

AMNESTY INTERNATIONAL



Accepting benefits from the corporate sector – AI Australia Guidelines

OVERVIEW

Amnesty International (AI) interacts with businesses and corporations in a variety of ways. One of these is where AI approaches, or is approached by, a business or corporation and where AI receives a benefit for less than its fair market value. This could be a straight financial contribution, goods or services at no cost or for less than fair market value, or other beneficial relationship.

The bottom line in any business or corporate relationship is that AI's independence, impartiality and credibility must not be compromised or be seen to be compromised. The primary basis of financial support remains with individuals – members, donors and Human Rights Defenders.

A corporate relationship will only be pursued where there is a significant benefit to AI and a low risk to its reputation.

PURPOSE OF THIS DOCUMENT

The purpose of this document is to provide guidelines to AIA staff, and relevant activists on how to interpret the various international policies that govern corporate relationships that benefit Amnesty International and in doing so aims;

- To give direction and a shared set of principles working on any aspect of a business or corporate relationship that will result in AIA's receiving any goods, services or supplies at less than fair market price;
- To act as an agreed basis for the negotiation, agreement and management of these relationships;
- To provide approval processes for, and operational resourcing, these relationships;
- To enable staff to make practical day-to-day decisions, limiting the need for debate or consultation regarding interpretation of the international policy.

The Fundraising and Marketing Unit can assist with explaining these guidelines to teams and regions, and can provide advice to assist in the development of any proposed relationship. Activists can contact their Community Campaigner, who will liaise with the Donor Liaison Manager.

RELATIONSHIP TO GLOBAL AMNESTY INTERNATIONAL POLICY

(1) **Policy governing Corporate Relationships that benefit Amnesty International (ORG 20/002/2007)**

Amnesty International has a policy governing Corporate Relationships that benefit AI. This exemptions based policy provides important definitions and the requirements and principles for corporate relationships that benefit AI. These principles and requirements are reflected in these guidelines.

(2) **Revised Guidelines for the Acceptance of Funds and Fundraising by Amnesty International (FIN 21/03/99)**

The guidelines cover basic principles, government funding, corporate funding, merchandising and ethical procurement. These guidelines apply to every corporate relationship, but if there is any conflict between the above policy and the guideline on 'corporate funding,' the policy prevails.

The basic principles which apply (which are not mentioned elsewhere in this document) are:

- Approaches to foundations who fund projects internationally are to be cleared with the section where the source is located (for example, Ford Foundation – AIUSA; Branson Foundation - AIUK). This is to ensure coordination in case that section is already involved with the foundation and to protect our reputation (for example, some foundations are supported directly by political parties or governments);
- Approaches to headquarters of multinational corporations should be cleared with the section where the company's headquarters are located (for example, Nokia – AI Finland; Levi Strauss – AIUSA).

(3) **Managing to Protect AI's Image (FIN 21/005/2003)**

The image and reputation of Amnesty International have made it a potent force in support of human rights. AI's image and reputation **must** be protected.

DEFINITIONS

A corporation

A corporation means any body able to enter into a binding legal relationship and whose core business is to generate profit. It includes:

- Parent corporations if the parent has a 3% or greater ownership or controlling interests;
- Subsidiaries and joint-venture partnerships where the corporation has a 3% or greater ownership or controlling interest; and
- Investors and investments in the corporation where they amount to a 3% or greater ownership or controlling interest.

Corporate Relationship

A corporate relationship is defined as when AI works with a business or a corporation to receive:

- Cash donations;
- Gifts in kind;
- Pro-bono services (for example, advertising, legal services);
- Participation in cause related marketing, Workplace/Payroll Giving, Employee/Customer/Shareholder Giving Schemes or Matching Gift Schemes;
- Goods, services or supplies which AIA will receive for less than its fair market value.

Many companies manage their charitable activities through foundations (for example, IBM, Levi-Strauss, Lion Nathan). These guidelines apply to companies as well as their foundations.

Relationship Definitions

AI policy defines business or corporate relationship as “any arrangement by which Amnesty International receives a benefit for less than its fair market value.” For the purposes of determining the fair market value of any goods or services, it is permissible to take into account any generally accepted discount operating in the relevant market.”

Donor relationship: when a business or corporation makes a donation to AI, including but not limited to:

- Philanthropy – when a business, or corporation makes a donation to AI, including responding to appeals or unsolicited donations;
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- Pro bono goods or services – when goods or services are provided without a financial transaction, or at a greatly reduced rate, well below market value.

Corporate Partner: when AI actively forms a relationship with a corporation or business in order participate in:

- Cause related marketing schemes: where a percentage of sales of goods or services are channelled to Amnesty International, and advertised in the marketplace as such;
- Payroll/Workplace Giving: Encouraging employees to establish a pattern of donations through their payroll, allowing them to benefit from an immediate tax deduction;
- Customer/Shareholder Giving schemes: Allowing customers or shareholders to donate to Amnesty International via the business or corporation program;
- Customer/Shareholder/ Employee Matching Gift schemes: Building a culture of philanthropy among customers, shareholders or employees by matching donations dollar for dollar.

CORPORATE GIVING SCHEMES

Amnesty International is increasingly benefiting from corporate giving schemes, for example, payroll giving. These schemes are instigated by an individual – an employee, customer or shareholder associated with the organisation, who decides to make a gift from their personal wealth.

In these above circumstances AI will accept donations from such schemes as it is a demonstration of that particular individual's support for AI and our work, even in circumstances where AI would not accept gifts from the corporation or business directly. These schemes may be publicised by the corporation or business in their annual report, although AI must approve any use of the AI logo as per the publicity and marketing section below.

Matching Gift Schemes

As part of corporate social responsibility there is growing movement within the corporate sector to match workplace/payroll/customer/shareholder gifts which maximises the gift of the individual.

Such schemes demonstrate support for the individual's philanthropy, and encourage a culture of giving. AI will generally accept donations from such schemes, even in circumstances where AI would not accept corporate donations from the corporate or business directly. This is because the employee determines the recipient for their donation (and the matching gift), not the corporation. AI must approve any use of the AI logo as per the publicity and marketing section.

RESTRICTIONS

If the value of benefit to AI is more than £100,000 (approx AUD \$200,000) in any 12 month period, it must be approved by the International Treasurer.

AI cannot enter into a 'significant corporate relationship' without the prior approval of the Secretary General. A significant corporate relationship means one in which the value of the benefit received in any 12 month period exceeds £500,000 (approx. AUD \$1,000,000).

PROHIBITIONS

AI may not seek support from companies known to be involved in human rights violations.

In a corporate relationship, other than corporate giving schemes, the relationship is prohibited if the company:

1. Has committed or been complicit in human rights issues falling within AI's Statute or covered by the Universal Declaration of Human Rights;
2. Is unable to demonstrate a commitment to labour rights principles;
3. Is discriminatory in its employment practices including sexual exploitation and harassment;
4. Is not transparent with regard to their structure and their relationships with other business, subsidiary entities and major suppliers;
5. Is held in disrepute by the broader N.G.O. community concerned with human rights, economic development and the environment;
6. If there is any question about their reputation and practice for a high standard of ethical

- practice;
7. Knowingly profit from the exploitation of child labour, bonded labour, indentured labour or any other form of servitude, including making employees work under inhumane, or greatly adverse conditions;
 8. If they have a history of producing or trading in any products that have been implicated in human rights violations by military, security or police forces including equipment which may be used in relation to the death penalty or torture

How do we know if a company fails any of the above criteria?

Clearly, small businesses will not require the same depth of screening as a multinational corporation, but all business and corporate relationships should be checked with the same care, regardless of the size of the donation/gift etc.

There are a range of screening resources available, each of these should be considered to determine which are both appropriate and reasonable to use in making an assessment of the business/corporation.

It is expected that companies who wish to be associated with AI will have a culture of transparency, and many of the screening resources suggested below will be freely available from the company itself:

- Company (and subsidiary companies) annual reports;
- Company ownership records;
- Corporate shareholdings. The volume of shares held in companies of concern to AI;
- The company's web site;
- Other company publications and/or advertising/promotional literature;
- Other NGOs who may have knowledge of the company or who are known to have an association with the company;
- Union or staff representatives;
- Media coverage received by the company;
- Ethical corporate 'watchdogs' or consumer publications such as those published by ethical investment firms;
- AI structures — the business network, legal network for example;
- Relevant AI sections.

Encouragement of human rights principles

Embarking on corporate partner relationships aims to raise funds for AI, as well as encourage responsible business practice. However, approaches to companies with a request for funds should never be combined directly as part of a relevant campaign or similar. Contributions from 'target companies' should not be accepted even if they are offered. For example, if AI's China campaign is targeting Yahoo! and Google, we must not approach them for funds, nor accept funds if they are offered.

Businesses and corporations that Amnesty International works with should be encouraged to:

- Use their legitimate influence in support of human rights, in all countries where they operate;

- Give effect to the Universal Declaration of Human Rights;
- Avoid complicity in human rights violations committed by other parties;
- Include a specific commitment to human rights in their statements of business principles and codes of conduct;
- Produce explicit human rights policies and ensure that they are integrated, monitored and audited;
- Put in place the necessary internal management systems to ensure that their stated human rights policies are acted upon.

AI will utilise its influence through the relationship to improve human rights awareness, and encourage human rights values.

If a decision is made to enter into a corporate relationship but it is recognised that there are low level and acceptable risks associated with that relationship, the decision-making process should include consideration of measures that can be taken to mitigate or manage those risks and those measures should be explicitly included in the terms of the corporate relationship.

PUBLICITY AND MARKETING

Use of AIA's name and logo

Proposals for the use of the AI logo and/or name for promotional purposes by any entity must be received in advance and in writing.

Under no circumstances does AIA endorse a product or service, and thus great care must be used when the logo and name is used by third parties.

To ensure integrity in the use and promotion of our name and symbol in the marketplace, the Communications Team must be consulted on use of AI's logo and name for promotional purposes. Promotional purposes include:

- use of the AI Logo in any publication of the donor organisation;
- reference to support of AI in any of their publications;
- use of the business or corporation's logo on AI promotional material;
- sponsored events;
- mention of their support in any AI publication; and
- media releases referring to the business or corporation's support of AI.

APPROVAL LEVELS

Any relationship that raises the issue of complicity or risk must be discussed and approved by the National Director, otherwise is prohibited.

For business or corporate relationships \$0 - \$10K

Applications should be lodged with the National Donor Liaison Manager who will give approval to seek or accept funds on the basis of an assessment of the proposal against the principles and criteria set out in these guidelines.

For business or corporate relationships \$10 – 100K

Applications should be lodged with the National Donor Liaison Manager who will in turn discuss with the Director Fundraising and Marketing. Approval to seek or accept funds will be given on the basis of an assessment of the proposal against the principles and criteria set out in these guidelines.

If the relationship is approved, any contracts must be reviewed under AIA's Expenditure and Contracts policy by the Director Governance and Infrastructure.

Significant Corporate Relationships

£50,000 - £100,000

Approx. AUD \$100,000 - \$200,000: In the case of a significant corporate relationship with a value of less than £100,000 the Secretary General will advise the AI entity whether the proposed corporate relationship is approved.

> £100,000

Approx. > AUD \$200,000: In the case of a significant corporate relationship with a value of £100,000 or more the Secretary General will make a recommendation to the International Treasurer who will make the final decision and advise the AI entity whether the proposed corporate relationship is approved.

Where an Amnesty section seeks the approval of the Secretary General for a significant corporate relationship, the International Fundraising Program of the International Secretariat will conduct a central risk assessment which builds on the corporate screen and risk assessment. The AI entity should collaborate with the International Secretariat to ensure the screen is generated against the criteria for assessment and that the results are clearly documented.

Notification of outcome

The National Donor Liaison Manager will communicate the outcome of the submission to its authors.

ACCOUNTING & REPORTING, REVIEWS, TERMINATION

Accounting and Reporting

The Director – Fundraising and Marketing is responsible for keeping a record of all decisions taken on corporate relationships and the rationale for each to:

- Ensure that the total annual revenue does not exceed 10% of Amnesty International Australia's annual income
- Produce an annual report to the SMT detailing the individual relationships entered into that year and the total value
- Produce, if required, an annual report to the Secretary General detailing the significant corporate relationships Amnesty International Australia has entered into that year and the total value of these.

Annual Reviews

Once a corporate relationship has been entered into, Amnesty International Australia will conduct a review of that relationship under the policy not less than every 12 months. This will take the form of a report from the National Donor Liaison Manager.

Termination

AIA must reserve the right to terminate the relationship at any time.