



UN Global Compact Communication on Engagement: August 2016

TRACE International

FOREWORD

I am pleased to reaffirm TRACE International's commitment to the Ten Principles of the United Nations Global Compact and Sustainable Development Goals with a strong emphasis in the area of Anti-Corruption. Reducing corruption and bribery is one of the targets of Goal 16 which aims to promote peaceful and inclusive societies for sustainable development, and TRACE is dedicated to mobilizing the international business community and other key stakeholders to achieve this goal. TRACE has worked with thousands of multinational companies and small and medium-sized enterprises over the last decade to align their culture and operations with the Compact's 10th Principle and continues to challenge companies to operate at the highest levels of integrity and transparency.

We are fully committed to engaging in collaborative, multi-stakeholder initiatives which help businesses reduce corruption and bribery and improve transparency in their global supply chains. As a leading anti-bribery business organization, we seek to deploy our network and capabilities to support the achievement of the Sustainable Development Goals and help resolve issues that are an obstacle to prosperity and sustainable economic development.



A stylized, handwritten signature in black ink, appearing to read 'Alexandra Wrage', written over a thin horizontal line.

Alexandra Wrage
President & Founder
TRACE International, Inc.

INTRODUCTION

TRACE International was founded in 2001 and has been a signatory to the United Nations Global Compact and member of the Anti-Corruption Working Group since 2005, joining shortly after the introduction of the 10th Principle against Corruption in 2004. Participation in the Global Compact and Anti-Corruption Working Group is fundamental to our mission of advancing commercial transparency and raising anti-bribery compliance standards.

As a leading anti-bribery business organization with hundreds of multinational member companies, and a network of thousands of small and medium-sized enterprises (SMEs) globally, we use our channels of communication to drive the 10th Principle and mobilize companies to align their values with those of the Global Compact. Many members of TRACE are also individual signatories to the Global Compact and work with us to implement the 10th Principle. As a member of the Anti-Corruption Working Group, we have served as a voice for many companies and have engaged in collaborative efforts to develop anti-bribery best practices. Over the last decade we have taken many practical steps to support the 10th Principle and to engage with the Global Compact initiative. In our first annual Communication on Engagement, we describe the practical actions our organization has taken to advance the 10th Principle in the last two years.





30 Anti-Bribery Training Workshops and Events

Online Training on the 10th Principle



EDUCATION AND TRAINING

Workshops

In 2014, TRACE partnered with the UN Global Compact Network India to host an anti-bribery training workshop in New Delhi at no cost to participants. The workshop agenda addressed the anti-bribery regulatory and enforcement climate in India, compliance programs and the role of the Global Compact Network India in working with the key stakeholders to reduce corruption on a regional level. Over 120 companies attended the workshop.

In addition to this event, over the last two years, TRACE has hosted nearly 30 anti-bribery training workshops and events for the employees and third party intermediaries of multinational companies on anti-bribery compliance standards, including Global Compact principles. These events were all free of charge.

Online Training

TRACE also delivers education on anti-bribery via webinars and online training. The **TRACE Anti-Bribery Specialist Accreditation** (TASA), a comprehensive and rigorous training and accreditation program that offers a professional credential for anti-bribery compliance specialists, includes a course on implementing the Global Compact's 10th Principle. In addition, our online training, which is utilized by hundreds of companies, is based on the pillars of the UNCAC.

To educate future leaders on the importance of anti-bribery, this fall we will launch an animated series on corruption directed at school children which will be publicly available and widely distributed.

THOUGHT LEADERSHIP

TRACE Matrix

In November 2014, TRACE launched the **TRACE Matrix**, a global business bribery risk index for the compliance community. The TRACE Matrix was developed to bring more granularity and precision to the risk assessment process. It measures business bribery risk in all countries across four domains – Business Interactions with Government, Anti-bribery Laws and Enforcement, Government and Civil Service Transparency, and the Capacity for Civil Society Oversight, including the role of the media – as well as nine sub-domains. This tool is publically available on our website and featured in the UN Global Compact Sustainable Supply Chains Resources and Practices [webpage](#).

TRACE
MATRIX

Country Risk Scores Table - 2014 Results

Country	Total Risk Score	Domain 1: Interactions with Government									Domain 2: Anti-Bribery Laws and Enforcement						Domain 3: Governmental and Civil Service Transparency						Domain 4: Capacity for Civil Society Oversight						Variance Penalty									
		Dom 1 Overall Risk			d1.1			d1.2			Dom 2 Overall Risk			d2.1			d2.2			Dom 3 Overall Risk			d3.1			d3.2				Dom 4 Overall Risk			d4.1			d4.2		
Afghanistan	73	73	53	71	70	49	48	50	59	54	63	75	54	89	4.7																							
Albania	60	67	59	73	50	32	39	26	35	47	32	43	46	32	8.8																							
Algeria	79	82	88	67	63	30	39	24	79	81	74	49	51	38	10.0																							
Andorra	47	51	46	42	56	52	56	48	48	48	52	24	27	18	3.3																							
Angola	94	93	59	91	89	61	54	65	99	98	92	73	65	69	6.6																							
Antigua and Barbuda	51	53	49	41	59	46	49	43	51	54	52	36	37	31	2.8																							
Argentina	65	79	76	67	66	12	11	15	26	56	11	22	21	23	17.1																							
Armenia	54	58	44	56	59	52	41	62	33	21	49	51	55	35	3.8																							
Aruba	55	53	54	47	48	49	54	43	60	60	62	46	45	39	2.3																							
Australia	39	39	20	22	72	51	60	41	42	27	58	20	31	4	2.4																							
Austria	32	29	20	26	46	49	53	44	30	22	44	23	31	10	2.6																							
Azerbaijan	67	69	48	50	85	21	15	29	58	40	74	55	62	35	7.5																							
Bahamas	56	60	57	48	59	54	56	50	56	55	59	31	32	25	4.2																							
Bahrain	48	43	51	34	42	53	50	54	51	56	50	48	59	25	0.9																							
Bangladesh	76	80	50	96	65	32	9	54	66	54	76	58	43	68	8.4																							
Barbados	43	38	36	24	52	64	61	64	47	50	49	29	33	21	3.2																							
Belarus	52	42	3	40	78	12	19	8	60	51	67	50	61	26	5.9																							
Belgium	36	31	26	22	48	47	52	43	46	45	52	18	24	10	3.5																							
Belize	61	67	63	47	70	56	60	50	52	54	54	37	31	39	5.4																							
Benin	65	61	31	75	61	57	64	48	70	80	61	64	43	80	2.0																							
Bermuda	53	54	59	38	54	46	46	46	56	52	63	35	40	23	3.3																							

For more information, visit www.TRACETInternational.org.

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Certify the World

Recognizing that SMEs often lack the resources to address bribery, TRACE launched **Certify the World** in 2015, an initiative aimed at raising anti-bribery compliance standards among SMEs globally, while reducing due diligence costs for multinational companies. Through Certify the World, TRACE has offered hundreds of SMEs in select markets the opportunity to complete **TRACEcertification**, a comprehensive due diligence review, analysis and approval process that is administered by TRACE and results in a compliance report and credential. TRACE Certified companies serve as pre-vetted business partners for multinational companies seeking to do business with suppliers, agents and consultants that share their commitment to commercial transparency and the 10th Principle.

The pilot program was launched in Ghana with **Pyxera Global**, a non-profit organization focused on local content development and integrated community development efforts, as part of a USAID-funded supply chain development program. Local companies were invited to complete **TRACEcertification** at no cost and attend an anti-bribery training workshop. Over 150 companies attended the workshop and more than 50 completed **TRACEcertification**. For more information on the Ghana pilot program and workshop, please view our short [video](#).



MEASUREMENT OF OUTCOMES



The actions TRACE has taken in support of the 10th Principle have been successful in producing the desired outcomes. Our outreach efforts continue to attract new participants to the UN Global Compact. Our training workshops and Certified the World program have resulted in greater knowledge of anti-bribery compliance standards and the 10th Principle among SMEs and MNCs globally. About one thousand business and compliance executives attended our events in the last two years, and over two hundred companies have completed *TRACEcertification* at no cost as part of our efforts to raise awareness of anti-bribery compliance. The introduction of the TRACE Matrix has resulted in a more effective response to calculating bribery risk and implementing the corresponding controls.

“ARVEKA is a long-standing TRACE Certified company. Being TRACE Certified has enabled our company to meet international due diligence requirements while demonstrating our strong commitment to commercial transparency and conducting business to the highest ethical standards. *TRACEcertification* has had a very positive impact on our business, providing us with a sustainable competitive advantage.”

Egidijus Skuzinska
Managing Director, owner of ARVEKA LLC.
ARVEKA UAB



About TRACE

TRACE International and TRACE Incorporated are two distinct entities with a common mission to advance commercial transparency worldwide by supporting the compliance efforts of multinational companies and their third party intermediaries. TRACE International is a non-profit business association that pools resources to provide members with anti-bribery compliance support while TRACE Incorporated offers both members and non-members customizable risk based due diligence, anti-bribery training and advisory services. Working alongside one another, TRACE International and TRACE Incorporated offer an end-to-end, cost-effective and innovative solution for anti-bribery and third party compliance.

For more information, visit www.TRACEinternational.org.

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[TRACE Membership Brochure](#)

[TASA Brochure](#)

[Risk-Based Due Diligence Brochure](#)



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