



# DOING BUSINESS WHILE ADVANCING PEACE AND DEVELOPMENT



United Nations Global Compact

Launched in 2000, the United Nations Global Compact is a both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a multi-stakeholder leadership initiative, it seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption and to catalyze actions in support of broader UN goals. With over 7,000 signatories in more than 135 countries, it is the world's largest voluntary corporate responsibility initiative. [www.unglobalcompact.org](http://www.unglobalcompact.org)

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## Content

<b>Introduction</b>	<b>6</b>
<b>Research Summary: Business &amp; Conflict Survey</b>	<b>10</b>
<b>Research Summary: Valuing Peace for Business</b>	<b>12</b>
<b>Company Examples</b>	<b>14</b>
<b>1. Implementing the UN Global Compact's 10 Principles</b>	<b>14</b>
• Human Rights: BP Plc	16
• Human Rights: Talisman Energy Inc.	18
• Human Rights: Satemwa Tea Estate	20
• Labour: Protina	22
• Environment: Sagya	24
• Environment: United RUSAL	26
• Anti-Corruption: Oil and Natural Gas Corporation	28
• Anti-Corruption: Petrobras SA	30
<b>2. Stakeholder Engagements/Dialogues</b>	<b>32</b>
• Newmont Mining Corp	34
<b>3. Public-Private Partnerships Contributing to Peace and Development</b>	<b>36</b>
• Sumitomo Chemical Company, Limited	38
• PricewaterhouseCoopers	40
• The Coca Cola Company	42
<b>4. Post-Conflict Reconstruction &amp; Peace-building</b>	<b>44</b>
• Energoinvest	46
• ArcelorMittal	48
• Komatsu Limited	50
<b>5. Building a Culture of Peace</b>	<b>52</b>
• Safaricom	54
• Aastra Technologies Ltd.	56
• Promon S.A.	58
<b>The Strategic Guidance Advisory Group</b>	<b>60</b>
<b>Case Study Authors</b>	<b>64</b>
<b>Acknowledgements</b>	<b>66</b>



“Business and the United Nations might seem to have different purposes. Business has traditionally focused on growth and profit. The United Nations focuses its energies on peace and security, poverty reduction, and human rights. But many of our objectives are the same: building and supporting strong economies and communities, providing opportunities for people to pursue a livelihood, and ensuring that everyone can live in dignity. In these goals, the UN and businesses are partners. Business cannot survive or thrive if societies fail or if people feel that their security is threatened. Business is increasingly aware of this symbiotic relationship with society, and of the role that responsible business practices can play in fostering the very stability that business needs to prosper.”

—H.E. Mr. Ban Ki-moon, United Nations Secretary-General



## Introduction

Conflict affects a society at all levels. It destroys human lives, reduces the prospects for sustainable growth and development and weakens a state's ability to govern. Conflict significantly slows down social, political and economic development processes. For example, weak infrastructure in conflict-affected areas such as poor communications and limited access to energy and water negatively affects productivity, increases the cost of production and weakens employment opportunities. As a result, out of 30 fragile and conflict-affected countries classified as high priority by the Bureau for Crisis Prevention and Recovery of the United Nations Development Programme, only four will be able to meet the Millennium Development Goals. The rest of the countries will need major policy, institutional and financial support

Violent conflict and instability also pose a number of operating challenges to the private sector. The lack of a predictable political and economic framework and increased violence disrupts production and supply chains, increases operating costs and delays the completion of planned business activities. Clearly, business has an interest in promoting peace and development, two main objectives of the United Nations. Of course, private voluntary action can never substitute for effective governance. However, in order to overcome development challenges that conflict-affected countries are facing, the private sector's involvement is necessary and can make a difference.

In many post-conflict settings, private-sector investment can contribute to quick economic recover, with investments generating jobs, business opportunities and bringing managerial know-how and expertise to the local populations. Further, based upon mutual economic interests, the private sector is able to bring people in conflict situations together to work for common interests. Participating in post-conflict reconstruction efforts, developing partnership projects with civil society and local governments and building a culture of peace through advocacy and outreach activities are examples of companies' positive contribution to peace-building. Increasingly, businesses are seen as a valuable partner for building peace and creating positive social values in conflict-affected regions.

The question remains, however, how to ensure that the benefits of increasing economic interdependence make a positive contribution to sustainable peace and development? And what is the scope of the private sector's contribution in conflict prevention, post-conflict reconstruction and peace-building efforts?

Since 2001, the UN Global Compact has been leading efforts to foster constructive dialogue between business and other stakeholders on these issues and has developed a number of practical resources to support companies in adopting and implementing conflict-sensitive business practices. Simultaneously, the UN Global Compact advocates the positive role that companies can play in contributing to peace and development in challenging operating environments. A number of tools, initiatives and guidance material focus on addressing the challenges of business conduct in conflict-affected countries. This guidance has been developed to encourage companies to adopt conflict-sensitive business practices. The guidance includes: the UN Global Compact's "A Business Guide to Conflict Impact Assessment and Risk Management (2002)", International Alert's "Conflict-Sensitive Business Practice: Guidance for Extractive Industries (2005)", and the Organization for Economic Cooperation and Development (OECD)'s "Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (2006)" among many others. International initiatives to address conflict-associated risks include the Voluntary Principles for Security and Human Rights, the Equator Principles, the Kimberly Process and the Extractive Industries Transparency Initiative.

Despite efforts to enhance the private sector's capacity to make a positive contribution and to mitigate the negative impact of their operations, individual company and industry initiatives to promote conflict-sensitive practices have not been widely embraced and have not yielded a cumulative positive benefit to conflict-affected communities.

According to the Business and Conflict Survey jointly conducted by the UN Global Compact Office, American University and International Alert in April/May 2008, less than 50 per cent of respondents indicated that their companies have a statement, policy and/or strategy to address the challenges of operating in conflict-affected countries. The survey also shows that UN Global Compact participants have a strong interest in receiving more information about tools and good practices to help the private sector make a positive impact.

In response to the interests expressed by UN Global Compact participants, this publication showcases how companies from different sectors are contributing to peace and development in difficult environments around the world. It provides helpful examples of how companies from a variety of sectors operating in different conflict-prone or post-conflict environments around the world are dealing with some of the challenges they are confronting. The majority of examples are of companies operating in conflict-affected countries/areas<sup>1</sup>, though some of the examples are of companies operating in relatively peaceful countries that are facing significant economic and social development challenges such as poverty and violence.

The examples featured in the publication reflect three different types of corporate engagement: core business, advocacy, and strategic social investment.

**Core business** refers to corporate activities aimed principally at generating profits. This includes operations located at the company's own premises, branches, subsidiaries and/or joint ventures, as well as trading and procurement links with suppliers. Through core-business competency such as their human rights, workplace policy or stakeholder dialogue, companies contribute to advancing peace and development

**Advocacy** refers to initiatives in which companies collaborate with the United Nations, peer companies or other public entities to advance a specific cause or promote dialogue on important issues.

**Strategic social investment** includes the contributions by companies to help local communities where they operate and refers to wide array of in-kind donations to support social projects.

**They are categorized into five themes:**

1. Implementing the Global Compact Principles in Difficult Operating Environments
2. Stakeholder Engagement/Dialogue
3. Public-Private Partnerships
4. Post-Conflict Reconstruction Efforts

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1 The UN Global Compact takes an inclusive approach to this concept of conflict-affected countries and includes countries in three categories: a) countries vulnerable to violent conflict (the stage of latent conflict/unstable peace); b) countries in violent conflict; and c) countries in transition from violent conflict (post-conflict stage)

1. **Implementing the Global Compact Principles:** The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour standards, the environment and anti-corruption. Effective implementation of the UN Global Compact's 10 principles can help companies strengthen their capacity to address challenges arising from operating in conflict-affected countries. Given that environmental scarcity, corruption, systematic human rights abuses and inhumane working conditions are outcomes and triggers of violent conflicts, companies require a strategic approach to devising specific operational procedures to do business responsibly in conflict-affected settings. The examples profiled demonstrate that all companies, regardless of size or sector, can work to advance the UN Global Compact's principles in conflict-affected countries. Also, this publication features examples of company efforts in implementing other international initiatives such as the Voluntary Principles on Security and Human Rights and the Extractive Industries Transparency Initiative. As a useful tool for specific sectors, these complementary initiatives serve as the basis for management practice and training.
2. **Stakeholder Engagement:** Stakeholder engagement is a vital tool through which better informed business strategies can be developed. To understand potential or existing conflicts and design effective risk mitigation efforts across the range of a company's activities, effective, respectful, regular and transparent community engagement is essential. The examples featured in this guide illustrate how companies have engaged with local communities to address their needs and jointly develop community projects to ensure that local population also reaps the benefits of the company's presence.
3. **Public-Private Partnerships:** Partnerships focus on the many areas where private actors and public institutions can engage in win-win relationships such as poverty-reduction strategies, health, education and community development. Effective cross-sectoral partnerships can make it possible to overcome challenges that are too difficult or complex for one organization or sector to address alone, conflict-affected areas. The examples featured showcase how companies can develop meaningful partnerships that can be beneficial to conflict-affected populations.
4. **Post-Conflict Reconstruction Efforts:** Research confirms that economic recovery is essential to reduce the risks of a return to violence. The examples included in this publication demonstrate how companies, through their core business competencies can contribute to meaningful 'conflict-sensitive' post conflict recovery efforts.
5. **Building a Culture of Peace:** The UN General Assembly has declared the decade between 2001 and 2010 as the decade of "a culture of peace." Attaining a culture of peace requires more than the absence of violent conflict, but also active contributions to fostering values, attitudes and behaviors that reject violence. The examples featured in this guide demonstrate how companies can contribute to enhancing a society's capacity to deal with conflicts in a peaceful manner — whether through a company's core business operations or its strategic social investment initiatives.

While private action never substitutes governments' responsibility for peace, security and development, responsible business operations and transactions can reinforce positive accomplishments, build trust and stimulate peaceful and sustainable growth. The UN Global Compact believes that the business case for peace is strong and that the examples presented in this guide are encouraging. It is our hope that these examples will encourage additional companies to take a more proactive role in ensuring that their operations have a positive impact on development and peace.





## Research Summary: Survey on Business Response to Violent Conflict

**Kathleen Getz & Jennifer Oetzel,**  
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Kathleen Getz



Jennifer Oetzel

Over the last two years we have been working on a large-scale, multifaceted research project examining how foreign and local firms are responding to violent conflict in countries where they operate and what strategies, if any, they have adopted in response to conflict risk. To gain insights into these issues, we have been working with the UN Global Compact Office and International Alert, a London-based non-governmental organization that specializes in peace building. Together, we developed and implemented an online survey that was sent to UN Global Compact participants. This survey, which was administered in April and May of 2008, yielded 630 responses and 471 completed surveys.<sup>2</sup>

One of our first objectives in this research was to determine whether managers considered violent conflict to be a major problem for their businesses. Although the increase in violent conflict around the world since the end of the Cold War has been well-documented, there is less information on the effect of violent conflict on firms. Thus, it was unclear whether firms would consider violent conflict to be a major concern. In fact, a substantial number of respondents indicated that their company faced a moderate to significant risk that violent conflict may lead to:

- Direct attacks on communities surrounding their companies (23.1 per cent per cent)
- Unintentional damage to company premises (21.8 per cent per cent)
- Kidnapping of employees (19 per cent per cent)
- Physical attacks on employees (21.9 per cent per cent)
- Direct attacks on the company (16.4 per cent per cent)

Our next step was to investigate whether and how foreign and local firms were responding to violent conflict in countries where they operate and what strategies, if any, they adopted in response to conflict risk. We found that firms were indeed adopting strategic responses that directly or indirectly affect the conflict. Many of the firms were working alone, and some were working with other organizations to do so. Examples of the types of direct responses adopted by firms included: lobbying the government to actively resolve the conflict, speaking out publicly against violence and/or its causes, mediating interactions between parties to the conflict, and organizing negotiations among the conflict parties. Examples of indirect responses included actions such as: conforming to relevant global multilateral agreements, adopting human resource policies that avoid aggravating social and ethnic tensions in the society, donating resources to respond to local humanitarian crises, adopting industry codes of conduct for operating in conflict areas.

Over the past 10 years, a variety of resources have been developed to assist companies in implementing conflict-sensitive business practices and one aim of this survey was to assess progress made, as well as the needs of UN Global Compact participants and the ways in which the UN Global Compact Office could provide greater support in this area. Less than half (42.7 per cent)<sup>3</sup> of respondents reported that their company had a code of conduct, policy statement or other formalized response dedicated to addressing conflict risk. However, of those companies that did have a policy, the vast majority contained an explicit reference to the UN Global Compact, suggesting that participants see a strong link between conflict-sensitive business practices and the 10 principles.

When company representatives were asked to indicate a likely partner for improving their ability and effectiveness in responding to violent conflict, a majority of respondents (73 per cent) indicated that they would like to work with United Nations agencies (other potential partners included specialist non-governmental organizations (NGOs) — 41 per cent, specialist consulting firms — 42 per cent, specialist think tanks — 27 per cent).

In terms of how the UN Global Compact Office could provide additional support to GC participants in this area, respondents indicated that their firms would benefit from the following: (1) getting improved analysis and information about the country and the conflict (72 per cent), (2) improved understanding of the conflict impact on my company (67.8 per cent), (3) improved understanding of my company's impacts on the conflict (59.3 per cent), (4) networking and sharing lessons among peer companies (68.8 per cent), and (5) strong senior management commitment (67.3 per cent), among others. Combining these findings with later information on respondents' knowledge of different programmes and tools for addressing violent conflict was insightful.

Although respondents stated that their firms would benefit from greater information and analysis on responses to violent conflict, there are many tools about which companies are unaware (e.g., Conflict-Sensitive Business Practice Methodologies, Publish What you Pay, OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, etc.).

Aside from learning more about how firms are responding to violent conflict, we also learned more about why firms might respond at a particular time. A key reason is pressure from firm stakeholders. Specifically, both local and international sources of stakeholder pressure played important but different roles in the firms' strategic response to violent conflict. Pressure from local stakeholders such as consumers, employees, community leaders, government and the media, influenced strategic responses that had a direct impact on stopping violence altogether or ending a particular episode of violence. International stakeholder pressures — that is pressure from the company's home country government, international NGOs, shareholders, international media, consumers from the company's home country, and/or multi-lateral organizations - influenced indirect responses to violence.

While the survey provided much information about how and why firms respond to violent conflict, the individual case studies probed more deeply into the activities of particular firms. Many of the activities described in the case studies are indirect responses, which over the long term may help reduce the conflict that leads to violence. Others are more direct responses, intended to help alleviate a particular situation of violence.

2. These survey responses came from mid- to high-level managers at foreign and local firms operating in 80 different countries. Approximately 37.2 per cent of respondents were from firm headquarters, 47.1 per cent from local firms, and another 15.7 per cent from foreign subsidiaries. Respondents' firms were characterized by a wide variety of industries and company sizes. The largest industrial category was manufacturing (23.5 per cent), followed by finance, banking, insurance and real estate (15.2 per cent), and transportation utilities and communications (12 per cent). In terms of firm size, the companies were relatively evenly divided between small, medium and large-sized companies: 25 per cent of firms had less than 100 employees, 26 per cent had between 100 and 999, 26 per cent between 1,000 and 9,999, and another 23 per cent had 10,000 or more employees. Publicly held firms represented 38.6 per cent of the sample.

3. There were a total of 410 respondents to the questions discussed in this paragraph and the next.



## Research Summary: Valuing Peace for Business

### Steve Killelea, the Global Peace Index



Steve Killelea

Peace is notoriously difficult to define and even more difficult to measure. However the Institute of Economics and Peace (IEP), particularly in its work related to the Global Peace Index, has made substantial headway. IEP has developed a framework for measuring peace, understanding the factors that create peace and valuing increases in peacefulness. This enables business to place an economic value on peace and understand its impact on their markets, costs and profits.

Research undertaken using data from the Global Peace Index has shown that societies with well functioning governments, low levels of corruption, high participation rates in primary education, respect for human rights, freedom of the press and good relations with their neighboring states are more likely to experience low levels of violence.

Correlating the results of the Global Peace Index against global polling data has led to a new understanding of the social environment of peace. The most striking finding is the extremely high correlation (0.88) between a country's ranking in the Global Peace Index and how positively these countries are perceived by citizens of other nations. This implies that if a nation wishes to improve its international standing it should focus on increasing its peacefulness. Other societal attitudes that correlate with peace are: tolerance, belief in the importance of freedom of the press, respect for human rights, not believing that one's own nation is superior to others and believing that the use of the military should be limited and internationally sanctioned.

The benefits brought about by peace can also be measured in economic terms. Peace does in fact have a monetary value independent of the human values associated with it. It can be expressed in terms of the additional value to global GDP that would ensue from creating a peaceful world. IEP has released an insightful study that assesses the eco-

nomonic effect of the cessation of violence on the world economy. For 2007, the total effect could have been US\$ 7.2 trillion. This figure is comprised of \$US 2.4 trillion that would shift from violence-related industries to other economic activities and \$US 4.8 trillion that would be generated from additional economic activity that had been suppressed by violence. It is important to note that these figures are highly conservative estimates.

If the cost of reducing levels of violence in society was significantly lower than economic activity lost due to violence, would it not be fitting for businesses to engage with government and civil society to create peace in the markets in which they operate?

Contrary to the 'Defense Industry', there is no commonly understood concept of what constitutes the 'Peace Industry'. The Peace Industry is comprised of those companies and industries whose markets expand and/or whose costs decrease with increased peacefulness. Examples include retail, financial services, tourism and insurance. As research indicates that there is a relevant relationship between a nation's ranking in peacefulness and the size of its retail sector, changes in peacefulness could be used to calculate corresponding adjustments in its market size. Such analytic approaches will help business better assess opportunities and avoid risks.

Peace metrics can therefore be used by businesses in their strategic planning. This would not fall in the corporate social responsibility (CSR) arena of a company, but would inform strategic analysis. The Global Peace Index calculates country's relative levels peace, defined as the absence of violence, through 23 different measurements. Each of these measurements can have a different impact on a particular product and company. The following examples provide some simple illustrations of how peace metrics can be incorporated into business analysis:



- Goods should increase in cost as violence increases. Therefore by benchmarking the end price of goods and profit by market and violence within those markets, a company should be able to better understand the impact of fluctuations in violence.
- A three dimensional model using peace, size of market and market penetration can shed light on where to invest. Markets with a high penetration and high violence are unlikely to provide opportunity, however different combinations of market penetration and peacefulness could offer potential investment opportunities.
- Markets with improving peacefulness are more likely to be better places to invest as research shows these markets are more likely to experience higher GDP growth.
- Reviewing the source of product components, their supply lines, the level of violence and the movement of violence in these areas will expose present and future risk.

- Understanding the impact of violence on investment will lead to improved analysis of the cost of establishing an entity and time to break even on an investment.

In summary, the measurements of peace provided by the Institute for Economics and Peace allow business, as well as multilateral, government and non-profit entities, to identify the economic value of peace where they operate.

Businesses now have the potential to identify the economic impact of actively engaging in promoting peace. More importantly, they will have new tools to help them analyze their business, providing competitive advantage in their strategic risk and opportunity assessments.

# 1 Implementing Global Compact 10 Principles Chapter Overview

The UN Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour standards, the environment, and anti-corruption. Effective implementation of the UN Global Compact's 10 principles can help companies strengthen their capacity to address challenges arising from operating in conflict-affected countries. In addition, complementary voluntary initiatives designed to address specific challenges arising in conflict-affected countries, including the Extractive Industries Transparency Initiative (EITI) and the Voluntary Principles on Security and Human Rights are helpful to strengthening companies' efforts to implement the Global Compact 10 Principles. The EITI aims to strengthen governance in resource-rich countries by improving transparency and accountability through the verification and full publication of company payments and government revenues from the extractives sector. The Voluntary Principles on Security and Human Rights guide companies in ensuring the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.

The examples profiled demonstrate that all companies, regardless of size or sector, can work to advance the UN Global Compact's principles in conflict-affected countries. The examples featured in the publication include: a small food company in Cote d'Ivoire brought their employees together to overcome internal divisions exacerbated by violent conflict (Labour); a Malawi's tea company partners with community members and local government to improve community policing (Human Rights); a Canadian oil company implements human rights policies in their operation in Colombia (Human Rights); a Sudanese food and drink company addresses the country's deforestation issue by updating its supply chain-partners' cooking stoves and planting trees (Environment); and an Indian oil company engages in an effort to implement anti-corruption measures by joining the Transparency International's Integrity Pact (Anti-Corruption). Also, a British oil company showcases how it has implemented the Voluntary Principles in its global operations (Human Rights) and a Brazilian oil company illustrates its effort in implementing EITI (Anti-Corruption).





## Innovative Ways to Integrate ‘Securely’ with Local Communities

### Company:

British Petroleum Plc

### Industry Sector:

Oil and Gas

### Country of Origin:

London, UK

### Location(s):

Georgia, Indonesia, Azerbaijan, Colombia

### UN Global Compact Signatory

Since 2000

### Types of Engagement:

Core Business

### GC Issue Areas:

Human Rights

### Introduction

British Petroleum (BP) is among the largest and oldest energy companies in the world with assets in excess of US\$ 220 billion and 100 years of operating history.<sup>4</sup> During this time BP has gained considerable experience in the social, environmental, and political challenges of extraction. Along with many major corporations, BP faces the dilemma of managing physical and human security on a daily basis.

### Challenges

This challenge to secure staff, plants and assets is often problematic when operating in countries with conditions of extreme poverty, inequality or when rule of law is not effectively upheld. In these cases, the presence of high value commodities (oil, diamonds, etc) can exacerbate local conflicts and compound problems for vulnerable communities. (Axworthy, 2001) The difficulty of operating in these circumstances and lessons from past mistakes has been an area of focus for the International Business Leaders Forum in their 2002 report on human right issues.<sup>5</sup>

*“Violence and instability has made it necessary for extractive companies to take measures to protect their personnel and assets by using their own armed guards, or by entering into arrangements with private security firms or with state security forces. These arrangements can be dangerous in terms of contributing to human rights violations and result in harm to reputation as a number of companies have discovered to their cost.”*  
(Frankental & House, 2000)

### Relevant Activities

Given BP’s membership in the Voluntary Principles on Security and Human Rights (the ‘VPs’) forum, with its operating principles that declare a commitment to the safety and development of communities and societies in which they operate<sup>6</sup>, BP continues to take steps on implementation.

Typical characteristics of project implementation include human rights-based security training for guards, support for training partnerships with local law enforcement and transparent external evaluation reports. BP has also included consultative and contractually binding security principles in a number of major investment projects.<sup>7</sup>

Four projects are presented below.

- Integrated Community-based Security, as implemented in Tangguh, Indonesia, establishes shared responsibility in maintaining security under a partnership between community, government and BP. Guards are locally recruited and trained and provide plant security with support from the Papuan police if needed. In a recent external assessment it was noted that the community-based security model had won support of all local and national actors.
- The Baku-Tbilisi-Ceyhan pipeline is a particularly challenging project from a security perspective, and involves managing relationships with three governments and many local communities. BP negotiated principles and procedures on security with the Azerbaijan and Georgian governments. These include defined standards on the use of force and firearms, as well as for employment, training, consultation and disclosure measures covering all BP-operated assets in the region. In order to ensure transparency, security monitoring conducted by an external assessor has been published on-line.
- In Georgia, BP has provided extensive training to staff of a local security company which provides unarmed guarding services for BP’s facilities. A key feature of this training is to develop effective stake-

4. BP plc Group Results First Quarter 2009, [www.bp.com](http://www.bp.com), “Investors.”

5. International Business Leaders Forum materials available on [www.business-humanrights.org](http://www.business-humanrights.org).

6. Adapted from BP operating principles, [www.bp.com](http://www.bp.com), “How we operate.”

7. Human Rights Guidance Note 2006, [www.bp.com](http://www.bp.com), “Human Rights.”

holder communications and the need for restraint in response to potential security threats. These courses, which also include BP managers and community liaisons, enhance knowledge of local, international and BP's own practices on human rights. Training courses for new recruits and for officers within the government's Strategic Pipeline Protection Department (SPPD) were provided from January 2006 to 2009. BP supported the initiative through engaging an external training consultancy to provide continued training regarding communications, conflict resolution, the application of the United Nations Code of Conduct for Law Enforcement Officials, rules of engagement, winter survival and rescue and first aid. The course emphasized to all trainees that the use of force is to be proportional to the threat posed, and that any use of force is to be reported.

- In Colombia, BP maintains ongoing support for education of public security in international humanitarian law (IHL), though its sponsorship of the IHL military training track in Cupiagua. Training at the facility combines classroom time and re-enactment of situations through roleplay. Since the inauguration of the facility in 2003, more than 20,000 soldiers have gone through the training.

**Benefit to the Company and Society:** It can be seen that by adopting this approach to security BP is developing an inclusive model that defines a new standard for transparency in security operations. In the 2001 paper on Human Security and Global Governance, Lloyd Axworthy, for former Canadian foreign minister and Nobel Peace prize nominee, called for a broadening of the security concept to include greater partnerships across private companies and civil society. These features can be seen to be effectively demonstrated in the Voluntary Principles.



*"By developing clearly enunciated principles companies will be better prepared to navigate some of the difficult ethical decisions that businesses can face when operating internationally".*  
(Axworthy, 2001)

Working with the local community to create an integrated security force presents the opportunity to develop mutual trust, respect, and employment in the local community can lead to closer relations and considerably lessen the chances of misunderstanding leading to violence or security issues.

#### **Supporting evidence from Stakeholders:**

Evidence of the success of this approach can be seen in the various external reviews that have been conducted on BP's security practices. In "lessons learned" review by International Finance Corporation (IFC)--World Bank the handling of security and human rights issues on major infrastructure projects was praised and has since been adopted for other IFC funded programmes. Observations from Indonesia applaud local security and human rights training and call for wider adoption.

*This example was developed by Paul Caulfield.*

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## Mitigating Risks through Corporate Responsibility Standards and Stakeholder Dialogue

### Company:

Talisman Energy Inc.

### Industry Sector:

Oil and Gas

### Country of Origin:

Canada

### Location(s):

Colombia

### UN Global Compact Signatory

Since 2004

### Types of Engagement:

Core Business

### GC Issue Areas:

Human Rights

### Background

Talisman Energy Inc. operates in 13 countries around the world, some of which are affected by civil and environmental challenges. Talisman has been present in Colombia since 2001 with a small staff working on non-operational, exploration activities in partnership with other companies. In 2008, Talisman expanded its operations in the country when it was awarded two areas, Blocks CPE 8 and CPO 9, by the Colombian government.

### Challenges

Colombia has found itself embroiled in internal fighting throughout its rocky history and Talisman faces the challenge of working in rural areas of Colombia that are affected by the conflict. Various indigenous groups inhabit many of these areas and they are extremely concerned about safety because they have been often caught in the middle of many power struggles. Since indigenous groups live mainly in the rural areas where much of the fighting occurs, they are often bear the brunt of human rights violations by the various actors involved in the fighting. The abundance of natural resources that are found on these rural areas are an added security concern for the indigenous groups as control over these resources would be a valuable asset to the fighters.<sup>8</sup> Talisman's main concern is to maintain a peaceful environment for the safety of its employees and contractors while exploration work is underway.

### Relevant Activities

In order to integrate corporate responsibility within its daily operations, Talisman incorporates many international corporate responsibility initiatives and agreements (including, among others, the UN Global Compact, the Voluntary Principles on Security and Human Rights and the Extractive Industries Transparency Initiative) into a comprehensive set of the company's values laid out in its Policy on Business Conduct and Ethics. The Policy applies consistent standards, not only to Talisman employees, officers and directors, but

also to independent contractors working for Talisman. Additionally, Talisman promotes the application and compliance of these ethical business practices by their joint venture partners and third party suppliers.

In response to security concerns, Talisman has taken many precautionary measures, which includes incorporating the standards established by the Voluntary Principles into its activities. This involves conducting preliminary security and impact assessments in the blocks prior to initiating any on-the-ground exploration activity and developing a documented stage gate mitigation process, a due diligence system. Certain guidelines such as security and safety standards and community consultation must be met for the project to proceed further. High-ranking Talisman officials discuss the assessment during several internal reviews and decide whether or not the work can continue to the next phase. Prior to proceeding through each gate, Talisman officials consider human rights, community relations, environmental protection and security in each block.

In accordance with the Voluntary Principles on Security and Human Rights, Talisman's security staff members attend regular human rights training sessions and use only defensive and non-lethal measures when security situations have arisen. As part of the Company's on-going efforts to support and respect human rights in the country, Talisman finalized an agreement with the Colombian government that includes contract clauses binding the government to adhere to the principles of any humanitarian agreements to which Colombia is a signatory.

Talisman also interacts with stakeholders on all levels of Colombian society, such as governments, NGOs and local communities, with a goal to enhance the understanding of the local stakeholders' concerns. This continuous dialogue also allows the company to inform the stakeholders on current Talisman operations in the area.

8. Minority Rights Group International, World Directory of Minorities and Indigenous Peoples - Colombia : Overview, May 2008, available at: <http://www.unhcr.org/refworld/docid/4954ce5dc.html> [accessed 23 August 2009]



Benefits to the Company and Society: In implementing the company's Policy on Business Conduct and Ethics, Talisman is able to enhance its reputation among its broad range of stakeholders in the areas it works. Due to the strict internal standards and risk mitigation processes Talisman has implemented throughout the planning stages of its

work, the company has been able to decrease its level of security risks and also maintain a transparent and consistent dialogue with its various stakeholders. The policy enables the company to uphold its standards and values in its operations worldwide.

*This example was developed by Cydney Gumann.*

#### **References**

Talisman's 2008 Corporate Responsibility Report

## Participating in Community Policing

### Company:

Satemwa Tea Estates

### Industry Sector:

Food Producers

### Country of Origin:

Malawi

### Location(s):

Thyolo, Malawi

### Partners:

Thyolo Police, Thyolo Community

### UN Global Compact Signatory

Since 2004

### Types of Engagement:

Strategic Social Investment

### GC Issue Areas:

Human Rights

### Background

Established in 1923, Satemwa Tea and Coffee is a family-run farm in Thyolo, a small town in Malawi's Shire Highlands. As a result of its long-standing presence, Satemwa is rooted in its social surroundings and has developed a mutually dependent relationship with the community. Satemwa goes beyond its core business of making tea and engages in various community projects, including: community policing, HIV/AIDS prevention, education, partnerships with local smallholder tea farmers, and wildlife and environmental protection.

### Challenges

To tackle a high crime rate and to reform the Malawi Police Force, the Malawi government adopted a community-based policing model aimed at re-orientating the police away from a centralized, top-down model to a community-based, accountable model whose top priority is serving its community. This means that, in Malawi, communities share responsibility with the government for keeping their home areas safe.

### Relevant Activities

Community policing is perhaps the most distinctive of these activities that Satemwa participates in. Since 1997, Satemwa has supported the local Thyolo chapter. This involves tripartite cooperation between Satemwa, the local district assembly and the local police. The investment reflects Satemwa's conviction that the community is one of its most important assets. Satemwa's objectives are to:

- Prevent crimes affecting workers, their households, and other members of the community
- Strengthen neighborhood responses to crimes
- Encourage and strengthen crime prevention activities
- Provide a link between the community and the District Police.

Satemwa makes available transport and radio communication for local police and the community watch in times of need and radio communication and coordination meetings between the partners are held quarterly and whenever necessary.

The programme has achieved substantial results. More than once, Satemwa has been a key player in ensuring collective security. The most common crimes that the security group encounters are domestic violence and other forms of assault, break-ins and petty thievery. In cooperation with the community security group, Satemwa's security team has apprehended robbers and delivered them to the local police station. Satemwa lacks detailed records on the numbers and details of crimes it has responded to or prevented, but it appears that the cooperation between Satemwa and the town authorities is reducing their frequency.

### Outcomes/Impacts

The community policing programme has increased community ownership of the security process and improved communications among different parts of the community regarding security-related issues. Along with its other community activities, Satemwa's role in maintaining a peaceful community has created goodwill among the local population.

One of Satemwa's most important resources is its workforce. Its community programme supports the wellbeing of this workforce, which in turn promotes higher workforce productivity. Satemwa therefore enjoys an advantage over its competitors by providing a better work-life environment to its employees and thereby enhancing their productivity.

Despite the programme's successes, it has encountered difficulties. Satemwa has been unable to provide enough material goods for the chronically under-funded community





security group. Vehicles and a short-wave radio for example, would be highly useful but remain out of reach and as a result, Satemwa lends the security group its own equipment. For the programme to improve, however, additional equipment will be necessary.

#### **Benefits to the Company and the Community**

Satemwa's cooperation with the community has paid dividends to both entities. Security has improved, thereby improving residents' quality of life. Other community activities undertaken by Satemwa also contribute significantly to stakeholders' wellbeing.

#### **Lessons Learned**

Satemwa's relationship with the community is not perfect. It has been the victim of land encroachment, vandalism and theft. This may indicate that its priorities are not always completely in line with the community's. However, the relationship is still far more positive than those most businesses have with their host communities. This can be attributed to two factors: the company's long-standing presence in Thyolo and its recognition that it depends on the community for survival and profitability.

*This example was developed by Ryan Walther.*

## Combating Internal Divisions Over the Dinner Table

### Company:

Protina

### Industry Sector:

Food & Drinks

### Country of Origin:

Cote d'Ivoire

### Location(s):

Abidjan, Cote d'Ivoire

### UN Global Compact Signatory

Since 2007

### Types of Engagement:

Core Business

### GC Issue Areas:

Labour

### Background

Protina, a small, family owned food and drink company founded in 1998 has expanded over the last decade from 18 turquoise painted pinewood kiosks to distributing its products to supermarkets across Abidjan. In the beginning of its operation, Protina employed three Africans from neighboring Burkina Faso among its workforce and divided their small group of 19 employees into day and night shift teams.

Fighting in Cote d'Ivoire began in late December 1999 when General Robert Guei overtook control of the government.<sup>9</sup> In September 2002, civil unrest erupted into violence after an unsuccessful attempt by insurgents to remove the reigning President Laurent Gbagbo created a rift within a country. United Nations peacekeeping forces joined the existing French peacekeeping presence, albeit with little success in sustaining a peaceful environment.<sup>10</sup> Tensions within the cities and countryside continued to rise as a wave of xenophobia broke out in parts of the country. Africans from neighboring countries were targeted, as well as those of non-African heritage. The planned presidential elections of 2005 were suspended, and the country remained in a state of unrest until President Gbagbo signed the Ouagadougou peace accord in March 2007 with the rebel group Forces Nouvelles, which led to their leader Guillaume Soro becoming Prime Minister.<sup>11</sup>

### Challenges

Protina first found itself in the middle of this struggle in 1999 as its supply of soybeans coming from the north was cut off and the company lost three of its kiosks during the riots. On several occasions, Protina had to close the doors of its shop while demonstrators took to the street. Many of Protina's stands were also moved during these difficult times. One of the major concerns facing Protina, however, was a growing unease among its many employees, who all came from different backgrounds. As xenophobia spread across Abidjan, tensions between Protina's employees began to rise. Many of the Burkinabe workers began to feel some discrimination by the manager, who

was reportedly prejudiced against foreign workers. He finally quit opening the business and some employees also began to leave because they began to feel unwelcome.

### Relevant Activities

Protina began to organize special dinner events as a way to bring together all of its employees. These dinners created a comfortable environment in which Protina could bring together the day and night shifts and allow them to express any grievances. Although the employees were shy about expressing their concerns at first, over time the employees began to feel more comfortable bringing their opinions forward. Although a delegate was selected by each shift to speak on behalf of the group, every member of the staff had an opportunity to discuss their own personal viewpoints.

### Impacts / Benefits to the Company & Society

By hosting these dinners, Protina was able to continue its business throughout the fighting. Employees felt comfortable expressing their concerns in a constructive manner. These events helped foster a sense of respect among the employees and build solidarity between the shifts. By the time the last dinner occurred, each shift had a list of concerns, which Protina worked to address. Specific concerns varied between the two shifts, but included issues ranging from problems with the manager's behavior to what wages were being paid.

Protina strived to meet the concerns voiced by their employees during this time, including offering pay increases. Throughout the course of the dinners, Protina's staff was able to develop their own solutions to help ease the tensions within the company, which allowed Protina to continue focusing its attention on the daily running of its business and meet the high standards it has set for itself in customer satisfaction. The dinners also created a time to celebrate the worker's triumph of sticking together during difficult times, which helped to create a more positive working environment.

*This example was developed by Cydney Gumann.*

9. "Cote d'Ivoire: The Worst May Be Yet to Come," International Crisis Group, 24 March 2005, <http://www.crisisgroup.org/home/index.cfm?id=3335&l=0&m=1>

10. "Cote d'Ivoire," International Crisis Group, <http://www.crisisgroup.org/home/index.cfm?id=1235>

11. "Cote d'Ivoire," International Crisis Group, <http://www.crisisgroup.org/home/index.cfm?id=1235>





## The Green Bakery Initiative

### Company:

Sayga Food Industries

### Industry Sector:

Food Sector

### Country of Origin:

Sudan

### Location(s):

Sudan

### Partners:

Nile Petroleum Company, National Forestry Corporation, Sudanese Environment Conservation Society, Bakeries Owners Union, Higher Council for Environment, UNEP, UNESCO, and University of Khartoum

### UN Global Compact Signatory

Since 2009

### Types of Engagement:

Strategic Social Investment

### GC Issue Areas:

Environment

### Background

According to the United Nations Environment Programme (UNEP) report, environmental scarcity has increased the likelihood of conflict in Sudan. Indeed competition over oil and gas reserves, forests and water have at times turned violent. Many of Sudan's natural resources are being degraded at an alarming rate and the country's forests are among its most crucial and most severely depleted resources.<sup>12</sup> The Food and Agriculture Organization (FAO) estimates the forestry sector accounts for up to 13 per cent of the country's GDP. Forests provide rural Sudanese with food, medicinal plants and land for grazing and hunting. Approximately 8,835,000 hectares (or 11.6 per cent) of Sudan's total forest cover was destroyed between 1990 and 2005.

### Challenges

There are approximately 5,200 traditional bakeries in Sudan, consuming an average of 550,000 tons of firewood per year between 2000 and 2005. These traditional baking stoves also emit harmful smoke particles and are believed to be so potent that they are considered by some to be the second biggest driver of climate change after carbon dioxide. Harmful smoke particles emitted from the traditional baking stoves have caused respiratory illnesses and other health problems. According to market research on consumer behavior, this number is likely to increase in the coming years as bread is quickly replacing Sudanese traditional meals. In order to address Sudan's highest deforestation rate in Africa and its negative impacts on society, Sayga Food Industries embarked on a project called "Green Bakery" that will attempt to reduce the business community's environmental footprints.

### Concrete Actions

Established in 1996 as a wheat mill producer, Sayga Food Industries is one of the largest companies specializing in the production, processing and distribution of food products in Sudan. As a responsive business practice to contribute positively in mitigating this disastrous situation, Sayga has initiated

and endorsed the Green Bakery project. The project aims to reduce the consumption of firewood at bakeries and lower the emission of harmful smoke particles by upgrading baking stoves used at traditional bakeries. The project also aims to increase bakers' productivity and reduce the degree of occupational hazards. In partnerships with the country's 'bakers union', Sayga has urged traditional "Baladi" bakers to use liquefied petroleum gas (LPG) as a fuel.

In an effort to encourage traditional bakers' involvement, the company offers gas burners with 30 per cent discounts and provides free technical support for installation, training and ongoing maintenance services. Furthermore, in order to reach bakeries in remote areas, Sayga, in collaboration with Nile Petroleum Company, provides gas tanks. When gas supplies are absent, the company, in partnership with UNEP, explores a possibility of utilizing solar energy or other alternative energy sources. Simultaneously, in collaboration with the Sudanese Environment Conservation Society, Sayga engages in an awareness raising campaign by planting trees at bakeries that embrace a new baking stove and thereby reinforce the need to save Sudan's forests.

### Benefit to the Company and Society

The Green Bakery Project is beneficial to the company as it increases the pride of employees. This is a pioneering corporate responsibility project in the country and a number of employees are involved in the project, including those who are working in the finance, customer services and technical maintenance departments. Many of them indicated their satisfaction to be part of this corporate social responsibility effort. In addition, using its strong business relationships with bakers, the project set up the baking industry's corporate responsibility agenda.

For society, thus far, 820+ traditional bakeries have adopted this new system in more than 12 cities throughout Sudan as the first phase of the project, which aims to both install 2,000 LPG burner systems and plant

12. UNEP (2007). "Synthesis Report: Sudan Post-Conflict Environmental Assessment," Nairobi: UNEP.





20,000 trees across Sudan by the end of 2009. In order to better assess the impact of this project and the possibility of replicating it, the company is currently exploring partnerships with a number of organizations such as United Nations Development Programme (UNDP), FAO, UNEP, and National Forestry Corporation. Through the partnerships, the company hopes to better identify the direct impact that this project is making to reduce firewood consumption.

#### **Lessons Learned**

The Green Bakery Project demonstrates that all companies, regardless of size and sector, can make contributions to improving their

communities by using their influence and forming effective partnerships. Two important lessons were learned to improve the project in the future. First, it is critical to identify the realistic needs of infrastructure in order to install a LPG gas burner. Without a constant gas supply, the replacement of a LPG gas burner would not reduce the production cost for traditional bakers. Second, stronger partnerships with local grassroots organizations must be made in order to effectively reach out villagers. In the second phase of the project, the company plans to enhance its link with community-based organizations.

*This example was developed by Lena Mahgoub.*

## Innovative Environmental Campaign

**Company:**  
UC RUSAL

**Industry Sector:**  
Aluminum and Alumina

**Country of Origin:**  
Russian Federation

**Location(s):**  
Russian, Guinea, and Jamaica

**UN Global Compact Signatory**  
Since 2002

**Types of Engagement:**  
Strategic Social Investment

**GC Issue Areas:**  
Environment

### Background

UC RUSAL Russia is the world's largest producer of aluminum and alumina and operates in five continents. With many of its facilities built at a time when there was little regulation, the company is aggressively updating its production processes to address carbon emissions, and is also working toward promoting sustainable business practices. A major challenge to companies from emerging markets, including UNITED RUSAL, is how to maintain its business competitiveness while at the same time trying to practice conservation and minimize environmental impacts.

### Challenges

Environmental scarcity, which is caused by climate change, unsustainable use of resources and rapid population growth, can adversely affect a population, causing displacement, economic decline and even violence.<sup>13</sup> Aluminum production is one of the most energy intense industries, and many of the production facilities at UC RUSAL were built at a time where energy conservation and environmental protection were not at the forefront of the industry. The company faces the dual challenge of updating its infrastructure during a time of global economic hardship, while also trying to reduce carbon emissions.

UC RUSAL is working toward maximizing the utilization of environmentally friendly energy by focusing on hydro-electricity and ensuring that the company is able to use coal in a more efficient way. These efforts require the company to spend billions in research and development of new technology and production facilities. As a multinational corporation, UC RUSAL must take into account the various stakeholders, including the local population, governments and their key constituents when revitalizing its system to be more eco-friendly. The unique needs of each region must be considered when implementing their environmental programme.

### Relevant Activities

UC RUSAL has set goals to reduce direct greenhouse gas emissions from the company's smelters by 50 per cent by 2015 and to become carbon neutral over the long-term. In order to achieve these goals, the company has taken steps to implement an awareness programme in its existing facilities, to close the most unsafe facilities that are major contributors to pollution, and to construct new eco-friendly factories that are designed to combat toxin release into the environment.

Since 2000, RUSAL, has spent over US \$1 billion on its environmental initiatives. Some of the most recent production improvements that led to positive environmental effects include:

1. At its Krasnoyarsk smelter in Russia, the company converted a potroom to the colloidal anode paste technology, which will help in capture more than 95 per cent of hazardous emissions.
2. At the Irkutsk smelter in Russia, the company added dry gas scrubbers, which were designed by in-house research and development specialists and are capable of purifying over 1 million cubic meters of reduction gases per hour.
3. In the RUSAL refinery in Fria, Guinea, the company ensured that 45 tons of PCBs — toxic chemicals that have long-term health consequences — were destroyed in Saint-Vulbas, France. This has prevented the release of hazardous chemicals into the environment.
4. At the company's refinery in Aughinish, Ireland, a gas-fired thermal power station, was built to reduce the energy usage at the plant. As a result, the refinery has reduced its carbon dioxide output by half.

13. Homer-Dixon, Thomas F. (1994), "Environmental Scarcities and Violent Conflict: Evidence from Cases," *International Security*, Vol.19, Nov. 1, pp.5-40.





5. In Jamaica, the company works with locals to establish a clear dialogue on environmental rehabilitation work, thus engaging key stakeholders in these regions to minimize the environmental impact of operations.

#### **Benefits to Society and the Company**

By utilizing new technology in its efforts to reduce carbon dioxide emissions, UC RUSAL has been able to improve in its energy output, reduce its production costs and create a dialogue in the Russian community around sustainability and environmental practices. Its gains in energy efficiency at the Anghin- ish facility have enabled the company to supply surplus energy production to the National Grid in Ireland. In 2008, UC RUSAL

partnered with other firms, creating the first global study into CSR in Russia, which highlighted environmental initiatives being conducted in the country.

#### **Lessons Learned**

The organization has learned that a comprehensive programme on a multinational level takes commitment from a company's leadership that it must be an ongoing effort adapted at all levels of the organization. Also, recent downturns in the economy have shown that by operating more efficiently and implementing more sustainable practices, RUSAL has lowered its production costs, which gives it an edge over other companies.

*This example was developed by Derrick Harmon.*

## Joining the Transparency Initiative's Integrity Pact

### Company:

Oil and Natural Gas Corporation

### Industry Sector:

Oil & Gas

### Country of Origin:

India

### Location(s):

Global

### Partner:

Transparency International

### UN Global Compact Signatory

Since 2003

### Types of Engagement:

Core Business

### GC Issue Areas:

Anti-Corruption

### Background

The Oil and Gas Corporation Ltd. (ONGC) is an Indian Public Sector Undertaking (PSU). It has received much recognition for its high performance and is the only Indian company to be listed on Fortune 500's list of the World's Most Admired Companies (2007). Such achievement by an Indian parastatal is particularly noteworthy because although the Indian government has made inroads against bureaucracy and corruption in past years, many challenges remain. Transparency International ranked India 72 out of 180 countries on its Corruption Perceptions Index<sup>14</sup> and India ranked 50 out of 134 in the World Economic Forum's ranking of Global Economic Competitiveness.<sup>15</sup>

### Challenges

One of the reasons for the company's competitiveness, according to ONGC's Chairman and managing Director R.S. Sharma, is its dedication to ethical business practices. As a PSU, ONGC adheres to strict corporate governance standards as laid down by the Indian government. However, the company is gigantic: it employs almost 40,000 people and had about US\$ 20 billion in sales in 2008. The extent of the firm's partnerships up and down its value chain makes it a ripe target for corruption. Despite adhering to corporate governance standards, ONGC's employees and those of its suppliers are inevitably tempted to cross the Lakshman Rekha— a figurative, traditional Indian line in the sand which delineates ethical practices from unethical ones.

### Relevant Activities

To prevent this, ONGC has taken a proactive approach and gone beyond standard corporate governance practices. In 2006, ONGC became the first Indian company to sign an Integrity Pact with Transparency International (TI). The TI Integrity Pact acknowl-

edges and addresses the difficulties inherent in maintaining ethical standards not only within an organization, but between organizations. While managers can establish strict ethical guidelines governing their own organizations, controlling that organization's interactions with external entities is more difficult. Indeed, the Integrity Pact is a tool designed specifically to prevent corruption within ONGC's contractual operations.

Broadly, it has two intermingled objectives: to reduce the pressure bidders often feel to offer bribes and to prevent the cost of such corruption from being passed on to stakeholders. Specifically, the Integrity Pact consists of legally enforceable agreements between ONGC and all bidders for ONGC contracts prohibiting the following: offering, demanding or accepting bribes; colluding with competitors; and other variations of corruption.<sup>16</sup> ONGC applies the Integrity Pact's proscribed methods to all of its contracts with partners and suppliers, which spreads the benefits of the Integrity Pact not only to its partners, but its partners' stakeholders.<sup>17</sup>

The Integrity Pact has teeth: it provides an independent monitoring system and in the case of violations, bidders are subject to an arbitration mechanism. If this does not produce an outcome acceptable to all parties, a previously agreed-to set of sanctions may be enforced, including: "denial or loss of contract; forfeiture of the bid security and performance bond; liability for damages to the principal and the competing bidders, and; debarment of the violator by the principal for an appropriate period of time."<sup>18</sup>

### Benefits to Society and the Company

As of 2010, close to 1,000 vendors had signed the integrity pact and more than 100 complaints have been reviewed by the Independent Monitors (IEMs). Success can be judged

14. Transparency International website: Contracting Tools, <http://www.transparency.org/tools/contracting>.

15. World Economic Forum: <http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm>.

16. Transparency International website: Global Corruption Report/Corruption Perceptions Index. Pg 187-190. Available at [http://www.transparency.org/publications/gcr/gcr\\_2008#7.3](http://www.transparency.org/publications/gcr/gcr_2008#7.3).

17. Sharma, R.S. "Integrity as Integral Business Philosophy: ONGC Experience," RITES, January 2009, Pg 10.1-10.8

18. Transparency International, "The Integrity Pact: The Concept, the Model and the Present Applications: A Status Report," 31 December, 2009, available at [http://www.transparency.org/global\\_priorities/public\\_contracting/integrity\\_pacts](http://www.transparency.org/global_priorities/public_contracting/integrity_pacts).



by whether flagged cases increase or decrease over time; insufficient time has lapsed, however, to draw any definite conclusions.

There are regular meetings with vendors in order to provide an opportunity for them to raise grievances, doubts or ask any questions with regard to the Integrity Pact. After adopting the Integrity Pact, the processing of contracts has become faster, the number of lawsuits filed has been reduced, vendor satisfaction has increased, rates have become more competitive, and the company's brand image has improved.

So far, however, ONGC's attitude — as attested by its pro-active engagement with

TI— indicates that progress will come. ONGC's upstream and downstream partners' involvement is also encouraging; feedback from companies ranging from Halliburton to Hyundai has been enthusiastically positive.

As a PSU, ONGC's stakeholders include every citizen of India. The Integrity Pact has benefited those stakeholders by reducing corruption, thereby saving taxpayers money. In addition, implementation of the Integrity Pact has cut ONGC costs by reducing the amount that it would otherwise have spent on legal fees and by reducing the time spent by management addressing corruption problems.

*This example was developed by Ryan Walter.*

## Using EITI to Promote Transparency Throughout the Work of Petrobras

### Company:

Petróleo Brasileiro S/A – PETROBRAS

### Industry Sector:

Energy

### Country of Origin:

Brazil

### Location(s):

Brazil and other countries

### UN Global Compact Signatory

Since 2003

### Types of Engagement:

Core Business

### GC Issue Areas:

Anti-Corruption

### Background

In recent years, there has been increasing understanding that greater transparency and accountability in revenues from natural resources is fundamental to the promotion of peace and more equitable development.<sup>1</sup> Petrobras, as the largest energy company in Latin America and seventh largest in the world with shares in the stock exchange<sup>2</sup>, has ideas acknowledged this. With a daily production of 1,978,000 barrels of oil and liquefied natural gas,<sup>3</sup> Petrobras is present in Brazil and 27 other countries, and is active in oil and oil by-product exploration, production, refining, marketing and transportation.<sup>2</sup>

### Challenges

Petrobras is a publicly traded company controlled by the Brazilian government and operates in areas where governance is weak. Because governance is so weak, it is all the more important for the company to operate transparently.

### Relevant Activities

Petrobras' efforts to be as transparent as possible include a number of policies and practices. The company has been a signatory to the U N Global Compact since 2003, and has been actively participating in its recently created Anti-corruption Working Group. In addition, it is also engaged in the Partnering Against Corruption Initiative (PACI), through which it commits to define and implement a zero tolerance policy on bribery.

Petrobras' participation in the Extractive Industry Transparency Initiative (EITI) is a further demonstration of this wider transparency framework. The EITI is a multi-stakeholder initiative that promotes greater transparency and good governance in countries rich in natural resources, through the publication and verification of government revenues and companies' payments in the oil, gas and mining sectors<sup>4</sup>. The initiative believes that that good governance can ensure that revenue proceeding from the exploitation of natural resources can generate better living conditions for local popula-

tions.<sup>4</sup> If governance is weak, however, these revenues can be a disruptive force within the country, fostering poverty, corruption and conflict. Although the EITI process is implemented by governments, the participation and support of other stakeholders, notably companies, is fundamental to its success.

Petrobras has been engaged in the initiative since 2005, when it was invited to participate in its International Advisory Group (IAG).<sup>4</sup> In 2006, the IAG was converted into the EITI Board<sup>5</sup>, of which Petrobras was a member until early 2009, supporting the strengthening of the initiative. Within Petrobras' operations, the engagement on EITI was a confirmation of its ongoing commitment. Petrobras began disclosing and publishing information on payments made to governments in Brazil and abroad before the EITI initiative came into existence.<sup>5</sup>

Additionally, Petrobras has also taken advantage of its position as a large company to raise awareness and promote the EITI, through one-on-one peer meetings, presentations in conferences, discussions with the Brazilian government and through financial support to the EITI Secretariat. Transparency International's (TI) research indicates that disclosure efforts by leading companies can drive for others to adopt similar measures<sup>7</sup>, following best practices. Moreover, Petrobras has been working with its offices in Peru and Nigeria to ensure that the company will be ready to adopt specific local government requirements.

### Benefits to the Company and Society

Specific benefits deriving from these transparency initiatives are difficult to quantify. However, Petrobras recognizes that its efforts in this area have contributed to building stakeholder trust, which has translated into a positive evaluation in recent rankings, ratings and reports (e.g. Management & Excellence 2008) and resulted in an improved investment environment. In its 2008 report, for example, TI stated that "StatoilHydro and Petrobras are





### References

- (1) Eye on EITI: Civil Society Perspectives and Recommendations on the Extractive Transparency Initiative. London, New York: Publish What You Pay; Revenue Watch Institute.
- (2) About Petrobras, [http://www2.petrobras.com.br/ingles/ads/ads\\_Petrobras.html](http://www2.petrobras.com.br/ingles/ads/ads_Petrobras.html)
- (3) Petrobras in Numbers, [http://www2.petrobras.com.br/ingles/ads/ads\\_Petrobras.html](http://www2.petrobras.com.br/ingles/ads/ads_Petrobras.html)
- (4) Progress Report 2007-2009: Establishing Resource Transparency. Oslo: EITI.
- (5) Relações com o Investidor: Compromissos, [http://www2.petrobras.com.br/portal/frame\\_ri.asp?pagina=/ri/port/index.asp&lang=pt&area=ri](http://www2.petrobras.com.br/portal/frame_ri.asp?pagina=/ri/port/index.asp&lang=pt&area=ri)
- (6) A Petrobras e a EITI: Compromissos, Ações e Resultados, Presented at the 13th International Anti-Corruption Conference (IACC), in Athens, Greece
- (7) Promoting Revenue Transparency: 2008 Report on Revenue Transparency of Oil and Gas Companies. Berlin: Transparency International.

consistently among the NOC [National Oil Companies] leaders for their reporting on operations both at home and abroad.”<sup>7</sup> More specifically, the company believes that the engagement in the EITI was fundamental to ensure their participation in the Dow Jones Sustainability Index<sup>6</sup>, in which it has been listed since 2006.

For the broader society, challenges still remain. As highlighted in a 2006 report by Publish What You Pay and Revenue Watch Institute on civil society’s recommendations

for the EITI1, many candidate countries still have not fully implemented the initiative. Nevertheless, although the road to peace and development may be long, the engagement and commitment of Petrobras indicates that the production sector has an important role to play in these efforts.

*This example was developed by Gabriela Miranda.*

# 2

## Stakeholder Engagements Chapter Overview

Stakeholder engagement is a vital tool through which better informed business strategies can be developed. To understand potential or existing conflicts and design effective risk mitigation efforts across the range of a company's activities, effective, respectful, regular and transparent community engagement processes are essential. The examples featured here illustrate how companies have engaged with local communities to address their needs and jointly develop community projects to ensure that local communities also reap the benefits of the company's presence.

One example featured in this publication includes an American mining company operating in Indonesia. It shares its experience of promoting diversity and cross-cultural understanding in its mining operations when conflicts among employees and community members arose in the early stage of the operation.





## Managing Business in a Multicultural Community

### Company:

PT Newmont Nusa Tenggara

### Industry Sector:

Copper/Gold Mining

### Country of Origin:

United States of America

### Location(s):

Batu Hijau Project, West  
Sumbawa, West Nusa Tenggara  
Province, Indonesia

### Partners:

Newmont Corporation, PT  
Pukuafu Indah, Nusa Tenggara  
Mining Corporation

### UN Global Compact Signatory

Since 2004

### Types of Engagement:

Core Business

### GC Issue Areas:

Labour

### Background

Newmont operates the Batu Hijau copper/gold mine in Sumbawa, Indonesia. The mine employs 7,000 national and expatriate employees. Its workforce is culturally, religiously and ethnically very diverse. The multi-ethnic mix has introduced many challenges, both to the company and the employees. Newmont was concerned about the increased level of conflict among its employees and the impact that was having on productivity. To address these challenges, Newmont revived and improved its cross-cultural understanding [[education?]] efforts by conducting mandatory and elective training programmes for expatriates and national employees. These programmes are meant to improve employee understanding, create a more tolerant and peaceful workforce and improve Newmont's relations with local communities.

### Challenges

Over the years, several conflicts took place among employees in the mine. Most of these incidents were rooted in religious, cultural and ethnic differences. There have been incidents between national employees and expatriate employees; local employees and national employees; and all employees and the local communities. The conflicts highlighted the need to improve employees' understanding of cultural and religious diversity. Newmont believed that, unless these issues were properly managed, conflicts would persist, creating unnecessary losses in Newmont's operations through a substantial decrease in productivity. Initially, Newmont encountered difficulty convincing its employees to participate. Employees stayed within their respective cultural, ethnic and religious groups and resisted management's attempts at fostering collaboration with others.

### Relevant Activities

Newmont's management embarked on various initiatives to address these challenges, including:

- Encouraging cross-cultural understanding through interaction and cultural

events, including "Cross-Cultural Quiz Nite" and "Indonesian Cultural Nite."

- Establishing a non-segregated housing complex.
- Creating a cross-cultural understanding training for expatriate employees and dependents.
- Holding local language courses for national employees. The language course is a key component of the initiative, as it is intended to promote discussion among participants.
- Providing mosques for Muslims and a community hall for Christians.
- Improving host community understanding about the mine and its diverse workforce by organizing mine tours.

### Outcomes/Benefits

To monitor the progress of the cross-cultural understanding training, the Newmont Learning and Development Department issued anonymous surveys to all participants, and received extremely positive feedback. In addition to receiving high grades from the survey, in which participants were asked to grade statements such as "The content of the course was relevant to my job/position," and "The objectives of the training were clearly communicated and met my expectations," Newmont asked participants to communicate their honest opinions.

This small sampling is representative of the majority of the feedback: "Flexible enough to allow the instructor to answer all of our questions;" "Honest and open discussion;" "I enjoyed the religious aspects most." Verbal feedback over the course of time about the broader initiative indicates that employees feel it has provided the basis for greater tolerance and fewer conflicts. According to one employee, "If these actions had not been taken, we would be adversaries with the local communities and with each other."





As a result of the initiative, conflicts have dropped dramatically in the last two years, and Newmont's relations with the local communities have improved substantially.

#### **Lessons Learned**

Newmont has found that doing business in a multi-cultural setting requires a willingness from all parties to accept and respect cultural differences and expectations, and share common interests. Cross-cultural training is now an important component of all of

Newmont's pre-employment induction programmes. Newmont now makes it mandatory for all new expatriate employees to attend cross-cultural training before commencing their employment. Newmont management now considers cultural and religious sensitivity before making any decisions that impacts its employees.

*This example was developed by Liam Hurley.*

# 3

## Public-Private Partnerships Chapter Overview

Partnerships focus on the many areas where private actors and public institutions can engage in win-win relationships — such as poverty reduction strategies, health, education and community development. Effective cross-sectoral partnerships can make it possible to overcome challenges that are too difficult or complex for one organization or sector to address alone, like the ones emerging in conflict-affected areas. The examples featured showcase how companies can develop meaningful partnerships that can be beneficial to conflict-affected populations.

The examples featured in the publication include: a Japanese chemical company invents affordable mosquito nets. Partnering with the World Health Organization, it helped many conflict-affected countries address public health challenges such as fighting malaria; A US accounting firm partners with the United Nations High Commissioner for Refugees (UNHCR) and illustrates how its partnership with the UNHCR contributes to implementing youth educational programmes in refugee camps in East Chad.





## Sumitomo Spirit: Innovations in Malaria Prevention

### Company:

Sumitomo Chemical

### Industry Sector:

Chemicals

### Country of Origin:

Japan

### Location(s):

Sub-Sahara Africa

### UN Global Compact Signatory

Since 2005

### Types of Engagement:

Core Business

### GC Issue Areas:

Partnerships for Development

### Background

Sumitomo Chemical firmly believes that its business must benefit society, not just its own interests. The company, a Japanese manufacturer of various chemical products from fine chemicals to petrochemicals, is working to improve peoples' around the world by developing businesses that committed to product quality, safety and the environment. In the 1980s, an article about malaria-affected Africa caught the attention of a research and development scientist at Sumitomo Chemical, who subsequently decided to make anti-malaria efforts his lifetime work. Malaria is a public health scourge that is considered to be one of the causes of poverty in Africa, claiming more than 1 million lives worldwide annually. A lack of access to proper public health services in Africa contributes to the increasing infection rate, and the recurrence of malaria in turn affects the poverty level. NGOs such as the Bill and Melinda Gates Foundation recognize that the financial cost of malaria in Africa is severely debilitating economic development.<sup>19</sup> The engineer from Sumitomo Chemical thought that reducing the rate of infection in malaria-ridden areas such as Africa would help people escape from poverty by improving public health.

### Challenges

Through extensive research on mosquito nets, this Sumitomo Chemical scientist began his fight against malaria, but he soon faced three major challenges: durability, ventilation and cost. Existing insecticide-coated mosquito nets made of thin polyester fibers were weak and had to be reprocessed after every washing. Moreover, minute perforations provided poor ventilation. The existing mosquito nets were therefore impractical for the low-income demographic they were trying to serve, which contributed to the low usage of mosquito nets in Africa.<sup>20</sup> Sumitomo Chemical's engineer solved the efficacy problem by developing innovative "hybrid chemical" technology, which made it possible to knead insecticides into thick polyethylene fibers. The hybrid chemical prototype was much more durable and was effective even after repeated washing. The key to the mosquito nets' durability and efficacy was a 4 mm perforation size, which was the result of numerous experiments performed in pursuit of optimum ventilation.

### Relevant Activities

When the UN launched an anti-malaria initiative in 1998, the new Sumitomo Chemical mosquito net played an important role in the fight against malaria. In 2001, after pass-





ing the intensive WHO Pesticide Evaluation Scheme (WHOPES) which demanded high performance in both indoor and outdoor conditions, the proprietary mosquito net, named the Olyset Net, obtained the WHO's selective full endorsement as a Long-Lasting Insecticidal Net (LLIN).<sup>21</sup>

The findings from a single African village over a period of 18 months revealed the rate of infection decreased from 43per cent of the population to only 11per cent. The issue of cost was addressed with plans for mass production as well as public funding, and the company's efforts began to bear fruit when a large quantity of orders flooded in. Cognizant that this innovation was too valuable to reserve for profits alone, Sumitomo Chemical has provided Olyset Net production technology free of charge to a Tanzanian mosquito net manufacturer, thereby creating employment for local residents. Approximately 4,000 local residents are currently engaged in production of the Olyset Net Tanzania. As the demand grows for the Olyset Net, Sumitomo Chemical continues to transfer production technology to local Olyset Net plants in Africa and Asia. Sumitomo Chemical

hopes that its continuing research on slow-releasing insecticide and hybrid insecticide/resin combinations will bring about further innovations in mosquito control.

#### **Benefit to the Company and Society**

As part of Sumitomo Chemical's social action to support education, a portion of the revenue from Olyset Net sales has been reinvested towards the construction of schools in Africa, which has enabled the construction of eight schools to date. Creating employment and building schools has helped promote self-reliance in conflict-affected societies in Africa. Today, about 18 million Olyset nets are produced in Africa per year and 38 million nets worldwide. The Olyset Net created an effective way to reduce malaria in Africa. Sumitomo Chemical is determined to be part of the technical solutions to critical world health issues. It works not only to profit but also to contribute to society by improving public health and building stronger communities using the Olyset Net.

*This example was developed by Melissa Gang.*

19. Bill and Melinda Gates Foundation, "Malaria Overview," available from <http://www.gatesfoundation.org/topics/Pages/malaria.aspx>.

20. The Global Fund to Fight AIDS, TB and Malaria, "Malaria Treatment and Prevention," available from <http://www.theglobalfund.org/en/malaria/background/?lang=en>.

21. World Health Organization, "WHO recommended long-lasting insecticidal mosquito nets"; available from [http://www.who.int/whopes/Long\\_lasting\\_insecticidal\\_nets\\_Jan09.pdf](http://www.who.int/whopes/Long_lasting_insecticidal_nets_Jan09.pdf).



## Building Schools, and Hope, in the Sudan

### Company:

PricewaterhouseCoopers LLP

### Industry Sector:

Professional Services

### Country of Origin:

United States of America

### Location(s):

Eastern Chad

### UN Global Compact Signatory

Since 2008

### Types of Engagement:

Strategic Social Investment

### GC Issue Areas:

Business and Peace

### Background

In 2003, a conflict erupted in Darfur between government-backed militia forces and rebels accusing the Sudanese government of discriminatory practices. According to most estimates, about 300,000 people have been killed in the conflict, and more than 2 million people, many of them children, have been displaced from their homes.

PricewaterhouseCoopers (PwC) teamed up with the United Nations High Commission of Refugees (UNHCR) to establish an initiative aimed at providing a skill-based educational foundation for approximately 30,000 refugee children in Eastern Chad. PwC was already focused on youth education as a common platform throughout the global Network of Firms and was looking for ways to leverage its global interest to make a significant and sustainable impact. At the time, UNHCR needed support for refugee children in Eastern Chad as they pursued education to better their lives. PwC attempted to quickly fill this void. It focused on trying to provide tangible actions, deliverables and metrics to highlight its progress.

### Challenges

Instability on the ground has made it difficult to establish sustained education programmes and place children in curriculums for a consistent period of time. PwC found that it can be very delicate to engage students and teachers while they are at the same time being drawn into recruitment processes for armed groups. Indeed, the introductory questions asked of children entering the programme provide a stark reality of the circumstances in which they live. Some of these questions include:

- Do you regularly talk to someone of your age who has ever been involved in militia activity?
- Have you ever been tempted to join militia movement?
- What is something that is denied to you and allowed to men (Question for girls)

- If someone gave you some money to improve your work and increase your profits, how would you spend it?
- What are your dreams in the next five years?

### Concrete Actions

PwC is a key corporate partner of the United Nations Refugee Agency (UNHCR). During the World Economic Forum's Annual Meeting in January 2008, PwC CEO Sam Di Piazza met with the United Nations High Commissioner for refugees, Antonio Guterres, to discuss the way forward for the PwC-UNHCR partnership. Mr. Guterres highlighted the sudden arrival of thousands more refugees fleeing the violence in Darfur.

PwC raised enough money to build schools, train teachers, and provide practical goods to students and teachers by tapping into its client and partnership networks. To establish a baseline for success, help PwC assess its progress and, if necessary, re-calibrate its goals, important examinations such as year-end tests will be standardized in all schools and marked outside the class by teams of teachers drawn from several schools. The project will follow:

- Student and Teacher Presence [[attendance?]] (not just registration)
- Drop-out rate (and the reasons why)
- Academic achievement
- Social and psycho-emotional development
- The educational quality of the school and class environment

### Benefits to the Company and Society

PwC and UNHCR are well on their way to meeting the goal of educating 30,000 displaced Darfur refugees. Once PwC verifies progress during a site visit later this year, it will establish a central clearinghouse through which clients and partners can access information about the project and help PwC further its progress towards meeting the initial goal.





It is clear that this project will have a significant impact in establishing a system-wide educational policy for all 12 UNHCR operated camps in Eastern Chad. Indeed, the project was featured at a conference of the Inter-Agency Network for Education in Emergencies held in Istanbul in early April in 2008 as a showcase of corporate/NGO cooperation.

#### **Lessons Learned**

PwC is accustomed to performing services in timely and efficient manner in high-pressure environments. It is accustomed to pushing hard and working fast. In Eastern Chad, however, there are several obstacles to even the most routine logistics and there are several various and differing stakeholders that PwC and its partners must satisfy. PwC

has learned to be patient, and to operate at a speed which maximizes its utility. Doing business in New York and London is not the same as doing business in Eastern Chad.

Even knowing what it did about the poor infrastructure and unstable political landscape in Eastern Chad, PwC underestimated how those factors might impact its performance. PwC had to reconfigure its goals and deadlines to meet the practical realities on the ground. Going forward, PwC is better prepared to manage expectations and implement strategy accordingly.

*This example was developed by Liam Hurley.*

## Supporting the Development of Sustainable Communities

### Company:

The Coca-Cola Company

### Industry Sector:

Beverage Sector

### Country of Origin:

United States of America

### Location(s):

West Bank and Gaza

### Collaborators:

Palestinian Ministry of Higher Education and Ministry of Health, Palestinian Red Crescent, Arab Bank, other government and nongovernmental entities

### UN Global Compact Signatory

Since 2006

### Types of Engagement:

Strategic Social Investment

### GC Issue Areas:

Partnerships for Development

### Background

The Coca-Cola Company operates in more than 200 countries and territories with different cultures, political systems and religions. Although the Coca-Cola Company is global, the business in each country is local. In the Palestinian Territories, the Coca-Cola Company has leveraged a unique opportunity to support the development of sustainable communities. The National Beverage Company (NBC) has been the Coca-Cola Company's local bottling partner in the area since 1998. NBC is an independent, privately-held company managed by local, Palestinian employees. NBC operates three Coca-Cola bottling facilities in the West Bank and seven sales and distribution centers in Gaza, Ramallah, Hebron and Nablus. NBC employs more than 350 Palestinians and generates indirect employment for thousands of others.

### Challenges

Continued conflict in the territories affects the business' product distribution (in Gaza, primarily), access to critical packaging supplies and the free movement of people.

### Actions

Despite ongoing conflict, the Coca-Cola system contributes to the development of sustainable communities through engagement in a variety of initiatives. NBC has identified education as a priority for contributing to sustainable communities. For the past five years NBC has partnered with the Ministry of Education and various NGOs through programmes like the "Back to School" campaign, which provides thousands of school bags and supplies to children from low-income backgrounds and the "We Are All Able" programme which works with the Arab Bank to provide scholarships for students to attend MBA programmes. Through "Injaz Palestine," more than 30 NBC employees have volunteered to present communication courses to students, furthering the Coca-Cola system's support and of education for local Palestinians.

NBC also developed the "Schools.com" campaign to bring computers and technology to rural schools. Through the programme, 15 schools have been provided more than 150 computers, appropriate furniture and network supplies. This connectivity initiative brings increased technology and training to rural Palestinians. Recognizing the critical role of economic empowerment in building sustainable communities, NBC sponsored the second stage for the "Intajuna" project, which aims to promote goods produced within the Palestinian Territories. The project emphasizes the quality of national products and supports local business.

Through NBC's plant tours programme, local Palestinians visit NBC facilities and learn about various environmental protection measures. There, visitors can see that NBC's international brands are produced by Palestinian hands. The Coca-Cola Company has also contributed to aid efforts in the region, donating US\$ 100,000 to the Palestinian Red Crescent in 2009. These funds supplied an ambulance and other humanitarian aid during periods of escalated conflict.

### Outcomes/Lessons Learned

NBC's projects with a variety of stakeholders helped build relationships with communities in the region. Continued engagement throughout times of conflict has allowed NBC to form partnerships and initiatives such as those outlined above, which helped improve the lives of many in these communities.

*"We have observed that people can unite through business regardless of their origin or political views," said Dr. Kadri Ozen, Public Affairs Director of Coca-Cola Eurasia and Africa Group. "Business offers a platform to unite on shared interests. At Coca-Cola we have also learned that we build our relevance by being a part of the community. This relevance is the most important asset a business can possess to confront operational challenges in times of dispute."*

*This example was developed by Liam Hurley.*





# 4

## Post-Conflict Reconstruction Chapter Overview

The legacy of conflict includes substantial loss of livelihoods, employment and income, debilitated infrastructure, collapse of state institutions and rule of law, continuing insecurity and fractured social networks. Research confirms that economic recovery is essential to reduce the risk of violence recurring. A sound economy is a fundamental requirement for human development.

The examples featured here include: a Bosnian construction company restores its relationships with its pre-war partners and joins forces to rebuild the region's war-damaged infrastructure; A Japanese machine company which produces de-mining machines partners with non-governmental organizations in Afghanistan and Cambodia to provide awareness-raising education programmes to local communities heavily affected by landmines; A Luxembourg mining company enters into post-conflict Liberia and engages with a diverse range of stakeholders.





## Restoring Business Partnerships Through Post-War Reconstruction Projects

**Company:**  
Energoinvest

**Industry Sector:**  
Construction & Materials

**Country of Origin:**  
Bosnia-Herzegovina

**Location(s):**  
Bosnia-Herzegovina

**UN Global Compact Signatory**  
Since 2005

**Types of Engagement:**  
Core Business

**GC Issue Areas:**  
Business and Peace

### Background

Energoinvest, dd- Sarajevo, BiH is a multidisciplinary engineering company with activities in the design, consulting, construction and reconstruction in power systems, hydro and thermal energy, industrial and process automation and telecommunications. The company's main operations are centered in Europe, Africa, the Middle East and Central America.

### Challenges

Between 1992 and 1995, the company was challenged with many of its sectors being directly damaged by the armed conflict that led to the breakup of Yugoslavia. During the war, more than 60 per cent of the grid that powers BiH was destroyed and broken. Headquartered in Sarajevo, the company was directly impacted by the spread of violence in the city, and found itself losing revenue as a result. During the three and half years of war, Sarajevo experienced six months of complete darkness.<sup>22</sup> Prior to the outbreak of the war, Energoinvest had an annual turnover of about US\$ 2.5 billion, which it has only partially gained back in recent years. Since the end of the war, Energoinvest has contributed extensively to rebuilding the post-war infrastructure through its core-business competency.

### Relevant Activities

In 2004, Energoinvest worked with local power firms to fully restore the war-damaged electricity grids in Bosnia and Herzegovina.<sup>23</sup> This project improved the domestic power infrastructure, boosted industry and the business environment and employed approximately 500 workers. As a result of this infrastructure improvement, the three separate power utilities in Bosnia and Herzegovina were connected into one electric power

network. This connected the region with neighboring countries of Serbia, Montenegro and Croatia, and provided a more streamlined infrastructure that was modernized throughout the reconstruction period.

More significantly, this infrastructure project provided Energoinvest with an opportunity to restore their business relationships with pre-war partners in the region whose relationships were severed during the war. Developing business relationships with diverse sets of partners are not only beneficial to advancing the company's competitiveness, but also to contributing to the regional stability. In the last few years, Energoinvest and its partners have cooperated in the rebuilding of the Balkans' conflict-affected infrastructure.

Furthermore, with the renewal of partnerships, Energoinvest and its partners are collectively responding to emerging global threats for the region's future development. A case in point includes its recent work to improve the region's power systems and renewable energy facilities. The company organizes meetings and discussions with various governmental and non-governmental stakeholders in the potential use of alternative renewable energy sources to further strengthen the country's power capabilities.

### Benefits to the Company and Society

Energoinvest has been able to work with partners in rebuilding the national power grid in Bosnia and Herzegovina, which has enabled the country to stabilize its power needs. The corporation has been able to rebuild itself in the process, and has been a major player in helping other nations such as Pakistan, Libya and Algeria strengthen their

22. Regulation and policy template Bosnia and Herzegovina, Renewable Energy & Energy Efficiency Partnership,, [http://www.rec.org/REEEP/energy\\_country\\_profiles/bosnia\\_and\\_herzegovina.pdf](http://www.rec.org/REEEP/energy_country_profiles/bosnia_and_herzegovina.pdf)

23. Country Risk Summary: Bosnia-Herzegovina. (2004, January). Emerging Europe Monitor: South East Europe Monitor, 11, p. 8.

24. Lederach, John Paul (2008), The Role of Corporate Actors in Peace-Building Process: Opportunities and Challenges."in Peace through Commerce: Responsible Corporate Citizenship and the Ideals of the UN Global Compact, ed by Oliver Williams, Notre Dame, Notre Dame University Press, pp. 96-106.





power needs through the construction of hydro-electric plants.

More importantly, the company's core-business activities have helped them to restore the relationships with business partners. Now, in the face of newly emerging challenges, the company is working together

with its business partners towards sustainable future. This example demonstrates that good business practice requires an ability to build relationships as it provides a space where very diverse sets of people must interact and understand each other.<sup>24</sup>

*This example was developed by Derrick Harmon.*

## Contributing to Post-Conflict Reconstruction Through Community Engagement

### Company:

ArcelorMittal

### Industry Sector:

Industrial Metals & Mining

### Country of Origin:

Luxembourg

### Location(s):

Liberia

### UN Global Compact Signatory

Since 2003

### Types of Engagement:

Core Business

### GC Issue Areas:

Business and Peace

### Background

ArcelorMittal is the world's leading steel company, with operations in more than 60 countries spanning four continents. ArcelorMittal is one of the first major foreign investors in Liberia since the end of its prolonged civil war in 2003. In December 2006, the Government of Liberia and ArcelorMittal signed a mining development agreement (MDA) to reopen mines in the Nimba County, rehabilitate an abandoned 300-kilometre railway and develop the Buchanan port for shipping traffic.

### Challenges

One political challenge facing ArcelorMittal is that the security sector in Liberia is dependent on the United Nations and other international organizations, and Liberia's judicial system is still in the process of reform. However, the Liberian government's decision to join the Extractive Industries Transparency Initiative (EITI) is an indication of its commitment to transparency and accountability.

One of the greatest internal operational challenges facing ArcelorMittal in its iron ore mining project in Liberia is the lack of infrastructure. In contributing resources to assist in the development of Liberia's infrastructure, ArcelorMittal has relied on international contractors with the requisite expertise, but stressed the need to use local labour whenever possible. Another major operational challenge faced by the company is the lack of skilled manpower in Liberia. The lack of qualified workers in Liberia has meant that ArcelorMittal is dependent on foreign companies or expatriate staff for basic administrative functions and for geological and environmental support.

### Relevant Activities

First, in an effort to engage with local and national stakeholders directly or indirectly affected by its operations, ArcelorMittal developed a social action plan and designated a community liaison officer for each country. The company's plan to facilitate the

resettlement and relocation process of some of the local Liberian population affected by its operations along the railway and service roads includes: building market halls to relocate markets on the rail line, installing wells and pumps to minimize people crossing the railway, and a street theater programme to educate people about road and rail safety.

The Resettlement Plan for mine communities in Liberia is currently being negotiated with these communities. ArcelorMittal continues to participate in extensive discussions with the Liberian government with respect to the company's impact on the country. The Resettlement Plan is being negotiated with communities at present and will include major compensation and assistance for relocating sacred forest sites and other cultural areas/patterns of land use to be accomplished before commencing any mining operations.

ArcelorMittal has contributed both financial and technical resources in order to assist in the development of infrastructure in Liberia, including the provision of resources for rebuilding roads, renovating railways and putting communication networks in place. ArcelorMittal has taken steps to enhance technical skills (i.e. electricity, locomotive operation, welding) in Liberia and to increase local employment in its projects. One example of this is that the company chose a manual method for its rail rehabilitation project rather than a mechanized solution. The idea is that employees that are skilled or trained on the project will eventually be absorbed into the ArcelorMittal operational team.

### Benefits to Society and the Company

Some of the outcomes that have come as a result of stakeholder discussions include the ease of business operations due to a better, more clear understanding of key issues that are of concern to various stakeholders; improvement of the company's corporate image in Liberia.





Since the start of operations, ArcelorMittal has provided over 500 jobs directly and, through contractors, provided employment for 2,100 Liberians. This is due in part to vocational training programmes customized to the need of the company. For example, ArcelorMittal trained Liberians in electricity, locomotive operation and welding at its site in South Africa. In collaboration with the Ministry of Education and the University of Liberia, ArcelorMittal supports the establishment of a Geology and Mining Department. In addition, ArcelorMittal helped reopen two hospitals and a school for the local community, and has provided support to the Liberian government for the implementation of the EITI.

Discussions between ArcelorMittal and relevant stakeholders in Liberia have eased business operations by clarifying key issues that are of concern to stakeholders. These include improving ArcelorMittal's corporate image in Liberia and an increased the positive goodwill of the company by strengthening its relationships with the government, other companies, and civil society. The President

of Liberia, Her Excellency Ms. Ellen Johnson Sirleaf, shared the Liberian Government's experience of working with ArcelorMittal by saying "I think ArcelorMittal will be better because the example of the renegotiation showed their cooperative spirit, their willingness to dialogue and their willingness to show compromises if they felt this was in the interest of our people and our country<sup>25</sup>."

#### **Lessons Learned**

One of the most significant lessons ArcelorMittal learned from its experience in Liberia is the importance of open and consistent communication with all stakeholders, which allowed the company to better understand the challenges it faces, such as the impact of the current economic crises on its operational plans. As a result of its experiences over the past three years in Liberia, ArcelorMittal continually adapts its corporate responsibility strategy and processes to the changing climate.

*This example was developed by Merly Gary.*

## Clearing the Way for a Peaceful Future

**Company:**  
Komatsu

**Industry Sector:**  
Construction Equipment

**Country of Origin:**  
Japan

**Location(s):**  
Afghanistan and Cambodia

**UN Global Compact Signatory**  
Since 2008

**Types of Engagement:**  
Core Business

**GC Issue Areas:**  
Business and Peace

### Background

Long after active fighting has ceased, remaining hazards such as embedded anti-personnel landmines still pose a life-threatening risk to life, livelihood and the rebuilding necessary for post-conflict societies. In former war zones throughout the world, existing anti-personnel mines cause an estimated 20,000 deaths annually and prevent the safe and effective reconstruction of homes and infrastructure. Due to their time-delay function, landmines lying in wait are unaffected by peace accords; they make no distinction between civilian and military targets; and the psychological impact of these weapons results in the demoralization and terrorization of society. Anti-personnel landmines can be removed manually, but this process is both dangerous and inefficient and may impair the rehabilitation of land and society.<sup>26</sup>

### Challenges

Komatsu, a Tokyo-based manufacturer of construction and mining equipment, was in a unique position to respond to this problem. With more than 40,000 employees and an extensive global operating base, Komatsu had the technical knowledge and the worldwide network to address the landmine concern. In response to the overwhelming need for an effective way to clear landmines, Komatsu began engineering for a new demining prototype with the aid of the Japanese government in 2003.

**Relevant Activities:** Using existing construction equipment technology, Komatsu developed a demining machine for anti-personnel landmines capable of clearing 500 square meters of land per hour, almost 50 times faster than manual clearance. The demining machine was designed to have the body of a bulldozer with an additional chassis, weighing 35 tons, which crushes or explodes landmines by scratching and pounding the ground. With the front attachment removed the demining machine functions as a bulldozer and levels the ground, further enhanc-

ing the potential value of newly cleared land. Komatsu's demining machine was engineered to operate reliably over rough, damp, bushy or sloping terrain, with machine parts that can be easily replaced as needed.

One of Komatsu's conditions for providing demining machines is that the receiving country must be a signatory of the Ottawa Treaty, a 1999 pact prohibiting the use, stockpiling, production or transfer of anti-personnel landmines. Afghanistan, which has the world's largest mine removal programme, met this requirement, and was in dire need of an effective way to remove the estimated 10 million landmines from its rocky, mountainous countryside.<sup>27</sup> In 2004, before Komatsu's demining could begin, the company invited local Afghan NGO personnel to visit Japan in order to conduct discussions and receive landmine removal instruction. Komatsu has clearly recognized that successful rebuilding depends not only on materials and services, but on acquired skills as well.

Afghanistan is preparing to take control of all United Nations-directed mine removal within its borders, making the training provided by Komatsu particularly important.<sup>28</sup> As demand for the demining machine spread, Komatsu supplied demining machines to Angola and Cambodia, in these cases as a joint endeavor with the Japanese Mine Action Services (JMAS), a Japanese non-profit organization run by retired defense workers. Together, JMAS and Komatsu remove landmines and then focus efforts on community development through activities such as constructing agricultural water sources and elementary school buildings. Technical training is critical to the sustained success of such endeavors, and JMAS ensures that training is provided in cooperation with respective governments or governmental organizations.

Komatsu's commitment to social contribution has been reinforced by both the collaboration of JMAS and the sincere gratitude

26. Jody Williams, "Landmines and Measures to Eliminate Them," *International Review of the Red Cross*, 307 (31 August, 1995), pp. 375-390.

27. Jessica Hartl, "UN Mine Action Team Still in Business," *Global Policy Forum*, 8 April 2008; available at [http://www.globalpolicy.org/index.php?option=com\\_content&view=article&id=31352&catid=175#author](http://www.globalpolicy.org/index.php?option=com_content&view=article&id=31352&catid=175#author).

28. Ibid.

of locals in areas where demining machines are making the land safe and arable. The company has provided demining machines and other related equipment such as excavators and bulldozers free of charge for use by JMAS in reconstruction projects in Cambodia and Angola, including post-demining repair of public transportation routes and construction of schools and reservoirs. Komatsu pays all demining machine operating costs for the duration of these projects, plus all transportation and maintenance costs in Cambodia. Great improvements are already evident in these post-conflict societies, beginning with the restoration of people's trust in the land. Once the landmines have been successfully removed, infrastructure and training programmes take off as people are able to recover their livelihood and reclaim their homeland for agricultural, community and personal use.

#### **Benefit to the Company and Society**

The collaboration with JMAS has allowed Komatsu to benefit from interaction with an NGO, and resulted in the desire to expand into more such cooperative endeavors. Ad-

ditionally, the company plans to apply the experience and know-how gained from the first demining ventures to its future projects. Given the erratic demand for demining machines and the very limited resources of the machine's target customers, this is not a machine designed to make significant profits for Komatsu. But the pride felt by Komatsu employees who know how much their product helps those suffering from the legacy of conflict is reward enough. Komatsu has significantly increased employee motivation from projects involving the demining machine, and has even provided weekly intranet updates on the progress of community building projects for their employees. The demining machine paved the way for an entirely new set of corporate values and goals at Komatsu, and the company eagerly plans new reconstructive social initiatives, advancements in demining technology and future alliances with NGOs to maximize their contribution to creating peace and hope in post-conflict communities around the world.

*This example was developed by Melissa Gang.*



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# 5

## Building the Culture of Peace Chapter Overview

In 1999 the United Nations General Assembly launched a programme to build a “culture of peace,” which envisaged working towards a positive peace of justice, tolerance and plenty. The years 2001-2010 were declared by the United Nations General Assembly as the decade of building a culture of peace and non-violence. A culture of peace involves values, attitudes and behaviours that: reject violence; endeavour to prevent conflicts by addressing root causes; and aim to solve problems through dialogue and negotiation. It proposed that such a culture of peace would be furthered by actions promoting education for peace and sustainable development, which it suggested was based on human rights, gender equality, democratic participation, tolerant solidarity, open communication and international security.

The examples in this publication include: a Kenyan telecommunications company partnered with the United Nations to join a global ‘Text for Peace’ campaign on the occasion of the International Day of Peace and a Canadian telecommunications company partnered with a foundation to promote peace camps for youth in conflict-affected regions such as the Balkans.



## Campaigning for Peace

### Company:

Safaricom Limited

### Industry Sector:

Mobile Telecommunications

### Country of Origin:

Kenya

### Location(s):

Kenya

### UN Global Compact Signatory

Since 2006

### Types of Engagement:

Advocacy

### GC Issue Areas:

Business and Peace

### Background

Safaricom Limited is Kenya's leading mobile phone service provider with about 8 million subscribers and an estimated 78 per cent of market share. With its fast-growing subscriber base, the company has a countrywide dealer network to handle distribution and selling of Safaricom products and services. Despite being one of the most stable countries in East Africa, Kenya has experienced recent political turmoil. In late December 2007 after the presidential election, a political, economic and humanitarian crisis erupted in Kenya, displacing 70,000 people. Violence continued until the political leaders announced a power-sharing government as part of the peace agreement.

### Challenges

Safaricom Limited was affected by violence as instability in the country disrupted its operations and threatened the safety of its employees. Additionally, as violence continued in the country, mobile phones were blamed for intensifying the conflict by disseminating hateful speeches through text messages.

### Relevant Activities

Safaricom Limited, an active advocate of corporate responsibility, felt the great need to make positive contribution to communities through its core business principles. Specifically, the company wanted to explore a way to transform the negative image associated with mobile phones as a result of the violence into a positive one.

In 2008, the United Nations launched a global peace campaign to raise greater awareness of the International Day of Peace (21 September). United Nations offices in several countries partnered with local mobile phone companies and encouraged people around the world to send text messages for peace. Safaricom partnered with the United Nations Office in Nairobi to implement "Text for Peace Campaign" in Kenya. During the

campaign, which lasted four days between 18 September to 21 September, Kenyans were invited to send message of peace to the number 222, provided by Safaricom. These messages were collated and presented as the messages of Peace from Kenyans at the 63rd United Nations General Assembly in New York on 21 September 2008, International Day of Peace.

These efforts were supported by the company's CEO, Michael Joseph, demonstrating that the company leadership is committed to these issues. As Mr. Joseph stated, "Safaricom is proud to be part of this initiative .... I am confident that Kenyans will send messages of peace that will inspire world leaders that peace can be achieved. Kenya is a true example of this." The campaign was also strongly supported by the Kenyan government, which attempted to bring citizens together in the spirit of reconciliation.

### Benefits to the Company and Society

Although the impact of the campaign on the society at large is hard to measure, the company's partnership with the United Nations has made a number of important contributions. First, Safaricom used its core business skills to mobilize thousands of Kenyan citizens to participate in a large, global campaign for peace organized by the United Nations. Second, through the nationwide campaign, the company provided its consumers with an opportunity to join forces in uniting the country divided by a serious crisis which caused suffering to many fellow Kenyans. Third, through this campaign, the company showed how mobile technology can contribute to promoting peace and healing communities.

*This example was developed by Brian Mcfarland.*

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## Peace Camps

### Company:

Aastra Technologies Ltd.

### Industry Sector:

Telecommunications

### Country of Origin:

Canada

### Location(s):

Kosovo, Montenegro, Serbia, Bosnia, Albania, Georgia, Abkhazia, Uganda, Lebanon, India, Canada

### Partners:

The Eagle Down Foundation  
([www.eagledown.org](http://www.eagledown.org))

### UN Global Compact Signatory

Since 2008

### Types of Engagement:

Strategic Social Investment

### GC Issue Areas:

Business and Peace

### Introduction

Aastra Technologies Ltd. is a global telecommunications company that has been at the forefront of promoting communications between opposing parties in conflict zones around the world. In partnership with the Eagle Down Foundation, an Aastra employee-led charitable foundation, it is engaged in youth-centered conflict prevention and resolution programmes in locations around the globe. One of its primary vehicles for reducing conflict is its Peace Camp programme, which operates in various conflict-affected countries including but not limited to Kosovo and Uganda.

### Relevant Activities

The Peace Camp programme aims to promote peace by building ties between youth from conflicting groups. Aastra's experience has shown that in conflict settings, children are less bitter and hungrier for change than adults. The camps aim to leverage this trait by providing trainings such as "Active Listening," which emphasizes the importance of understanding other points of view. Through trainings on international governance structures, the Peace Camps also teach children about civic education, democratization, leadership, debate and public speaking. Ultimately, Aastra hopes that as these children grow up, they can use the skills, relationships and attitudes they developed in the Peace Camps to contribute to their countries' progress towards peace and development.

Fatmire Feka is a native of Kosovo and was nominated for the Nobel Peace Prize (2005) for her international advocacy for children's rights. She also graduated from the Peace Camp in Kosovo. She recently spoke at the "Foundations for Social Justice and Global Transformation" conference in Oakville, Ontario, where she discussed growing up in wartime Kosovo and the support she has received from organizations like World Vision and Eagle Down. Aastra is particularly proud of Ms. Feka's empowerment and emergence onto the global scene, and views her success as the kind of result they hope to replicate in the future.

To date, more than 1,000 children have graduated from Aastra/Eagle Down's Peace Camp programme since 2004. Aastra estimates that the total indirect beneficiaries numbers over 4,000.

### Challenges

Together with World Vision and the United Nations Association of Canada, and in association with Eagle Down, Aastra is currently attempting to integrate Canadian youth into similar programmes. As yet there are few concrete results in this endeavor; Canadian youth are naturally less invested in the peace and development of countries such as Uganda than are the youth of these war-torn countries. There certainly is interest, however, and Aastra together with Eagle Down is sending a group of Canadian Youth Ambassadors to Tanzania this summer to work with their Tanzanian and Rwandan counterparts. The firm expects that as awareness grows, the returns on this programme will grow.

Other challenges lie in the political realm. Often, some parties to the conflicts do not support and may even actively discourage the Peace Camps. This is to be expected; the politics of civil conflicts make this almost unavoidable. Political objections to Aastra/Eagle Down's activities are often balanced, however, by enthusiastic supporters such as the President of Kosovo, who sent a letter of support to that country's Peace Camp participants.

### Benefits to Society and the Company

Aastra's employees are generally enthusiastically supportive of the programme. Indeed, many of them fundraise for it. Staff has raised more than US \$10,000 through the annual Aastra Trek for Peace where staff raises money and awareness by climbing various mountains around the world. Aastra's suppliers also support the programme — so far they have contributed over US\$ 150,000. In the future, Aastra hopes to increase the number of participating suppliers.





The firm does not see any direct linkages to its business. While it acknowledges and welcomes the possibility of its charitable activities positively affecting its bottom line, perhaps by increasing consumer goodwill toward the Aastra brand, the company views the Peace Camp programme as a worthy goal in its own right.

Moving forward, Aastra sees greater supplier involvement in and support of Eagle Down activities as crucial to the growth of the Peace Camp concept. The firm is encouraged by the fact that even during the economic downturn, suppliers continue to provide Aastra with positive feedback regarding the Peace Camps.

*This example was developed by Ryan Walther.*



## Partnering with Casa do Zezinho

### Company:

Promon

### Industry Sector:

Software & Computer Services

### Country of Origin:

Brazil

### Partner:

Casa do Zezinho

### UN Global Compact Signatory

Since 2006

### Types of Engagement:

Strategic Social Investment

### GC Issue Areas:

Partnerships for Development

### Background

Promon dedicates itself to design, integrate and implement complex solutions for key infrastructure sectors in Brazil and abroad. Since the company was founded in 1960, one of its core beliefs has been that business organizations are key protagonists of social development and as such play a major role, both by example and through their actions, in building a more prosperous and fairer society.

### Specific challenges the company faced

Promon is located eight kilometers away from an area known as the “triangle of death,” which is at the junction of three districts, Capao Redondo, Jardim Sao Luis and Jardim Angela, in the southern part of Sao Paulo that are among the most violent in the city.. This area encompasses 828,000 inhabitants and more than 260 slums. The per capita income is half that of the city as a whole, while the illiteracy rate is 50 per cent higher. There were 741 homicides in this area in 2001, according to the Seade Foundation. The United Nations Educational, Scientific and Cultural Organization (UNESCO), ranked the district one of the most violent places in the world. A bridge known as the Berlin Wall of Sao Paulo is known for separating the socioeconomic classes of Sao Paulo.

### Concrete actions taken

As one of the largest employers of Sao Paulo, Promon is motivated to address challenges facing this under-privileged community by supporting Casa Do Zezinho, a community center located in this difficult neighborhood since 2000. Through its involvement, Promon became aware Casa Do Zezinho’s desire to offer activities during the weekend to give youth constructive activities in which to participate.

In 2001, Promon began supporting Weekend with Art, in which youth and their parents learned to make various crafts and youth were regularly taken on cultural tours of the city. The tours included theatre performances, museum exhibitions, musicals and other arts events. Promon employees volunteer with the weekend programme by chaperoning field trips and assisting with the art workshops.

Adult family members were offered workshops on crafts and guidance on marketing their crafts to produce extra income. The skills taught in the workshops not only gave the adults more ways of earning a living but also decreased pressure on the children to subsidize the family income. Promon assigned a permanent consultant to the project and continues its involvement today. Since the beginning of Weekend with Art, Promon has worked with Casa Do Zezinho to develop the content and increase participation. Partnerships were formed with other organizations to increase business skills and opportunities for the developing artisans. In 2006, the project was moved to a space near Casa Do Zezinho to allow the Group of Friends of the Mothers of the House of Zezinho (GMACZ) to have more space and time for craft preparation.

The programme faced some challenges in the beginning. First, attendance was lower than expected in the beginning because children in the area had chores on the weekends and were expected to participate in income-earning activities. It’s estimated that roughly four million children, ages five to 17, work in Brazil. The United Nations Children’s Fund (UNICEF) estimated that seven percent of Brazilian children, ages five to 14, worked as of 2003. The project wanted to clarify the importance of creativity for the development of children’s self-esteem and anger management and conflict resolution skills. To address the attendance level of participants, they loosened some of the restrictions that had been imposed on the programme, and began allowing a greater range of hours of participation and allowing family members to participate in the children’s activities, while educating family members as to what the children could gain from these activities. As parent participation increased, parents began to request new crafts. A bazaar was held in November of 2001 and the families were inspired by the success of the bazaar to form a cooperative of artisans.

Second, volunteerism among Promon employees was not as high as the company had hoped. In order to increase the level of vol-



unteerism, Promon instituted more formal procedures in the committee meetings, such as recording of committee meeting minutes.

#### **Outcomes/Impact/Benefit for the Company**

Through this project, Promon took a preventive approach to violence. It was able to contribute to the search for solutions to the social problems of Brazil. Employees were able to develop their talents and new skills as they volunteered with the project. Employees also experienced the satisfaction of helping others and relationships were formed among employees and people involved with Casa Do Zezinho. Finally, it was a good opportunity to create a positive impression in the community. The company also benefited financially by being able to take advantage of "Lei Rouanet," a law that gives tax incentives to companies that invest in cultural productions.

#### **Outcomes/Impact/Benefit for the Community**

A survey on the impact of the project found that participation led to more collective action, assumption of responsibilities, problem-solving through dialogue, greater tolerance and engagement in the business community. The children's self-esteem was enhanced and their involvement in bands, theatre groups and self-initiation of projects increased. Their teachers reported positive results as

well. The government began to seek guidance from Casa Do Zezinho as to how to replicate the project in schools. GMACZ, the mothers' cooperative wound up holding 15 exhibitions and bazaars during the 2003-04 session. The extra family income helped to decrease the incidence of child labor.

Between 2002 and 2007, the average attendance of young people on weekends increased from 230 to 485, representing 75 per cent of the population served by Casa Do Zezinho. The number of craft workshops offered increased from 38 to 132. Disciplinary and violent incidents on the part of participants in the community were reduced. Promon's partnership with Casa Do Zezinho enabled a transfer of expertise between the two entities. It empowered members of the community and promoted sustainable development.

#### **Lessons learned**

Through Promon's participation in the project, staff members who were involved learned the importance of listening, learning and understanding the reality of Casa Do Zezinho. They also learned the importance of aligning the planning, implementation and demonstration of project results and being transparent at every stage of the project.

*This example was developed by Sonya Starnes.*

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He is the author/co-author of 10 books and editor/co-editor of six on peace and conflict issues, including "The State of the Middle East: An atlas of conflict and resolution" (2006), and successive editions of "The State of the World Atlas and of The Atlas of War and Peace." He has produced more than 100 journal articles and chapters in anthologies, as well as several reports including the groundbreaking "A Climate of Conflict" (2007) on the links between climate change, peace and war, and the overview report of the Joint Utstein Study of Peacebuilding, "Towards a Strategic Framework for Peacebuilding: Getting Their Act Together," (Oslo, Norwegian MFA, 2004). He has also written three crime novels and two short stories.

**Oliver Williams** is a member of the faculty of the Mendoza School of Business at the University of Notre Dame and is the director of the Center for Ethics and Religious Values in Business. Williams served as associate provost of the University of Notre Dame from 1987-94 and is a past chair of the Social Issues Division of the Academy of Management. In 2006, he was appointed a member of the four-person Board of Directors at the UN Global Compact Foundation. The UN Global Compact is the world's largest voluntary corporate citizenship initiative with more than 5,000 businesses around the world as members. Each year from May - August, Williams serves as a Visiting Professor in a joint appointment from the Graduate Schools of Business of the University of Cape Town and Stellenbosch University. He is also a Donald Gordon Visiting Fellow at the University of Cape Town and a member of the Advisory Council of the Unit for Corporate Governance in Africa at Stellenbosch University.

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# The Ten Principles of the United Nations Global Compact

## 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 are asked to 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.



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