

Communication on Progress 2015



The Global Compact Communication on Progress

Control Risks and the Global Compact	1
About Control Risks	1
CEO's statement of continued support for the Global Compact	2
Human Rights	3
Commitment	3
Systems	3
Activities	4
Plans for 2015-16	4
Labour	5
Commitment	5
Systems	5
Activities	6
Plans for 2015-16	6
Environment	8
Commitment	8
Systems	8
Activities	8
Plans for 2015-16	9
Anti-corruption	10
Commitment	10
Systems	10
Activities	10
Plans for 2015-16	12

Control Risks and the Global Compact

Control Risks is committed to advocating and implementing the UN Global Compact's principles in all our offices and across our broad spectrum of clients, whether we are working for corporate clients, governments, NGOs or private individuals. As our clients operate in often hostile and complex environments, it is vital that we are able to advise them on best practice and on conducting business responsibly.

Control Risks' core values and the principles of the Global Compact overlap, and our commitment to the Compact provides a natural extension and broad umbrella for our own values. Commitment to our core values is essential in aligning our offices and business units, and is at the heart of what we consider to be the unique spirit of the company. On joining Control Risks, our people are asked to embrace our core values, and our training programmes reinforce what these mean to us in practice.

Meanwhile, as Control Risks continues to expand, we recognise the associated responsibilities this brings: the need for clear guidelines, effective operating procedures, systematic training and formal management structures. Our Code of Ethics, our Anti-Bribery and Anti-Corruption Policy and our Human Rights Policy are central to the set of policies which underpin all aspects of our work and our internal processes.

About Control Risks

Control Risks is an independent risk consultancy that helps its clients to manage political, security and integrity risks worldwide. We work across the world and operate in accordance with shared standards and principles. We employ around 2,500 people from highly diverse backgrounds, and we work with clients from the public, private and non-profit sectors. We have worked for more than 5,300 clients across all industry sectors in over 130 countries.

Since Control Risks was formed in 1975, it has been defined by - and recognised for - its commitment to the highest standards of business integrity and ethics. Our four core values are reinforced in all that we do. These are: integrity and ethics, professionalism and excellence, collaboration and teamwork, and commitment to people.

Control Risks formally signed up to the UN Global Compact in September 2007, and is fully committed to embracing, supporting and implementing its ten principles.

Our mission is to enable our clients to succeed in complex and hostile business environments. Because of the nature of our business, we advise clients in potentially controversial, sometimes dangerous and often morally complex situations. In these circumstances, the task of applying our values is a major commitment, a constant challenge and an essential operating requirement.

We aim to establish long-term relationships with our clients, based on trust, candour and mutual respect. When we decide whether to work with a new client, or to accept a new assignment, we take full account of ethical issues as well as ensuring legal compliance. At all times we work to retain the trust and respect of our clients and business partners, as well as the government officials and communities among whom we operate. There are occasions when we cannot support a client for ethical reasons.

CEO's statement of continued support for the Global Compact

I am pleased to reaffirm Control Risks' continuing support for – and commitment to – the UN Global Compact. This is our seventh Communication on Progress (COP).

The Compact's anti-corruption and human rights principles are central to our operations at Control Risks. Our report examines the steps we have taken within the company over the last year to help our people address these issues in a robust and consistent fashion, and flags our contributions to international conferences and external publications.

I am pleased to report that we have continued to provide leadership in combating corruption both in terms of our consultancy offerings to our clients and with our contributions to a range of publications, including a number of our own initiatives. The forthcoming 2015 edition of our International Business Attitudes to Corruption series is the result of a survey of more than 800 companies worldwide and it will be available to download from the Control Risks website from October 2015. We have also contributed to a number of civil society initiatives, notably hosting Transparency International events in three of our offices.

Our global human rights working group has been meeting regularly over the last year. It has successfully overseen the adoption of the American National Standard Management System for Quality of Private Security Company Operations (PSC1) for the company's Iraq operations, and is applying the lessons learnt to enhance the company's risk assessment/due diligence and incident management procedures globally. The working group has also made substantial improvements to the company's human rights briefing and training programmes and plans further work in this area across our global operations in the coming year. Externally, Control Risks continues to play an important role in thought leadership in the area of human rights, participating in high profile panel discussions, and we remain closely involved with security industry initiatives focused on the development of human rights standards. Our leading role in the Association of the International Code of Conduct for Private Security Providers (ICoCA) endures with the inclusion of a Control Risks representative on the ICoCA Board.

Commitment to people is a core value at Control Risks. In terms of the Compact's labour principle, I am happy to report that we have conducted an Employee Engagement Survey since our 2014 COP, and have received positive results and useful information to help shape our future plans. We have also in the last year continued to expand the range of courses available to our people worldwide through our online learning platform complemented by face to face sessions.

Our environmental initiatives are continuing to gather pace. Last year's executive committee review of the environmental aspects of our Health, Safety and Environmental (HSE) policy focused our efforts on three key components: reducing workplace waste, shrinking our greenhouse gas output and promoting environmental sustainability. Across all of our offices where we have been able to measure our performance, I am pleased to be able to report that we have made significant progress in reducing our environmental footprint. We have also raised awareness of environmental sustainability amongst all of our employees globally by including material on this theme in our recently-launched annual HSE e-learning course.

I look forward to reporting on our progress next year.



Richard Fenning
CEO, Control Risks

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Commitment

Control Risks' commitment to the UN Global Compact's principles on human rights is expressed in our Code of Ethics which states:

Human Rights. Control Risks supports the Universal Declaration of Human Rights, and our employees are never to be complicit in human rights abuses. We examine all advice to clients for its potential direct and indirect impacts on human rights. Control Risks abides by the Voluntary Principles on Security and Human Rights.

We elaborate on this commitment in a further policy document, our Human Rights Policy. Both the Code of Ethics and the Human Rights Policy are available on our website (www.controlrisks.com).

Our Human Rights Policy makes specific reference to the Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights, the UN Global Compact, the Montreux Document, the International Code of Conduct for Private Security Providers and the UN Guiding Principles on Business and Human Rights.

Systems

Training and reference documents

Control Risks includes human rights alongside other aspects of its Code of Ethics in its various training programmes. Everyone joining the company is required to read our Human Rights Policy as part of their induction. For teams working in higher-risk environments, we provide more extensive training. Our consultants in Africa, for example, receive a "Human Rights Essentials" briefing document and are required to take an online test to ensure that they fully understand their human rights responsibilities. This training programme has undergone further enhancement over the past year. We have a significant business in Iraq, and all our employees there undergo mandatory annual training which refers to the UN Guiding Principles and other key international standards. Meanwhile, security management training for our global crisis and security consulting teams includes an emphasis on human rights.

Risk assessment and due diligence

Control Risks includes human rights as an integral part of its internal risk reviews. Control Risks conducted an enhanced Human Rights Risk and Impact Assessment as part of the requirements for the PSC1 management standard in Iraq (see below): we learnt valuable practical lessons from this exercise, and will be applying them both in Iraq and in other high-risk environments, notably in Africa.

Our Group Risk Manager includes human rights as a specific agenda item when conducting regular reviews of our business teams and international offices.

Control Risks also incorporates human rights risk assessment and due diligence in its consultancy offering to its clients. Current major projects in this area include a project to help a client monitor and manage potential human rights risks in a large-scale project in the Middle East.

The Ethics Committee

Our people are encouraged to refer to Control Risks' Ethics Committee if in doubt about the human rights or other ethical implications of a proposed course of action. Such referrals most often take place when we are deciding whether or not to take on a new assignment in a sensitive area. Several times a year we turn down – or decide not to bid for – potential new assignments on ethical grounds. Human rights considerations are often a key factor in these decisions.

Internal whistleblowing process

Our people are able to make an anonymous report if they suspect that a member of Control Risks is engaged in unacceptable or inappropriate conduct in relation to human rights or any other ethical issue, and if they feel unable to raise the issue with their line manager. We engage a reputable third party whistleblowing service to ensure independence and anonymity.

Third party complaints

Control Risks' third parties complaints process is included in a policy document that is available on our external website. If a third party wishes to make a complaint, it may contact Control Risks' management at any of our offices or get in touch with our General Counsel. Familiarity with the policy is a mandatory requirement for all senior managers.

Activities

Human rights working group

The company's human rights working group, which draws its membership from the company's principal client-facing teams across all regions, has been meeting regularly in 2014-15. This has enabled us to make progress on our key human rights initiatives. In particular, the working group has been responsible for managing a programme leading to the company's Iraq operations being certified to the PSC1 management standard, an internationally-recognised benchmark for responsible management, including human rights compliance, in the private security industry. The working group is now tasked with ensuring the PSC1 standards are consistently maintained in Iraq and, where appropriate, applying the exacting principles of PSC1 to the company's human rights risk assessment and incident management procedures in its operations elsewhere in the world.

During the past year, members of the working group have further strengthened our human rights briefing and training programmes, including the preparation of a global training programme for consultants embedded in client operations, as well as e-learning materials for all employees within the company.

The working group has also operated as an important forum for sharing knowledge and experiences in relation to a number of consulting projects the company is performing for its clients with a particular focus on human rights.

Promotion of professional standards in the international security industry

Control Risks has long taken a leading position in the development and adoption of security industry standards and codes of practice, and this includes a firm commitment to human rights.

Control Risks was one of the first signatories of the International Code of Conduct for Private Security Service Providers (ICoC), which establishes human rights-based principles for the responsible provision of private security services. A representative of Control Risks continues to sit on the ICoC Association Board of Directors.

In the UK, Control Risks continues to participate in the Security in Complex Environments Group (SCEG), a special interest group within the UK-based industry association the Aerospace Defence and Security Group (ADS) with a particular focus on responsible human rights compliance in the security industry.

Thought leadership

In late September 2014, Control Risks contributed to a Royal Institute of International Affairs (Chatham House) workshop held in London, *Resource Development in Fragile and Conflict-Affected States: Can it Promote Peace?*. Control Risks was represented by a senior member of its Africa political analysis team who discussed the peacebuilding role of private enterprise in a number of African countries.

Also in September 2014, one of Control Risks' directors was a panellist at the *Hague Conference on Business and Human Security* held at the Hague Institute for Global Justice which focused on the private sector's role in the promotion of human rights and peacebuilding and as a driver for positive social and economic change in fragile and conflict-affected states. Our role was to bring insights from our own experiences working with clients operating in these complex environments and focused on three key challenges: the role of nation states in upholding the rule of law; the private sector's need for systematic preparation and risk assessment; and nation states' leadership on the remediation of human rights problems.

In October 2014 Control Risks contributed to a workshop on *Building a secure environment for responsible business in Kenya's extractives sector*, which was organised by the Institute for Human Rights and Business (IHRB) and hosted by the UK High Commission in Nairobi. The workshop drew on the lessons of extractive industry development in other countries, and highlighted the need for cooperation between companies, civil society and governments.

Plans for 2015-16

In the year ahead, we plan to:

- Draw on the lessons of our PSC1 Human Rights Risk and Impact Assessment for Iraq to enhance our risk assessment/ due diligence and incident management procedures in other high-risk environments.
- Strengthen our human rights training and awareness programmes.
- Complete the global roll-out of our Human Rights Essentials training programme.

Labour

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Commitment

Commitment to People is one of Control Risks' four core values. We are committed to providing opportunities for our people to develop, achieve their professional aspirations and enjoy successful and rewarding careers within the company. This commitment is reflected in our human resources policies, systems and activities in place across our offices.

We respect the rights of our people to form and join trade unions for the protection of individual and collective interests.

Diversity is a key element of our human resources strategy. Control Risks aims to create an environment that welcomes and respects the different perspectives of all our people, as well as those of our clients and our suppliers. Control Risks' inclusive "One Firm" culture means that our people feel valued.

We are committed to ensuring that our people are consulted about any changes to the business that will have an impact on their employment.

The following statements are extracts from our human resources policies:

- Control Risks recognises that the best ideas come from a diverse pool of knowledge, and values the range of backgrounds and experiences that generate such ideas. We understand that open minds lead to mutual respect and ensure openness to change and innovation.
- Control Risks is committed to providing a working environment in which respect for people's dignity is at the core of our organisation. The company and all its employees have accountability to ensure a working environment in which everyone is treated with respect and dignity.
- Control Risks' employees have the right to work in an environment of mutual trust and respect, where everyone is fairly treated without discrimination. The policy emphasises the fact that any employee who has taken action against discrimination will not be victimised in any way.

Control Risks aims to ensure that individuals:

- Receive equal treatment in all aspects of engagement with the company;
- Are not subjected to any form of discrimination or victimisation regardless of sex, race (including colour, nationality, national or ethnic origin), marriage or civil partnership status, pregnancy or maternity, gender reassignment, sexual orientation, age, religion or belief and disability;
- Are not disadvantaged or treated less favourably by a condition or requirement which cannot be reasonably justified.

Systems

Control Risks complies with local legislation in the countries where it operates. Where our own standards exceed those of local legislation, we will apply our own standards: the issue of forced or compulsory labour, or child labour, therefore does not arise in our own operations. The company vets its subcontractors (as well as all prospective employees) before engaging them and expects them to abide by its policies when working on the company's behalf; the same is expected of agents, representatives, joint venture partners and suppliers.

We continually review our contracts, insurances, policies and procedures to ensure we comply with local legislation.

We have systems in place to ensure that any issues arising, for example, discrimination, bullying or harassment, are dealt with fairly and objectively. These systems are set out in our grievance and dignity at work policies and processes.

Control Risks constantly strives to improve performance management to ensure that we manage and develop our people consistently and in line with our values.

We set high standards for our people, and we offer structured training and development programmes designed to help people at all levels meet those standards and achieve their full potential. We aim to develop our people by giving them access to learning opportunities and empowering them to manage their own careers within the company. Training and

development take the form of e-learning, residential and non-residential courses and workshops run internally and externally, regional training workshops, and management programmes.

As with human rights more broadly, Control Risks' people are expected to raise any concerns about our clients' labour practices with the company's Ethics Committee.

Activities

Long-term investment in our people is essential to the continuing success of our business. Control Risks constantly seeks to enhance the learning and development opportunities it provides so that our people have the skills and tools they need to develop their careers within the company.

In 2014-15, we have:

- Conducted an Employee Engagement Survey (as outlined in our COP 2014-15 plans). We received positive feedback most notably in the pride employees feel in working at Control Risks, Control Risks being a welcoming employer to all and employees treating each other with respect. Where the feedback indicated Control Risks was falling short or not meeting expectations in certain aspects of its role as an employer, we have taken this on board and are implementing actions plans to remedy these concerns. The Survey has helped shape our plans for future people related activity, some of which is outlined in our COP 2015-16 plans.
- Launched a Consultant Development Programme globally via our online learning platform and face to face workshop and coaching sessions (as outlined in our COP 2014-15 plans). This is a broad learning programme helping employees understand the processes involved in consulting and supporting the development of skills required in their consulting roles.
- Continued to offer a range of development opportunities globally to our employees through our online learning platform and face to face sessions. These include: Management Development, Finance for Non Finance Managers, Career Management and Global Induction.
- Continued roll out of mentoring, allowing employees to learn from the experience and expertise of highly talented colleagues across our offices.
- Continued to raise awareness of company policies through our online training platform.
- Continued to develop our Cultural Awareness programme for roll out in 2015-16 (as outlined in our COP 2014-15 plans). The aim of the programme is to help broaden and deepen employee's intercultural awareness and understanding to ensure that as a global company we maintain the richness of cultures while striving to achieve our common aims and strategy.
- Launched customer relationship management training to all relevant employees.

In line with our values, our approach to reward aims to be fair, consistent, transparent and easily understood so that we are able to attract and retain the most talented people. We regularly review and seek to enhance the rewards we offer our people. We also constantly seek to improve our employment standards and practices, to ensure that we are consistent in the way we employ and engage people globally.

In 2014-15, we have:

- Refined our global bonus scheme in conjunction with our performance review process placing a greater emphasis on rewarding individual personal performance.
- Further developed our secure global HR information system and reporting capability. This allows us to manage the information we hold about our people in a consistent way and to mitigate compliance risks.
- Continued to review our global HR insurances to ensure consistency and transparency and to comply with employment regulations in each jurisdiction in which we operate.

Plans for 2015-16

In the year ahead we plan to:

- Focus on 'People Development' which is a key strategic priority for the company. In support of this we will be implementing and embedding the following initiatives:
 - Using our internal Career Framework, facilitate greater ease of access and transparency to our global learning and development initiatives available to employees in their current and future roles allowing them to take greater ownership of their personal development.
 - As described above, launch our Cultural Awareness programme to all employees globally in 2015-16.

- As described above, continue to embed our Consultant Development Programme focusing primarily in 2015-16 on coaching and face to face workshops to ensure globally-consistent development of our employees' consulting skills.
- Support our commitment to talent development within the company through the launch of a global Talent Development programme. The aim of the programme is to engage and develop a diverse group of highly capable people to help them have a progressive career within the company.
- Further support compliance activity through our online learning platform and relevant annual refresher programmes.

Environment

Principle 7: Business should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Commitment

Control Risks' commitment to the environment is outlined in the environmental aspects of our Health, Safety and Environmental (HSE) policy and includes the following statements:

- Control Risks is committed to protecting the environment.
- Control Risks will comply with all applicable environmental laws and standards in each location where it operates.
- Control Risks has identified three key areas of environmental focus and is committed to monitoring, evaluating and reviewing its performance in these areas across all operating locations.

Our three areas of focus are:

1. **Reducing workplace waste** by reducing consumption and increasing recycling of office materials.
2. **Shrinking greenhouse gas output** by increasing energy efficiency and reducing carbon intensity of our operations.
3. **Promoting environmental sustainability** in our employee, supplier, leasing and contractor relationships.
 - Control Risks will brief its employees and suppliers on its environmental commitments.
 - Control Risks considers environmental impact a significant risk factor in its risk consulting methodology and will give its clients the best possible advice that is consistent with the environmental responsibilities of the company and of its clients.

The policy also highlights our commitment to the Compact.

Systems

Our policy allocates specific areas of responsibility to help us ensure that the company meets its targets on environmental management:

A member of the Group Executive Committee sponsors and champions environmental management within the company. The Group Executive Committee reviews the company's progress in our three areas of focus on an annual basis and confirms that these continue to reflect the company's goals.

Regional CEOs have put in place environmental initiatives for all offices within their region in line with the policy and with local legislation.

Regional environmental champions co-ordinate and promote the company's approach to environmental management in the Control Risks offices in their region, and submit annual reports outlining their progress in our three areas of focus. The champions work with environmental representatives across our offices.

Control Risks' Charity and Volunteering policy allows our people to spend two days a year, in addition to their holiday allowance, engaging on a voluntary activity, project or charity that can include the environment.

Our HSE policy is included in our global induction programmes for people joining the company.

Compliance with applicable environmental legal and regulatory requirements is included in our internal audit process.

Activities

The Group Executive Committee reviewed our HSE policy in July 2014, and confirmed our three areas of environmental focus, as stated above. With around 30% of our permanent staff based in our London office, we recognise that environmental management enhancements achieved in this office will have a considerable impact so have inevitably focused a good deal of our effort there but we have successfully driven our initiatives across the world.

1. Reducing workplace waste.

Our offices measure energy consumption wherever they can and record the results.

Our Asia Pacific offices have focused on reducing consumption over the last year and, as a result, the overall consumption has reduced by 24% across the ten offices. Consumption also fell in our London office by 4.7%, where the figure has been falling every year since 2011.

Similarly, we record the categories in which each office undertakes recycling (we have identified 12 recycling categories). Facilities for recycling vary significantly between our office locations, and our champions are tasked with identifying ways of making better use of existing facilities and of improving our recycling record. Our Asia Pacific offices continue to utilise all available recycling facilities with an average of nine out of every 12 items recycled across the region. In our Europe & Africa (EurAf) region we are able to report that our Berlin office now recycles 80% of all paper and our Amsterdam office now recycles 50% of all paper. We are also carrying out eco audits within our EurAf offices to identify further improvement measures.

We have also focused on reducing our paper consumption and have achieved a 34% reduction in the London office.

2. Shrinking greenhouse gas output.

- **Travel.** The nature of Control Risks' business and the fact that we have offices worldwide mean that travel cannot be avoided. However, an upsurge in the use of an online instant messaging, video conferencing and a screen sharing platform for internal purposes has led to a marked reduction in travel. In order to reduce travel, the company also uses audio, web, video and event conferencing for external communications, meetings, marketing and training purposes, as well as for consulting.

We are unable to record our travel miles for all of our offices but we are pleased to report that overall figures for London indicate that we reduced CO2 emissions by 12.4% in 2012, a further 22% in 2013, 16.9% in 2014 and a further 11.7% in 2015 to date.

Meanwhile, we have achieved a 9% reduction in travel miles across the Asia Pacific offices. However, our Shanghai and Tokyo offices have reported an increase in travel. This will be explored further so that we can identify how we might reduce our travel from these offices in future.

- **Offices.** Control Risks seeks to influence the management of our office buildings globally to optimise energy efficiency. Where possible we introduce environmental enhancements, particularly during office moves and refurbishment. Within our London office we are planning a major refurbishment that will see us consolidate from two floors to one and will enable us to introduce several key changes which will benefit the environment such as;
 - Reducing the number of multifunction printers from twelve to five.
 - Providing more recycling points.
 - Introducing writeable walls and removing paper flipcharts.

We are also in the process of carrying out our ESOS assessment with The Carbon Trust to help us identify further areas of improvement.

3. Promoting environmental sustainability

As highlighted in our plans in our 2013 COP, we have continued to raise awareness of the environmental commitments contained within our HSE policy at a global level and this is now incorporated into our annual HSE e-learning course.

We are continuing to identify the environmental policies and practices of our suppliers and contractors as we wish to ensure that these meet best practice.

Plans for 2015-16

In the year ahead, we plan to:

- Implement further actions as recommended within the ESOS assessment in our London office.
- Reduce paper usage by a further 10% in our London office.
- Expand the eco audit to our Africa-based offices.
- Reduce paper usage by 5% in the Dubai office.
- Incorporate environmental enhancements into the office in Los Angeles when it relocates in December.
- Reduce travel miles in the Shanghai and Tokyo offices by 5%.

Anti-corruption

Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

Commitment

Control Risks' commitment to the Tenth Principle is expressed in its Code of Ethics, which is available on our website (www.controlrisks.com), and states:

Business Integrity. Business integrity goes beyond compliance with the law, and involves the application of our core values. Control Risks does not pay bribes or receive kickbacks either directly or indirectly. Control Risks' employees are expected to use their judgement not just to avoid malpractice but to promote good practice in accordance with the company's commitment to high standards of integrity.

We elaborate on this statement in our Anti-Bribery and Anti-Corruption policy, which is also available on our website. The policy makes specific reference to the UK Bribery Act and to the US Foreign Corrupt Practices Act (FCPA). At the same time, it affirms Control Risks' commitment to abide by all national laws relating to bribery and corruption in the jurisdictions where we operate. The policy covers: bribes and kickbacks; facilitation payments; public officials; gifts, hospitality and expenses; personal conflicts of interest; charitable donations; political activities; business relationships; and audits and accounts.

Systems

Internal training and awareness-raising

Our Anti-Bribery and Anti-Corruption policy features in our internal training for our employees at all levels. All employees are required to complete an e-learning programme as part of their induction when they join the company. This includes an anti-bribery and anti-corruption module which was designed for Control Risks.

Third parties and subcontractors

Control Risks' Anti-Bribery and Anti-Corruption policy states that we do not pay bribes directly or indirectly, and that we expect business partners to adhere to integrity principles that are consistent with our own. These principles apply with particular force to commercial agents, representatives and subcontractors. Our Subcontractor Management Policy sets out a rigorous set of procedures for the selection, preparation, engagement, training and management of subcontractors in order to ensure that they abide by our corporate integrity standards.

Anti-corruption risk assessments and reviews

Our Risk Manager and Internal Auditor conduct regular risk reviews and internal audits of all key business units and offices. Audits include a review of all aspects of compliance with local and international law as well as company policy. We have a robust follow-up process for all actions identified. Furthermore, all our business units are asked at regular intervals to declare any breaches of policy or "near misses".

Internal whistleblowing and ethics consultation procedures

Control Risks' employees are encouraged to make an anonymous report if they suspect that a staff member is engaged in unacceptable or unethical conduct – including corruption - and if they feel unable to raise the issue with their line manager.

In October 2014 we published a revised Whistleblowing policy. Control Risks employees who wish to raise a concern anonymously are encouraged to make contact with a hotline managed by an external party provider that operates independently of the company management.

Similarly, employees are encouraged to consult the company's Ethics Committee if in doubt about the ethics of specific business initiatives or the integrity of potential business partners. For example, our Client Acceptance and Engagement Management policy states that the company will "take account of ethical and reputational issues, as well as legal compliance" when deciding whether to work with particular clients or to take on new assignments.

Activities

Thought leadership

1. Special reports on *International Business Attitudes to Corruption*

Our latest report in the *International Business Attitudes to Corruption* series was released in October 2014, and we are currently working on the 2015 edition. The report is based on a survey of more than 800 companies worldwide. It will

highlight the continuing costs of corruption in terms of business lost to bribe-paying competitors while at the same time pointing to the positive impacts of international legal initiatives to combat bribery. The final sections of the report will review current trends in the development of corporate compliance programmes and the need for further progress. The report will be publicly available.

2. Other Control Risks publications

In November 2014, we published a 'white paper' on *Risk: an Organisational Perspective*, which places a particular focus on anti-corruption. The paper argues that corporate risk management frameworks are in flux, and seem to pay little attention to the realities of cost, strategy and human behaviour. This paper offers a fresh perspective on how people in organisations really manage risk and what they need to do about it.

Also in late 2014, we prepared a special report for Australian companies *Corporate Corruption: Building Resilient Businesses*. The report highlighted recurrent weaknesses in Australian companies' anti-corruption strategies, and explained what they needed to do to address them.

In the past two years, Richard Fenning, our CEO, has been hosting a series of video *Dialogues* with experts on business integrity, and these are published on YouTube. Recent examples have included a discussion in December 2014 on *Managing the Tension Between Compliance and Sales in Emerging Markets* where our guest was William B. Jacobson, a partner in the US law firm Orrick. In March 2015, our dialogue was on *Corruption in Africa: How to effectively mitigate the risk* with Uche Orj the CEO of the Nigerian Sovereign Investment Authority.

Reports on corruption trends feature prominently in Prime, our online service on political and security risk, as well as our research reports for individual clients.

3. Contributions to external publications

Our Sydney office made a submission to an inquiry of the Australian parliament's Joint Standing Committee on Foreign Affairs, Defence and Trade: *Partnering for the greater good: The role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region*, which was published in June 2015. Our submission was quoted in a number of sections around the challenges associated with partnering including those relating to corruption, security and human rights and how to best mitigate the attendant risks.

We have become regular contributors to *Ethisphere*, the US-based magazine on corporate ethics. Our recent contributions include articles on compliance in Mexico and Brazil. Geert Aalbers, the Senior Managing Director in our Sao Paulo office has joined *Ethisphere's* editorial advisory board.

In 2014 Greg Esslinger, who leads our investigative practice in North America, contributed a series of six guest columns on business integrity to *Inside Counsel*, the US-based magazine for in-house legal professionals.

Chris Torrens, the Senior Managing Director of our Global Risk Analysis team in London, contributed a chapter on compliance risks in China – past present and future – to a book on *Compliance Management in China* recently published by Haufe Verlag in Germany in mid-2015.

4. Participation in anti-corruption conferences and seminars

Control Risks contributes to anti-corruption conferences and seminars around the world.

Our Americas team oversaw a panel at the 2014 and 2015 Global Ethics Summits in New York, presented at the 2014 *Ethics and Compliance Conference*, presented at the 2015 *Latin America Ethics Summit* in Rio de Janeiro, and spoke at the *Association of Certified Fraud Examiners' Annual Global Fraud Conference*.

In the Asia Pacific region we contributed to the *Legal Risks and Compliance Summit* in Singapore (June 2015) as well as the *Anti-corruption Forum*, organised by Australian Legal Business magazine, also in June 2015. In Shanghai we organise our own quarterly *Integrity Round Tables*. We are frequent speakers at events organised by British and American Chambers of Commerce across the region (see below).

In Europe, our contributions included addressing a conference in December 2014 on *The Good, the Bad and the Non-compliant* organised by the Foreign Bankers Association in the Netherlands. In Munich, we organised a dinner event on *Compliance in China* (October 2014), providing a platform for 20 senior compliance managers of German multinational companies to discuss the impact of tighter enforcement of anti-corruption regulations in China.

5. Civil society initiatives

Control Risks' London head office is an active corporate member of the Transparency International (TI)-UK Business Integrity Forum. In April 2015, we hosted a meeting of the forum at our office on the themes of political corruption and the risks of doing business with state sector companies.

Our Berlin office is a corporate member of Transparency Deutschland and will be hosting its annual meeting in October 2015.

Our Sydney office is, likewise, an active corporate member of TI Australia (TIA). Michael Ahrens, the Chief Executive of TIA wrote an introduction to the special report for Australian companies *Corporate Corruption:*

Building Resilient Businesses that we published in late 2014. We hosted two events for companies included in the ASX100 (the top 100 companies in the Australian Stock Exchange) in support of TIA.

In China, our Shanghai office again worked with the American Chamber of Commerce (AmCham) on the *China Business Report 2014-2015*: this draws on an Internet-based survey of AmCham members and includes an analysis of corruption trends as they affect international business.

In 2015 we supported AmCham Singapore with the design and analysis of its annual *ASEAN Business Outlook Survey*. The survey polled 471 AmCham members in 10 ASEAN countries, and likewise included a series of questions on the rule of law and corruption as a potential 'hindrance to business'. We are regular speakers on integrity issues at AmCham events across South-east Asia. Recent examples include a breakfast event with AmCham Malaysia in April 2015 on *Reducing Fraud and Corruption Risks*.

In June 2015 we spoke at two anti-corruption workshops in Vietnam organised by the local European Chamber of Commerce and sponsored by the UK Department for International Development.

Plans for 2015-16

In the year ahead we plan to:

- Roll out new guidance for employees on screening suppliers with an emphasis on anti-bribery and anti-corruption compliance;
- Refresh our internal anti-corruption training courses.
- Standardise the content and frequency of internal anti-corruption training for consultants embedded within client organisations.

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