

Inclusive and Green Growth Knowledge Hub

ICC Commission on Environment and Energy

ICC Commission on Corporate Responsibility and Anti-corruption

Thursday, 3 October 2019, 9:00 – 17:30 (CEST)

Friday, 4 October 2019, 9:30 – 14:30 (CEST)

Location: International Chamber of Commerce, 33-43 avenue du Président Wilson, 75116 Paris, France

Meeting room: McGraw Hill

MEETING SUMMARY

Day 1

Plenary Session

Welcome remarks and opening of the meeting

- *Majda Dabaghi, Director, Inclusive & Green Growth, ICC*
- *Viviane Schiavi, Deputy Director, Inclusive & Green Growth, ICC*
- *Pamela Mar, Vice-Chair, ICC Commission on Environment and Energy*
- *Denis Simonneau, Chair, ICC Commission on Corporate Responsibility and Anti-corruption*

Summary:

- Denis Simonneau, Pamela Mar, Majda Dabaghi and Viviane Schiavi welcomed participants to the first joint meeting of the Commission on Environment and Energy and the Commission on Corporate Responsibility and Anti-Corruption, highlighting that it is a great time to be working on these issues and that the UN Sustainable Development Goals (SDGs) help us to see how the issues covered by the two commissions and indeed across the five knowledge hubs are interlinked – we will all benefit greatly from working together.
- The co-chairs of the meeting encouraged discussion throughout the meetings and identified the following objectives:
 - Understanding the renewed purpose of ICC and the Inclusive & Green Growth Knowledge Hub Work Programme.
 - Identifying priority topics and emerging issues.
 - Identifying ways in which both commissions can work together to deliver on the Work Programme.
 - Agreeing a plan of action for the year ahead.

Knowledge Solutions Department and the Inclusive & Green Growth Knowledge Hub Work Programme

- *Nikolaus Schultze, Global Policy Director, Knowledge Solutions Department, ICC*
- *Majda Dabaghi, Director, Inclusive & Green Growth, ICC*
- *Viviane Schiavi, Deputy Director, Inclusive & Green Growth, ICC*

Summary:

- Nikolaus Schultze, Global Policy Director, Knowledge Solutions Department, presented the latest version of the ICC Knowledge Solutions Work Programme. The Work Programme is a holistic approach

to modernising ICC to ensure that it is fit for purpose in today's business climate, and to better position ICC to enable business worldwide to secure peace, prosperity and opportunity for all. It has been developed in a way so that cross-cutting issues are addressed collectively and so that the right expertise across the network can be mobilised. Mr Schultze noted that the Work Programme is for the bi-annum; however, many of the projects will go beyond 2020.

For Action:

- The latest version of the Work Programme was shared with the network on 14 October. Members are requested to sign-up as soon as possible for specific outputs using ICC's [new online platform](#).

Business for Inclusive Growth

- *Denis Simonneau, Chair, ICC Commission on Corporate Responsibility and Anti-corruption*
- *Mathias Vicherat, General Secretary, Danone*

Summary:

- Mathias Vicherat, General Secretary, Danone, presented two new industry-led coalitions.
- The first being, *Business for Inclusive Growth*, which is a growing coalition of 34 multinationals who are joining forces to fight inequality and deliver social impact. A combined total of over USD 1 billion has been invested in more than 50 initiatives, benefiting over 100 million people to date.
- The second coalition, *One Planet Business for Biodiversity*, brings together 17 companies with the goal of gathering agri-food business to create systemic change. The initiative will focus on three main pillars: regenerative agriculture; increasing biodiversity of plants; and eliminating deforestation, and includes a pledge with a number of concrete and important commitments. *One Planet Business for Biodiversity* will contribute to the efforts of [Business for Nature](#), a coalition launched last June amongst 13 leading international organisations, including ICC, to drive business action on biodiversity.

For Action:

- ICC to explore possibility of becoming a main partner of *Business for Inclusive Growth*.

Corporate Responsibility and Anti-Corruption Break-out Session

G20/B20 Integrity and Anti-corruption

- *Viviane Schiavi, Deputy Director, ICC Inclusive & Green Growth*

Summary:

- Viviane Schiavi, Deputy Director, ICC Inclusive & Green Growth, explained that the G20 and the Anti-corruption Working Group, with its Anti-corruption Action Plan, are powerful vehicles for business to work with to achieve real progress. Under the Japan Presidency, G20 Anti-corruption priorities included whistle-blower protection, opportunities and risks from new technologies, and pursuing transparency for beneficial ownership.
- Saudi Arabia will take over the G20 Presidency in December 2019. The B20 Presidency will be led by Saudi Basic Industries Corp (SABIC). SABIC CEO, Yousef Abdullah Al-Benyan, will act as the B20 Chair. The B20 Integrity Task Force will be chaired by Mathad Alajmi, General Counsel with STC/Saudi Telecoms company.
- The Saudi private sector has expressed interest in scaling up its anti-corruption expertise, its national anti-corruption agency is expected to provide input into integrity topics. This agency has strong relationships with SMEs in Saudi Arabia.

- B20 Saudi Arabia will act in line with Saudi “Vision 2030”, this corresponds to the priorities of the G20, which focus on macroeconomic stability, sustainable development, and the increased flow of trade and investment.
- ICC was honoured to be invited, alongside WEF, to be network partner of the B20 Saudi Arabia Task Force on Integrity, in addition to several other mandates. In October, SABIC will be hosting an integrity event in Riyadh with the aim of introducing compliance concepts to Saudi companies.

For Action:

- ICC Members that are interested in contributing to the B20 process are requested to sign-up to this output using ICC’s new online platform.

Discussion on possible commission product ‘Guide for M&A and integrity & supply chain risk management’

- *Johann Le Frapper, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption*

Summary:

- Johann Le Frapper, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption, explained that one of the main obstacles for companies seeking to acquire another business, or themselves seeking investment from institutional players or stock-exchange listings, is carrying out proper due diligence on the risk of corruption and supply chain management of their business operations in countries where the regulatory environment is unpredictable and legal enforcement is lacking.
- Businesses are increasingly looking for wide-ranging, comprehensive guidance for doing business across global supply chains and with third parties, and not necessarily guidance on one limited aspect. Companies are increasingly considering human rights impacts in their overall supply chain due diligence.

For Action:

- ICC will work with commission officers, National Committees and key experts to ascertain where, in connection with the issues raised, a new ICC capacity building tool might add most value today.

Addressing solicitation of anti-corruption – possible partnership with OECD

- *François Vincke, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption*

Summary:

- François Vincke, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption, noted that legally binding instruments are needed to address both active and passive corruption. ICC is now working with the OECD and other intergovernmental processes to develop anti-corruption regulations and laws to address the “demand side” or solicitation of bribes. The OECD Working Group on Bribery is becoming increasingly more open to addressing the problem of solicitation by government officials.
- Certain participants noted the proliferation of corruption in their country. Even if a company is unwilling to provide a requested bribe, the threat of retaliation from government officials can deter companies from reporting. Laws encouraging both self-reporting and reporting on government officials that request bribes are needed.

For Action:

- ICC France was requested to lead activities identifying how concrete action, with regard to the OECD and other intergovernmental fora, can be progressed and to consult with the Commission on Corporate Responsibility and Anti-Corruption for further action.

ICC Task Force on Arbitration and Anti-corruption

- José Feris, Partner, Squire Patton Boggs
- Dr. Hélène van Lith, Secretary to the ICC Commission on Arbitration and ADR
- Iohann Le Frapper, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption
- Viviane Schiavi, Deputy Director, Inclusive & Green Growth, ICC

Summary:

- Participants discussed whether arbitration can be used to enforce obligations arising out of a contract tainted by corruption. In particular, what are the obligations on an arbitrator where evidence of corruption exists, but it has not been acknowledged by the parties to the arbitration. It is difficult to reach consensus on these issues.
- It is important to seek to preserve the viability of arbitration proceedings for international disputes. Arbitral awards are in a sense stronger than judicial proceedings because they can be enforced in more than 150 countries, as agreed in the New York Convention.
- A Task Force on Arbitration and Anti-corruption has been constituted, drawing on ICC's expertise in arbitration, with input from ICC's expertise on anti-corruption. A first meeting of the ICC Task Force is planned for 5 November 2019. The scope of the Task Force may include developing "red flag" indicators to detect corruption in arbitral proceedings, identifying current approaches used by arbitrators to address these issues and addressing how the effect of corruption should be quantified in the quantum of remedy and damages.
- Input will be provided to the Task Force by Viviane Schiavi, who oversees the Corporate Responsibility and Anti-Corruption Commission, and by select commission members. Vice-chair Iohann Le Frapper will serve as the key commission contact point and expert.
- More company in-house counsel and SME representatives are needed on this Task Force.

For Action:

- In-house counsel and SME representatives interested in joining the Task Force on Arbitration and Anti-corruption are to contact [Viviane Schiavi](#) to register their interest.

ICC Guidelines on Conflicts of Interest in Enterprises – outreach and promotion

- Viviane Schiavi, Deputy Director, Inclusive & Green Growth, ICC

Summary:

- Viviane Schiavi, Deputy Director, Inclusive & Green Growth, ICC, provided information on the ICC Guidelines on Conflicts of Interest in Enterprises that were released last year. These constitute the latest ICC integrity capacity building tool. The Guidelines have been met with great enthusiasm, there has been widespread take-up by both business and representatives of the public sector.
- The Guidelines have already been translated into Dutch and Croatian, thanks to the proactive work of engaged National Committees.

For Action:

- ICC to pursue synergies with Basel Institute of Governance on outreach and promotion of the ICC Guidelines on Conflicts of Interest in Enterprises.
- Members and National Committees are encouraged to liaise with [Viviane Schiavi](#) on the promotion of the Guidelines, including the planning of seminars and trainings that will incorporate this latest strategic ICC integrity tool.

ICC Business Integrity Compendium – outreach and upcoming new edition

– Viviane Schiavi, Deputy Director, Inclusive & Green Growth, ICC

Summary:

- Viviane Schiavi, Deputy Director, Inclusive & Green Growth, ICC, explained that the [ICC Business Integrity Compendium](#) is a flagship ICC resource that compiles all ICC integrity tools into a one stop shop publication that is freely available both online and in print. It is emblematic of ICC's role as a business leader for anti-corruption and has been very well-received.
- ICC Mexico has worked closely with ICC Spain to translate the Compendium to Spanish. Both National Committees have heavily promoted it, launching the Compendium in many venues. ICC China recently had the Compendium translated into Mandarin and has disseminated it widely.

For Action:

- ICC will proceed with the development of the second edition of the ICC Business Integrity Compendium, which will include the just launched ICC Guidelines on Conflicts of Interest in Enterprises.

ICC Model Contracts reflecting ICC Integrity Standards and Guidelines

– Iohann Le Frapper, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption

Summary:

- Iohann Le Frapper, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption, noted that ICC has long established expertise in the development of model contracts and model contract terms. The flagship tool in this regard is the ICC Incoterms, but ICC also develops many successful model contracts and contract clauses. ICC has longstanding expertise in developing standards and guidelines for business on integrity and anti-corruption, including the ICC Rules on Combating Corruption, first issued in 1977 and regularly updated since.
- ICC's Anti-corruption Clause was the result of a very successful collaboration between experts from ICC's Commission on Commercial Law and Practice and ICC's Commission on Corporate Responsibility and Anti-corruption.

For Action:

- The Commission will liaise with the Commission on Commercial Law and Practice with a view to fostering greater alignment between ICC anti-corruption and integrity tools, model contracts and model contract clauses.

Free Trade Agreements and Inclusive Business

– Iohann Le Frapper, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption

Summary:

- Iohann Le Frapper, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption provided information on how Free Trade Agreements (FTAs) can be used to advance inclusive business principles. At present, 50% of bilateral FTAs include references to global anti-corruption conventions.
- The EU has begun to systematically incorporate economic, social and environmental elements, such as CSR, into their FTAs.
- As the scope of the CSR commitments can vary significantly depending on the trading partners, these agreements can either include soft language or detailed commitments to sustainability and labour standards (e.g. in recent EU FTAs).

For Action:

- Further engagement with business representatives, particularly Heads of Sustainability, suggested to discuss the link between FTAs, Anti-Corruption, Human Rights and Business Integrity.

Creation of Network of Corporate Responsibility & Anti-corruption Committees

- *François Vincke, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption*

Summary:

- François Vincke, Vice-Chair, ICC Commission on Corporate Responsibility and Anti-corruption, noted that there is a vast amount of knowledge and skills on corporate responsibility and anti-corruption across ICC's wide network. Mr Vincke tabled a proposal to reinforce links between "mirror commissions" in an effort to facilitate greater information sharing between ICC and its National Committees at a local level.
- This proposal was particularly welcomed by the Latin American National Committees, who had previously requested such a network. It was acknowledged that each National Committee is dealing with its own local priorities. For example, anti-corruption is a more prominent concern to the Latin American National Committees. Regional hubs were suggested as a means of coordinating local priorities.

For Action:

- ICC will pursue the possibility of reinforcing the links between the "mirror commissions" within the National Committees, including leveraging the upcoming ICC global online platform in this regard.

Environment and Energy Break-out Session

ICC engagement at COP25

- *Gilles Vermot Desroches, Vice-Chair ICC Commission on Environment and Energy*
- *Nick Campbell, Environment Manager, Arkema*

Summary:

- Nick Campbell, Environment Manager, Arkema, provided an overview of the intersessional meetings that took place in Bonn, Germany last June and presented the key issues and dates for COP25, noting the important role that ICC played during the Climate Action Summit in New York and the need to build on this momentum leading to COP25 and into COP26.
- Gilles Vermot Desroches, Vice-Chair ICC Commission on Environment and Energy, remarked that there was unprecedented mobilization of business at the Climate Action Summit with 87 multinationals committing to set science-based targets in line with the 1.5°C target, the Chambers Climate Coalition and the French Business Pledge. However, he noted that while 67 countries committed to enhance their nationally determined contributions (NDCs), those countries represented only 8% of current emissions and much more needed to be done to get on track to meet the goals of the Paris Agreement in 2020.
- ICC has joined the NDC Partnership and is working to engage the private sector in the implementation and review of NDCs in-country. The Chilean Presidency has set forth a number of key priorities such as Article 6, just transition, loss and damage, climate finance, transport, oceans, plastics, SMEs, mobility and innovation.

For Action:

- ICC key messages to be reviewed and comments to be provided to ICC Secretariat by 21 October.
- ICC perspectives on Article 6 to be circulated for comment by ICC Secretariat by 31 October.