

CD 2005 – 14/1
Original: English
For decision

COUNCIL OF DELEGATES
Seoul, 16 - 18 November 2005

**REPORT ON "MOVEMENT POLICY
FOR CORPORATE SECTOR PARTNERSHIPS"**

DRAFT RESOLUTION

**SUBSTANTIVE PROVISIONS OF
THE INTERNATIONAL RED CROSS AND RED CRESCENT MOVEMENT
POLICY FOR CORPORATE SECTOR PARTNERSHIPS**

(Item 14 of the provisional agenda)

**Document prepared jointly by
the International Federation of Red Cross and Red Crescent Societies
and
the International Committee of the Red Cross**

Geneva, June 2005

Executive Summary

The Policy on Corporate Partnerships (hereafter "the Policy") was developed in response to Action 17 of the Strategy of the Movement, which requires "the International Federation Secretariat and the International Committee of the Red Cross (ICRC), in consultation with National Societies, [to] develop ethical criteria for selecting corporate partners and guidelines on what components of the Movement can offer in return for corporate support, especially with regard to use of the emblems." The Policy document was first developed in the form of "draft guidelines", and was widely disseminated within the Movement. After a two-year consultation process with National Societies, including testing of the Policy in practice, the Policy was further elaborated and amended accordingly.

The Policy takes into account the Movement's Statutory Framework, together with existing laws and regulations on the use of the Emblem. It complements and reinforces previous decisions of the Council of Delegates on revenue generation and relationships with the corporate sector. It is now being presented to the 2005 session of the Council of Delegates for adoption.

The Policy is intended to provide the Movement with a useful, consistent and harmonized framework upon which to build private sector relationships. The objective is to allow Movement components to draw on the benefits of corporate partnerships while safeguarding its integrity and ensuring respect for the Emblems.

The Policy establishes ethical criteria for selecting corporate partners together with rules on implementation, including a screening procedure and standard provisions for partnership contracts. It applies to corporate partnerships defined as "relationships with a company in which a Movement component grants a company the possibility of using its name, Emblem/logo, or image in its communication and promotional materials, thereby potentially creating a public association of image between the company and the Movement component."

The ICRC and the International Federation's Secretariat will ensure dissemination of the Policy to all components of the Movement. National Societies will be responsible for disseminating the Policy internally and for assessing their corporate sector partnership activity and use of the Policy under a self-assessment process. All Movement components will be required to adhere to the Policy when entering into partnerships with the private sector and will be responsible for implementing the Policy.

REPORT ON "MOVEMENT POLICY FOR CORPORATE SECTOR PARTNERSHIPS"

1. INTRODUCTION

The Strategy for the Movement adopted by the 2001 Council of Delegates¹ commits the Movement to: "Clarify and strengthen the components of the Movement's relationship with the private sector." Action 17 of the Strategy requires "[By 2003], the International Federation Secretariat and the ICRC, in consultation with National Societies, [to] develop ethical criteria for selecting corporate partners and guidelines on what components of the Movement can offer in return for corporate support, especially with regard to use of the emblems."

The Policy for Corporate Partnerships (hereafter, "the Policy") was developed in response to this requirement, and establishes ethical criteria for selecting corporate partners and rules for their implementation. The Policy is intended to provide the Movement with a consistent and harmonized approach to private sector relationships, allowing Movement components to draw on the benefits of corporate partnerships while safeguarding the integrity of the Movement and ensuring respect for the Emblems. The Policy should be seen as setting common minimum requirements for corporate partnerships, which individual components can supplement to reflect their specific views. While seeking to define the basic standards for corporate partnerships, the Policy also aims to serve as a framework for decision-making.

The private sector has substantial resources and expertise, which can supplement those of Movement components. Since the late 1990s, the Movement's interaction with the business sector has increased dramatically. This trend is expected to gain momentum as growing numbers of businesses, especially multinationals, seek to demonstrate "good corporate citizenship" by becoming directly associated with the causes of prestigious and trusted organizations such as the International Red Cross and Red Crescent Movement. Though partnerships with the private sector are opportunities for obtaining resources and for advocacy, it is important to avoid conflicts of interests and to protect the integrity of the Movement. It is also important to ensure a coherent approach throughout the Movement since in today's interconnected world a corporate partnership in one country can affect the reputation of a Red Cross or Red Crescent Society in another.

Many National Societies have policies on corporate partnerships, but these have not been harmonized throughout the Movement. The practices of National Societies have been used as basis for producing the present Policy.

The Policy submitted for approval to the Council of Delegates is mirrored by similar efforts undertaken by the United Nations and NGOs. In July 2000, the UN Secretary General issued "Guidelines on Cooperation between the United Nations and the Business Community"², which provide a general guide as to how the UN can increase its cooperation with corporations "in a manner that ensures the integrity and independence" of the UN. To complement the Guidelines, many UN agencies and programmes have developed their own private sector partnership policies. The United Nations Development Program (UNDP) adopted such guidelines in July 2001, emphasizing the need to assess companies to determine whether "the activities or products of the corporation are compatible with the UNDP image and appeals."³ The World Health Organisation (WHO) published its "Guidelines

¹ Resolution 3

² *Guidelines for Cooperation Between the United Nations and the Business Community*, 17 July 2000, <http://www.un.org/partners/business/otherpages/guide.htm>

³ UNDP, *Guidelines for Working with the Business Sector*. Division for Business Partnerships, Bureau for Resources and

on Interaction with Commercial Enterprises to Achieve Health Outcomes” in November 2000, to “help WHO staff interact appropriately with commercial enterprises in order to achieve positive outcomes for health.”⁴ The United Nations Children’s Fund (UNICEF) produced “Guidelines” and a “Manual for Working with the Business Community” in 2001, which include guiding principles, selection criteria and procedures for entering into a corporate partnership. Non-governmental organizations, such as Oxfam, Save the Children and Amnesty International have also established policies for corporate partnerships, recognizing them as important tools in partnership building.

2. THE POLICY

The Policy applies only to corporate partnerships, defined as “relationships with a company in which the Movement component grants the company the possibility of using its name, Emblem/logo, or image in its communication and promotional materials, thereby potentially creating a public association of image between the company and the Movement component. By ‘public association of image’, the Policy refers to any connection in the mind of the public between the two organizations.” As such, the Policy does not apply to financial donations, in-kind donations, or to commercial arrangements with suppliers and service providers which do not entail a communication or promotional dimension that might potentially create a public association of image. The Policy outlines three common types of corporate partnership; sponsorships, cause-related marketing, and strategic alliances, but should not be considered as applying to these alone.

The Policy states that corporate partners will be assessed against mandatory (exclusionary) and recommended (positive) selection criteria, which are defined in section 3 of the Policy. In order to assess companies against these criteria, Movement components will follow the screening process outlined in section 4 of the Policy. If the screening process reveals that the potential partner does not meet the selection criteria, then the Movement component will not enter into a partnership. In certain cases, such as when entering into partnerships in a country affected by armed conflict or internal strife, or when entering into partnerships on a multinational basis, Movement components are required to inform other relevant stakeholders within the Movement. In all cases, Movement components are required to have a clear decision-making process to determine whether to develop a partnership, based on the results of the screening process. The Policy also requires the execution of a formal, written partnership contract, as laid out in section 5 of the Policy, when a Movement component enters into a corporate partnership. The Policy also provides reference and sample documents as appendices, together with suggestions for the Policy’s application in a foreword.

3. HISTORY OF THE POLICY

Before starting to draft the Policy, the ICRC and the International Federation’s Secretariat reviewed: the regulations and laws governing the use of the Emblem, including the 1949 Geneva Conventions, the 1977 Additional Protocols, the 1991 *Regulations on the Use of the Emblem* and past statutory decisions relating to resource mobilization and global revenue generation, as taken by the Council of Delegates and International Federation Governance. They also studied the existing policies and practices for corporate sector relations of seven National Societies. This document review was followed by direct consultation with National Society fundraisers and lawyers. An initial draft of the guidelines for corporate partnership was shared with these National Societies. The draft guideline was presented to the Council

Strategic Partnerships, July 2001.

⁴ WHO, *Guidelines on Interaction with Commercial Enterprises to Achieve Health Outcomes*, November 2000, EB107/20.

of Delegates in 2003, which recommended broader consultation with National Societies, and the testing of the practices and standards proposed.

In early 2004, a draft policy was sent to all delegations and National Societies for comment. More than 40 National Societies from all regions shared their views on the draft Policy by responding to a questionnaire. National Societies raised a number of concerns, which varied greatly in focus and content: definitions of terms (e.g., arms manufacturer, deleterious to health, core business, contribution to natural disasters); National Society capacity to screen corporate partner siblings/parents; National Society ability to pay and access rating agencies and mechanisms for sharing information on partnerships within the Movement.

The draft Policy was also discussed at a number of meetings in 2004, namely at the Third Donor Forum 2004, the Fundraisers Skillshare Seminar, the European Public Support Group and the Legal Advisors meeting. The Policy was also presented to the International Federation's Foundation Board, which includes prominent business leaders, and at the Pan-African Conference. Feedback received from these meetings was positive overall, with issues raised centering on the user-friendliness of the Policy and the need for the Policy to become a "live document".

Finally, in early 2005, six National Societies – chosen on the basis of their diverse locations, size and experience with the private sector – tested the Policy against a number of new or existing corporate relationships and provided feedback on their experience. Overall, testing results were positive and it appeared that the Policy was user-friendly and helpful. National Society case studies indicated that corporate partners met the Policy's selection criteria, that National Societies commonly undertook the majority of the screening procedures, and that in most cases, National Societies signed a legal contract including the elements suggested by the Policy. All National Societies that responded found the operational tools helpful, and gave balanced opinions on which tools were most useful.

Issues raised by the testing centered on the Partnership Contract (i.e. clauses on "endorsement" of a company and on the Movement component's obligation to purchase goods and services) and on the mechanisms for sharing information on partnerships within the Movement. It was acknowledged that the formation of corporate partnerships is a learning process both for National Societies and for companies, and that the Policy is an important step in this process.

4. POLICY REVISIONS

The two-year consultation and testing process resulted in a number of changes to the Policy. In accordance with National Societies' needs for greater precision, certain terms were defined more specifically. These included definitions of "core business", "endorsement", "exclusivity", "sustainable development", "international humanitarian law", and "multinational partnerships". A number of terms, however, were kept intentionally broad to allow room for interpretation and for individual responsibility and decision-making. It was decided that where National Societies saw fit, they could supplement the Policy's standards with additional criteria to satisfy their specific views.

The scope of the Policy (e.g. as regards parent firms and subsidiaries) and of the selection criteria (i.e. on arms/ammunition, natural disasters/conflicts and public controversies) was also clarified. However, in amending the draft Policy, it was also recognised that it is impossible to provide for all possible scenarios. As with all ethical decisions, it is not feasible to specify how to weigh arguments for or against a specific partnership. This being so, decisions on corporate partnerships must rely on the "best judgement" of the individuals making them, and the Policy must first and foremost ensure that an established process of

decision-making is in place for those situations where opinions differ widely about the applicability of the Policy or the appropriateness of a corporate partner.

The screening process was streamlined, as National Societies were concerned about the resources needed for a lengthy process. Changes included eliminating the need to involve a rating agency for multinational partnerships and simplifying the guidance on formulating a final decision on the corporate partner. The partnership contract was also simplified to respond to National Society views that the terms originally proposed were too burdensome and would face serious opposition from certain corporate partners. Hence, many of the terms initially required for inclusion in partnership contracts were included under a new category, "recommended terms", leaving their inclusion to the judgment of the Movement component.

The Policy was also supplemented by a set of sample documents and recommendations for application, to make it more operational and user friendly.

5. IMPLEMENTATION

Once the Council of Delegates has adopted the Policy, all Movement components will be required to adhere to its minimum requirements when entering into partnerships with the private sector, whether at the local, national or global level. Each Movement component is individually responsible for implementing the Policy and instructing its volunteers and staff accordingly. Movement components should refer to the Policy when entering into new corporate partnerships or when renewing or extending existing corporate partnerships. It is recommended that the Policy be applied during the various stages of the partnership building process; researching a potential partner, approaching the company, developing the partnership, conducting the due diligence investigation and formalizing the partnership.

The ICRC and the International Federation Secretariat will ensure dissemination of the Policy to all components of the Movement. National Societies will be responsible for disseminating the Policy internally to local chapters and branches and for monitoring its correct application. National Societies will assess their corporate sector partnership activity and their use of the Policy via the National Society self-assessment process. This means that National Societies will be reviewing their own performance regularly.

The ICRC and the International Federation Secretariat will be responsible for ensuring that the Movement fully respects and implements the Policy. To this end, they will help Movement components to share their experiences of using it. They will also analyse the Policy's implementation, by examining National Society self-assessments, and will make recommendations for improving the Policy to the Council of Delegates if they consider this necessary.

CD 2005 - DR 14/1
Original: English
Presented by
the International Federation
of Red Cross and Red Crescent Societies
and
the International Committee of the Red Cross

DRAFT RESOLUTION

MOVEMENT POLICY FOR CORPORATE SECTOR PARTNERSHIPS

The Council of Delegates,

recalling Action 17 of the Strategy for the International Red Cross and Red Crescent Movement, adopted by means of Resolution 3 of the 2001 Council of Delegates,

acknowledging that partnerships with the private sector can help protect and improve the lives of vulnerable people, build awareness of the Movement's role, and influence corporate behaviour with respect to social issues,

recalling Article 23 of the Regulations on the use of the emblem of the Red Cross or the Red Crescent by the National Societies, adopted by the 1991 Council of Delegates, which requires that a corporate partner in no way be engaged in activities running counter to the Movement's objectives and principles,

concerned that partnerships with the private sector may negatively impact the Movement's operations and reputation as a neutral and independent humanitarian actor, in particular in situations of armed conflict,

recognizing that a common and harmonized approach to private sector relationships is essential to safeguarding the integrity of the Movement's components and ensuring respect for the emblems,

taking note of the existing decisions on resource mobilization and global income generation, as well as the recommendations and suggestions made by National Societies in the course of extensive testing of the draft Policy and consultations, including that carried out at the 2003 Council of Delegates,

- adopts* the "International Red Cross and Red Crescent Movement Policy for Corporate Sector Partnerships",⁵ whose substantive provisions are included in the Annex to this Resolution;

⁵ The full text of the Policy is located on FedNet, under: **Working Together / ERC / Relationship Development / Corporate Relations / Corporate Policy**. The full text includes practical tools for the Policy's implementation, which may further guide those establishing corporate partnerships on behalf of their organization. The substantive provisions contained in the Annex to this Resolution highlight the essential policy elements of the full document.

2. ***calls upon*** all components of the Movement to comply with this Policy when entering into relationships with companies in which the component grants the company the use of its name, emblem/logo or image;
3. ***recognizes*** that the Policy provides a set of minimum requirements for corporate partnerships which the Movement's components may supplement with more restrictive policy decisions;
4. ***calls upon*** the Movement's components not to enter into partnerships with companies engaged in activities that run counter to the Movement's objectives as defined by the Policy's "mandatory criteria" and to encourage partnerships with companies meeting the "desirable profile";
5. ***decides*** that all components of the Movement will assess potential corporate partners using the screening process defined in the Policy;
6. ***decides*** that every corporate partnership will be agreed in writing, as defined in the Policy.

ANNEX

SUBSTANTIVE PROVISIONS OF THE INTERNATIONAL RED CROSS AND RED CRESCENT MOVEMENT POLICY FOR CORPORATE SECTOR PARTNERSHIPS

1. PURPOSE AND SCOPE

1.1 The Policy for Corporate Sector Partnerships ('Policy') aims to establish a framework for partnerships between companies and components of the International Red Cross and Red Crescent Movement as herein defined:

1.1.1 The term '**partnership**' encompasses all relationships between a Movement component and a company, in which the Movement component grants the company the possibility of using its name, emblem/logo or image in its communication and promotional materials, thereby potentially creating a public association of image between the company and the Movement component⁶. 'Public association of image' refers to any connection in the mind of the public between the two organizations. Examples of partnerships include:

Sponsorships: Relationships in which a company gives financial support to a component of the Movement for a specific event, programme or project and in return expects public association of image. These are considered to be short-term, event-specific relationships.

Cause-Related Marketing: Relationships in which a company agrees to donate a specific amount of sales revenue (or an equivalent thereof) from a product, service, or brand, to a component of the Movement in return for the public association of its image with that of the Movement. These relationships are often highly advertised "joint promotions," in which the company persuades the public to buy a product, service, or brand using the Movement component's name and logo.

Strategic Alliance: Relationships formed between a company and a component of the Movement that are focused on jointly addressing a goal of common interest (e.g., resolving a specific social problem) and involve the public association of image. These relationships are often multifaceted, long-term, and pool the complementary strengths of two organizations.

1.1.2 The term '**company**' encompasses state-owned enterprises as well as private firms and their foundations. The term 'corporate' refers to 'company'.

1.1.3 The '**International Red Cross and Red Crescent Movement**' (the Movement) is comprised of the International Committee of the Red Cross, all National Red Cross and Red Crescent Societies and the International Federation Secretariat.

⁶ The Policy does not apply to financial or in-kind donations or to commercial arrangements with suppliers and service providers that do not entail a communication or promotional dimension which might potentially create a public association of image. In these relationships, while there may be recognition of the company's support, there must be no "public association" with the Red Cross or Red Crescent name, image and Emblem/logo.

- 1.2 The Policy applies to partnerships with the corporate sector within individual countries (at local and national levels) and globally.
- 1.3 The Movement establishes partnerships with companies to encourage their contribution towards protecting and improving the lives of vulnerable people in the countries where they have business interests, and building awareness of the Movement's role in these countries. These partnerships also provide an opportunity for the Movement to influence corporate behaviour with respect to social issues through dialogue.
- 1.4 The Policy determines criteria for selecting corporate partners ("selection criteria"), proposes an assessment process to screen companies against these criteria ("screening process") and defines terms for corporate partnerships ("partnership contracts"). The Policy is intended to maximize the Movement's opportunities for working with the corporate sector whilst ensuring the protection of its values, reputation and integrity.

2. STATUTORY FRAMEWORK

- 2.1 The Policy is derived from the Mission and Fundamental Principles of the Movement, from the Mandates of its components and from the Regulations and Laws governing the use of the Emblem.

Humanitarian Dialogue

- 2.2 The Statutory Framework encourages partners to enter into relationships within the spirit of open dialogue on humanitarian issues. It also requires the Movement components to include a direct or indirect advocacy component in all partnerships.
- 2.3 Components of the Movement should encourage companies to behave in a more socially responsible manner. This is particularly important in the case of companies working to improve their image and relationship with civil society. Where appropriate, the partnership can include assistance and support to the company on the development and implementation of its corporate social responsibility strategy.

Laws and Regulations on Emblem Use

- 2.4 The Red Cross and Red Crescent Emblems are protected under international law (1949 Geneva Conventions and 1977 Additional Protocols) and national law, and are first and foremost an internationally recognized symbol of protection during armed conflicts. Each Movement component is responsible for preserving the Emblem's unique protective function.
- 2.5 The 1991 Regulations on the Use of the Emblem⁷, adopted both by the Movement and all States party to the 1949 Geneva Conventions, outline the conditions governing the use of the Emblem by National Societies and their members.
- 2.6 In no circumstances can the protective and indicative use of the Emblem be compromised and all agreements with companies must comply with these regulations.

⁷ The Regulations on the Use of the Emblem of the Red Cross or the Red Crescent by the National Societies (here referred to as 'Regulations on the Use of the Emblem') were adopted by the 20th Red Cross and Red Crescent International Conference (1965) and revised by the Council of Delegates (1991). In this document, we refer to the revised version from 1991, which was also submitted to and approved by all the States party to the Geneva Conventions and agreed to by the ICRC and the Federation at the 1993 Council of Delegates (Resolution 8).

3. **SELECTION CRITERIA**

3.1 The Selection Criteria apply to the company with which the Movement component enters into partnership. The Selection Criteria apply to a parent company of a corporate partner only if it has a significant ownership stake or voting power in the corporate partner. The Selection Criteria apply to a subsidiary of the corporate partner only if the corporate partner has a significant ownership stake or voting power in the subsidiary.

3.2 Potential partners are assessed against both mandatory and desirable criteria:

3.3 **Mandatory Criteria**

The Mandatory Criteria are based on the principle that a corporate partner must in no way be engaged in activities running counter to the Movement's objectives and principles.

No component of the Movement will enter into partnerships with a company to which any of the following criteria apply:

- 3.3.1 Involved to any extent in the manufacture or sale of arms or ammunition.
- 3.3.2 Does not respect internationally recognized standards of human rights, labour rights, protection of health or avoidance of discrimination⁸
- 3.3.3 The core business⁹ is the direct manufacture or sale of products publicly recognized as deleterious to health.
- 3.3.4 Does not respect international humanitarian law¹⁰ where applicable.
- 3.3.5 The company's business interests might undermine the ability of any Movement component to operate, including in war-torn areas.
- 3.3.6 The company's business practices directly contribute to armed conflicts or natural disasters.
- 3.3.7 Does not respect the local or national laws and regulations of the countries where it operates.
- 3.3.8 Has major public controversies in the country where the partnership takes place that would undermine the reputation, image or Emblem of the Movement¹¹.

⁸ Please refer to the following documents for the internationally recognized standards of:

- Human rights: The Universal Declaration of Human Rights, 1948
- Labour rights: The Declaration on Fundamental Principles and Rights at Work, ILO, 1998
- Protection of health: WHO declarations and guidelines
- Discrimination: Convention on the elimination of all forms of racial discrimination, 1965; Discrimination against women, 1979

⁹ There are varying definitions of core business. KLD Research has defined it as 15% of annual revenues for retailers. Michael Jantzi Research Associates Inc. has defined it as 5% of annual revenues from sales.

¹⁰ International humanitarian law (IHL) applies only in situations of armed conflict. It refers principally to the four 1949 Geneva Conventions and the two 1977 Additional Protocols. While it must be respected primarily by combatants (State and non-State bearers of weapons involved in the conduct of hostilities), IHL also applies to private companies in cases where they are directly involved in hostilities, for instance, through the hiring of military personnel. To learn more on whether a potential corporate partner has violated IHL, refer to: www.preventconflict.org/portal/economics/portalhome.php

3.4 Desirable Profile

All components of the Movement will encourage partnerships with companies:

- 3.4.1 Which respect the Movement's humanitarian values and commit to a programme of action to support its work.
- 3.4.2 Which are leaders in exhibiting corporate social responsibility through policy and practice.
- 3.4.3 Who would respond positively to input from the Movement component aimed at improving their business practices in a way that promotes social responsibility.
- 3.4.4 Whose products and services relate to the Movement component's mission or activity; and who would be the best possible partner in helping the component to achieve the aims, increase its reach and enhance awareness of its work.
- 3.4.5 Which are committed to volunteer action.
- 3.4.6 Which promote the education, health and social welfare of their employees to an extent that goes beyond what the law requires.
- 3.4.7 Which promote responsible production and use of their products and services and adhere to the principles of sustainable development¹².
- 3.4.8 Which have a positive image, good reputation and a track record of good ethical behaviour.

4. SCREENING PROCESS

- 4.1 All components of the Movement screen potential corporate partners against the criteria defined in Section 3. All Movement components positively welcome constructive criticism on their partnerships and being screened in a similar manner by any potential corporate partner.
- 4.2 The potential corporate partner is the point of contact for obtaining information for screening, including information pertaining to relevant parent and subsidiary companies required to meet the Mandatory Criteria, as per 3.1.
- 4.3 The decision as to whether a company fulfils the requirements of this Policy is made on the best available information collected from credible sources during the research and takes into account the time period to which data relates.
- 4.4 Although an organization's past will be considered as part of this review, its recent performance is most significant. Past performance can be mitigated by more recent commitment to positive change. The component should take account of action by the

¹¹ Article 23 (d) of The Regulations on the Use of the Emblem states that "the company concerned must in no way be engaged in activities running counter to the Movement's objectives and Principles or which might be regarded by the public as controversial."

¹² Sustainable Development is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (World Commission on Environment and Development, 1987)

organization to resolve problems, together with opportunities for the component to assist with this.

- 4.5 All components of the Movement will continue to monitor the results of the screening and reserve the right to reassess any relationship in the light of new or previously unseen information, as set out in the Partnership Contract.

Screening procedure

- 4.6 Components will apply the following procedure to all potential partnerships:

4.6.1 As far as possible through shared data systems, find out whether any other Movement component has previously screened the company. Depending on the detail and how recently this information was obtained, further screening may still be required.

4.6.2 Gather information from external sources and from the company itself¹³.

- a. Obtain the company's annual report and accounts.
- b. Consult a minimum of three independent, credible sources, which should include a general search engine, reputable international and local media, and credible and relevant NGOs.
- c. Invite the company to submit any information they wish to give relating to the selection criteria and their corporate social responsibility agenda.

4.6.3 It is recommended that Movement components also seek the advice of professional, independent, specialized rating agencies, advised by the Federation and the ICRC.

4.6.4 For **multinational partnerships**¹⁴ the Movement component researching the partnership must inform any other potential stakeholders within the Movement at this stage.

4.6.5 In cases where a Movement component wishes to establish a partnership that involves joint-activities or visibility in a **country affected by armed conflict or internal strife**, the partnership must be discussed with the ICRC's head of delegation in that country prior to agreement, to ensure compliance with Mandatory Criterion 3.3.5.

- 4.7 If the screening process reveals that the potential partner does not meet the criteria in 3.3, the Movement component will not pursue the partnership.

- 4.8 All Movement components will have a clear decision making process to determine whether to develop a partnership, based on the results of the screening process. It is recommended that a final decision be taken by a senior manager where concerns or controversy remain.

¹³ In cases where a company is not comfortable sharing information about itself, a system of "good faith" can be used. In this case, a company will not be required to reveal its information but will be requested to state that it fulfils the Mandatory Criteria and that it will continue to meet them throughout the term of the agreement, as per 5.3.4. Alternatively, signing a confidentiality agreement (See Sample Document VI of the Policy for further reference) might also be considered to facilitate the information sharing process.

¹⁴ **Multinational partnerships** are partnerships which involve a multinational company and more than one National Society. These partnerships require the involvement of the International Federation (10th General Assembly, 1995).

5. PARTNERSHIP CONTRACT

- 5.1 Every corporate partnership within the scope of this Policy must be agreed in writing. Partnership contracts can be based on the sample Corporate Partnership Contracts for Sponsorships, Cause Related Marketing relationships and Strategic Alliances as provided in the Policy.
- 5.2 When negotiating partnership contracts the Movement component must bear in mind the value of an association with the International Red Cross and Red Crescent Movement. This value must be reflected in the terms of the agreement and in the financial and non-financial contribution made by the company.
- 5.3 Mandatory elements for Movement components' partnership contracts:**
- 5.3.1 All parties to the agreement must be explicitly stated. In particular:
- a. The corporate partner signing the agreement must be the entity that is undertaking the roles and responsibilities set out in the agreement.
 - b. Each Movement component is a separate legal entity and in order to be a party to the agreement must individually sign it.
- 5.3.2 Acknowledgement that within the partnership, the corporate partner will support the mission, principles, and mandate of the International Red Cross and Red Crescent Movement, as defined in the Statutory Framework. The mission, principles and mandates should be spelled out explicitly.
- 5.3.3 Acknowledgement that the use of the Red Cross and Red Crescent names and emblems will conform to Article 23 of the Regulations on the Use of the Emblem and control of these will be maintained by the Movement component throughout the agreement with the right to review and amend all communications before use.
- 5.3.4 The company must state that it fulfils the Mandatory Criteria (as per 3.3) and that it will continue to meet them throughout the term of the agreement. The Mandatory Criteria should be listed in the agreement.
- 5.3.5 Termination clauses which allow the Movement component immediate and public withdrawal from the partnership if:
- a. The company commits a significant breach of the contract, in particular if it no longer fulfils the Mandatory Criteria.
 - b. Continued association will bring any component of the Movement into disrepute because of a change in the company's behaviour or public perception of its practices.
- 5.3.6 Acknowledgement that partnership between a Movement component and the company should in no way lead to the belief that the Movement or any of its components endorse¹⁵ the company, its products, policies or services.
- 5.3.7 Acknowledgement that no Movement component can grant formal, open-ended 'exclusivity'¹⁶ to any company, or accept limitations on developing

¹⁵ **Endorse:** This refers to a situation in which the Movement component is seen as "providing a sign of formal and explicit approval of the products, policies or services of a company". As per Article 23 of the Emblem Regulations, 'no confusion must be created in the mind of the public between the company's activities or the quality of its products and the Emblem or the National Society itself'.

¹⁶ **Exclusivity:** a situation in which a Movement component agrees that the corporate partner will be its sole partner for an

partnerships with other companies. In certain instances, granting exclusivity for a specific purpose over a defined period of time may be appropriate within the scope of activities undertaken.

- 5.3.8 Acknowledgement that the Movement component is under no obligation to buy the products, goods or services of the company as a result of the agreement. Any commercial transaction with the company will be subject to a separate agreement.

5.4 Recommended elements for partnership contracts

- 5.4.1 The length of the contract/partnership.
- 5.4.2 The recognition which the Movement component will give the company in return for its support. This recognition will be commensurate with the level of support from the company.
- 5.4.3 Description of any other potential partners (such as contractors) who may become involved in the partnership. The Movement component may choose to screen any of these partners.
- 5.4.4 Terms for the handling of unforeseen events and disputes.
- 5.4.5 Acknowledgement that the company will minimize financial and commercial risks for the Movement component, including potential fiscal and tax issues.
- 5.4.6 A designated point of contact within the company to manage the partnership.
- 5.4.7 Acknowledgement that the company cannot assign this contract to another legal entity if it is acquired by another company, goes into voluntary or compulsory liquidation, or if a receiver is appointed over all or part of the business of the company.
- 5.4.8 For **cause related marketing relationships**, acknowledgement that the corporate partner will agree to keep (separately) all financial records pertaining to the partnership and to give the Movement component access to these upon request. The Movement component reserves the right to commission an independent audit of the company's books in relation to the partnership. The audit should be paid for by the company. The company should also make available to consumers complete and accurate information on how any purchase results in a donation, including the amount of that donation.
- 5.4.9 The amount of income which will be made available as an up front donation, if there is one.
- 5.4.10 Acknowledgement that the partnership will be subject to monitoring, review and evaluation by both partners at regular intervals throughout the period of the agreement and formally, at the end of the partnership.

6. IMPLEMENTATION

- 6.1 This Policy is intended to be implemented at all levels of the Movement (local, national, international).
- 6.2 Each component of the Movement – the Federation, the ICRC and National Societies – is individually responsible for implementing the Policy, and instructing its volunteers and staff accordingly.
- 6.3 The Federation Secretariat and the ICRC will ensure dissemination of the Policy to all components of the Movement; the National Societies are responsible for disseminating the Policy internally to local chapters and branches and for monitoring its correct application.
- 6.4 The Federation Secretariat and the ICRC will be responsible for ensuring that the Policy is fully respected and implemented by the Movement as a whole. They will facilitate Movement components sharing their experience using the Policy, and review its implementation across the Movement.
- 6.5 Monitoring corporate sector partnerships and use of the Policy will form part of the National Society self-assessment process, and as such will be reviewed regularly.
- 6.6 Based on the review described in 6.5, the Federation Secretariat and the ICRC will analyse the Policy's implementation and will make recommendations for improvement of the Policy to the Council of Delegates.
- 6.7 All components of the Movement are responsible for informing other Movement components of their relationships with multinational companies. National Societies are responsible for keeping the Federation Secretariat informed on these matters.
- 6.8 This Policy applies from the date of its adoption, to any new partnership contract or renewal or extension thereof.
- 6.9 It is recommended that the Policy be applied during the various stages of corporate partnership building.