Social Licence to Operate Paper

Foreword

Over the last year the Sustainable Business Council, in partnership with BusinessNZ's Major Companies' Group, have been actively working to raise the business community's understanding of the social licence to operate concept.

We set out to establish what it involves, where it came from, risks to New Zealand businesses' licence to operate and how leaders in the field are dealing with it. We are grateful for the insights from member companies and access to research from the University of Waikato Management School, Horizons Research and Lincoln University.

We found that there is no one commonly accepted definition. In essence, having a social licence to operate is the ability of an organisation to carry out its business because of the confidence society has that it will behave legitimately, with accountability and in a socially and environmentally responsible way.

Our members found the framework of levels of social licence to operate particularly useful. We discovered that transparency and accountability are no longer optional for business as they are an increasingly essential component of brand resilience. Effectively communicating with a diverse range of stakeholders is also important. Partnerships (with government, the community sector and the research sector) are increasingly being used by leading businesses to reach shared goals.

We hope that this paper stimulates your thinking and that you find some of the tools and case studies as useful as we did.

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1. Executive Summary

1. In December 2012, at the request of Ministers English and Carter, BusinessNZ hosted a meeting focusing on licence to operate issues for the agribusiness sector. Those attending the meeting were unanimous that licence to operate issues are not only relevant to the agribusiness sector. There was concern that without further efforts from business in general to clarify and meet public expectations surrounding licence to operate, future national and regional governments will regulate more and existing property rights had the potential to be affected.

2. It was agreed that as a starting point, a paper covering the following would be prepared:

   a. the Social Licence to Operate (SLO) concept;

   b. what the New Zealand public sees as risks to New Zealand businesses' licence to operate;

   c. tools being used by leaders in the field; and

   d. options for the Sustainable Business Council/ BusinessNZ contribution to improving New Zealand businesses' SLO, particularly if the BGAs goal is to be realised.

3. New Zealand best practice is touched upon in this paper, but will be examined in greater detail in subsequent project work.

4. The idea of a SLO, although originating in the mining industry, now has a much wider applicability across all business sectors. It can broadly be described as the ability of an organisation to carry on its business because of the confidence society has that it will behave in a legitimate, accountable and socially and environmentally acceptable way. It does not just derive from a need for legal or regulatory compliance but takes into account the inputs from a wider group of stakeholders and a sense of transparency and accountability in its external reporting. It is the foundation for acquiring operational certainty, realising future opportunities and lowering risk for the business.

5. This review found that most New Zealanders want economic growth but at the same time they want to protect the environment (even at the cost of slower economic growth and jobs) as this underpins their quality of life. This finding crosses over nearly all demographic criteria (age, gender, occupation, income, employment status, location and political parties supported).

6. There is concern that many New Zealand businesses aren't doing this and are increasingly focusing on profit alone rather than profit and their role in society. New Zealand consumers want business to focus on social and environmental performance, as well as profit, and say they will switch products and services if they found that a product or service was having a negative effect on the environment, people, society or otherwise behaving unethically. There is evidence that a quarter of the adult population have actually done this in the last year. Many cited the use of ingredients, like palm oil in chocolate and production methods (such as battery caged hen eggs) as the reasons for brand switching.

7. New Zealanders' think that the environmental issues we most need to address to live up to our overseas marketing messages (i.e. where they see potential licence to operate issues arising internationally) are associated with water quality of lakes, rivers and coastal areas and farm run off. There are also concerns about waste disposal and the impact of mining on national parks and forests.

8. This identifies a key issue for New Zealand and New Zealand business. We have a national brand based on our '100% pure' and 'clean and green' positioning. We are seen as ethical and trustworthy. All our exports leverage this positioning to some degree.

9. However reputations and brands that take years to develop can be easily lost. We operate in global markets with rapid communications, and transparency and integrity are an essential component of brand resilience. We have had a few occasions recently where our performance in both these areas has not been world class. The organisations that have built corporate responsibility at the core of how they operate have taken years to instil it into their culture. If we don't do this as a country then we run significant risk that our current favourable market positioning could be lost.

10. As a participant in the global economy New Zealand and New Zealand business needs to be concerned with the views of stakeholders in other countries. They also need to be aware of how global businesses are responding to the rise of consumer expectations and concerns about business trust. As a country that is building its brand on a perception of environmental purity, reliable and transparent practices and strong ethical values we stand in some risk if we are not continuing to develop at least at the pace of our global market competitors.

11. Consumers, employees and the general public all want to hear more from business on what they are doing to improve their environmental and social performance.

12. Globally, a number of tools have been developed to assist the business community's understanding of how to effectively engage with their stakeholders and gain or maintain their SLO. Having an easily communicable sustainability strategy and transparent, credible reporting can assist businesses to build trust, improve brand and reputation, realise opportunities and lower risk. Ultimately best in class implementation will depend on corporate culture change. This is what is happening globally.

13. The purpose of the next SBC/sub-group meeting is to identify where to focus work to March 2014. Some early ideas for discussion are of:

 a. general interest:

 i. some of the international leaders on establishing a SLO and Corporate Social Responsibility ('CSR') best practice are Nestle, Unilever, Rio Tinto and Westpac. We could facilitate a working session in November for SBC and MCG members interested in learning more about what these organisations have done and learnt. Nestle is visiting in November and AirNZ's new CEO was involved in sustainability initiatives at Unilever; and

 ii. a paper on and then an event aimed at increasing New Zealand businesses' awareness of who New Zealand businesses stakeholders generally are, what their concerns are, the tools available to assist with quality stakeholder engagement, and how they are applied in a New Zealand context from New Zealand businesses doing it well. We could also develop a tool kit to assist businesses to improve their performance in this area.; and

 b. sector-specific interest:

 i. New Zealand water reforms suggest that industries reliant or impacting on water quality will be required to work more closely with communities in future. We could research and then host a workshop with members on what businesses actually working with communities now have learnt. A number of MCG and SBC members have a depth of experience working with communities (e.g. NZ Steel, Mighty River Power, Solid Energy, Meridian etc);

 ii. exporters, especially dairy and aquaculture – in particular salmon – have been identified as industries with a critical role to play in the BGA goal being realised. MCG and SBC members could consider what BusinessNZ could do to support these industries address social licence to operate risks. This may include working with members and international experts to raise awareness of hot topics and examining the best way to deal with them;

 iii. some importers and the Food & Beverage Council have suggested there is an opportunity to look at some of the hot topics (e.g. palm oil) and examine the best way to deal with them including issues such as pro-active supply chain management, ethical sourcing and how to manage issues in the public arena when things go wrong;

 iv. BusinessNZ members to establish a view on how trust about environmental risk mitigation, environmental restoration and royalties in extractive industries, including the oil and gas exploration sector, could be established and be involved in leading public debate on the issues. A number of SBC and MCG companies have experience in restoration; and

 v. BusinessNZ could raise awareness of the need for more sustainable and transparent business performance and minimum reporting standards with the NZX and Institute of Directors.
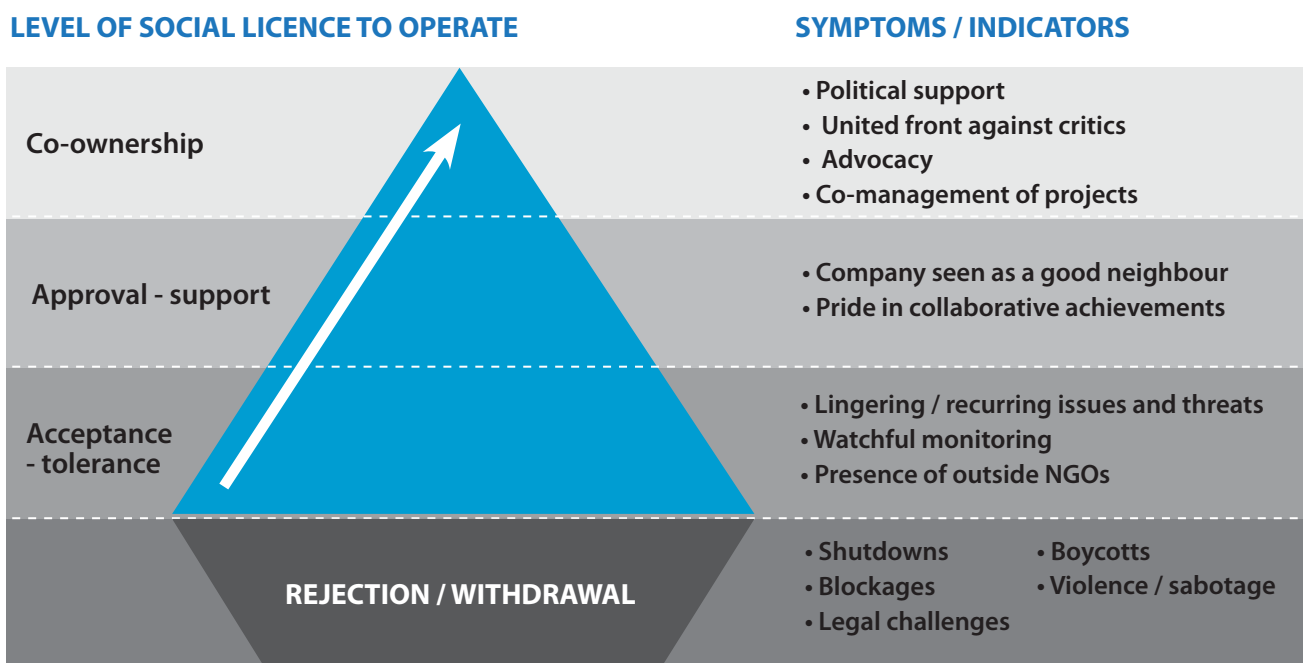
2. Introduction

14. In December 2012, at the request of Ministers English and Carter, BusinessNZ hosted a meeting focusing on licence to operate issues for the agribusiness sector. Those attending the meeting were unanimous that licence to operate issues affect not only the agribusiness sector. It was agreed that BusinessNZ and the SBC needed to provide a sound framework for thinking about licence to operate issues to assist businesses incorporate this into their policies and thinking. There was concern that without further efforts from business to clarify and meet public expectations surrounding licence to operate, future national and regional governments will regulate more and existing property rights had the potential to be affected.

15. It was agreed that as a starting point, a paper covering the following would be prepared:

    a. the social licence to operate concept – where it originated from, what the key elements of it are, how it is evolving internationally and what exemplar practice involves;

    b. what we know about what the New Zealand public sees as the risks to New Zealand businesses' licence to operate, particularly if the BGA goal is to be realised; and

    c. some options on what the BusinessNZ contribution to improving New Zealand businesses' SLO could be for the SBC Advisory Board and the Major Companies' Group Chief Executives to discuss and make decisions on. This could include initiatives that MCG, SBC and ExportNZ Members want to pursue together that will contribute to the BGA goal of "the quality of our natural resource base improves over time while sustaining the growth needed from sectors to meet our 40% to GDP target". There was also a lot of interest in companies having the opportunity to share experiences of what companies had learnt about what works and what doesn't with community engagement. A further action around this is suggested in section 6 of this paper. This paper does not discuss the views or role of Maori business although these are very important in the discussion of SLO in New Zealand. We realise this area needs further investigation and would be partly addressed through actions suggested in section 6.

3. What is a Social Licence to Operate? Where did the concept originate?

16. The Waikato University Business School carried out a literature review on this for us. They examined 469 peer reviewed journal articles, 97 books and 544 newspaper articles written between 1994 and mid-April 2013.

17. They found that the SLO concept emerged in the mining sector as a means of engaging with the local communities they were working in. In the 1990s, there was a fundamental shift in how society perceived the impacts of mining due to the widespread publication of the industry's failure to resolve community conflicts. These conflicts resulted in a number of projects failing. For example, in 1994 even though Royal Dutch Shell had invested $250m the Camisea Oil Project in Peru the project did not proceed because of significant community opposition.

18. The phrase "social licence to operate" was first mentioned by an executive of Placer Dome at a 1997 World Bank meeting describing an essential requirement for the future survival of the mining industry. The term was originally used mainly by industries reliant on extractive use of natural resources. These industries were the first to start having a visible impact in a world of finite resources and in order to maintain the support of the communities in which they operated needed to demonstrate transparency and responsibility as well as encourage a more open dialogue on the trade-offs between development and the environment. The terminology is now widely used in many sectors. Companies in agriculture, energy, manufacturing, mining, pharmaceutical, transport, telecommunications and tourism have been cited as using SLO terminology and practices.

19. There isn't one commonly accepted definition of a social licence to operate. The following summarises the main concepts associated with the term SLO:

    a. a measure of confidence and trust society has in business to behave in a legitimate, transparent, accountable and socially acceptable way;

    b. it does not derive from a need for legal or regulatory compliance, instead is deemed to be the foundation for enhancing legitimacy and acquiring future operational certainty, realising opportunities and lowering risk for the business;

    c. an unwritten contract between companies and society for companies to acquire acceptance or approval of their business operations;

    d. the terms of a SLO are often project or location specific. Although society as a whole 'issues' the SLO, it is usually local communities who are the 'key arbiter' of the terms of the SLO due to their proximity to the company's activities and associated effects;[1] and

e. the relationship required for this contract to operate relies on trust and consistency between parties, quality information being provided, accountability, flexibility and transparency from all parties.

20. The literature review found that a SLO can be difficult to earn and can be easily revoked if society believes that the company is not meeting the terms of the contract. Companies need to continuously reassess the terms of the SLO to accommodate changes in social expectations.[2]

21. SLO is also embedded in the concept of CSR which at its broadest considers the role of business in society in ethical terms. The concept now extends beyond environmental issues to those of social equity.

22. Boutilier and Thomson and Sinclair Knight Mertz have attempted to describe what a SLO might look like (see Figure 1 below), and propose that most companies and projects are located at the acceptance or approval level most of the time.[3]

LEVEL OF SOCIAL LICENCE TO OPERATE

SYMPTOMS / INDICATORS

Co-ownership
- Political support
- United front against critics
- Advocacy
- Co-management of projects

Approval - support
- Company seen as a good neighbour
- Pride in collaborative achievements

Acceptance - tolerance
- Lingering / recurring issues and threats
- Watchful monitoring
- Presence of outside NGOs

REJECTION / WITHDRAWAL
- Shutdowns
- Blockages
- Legal challenges
- Boycotts
- Violence / sabotage

Adapted from Boutilier and Thomson

Figure 1 – Levels and symptoms of a social licence to operate, retrieved from
http://www.globalskm.com/Insights/Achieve-Magazine/Issue4-2011/article1.aspx

[1] Prno, J., & Slocombe, D. S. 2012, Exploring the origins of 'social licence to operate' in the mining sector: Perspectives from governance and sustainability theories. Resources Policy, vol.37, no. 3, p. 346. doi: 10.1016/j.resourpol.2012.04.002.
[2] Nelsen, J. 2006, Social licence to operate. International Journal of Mining, Reclamation and Environment, vol. 20, no.3, pp. 161-162.
[3] Achieve Magazine, 2011, Issue 4, 2013, accessed 1 March 2013, <http://www.globalskm.com/Insights/Achieve-Magazine/Issue4-2011/article1.aspx>

4. What is happening globally?

23. Society's confidence in business has been shaken. The global financial crisis, which saw whole economies teetering on the bridge of bankruptcy, a massive destruction of personal wealth and unemployment at historically high levels called into question the right of business to operate in such an apparently uncontrolled and unregulated manner. This loss in confidence in business gave rise to a number of public uprisings, the most prominent of these being the 'occupy movement'. This movement gained momentum using social media to organise protests and communicate their view that large corporations and the global financial system control the world in a way that disproportionately benefits a minority (hence the slogan 'we are the 99%'), undermines democracy and is inherently unstable. While this movement is seen by many as a radical movement, increasingly connected, informed and financially comfortable parts of our global society are now demanding to see greater ethics, accountability and transparency from the business community.

24. At the same time a series of environmental disasters such as the BP Gulf of Mexico oil spill and human rights issues such as those currently coming to light in the Bangladesh garment manufacturing industry continued to undermine confidence that business would do the right thing if left to its own devices.

25. The context in which business is operating in is also changing. Global consumers have greater expectations for the role companies should play in giving back to society (see figure 2 below from the Nielsen Global Social Responsibility Report March 2012) and addressing social and environmental issues.

26. Technological advances mean that information on a company can spread fast. NGO's are getting more active about ranking and publicising business performance and will target particular companies and particular issues by organising consumer boycotts. Financial institutions are assessing environmental and social risk more carefully and the number of funds which will either invest only in ethical or sustainable businesses, or at a minimum will disinvest in the least ethical industries or organisations, is on the rise.

27. In May 2013 the Cone Communications/EcoGlobal Corporate Social Responsibility study[5] produced the findings from a global survey of consumer attitudes, perception and behaviours around CSR. Ten thousand people living in 10 of the largest countries in the world by GDP were surveyed. Nine of the ten consumers surveyed said they wanted companies to go beyond the minimum standards by law to operate responsibly and address social and environmental issues. Their beliefs about the role of business in society are illustrated in Figure 3 (over page).
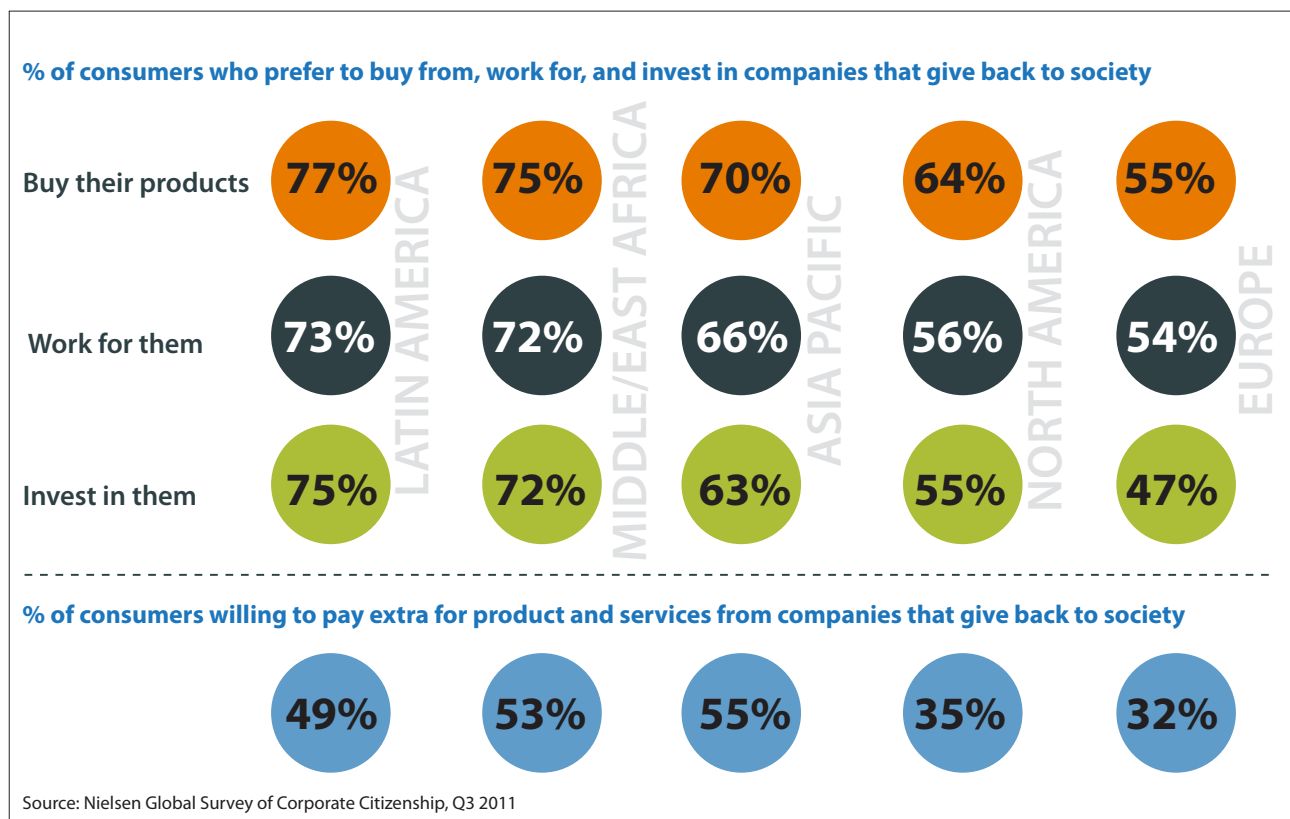

% of consumers who prefer to buy from, work for, and invest in companies that give back to society

	LATIN AMERICA	MIDDLE/EAST AFRICA	ASIA PACIFIC	NORTH AMERICA	EUROPE
Buy their products	77%	75%	70%	64%	55%
Work for them	73%	72%	66%	56%	54%
Invest in them	75%	72%	63%	55%	47%

% of consumers willing to pay extra for product and services from companies that give back to society

49%	53%	55%	35%	32%

Source: Nielsen Global Survey of Corporate Citizenship, Q3 2011

Figure 2: Percentage of consumers who prefer to buy from, work for, and invest in companies that give back to society.[4]

[4] Nielsen March 2012, Global Social Responsibility Report, accessed 1 March 2013, <http://www.fi.nielsen.com/site/documents NielsenGlobalSocialResponsibilityReportMarch2012.pdf>

[5] Environmental Leader 2013, CSR: A business requirement, not an option, accessed 30 May 2013, <https://www.environmentalleader.com/2013/05/23/csr-a-business-requirement-not-option/?graph=full&id=1>
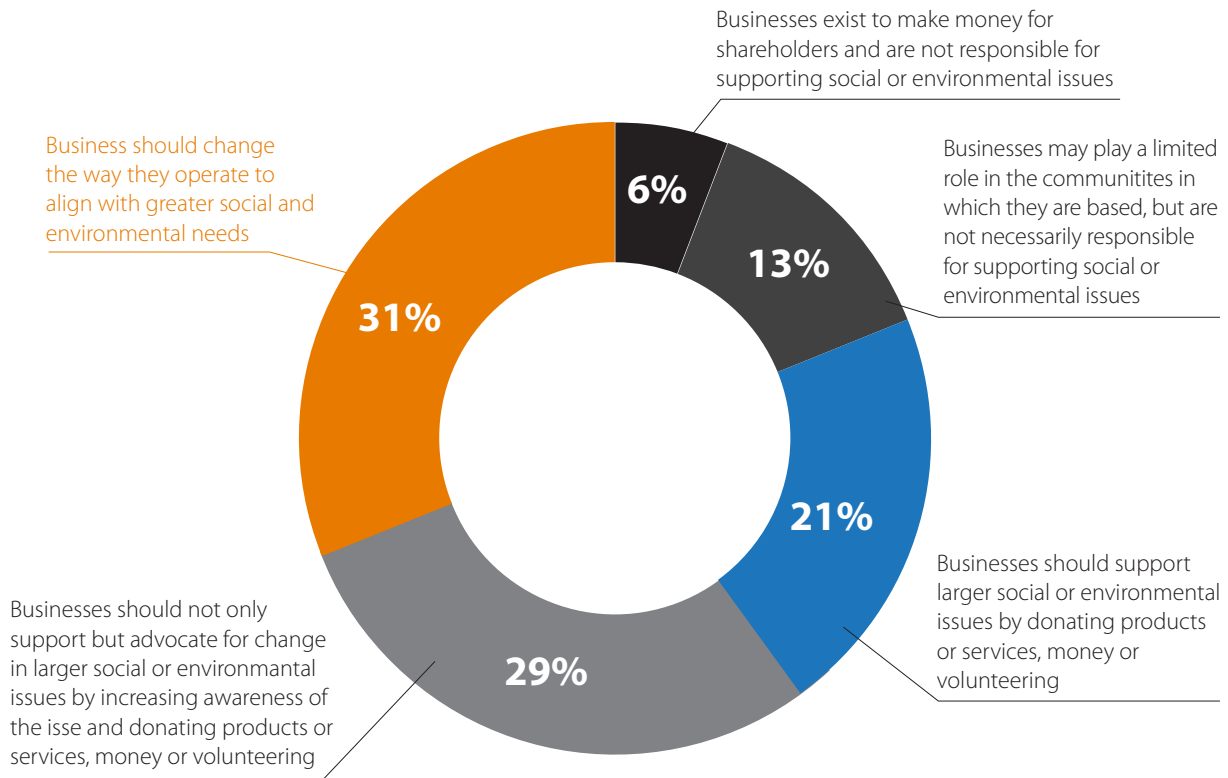
Beliefs about the role of business in society

Business should change the way they operate to align with greater social and environmental needs

Businesses exist to make money for shareholders and are not responsible for supporting social or environmental issues

Businesses may play a limited role in the communitites in which they are based, but are not necessarily responsible for supporting social or environmental issues

31%

6%

13%

21%

29%

Businesses should support larger social or environmental issues by donating products or services, money or volunteering

Businesses should not only support but advocate for change in larger social or environmantal issues by increasing awareness of the isse and donating products or services, money or volunteering

Figure 3 from: Environmental Leader article, May 23, 2013 "CSR a 'Business Requirement, Not Option'" [4]

28. The study concluded that "CSR is no longer an option but a requirement for business". It found that leading companies are doing more than analysing how their businesses operate, they are exploring new models that value long term societal needs. "From collaborating with competitors to address broader industry issues, to advocating for comprehensive public policy changes businesses are beginning to recognise that their own viability depends on social and environmental sustainability".

29. The study also found that consumers are more sophisticated and connected than ever before. Social media has become an everyday tool for consumers to learn and engage around critical issues. Sixty two

percent of those surveyed said that they use social media to address or engage with companies around CSR. While the majority share positive information with their networks, twenty six percent are communicating negative news.

30. This aligns with a survey Deloitte Touche Tohmatsu[6] carried out in December 2012 with 4,600 millennials, from 18 countries ('millennials' are people who are degree educated, in full time employment born from 1982 onwards) to understand how our future business leaders perceived the purpose of business. The most common answer given, ahead of generating profit, was to improve society (see figure 4 overpage).

[6] Deloitte 2012, *Millennial Innovation Survey*, accessed 1 March 2013, <http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/About Millennial_Innovation_Survey.pdf>

The purpose of business is to . . .
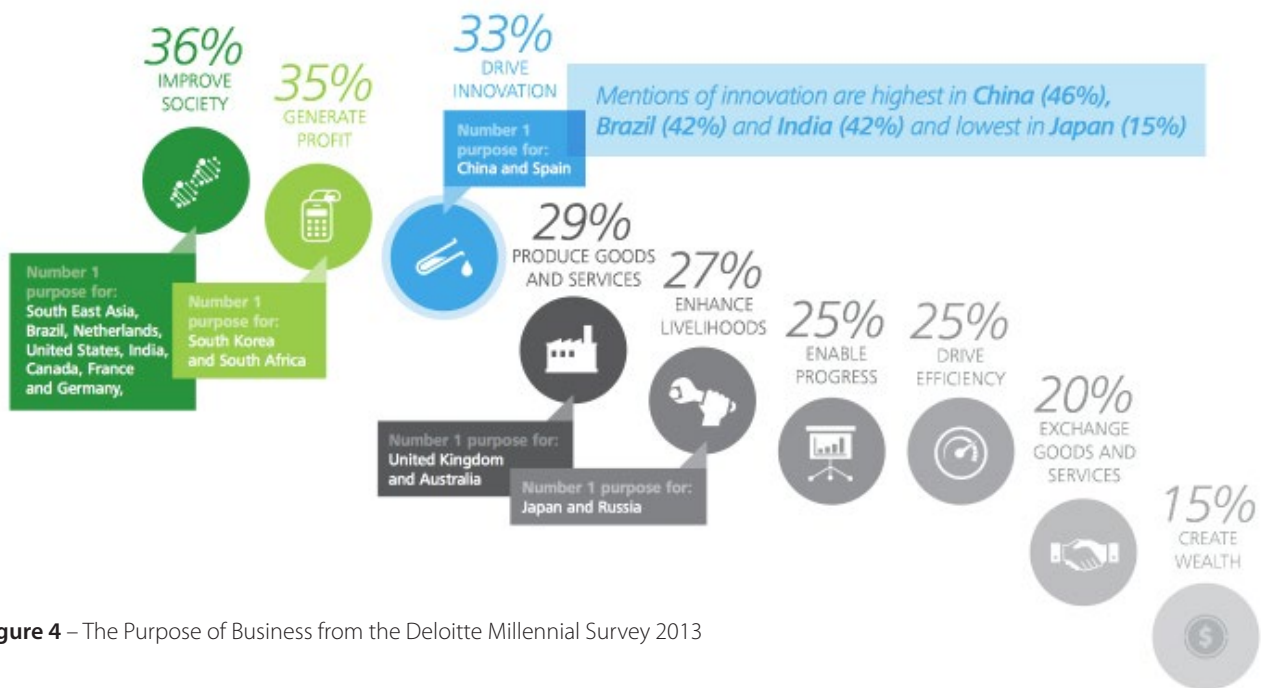### What do you think?

Figure 4 – The Purpose of Business from the Deloitte Millennial Survey 2013

31. Not for profits are also starting to be more vocal about assessments of business environmental and social performance claims. In February 2013 Oxfam published "Behind the Brands".[7] Oxfam assessed and publicised the social and environmental policies of the ten largest food and beverage companies because "a rapidly changing environmental, affected communities and an increasingly savvy consumer base are pushing the industry to think beyond businesses as usual". Nestle and Unilever topped the scorecard for transparency, accountability and policies aimed at tackling environmental and social risks through their supply chains.

32. Financial institutions are also focusing more on social and environmental risks in project finance transactions. Financial institutions which sign up to the Equator Principles commit to not providing loans to projects where borrowers can't or won't comply with social and environmental policies and procedures. Currently 79 financial institutions in 32 countries are signatories, including ANZ and Westpac, and they cover 70% of international project finance in emerging markets.[8]

33. International companies are finding that SLO encompasses a multitude of stakeholders all with different drivers. Consumers, investors and employees can now choose to buy from, invest in, or work for companies which match their value set. Retailers like Tesco (line and pole caught tuna), Nike (human rights issues in the supply chain) and Asia Pulp and Paper (using rain forest material in its toilet paper products) provide examples of where businesses have not understood their stakeholders drivers or values and their brand has suffered as a result. A number of tools have been developed to assist business in this area and uptake internationally is rising steadily (see section 6 for more detail).

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[7] 166 Oxfam Briefing Paper 2013, BEHIND THE BRANDS: Food justice and the 'Big 10' food and beverage companies, accessed 1 April 2013,
  <http://www.oxfam.org.nz/sites/default/files/reports/bp166-behind-brands-260213-en.pdf>
[8] Equator Principals 2013, accessed 1 July 2013, <http://www.equator-principles.com/index.php/about-ep/about-ep>

5. What is happening locally?

34. Horizon Research and Lincoln University have been tracking what matters to New Zealanders and their perceptions of the environment and business sustainability initiatives for over ten years. The following is a summary of some of the key relevant findings.

A. What do New Zealanders value?

35. Horizon Research found that a majority of New Zealanders hold a common set of values:

    a. 75% are for economic growth, are outward looking and want businesses and the country to innovate and lead the world. They support an open economy and see economic growth as important in maintaining and improving their quality of life;

    b. but at the same time they want to protect the environment (even at the cost of slower economic growth and jobs) as this under pins their quality of life. This finding crosses over nearly all demographic criteria (age, gender, occupation, income, employment status, location and political parties supported);

    c. the majority views maintaining their family values, a cohesive society and protecting the environment as essential; and

    d. adult New Zealanders consistently prefer businesses to contribute to the public good, in addition to generating returns to investors (76.1%) as opposed to focusing solely on providing the highest possible returns to investors while obeying all laws and regulations (14.7%). This view was strongly held across all occupations, including by 70% of business managers and executives and 83.3% of business proprietors and the self-employed.

B. What do New Zealanders think New Zealand businesses are focused on in 2013?

36. A key theme coming through the 62 sustainability related studies that Horizon Research has carried out since 2006, is that for significant numbers of employees and consumers the way businesses manage their impacts on the environment and society will determine if they will continue to work for them or buy from them.

37. In May 2013, the latest Business and Consumer Behaviour Survey conducted for the SBC found that the number of organisations which have a focus on profit and society, rather than profit-only, has declined from 60.4% in 2009 to 42.4%. This may be attributed to the global financial crisis and the idea that many companies may hold, that social responsibility is not a core value or philosophy, but merely an add on when budgets allow.

C. Levels of trust in business

38. Trust is a key element of earning and maintaining a SLO. The 2013 Business and Consumer Behaviour survey found that:

    a. the majority of New Zealanders (59.8%) selected neutral when asked how much they trust or distrust business managers;

    b. 15% of New Zealanders trusted business managers; and

    c. 0.1% totally trusted business managers.

D. New Zealanders willingness to switch brands

39. The 2013 Business and Consumer Behaviour survey found that 68% of New Zealand adults (about 2.88 million consumers 18+) said that they would switch brand if they found that a product or service was having a negative effect on the environment, people, society or behaving unethically. This response has been constant for the past three years.

40. For the first time this year the survey asked whether people had actually switched brands. In the 12 months to May 1st 2013, 850,000 consumers (a quarter of the adult population), switched brands of products and services because of unacceptable behaviour by their regular provider. Many cited the use of ingredients, like palm oil in chocolate and production methods (e.g. battery caged hen eggs) as the reasons for brand switching.

41. The survey also measured for the first time if adult New Zealanders thought they have or could have some influence on the behaviour of companies which are harming the environment or mistreating people or animals. 39% thought they did or could. An example of this is shown in the recent decision by the New Zealand Super Fund to exclude Barrick Gold (the world's biggest gold miner) from its $22 billion investment fund citing its poor human rights and environmental track record.[9]

E. What are New Zealanders concerned about?

42. Lincoln University has been tracking society's perception of the environment for the last ten years through its Public Perceptions of New Zealand's Environment survey.[10] The most recently published survey (2010) found that water pollution and/or water (unspecified) was identified as the most important environmental issue facing New Zealand. Connected with this was the continuing increase in negative judgements about the environmental impacts of farming. Farming received highly significant increases in blame for environmental damage; with over half the respondents believing it was the main cause of damage to New Zealand's freshwaters.

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9 Businessdesk 13 May 2013, *NZ super fund excludes Barrick Gold*, accessed 1 June 2013, <http://www.newsroom.co.nz/categories/top-stories/nz-super-fund-excludes-barrick-gold.>
10 Hughey, K.F.D., Kerr, G.N. and Cullen, R. 2010. *Public Perceptions of New Zealand's Environment*: 2010. EOS Ecology, Christchurch

43. The 2013 survey results are yet to be published but early analysis is indicating this trend is continuing with not only half the respondents believing farming is the main cause of damage to New Zealand's freshwaters, but also to native land & freshwater plants & animals. Farming has increased as a perceived major cause of damage to freshwater from 24.7% in 2000 to 56% in 2013. It also found a dramatic increase, primarily between 2008 and 2010, in attributing mining as a major cause of damage to national parks, but also to native forests and bush. Early analysis suggests these findings are still valid in the 2013 survey. In addition, tourism was listed as second only to pests and weeds as a major cause of damage to national parks. The 2013 results confirm this is still the case although the frequency of perception of these factors being the main cause of damage to national parks is trending downwards.

44. Horizon Research has done two surveys on Oil and Gas Exploration issues and found that in general a majority of New Zealander's support coastal and offshore oil and gas exploration (53%) with 45.3% of the population indicating the industry had performed well in the past (with off-shore Taranaki given as an example). However, the survey also identified that trust about risk mitigation, environmental restoration and royalties were identified as the issues. 45% of respondents were concerned that inadequate measures had been put in place by the government to avoid environmental risks. When asked if the economic benefit to local communities or New Zealand should override the environmental concerns above, 60% of respondents said no.

45. In the 2013 Business and Consumer survey participants were asked to rank the issues that they thought New Zealand needed to address to live up to its overseas marketing messages. The results were as follows:

A.	Water quality of lakes and rivers		70.9%
B.	Water quality in coastal areas		49.3%
C.	Wetlands		37.5%
D.	Farm run off		67.0%
E.	Commercial/industrial discharges		62.8%
F.	Waste disposal		60.7%
G.	Sewerage treatment		51.1%
H.	Air quality		32.9%
I.	Native animals		36.1%
J.	Native bush and forests		39.7%
K.	Marine fisheries coastal		41.7%
L.	Marine fisheries offshore		39.6%
M.	None of these		6.1%
N.	Something else (please tell us what that is)		8.1%

46. Recent media articles in New Zealand which mention SLO and focus predominantly on mining[11] and agriculture[12] but also on power generation[13] and forestry.[14]

47. The review that we have done to date suggests that the sectors facing SLO issues in New Zealand are primarily the sectors that have a heavy reliance on natural resources. Despite management and technological improvements in these areas, recent survey results are showing that the public still has concerns.

F. The state of Corporate Social Responsibility Leadership in New Zealand and Australia

48. The Australian Centre for Corporate Social Responsibility does an annual review on CSR in Australia. It was extended to New Zealand for the first time this year, in partnership with Wright Communications. This year's focus was on leadership and CSR because corporate scandals and the global financial crisis have highlighted irresponsible leadership in recent years.[15]

49. Key findings include:

    a. respondents considered that the following companies are leaders who are integrating CSR into their core business activities and strategies: ANZ, Interface, Mark & Spencers, National Australia Bank, Nike, Patagonia, Rio Tinto, Stockland, Unilever and Westpac. These companies are perceived as integrating sustainability into their products and services, setting goals and targets and measuring their progress, and sharing their story. This helps to maintain their SLO;

    b. the top priority for New Zealand organisations was reducing or eliminating negative environmental impacts of business and the greatest obstacle was time constraints. New Zealand was also more likely that Australia to nominate "short term focus/risk aversion" as the single greatest obstacle – 18% of respondents. "CSR remains a discretionary activity". "The government and regulatory environment are not significantly encouraging CSR";

    c. those surveyed felt that the CSR tactics used least but effective were identifying organisational performance indicators and measurable targets and identifying CSR champions; and

    d. the tactics that are the most tried and effective were: support from key management, increasing stakeholder engagement, showing how CSR strategy supports business strategy, linking CSR strategy to accepted activities in the organisation, showing how CSR strategy links to the concerns of decision makers in an organisation.

50. A number of businesses here in New Zealand are successfully using a range of tools to help them gain or maintain their SLO. Meridian and Westpac are two of these businesses and are profiled in Annex 1. A further action is mentioned in Section 6 to look in greater detail at specific examples of New Zealand businesses performance in this area focusing on stakeholder engagement and what works and doesn't work.

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[11] Accessed 1 May 2013, <http://www.gisborneherald.co.nz/opinion/column/?id=27771 > and <http://www.straterra.co.nz/Investor+centre> and <http://www.newstalkzb.co.nz/auckland/news/nbnat/804705679-oil--gas-industry-has-to-earn--social-licence->; and <http://www.kensingtonswan.com/KSPublicWeb/media/Documents/Energy-NZ-(Nov-2012).pdf>

[12] Martin, Paul and Williams, Jacqueline, eds.2011, Defending the Social Licence of Farming: issues, Cha;;enges and News Directions for Agriculture, CSIRO Publishing, accesses 1 March 2013, <http://books.google.co.nz/>

[13] The Price of Wind Power in New Zealand n.d., accessed 1 July 2013, <http://policyprojects.ac.nz/edwardochoa/discussion/guidance-from-australian-findings/>

[14] Forestry's Profitability and Risk Management February 2013, Wood Matters Issue 50,, accessed 1 March 2013, <http://www.pfolsen.com/matters/wood/final//issue050.html; http://www.nzjf.org/free_issues/NZJF47_4_2002/3F3ADE07-EC31-41B1-83C8-CCB8E0C421D2.pdf>

[15] Australian Centre for Corporate Social Responsibility, The State of CSR in Australia and New Zealand, Annual Review 2012/2013, accessed 1 March 2013, <http://www.wrightcommunications.co.nz/media/22367/state%20of%20csr%20in%20australia%20and%20nz%202013.pdf>

6. Tools to assist business address Social Licence to Operate issues

51. Section 2 identified that a SLO involves the measure of confidence society has in business to behave in a legitimate, accountable and socially acceptable way. The relationship required for this contract to operate relies on trust and consistency between parties, quality information being provided, accountability, flexibility and transparency from all parties. These SLO elements are the same as many of those traditionally embedded in CSR methods and tools to engage stakeholders which many leading companies use to strengthen their SLO.

52. This section outlines some of the tools being used by companies to build trust with the communities within which they operate and to be transparent and accountable on their performance to broader society. Material issues, fit with company, and stakeholder preference will dictate which tools are chosen.

53. Annex 1 has five case studies of companies regarded as current leaders in aspects of national or international CSR and SLO practice. They are doing a range of things including:

    a. developing clear business strategies which identify emerging social and environmental risks. This involves constantly reviewing and refreshing what they do to stay focused on material risks for the company and its stakeholders and sustainable sources of competitive advantage;

    b. identifying how to contribute to societal needs in a way that is material to and aligned with their core business and partnering with others (sometimes NGOs) to do this. They often embed sustainability into core products and services and make it part of the story they use to engage with their customers. Or being strategic about which social concerns and opportunities will, with collective action for results create the social environment in which the business strategies can succeed;

    c. identifying communities as key stakeholders and continually seeking to understand the environmental and economic implications of their operations. A range of stakeholder engagement tools are used. Locally appropriate, publicly reported social performance indicators can be used to demonstrate their contribution to the communities/regions they operate in; and

    d. communicating their performance regularly in an internationally accepted and credible way.

A. Legislation and regulation

54. Legislation and regulation is a tool being used by a number of governments internationally to encourage more sustainable and transparent business performance. In Denmark, parliament requires large companies to report on their economic, environmental and social performance, or explain why they do not report. Similarly, in South Africa companies listed on the Johannesburg Stock Exchange are required to produce a report integrating their financial and sustainability performance, or explain why they do not – a requirement of the King III Code[16] Sweden and France also have requirements to report.

55. This has largely come about through programmes such as the Sustainable Stock Exchange Initiative of the United Nations Principles for Responsible Investment (UNPRI). This initiative aims to explore how stock exchanges can work together with investors, regulators, and companies to enhance corporate transparency and performance on sustainability issues through encouraging responsible long-term approaches to investing. They have requested the top 30 stock exchanges worldwide to encourage better internal corporate governance by firms, and disclosure of how sustainability issues are addressed at the board level. Many, including the NASDAQ OMX, and BM&FBOVESPA, have already made a commitment to promote long-term, sustainable investment in their markets.[17]

B. Scanning and strategy development

56. Leading companies in this area use stakeholder engagement, especially partnership, and subject matter experts to identify these emergent risks and opportunities and build them into their long-term strategies.

C. Frameworks - United Nations Global Compact (UNGC)

57. Frameworks such as the UNGC have gained considerable support amongst the global business community. This framework aims to assist in the development, implementation, and disclosure of sustainability policies and practices. To operate in accordance with the framework, businesses must commit to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. The hope is that this will assist markets, commerce, technology and finance to advance in ways that benefit economies and societies globally.

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[16] Global Reporting Initiative, 2012, *Brazil, Denmark, France and South Africa governments join in commitment to sustainability reporting*, accessed 1 March 2013, <https://www.globalreporting.org/information/news-and-press-center/Pages/Brazil,-Denmark,-France-and-South-Africa-governments-join-in-commitment-to-sustainability-reporting.aspx>

[17] United Nations n.d., *Exchanges Listing Over 4,600 Companies Commit to Promoting Sustainability,* accessed 1 March 2013, <http://business.un.org/en/documents/10712>

58. The UN Global Compact is the largest voluntary corporate responsibility initiative in the world with over 10,000 corporate participants and other stakeholders from over 130 countries. The Global Compact is described as applicable on a global and local scale; to the private and public sectors; and is voluntary yet accountable.[18]

D. Standards for Social Responsibility and Stakeholder Engagement

59. Credible and internationally accepted standards can assist organisations to better manage their performance and demonstrate commitment to their stakeholders. Reporting to a standard, especially if data is assured by a third party, allows stakeholders to compare performance of the organisation with others reporting to the standard and gives a level of confidence that the organisation is aware of, and managing its performance in the area that the standard covers.

60. A number of standards have been devised to help manage sustainability performance, social responsibility and stakeholder engagement. Two of the most widely used are ISO 26000, a guidance standard which focuses on social responsibility and AA1000SES, a standard on stakeholder engagement.

1) ISO26000

61. The ISO 26000 standard is intended to clarify an international consensus on what social responsibility is and to help businesses and organisations translate principles into effective actions. It is based on broad stakeholder input from developing countries, business, government, consumers, labour, nongovernmental organisations and others.

62. The standard addresses seven core subjects of responsibility: accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for the rule of law, respect for international norms of behaviour, and respect for human rights. Unlike many other ISO standards, it does not contain requirements and so is not certifiable.

63. A number of companies have already implemented the standard such as Maersk, NovoNordisk, TeliaSonera, HSB, HM, Suzano, Petrobras, Veolia, Air France, Toshiba, AB Volvo, Takeda, Panasonic, British Telecom, TRS, and Toyota.[19]

2) AA1000SES

64. The AA1000 Stakeholder Engagement Standard is a generally applicable, open source framework for designing, implementing, assessing, and communicating the quality of stakeholder engagement. It emphasises that stakeholder engagement must result in outcomes valued by those involved and must be communicated in a credible way.[20]

65. At the core of the standard are the principles of inclusivity (people should have a say in the decisions that impact on them); materiality (decision makers should identify and be clear about the issues that matter); and responsiveness which means ensuring that organisations should be transparent about their actions.[21] A number of organisations are using this standard including Miller Construction, one of the UK's largest construction companies and Takeda Pharmaceuticals.

E. Reporting Frameworks

66. Reporting frameworks can assist an organisation to plan, monitor and report on their stakeholder engagement performance as part of their overall sustainability strategy. Often the most value from reporting is gained through the reporting process itself as it requires reporting on long term strategy and governance, key impacts, risks and opportunities and setting and reviewing targets. Reporting to an international framework allows international stakeholders to understand material issues and compare results.

1) Sustainability or Corporate Social Responsibility Reporting

67. Sustainability or CSR reporting is a form of organisational reporting, usually produced annually or bi-annually, that provides information on a company's economic, environmental, social and governance performance. Quantitative and qualitative data is presented in a variety of formats including webpages, stand alone reports or within other reports such as an annual report. A number of New Zealand companies report their performance via sustainability reports including Ricoh, Sanfords, URS and Toyota. The Global Reporting Initiative (GRI) is regarded as the most widely used and comprehensive sustainability reporting framework. The framework aims to enable greater organisational transparency and accountability around business performance. Thousands of organisations, of all sizes, from many different sectors, use GRI's Framework in order to understand and communicate their sustainability performance.[22] The GRI Guidelines are often used in conjunction with other relevant international initiatives, frameworks and guidance.

2) Integrated Reporting

68. The International Integrated Reporting Council (IIRC) is a global, market-led coalition who believe communication about businesses' value creation should be the next step in the evolution of corporate reporting (beyond current sustainability reporting). They are leading the development of the global framework for corporate integrated reporting which is designed to support a more resilient business environment and better decision-making.

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[18] United Nations n.d., accessed 1 March 2013, <http://www.unglobalcompact.org/AboutTheGC/>

[19] ISO 10 January 2013, ISO 26000 - *International forum revisits the road travelled*, accessed 01 March 2013, <http://www.iso.org/iso/home/news_index/news_archive/news.htm?refid=Ref1691>

[20] AccountAbility, *AA1000 Stakeholder Engagement Standard 2011, Final Exposure Draft*, accessed 1 March 2013, <http://www.accountability.org/images/content/5/4/542/AA1000SES%202010%20PRINT.pdf>

[21] Centre for Corporate Citizenship n.d., accessed 1 March 2013, <http://cccro.org/aa1000ses/?lang=en>

[22] Global Reporting Initiative n.d.,*What is GRI?*, accessed 1 March 2013, <https://www.globalreporting.org/information/about-gri/what-is-GRI/Pages/default.aspx>

69. An integrated report is a concise communication (usually a periodic report) detailing how an organisation's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term. These reports will principally benefit providers of financial capital; but will also be useful to the full suite of societal stakeholders. More than 80 global businesses and 50 institutional investors are involved in the IIRC's work, including Coca-Cola, Clorox, Microsoft, Hyundai, Tata, Unilever, Marks and Spencer, SAP and National Australia Bank.[23,24]

70. A number of companies globally are taking part in the integrated reporting pilot programme, adding practical application experience to the framework which is scheduled to be published in December 2013. The only company in New Zealand currently taking part in the trial is New Zealand Post.

F. Partnership

71. Partnering is a term increasingly applied to a broad range of business, community sector and government engagement. These partnerships are often described as relationships existing between private business organisations and not-for-profit community organisations formed mainly to address common-interest social issues. These relationships aim to engage the partners on an on-going basis but are often strongly project oriented.[25]

72. The classic definition of a partnership for sustainable development involves two or more cross-sector organisations, working jointly to accomplish a compelling goal which is unachievable by one organisation on its own. Partners pool resources, talents and responsibilities for mutual benefit and to achieve the shared goal. They share the risks and successes.[26]

73. The benefits of partnerships to all sectors include:

    a. providing a way for each sector to bring the specific skills, competencies and interests of their sector to common problems or opportunities. On this basis the competencies, legitimacy and transparency of each organisation are enhanced when there is collective impact;

    b. mobilising more leadership and resources: by combining the human, technical, informational and financial resources with leadership in the 'space' between organisations, where there has not been leadership for the goal;

    c. ensuring greater awareness of the priorities, needs and roles of each sector, creating a more integrated and stable society;

    d. creating a dynamic relationship network offering channels of influence that can engage wider communities and impact the policy agenda; and

    e. replacing conflict (or suspicion) with co-operation for the participants. The cost of conflict or low trust is in the medium and long term greater in both time and resources than co-operation. Partnering, on the other hand, does not come without time and resource investment.[27]

74. The World Wildlife Fund (WWF) provides a good example of partnership in action. They have partnered with a number of businesses globally including Coca-Cola, Nokia, Sony and IKEA. Their approach to partnering with the private sector is aimed at being constructive, transparent and solutions-oriented with agreement on measurable targets. WWF recognizes that they will not agree on all things, at all times with their partners, however they state that agreeing to disagree in the context of a transparent framework is a key factor to sustaining credible and mutually beneficial partnerships.[28]

[23] The International Integrated Reporting Council n.d., accessed 1 March 2013, <http://www.theiirc.org/>

[24] The International Integrated Reporting Council, *Business Leaders: What You Need to Know,* accessed 1 May 2013, < http://www.theiirc.org/wp-content/uploads/2013/04/Business-Leaders-What-you-need-to-know-English.pdf>

[25] Funding Information Service n.d., *Business Community Report*, access date 1 May 2013, <http://www.fis.org.nz/pdfs/MediaReleases/Business_community_report.pdf>

[26] Adapted from: Tennyson, R. 2003, *The Partnering Toolbook*, International Business Leaders Forum.

[27] Robert Davies, Chief Executive of The Prince of Wales Business Leaders Forum: Partnerships- a revolution without route maps in Tennyson, R: Managing Partnerships 1998 ; IBLF.

[28] World Wildlife Foundation, *Working with businesses*, accessed 1 March 2013, <http://wwf.panda.org/what_we_do/how_we_work/businesses/>

7. Where to next?

75. At the start of this work the MCG said that it was interested in:

    a. finding out more about what the New Zealand public sees as the risks to New Zealand businesses' licence to operate, particularly if the BGA goal of "the quality of our natural resource base improves over time while sustaining the growth needed from sectors to meet our 40% to GDP target" is to be realised;

    b. identifying one or two initiatives that the MCG, SBC and ExportNZ Members could pursue together to contribute to the BGA goal; and

    c. sharing experiences of what companies had learnt about what works and what doesn't with community engagement.

76. This review found that most New Zealanders want economic growth but at the same time they want to protect the environment (even at the cost of slower economic growth and jobs) as this under pins their quality of life. This finding crosses over nearly all demographic criteria (age, gender, occupation, income, employment status, location and political parties supported).

77. There is concern that many New Zealand businesses aren't doing this and are increasingly focusing on profit alone rather than profit and society. New Zealand consumers want business to focus on social and environmental performance, as well as profit, and say they will switch products and services if they found that a product or service was having a negative effect on the environment, people, society or behaving unethically. There is evidence that a quarter of the adult population have done this in the last year. But it is not just New Zealand society who has expectations of business. Developing expectations from global markets are also placing demands on New Zealand businesses.

78. New Zealanders' think that the environmental issues we most need to address to live up to our overseas marketing messages (i.e. where they see potential licence to operate issues arising internationally) are associated with water quality of lakes, rivers and coastal areas and farm run off. There are also concerns about waste disposal.

79. This identifies a key issue for New Zealand and New Zealand business. We have a national brand based on our '100% pure' and 'clean and green' positioning. We are seen as ethical and trustworthy. All our exports leverage this positioning to some degree.

80. However reputations and brands that take years to develop can be easily lost. We operate in global markets with rapid communications, and transparency and integrity are an essential component of brand resilience. We have had a few occasions recently where our performance in both these areas has not been world class. The organisations that have built corporate responsibility at the core of how they operate have taken years to inculcate it into their culture. If we don't do this as a country then we run significant risk that our current favourable market positioning could be lost.

81. As a SLO is based on a changing set of expectations, good relationships and quality communication, are key in ensuring businesses understand and can therefore manage their performance. Having an easily communicable strategy to address these changing societal expectations can improve relationships, brand and reputation, realise opportunities and lower risk. Ultimately the lead corporates in this area have made it an issue of competitive strategy and corporate culture.

82. There are many tools to guide and assist businesses to better manage their performance and to meet increased societal expectation. A basic stakeholder engagement strategy that sets out what a company's material issues are, who its stakeholders are and how it engages with them and monitors progress towards meeting stakeholder expectations is seen as a basic requirement for any business (see Annex 2 for an example of a stakeholder engagement summary table).

83. Tools that we consider useful to the New Zealand stakeholder set include those that:

    a. can be tailored to meet individual sector issues;

    b. focus on strategy and governance for the long-term; and

    c. centre around specific business stakeholder requirement and company values/goals.

84. The GRI is already successfully used by a number of companies in New Zealand, however ISO 26000, AA1000SES and using partnering as a tool to earn or maintain a SLO warrant further investigation.

85. The purpose of the next SBC/MCG Natural Resources sub-group meeting is to identify where to focus work to March 2014. Some early ideas for discussion are of:

    a. general interest:

        i. some of the international leaders on establishing a SLO and CSR best practice are Nestle, Unilever, Rio Tinto and Westpac. We could facilitate a working session in November for SBC and MCG members interested in learning more about what these organisations have done and learnt. Nestle is visiting in November and AirNZ's new CEO was involved in sustainability initiatives at Unilever;

        ii. a paper on and then an event aimed at increasing New Zealand businesses' awareness of who New Zealand businesses stakeholders generally are, what their concerns are, the tools available to assist with quality stakeholder engagement, and how they are applied in a New Zealand context from New Zealand businesses doing it well. We could also develop a tool kit to assist businesses to improve their performance in this area; and

    b. sector-specific interest:

        i. New Zealand water reforms suggest that industries reliant or impacting on water quality will be required to work more closely with communities in future. We could research and then host a

workshop with members on what businesses actually working with communities now have learnt. A number of MCG and SBC members have a depth of experience working with communities (e.g. NZ Steel, Mighty River Power, Solid Energy, Meridian etc);

ii. exporters, especially dairy and aquaculture – in particular salmon – have been identified as industries with a critical role to play in the BGA goal being realised. MCG and SBC members could consider what BusinessNZ could do to support these industries address social licence to operate risks. This may include working with members and international experts to raise awareness of hot topics and examining the best way to deal with them;

iii. some importers and the Food & Beverage Council have suggested there is an opportunity to look at some of the hot topics (e.g. palm oil) and examine the best way to deal with them including issues such as pro-active supply chain management, ethical sourcing and how to manage issues in the public arena when things go wrong;

iv. BusinessNZ members to establish a view on how trust about environmental risk mitigation, environmental restoration and royalties in extractive industries, including the oil and gas exploration sector, could be established and be involved in leading public debate on the issues. A number of SBC and MCG companies have experience in restoration; and

v. BusinessNZ could raise awareness of the need for more sustainable and transparent business performance and minimum reporting standards with the NZX and Institute of Directors.

Annex 1 – Leading Practice Case Studies

1. Rio Tinto	Local community engagement, reporting and long-term strategy development
2. Nestlé	Partnership, supply chain management, reporting and stakeholder engagement
3. Meridian	Local community engagement
4. Westpac	Partnership, international benchmarking, strategy, reporting
5. Unilever	Strategy, stakeholder engagement and partnership, community involvement, international benchmarking and transparency

1. Rio Tinto

Leading practice local community engagement, reporting and long-term strategy development

Rio Tinto have made a commitment to integrate sustainable development into everything they do as they believe this underpins their licence to operate, and is their competitive advantage. They aim to enact their core values of accountability, respect, teamwork and integrity through a culture of trust and transparency and honest engagement with their stakeholders.

Bruce Harvey, Global Practice Leader – Communities and Social Performance from Rio Tinto stated that they don't try to earn and maintain their SLO to be good people, they do it because its good business and they want to have societal stability to sustain their operations across future generations.[1]

Rio Tinto acknowledges that the resources sector is subject to extensive health, safety and environmental laws, regulations and standards in addition to community and stakeholder expectations. These issues are constantly subject to change and could, if not understood and managed correctly, result in increased risk for their business.[2] They believe that the mining and natural resource sector is occupying an increasingly strategic and exposed position in the thinking of governments and other stakeholders. The resource sector in general is also facing heightened competition for skilled labour. To combat this, and facilitate growth both of individuals and of local economies, Rio Tinto strives to maintain a reputation for being an employer that focuses on key areas such as safety, health, diversity and inclusion, and respect for the environment and stakeholders.[3]

They aim to provide proactive leadership and build relationships with their stakeholders as they consider that their legal licence to operate hinges on their SLO. They further propose that a SLO reflects a contemporary expectation of society and is earned through fitting in and adapting to the prevailing social norms.[4]

Key stakeholders
Local communities have been identified by Rio Tinto as key stakeholders. As such, they continually seek to understand the social, environmental and economic implications of their operations on local communities and for regional and national economies. They acknowledge that they cannot meet everybody's concerns and expectations; however they still seek to operate with broad-based community support.

Their communities' target, consistent with the UN Millennium Development Goals, requires each operation to have a locally-appropriate, publicly-reported set of social performance indicators that demonstrate a positive contribution to the economic development of the communities and regions in which they operate.[5] Local employment commitments are often managed through directly negotiated community benefit agreements, however in general, Rio Tinto aims to:

a. build a communities knowledge base and use social impact assessments to identify potential positive and negative impacts of their operations;

b. engage with communities, governments and other contributing agencies; and

c. jointly deliver programmes that reflect the priorities of local communities.

In 2012, Rio Tinto contributed US$292 million to over 2,700 socio-economic programmes covering activities such as health, education, business development, environmental protection, housing and agricultural development and were the largest private sector employer of Indigenous Australians (7% of their Australian based workforce).

Furthermore, to achieve their sustainable development goals, and work towards solving global challenges such as biodiversity loss, climate change and its impact on water and energy, poverty and corruption, Rio Tinto forms partnerships with leading universities (e.g. Rio Tinto College initiative), NGOs and industry suppliers.[6]

To communicate their performance in an internationally accepted and credible way, Rio Tinto use the GRI reporting framework and have achieved the highest, assured reporting level of A+. They have also implemented the International Council on Mining and Metals' (ICMM) sustainable development framework. They are listed on the FTSE4Good and Dow Jones Sustainability Indexes.

Rio Tinto have recently completed study and policy development work around what they believe to be the emerging social and environmental issues, in particular engagement with Indigenous peoples, human rights and biodiversity. They aim to constantly challenge their approach, reviewing and refreshing it to make sure it remains focused on the key material risks for the company and its stakeholders. By building relationships with their stakeholders, and applying risk analysis and management effectively throughout their business, they hope to create opportunities out of external challenges, and extend their SLO.

Further information on Rio Tinto's performance can be found here:
http://www.riotinto.com/our-commitment-107.aspx
and
http://www.riotinto.com/documents/rio_tinto_2012_sustainable_development_report.pdf

[1] Achieve Magazine, 2011, Issue 4, 2013, accessed 1 March 2013, <http://www.globalskm.com/Insights/Achieve-Magazine/Issue4-2011/article1.aspx>
[2] Rio Tinto 2012, Annual Report 2012, accessed 1 March 2013, <http://www.riotintocom/annualreport2012/overview/principal_risks_and_uncertainties/external_risks.html>
[3] Rio Tinto 2012, Our sustainable development strategy, accessed 1 March 2013, http://www.riotinto.com/sustainabledevelopment2012/strategy/our_sustainable_development_strategy.html.
[4] Achieve Magazine, 2011, Issue 4, 2013, accessed 1 March 2013, <http://www.globalskm.com/Insights/Achieve-Magazine/Issue4-2011/article1.aspx>
[5] Rio Tinto 2012, Annual Report, accessed 1 March 2012, <http://www.riotinto.com/annualreport2012/performance/sustainable_development/social.html>
[6] Ibid.
[7] Ibid.
http://www.riotinto.com/documents/rio_tinto_2012_sustainable_development_report.pdf

2. Nestlé

Leading practice in partnership, supply chain management, reporting and stakeholder engagement

Nestlé, the largest food manufacturer in the world, believes that their business fundamentally relies on a prosperous, healthy and sustainable society. They recognise that their position in society brings not only opportunities, but also responsibilities. Their approach to contributing to society has been termed Creating Shared Value (CSV) which they developed with Professor Michael Porter from the Harvard Business School. The fundamentals of this approach focus on long term value drivers for their business and the societal issues where they can have the greatest impact. These issues are water, nutrition, environmental sustainability, compliance and rural development.[8] They believe they create shareholder value and minimise business risk through this approach.[9]

Nestlé engage with stakeholders via anonymous survey, meetings and forums to determine the CSV programme's focus areas and identify emerging opportunities, challenges and risks. Through this process they continue to question how they do business and ensure they are focused on the areas where they can genuinely create business and societal value. Some of the emerging issues identified recently via stakeholder engagement include biotechnology, nanotechnology, land rights and acquisition, executive compensation and fair taxes.

In March this year, Nestlé published a set of forward-looking commitments to society and the environment it aims to meet over the coming seven years. 30 goals were identified across nutrition, water, rural development, sustainability and compliance. This approach was taken as they believe that by setting tangible, short-term goals for which they will be held accountable, rather than long-term aspirations, they can make a greater impact.[10]

Nestlé follows the UN Global Compact principles and report their social, environmental, financial and governance performance using the Global Reporting Initiative (GRI). They are the first food company in the world to achieve the highest GRI rating (A+) for their 2011 report.[11] Through this reporting framework they extensively discuss progress in the core focus areas of Nutrition, Water, compliance, environmental sustainability and Rural Development and also other emerging risks such as climate change, biodiversity, child labour and deforestation. They acknowledge that a number of performance areas remain a challenge and have had a number of issues in the past that

have affected their SLO, however they are working to improve them and will continue to be transparent and accountable by reporting the good with the bad, and continuously improve their performance. Their report is externally assured to ensure validity and provide credibility.

Another key tool Nestlé uses extensively to engage with its stakeholders and maintain its SLO is partnering. Nestlé partners with Academia, NGOs, governments, community groups and others in the private sectors to achieve common goals.

Some examples of Nestlé's partnerships include:

a. Fair Labour Association to eradicate child labour from Nestlé's supply chain. Nestlé is providing training and better quality cocoa plants to thousands of farmers;

b. World Cocoa Foundation to build or refurbish 40 schools for communities that have been identified as in need;

c. UTZ Certified to ensure a sustainable supply of cocoa by helping farmers to implement good practices and offering advice on how to build their businesses;

d. Fairtrade to ensure that a fair price is always paid to farmers, as well as investing in long-term community and business projects;

e. The Forest Trust (TFT), to fight the destruction of rainforests and peat lands by identifying and excluding suppliers linked to deforestation, especially for Palm Oil production;

f. American Academy of Paediatricians and Nestlé jointly formed the Healthy Active Living for Families (HALF) initiative. The HALF initiative uses Nestlé Gerber science to create patient and family educational materials aimed at obesity prevention from infancy and through pre-school; and

g. The Nestlé Community Environment Program (NCEP) which involves sites identifying and partnering with community groups on projects which deliver local sustainability outcomes.

Further information on Nestlé's CSV work can be found here:

http://storage.nestle.com/Interactive_CSV_2012/index. html#/1/
or
http://www.nestle.co.nz/csv/csvatnestlenz

[8] Nestlé n.d., Creating Shared Value, accessed 1 March 2013, <http://www.Nestlé.co.nz/csv> and <http://www.Nestlé.co.nz/csv/csvatNestlénz>
[9] Nestlé n.d., What is Creating Shared Value?, accessed 1 March 2013, <http://www.nestle.com/csv/what-is-csv>
[10] Nestlé 2012., Nestle in Society: Creating Shared Value and meeting our commitments, accessed 1 April 2013, <http://storage.Nestlé.com/Interactive_CSV_2012/index.html#/46/>; accessed 1 April 2013, <http://www.Nestlé.co.nz/media/pressreleases/csv-report-2012>
[11] Nestlé 2011, Creating Shared Value Report receives GRI A+ rating, accessed 1 March 2013, <http://www.ethicalperformance.com/reports/alerts/Nestl%C3%A9's-2011-Creating-Shared-Value-Report-receives-GRI-A+-rating-700>

3. Meridian Energy

Leading practice in local community engagement

Meridian Energy is a company reliant on natural resources, therefore maintaining their SLO is incredibly important. Despite Meridian's strong track record in environmental management, some groups still oppose Meridian's proposals for new renewable energy projects.[12] Maintaining strong relationships with its key stakeholders, especially local communities, is critical to Meridian being able to develop and operate its renewable generation assets. Meridian aims to be recognised as a company that operates with integrity and respects the communities in which it operates and therefore has dedicated community liaison roles that ensure it continues to be a good neighbour during the life of its assets. They also use a number of other channels to engage with communities including newsletters, open days, meetings, surveys, sponsorship and grant programmes.

Meridian's Community Funds support local projects near their generation assets. Meridian works with nominated community members via community funding panels to review and agree which local initiatives are funded. Each panel meets two to three times a year to review funding requests against the fund's objectives and a set of selection criteria to ensure the project supports sustainable community development.[13]

In 2011 Meridian Energy was nationally recognised, winning the community category of the Sustainable 60 Awards,[14] for its approach to community engagement.[15] Profiled was the Waitaki Community Fund, which is the company's largest and longest running fund, providing $1.5 million to the Waitaki community over the last five years. It was noted that this funding model helps to build long-term relationships and supports many community projects including volunteer fire brigades, schools, environmental restoration groups, museums and local divisions of Plunket and the Cancer Society. This in turn contributes favourably to Meridian's SLO.

Meridian uses the GRI reporting framework and confirms its material issues through regular stakeholder consultation and their own internal sustainability framework. They consider that continuing growth in the global population and resource scarcity has only increased the importance of including community, customer and environmental interests in their business planning.[16]

Further information on the Meridian Energy's performance can be found here:

http://www.meridianenergy.co.nz/about-us/sustainability

and

http://www.meridianenergy.co.nz/assets/PDF/Company/ Investors/Reports-and-presentations/Annual-reports/2012/ Meridian-Annual-Report-2012Online.pdf

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[12] Meridian Energy 2012, Annual Report 2012, accessed 1 March 2013 <http://www.meridianenergy.co.nz/assets/PDF/Company/Investors/Reports-and-presentations/Annual-reports/2012/Meridian-Annual-Report-2012Online.pdf>

[13] Meridian Energy n.d., Community Funding Process, accessed 1 March 2013, <http://www.meridianenergy.co.nz/about-us/in-the-community/community-funding-process/>

[14] Fairfax n.d, accessed 1 May 2013, http://sustainable60.co.nz/.

[15] Meridian Energy 1 December 2011, Meridian's community fund scoops national sustainability awards, accessed 1 March 2013, <http://www.meridianenergy.co.nz/about-us/media-centre/media-releases/market-announcements/meridian-s-community-fund-scoops-national-sustainability-award/>

[16] Meridian Energy n.d., accessed 1 March 2013, <http://www.meridianenergy.co.nz/about-us/sustainability>

4. The Westpac Group

Leading practice in partnership, international benchmarking, strategy, reporting

Westpac consider that the world is changing and people need to think differently because business as usual, even a more sustainable business as usual, is not enough. They believe they have a responsibility to show leadership and use their resources and skills to assist customers and society understand and adapt to the changing landscape.[17]

For the last ten years they have been working to imbed actions that will ensure their long-term sustainability is business as usual to maintain and enhance their SLO.

Activities, such as volunteering (all staff members are allowed to take one day paid leave to volunteer), organisational mentoring and workplace giving, aim to generate positive outcomes in a way that supports long-term customer and community relationships, brand, reputation and business. They determined that, as a bank, one of the most relevant contributions they can make to society is education around financial management to help lift New Zealanders' financial confidence and capability. To do this they partnered with Massey University to form the Financial Education and Research Centre (FinEd). Westpac also work closely with community groups, in cooperation with other New Zealand banks and the New Zealand Bankers Association (NZBA) to help achieve common goals.[18]

The Westpac Group have developed a consistent framework for environmental, social and governance credit risk analysis called their ESG Framework. They follow the principles of the United Nations Global Compact, the Equator Principles[19] and are members of the United Nations Environment Protocol Financial Initiative (UNEP FI), a global partnership between UNEP and the financial sector. They report their performance in all areas of sustainability using the GRI framework (financial sector supplements) and have achieved the highest assured rating of A+.[20] Their past performance in this area has seen them named as one of the World's Most Ethical Companies by the Ethisphere Institute, scoring highly on the Dow Jones Sustainability Index[21] (their corporate citizenship and philanthropy programs were ranked by this index as global best practice in 2012) and included in the FTSE4Good Index[22] the ECPI Developed Ethical+ Equity and the ECPI Ethical Global Equity Indices.[23] They were also

recently ranked 10th overall in the Global 100 Most Sustainable Corporations and were listed as the best performing bank globally and had the highest result for any Australasian company.[24]

Here in New Zealand they have won numerous awards over the last few years including the 2012 Sunday Star Times Canstar Cannex Socially Responsible Bank award, for a number of reasons including the development of socially responsible products and global frameworks aimed at driving sustainability through better lending practice.[25] Westpac's work in this area helps them to deliver value for their shareholders and better manage risk[26] through a greater understanding of the issues facing New Zealand's economy, society and environment.[27] This assists in future proofing their business, benefiting their staff, communities and growing a sustainable New Zealand.

Looking forward, the Westpac Group are refocusing their strategic efforts on anticipating the emerging societal issues most material to their role as a financial institution and where they possess unique skills and expertise to bring about meaningful change. Potential issues that could emerge over the next 30 years that could affect their business were examined and three priority issues were identified for action:

a. responding to the big shifts of demographic and cultural change;

b. creating economic solutions to environmental challenges; and

c. helping customers achieve sustainable financial futures in a changed landscape.

Westpac want to find solutions to these issues and encourage others to do the same. Their starting point is a five year strategy looking out to 2017, with ten objectives across these three issues. The strategy outlines how they understand the issue, what they expect to see as this issue develops over coming years, and how they are acting on the issue now. They acknowledge that issues change and develop over time so they need to work with their stakeholders to continually refine and develop their focus.[28]

Further information on the Westpac Group's performance can be found here: http://www.westpac.co.nz/who-we-are/sustainability-and-community and http://www.westpac.com.au/docs/pdf/aw/ic/2012_Annual_Review_and_Sustainability_Report.pdf

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[17] Westpac n.d., *Sustainability and Community,* accessed 1 March 2013, http://www.westpac.com.au/about-westpac/sustainability-and-community/better-tomorrow/.

[18] Westpac n.d., *Sustainability and Community*, accessed 1 March 2013, http://www.westpac.com.au/about-westpac/sustainability-and-community/our-community/our-approach/.

[19] The Equator Principles is a credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions.

[20] There are three different Application Levels: A (high), B and C(low). Application Levels indicate the extent to which the guidelines have been applied in sustainability reporting and aim to reflect the degree of transparency. The status of Plus - "+" – indicates that the sustainability report has been externally assured. <https://www.globalreporting.org/information/FAQs/Pages/Application-Levels.aspx>

[21] The Dow Jones Sustainability World Index was the first global sustainability benchmark. The DJSI family tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for companies who want to adopt sustainable best practices <http://www.sustainability-indices.com/dow-jones-sustainability-indices/index.jsp>

[22] The FTSE4Good Index Series has been designed to objectively measure the performance of companies that meet globally recognised corporate responsibility standards. Transparent management and criteria make FTSE4Good a valuable tool for consultants, asset owners, fund managers, investment banks, stock exchanges and brokers when assessing or creating responsible investment products <http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp>

[23] ECPI Global Equity Indices are designed to provide exposure to sustainable investments tracking mainstream Global/Regional classifications, e.g. the ECPI Global Ethical Index tracks the performance of large-cap stocks listed in global developed markets that pass the ESG and sector screening <http://www.ecpigroup.com/ecpi_indices.asp?IdSEZ=15>

[24] Westpac n.d., Westpac Group earns top 10 ranking for sustainability, accessed 1 June 2013, <http://www.westpac.co.nz/who-we-are/newsroom/latest-news/westpac-group-earns-top-10-ranking-for-sustainability/>

[25] Westpac n.d., *Sustainability and Community, accessed 1* June 2013, <http://www.westpac.co.nz/who-we-are/sustainability-and-community/how-we-re-tracking/awards/>

[26] Westpac n.d., *Sustainability and Community*, accessed 1 June 2013, <http://www.westpac.co.nz/assets/Who-we-are/Sustainability-and-Community/brochure/index.html#/page/3>

[27] Westpac n.d., *Sustainability and Community*, accessed 1 June 2013, <http://www.westpac.co.nz/who-we-are/sustainability-and-community/managing-sustainability/strategy/>

[28] Westpac 2013, Westpac 2013-2017 *Sustainability Strategy*, accessed 1 June 2013, <http://www.westpac.com.au/docs/pdf/aw/sustainability-community/2013-2017_Sustainability_Strategy.pdf>

5. Unilever

Leading practice in strategy, stakeholder engagement and partnership, community involvement, international benchmarking and transparency

Unilever believe sustainability drives growth. They are focusing on sustainable living needs, to build brands with a significant purpose.[29] They also consider that businesses as a whole need purpose and that volatility and uncertainty in global markets will be the new normal. They state that for business to prosper over the long term it needs to rebuild the social trust which has been lost, increase positive social benefits and address the direct concerns of citizens and the needs the environment.[30] They have taken a leadership role in trying to achieve this and aspire to demonstrate the highest standards of corporate behaviour towards everyone they work with, including the communities they work in.[31]

What makes Unilever a leader? A major factor is that they are addressing issues across their entire value chain. They are taking responsibility not just for their own direct operations but for their suppliers, distributors and for their products that are used by their customers.[32] Listed below are some of the specific actions Unilever is taking to demonstrate its leadership and ensure a sustainable future business:

a. **Strategy:** Unilever uses its position as one of the world's leading consumer goods companies to deliver campaigns that tackle global challenges and reach large and diverse populations. It is hoped that these campaigns will achieve a lasting and positive impact on everyday behaviours. As an example of this they use they use their brand Lifebuoy soap, the focus of their hand washing campaign. It is one of Unilever's fastest-growing brands and achieved double digit-growth over the 2010-12 period. They believe this demonstrates their philosophy that brands which help to address social challenges can build brand equity and help them grow their business.

    Further examples of using their brands with a purpose are provided as follows:

    i.   the Domestos brand (cleaning products) is helping improve sanitation in some of the most impoverished parts of the world through a combination of building toilet facilities and educational programmes;

    ii. the Pureit brand (bottled water) is bringing safe drinking water to an increasing number of people;

    iii. the Dove brand (toiletries) campaign is addressing self-esteem issues in adolescent girls; and

    iv. Sustainable sourcing programmes, Rainforest Alliance certification of Lipton tea and the Knorr's Sustainability Partnership Fund, Unilever are helping to both improve the livelihoods of farmers and safe guard their future supplies. Unilever have trained around 450,000 smallholder farmers to help them improve their agricultural practices. By 2020 they aim to engage with at least 500,000 smallholder farmers and 75,000 small-scale distributors that form part of their supply network.[33]

In 2010 they unveiled their Unilever Sustainable Living Plan (USLP), a ten year plan, with over 50 specific targets which shifts the focus of the whole business to grow in line with their new purpose of making sustainable living commonplace. The Plan requires looking ahead and horizon scanning, reducing risk and making the business more resilient for the long term. Unilever also have a strategy that works alongside their USLP called their Compass Strategy. Its goal is to double the size of the business while reducing their environmental footprint and increasing their positive social impact.[34] The USLP and Compass strategy is providing Unilever with a highly differentiated growth model, improving their business performance, energising their employees and being recognised externally as a benchmark for responsible business. Unilever's sustained performance in difficult times and markets is testament to the strength and clarity of this plan. The delivery of the Compass strategy and the embedding of the USLP are not only benefiting communities but also their shareholders with a Total Shareholder Return (TSR) of close to 100% over the past four years;

b. **Stakeholder engagement and partnerships:** Unilever acknowledge that they cannot create a sustainable global business alone. The biggest challenge faced across their portfolio of programmes is how to scale up cost effectively. Forming the right partnerships they believe is the key. They work with other organisations, NGOs and government to deliver concerted, cross-sector change. They depend on the efforts of their partners and various certification bodies to achieve their sustainability goals. They acknowledge that there can be no assurance that sustainable business solutions will be developed and failure to do so could not only limit Unilever's growth and profit potential but also damage their corporate reputation.

    They are involved in the activities of a number of organisations including the UN Secretary General's High Level Panel to review the post-2015 Development Agenda, the World Economic Forum's New Vision for Agriculture and the UN's Scaling up Nutrition (SUN) and Zero Hunger Challenge.[35] They are members of the Consumer Goods Forum, the World Economic Forum and the World Business Council for Sustainable Development. They recognise the large amount of change required to achieve many of their goals and so have increased their engagement in multi-sector and cross sector stakeholder groups, such as the Tropical Forest Alliance 2020 and the Roundtable on Sustainable Palm Oil;

c. **Community involvement:** Unilever strives to be a trusted corporate citizen and fulfil their responsibilities to the societies and communities in which they operate.[36] They believe their positive impact on society is achieved not only through the brands they produce and sell but also their engagement programmes, commercial operations and relationships and the voluntary contributions they make to the community;[37]

d. **International benchmarking:** Unilever adhere to the UN Global Compact Principles, the Millennium Development Goals and use the Global Reporting Initiative indicators. They have been a sector leader (Food Producers) in the Dow Jones Sustainability Indexes for 14 consecutive years;[38] and

e. **Transparency:** Unilever has set the goal of improving the livelihoods of people around the world as part of their Sustainable Living Plan, launched in 2010. Greater transparency within their own operations and those of their partners is key to them achieving this. They believe that addressing these complex social issues across their entire value chain is best achieved through working together with their employees, peers, governments and civil society. Recently, in a bid to better understand and be more transparent about human and labour rights issues in their supply chain, they gave Oxfam open access to their entire global supply chain, a first for a business involved in this type of project. The two-year research project enabled Unilever to learn more about the implications of the UN Framework for Business and Human Rights and better understand how businesses can put human and labour rights into their core strategies and drive positive change in society.[39] Oxfam is a Unilever Foundation partner and is working together with them on several other long term projects including smallholder farming and sustainable sourcing.[40]

Further information on Unilever's performance can be found here:

http://www.unilever.com/sustainable-living/uslp/
and
http://www.unilever.com/sustainable-living/
and
http://www.unilever.com/images/ir_Unilever_AR12_tcm13-348376.pdf

[29] Unilever n.d., Making Sustainable Living Commonplace, accessed 1 June 2013, <http://www.unilever.com/images/ir_Unilever_AR12_tcm13-348376.pdf>

[30] Ibid.

[31] Unilever n.d., Purpose and Principles, accessed 1 June 2013, <http://www.unilever.com/aboutus/purposeandprinciples/ourpurpose/default.aspx>

[32] Unilever n.d., accessed 1 June 2013, <http://www.unilever.com/sustainable-living/uslp/>

[33] Unilever 2012, Annual Review and Accounts 2012, accessed 1 March 2013, <http://www.unilever.com/images/ir_Unilever_AR12_tcm13-348376.pdf>

[34] Unilever 2013, Sustainable Living Plan: Progress Report 2012, accessed 1 May 2013,
<http://www.unilever.com/images/USLP-Progress-Report-2012-FI_tcm13-352007.pdf>

[35] Unilever n.d., Embedding Sustainability, accessed 1 May 2013, <http://www.unilever.com.au/sustainable-living/ceo-review/embeddingsustainability/>

[36] Unilever n.d. Our Principles, accessed 1 May 2013, <http://www.unilever.com/aboutus/purposeandprinciples/ourprinciples/default.aspx>

[37] Unilever n.d., Corporate Responsibility, accessed 1 May 2013, <http://www.unilever.com/investorrelations/understanding_unilever/corporateresponsibility/>

[38] Unilever September 2012, Unilever DJSI sectors for 2012, accessed 1 May 2013,
<http://www.unilever.com/sustainable-living/news/news/September2012UnileverleadsDJSIsectorsfor2012.aspx>

[39] Unilever Feb 2013, Unilever puts spotlight on human and labour rights, accessed 1 May 2013,
http://www.unilever.com/sustainable-living/news/news/February-2013-Unilever-puts-spotlight-on-human-and-labour-rights.aspx.

[40] Ibid.

Annex 2 – Example of a summary table outlining stakeholder engagement

Example of a summary table outlining stakeholder engagement from Altech's 2012 Integrated Report
(http://report.altech.co.za/integrated_ar_2012/index.php/sustainability-report/stakeholder-engagement)

Stakeholder	Channels	Issues	Achievements during the year	Material focus areas alignment (Refer to Material Issues)
Employees	– *Altech Talk* internal magazine – Information sessions per operating unit – Electronic communication – Website – Intranet – Performance reviews	– Group performance and business news – Industry trends – Strategy implementation – Corporate social responsibility – Awards and recognition – Training and development – Labour practices – Remuneration	– Dedicated, top performers in the group are acknowledged and awarded on a quarterly basis – Management communication events are organised to announce business performance, facilitate information sharing and two-way communication (Q&A) prior to media announcements and external communication – Long service award functions as part of Altech award strategy – CEO innovation competition launched to encourage and reward innovation	Business environment, income and growth, transformation, human resources, communities
Shareholders and investors	– Investor presentations – Media – Integrated reporting – Financial reporting – Website – Board meetings and presentations – Investor and analyst meetings	– Business performance – Business continuity – Dividend payments – Share price – Reputation and ethics – Growth	– Analyst presentations with positive feedback about information shared – facilitating management interaction and relationship building – Analyst polls conducted twice annually to assess level of satisfaction – Site visits to Altech UEC factory and Nairobi operations to improve business understanding, relationship building and experience of market conditions – Round-table business updates	Business environment, income and growth, cost and cash management, transformation, human resources, innovation, environmental, communities
Media	– Interviews – Written engagement – Media events – Website	– Industry and group performance – Trends – Product launches – Innovation – New technology – Corporate social responsibility – Reputation and ethics – Growth	– Engagement with Altech operations about achievements and future opportunities – Relationship building, wide-spread publicity and awareness about Altech's results and growth plans	Business environment, income and growth, cost and cash management, transformation, innovation, products and service offerings, clients and customers, strategic partners, environmental, communities
Customers and business partners	– Customer surveys – Conferences – Meetings – Service level agreements – Website	– Customer service and experience – Business continuity – Business opportunities – Innovation – Small business development	– Various group-wide Pro-tour racing and other events to introduce company specific products and services – Sales conference with clients and business partners to create an inspired sales force, strengthened relationships, focused sales distribution channels	Business environment, transformation, innovation, products and service offerings, clients and customers, strategic partners, communities
Suppliers	– Service level agreements – Conferences – Meetings – Expositions – Website	– Business continuity – Technology trends – Business opportunities – Innovation	– Licence cost and transfer discussions – Successful negotiations in terms of contract renewal	Business environment, transformation, innovation, products and service offerings, clients and customers, strategic partners, environmental, communities
Government and regulators	– Interviews and meetings – Conferences and round table – Social events – Social responsibility investments – Website	– Infrastructure development – Tax – Social development – National competitiveness – Tenders – B-BBEE – Legal compliance	– Altech products and services discussed in view of Presidential 'hotline' and systems monitoring – Altech CEO appointed to the Vision 2020 ICT working group of the Minister of Communications to address Information and Communication Technologies (ICT) matters – Discussion with the Technology Innovation Agency (TIA) about advancing local research and technology innovation into commercial technology products and services – Ministerial visit resulting in heightened awareness of Altech UEC capabilities at new factory in Durban	Business environment, income and growth, transformation, human resources, innovation, products and service offerings, clients and customers, strategic partners, environmental, communities
Communities	– Meetings – Conferences and round tables – Social events – Social responsibility investments – Sponsorships – Website	– Job opportunities – Resource allocation – Investment and support – Ethical conduct – Development opportunities – Small business development	– Altech CSI initiative – Villa of Hope launch event – Successful co-sponsor project with M-Net Cares to support good corporate citizenship	Transformation, human resources, innovation, products and service offerings, clients and customers, environmental and communities