



**Transformational governance as a driver of responsible business
and more ambitious climate action**

International Launch of the UN Global Compact Network Italy's Position Paper

July 17 2024, 10.30-12 EST

Permanent Mission of Italy to the UN and Online

885 Second Avenue (One Dag Hammarskjold Plaza), 49th floor, New York

Background

The current context in which governments, companies and individuals live is characterised by growing and converging crises, such as climate change, economic uncertainty, social inequalities, pandemics and disinformation.

As the Edelman Trust Barometer 2023 states, in a world where there is a widespread lack of trust in institutions, the private sector is seen as the most competent social actor and top managers are increasingly being asked to address international challenges, committing on tackling climate change, improving the well-being (including economic) of workers, and reducing inequalities.

The private sector therefore has an important role to play, by promoting a more responsible, inclusive, prosperous and sustainable way of doing business and strengthening a climate of trust in public institutions and civil society.

The private sector's increasing focus on sustainability issues, has necessitated their integration into corporate governance. Sustainability-oriented governance, involving the Board of Directors, managers as well as stakeholders, will enable companies to achieve their ESG objectives, expressing the company's purpose in the best possible way.

The UN Global Compact proposes the adoption of transformational governance, inviting companies to respond to stakeholder and shareholder expectations by adopting a broader approach to the G-dimension of the ESG acronym. Transformational governance is a principles-based approach, calling on companies to foster a culture of integrity, fairness and inclusion beyond regulatory compliance, while also being concerned with the private sector's responsibility to act as an agent of social, economic and environmental change.

The foundation of the concept of transformational governance is rooted in Goal 16 - Peace, Justice and Strong Institutions - of the 2030 Agenda for Sustainable Development. This SDG is one of the most relevant to the private sector, as peace, justice and strong institutions are essential elements of good governance, linking companies to the communities in which they operate. Moreover, by adopting transparent and accountable governance systems, companies themselves can contribute to the achievement of SDG 16, and to the creation of a more equitable, stable and inclusive ecosystem.

Transformational governance should also result in an effective climate governance. Whilst climate change impacts financial risks as well as opportunities, it is a new and complex issue for many Boards that entails grappling with scientific, macroeconomic and policy uncertainties across broad time scales and beyond board terms. In order to tackle climate change, it is essential to involve and engage also corporate management, employees, suppliers, consumers and stakeholders. The climate governance should also be able to disseminate the culture of sustainability inside and outside the company, building partnerships and promoting collective actions.



UN Global Compact Network Italy developed a position paper on transformational governance, involving a group of the most important Italian companies, participating in the UN Global Compact initiative. The document was presented in a zero version to the CEOs and Presidents of selected Italian UNGC businesses during the Business & SDGs High-Level Meeting, promoted by the Italian Network of the UNGC in May 2024. The inputs and reflections emerged from the high-level discussion, were incorporated in the position paper in the form of conclusions and recommendations.

The today side-event at HLPF is the occasion to launch the final version of the document, involving also the UN Global Compact HQ and other Country Networks and companies, particularly committed on Transformational Governance, with a focus on climate issues. The meeting broadens the perspective and reflect on the importance for business to adopt transformational governance and collaborate with Governments and other key stakeholders in order to - as the United Nations Secretary-General stated - rethink the social contract to address the most pressing global challenges.

Organizers

UN Global Compact Network Italy
Permanent Mission of Italy to the UN
Permanent Mission of South Africa to the UN
UN Global Compact Network South Africa

Agenda

10.30-10.55 Opening remarks

H.E. Claudio Barbaro, Undersecretary, Minister of Environment and Energy Security of Italy (*in person*)

H.E. Ambassador Mathu Joyini, Permanent Representative of South Africa to the UN, NY (*in person*)

Sanda Ojiambo, Assistant Secretary-General & Ceo, UN Global Compact (*in person*)

10.55-11.10 UN Global Compact Network Italy's Position Paper presentation

Prof. Marco Frey, Chairman, UN Global Compact Network Italy (*online*)

Daniela Bernacchi, Executive Director, UN Global Compact Network Italy (*in person*)

11.10-11.45 Multistakeholder Roundtable - Transformational Governance: the impacts on business to scale up climate ambition

Dr. Alexandra Bolton, Director, Climate Governance Initiative (*online*)

Megan Beauregard, Chief Legal Officer, Secretary, Head of Policy and Regulatory Affairs, USA & Canada, Enel North America (*in person*)

Fatima Newman, Group Executive: Easy HQ, EOH (*speaker tbc*) (*online*)

Karen Khayanje Basiye, Director, Sustainable Business and Social Impact, Safaricom (*online*)

Swiss company (*speaker tbd*) (*online*)

Achieng Ojwang, Executive Director, UN Global Compact Network South Africa (*in person*)

11.45-12.00 Wrap-up end closing remarks

H.E. Ambassador Maurizio Massari, Permanent Representative of Italy to the UN, NY (*in person*)

Markus Reubi, Swiss Federal Council's Envoy for the SDGs (*in person*)

Prof. Marco Frey, Chairman, UN Global Compact Network Italy (*online*)

Moderator of the event: Daniela Bernacchi, Executive Director, UN Global Compact Network Italy