Global Compact
Management Model Training

A special focus on implementing and communicating on Anti-Corruption

Rome
October 26, 2011
Introduction
Introduction

1. Who is who?
2. Concept of the training
3. Overview of the Global Compact and Anti-Corruption
4. Management Model and Learning objectives
5. Agenda and Overview of next steps
SPEECH 1:
COMPANY PRESENTATION

Mr. Agostino Nuzzolo
Italcementi Group at a glance

The world’s fifth largest cement producer

A worldwide presence in 22 countries

A staff of about 21,000

A consolidated production capacity of approximately 75 million tons

2010 annual sales of 4.8 billion Euro

The oldest cement company on the Italian Stock Exchange

Over 145 years-old successful business strategy implemented by a family-driven company
Italcementi Group profile

• With an annual production capacity of approximately 75 million tons of cement, Italcementi Group is the world’s fifth largest cement producer
• Founded in 1864, is one of Italy’s 10 largest industrial companies and is listed on the Italian Stock Exchange, since the beginning of the last century
• Internationalization process in 1992 with the acquisition of Ciments Français
• Geographically diversification through a series of acquisitions in emerging countries such as Bulgaria, Morocco, Kazakhstan, Thailand and India, as well as operating in North America
• Further enhancement of its presence in the Mediterranean area, in 2005 in Egypt, becoming the market leader, in 2006 full control of the activities in India and, in 2007 strength presence in Asia and the Middle East through the operations in China, Kuwait, Saudi Arabia
• Beginning of 2011 Italcementi decided to limit its presence in Turkey selling its subsidiary Set Group
• Combine the expertise, know how and cultures of 22 countries in 4 Continents boasting an industrial network of 59 cement plants, 11 grinding centres, 5 terminals, 350 concrete batching units and 90 aggregates quarries. In 2010 the Group had sales amounting to 4.8 billion Euro
Italcementi Group Country Ranking*

* Italcementi Group cement production vs competitors in each country

** Ranking in regions where the Group operates

Source: broker report
The United Nations Global Compact is a voluntary international corporate citizenship network initiated to advance responsible corporate citizenship and universal social and environmental principles in the areas of human rights, labour standards, the environment and anti-corruption.

It is the world’s largest corporate citizenship and sustainability initiative with more than 8000 signatories and stakeholders from over 135 countries.

The Global Compact is...

...a voluntary initiative to promote and advance responsible business.

...a universal value framework to help business get organized.

...a global network of like-minded businesses and other stakeholders.

...a platform for innovation.

The Global Compact is not...

...a regulatory body.

...a substitute for regulation at the national or international level.

...a PR exercise.
United Nations Global Compact
Expectations of Signatories

<table>
<thead>
<tr>
<th>Leadership Commitment (CEO and Board)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter from Chief Executive to UN Secretary-General Ban Ki-moon</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Willingness to engage in continuous performance improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting strategic and operational goals, measuring results, communicating internally and externally</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Openness to dialogue and learning around critical issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participate in events at local (and global), engage in stakeholder dialogue</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commitment to transparency, accountability &amp; public disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Communication on Progress (COP)</td>
</tr>
</tbody>
</table>
Global Compact Principles

1. Businesses should **support and respect** the protection of internationally proclaimed **human rights**.
2. Business should make sure that they are **not complicit** in human rights abuses.
3. Businesses should uphold the **freedom of association** and the effective recognition of the right to **collective bargaining**.
4. the elimination of all forms of **forced** and compulsory **labour**;
5. the effective abolition of **child labour**; and
6. the **elimination of discrimination** in respect of employment and occupation.
7. Business should support a **precautionary approach** to environmental challenges;
8. undertake initiatives to promote greater **environmental responsibility**, and;
9. encourage the development and **diffusion of environmentally friendly technologies**.
10. Businesses should **work against corruption** in all its forms, including **extortion** and **bribery**.
Anti-Corruption

Note: based on a number of 5405 submitted since Feb. 2010, including 271 from Africa/MENA, 953 from Asia/Australasia, 1320 from Americas and 2861 from Europe
Anti-Corruption

Businesses should work against corruption in all of its forms, including extortion and bribery.

Corruption
“The abuse of entrusted power for private gain.”
(Transparency International)

Bribery
“An offer or receipt of any gift, loan, fee, reward or other advantages to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise’s business.”
(Business Principles for Countering Bribery)

Extortion
“[Bribery] becomes extortion when the demand is accompanied by threats that endanger the personal integrity or the life of the private actors involved.”
(OECD Guidelines for Multinational Enterprises)
Anti-Corruption

Businesses should work against corruption in all of its forms, including extortion and bribery.

• 10th Principle was adopted in 2004
• Private sector and other non-state-actors share responsibility for eliminating corruption
• Working group developed the Reporting Guidance
UN Global Compact Management Model
Each step of the Management Model has one or more **suggested activities** and **areas of focus**. Recommendations for each step are defined and described in detail. In addition, ideas both for **how to get started** and examples of what **leadership practices** look like are provided for each step.
United Nations Global Compact
Adoption Challenges: The Importance of Management Processes

1. **Management systems are strong indicators of future performance.** The strength of management systems in place will determine a company’s future ability to manage sustainability-associated risk and opportunities.

2. **Management processes = source of best practices and learning**

3. **Best practices as benchmarks for performance.** Management processes that are considered best practices can be used as benchmarks to evaluate sustainability performance of other companies.

4. **Good transparency vehicle for sensitive issue areas** (e.g. Anticorruption) where disclosure of results can be difficult.

5. **Consistent GC disclosure policy** – focusing on efforts to implement as much as on results.
United Nations Global Compact Management Model and Training Objectives

<table>
<thead>
<tr>
<th>UNGC Management Model Objectives</th>
<th>Training Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>A comprehensive management system</td>
<td>• Provide a tool for general but comprehensive management of sustainability risk and opportunities</td>
</tr>
<tr>
<td>… to integrate corporate sustainability across the entire organization and … to holistically address a broad spectrum of issues within the framework of the ten principles</td>
<td>• Relevant for those who are just starting and those who want to go further</td>
</tr>
<tr>
<td></td>
<td>• Specialized knowledge on how to use the Model for specific issue area</td>
</tr>
<tr>
<td></td>
<td>• Improve performance and transparency of UNGC signatories against the ten principles</td>
</tr>
<tr>
<td></td>
<td>• Produce a draft COP with the GRI guidelines</td>
</tr>
<tr>
<td>Time</td>
<td>Activity</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>09.00 - 09.40</td>
<td><strong>Introduction</strong></td>
</tr>
<tr>
<td>09.40 – 11.00</td>
<td><strong>Leadership commitment</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Assess risks, opportunities and impacts</strong></td>
</tr>
<tr>
<td>11.00 – 11.30</td>
<td><strong>Break</strong></td>
</tr>
<tr>
<td>11.30 – 13.00</td>
<td><strong>Defining and Implementing</strong> strategies and policies, and measuring results</td>
</tr>
<tr>
<td></td>
<td><strong>Exercise</strong></td>
</tr>
<tr>
<td>13.00 – 14.00</td>
<td><strong>Lunch</strong></td>
</tr>
<tr>
<td>14.00 – 15.30</td>
<td><strong>Producing a Communication on Progress</strong></td>
</tr>
<tr>
<td>15.30 – 16.00</td>
<td><strong>Break</strong></td>
</tr>
<tr>
<td>16.00 – 16.30</td>
<td><strong>Communicate</strong> and engage stakeholders</td>
</tr>
<tr>
<td>16.30 – 17.00</td>
<td><strong>Closing and survey</strong></td>
</tr>
</tbody>
</table>
Leadership commitment
UN Global Compact Management Model
Step 1 – Commit

**COMMIT**

Company leadership publicly signals its commitment to stakeholders. Specifically, leadership commits to supporting the Global Compact and making the ten principles part of the strategy, culture and day-to-day operations of the company, with oversight provided by transparent governance structures.

**Take Action**

**Leadership Commits to:**

- Global Compact and its ten principles
- Engaging in partnerships to advance broad UN Goals
- Annual submission of the Communication on Progress (COP)
UN Global Compact Management Model

Step 1 – Commit

Getting Started

• Leadership commits to work against corruption in all its forms, including bribery and extortion
• Company commits to be in compliance with all relevant laws, including anti-corruption laws
• Leadership supports anti-corruption

Leadership Practices

• Publicly states formal policy of zero-tolerance of corruption
• Leadership supports international and regional legal frameworks, such as the UN Convention against Corruption
• Company promotes its commitment by communicating it to shareholders and other stakeholders
Leadership commitment to corporate sustainability

- **Who should lead?**
  
  High level commitment: BoD and CEO

- **Why should they lead?**
  
  Ethical behavior of the company, but also show the economic profitability
  
  - Less risks and associated legal and compliance costs
  
  - Competitive success factor towards competitors

- **How should they lead?**
  
  - Strong initial commitment
  
  - Clear individuation of objectives, tasks and responsibility
  
  - Monitoring and adapt and so continuous commitment
  
  - Broad and wide *Vision*: interdepartmental cooperation
Is Ethics a cost?
Is Ethics a cost?
Is Ethics a cost?

Figura 8 - Performance economica e criminalità
(logaritmo dell’indice di criminalità 2002-2005; logaritmo del Pil procapite per il 2007)

Fonte: nostre elaborazioni su dati ISTAT
Leadership commitment to corporate sustainability: the Italcementi way

- Direct and strong commitment of Group CEO
- Constant information and coordination with ITC Audit Committee
- Periodic reporting to ITC BoD and involvement of local BoDs
- Clear and strong external engagements
  - Participation in the Global Compact
  - Consolidated presence in the World Business Council for Sustainable Development thought the membership of all local Subsidiaries to existing regional network
  - Sustainable indices
- Clear and strong internal commitments
  - Consistent approach to risk management and corporate governance and Group standardization
  - Dedicated Group functions and projects
Contents

- Leadership Communication
  - Define and implement goals, strategies and policies
  - Risk Assessment
  - Measure and monitor
  - Communicate and engage stakeholders
The message concerning Compliance is authentic, clear and non-compromising

“Being a responsible company – this is what our foundation was built on, this is a core element of our values. Highest performance with highest ethics”

Peter Löscher, President and Chief Executive Officer of Siemens AG

Source: P. Löscher; September 2010
Compliance is an integral part of our culture of integrity

“Our value ‘responsible’ is based on integrity. Integrity requires taking responsibility and having the courage to make decisions following our inner compass.”

Peter Y. Solmssen,
Member of the Managing Board and General Counsel of Siemens AG

Source: P. Solmssen. September 2010
UN Global Compact Management Model
Step 1 – Commit

Company Example

• How did your company get started?

• What are some leading practices you have seen?
Assess Risks, Opportunities and Impacts
The company assesses its risks and opportunities on an ongoing basis—in financial and extra-financial terms—as well as the impact of its operations on the issue areas, in order to develop and refine its goals, strategies, and policies.

**Take Action**

- Assess Risks
- Forecast Opportunities
- Calculate Impact
UN Global Compact Management Model

Step 2 – Assess

- Legal Risks
- Reputational Risks
- Blackmail
- Erosion of internal trust and confidence
- “Known as clean” and repeat demands
- Financial Costs
- Companies have a vested interest in sustainable social, economic and environmental development
World Without Corruption

A Program Aimed at Advancing the 10th Principle of the UN Global Compact from 2011-2015

An Initiative of UN Global Compact Network Russia
The 10 Principles of the UN Global Compact

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: Businesses should make sure that they are not complicit in human rights abuses
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor
- Principle 5: Businesses should uphold the effective abolition of child labor and
- Principle 6: the elimination of discrimination in respect of employment and occupation
- Principle 7: Businesses should support a precautionary approach to environmental challenges
- Principle 8: undertake initiatives to promote greater environmental responsibility and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery
Corruption is a **negative** form of social relations.

The globalization of markets turns corruption into a **threat** to sustainable economic development.

Practical mutual assistance and powerful massive support from social groups, various entities and officials is a basis for **countering** global corruption.
Move from making statements to the phase of systemic practical work

Advancement of the UNGC 10th Principle in 2011-2015

“World Without Corruption” program is supported by UNGC Network Russia

NGOs

Academia, professional organizations

Media

Business community

State authorities
Consolidation of practical efforts of all social elements interested in eradicating corruption on the national and global levels:

- Business communities
- Civil society institutions
- Mass media
- Academia
- Professional unions
- Authorities and self-government entities
**Principles of “World Without Corruption”**

<table>
<thead>
<tr>
<th>Clarity</th>
<th>Clear definition of the main directions of activity to gradually push out corruption from social relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positivity</td>
<td>The Program is aimed at, first of all, supporting and rewarding any legal practical actions to reduce corruption</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>Practicality and usability of the Program for its participants not only in strategic and tactical terms but also as correlation between expenses and obtained results, increase in capitalization for companies</td>
</tr>
<tr>
<td>Flexibility</td>
<td>The Program provides each participant with an opportunity to individually or in partnership realize local projects based on his choice and in line with his own capabilities and business interests</td>
</tr>
<tr>
<td>Openness</td>
<td>The Program is open to any interested parties, including ones who have not joined UNGC. Program participants from various countries can jointly implement projects based on their interest</td>
</tr>
</tbody>
</table>
1. **Sharing** best practices of ethical conduct in the business community that factor in national and industrial specificity; **fostering** public intolerance for corruption; and **introducing practical steps** for reducing it.

2. **Improving** social legitimacy on the part of the business community; **assisting in** disseminating information to the public about the business community’s successes in the field of social responsibility; launching large-scale, dynamic global efforts aimed at sustainable development; and committing to high ethical standards, **consolidation of cooperation and trust** between business and society in various countries and on a global scale.

3. **Strengthening** interaction and continuous cooperation among the UNGC networks and participating organizations; **establishing** effective business partnerships with public service agencies, civil society institutions, mass media, academia and other organizations in order to reduce corruption in certain countries and, globally, to achieve the main objectives of sustainable development, including the Millennium Development Goals.

4. **Improving** interaction between the national Global Compact networks through development of new strategic and tangible initiatives, and supporting joint actions to promote and implement them, as well as broadening the UN Global Compact network by **raising the attractiveness** to participate in the Compact for companies active in national and global markets, as well as for non-profit and academic entities, enlarging UN Global Compact network.
4 Main Areas of Activity

AREA 1
Dissemination and promotion of effective practices to counter corruption

AREA 2
Fostering public intolerance for corruption throughout the globe and advocating collective action for its reduction

AREA 3
Strengthening of collaboration and trust between business and society in the sphere of fighting corruption

AREA 4
Consolidation of GC local networks, civil society institutions, professional entities and mass media interaction in pursuit of reducing corruption in various countries and worldwide
Dissemination and Promotion of Effective Anti-Corruption Best Practices

- Setting up tangible exchange of anti-corruption practices and toolsets on the national and global levels

- Preparation and dissemination of analytical reports that let any company (with expert and NGOs or individually) assess expected practical impact of various anti-corruption solutions in specific conditions and make individual adjustments which are most optimal for the company
Assistance in collection, systematization and translation of materials into various languages; publication and dissemination of information through the media about the UNGC network participants’ successful initiatives in the sphere of corruption counterwork, showcasing their practical capability to continuously tackle this global challenge.

Assistance with all forms of social advertising for ethical conduct (taking into account national, cultural, religious, social and other differences of the target audience), demonstrating not only corruption’s malignancy but also a real possibility to overcome it.
Fostering Public Intolerance for Corruption and Advocating Collective Action

- Contribution to raising awareness for the causes and conditions of corruption’s origins and assistance for legal education of the population, including the application of legitimate ways to fight corruption; and active support and encouragement for the development, distribution and implementation of specialized educational programs for various ages, professions, national and cultural, religious and other social groups, and publication of training manuals in different languages.

- Support for manifestations of global solidarity for individuals who justifiably expose corruption to the public, and, if appropriate, provision of legal protection against their unjust prosecution.

- Support for voluntary consumer refusal to use the products and services of companies that do not seek to abandon corrupt ways of doing business.
**Strengthening Collaboration and Trust Between Business and Society in Fighting Corruption**

- Assistance in increasing the population’s awareness of business and civil society’s united interest in overcoming corruption.

- Encouragement of the business community and individual companies’ involvement in funding civil society initiatives and projects aimed at countering and reducing corruption levels in various countries.

- Assistance in exerting social pressure on companies that are unwilling to cease corrupt conduct, to the degree that the rest of the business community refuses to deal with such companies.

- Assistance for public entities, civil society institutions, expert and other professional communities’ activities aimed at reducing the causes of corruption in local and national legislation, including the business regulation field.
Consolidation of Efforts in Reducing Corruption Worldwide

- Support for the establishment of specialized periodicals devoted to issues of fighting both national and global manifestations of corruption; of working groups for discussion of various approaches, practices and initiatives aimed at eliminating national and global scale corruption; of development of coordinated policy for diminishing corruption worldwide by Global Compact participants and UNGC partner organizations, participants of other anti-corruption treaties, national and global non-profit entities, as well as state authorities
- Support for attracting a broader audience for anti-corruption publications; for their distribution in different countries in all the official languages of the UN, and additional languages of the European Union
- Assistance with the creation and distribution of electronic versions of the periodicals in freely accessible segments of the internet

- Promotion of national and international tailor-made television programs devoted to countering corruption; support for national and global media company initiatives for free-of-charge placement of video materials as public service announcements, as well as their placement in freely accessible segments of the internet
Consolidation of Efforts in Reducing Corruption Worldwide

• Assistance in researching and analyzing national and international public opinion regarding corruption, and developing a strategy to combat corruption through means such as:
  ✓ Raising the population’s awareness to any kind of corrupt practices
  ✓ Utilizing the global mass media to disseminate information about the importance and common interests embedded in the Global Compact Universal Principles, highlighting Principle 10
  ✓ Identifying the factors that perpetuate negative attitudes about the impossibility and uselessness to fight corruption and developing ways to overcome such attitudes in all sectors of the population

• Assistance for conducting preliminary sociological assessments before launching campaigns for the various initiatives of Global Compact participants; and for conducting evaluations of the effectiveness of measures used to stimulate interest in Global Compact Universal Principles, namely Principle 10, among target groups
Consolidation of Efforts in Reducing Corruption Worldwide

• Assistance for raising awareness and educating the population, not only for identifying signs of corruption and its legal consequences, but for increasing knowledge about the positive activities of the business community, civil society institutions, and state authorities, aimed at reducing corruption, and examples of successful opposition to corruption.

• Assistance with the arrangement, implementation, and broad coverage of national and international contests for journalists and other mass media employees, whose publications and materials address the fight against corruption. Encouragement of companies that give financial support to award funds for such contests.

• Assistance with the arrangement, implementation, and broad coverage of national and international “Business Against Corruption” contests in order to encourage companies that contribute the most to the promotion of Global Compact Principle 10.
“World Without Corruption” Program

PLEASE JOIN US!
Contents

- Leadership Communication
- Define and implement goals, strategies and policies

- Risk Assessment
- Measure and monitor
- Communicate and engage stakeholders
Corruption Risk Exposure Assessment

Every year each Siemens Legal Entity is asked to perform a Corruption Risk Exposure Assessment

Data collection from each business unit
- Customers types (governmental/private)
- Country where contract is signed/executed (TI/CPI)
- Sales channels (direct/sales agents)
- Procurement structure

Data analysis to identify potential corruption risks
- Identify risk level based on the suppliers and customers analysis:
  - High
  - Medium
  - Low

Definition of risk mitigation measures
- Perform due diligence on sales agents
- Develop compliance clauses for the contracts
- Allow “only clean business”
- Define a mandatory Code of Ethic for suppliers
- Training

Monitoring of effective measures implementation
- Quarterly verification of the status of the measures
- Reporting to the management
- Implement remediation actions in case of delay
UN Global Compact Management Model
Step 2 – Assess

**Discussion**

- How does your company assess risks and opportunities?
- What are some leading practices for measuring your company’s impact?
Define goals, strategies and policies
Once a company has a comprehensive understanding of its context, it should set high but realistic goals to adhere to the principles of the UN Global Compact. As part of this step, companies should determine which indicators they will use to measure their progress and determine whether a particular policy is successful.
UN Global Compact Management Model
Step 3 – Define

Getting Started

• Starts by prioritizing high-level and achievable goals to address top risks, impacts, and opportunities identified in the Assess step
• Sets high-level strategy and action plan to achieve goals

Leadership Practices

• Integrates sustainability into corporate strategy planning process
• Develops strategy in consultation with stakeholders
• Develops roadmap of actions and investments to improve sustainability performance
• Detailed policies for high-risk areas of corruption
• Policy on anti-corruption regarding business partners
• Encourages or requires suppliers and business partners to operate in ways consistent with the ten principles
Implement strategies and policies
The company establishes and ensures ongoing adjustments to core processes, engages and educates employees, builds capacity and resources, and works with supply chain partners to address and implement its strategy.

Take Action

- Adjust Core Processes
- Engage and Empower Employees
- Leverage Information Technology (IT)
- Suppliers and Business Partners
UN Global Compact Management Model
Step 4 – Implement

Adjust Core Processes

Getting Started
- Translates the anti-corruption commitment into actions
- Internal checks and balances to ensure consistency with the anti-corruption commitment

Leadership Practices
- Actions taken to encourage business partners to implement anti-corruption commitments
- Internal accounting and auditing procedures related to anti-corruption
- Participation in voluntary anti-corruption initiatives
Engage and Empower Employees

Getting Started
- Communicates and trains all employees on the anti-corruption commitment

Leadership Practices
- Human Resources procedures supporting the anti-corruption commitment or policy
- Management responsibility and accountability for implementation of the anti-corruption commitment or policy
- Communications (whistleblowing) channels and followup mechanisms for reporting concerns or seeking advice
UN Global Compact Management Model
Step 4 – Implement

Tools for implementation
Measure and Monitor
The organization adjusts its performance management systems to capture, analyze, and monitor the performance metrics established in the Define step. Progress is monitored against goals and adjustments are made to improve performance.

**Take Action**

- **Measure and Monitor** – Develop ability to measure, monitor, and interpret impacts and progress towards goals (e.g., calculate performance of each operational facility)
UN Global Compact Management Model
Step 5 – Measure

**Getting Started**

- Starts to measure and monitor corporate sustainability metrics set up in the Assess and Define steps
- Collects all available data, noting source of data and missing data; refine and expand data collection over time
- Considers suggestions of employees, reports on use of whistleblowing channels and hotlines to monitor

**Leadership Practices**

- Makes performance broadly visible, regularly uses performance data to guide decisions and investments, and seek to translate sustainability impact to financial impact
- Leadership reviews monitoring and improvement results
- Process to deal with incidents
- Public legal cases regarding corruption
- Use of independent external assurance of anti-corruption programmes
Define goals, strategies and policies

*The Italcementi Risk and Governance Management System*

1. Organization Management and Control Model
2. Corporate Governance Programme
3. Criminal Risks prevention plan (and Antimafia Code)
4. Risk and Compliance Project, among which Group Anti-Bribery Programme
1. Organization Management and Control Model

The example of the Italian Law (Law decree n. 231/2001)

- Crime committed by an employee or any other person in connection with the company
- Crime committed to cause an advantage to the company or
- Crime committed in the interest of the company

The value of the governance

- Company is not sanctioned or
- Sanction are reduced
- Where it proves to have established a system of corporate governance effective in preventing the commission of crimes

Corruption and bribery as one of the relevant crimes and model incorporating specific preventive actions
A program in 5 steps has been designed for a fast global deployment of the Corporate Governance System within the entire Group...
3. Criminal Risks prevention plan (and Antimafia Code)

Prevent or reduce the risk of involvement or contiguity, even unintentional, with the criminal organizations through the relationship with suppliers, customers, trading parties and/or through employees

Main features

• Duties of information and tools for the knowledge and understanding of the criminal risks
• Ethics criteria and tools for the selection of the employees
• Ethics criteria and tools for the selection of suppliers and customers
• Adoption of ethic clauses in the main contracts
• Payments and other financial transactions (tax issues also)
• Security measures, duties of reporting, forms of collaboration with police and judiciary officers
• Cooperation protocols with Prefetture and Ministero Interno
• White list project
Italcementi is committed to continuously improve its Corporate Governance System. As a part of this journey, in 2009 the Group has launched a Risk & Compliance Programme with the objectives of:

- Improving sustainability of business performances through a better risk identification, measurement, management and monitoring
- Ensuring transparency and reinforcing corporate reputation through a more robust risk & control culture
- Ensuring compliance with laws and regulations applicable at a Corporate and/or Country level
4. The Risk & Compliance Programme (2/2)

- Italcementi carried out several activities, among which:
  - identification of the top risk areas at Corporate levels
  - development of a risk assessment methodology
  - assessment of Top Risk Areas at Country and Group functions level
  - development of a consolidated risk maps
  - selection of major areas of improvement and assignment of primary responsibilities
  - development of risk management strategies and action plans

- Among the relevant Top Risk Areas, Italcementi has selected and identified the “Compliance with the Italian Legislative Decree n. 231 of 2001 and with the Corporate Criminal Liabilities Laws” in force in those Country where it operates

- A priority of this programme is the corruption and bribery and in 2010, Italcementi launched a comprehensive Group Anti Bribery Programme
Implement Strategies and Policies (The Group Anti Bribery Programme)

• Is designed to be an on-going process with the purpose of either preventing any violations of national and international anti-corruption laws, either reinforcing a “compliance culture” based on integrity and promoting transparent practices among the Italcementi Personnel.

• Provides a formal and effective framework of risk management strategies and rules to ensure that Italcementi and its third business parties comply with the applicable anti-corruption laws and, in particular, adopt international standards requirements for countering bribery.
Implement Strategies and Policies (The Group Anti Bribery Programme)

**STEP 1**
- Analysis of the legal framework
- Analysis of the Country risk profile
- Analysis of the main bribery risk controls

**STEP 2**
- Gap Analysis
- Action Plan

**STEP 3**
- Implementation
- Communication
- Training
- Audit
- Monitoring
Implement Strategies and Policies (The Group Anti Bribery Programme)

• Applies to all Italcementi Subsidiaries, Personnel and Business Partners working for or on behalf of Italcementi

• Business Partners stands for any intermediaries, agents, sales representatives, consultants (including lawyers, lobbyists, collaborators, accountants), distributors sub contractors, partners in Joint Entities, promoting the Italcementi’s commercial interests in relation to specific transactions/projects, facilitating the execution of contracts with third parties or assisting Italcementi in the dealing with Public Official for the performance of a work or for other legitimate reasons

• *private bribery*: specific initiatives and procedures to properly manage the business relationship with contractors, customers and suppliers.
Contents

- Leadership Communication
- Define and implement goals, strategies and policies
  - Risk Assessment
  - Measure and monitor
  - Communicate and engage stakeholders
Supporting sustainable successful business

Compliance is not a program, it's a way of doing business – promoting integrity at Siemens
Compliance Priorities determine our goals for fiscal 2012

Four mid-term target dimensions for further development and improvement of Siemens Compliance

<table>
<thead>
<tr>
<th>Optimization of Compliance Processes</th>
<th>Optimization of Compliance Risk Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>We intend to optimize the effectiveness and efficiency of the introduced and proven compliance processes and tools. This applies to CL CO processes as well as to business processes.</td>
<td>In our compliance risks analyses, we intend to reflect the specific situation of our respective business areas even better. A deep understanding of risks enables us to tailor our Compliance System to mitigate risks with optimized resources.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prevent</th>
<th>Detect</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance risk management</td>
<td>Whistle blowing channels</td>
<td>Consequences for misconduct</td>
</tr>
<tr>
<td>Policies and procedures</td>
<td>“Tell us” and Ombudsman</td>
<td>Remediation</td>
</tr>
</tbody>
</table>

Moving Compliance closer to the Business

We intend to establish compliance even more strongly as an integral aspect of all our business activities.

Promote Integrity

We intend to further intensify the interaction with our internal and external stakeholders, especially for the purpose of combating corruption.
The Siemens Compliance System: Prevent – Detect – Respond

<table>
<thead>
<tr>
<th>Prevent</th>
<th>Detect</th>
<th>Respond</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Compliance risk management</td>
<td>- Whistle blowing channels “Tell us” and Ombudsman</td>
<td>- Consequences for misconduct</td>
</tr>
<tr>
<td>- Policies and procedures</td>
<td>- Compliance controls</td>
<td>- Remediation</td>
</tr>
<tr>
<td>- Training and communication</td>
<td>- Monitoring and Compliance reviews</td>
<td>- Global case tracking</td>
</tr>
<tr>
<td>- Advice and support</td>
<td>- Compliance audits</td>
<td></td>
</tr>
<tr>
<td>- Integration in personnel processes</td>
<td>- Compliance investigations</td>
<td></td>
</tr>
<tr>
<td>- Collective Action</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Management responsibility
Leadership Communication

Define and implement goals, strategies and policies

Risk Assessment

Measure and monitor

Communicate and engage stakeholders
Compliance Helpdesk consists of five parts:

1. **“Tell Us”**
   - The Compliance HelpDesk “Tell Us” function provides global, round-the-clock facilities for making statements on compliance-related breaches.

2. **“Ask Us”**
   - Do you have any questions about compliance? You can ask them at any time via the Compliance HelpDesk “Ask Us.”

3. **“Find It”**
   - Use “Find It” to search for compliance-related information, such as FAQs, policies & guidelines or training material.

4. **“Approve It”**
   - “Approve It” is the platform for approval requests regarding gifts and hospitality.

5. **“Improve It”**
   - With “Improve It” you can help to improve the Compliance program by adding your ideas and suggestions.
Compliance – Progress Report FY 2010

### Prevent

#### Training

<table>
<thead>
<tr>
<th></th>
<th>Q4</th>
<th>Q1/10</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in person training</td>
<td>219</td>
<td>84</td>
<td>91</td>
<td>104</td>
<td>79</td>
</tr>
<tr>
<td>Participation web-based training</td>
<td>140</td>
<td>151</td>
<td>143</td>
<td>228</td>
<td>82</td>
</tr>
</tbody>
</table>

### Detect

#### Helpdesk

**"Tell Us" & Ombudsman**

<table>
<thead>
<tr>
<th></th>
<th>Q4</th>
<th>Q1/10</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not substantiated</td>
<td>36</td>
<td>25</td>
<td>19</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>Substantiated</td>
<td>103</td>
<td>124</td>
<td>106</td>
<td>123</td>
<td>149</td>
</tr>
</tbody>
</table>

### Respond

#### Disciplinary Sanctions in FY 2010

- **Dismissal/ Separation**: 108
- **Warning**: 313
- **Others** 2): 27

### Helpdesk

**"Ask Us"**

<table>
<thead>
<tr>
<th></th>
<th>Q4</th>
<th>Q1/10</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,110</td>
<td>972</td>
<td>687</td>
<td>699</td>
<td>719</td>
</tr>
</tbody>
</table>

### Helpdesk

**"Tell Us“ Topics FY 2010**

- Leadership issues: 22%
- Internal regulations: 15%
- Working conditions: 13%
- Other breach of law: 12%
- Records of accounting: 8%
- Others: 30%

### Compliance Staff Worldwide

<table>
<thead>
<tr>
<th></th>
<th>FY 06</th>
<th>FY 07</th>
<th>FY 08</th>
<th>FY 09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>86</td>
<td>170</td>
<td>521</td>
<td>598</td>
</tr>
</tbody>
</table>

1) Cumulative  2) Forfeiture of variable payment elements, transfer to another position, suspension  3) Compliance only one area of responsibility  
4) Including Implementation Management  5) KPI not continued after successful ramp up of Compliance Organization
Compliance is one of the four main categories of the Internal Control System.

- Enterprise Risk Management (ERM)
- Internal Control System (ICS)

Risk identification highlights gaps in internal controls and influences the identification of necessary control requirements as well as their monitoring.

Monitoring of control requirements may result in the identification of unmitigated risks.

The Policy & Control Masterbook (PCMB) comprises in total ~750 Siemens global control requirements and forms the basis for the Siemens “In Control” Statement.

Categories:
- Strategic
- Operations
- Financial
- Compliance

Corporate Circulars
SOA 404 Annex 4
ICS Self Assessment Catalogue
ICS Task Force Output
Others

Update

Quarterly

Sources:

CL CO* is governance owner of 44 control requirements thereof
- 25 CCF**
- 19 other sources, e.g. CL CO circulars

* CL CO = Corporate Legal Compliance; ** CCF = Compliance Control Framework
Lunch Break
13.00 – 14.00
Exercise
Exercise 1: Designing an Action Plan

1) Develop a short scenario (company, size, sector, country) and come up with one issue or dilemma related to corruption.

2) Exchange the scenario with another table.

3) Create an action plan by going through the “Define”, “Implement” and “Measure” phases.

4) Present your action plan to the rest of the group.
Communicate – Create your COP
The company communicates its progress and forward-looking strategies for implementing its commitment by developing a Communication on Progress (COP), and engages with stakeholders to identify ways to continuously improve performance.

Take Action

Producing a Communication on Progress

Communicate and engage stakeholders
UN Global Compact Management Model
Step 6.1 – Producing a Communication on Progress

Getting Started
• Reconfirms commitment to the Global Compact
• Documents progress toward completing action plan in COP
• Include a description of strategies

Leadership Practices
• Documents sustainability goals, strategies, and performance into annual financial report and supporting documentation
• Receives Board approval and third party verification of COP
• Engages stakeholders to capture feedback to improve sustainability performance and promote alignment with current and emerging regulations and trends
UN Global Compact
Integrity Measures and Differentiation

The COP is a tool for **transparency and disclosure** on the internal **management steps** companies have taken **to implement the principles**. It is **required every year** from every business participant.

The COP has **no prescribed format** so long it is **broadly communicated with stakeholders** and **includes**:

- A **statement of continued support** by the chief executive
- A **description of practical actions** addressing **all four issue areas**
- A **measurement of outcomes**.

A COP should be fully integrated in the participant’s main medium of stakeholder. Communications and should be written in the **language of the stakeholders**.
In order to promote continued progress, the Global Compact is categorizing companies at different levels of performance and disclosure.
UN Global Compact
The GC Advanced level

Requirements:

- Qualify for GC Active
- Meet (or plan to meet) 24 Advanced Criteria in five areas
- Demonstrate implementation of the processes behind the criteria in their COP
- Complete a self assessment covering COP content and assessing company coverage of the criteria and associated best practices
- Confirm each of the 24 criteria has been met
## UN Global Compact
### The GC Advanced level

<table>
<thead>
<tr>
<th>Content Items</th>
<th>GC Active</th>
<th>GC Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for the UNGC</td>
<td><strong>Annual CEO Statement in COP</strong></td>
<td><strong>Annual CEO Statement in COP</strong></td>
</tr>
<tr>
<td>Strategy &amp; governance</td>
<td>--</td>
<td><strong>Detailed account of:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Strategy &amp; Governance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Stakeholder Engagement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Verification</td>
</tr>
<tr>
<td>Addressing the GC issue areas:</td>
<td><strong>Report on practical actions (or explain) for all GC issue areas</strong></td>
<td><strong>Description of detailed implementation steps for all issue areas, in core business ...</strong></td>
</tr>
<tr>
<td>• Human Rights</td>
<td></td>
<td>• commitments, strategies or policies</td>
</tr>
<tr>
<td>• Labour</td>
<td></td>
<td>• management systems</td>
</tr>
<tr>
<td>• Environment</td>
<td></td>
<td>• monitoring and evaluation</td>
</tr>
<tr>
<td>• Anti-corruption</td>
<td></td>
<td>.. and <strong>value chain</strong></td>
</tr>
<tr>
<td>Measurement of outcome (any, qualitative or quantitative)</td>
<td><strong>Standardized performance indicators for all 4 issue areas, reflecting the steps taken for each issue areas</strong></td>
<td>COP describes actions taken in support of broader UN goals and issues</td>
</tr>
<tr>
<td>UN Goals and Issues</td>
<td>--</td>
<td></td>
</tr>
</tbody>
</table>
Companies claim publicly that they exceed the COP minimum by meeting 24 Advanced criteria and …

**benchmark** themselves against suggested best practices relevant to each criterion

**Example**

**Criterion 17:** The COP describes robust commitments, strategies or policies in the area of anti-corruption

**Suggested best practices:**

- Specific commitments and goals for specified years, including publicly stated formal policy of zero-tolerance of corruption (D1)
- Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)
- Reflection on the relevance of anti-corruption for the company
- Detailed policies for high-risk areas of corruption (D4)
- Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)
## UN Global Compact
The GC Advanced level

### Commitment and Policy

<table>
<thead>
<tr>
<th>Basic Reporting Elements</th>
<th>Desired Reporting Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1 Publicly stated commitment to work against corruption in all its forms, including bribery and extortion</td>
<td>D1 Publicly stated formal policy of zero-tolerance of corruption</td>
</tr>
<tr>
<td>B2 Commitment to be in compliance with all relevant laws, including anti-corruption laws</td>
<td>D2 Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption</td>
</tr>
<tr>
<td></td>
<td>D3 Carrying out risk assessment of potential areas of corruption</td>
</tr>
<tr>
<td></td>
<td>D4 Detailed policies for high-risk areas of corruption</td>
</tr>
<tr>
<td></td>
<td>D5 Policy on anti-corruption regarding business partners</td>
</tr>
</tbody>
</table>

### Implementation

<table>
<thead>
<tr>
<th>Basic Reporting Elements</th>
<th>Desired Reporting Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>B3 Translation of the anti-corruption commitment into actions</td>
<td>D6 Actions taken to encourage business partners to implement anti-corruption commitments</td>
</tr>
<tr>
<td>B4 Support by the organization’s leadership for anti-corruption</td>
<td>D7 Management responsibility and accountability for implementation of the anti-corruption commitment or policy</td>
</tr>
<tr>
<td>B5 Communication and training on the anti-corruption commitment for all employees</td>
<td>D8 Human Resources procedures supporting the anti-corruption commitment or policy</td>
</tr>
<tr>
<td>B6 Internal checks and balances to ensure consistency with the anti-corruption commitment</td>
<td>D9 Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice</td>
</tr>
<tr>
<td></td>
<td>D10 Internal accounting and auditing procedures related to anti-corruption</td>
</tr>
<tr>
<td></td>
<td>D11 Participation in voluntary anti-corruption initiatives</td>
</tr>
</tbody>
</table>

### Monitoring

<table>
<thead>
<tr>
<th>Basic Reporting Elements</th>
<th>Desired Reporting Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>B7 Monitoring and improvement processes</td>
<td>D12 Leadership review of monitoring and improvement results</td>
</tr>
<tr>
<td></td>
<td>D13 Dealing with incidents</td>
</tr>
<tr>
<td></td>
<td>D14 Public legal cases regarding corruption</td>
</tr>
<tr>
<td></td>
<td>D15 Use of independent external assurance of anti-corruption programmes</td>
</tr>
</tbody>
</table>
UN Global Compact Management Model
Step 6.1 – Producing a Communication on Progress

Example of company

• How does your company communicate on progress?
Communicating Progress with GRI
UNGC and GRI

• **Global Compact** is a principle-based framework and a learning platform to guide sustainability strategy and actions.

• **GRI Guidelines** is a set of reporting principles and standard disclosures to report sustainability performance.

• Used **together**, the two frameworks can help companies achieve **greater corporate sustainability**
  - Inscribe their sustainability agenda within **universal principles** routed in international law
  - Demonstrate commitment and actions in terms of **policies, processes of implementation** and transparency
  - Provide stakeholders with **comprehensive and credible information** about sustainability performance
  - Provide a level of **standardization** of reporting that enables stakeholders to compare and benchmark performance
UN Global Compact Management Model
Step 6.1 – Producing a Communication on Progress

Structure of the GRI G3.1

INPUTS
Principles & Guidance

OUTPUTS
Standard Disclosures

Public Good
Download from GRI website
www.globalreporting.org

Focused Sustainability Report
UN Global Compact Management Model
Step 6.1 – Producing a Communication on Progress

G3.1 PRINCIPLES

Quality:
Accuracy
Timeliness
Comparability
Reliability
Clarity
Balance

Content:
Materiality → 10 principles
Completeness
Stakeholder Inclusiveness
Sustainability Context
UN Global Compact Management Model
Step 6.1 – Producing a Communication on Progress

GRI G3.1 Structure

**INPUT**
- Content
- Quality
- Boundary

**OUTPUT**
- A. Profile
- B. Management Approach
- C. Performance Indicators
UN Global Compact Management Model
Step 6.1 – Producing a Communication on Progress

Standard Disclosures

1) Profile

Disclosures that set overall context for understanding organizational performance.

• Strategy and Analysis.
• Organizational Profile.
• Report Parameters.
• Governance, Commitments, and Engagement.
UN Global Compact Management Model
Step 6.1 – Producing a Communication on Progress

Standard Disclosures

2) Management Approach (DMA) and

3) Performance Indicators

Sustainability Performance Indicators organized by…

Category
E.g. Environment

Aspect
E.g. Policies

Indicators
E.g. EN1, EN2, etc…
<table>
<thead>
<tr>
<th>UNGC</th>
<th>UNGC Principles</th>
<th>GRI 3.1 Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>Principles 1, 4, 6 &amp; 7</td>
<td>ECONOMIC, HUMAN RIGHTS</td>
</tr>
<tr>
<td>Environment</td>
<td>Principles 7, 8 &amp; 9</td>
<td>ENVIRONMENT</td>
</tr>
<tr>
<td>Labour</td>
<td>Principles 1, 3 &amp; 6</td>
<td>LABOR PRACTICES</td>
</tr>
<tr>
<td>Anti-Corruption</td>
<td>Principle 10</td>
<td>SOCIETY</td>
</tr>
</tbody>
</table>

For a full GRI Report, also include Categories: Economic and Product Responsibility
UN Global Compact Management Model
Step 6.1 – Producing a Communication on Progress

Elements of the Disclosure on Management Approach

• Goals and performance

• Policy

• Organizational responsibility

• Training and awareness

• Monitoring and follow-up

→ Compare to the GC Advanced criteria!
## UN Global Compact Management Model

**Step 6.1 – Producing a Communication on Progress**

<table>
<thead>
<tr>
<th>COP Requirements (GC Active)</th>
<th>GC Advanced Criteria</th>
<th>GRI Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial CEO commitment to UNGC, including:</strong></td>
<td><strong>Criteria 1-4 and 22 -24</strong></td>
<td><strong>Standard Disclosure: Profile</strong></td>
</tr>
<tr>
<td>• strategy and operations</td>
<td>• Strategy</td>
<td>• Strategy and Analysis (1.1 &amp; 1.2)</td>
</tr>
<tr>
<td>• governance body (Board);</td>
<td>• Governance</td>
<td>• Governance (4.7 – 4.10)</td>
</tr>
<tr>
<td>• transparency /disclosure (COP)</td>
<td>• Profile and context of operation</td>
<td>• Organization profile (2.1 – 2.10)</td>
</tr>
<tr>
<td>Annual CEO Statement of Continued Support in COP</td>
<td>• Stakeholder Engagement</td>
<td>• Stakeholder Engagements (4.14 – 4.17)</td>
</tr>
<tr>
<td></td>
<td>• Verification</td>
<td>• Assurance (3.13)</td>
</tr>
<tr>
<td><strong>Description of practical actions in:</strong></td>
<td><strong>Criteria 5-7, 9-11, 13-15, 17-19 &amp; 21</strong></td>
<td><strong>Standard Disclosure: Management</strong></td>
</tr>
<tr>
<td>• Human Rights</td>
<td><strong>Implementation of the principles in core business and value chain:</strong></td>
<td>Approach (DMAs):</td>
</tr>
<tr>
<td>• Labour</td>
<td>• commitments, strategies or policies</td>
<td>• Goals and performance, Policy</td>
</tr>
<tr>
<td>• Environment</td>
<td>• management systems</td>
<td>• Organizational responsibility</td>
</tr>
<tr>
<td>• Anti-corruption</td>
<td>• monitoring and evaluation</td>
<td>• Training and awareness</td>
</tr>
<tr>
<td></td>
<td>.. in all 4 issue areas</td>
<td>• Monitoring and follow-up</td>
</tr>
<tr>
<td></td>
<td></td>
<td>... for Human Rights</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environment and society</td>
</tr>
<tr>
<td><strong>Measurement of outcome</strong></td>
<td><strong>Criteria 8, 12, 16,20</strong></td>
<td><strong>Standard Disclosure: Performance</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Standardized performance indicators</strong></td>
<td><strong>Indicators</strong></td>
</tr>
<tr>
<td></td>
<td>.. in all 4 issue areas</td>
<td>... for Human Rights</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environment and society</td>
</tr>
</tbody>
</table>
Exercise 2: Create a COP

1) Discuss how and where the information of the action plan can be reported
   - Use the GRI and Basic COP Templates
   - Go through each action plan item and decide which information is relevant:
     decide where it would fit in the templates
   - Create a draft of what a partial COP – focusing on one issue item – could look like

2) Present your results to the rest of the group
Communicate and Engage Stakeholders
UN Global Compact Management Model
Step 6 – Communicate (Part II)

The company communicates its progress and forward-looking strategies for implementing its commitment by developing a Communication on Progress (COP), and engages with stakeholders to identify ways to continuously improve performance.

Take Action

Producing a Communication on Progress
Communicate and engage stakeholders
UN Global Compact Management Model
Step 6.2 – Communicate and engage stakeholders

**Getting Started**
- Share your COP with stakeholders through your website, newsletters, etc.
- Submit your COP on the UN Global Compact website

**Leadership Practices**
- Submit your COP at the GC advanced level
- Engages stakeholders to capture feedback to improve sustainability performance and promote alignment with current and emerging regulations and trends
Sharing your COP and best practices on the Global Compact website

- **Meeting the GC integrity measures.** GC integrity measures require companies to submit, once a year, their COP on the Global Compact website, with a short self-assessment designed to ensure that the COP fulfill all minimum content requirements.

- **Public recognition for progress made**, including with the *Differentiation Programme*.

- **Great Access for Stakeholders and Civil Society.** GC database of COP is the largest repository of companies’ action in corporate sustainability and a source of learning for peers and extra-financial analysis for stakeholders.
Contents

- Leadership Communication
- Define and implement goals, strategies and policies
- Risk Assessment
- Measure and monitor
- Communicate and engage stakeholders
“Collective Action" fosters high compliance standards for all market players

- Fight corruption in concert with competitors and other players
- Create high compliance standards via a concept of prevention
- Integrate an independent institution for promotion and monitoring
- Define sanctions in case of violations

1) Non-governmental organizations such as Transparency International
Collective Actions - Stakeholder map

University

Consultants

Public Institutions/Authorities

Associations

Collective Action Stakeholder Map

Customers

Competitor

Other companies

Engagement levels:
* = Passive Monitoring
** = Exchange Information
*** = Involve stakeholder in strategy

International NGO

Local NGO

Visited
Active
Passive

2011/07/20 C. Signorini
Example of company

• How does your company engage stakeholders to capture feedback on sustainability progress?
Submitting a COP for the *GC Active* level

![Image of a person in a field]

**Organization Details**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant ID</td>
<td>6923</td>
</tr>
<tr>
<td>Status</td>
<td>Active</td>
</tr>
<tr>
<td>Participant since</td>
<td>2001-03-01</td>
</tr>
<tr>
<td>COP Due Date</td>
<td>2012-07-22</td>
</tr>
<tr>
<td>Organization Type</td>
<td>Company</td>
</tr>
<tr>
<td>Ownership</td>
<td>Public Company</td>
</tr>
<tr>
<td>Sector</td>
<td>Oil &amp; Gas Producers</td>
</tr>
<tr>
<td>Employees</td>
<td>4594</td>
</tr>
<tr>
<td>Country</td>
<td>Canada</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.nexeninc.com">http://www.nexeninc.com</a></td>
</tr>
</tbody>
</table>

**Contact Information**

<table>
<thead>
<tr>
<th>Highest Level Executive</th>
<th>Mr. Marvin Romanow, President an…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Point</td>
<td>Mr. Jeff Flood, General Mana… Ms. Melodi Pritchard, Manager, Sus…</td>
</tr>
</tbody>
</table>

---

**Overview** | **Contacts** | **Logo Requests** | **Case Studies** | **COPs**

---

Edit your organization’s profile
### Submitting a COP for the GC Active level

<table>
<thead>
<tr>
<th>Published</th>
<th>Title</th>
<th>Status</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>22-Jul-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>14-Jul-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>11-Jul-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>11-Jul-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>01-Jul-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>29-Jun-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>28-Jun-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>27-Jun-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>24-Jun-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>20-Jun-2011</td>
<td>2011 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>07-Jul-2010</td>
<td>2010 Communication on Progress</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>29-Jun-2009</td>
<td>Nexen Inc. 2008 Sustainability Report</td>
<td>Approved</td>
<td></td>
</tr>
<tr>
<td>15-Jul-2008</td>
<td>Proven Values: Nexen Inc. 2007 Sustainability Report</td>
<td>Approved</td>
<td></td>
</tr>
</tbody>
</table>
Submitting a COP for the GC Active level

Submitting a Communication on Progress (COP)

Please choose among the following options to publish your COP on the Global Compact website:

**Basic Template**: If you are new to the Global Compact, this Template will help you create your first COP.

**COP Submission**: Use this tab if you have already created your COP, either integrated into your sustainability report or as a standalone report, and you are not aiming to qualify for the GC Advanced level.

**Advanced Level**: Use this tab if your COP demonstrates a higher level of performance and disclosure and you would like to participate in the GC Advanced level.

**Grace Letter**: You can also submit a grace letter for a 90 day extension to your COP deadline.
Submitting a COP for the *GC Active* level

Submit a Communication on Progress (COP)

**Publish a COP on the Global Compact Website**

Submit an electronic version of their COP (preferably a PDF file) and an optional link (URL) to the web page that contains their COP.

**New COP Submission**
Submitting a COP for the **GC Active** level

Communication on Progress

**General Information**

**Communication Title**

Please enter a short title for your submission.

2011 Communication on Progress

**The Communication on Progress is in the following format:**

- Stand alone document
- Part of a sustainability or corporate (social) responsibility report
- Part of an annual (financial) report
# Submitting a COP for the GC Active level

## Communication on Progress

### What is the time period covered by your COP?

<table>
<thead>
<tr>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2010</td>
<td>July 2011</td>
</tr>
</tbody>
</table>

### Does your COP contain a statement by the CEO (or equivalent) expressing continued support for the Global Compact and renewing your company’s ongoing commitment to the initiative and its principles?

- **Yes**
- **No**

### Does your COP contain a description of actions, and when relevant policies, related to the following issue areas?

<table>
<thead>
<tr>
<th>Human Rights</th>
<th>Labour</th>
<th>Environment</th>
<th>Anti-Corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yes</strong></td>
<td><strong>Yes</strong></td>
<td><strong>Yes</strong></td>
<td><strong>Yes</strong></td>
</tr>
<tr>
<td><strong>No</strong></td>
<td><strong>No</strong></td>
<td><strong>No</strong></td>
<td><strong>No</strong></td>
</tr>
</tbody>
</table>
Submitting a COP for the *GC Active* level

Communication on Progress

<table>
<thead>
<tr>
<th>Human Rights</th>
<th>Labour</th>
<th>Environment</th>
<th>Anti-Corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

**Does your COP identify targets, define performance indicators and measure outcomes?**

- Yes
- No

**How does your organisation share its COP with stakeholders?**

- a) Through the UN Global Compact website only
- b) COP is easily accessible to all interested parties (e.g. via its website)
- c) COP is actively distributed to all key stakeholders (e.g. investors, employees, consumers, local community)
- d) Both b) and c)
Submitting a COP for the GC Active level

Communication on Progress

Required: upload the COP as a PDF file

Create a PDF file

Language

English

Optional: provide a link to your web-based COP. The link should be in the format "http://company.com"

Language

English
Submitting a COP for the *GC Active* level

Communication on Progress

**Message from webpage:**

COPs are immediately published and made available to the public on the Global Compact website. Please carefully review your COP before submitting.

Your answers cannot be modified after submission.
Submitting a COP for the GC Active level

Communication on Progress Details

Thank you for submitting your company’s Communication on Progress (COP). It is now publicly available on the Global Compact website.

According to your self-assessment, your COP meets all minimum requirements and qualifies for the GC Active level.

Self-assessment

✓ Includes an explicit statement of continued support for the UN Global Compact and its ten principles
✓ Description of actions or relevant policies related to Human Rights
✓ Description of actions or relevant policies related to Labour
✓ Description of actions or relevant policies related to Environment
✓ Description of actions or relevant policies related to Anti-Corruption
✓ Identifies targets, define performance indicators and measure outcomes
## Wrap Up

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>09.00 - 09.40</td>
<td>Introduction</td>
</tr>
<tr>
<td>09.40 – 11.00</td>
<td>Leadership commitment</td>
</tr>
<tr>
<td></td>
<td><strong>Assess</strong> risks, opportunities and impacts</td>
</tr>
<tr>
<td>11.00 – 11.30</td>
<td>Break</td>
</tr>
<tr>
<td>11.30 – 13.00</td>
<td><strong>Defining and Implementing</strong> strategies and policies, and <strong>measuring</strong> results</td>
</tr>
<tr>
<td></td>
<td><strong>Exercise</strong></td>
</tr>
<tr>
<td>13.00 – 14.00</td>
<td>Lunch</td>
</tr>
<tr>
<td>14.00 – 15.30</td>
<td><strong>Producing a Communication on Progress</strong></td>
</tr>
<tr>
<td>15.30 – 16.00</td>
<td>Break</td>
</tr>
<tr>
<td>16.00 – 16.30</td>
<td><strong>Communicate</strong> and engage stakeholders</td>
</tr>
<tr>
<td>16.30 – 17.00</td>
<td>Closing and survey</td>
</tr>
</tbody>
</table>
Wrap Up

Business
• How will I integrate what I have learned today in my company?
• What are some concrete actions I will use?

Local Networks
• How can I use this training to conduct a Management Model training in my local network?
• What other resources or support do I need, and from whom?