

Corporate Engagement Policy

This is the policy that applies to all kinds of corporate engagement by Wetlands International. The policy aims to help determine whether an engagement with a corporate should be entered into or not. It does so by setting out principles, threshold values and criteria for corporate engagement and it presents a simple tool (scorecard) that enables assessment of a (potential) engagement by bringing together the various evaluations. It provides guidance on the principles applying to our governance of corporate engagements. This policy is closely related to and complementary to our Partnership Policy and Ethical Policy.

The WHY of a Corporate Engagement Policy

There are both external drivers and internal ones for Wetlands International to engage with corporates.

External drivers include:

- The governance landscape is changing and includes a trend of governments stepping back from leadership in safeguarding ecosystem values, including in wetlands.
- There is increasing interest from the corporate sector to address sustainability recognising the relevance to their business concerns and the need to be more accountable to society at large, their investor and stakeholders. Sustainability issues for corporates are measured in terms of governance, stakeholder engagement, disclosure and performance. Companies who pose the greatest environmental risk face greater stakeholder and scrutiny.
- The realisation that there can be a business case for (environmentally and socially) sustainable performance is growing. Businesses are giving more attention to figure out how they will thrive in the future given the physical, economic and social risks associated with climate change, water scarcity and increasingly vulnerable supply chains.
- By adopting an ecosystem-based approach, corporates can link environmental, social and economic sustainability goals. There is a role for an organisation like Wetlands International to influence, encourage and help companies in working towards those goals.

Internal drivers include:

- Since the corporate sector is having significant impact on wetlands and are likely to have a bigger say in how land and water resources are managed in future, Wetlands International recognises that corporate engagement is a necessary response to these global trends. Involving and influencing business is a condition for our (long term) success and an opportunity for additional impact.
- The drive for sustainability by companies is patchy – some companies are now making significant strides towards becoming truly sustainable enterprises, while others are stuck in outmoded ways of doing business which are unsustainable. There is an opportunity to work with the leaders and encourage others to follow.
- Corporate engagement provides many opportunities for project and programme development and for resource development, contributing to our goal of diversifying income streams via sponsorship, co-finance of joint projects etc.

Adopted by the Supervisory Council, 23 November 2012



- We have a natural niche for being an eligible partner for business:
 - we have a relevant thematic and geographical focus
 - we are more knowledge and science based than advocacy-oriented,
 - we have a global presence and network,
 - we work as (and wetlands are) connectors between sectors,
 - we are a project organisation and experienced in working with multiple partners
 - we are practical and technical in our approach,
 - we are skilled at stakeholder engagement and in facilitating community-based activities
- We have learnt from experience over recent years, e.g. in our partnership with Shell and in many collaborative and technical relationships with the private sector
- Through the development of a portfolio of corporate engagements, there is opportunity to:
 - extend the reach and impact of the organisation in addressing our goals and targets
 - enhance our knowledge base
 - extend our organisational skills and competencies
 - build the organisation's networks, reputation and influence
 - increase our financial sustainability

This policy within Wetlands International

This Corporate Engagement Policy adds to existing policies and guidance documents in our organisation, and follows the principles and guidance from them, most notably the Ethical Policy, Partnership Policy, Code of Conduct, and the Core Values from the Strategic Intent.

Guiding principles

Recognising the investment needed and the inherent risks, engagements with a corporate partner should meet the following conditions:

1. provide significant strategic opportunity to **contribute to our goals and targets**
2. be feasible within the available or readily buildable **capacity to deliver**
3. **not jeopardise other policies**

Any engagement should trigger at least one of the points below:

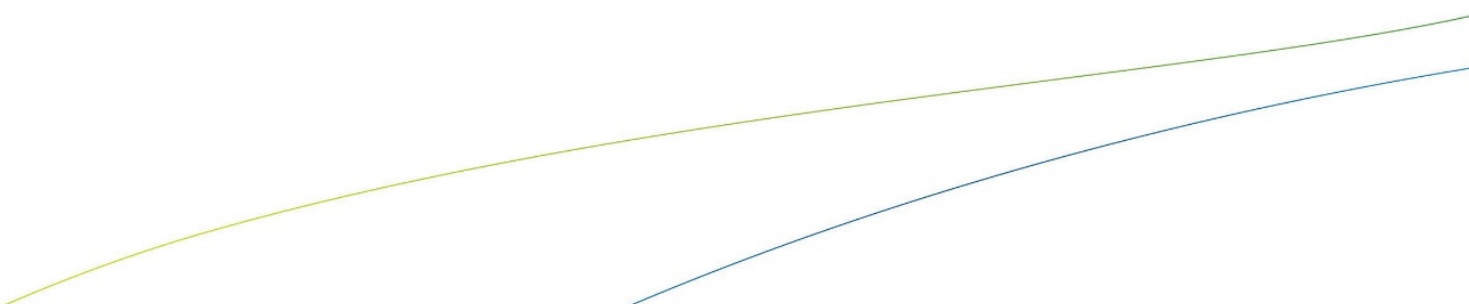
4. support and add value to our organisational capacities and/or our past and existing programmatic efforts (thematically and/or geographically)
5. provide opportunity for complementarity (in relation to skills, locations, networks) with the rest of our work
6. leverage major impact (because this corporate or industry group impacts wetland condition strongly)

Any corporate engagement will be much stronger where there is potential and mutual interest to develop a **business case** for improved environmental and social performance

A scorecard visualising the application of these principles will be used to assess the worth and risks of any particular corporate engagement (see Annex 1)

Types of engagement we seek and ones we will avoid Possible Engagement models

The following table provides an overview of options and an indication of potential impact.



| Type of collaboration | Explanation | Potential impact |
|--|---|------------------|
| <i>Financial sponsorship</i> | Donation given by the company/companies to support the NGO, their activities or events; sometimes facilitated by tax incentives and often driven by public relations goals | L |
| <i>Dialogue/negotiation</i> | Exchange of information in an effort to bridge differences and reach a common understanding on a jointly defined subject; often financed separately by NGO and company/companies to avoid suggestion of 'selling out' | L-M |
| <i>Technical assistance</i> | The NGO provides advice or other services to company/companies on a fee-related service basis, often subject to transparency clauses that reflect the public interest goals of the NGO | M-H |
| <i>Buddying (a special form of Technical Assistance)</i> | The NGO functions as a broker between the Corporate and the receiving party, in general a wetlands that is adopted by the Corporate | H |
| <i>Topic-related collaboration</i> | Collaboration where NGO and company jointly work on a subject; the NGO provides specific knowledge, and the company the relevant activity | H |
| <i>Coalition collaboration (with more than one company involved)</i> | As in <i>Topic-related collaboration</i> but then with a number of companies; sometimes more than one NGO involved | H |
| <i>Sector-wide collaboration</i> | As in <i>Coalition collaboration</i> , but instead of one/few company/-ies, may be expanded to more than one topic in case of success | H |
| <i>Collaboration of a collection of theme's</i> | Under a general collaborative agreement but then based on a transparent story on the rationale for this collaboration | H |
| <i>Full collaborative agreement</i> | Highest level of collaboration; ambitious, open-ended and without upfront defined goals and targets and outcomes | H |
| <i>Co-branding/joint ventures</i> | The NGO and company/companies undertake joint investments and marketing of new products/services with shared risk and shared returns | M |

Approaches towards engagement

Many types of relationships with the corporate sector are possible. The mode of engagement to be selected depends on the opportunity and risks and should therefore to be tailored to the specifics of the situation.

In seeking and working towards corporate engagements, Wetlands International works along two (linked) tracks:

- **pro-active:** use a 'power-mapping' linked to our thematic / geographic focus to identify targets for engagement and seek contact, create the opportunity; and explore options for engagement
- **opportunistic:** be open to unforeseen / surprising opportunities that meet threshold criteria

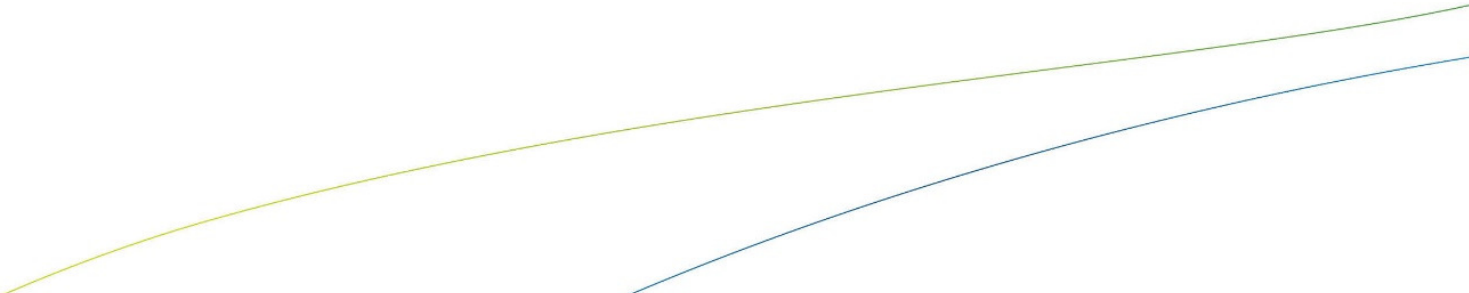
In practice, even pro-active efforts to engage with a corporate are dependent on opportunities arising. Opportunities are facilitated by creating visibility and active engagement in relevant fora etc. and are better recognised when the organisation has a clear idea of which kinds of engagements we are seeking and for which purposes. However, an agreement on corporate engagement is the result of a dialogue and negotiation between two organisations that have different missions, visions, targets and organisational modalities. Therefore, usually, investment of time is needed to allow for considerable discussion in order to identify the focus and form of engagement that best suits both parties.

Considerations to be taken into account in assessing a potential corporate engagement include:

- As a small, project-based organisation, we cannot effectively manage several global corporate partnerships which require significant capacity at every level (e.g. involving projects, advocacy and communications; diplomatic and political engagement)
- While the initial contacts may come from a particular individual and through a technical contact, commitments to partnership need to be confirmed at the highest (Director/CEO) level
- Engagement/ relations can start with a project approach and subsequently build further
- In other cases engagements/ relations can be joint lobby work only
- It is too risky to mix – with the same partner and in the same (or connected) timeframe - a sponsorship (donor with recognition) with a relationship that aims to change policy and/or practice
- In any agreement our existing policies, core values and principles must be fully respected and adhered to (e.g. on independence of communications, human rights etc.)
- In any agreement, joint objectives and the joint ambition of collaboration should be clearly expressed in terms of result areas and/or targets that can be regularly monitored and evaluated

Internal coordination and governance

Within Wetlands International as a global organisation there is a need to coordinate at a network level in order to:

- work in a coherent and consistent way with the corporate sector so protecting and reinforcing the Wetlands International brand
 - work in a coordinated way, aware of the scope and implications of our corporate engagements and learn from our experiences,
 - facilitate an internal screening of opportunities and risks before deciding on engagement
 - decide on the most appropriate form, conditions, scale, ambitions and pathway of engagement
 - make sure a quality management system is in place, linked to monitoring and evaluation
 - establish reporting on Corporate Engagement, with input from all engagements, with a link to the Annual Review
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Therefore we have established an organisational focal point for Corporate Engagement who can track our progress on behalf of the network and support the Heads of Office in exploring and preparing the engagement opportunity. The global Corporate Relations Manager is the network focal point, reporting to the CEO.

In terms of decision-making and institutional governance, the CRM will advise the Management Board (CEO, COO) and Heads of Office, to ensure that:

- engagement (and agreements) are consistent with the Wetlands International policies and the Global Network Partnership Agreement (so as to provide a mechanism for coherence between local boards)
- agreements are authorised and signed by the appropriate authority in the network

The following principles apply:

1. The CRM should be informed at an early stage of a potential corporate engagement, to provide an opportunity for advice and coordination, to ensure consistency with relevant policies and identify key governance considerations.
2. The decision to engage, the basis for this engagement and the signing authority of agreement is the responsibility of the relevant Director (Head of Office) of the Wetlands International legal entity and/or Wetlands International CEO.
3. The consent of the Director (Head of Office) based in the country of the head office of the corporate entity is required on the decision for Wetlands International engagement.
4. The prior advice and consent for engagement and need for signature by the CEO depends on the presence of a legal entity in the country of operation and on whether the scale and mode/ implications of the engagement proposed could be relevant to the network/ organisation as a whole in terms of risks and opportunities. The Director of the relevant Wetlands International office is responsible to make an assessment of this in the first instance and to seek the advice of the CRM at an early stage.
5. In case of formal partnerships or collaborations which require an MOU or partnership agreement with a private sector company that has network relevance, prior approval from the Management Board (via the CEO) is required. Depending on the significance, prior approval may also be required by the Supervisory Council, according to the Articles of Association of the Foundation. The MB will decide on the recommendation to the SC.

Annex

Wetlands International Corporate Engagement scorecard

In 2012 Wetlands International developed its corporate engagement policy. A scorecard has been developed as a way of facilitating and visualizing the implementation of the principles and criteria in the policy – and to help the organisation to evaluate (and rank) different corporate engagement opportunities and document and store the results of these evaluations in a systematic way. Working with this scorecard does not replace a thorough process of engaging with a corporation, it merely allows to visualise and document the result of applying the principles, conditions and criteria from the policy in a standardised way in the sense of risks to the organization and the need and ability to manage these. To do this, the scorecard uses Critical (CC1, CC2 and CC3) and supplementary (SC1, SC2 and SC3) conditions.

For successful engagement, a corporation should not result in risks that cannot be managed in relation to the Critical Conditions. And at least one of the supplementary conditions should be delivered against.

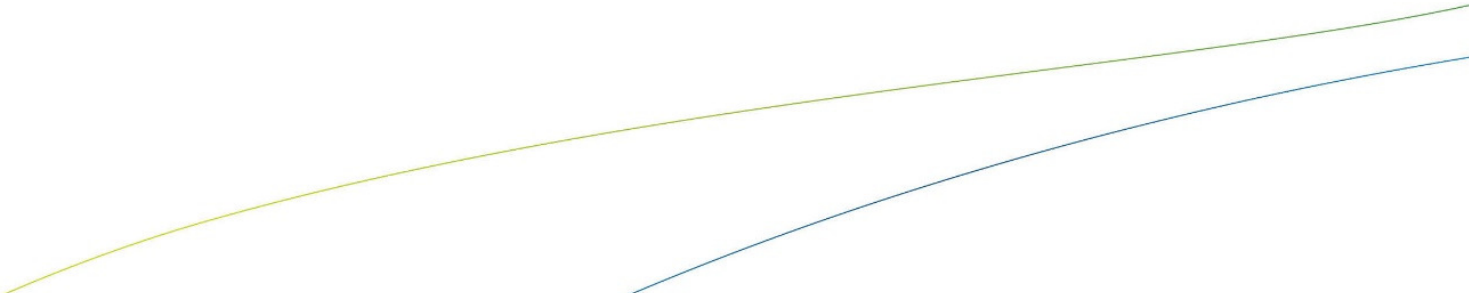
The outcome of using the scorecard is therefore not a black or white Yes/No for a certain engagement, but more of an indication of 'proceed with caution, with special attention for' or 'not advised to proceed before risk in relation to' has been managed downwards'

Proposed Critical Conditions (CC):

- CC1:** Could the engagement provide significant strategic opportunity to contribute to our goals and targets? (+)
- CC2:** Is the engagement feasible within the available or readily buildable capacity to deliver? (+)
- CC3:** Could the engagement jeopardise Wetlands International's core values or policies? (-)
- CC4:** Could the engagement jeopardise Wetlands International's brand and reputation? (-)

Proposed Supplementary conditions (SC):

Any engagement should trigger at least one of the points below. The engagement:

- SC1:** supports/adds value to our organisational capacities and/or our past and existing programmatic efforts (thematically and/or geographically)
 - SC2:** provides opportunity for complementarity (skills, locations, networks) with the rest of our work
 - SC3:** leverages major impact (because this corporate or industry group impacts wetland condition strongly)
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