

CEO Roundtable of Tanzania

Ethical Leadership for Growth and Prosperity

15th May 2018

United Nations Global Compact 685 Third Avenue, Fl 12 New York, NY 10017

Dear Stakeholders;

RE: STATEMENT OF CONTINUED SUPPORT TO THE UNITED NATIONS GLOBAL COMPACT

Reference is made to the above subject matter.

As a signatory of the UN Global Compact, the CEO Roundtable of Tanzania remains committed to support and uphold the ten principles within the areas of Human Rights, Labour, Environment and Anti-Corruption.

Throughout the reporting period, years 2016 through to 2017, the CEO Roundtable has worked hard to improve our engagement with members with particular focus on Environment and Anti-Corruption as detailed within the enclosed Communication of Engagement.

The Communication of Engagement highlights the initiatives adopted by the CEO Roundtable as we aim to continually improve the adoption of the UN Global Compact principles within the organisation.

We look forward to continue working in partnership with the UN Global Compact and will continue to develop our activities in response to the Global Compact commitments and provide timely updates accordingly.

Sincerely,

Santina Benson
Executive Director
CEO Roundtable of Tanzania

COMMUNICATION ON ENGAGEMENT FOR THE PERIOD 2016 - 2017

ABOUT THE CEORT

The CEO Roundtable of Tanzania (CEOrt) is a policy dialogue forum bringing together CEOs of leading companies in Tanzania.

The CEOrt fosters close cooperation between the public and private sectors in Tanzania with the view of accelerating expansion and growth of the Tanzanian economy in a sustainable manner.

The CEOrt is governed by an independent Board of Directors; leaders who have significant experience and years of distinguished service in business, law, government and philanthropy. The CEO Roundtable currently has over 130 members, CEOs representing businesses in Tanzania and with long-term expertise across all the economic sectors.

MISSION

To create a forum through which the Chief Executive Officers (CEOs) and Chairpersons of various entities operating and doing business in Tanzania can constructively engage the Government of Tanzania, its development partners and other stakeholders with a view of creating a more conducive business environment.

OBJECTIVES

- To seek meaningful engagement between the Government and the Private Sector in order to enable businesses to grow, which will in turn spearhead the growth of the economy:
- to contribute to and assist the Government in formulating sound socio-economic policies for the benefit of Tanzanians;
- to assist the Government in identifying and eradicating key obstacles in the quest for economic growth and economic sustainability; and
- to find solutions for economic growth and prosperity in Tanzania.

PRIORITY FOCUS AREAS

- Engagement in key policy dialogues advocating on behalf of an improved business environment through capacity building and a more favorable fiscal and regulatory regime;
- Spearheading a leadership programme designed to develop executive talent in Tanzania to become future CEOs in recognition that human capital is critical for sustainable economic growth;
- Public Private Dialogue (PPD) engagement with government to ensure Public Private Partnerships (PPPs) become an effective tool for promoting greater private sector engagement and participation in the planning and execution of the country's socioeconomic development projects;

- Dialogues on ethical leadership with a focus on good governance, tackling corruption and creating an enabling environment in order to encourage greater participation of Tanzanians in the development of the economy; and
- Through a Business and Sustainability agenda, promote awareness on the importance of preserving Tanzania's biodiversity to ensure the county's natural resource wealth translates into long-term sustainable prosperity.

As part of the CEO Roundtable's efforts to drive the agenda, the organisation hosts monthly dialogue meetings, which feature a guest speaker to discuss topics of interest and in line with the organisation's advocacy agenda.

The core functions of the organisation include: advocacy, advisory and networking.

COMMITTMENT TO THE UN GLOBAL COMPACT PRINCIPLES

The CEO Roundtable understands that corporate sustainability and ensuring responsible business through the adoption of policies and procedures, which support transparency and accountability, are intrinsically connected to ensuring long-term and sustainable socioeconomic development.

In line with the above, the CEOrt continues to be an active member of the UNGC Tanzania Chapter and participates in UNGC activities and initiatives promoted at the local level.

Highlighted below are the initiatives adopted by the CEOrt to demonstrate our commitment to the UN Global Compact with particular focus on Environment and Anti-Corruption.

HUMAN RIGHTS

- **Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights; and
- *Principle 2* make sure they are not complicit in human rights abuses.

As part of its monthly dialogue series, the CEOrt held a number of roundtable discussions focused on supporting the country's efforts to bridge the existing skills gap in order to ensure Tanzanians are aptly able to participate in the development of the economy.

The roundtable meetings have focused on the following themes:

- Understanding opportunities for collaboration between the Private Sector and Government for Human Capacity Building, Enhanced Skills Development and Meaningful Job Creation
- The Impact of Wellness Programmes in Improving and Optimizing Workplace Performance

The CEO Apprenticeship Programme

The CEOrt is proud to spearhead a leadership programme, which will address the existing leadership gap in Tanzania.

In Africa and other emerging markets, research shows that there is an inherent shortage of local human capital with the right blend of skills, technical ability, inspiration, intellectual capability, critical perspectives and leadership acumen to assume the critical role of a CEO.

The CEO Apprenticeship Program (CAP) is therefore born out of recognition of the dearth of competent Tanzanians ready to move into corporate leadership positions. It is apparent that Tanzania is in dire need of an initiative to address this existing leadership gap in the country.

CAP is designed to attract experienced Tanzanians to establish peer and CEO networks, offer training, mentorship coaching in order to prepare them to become future CEOs. The objective of CAP is to facilitate the succession of CAP graduates into CEO positions over time thus creating a much needed pipeline of competent and experienced business leaders in Tanzania.

The CEO Roundtable understands the relevance of a leadership programme, which offers a practical goal-oriented coaching/mentoring curriculum through executive coaching and leadership engagement specifically designed to unlock individual leadership potential and deepen knowledge of corporate leadership whilst expanding an entrepreneurial mind-set within each practitioner.

The programme is designed to achieve the following key benefits:

- Enhanced self-awareness through continuous leadership assessments
- Effective decision making, performance improvement and lasting behaviour change through supportive learning and development
- Developing new ways of approaching business challenges, identifying and evaluating opportunities and navigating through a complex business environment
- One-on-One mentorship and coaching with experienced executive coaches who will
 employ expert skills in observation, questioning, listening and creative techniques
 based on sound psychological processes with each executive enrolled in the programme
 to create a conversation that is rich with insight and learning
- Networking opportunities with CEOs in Tanzania and across the region to showcase progress
- Detailed report following the completion of the programme, which will identify change and areas for further development

LABOUR

- Principle 3 Businesses should uphold freedom of association & effective recognition
 of the right to collective bargaining
- Principle 4 The elimination of all forms of forced and compulsory labour
- **Principle 5** The effective abolition of child labour
- **Principle 6** Eliminate discrimination in respect of employment and occupation

Recognising that the country's long-term economic stability is dependent on the participation, development and growth of the private sector, the CEOrt remains committed to working with government to ensure alignment of national plans and strategies within the key economic sectors.

In line with the above, the CEOrt hosted a roundtable discussion with Government to highlight challenges identified in employment regulations in order to forge a collaborative way forward for a more favourable investment climate.

ENVIRONMENT

- *Principle 7* Businesses should support a precautionary approach to environmental challenges
- **Principle 8** Undertake initiatives to promote greater environmental responsibility
- *Principle 9* Encourage the development and diffusion of environmentally friendly technologies

Renowned for its rich biodiversity, Tanzania boasts extensive conserved areas – over 43% of total land area. Biodiversity provides critical ecosystem services for both communities and businesses. However, there is an increasing threat to Tanzania's biodiversity due to the rapidly growing population and economic activities. Furthermore, recent news reports have demonstrated the detrimental effects wildlife poaching, dynamite fishing and depletion of water resources have had on Tanzania's biodiversity and ecosystem.

Recognizing the importance of mainstreaming the biodiversity agenda within businesses in order to counter these potentially long-term adverse effects to the nation's biodiversity and in line with the organisation's agenda of promoting corporate sustainable practices within biodiversity conservation, the CEO Roundtable is pleased to partner with the International Union for Conservation of Nature (IUCN) SUSTAIN Programme to present the business case for greater private sector engagement in biodiversity. The IUCN Sustain Programme works to transform the way businesses manage and invest in nature, highlighting the opportunities and benefits of a more sustainable approach towards conservation.

The key objective is to align government conservation policies and strategies within the business agenda in order to develop a concrete and actionable biodiversity agenda, which will produce tangible results.

In line with the above, the CEOrt continues to develop the Business and Sustainability agenda in order to address existing challenges and propose Private Sector solutions to address this challenges. More specifically, within the financial sector, the CEOrt is working to promote awareness on the important role of sustainable finance.

Sustainable finance is a business strategy that balances economic, social and environmental issues in business. It integrates social and environmental considerations in lending and refers to a decision by banks to provide products and services to customers who consider socio-environmental factors as a way of ensuring the adoption of sustainability principles across the financial sector.

Environmental and Biodiversity challenges are financial risks but also offer opportunities for the banking and insurance sectors. Therefore, as part of its Business and Sustainability agenda, the CEOrt has commenced dialogues to promote increased participation of the financial sector in the adoption of sustainable finance principles in order to advance the green agenda.

ANTI-CORRUPTION

• *Principle 10* - Businesses should work against all forms of corruption, including extortion and bribery

The CEOrt strongly believes that sustainable socio-economic development is only be attainable if the corruption that had become commonplace in Tanzania is arrested. The state of corruption in Tanzania had reached alarming levels thus impeding government revenue and re-distribution of wealth, supported by poor policies, which favoured a few corrupt businessmen from both within and outside the country.

Corruption directly contributes to the growing national debt through corrupt procurement practices, which fosters a vicious cycle of continued reliance on donor funding and domestic borrowing. As these practices continue to line the coffers of corrupt individuals in both the government and private sector, Tanzanians continue to suffer the consequences due to inadequate funds to maintain existing public services or the inability to develop much needed public infrastructure to support the ever-growing population.

Recognising that the country's development efforts were continually undermined by corrupt leaders, the CEOrt made efforts within the media and through various forums to highlight the debilitating effects to the country's long-term economic development should the corruption trends continue unchecked.

The CEO Roundtable's efforts were recognised by the President's Office, Ethics Secretariat and the CEOrt worked in close collaboration with the Ethics Secretariat to put in place a National Integrity Pledge for Public Leaders, Public Servants and Private Sector. The launch of the National Integrity Pledge was an important first step in the fight against corruption. The CEOrt is proud to have been selected by the government as the preferred private sector partner for the implementation of the National Integrity Pledge.

The Integrity Pledge for the Private Sector is detailed below.

The Integrity Pledge for the Private Sector

- Actively partake in and contribute towards the economy through tax contribution and all business transaction in a transparent and ethical manner;
- Not initiate, solicit, receive or accept bribes or any other form of corruption;
- Ensure financial reporting mechanisms are transparent and practice zero tolerance against corrupt procurement practices and any other unethical conduct;
- Ensure our corporate Code of Conduct to which we will be held responsible and accountable, serves to promote good ethical practices both within the internal and external environment and will continually guide management and employees to be accountable for their behavior at any time;

- Avoid all situations that may result in actual or perceived conflict of interest and ensure that we disclose and resolve any arising issues of conflict of interest in an efficient and transparent manner;
- Promote transparency and efficiency at all levels within our organization and implement internal systems and controls to ensure good governance and institutionalize the values of ethics, integrity, accountability and transparency within our business;
- Ensure all goods and services adhere to national and international standards; PL.5
- Provide anonymous channels of communication to ensure the rights of suppliers, customers and employees are protected and will avail on-going promotions and publication of ethical business practices to promote awareness;
- Behave as good corporate citizens, actively engaged in ensuring social, economic, and environmental sustainability and work to positively impact the entire nation;
- Ensure fair competitive practices are an integral part of the way we conduct our business including transparency in all business transactions and good corporate governance;
- Refrain from engaging in business with parties who have demonstrated unethical business practices;
- Support the development of an audit and certification program against corruption and participate in the implementation of tools and measures created in order to ensure transparency, efficiency, and ethical business practice;
- Support the nationwide campaign against corruption, which promotes fair market conditions, transparency with all business transactions and good governance;
- Not offer or facilitate, directly or indirectly any improper inducement or reward to any public officer, their relatives or business associates in connection with our procurement process or in the subsequent performance of any contract.

The CEOrt continues to strongly encourage all members to sign the National Integrity Pledge as an important step in supporting the government's anti-corruption initiative.

The CEOrt is pleased to witness the government's on-going efforts to weed out corruption within the public and private sectors. However, winning the fight against corruption will take time and patience and the CEOrt is committed to supporting the government's efforts to win the fight against corruption.

SUMMARY

The CEO Roundtable looks forward to continued engagement in support of the United Nations Global Principles.