

# ENGAGEMENT CHARTER: EXTRACTIVES COMPANIES

## 1 Why we work for extractive private sector companies

*“Natural resources play a dominant social, economic, and political role in 81 countries, accounting for a quarter of global GDP and half the world’s population.”* **World Bank**

We work with extractive companies because we believe in the development potential of the industry for impoverished communities. Extractive industries are critical to the prosperity and development of half of the world’s population, primarily in developing countries. The sector presents considerable challenges, especially in terms of governance, which we tackle in our work for governments and donor agencies. Companies also present significant opportunities for local communities, bringing jobs and services to those in their vicinity and supply chain. We work to fulfil this potential with companies.

*“Extractive industry investments can catalyze economic development and diversification, skills development and technology transfer.”* **UNDP**

CowaterSogema believes in the sustainable and inclusive development of the extractives sector. We do so by supporting companies who wish to work with us to fulfil their potential for development impact. We help design and implement impactful cost-effective corporate social responsibility programmes. We align local development priorities and core business imperatives, for example by empowering communities through skills development and integrating local businesses into local supply chains.

*“Canadian extractive sector activity abroad can result in a win-win outcome both for the Canadian economy and that of host countries.”* **Canada CSR Strategy**

## 2 Principles

We are cognisant that working for both the public and private sector clients may be construed as a conflict of interest. To avoid conflicts of interest we adhere to the following principles:

1. **Aiming for positive development impact:** We are a development actor; our focus is on leveraging our experience to support companies to better achieve local development impact. We implement projects that have a positive and long-term impact on people’s well-being and prosperity.
2. **Thorough due diligence:** We are committed to supporting ethical actors and will conduct due diligence on our extractives private sector clients. We are committed to conducting a thorough due diligence process on private sector clients.
3. **Keeping governance and private sector work separate:** We will not pursue or accept contracts with extractives private sector companies that involves work that conflicts or may conflict with our work for governments. We are committed to providing impartial advice to government beneficiaries.
4. **Monitoring of experts:** We will ensure our experts divulge any conflict of interest and ensure these are considered in designing roles and responsibilities. Private sector experience is valuable, however working in parallel for a private sector client can be problematic. As a company we ensure we review any conflict of interest prior to proposing or/and contracting consultants.
5. **Anti-corruption:** We are strictly opposed to any form of corruption or fraud. We will not engage in projects that are in any way linked to unethical practices and will oppose bribery conducted in connection with our projects.