



CROWN AGENTS
ACCELERATING SELF-SUFFICIENCY & PROSPERITY



United Nations Global Compact

Original

COMMUNICATION ON PROGRESS 2019

Crown Agents' annual submission to the United Nations Global Compact

September 2019



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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

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

In 2019, Crown Agents has reaffirmed its support to the UN Global Compact and the Ten principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual communication on progress we discuss our input into key global issues such as safeguarding in the aid sector and how Crown Agents continues to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We have also updated our internal due diligence process alongside our policies.

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. A significant human rights issue impacting the aid sector currently is Safeguarding and how it is prioritised within organisations.

Thus, a critical priority for Crown Agents is the improvement of our safeguarding culture. This responsibility is held at Board level with a Non-Executive Director holding overall responsibility for safeguarding. Every Crown Agents employee is expected to conduct themselves with integrity. We also hold our suppliers, business partners, contractors and clients to the same standards ensuring the beneficiaries of our programmes are protected.

In October 2018, Crown Agents attended the DFID Safeguarding Summit, which acted as a catalyst for Crown Agents to undergo a root and branch review of our safeguarding systems. Furthermore, we participated in the creation and follow up discussions of the IDC's 2018 Inquiry into sexual exploitation and abuse in the aid sector. We are also network members for Safeguarding.

We have established safeguarding focal points on our programmes and in our international offices. Whenever a senior member of staff visits our international offices, we make a point of asking about safeguarding escalation procedures along with Security and Financial compliance. As a result, safeguarding is seen to be a top priority of management, openly discussed with procedures regularly checked and challenged. These concerns and any developments are discussed every month at our Board meetings and tracked on our risk register. Our focal-point systems within our International Offices and Projects ensures that, as well as telephone and online platforms, any individual with a concern has a trained person to speak directly with should a safeguarding issue arise. We have installed affordable-to-call numbers for our whistleblowing hotline in countries where they previously didn't exist. We are also looking at a range of community specific reporting options including WhatsApp messaging, paper-based systems and peer referral. Safeguarding is tracked at our monthly Board meetings and is a reporting feature on our monthly 'balanced score card' management tool.

Crown Agents created a 'Safeguarding Approach' document which provides a full definition to what is understood by the term safeguarding and the issues it relates too. We have also embarked upon a full review and update of all related HR and compliance-based policies on the basis of our new approach to safeguarding.

Building upon our 'Safeguarding Approach' Crown Agents has introduced safeguarding as a standard theme into our compliance and HR training. This forms an essential part of the induction process for new starters and is updated periodically throughout the lifecycle of an employee's time at Crown Agents. In addition, we are taking steps to ensure that 'deeper-dive' training is available on those projects where safeguarding presents a higher risk. Our Board is having top up training on safeguarding in late July.

Crown Agents has also been focussed on encouraging a more open speak up culture for our staff and stakeholders. For Crown Agents, Speak Up Culture means creating an environment to enable difficult conversations, encouraging dialogue both openly or in confidence and raising issues and concerns to senior members of staff. Our Business Integrity Unit has been tasked to foster Speak Up Culture within Crown Agents and consider innovative ways it can be applied. For instance, amending meeting formats to enable platforms for varied discussion.

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.
- 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.
- Specific training and development in relation to Safeguarding issues.

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.

In 2019 we took on a new modern slavery champion in the organisation, who has already been feeding into policy work.

3.3 Measurement of outcomes

- Specific Modern Slavery training
- Partaking in UK Governments Modern Slavery Assessment Tool.
- Updated all HR policies
- Update of child protection policy

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.



THE SOLAR REVOLUTION: A CASE STUDY FROM KENYA¹

In 2018 Crown Agents set up the solar-powered NURU ICT Access Centre at the Kakuma Refugee in north-western Kenya, which is home to over 185,000 refugees from 19 African countries.

The ICT centre has facilitated in making the Kakuma 4 neighbourhood into a rapidly developing area. Furthermore, within two months after launching the hub, it was noted only 18% of the solar battery was being used to run the facility. This led to an initiative where the hub connected with local businesses and registered with Okapi Green Energy Limited as an independent private company.

In addition to driving sustainability by supplying clean energy and helping reconnect refugees to family and friends, the business services provided at the hub have become an important administrative stop for new refugees in transit.

4.2 Our approach

Crown Agents is committed to achieving the highest possible environmental standards. It is our aim to ensure that environmental safeguarding becomes an integral part of our day-to-day operations. We endeavour to adopt best practice across the organisation against recognised standards, including membership and participation of the UN Global Compact. 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.

In 2019, Crown Agents updated its Environmental policy, bringing it in-line with the UN Global Compact and focusing on principles 7,8 and 9. We have also updated our due diligence process to incorporate provisions and standards in our project agreements.

4.3 Measurement of outcomes

- Continuous involvement of our Facilities Manager and our staff in our building headquarters
- Update of Crown Agents Environment policy.
- Regular communications around energy consumption and waste management (i.e recycling audit results circulated to our staff)
- Crown Agents supporting project in Punjab, Pakistan to provide 12,000 schools with clean solar energy.
- Monitoring and evaluation from the Kakuma Project to see how many people have had access to the solar impact

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.

Crown Agents in 2019, has updated organizational policies on Conflict of Interest; Gifts and Hospitality; and Anti-corruption and the Ethical Code for Business partners. Furthermore, the Ethical Due Diligence Process and training has been configured to reflect this.

Our health project in conjunction with The Ministry of Health of Ukraine, where Crown Agents has monitored the procurement process to ensure all Ukrainians can access high quality treatment. Has been very successful with many of the global goals being targeted.

CANCER IS NOT A VERDICT: HOW CROWN AGENTS HELPS UKRAINIANS TO SURVIVE

"This cannot be happening to me", the first thought of every person who just heard the diagnosis – it's cancer. In Ukraine, 140 thousand citizens discover that they have cancer annually. That's every fourth man and every sixth woman that are affected.

To ensure the free provision of expensive drugs for oncological patients, the State has set up procurement programmes for both adults and children. The Ministry of Health of Ukraine first entrusted Crown Agents with these procurements in 2015, following a 2-year shortage of medicines.

Over the past 4 years, we have cut the cost of supplying cancer drugs by nearly 40%, filling the medical gap and giving Ukrainians the access they need to free treatment when diagnosed with cancer.

In 2019, Crown Agents is continuing to drive forward procurement for the Government under two new programmes, helping to ensure that all Ukrainians throughout the country can access high quality cancer treatments. In early August, we made our first delivery of drugs under adult oncology programme, taking us as little as 3 months to hold tenders, procure, and supply drugs to Ukraine.

Ukraine applies modern cancer treatment methods in accordance with international standards, oncology guidelines and protocols. However, making innovative treatment accessible for cancer patients often isn't enough to save everyone.

The increase in cancer diagnoses is a worldwide trend, both in economically developed countries and those with developing economies. The differences appear when it comes to survival rates.

In Ukraine today, more than half of affected people die. A rate almost twice as high as in Western Europe. Doctors attribute this to a lack of early diagnosis, as the effectiveness of cancer treatment primarily depends on the timeliness of detection.

“The government needs to change not only the national system of treatment of cancer patients but also to develop an entirely new system of detection of the disease in its early stages,” says Andriy Beznosenko, chief medical officer of the National Cancer Institute. “When the disease is detected in its early stages, a full recovery can be achieved in 85-90%. So worldwide annual screening for cancer is a key to early detection of disease and high level of recovery.”

Experts therefore stress the need for a large-scale public awareness campaign, to highlight the importance of systematic annual screening tests. Thus, in the case of early detection of the disease, intervention may be able to prevent or delay the emergence of the end stage disease.

In the meantime, our procurement efforts ensure the availability of medicines, for the quality and timely treatment of cancer diseases.

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
- Update of Conflict of Interest; Gifts and Hospitality and Ethical Code for Business Partners.