



# TrustWorks Global

No more business as usual.

## Company Benchmarking

### Background

The number of armed conflicts is at its highest since the end of the Cold War and global fragility remains at a near-record high level. There are currently over 70 Fragile and Conflict-affected Settings (FCS), affecting over 25 per cent of the global population. As a result, companies increasingly find themselves operating in or sourcing from FCS. These contexts are often characterised by a range of dynamics that can undermine even the best-intentioned companies from operating responsibly.

When companies operate in or source from FCS, their presence and activities interact with the context to shape the impacts that the company has on its stakeholders and on the operating context itself. Normative guidelines suggest that corporate due diligence should be proportional to risk; in FCS, risk is elevated and the standards expected of companies are therefore also elevated. Notably, companies are expected to adapt their policies, governance mechanisms and due diligence processes to the specific risk factors associated with their business activities in FCS.

### Company Benchmarking

In order to measure companies' progress on this topic and to provide greater clarity to companies on the expectations in these areas, TrustWorks has developed its own company benchmarking methodology, drawing upon normative and regulatory frameworks as well as best practice. The methodology mirrors the framework of the Task Force on Climate-related Financial Disclosures as many companies are already familiar with this framework. By adapting this framework to the responsible business in conflict domain, our benchmarking assesses companies through the following five questions:

1

#### Exposure to conflict risks

How exposed is the company to conflict risks as a result of its business activities in FCS?

2

#### Governance

To what extent are conflict-related issues incorporated into governance processes?

3

#### Strategy

Is the company's strategy for FCS 'fit for purpose'?

4

#### Risk management

How robust is the company's risk management approach for FCS?

5

#### Metrics & Targets

Do metrics and targets reflect the company's commitment to and progress on these issues?

Each category has 3-4 sub-categories on which companies receive a score from 1 to 5, with 5 representing 'best in class'. We then compare the results against the 50+ assessments we have conducted so far of large MNCs across different sectors against two criteria: exposure to FCS; and, readiness to operate in/source from FCS.

Based on our assessment, we then provide companies with preliminary recommendations for each of the 5 categories that can help them progress in this agenda, ideally towards "best in class". We are tracking companies' progress on these topics on an annual basis.

### About TrustWorks

**TrustWorks is a Swiss-based social enterprise specialising in responsible and effective engagements in conflict-affected areas**

We work diligently and discretely to support our public and private sector clients and partners to minimise their negative impacts on conflict and, where possible, to maximise their positive impacts on peace. We enable companies to operate, source and supply in line with legal requirements, normative frameworks, and best practices on heightened human rights due diligence, conflict-sensitivity and International Humanitarian Law; where possible, we support companies to go beyond 'minimum standards' to have positive impacts on the lives and livelihoods of those affected by violence and conflict.

For further information please contact us

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