



Business and Industry Engagement Policy

OVERALL POLICY STATEMENT

WWF-UK's policy is to enter into business and industry engagements which contribute to the attainment of our mission and to strengthen our position to attain this mission. Our policy is to engage with the companies and sectors best placed to help WWF-UK achieve its Programmatic, Fundraising and Communications objectives.

WORKING WITH BUSINESS AND INDUSTRY

WWF-UK's approach to business is constructive, collaborative and challenging. WWF-UK has four ways of working with business; any business and industry engagement will employ one or more of these ways of working.

The four ways of working can be summarised as:

- Solutions-orientated business engagements and partnerships
- Fundraising relationships
- Innovation and learning relationships
- Challenging major impacts and raising the bar

DECISION-MAKING PROCESS

WWF-UK will use a set of principles to decide with whom, when and how WWF should work with the corporate sector. These principles are applied to all potential engagements in order to scrutinise the 'strategic fit' with WWF-UK's priorities and key objectives, in order that all WWF's engagements deliver the maximum level of positive impact on the environment and contribute to the attainment of WWF's mission. Decision-making is carried out on a case-by-case basis by the Business and Industry Core Group and will be guided by the set of principles and informed by in-house expertise and a robust system for company research. All potential relationships are presented to the Business and Industry Core Group in a standard format to ensure consistency within the decision-making process. The Business and Industry Core Group makes its decisions based on best judgement after reviewing all the available company research and evaluating the risks to WWF brand.

Decision-making principles:

Priority	Does the engagement contribute significantly to the achievement of a priority objective?
Partner	Is it the right partner, with whom WWF can achieve most in this area?
Due diligence	What are the environmental impacts of the company and/or its products?

Perception	How will the engagement be perceived? Do the strengths and opportunities outweigh the weakness and threats?
Capacity	Do WWF and the partner have sufficient and appropriate capacity to deliver?
Communication	What are the communications objectives and/or opportunities?
Funding	What are the funding implications and/or opportunities?
Scope for development	How might the engagement build on lessons learnt previously and what opportunities are there for development across priorities for Programmes, Communications and Fundraising?
Impact	Will the engagement make a significant difference?

Fundraising relationships

One of the ways WWF-UK works with business is to raise funds from the corporate sector to help meet our fundraising objectives. WWF recognises that out of the four ways of working with business it is fundraising from companies that carries the greatest risk. To manage this risk a robust system is in place to take companies through the prospecting stage and toward the decision-making stage when the Business and Industry Core Group reviews the potential relationship and makes its judgement.

The perception of WWF's association with commercial donors and its reputation as held by different stakeholders will be monitored on a regular basis by the Company Relations Manager. This information will be used to measure accumulative risk to the integrity, trust and independence of WWF-UK's brand and will provide input into decisions on accepting donations from and brand association with different corporate partners.

Additionally, in order to ensure time and resource efficiency across the decision-making process - and to provide an early notification process - a short-list of company prospects and/or potential pipeline company relationships is taken to each monthly Business and Industry Core Group meeting.

Our policy is to enter fundraising led relationships with those companies that would add benefit to WWF and not pose risk to the brand. In order to meet this objective we undergo an extensive screening and due diligence process. This section of the policy is closely related to WWF-UK's Investment Policy.

Firstly, a system is used to negatively screen the company fundraising prospects list to screen out those companies that cause greatest environmental damage and/or greatest risk to the brand. EIRIS's in-house 'Electronic Portfolio Manager' database is used to guide this process.

The first test is EXCLUSION and here WWF-UK will exclude investing in or taking money from companies whose core business is: -

- Armaments (offensive armaments and weapons systems)
- Tobacco
- Trade in CITES Appendix 1 listed flora and/or fauna

- Animal testing for cosmetic or other non-medical products or medical testing on endangered species.
- Nuclear power

Exclusion from partnership will arise where the turnover for a company's activities associated with any of these areas exceeds 10 per cent.

The second test is the EXTREME CAUTION test and here we include companies where relationships might offend our supporters and partners and might damage WWF-UK's brand and reputation. WWF-UK's Investment Policy states that investment in these sectors would likely be on a best-in-sector basis however in the case of fundraising led relationships, we would not generally agree these on the basis that they would not meet our environmental and ethical criteria. The extreme caution sectors are as follows:

- Genetic engineering
- Pesticides and agro-chemicals
- Ozone depleting chemicals
- Fossil fuels
- Large-scale hydro-electricity generation
- Certain chemicals and plastics
- Timber products (unless certified by the Forest Stewardship Council)
- Intensive farming
- Internal combustion vehicle manufacture
- Environmentally insensitive mining
- Environmentally insensitive tourism
- Environmentally insensitive civil engineering and construction

Companies that make it through the 'exclusion' and 'extreme caution' negative screening process are then scrutinised against a set of strict environmental criteria. We expect fundraising led corporate relationships to meet a high environmental and ethical standard and those companies that pass through the initial negative screening tests are subject to a detailed due diligence process. This process considers the companies' environmental credentials and those of its products, in the case of a licensing deal.

Once a prospective company fundraising relationship reaches the decision-making stage we will subject the prospective relationship to a final set of tests which will look at the reputational risks of accepting money. The following list of questions form the basis of this final test: -

- 1 What is the risk of a negative impact to WWF's income from entering into the company fundraising relationship?
- 2 What is the risk of negative media coverage to WWF from entering into the company fundraising relationship?
- 3 What is the negative brand risk from taking money against WWF's principles, as stated in the mission statement?

4 What is the risk to WWF's income and reputation from not entering into the company fundraising relationship?

WWF may decide to build environmental and ethical caveats into any company fundraising deal as part of the business and industry approval process. These are likely to become part of the final contractual agreement with the company and performance against these will be tracked in the monitoring and evaluation process.

Business Sustainability

Our policy is to enter into a programmatic engagement with any company that is demonstrably committed to change toward sustainability - when by entering into the engagement this will help WWF-UK meet its priority objectives. This may involve working with some of the 'dirtiest' companies in the most damaging sectors; in these instances WWF will only engage if the engagement provides a 'strategic fit' to WWF's key objectives and that WWF is convinced there is real commitment to progress, which is both 'monitorable' and 'communicable'.

As part of the business and industry engagement programme WWF-UK will require the company to meet a range of strict environmental and ethical standards. If these are not in place at the start of engagement, WWF-UK may decide to work with the company in order that key standards are met by the planned end of the engagement activity.

Monitoring and Evaluation

WWF-UK will set robust, clear and measurable objectives to provide a framework for corporate environmental improvement as part of the decision making process for agreeing a new engagement. We will also set issue specific improvement targets when this is relevant to the company engagement activity. The business and industry engagements will be subject to a six monthly rolling review programme against pre-agreed SMART targets that will be developed in order to monitor each companies' commitment toward sustainability. WWF-UK has the right to criticise any company's behaviour if we see the need, or if a company consistently fails to meet the pre-agreed engagement targets. WWF also reserves the right to withdraw from any relationship in event of a company take-over or fundamental change to the company's management board, if we believe that this will compromise the attainment of the original objectives with that company.

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