

MNCs' participation in multi-stakeholder partnerships in Africa and its implications on business diplomacy

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ABSTRACT: Nowadays it is very important for MNCs to have positive sustainable relationships with governments, NGOs and local communities. The concept of business diplomacy addresses this need which may also lead to getting a license to operate. Complementary, the continent of Africa is growing and more and more MNCs see this and act in order to benefit from Africa's development. Participating in a Multi-stakeholder partnership (MSP) is one way to conduct business diplomacy in Africa. This thesis proves that MNCs' participation in MSPs in Africa contributes to successful business diplomacy, as was been concluded out of publications from five Dutch MNCs.

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Keywords

Multi-national company (MNC), Business diplomacy, Multi-stakeholder partnership (MSP), Africa, Sustainable relationships, Legitimacy, License to operate

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1. INTRODUCTION

At this inauguration, king Willem-Alexander of The Netherlands told that he would actively commit himself to the Dutch business sector by setting up more trade missions in both developed and developing countries. Dutch companies have a lot of growth potential, he argued, and king Willem-Alexander could help them with engaging in relationships with foreign countries. In this way, the Dutch business sector could get an entrance ticket to the market or resources from a foreign country, which could help both these countries and the Dutch companies.

King Willem-Alexander came in at a good moment, as more and more countries are willing to set up their business abroad. A problem that most companies face at first is that they can't get access to foreign markets (labour, resources etc.) without having a relationship with local authorities and other stakeholders. To cover this problem, companies should become active in the field of business diplomacy.

Business diplomacy has long been a vague concept, even though many large companies, especially Multinational Companies (MNCs), are already active for a long time in approaching and building relations with non-market parties in foreign markets. Only recently, a definition has been given to this concept. Business diplomacy is now being explained as *the representation and communication activities deployed by international businesses with host government representatives and non-governmental representatives in order to establish and sustain a positive relationship to maintain legitimacy and a 'license to operate'*. (Ruël, 2013)

As the definition states, business diplomacy is building a relationship to establish and maintain legitimacy and a 'license to operate'. This of course, can be accomplished in several ways.

1.1 Multi-stakeholder partnerships

One of these ways is to participate in a so-called multi-stakeholder partnership (MSP). A MSP could be defined as a formalized arrangement in which organizations from diverse sectors (private, public, not-for profit) commit to work together in a mutually beneficial way to accomplish goals that they otherwise could not achieve alone. (Sloan & Oliver, 2013) Coming back to king Willem-Alexander; a trade mission to for instance Zimbabwe could make it possible for a Dutch MNC to become active in the market there, which can contribute to the (economic) situation in Zimbabwe (by creating jobs, creating better working conditions or finally making it possible to do something with the available resources) and also benefits the MNC.

There are three important factors in a MSP. First, it recognizes the *diversity* of the partners. A MSP is not just an ordinary strategic alliance with two companies who just want to make money, it is much more than that. MSPs include private corporations, public and governmental bodies and non-profit partners. Eventually, the involved MNC wants to make money, but it will work in a way that also benefits its partners. At second, a MSP is set up to attain *goals that otherwise might not be accomplished by all actors independently*. A way in which a MSP covers this is by sharing knowledge and expertise between partners and by drawing together diverse and complementary competencies. At last, the MSP aims for *mutual benefits* that give a collaborative advantage to the partners. (Sloan & Oliver, 2013)

1.2 Business diplomacy, MSPs and Africa

Africa is a continent that is considered to have a lot of potential for MNCs when it comes to doing business over there. There are many examples of African countries which show a considerable economic growth in the last years. These countries are still at the start of becoming a big player on the world market, but this factor makes it even more interesting for MNCs, as they can contribute to this growth.

However, to enter African markets successfully, MNCs may need business diplomacy skills and instruments in order to deal with non-market parties or the other diverse set of stakeholders. Furthermore, African countries actively aim to attract MNCs in order to contribute to their economic growth and to improve the living standards of their inhabitants.

These facts together already show that there is potential for MNCs as well as countries, to collaborate on certain activities or projects. MSPs can be a useful way for MNCs to enter and expand their business in Africa, while the country and its inhabitants also benefit from it.

1.3 Research

This thesis is about MNCs that take part in business diplomacy and MSPs, and how the latter can improve successful businesses diplomacy practices. Business diplomacy can be conducted in several ways and because of that you can think of more ways than only MSPs. This thesis focusses just on MSPs because it can imply a small, incremental step in the total field of knowledge on business diplomacy. Summarizing the above, the research question for this thesis will be:

'How does participating in Multi-stakeholder partnerships in Africa contribute to successful business diplomacy of MNCs and what are the lessons that can be learnt from this in order to improve MNCs participation in MSPs for business diplomacy purposes?'

1.4 Practical relevance

As stated before and in, for instance, the work of Huub Ruël, there is practically no literature available yet on this topic. There is literature about Business Diplomacy (Saner & Yiu, 2005; Ruël, 2013) there is literature about Multi-Stakeholder Partnerships (Sloan & Oliver, 2013; Kolk, 2013), there is literature about MSPs in fragile political contexts such as Africa (Molen & Stel, 2013), but there is no proper connection made yet.

When this thesis eventually covers these topics and answers the research question, it could be another new, small step for MNCs to improve their business diplomacy practices.

2. LITERATURE REVIEW

This chapter will give a deeper understanding and elaboration of the before-called themes and subjects. Business diplomacy will be the first concept to be elaborated, followed by instruments that MNCs can use to effectively execute business diplomacy. After that, MSPs will be given a better understanding, followed by what motives MNCs can have to take part in a MSP. At last, an attempt is made to already answer the research question with the knowledge out of the existing literature. As it can be seen, there is a research gap in that part that will be addressed in this thesis.

2.1 The topic of business diplomacy

While this literature review was being conducted, it was found that there were two main streams in literature that tried to conceptualize the concept of business diplomacy. The one stream did not name the concept business diplomacy, as is being searched for now, but corporate diplomacy. Both streams will be addressed systematically. That means, that at first a comparison will be made between the definitions that have been given. At second, a review will be given of the different goals that authors said business diplomacy/corporate diplomacy has. At third, a view on the outcomes of business diplomacy/corporate diplomacy that different authors gave will be presented. At fourth, an overview will be given of recommendations that can help to implement business diplomacy in an organisation. At fifth and last, an overall conclusion will be given when looking back at the paragraphs before.

2.1.1 Definitions on business diplomacy

Manuel London was one of the first authors who actively tried to conceptualize business diplomacy and saw it as working with people in a respectful way, in order to get things done in a business environment with different cultures and expectations. Managers have to understand each other's point of view and should reach agreement without becoming hostile to each other or putting each other under pressure. *Diplomacy*, as London stated, is about acting honest and ethical, and treating people with respect. Furthermore, diplomacy implicates the recognition and valuing of differences, voicing agreement when appropriate and accomplishing goals. Business diplomacy has the biggest importance when there are disagreements, conflicts and stake. It is a way to make things happen. (London, 1999)

In 2000, Saner et al came up with their interpretation of business diplomacy, which they call business diplomacy management. (Saner et al., 2000) They recognize the fact that globally active companies act in an international context, which is influenced by economic, political-military, social and cultural factors that in their turn interact with factors at the organizational, industry, national, international and global level. Business success is being determined by non-business factors such as the type of international relations and the legal stringency of multilateral conventions and agreements.

Saner et al. saw business diplomacy as *the activity that involves influencing economic and social actors to create and seize new business opportunities; working with rule-making international bodies whose decisions affect international business; forestalling potential conflicts with stakeholders and minimizing political risks; and using multiple international forums and media channels to safeguard corporate image and reputation.* (Saner et al., 2000) They stated that non-business interest- and pressure groups were important stakeholders with which has to be communicated extensively.

In 2005, Saner & Yiu came up with a new definition of business diplomacy, which they now defined as *the management of interfaces between the global company and its multiple non-business counterparts and external constituencies.* (Saner & Yiu, 2005) One thing they emphasize is the fact that relations with non-business partners through business diplomacy are needed to ensure a sustainable preference and favourable investment climate for MNCs. Non-business stakeholders can be very problematic for MNCs if they respond to their wishes and demands in an incompetent or inappropriate way. Business diplomacy is concerned with on the one hand communities and

consumer groups, and on the other hand, international non-governmental organizations that have the capacity and resources to lead global actions on policy issues of the MNC.

In 2003, Ulrich Steger came up with a definition of corporate diplomacy. He says that corporate diplomacy is *an attempt to manage systematically and professionally the business environment in such a way to ensure that business is done smoothly – which means something as getting an unquestioned 'license to operate' and an interaction between corporations and society.* (Steger, 2003) MNCs that engage in corporate diplomacy understand what the societal issues are and respond both reasonably and professionally to these issues, without any negative connotations. The central theme of corporate diplomacy, as Steger saw it, focusses on the questions on how MNCs can understand their (international) business environment without sacrificing their mission which initially is to make money.

Corporate diplomacy is, in the view of Ordeix-Rigo and Duarte, aimed at positioning the MNC or the group of MNCs as institutions. Corporate diplomacy is a way to strengthen the network of stakeholder relationships for a MNC, and a process toward a desired future state of engagement with publics and societal actors. (Ordeix-Rigo & Duarte, 2009) Thus, modern corporations seek to develop their active participation in society, adding new dimensions to their traditional perceived role of generating wealth, employment and quality products or services.

The last author to be mentioned that researched corporate diplomacy is Jim Macnamara. He stated that corporate diplomacy means at least two things. At first, MNCs embed the value of collaboration deeply into its operations and practices. At second, it means the MNC extends the reach of its relationships to include groups, cultures, organisations, and governments. (Macnamara, 2011)

2.1.2 The goals of business diplomacy

According to London, business diplomacy goals can be divided into process- and outcome goals. Process goals include working together, keeping communication open, remaining flexible and being open to new ideas. Outcome goals include achieving positive outcomes, arriving at consensus, ensuring agreements that last, improving interpersonal competencies, and fostering continued positive relationships. As it seems clear, London stated that when you met these goals, you have conducted successful business diplomacy. (London, 1999)

The work of Saner et al. suggests that MNCs should scan business environments before entering it, to detect potential risky areas in front. Furthermore, Saner and Yiu suggest business diplomacy is particularly about dealing with (external, non-business) stakeholders to make the external environment suitable for business and to reduce risk and uncertainty. Both papers can be combined, with four determinant factors of business diplomacy that eventually can be mentioned: (1) influencing economic and social actors to create and seize new business opportunities, (2) working with rule-making international bodies whose decisions affect international business, (3) forestalling potential conflicts with stakeholders and minimizing political risks, and (4) using multiple international forums and media channels to safeguard corporate image and reputation. (Saner et al., 2000; Saner & Yiu, 2005)

Amann et al. further elaborated the view on corporate diplomacy of Steger. They address the topic of legitimacy in

relation to corporate diplomacy as one of the main goals. Legitimacy is defined as 'a generalised perception or assumption that the actions of an entity are desirable, or appropriate within some socially constructed system of norms, values beliefs and definitions' (Suchman, 1995) and is very important for MNCs to survive. They manage their legitimacy by conforming to societal expectations, selecting supportive stakeholders and can try to create new ideas about what legitimate behaviour actually is. (Amann et al., 2007)

To maintain legitimate and to sustain their license to operate, MNCs should detect and understand emerging issues, take opponents seriously, develop appropriate ways of solving issues in the specific context in time, look beyond the narrow view of short-term profit maximisation and match the expectations of an increasingly numerous and diverse array of stakeholders. MNCs try to allocate resources in such a way that they show their good citizenship and responsibility towards society. (Amann et al., 2007; Ordeix-Rigo & Duarte, 2009)

2.1.3 The outcomes of business diplomacy

Although not much research has been done on business diplomacy outcomes, there are some to be found. Saner et al. for instance state that MNCs that engage in business diplomacy will offer a better synergy of business interests, corporate values and the management of external constituencies. They also mention that these MNCs are more proactive and less prone to crises than businesses that don't engage in business diplomacy. (Saner et al., 2000)

The research of Saner and Yiu mentions several potential outcomes of business diplomacy. At first, it should create new business opportunities (by having the skill to use international treaties and agreements in their advantage). Furthermore, business diplomacy helps to create social capital by addressing the host countries' needs, in order to seize new business opportunities all over the world. The last potential outcome that was mentioned is that it might help to accumulate contacts and social influence through dialogue with non-business stakeholders and through active involvement in local communities. (Saner & Yiu, 2005)

Ordeix-Rigo and Duarte see corporate diplomacy as a way to strengthen the network of stakeholder relationships for a business. When a MNC decides to take part in corporate diplomacy, they are looking to take new roles in society. With having a new role, they stress their presence in society and want to keep it sustainable through satisfying the expectations of multiple stakeholders. With this tactic, a long-term presence in society can be built, which might go together with long-term gains. (Ordeix-Rigo & Duarte, 2009)

Summarizing the potential outcomes of business diplomacy, it can be seen that it all comes down to the same; having a sustainable relationship with and in communities, in order to be less prone to crises and to effectively create and seize new business opportunities.

2.1.4 Recommendations to implement business diplomacy

In this paragraph, a short insight will be given of what different authors found with respect to the implementation of business diplomacy in MNCs. To start off with, probably the most easy and extensive recommendation framework was given by London. He created a framework with six important pillars, which are:

- Establish a diplomatic organizational culture. With this pillar, he tried to mention that diplomacy has to be widespread in the whole business, in all different layers; from CEO to line manager. In this way a MNC can be known for their diplomatic way of working, which may lead to a better image and reputation.
- There is an important role for people in a leadership position: they should demonstrate business diplomacy in practically every business-related action they make.
- There should be extensive and ongoing reflection about how the business diplomacy process is going. With having a critical view, the process can be continually improved.
- In line with the previous recommendation, London stated that one has to learn from its mistakes. You're still acting in a business environment so success is not guaranteed. When something doesn't work out the way that was expected, evaluate that specific occasion and learn from it.
- Try to persuade all employees to behave in a diplomatic way, off the job as well as on. By doing this, diplomacy will become a natural way of interacting with people.
- The last part of the framework is to learn to manage crises in a diplomatic way. Always be flexible, don't expect too much too quickly and don't misuse power and authority. (London, 1999)

Saner et al. emphasized that the business diplomacy function should be placed close to other core functions of a MNC. In this way, it can provide a high value-added contribution to international business operations. In addition to this, they think that diplomatic know-how should be a company-wide responsibility and that the business diplomacy function should be under direct supervision of the CEO. (Saner et al., 2000)

As noted before, Amann et al. stated that corporate diplomacy is at its core a function to sustain a license to operate. To do this successfully, they mentioned some practices that might contribute to the MNC. At first, by using the corporate diplomacy function, a MNC should detect and understand emerging issues in an early stage, so they can react to and cope with it. Furthermore they should take their opponents seriously and develop appropriate ways of solving issues in the specific context in time. For this latter practice, it is very important to take the political environment and media landscape into consideration. Finally, they state that MNCs should look beyond a narrow view of short-term profit maximisation. To sustain their license to operate, short-term profit maximisation should be more than just a means to an end. (Amann et al., 2007)

As last, Macnamara gave some recommendations to successfully incorporate corporate diplomacy. He says that MNCs should be in ongoing dialogue with publics, guided by specific principles and with mechanisms in place to balance power, facilitate negotiation and maintain relationships. Furthermore, he stated that these mechanisms will need to be given credibility and capability. This can be done, for instance by specialist training and skills development in areas such as negotiation and conflict management. (Macnamara, 2011)

When summarizing the above given recommendations, it can be seen that they are dispersed in different areas. While London focusses at being diplomatic all the time, and implement it throughout the whole business, Saner et al. particularly emphasize the importance of the function and that it should

have an important position in the management functions of the business. Amann et al. mainly focus on how business should execute corporate diplomacy, by looking at the external environment and how to cope with it. Macnamara, to conclude, focusses on the importance of negotiation and relationships with external actors.

2.1.5 Overall conclusion on business diplomacy

Until now, there is given a lot of different information on business diplomacy out of the point of view of different authors and researches. This thesis is not about business diplomacy as such, which also means that there is no space for a more extensive or comprehensive review than done until now. Luckily, there has been someone before, who did conduct this extensive literature review on the topic of business diplomacy.

In his research, Wolters made a more extensive literature review at the topic of business diplomacy. (Wolters, 2012) After comparing several research findings (comparable with the paragraphs before), he came up with a comprehensive definition of business diplomacy, which is:

'Business diplomacy involves establishing and sustaining positive relationships (by top executives or their representatives) with foreign government representatives and non-governmental stakeholders (economic and non-economic) with the aim to build and sustain legitimacy (safeguard corporate image and reputation) in a foreign business environment.' (Wolters, 2012)

Ruël further defined this definition into *'the representation and communication activities deployed by international businesses with host government representatives and non-governmental representatives in order to establish and sustain a positive relationship to maintain legitimacy and a 'license to operate'.* (Ruël, 2013)

This definition of business diplomacy will be the one used throughout this thesis.

The above given definition contains factors that can be found in the work of all authors mentioned before, and aggregates them into one clear definition of what business diplomacy is about. It may be clear that the concept of business diplomacy contains lots of different features. Because the concept is such a broad one, there are multiple instruments to think of, that companies can use in order to be successful in business diplomacy. These instruments will be covered in the next paragraph.

2.2 Instruments to execute business diplomacy

Business diplomacy can be executed in many different, sometimes complementary, ways. Different authors went into this subject and their findings will be presented in this paragraph.

At first, there was Ryazabura Kaku. He described the concept of *Kyosei*, which is the believe that people can work together for a common good or cause. (Kaku, 1995) Firms that apply kyosei value innovation, competitiveness and making money, but they also take into account fair treatment of individuals and other corporations, and being a responsible citizen of the local, national and international communities in which they are active. Firms that practice kyosei try to balance interests for the common good, which is the key for long-term, sustainable relationships. (London, 1999) This last sentence is of great importance for the instrument of kyosei. Kyosei is not one

prescribed thing that one can do, but is a whole way of being. When a MNC decides to apply kyosei in its daily practices, this means that this MNC tries to balance the interests of all stakeholders within all the actions they undertake.

The concept of kyosei has been conceived in 1995 already. Still, it can be applied to the definition of business diplomacy that was given by Ruël. Kyosei is about fair treatment and being responsible, in order to balance the interests of all shareholders. This could contribute to, or helps building a long-term sustainable relationship which may ultimately lead to getting an (enhanced) license to operate.

Another instrument in applying business diplomacy is to embrace the act of using tact in every action. Tact can be defined as the ability to see the delicacy of a situation. Tactful people say the most fitting thing in every specific situation and they are sensitive to what is appropriate at any given time and they can act without being offensive. Having tact means saying or doing the right thing, either as a result of experience or just instinctively. When a person is tactful, he is able to diagnose the situation and to recognize others' needs, interests and moods. (London, 1999) Of course, this concept can be adapted from people to an organization. An organization in which tact is strongly embraced and carried out, will be able to adapt to specific situations and to do the right thing in that situation. The tactful organization diagnoses the situation well and then comes up with the most suitable solution with respect to a business partners' (government, NGO, local community etc.) needs and interests. This again may enhance the long-term relationship with these important stakeholders in the process of business diplomacy.

When looking back at the recommendations to implement business diplomacy, there were also some instruments of business diplomacy mentioned. For instance out of the work of Amann et al, who state that MNCs should have early warning systems to detect and understand emerging issues which may have a negative influence on the business. When there is a potential problem found, MNCs could apply their kyosei, tactful or negotiation skills to overcome this problem in time in order to maintain legitimacy, relationships and their license to operate. For instance, when a MNC foresees that the local community may become frustrated with the large amount of production waste, they can implement a new waste policy and communicate this extensively. When doing this, they solve the problem before it even started to take bigger proportions.

Furthermore, Amann et al. state that MNCs should be proactive in encouraging stakeholder dialogue when an incident happened during business activities. The opposite, such as denial as the first reaction, misinformation, no sense of urgency, absence of stakeholder dialogue, lacking credibility and dearth of proactively built-up goodwill before things may go wrong, are still quite prevalent in today's corporate world, regardless of their obvious drawbacks. (Amann et al., 2007) It is preferable to extensively communicate with all stakeholders about everything that might harass them or might go wrong with the business activities. When incidents emerge while operating the business, stakeholders should immediately be involved with what happened and what the next steps will be. This instrument is, according to Amann et al., a promising concept for managing future incidents more successfully.

Now, let's look back at the introduction of this thesis. Dutch king Willem-Alexander was mentioned and he wanted to commit himself to the Dutch business sector by setting up more

and effective trade missions abroad to create new business opportunities. Ordeix-Rigo & Duarte see these government supported programs as an instrument of corporate diplomacy. (Ordeix-Rigo & Duarte, 2009) When a MNC decides to engage in such a government supported program, they use the government to support their views and let them help convey the key messages that they want to convey, making the government part of the “business’ legitimacy strategy abroad”.

Furthermore, these authors describe how MNCs can engage in business diplomacy by effectively using their capability to draft and implement their own programs, independent from any governments’ initiative. In this case, the MNC has the initiative and brings in the needed resources. By doing this, the MNC seeks to develop its active participation in society while adding new dimensions to its traditional perceived role (generating wealth and employment etc.). To do this, the MNC extends its range of financial stakes in other companies, creates foundations and other organizations, gives its support to nongovernmental organizations or sponsors the creation of special support funds. Furthermore, the MNC should engage publics in its decision making. The overall objective should also be to achieve a true and lasting ‘support of the publics’ and not a mere and occasional ‘public support’. (Ordeix-Rigo & Duarte, 2009)

The described process gives the MNC a broader social status, while it is now not anymore seen as only an profit-making entity but as a member of a stakeholder network. In turn, the increased social status allows the MNC to influence the decision-making process (of publics and governments) no longer indirectly (one-way communication through media) but directly (by the increased agenda-building capability). Public relations thus plays a central role in helping dialogue with those affected by the decisions made and helping corporations interact with society to better understand and adapt to the social values and principles. (Ordeix-Rigo & Duarte, 2009)

The latter two instruments, the government supported program and the program that was initiated by the business itself, come close to the one instrument that will be central in this thesis. The instrument that is meant, is called the multi-stakeholder partnership (MSP). A MSP could be defined as *a formalized arrangement in which organizations from diverse sectors (private, public, not-for profit) commit to work together in a mutually beneficial way to accomplish goals that they otherwise could not achieve alone.* (Sloan & Oliver, 2013)

There are three important factors in a MSP. First, it recognizes the *diversity* of the partners. A MSP is not just an ordinary strategic alliance with two companies who just want to make money, it is much more than that. MSPs include private corporations, public and governmental bodies and non-profit partners. Eventually, the involved MNC wants to make money, but it will work in a way that also benefits its partners. At second, a MSP is set up to attain *goals that otherwise might not be accomplished by all actors independently.* A way in which a MSP covers this is by sharing knowledge and expertise between partners and by drawing together diverse and complementary competencies. At last, the MSP aims for *mutual benefits* that give a collaborative advantage to the partners. (Sloan & Oliver, 2013)

Now let’s come back at the definition of business diplomacy given by Ruël. By participating in a MSP, the MNC can actively represent itself and communicate with host governments and non-governmental representatives in order to

establish and sustain a positive relationship to maintain legitimacy and a license to operate. In the next paragraph, the concept of MSP will be covered more extensively.

2.3 Multi-stakeholder partnerships

According to Graci, the purpose of a partnership is to eventually produce consensus and harmony that will lead to new opportunities and innovative solutions. (Graci, 2013) To reach this goal, partnerships should include the views of all stakeholders in a certain area and identify the various roles and responsibilities that these stakeholders have so that they can contribute to the overarching goal that was set in an earlier stage. The key elements of a partnership are that all:

- Stakeholders are interdependent;
- Solutions emerge by dealing constructively with difference;
- Joint ownership of decisions is involved;
- Stakeholders assume collective responsibility in achieving the goal;
- Partnerships remain a dynamic, emergent process. (Gray, 1989)

Taking part in a partnership also boils down to the concept of collaboration. It is simply impossible to attain the mentioned elements without decent collaboration. Collaboration is defined by Gray as ‘a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible.’ (Gray, 1989) In line with the definition of a MSP, collaboration through partnerships is described as a loosely coupled system of organizations and individuals that belong to various public and private sectors, who come together in order to reach certain goals, unattainable by the partners individually. (Graci, 2013)

The process of collaboration has the potential to allow organizations to pool their knowledge, share expertise, capital and other resources (Plummer et al., 2006). The groups working together may therefore gain a competitive advantage. In addition, policies, implementation and enforcement of plans and regulations resulting from collaboration may be more accepted by individuals and organizations who were involved in creating them. (Araujo & Bramwell, 2002)

Now it should be clear that collaboration and partnerships go hand in hand, let’s take a leap back to the concept of MSP. MSP is not the only definition for this phenomenon: ‘partnerships’, ‘collaborative groups’, ‘inter-organizational arrangements’, ‘social alliances’, ‘cross-sector partnerships’ and ‘public-private partnerships’ are examples of concepts that more or less address the same thing. (Sloan & Oliver, 2013) All these concepts come down to some kind of cooperation between different stakeholders that have an interest in a problem and together engage in a process of dialogue and cooperative action to address this problem. These different stakeholders are often conceived as coming from private, public as well as civil sectors. (Molen & Stel, 2013)

Nuijten said the following about MSP: ‘the MSP concept is being strengthened by a belief in the power of dialogue and consensus building in breaking down institutional and power barriers, and the ability of people at the local level to manage local resources’ (Nuijten, 2004) Moreover, MSPs are perceived as a way to enhance equity, accountability, democracy, transparency, participation and integration. MSPs are praised

for their ability to link top-down and bottom-up; domestic and foreign; and state and non-state approaches. (Noor, 2010)

Wrapping up what’s said above and looking back at what was said before, a MSP could be defined as a formalized arrangement in which organizations from diverse sectors (private, public, not-for profit) commit to work together in a mutually beneficial way to accomplish goals that they otherwise could not achieve alone. (Sloan & Oliver, 2013)

There are three important factors in a MSP. First, it recognizes the *diversity* of the partners. A MSP is not just an ordinary strategic alliance with two companies who just want to make money, it is much more than that. MSPs include private corporations, public and governmental bodies and non-profit partners. Eventually, the involved MNC wants to make money, but it will work in a way that also benefits its partners. At second, a MSP is set up to attain *goals that otherwise might not be accomplished by all actors independently*. A way in which a MSP covers this is by sharing knowledge and expertise between partners and by drawing together diverse and complementary competencies. At last, the MSP aims for *mutual benefits* that give a collaborative advantage to the partners. (Sloan & Oliver, 2013)

According to Noor, a MSP ideally has the following characteristics:

- Involve stakeholders in setting rules for constructive engagement;
- Engages stakeholders in learning and questioning their beliefs;
- The process has a set of agreed rules and agreements about cooperation;
- Has a clear timeframe;
- Has a focused objective to bring about change;
- Bottom-up and top-down strategies are integrated;
- Deals consciously with power differences and conflicts between stakeholders and interests;
- Engages with structural institutional change;
- Works across different sectors and different scales. (Noor, 2010)

Until now, it has been made clear what business diplomacy is and what its goals and outcomes are, different instruments to engage in business diplomacy have been discussed and the instrument that is being focussed on in this thesis (MSP) is explained more in depth. Moving on, the next paragraph will continue on the MSPs, as it will give some motives for MNCs to participate in MSPs.

2.3.1 Motives to engage in MSPs

As described before, taking part in a MSP is a way of engaging in and broadening the business diplomacy practices of the concerned MNC. Looking back at the definition of business diplomacy and by stating the obvious: MSP is a way to establish and maintain a long-term positive relationship (with governments and non-government parties) and a ‘license to operate’. By actively committing your MNC to and cooperating with other parties in order to reach a goal that is beneficial for all participants, the MNC is most likely to create a bond with the other participants. These participants can be the local government, but also non-governmental parties or local communities. When a MNC shows itself to be a good citizen and comprises to everyone’s wishes, it will get itself a better name and reputation, as well in the domestic market as in the country where the MSP is being set up.

Ans Kolk extensively addressed and summarized diverse potential motives for MNCs and NGOs to engage in MSPs. These motives are:

- Gaining access to knowledge, expertise, skills, networks and contacts;
- Gaining access to funding;
- Improve understanding of challenging issues and possible (innovative) solutions;
- Improve stakeholder relations;
- Improve reputation and credibility;
- Increase operational efficiencies;
- Create more appropriate services and products (for-profit or not-for-profit);
- Gain access to knowledge of future markets;
- Gain access to and more insight into business operations, current markets and supply chains;
- Increase leverage/impact;
- Increase motivation of and attractiveness to (new) staff members or volunteers;
- Improve risk management. (Kolk, 2013)

As mentioned before, a MSP often has more participants than just MNCs and NGOs. Governments or local governments are stakeholders that very often participate in MSPs, and of course they have motives for that. These motives are for instance improved economic welfare, improved working conditions all over the country, an improved knowledge base, increased employment and improved education, health care and nutrition. Potentially, overall welfare might increase, which is especially the case in developing countries (African countries).

2.4 MSPs in Africa and its implication on business diplomacy

2.4.1 Literature search

To find relevant articles about the connection between business diplomacy, MSPs and Africa, the database of Web of Science (WoS) has been used. The database of WoS consists of journals with a high impact level, according to the International Statistical Institute. The impact level says something about the frequency which the average article in a journal was cited in a particular timeframe. The search terms consisted of several key-words and related terms with respect to the field of study (see table 1). Relevant articles – limited to the last five years – were selected by reading the titles and abstracts first, and on the basis of that they were being downloaded, after which the articles were being read. Articles that turned out to be of no use after reading it as a whole, were excluded. Furthermore, a cross-reference check through the articles found on WoS and the articles on MSPs was made to find potentially interesting articles. To be clear: only articles that were relevant for answering the research question were selected. Articles with some overlap but no specific contribution to answering the research question were excluded.

Search terms	Number of relevant articles
Development + Africa	0
Diplomacy + Development	1
MNC + Development	1
MSC + Development	0
MSP + Development	1
PPP + Development + MNC	0
MSP + Trust	0
Cross-References	5

Table 1. Representation of articles found per combination of keywords and terms

The fact that there are so little articles found regarding this topic makes clear there is still a research gap in this field of study.

2.4.2 Literature review

As explained before, there isn't many literature available on the specific topic of this thesis. Nevertheless, with the literature that is available, an attempt can be made. Goldsmith for instance recognizes the fact that partnerships between a MNC, an NGO, a government and the non-profit or public sector for a specific goal are undertaken for 'reasons that go beyond profitability'. With these 'reasons', he refers to poverty reduction which is one of the outcomes that a MSP often aims for. When the MSP reaches this goal, it will enhance the legitimacy of the participants of the specific MSP. (Goldsmith, 2011)

Kolk & Lenfant state that cross-sector collaboration and partnerships are key for building trust and gaining credibility among communities in fragile states. (Kolk & Lenfant, 2013) Extensive communication and involvement of these communities will help the MNC to bridge the gap between the expectations of their selves and that of the local community, and to build effective relationships based on trust and avoid costly conflicts. Furthermore, they name the fact that partnerships, involving and understanding the local community are necessary to earn a societal license to operate.

Wertz et al. conducted a research on PAWS which is a MSP initiated by the UK's government that aims at improving water availability and sanitation in the developing world. They noticed that PAWS' interventions established a precedent for dialog and cooperation while promoting long-term, target-led relationships among partners from government, business and civil society that share the same goal. Furthermore, they stated that PAWS helps establish trust, align goals and generate long-term commitments. (Wertz et al., 2010)

In their work, Yaziji and Doh state that not participating in a MSP can be very harmful for MNCs because other parties might undermine their legitimacy. (Yaziji & Doh, 2009) From their point of view, participating in a MSP is not a way to establish legitimacy but it should be seen as a way to sustain legitimacy.

Marano and Tashman particularly focus on partnerships between MNCs and NGOs and its implications on the MNCs' legitimacy. They found that such a partnership can turn out to be very attractive for both the MNC and the NGO. Because the NGO tends to enjoy higher levels of trust within society – they are more aware of local and global society forces and have stronger network connections with non-market stakeholders – a partnership can involve the MNC which gives them a more solid trust base within society. NGO/MNC partnerships may help the MNC in demonstrating transparency, diligence and remorse when it has created negative social impacts, including efforts to create positive social impacts to atone for negative ones. A partnership with an NGO with strong international credentials can help the MNC develop a socially desired strategy, because these organizations can be endowed with in-depth knowledge of global social norms, cultural patterns, and governance expectations. (Marano & Tashman, 2012)

The Japanese government found that participating in MSPs could be very beneficial for the Japanese business sector. The Japanese government created policies and strategies in order to enable the business sector to more easily get their license to operate. Their policy is to form 'mutual-beneficial relationships' in order to create a dual win, whereby deals on,

for instance, import go hand in hand with projects that benefit Japan's exporting industries. The main focus of government policies is on strengthening the domestic economy and resources security, and securing cooperative relations with other countries. By introducing Japanese companies within a governmental deal, these companies have a better chance on getting a license to operate. (Okano-Heijmans, 2012)

The before mentioned authors all found that participating in a MSP actually benefits the business diplomacy practices of an MNC. However there are also authors that didn't find this positive relation or found the relation to be twofold. For instance, Wiig and Kolstad conducted a research in Angola and found that participating in socially desired behaviour (which is one of the main goals of MSPs) is on the whole unimportant for getting contracts or licenses from the government compared to factors such as technological capacity or financial strength. However, some aspects matter (particularly local content requirements, use of local staff and environmental issues) and appear to be used strategically by MNCs for the purpose of establishing relationships with local governments and communities. (Wiig & Kolstad, 2010) Furthermore, Biermann et al. claim that a MSP doesn't benefit the participating developing country, they state that 'those that have been marginalized before have also been marginalized in the partnership process.' (Biermann et al., 2007) This means that the MNC will not easily establish some kind of legitimacy or a societal license to operate by participating in a MSP.

Returning to the research question, it seems that participating in a MSP does have a positive influence on business diplomacy. From the establishment of legitimacy to getting a societal license to operate to building sustainable relationships, they are all outcomes of MSP-initiatives. Although there are also some negative sounds to be heard, the overall balance comes out quite positive. But still, the remark has to be made that this conclusion is being drawn out of existing literature. This thesis aims at contributing to this existing body of knowledge. The next paragraph will explain how this potential contribution will be organized.

3. RESEARCH METHODOLOGY

3.1 Research method

The aim of this thesis is to find out if participating in a MSP contributes to successful business diplomacy in MNCs and which lessons can be learnt from this in order to improve MSP participation. This can be assessed as an exploratory study, which requires a qualitative research method. A qualitative research method offers the possibility to observe the phenomenon under study comprehensively and to create a deeper understanding of it. (Babbie, 2007)

For this thesis, it has been chosen to conduct a content analysis. Qualitative content analysis can be defined as *any qualitative data reduction and sense-making effort that takes a volume of qualitative material and attempts to identify core consistencies and meanings*. (Patton, 2002) Qualitative content analysis requires several steps, which are; formulating the research question (which is already done), selecting the sample, outlining what terms are to be sought for, actually search the terms and the analysis of the found data (including counting). (Hsieh & Shannon, 2005)

3.2 Research sample

There are a lot of MNCs in this world, but they don't all participate in MSPs in Africa. To actually be able to answer the research question, there is evidence needed of MNCs that do participate in these MSPs. Furthermore, because this thesis is being conducted in The Netherlands, the focus will be on Dutch MNCs that take part in MSPs in Africa. Babbie refers to this kind of sampling by calling it purposive or judgmental sampling. He says it is 'a type of nonprobability sampling in which the units to be observed are selected on the basis of the researcher's judgment about which ones will be the most useful or representative'. (Babbie, 2007)

To be a part of the sample, the company must be (1) a MNC, (2) participating in MSPs in Africa, and (3) Dutch. Because large MNCs have acknowledged the importance of business diplomacy in an early stage already, the decision has been made to select only the biggest companies that meet these criteria.

For the selection of the MNCs, the *Benchmark CSR by 25 AEX companies* by the VBDO was used. (VBDO, 2012) The VBDO took a look into the Corporate Social Responsibility (CSR) practices that the 25 companies that were listed in the Amsterdam Exchange Index (AEX) and ranked their performance. A CSR-ranking has been chosen because of the fact that this is the concept that could be as closely related to business diplomacy as possible. CSR can be defined as *the way in which firms seek to voluntarily align the interests of owners and other stakeholders with the long-term best interests of the society*. (Crane & Matten, 2010) In general, you may say that participating in a MSP is a CSR-practice too.

The sample consists of the MNCs that meet the criteria, from highest ranking to lower rankings and they have to publicize information on their partnership activities. Otherwise, there is nothing to analyse. Eventually, the following MNCs have been selected to be further analysed.

MNC	Ranking	Industry
Unilever	1	Food and nutrition
AkzoNobel	3	Chemicals
Heineken	5	Beer
Philips	7	Electronics
Shell	13	Oil and gas

Table 2. Selected MNCs by ranking and their operating industry

Now the sample of MNCs is clear, it has to be made clear which specific data will be analysed. It has been chosen to scan through the whole website of the mentioned MNCs, as well as their latest annual (sustainability) report. This decision has been made as every page – from the front page to the 'about us' page – might contain information that could be useful for answering the research question.

3.3 Outlining the research, data collection and analysis

As the definition states, qualitative content analysis is about identifying core consistencies and meanings. In order to meet this objective, the websites and annual reports of the selected MNCs will be checked for terms such as 'business diplomacy', 'multi-stakeholder partnerships', 'sustainable relationships', 'license to operate', 'legitimacy', 'local communities' and all terms that can be logically related with these.

All websites and annual reports of the selected MNCs were thoroughly searched (on June 16th and 17th, 2014). When a sentence or paragraph was found that might be useful in answering the research question, it was copied and put into a word-document, together with a direct link to the page where it was found. A sentence or paragraph was designated as potentially interesting when any of the above mentioned terms was found in that specific sentence. Related data has also been put into the word-document. The found data was put into one document because this made a post-search analysis more easy and convenient. The final document consists of 17 pages and can be found in Appendix 1.

Now all potentially useful data was brought together into one document, analysis could start. Explicit or implicit references to any business diplomacy- or MSP related term were marked red, which made it possible to count how much references there were per MNC and also made it easier to retrieve in order to answer the research question.

4. RESEARCH FINDINGS

The research method prescribes that found data has to be counted. This means that the amount of truly relevant content that was found should be represented, per MNC. This also gives an instant insight in which MNC reports about MSPs in relationship with business diplomacy the most, as well as the least.

MNC	Amount of truly relevant content
Shell	15
Unilever	11
Heineken	8
Philips	5
AkzoNobel	1

Table 3. Amount of relevant content per MNC

The remainder of this chapter will consist of two different parts, consistent with the research question. The first part will explain about an actual link that can be found between the participation in MSPs and business diplomacy, and search for evidence that proves that participating in MSPs actually contributes to successful business diplomacy. In the second part, there will be searched for differences and consistencies between the selected MNCs in order to find some useful recommendations with respect to MSPs and business diplomacy.

4.1 Participating in MSPs in Africa and its contribution to business diplomacy

This section will give the found content that proves a connection between business diplomacy and MNCs' participation in MSPs in Africa, from the MNC with the highest amount of content (Shell) through the MNC with the lowest amount of content (AkzoNobel). This classification per MNC gives the opportunity to give pre-final conclusions on the relation between MSPs in Africa and business diplomacy, with a global conclusion to be given later on in this thesis.

To start off with Shell, where no less than 15 relevant parts of content were found. Most likely because of the industry where Shell operates in, their main focus is on building relationships and trust with(in) the communities they operate. When Shell starts a project in a specific area, they operate in that area for a long time, which often means several decades. In order to stay legitimate and avoid conflicts, they participate in MSPs.

*'Our partnerships and broader collaborations are of vital importance to our new projects and ongoing operations. They can also play a beneficial role in helping to build trust among our stakeholders. We work with government, business and civil society, including non-governmental organisations, to contribute to broader public dialogue (...)'*¹

This specific sentence is being repeated in the Shell sustainability report, which emphasizes the importance of this mere fact. (Royal Dutch Shell N.V., 2013) Furthermore, on another page Shell tells about operations in Nigeria, where they collaborate with several relevant stakeholder parties. With this collaboration, Shell generates billions of dollars of income for the Nigerian government, creates jobs, provides energy for the country and supplies international markets with oil and gas.² Such a positive impact on a country as a whole, as well as communities, definitely increases legitimacy and helps with gathering a future license to operate.

Shell is also active in providing school programmes³, which benefits them in several ways. Firstly, because the students become familiar with Shell in an early stage, Shell builds a sustainable relationship with these students. Secondly, students might come up with industry-related innovations which benefit Shell's operating practices. As a third, because the students study about the oil and chemical industry they are likely to become Shell-employees in the future. This embedding of locals into their operations may yield them a license to operate.

Finally, Shell reports about MSPs causing conflict prevention⁴ and the minimisation of delays (Royal Dutch Shell N.V., 2013), which are positive outcomes of business diplomacy according to Saner et al. (Saner et al., 2000)

Concluding, the content that Shell gives doesn't explicitly refer to any kind of business diplomacy. Contrastingly, implicit references are found as much as 15 times. It could be argued that Shell actively practices business diplomacy by participating in MSPs which has a positive effect on Shell's business activities as it gives them legitimacy, a license to operate and less conflicts with important stakeholders.

Moving on to Unilever, where 11 relevant parts of content were found. It is noteworthy to say that Unilever's operating industry is way different than Shell's industry. Because Unilever produces products which they are able to sell in Africa, their MSPs are aimed at actually doing this. Derived out of the data, it could be said that Unilever's main focus is to grow as a business. The next quotes are from the same page, and prove this assumption.

'Partnership creates a sustainable relationship between Unilever, PSI and the communities. By teaching them to wash hands, their health improves and we also sell more soap.'

*'(...) we find that when we offer healthy and tasty foods, more people make them a regular part of their daily meals.'*⁵

These two quotes are randomly picked. Other ones could have been chosen as well, as Unilever talks about growing the business, together with participating in MSPs as much as seven times. Growing the business goes hand in hand with relationship-building with(in) local communities and target markets. Unilever acknowledges this fact as they state that 'they're also strengthening their strong relationships in the emerging markets they believe will be significant for their future growth'.⁶

Concluding, Unilever participates in MSPs to grow their business (which goes hand in hand with relationship-building in local communities). Business diplomacy has several sub-goals and outcomes, but the most important outcome of course is to make money. If it wasn't profitable, no MNC would engage in it. Therefore, it could be said that Unilever conducts business diplomacy in a clever and beneficial way. This all can be captured in the following quote.

'By enhancing livelihoods we can have a positive impact on people's lives and help grow our business since healthy societies support healthy businesses.' (Unilever N.V., 2013)

The next unit of analysis is Heineken, with eight parts of relevant content. Just like Unilever, Heineken searches for MSPs that are beneficial for themselves as well for the communities they operate in. For instance, Heineken has built long-term relationships with local farmers in many of their high growth markets. These projects help local farmers to compete against imported grains and raise their incomes, making a significant contribution to the alleviation of poverty at a local level. Local sourcing also eliminates import duties, secures a sustainable supply of raw materials for beer and reduces the company's transport-related environmental footprint.⁷ This contributes Heineken in two ways: they sell more beer because the local community has more income, and they save money because they don't have to pay import duties.

On another page of the Heineken-website, a movie is to be found. After telling about partnerships with NGOs, governments and local communities, it is told that 'Africa and Heineken are growing. Together.'⁸ This strengthens the assumption that Heineken participates in mutually beneficial partnerships.

Looking at Heineken's participation in MSPs, they particularly search for very specific, local partnerships to participate in. These partnerships are most often located in the communities where Heineken operates in. These partnerships strengthen legitimacy and creates a long-term relationship with the local community, while at the same time Heineken's operating business profits. Out of a business diplomacy view, the MSPs can be seen as beneficial.

Analysing Philips, five pieces of relevant content were found. It should be noted though, that four out of this five are about the same partnership. Philips operates in an industry where innovation is of great importance. Therefore, they look for partnerships that can help them in being innovative. Philips states that:

*'(...) we build partnerships and jointly develop supporting ecosystems for our innovations. Working with partners is crucial in delivering on our vision to make the world healthier and more sustainable through innovation.'*⁹

Furthermore they say about their partnership with AMREF (on delivering healthcare) in Africa that it 'helps Philips in its ambition to improve the lives of people in Africa, while at the same time realizing growth in this strongly emerging continent'. Somewhat later, it is stated that this partnership will contribute to better healthcare in Africa as well as to trade between Africa and The Netherlands.¹⁰

Looking at Philips, it might be that they opt for a license to operate or building long-term relationships with communities, but this was not found in their publications. Their participation

in MSPs is about searching for innovations that can benefit their operations and to grow the business in Africa. Because of the small amount of data with respect to MSPs or business diplomacy, it would not be right to conclude that Philips's participation in MSPs benefits their business diplomacy programme.

Looking at AkzoNobel, there was only one piece of relevant content found. AkzoNobel said the following:

*'Maintaining good relationships (by building partnerships) with our neighbours and communities is integral to corporate responsibility, and vital to our license to operate.'*¹¹

Actually, AkzoNobel is the only MNC that gives a direct reference to business diplomacy, by mentioning their license to operate. It should be said that out of all five MNCs, AkzoNobel had the least data available in their publications. This makes it more easy to understand that there is less relevant content to be found. Because there was limited content and because of the fact that this one quote refers to business diplomacy so specific, it is argued that for AkzoNobel, participating in MSPs contributes to successful business diplomacy.

Summing up, it could be seen that participating in MSPs in Africa contributes to successful business diplomacy. Although the different MNCs operate in different industries, all of them provided some data which made clear that there is a (positive) link between MSPs and business diplomacy. From gaining legitimacy to building long-term relations and from gaining a license to operate to growing the business; participating in MSPs in Africa can be beneficial for it.

4.2 Lessons to derive from MSPs with respect to business diplomacy

Looking at all data that was found, it is noteworthy to say that actually none of the MNCs speaks about business diplomacy as such. This could mean that these specific MNCs are not aware of the concept of business diplomacy, or just aren't engaged in it. Nonetheless, all MNCs do give implicit references to business diplomacy, out of which it could be made up that participating in MSPs in the developing continent in Africa actually is beneficial for business diplomacy.

The analysed MNCs all work in another industry, and it looks like this is a determinant factor for the kind of MSPs that the MNCs participate in. Where Shell is searching for a long-term sustainable relationship, legitimacy and a license to operate in the communities that they are involved in, Unilever and Heineken specifically search for partnerships that are beneficial for them in terms of financial gains. Thus, it could be said that the industry a MNC operates in, is determinant for the kind of MSP in which they participate.

In order to improve MNCs participation in MSPs for business diplomacy purposes, some recommendations can be given. As just mentioned; first think about the industry the MNC operates in and then search for MSPs that benefit the MNC the most with regards to the industry-specific demands. Besides that, all MNCs recognize the fact that Africa is an important growth market where there are much possibilities. The fact that all five MNCs are actually active in MSPs in Africa, proves the fact that it is beneficial (for business diplomacy as well as financial purposes) to become active over there. Furthermore, business diplomacy knows many potential goals and outcomes of which just some have yet been accomplished. This means that there

are chances and big potential for MNCs to find an own way to benefit it's business up to the max.

5. CONCLUSION

The five big Dutch MNCs that were analysed are all involved in business diplomacy and MSPs, albeit they don't explicitly mention these concepts. Because of the content analysis method however, related concepts could be found in order to be able to answer the research question. It was found that participating in MSPs in the emerging continent of Africa actually contributes to successful business diplomacy of MNCs. The participation in MSPs in Africa led to long-term sustainable relationships with the MNC, local governments, NGOs and the local communities, while it also established legitimacy and a license to operate. Furthermore, the overall business diplomacy goal of growing the business could be achieved by participating in MSPs in Africa.

By participating in MSPs that match with the industry a MNC operates in, the specific goals that belong to this specific industry can be achieved. When it is important for a MNC to get a license to operate, there are MSPs to be thought of that fit with this goal, just like when a MNC is in search of legitimacy etc. The data showed that when a MSP was found that fits with the operating industry, business diplomacy will almost always be successful.

At last, MSPs in Africa turned out to be successful for business diplomacy purposes for the MNCs that participated in it, which shows that Africa doesn't only hold the promise of being a future growth market. Africa actually is a growth market for the analysed MNCs.

5.1 Discussion and future research

For this thesis, a content analysis has been used. This only gave the opportunity to analyse data that has been publicised by companies in a general sense. Therefore, there was no chance to get in-depth of specific cases or to get more information about specific interesting themes. In future research, interviews might be held with (the same) MNCs to find out if the drawn conclusions correspond with the thoughts and ideas of involved managers and employees.

Another idea will be to conduct an in-depth study of such MSPs to find out if they actually benefit the MNC, local governments, NGOs and communities in the same way as the MNC report about them. There might be a potential positivity bias in the publications of the MNCs, as they want their activities to be successful in order to safeguard their corporate image and reputation.

At last, it might be suggested to conduct empirical, quantitative research. Qualitative research can be very clear and add specific knowledge to a field of research, but it all makes more sense when it can be supported by numbers and digits.

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7. APPENDIX 1: CONTENT DATA

Unilever

In Bangladesh alone, 41% of the children suffer from malnutrition. This is not only impacting their chances of survival, but also the individual productivity and the national economic development. Community level, direct training of families about nutrition and how they could improve their livelihoods. Through business skills training, an advice on growing and cultivating nutritious food, families living in extreme poverty are increasing their income, enabling to provide a more nutritious diet for the children. Our partnerships is transforming lives. **And this partnership is critical to deliver unilevers strategy, to increase our positive social impact as we grow the business. (filmpje)**

Malnutrition also has an impact on Bangladesh's economy, estimated to cost approximately US\$1 billion a year in lost economic productivity.

Save the Children is working with local communities and the government of Bangladesh to ensure that children and their families have access to nutritious food and the essential healthcare they need. Through our partnership we are facilitating the scale-up of the government's National Nutritional Service by equipping clinics and training health workers. At a community level, Save the Children is working directly with families to improve their access to nutritious food and increase their livelihood opportunities.

THE POWER OF PARTNERSHIP

With Unilever's support, Save the Children has reached over 167,000 children and their families in Bangladesh in the first year of the projects. The programme has improved 125 health clinics and has trained more than 1,800 health workers to provide life-saving support to children in Bangladesh.

As the two programmes in Satkania and Mollarhat continue, Unilever's support will enable thousands more children and their families to access the necessary healthcare and nutritious food they need, and encourage them to improve their livelihoods, helping end the cycle of chronic malnutrition.

<http://unilever.com/aboutus/foundation/savethechildren/unilever-ambassador-2014/index.aspx>

Our Plan has three big goals that by 2020 will enable us to:

- Help more than a billion people to improve their health and well-being.
- Halve the environmental footprint of our products.
- Source 100% of our agricultural raw materials sustainably and enhance the livelihoods of people across our value chain.

To embed sustainability into every stage of the life cycle of our products, we're working with our suppliers to support responsible approaches to agriculture. We're also learning from NGOs and other organisations, recognising that building a truly sustainable business is not something we can do without expert advice.

We believe that as a business we have a responsibility to our consumers and to the communities in which we have a presence. Around the world we invest in local economies and develop people's skills inside and outside of Unilever. And through our business and brands, we run a range of programmes to promote hygiene, nutrition, empowerment and environmental awareness. <http://unilever.com/aboutus/introductiontounilever/>

Around 303 million people were reached by the end of 2013 through our programmes on handwashing, safe drinking water, oral health and self-esteem. <http://unilever.com/aboutus/introductiontounilever/unileverataglance/>

We're also strengthening our strong relationships in the emerging markets we believe will be significant for our future growth. <http://unilever.com/aboutus/introductiontounilever/ourmission/>

By collaborating with partners including not-for-profit organisations, we can pool resources and leverage skills, capabilities and networks that complement our own expertise. During 2013 we developed a co-investment partnership with the Children's Investment Fund Foundation (CIFF). This aims to reduce the mortality of children under five. The partnership will implement Lifebuoy's handwashing programme in Bihar, India. Lifebuoy provides co-investment, staff resource and expertise to run the direct contact programme. It also invests in mass media to raise awareness of the importance of handwashing with soap. CIFF is providing significant co-investment alongside staff resource and expertise to optimise the programme's effectiveness. The five-year initiative will reach 9 million schoolchildren directly. It will also impact 50 million people as a result of children influencing members of their family.

Through the Foundation's support of UNICEF's Community Approaches to Total Sanitation ('CATS') programme, an estimated 600,000 people will be living in open defecation free communities. Nearly 1 million people will be reached with hygiene programmes and/or communication.

The Foundation is partnering with the WFP through Project Laser Beam (PLB). This public-private partnership aims to address child malnutrition holistically by tackling both direct and underlying causes. Through the programme, over 12 million school meals have been distributed.

The Unilever Foundation and PSI, a global health organisation, are working together to avert preventable deaths. They are teaching people about the importance of handwashing, and increasing access to clean drinking water, in parts of Africa and Asia respectively. Through this partnership over 1 million people will be reached with handwashing behaviour change programmes. 75,000 people will receive access to free safe drinking water.

[\(http://unilever.com/sustainable-living-2014/our-approach-to-sustainability/embedding-sustainability/\)](http://unilever.com/sustainable-living-2014/our-approach-to-sustainability/embedding-sustainability/)

Partnership with PSI in Africa on washing hands. Schoolkids get taught to wash their hands on five important times of the day. It improves health and hygiene. Knowledge is being transferred to the families of the children. **Partnership creates a sustainable relationship between unilever (lifebuoy), PSI and the communities. By teaching them to wash hands, their health improves and we also sell more soap. (filmpje)**

Our broad global presence and deep roots in developing and emerging countries mean we can offer solutions at scale. And we have leading brands – such as Flora and Becel pro•activ, Lifebuoy and Dove – which succeed in encouraging millions of people to build good habits in health, hygiene and self-esteem.

We find the business case is compelling. For example, the more we educate people on the health and life-saving benefits of handwashing, the more soap we sell. And we find that when we offer healthy and tasty foods, more people make them a regular part of their daily meals. (http://unilever.com/sustainable-living-2014/improving-health-and-wellbeing-our-big-goal/)

Partnering with more organisations to pool resources and complement capabilities, such as Unilever Foundation Partners, UNICEF and PSI, WSUP and Millennium Villages and with governments in India, Indonesia and Vietnam. However, bringing about widespread, sustainable behaviour change is not something we can do alone. We therefore work closely with governments, NGOs, academia and funding partners to increase our reach and impact.

When the society we serve enjoys better health, hygiene and well-being, our business also benefits. Many of our programmes drive growth directly - our oral care and handwashing programmes are good examples. When more people brush their teeth or use soap regularly, toothpaste and soap consumption increases – improving health and growing our business. Lifebuoy, for example, is one of Unilever’s fastest-growing brands, achieving three years of sequential double-digit growth to become the world’s number one anti-bacterial brand. Addressing social challenges is good for society - and good for business.

Published studies of work to integrate WASH programmes show mixed results. The main challenges to overcome are that water, sanitation and hygiene require distinct approaches and capabilities. The speed and ease of adoption of each approach differs.

There is also a question around the extent to which it is possible to change multiple behaviours through a combined behaviour-change intervention. Behaviour change theory and approaches typically focus on changing one specific target behaviour at a time. We will pilot and further evaluate multi-behaviour integrated WASH programmes and, where proven, take successful approaches to scale.

Our partnerships help us to deliver a bigger impact. We work with partners in a number of ways.

- With experts and academics: to access the latest and best thinking on how to drive behaviour change at scale and how to measure the impact and effectiveness of our programmes.
- **With NGOs: to develop, pilot and improve programmes, to achieve greater scale by leveraging existing on-ground networks, to run joint advocacy programmes to raise the profile and resources given to our WASH programme, to make joint funding proposals, to run cause-related marketing campaigns and to work together on long-term sustainability, particularly with governments and policy makers. For example, working together to encourage hygiene education to be built into schools’ curricula, or securing investment to improve infrastructure for clean water, good sanitation and improved hygiene in schools and communities.**
- Through the Unilever Foundation, launched in 2012, we are partnering with five leading global organisations – Oxfam, PSI, Save the Children, UNICEF and the World Food Programme – several of which we are working with to help improve the health and hygiene of communities and individuals in need.

EXAMPLES OF PARTNERSHIPS IN ACTION

In 2013, we delivered a joint Lifebuoy handwashing programme with Population Services International (PSI) in schools in Kenya, Zimbabwe and Vietnam. With PSI we are working to make a tangible contribution to improving the health of children and families, by delivering behaviour-change interventions that focus on handwashing and clean drinking water. In India, as part of our goal to make safe drinking water available and affordable, the Unilever Foundation and PSI launched Waterworks™ in Bhopal. Waterworks™ trains women to teach families how to use

our Pureit water purifiers. 75 women from the communities have been trained as Waterworkers, helping to improve their livelihoods and provide 15,000 low income households with free Pureit home water purifiers.

With UNICEF, Domestos and the Unilever Foundation are improving access to sanitation in developing countries through UNICEF's Community Approaches to Total Sanitation (CATS) initiative. This aims to eliminate open defecation by changing people's behaviour and promoting demand for sanitation at the community level. Through CATS, 760,000 people have been reached with sanitation behaviour change interventions; this will result in these individuals living in open defecation-free communities¹. A proportion of the profits from sales of Domestos in developed countries is given to UNICEF to increase the reach of CATS. We also partner with UNICEF to deliver school handwashing programmes in South Africa and India.

By supporting Save the Children's EVERY ONE campaign we are improving access to health workers and life-saving interventions, and ensuring children and mothers in need are reached with high-impact health and nutrition programmes. Our partnership will improve the lives of 2 million children and their mothers by 2016. We are also supporting advocacy work to strengthen national health systems in key countries.

While we are making progress, we realise that our ambitions will only be met if we draw on the capabilities, expertise and experiences of others. In this respect, partnerships – with civil society, peer companies and governments – are critical to the successful implementation of lasting solutions.

HOW DO WE MEASURE SUCCESS?

We have defined a metric to measure progress against our Unilever Sustainable Living Plan commitment to help more than a billion people to improve their health and hygiene. This is the number of people reached on a cumulative basis by an intervention which, based on past studies, can be expected to result in sustained, positive behaviour change.

We aim to provide as accurate a picture of our programme impacts as possible. To do this we conduct detailed evaluation studies and independent evaluations of our programmes' and products' effectiveness.

Measuring behaviour change is challenging, particularly for health behaviours where people tend to overclaim good behaviour such as handwashing or toothbrushing.

To help overcome the risk of positive bias, we have pioneered the use of two methodologies which aim to counter the bias in reporting which is often seen with self-reporting.

One effective way of doing this is through quantitative diary studies where mothers and children track everyday behaviours over a period of time. By masking the target behaviour we are seeking to measure among a number of daily habits, we limit the risk of bias as respondents do not know which behaviour we are evaluating. This methodology has been used to measure toothbrushing and handwashing behaviour.

We also draw on advanced technologies to assist us in our impact evaluation. For example, we use smart sensors inside soap bars, toothbrushes or other products. This enables researchers to gather data unobtrusively during behaviour-change trials in people's homes. From this data, we can monitor the extent to which different types of interventions lead to meaningful behavioural change.

In addition, we monitor the business results of our health and hygiene interventions through market data such as World Panel usage data and Nielsen sales data. This provides insight into the short and long-term impacts of our programmes. For example, in France, market data shows that the oral care market has grown by 5% over 2009-2012, where Signal's Brush Day and Night programme is increasing brushing frequency.

Logger technology can provide data and insight into both hygiene behaviour and business impact. For example, initial results from a logger study to assess the impact of our joint handwashing programme with Millennium Villages in Ghana showed a significant increase in both the frequency and quality of handwashing with soap. Schoolchildren washed their hands more thoroughly and used more soap per handwash. These behavioural changes create a win-win, improving hygiene through handwashing and increasing soap consumption.

In many cases we partner with external experts to evaluate the impact of our initiatives. Pureit has partnered with a number of leading institutions including the Indian National Institute for Epidemiology to evaluate the impact of its in-home water purifier on the incidence of diarrhoea. The study showed a 50% reduction in diarrhoea incidence.

[\(http://unilever.com/sustainable-living-2014/improving-health-and-wellbeing/health-and-hygiene/our-health-and-hygiene-strategy/\)](http://unilever.com/sustainable-living-2014/improving-health-and-wellbeing/health-and-hygiene/our-health-and-hygiene-strategy/)

The business case is clear. By focusing on people's sustainable living needs we build stronger brands. By looking at product development, sourcing and manufacturing through a sustainability lens, opportunities for innovation and cost reduction open up. And by sourcing sustainably we can reduce risk in our raw material supply chains.

Going beyond what we can achieve with our suppliers, we are stepping up our engagement with governments, NGOs, certification bodies and multi-stakeholder groups. By working together, we believe that fundamental change in farming is possible in the near term. [\(http://unilever.com/sustainable-living-2014/reducing-environmental-impact/our-big-goal/\)](http://unilever.com/sustainable-living-2014/reducing-environmental-impact/our-big-goal/)

Enhancing livelihoods is about the impact that we as a business have on people's lives. It is about helping people to fulfil their potential by widening the opportunities given to them and including them in our business success. It's about respecting and, where necessary, protecting fundamental human and labour rights.

Our aim is to increase the positive social impact we have through our products, our campaigns and our behaviour to each other, those we do business with and the communities in which we operate.

Ultimately this helps the business to grow, since healthy societies support healthy businesses and high standards reduce both operational and reputational risk.

By 2020, we will enhance the livelihoods of millions of people as we grow our business.

We therefore need to work in partnership to create wider movement in the industry. We want to see fairness in the workplace, increased opportunities for women and inclusive business as standard in the corporate world. It is also important to ensure that our actions in this area are not only socially fair, but also commercially viable over the long-term. (<http://unilever.com/sustainable-living-2014/enhancing-livelihoods/our-big-goal/>)

REGIONAL AND NATIONAL COALITIONS ON HIV/AIDS

We support 11 business coalitions on AIDS across Africa (Côte d'Ivoire, Ghana, Kenya, Malawi, Mozambique, Nigeria, South Africa, Tanzania, Uganda, Zambia and Zimbabwe).

Unilever is a member of the Private Investors for Africa (PIA), a business coalition that brings together ethically like-minded companies with the objective of using their business experience in Africa to tangibly contribute to the continent's future. A successful business requires a healthy workforce, and PIA companies work together to mitigate health risks in the workplace. A working group compiled an HIV/AIDS roadmap with key performance indicators and regularly monitors progress against this. Currently, PIA is building on the success of this initiative to develop plans to address malaria, health and safety and non-communicable diseases.

We have been a member of the South African Business Coalition on HIV/AIDS (SABCOHA) since its inception in 2007. Its aim is to co-ordinate a private sector response to the HIV/AIDS epidemic and to help companies, both large and small, in their efforts to combat the epidemic through workplace initiatives. The business environment offers a unique opportunity to target the millions of employees affected by the pandemic. We participate in SABCOHA initiatives and use this forum to share best practice with other companies. (?)

While we are working to strengthen our own commitments and processes in the areas of women's rights and economic inclusion, sustained and transformative change can best be brought about by listening to the voices of civil society organisations. These are critical to help our understanding of both women's issues and priorities as we focus on our future work.

We will continue to work through other cross-industry and multi-stakeholder initiatives such as the World Economic Forum, New Vision for Agriculture and the UN Global Compact. We endorse the Women's Empowerment Principles, a collaboration between the UN Global Compact and UN Women, and will work to further align and embed these principles into our operations globally. We have also signed the Girl Declaration. (<http://unilever.com/sustainable-living-2014/enhancing-livelihoods/opportunities-for-women/our-strategy/index.aspx>)

Our Home Care team in Latin America partnered with leading retailers, including Carrefour, in a new initiative 'Sumate al EcoLavado' (Join us at Ecowash) to promote good laundry habits. Five brands, including Surf and Skip, worked together in Argentina, Uruguay and Chile to encourage washing at lower temperatures, energy saving through shorter wash cycles and switching to concentrated detergents. Carrefour stores that participated in Argentina have experienced sales growth three times higher than others while consumers were encouraged to make lasting changes to their behaviour.

By enhancing livelihoods we can have a positive impact on people's lives and help grow our business since healthy societies support healthy businesses. (Sustainable living plan)

Akzonobel

But there can be no innovation without education, so providing proper education for young people should be a fundamental concern to those who live in, work in, or are connected to cities – and that's pretty much all of us.

We therefore need to take this responsibility very seriously. At AkzoNobel, we've long been supporting and investing in the education of young people all over the world so that we can help to unlock their potential. And we will continue to do so.(?)

Akzo Nobel participates in and contributes to the societies in which it operates in appropriate ways. The company remains in close contact with relevant governmental bodies in the communities and societies in which it operates. At the local level, sites are encouraged to make resources available to support community activities and to give their employees the opportunity to play an active role in society. Since 2005 this is stimulated and co-ordinated by our Community Program.

Both our businesses and corporate departments appreciate their engagement with several large multilateral organizations, NGOs and universities on issues drawn from the full spectrum of sustainability. Furthering business integrity and human rights, development of sustainable products and technologies and improvement of health standards are just three examples of areas in which that engagement has led to fruitful collaborations.

https://www.akzonobel.com/system/images/AkzoNobel_Position_Statement_Stakeholder_Engagement_tcm9-38538.pdf

An important aspect of our community involvement is to help our people to make a difference in their neighborhoods: this is co-ordinated and funded through the AkzoNobel Community Program. The program encourages employees to engage in hands-on involvement in their local communities and gives them the necessary financial support. The fund is also available to support post-relief efforts for major disasters in countries where AkzoNobel operates.

https://www.akzonobel.com/sustainability/managing_sustainability/stakeholder_engagement/

A number of concerns in society are related to the operations of chemical companies. Non-governmental organizations are positioned to voice these concerns and to lobby for improvement. We continue to actively engage in a dialog with dedicated NGOs.

We continue to build our relationships with several sustainability organizations, to maintain an external perspective:

- Our Director of Sustainability participates in the World Business Council for Sustainable Development, the Dutch Council for Sustainable Trade Initiatives in emerging countries and the Climate Council for the City of Amsterdam.
- We have worked with the World Resources Institute on an Eco-systems Services Review and development of the international Greenhouse Gas Protocol.
- Decorative Paints has continued to partner with Forum for the Future on sustainability projects; and to benefit from Cambridge Programme for Industry development programs.
- We work together with the Flour Fortification Initiative (FFI), BOSK, The International Federation for Spina Bifida and Hydrocephalus and the Dutch government to train millers throughout Africa in fortifying flour with essential nutrients so that people will benefit from more vitamins and minerals in their staple foods.

Maintaining good relationships with our neighbors and communities is integral to corporate responsibility, and vital to our license to operate. Our operating sites have regular contact with their neighbors via local panels, open days or publications; and our Community Program supports employees in playing an active role in their local society. Our direct neighbors are also among the most important stakeholders for emergency communications and response.

https://www.akzonobel.com/sustainability/managing_sustainability/stakeholder_engagement/working_with_stakeholders/

Millers throughout Africa are to receive training in fortifying flour with essential nutrients so that people will benefit from more vitamins and minerals in their staple foods. The training is possible through a partnership including AkzoNobel, BOSK, The Flour Fortification Initiative (FFI), the International Federation for Spina Bifida and Hydrocephalus, and funding from the Dutch government.

The program is designed to educate millers on technical aspects of fortifying flour and the importance of this practice in improving health. The program will also provide leadership training for public health officials and national food control authorities. It will include the latest technical recommendations for fortifying flour with vitamins and minerals.

“This project will greatly accelerate the introduction of flour fortification based on the latest scientific advice, which will lead to significant reductions in iron deficiency, birth defects and other health problems related to nutrient deficiencies,” said Ms. Hye Kim, FFI interim Executive Officer.

Flour fortification is an effective way to boost vitamins and minerals that are often lacking in diets in Africa. When flour is fortified, people consume more nutrients when they eat staple foods, and this does not require a change in their behaviour or the added expense of buying vitamin supplements.

Dramatic reductions in vitamin and mineral deficiency will contribute to the achievement of many of the Millennium Development Goals of the United Nations, including the improvement of education, reduction of child mortality, and improved maternal health. ([https://www.akzonobel.com/system/images/AkzoNobel Millers in Africa tcm9-38550.pdf](https://www.akzonobel.com/system/images/AkzoNobel_Millers_in_Africa_tcm9-38550.pdf))

Sub-Saharan Africa has the highest proportion of undernourished people in the total population - one in three people - or 236 million - are chronically hungry. The Amsterdam Initiative against Malnutrition (AIM) will work on a careful step-by-step basis to reduce malnutrition in six target countries: Ghana, Kenya, South Africa, Ethiopia, Mozambique and Tanzania. AIM will develop effective and sustainable approaches to accelerate the delivery of improved nutrition.

It will result in more low cost - high quality fortified staples and processed products in the market place through innovative marketing and effective distribution channels. In close collaboration with partners at the country level, GAIN's expertise and the strength of the Government of the Netherlands, combined with the know-how of the food and ingredients producers, the nutritional science of Wageningen University and networks of to-be-identified civil society organizations will provide together many of the ingredients to ensure success.

AIM will reach out to public and private partners to join the effort to end malnutrition for 100 million people in Africa by 2015. "If we are going to ensure sustainability we need to take a new approach where many enterprises and organizations can play a role" says Mr. Naidoo. "This issue cannot be solved in isolation but will take active participation by parties large and small, focused on the goal. We must end this tragedy of malnutrition in Africa". AIM is launched at the GAIN Business Alliance Global Forum held in Amsterdam on 27 May 2009.

(<http://www.gainhealth.org/press-releases/gain-government-netherlands-akzonobel-dsm-unilever-and-wageningen-university-launch-a>)

Heineken

In January 2013, HEINEKEN launched a four-year project with the European Cooperative for Rural Development (a Brussels-based NGO), the Ethiopian Agricultural Transformation Agency, the Ethiopian Institute of Agricultural Research and the Dutch government which is providing financial support. The objectives of the project are to reduce poverty by restoring agricultural production. Additionally, the aim is to restore essential social services and rebuild local community cohesion and infrastructure. (<http://www.sustainabilityreport.heineken.com/empower/case-studies/ethiopia-improved-use-of-local-resources.html>)

HEINEKEN has been involved in sustainable agriculture and sourcing initiatives for more than a decade. We have built relationships, via long-term commitments, with farmers and suppliers in order to secure a steady supply of raw materials (barley, hops and bitter-sweet cider apples) for all our beer and cider brands. By doing so, we ensure that we can continue to make the highest quality products from the highest quality ingredients while at the same time stimulating sustainable farming and contributing positively to the environment.

In many of our high growth markets, we run local sourcing projects linked to raw materials. These internationally recognised projects help local farmers to compete against imported grains and raise the incomes of smallholder farmers, making a significant contribution to the alleviation of poverty at a local level. Local sourcing also eliminates import duties, secures a sustainable supply of raw materials for beer and reduces the Company's transport-related environmental footprint.

We believe that projects like these, in partnership with NGOs and governments, are the way forward and bring about real sustainable change and growth. (<http://www.sustainabilityreport.heineken.com/empower/heineken-cares/local-sourcing.html>)

Since 2001, HEINEKEN has provided lifetime treatment for all employees and their dependents, even if they leave the Company. We run this programme in conjunction with PharmAccess, a Dutch NGO. The programme has been extended to some of the breweries in Nigeria that were acquired in 2012. However, a number still need to be brought into the programme, starting in 2013.

Worldwide, medical care is provided at 32 sites to over 45,000 persons directly by HEINEKEN doctors supervised by Global Health Affairs. More than 160,000 consultations were performed by our medical staff in these countries.

Especially in Sub-Saharan Africa, the medical programme is important for employees; it is monitored and the quality is improved through regional programmes.

Programmes for health promotion and wellness are being implemented in many places in Africa. In addition, HEINEKEN provides information on general protection and preventive measures and voluntary HIV testing. In Kinshasa, in the Democratic Republic of Congo, a programme reaching out to 19 of HEINEKEN's suppliers helped these companies set up their own workplace HIV prevention programmes. (<http://www.sustainabilityreport.heineken.com/empower/heineken-cares/healthcare.html>)

We support our communities in three ways:

1. Direct contributions made locally. Operating Companies have an intimate knowledge of relevant and pressing issues in their local communities. They are therefore in the best position to make the best decisions on social investments. The best investments are those where there is a clear shared benefit for both the Company and the community in which it operates. Great examples are many of our partnerships with local NGOs and other community partners to address alcohol misuse.
2. Shared-value projects. These spread the benefits of commercial activities to the wider community. Our local sourcing projects in Africa are a good example. These projects not only benefit HEINEKEN as a business, but also create jobs, help to strengthen the agricultural sector and improve the lives of rural households over time.
3. The Heineken Africa Foundation. Established via an endowment from HEINEKEN of EUR20 million, the Foundation is able to invest up to EUR1 million per year in community healthcare projects in Sub-Saharan Africa. At the end of 2012, the Foundation had committed to 38 healthcare projects totalling EUR3.5 million. Eleven of these projects started in 2012. As the Foundation is a separate legal entity, this investment is outside the scope of this report. The Heineken Africa Foundation works in partnership with HEINEKEN, its subsidiaries in Sub-Saharan Africa and non-governmental or governmental organisations (NGOs or GOs). For each project, a tripartite partnership is set up whereby the foundation provides funding, the local subsidiary supports through means of manpower, expertise and monitoring, and the NGO or GO ensures final implementation and integration in the relevant public health system. (<http://www.sustainabilityreport.heineken.com/empower/heineken-cares/corporate-social-investment.html>)

Besides delivering high quality beer we strive to improve the lives of our employees, their families and the communities in which we operate. Heineken has donated 20 million euro's to fund healthcare projects. The foundation is working and funding in partnership with NGOs, governments and local communities. 27 projects are under way. We consider it as a part of doing business and we strive to do even more. **Africa and Heineken are growing together.** (filmpje <http://www.sustainabilityreport.heineken.com/empower/case-studies/heineken-africa-foundation-improving-health-in-africa-for-five-years.html>)

HEINEKEN in the DRC wanted to make a positive contribution by helping to ensure that high-quality blood was available for those in desperate need. To achieve this, a partnership with the National Blood Transfusion Programme and the Ministry of Health was initiated and a project developed to reach both HEINEKEN employees and the general population.

HEINEKEN has encouraged its own employees to make voluntary blood donations by setting up blood collection units within the grounds of its breweries each quarter. Among the wider population, the annual Donors' Day initiative has helped to raise awareness about the necessity of giving blood. In addition to creating banners encouraging countrywide participation in Donors' Day, HEINEKEN also provided donation tents, a public address system and a light meal for donors after they had given blood.

Employees donated a total of 170 bags of blood, which is 68 per cent of the target. Besides building strong links with the Ministry of Health, HEINEKEN hopes the success of the initiative will inspire other companies to follow its example. (<http://www.sustainabilityreport.heineken.com/empower/case-studies/democratic-republic-of-congo-saving-lives-through-voluntary-blood-donations.html>)

In the Democratic Republic of Congo, HEINEKEN's subsidiary Bralima has made a significant contribution to the rice sector by boosting local demand. Working in partnership with the Dutch Ministry of Foreign Affairs, the European Cooperative for Rural Development and specialist agricultural NGOs, we have trained smallholder farmers to produce consistent volumes of high-quality rice. As a result, farmers' average production and income have tripled.

We now source 87 per cent of rice (an ingredient for beer) for our Bralima brewery locally, compared with 16 per cent when the project started in 2008. In addition to securing a regular and ongoing supply of raw materials, local sourcing has also decreased our exposure to volatile currency differences and importation costs.

In 2012, more than 17,000 households received support – in the form of workshops, on-farm demonstrations and access to high-yield seed varieties – benefiting more than 100,000 farmers and their family members. Since the start of the project in 2008, over 58,000 households, involving more than 350,000 farmers and their families, have benefited from the project. For example, higher revenues generated by rice production have facilitated access to healthcare, better nutrition and the purchase of farming implements. (<http://www.sustainabilityreport.heineken.com/empower/case-studies/democratic-republic-of-congo-reaping-the-benefits-of-local-sourcing.html>)

In an effort to reduce the environmental footprint of its operations, Nigerian Breweries launched an initiative to recycle spent grains, a by-product of the brewing process, into organic fertiliser. In partnership with EarthCare Nigeria Ltd, which operates a composting facility in the Ikorodu area of Lagos, 100 per cent of spent grains produced in the Lagos plant are now recycled, completely neutralising their negative environmental impact.

Through the partnership EarthCare Nigeria Ltd, which was started in 2011 and strengthened in 2012, Nigerian Breweries now has full control of what happens to its spent grains when they leave the brewery. The initiative has had financial benefits for the business as it eliminates payments to spent grain evacuators and fees for dump site usage. But it has also proved to be a creative way to support local agriculture, by providing farmers with an economical source of high-grade fertiliser.

The next stage of the partnership will focus on introducing the brewery's sorghum farmers to this organic fertiliser as an alternative to chemical fertiliser, and to extend the project to more rural areas where there is greater demand from local communities for spent grains as animal feed. (<http://www.sustainabilityreport.heineken.com/improve/case-studies/nigeria-a-second-life-for-spent-grains.html>)

We make it mandatory for every HEINEKEN Operating Company that has a meaningful market presence to establish a partnership with a third party to address a locally important aspect of alcohol-related harm. Through these alliances, we can: Contribute effectively to reducing alcohol-related harm Increase our understanding of alcohol misuse issues Achieve outcomes that we could not achieve on our own Get to know different stakeholders and target audiences Demonstrate that we care about the consequences of alcohol misuse. (<http://www.sustainabilityreport.heineken.com/impact/partnerships-for-progress/partnerships.html>)

The Heineken Africa foundation works in partnership with HEINEKEN, its subsidiaries in sub-saharan Africa and non-governmental or governmental organisations (NGOs or GOs). For each project, a tripartite partnership is set up

whereby the foundation provides funding, the local subsidiary supports through means of manpower, expertise and monitoring and the NGO or GO ensures final implementation and integration in the relevant public health system. The combined efforts of the private sector partner (HEINEKEN), the NGOs (Heineken Africa foundation and local partnering NGOs) and the public organisations ((local) governments and community organisations), offer a strong basis for sustainable healthcare development and improvement in sub-saharan Africa.

<http://africafoundation.heineken.com/index.html>

Funding will be allocated in areas where Heineken has a clear infrastructure and presence of management. Currently Heineken has operations in the following countries in Sub-Sahara Africa: Democratic Republic of Congo, Republic of Congo, Rwanda, Burundi, Nigeria, Sierra Leone, South Africa and Namibia.

Excluded from funding

Heineken Africa Foundation will not fund projects that may lead to a direct commercial benefit for the local Heineken operation. Funding from Heineken Africa Foundation may not replace health benefits currently provided to Heineken employees and their family members. Lastly, the Heineken Africa Foundation will not fund research projects, medical or health-related events and conferences; it will neither sponsor projects related specifically to adolescents.

<http://africafoundation.heineken.com/funding.html>

The Foundation believes that collaboration with NGOs is key in creating successful projects. A partnership between the Foundation (for funding), the local Heineken operating company (for support, monitoring and resources) and an NGO (for expertise and experience) will guarantee the necessary quality, resources and sustainability. The NGO should preferably lead the project, since the activity of the project is their core business.

<http://africafoundation.heineken.com/faq.html>

Philips

Healthcare is about more than providing innovative medical equipment. Our challenge is to reach as many people as possible. We work together with local governments and health organizations to improve access to healthcare. But that's not enough. In many countries, the lack of trained and skilled healthcare professionals who know how to operate and maintain equipment is an increasing challenge. Philips is a strategic partner in professional and technical healthcare education.

Every year millions of children die in or shortly after birth. Half a million mothers too, die from utterly preventable complications related to pregnancy or childbirth. Philips' commitment is to provide high quality and affordable mother and childcare to millions in areas where it's needed most, in partnership with local health organizations. We are passionate about helping to achieve the Millennium Development Goals to reduce child deaths by two-thirds and maternal deaths by three-quarters by 2015.

A healthy lifestyle is pertinent for an active and productive society. Lessons learned by children early in life have a profound impact on the habits they carry into adulthood. To promote healthy lifestyles, Philips works with employees, local communities and schools to teach children lessons about nutrition, the environment, exercise, hygiene and sanitation. Sharing locally relevant content through fun and engaging lessons, children, employees, and local community members all get involved in learning how to live better and healthier.

In 2012, Philips and the KNVB established a three year partnership, built around the creation of 90 solar 'community light centers' across the African & South American continents. Light centers are areas of approximately 1000m², or the size of a small soccer pitch, which are lit using a new generation of highly efficient solar powered LED lighting.

The aim of the community lights centers is to create areas of light for rural communities which live without electricity, effectively 'extend the day' and creating numerous opportunities for social, sporting and economic activities in the evening. These new light centers will also enable and support the KNVB's WorldCoaches program in Africa and South America. The WorldCoaches program trains football coaches in using football for social development, focusing on communities in developing countries.

Many of the brightest, most successful ideas are born of synergy. Over the past decades, we've worked closely with support organizations to implement healthcare projects across the Maghreb and Sub-Sahara Africa. We're always interested in exploring collaborative opportunities with stakeholders in the development, business, academic, non-profit and medical communities.

<http://www.philips.com/about/sustainability/oursocialapproach/socialinvestments/index.page>

Across all our activities we seek to engage stakeholders to gain their feedback on specific areas of our business. Working in partnerships is crucial in delivering on our vision to make the world healthier and more sustainable through innovation.

In organizing ourselves around customers and markets, we create dialogues with our stakeholders in order to explore common grounds in addressing societal challenges, build partnerships and jointly develop supporting ecosystems for our innovations. Working with partners is crucial in delivering on our vision to make the world healthier and more sustainable through innovation.

In November 2013, Philips and AMREF Flying Doctors announced that they will work together in a partnership to structurally improve healthcare infrastructure and provision in Africa. Both parties will leverage their respective strengths to help tackle inadequately equipped medical facilities and inadequately trained staff as a way to better address the growing incidence of non-communicable diseases across the continent. AMREF and Philips will also work with local stakeholders to develop and implement large-scale projects to make healthcare more accessible to the local population.

We sought similar partnerships in our 'Fabric of Africa' campaign launched in 2013. The campaign's primary intent is to enter into public/private partnerships with local and international stakeholders to improve healthcare delivery in the areas of non-communicable diseases, maternal and child health, healthcare infrastructure, technology and clinical training. Philips has developed innovative, low-resource setting health technologies and e-Health solutions to address the challenges in the African market.

<http://www.philips.com/about/sustainability/oursocialapproach/stakeholderengagement/index.page>

Our mission is to team with governments, NGOs and the private sector to address the toughest health concerns and clinical challenges facing the African Continent today.

<http://www.healthcare.philips.com/main/clinicalspecialties/womenshealthcare/foa/index.html>

We are qualified and committed to establish a trained workforce in Africa and lead the drive to the digitalization of healthcare in the region. We are a partner to governments, NGOs and the private sector in striving towards the millennium development goals, specifically the goals 4 and 5 and the post 2015 agenda that includes non-communicable diseases. Philips healthcare is contributing to these goals with quality medical equipment, with world-class education initiatives, with professional capacity building and technical assistance with attention to the needs of women from birth through adolescence to motherhood and beyond. **(filmpje1)**

By joining forces with public parties and private parties, we can really make an impact on the life of many people on the continent. Women are at the very core of the health of a society, and by the programs that we jointly drive we can make sure that we reduce mother and child mortality which we know is a big issue on the African continent. By applying Philips technology and making sure that in early stages of the pregnancy, we monitor carefully, and we will be able to make sure that we reduce this mother and child mortality big time. **(filmpje4)**

Many of the brightest, most successful ideas are born of synergy. Over the past decades, we've worked closely with support organizations to implement projects across the Maghreb and Sub-Sahara Africa.

We're always interested in exploring collaborative opportunities with stakeholders in the development, business, academic, non-profit and medical communities.

<http://www.healthcare.philips.com/main/clinicalspecialities/womenshealthcare/foa/our-mission.html>

In many African countries, there is a chronic shortage of suitable equipment or necessary skills to facilitate safe delivery and appropriate newborn care. Through continuous dialogue with relevant stakeholders, we seek to gain a better understanding of each country's unique requirements and develop technology to support improved maternal and child healthcare.

<http://www.healthcare.philips.com/main/clinicalspecialities/womenshealthcare/foa/maternal.html>

Poorly equipped medical facilities, under-trained staff and crumbling infrastructure are a serious concern in many corners of the African continent.

To address this, we've entered into a number of agreements to provide access to advanced healthcare solutions with the Ministries of Health of several African countries. Our efforts are two pronged - restoration of medical facilities, and training and retention of local healthcare professionals.

We understand the complex health challenges and constraints to access that many women face in Africa, and in cooperation with local organizations and leaders, we are working hard to provide solutions that respond to these challenges.

We've implemented multi-year rehabilitation programs involving equipment, service, water purification, and healthcare workforce training across the continent. We build on local resources and skills by creating facilities that will be sustainable long after the equipment is installed.

In places where there are limited existing facilities or a lack of infrastructure to readily utilize our solutions, we are committed to exploring models that integrate mobile solutions such as tele-radiology into large-scale projects.

Ongoing training of caregivers and the building of local knowledge are integral to the retention of medical staff and continued sustainability of these projects.

<http://www.healthcare.philips.com/main/clinicalspecialities/womenshealthcare/foa/system.html>

Without strong regional collaborations, our ability to improve access to care for African women and their families would be modest at best. Over the course of several decades, we've been fortunate to work together with outstanding organizations such as non-profit organizations, government agencies, medical communities, academia, and local financial institutions.

<http://www.healthcare.philips.com/main/clinicalspecialities/womenshealthcare/foa/collaborations.html>

Philips and AMREF (African Medical and Research Foundation) Flying Doctors, the largest health organization in Africa, today announced that they will work closely together in an innovative shared-value partnership model designed to bring about a structural improvement in the health care infrastructure and provision on the African continent. **This long-term strategic partnership aims to support AMREF in achieving its social goals and will help Philips in its ambition to improve the lives of people in Africa, while at the same time realizing growth in this strongly emerging continent.**

"In this innovative partnership, AMREF and Philips will contribute to better health care in Africa as well as trade between the Netherlands and Africa - a good example of how foreign aid and trade can together create added value," said Simon Smits, Director-General of Foreign Economic Relations, on behalf of Lilianne Ploumen, Dutch Minister for Foreign Trade and Development Cooperation, at the signing ceremony of the partnership agreement.

support African governments in tackling these and other problems, AMREF and Philips will leverage their respective strengths. Their cooperation brings together deep knowledge of local authorities and local customs, habits and needs in various African countries. One of several African organizations with strong educational programs, AMREF has been active in Africa for over 55 years and is deeply rooted in rural areas and hospitals. Philips has been active in Africa for over 100 years and, as a leading company in the field of medical innovations, has extensive expertise in hospitals and health care systems, medical technology, healthcare services and the training of healthcare professionals.

AMREF and Philips will connect their respective networks and introduce new education and training programs designed specifically for health care professionals in Africa. In close cooperation with local stakeholders, both parties will strive to develop and implement large-scale projects to improve health care infrastructures and make health care more accessible to the local population.

"To provide innovative solutions that can deal with the complexity of health care in Africa, Philips is taking a long-term approach aimed at close collaboration with local and international parties that have strong engagement in the issues," said Peter van de Ven, General Manager Philips Healthcare Africa. "By teaming up with AMREF, an internationally respected African health care organization, and with the support of the Dutch Ministry, we are convinced that we can work toward our goals of making a significant contribution to improving health care in Africa, expanding our activities for providing clinical and technical training to people, and growing Philips as an organization on the African continent."

The success of their initiatives is demonstrated by an increase in the number of nurses trained in Kenya from 100 to 7,000 per year, and higher scores by students in exams. AMREF is now providing a wide range of training courses for various professional groups, from members of staff in African ministries to the many volunteers (community health workers) who are deployed in Africa.

<http://www.healthcare.philips.com/main/clinicalspecialities/womenshealthcare/foa/flying-doctors-improve-africa.html>

Shell

Our approach to sustainability is integrated across our business activities on three levels (see diagram). We work in collaboration with businesses, governments and civil society, including non-governmental organisations, at each level.

Our business is planned for the long term, which means we can be part of a community for decades. There are many countries where we have operated for more than 100 years. We help to develop local economies by creating jobs, sourcing from local suppliers, and paying taxes and royalties. We support community projects that are based on the needs of the local communities. (<http://www.shell.com/global/environment-society/s-development/sd-in-shell.html>)

Our commitment and policy reflects the integrated way we work across Shell in the areas of health, security, safety, the environment (HSSE) and social performance (SP). All Shell companies, contractors and joint ventures under our operational control must manage HSSE and SP in line with the commitment and policy.

Commitment

In Shell we are all committed to:

- Pursue the goal of no harm to people;
- Protect the environment;
- Use material and energy efficiently to provide our products and services;
- Respect our neighbours and contribute to the societies in which we operate;
- Develop energy resources, products and services consistent with these aims;
- Publicly report on our performance;
- Play a leading role in promoting best practice in our industries;
- Manage HSSE & SP matters as any other critical business activity; and
- Promote a culture in which all Shell employees share this commitment.

In this way we aim to have an HSSE & SP performance we can be proud of, to earn the confidence of customers, shareholders and society, to be a good neighbour and to contribute to sustainable development.

(<http://www.shell.com/global/environment-society/s-development/our-commitments-and-standards/hse-com-policy.html>)

We aim to encourage economic and social development while reducing any negative impact of our operations. The benefits we bring to local people can include jobs, capacity building, technology, contracting and business opportunities and social investment.

We work to manage any negative effect on the culture, livelihood, health, safety, lifestyle, security and economic development of communities.

Livelihood

Benefits for local people

Our operations sometimes require temporary or permanent access to areas of land or sea where people are living or working. In some cases projects may require relocating and resettling communities. We help such communities restore their standard of living and livelihoods.

Communities living close to our operations, especially refineries, often have concerns over safety aspects of the facilities. To reassure them we communicate openly on our safety plans and emergency procedures.

Increased traffic during project construction raises the chance of road accidents. We work in partnership with international agencies, companies and governments to improve road safety.

When we produce oil and gas we often generate wealth in a region. But this can push up the costs of housing and services and threaten traditional livelihoods such as farming.

To help everyone in the local communities to benefit we provide education and training, buy and hire locally and invest around our operations.

We pay royalties and taxes to host country governments and encourage them to use the funds effectively.

(<http://www.shell.com/global/environment-society/society/our-neighbours/impact.html>)

We carry out impact assessments before making any major change to an existing operation or starting a new project. This includes listening to the local community as part of considering potential positive and negative effects of a project and we can adapt its design if appropriate. At every review stage of the project we consider environmental, social and health impact assessments – in consultation with local communities – as we decide how, or whether to, move ahead.

When we develop new projects, or plan an expansion to an existing facility, we work closely with local communities to better understand their needs and expectations.

We continue to enhance the skills of our staff who work directly with communities, for example, by providing them with adequate tools, including a worldwide exchange programme that allows them to share their experiences and boost their skills. (<http://www.shell.com/global/environment-society/society/our-neighbours/trust.html>)

We establish partnership with different regulatory bodies in order to maximise local employment. To help local suppliers compete for contracts in our global tendering and contract management process we provide training to help them meet our standards. In Qatar, for example, we signed a partnership agreement with Qatar Development Bank to provide training for suppliers to meet Shell's standards for goods and services. We also support local communities in setting up businesses to sell us goods and services. We have programmes to attract and train local staff in low and medium income countries where we operate. Some are required by governments but most are voluntary. (<http://www.shell.com/global/environment-society/society/our-neighbours/hiring-locally.html>)

Differences in access to health care can have serious consequences. Those without access to affordable medical treatment may live shorter and poorer lives. A community-based insurance scheme in Nigeria brings down the cost of health care. In Iraq, trained women volunteers are taking health advice into family homes. And in Kazakhstan, Shell is working closely with other companies to improve care at a major hospital.

Good health plays a vital role in our lives. When it starts to fail, doctors and nurses provide help for many. But millions of people across the world are unable to access medical treatment. Shell is working to help overcome this in areas around its operations, supporting training programmes and providing new equipment. (<http://www.shell.com/global/environment-society/society/social-investment/Health.html>)

Thousands of people living in Nigeria's oil-producing Niger Delta can now have affordable vaccinations, childbirth care, and a range of operations. In return, they pay a subsidised annual premium of \$25, a fraction of the usual cost of treatment. Women in the Niger Delta, for example, can pay \$300-350 for hospital childbirth care. Local communities decided to set up the insurance scheme with seed funding and practical support from Shell Petroleum Development Company (SPDC) and its joint-venture partners. The project is an example of the creative approach SPDC and partners take today in investing in communities. It gives local people the power to develop and implement projects themselves.

Other projects have used the same community development approach to build schools, town halls and health clinics and improve fresh-water supplies. Funds can also be used to provide micro-credit finance, for example to support small businesses and women's groups. (<http://www.shell.com/global/environment-society/society/social-investment/Health/healthcare-nigeria.html>)

Around the world we encourage our staff to volunteer for projects that bring new knowledge of the natural environment around our operations – and help to conserve it. We partner with governments and non-governmental organisations to make best use of our people's skills. Our 87,000 employees in over 70 countries include business experts, leading scientists and top engineers. Whatever their role, our staff have the opportunity to volunteer for social and environmental projects that can bring benefits to local communities and help preserve nature. (<http://www.shell.com/global/environment-society/society/social-investment/Volunteering.html>)

The Shell Petroleum Development Company of Nigeria (SPDC) is one of the largest oil and gas companies in Nigeria and the operator of a joint venture with the government-owned Nigerian National Petroleum Corporation, Total E&P Nigeria Ltd and Nigeria Agip Oil Company Ltd. The joint venture produces oil and gas from land, swamp and shallow water fields in the Niger Delta.

- Shell Nigeria Exploration and Production Company (SNEPCo) produces oil and gas from deep water fields around 120 km off the Nigerian coast.
- Shell Nigeria Gas (SNG) distributes gas primarily to industrial customers in the Niger Delta.
- Shell also holds a 25.6% stake in Nigeria Liquefied Natural Gas (NLNG) and has played an important role in developing Nigeria's vast natural gas resources.

Collectively these operations generate billions of dollars of income for the Nigerian government, create jobs, provide energy for the country and supply international markets with oil and gas.

Shell Companies in Nigeria typically employ 30,000-40,000 staff and contractors at any one time, the large majority of whom are Nigerian.

Together with the government, communities, NGOs and civil society they support numerous social investment initiatives in areas such as education, community health and enterprise development.

The Niger Delta is one of the most challenging locations in which Shell companies do business. Crude oil theft, sabotage and illegal refining have become increasingly serious problems, with long-term social, economic and environmental impacts. SPDC is continually looking for new ways to protect the facilities it operates but, despite these efforts, the menace of crude oil theft and sabotage persists. Only a concerted response by everyone involved, including government, communities and civil society can end it. (<http://www.shell.com/global/environment-society/society/nigeria.html>)

We aim to create ongoing partnerships with relevant local and global organisations and other companies to fight the HIV/AIDS epidemic together in the communities where we operate and sell our products and services. We include HIV/AIDS in our impact assessments and have a monitoring programme in place to measure the progress of our efforts.

Our global partnerships to fight HIV/AIDS include:

- UNAIDS scenarios development: We shared our scenario expertise to help understand and address the challenge of AIDS in Africa over the next 20 years, in partnership with UNAIDS.

We developed three possible scenarios which demonstrate the need for everyone to work together in tackling the challenges. (<http://www.shell.com/global/environment-society/society/hiv-and-aids.html>)

Over three million people are living with HIV in Nigeria. Hundreds of thousands die from AIDS each year.¹ In the oil-rich Niger Delta, many people are too poor to make long journeys to clinics or to pay for tests and treatment. One programme takes tests into remote communities and provides support by engaging local health workers.

The Shell Petroleum Development Company of Nigeria Ltd (SPDC) together with the Nigerian government and non-governmental agencies launched a health-care programme, Health-in-Motion, in 2007. The programme, financed by SPDC and its joint venture partners², takes free medical services to remote rural communities in the Niger Delta, where many people live on less than \$2 a day. Medical teams visit different locations each month, spending around a week on site. For people living in the most isolated locations, SPDC has donated boats which transport patients to clinics and follow up on the treatment they receive in their communities.

The programme also gives nurses new skills, such as cancer screening and patient counselling. In turn, they pass on their knowledge to others, making the most of limited resources. This includes training villagers to become health workers. (<http://www.shell.com/global/environment-society/society/hiv-and-aids/world-aids-day.html>)

Social performance involves working with communities to reduce the impact of our operations and share the benefits of our activities. We respectfully engage with relevant parties, evaluate impacts, plan mitigation strategies and find opportunities to help communities, such as helping to build local economies through the creation of jobs and business opportunities. Our community feedback mechanisms enable members of the community to share their concerns with us and help us learn how to better address them. We aim to provide opportunities for local companies in countries where we operate. (<http://reports.shell.com/sustainability-report/2013/our-performance/social/social-performance.html>)

Crude oil theft and sabotage continued to affect our operations in the Niger Delta during 2013. This had severe social, economic and environmental implications. We are working with our sector, governments, non-governmental organisations and the international community towards ending the theft and sabotage. (<http://reports.shell.com/sustainability-report/2013/our-activities/nigeria/operations-in-2013.html?cat=b>)

Our partnerships and broader collaborations are of vital importance to our new projects and ongoing operations. They can also play a beneficial role in helping to build trust among our stakeholders. We work with government, business and civil society, including non-governmental organisations, to contribute to broader public dialogue, academic debate and advocacy in areas such as energy and climate policy. We also partner with organisations that can advise us in specific areas such as biodiversity or human rights.

Working with our partners leads to improvements in our projects and operations. For example, our work with Wetlands International has helped us to gain a better understanding of wetland conservation techniques around pipelines in Brunei. Our collaborations can also help to advance science and conservation information.

We work with organisations that focus on social challenges or community development. These collaborations can help to raise operational practices in our business and for the energy sector. We work with organisations that focus on social challenges or community development. These collaborations can help to raise operational practices in our business and for the energy sector.

Across the world, we work with organisations like the United Nations Development Programme (UNDP) to implement our community programmes. These organisations can offer local knowledge and help us to identify community needs,

such as jobs or better health care. (<http://reports.shell.com/sustainability-report/2013/our-activities/partners-and-collaboration.html>)

In 1996, Shell began an initiative that would enable experts, particularly the Shell Professors, from various disciplines in Nigerian universities to help in providing solutions to the company's Exploration & Production challenges through Research and Development projects. Such challenges had previously been referred to research laboratories in Europe and the United States for resolution. Under this programme, Shell invests in the development of research facilities in relevant disciplines in these universities, and also provides funds for the payment of research personnel.

The programme seeks to leverage on the available capacity in Nigerian universities to conduct R&D studies, and thus enable select universities (Shell Chair institutions) to become not just centres for resolving E&P challenges, but also platforms for effective training and development of future E&P recruits. (<http://www.shell.com.ng/environment-society/shell-in-the-society/education-programmes/education-support/research-programmes.html>)

In 2006, SPDC introduced a new way of working with communities called the Global Memorandum of Understanding (GMOU), which has continued to be used successfully by other oil companies.

A GMOU is an agreement between SPDC and a group (or cluster) of several communities. Clusters are based on local government or clan/historical affinity lines as advised by the relevant state government.

The GMOU brings communities together with representatives of state and local governments, SPDC and non-profit organizations, such as development NGOs, in a decision-making committee called the Cluster Development Board (CDB).

Under the terms of the GMOUs, the communities decide the development they want while SPDC on behalf of its joint venture partners, provides secure funding for five years, ensuring that the communities have stable and reliable finances as they undertake the implementation of their community development plans.

The GMOUs or agreements represent an important shift in approach, placing emphasis on more transparent and accountable processes, regular communication with the grassroots, sustainability and conflict prevention. (<http://www.shell.com.ng/environment-society/shell-in-the-society/gmou.html>)

We need to challenge ourselves to make sure we always do the right thing and seek solutions that share benefits with the communities where we operate. This can boost local economies by creating jobs, developing skills and encouraging enterprise by working with local suppliers, often helping them to build capacity. It increases trust and builds lasting, positive relationships.

However, greater levels of collaboration and trust must be fostered among government, industry and civil society to create the urgent shift needed to help address these challenges. Governments must provide the right frameworks to encourage economic investment in cleaner energy, while business can offer technology, know-how, transparency and pragmatic long-term views. **(foreword CEO)**

Energy production is linked to both water use and food production. We have been bringing experts together from government, businesses and non-governmental organisations to understand and respond to the resource challenges and to explore new forms of collaboration. We continue to contribute to the public dialogue on energy and climate policy, and to participate in discussions to promote resilient systems.

Implementing high standards in our approach to safety, the environment and community relations is critical to the success of these projects; it helps us to minimise delays and to manage the impact on the environment and our neighbours. It also enables us to share wider benefits with communities where we operate, and support host government objectives for economic and social development.

Our business is planned for the long term, which means we can be part of a community for decades. We help to develop local economies by creating jobs, sourcing from local suppliers, and paying taxes and royalties. We support community projects that are based on the needs of the local communities.

Community engagement is fundamental to our approach to sustainability within Shell. It helps to build people's trust and is the basis for operating responsibly. Our projects and operations also create business opportunities for people locally, which can help people build livelihoods. Our major projects and facilities are required to have a social performance plan. This informs people about the social context for future operations and identifies any potential negative impacts on the community. The plans include community engagement activities, such as hosting local meetings, that help us to monitor the impacts of our operations (see opinion, page 13). It also identifies where we can support community development programmes. The social performance process can lead to changes in our plans and operations, if needed (see diagram).

Before the project (carbon capture & storage) began we were aware that public acceptance and local community support would be critical to the success of the project. We have engaged extensively with communities, including holding meetings with local residents to offer information about the project and to address any concerns. Consultation with landowners has led to a number of changes to the originally intended route of the pipeline. We are also avoiding farmland during harvest season while constructing the pipeline.

We have established a community advisory panel, with 10 members from the community, as a way of sharing information about the monitoring programme. The panel will review the results of the monitoring programme and serve as advisers to Quest's monitoring team. The panel members include local land owners, a county councillor, an emergency services worker, a university professor, a school principal and a government medical representative.

Shell works with governments, partners and communities to help meet the world's growing energy demand in a more sustainable way. **This makes good business sense and helps to build trust with the communities around us. Early work to incorporate the views of our neighbours into our decision making can also help us avoid project delays.**

We have dedicated employees involved at each stage of the project development process, who work alongside our technical specialists on our more complex projects. Their role is to understand the scope of a project and how it relates to the societal and economic context as well as governmental, regulatory and environmental aspects. Working with the project team, they ensure that potential impacts on local communities and the environment are considered in project design, cost, schedule and execution. Training is provided so that they understand and measure the risk and opportunities associated with our projects.

Large projects provide opportunities to build local economies through employment, skills development and training. The increased demand for goods and services can also help to create and grow local businesses. This can have a positive impact on communities.

Our partnerships and broader collaborations are of vital importance to our new projects and ongoing operations. They can also play a beneficial role in helping to build trust among our stakeholders. We work with government, business and civil society, including non-governmental organisations, to contribute to broader public dialogue, academic debate and advocacy in areas such as energy and climate policy. **(Sustainability report)**