

FREQUENTLY ASKED QUESTIONS

COMMUNICATION ON PROGRESS

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United Nations
Global Compact

THE UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS (CoP)

Q: What is the Communication on Progress?

A: The Communication on Progress (CoP) introduced in 2004, is the annual public disclosure by participating companies of the United Nations Global Compact on how they are upholding and implementing the Ten Principles. A CoP is a direct communication from participating companies to their stakeholders, and each disclosure is made public on the UN Global Compact website. Submitting an annual CoP is a requirement for being a participating company of the UN Global Compact.

Q: What are the objectives of the Communication on Progress?

A: The CoP aims to:

- Strengthen accountability regarding the performance of UN Global Compact participating companies on both the Ten Principles and Sustainable Development Goals (SDGs),
- Promote continued learning by embedding examples of best practices in each question and providing access to additional guidance and reference materials,
- Improve stakeholder access to relevant and comparable corporate data on the Ten Principles and SDGs.

REVISING THE COMMUNICATION ON PROGRESS (CoP)

Q: Why is the United Nations Global Compact revising its current Communication on Progress?

A: Since the last revision of the CoP in 2010, the reporting landscape has substantially evolved with a growing number of reporting frameworks and initiatives, including the Action Platform '[Reporting on the SDGs](#)' co-led by the UN Global Compact. The demand for consistent and reliable corporate ESG data by stakeholders has also significantly increased over the past decade. In parallel, a review of the UN system commissioned by the Secretary-General revealed the need to hold companies accountable and recommended making changes in the CoP requirement to better recognize corporate sustainability leadership and impact on the Sustainable Development Goals (SDGs). The [2021-2023 strategy of the UN Global Compact](#) also calls for more accountable companies.

The current features of the CoP are not commensurate with this evolving landscape and do not fully account for a comprehensive integration of the UN sustainability agenda, particularly the SDGs. Additionally, the CoP does not provide a systematic way to mine, aggregate or compare data nor track the progress of companies against the Ten Principles, which poses a key challenge and reputational risk for the organization and does not provide added value to participants.

The UN Global Compact has undertaken a comprehensive review of the CoP to update this integrity and accountability mechanism, and adapt it to new market trends. Starting in 2023, all participating companies will be required to disclose using the enhanced CoP.

Q: What changes will be introduced as part of the enhanced Communication on Progress policy as of 2023?

A: The enhanced CoP, a requirement for all participating companies starting in 2023, constitutes a significant revision from the CoP currently in place. The new CoP will consist of the submission of two elements: **a) a statement by the Chief Executive Officer** expressing continued support for the UN Global Compact, and **b) an online questionnaire (CoP Questionnaire)**. More specifically, changes to the CoP policy include:

- Transitioning from a narrative format (requesting the submission of a report) to a standardized questionnaire (requesting the online completion of a set of questions on the Ten Principles and the SDGs)
- Introducing a Digital Signature System for submission of the statement of the Chief Executive Officer
- Introducing a universal submission period (1 March through 30 June of each year)
- Reducing the “non-communication period” from twelve to six months
- Having one single questionnaire and therefore no differentiation levels (which are likely to be introduced over the next several years)
- No ‘CoP Express’ Form

The updated CoP Policy reflecting these changes will be effective as of January 2023. It will be released in 2022 to allow participants to familiarise themselves with the new Policy ahead of its implementation in 2023. Visit our UN Global Compact CoP webpage [here](#).

Q: What are the benefits of the enhanced Communication on Progress for participating companies?

A: The new CoP will result in improved data that drives sustainability progress and enables participating companies like yours to:

- Increase their credibility and brand value by showing their commitment to the Ten Principles and the Sustainable Development Goals;
- Measure and demonstrate progress to stakeholders on the Ten Principles, in a consistent and harmonized way.
- Receive insight, learn and continuously improve performance by identifying gaps, accessing guidance and setting sustainability goals.
- Compare their progress against peers with access to one of the largest sources of free, public and comparable corporate sustainability data.

Q: Is the new Communication on Progress a new reporting standard? How is the new Communication on Progress related to other reporting frameworks?

A: The new CoP is designed to add value to business participants by providing a reporting framework to guide their implementation of the Ten Principles and to help them drive and continuously improve performance. Many questions in the new CoP questionnaire are based on existing standards and frameworks and have been adjusted to a multiple-choice format to allow for comparability and to make it easier and faster for companies to answer. For questions that are linked to specific reporting standards (e.g., GRI), companies disclosing using those standards will already have the needed information to answer those specific questions in the CoP questionnaire.

REQUIREMENTS FOR PARTICIPANTS BASED ON THE ENHANCED COMMUNICATION ON PROGRESS (CoP)

Q: When will the enhanced Communication on Progress be in place?

A: All participating companies will be required to disclose using the new CoP starting in 2023. In 2022, a group of 'early adopters' (voluntary participating companies) participated in a pilot to disclose using the new CoP (see questions below).

Q: Can my company already submit its Communication on Progress in 2022 using the new CoP platform?

A: Beginning in 2023, all participating companies will be required to disclose their progress using the new CoP platform. To make the most of the CoP enhancements, we extended a special invitation to all participating companies to join our [Early Adopter Programme](#) in 2022. This unique opportunity gave participating companies early access to the platform, tools and resources to support their CoP transition. The select group tried out an initial version of the new platform, provided feedback, and disclosed using the new CoP. CoPs submitted during this period will be made public on the UN Global Compact website starting mid-September 2022.

Q: If my company does not join the Early Adopter Programme, how can we fulfill our Communication on Progress requirement in 2022?

A: For all participating companies not in the Early Adopter Programme, submissions should be made in alignment with the current CoP policy and dead-lines. (Note: There will be no grace period/extensions granted that go beyond December 2022. Participating companies who fail to submit their CoP by their deadline in 2022 and are listed as 'non-communicating' by 31 December 2022, will carry a 'non-communication' status in 2023 until they submit their CoP in 2023 via the enhanced CoP platform).

Q: Where can I find information about the requirements, due date, and delisting policies of the enhanced Communication on Progress that will be in place in 2023?

A: The revised CoP Policy, effective as of 2023, will contain information about what elements constitute a CoP, when to submit a CoP, and the consequences of failing to submit one, along with other important information. To help participating companies familiarize with the changes, the new CoP Policy will be published in 2022 on the website of the UN Global Compact.

Q: What are the changes to the submission, non-communication and grace periods as part of the new CoP Policy?

A: In 2023, the enhanced CoP will become mandatory for all participants. Participating companies will need to submit their CoP between **1 March and 30 June every year**. If participants fail to submit their CoP during this time period, they will enter a 6-month 'non-communication' status period, which lasts from July through December. If a participant fails to submit their CoP by December 31st each year they will be delisted from the UN Global Compact in January of the following calendar year for "Failure to communicate on progress" that year.

Q: Will there be differentiation levels categorizing a participating company's Communication on Progress submission?

A: As part of the enhanced CoP, there will be no differentiation levels for the CoPs submitted. This may change in the future once the UN Global Compact has a better understanding of the data being submitted and how it can be used to showcase progress from participating companies through differentiation levels.

Q: Will the UN Global Compact rank or score companies based on the data from the Communication on Progress?

A: The UN Global Compact will not develop scoring or ranking systems, but may use CoP data in the future to inform criteria for its own recognition programmes, such as a revised Global Compact LEAD programme.

Q: Will participating companies be required to assure submitted data under the enhanced Communication on Progress?

A: No. Though recommended, data assurance will not be a requirement. The new questionnaire addresses whether and how submitted CoP data is third-party assured.

Q: What will the new Communication on Progress data be used for?

A: CoP data submitted by participating companies will be made public for stakeholders to use in various ways. Businesses will be able to compare their progress on the Ten Principles and the SDGs against peers. UN entities, including the UN Global Compact, will be able to inform their programmatic work through the collection, aggregation, and comparison of business progress across sectors and geographies and against the SDGs. More specifically, the UN Global Compact will use CoP data for its own internal monitoring and evaluation framework. Investors will be able to use the data for financial decisions and recommendations, and in the development of new instruments and product offerings, while reducing the amount of data requests to businesses. Governments will be able to use the data to help evaluate businesses' progress in their particular country, establish incentives for companies to make progress on these topics, and inform their voluntary national reviews. Civil society will be able to use the CoP data to better understand business sustainability contributions and hold companies accountable.

Q: Under the new Communication on Progress, will businesses still be allowed to submit their sustainability or annual report as their Communication on Progress?

A: The questionnaire is the main element of the new CoP, so all businesses will be required to complete it. Sustainability and other relevant reports may also be uploaded in order to provide additional information but doing so will not be a requirement.

Q: In 2022 my company is reporting using the current CoP system. What will my reporting status and due date be in 2023 under the new CoP?

A: Companies using the current CoP system in 2022 will start the year 2023 (1 January) with the same status ('active' or 'non-communication') that they had on 31 December 2022. In 2023, all participating companies will be requested to submit their CoP using the new system during the submission period ranging from 1 March through 30 June. Companies that submit their CoP by 30 June 2023 will be listed as 'active'. Failure to submit by 30 June will result in non-communicating status. This status can be reverted to 'active' if the participant submits the required CoP elements by 31 December. If the non-communicating participant does not meet the 31 December deadline, they will be delisted on January 2024 from the UN Global Compact for 'failure to communicate on Progress'.

Q: In 2022, my company will report using the current CoP system and has a due date in October, November or December of 2022. It wants to submit a grace letter to request an extension of the due date. Can it do so?

A: For those companies using the current CoP system in 2022 extensions can be granted as per the current CoP Policy, but the new due date can only be extended to 31 December 2022. As of 1 January 2023, all businesses will be listed under the same reporting status ('active' or 'non-communicating') that they had on 31 December 2022 and will be required to submit a CoP using the new system in 2023 (see question above).

Q: Do subsidiary companies need to submit the new CoP?

A: No changes to the CoP policy affecting subsidiary companies are planned. Subsidiary companies do not have to submit their own CoP if they join under the umbrella of its parent company and are featured under the same profile. Only if the subsidiary company wishes to join the UN Global Compact individually - also to be profiled on the website individually -, it will have to submit the new CoP.

ABOUT THE ENHANCED COMMUNICATION ON PROGRESS (CoP) QUESTIONNAIRE

Q: How was the new Communication on Progress questionnaire developed?

A: The CoP questionnaire draws from existing sustainability reporting frameworks and standards and builds on extensive research in the sustainability reporting landscape. Building on this, a selection of relevant indicators, chosen with stakeholder input, served as the basis for drafting an early version of the questions. These questions were then shared with dozens of stakeholders - including UN organizations, businesses, investors, civil society organizations, reporting frameworks agencies - to gather further input. Additional consultations with UN partners (particularly ILO, UNOHCHR, UNODC, and UNEP) and select stakeholders (particularly Shift) provided further technical input to the final questionnaire.

Q: Why did the UN Global Compact transition the Communication on Progress to a standardized questionnaire?

A: The current CoP system of collecting reports in pdf format does not allow the organization and stakeholders to easily assess whether businesses are upholding their commitment to the Ten Principles, even when these companies are using existing reporting standards (which many are not). In addition, there is an increasing demand by stakeholders for more comparable and relevant sustainability data. Having businesses answer a set of questions connected to the Ten Principles and SDGs online will help the UN Global Compact and stakeholders gather relevant data and easily mine, compare, and aggregate information to understand their performance and track progress. Plus, the new CoP questionnaire contains select questions that demand narrative and qualitative disclosures and provide the option for businesses to add background information and context to certain answers.

Q: How does the new Communication on Progress questionnaire address materiality?

A: The UN Global Compact, in alignment with the European Commission and other institutions, supports the principle of “double materiality,” which states that companies should report information necessary to understand both how sustainability matters affect them (i.e., “financial materiality”) and the impact those matters have on people and the environment (i.e., “impact materiality”). The CoP questionnaire focuses primarily on impact materiality.

Recognizing that the identification of material topics is an organization-specific exercise, the CoP contains questions connected to the Ten Principles that address material issues pertaining to all its business participants, regardless of sector, size, or geography. In addition, the section on human rights provides companies with the opportunity to select their own specific topics for disclosure (e.g., saliency). The environment section includes curated sector-specific questions that are to be answered only by business participants operating in certain industries (e.g., on water and biodiversity). In some instances, a company may still be asked a question it considers immaterial, in which case it can select “not applicable” and provide additional explanation.

Q: Will all questions in the new Communication on Progress questionnaire be mandatory?

A: Yes, all questions in the questionnaire will be mandatory. However, selected questions in the environmental section apply only to businesses operating in certain sectors. In the future, the CoP is expected to include additional optional questions to dive deep on issues of particular relevance to the UN Global Compact, as defined in its strategy (e.g., gender or climate change issues).

Q: Will SMEs have to answer the same Communication on Progress questionnaire?

A: Yes, all participating companies will fill out the same CoP questionnaire, which contains questions that are relevant/material to businesses across sectors, geographies, and size. Most questions come with answer options that provide flexibility to businesses that have no data on certain topics.

Q: How long will it take to complete the new Communication on Progress questionnaire?

A: The time to complete the questionnaire will vary from company to company and depend, among other things, on a company's internal data collection process as well as on the range of its activities in connection with the Ten Principles the company is implementing. The estimated duration can vary from two hours (e.g., for a small company operating at the local level only) to two days (for larger multinationals). After submitting their first new CoP, business participants will need less time to respond to each new questionnaire in subsequent years, as certain questions are designed to auto-populate in future CoPs.

Q: Where will businesses be able to find help answering the Communication on Progress questionnaire?

A: The UN Global Compact and its Local Networks will provide support services, including a Guidebook and webinars, to guide businesses in answering the questionnaire. Information can be found on the UN Global Compact CoP website [<here>](#). Also, a help desk will be set up to answer questions participating businesses might have.

Q: Will the Communication on Progress questionnaire change in the future?

A: The questionnaire will be revised on an annual basis. While many questions are expected to remain unchanged over a longer period of time to allow for data comparability over years, some questions may be edited, for example, to reflect developments in the corporate sustainability reporting landscape or based on user-experience feedback. Also, new (mandatory and/or optional) questions on topics relevant to the UN Global Compact and its strategy (e.g., on gender or climate change) are expected to be developed over the coming years.

Q: How does the Communication on Progress relate to the SDG Action Manager?

A: The CoP is a tool for public disclosure, while data from the SDG Action Manager is not meant for public disclosure. Both the CoP and the SDG Action Manager support internal management and decision-making processes. While there is an overlap among the topics each of these tools addresses, the structure of the CoP questionnaire is focused on the Ten Principles of the UN Global Compact, while the SDG Action Manager questionnaire is focused on the SDGs.

Q: To complete the new CoP questionnaire my company needs to input data collected in which period?

A: The submission period of the new CoP will range from March through June each calendar year. Companies are expected to complete the CoP questionnaire using data collected in their latest data collection process taken place over the past twelve months before the date of their CoP submission. E.g., if a company closes its data collection in August 2024, it can use that data to complete the CoP submission of 2025.

Q: What if a participant's own sustainability report is published outside of the universal submission period, how should they answer the questionnaire? To complete the new CoP questionnaire my company needs to input data collected in which period?

A: The questionnaire should be filled in with the data available of the most recent closed data collection cycle. This data collection process should be closed within the last 12 months prior to the end of universal submission period. (E.g., Data collection closed between June 2022 - June 2023 for the 2023 CoP)

Q: How will the annual CEO Statement of Ongoing Support be captured moving forward?

A: The UN Global Compact is developing an e-signature feature to be rolled out with the new COP digital platform. We will use this feature to reflect the CEO annual recommitment for early adopters in 2022 and for all companies in 2023.