all stakeholders for free on the UNGC Participants

page<sup>1</sup>, in the respective company’s participant profile. As mentioned by Brockett and Rezaee (2012), with more and more companies reporting CSR practices, there is an urgent need for a global, standardized, trusted, accessible and useful database. The authors also highlight that such databases should be used not only by investors, who usually have access to private reports prepared on demand, but also by the companies themselves in the benchmarking process with peers that are reporting similar information. The UNGC CoP data openness also resonates with the reciprocity aspect of the benchmarking process, for instance if the peers want to benchmark against the benchmarking company, as noted by Anand and Kodali (2008).

As explained above and seen summarized in Table 11, the UNGC CoP meets all the aspects that are crucial for a benchmarking tool (RQ1-A1).

**Table 11:** Key aspects for a sustainability benchmarking tool (UNGC CoP results)

<b>Key aspects</b>	<b>Does the UNGC CoP meet the criterion?</b>
Comparable indicators and alignment with reporting standards	Yes
Ample coverage of sustainability topics	Yes
Global reach	Yes
Data publicly accessible by all stakeholders	Yes

The second assessment (RQ1-A2) is about the UNGC CoP applicability and usefulness in the phases of the benchmarking model proposed by Anand and Kodali (2008). The benchmarking models have phases, and each phase has its own steps. In this analysis, the assessment is made only at the phase level, because the steps are too specific and granular.

At the very beginning of the benchmarking process, the UNGC CoP is not applicable in phase 1, “Team formation”, or “Planning” in the “Xerox” model, which consists of selecting the staff who will work on the benchmarking project. Nonetheless, it is important to mention that the UNGC has other features that might be useful at this stage, especially focusing on capacity building. In phases 2 and 4, “Subject identification” and “Management validation”, still “Planning” in the “Xerox” model, the UNGC CoP might be used to identify the indicators that are reported and connected to each SDG, assuming that a sustainability benchmarking will be

<sup>1</sup> UNGC Participants page: <https://unglobalcompact.org/what-is-gc/participants/>

based on or at least related to the SDGs. This initial mapping may highlight which areas should be included or consulted in the process, which processes and resources will be required, and who in the management team should sign off the project. Regarding phase 3, “Customer validation”, it is possible to interpret that all stakeholders are potential customers for the CSR practices, however the UNGC CoP is not applicable in this phase.

Parallel to “Xerox” model’s “Analysis”, phases 5 to 8, “Self analysis”, “Partner selection”, “Pre-benchmarking activities” and “Benchmarking”, can all be carried out using the UNGC CoP. Preparing one’s CoP submission is a self-assessment itself, also serving as a documentation of the current situation at that point in time when the benchmarking process took place. On the UNGC Participants page it is possible to search and filter companies by their sector or country, which is useful when selecting benchmarking partners. Since all UNGC participants are required to submit a CoP, the pre-benchmarking steps of aligning the questions and information requested to peers are covered by it. The benchmarking phase is completed by collecting information relevant to the topics being benchmarked, this process is both time and resource intensive (Anand & Kodali, 2008; Ayuso et al., 2016). The centralized information provided by the UNGC CoP simplifies this stage by consolidating the data in one place, rather than requiring one to explore several webpages and reports in different formats and lengths.

The upcoming UNGC CoP data visualization tool (UN Global Compact, 2023c) may streamline phase 9, “Gap analysis”, equivalent to phase “Integration” in the “Xerox” model, by enabling companies to visualize and understand where they stand regarding other peers. Important note: in June 2023, the UNGC paused the CoP submissions due to technical issues on the digital platform, so the data visualization tool is not available for reporting companies yet. In this context, it is important to draw the UNGC’s attention to the relevance of this feature, in the sense that it should not be seen just as an optional accessory to the CoP, but rather as a central part of the framework boosting its usefulness and corporate applicability, while promoting sustainability ambition and continuous improvement.

For phases 10 to 12, “Action plans”, “Implementation” and “Continuous improvement”, corresponding to phase “Action” in the “Xerox” model, the UNGC CoP can be seen a lighthouse for navigating through different sustainability issues and goals. Being the initial self-assessment, the current year’s CoP answers can be the foundations for the action plans and monitoring process, while next year’s CoP should be always seen as the progress report, making

it possible to map the indicators and results that must be disclosed, and predetermine some of the next steps for continuous improvement. The UNGC CoP's questionnaire is focused on the SDGs and based on world-renowned frameworks, therefore it can be seen as steppingstones for CSR best practice, helping companies to deploy their resources more efficiently as indicated by Ayuso et al. (2016).

The applicability of the CoP in each of the phases previously mentioned, is summarized in the following Table 12. Regarding the benchmarking process proposed by Anand and Kodali (2008), the UNGC CoP is applicable or partially applicable to at least one step in the majority of the phases; and considering the “Xerox” model, the CoP is applicable or partially applicable to at least one step in all its phases (RQ1-A2). It is important to highlight that the phases in which the framework is not applicable, “Team formation” and “Customer validation”, are mostly focused on the assessment of stakeholders, internal or external, rather than on corporate practices.

Based on results of these two assessments, and answering RQ1, it is reasonable to affirm that the UNGC CoP can be used as a sustainability benchmarking tool.

**Table 12:** Applicability evaluation based on benchmarking models (UNGC CoP results)

<b>Phases of the benchmarking model</b>	<b>Applicable?</b>
1. Team formation (Planning)	No
2. Subject identification (Planning)	Yes
3. Customer validation	No
4. Management validation (Planning)	Partially
5. Self analysis (Analysis)	Yes
6. Partner selection (Analysis)	Yes
7. Pre-benchmarking activities (Analysis)	Yes
8. Benchmarking (Analysis)	Yes
9. Gap analysis (Integration)	Yes
10. Action plans (Action)	Partially
11. Implementation (Action)	Partially
12. Continuous improvement (Action)	Yes

The aim of RQ2 is to observe what differentiates the UNGC CoP from other existing frameworks. In the first assessment (RQ2-A1), the CoP will be compared to the GRI and CDP (see Table 9) regarding the following aspects: alignment with the SDGs, data accessibility, data systematization and topic coverage.

Regarding alignment with the SDGs, starting with GRI, their “Integrating SDGs into sustainability reporting” exhaustively details the connections between all the 17 SDGs and several types of GRI guidelines (GRI, 2022a), general or sector specific. This is an important signal to standards setters and to other frameworks that pursue alignment with GRI guidelines. As mentioned before, the UNGC CoP is directly aligned with SDGs 1 to 16, with most SDGs being covered by multiple questions. The only Goal that does not have a specific question connected to it is SDG 17, which is often seen as a cross-cutting Goal focused on strengthening partnership to achieve all the other SDGs and the 2030 Agenda (UN Global Compact, 2023a, 2023b; United Nations, 2015). Therefore, it is possible to argue that questions covering the other SDGs are indirectly connected to its Goal, and lacking its own specific question is not necessarily a flaw. With a narrower focus and targeting environmental issues, CDP is strongly connected to SDGs 6, 7, 13 and 15 in its corporate questionnaires, and to SDGs 11 and 12 in the work with governmental stakeholders – cities, states, and regions (CDP, 2021).

As discussed before, data accessibility is an inherent aspect for the benchmarking process (Anand & Kodali, 2008; Brockett & Rezaee, 2012). All UNGC CoP submissions, including historical data, are accessible to all stakeholders for free. Reports produced under GRI guidelines are also publicly accessible and are usually available on the respective reporting company webpage (GRI, n.d.), for example in the sustainability, transparency, investor relations, or similar sections. CDP makes their information available in two formats – the CDP score and the reported information. Companies scores are available to all stakeholders<sup>2</sup> and are exclusively the final rating according CDP’s scoring methodologies, that is, they do not present details regarding the information that was reported by the company. In terms of the detailed information reported, it is only available if the company opts to disclose it publicly and regular users can only access 20 responses per year<sup>3</sup>. CDP sells different data packages<sup>4</sup> for different users – corporate

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<sup>2</sup> CDP Scores: <https://www.cdp.net/en/scores>

<sup>3</sup> CDP FAQs: <https://www.cdp.net/en/companies-disclose/how-to-disclose-as-a-company/faqs-for-companies>

<sup>4</sup> CDP Datasets: <https://www.cdp.net/en/data/corporate-data>

responses dataset, curated dataset, and academic license. These datasets are also included in different CDP memberships<sup>5</sup>, which also have associated costs. In summary, CDP data is only fully accessible to specific stakeholders.

Although standardization has been profoundly and successfully campaigned by GRI (Abhayawansa, 2022; Ali et al., 2023; Brown et al., 2018; Parast & Adams, 2012; Toker, 2015; Stolowy & Paugam, 2023; Vigneau et al., 2015), there is still an urgent need to establish a uniform, standardized, and globally useful sustainability database, as argued by Brockett and Rezaee (2012). In summary, data systematization refers to compiling and centralizing sustainability information into one place, instead of having diffuse sources of sustainability information.

As previously mentioned, reports produced under the GRI guidelines are usually available on the respective reporting company website. This means that, while the reports are standardized and publicly accessible, GRI does not have a central repository in which reports are made available to stakeholders (GRI, n.d.).

CDP responses are compiled and centralized on its own webpage, but as mentioned before there are limitations to regular users in terms of availability. Recently launched, the “CDP Corporate Environmental Action Tracker” is an important step forward. The new platform enables users to visualize corporate data aggregated and organized in the following categories: disclosure, governance, target setting, strategy and transition plan, target attainment, and target impact (CDP, 2023). This new tracker does not have limitations for users and even allows downloading the underlying data in the visualization dashboard. However, so far, the tracker only presents a fraction of the information collected by CDP.

In relation to the UNGC CoP, as already discussed, all submissions are centralized and made available to all users on the participants profile webpage. This enables users to search for sustainability information from different organizations, while being able to filter results by country and/sector, in only one platform. In addition to that, the upcoming UNGC CoP data visualization tool may be a further upgrade in terms of systematization, allowing users to better visualize, compare and track CoP information in the digital platform. As noted earlier, in June, the UNGC paused the CoP process due to technical issues, so the data visualization tool is not available yet. The potential of this tool in relation to systematization is unique, particularly due

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<sup>5</sup> CDP Investor Signatory: <https://www.cdp.net/en/investor/signatories-and-members>

to its immense range both in terms of number of reporting companies and coverage of sustainability topics.

Topic coverage is a recurring matter in this discussion. The balance between the information relevance, its accessibility and scope, is crucial to the framework’s usefulness and efficiency (Brockett & Rezaee, 2012). CDP targets environmental issues very deeply, with its corporate questionnaires focused on climate change, water security and deforestation. On the other side, GRI and the UNGC CoP have broader scopes, covering diverse sustainability topics in line with the SDGs and the 2030 Agenda. A possible analogy to this scenario is comparing a well and a lake: the well has a small surface area, but it may be very deep; as for the pond, it may be shallow, but it covers a great surface.

Table 13 summarizes the comparison results (RQ2-A1). While GRI’s weakness is the lack of data systematization, CDP has limited accessibility and a narrow scope. UNGC CoP balances standardization, accessibility, centralization of information and topic coverage. And the upcoming visualization tool (UN Global Compact, 2023c) has the potential to improve UNGC CoP’s usefulness in terms of CSR benchmarking.

**Table 13:** Comparison with existing frameworks (results)

<b>Criteria</b>	<b>UNGC CoP</b>	<b>GRI</b>	<b>CDP</b>
Alignment with the SDGs	Yes	Yes	Partial
Data accessible to stakeholders	Yes, to all	Yes, to all	Yes, to some
Data systematization	Yes	No	Partial
Topic coverage	Broad	Broad	Narrow

The second assessment (RQ2-A2), based on Table 4 (UN Global Compact, 2023a), regards the type of information provided by the UNGC CoP for each SDG: quantitative, qualitative, both or none.

SDG 1 is covered by questions HR1-8, L1-5, L7-12, E1-10, E20, which only include qualitative information, such as details about corporate human rights policies related to non-discrimination practices, working conditions and rights of refugees and migrants. Questions HR1-8, E1-15, E20 are connected to SDG 2 and contain qualitative information, such as examples of corporate practices towards ensuring access to water and sanitation and commitments



regarding land use. Questions L1-12, E1-5, E9, E10, E16-20 are related to SDG 3 and present both qualitative and quantitative information, including examples of corporate policies regarding safe and healthy working environment as well as frequency of injuries and incident rate.

SDG 4 is linked to questions HR1-8, L1-5, L8, L9, L11, L12, which include qualitative information, such as details of corporate practices to avoid child labor and to promote equal rights for women and girls. Questions G3-9, G11, HR1-8, L1-9, L11, L12 cover SDG 5 and present both qualitative and quantitative information, including examples of corporate policies to ensure equal rights, the percentage of women in managerial positions and the average ratio of remuneration of women to men. SDG 6 is covered by questions HR1-8, E1-5, E10-22, which present both qualitative and quantitative information, including details of water-related corporate environmental policies and volume of water withdrawn in regions with high or extremely high water stress.

Questions E1-5, E9, E10, E20-22 cover SDG 7 and include both qualitative and quantitative information, such as examples of corporate policies focused on energy and resource use and the percentage of renewable energy consumption. SDG 8 is covered by questions G1-9, G11-13, HR1-8, L1-5, L11, L12, E1-5, E9, E10, E20, which present qualitative information, including details of corporate policies to promote freedom of expression and adequate working conditions (e.g., wages). Questions HR1-8, L1-5, L11, L12, E1-5, E9-12, E20 are related to SDG 9 and contain qualitative information, such as internal and external capacity building initiatives.

SDG 10 is related to questions HR1-8, L1-5, L11, L12, which present qualitative information, including details of policies to promote and ensure rights of refugees and migrants. Questions HR1-8, E1-12, E20 are linked to SDG 11 and contain qualitative information, such as examples of collaboration with governmental or regulatory environmental bodies. SDG 12 is related to questions E1-22, which present both qualitative and quantitative information, including examples of engagement with suppliers and customers and the percentage of revenue coming from and the R&D investments in low-carbon products.

Questions E1-8, E22 are related to SDG 13 and contain both qualitative and quantitative information, such as examples climate-related corporate policies as well as metrics and targets for GHG emissions. SDG 14 is linked to questions E1-8, E10, E13-16, E18-22, which include both qualitative and quantitative information, such as corporate policies focused on oceans and metrics for hazardous waste generated and single-use plastics consumed. SDG 15 is

related to questions E1-5, E10, E13-15, E17-22, which present both qualitative and quantitative information, including examples of engagement activities regarding biodiversity conservation and the area (hectares) impacted by restoration or protection activities. SDG 16 is related to questions G1-13, HR1-8, L1-3, L5-8, E1-3, AC1-8, which contain both qualitative and quantitative information, such as examples of anti-corruption trainings and processes as well as details and percentages of the board composition in terms of diversity.

The assessment results (RQ2-A2) are summarized in Table 14. The UNGC CoP provides both qualitative and quantitative information to 9 out of 17 SDGs and provides only qualitative information to 7 SDGs. SDG 17, as noted earlier, is not related to any specific question.

**Table 14:** Information provided regarding each SDG

<b>SDG</b>	<b>Information provided by the framework</b>
Goal 1	Qualitative
Goal 2	Qualitative
Goal 3	Both
Goal 4	Qualitative
Goal 5	Both
Goal 6	Both
Goal 7	Both
Goal 8	Qualitative
Goal 9	Qualitative
Goal 10	Qualitative
Goal 11	Qualitative
Goal 12	Both
Goal 13	Both
Goal 14	Both
Goal 15	Both
Goal 16	Both
Goal 17	None

The assessments addressing RQ2 indicate the aspects that make the UNGC CoP stand out in comparison with other frameworks. The CoP covers a wide range of sustainability topics, encompassing nearly all SDGs and, in more detail, providing qualitative and quantitative information regarding more than half of the Goals in the 2030 Agenda. In addition to the broad scope, the information available is widely accessible, centralized, and structured in line with key reporting standards.

## 5. Conclusions

More and more companies are reporting their CSR efforts in a landscape with a multitude of sustainability standards and frameworks (Stolowy & Paugam, 2023). In addition to that, there are several benchmarking models with different methods for companies to identify gaps and improve performance (Anand & Kodali, 2008; Kyrö, 2003; Parast & Adams, 2012). In this crowded scenario, this study aimed to optimize resources and streamline the benchmarking process.

The results presented in this dissertation show that the UNGC CoP can be used as a sustainability benchmarking tool and that its key advantages are the alignment with the SDGs, data accessibility and centralization, and broad scope. These aspects are directly related to what Brockett and Rezaee (2012) suggest: an urgent need for a global, standardized, trusted, accessible and useful database.

The aspects that validate the UNGC CoP applicability as a benchmarking tool are also its main advantages in comparison with other frameworks: data availability and accessibility, range (both in terms of number of reporting companies and coverage of sustainability topics), and data centralization.

As discussed, data availability and accessibility are essential for the benchmarking process. Companies need to properly understand the existing CSR practices in different topics to truly get benefits from the benchmarking process. And, although the number of participating companies alone is not a metric of success, transforming whole economies requires both quality and quantity (Rasche & Waddock, 2014). With thousands of companies actively engaged and using the CoP, the UNGC has an immense potential to drive change and promote CSR practices. Besides these numbers, as identified in this study, the ample coverage of the SDGs underlines the UNGC CoP status.

Third, while standardization has come a long way, there is still an urgent need to establish a uniform, globally useful sustainability database (Brockett & Rezaee, 2012). Both CSR benchmarking and the implementation of good practices are time and resource intensive processes. By centralizing CSR practices into one platform, the UNGC CoP can simplify and mainstream these activities.

And to clarify, the recommendation here is not that the CoP should replace all the other CSR initiatives. It can and should be used in conjunction with other frameworks, for instance, identifying overarching sustainability strategies or policies, while frameworks with narrower scopes (e.g., CDP or TCFD) can provide deeper and more specific insights.

There is also a particular potential for CSR if companies combine reporting and benchmarking. Perceiving reporting as part of the overall benchmarking process may help companies to focus and deploy resources more efficiently. Preparing the CoP submission should be seen as an opportunity for communicating progress, while identifying gaps and seeking insights on how to move forward when stalled. Also, as seen in the results, the UNGC CoP can be used both in the early and late stages of the benchmarking process. As the initial self-assessment, the current year's CoP may identify gaps and define action plans for improvement, while next year's CoP should always be seen as a progress report, in which indicators and results are monitored. Integrating reporting and benchmarking might optimize resources and avoid duplication of efforts.

On a separate note, beyond the CoP, the UNGC has aspects and mechanisms that are simultaneously, and paradoxically, examples of implicit and explicit CSR. The Ten Principles and being part of a group of businesses aiming to improve CSR practices, are implicit CSR features. While focusing on reputational gains and the CoP itself, centered in reporting firm-level performance, are explicit CSR attributes. These blended implicit-explicit aspects may also complement and improve the benchmarking process. Phases such as “Team Formation”, “Implementation” and “Continuous improvement” may not be fully addressed by the CoP (explicit CSR), but might be covered by other initiatives, such as community-based, peer-learning opportunities available to UNGC participants (implicit CSR), such as the ones listed in their webpage<sup>1</sup>.

While this study examines and highlights several aspects, strengths and applications of the UNGC CoP, here is a noteworthy reflection: preparing the CoP must not be the main goal of UNGC participants. Adams and Mueller (2022) indicate that CSR reporting should focus on driving change and promoting continuous improvement. And Ali et al. (2023) warn that, although important, reporting is not the end in itself, but rather the means to an end.

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<sup>1</sup> UN Global Compact – Making Global Goals Local Business: <https://unglobalcompact.org/sdgs>

The main limitation for this study was the unavailability of the UNGC CoP data visualization tool. As mentioned before, due to technical challenges, the CoP submissions were paused in June 2023, and the platform for visualizing the data should not be available until the end of 2023. This tool would have made it possible to assess trends among the EAP data and to better understand how stakeholders may visualize the CoP information. Other limitations that are noteworthy: the CoP Questionnaire and Guidebook do not present details regarding materiality (financial, impact, single, double materiality) and, consequently, this study did not focus on the CoP definitions of materiality; and the assessments and comparisons are mostly focused on sustainability reporting frameworks and not so much on sustainability ratings.

Despite these obstacles, this study answered its main questions and raised others, for instance, regarding the UNGC CoP materiality assessment, performance monitoring, and CSR practices and trends.

The CoP does not detail its materiality approach and not all questions are mandatory. What are the most adequate definitions regarding materiality in this situation? Do these aspects undermine the data quality and reliability? Can it be too flexible and too permissive, allowing companies to ignore or omit key information?

Also, the lack of verifiable obligations and monitoring might undermine the UNGC's purpose. Can the new CoP and the increased visibility over corporate CSR performance address this issue? What are other possibilities that the UNGC may explore in order to promote accountability, verify progress or allow third parties to track participants' commitments and efforts?

Finally, with more companies reporting in the next years, trends might emerge among reporting companies. This might be a good opportunity for new studies to discuss UNGC participants practices, the outcomes of the initiative and propose improvements to the framework.

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## Annex

### UNGC CoP questions and external linkages (continued)

#	Question	SRS	Ten Principles	SDGs
G1	Does the board/highest governance body or most senior executive of the company:	GRI 2-12, 2-14, 2-22 (2021)	Principle 1, Principle 7	5, 8, 16
G2	Does the company have a publicly stated commitment regarding the following sustainability topics?	GRI 2-23 (2021)	Principle 1, Principle 7, Principle 10	8, 16
G3	Does the company have a code of conduct in place regarding each of the following sustainability topics?	NASDAQ G6.1; GRI 2-23 (2021)	Principle 1, Principle 7, Principle 10	5, 8, 16
G4	Has the company appointed an individual or group responsible for each of the following sustainability topics?	GRI 2-13 (2021)	Principle 1, Principle 7, Principle 10	5, 8, 16
G5	Does the company have a formal structure(s) (such as a cross-functional committee) to address each of the following sustainability topics?	GRI 2-9, 2-13 (2021)	Principle 1, Principle 7, Principle 10	5, 8, 16
G6	Does the company have a process or processes to assess risk? (G6.1 asks details regarding the risk assessment process)	GRI 205-1 (2016)	Principle 1, Principle 7, Principle 10	5, 8, 16
G7	Does the company have a due diligence process through which it identifies, prevents, mitigates, and accounts for actual and potential negative impacts on sustainability topics? (G7.1 asks details regarding the due diligence process)	GRI 2-12, 2-23-a-ii, 2-23-e, 3-1, 3-3-d (2021)	Principle 1, Principle 7, Principle 10	5, 8, 16
G8	Are there any processes through which members of the company's workforce can raise concerns about the company's conduct related to human rights, labour rights, environment, or anti-corruption? (G8.1 asks details regarding the process to raise concerns about the company's conduct)	Reporting Guidance on the 10th Principle Against AntiCorruption – B3; GRI 2-26 (2021); WEF Common Metrics	Principle 1, Principle 3, Principle 7, Principle 10	5, 8, 16

**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
G9	How does the company capture lessons regarding each of the following sustainability topics?	GRI 3-3-e (2021) CDP W6.4 (2022); CDP F4.3a (2022);	Principle 1, Principle 7, Principle 10	5, 8, 16
G10	Is executive pay linked to performance on one or more of the following sustainability topics?	CDP C1.3a (2022); Nasdaq G3 2335; GRI 2-19 (2021); WEF Common Metrics UNCTAD, ISAR D.1.2 (2019),	Principle 1, Principle 7, Principle 10	-
G11	Percentage of individuals within the company's board/highest governance body by: (diversity options)	UNCTAD, ISAR D.1.3 (2019); GRI 29 (2021), 405-1 (2016)	Principle 1, Principle 6	5, 8, 16
G12	Do you produce sustainability reporting according to: (Reporting standards and norms)	Nasdaq G9.1	Principle 1, Principle 7, Principle 10	8, 16
G13	Is the information disclosed in this questionnaire assured by a third-party?	CDP C.10.1 (2022); GRI 2-5 (2021)	Principle 10	8, 16
HR1	Which of the following has the company identified as material human rights topics connected with its operations and/or value chain, whether based on their salience (e.g., the most severe potential negative impacts on people) or another basis?	GRI 3-2 (2021)	Principle 1, Principle 2	1, 2, 4, 5, 6, 8, 9, 10, 11, 16
HR2	Does the company have a policy commitment in relation to the following human rights topics? Matrix will be populated only for the human rights topics selected in HR1. (HR2.1 asks about details regarding the existing human rights policies)	GRI 2-23-a-iv, 2-23-b, 2-23-c, 2-23-d, 2-23-e, 3-3-c (2021)	Principle 1, Principle 2	1, 2, 4, 5, 6, 8, 9, 10, 11, 16
HR3	In the course of the reporting period, has the company engaged with	GRI 3-1-b, 3-3-f (2021)	Principle 1, Principle 2	1, 2, 4, 5, 6, 8,

**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
	affected stakeholders or their legitimate representatives in relation to the following human rights topics? Matrix will be populated only for the human rights topics selected in HR1.			9, 10, 11, 16
HR4	What type of action has the company taken in the reporting period with the aim of preventing/mitigating the risks/impacts associated with this human rights topic? Matrix will be populated only for the human rights topics selected in HR1.	GRI 3-3-d (2021)	Principle 1, Principle 2	1, 2, 4, 5, 6, 8, 9, 10, 11, 16
HR5	Who receives training for the following human rights topics? Matrix will be populated only for the human rights topics selected in HR1.	GRI 3-3-d (2021)	Principle 1, Principle 2	1, 2, 4, 5, 6, 8, 9, 10, 11, 16
HR6	How does the company assess progress in preventing/mitigating the risks/impacts associated with the following human rights topics? Matrix will be populated only for the human rights topics selected in HR1.	GRI 3-3-e (2021)	Principle 1, Principle 2	1, 2, 4, 5, 6, 8, 9, 10, 11, 16
HR7	During the reporting period, has the company been involved in providing or enabling remedy where it has caused or contributed to adverse impact associated with the following human rights topic(s)? Matrix will be populated only for the human rights topics selected in HR1.	GRI 3-3-d-ii (2021)	Principle 1, Principle 2	1, 2, 4, 5, 6, 8, 9, 10, 11, 16
HR8	Briefly describe additional relevant practical actions the company has taken during the reporting period and/or plans to take to implement the human rights principles, including any challenges faced and actions taken towards prevention and/or remediation.	GRI 3-3-c and 3-3-d (2021)	Principle 1, Principle 2	1, 2, 4, 5, 6, 8, 9, 10, 11, 16

**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
L1	Does the company have a policy commitment in relation to the following labour rights principles? (L1.1 and L1.2 ask about details regarding the existing labour rights policy)	GRI 2-23-c, 2-23-d, 2-23-e, 2-30, 3-3-c (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018); ILO C155 - Occupational Safety and Health Convention 1981 (No. 155) GRI 3-1-b and 3-3-f (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Principle 3, Principle 4, Principle 5, Principle 6	1, 3, 4, 5, 8, 9, 10
L2	In the course of the reporting period, has the company engaged with affected stakeholders or their legitimate representatives in relation to the following labour rights topics?	GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Principle 3, Principle 4, Principle 5, Principle 6	1, 3, 4, 5, 8, 9, 10
L3	What type of action has the company taken in the reporting period with the aim of preventing/mitigating the risks/impacts associated with this labour rights topic?	GRI 3-3-d (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Principle 3, Principle 4, Principle 5, Principle 6	1, 3, 4, 5, 8, 9, 10
L4	Who receives training for the following labour rights topics?	GRI 3-3-d (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI	Principle 3, Principle 4, Principle 5, Principle 6	1, 3, 4, 5, 8, 9, 10



**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
L5	How does the company assess progress in preventing/mitigating the risks/impacts associated with the following labour rights topics?	406 (2016), GRI 403 (2018) GRI 3-3-e (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Principle 3, Principle 4, Principle 5, Principle 6	1, 3, 4, 5, 8, 9, 10
L6	Do(es) the existing collective bargaining agreement(s) provide(s) more favourable rights than those provided in legislation, where appropriate?	-	Principle 3, Principle 4, Principle 6	1, 3, 8, 9, 10
L7	In the course of the reporting period, what was the percentage of women in managerial positions? (%)	UNCTAD, ISAR C1.1 (2022)	Principle 6	1, 3, 4, 5, 8
L8	What was the average ratio of the basic salary and remuneration of women to men (comparing jobs of equal value) during the reporting period?	GRI 405-2 (2016)	Principle 6	1, 3, 4, 5, 8
L9	In the course of the reporting period, how frequently were workers injured (injuries per hour worked)?	UNCTAD, ISAR C.3.2. (2019); GRI 403-9 (2018)	Principle 3, Principle 4, Principle 5, Principle 6	1, 3
L10	In the course of the reporting period, what was the company's incident rate (injuries per worker)?	UNCTAD, ISAR C.3.2. (2019); GRI 403-9 (2018)	Principle 3, Principle 4, Principle 5, Principle 6	1, 3
L11	In the course of the reporting period, has the company been involved in providing or enabling remedy if it has caused or contributed to the adverse impact associated with the following labour rights topics?	GRI 3-3-d-ii (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018)	Principle 3, Principle 4, Principle 5, Principle 6	1, 3, 4, 5, 8, 9, 10

**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
L12	Briefly describe additional relevant practical actions the company has taken during the reporting period and/or plans to take to implement the labour rights principles, including any challenges faced and actions taken towards prevention and/or remediation.	GRI 3-3-c and 3-3-d (2021) for topics GRI 407 (2016), GRI 409 (2016), GRI 408 (2016), GRI 406 (2016), GRI 403 (2018) CDP C4.1 (2022); GRI 2-23-c, 2-23-d, 2-23-e, 3-3-c (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016) GRI 3-1-b and 3-3-f (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201-2-a-iv (2016) GRI 3-3-d (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and	Principle 3, Principle 4, Principle 5, Principle 6	1, 3, 4, 5, 8, 9, 10
E1	Does the company have a policy commitment on the following environmental topics? (E1.1 asks about details regarding the existing environmental policies)	GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016) GRI 3-1-b and 3-3-f (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and	Principle 7, Principle 8	1, 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15
E2	In the course of the reporting period, has the company engaged with affected stakeholders or their legitimate representatives in relation to the following environmental topics?	GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201-2-a-iv (2016) GRI 3-3-d (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and	Principle 7, Principle 8	1, 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15
E3	What type of action has the company taken in the reporting period with the aim of preventing/mitigating the risks/impacts associated with these environmental topics?	GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and	Principle 7, Principle 8	1, 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15

**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
E4	How does the company assess progress in preventing/mitigating the risks/impacts associated with the following environmental topics? (E4.1 and E4.2 ask about details regarding targets that may have been)	GRI 201-2-iv (2016) CDP F6.1 2021; GRI 3-3-e (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI 201-2-a-iv (2016) GRI 3-3-d-ii (2021) for topics GRI 303 (2018), GRI 304 (2016), GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI Disclosure 201-2-a-iv (2016) CDP C6.1 (2022), CDP C6.3 (2022);	Principle 7, Principle 8	1, 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15
E5	In the course of the reporting period, has the company been involved in providing or enabling remedy for any impacts associated with the following environmental topic(s)?	GRI 305 (2016), GRI 306 (2020), GRI 302 (2016), and GRI Disclosure 201-2-a-iv (2016) CDP C6.1 (2022), CDP C6.3 (2022);	Principle 7, Principle 8	1, 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15
E6	What were the company's gross Scope 1 and Scope 2 global greenhouse gas emissions for the reporting period?	GRI 305-1, 305-2 (2016); UNCTAD, ISAR B.3.1, UNCTAD, ISAR B.3.2	Principle 7, Principle 8	1, 2, 11, 12, 13, 14
E7	Which Scope 3 categories are included in the organization's scope 3 emissions calculation?	CDP C6.5 (2022); GRI 305-3 (2016)	Principle 7, Principle 8	1, 2, 11, 12, 13, 14
E8	What percentage of the company's revenue was invested in R&D of	CDP C4.3c (2022), CDP C4.2b (2022);	Principle 7, Principle 8, Principle 9	1, 2, 11, 12, 13, 14

**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
	low-carbon products/services during this reporting period?	(partially linked to) UNCTAD, ISAR A.3.3		
E9	Has the organization acted to support climate change adaptation and resilience?	GRI 201-2-a-iv (2016)	Principle 7, Principle 8, Principle 9	1, 2, 3, 7, 8, 9, 11, 12
E10	Please report the company's renewable energy consumption as a percentage of total energy consumption in the reporting period.	UNCTAD, ISAR B.5.1; GRI 302-1 (2016)	Principle 7, Principle 8, Principle 9	1, 2, 11, 12, 13, 14
E11	What percent of the company's revenue came from low-carbon products/services during this reporting period? If applicable, please give a description of the products/services included in your calculation (e.g., relevant certifications)	SASB CG-MR410a.1a; WEF Common Metric	Principle 7, Principle 8, Principle 9	1, 2, 11, 12, 13, 14
E12	Which of the following has the company identified as material environmental topics connected with its operations and/or value chain (e.g. based on the most severe actual or potential negative impacts on people and/or the environment)?	GRI 3-2 (2021)	-	2, 6, 9, 11, 12
E13-21	Materiality-specific questions: Water, Forests/Biodiversity/Land use, Air Pollution, Waste	UNCTAD, ISAR B.1.3; UNCTAD, ISAR B.2.3; UNCTAD, ISAR B.4.1; UNCTAD, ISAR B.6.1; (partially linked to) UNCTAD, ISAR B.2.1; CDP F1.3 2022; CDP F6.11 2022; CDP W1.2b (2022), CDP W1.2d (2022); CDP W1.3 (2022), CDP	Principle 7, Principle 8, Principle 9	2, 3, 6, 9, 11, 12, 14, 15

**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
		W1.3a (2022); SASB CG- HP140a.1; GRI 303-1; GRI 303-2; GRI 303-3; GRI 304-1 (2016); GRI Disclosure 304-3 (2016); GRI 305-7 (2016); GRI 306-3 (2020); GRI 306-4, 306-5 (2020); WEF Common Metrics		
E22	Please report the company's estimated metric tonnes of single-use plastic consumed wherever material along the value chain during the reporting period.	GRI 3-3-c and 3-3-d (2021)	Principle 7, Principle 8, Principle 9	1, 2, 3, 6, 7, 8, 9, 11, 12, 14, 15
AC1	Does the company have an anti-corruption compliance programme? (AC1.1 asks when the programme was last reviewed)	GRI 3-3-c (2021) for the topic GRI 205 (2016)	Principle 10	16
AC2	Does your company have policies and recommendations for employees on how to act in case of doubt and/or in situations that may represent a conflict of interest, e.g. with regard to gifts and hospitality, donations, sponsorship, or interactions with public officials?	WEF Common Metrics; GRI 205-2 (2016)	Principle 10	16
AC3	Who receives training on anti-corruption and integrity? (AC3.1 asks about the training frequency)	N/A	Principle 10	16
AC4	Does the company monitor its anti-corruption compliance programme?	SDG Action Manager - SDG 16: Monitoring Ethics and Cor- ruption; GRI 3- 3-e (2021) for	Principle 10	16

**UNGC CoP questions and external linkages (continued)**

<b>#</b>	<b>Question</b>	<b>SRS</b>	<b>Ten Principles</b>	<b>SDGs</b>
AC5	Please report the company's total number and nature of incidents of corruption during the reporting year.	the topic GRI 205 (2016) GRI 205-3 (2016); WEF Common Metrics; UNCTAD, ISAR D.2.1 GRI 3-3-d (2021) for the topic GRI 205 (2016); Reporting Guidance on the 10th Principle Against Anti-corruption – B3; UNCTAD, ISAR D.2.1 GRI 3-3-d (2021) for the topic GRI 205 (2016)	Principle 10	16
AC6	Within the reporting period, what measures has the company taken to address suspected incidents of corruption independently or in response to a dispute or investigation by a government regulator?	GRI 3-3-c and 3-3-d (2021) for the topic GRI 205 (2016)	Principle 10	16
AC7	Does your company engage in collective action against corruption?	Briefly describe additional relevant practical actions the company has taken during the reporting period and/or plans to take to implement the anti-corruption principle, including any challenges faced and actions taken towards prevention and/or remediation.	Principle 10	16
AC8				

Source: UN Global Compact (2023a).