

Control Risks

The Global Compact

Communication on Progress 2019



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CEO's statement of continued support for the Global Compact

As the new global Chief Executive Officer of Control Risks, I am pleased to reaffirm our continuing support for – and commitment to – the UN Global Compact. We express this support through our policy commitment, our work with our clients and our thought leadership, all of which are covered in this report. My intention as CEO is to promote Control Risks' fundamental values and to continue to support the initiatives undertaken by my predecessor, Richard Fenning. This is our eleventh Communication on Progress (COP).

We have witnessed a gradual but sustained maturing of corporate standards since the publication of the UN Guidelines on Business and Human Rights in 2011. We ourselves continue to play a leading role in promoting professional standards, including on human rights, through the International Code of Conduct Association (ICoCA) for private security providers. We put these standards into practice in our own operations in Iraq, West Africa, and other sensitive and complex environments across the world. At the same time, we are aware that there is much more to be done and, in our capacity as an international consultancy, we hope to continue to play a constructive, forward-looking role in this area.

In the related field of labour, we are placing an increasing focus on helping clients manage worker welfare risks in their supply chains. Our consultancy offering includes risk assessment, advice on internal controls, monitoring and problem-solving. In these areas we are building up a particularly strong record in the Middle East. Our contributions to thought leadership include a series of reports on our online service for clients, as well as external publications and social media. In 2018 we contributed peer-review comments and suggestions for the IFC's recently published [Good Practice Note on Managing Risks Associated with Modern Slavery for the Private Sector](#).

In [Riskmap 2019](#), our flagship annual report, we highlighted extreme weather disruption as one of the top five risks to business. Control Risks does not provide technical environmental consultancy services. However, we apply our risk management skills to a wide range of potential crises, including natural disasters such as hurricanes and floods, and our North American practice has developed particular expertise in this area. Fortunately, the 2018 hurricane season proved to be less severe than many of its predecessors. However, we stand ready to help our clients anticipate and respond to future challenges. In doing so, we hope to make our own contribution to Sustainable Development Goal 11 – Sustainable Cities and Communities.

In the field of anti-corruption, our main contribution is our consultancy work with our clients, which ranges from integrity due diligence and risk analysis to policy development, training and complex problem-solving. Meanwhile, we contribute our expertise to the public policy debate on measures to resist corruption. In 2018 we sent a written submission to the UK House of Lords Select Committee on the Bribery Act 2010, and one of our consultants subsequently testified to the committee as an expert witness. In both the written submission and the oral testimony we emphasised the Act's positive contribution to higher standards of business integrity in the UK and internationally. Since then we have contributed to the UK government's Business Integrity Initiative by preparing a set of draft country guides on how to do business ethically – with a focus on avoiding corruption-related hazards – in Kenya, Mexico and Pakistan.

This is my first letter in support of our COP since I took over as CEO in late 2018 after several years at the company, including as Regional CEO for Asia-Pacific and then for Europe and Africa. I was directly associated with Control Risks' original application to join the UN Global Compact in 2007. Over the years I have taken a particular interest in the field of business and human rights in complex environments. I am delighted to see how the wider field of Corporate Responsibility has developed since we joined the UN Global Compact, and I look forward to reporting on our continuing progress next year.



Nick Allan
CEO, Control Risks

About Control Risks

Control Risks is a global specialist risk consultancy that helps to create secure, compliant and resilient organisations in an age of ever-changing risk. Our headquarters is in London, and we have a network of international offices in every region. In this COP, we report on behalf of the entire Control Risks Group.

Control Risks exists to make our clients succeed. Working across disciplines, technologies and geographies, everything we do is based on our belief that taking risks is essential to our clients' success. We provide them with the insight to focus resources and ensure they are prepared to resolve the issues and crises that occur in any ambitious global organisation. We go beyond problem-solving, and give clients the insight and intelligence they need to realise opportunities and grow.

Control Risks and the UN Global Compact

Control Risks formally signed up to the UN Global Compact in September 2007, and is committed to embracing, supporting and implementing its ten principles. We believe that these are fully compatible with our own values and aspirations. At the same time, we are conscious that we can always go further in our pursuit of excellence. We therefore value our association with – and the opportunities to learn from – the UN Global Compact network of companies across the world.

We recognise the important role that business will play in advancing the UN Sustainable Development Goals (SDGs). We believe that we have a distinctive contribution to make to SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. This is especially in relation to Target 16.5 (Substantially reduce corruption and bribery in all their forms). As will be seen in the main body of our COP, a significant part of our work involves helping clients implement effective anti-corruption strategies, including in high-risk countries and sectors. Working with our clients, we believe that we can make a substantial contribution to the promotion of good governance.

Structure of report

The structure of our COP reflects our understanding of the nature of our contribution to the UN Global Compact's objectives. The four main sections address the Compact's key themes: human rights, labour, the environment and anti-corruption. With one exception, each of these contains four sub-sections:

- ▶ **Our policy commitment** presents a summary of our policies in these core areas.
- ▶ **People and processes** focuses on the practical implementation of these policies within our company, for example through training and internal procedures, and includes a summary of the latest developments.
- ▶ **External engagement** reviews our role in promoting higher standards through our work with clients, as well as participation in civil society initiatives and other forms of thought leadership.
- ▶ **Plans for 2019-20** summarises our objectives for the year ahead.

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.

Our policy commitment

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

Control Risks respects the full range of human rights. The Company and all its employees have accountability to ensure a working environment in which everyone is treated with respect and dignity. The company recognises that protecting the environment supports the human right to live in a healthy and sustainable environment.

Control Risks supports the Universal Declaration of Human Rights, and our employees are never to be complicit in human rights abuses. Control Risks is guided by the UN Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights. It is a participant in the UN Global Compact.

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 in the [corporate responsibility section](#) of our website.

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

Where appropriate – for example in a current project in a sensitive part of West Africa – we develop country-level policy and guidance documents to reinforce the Group Human Rights policy with a focus on matters of particular local concern.

In accordance with our commitments under the UK Modern Slavery Act we publish an annual [statement](#) summarising the steps that we have taken to ensure that slavery and human trafficking are not taking place either within our business or in our supply chains. Further detail is given in the Labour section of this report.

People and processes

Human rights risk and impact assessment

Our two-part Client and Project Risk Management Policy states that:

Control Risks employees must assess and manage the ethical, legal, financial and operational risks to the Company at every stage in the client project cycle. Ethical risks are paramount: Control Risks will not undertake any assignment that compromises our reputation for integrity.

It elaborates by stating that “We will not take on an assignment that leads us to cause or contribute to human rights abuses”.

Formal risk registers are mandatory for assignments where the pre-acceptance review process has identified significant risks, including human rights and other ethical risks. Management teams use the registers as a tool to monitor and update our risk assessments, and to respond as needed.

Human Rights

We maintain country-level risk registers as an established part of our broader risk management processes. Project-specific risk registers are mandatory for assignments where the pre-acceptance review process has identified significant risks, including ethics-related risks. All project risk registers include a column summarising our assessment of the human rights risks to external stakeholders.

In the case of a small number of particularly complex or high-risk projects, we set up an additional risk committee which is responsible for reviewing risks – including potential human rights concerns – at regular intervals. They do so in association with – but independently of – the project management team.

The Ethics Committee

The Ethics Committee's tasks include considering a ruling on any proposed work that could pose an ethical or reputational risk to the Company, as well as advising on ethical concerns that may arise in the course of an assignment. The Committee is chaired by our Government and International Relations Advisor, a senior retired diplomat. Its standing members include the CEO, the General Counsel and one other member appointed by the CEO.

The Committee met 16 times in 2017 and 12 times in 2018.

Training

Our internal human rights training course takes the form of eight videos followed by a short test. The training is available to everyone, and mandatory for all senior employees within internal corporate functions as well as members of the following teams: Crisis and Security Consulting; Compliance, Forensics and Intelligence; Global Risk Analysis; and Response and Cyber Security.

The first four videos explain our commitment to the Universal Declaration on Human Rights and the UN Guiding Principles on Business and Human Rights, and review the particular issues associated with security, human rights and labour. In accordance with the Client and Project Risk Management Policy, the fifth and sixth videos explain how our business teams should assess potential human rights concerns when taking on new clients and projects. The final two videos emphasise the need for continuous risk assessment in the course of our assignments, and explain how and when to report problems.

We provide regular, tailored face-to-face training on human rights to our employees in Iraq.

Internal whistleblowing procedures

We encourage employees who wish to raise concerns to talk to their managers in the first instance. If they feel uncomfortable doing so, they may make a confidential report using a whistleblower hotline managed by an independent external provider. Our Whistleblowing Policy, which is published on our Intranet, explains our procedures for maintaining confidentiality and respecting the rights of all parties to the complaint. We include our whistleblowing procedures in the training that we give employees. We also made a point of highlighting these procedures in the latest round of Group-wide face-to-face anti-corruption training given to all employees (see [Anti-corruption section](#)). In the year under review we have designed a new poster drawing attention to the hotline, which is on display in all our offices.

Third-party complaints and grievance procedures

Control Risks is committed to handling grievances from third parties in a transparent and fair manner. Third parties who wish to register a grievance or complaint are invited to send an email to ethicsenquiries@controlrisks.com. We explain our response procedure in a link under the [ethics section](#) of our website.

External engagement

Engagement with clients

We regard human rights as a cross-cutting issue that applies to all our main service lines. For example, our security consultants apply VPSHR and the ICoC guidance, as well as the lessons learned from our own experience, in the recommendations that we make to our clients.

Human Rights

In the coming year, we are planning to put an increased emphasis on human rights in the training programmes that we offer for external clients and prospective security consultants, as well as developing new e-learning modules for external use.

Promotion of professional standards in the international security industry

Control Risks continues to be a major supporter of the Geneva-based ICoC. Chris Sanderson, one of our senior Partners, has served six years as one of four directors representing the private security industry on the Board of the [International Code of Conduct Association \(ICoCA\)](#).

Chris is now serving a second term on the Board's Executive Committee, which provides senior management direction to the Association. One of the Committee's main tasks is to ensure that the Association is adequately resourced to meet its dual remit of ensuring compliance with the ICoC while improving operational governance and raising respect for human rights standards across the global industry. A key part of Chris's work has been reconciling the imperative for a broad and inclusive membership with the need to maintain independently verified compliance with relevant international standards. He has also helped advance cooperation between ICoCA and the US-based International Stability Operations Association (ISOA).

At the time of writing, the Control Risks' Iraq team has recently submitted the required evidence of compliance for their application for ICoCA certification, and is working on the separate submission to ICoCA of our annual Company Self-Assessment. Our Iraq business successfully maintains its accreditation to both PSC-1 and ISO18788 standards via an external audit process.

Control Risks is a leading participant in the [Security in Complex Environments Group \(SCEG\)](#), a special interest group within the UK industry body Aerospace, Defence, Security and Space (ADS). SCEG represents private sector security and risk management companies that are committed to the development and implementation of international standards in their industry, including the protection of human rights. Richard Wylde, Control Risks' lead for Government and Defence business, is a member of SCEG's Executive Committee.

Thought leadership

We regularly publish reports on human rights and modern slavery issues in our online subscription services for clients. We also contribute to external publications and social media, for example to the US-based Society for Corporate Compliance and Ethics (SCCE) blog on [Australia's Modern Slavery Act](#).

Participation in external conferences and workshops

Two Control Risks consultants represented the company at the annual UN Forum on Business and Human Rights in Geneva in November 2017 and November 2018. We also take part in smaller regional conferences, for example the Thomson Reuters Stop Slavery Summit in Hong Kong in late August 2018, and the EU delegation's annual Human Rights Day conferences in Singapore.

Plans for 2019-20

In the year ahead, we plan to:

- ▶ Introduce a new country-level human-rights training programme specifically designed for a major project in Mozambique.
- ▶ Prepare the next cycle of human rights e-learning training. This resource will be permanently available to all employees. However, completion will be mandatory for all employees in client service-line teams and all managers in internal business functions.
- ▶ Continue the process of our ICoCA certification for our Iraq business.

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.**

Our policy commitment

Labour welfare and modern slavery

Our [Human Rights policy](#) states that:

Control Risks has zero tolerance for modern slavery and human trafficking: it is committed to implementing effective systems and controls to ensure that neither practice is occurring anywhere in its supply chains.

In compliance with the UK Modern Slavery Act 2015, Control Risks publishes an annual [statement](#) on the steps that we are taking to ensure that slavery and human trafficking do not take place in our own business or supply chain. The statement is published on the home page of our website.

Commitment to people

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 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 company 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. We emphasise the fact that any employee who has raised concerns about discrimination will not be victimised in any way

Labour

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 that cannot be reasonably justified.

People and processes

Modern slavery risks and our relationship with subcontractors and suppliers

Our Human Rights training course includes a module on the human rights risks associated with labour and modern slavery, and emphasises our commitment to international labour standards. This is to ensure that our employees remain alert and understand their responsibility to escalate any concerns.

As a risk consulting company, we employ trained professionals with specific skillsets and qualifications, meaning the issue of forced or child labour does not arise in our own operations. By extension, we believe that the risk of exposure to such practices in connection with our relationship with suppliers and subcontractors is minimal, and our internal procedures are designed to ensure that this remains the case.

In accordance with our Subcontractor Management Policy and Supplier Management Policy, we expect our vendors to abide by our Anti-Bribery and Anti-Corruption Policy and Code of Ethics when working on the company's behalf, including our principles on labour practices.

Drawing on our internal risk review of potential exposure to labour welfare risks, we have placed a particular focus on our relationship with suppliers of personnel for tasks such as cleaning or driving services, noting that in many jurisdictions such services are provided by migrant workers who may be more vulnerable to exploitation. During the vetting stage, we look closely at each agency's recruitment and employment practices, for example with regard to the payment of overtime and the availability of grievance mechanisms.

Internal employment practices

Of the four labour principles in the Global Compact, Principle 6 on non-discrimination is the one that applies most directly to Control Risks' own operations, and this emphasis is reflected in our systems and activities. We have systems in place to ensure that any issues relating to, 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, workshops run internally and externally, regional training workshops, and management programmes.

Some of our people travel to medium- and high-risk security environments. We have policies in place, and resources and training available to assist our employees in such environments as part of our commitment to fulfil our duty of care to employees. This includes access to e-learning courses on travel risk awareness, kidnap and terrorism risk, and a cycle of mandatory training on health and safety. These courses raise awareness of potential medical, safety and security hazards that our employees could face when travelling for work, or working at a client's site or in our own office premises. They also educate our employees on how to mitigate those risks.

Labour

Activities

Employer vision

Control Risks has reviewed and updated its employer vision, which sets out our commitment to our people. We constantly strive to deliver on this commitment through our activities.

Our people are given direct responsibility, career development and the opportunity to work collaboratively on fascinating projects in a rewarding and inclusive global environment. We believe that our people should be able to fulfil their desired potential regardless of everything but their talent, behaviours, work ethic, and commitment, and strive to create a diverse, challenging and innovative work place where everybody thrives on continuous improvement.

In 2018-19, we have:

- ▶ Made further progress on our diversity and inclusion agenda. This has included:
 - ▶ The launch of global principles on maternity and paternity leave, establishing minimum thresholds for pay and leave so that our employees, wherever they are based, can spend time with their new children.
 - ▶ The launch of global flexible working principles to provide employees and their managers with a consistent framework to consider flexible ways of working that balance the needs of the employee with those of our clients.
 - ▶ Continuing to embed the full range of diversity initiatives already in place across three broad headings of attraction and selection, building capability, and retention and engagement. This includes initiatives to develop diverse local talent pipelines, such as the launch of our second Africa Graduate Programme and a detailed annual review of trends and diversity statistics covering workforce make-up and career-related measures. This is reviewed by our senior management team to allow for equality monitoring, progress tracking, and the identification of further areas of focus.
- ▶ Continued to nurture a high-performance culture through an integrated approach to learning and development to ensure individuals are enabled to realise their full potential. This includes on-the-job training, mentoring and coaching, as well as e-learning and face-to-face learning. Key initiatives for 2018-19 have included:
 - ▶ Continuous review and refinement of our learning, such as our commercial skills course, to ensure it supports the business strategy.
 - ▶ Designing and developing our approach to supporting individuals with specific technical training to ensure they are equipped to perform specialist roles within particular practice areas.
 - ▶ Running talent-development programmes that support our high-potential employees in their leadership careers.
 - ▶ Refining our approach to Performance Management to encourage continuous learning.
- ▶ Launched the planned changes to our global recruitment and onboarding process, including new recruitment material, how we welcome employees to the company and how we build their knowledge in the first few months of their employment. This included the launch of a new global online induction. The aims of the review included ensuring our approach is inclusive to all candidates and employees, and that employees are provided with the tools and knowledge to successfully start their new roles at Control Risks.
- ▶ Launched self-service access to our HR Information system enabling employees to review and update important information, including their emergency contacts.

Labour

External engagement

Engagement with our clients

Our most important external engagement is with our clients. Alongside our other work on integrity risks (see [Anti-corruption](#) section) we are placing an increasing focus on helping companies manage worker welfare risks in their supply chains. Our work in this area includes:

- ▶ Risk assessment. We help clients to identify the projects, activities and drivers that could most expose them to welfare risks.
- ▶ Building controls. We work with clients to review their existing controls, benchmarking them against international best practice, and suggesting enhancements where needed. We provide training to internal and external stakeholders to ensure that controls are implemented effectively.
- ▶ Monitoring and reporting. We monitor compliance with worker welfare standards using first-hand resources in our clients' countries of operation. This includes site assessments to independently evaluate the effectiveness of controls and, where necessary, to identify potential grievances before they escalate.
- ▶ Problem-solving. We offer a combination of crisis-management and investigations skills, including on-site visits, document analysis, and stakeholder interviews to identify control failures and recommend mitigation strategies.
- ▶ Stakeholder mapping and engagement. We work with companies to help them introduce best practices in worker welfare into their supply chains and sectors.

Thought leadership

We report on key international developments in the field of labour welfare and modern slavery in our CORE online subscription service. For example, in the past year we have published articles on Australia's new Modern Slavery Act (December 2018) and human rights risks in the Turkmenistan cotton sector (April 2019).

In the year under review, articles on our external website included "[Dispatches from the frontlines of corporate compliance](#)" (September 2018), which reported on a Middle East-based compliance director's engagement with modern slavery risks in her company's supply chain. In March 2019 we presented a global analysis of the role of human rights in [major sporting events](#), from supply chains to sponsors.

Control Risks' Dubai-based consultant Kathryn Fletcher responded to a call for external peer review of a draft [Good Practice Note on Managing Risks Associated with Modern Slavery for the Private Sector](#), which was sponsored by the International Finance Corporation (IFC), CDC Group, the European Bank for Reconstruction and Development (EBRD), the UK Department for International Development (DFID), Ergon, and the Ethical Trading Initiative (ETI). The report was published in December 2018, and we are happy to note that many of her suggestions were accepted in the final version.

In September 2018 we contributed a training session on assessing risks related to worker welfare at an event organised by the Bahrain Chamber of Commerce and Industry (BCCI) and the International Labour Organization.

Plans for 2019-20

- ▶ Conduct a global employee engagement survey, enabling employees to voice their opinions on topics ranging from culture and leadership to reward and career development. Once analysed, the survey results will be a valuable input into future plans.
- ▶ Support the launch of two new global network groups (focused on issues impacting the LGBT community and women) aligned to the Company's diversity and inclusion aims. Work closely with these groups to understand issues, raise awareness and make progress where required.
- ▶ Refocus our learning to better support the Company's new vision, emphasising skills to support our Seller-Servicer model, refreshing our management skills curriculum and continuing to invest in technical skills.

Labour

- ▶ Refresh Performance Management to strengthen the link between individuals' objectives and the company vision.
- ▶ Continue to attract and develop diverse high-potential talent through graduate and talent development programmes.
- ▶ Continue to explore ways to access career opportunities for local communities, for example in London, through working directly with local schools to offer work experience to students who would not typically have access to this.
- ▶ Regarding labour risk among our suppliers, we plan to launch a specific campaign with our colleagues across our global office network who are responsible for managing our relationship with suppliers that provide personnel such as cleaners. This engagement will raise awareness of the relevant training available and vetting procedures.

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.

Our policy commitment

Control Risks' commitment to the environment is outlined in the environmental aspects of our Health, Safety and Environmental Policy. The policy makes a commitment to "safeguarding the health, safety, security and overall well-being of our people, our clients and the communities who may be affected by our global operations". It adds that:

Emphasis must also be placed on protecting the environment and acting in a socially responsible manner, in compliance with applicable HSE laws and regulations to ensure our activities have a positive impact on our neighbours and society.

Further statements in the policy include:

- ▶ 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:

- ▶ **Reducing workplace waste** by cutting consumption and increasing recycling of office materials.
- ▶ **Shrinking greenhouse gas output** by increasing energy efficiency and reducing the carbon intensity of our operations.
- ▶ **Promoting environmental sustainability** in our employee, supplier, leasing and contractor relationships. In this context, Control Risks will brief its employees and suppliers on its environmental commitments. We also consider environmental impact a significant risk factor in our risk consulting methodology. Working with other specialists where necessary, we give our clients the best possible advice that is consistent with their and our environmental responsibilities.

People and processes

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

A member of our executive committee sponsors and champions environmental management within the company. The 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 put in place environmental initiatives for all offices within their region in line with the policy and local legislation. Regional environmental champions coordinate 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 in each office.

Control Risks' Charity and Volunteering Policy allows our people to spend two days a year, in addition to their holiday allowance, engaging in a voluntary activity, project or charity, several of which are environment initiatives.

Environment

Our Health, Safety and Environmental 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.

Internal activities: using reusable materials

In our 2018-19 report, we committed to using only reusable plastic or glasses for water in our offices. In April 2019, we conducted a global survey into the waste and recycling practices throughout our international offices. The survey helped to focus each office's attention on their own recycling provisions, the sources of single-use plastic waste, and their efforts to communicate effective recycling and waste reduction. None of the offices that took part now depend on disposable bottled water as their main source of drinking water. Most respondents identified potential for change following the survey, and some relayed their positive experiences from past campaigns in order to share knowledge. The results will continue to provide useful a guide for setting office standards, create specific targets for improvement, and allow change to be monitored through further surveys in the years ahead.

Throughout EMEA, offices have increased the number and variety of reusable materials, reduced sources of single-use plastic, and continued to improve recycling of other materials. By providing reusable coffee cups and glasses as alternatives in numerous locations, offices have encouraged employees to create less waste.

In January 2019 the London office changed its recycling provider which manages the building's communal waste. This arrangement applies across many other offices in Europe, including Amsterdam and Paris. In London, the supplier is now able to engage with numerous tenants within the building and report statistical data concerning performance. Our London office now recycles more materials, and has more recycling points and improved signage. We have also provided reusable coffee cups for all our employees for takeaway coffee.

The Moscow office has reduced single-use plastics by encouraging staff to eat sit-down lunches, rather than get takeaway meals, and have widened the variety of plastics and packaging that are recycled.

In Lagos, the use of water dispensers has been encouraged to eliminate the waste produced from plastic bottles. Reusable crockery for staff events has also been encouraged. In Nairobi, staff use reusable glass and metallic bottles for drinking water.

Our Shanghai office has stopped relying heavily on bottled water and had a filter tap installed, switched to recycled paper notebooks, and switched from disposable to metal cutlery.

External engagement

Thought leadership and our work with clients

In *Riskmap 2019* we highlighted extreme weather disruption as one of the top five risks to business. We work with our clients to build up their resilience to the consequences of these events, and to respond to crises when they occur. Our North America practice has built up a specialty in responding to extreme weather events as part of our wider crisis management expertise. Fortunately, the 2018 hurricane season proved less destructive than in many previous years, but we stand ready to help our clients respond to anticipate and respond to future challenges. In doing so, we hope to make our own contribution to Sustainable Development Goal 11 – Sustainable Cities and Communities.

Helping local communities

In our 2018-19 report we committed to at least two projects to help a local community deal with climate change in our Europe and Africa region.

Recycling in Russia

In Moscow, staff have helped to organise local recycling collections in a community where there was no recycling infrastructure.

Environment

Tree planting in Kenya

In Nairobi, in fulfilment of one of our 2018-19 commitments, staff have partnered with a local charity to plant fruit trees for schools, thereby providing an extra source of nutrition for the children, as well as benefiting their overall health. They have also been involved in projects to plant trees on areas of land at risk of soil erosion and landslides. This not only has an environmental impact on the local ecology, but reduces the possibility of land-grabbing, offering many benefits to the community. It has also proven to be a very rewarding networking and team-building experience for those involved.

Rainwater harvesting in Kenyan schools

The team in Nairobi has assisted public schools with installing water tanks for harvesting rainwater, which educates the students and promotes sustainable practices.

Plans for 2019-20

In 2019-20, we will focus on the following key activities:

- ▶ Control Risks will join waterway charity Thames21 in September 2019 to help clean up the shoreline around the River Thames. Its activities include drawing attention to the impact of rubbish on our rivers and monitoring the issue of microplastics on their way to the North Sea and beyond. It also runs the Thames River Watch programme, which quantifies the plastic waste found on the foreshore, sharing its data with the Port of London Authority and the Zoological Society of London.
- ▶ We will run a plastic-free month in all offices.
- ▶ Use our volunteer days for activities related to the environment or supporting our local communities.
- ▶ We will run an environment campaign within the company to promote best practice and encourage support.
- ▶ In China we will switch from plane to train travel for journeys under five hours.
- ▶ We will, wherever possible, aim to use glasses for water and reusable cups for coffee and tea.
- ▶ Continue to help local communities with at least two projects annually.

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

Our policy commitment

Control Risks' commitment to the Tenth Principle is expressed in our Code of Ethics, which is available on the [corporate responsibility section](#) of our website:

Business integrity goes beyond compliance with the law, and involves the application of our core values. Control Risks does not pay bribes directly or indirectly and does not engage in any acts of corruption including the facilitation of tax evasion within our business relationships. 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 in which 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. The policy was revised and updated most recently in April 2018. The amendments included explanatory detail, for example on gifts and hospitality, but the principles of the policy are unchanged.

Other related policies and procedures address client and project risk management, subcontractor management, and whistleblowing. Control Risks includes corruption risk assessment as an integral part of our review process before taking on new clients. In our standard Terms and Conditions for all client engagements, Control Risks agrees and warrants that it will not engage in any activity that would constitute an offence against national or international anti-bribery laws, and that it will maintain appropriate policies procedures and training to prevent acts of bribery.

People and processes

Internal training and awareness raising

New employees are required to complete an e-learning anti-corruption training module when they join the company, and we reinforce our business integrity message through regularly updated training packages.

In April 2019 we launched our latest face-to-face anti-bribery and anti-corruption training package, which was compulsory for all employees at every level of the business. In the course of the ensuing weeks we held a series of face-to-face training sessions throughout our international network, repeating them as often as needed to ensure that everyone could participate. For example, in our London and Singapore office we conducted five sessions each.

The training was designed to be interactive, including a series of dilemmas and case studies drawn from real-life experience. The modules covered: 'winning business and working with third parties', 'gifts and hospitality', 'raising concerns', and 'resisting pressure to pay'. The feedback was positive. For example, one participant noted that "The discussion was the best part of the training. It's always useful to discuss a case study or a regulation to reinforce understanding".

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Third parties and subcontractors

Our Code of Ethics, our Anti-Bribery and Anti-Corruption Policy, and our training all place particular emphasis on the potential integrity risks associated with third parties and subcontractors. Our overall policy is stated in our Code of Ethics:

Control Risks expects its suppliers, subcontractors, representatives and joint venture partners to adhere to integrity principles that are consistent with our own.

We apply this policy through a rigorous set of procedures for the selection, preparation, engagement, training and management of subcontractors. Control Risks employees responsible for managing subcontractors are required to brief them on our Anti-Bribery and Anti-Corruption Policy before engaging them. We are currently exploring new options that could enable us to introduce a short e-learning anti-bribery training component into our subcontractor onboarding procedures. This would be in addition to verbal briefings on our Anti-Bribery and Anti-Corruption Policy.

Anti-corruption risk assessments and reviews

Our Group Risk Director and Group Internal Auditor conduct regular risk reviews and internal audits of all key business units and offices, with a focus on anti-corruption. Corruption-related risks and measures to address them are a recurrent feature of the risk registers prepared by country offices and project managers.

In early 2019 the Group Internal Auditor reviewed the implementation of our Client and Project Risk Management Policy, which requires project managers to assess and monitor ethics and compliance risks as an integral part of their risk management procedures. The report found that all interviewees were aware of the role of the Ethics Committee in providing guidance on ethical concerns. At the same time, it recommended that "regular dilemma scenarios" should be distributed to prompt thoughtful discussions". We had already included such scenarios in our most recent face-to-face anti-bribery and anti-corruption training, and we will look for additional ways to make use of such scenarios to raise awareness.

Internal whistleblowing and ethics consultation procedures

As noted above (see **Human Rights** section), our 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 feel unable to raise the issue with their line manager. Employees who wish to raise a concern anonymously are encouraged to make contact with a hotline managed by a reputable third-party provider that operates independently of the company management. The anti-corruption and anti-bribery training package that we launched in April 2019 emphasises the need to raise concerns where appropriate. We dedicated time in the training session to familiarise participants with how to contact the hotline in a bid to improve understanding of our Whistleblowing Policy. We also put up new posters in our offices to raise awareness of the hotline.

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.

External engagement

Engagement with our clients

Our most important external engagement is with our clients. In this regard, our work ranges from integrity due diligence and risk analysis to policy development, training and complex problem-solving. Examples of our work in this area include:

- ▶ Advisory support on the most appropriate structure for in-house compliance and investigative functions, and training the professionals who work in those roles.
- ▶ Conducting ethics and compliance risk assessments that focus on the realities of our clients' external operating environments and the most appropriate compliance controls.

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- ▶ Reviewing company compliance policies and procedures and their implementation. We benchmark against internationally recognised best practices.
- ▶ Using forensic and data analytics techniques to identify weaknesses in compliance controls and provide recommendations to enhance those controls.
- ▶ Designing and delivering engaging and effective ethics, compliance and crisis training workshops.
- ▶ Supporting our clients in developing resistance strategies to deal effectively with corrupt demands and other extortion situations, always with a focus on business continuity.
- ▶ Providing insight and helping organisations proactively manage changes in enforcement trends and political developments that affect global governance standards.

Engagement with civil society

We are longstanding supporters of the Transparency International UK (TI-UK) Business Integrity Forum, and regularly participate in its meetings. As part of our engagement with the Forum we have recently hosted country risk roundtables on operating in West Africa and Southeast Asia, and we are planning further similar events on Latin America and the Middle East in 2019. Control Risks Deutschland is likewise a supporter of Transparency International's Germany chapter.

Our Sydney office is an active participant in the Global Compact Network Australia (GCNA), and one of our consultants serves on its Anti-Corruption Leadership Group. Together with the GCNA we hosted a breakfast briefing in Sydney in February 2019 presenting our latest *Riskmap* report, including a focus on overlapping political and business integrity risks as well as the changing global data regulation environment.

A Control Risks consultant participated in the Recommendation 6 Network between March and November 2018. This was an informal initiative led by two members of the OECD's High-level Advisory Group on Anti-Corruption and Bribery, and involved a group of volunteers representing business, civil society and the legal profession. Its objective was to formulate draft guidance on the principles that should govern negotiated settlements in corporate bribery cases. It issued its final set of [recommendations](#) in November 2018.

Contributions to UK government policy implementation

In October 2018 Control Risks anti-corruption specialist John Bray presented oral evidence to a [UK House of Lords Select Committee](#) charged with reviewing the effectiveness of the UK Bribery Act (2010). He argued that the Act's emphasis on the need for "adequate procedures to prevent bribery" had had a positive impact both among UK companies and internationally. Several other countries, including Australia, India and Malaysia have either incorporated similar wording into their own legislation or are in the process of doing so.

The Committee's [report](#), which was published in March 2019, agreed with this view, describing the Bribery Act as "an exemplary piece of legislation". At the same time the Committee recommended that the government "must ensure that UK companies are provided with support on corruption issues in the countries to which they export, by properly trained and instructed officials". The government's [response](#) in May 2019 cited the Business Integrity Initiative (BII), which is funded by DFID and is conducting pilot projects in Kenya, Mexico and Pakistan.

Control Risks has contributed to the BII by drafting "Business Integrity Guides" for each of the three countries, as well as a parallel set of reports for UK government staff. The guides present an overview of anti-corruption initiatives in these countries, and explain how to anticipate and prevent the most common integrity hazards while setting up and running commercial operations. The government plans to publish these reports online once they have been through an extended review process.

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Thought leadership

Control Risks regularly publishes material on anti-corruption best practice on its website. Notable examples over the last year include articles on [anti-corruption compliance in aviation](#) (October 2018), [Nigerian President Muhammadu Buhari's fight against corruption](#) (October 2018) and a series of articles in March 2019 on [compliance and investigations](#).

Similarly, we regularly discuss anti-corruption issues in our online newsletter *The Point*, which is intended for a legal audience, as well as in regional newsletters such as *Africa Riskwatch*, *Russia/CIS Riskwatch* and *Middle East Riskwatch*.

Contributions to external publications

In June 2019 we launched the [Capacity to Combat Corruption Index](#), together with the Americas Society/Council of Americas and the *Americas Quarterly*. This is a new tool assessing Latin American countries' ability to uncover, punish and deter corruption based on three factors: legal capacity; democracy and political institutions; and civil society, media and the private sector.

We are continuing our engagement with the FCPA Blog, which serves as a leading forum for reporting and discussion of international anti-corruption developments. Our recent contributions have included an article on [healthcare compliance in China](#) (February 2019) as well as an analysis of [the pitfalls to avoid when creating compliant organisations](#) (February 2019).

Plans for 2019-20

In the coming year we will:

- ▶ Host further country risk roundtables for TI-UK's Business Integrity Forum focusing on Latin America and the Middle East.
- ▶ Circulate short anti-bribery and anti-corruption dilemma scenarios, encouraging employees to indicate how they would respond in certain situations. This follows on from the success of our scenario-based training workshops and recent internal audit recommendations. The objective is to keep these compliance matters at the forefront of employees' minds in between cycles of formal training.
- ▶ Explore options to introduce a short anti-bribery and anti-corruption e-learning component into our subcontractor onboarding procedures.

