



**CROWN AGENTS**  
ACCELERATING SELF-SUFFICIENCY & PROSPERITY



United Nations Global Compact

Original

## **COMMUNICATION ON PROGRESS 2018**

Crown Agents' annual submission to the United Nations Global Compact

September 2018



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## INTRODUCTION: ABOUT THE UNITED NATIONS GLOBAL COMPACT /

The United Nations Global Compact is the world's largest corporate sustainability initiative.

It represents a commitment from companies to align strategies and operations with universal principles on **human rights, labour, environment and anti-corruption**, and take actions that advance societal goals. Over 9,500 companies are involved and are based in more than 160 countries, both developed and developing, representing nearly every sector and size.

The ten universally agreed principles are:

### THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES

#### 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.

#### LABOUR /

Principle 3: Businesses 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.

#### ENVIRONMENT /

Principle 7: Businesses 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.

#### ANTI-CORRUPTION /

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

# TABLE OF CONTENTS

<b>Section 1: Statement of continued support by the Chief Executive Officer /</b>	<b>5</b>
<b>Section 2: Human Rights /</b>	<b>6</b>
2.1 Principles	
2.2 Our approach	
2.3 Measurement of outcomes	
<b>Section 3: Labour /</b>	<b>8</b>
3.1 Principles	
3.2 Our approach	
3.3 Measurement of outcomes	
<b>Section 4: Environment /</b>	<b>10</b>
4.1 Principles	
4.2 Our approach	
4.3 Measurement of outcomes	
<b>Section 5: Anti-corruption /</b>	<b>12</b>
5.1 Principles	
5.2 Our approach	
5.3 Measurement of outcomes	

## SECTION 1: STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER /



Crown Agents works with leaders to accelerate self-sufficiency and prosperity. We offer supply chain, fund management, programme design, delivery and evaluation, training, institutional efficiency and revenue generation expertise. We do this across health, humanitarian, stabilisation, governance and public administration, prosperity and renewable energy. We are a registered social enterprise, 100% owned by the Crown Agents Foundation.

It is Crown Agents' policy to operate to the highest standards of integrity and legality. We understand the burden of risk and the value of honesty; that is why we invest in our integrity and our accountability. Since our creation in 1833, we have developed tools and frameworks to ensure that the services we provide to our clients, either be donors, governments or other parties, reflect such commitments.

I am pleased to confirm that Crown Agents reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Fergus Drake, Chief Executive Officer

## 2. HUMAN RIGHTS/

### 2.1 Principles

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

### 2.2 Our approach

Throughout our work, we are committed to uphold human rights principles and frameworks and to reach out to the most remote and vulnerable populations in the world.

For instance, our project in South Sudan works towards the enjoyment of local communities to the human right to health and access to basic healthcare, enshrined in International Human Rights legislation and the Sustainable Development Goals (goal 3). The South Sudan Health Pooled Fund (HPF) provides hundreds of thousands of citizens, especially women and children, with quality healthcare, delivering services across 80% of South Sudan. Since the beginning of the project, almost 270,000 women have attended at least one antenatal clinic, 150,000 babies have been safely delivered in health facilities and 4.7 million children have received preventive services for childhood diseases, fever and diarrhoea.

We have also been working with local communities in Ghana to accelerate self-sufficiency and prosperity for children in rural communities, by delivering the complementary basic education (CBE) programme. This programme is developing the basic maths and language skills of over 200,000 children who had dropped out of, or never attended, school; half of these children are girls. We have enabled 182,000 children to be enrolled so far, fulfilling their right to education.

Beyond our projects, our company culture also promotes and supports international human rights. Our Global Code of Conduct specifically refers to Human Rights:

#### CROWN AGENTS' GLOBAL CODE OF CONDUCT

Crown Agents:

- supports universal human rights both within the communities in which we operate and the organisations with whom we do business
- seeks to ensure that our activities world-wide are not complicit or perceived to be complicit in human rights abuses
- will not be involved in the supply or shipment of goods or services where there are clearly identifiable risks of their use for internal repression or external aggression that would violate human rights

Crown Agents will respect human rights and promote respect for human rights within its sphere of influence.

Crown Agents operates a dedicated compliance team which ensures the highest standards of honest, ethical and transparent behaviour are engaged in and adhered to across all Crown Agents operations. This is achieved through our team maintaining a consistent involvement in Crown Agents' business activities, conducting capacity building and training for all Crown Agents staff and carrying out dynamic due diligence on all our third-party associates. In addition, our compliance team promotes a speak-up culture across the organisation, encouraging all employees and stakeholders to talk about and identify issues which could compromise our ethical standing and commitments.

Crown Agents is committed to partnering with business partners, from grassroots entities to large-scale multi-nationals, which share our ethical approach and adhere to these standards. Our due diligence processes are a key part of Crown Agent's risk mitigation strategy to uphold transparency across the delivery chain. Crown Agents have set a comprehensive due diligence standard that suppliers need to adhere to before any association will be considered. This includes an analysis of their legal history and their commitment to ethical standards. In completing the due diligence process each partner also commits themselves to following Crown Agents' Ethical Code for Business Partners which includes human rights provisions.

We promote an organisational culture where our employees are aware of our commitment to ethics and the protection of human rights. In the last two years, our compliance team has conducted bespoke training in nearly all of CA's international offices and for multiple projects, including in South Sudan, Zimbabwe and Turkey. When necessary Crown Agents will extend their in-house compliance training to an implementing partner, investing time and resource to ensure those we work with understand our business approach and priorities. Recent examples of this include working with a joint-venture partner in Turkey to build their due diligence capacities and advising a sub-contractor in Nepal on their compliance processes.

Crown Agents also promotes the business and human rights agenda through fora developed by key international actors such as the United Nations or the OECD (respectively, the UN Forum Business and Human Rights and CECD Forum on Responsible Business Conduct) as well as relevant national conferences on Social Responsibility and Human Rights issues.

We believe that our staff should be able to "speak up" and report abuses to ensure that our organisation is not complicit in human rights violation and/or any unethical behaviour. We encourage openness and dialogue and will always support our staff to raise concerns and give opinion about any aspect of our operations or the conduct of individuals across our business. To this extent, we operate a fully confidential whistleblowing mechanism whereby any concerns regarding unethical, corrupt or unlawful behaviour can be reported upon by any member of staff or stakeholder. Concerns can be raised through several platforms including a confidential hotline or email or by contacting the Compliance Team directly. We understand that reporting such claims can trigger fears of victimization or reprisal, that is why Crown Agents always ensures that any concern is addressed with the upmost seriousness and discretion.

### **2.3 Measurement of outcomes**

- Ensuring that everyone understands of the importance of respecting human rights in our work, through training and awareness-raising sessions, sharing and creating social media content on the issue.
- Maintaining a strong due diligence process that efficiently highlights and communicates risks related to human rights.
- Regular monitoring of the process.
- Ensuring that our reporting and whistleblowing procedures allows claims related to human rights to be dealt with in an effective manner.

## 3. LABOUR/

### 3.1 Principles

Principle 3: Businesses 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.

### 3.2. Our approach

The right to be represented and to be supported across the organisation is led by the initiative of our Staff Council. The Staff Council is a group that represents all the staff and management of Crown Agents and works together to enhance the flow of information and communication across the organisation; deal positively and constructively with issues affecting everyone; build trust and grow Crown Agents into a sustainable, profit making business. The Staff Council enables us to ensure that our staff has a voice and that they can positively contribute to the wellbeing of our organisation.

Additionally, we maintain a wide set of policies that underpin a safe and trusted environment for our staff, partners and beneficiaries.

This commitment includes our aim to tackle the issue of forced labour and modern slavery. We support the 2015 UK Modern Slavery Act and endeavour to ensure that slavery and human trafficking is not taking place in any of our supply chains and any parts of our own business. We also partner with Stronger Together, a multi-stakeholder initiative aiming to reduce modern slavery.

We have developed tools and enhanced collaboration between teams to support our strategy to tackling Modern Slavery. We own a policy entitled “Tackling Modern Slavery in Business and Supply Chains. We have also created a “Modern Slavery” checklist to be distributed to individuals going on supplier visits. We are increasingly taking account forced labour and human trafficking into our risk registers. Our Compliance team is working closely with our Human Resources Department to ensure that best practices in recruitment are dealt with across the board, using Stronger Together implementation guidelines.

Training and awareness-raising on forced labour and modern slavery is crucial. As part of Crown Agents’ onboarding program, all our new starters at Crown Agents need to complete an online Module on Modern Slavery within three months. In addition to awareness-raising sessions organised for our staff in UK Headquarters and our international offices, Crown Agents’ Group Compliance team held special sessions on Modern Slavery during country visits to Kyrgyzstan, Singapore, South Sudan, Ethiopia, Kenya, Ghana, Bangladesh and Turkey. Our internal website has a page devoted on the topic of Modern Slavery, which includes; links to the Modern Slavery Act, the Home Office Guidance, the Stronger Together and other useful resources on Modern Slavery.

Our approach includes the prohibition of child labour.



We expressly prohibit the exploitation of children, either via forced labour or sexual exploitation. Crown Agents takes seriously the safety of children with whom our employees and contractors come into contact and operates a zero-tolerance approach to child abuse. The sexual, physical or emotional abuse of a child by any Crown Agents any employee or contractor is prohibited. Our Anti-Harassment and Sexual Exploitation policies protects our staff and other stakeholders from sexual exploitation and abuse.

We value diversity and equality in our employment practices, and this is demonstrated in our policies, procedures and day to day work as an organisation.

Crown Agents believes that a significant part of its success is based upon maintaining and developing an environment where its associates are recognised as individuals and provided with opportunities to realise their full potential, regardless of their age, disability, gender reassignment, race, religion or belief, sex, health, social class, sexual orientation, marriage & civil partnership, pregnancy/maternity status, or trade union membership. We are an equal opportunities company and we are committed to a policy of treating all its contractors/associates and applicants on an equal basis. Crown Agents will recruit, in all job areas without discriminating against any contractor/associate or applicant on grounds of their age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage & civil partnership, or pregnancy/maternity status.

In 2018, we recognize that the international development sector has come under criticism on issues regarding sexual exploitation and harassment. Crown Agents considers that harassment is harmful to employees and employers alike. It can subject individuals to fear, stress and anxiety; great strains can be put on work, personal and family life. Harassment can lead to illness, accidents, absenteeism, poor performance, an apparent lack of commitment and people leaving employment. It can therefore impact badly on safety, organisational effectiveness and business success. Those who are harassed, victimised or bullied may often feel vulnerable and are reluctant to complain. We prohibit all forms of harassment, whether amounting to unlawful age, disability, gender reassignment, race, religion or belief, sex or sexual orientation discrimination or not.

In compliance with UK legislation, we recently published our first gender pay gap report for 2017. One of the recommendations stemming from the report is for our Human Resources and Recruitment teams to work together, alongside managers and the Staff Council, to create a monitoring and evaluation plan of how positively or negatively Crown Agents current systems are contributing to the gender pay gap, and therefore what policies and systems we need to address. Those recommendations should be implemented by the time of the next report for 2018.

### **3.3 Measurement of outcomes**

- Publishing the 2019 annual statement on the steps taken to tackle Modern Slavery. Ensuring that training is being adequately rolled out for staff (new joiners and refresher trainings)
- Publishing the 2018 gender pay gap statement
- Ensuring that our reporting and whistleblowing procedures allows claims related to Labour and Human Resources issues to be dealt with.

## 4. ENVIRONMENT/

### 4.1 Principles

Principle 7: Businesses 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.

### 4.2 Our approach

Crown Agents operates to the highest standards of probity and transparency in all its business activities around the world. We aspire to the principles set out in ISO26000 on corporate social responsibility (CSR) to act in a manner that is socially responsible. Sustainability is key to CSR across several key issues.

With regards to environmental sustainability, Crown Agents is committed to the relevant national development targets. We encourage the use of environmentally friendly technologies within our sphere of influence and take account of prior environmental impact assessments for relevant business opportunities. Crown Agents give proper weight in evaluation to a product's environmental benefits, and where possible, use environmentally friendly options.

We further try to encourage awareness of environmental issues and impact amongst our staff, partners and suppliers to encourage a Crown Agents environmental culture and practice within all our office and organisation around the world.

In 2017, we moved our Headquarters to a new location in central London. The move was a great opportunity to build on sustainable approaches to energy consumption and more broadly to raise awareness on the impact that our work has on the environment.

Our new building has an excellent energy rating, which means that our facilities are highly efficient in the way energy is being used. Additionally, food catering is provided by Baxter Storey, a family company who sources their fresh produce from local suppliers who have reduced their food waste by 37%.

As occupiers of the building, we regularly have quarterly meetings with our building landlords to discuss various agenda items, including a breakdown of energy consumption (electricity, water and gas). In April 2018, Crown Agents was audited by Veolia to assess our practices in recycling waste across our offices. The results were shared with all staff members and recommendations were put in place by Crown Agent's Facilities Manager.

We have moved out IT hardware into the cloud, to increase efficiency and flexibility in our work. In turn, this means that we have reduced our power consumption and cooling that is needed to maintain physical servers. We have also updated our technologies for a better remote working experience and online conferencing systems, allowing us to do our work while reducing needs and costs for business travel.

Our new office is paper-free and our staff is encouraged and trained to use digital documents and share files to online platforms, cutting down the need to use printouts. When we need bigger printouts, we use the services of Ashley House Printers, a supplier which has been certified by the Forest Stewardship Council as a "green printer".

Beyond our internally-focused commitment, Crown Agents' projects also promote the use of environmentally friendly technologies such as solar energy.

We work with institutions and governments to broaden energy access and mitigate the impact of climate change in some of the remotest regions in the world. That is why we are installing innovative off-grid solar solutions across Africa and working with the Nepalese government to accelerate the use of renewables. We deliver off-grid and grid-interactive solar power solutions around the world, powering local and national economies and supporting the delivery of essential services. Off-grid solar for public institutions in Africa means hospitals, clinics and schools can finally have affordable reliable power - making certain medical procedures possible and helping children receive quality education. From assessing the needs of our clients to providing training to ensure the sustainable use of the installed technology, we handle every stage of the project.

In 2017, Crown Agents released a report entitled "the Solar Revolution", claiming that solar power can instigate tremendous changes in the energy distribution across the developing world. This revolution is being made possible by a dramatic fall in the costs of implementing solar projects coupled with massive advances in energy storage and monitoring technology. That year, we delivered off-grid solar solutions to 172 schools and 45 health centres in Nigeria. We have extended energy access to 250,000 people worldwide.



### THE SOLAR REVOLUTION: A CASE STUDY FROM KENYA<sup>1</sup>

In 2017 Crown Agents was selected to provide low-cost clean energy for poor and vulnerable communities in Kakuma refugee camp in Kenya. Capitalising on smart-inverter technology, the pilot project seeks to demonstrate the financial viability of solar in off-grid settings.

In partnership with Moving Energy Initiative and Africa Power Storage, Crown Agents designed a solar information and technology (ICT) hub for communities in the camp, providing affordable clean energy for charging mobile phones, lanterns and computers. The ICT hub will use a smart-card system to monitor usage, ensuring equal access to hub use and training for men and women.

The solar hub has been designed to become a community asset by the end of the pilot project: ensuring sustainability – financially and in terms of maintenance – will be crucial to its success. Training in cleaning PV panels and in monitoring PV and battery performance will ensure skills transfer to the local community and increase understanding of solar energy.

#### 4.3 Measurement of outcomes

- Continuous involvement of our Facilities Manager and our staff in our building headquarters
- Regular communications around energy consumption and waste management (i.e recycling audit results circulated to our staff)
- Monitoring and evaluation from the Kakuma Project to see how many people have had access to the solar impact

<sup>1</sup> Excerpt from our 2017 publication "The Solar Revolution". <http://www.crownagents.com/docs/default-source/publications/crown-agents---the-solar-revolution-1.pdf?sfvrsn=2>

## 5. ANTI-CORRUPTION/

### 5.1 Principles

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

### 5.2 Our approach

Crown Agents will conduct all its business in an honest and ethical manner and is committed to acting with integrity, fairness and professionalism in all its business dealings and relationships wherever it does business. Crown Agents does not and will not offer, pay, solicit, receive, authorise, collude in or condone the payment or receipt of bribes (including so-called 'facilitation payments') or engage or collude in any fraudulent or dishonest practice anywhere in the world by any person on its behalf or for its benefit in any way whatsoever.

All new joiners are mandated to take an anti-fraud, bribery and corruption training course within their first three months.

Crown Agents has an organizational policy on anti-fraud, bribery and corruption policy. According to our policy statement:

#### CROWN AGENTS' ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

Crown Agents operates a zero-tolerance approach to all forms of fraud, dishonest or deceptive behaviour, and:

- will take all appropriate measures to prevent fraud and other forms of dishonest behaviour and to facilitate the investigation and reporting of incidents of suspected fraud or dishonesty by employees or business partners;
- requires employees to be vigilant to risks and exposures to fraud and dishonesty and to either take prompt steps to eliminate or manage such risks and exposures and/or to report such risks and exposures to their Line Manager or relevant senior managers in Crown Agents;
- requires employees to be alert to detect incidences of fraud or other dishonest behaviour and to report their suspicions in accordance with the Reporting and Whistleblowing Policy (PAM 1200);
- will investigate all reports of suspected fraud or other dishonest behaviour and, where appropriate take disciplinary or other action against wrongdoers, including reporting item to the police or other law enforcement agencies.

Crown Agents operates a zero-tolerance approach to all forms of bribery and corruption, and:

- does not and will not offer, pay, solicit, receive, authorise, collude in or condone the payment or receipt of bribes (including so-called 'facilitation payments) anywhere in the world by any person on its behalf or for its benefit;
- any employee who offers, pays, solicits, receives, authorises, colludes in or condones the payment or receipt of a bribe (including so-called 'facilitation payments') will be liable to disciplinary action including dismissal, regardless of any criminal or other sanctions);
- any business partner who offers, pays, solicits, receives, authorises, colludes in or condones the payment or receipt of a bribe (including a so-called 'facilitation payment') shall be liable to summary termination of their or its contract with Crown Agents for cause, regardless of any criminal or other sanction and without prejudice to any other claim or remedy to which Crown Agents may be entitled under the contract or the law.
- Even the suggestion of fraud, bribery or corruption may seriously damage the reputation of Crown Agents, and affect its ability to do business, as well as the reputation of its employees. Crown Agents is committed to doing business ethically and is determined to protect its reputation.
- Crown Agents will not penalise any employee for refusing to pay a bribe, including a facilitation payment, notwithstanding that such refusal might result in Crown Agents losing existing business, not winning new business, or suffering delays in existing business. “

Moreover, our due diligence process requires all business partners to acknowledge, understand and fully agree with the following statement:

#### **CROWN AGENTS ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT**

**“Crown Agents operates a zero tolerance approach towards all forms of fraud, bribery and corruption. It does not give or accept bribes (including so called "facilitation payments") or any other illegal inducements, and will not condone any such action by its employees, agents, representatives, contractors, suppliers or consultants.”**

Crown Agents operates TEL, an independent confidential whistle-blower hotline for anyone wishing to report concerns regarding fraud, bribery, corruption or other unlawful or unethical behaviour connected with its business or operations. Details regarding TEL and how to access it can be found by following this link: <http://www.crownagents.com/about-us/ethics-and-compliance>

Other policies help us mitigating the risk of perceived corruption, such as our gifts and hospitality and conflicts of interest policies.

For instance, we recognize that giving or receiving appropriate gifts or hospitality (G&H) can be useful to building lasting business relationships and to promoting the company's services. We however also acknowledge that gifts and hospitality can potentially influence people's behaviours in a way that relate to issues of conflicts of interests and bribery. This can sometimes be illegal, and thus damaging to CA's reputation and the confidence of our clients. Transparency and accountability is key; this is why we have value thresholds in terms of gifts and hospitality, a list of prohibited items and that we ask our employees to record instances of gifts and hospitality so that we mitigate the risks of perceived collusion adequately.

Mismanaged conflicts of interest have also the potential to be perceived as fraud, bribery or corruption. To mitigate those risks, all Crown Agents staff need to declare any potential conflicts of interest upon joining the organisation and are now required to update their situation annually. When a potential conflict of interest is identified, Group Compliance will provide guidance for line managers to put together the most efficient risk-mitigation strategies.

Crown Agents is experienced in maintaining compliance standards in complex and fragile environments. Our compliance team is adept at modifying standard training programmes in key areas such as anti-fraud bribery and corruption, gifts and hospitality and conflicts of interest to fit the context in which projects are being implemented. In the last three years our compliance team has conducted bespoke training in nearly all of CA's international offices and for multiple projects.

Crown Agent's Group Compliance Team mandate also includes the promotion of Business Integrity principles that include the promotion of strong anti-corruption narratives in the international development sector. We are a member of the Transparency International UK Network and we attend their bi-annually Business Integrity Forum, which discusses global trends in the fight against corruption, bribery and extortion worldwide, which is an alliance of UK business associations, professional institutions, civil society organisations and companies to help create a business environment that is free from corruption.

### 5.3 Measurement of outcomes

- Ensuring that everyone understands of the importance of working against all forms of corruption, through training and awareness-raising sessions, sharing and creating social media content on the issue.
- Ensuring that our due diligence process mitigates risks related to all forms of corruption
- Ensuring that our reporting and whistleblowing procedures allows claims related to fraud, bribery and corruption to be dealt with in an effective manner.