



# High Risk Industry Review

A Business Intelligence study

## Table of Contents

Glossary.....	3
Research Materials and Sources.....	3
Annexes.....	3
Executive Summary.....	4
I. Background.....	5
Figure 1: The World's most valuable Brands (2018) assessed using Brand Value, Consumer Perception and Future Prospect Indicators.....	6
I.I. Principle Objectives.....	6
I.II. Methodology.....	7
I.III. Limitations.....	7
II. Regional Economic Analysis.....	9
II.I. Oil and Gas.....	9
Figure 2: Leading Crude Oil (only) Exporters of the World.....	9
Figure 3: Oil and Gas Exports as % of Regional GDPs.....	10
Figure 4: %age of Global Oil and Gas Exports per Region.....	11
II.II. Pharmaceutical.....	11
Figure 5: Leading Drug and Medicine (only) Exporters of the World.....	12
Figure 6: Pharmaceutical Exports as % of Regional GDPs.....	13
Figure 7: %age of Global Pharmaceutical Exports per Region.....	13
II.III. Extractive.....	14
Figure 8: Extractive Exports as % of Regional GDPs.....	14
Figure 9: %age of Global Extractive Exports per Region.....	14
II.IV. Regional Recommendations.....	15
Figure 10: Industry Scope Analysis by Market.....	15
Figure 11: Extractive Industry Scope Analysis in PPH Priority Market in APAC.....	16
Figure 12: USA share of regional industry exports.....	16
III. Competitors/Peer Review.....	17
III.I. UNICEF.....	17
III.II. Save the Children.....	17
III.III. World Vision.....	18
III.IV. IRC.....	18
III.V. ICRC.....	19
III.VI. MSF.....	19
IV. Top Industry Performers.....	20
IV.I. Dow Jones Sustainability Indices (DJSI) and Assessment Methodology.....	20

Figure 13: DJSI Corporate ESG Assessment Methodology.....	20
Figure 14: S&P ESG Factor Weighted Indices Assessment Criteria.....	21
IV.II. DJSI Industry Leaders .....	22
Table 1: DJSI Industry Leaders from PPH Priority Market.....	22
V. Opportunity vs Risks analysis.....	23
V.I. Industry SWOT Analysis .....	25
Table 2: Industry SWOT Matrix.....	25
VI. XXXXX Value Propositions.....	26
VI. I. Industry Centric Value Propositions .....	27
VI.I.I. Thematic Areas of Intervention .....	28
VII. Risk Mitigation .....	28
VIII. Proposed Partnership Models .....	30

Copyrighted -- Intellectual Property of ID Connect

## Glossary

1. **APAC:** Asia Pacific
2. **CSA:** Corporate Sustainability Assessment
3. **DJSI:** Dow Jones Sustainability Index/Indices
4. **DRRM:** Donor Relations and Resource Mobilization Service
5. **ESG:** Environmental, Social and Governance
6. **GDP:** Gross Domestic Product  
*GDP is a monetary measure of the market value of all final goods and services produced in a period of time. Nominal GDP estimates are commonly used to determine the economic performance of a whole country or region, and to make international comparisons.*
7. **HNWI:** High Net Worth Individual
8. **ICRC:** International Committee of the Red Cross
9. **IRC:** International Rescue Committee
10. **ITC:** International Trade Centre  
*ITC is a joint initiative of United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organisation (WTO)*
11. **MENA:** Middle East and North Africa
12. **MSF:** Médecins Sans Frontières
13. **PPH:** Private Partnerships and Philanthropy (section)
14. **PSP:** Private Sector Partnerships (service)
15. **SWOT:** Strengths, Weaknesses, Opportunities, Threats
16. **TNA:** Technical Needs Analysis

## Research Materials and Sources

1. Please refer to Annex B

## Annexes

1. **Annex A.i – A.iii:** DJSI World, Europe and Asia Indices
2. **Annex B:** Complete list of Research Materials and Sources
3. **Annex C:** Bond NGO Evidence Principles Checklist
4. **Annex D:** Risk Assessment score card
5. **Annex E:** List of Oil and Gas industry related trade articles
6. **Annex F:** List of Pharmaceutical industry related trade articles
7. **Annex G.i – G. viii:** List of Extractive industry related trade articles
8. **Annex H.i- H.ii:** UNICEF Mining and Child Rights Self-Assessment tool and Child Rights and Mining toolkit
9. **Annex I:** Save the Children Global Corporate Partnerships Strategy
10. **Annex J:** ICRC ethical screening principles
11. **Annex K.i - K.ii:** RobecoSAM CSA Companion and CSA Methodology

## Executive Summary

The **Oil and Gas, Extractive** and **Pharmaceutical** industries are substantial stakeholders of the global economy and therefore present enormous opportunities for the third sector in general, including XXXXX. These industries are equally considered “High Risk”, in view of some of their ESG practices.

The main objective of this study is to objectively unpick some of the scope of these industries in terms of engagement opportunities for XXXXX vis-à-vis associated risks. In doing so, the study analyses exhaustive internal and external datasets to understand the regions and range of subject opportunities and risks, with the view to inform prudent decision making around related engagement for XXXXX. To foster a common understanding of findings, the study uses standard economic and ESG indicators/sources included but not limited to World Bank data, International Trade Centre Export figures, DJSI ESG ratings as well as internal business intelligence and due diligence metrics and platforms.

The applied methodology thus helped ascertain findings that argue a clear case for engagement with the subject industries in selective geographies, i.e. with the **Oil and Gas** industry in **Saudi Arabia, Netherlands, Qatar, UAE, Kuwait, Germany** and the **UK**, with the **Pharmaceutical** industry in **Germany, Switzerland, UK** and **Netherlands**, and with the **Extractive** industry in **Germany, Japan, Italy** and **Netherlands**. Due to the distribution of wealth within the Americas region, engagement approaches for **USA** must also be considered independent to general regional conclusions. In particular this study suggests that USA alone controls 38%, 75% and 42% of Oil and Gas, Pharmaceutical and Extractive exports in the region, therefore warranting bespoke engagement mechanisms. In terms of propensity and thematic alignment, the study suggests clear potential for XXXXX at least in the areas of **Public Health/WASH, Energy, Protection, Education** and **Livelihoods**, which could be further pursued through putting in place targeted partnership schemes such as **Employee Engagement, Advocacy, Cash Donations, Gift In-Kind, Knowledge Transference** and/or by adopting a cross-cutting **Pluralistic approach** entailing all of the proposed models/avenues.

Further to manage risks, the study suggests adoption of a very narrow “**pilot**” engagement approach with these industries, as a means to trial related efforts with a handful of best-in-class, outperforming companies based in suggested markets. The application of a **minimum donation threshold** can also help filter partners, to further reinforce the pilot’s principles. As respective ESG datasets are largely unavailable to analyse for **MENA**, a **market based research** for the subject region will help PPH effectively manage risks in the region. The proposed research can help evidence based evaluation of related ESG and propensity indicators with the end goal of identifying regional industry leaders and/or outperformers. **Low Visibility** media and communication components of related partnerships are further expected to facilitate effective risk management or mitigation. Issues pertaining to XXXXX logo use and/or co-branding etc. must therefore be cautiously explored on a case by case basis.

The development of a designated **toolkit** to foster **protection** of XXXXX’s persons of concern, as part of the organisation’s risk management strategy is expected to proactively, clearly and visibly explain the main objectives for XXXXX’s engagement with subject industries i.e. sensitisation on the rights and protection of refugees. In line with peer approaches, public **dissemination** of XXXXX’s **screening policies** and **data sources** is expected to help concerned audiences better understand the organisation’s “zero tolerance” exclusionary principles directly linked to its core mandate and target groups. Development of **Exit Strategies** within the ambit of proactive **Risk Management Plans** are also suggested and therefore must constitute an essential component of related cultivation/stewardship planning so as to protect XXXXX’s brand, when engaging with related companies.

## I. Background

The Oil and Gas, Extractive and Pharmaceutical industries are major stakeholders of the global economy and therefore present enormous opportunities for the third sector in general and XXXXX in particular. From a Due Diligence standpoint, these industries are however considered high risk and any association or engagement thereto is perceived to compromise XXXXX's brand equity. Notwithstanding the pertinent risks, 9 out of the world's 31 most valuable brands when assessed on the basis of market positioning, customer and stakeholder perceptions (popularity), competitive advantage as well as future prospects were found to be affiliated with the Oil and Gas, Extractive and Pharmaceuticals/ Chemicals industries.

Moreover of the 319 companies ranked as per their positive environmental, social and governance (ESG) practices by the global Dow Jones Sustainability Index<sup>1</sup> (DJSI), roughly 19% were found to be affiliated with the Oil and Gas, Pharmaceutical/Chemicals and/or Extractives industries. Findings of a regional prospect scoping exercise commissioned by PSP in Q3 of 2017 and conducted by Bain & Co, further argues that roughly 10% of the most suitable PPH prospects for XXXXX are affiliated with the subject industries, although mainly in the Americas and APAC regions. These statistics alone argue the need for a more "nuanced" approach to assessment of potential versus risks for respective industries.

### The World's Most Valuable Brands 2018 by Country Brand Finance Global 500



**How to read this map:** The map shows the most valuable brands in selected countries. Each country is sized to reflect the value of its most valuable brand (the more valuable a brand, the bigger the size of the image). The colours represent brand strength, out of a maximum of 100.

**Article & Sources:**

<https://howmuch.net>  
The data has been sourced from the Brand Finance Global 500 annual study on the world's most valuable and strongest brands. <https://brandfinance.com>



<sup>1</sup> For details on Dow Jones Sustainability Indices (DJSI) and related sustainability assessment methodology please refer to the [Top Industry Performers](#) section below. DJSI World, Europe and Asia Indices attached as Annex A I-iii

Figure 1: The World's most valuable Brands (2018) assessed using Brand Value, Consumer Perception and Future Prospect Indicators

The main objective of this study is therefore to objectively unpick some of the scope and potential of these industries in terms of engagement opportunities for XXXXX vis-à-vis associated risks. In doing so, the study analyses data in the public domain to understand the regions and range of subject opportunities and risks, so as to facilitate and inform prudent decision making around related engagement for XXXXX, if feasible.

The global Gross Domestic Product (GDP) stood at US\$ 75.8 trillion in 2016, of which roughly 2%, 0.67% and 1.2% was constituted of global Oil and Gas, Pharmaceutical as well as Extractive related exports respectively. In terms of influence, giving ability and thought leadership these statistics could be considered evidence of the massive opportunities the subject industries may present therefore warranting a bespoke assessment methodology, as opposed to blanket exclusion or a “one size fits all” approach.

Further if broken down by region or by country, these industries control a considerable market share or stake in several Middle Eastern, European and/or Asian economies. Given the regional distribution of wealth and professional affiliation/overlap of XXXXX’s existing and/or potential corporate partners with the subject industries, it is therefore becoming increasingly difficult for leadership giving fundraisers, at least those in priority PPH markets to adopt a blanket exclusionary approach.

Further a very brief top-line review suggests that most of this stake is heavily concentrated between the top 15-20 industry “champions”, who owing to their annual revenues (US\$ 5 billion or above) and assets, brand recognition and positioning as well as executive leadership may therefore not only present considerable resource mobilisation opportunities but as an off-shoot of engagement may also render influencing/advocacy support to encourage socially responsible business practices in the interests of refugee and displaced populations within their organisations in particular and across the wider industries in general.

### I.I. Principle Objectives

Given the above context, the 6 main objectives of this study remain:

1. To clearly identify evident opportunities for engagement for XXXXX with the Oil and Gas, Pharmaceutical and Extractive industries in view of the organisation’s core mandate, corporate identity and target groups;
2. To evaluate and map associated risks vis-à-vis identified opportunities based on internal and external data/evidence, so as to inform nuanced decision making and/or engagement approaches, if feasible;
3. To inform regional and/or market based strategies for engagement vis-à-vis findings of the opportunity and risk analysis;
4. To conduct an objective peer/competitor comparative analysis with the view to learn from related experiences;
5. To suggest clear value propositions for engagement with the subject industries, if feasible;
6. To proactively inform associated risk mitigation strategies based on respective findings;

## I.II. Methodology

The study is by and large a desk-based review that adopts an objective, data driven approach, analysing comprehensive evidence<sup>2</sup> available in the public domain as well as internal XXXX-PPS inputs. For this purpose the study consulted with some internal respondents, particularly those with a direct stake in the subject matter such as the Due Diligence and Corporate Revenue team leads. However comprehensive consultations with the network or market/regional leads were not completed so as to manage expectations and “appetite”, prior to crystallisation of findings.

The quality of analysed evidence/data was further cross-checked and validated using [Bond’s](#) NGO Evidence Principles Checklist<sup>3</sup>, with overall quality of analysed evidence generally meeting the good to gold standard. Identified risks were also scored<sup>4</sup> using standard industry specifications.

Finally based on regional reviews, assimilated findings were used to identify and inform targeted approaches for selective PSP markets, as prioritised within the PPH Strategic Framework 2018-2019.

## I.III. Limitations

Despite the general comprehensiveness and objectivity, there remain a few limitations to the applied approach and related findings must therefore be interpreted accordingly. These are primarily:

1. **Lack of an Aligned vision re Corporate Engagement**– Many technical/programmatic stakeholders maintain a very different definition of private sector engagement to that of PPH. It is important for the proposed review/study to duly acknowledge and highlight any such differences, so as to focus energies and findings. The recent partnership mapping exercise as well as the ground work for the under development PPH Strategic Framework emphasised critical gaps in this area. For example, many technical units may take a “whole of society” approach in defining private sector engagement through inclusion of the civil society and the academia, whereas PPH exclusively prioritises High Net Worth Individuals, Corporate Partners as well as Institutional Foundations for engagement through bespoke, targeted approaches. This study therefore reviews impact of engagement with the subject industries purely from PPH’s standpoint of priority Private Sector revenue streams.
2. **Programmatic Objectives/SWOT Analysis** – Notwithstanding the urgency for conducting a comprehensive industry review as a means to facilitate the work of PPH fundraisers in the network with the end goal of sustaining and growing PPH income to requisite strategic levels (USD 300 million) by 2025, the need to conduct a comprehensive SWOT analysis of XXXX’s sectoral programmes with the view to clearly identify technical/programmatic strengths and proactively match these to respective industries persists. The subject SWOT analysis must be led by technical teams in close collaboration with PPH, and is expected to help PPH in identifying and assimilating key recommendations on corporate engagement for the benefit of its network, for e.g. which industry is a good match for which technical sector, associated value propositions as well to clearly argue XXXX’s competitive advantage. This is also envisaged to help PPH fundraisers in the network develop targeted pitches that capitalise on XXXX’s programmatic strengths thus ensuring improved hit rates and donor retention.

---

<sup>2</sup> Complete list of analysed evidence attached as Annex B

<sup>3</sup> Bond NGO Evidence Principles Checklist attached as Annex C

<sup>4</sup> Risk Assessment score card attached as Annex D

3. **Organisation wide Technical Needs Analysis (TNA)** – Further to limitation 2, the results of the subject review will perhaps remain a bit binary in nature, until a comprehensive review and prioritisation of operational needs by XXXXX’s technical units is completed. To that end, the industry review or study is meant to serve as the crucial first step with the ambition to retrospectively engage with technical units. Collaborating with technical units for crystallisation of respective needs therefore remains a medium to long term strategic priority for PPH.
4. **Data Availability**– The study uses inputs from 2016 – the latest fiscal year for which comprehensive datasets are available. Further the study evaluates overall economic situation of each PSP priority region/market using GDP data and associated exports of respective markets pertaining to the subject industries. Despite the imminent limitations this may pose to presentation of an overall picture including local market capitalisation, comprehensive local market figures are not only unavailable for inclusion but in some cases are envisaged to also slightly offset findings, for example MENA region is one of the biggest exporters of crude oil, yet their imports of the same are practically negligible. Consideration of cumulative figures/evidence such as those for imports may render the region’s economic reliance on Oil and Gas equivalent to that of regions where related exports constitute a much smaller share of related regional GDP and/or global export statistics.
5. **Prioritised Approach** – For prudently targeting efforts and crystallising focussed recommendations, this study only considers engagement approaches and impact for PPH priority markets as identified during the Regional Manager’s summit in Feb 2018 and as per the recent PPH Strategic Framework 2018-2019. These are therefore USA, UK, Germany, Middle East and North Africa (MENA) region, Netherlands, Switzerland, Spain, Italy and Japan. Whilst this prioritised approach may limit findings to specific markets only, it could also be considered an effective risk management strategy. Subject industries are relatively newer domain for XXXXX-PSP. As the organisation moves from a blanket exclusion or “high risk” approach to a nuanced engagement methodology, it is perhaps best to “pilot” such actions with a few, best-in-class companies from subject geographies, with the view to mobilise crucial learning that could subsequently be used for any future scale-up or replication efforts.
6. **Industry and Regional Classifications** – Finally the inconsistent titling and use of industry and region classifications within analysed datasets means that information in the public domain is not presented or consolidated as per XXXXX-PSP standards. Although this rendered data analysis particularly difficult, for the purposes of this review respective information was consolidated using several data sources first and subsequently analysed, so as to facilitate presentation of comprehensive, credible findings. This was particularly noted to be the case for Europe region, datasets for which included Russia in some cases and the Extractives industry, classified per product type within the analysed exports and trade related datasets and as “materials” within sustainability indices.
7. **Limited Risk Analysis Data** – Owing to PSP’s exclusionary/high risk approach, internal datasets pertaining to risk assessment for the subject industries were found to be either non-existent or relatively small, which may obscure average/common understanding of risks for each reviewed industry.

## II. Regional Economic Analysis

In order to identify potential in true, relative terms, the study assessed market share of respective industries within PSP priority regions, linking these to associated PPH markets. In doing so datasets from a number of credible sources were analysed to assess comprehensive, widely recognised economic indicators such as GDP and related trade and export figures of the subject industries, for each priority region and market.

### II.1. Oil and Gas

*For the purpose of this study, Oil and Gas and articles<sup>5</sup> thereof are deemed to include all mineral fuels, mineral oils and products of their distillation, bituminous substances and mineral waxes.*

The **Middle East and North Africa (MENA)** region remains by far the biggest exporter of Oil and Gas and articles thereof, with over US\$ 400 billion or roughly 13% of the economy's US\$ 3.1 trillion GDP relating to respective exports. Further of the global US\$1.5 trillion worth of Oil and Gas related exports, roughly 27% are sourced from MENA annually, rendering Saudi Arabia the biggest exporter of Oil, Gas and associated products in the world. In MENA, many high net worth individuals' or their associated conglomerates' close or overlapping connections to the subject industry are therefore not only understandable but inevitable.

### World Map of Crude Oil Exports 2016

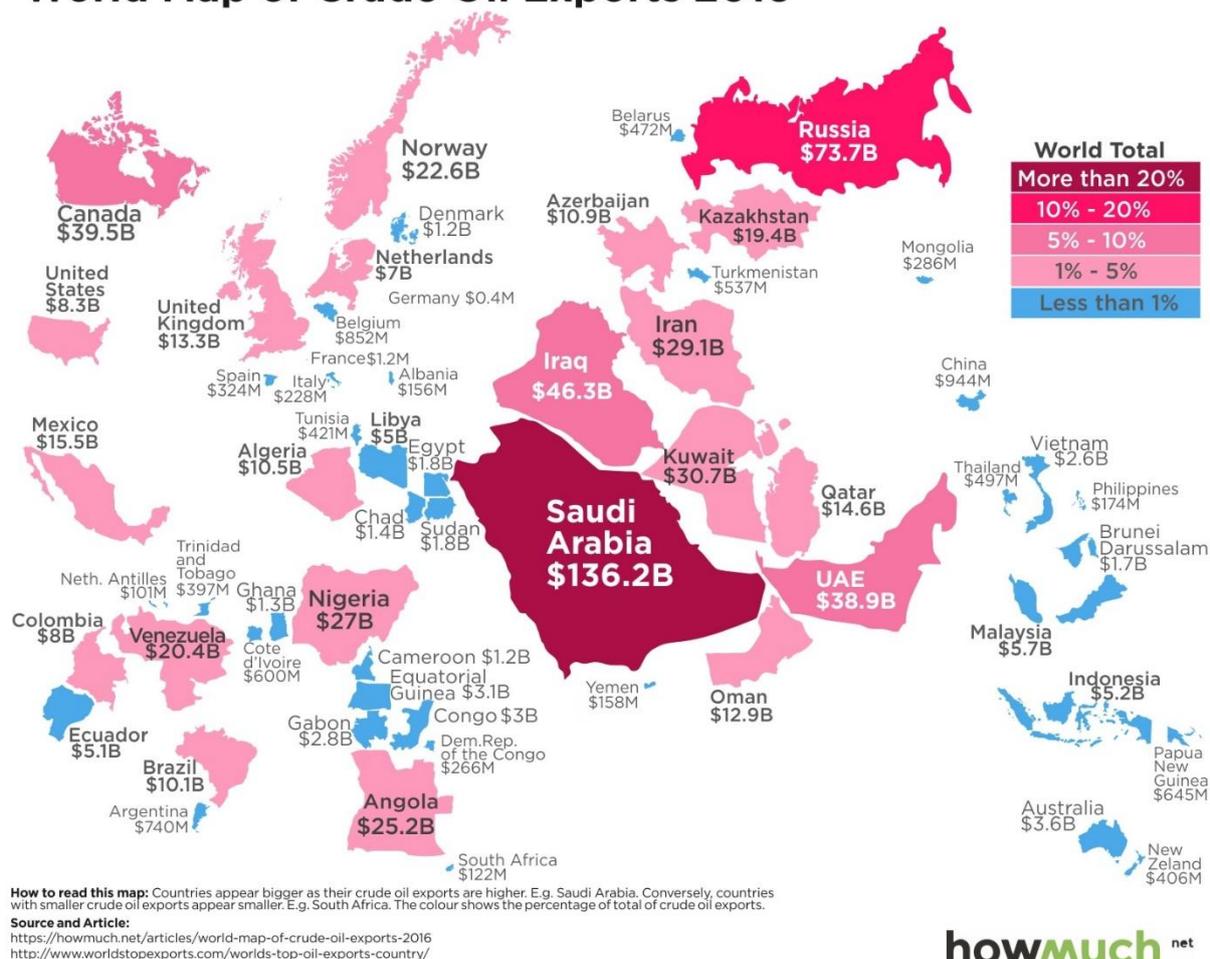


Figure 2: Leading Crude Oil (only) Exporters of the World

<sup>5</sup> Complete list of Oil and Gas industry related trade articles attached as Annex E;

This equally relates to governments and/or members of the royal families of the region, who have been faithful, long-standing donors to XXXXX through PSP's sister service i.e. DRRM. Equally whilst many HNWI's are noted to have amassed/inherited their wealth through natural resources, they have since considerably expanded and/or diversified their business portfolios.

According to data from the International Trade Centre (ITC), in terms of market capitalisation cumulatively **Europe** also remains a key player and major exporter of Oil, Gas and articles thereof, with exports from the region making up roughly 20% of global exports in the area. These figures however do not equate to the region's economic reliance on the industry, with Oil and Gas exports constituting only 1% of the region's GDP. The limited economic reliance on Oil and Gas could however be considered reflective of the sheer scale (over US\$ 20 trillion) and diversity of the region's economy, with some of the biggest national economies from the region being more service driven such as that of the UK.

Further despite Russia and USA's position as the second and third largest exporter of Oil and Gas and articles thereof in the world, engagement potential with the subject industry in the **Asia Pacific (APAC)** and **Americas** regions on the whole remains relatively low for XXXXX. This is mainly because aside from USA and Japan, none of the Oil and Gas exporting countries within the two regions are deemed priority markets by the PPH Strategic Framework 2018. Further in Japan's context related exports make up only about 3% of cumulative regional figures. Development of any engagement strategies targeting the Oil and Gas industry within the Americas and APAC regions must therefore be prudently evaluated in view of related Return on Investment (RoI) indicators.

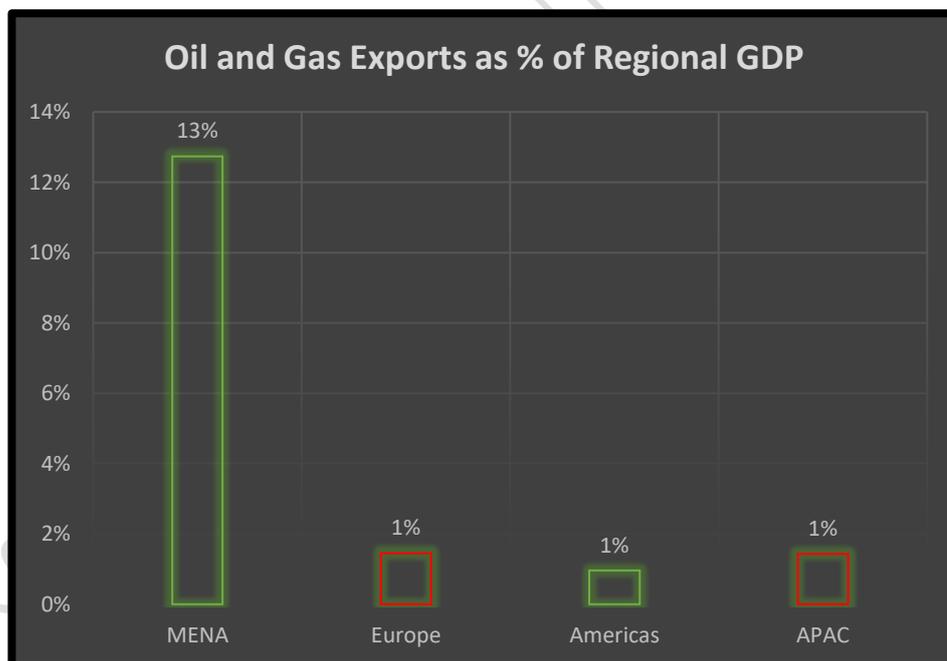


Figure 3: Oil and Gas Exports as % of Regional GDPs

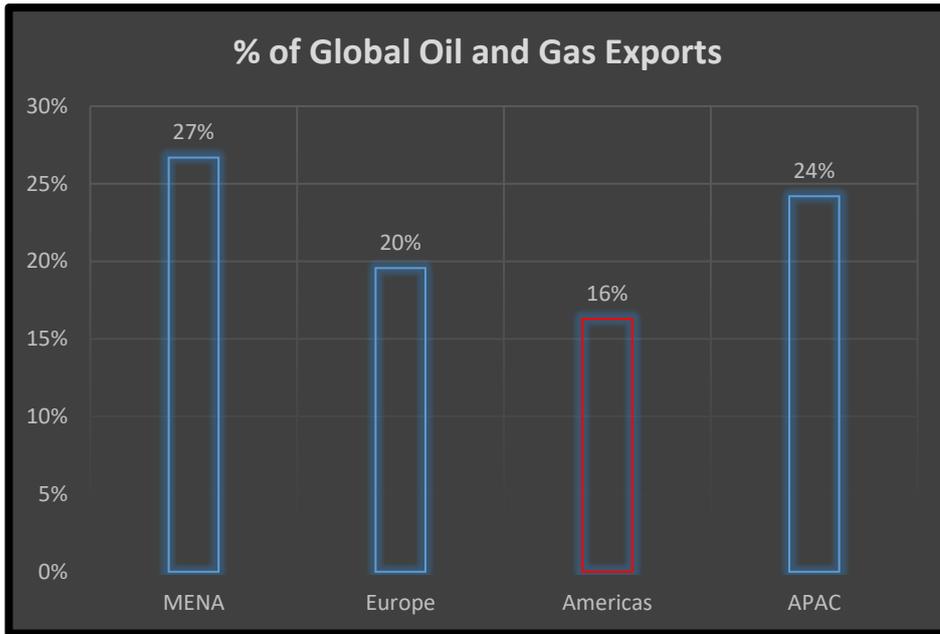


Figure 4: %age of Global Oil and Gas Exports per Region

## II.II. Pharmaceutical

*For the purpose of this study, pharmaceutical products and articles<sup>6</sup> thereof are deemed to include all products and substances developed and used for therapeutic, prophylactic and/or diagnostic purposes.*

Research suggests that the pharmaceutical industry remains largely monopolised by and skewed in the interests of European exporters. Given that roughly 78% of the world's pharmaceutical exports were supplied by **Europe**, it is really no surprise that **Germany** and **Switzerland** have consistently remained the world's leading pharmaceutical exporters since at least the last 5 years.

<sup>6</sup> Complete list of Pharmaceutical industry related trade articles attached as Annex F;

## World Map of Drugs and Medicine Exports 2016



Figure 5: Leading Drug and Medicine (only) Exporters of the World

However owing to the diversity and magnitude of European GDP, the industry or related exports on the whole make up only about 2% of related economy.

In general, **APAC, Americas** and **MENA** regions' economic reliance on the industry was found to be relatively low with only 22% of the world's cumulative pharmaceutical needs catered to by all other regions. This however should not dilute USA's position as the third largest pharmaceutical exporter of the world and therefore the affiliation of local businesses with respective industry.

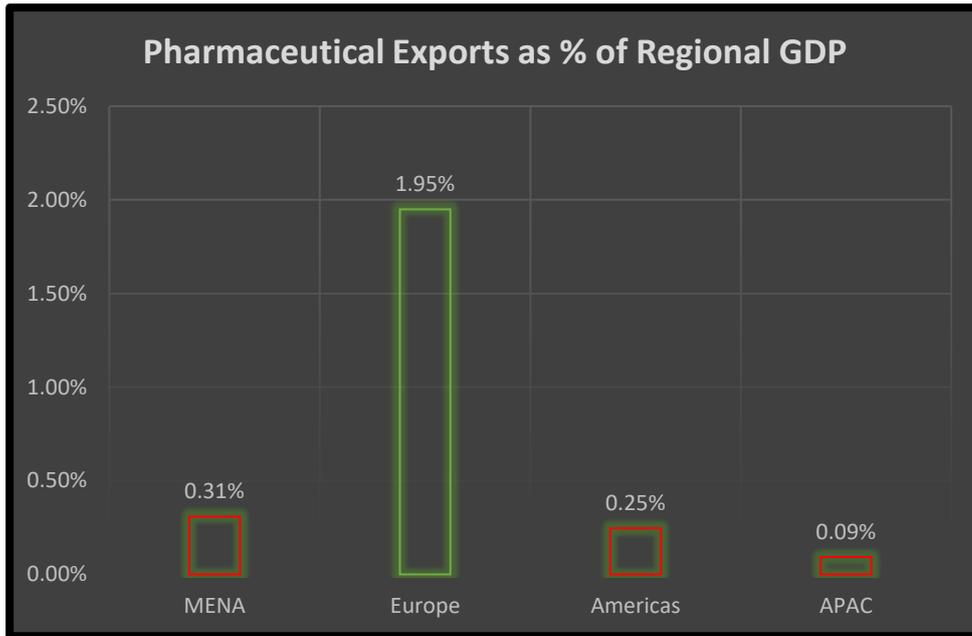


Figure 6: Pharmaceutical Exports as % of Regional GDPs

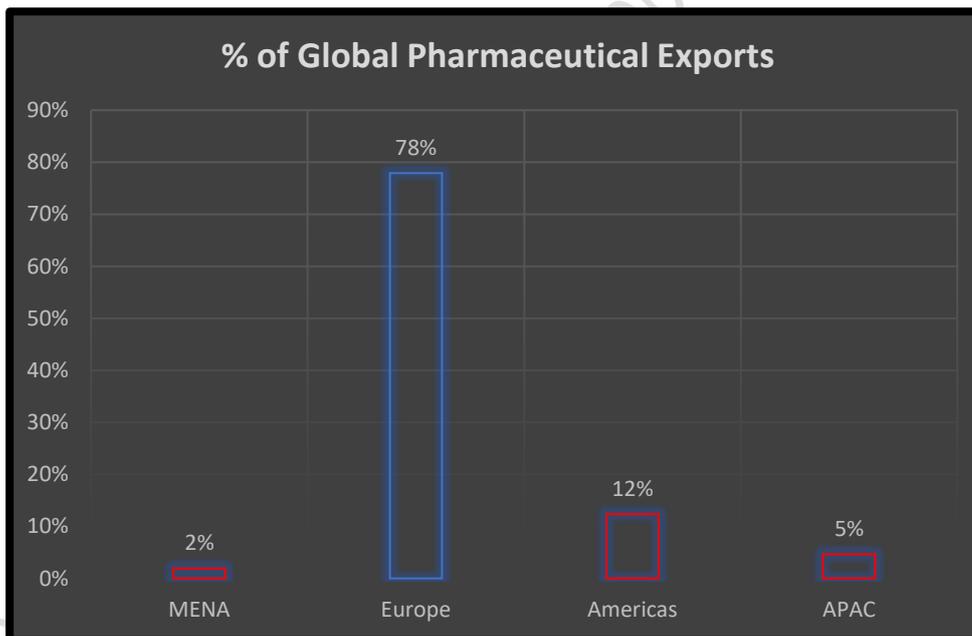


Figure 7: %age of Global Pharmaceutical Exports per Region

### II.III. Extractive

*For the purpose of this study, extractive products and articles<sup>7</sup> thereof are deemed to include all products pertaining to iron, steel, copper, nickel, aluminium, lead, zinc, tin, other base materials and minerals, cermet and articles thereof.*

The extractive industry remains by and large the most difficult to analyse. This is largely because of inconsistent industry classifications and unavailability of consolidated datasets. Despite these limitations, available evidence suggests that the extractive industry on the whole presents promising opportunities for XXXXX-PSP, specifically in the **Europe** and **APAC** regions, with roughly 43% and 34% of the world's needs met through exports from respective regions. Further in terms of regional economies, subject exports constitute roughly 2% and 1.2% of the European and Asian GDPs.

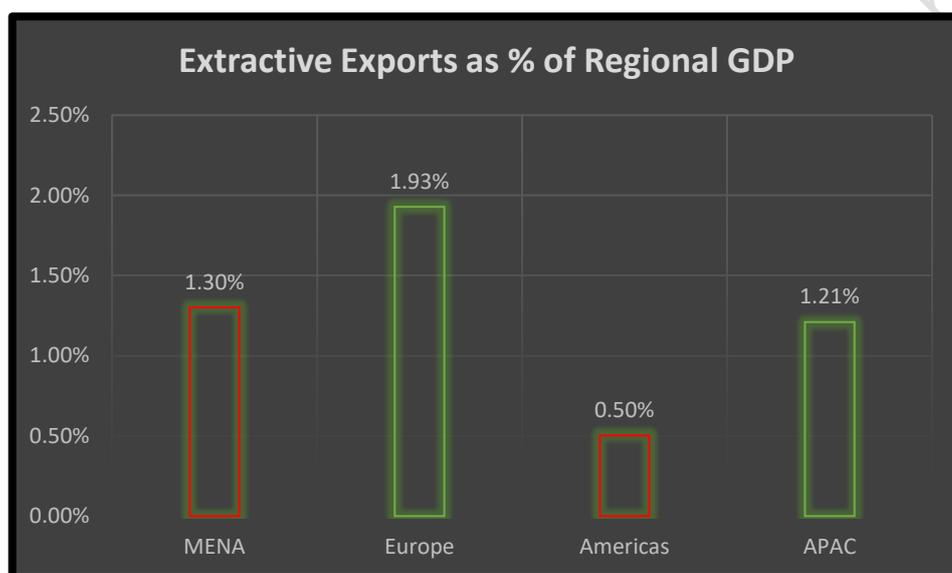


Figure 8: Extractive Exports as % of Regional GDPs

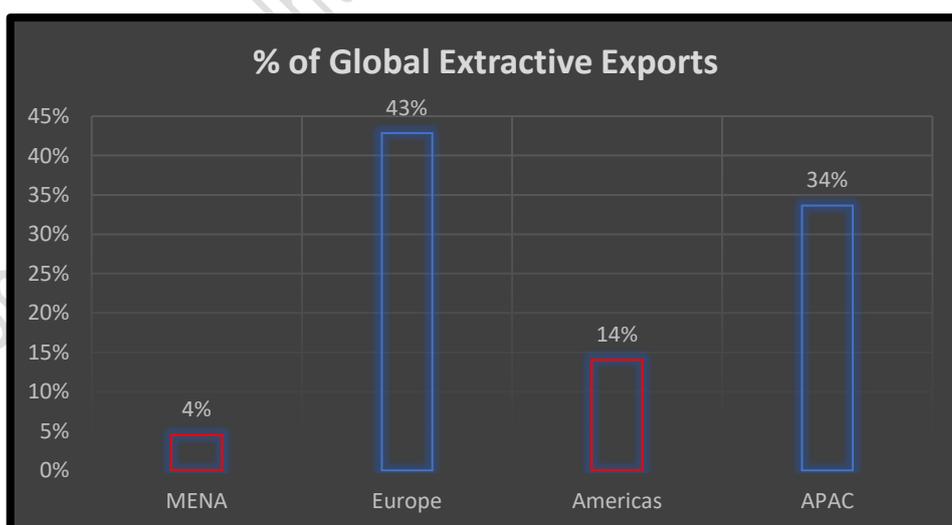


Figure 9: %age of Global Extractive Exports per Region

<sup>7</sup> Complete list of Extractive industry related trade articles attached as Annex G.i - viii;

## II.IV. Regional Recommendations

Based exclusively on regional economic analysis and associated giving potential, this study recommends that tailored engagement opportunities for the subject industries be adopted in the **MENA, Europe** and **APAC** regions and specifically for countries where the market share makes up roughly a tenth or more (over 8-10%) of regional export figures, suggesting moderate to high economic reliance.

Specifically, this study suggests development of targeted, honed strategies for engagement with the **Oil and Gas** industry in **Saudi Arabia, Netherlands, Qatar, UAE, Kuwait, Germany** and the **UK**. Similarly engagement propensity should be fully evaluated and pursued at market levels for the **pharmaceutical** industry in **Germany, Switzerland, UK** and **Netherlands**, and for the **extractive** industry in **Germany, Japan, Italy** and **Netherlands**.

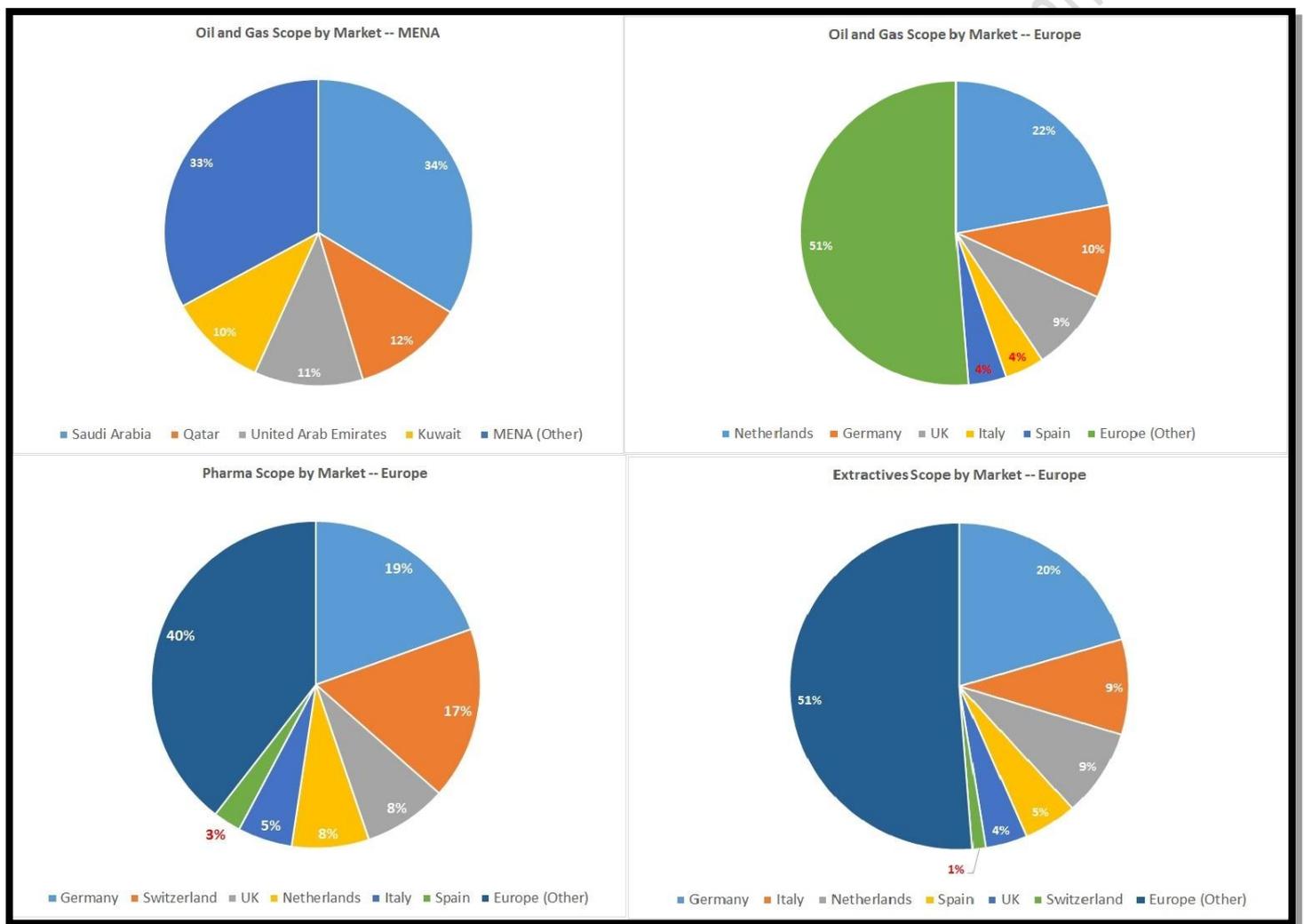


Figure 10: Industry Scope Analysis by Market

Further owing to the distribution of wealth within the Americas region, any engagement approaches for the **USA** market must be considered and developed independent to the general regional datasets and conclusions. This is in line with findings of this study, which suggest that USA alone controls roughly 38%, 75% and 42% of Oil and Gas, Pharmaceutical and Extractive industry related exports of respective region. To that end, key markets soliciting a tailored engagement approach for all subject industries remain as **Germany, Netherlands** and **USA**, with bespoke approach strategies pertaining to two out of three industries equally needed for the **UK**.

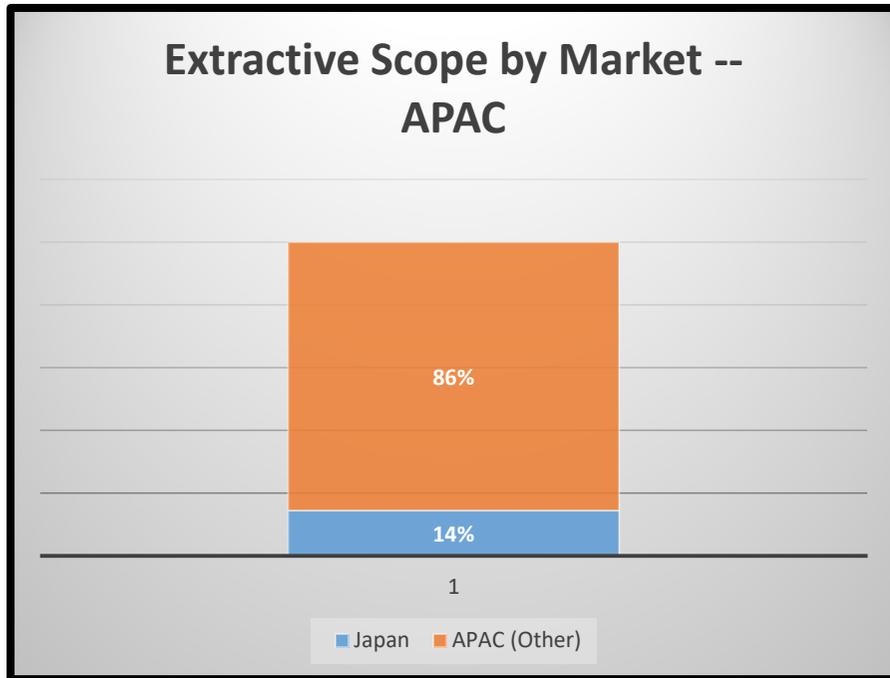


Figure 11: Extractive Industry Scope Analysis in PPH Priority Market in APAC

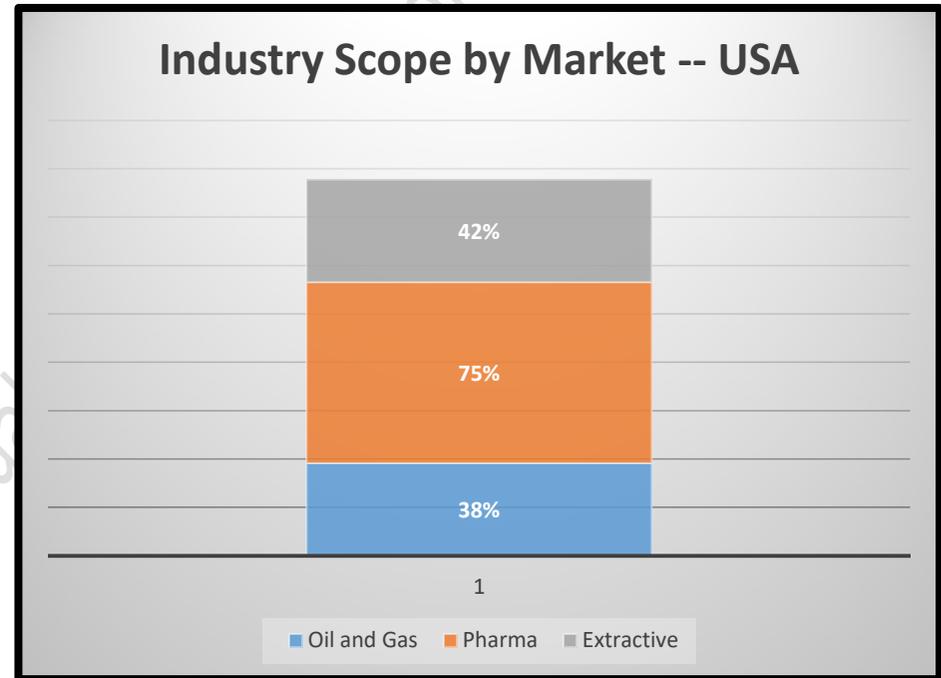


Figure 12: USA share of regional industry exports

### III. Competitors/Peer Review

A closer analysis of XXXXX's competitors and their respective strategies in the sphere are detailed below. Whilst some seemingly apply a blanket approach, the undeniable potential, positioning and weight of the subject industries renders exclusion at large extremely difficult for other notable peers of XXXXX.

In order to learn from respective experiences and conduct a comparative analysis, six peer approaches pertaining to the subject industries and/or related companies are detailed as follows:

#### III.I. UNICEF

UNICEF defines its corporate engagement approach as strategically industry centric. It implements pilot projects with priority industries such as through businesses, industry associations, UNICEF National Committees, UNICEF country offices and governments etc, to develop good practice, set precedents, promote the uptake of the children's rights and business principles and facilitate scale-up. To that end it works with the **Extractives**, Information and Communications Technology, Food and Beverage, Travel and Tourism, Banking and Finance as well as the Consumer Goods industries. UNICEF's approach recognises that exclusion not only undermines the potential of these industries but also curtails any opportunities for positively influencing businesses' sustainability practices that are supplementary to a "shared value" partnership approach.

A brief description of UNICEF's objectives in working with subject industries is as follows. For the purposes of this study only details for industries under review are discussed:

**Extractives** – UNICEF engages extractive companies, governments and civil society to promote children as a key stakeholder group by developing tools<sup>8</sup>, guidance and research to support companies in identifying and managing their impacts on children. Extractive operations often occur in some of the most remote and disadvantaged areas in the world, encountering some of the most vulnerable children with profound impacts on their lives. Inherently, the potential human rights impact of both mining and oil and gas operations are often linked to their proximity to local communities. UNICEF's approach to engaging with extractive companies is to leverage the investments related to the sector for the fulfilment of children's rights in an inclusive and equitable manner, and to protect children from exploitation and harm in relation to extractive activity. Notwithstanding the negative impacts of the industry including environmental degradation, social unrest, unemployment, loss of family land, resettlement, child exploitation, spread of illnesses and negative social pathologies, and child labour, UNICEF's approach more broadly works by enabling related businesses to positively impact the lives of children through social investment, employment and infrastructure development. In doing so, it equally acknowledges that the lack of transparency on the payment of extractive revenues and the ways those resources are managed and allocated may compromise investments that provide for the well-being of local populations.

#### III.II. Save the Children

Whilst a strategic industry centric approach is not quite evident from review of the organisation's partnership strategy<sup>9</sup>, however it recognises the importance of Innovative partnerships between the private sector and INGOs that can transform businesses, enhance competitive advantages and simultaneously alleviate the inequalities and persistent poverty that threaten both social and business outcomes. The organisation believes that the global and multilateral challenges faced by the world at large can significantly impact children and their families with consequences for global

<sup>8</sup> UNICEF Mining and Child Rights Self-Assessment tool and Child Rights and Mining toolkit attached as Annex H.i and H.ii respectively;

<sup>9</sup> Save the Children Global Corporate Partnerships Strategy attached as Annex I

economies, future workforce and consumer base. Their value propositions include generation of breakthrough solutions to drive economic development and sustainable impact for the world's most marginalized children and their families. They work to create "shared value partnerships", compelling marketing initiatives and engaging campaigns by leveraging businesses' creativity, expertise and products. A corporate partnership with Save the Children as defined by the agency itself, can help facilitate improved brand lift, increased sales, engaged employees, a boost in customer loyalty and access to key global market knowledge and expertise.

Save the Children works to tailor each high-value, strategic partnership to meet specific business objectives that are aligned with target community/beneficiary needs, as well as key performance indicators to deliver results. They further classify ways of partnering as follows:

- Scaling Impact in Communities
- Innovation
- Cause Marketing Campaigns
- Gift-in-Kind: Product, Services & Fellowships
- Employee Engagement
- Humanitarian Response
- Thought Leadership
- Social Enterprise Investments

Further a review of the organisation's [global strategic partners](#) suggests collaborations with the following industries:

**Pharmaceutical** -- GlaxoSmithKline (GSK), Johnson & Johnson, Merck, Bristol Myers Squibb, Pfizer  
**Oil and Gas** – Chevron, ExxonMobil

### III.III. World Vision

World Vision works with companies of all sizes to create partnership solutions that align with company goals and missions in unique, impactful ways. Although a focused industry approach is not clear from review of respective inputs, the organisation works to find collective and collaborative solutions to global problems by working together with businesses. Through their approach they help businesses grow whilst striving to meet beneficiaries' needs. World Vision enables its partners to collaborate with them in the following ways:

- Strategic Giving
- Cause Marketing
- Disaster Relief Giving
- Employee Engagement
- U.S. Site Sponsorship
- Product/GIK Donation

The organisation maintains long-standing, strategic partnerships with the following industries:

**Extractive** – Kohler  
**Oil and Gas** -- Chevron

### III.IV. IRC

The International Rescue Committee partners with select corporations in the United States and around the globe to improve safety, health, education, economic security, and self-determination measures for the world's most vulnerable people. They work closely with partners to create

meaningful and multifaceted engagement opportunities—including workplace giving, volunteer days, and cause-marketing campaigns—which best align with their partners’ strategic priorities to achieve common goals.

As an organisation, IRC remains discreet around partnership visibility, which could be linked to the organisation’s risk management strategy. Whilst details of an industry centric approach are not entirely visible/known, an analysis of related materials in the public domain confirm their collaboration with **Johnson & Johnson**, a **pharmaceutical** company and hence by association with the sector/industry.

### III.V. ICRC

The ICRC corporate partnership team works to develop bespoke relationship with businesses, prioritising business objectives for meeting humanitarian goals. Their vision is to create “shared value” partnerships with its corporate supporters. To that end, they identify their value propositions as:

- Visible demonstration of corporate social responsibility, positive media coverage and publicity.
- Collaboration based on joint needs. We will work with you to understand and meet your priority needs.
- Increased staff motivation. We can advise you on best practice, logistics regarding donations raised and how you can use your employees' activities to benefit your strategic business objectives.
- Enhanced reputation with customers. A simple, yet effective way to work with the ICRC while also effectively communicating the quality of your brand values to your customers.
- Knowledge and expertise exchange. We encourage our partners to learn from us and share successes in order to innovate together.

A complete list of ICRC’s corporate partners is not available. The organisation seems to maintain a few longstanding partnerships with a handful of sports and service associations. This could be reflective of the organisation’s stringent exclusionary and caution principles<sup>10</sup>, which precludes its engagement with businesses involved in **manufacture or sale of arms**, international crimes such as **International Humanitarian Law (IHL) and International Human Rights Law (IHRL) violations** including crimes against humanity, genocide, torture, piracy, transnational organized crime, human trafficking, financing of terrorism, **manufacture of products** that are widely recognized as **deleterious to health** and **socially sensitive industries**, including gambling and pornography. However in 2005 the organisation formulated an [ICRC Corporate Support Board](#), convened of 7 founding members, including **Roche** – a leading Swiss **pharmaceutical** manufacturer.

### III.VI. MSF

Around 95 per cent of MSF’s funding comes from its loyal, 6.1 million individuals strong donor base. This could perhaps explain the limited visibility around the organisation’s corporate partnerships as well as the organisation’s negligible reliance on the same. Further MSF works through an operational framework that connects its independently established associations to five operational directorates. Whilst the directorates manage MSF’s humanitarian assistance programmes, with other units such as supply centres and medical units also supporting respective activities, its 24 associations are set up as independent legal entities, with their own board of directors and president. Most associations have an executive office that raises funds and recruits staff for MSF’s operations.

<sup>10</sup> ICRC ethical screening principles attached as Annex J

For this reason a consolidated review of MSF’s global partners is extremely difficult. Each MSF association is empowered to operate independently and therefore maintains complete autonomy in screening and selection of partners. For example, in USA the organisation partners with **GHM America Corporation**, an **extractive** industry related business and the **Allchem Industries** engaged in wholesale of **chemicals** whilst in the UK, MSF does not accept gifts from companies involved in:

- Arms manufacturing and selling
- Tobacco manufacturing and selling
- Pharmaceutical industry
- Extraction industry

#### IV. Top Industry Performers

To further explore opportunities for engagement this study also reviews some of the subject industries top performers as ascertained by the global Dow Jones Sustainability Index (DJSI) 2017. Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks primarily aimed at corporate investors and shareholders. Launched in 1999, the family as the first global sustainability benchmark ranks and tracks the annual stock performance of the world’s leading companies in terms of widely recognised Environmental, Social and Governance (ESG) criteria. Created jointly by S&P Dow Jones Indices and RobecoSAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainability Investing to select the most sustainable companies from across 60 industries including Oil and Gas, Pharmaceutical and Extractives (data aggregated under the “Materials” classification).

The indices are mainly intended to serve as benchmarks for investors who proactively seek to integrate sustainability considerations into their portfolios, whilst providing an effective engagement platform with the view to encourage companies to improve their corporate sustainability practices.

##### IV.1. Dow Jones Sustainability Indices (DJSI) and Assessment Methodology

The DJSI World applies a transparent, rules-based component selection process based on the companies’ Total Sustainability Scores resulting from the annual RobecoSAM Corporate Sustainability Assessment (CSA). Only the top ranked companies within each industry are subsequently selected for inclusion in the Dow Jones Sustainability Index family. No industries are excluded from this process.

The composition of the DJSI is reviewed each year in September based on the Total Sustainability Scores resulting from the annual RobecoSAM CSA and is rebalanced quarterly.

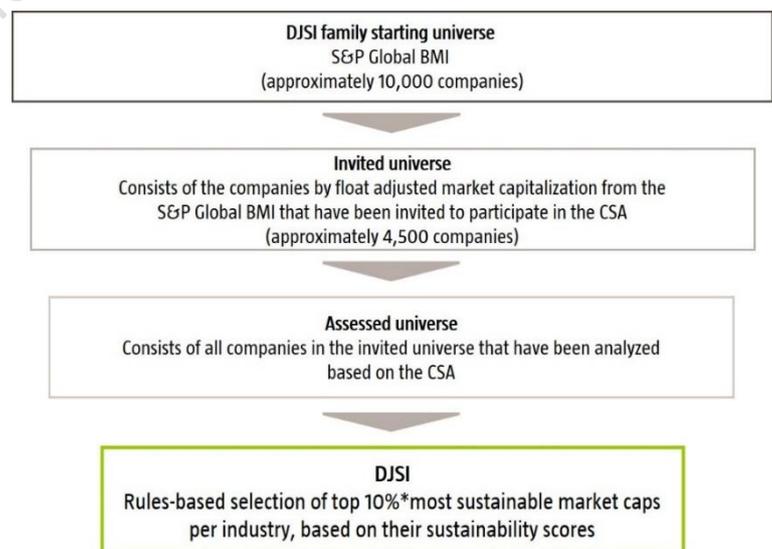


Figure 13: DJSI Corporate ESG Assessment Methodology

In terms of weightage, the global indices represent the top 10%, regional Indices represent top 20% and finally country indices represent top 30% best-in-class industry performers.

Furthermore an integral component of the Corporate Sustainability Assessment<sup>11</sup> is the Media & Stakeholder Analysis (MSA). The MSA process continuously monitors media coverage and other publicly available information from consumer organizations, governments or NGOs based on data provided by RepRisk ESG Business Intelligence to identify companies' involvement and response to environmental, economic and social crisis situations that may have a damaging effect on their reputation and core business. On a daily basis, RepRisk crunches data to screen, capture, filter and analyse environmental, social and governance (ESG) risks related to companies from a wide range of external stakeholders and third parties. This information helps assess whether a company's policies, processes, management systems and commitments are translating into performance as well as whether the company is exposed to material sustainability risks.

A range of issues such as labour disputes, accidents, human rights abuses or environmental disasters can harm a company's reputation, resulting in financial consequences ranging from lost business, lost customers and declining sales, to liabilities, litigation or fines, all of which may have an impact on shareholder value. The MSA process analyses the companies' responses to such environmental, economic or social crisis situations that may have a negative impact on their core business or reputation.

The results of the MSA are built into the Corporate Sustainability Assessment and can reduce a company's Total Sustainability Score, thus affecting its inclusion in any of the DJSI Indices. In addition, severe incidents and breaches that cast strong doubts on a company's procedures and ability to handle the situation can be escalated to the DJSI Index Committee. Following a thorough analysis, the DJSI Index Committee may decide to change a company's eligibility immediately, regardless of the company's Total Sustainability Score.



Figure 14: S&P ESG Factor Weighted Indices Assessment Criteria

Despite the potential discussed above, a noteworthy fact remains that none of the Oil and Gas companies from the MENA region made it to the global or regional DJSI for the year reviewed. This could however also be due to the criteria used for the overarching DJSI and the embedded S&P ESG factor weighted assessment tools, which prioritise evaluation of companies in North America, Latin America, Europe, Japan and Asia excl. Japan regions/markets only or those which cumulatively constitute 70% of the global market cap.

<sup>11</sup> RobecoSAM CSA Companion and CSA Methodology reports attached as Annex K.i and Annex K.ii respectively;

## IV.II. DJSI Industry Leaders

Given the methodology above and as assessed by DJSI, the table below represents a compressed list of global industry top performers or some of the companies that make up top 10% of industry leaders in the world based in priority PPH markets.

S. No.	Country	Industry	Company	Annual Revenue (USD)	DJSI Score	Sustainlytics Score
1.	UK <sup>12</sup>	Oil and Gas	Royal Dutch Shell PLC	305 Billion	World Top 10%	Outperformer
2.	Germany	Oil and Gas	Linde AG	21 Billion	World Top 10%	Average Performer
3.	Netherlands	Oil and Gas	SBM Offshore NV	2.7 Billion	World Top 10%	Outperformer
4.	Switzerland	Pharma	Roche Holding AG	56 Billion	World Top 10%	Leader
5.	Switzerland	Pharma	Novartis AG	48 Billion	World Top 10%	Outperformer
6.	USA	Pharma	AbbVie Inc	28 Billion	World Top 10%	Outperformer
7.	UK	Pharma	AstraZeneca PLC	22 Billion	World Top 10%	Outperformer
8.	Japan	Extractive	Mitsubishi Materials Corp	16 Billion	World Top 10%	Average Performer
9.	USA	Extractive	Newmont Mining Corp	7.3 Billion	World Top 10%	Outperformer

Table 1: DJSI Industry Leaders from PPH Priority Market

<sup>12</sup> Parent/Withholding company is based in the UK;

## V. Opportunity vs Risks analysis

In order to truly assess potential of engagement with subject industries for XXXXX, this study analyses some pertinent risks associated with the subject industries vis-à-vis the potential detailed under [Regional Economic Analysis](#) section above.

As assessed by XXXXX-PSP Due Diligence unit, risks related to the Extractive industry can include (i) displacement of local communities (ii) health, safety, and environmental concerns (iii) labour issues and human rights violations (iv) bribery and corruption (v) general correlation between commodities and war which often results in displacement of people (vi) issues with 3rd party security (i.e. military, private firms, etc.) of extractive sites and surrounding communities (exploitation/abuses).

Further, risks concerning the pharmaceutical industry include (i) access to medicine (ii) price fixing and market manipulation (iii) false advertising (iv) adverse side effects of medications (v) increasing percentage of clinical trials in emerging markets (cheaper/less regulation) (vi) supply chain compliance and ethics. Finally, risks pertaining to the Oil and Gas industry can mainly be classified as (i) displacement of local communities (ii) health, safety, and environmental concerns (iii) labour issues and human rights violations (iv) bribery and corruption (v) general correlation between commodities and war often resulting in displacement of people (vi) Issues with 3rd party security (i.e. military, private firms, etc.) of natural reserves and surrounding communities (exploitation/abuses).

Due to the similarities between some of these classified risks, as well as to carry out an objective and comprehensive assessment versus potential, the study categorises these into 7 main risk areas, whilst adding financial and/or operational indicators. Therefore these are mainly:

- Financial Risks
- Legal/Taxation Risks
- Operational and Technical Risks
- HR/Service Management Risks
- Work Environment Risks
- Service Delivery Risks
- Reputational Risks

Notwithstanding [limitation no. 7](#), the study analysed internal PPH data (Due Diligence screening reports) from the past 2 years to ascertain average risk areas for each industry (4 pharmaceutical companies screening reports; 3 from Europe and 1 from APAC), as evidenced by relevant team(s). Categorised risks were subsequently scored<sup>13</sup> to assess the average performance of each reviewed/screened company. Whilst there remain notable risks in the Service Delivery and Reputational spheres with most reviewed companies scoring relatively low in each of those areas, most of the companies were equally found to be top performers when assessed using Operational and Technical, HR/Service Management and Work Environment related indicators including Annual Revenue, Workforce size, financial equity, staff professional development, gender equity, diversity/inclusion and Corporate Social Responsibility (signatories to UNGC, commitment to SDGs, positioning of executive leadership such as plenary speakers/advocates for positive social reforms at the World Economic Forum, UNGA etc.) criteria.

---

<sup>13</sup> For details on risk classification and scoring, please refer to the Risk Assessment score card attached as Annex D;

Since this study argues development of a bespoke strategy for engagement with the Pharmaceutical industry in Europe only, the internal due diligence dataset pertaining to the Pharmaceutical industry was found to be very relevant for the purposes of this review. However owing to the limited availability and/or unavailability of internal data, a similar evidence based sectoral or geographical analysis approach for the Extractives and Oil and Gas industries has not been possible.

Therefore based on the Due Diligence unit's standard assessments, a few generic risks have been pre-emptively assumed for these industries. These are further evaluated vis-à-vis associated opportunities within the ensuing Industry SWOT matrix below.

Copyrighted -- Intellectual Property of ID Connect

V.I. Industry SWOT<sup>14</sup> Analysis

STRENGTHS			WEAKNESSES	
Pharmaceutical	Oil and Gas	Extractive	Pharmaceutical	Oil and Gas
<ul style="list-style-type: none"> <li>Steady Market Position</li> <li>Annual Turnover/ Operating Profits</li> <li>Legal/Taxation compliance</li> <li>Workforce size</li> <li>Professional Development opportunities</li> <li>Diversity &amp; Inclusion</li> <li>Health and Safety protocols</li> <li>Salary structures</li> <li>Compliance with labour laws</li> <li>CSR Commitments</li> <li>Influence of Executive Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Steady Market Position</li> <li>Annual Turnover/ Operating Profits</li> <li>Workforce size</li> <li>Professional Development opportunities</li> <li>Diversity &amp; Inclusion</li> <li>Health and Safety protocols</li> <li>Salary structures</li> <li>CSR Commitments</li> <li>Influence of Executive Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Steady Market Position</li> <li>Annual Turnover/ Operating Profits</li> <li>Workforce size</li> <li>Professional Development opportunities</li> <li>Diversity &amp; Inclusion</li> <li>Health and Safety protocols</li> <li>Salary structures</li> <li>CSR Commitments</li> <li>Influence of Executive Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Consumer Safety and Quality</li> <li>Bribery and corruption</li> <li>Supply chain issues (non-sustainable practices)</li> <li>Threats to local resources (cultural sites, natural reserves, water/drought and/or indigenous businesses etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Correlation of industry performance with global economic conditions</li> <li>3rd party risks</li> </ul>
OPPORTUNITIES			THREATS	
Pharmaceutical	Oil and Gas	Extractive	Pharmaceutical	Oil and Gas
<ul style="list-style-type: none"> <li>Organisational and/or Industry wide Advocacy and Awareness Raising</li> <li>External stakeholder influencing (govts, watchdogs etc.)</li> <li>Cash donations</li> <li>GIK donations</li> <li>Employee Engagement</li> <li>Refugee Employment</li> </ul>	<ul style="list-style-type: none"> <li>Organisational and/or Industry wide Advocacy and Awareness Raising</li> <li>External stakeholder influencing (govts, watchdogs etc.)</li> <li>Cash donations</li> <li>GIK donations (loyalty cards)</li> <li>Employee Engagement</li> <li>Refugee Employment</li> </ul>	<ul style="list-style-type: none"> <li>Organisational and/or Industry wide Advocacy and Awareness Raising</li> <li>External stakeholder influencing (govts, watchdogs etc.)</li> <li>Cash donations</li> <li>Employee Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Compromised brand identity</li> <li>Reputational damage</li> <li>Human Rights Violations (through market manipulation/price fixing or impeding access to healthcare)</li> </ul>	<ul style="list-style-type: none"> <li>Forced labour</li> <li>Community displacement</li> <li>Competition</li> <li>Reputational damage</li> <li>Human Rights Violations</li> </ul>

Table 2: Industry SWOT Matrix

## VI. XXXXX Value Propositions

Whilst XXXXX's generic value propositions are equally valid for the subject industries, as a humanitarian agency XXXXX also maintains a competitive advantage over some of its notable peers particularly relevant for respective business sectors. These are mainly:

### **XXXXX Mandate**

XXXXX, the UN Refugee Agency, is a global organisation dedicated to saving lives, protecting rights and building a better future for refugees, forcibly displaced communities and stateless people. To that end, by far the organisation's main value proposition for partnerships with the private sector remains its mandate. As the mandated UN refugee agency, XXXXX is uniquely positioned to remain and continue provision of life saving assistance to its target groups, often after most humanitarian actors have wrapped up operations in protracted contexts or once an emergency transitions to lower media visibility stages and support fizzles out. In such scenarios, XXXXX's position not only ensures continuum of activities for future scale-up and/or regional replication of programmes but also enables transition of emergencies to medium and longer term early recovery and sustainable development phases, subsequently ensuring appropriate management of risk and security of XXXXX's private sector partners' investments.

### **Technical Expertise**

XXXXX only does humanitarian assistance and it does it well! As an agency, XXXXX has been implementing multifaceted programmes in complex, conflict affected environments since 1950. This means that XXXXX's experience and expertise of humanitarian assistance mostly exceeds that of its peers. XXXXX is thus uniquely positioned to apply this wealth of learning and technical know-how garnered over decades of emergency programming for the benefit its target groups. Whilst this may limit opportunities pertaining to growth and diversification of programmes, maintenance of a singular focus also means that XXXXX's partners can always trust the organisation and its brand to deliver transformational, ground-breaking solutions to complex humanitarian challenges, as opposed to spreading itself too thin or "learning on the job" at the expense of meagre resources.

### **Host Country Agreements**

As a UN agency, XXXXX is mostly invited to intervene by national host governments to supplement efforts for delivery of life-saving assistance for the refugee influx. Usually in doing so, XXXXX adopts a "whole of community" approach, providing equitable services to host communities as a means to proactively manage or control any inter-community tensions. Further, as the custodian of the 1951 Refugee Convention, XXXXX works closely with host governments to ensure its various articles are honoured. Host governments and XXXXX are subsequently signatories to bilateral agreements which clearly set out terms of engagement and commitments of each party. This means that whilst outputs of other international NGOs and related programmes are at the discretion of host governments, XXXXX works to deliver assistance upon invitation and as per terms and conditions of its host country agreements, thus resulting in enhanced security of its partners' investments.

### **Partner Value Chain**

XXXXX works in 130 countries – by far exceeding the programmatic outreach and therefore impact of most of its peers. Owing to the regional nature and geographies of conflicts, XXXXX's programmes are usually concentrated in some of the most under developed/developing economies of the world. Incidentally some of these economies also constitute part of the value chain of respective industries and therefore related businesses. This further enforces XXXXX's position as a "value-added partner"

that can help businesses create lasting impact within communities that make up their value chains and/or facilitate brand positioning/interventions in new markets through charitable investments.

#### **Co-Financing and Donor Government Influence**

XXXXX works closely with host and/or donor governments to ensure the 1951 Refugee Convention and related Protocol are honoured. As a UN agency, much of XXXXX's work is supported through funds pledged by member states during sessions of the UN General Assembly. This means that XXXXX closely collaborates with most donor governments and thus takes on an important advocacy/influencing role with them to foster policy level interventions/reforms in matters pertaining to restoration/establishment of peace, refugee rights, inclusion and prioritisation as well as humanitarian assistance. This influencing and lobbying role with donor governments sets XXXXX apart from most of its competition. XXXXX's programmes therefore transcend prioritisation by host and donor governments, and can equally be deemed a sound opportunity for leveraging private sector investments by stop-gapping and/or dovetailing with donor governments' support. In the private sector, this co-financing/shared responsibility model is sought by most prospect partners for effective management of any programme related risks or concerns.

#### **Shared Value**

With its focussed expertise, enhanced outreach, touchpoints to companies' value chain and "whole of community" programmatic approach, XXXXX can help businesses create shared value through helping businesses meet social needs while serving existing markets and accessing new ones. It can work with companies to develop and implement CSR strategies that are sensitive to the rights of refugees, conflict affected communities and/or forcibly displaced persons. By working with XXXXX, companies can considerably improve the quality, cost and reliability of their inputs and distribution, while acting as a steward for essential natural resources. XXXXX's partners have a unique advantage to drive economic and social progress through advocacy around impact of unsustainable business practices on forced displacement and refugees as well as through refugee placement/employment schemes. Companies cannot operate in isolation from their surroundings. To compete and thrive, they need reliable local suppliers, a functioning infrastructure of roads and telecommunications, access to talent, and an effective, equitable and predictable legal system. By working with XXXXX, companies are uniquely placed to influence and lobby XXXXX's many multi-partner/stakeholder fora including donor and refugee hosting governments in the interests of mutually beneficial solutions, such as end to conflict/establishment of peace processes, legislative reforms for refugee employment, integration of refugees in national education and health infrastructures etc.

#### **VI. I. Industry Centric Value Propositions**

Further to the [industry SWOT analysis](#) above, whilst the biggest criticism or weaknesses of the subject industries directly impacting XXXXX's mandate and/or its programmes could be classified as (i) **Threats to local reserves and resources** (ii) **Correlation between commodities and war** (iii) **3<sup>rd</sup> party/subsidiary links** and (iv) **unsustainable business practices/supply chain issues**, this can equally be deemed an opportunity for XXXXX to collaborate closely with subject businesses for their **capacity building, sensitisation and awareness raising** on issues pertaining to refugee rights and forced displacement. By working with XXXXX companies have a unique advantage to positively, visibly and tangibly address their weaknesses in the four main areas cited above. To that end, concrete industry centric value propositions including thematic areas of intervention as well as giving avenues aligned with industry strengths, weaknesses and CSR ethos are suggested as follows:

## VI.I.I. Thematic Areas of Intervention

**Public Health/WASH** -- Through investments into XXXXX's equitable, public health programmes, the **Pharmaceutical** and **Extractive** industries can make a lasting impact within communities that constitute their value chain whilst equally addressing concerns related to unsustainable practices of their businesses/value chains, including but not limited to threats to local reserves and resources, wastewater management, contamination etc. Pharmaceutical industries may also have an opportunity for contributing in-kind to XXXXX's Health and Nutrition Programmes, under their CSR commitments of equitable and impartial healthcare for all.

**Energy** – By investing in XXXXX's renewable and non-renewable energy interventions particularly within communities that constitute their value chain, the **Oil and Gas** industry can visibly and tangibly respond to any issues that can be perceived as a threat to local natural reserves and resources.

**Protection** – Given the industries' potential and outreach, any sensitisation or awareness raising programmes developed for **all three industries** will also help XXXXX influence related businesses to adopt policies that are sensitive to the rights and protection of refugees. To that end, and in line with peer approaches (Save the Children, UNICEF), a cohesive **Refugee Protection Toolkit** can be developed within the ambit of the Global Compact on Refugees, targeting the subject industries in particular and the wider private sector in general. For details, please refer to the ensuing Refugee Protection Toolkit section, explained under [Risk Mitigation](#).

**Education and Livelihoods** – Alike any other business, to compete and thrive, subject industries need reliable local suppliers, a functioning infrastructure of roads and telecommunications, access to talent, and an effective, equitable and predictable legal system. Therefore as part of creating **Shared Value** with respective industries, any investments in XXXXX's Education, Vocational Training and/or Livelihoods programmes are also aligned with the business interests of these industries, particularly in communities that constitute their value chain. Further the fact that in many countries refugees are not integrated within host government education infrastructure, also provides XXXXX a strong case to argue for investments within its relevant programme portfolios. Therefore whilst Education related investments can be sought from all **three industries**, due to labour violations associated with the Extractive industry, Livelihoods, Vocational Training and/or Refugee Employment schemes can be carried out in partnership with the **Pharmaceutical** sector, and cautiously explored with the **Oil and Gas** industry.

## VII. Risk Mitigation

Further to related findings, this study suggests adoption of tailored engagement strategies with respective industries and therefore companies. This should mean that any partnership benefits for the subject industries must therefore be developed and evaluated in accordance with respective risks. To that end, this study recommends:

**Pilot Approach** – XXXXX's risk mitigation strategy must first and foremost include trialling respective efforts with a few best-in-class, top performers from each industry or those ranked as industry "Leaders" and/or "Outperformers" by ESG indices and platforms and in each of the suggested geographies only on a pilot basis. Further at least 3 or more credible ESG resources/platforms must be consulted to reach an average understanding of each company's ESG score when evaluating associated risks or for screening purposes.

The proposed “Pilot” approach is not only envisaged to provide for effective risk management but would also help collate essential learning that could then feasibly inform any replication/scale up decisions, globally.

**Minimum Donation** – Given the type and range of associated risks, this study recommends putting in place a “minimum donation” threshold as part of related risk management strategy, so as to further reinforce the pilot’s selective approach that enables engagement with only the best-in-class, leaders and outperformers in each of the reviewed industries. Based on peer approaches, the subject threshold could be set as anything between US\$ 500,000 – US\$1 million.

**MENA Research**– In MENA’s context availability of data at the global level to assess performance against standard ESG indicators remains relatively low. Therefore as an added risk mitigation measure, this study recommends a market based research for the subject region that primarily looks at ESG and giving potential related indicators for the Oil and Gas industry, with the view to map regional industry leaders and/or outperformers.

**Low Visibility** – Owing to pertinent reputational and service delivery risks associated with the subject industries, any media and communication components of respective partnerships must therefore be designed with moderate to low visibility. This means in line with the pilot approach, **limiting partner branding to supported projects** at field and/or market level only, focussed **bilateral meetings** with XXXXX **technical and/or operational leadership** at high-level multilateral events and/or networking opportunities such as World Economic Forum, UNGA, **presentation, plenary and/or advocacy opportunities** at **internal XXXXX events** such as Nansen, PSP side event etc. on topics of mutual interest including refugee protection etc.

Further issues pertaining to use of XXXXX logo, partner logo on XXXXX global platforms and publications as well as global joint press releases must therefore be cautiously explored in view of respective pilot experiences and learning.

**Refugee Protection Toolkit** – Further to the thematic area of intervention associated with XXXXX Protection/Advocacy schemes suggested above, the development of a Refugee Protection toolkit is also expected to serve as an effective risk mitigation measure. **The toolkit is expected to meet two main objectives for XXXXX (i) assess and raise awareness on the impact of respective industries’ malpractice/unsustainable business practices on XXXXX’s persons of concern and more importantly (ii) propose clear recommendations for mitigating/eliminating the same. The toolkit would enable XXXXX to engage in meaningful advocacy with pilot companies and through them with the wider industry on ensuring protection of refugee rights by discussing the impact of their business practices on the same.** In case of any public/media enquiries the subject toolkit can also be used to proactively, clearly and visibly explain the main objectives for XXXXX’s engagement with subject industries i.e. sensitisation of respective industries on the rights and protection of refugees so as to facilitate conducive business practices and mitigate impact to those affected and/or displaced by conflict.

**Publishing XXXXX Screening Criteria and Sources** – Development and public dissemination of screening criteria as well as related sources can also be an effective risk mitigation measure for XXXXX. Information on XXXXX’s screening policies and respective data sources in the public domain can help concerning audiences better understand the organisation’s “zero-tolerance” exclusionary principles directly linked to its core mandate and target groups, as well as credibility and integrity of used platforms/sources.

**Risk Management Plan incl. designated Exit Strategy** – A mandatory risk management plan is also expected to help with proactive identification, management and mitigation of associated risks. This could further help estimate impact of respective risks as a means to define responses for mitigation. In order to be able to engage with companies associated with subject industries, fundraisers in select markets must have this in place and approved as part of their stewardship plans, before an agreement is signed and/or contributions received. Further an Exit Strategy must constitute an integral part of related Risk Management plan thus allowing proactive protection of XXXXX’s brand. Exit strategies must therefore encompass but not be limited to (i) development and incorporation of communication protocols within respective partnership agreements that preclude and/or limit partnership visibility on internal/external global fora (ii) development of standard dissociative press releases in each of the identified risk areas for subject industries which could be rapidly mobilised and published in wake of a controversy (iii) development of protocols for prompt transfer and/or return of final funding tranches.

## VIII. Proposed Partnership Models

Given the levels, type and range of associated risks, this study further recommends low visibility partnership models for all reviewed industries, and therefore companies associated thereto. These are briefly summarised as:

**Employee Engagement** – Further to the Protection/Advocacy related thematic area of intervention cited above, partnerships with subject companies can include robust employee engagement approaches with the goal to encourage individual employee/payroll giving. Whilst this is expected to carry considerable financial potential for XXXXX given the average workforce size of some of the industries’ top performers, this will equally allow XXXXX to positively sensitise and influence subject audience on the needs of its Persons of Concern, and impact of respective businesses on the same. Employee engagement would allow XXXXX to get to the heart of these businesses so as to operationalize its protection agenda, which is unfortunately not possible without a parallel bottom-up methodology in addition to the top-down approach discussed under “Advocacy” below.

**Advocacy** – Given the thematic intervention area of Protection as explained above, related initiatives can include working with “industry champions” to build their capacity, set right precedents and relying on their positioning and outreach for influencing and advocacy with the industry and the wider stakeholder community. Related advocacy initiatives can also include lobbying host and donor governments for empowering refugees with education, skill-building and employment related legislative reforms.

**Cash Donations** – Cash donations usually solicit limited levels of visibility and therefore carry lower levels of risk. Support for XXXXX’s thematic intervention areas cited above can therefore be sought in cash from subject businesses. Further in order to encourage enhanced levels of commitment, this could also be pursued as part of a matched funding scheme at the ratio of 2:1, where the company matches and doubles every singular employee donation. Further in terms of donor/supporter lead generation, this model can also be equally lucrative for PPH’s sister concern i.e. Individual Giving.

**Gift In-Kind** – Partners affiliated with the pharmaceutical industry can also donate in-kind to XXXXX’s Public Health programmes. This could mean contributions of medical supplies and/or equipment, including but not limited to life-saving medication, vaccines, “plumpy-nuts” or nutritional supplies etc. Equally companies associated with the Oil and Gas industry can donate in-kind to XXXXX’s programmes which have a strong reliance on non-renewable sources of energy such as WASH interventions in emergency settings, XXXXX programme vehicles and motor-pool, by set up of a loyalty card scheme etc.

**Knowledge Transference** – In view of the emphasis on innovation, associated positioning and outreach of suggested top performers, essential knowledge and expertise transference schemes on pro-bono basis can also be proposed for XXXXX’s **Public Health** and **Energy** programmes, to at least companies associated with the Pharmaceutical and Oil and Gas industries. Subject companies have a wealth of technical know-how and expertise at their disposal, with some even pioneering innovative, ground-breaking business solutions. If allowed the opportunity, these companies can substantially leverage and enrich XXXXX’s programmatic models, enabling the organisation to expand its outreach and/or enhance the quality of its deliverables at little or no additional expense.

**Pluralistic Approach** – Finally, depending upon partnership cultivation and/or stewardship plans, all of the models proposed above can be combined as part of a pluralistic approach, in order to grow, maximise and/or leverage contributions from any given company.

Copyrighted -- Intellectual Property of ID Connect

## List of Research Materials and Sources

### Publications:

1. Dow Jones Sustainability Indices
  - a. World
  - b. Europe
  - c. Asia Pacific
2. [\*Brand Finance – Global 500, 2018\*](#)
3. [\*World Bank Development Indicators Database – GDP Data 2016\*](#)
4. UNICEF Mining and Child Rights Self-Assessment tool
5. UNICEF Child Rights and Mining toolkit
6. Save the Children Global Corporate Partnerships Strategy
7. ICRC ethical screening principles
8. RobecoSam Corporate Sustainability Companion
9. Measuring Intangibles – RobecoSam Corporate Sustainability Assessment Methodology
10. Due Diligence Screening Reports for 4 Pharmaceutical (Novartis, GSK, Sanofi, Takeda) and 1 Oil and Gas company (Al Suwaiket Group) including Sustainalytics Reports
11. [\*Novartis CSR Report 2017\*](#)
12. [\*GSK Responsible Business Supplement 2017\*](#)
13. [\*Sanofi Integrated Report 2016\*](#)
14. [\*Takeda Sustainable Value Report 2017\*](#)
15. [\*The Linde Group Corporate Responsibility Report 2017\*](#)
16. [\*Mitsubishi Materials Corporation CSR Report 2017\*](#)
17. Sustainalytics Report -- Royal Dutch Shell PLC
18. Sustainalytics Report -- Linde AG
19. Sustainalytics Report -- SBM Offshore NV
20. Sustainalytics Report -- Roche Holding AG
21. Sustainalytics Report -- Novartis AG
22. Sustainalytics Report -- AbbVie Inc
23. Sustainalytics Report -- AstraZeneca PLC
24. Sustainalytics Report -- Mitsubishi Materials Corp
25. Sustainalytics Report -- Newmont Mining Corp

### Online Sources

1. [\*International Trade Center \(ITC\) Trade Map – 2016 Country and Regional Exports Data\*](#)
2. [\*HowMuch.net – World’s Most Valuable Brands statistics/visualization\*](#)
3. [\*HowMuch.net – World’s Map of Drugs and Medicines Exports\*](#)
4. [\*HowMuch.net – World Map of Crude Oil Exports\*](#)
5. [\*UNICEF CSR/Industry microsite\*](#)
6. [\*Save the Children Global Corporate Partnerships webpage\*](#)
7. [\*World Vision partnership Corporate Partners webpage\*](#)
8. [\*IRC Corporate Partners webpage\*](#)
9. [\*MSF Movement webpage\*](#)
10. [\*MSF-US Corporate Supporters webpage\*](#)
11. [\*MSF-UK Corporate Gift Acceptance Policy\*](#)
12. [\*MSF Finances webpage\*](#)
13. [\*ICRC Corporate Support Group webpage\*](#)

14. [ICRC Corporate Partners webpage](#)
15. WEF Participants Lists
16. [Shell Annual Report 2017](#)

**Platforms**

1. D&B Hoovers
2. Salesforce (internal PSP data)
3. Sustainalytics