

# United Nations Global Compact: Promote for Progress

Team Wharton: Catherine Chen, Karim El Sewedy, Ria Gandhi, Aman Sharma

What should be the key elements of a 2030 UN Global Compact **youth strategy for the United States** that will **accelerate corporate climate action** aligned with the 1.5 degree target?

**Financial KPIs:** UNGC Certified Companies, Youth Awareness, Economic Incentives Funded | **Qualitative KPIs:** Awareness of Sustainable Business Practices, Talent Recruitment

## ANALYSIS

<b>MARKET TREND:</b> Youth play an even more important role as future employees of companies	<b>MARKET TREND:</b> Businesses need more tangible incentives facilitated by UNGC	<b>MARKET TREND:</b> GCN USA must explore and take ownership of a sustainable source of finance
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## STRATEGY

**Promote for Progress**

- C Certify to promote youth awareness and recruitment
- B Boost youth interest in sustainable companies
- S Support infrastructure for sustainable financing

## TACTICAL SOLUTIONS

### CERTIFY companies that uphold the UNGC 10 Principles

- WHAT:** A multi-phase process to recognize companies for their iterative progress over time
- HOW:** Establish multi-phase UN-recognized certification of companies that fulfill requirements for 10 principles, covering human rights, labor, the environment, and anti-corruption
- WHY:** A certification standard is the best way to promote awareness and transparency for youth seeking employment

### BOOST youth professional decisions through social and monetary incentives

- WHAT:** Mobilize youth prioritization of UNGC-certified companies when making employment decisions
- HOW:** Influence youth through cultural change-makers and direct economic incentives from the right partners, offering bonuses for new hires and having institutions host job fairs emphasizing social impact initiatives
- WHY:** More than 70% of youth say they would work at a sustainability-focused company; 10% said they would take a \$5-10K pay cut accordingly

### SUPPORT financial incentives by developing an impact endowment fund

- WHAT:** Create a dedicated UN Global Compact Fund using donations in order to fund new initiatives
- HOW:** Utilize income to invest in projects and companies with high environmental impact and proven records of generating high returns, adapting the FIIRM indicators for UNGC Impact Investing
- WHY:** Need a sustainable, long-term source of money to fund signing bonuses, UNGC certification development, influencer marketing, and social impact career fairs

## IMPACT

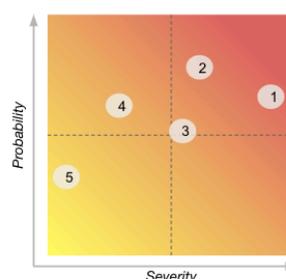
**UNGC CERTIFIED COMPANIES:** 945 UNGC certified companies  
**YOUTH AWARENESS:** 450k youth educated about sustainable business practices  
**ECONOMIC INCENTIVES FUNDED:** \$1.4mm in incentive bonuses granted  
**THE IMPACT FUND:** \$115mm Impact Fund built on Endowment Model, **11% annualized returns** on Impact

## ALTERNATIVE STRATEGIES

## RISK CONSIDERATIONS



Alternatives	Tactical Flaws
Focus on changing youth's day-to-day habits	Status quo is saturated with these efforts
Add sustainability classes, including in law	Does not align interests of businesses and the overall UN goals
Utilize corporate profit-sharing as a form of financing	Hard to garner support from corporate shareholders
University campus ambassadors	Less ability to publicize events compared to campus career services
Educate youth on sustainable practices	This happens in the status quo and youth need more incentives to take action
Encourage political action among youth	The status quo already enables political engagement, but it's still tough to get politicians to take action



Risk	Mitigation
1 Slow adoption of UNGC Certification Standards	Domino effect of adoption protects against long-term slow adoption
2 Impact Fund is unable to raise capital	Partner organizations can donate and receive tax rebates
3 Youth are not receptive to sustainable business fairs on campuses	Career services are motivated to drive student traffic to fairs
4 Impact Fund returns are subpar	The portfolio will be well diversified and hedged across asset classes
5 Youth are not affected by influencer media	Variety of influencers target different youth

# UN Global Compact: Promote for Progress

Catherine Chen | Ria Gandhi | Karim El Sewedy | Aman Sharma

What should be the key elements of a 2030 UN Global Compact **youth strategy for the United States** that will **accelerate corporate climate action** aligned with the 1.5 degree target?

1

Communicate the long-term career opportunities in sustainable organizations to youth

2

Impact corporations' ability to realize benefits of sustainable initiatives/business activities

3

Establish a long-term source of financing to drive implementation of initiatives

## Financial KPIs

# of UNGC Certified Companies

# of youth aware of sustainable businesses

\$ amount of economic incentives funded

## Qualitative KPIs

Increase awareness of sustainable business practices

Improve perception and outlook on working at sustainable companies

# The Sustainability Business Landscape

**73%** of Gen Z (Aged 8-25) are willing to pay more for sustainable items  
- *adage 2020*

Young people already put pressure on US companies to as green-minded consumers

**\$4129** is spent, on average, on hiring for a job in the US  
- *HBR 2019*

Youth play an even more important role as **future employees** of companies

**33%** of GCN USA's participants are large cap company  
- UNGC

UNGC has a lower participation rate amongst US corporations

*"In the lack of federal leadership, companies want to look to things bigger than themselves to align to"*  
- Adam Gordon, GCN USA

Businesses need more **tangible incentives** facilitated by UNGC

**45%** of the total revenue is distributed to GCLN  
- UNGC

GCN USA have limited liquidity to expand or invest in projects

**90%** of revenue come from member contributions  
- UNGC

GCN USA must explore and take ownership of a **sustainable source of finance**

# *Promote for Progress*

**CERTIFY**

to promote youth awareness and recruitment

**BOOST**

youth interest in sustainable companies

**SUPPORT**

infrastructure for sustainable financing

# Certify: companies that uphold the UNGC 10 Principles

Establish multi-phase UN-recognized certification of companies that fulfill requirements for 10 principles



75% conversion



**Phase 1:**  
Principles 1-2  
Human Rights checklist (women empowerment principles, etc.)

70% conversion



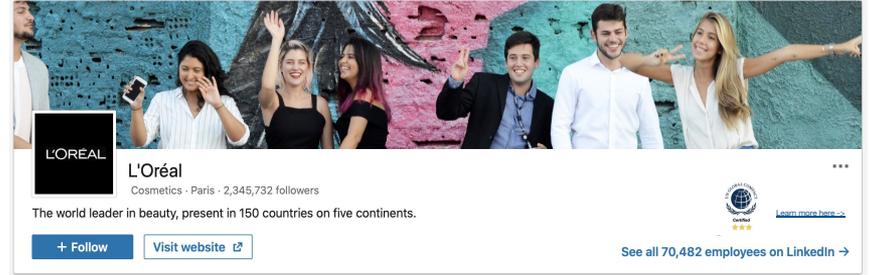
**Phase 2:**  
Principles 3-6  
Labour checklist (child labour platform, worker safety, etc.)

**Science Based Target Initiatives (SBTi)** receives special certifications for companies in Phase 2 and above to help meet Business Ambition for 1.5°C



60% conversion

**Phase 3:**  
Principles 7-10  
Environmental and anti-corruption checklist



**Promote awareness and transparency in certification standards to youth seeking employment by partnering with LinkedIn (owned by Microsoft)**

*“Climate change is a terrible problem, and it absolutely needs to be solved. It deserves to be a huge priority.”*

- Bill Gates  
Founder, Microsoft

*“Help the people in your network. And let them help you.”*

- Reid Hoffman,  
Founder, LinkedIn



# Boost: youth professional decisions through social or monetary incentives

Mobilize youth prioritization of UNGC-certified companies when making employment decisions

## Tomorrow begins Today

Influence through cultural influencers and change-makers

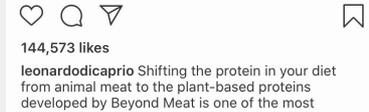
Celebrities passionate about climate change will educate and inspire youth regarding the UNGC certification and impact of the 10 principles through viral, bite-sized content



### Case Study

Within 48 hours of one Instagram post, Taylor Swift drove 169,000 youth to register to vote in 2018

Source: ResearchGate



## Sustainable Sponsorships

Influence through direct economic incentives from the right partners

Universities and colleges to offer **<\$10K bonuses** for new hires at smaller (1-249 employees)

Institutions to host **job fairs highlighting corporate social impact initiatives**

*More than 70% of youth say they would work at a sustainability-focused company*

*10% said they would take a \$5-10K pay cut accordingly*

Source: Fast Company



UC SANTA BARBARA



Situational Analysis

Strategy

Tactics

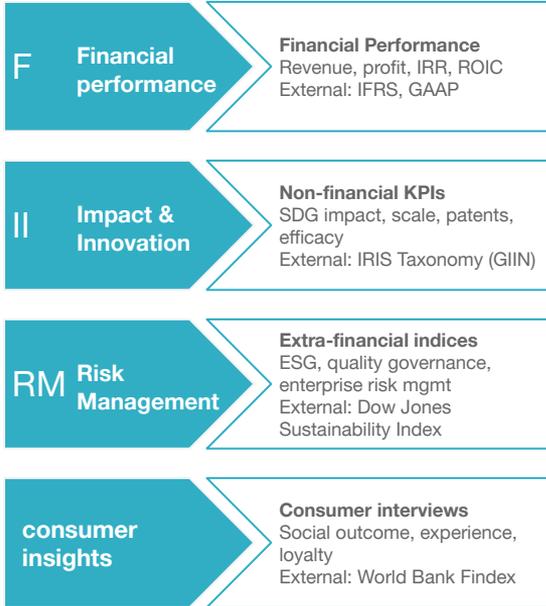
Impact

# Support: financial initiatives by developing an impact endowment fund

Invest donations in projects with large returns and high impact through a dedicated UN Global Compact fund

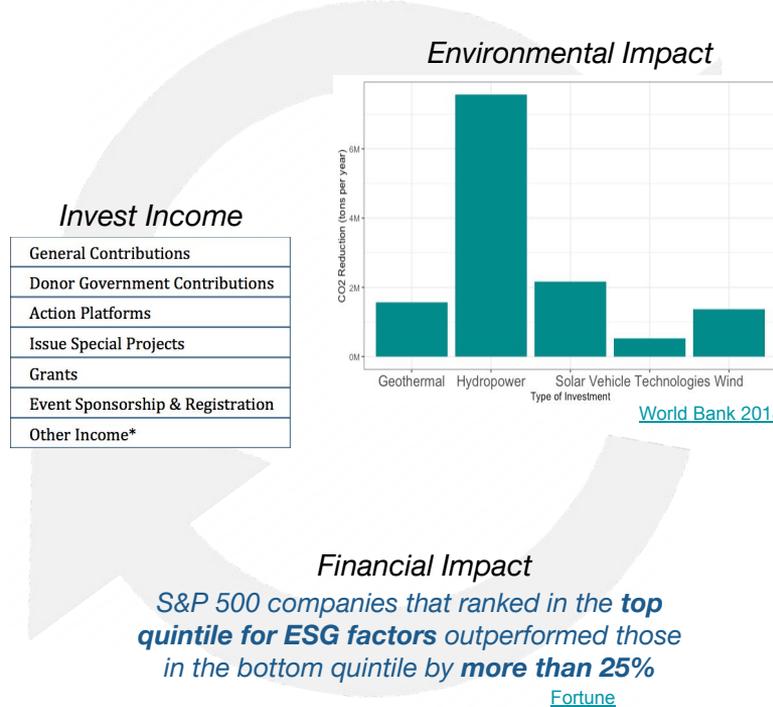
## Impact Investing

Adapting the FIIRM indicators for UNGC Impact Investing



## Endowment Model

Creating a virtuous cycle



## Fund Projects

- 1 Signing Bonuses
- 2 UNGC Certification
- 3 Influencer Marketing
- 4 Social Impact Career Fair

### Case Study



- Developed Donor-Advised Fund through donations
- Invests in high impact technology projects
- Provides grants for innovative programs, global crises, charities, poverty alleviation, and more



# Consolidated Financial Impact

## CERTIFY

	2021	2022	2023	2024	2025
Total # of influencers	5	15	30	45	55
# of new influencers	5	10	15	15	10
# of youth impressions	50,000	150,000	300,000	450,000	550,000
# of views	20,000	60,000	120,000	180,000	220,000
<b># of youth influenced (Influencer Media)</b>	<b>10,000</b>	<b>30,000</b>	<b>60,000</b>	<b>90,000</b>	<b>110,000</b>
Total # of fairs	50	175	425	725	1060
# of new fairs	50	125	250	300	335
# of attendees	10,000	25,000	50,000	60,000	67,000
<b># of youth influenced (Sustainable Career Fair)</b>	<b>8,000</b>	<b>20,000</b>	<b>40,000</b>	<b>48,000</b>	<b>53,600</b>
<b>Total # of youth Influenced</b>	<b>18,000</b>	<b>50,000</b>	<b>100,000</b>	<b>138,000</b>	<b>163,600</b>

Assumptions/Calculations	
Target # of influencers	55
Avg. youth impressions	10,000
% follower CTR	40%
% recall rate (6 months later)	50%
<hr/>	
Total # of colleges/universities	5,300
Target % of schools with fairs	20%
Target # of schools with fairs	1,060
<hr/>	
Avg. # attendees at fair	200
% recall rate (6 months later)	80%

~450K youth educated about sustainable business practices

## BOOST

	2021	2022	2023	2024	2025
# of candidates (phase #1)	200	400	600	800	1,000
# of candidates (phase #2)	150	300	450	600	750
# of candidates (phase #3)	105	210	315	420	525
# of new certifications	63	126	189	252	315
<b>Total # of certified companies</b>	<b>63</b>	<b>189</b>	<b>378</b>	<b>630</b>	<b>945</b>

Assumptions/Calculations	
Target # of certified companies	3,000
Target # of new phase 1 candidates	1,000
Phase 1 to phase 2 conversion rate	75%
Phase 2 to phase 3 conversion rate	70%
Phase 3 to certified conversion rate	60%

945 UNGC certified companies

## SPONSOR

	2021	2022	2023	2024	2025	2026
# of attendees	10,000	25,000	50,000	60,000	67,000	-
# of students recruiting	2,500	6,250	12,500	15,000	16,750	-
# of students offered job	250	625	1,250	1,500	1,675	-
# of students accepted job	213	531	1,063	1,275	1,424	-
Cost of signing bonus	2,125,000	5,312,500	10,625,000	12,750,000	14,237,500	14,237,500
Impact Fund AUM (Beginning)	-	17,193,182	48,295,455	85,965,909	103,159,091	115,194,318
<b>Add: Raised Capital</b>	<b>19,318,182</b>	<b>25,789,773</b>	<b>37,670,455</b>	<b>17,193,182</b>	<b>12,035,227</b>	<b>-</b>
Total AUM	19,318,182	48,295,455	96,590,909	115,909,091	129,431,818	129,431,818
Add: Returns (11%)	-	5,312,500	10,625,000	12,750,000	14,237,500	14,237,500
Less: Payments to signing bonus	2,125,000	5,312,500	10,625,000	12,750,000	14,237,500	14,237,500
Impact Fund AUM (Ending)	17,193,182	48,295,455	85,965,909	103,159,091	115,194,318	115,194,318

Assumptions/Calculations	
% attendees recruiting for full-time	25%
% recruits offered job	10%
% recruits accepted job	85%
Signing bonus stipend	10,000
Annualized impact fund returns	11%

~\$1.4mm in incentive bonuses granted to students joining UNGC certified companies



# Tactical Alternatives



## Alternatives

## Tactical Flaws

Focus on changing youths' day-to-day habits

Status quo is saturated with these efforts

Add sustainability classes, including in law

Does not align interests of businesses and the overall UN goals

Utilize corporate profit-sharing as a form of financing

Hard to garner support from corporate shareholders

University campus ambassadors

Less ability to publicize events compared to campus career services

Educate youth on sustainable practices

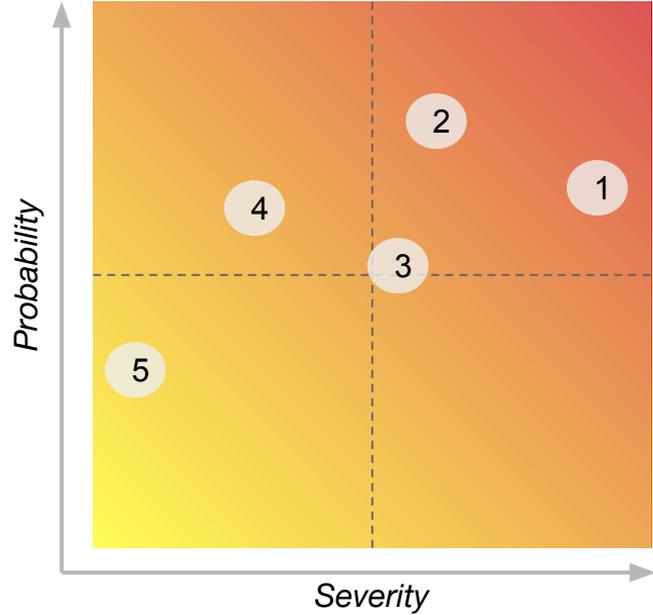
This happens in the status quo and youth need more incentives to take action

Encourage political action among youth

The status quo already enables political engagement, but it's still tough to get politicians to take action



# Risks and Mitigations



	Risk	Mitigation
1	Slow adoption of UNGC Certification Standards	Domino effect of adoption protects against long-term slow adoption
2	Impact Fund is unable to raise capital	Partner organizations can donate and receive tax rebates
3	Youth are not receptive to sustainable business fairs on campuses	Career services are motivated to drive student traffic to fairs
4	Impact Fund returns are subpar	The portfolio will be well diversified and hedged across asset classes
5	Youth are not affected by influencer media	Variety of influencers target different youth



What should be the key elements of a 2030 UN Global Compact **youth strategy for the United States** that will **accelerate corporate climate action** aligned with the 1.5 degree target?

**Analysis**

The UN needs to mobilize the youth generation to better address global climate change goals

**Strategy**

**Promote for Progress**

**Tactics**

- C** Certify companies meeting UNGC standards
- B** Boost youth career decisions via incentives
- S** Support programs through an Impact Fund

**Outcomes**

- 1 ~450k youth educated about sustainable business practices
- 2 945 UNGC certified companies
- 3 ~\$1.4mm in incentive bonuses granted



# Context

## Analysis

1. [Problem statement](#)
2. [The Sustainability Business Landscape](#)

## Strategy

3. [Strategy](#)

## Tactics & Impact

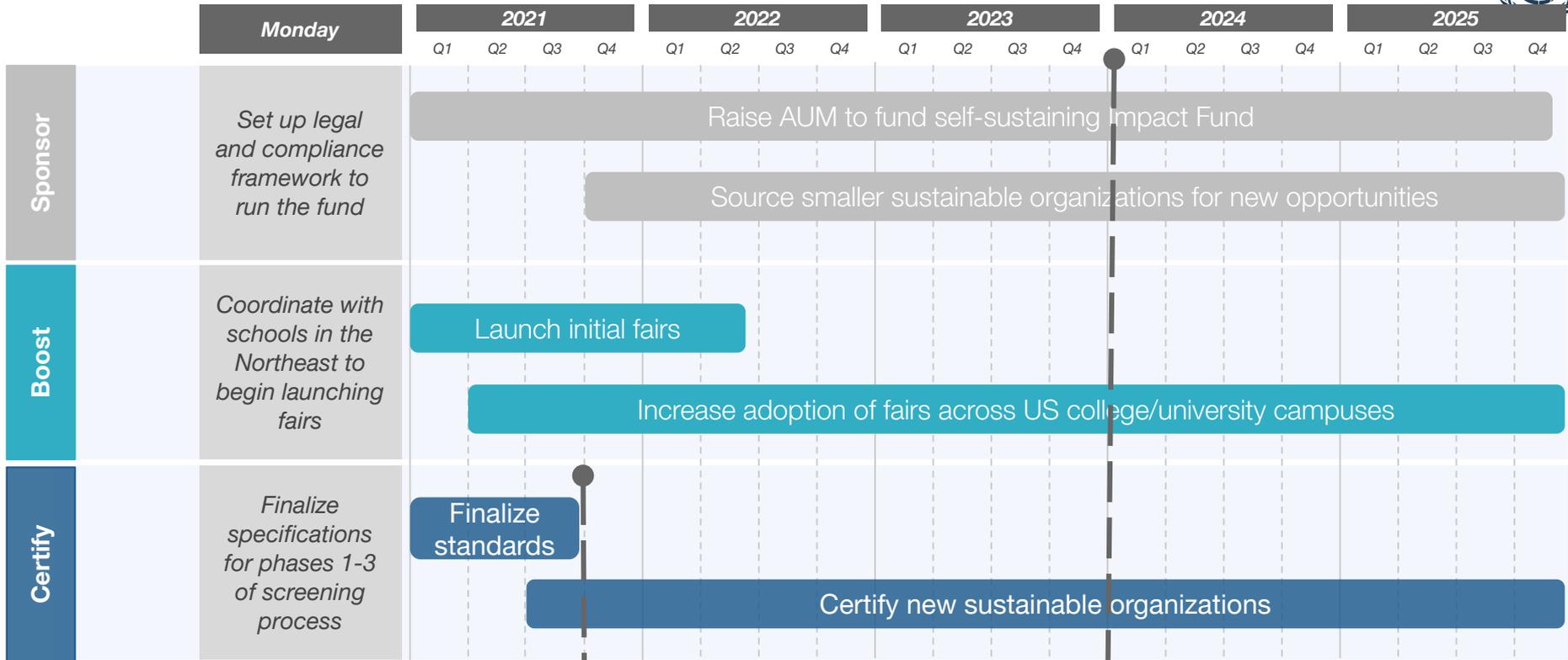
4. [Certify](#)
5. [Boost](#)
6. [Sponsor](#)
7. [Overall Financial Impact](#)
8. [Tactical Alternatives](#)
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# Appendix

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5. [Gender Equality](#)
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# Implementation Timeline



**Key Milestones**

★  
Finalized UNGC Certification Standards

★  
Funded 1000 student incentive bonuses for joining sustainable firms



## Eco-Friendly Materials



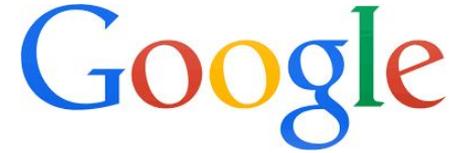
- Makes building blocks out of plant-based plastic that is **sustainable** and biodegradable
- Partners with organizations like the World Wildlife Fund
- Goal: Make Lego products entirely sustainable by 2030

## Sustainable Production



- Reduces water used in denim finishing by 96%
- Trains farmers to use less synthetic materials when growing cotton for their jeans
- All suppliers use "Screened Chemistry" to eliminate hazardous chemicals

## Renewable Energy



- 100% powered by renewable energy
- Utilizing machine learning to build efficient data centers
- Built tool allowing researchers to identify best locations for solar panels





### Social Media Influencers

Emma Watson



Runs Instagram account highlighting sustainable fashion

Key influencer for the Good On You app, where consumers can measure green credentials of companies

### Social Impact Job Fair

THS Armada: Scandinavia's largest career fair at KTH Royal Institute of Technology

#### EXHIBITORS

Sustainability & Diversity form the core values at the heart of our organization. To highlight our core values, we have chosen to dedicate focus areas of the fair called Green Room and Diversity Rooms.

ENERGY

SUSTAINABILITY

Matched Results

Electronics
Sweden

\*Find your perfect company by using Armada's new matching functionality!

ABB

ASSA ABLOY Group

Energizer

Boliden

Dombarber  
Bankruptcy  
Reorganisation

#### MATCHING

Try out Armada's brand new matching functionality that matches students with companies through their shared values!

What industries are you interested in?

Energy Technology
x | v

What values are important to you?

Diversity and Inclusion
x | v

What kind of employments are you interested in?

Match Results
x | v

Where in the world?

Sweden - Stockholm
Sweden - Gothenburg
x | v

What benefits are important to you?

Flexibility to work in other countries
x | v

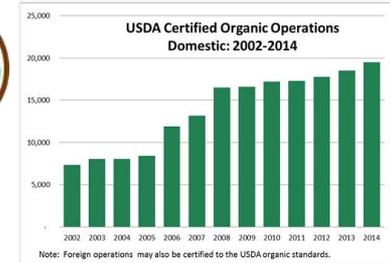
Get my matches!

Digital platform to help youth search for businesses by name, industries, values, location, benefits



Interactive workshops with recruiters to experience new technologies and learn about corporate commitments to sustainability and diversity

### USDA Organic Certification



Organic industry keeps growing at a defying rate. Over 25,000 certified organic operations in the US

### B-Corp Impact Assessment

107  
B IMPACT SCORE

#### B Impact Report

Baseline completed: January, 2012

Summary	Average score of other businesses	Company Score
<b>Governance</b>	10	15
<b>Workers</b>	22	25
<b>Community</b>	32	20
<b>Environment</b>	9	47
<b>B Impact Score</b>	80	107



Sources: BCorp.net



## Impact Investing focuses heavily on Gender Equality

“DFC’s 2X Women’s Initiative has already catalyzed more than \$1 billion to economically empower women across the developing world”

One of Fidelity’s impact funds has the following requirements. We plan on using this to model the basic requirements for Phase 1 certification:



1. The company has one woman as a member of the senior management team.
2. It is governed by a board that is at least one-third female.
3. It has policies — related to parental leave, the gender pay gap, schedule flexibility, etc. — aimed at attracting, retaining and promoting women.



## Web Scraped Data Process and Results

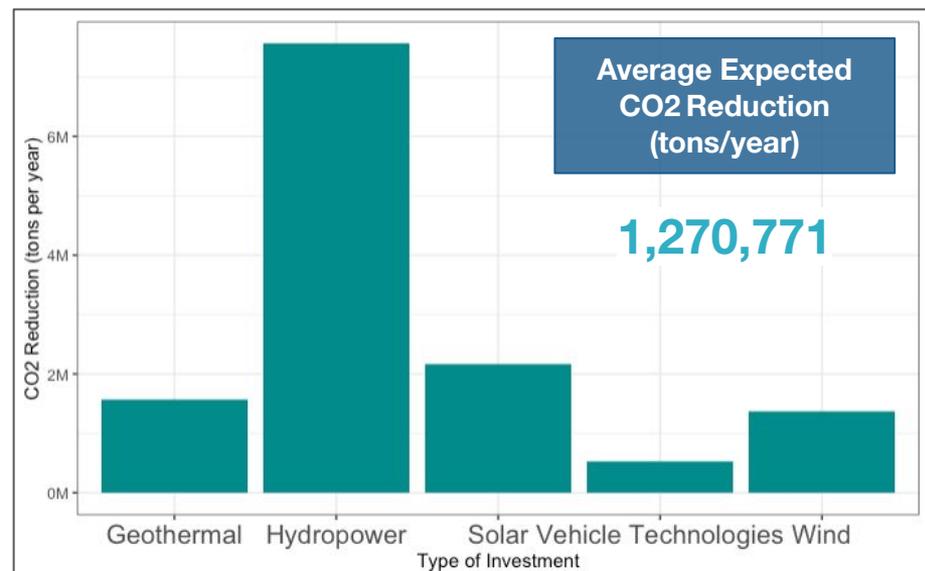
Utilized the R programming language to scrape and analyze data from The World Bank on climate change investment projects across the world

```
```{r}
data = read_csv("~/Downloads/2018_Climate_Investment_Funds___Clean_Technology_Fund_CTF__results_data.csv")
```

```{r}
mean(data$`Expected GHG reductions (annual, tCO2/ yr.)`)
```

```{r}
to_plot = data %>% group_by(`Specific Technology`) %>% summarise(CO2_reduction = mean(`Expected GHG reductions (annual, tCO2/ yr.)`)) %>% mutate(`Specific Technology` = str_sub(`Specific Technology`, 4, 25))
to_plot = to_plot[-c(1, 2, 3, 4, 7, 9, 11, 12, 13),]
```

```{r}
ggplot() + geom_col(aes(x=`Specific Technology`, y=`CO2_reduction`), to_plot, fill="cyan4") + labs(x="Type of Investment", y="CO2 Reduction (tons per year)") + theme_bw() + scale_y_continuous(labels = c("0M", "2M", "4M", "6M", "8M")) + theme(axis.text.x = element_text(size = 15))
```
```

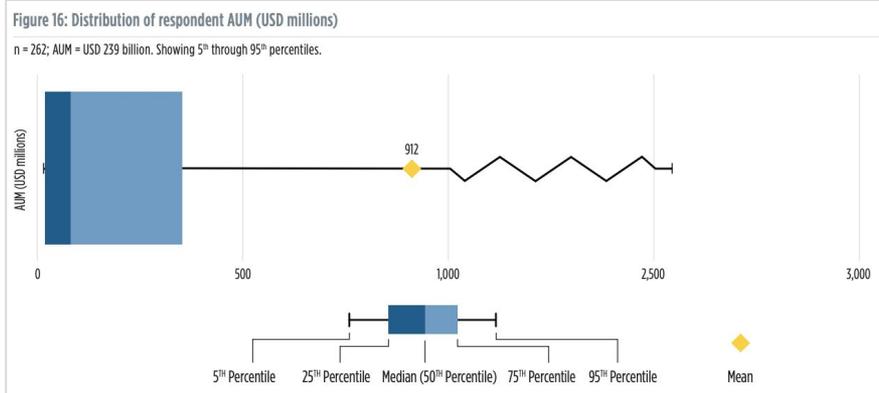
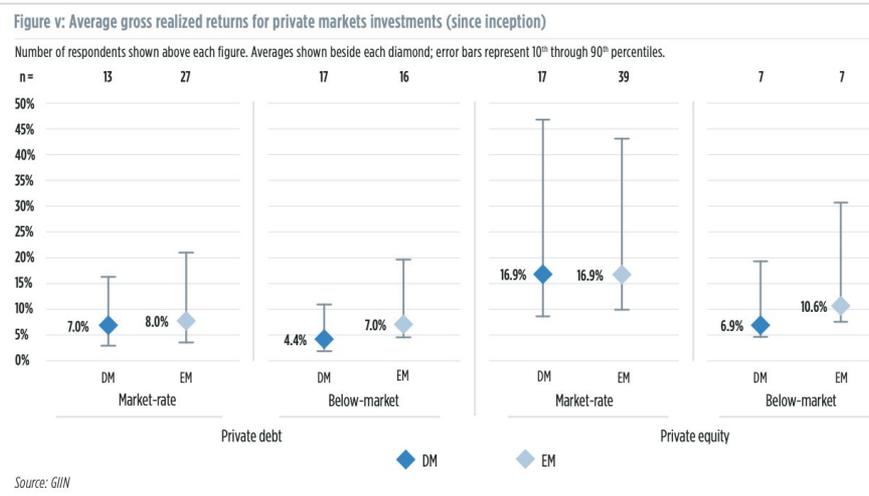




**98% of impact investors** indicated that their investments have met or exceeded their expectations for **impact**

**91% of impact investors** indicated that their investments have met or exceeded their expectations for **financial performance**

Environmentally-conscious shoppers have grown sustainable product sales by **nearly 20 percent** since 2014



“According to a Deloitte survey, **millennials feel a greater sense of control and influence in the workplace than they do in the wider society.**”

## Young Entrepreneurs and their impact



Anand Shah’s company Sarvajal is working to bring clean water to India.



Sebastian Lindstrom’s disruptive filmmaking lab, dedicated to traveling to the most remote corners of the globe to document people who are doing good things.



Engineers at CalTech created a new toilet for the developing world that will help stop disease.



Guatemalan native Maria Rodriguez is fixing her country’s economy from the ground up, by investing heavily in worms with her company ByoEarth.



## US policies should serve as the minimum requirement for companies to be certified by UN Compact



1. **The Clean Air Act of 1970** tells the EPA to set standards for what kinds of toxic air pollutants can be released into the “ambient air,” either from factories or cars and trucks.
2. **The Clean Water Act of 1972** tells the EPA to set standards for what pollutants can be released into lakes, streams, and rivers, and it forces polluters to get permits to do so.
3. **The National Environmental Policy Act of 1970 (NEPA)** requires the federal government to conduct a lengthy environmental-impact study every time it wants to build, approve, or renovate something.
4. **The Endangered Species Act of 1973** lets NOAA and the Fish and Wildlife Service protect species at risk for extinction, granting the U.S. government huge powers in the process.



### Expand Initiatives with Academic Institution x Private Law Firms

- Sponsored by Stanford Law School in 2018, 13 private U.S. law firms have committed to delivering \$20 million worth of free legal services by the end of 2020 to advance sustainability in energy, transportation and land use.

