UN GLOBAL COMPACT: AN ANALYSIS OF CORPORATE PROGRESS IN LATIN AMERICA | OVERVIEW

**Latin America Economic Growth**

![Graph showing economic growth in Latin America](image)

All major Latin American economies are expected to grow in 2018 except Venezuela which is in the midst of a recession.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Growth Annual %</td>
<td>-0.50%</td>
<td>0.00%</td>
<td>1.50%</td>
<td>3.00%</td>
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**Key Challenges**

- Global financial shocks and trade tensions
- Policy uncertainty
- Natural disasters and humanitarian crisis
- Social unrest and political instability
- Unemployment and under-employment
- Poverty and Malnutrition

**Key Indicators**

**Poverty and Hunger**

- **30.7%** of the Latin American population or 186 million lived in poverty in 2017
- **39 mn** People in Latin America living with hunger, with 5 mn children permanently malnourished

**Unemployment**

- **8.4%** Unemployment rate in 2017, a jump from 7.9% in 2016
- **19.5%** Youth unemployment rate in 2017, a jump from 18.9% in 2016

**Gender pay-gap**

- **29.8%** Lesser pay for women as compared to men in 2017 as compared to 30% in 2016

**Climate Change**

- **1.5-5%** Percentage of Latin American GDP loss annually due to climate change by 2050

**Top Regional Actions**

- **Latin America and Caribbean Climate Week 2018**: to step up action on climate change, climate finance and low carbon infrastructure
- **Equal Pay International Coalition**: launched in Panama in 2018 to promote labour participation of women and equal pay
- **EUROCLIMA+**: launched in 2017 and financed by EU to assist Latin American countries implement climate change commitments

Sources:

- World Bank Latin America GDP Growth Annual %
- IPS News
- ILO
- WEF
- CAF
- EUROCLIMA+
How Local Networks Help Business Drive Global Goals Implementation on the Ground

Latin American companies indicate that the Global Compact has been significant in spreading the practice of corporate sustainability worldwide.

- 87% Latin American companies find the Local Networks helpful in assisting with the Communication on Progress (COP).
- 74% Latin American companies find the Local Networks helpful in building networks with other companies.
- 80% Latin American companies find the Local Networks helpful in building networks with other companies.

Global Compact Local Networks in Latin America:
- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- Ecuador
- El Salvador
- Guatemala
- Mexico
- Nicaragua
- Panama
- Paraguay
- Peru
- Uruguay

There are five key ways in which the UN Global Compact is mobilising business to engage systematically over the long term to contribute to the Global Goals in Latin America through its Local Networks:

- **Organizing Local Awareness-Raising Events**
  254 multi-stakeholder events on the Global Goals were organised. Which reached 3893 companies in Latin America.

- **Develop and Disseminate Tools & Resources**
  Build the capacity of business through sharing know-how and resources to embed the Ten Principles in business models and operations, and foster leadership through aligning strategies with the SDGs. 241 capacity building workshops were held reaching 1992 companies.

Facilitate Public-Private Partnerships and Dialogues

Facilitate engagement with Governments, UN country teams, civil society, academia and other stakeholders around public policy dialogues to contribute to the development of a National SDG Action Plans.

Participation in Public-Private Partnerships

10 Local Networks were involved in Public-Private Partnerships in the region in total these partnerships involved 646 companies.
8 Local Networks are contributing to their government’s Voluntary National Review.

Mobilise Financing

Contribute to mobilise private financial resources to advance the Global Goals.
4 Local Networks are engaged with Principles for Responsible Investment.

Latin American companies find the Local Networks helpful in receiving assistance with implementation of the Global Compact principles.

Latin American Local Networks are prioritizing Human Rights.
65% Latin American companies report that corporate responsibility policies and strategies are developed and/or implemented by the Chief Executive Officer.

**Overview**

- **206** Latin American Company Respondents
- **15** Latin American Local Networks

**Why companies report publicly**

- 84% Helps integrate corporate responsibility commitments
- 74% Enhances commitment by the CEO
- 73% Demonstrates active participation in the UN Global Compact

**Barriers to public reporting**

- 36% Lack of standard performance metrics
- 32% Insufficient internal process to monitor, measure and report
- 24% Too many reporting standards and frameworks

**Companies reporting to have a positive impact on the Global Goals**

- **81%** Latin American companies report to take specific actions to advance the Global Goals

**Top Goals Targeted**

- Reduced Inequalities 83%
- Sustainable Cities and Communities 81%
- Responsible Consumption and Production 75%
- Climate Action 80%
- Life Below Water 77%
- Life on Land 53%
- Peace, Justice and Strong Institutions 72%
- Partnerships for the Goals 89%

**Top Actions Taken to Implement the Ten Principles**

- **83%** Address Human Rights within an overall corporate code
- **78%** Address Environment through sustainable consumption
- **85%** Address Labour through non-discrimination policies
- **83%** Address Anti-Corruption through overall corporate code

**Source:** UN Global Compact Annual Survey 2018
UN GLOBAL COMPACT: AN ANALYSIS OF CORPORATE PROGRESS IN LATIN AMERICA | 2018 KEY FACTS

Source: UN Global Compact Annual Survey 2018

**Supply Chain Alignment**

- Include Expectations in Contractual Documents: 62% (Latin America), 66% (Global)
- Assist in Setting and Reviewing Goals: 10% (Latin America), 16% (Global)
- Reward Good Performance: 8% (Latin America), 15% (Global)
- Staff Training on Supply Chain Sustainability: 36% (Latin America), 42% (Global)
- Conduct Due Diligence: 26% (Latin America), 42% (Global)
- Provide Supplier Training: 18% (Latin America), 24% (Global)

**Implementing Sustainability**

- Take Actions to Advance Global Goals: 81% (Latin America), 80% (Global)
- Risk and Opportunity Assessment for Global Goals: 37% (Latin America), 40% (Global)
- Impact Assessment: 33% (Latin America), 28% (Global)
- Integration into Annual Financial Report: 43% (Latin America), 45% (Global)
- Monitor and Evaluate Performance: 41% (Latin America), 56% (Global)
- Public Communication of Commitments: 83% (Latin America), 79% (Global)

**Why Join the UN Global Compact?**

**Top Three Reasons Latin American Companies Join the UN Global Compact**

- Increase trust in company through public commitment to sustainability: 78%
- Acquire knowledge to advance sustainability into operations and strategy: 70%
- Promotes action on sustainability within the company: 60%

**Challenges Companies Are Facing in Integrating Sustainability in Their Supply Chain**

- Lack of Knowledge: 50%
- Not a Priority: 29%
- Lack of Capacity: 24%
- CR Data Unavailable: 21%
- No Clear Link to Business Value: 15%
- Lack of Financial Resources: 12%

**Actions Companies Are Taking to Implement Sustainability in Their Supply Chain**

- Increase trust in company through public commitment to sustainability
- Acquire knowledge to advance sustainability into operations and strategy
- Promotes action on sustainability within the company

**IS YOUR COMPANY ENGAGED IN A GLOBAL COMPACT LOCAL NETWORK?**

Yes | No | Unsure