

Guidance on responsible business
in conflict-affected and high-risk areas

Alstom gap analysis- January 2012

We are shaping the future

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Background – Why a new Guidance?

- High-risk / conflict-affected areas differ significantly from more stable environments.
They require that companies and investors take into consideration additional factors.
- There is a lack of agreement on what constitutes “responsible” business in high-risk areas, despite the OECD risk awareness tool for multinational companies operating in weak governance zones.
- The practical challenges encountered are specific to such contexts.



Objectives of the guidelines

- **Guidelines developed by the UN Global Compact Office, the Principle for Responsible Investment (PRI) Initiative and an expert group.**

Launched at the UN Global Compact Summit, June 2010,

- **Objectives :**

=> Give a framework to guide stakeholders in 4 complementary areas:

- core business,
- government relations,
- local stakeholders engagement,
- strategic social investment.

=> List the most relevant existing tools and initiatives

=> Articulate a common understanding among companies and investors

- **Alstom has been part of the expert group since the beginning in June 2010**



Content of the Guidelines

1. Core Business

- Identify interactions between core business operations and conflict dynamics
Adapt existing due diligence measures to the specific needs
- Apply evolving best practices in the management of security services
- Develop relevant tools on specific bribery issues

2. Local relevant stakeholders

- Identify relevant stakeholders,
- Establish strategic and rigorous stakeholder engagement mechanisms across all company and contractor operations
- Engage proactively with relevant civil society organizations and international organizations.

3. Strategic Social Investment

- Establish strategic social investment programs as an independent activity
Built on existing capacities

Alstom Pilot project in the Democratic Republic of Congo

- **Objective of the pilot**

- Explore the relevance of the UN guidance: risks and impact

- **Phases of the pilot project**

- April 2011: Consultation of the Alstom International Network, leading to the selection of a pilot country
- As of October 2011: Test of the guidelines

Gap analysis

- Gap analysis :
 - Highlight of Human rights specific risk in Alstom processes (sourcing, security services)
 - Development of formal stakeholder mapping
 - Identification of the high-risk areas: Iraq, Libya, Venezuela, Colombia, Nigeria, RDC.....
- The principles need be adapted in each situation (type of conflict, cultural background, Alstom permanent or temporary presence) – they are not relevant in all situations.
- Some principles (stakeholders engagement, dispute settlement mechanisms...) need of a real expertise and knowledge of the country –
- Alstom first concern is to protect its employees: the implementation of some principles has to take the point into account.