DCAF Geneva Centre for Security Sector Governance



Promoting Responsible Business Conduct with Chinese

Companies Operating in Complex Environments

Supporting Chinese companies in responsible business conduct, managing security risks, and ensuring a social license to operate

With a significant footprint in the critical minerals sector, the scale of foreign investments and overseas operations by Chinese companies has increased significantly in recent years. In Africa alone, some 10,000 Chinese-owned businesses are now driving a significant percentage of the continent's infrastructure initiatives and extractive projects. In complex environments, Chinese companies encounter a range of risks and challenges that can undermine the security of their personnel as well as the security and livelihood of local communities. These risks also negatively impact company reputation and business continuity. Many Chinese companies have already recognized the need to align with international standards and are seeking practical support to ensure responsible management of security and to promote positive, trust-based relations with communities.

DCAF-ICRC engagement

The Geneva Centre for Security Sector Governance (DCAF) and the International Committee of the Red Cross (ICRC), are engaged in a strategic partnership to promote responsible business conduct in complex and conflictaffected environments. In these contexts, businesses face heightened risks of involvement in serious human rights abuses and international humanitarian law violations. As part of this partnership, DCAF and ICRC are committed to enabling Chinese companies implement responsible business practices in their security management when operating overseas.





The DCAF-ICRC partnership raises awareness of security

and human rights risks, promotes mitigation strategies, and advises companies, industry associations, governments and experts on the basis of practical tools. It provides a comprehensive range of support on conflict prevention and due diligence, including the <u>Knowledge Hub</u> – a one stop shop platform with resources, tools, news and events, also with a <u>dedicated page for Chinese stakeholders</u>). The DCAF-ICRC Toolkit on Responsible Business and Security Management in Complex Environments (available in <u>English</u>, <u>Chinese</u> and other languages) is the Partnership's flagship guidance handbook.

Activities with Chinese stakeholders

Engaging key stakeholders in responsible business conduct

Since 2019, DCAF and the ICRC have implemented a framework agreement with the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC). With a membership of more than 6,000 Chinese companies involved in international supply chains of minerals and other natural resources, CCCMC is a major actor leading different developments in the field of responsible business conduct, including the <u>Chinese Due Diligence Guidelines for</u> <u>Responsible Mineral Supply Chains</u>. Under their framework



agreement, CCCMC, DCAF and the ICRC promote good practices with Chinese companies operating in complex environments, including by developing and rolling out training tools, undertaking joint outreach and networking events, and supporting companies (see below).

Starting in 2024, DCAF-ICRC have also partnered with the Rongzhi Institute for Corporate Social Responsibility to translate and promote a Conflict Prevention Tool; the tool will support Chinese companies to identify the root causes of tensions and potential triggers of social conflicts, map the main actors, and identify and anticipate the ways in which the businesses' own operations, products or services impact existing social tensions or create new tensions or conflicts. The tool will be launched in 2025.

Delivering tailored trainings based on targeted training modules for Chinese stakeholders



DCAF and the ICRC have partnered with CCCMC and Renmin University of China to develop dedicated Chinese language training tools that address security risks in complex overseas environments. Tailored to both executive and operational levels, the training modules were promoted during 2023 International Forum on Sustainable Mineral Supply Chains (SMISC Forum) to some 300 representatives of Chinese businesses, industry leaders, experts and government agencies. DCAF-ICRC are also supporting the rollout of the training tools, for example in the Democratic Republic of Congo with trainings for major cobalt mining companies that face

challenges in implementing standards.

Facilitating engagement between Chinese companies and multi-stakeholder working groups in complex environments

As part of its operational engagement, DCAF is raising awareness among Chinese companies on how they can work constructively with local authorities, community representatives, security providers and other companies through contributing to multi-stakeholder working groups established to address security and human rights



challenges. In the Democratic Republic of Congo in particular, DCAF has facilitated companies' participation in three working groups that promote responsible business conduct in the cobalt-rich provinces of Katanga, Kolwezi and South Kivu. The working groups provide an essential mediating role, resolving practical challenges and building trust between communities and companies on difficult issues such as artisanal mining and public security forces. See <u>case studies here</u> on the impact of the working groups.

• Conducting outreach to promote good practices with Chinese stakeholders

DCAF-ICRC also work to raise awareness and understanding of the 'win-win' value of initiatives and standards on responsible business conduct:

- Engagement with the <u>Alliance of Chinese Business in Africa for Social Responsibilities (ACBASR</u>), through the ICRC signing a Memorandum of Understanding with ACBASR to support Chinese enterprises improve their overseas practices and build stronger social licenses to operate.
- Working with international partners including the Embassy of Switzerland to promote relevant tools and resources to stakeholders in China.
- Briefings to executives from Chinese companies operating in Africa, such as through the China Association of Construction Enterprise Management (CACEM), an umbrella organization with a membership of 3,500 construction companies. Participants included 14 country office-level senior executives of leading State-owned Enterprises, such as the China Civil Engineering Construction Corporation (CCECC).



• Organizing webinars for Chinese companies, such as an <u>outreach event on the Voluntary Principles</u> on Security and Human rights and their relevance to Chinese stakeholders.

This project is enabled thanks to the generous support from the Swiss Federal Department of Foreign Affairs. To learn more about the different projects by DCAF-ICRC partnership, **explore the Knowledge Hub**.



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