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**Population Services International (PSI)**  
**Communication on Engagement (COE) with the UN Global Compact**  
**Period covered by this COE: November 2017 – November 2019**

**CEO Statement of Continued Support**

To our stakeholders:

Population Services International (PSI) reaffirms its ongoing support to the United Nations Global Compact and renews its commitment to its ten principles in the areas of Human Rights, Labor, Environment and Anti-Corruption.

PSI is an international non-governmental organization that provides consumer-driven global health services in the areas of sexual and reproductive health and rights; malaria; HIV/TB; water, sanitation and hygiene; and non-communicable diseases.

With 6,500 staff worldwide, PSI is headquartered in Washington, DC and operates branch and affiliate offices in 50 countries around the world. Together, our mission is to make it easier for people in the developing world to lead healthier lives and plan the families they desire. We share the principles espoused by the UN Global Compact and bring our commitment to them into the work we do every day and into the partnerships that make our work possible.

This is our Communication on Engagement with the United Nations Global Compact, in which we describe the actions that our organization has taken to support the UN Global Compact and its principles. We welcome feedback on its contents and look forward sharing this information with our stakeholders.

Sincerely,

Karl Hofmann  
President & CEO

## Description of Actions and Measurement of Outcomes

### Human Rights

PSI's portfolio of work centers around a rights-based approach to information, goods, and services for health to our consumers. PSI's consumer-powered healthcare strategy directly correlates to Article III of the Universal Declaration of Human Rights. Our work supports both the human rights of our consumers, as well as directly links to Sustainable Development Goals 3, 5, and 6 around good health, gender equality, and access to clean water and sanitation.

PSI designs its programs around the belief that consumers can make their own informed choices about their health and what works best for them. Moreover, by integrating conflict sensitivity and Do No Harm principles into program design, PSI endeavors to provide project services that do not inadvertently cause a negative impact on the consumer's rights or her community.

PSI believes all people can and should have control of their sexuality, sexual health and fertility and that this is best achieved when people have greater voice, choice and agency over the products and services that most affect them. PSI's approach is grounded in ensuring that human rights are actively protected and promoted in the context of contraceptive and safe abortion information and services, so that everyone has access to quality care without discrimination of any kind. A few examples from our work include but are not limited to:

- **We are youth powered.** We are committed to delivering a youth-powered platform, with and for young people, to better understand their lives, needs and experiences and authentically deliver what matters most to them. Together, we co-design, implement and evaluate programs with young people to ensure they both desire and can access all sexual and reproductive health (SRH) needs, including access to safe abortion for those who want it. Our aim is a system that delivers trust and value to the young people we serve.
- **We support rights-based advocacy.** PSI is committed to working with local stakeholders and governments to push forward changes in policies and guidelines that yield greater, non-discriminatory access to information and quality SRH care. For example, in Nigeria, access to safe abortion services has been constrained. In 2018, PSI worked closely with the Federal Ministry of Health (FMoH) and other stakeholders to develop National Guidelines on Safe Termination of Pregnancy for Legal Indications. These guidelines provide clarity on the abortion law and medical indications, outlines standards for quality services, and guide policymakers on implementing abortion interventions. The FMoH launched these guidelines in June 2018 and they were subsequently disseminated by the Minister of Health in July. This policy shift is a notable measure of our impact.
- **We facilitate informed decision-making and quality care.** PSI wants to help clients see how different contraceptive methods will impact their lives. Counseling for Choice is a PSI initiative that contributes to a positive narrative around the choices clients have. We believe engaging the client as a partner in the decision process has the potential to revolutionize the way we think about contraceptive counseling and improve the quality of

care she receives. In Laos and India, PSI programs aim to improve access to comprehensive reproductive health, including access to safe abortion, and addressing gender-based violence. In Central America, we provide our consumers with access to safe abortion even in the most restrictive environments, but within the guidelines established in each country, along with an expanded offering of family planning methods to increase informed choice.

Throughout PSI's work around the world are additional examples of our rights-based approaches, ranging from HIV programming related to stigma and discrimination, to recognizing the profound role of gender-based violence in several of our reproductive health programs. PSI endorses the UN-recognized human right to safe water and sanitation, and our WASH activities are contributing to improving access to both.

### Labor

To prevent human rights and labor abuses in PSI's work, PSI has put in place a number of policies and procedures to prevent such abuses among our workforce, as well as supply chain partners.

PSI has redesigned and launched a new **Code of Conduct training** for all PSI employees to reinforce our nine code of conduct principles, including specifics on anti-trafficking in persons, child protection, preventing sexual exploitation and abuse in all its forms, and the organization's commitment to acting fairly and impartially. Over 97 percent of PSI employees completed the training in 2018 and the organization is on track to achieve similar results in 2019. All PSI staff are required to complete an annual code of conduct refresher training online.

In 2018, PSI introduced a **Gender Equality Policy**, reaffirming PSI's commitment towards equality, fairness, and preventing harm. The policy explicitly states that any form of violence, exploitation, harassment, or bullying will not be tolerated in the workplace, in programs, operations, or externally by staff. Similarly, discrimination in all its forms are not tolerated by the organization and complaints are duly investigated and remedied. PSI continues to roll out this policy at country level, for example in Niger, where PSI's country office is promoting a year-long gender sensitivity training with all staff to ensure that all genders are treated equally at work and in our programs.

PSI prohibits, and will not tolerate, discrimination against any employee or job applicant. We promote policies and practices that protect employees and job applicants from interference and retaliation, including PSI's **Whistleblower policy** and **EthicsPoint hotline**. Under this policy, any PSI employee or job applicant can report allegations of harassment, retaliation, discrimination or adverse employment action. All allegations are taken seriously and are investigated thoroughly. The PSI **Workplace Handbook** has been updated, including revised sections on the **Policy Against Discrimination and Harassment**, **Global Code of Business Conduct and Ethics**, and **Affirmative Action and Equal Employment Opportunity**.

Examples of how these policies are implemented in the field include, but are not limited to, feedback boxes and whistle-blowing mechanisms at services sites (Nigeria), staff surveys conducted to measure satisfaction on a range of issues, including labor practices (Malawi, Cambodia), and examples of staff representation to management in for collective bargaining or conflict resolution (Zimbabwe, Cambodia, Malawi).

PSI operates through both direct implementation of programs, as well as contracting with local and international non-profits and NGOs, suppliers of health products, government Ministries of Health, public and private healthcare providers, companies, pharmacies, health promoters and educators, and researchers. As part of PSI's commitment to identify and mitigate potential risks in suppliers' and subrecipients' operations, we undertake due diligence prior to signing of vendor agreements and sub-agreements with implementing partners proposing to work on behalf of PSI. PSI condemns trafficking in persons and modern slavery in all its forms and has policies, such as our **Trafficking in Persons Policy**, built into contracts and agreements and is integrating Modern Slavery Act requirements into subcontracts, vendor agreements and consulting agreements under United Kingdom-funded awards. PSI requires its vendors to prohibit activities directly related to modern day slavery and trafficking in persons and requires reporting of any credible violations to PSI, as well as cooperation with any investigations or corrective actions. The EthicsPoint hotline information is included in PSI's sub-agreement and vendor agreement templates.

PSI has been building upon our policies of safeguarding consumers through increased awareness and opportunities to report concerns, such as the **Policy on Child Protection and Preventing Sexual Exploitation and Abuse**. These efforts have also led to open and regular discussions around preventing sexual exploitation and abuse, child abuse and neglect, and child labor among other topics with donors, suppliers, and implementing partners.

Where PSI believes that a supplier or subrecipient is involved in modern slavery or human trafficking, PSI will take steps to investigate and take appropriate actions. For example, in early 2019, PSI was informed that concerns had been raised about fair treatment of employees at Karex, a major condom manufacturer based in Malaysia. PSI coordinated with USAID, UNFPA and WHO to ensure an effective but responsible response, suspending orders to Karex. While Karex hired a company to review their hiring practices and employee concerns, PSI worked with partners to undertake a social responsibility audit of Thai Nippon and Lifestyles Health Care, two other major supply chain partners for condoms, to assess their social responsibility and fair labor practices. This was a first of its kind audit of these major condom suppliers.

In an ongoing effort to improve compliance around modern slavery and human trafficking requirements, in 2020 PSI is undertaking a further review of the risks in its supply chain and with its subrecipients, assessing any areas where risk mitigation can be enhanced.

### **Environment**

PSI has recognized the role that climate change is playing in people's lives, both directly and indirectly. The urgency of climate action has led to a groundswell of global support for those most vulnerable to the rapid changes and resulting migration and instability that are increasingly a part of life. These rapid changes also bring risk of disrupting the markets people depend on, leaving critical health services and products out of reach. PSI is meeting this challenge by building strategic partnerships that better enable our programs to reach people in hardest-to-reach scenarios – including humanitarian and post-conflict zones, driving self-care and digital approaches that support clients' ownership of their own health when systems falter, and investing in adaptive

implementation capacity for our programming to improve responsiveness and outcomes when complexity strikes for those who are most vulnerable.

We are also exploring bold partnerships, bringing together leaders from the climate change and family planning communities to find interconnections with the potential to drive the systemic changes necessary for achieving the world's Global Goals by 2030. As a first step, PSI joined 11 leading public health organizations to issue a global call to action, asking signatories to the Paris Climate Change Agreement to ensure access to sexual and reproductive health services play a role in national climate change strategies that deliver on their commitments. Our ongoing work in reproductive health directly translates into responsible climate work.

PSI's water and sanitation work is another key avenue by which we are seeking to protect the environment and the health of our consumers. When sanitation is not safely managed, fecal pollution threatens human and animal health, agriculture, and water supply. In many countries where we work, untreated wastewater and solid waste are discharged untreated into the environment. Some waste, including that of menstrual hygiene products and packaging, is incinerated, releases air pollutants and sometimes toxic components into the environment.

By increasing the access and use of safely managed sanitation, PSI decreases the amount of pollution released into our environment. To date, PSI has prevented 14.5 million liters of untreated sludge from polluting natural resources and degrading environmental health, serviced over 4,500 households, and sold 1,046 bundled services in which households purchased both a toilet and regular pit emptying. In India and Ethiopia, PSI is conducting informative research on menstrual hygiene management products and markets, providing critical insight on how women and girls are using and disposing of menstrual products.

PSI facilitates the use and proper installation of durable, long-lasting water and sanitation products, reducing the number of short-term solutions that are unfriendly to the environment. We encourage the use, conservation, and reuse of natural water sources by supplying families with household water treatment products and no or low-flush toilets, which eliminate or dramatically decrease the amount of water usually consumed. To date, PSI has sold over 300,000 toilets and sold or distributed products that have allowed 175 billion liters of water to be treated.

Throughout PSI's malaria work, we strive whenever possible to utilize biodegradable bags that store the insecticide treated bed nets we deliver, as well as opt for "bundling" over individual packaging of commodities. We promote the repurposing of bed nets that are no longer useful over sleeping spaces. PSI also complies with the required Environmental Mitigation and Monitoring Plans for projects funded by US Agency for International Development, assessing perceived risks to the environment before a project begins.

*PSI recognizes climate change as an ostensible risk that must be addressed alongside every other external risk factor facing our organization and our clients and will begin assessing it as such in our risk management framework going forward.*

Beyond the growing commitment to ensuring environmental sustainability in our programming, PSI has undertaken concrete steps at the corporate level to be good environmental stewards. In

2018, our headquarters building in Washington DC was renovated and through that process, we ensured the building updates were as environmentally friendly as possible, including use of eco-friendly paint, environmentally sustainable flooring products and recycled wood, LED lighting and motion light sensors to conserve energy, installation of water bottle filling stations, appliances with an energy star rating, and building management systems to control energy metering and power management. We have made efforts to conserve energy through our green roof, which reduces runoff and improves water quality, conserves energy, reduces air pollution, sequesters carbon, and increases urban biodiversity by providing habitat for wildlife.

We have an ongoing recycling program throughout the building in Washington, we use 100% recycled paper, non-toxic cleaning products, and we no longer purchase single use or non-compostable items our kitchens. We are exploring ways to reduce and offset our carbon emissions, including purchasing offsets for all air travel and switching to green energy options.

Many of PSI's country offices have implemented green gathering guidelines to reduce the impact of our meetings. In Cambodia, these guidelines have been used as criteria to assess meeting venues, selecting only ones that utilize reusable dishware, do not use plastic water bottles and paper, and reduce meal waste. Offsetting carbon incurred from travel and utilities are also considered in the green gathering guidelines. Other country offices such as Haiti have banned the use of Styrofoam and other disposables, while the office in Niger is aiming to become paperless.

### **Anti-Corruption**

Regardless of where in the world PSI works, the same level of commitment to transparency, integrity, and anti-corruption is expected. To this end, PSI maintains a robust Code of Conduct which clearly states that PSI will not engage in corruption at any time or in any form and expects that all employees worldwide behave ethically and in conformity with the law. The Code of Conduct includes how to handle requests for facilitation payments, giving and receiving gifts, engaging in sponsorships, giving political contributions, and a prohibition on lobbying.

PSI also has a Global Anti-Fraud policy that requires all employees report suspicions of fraud, theft, corruption, collusion, and conflict of interest to their manager, to the Global Internal Audit and Investigations Department, or via PSI's third party-managed whistleblower hotline (EthicsPoint). This Anti-Fraud policy is supported by a Whistleblower policy that prohibits retaliation against any employee that makes good-faith allegations of fraud or corruption.

The expectation regarding ethical and transparent behavior and reporting suspicions of violations of this is reflected in all purchase orders/contracts signed with vendors in headquarters and all country offices, as well as in subrecipient agreements with our partners in each country office. In addition, network members are expected to conduct Anti-Fraud Training for all local subrecipients to reinforce the policy and reporting expectations, and to verify that subrecipients display "hotline" posters that display PSI's whistleblower hotline.

All PSI staff are required to take the annual training on the Code of Conduct, which includes modules on fraud, conflicts of interest, corruption, and the importance of reporting suspicions of the same. In addition, all PSI staff are required to complete a Conflict of Interest disclosure within

30 days of hire, and again annually and at any time when a potential conflict may occur. All potential conflicts of interest are escalated to the employee's supervisor, and if deemed necessary, a remediation plan is established in concert with Human Resources.

The Global Internal Audit and Investigations Department monitors all reports of suspicions of fraud, theft, corruption, collusion, and conflict of interest regardless of channel received. All reports are triaged upon receipt to determine predication and assigned to an investigator to provide investigation oversight. Investigations of allegations are performed by local internal audit staff, global internal audit staff, or third-party investigation experts.

In order to ensure transparency and accountability, a closing report is prepared for all investigations, regardless of whether fraud is determined or not. In addition, details of all allegations received are shared regularly with PSI's Executive Team, and with the Audit, Risk, and Compliance Committee (ARCC) of PSI's Board of Directors. All credible suspicions of fraud, theft, corruption, collusion, and conflicts of interest are also reported to impacted funders.

There are several ways that PSI's anti-fraud and corruption message is shared with staff. The Global Internal Audit Department delivers a calendar of regular anti-fraud and corruption messages and guidance through newsletters, emails, posters, and presentations. The Department publishes regular issues of the "Red Flag Reporter" newsletter, highlighting specific fraud cases, along with the red flags and controls to prevent and detect the same. Moreover, regular ethics and anti-fraud training is delivered at the beginning of each internal audit of PSI's country office operations, and at least twice per year at the "Finance Expedition" training held for all PSI Country Representatives and Deputies, and country-level Directors of Administration and Finance.

These policies and practices help equip country offices to work against corruption in all its forms. In Niger, the country office meets with vendors to brief them on PSI's stance against corruption, including extortion and bribery. In Mozambique, a relationship with a vendor was discontinued when the vendor asked for favors and employees have been dismissed who have engaged in fraudulent activities. In Liberia, stringent controls prevent possible frauds, particularly in financial transactions, utilizing tools like e-payments and mobile money. In Malawi, staff are consistently reminded of the value of whistleblowing and vendor contracts include a clause on corruption.

### **PSI's Partnerships**

PSI conducts its work around the world in partnership. Prior to entering into any agreement with business partners, regardless of sector, PSI conducts due diligence. Our Grants and Contracts and Procurement Departments both have strong policies, standard operating procedures and tools that provide requirements for due diligence on all our supply chain partners, award subrecipients and vendors. These include an assessment of human resources manuals, legal standing, financial practices, and running checks to ensure the entities are not on any terrorist or criminal watch list.

For our work with corporate partners, our due diligence includes specific inquiries for company red flags, potential conflicts of interest and media searches. We consider factors like any previous harmful practices, human rights violations, past and on-going lawsuits, and other threats to PSI's work and to our consumers. In the event that any of our partners are involved in any of these or

we learn of any potential risk, PSI has a Corporate Partner Risk and Audit team that will gather relevant information, bring in Senior Leadership and make a decision on how to proceed.

This is particularly notable as many of PSI's current corporate partners are signatories of the UN Global Compact. We recognize the opportunity we have through our partnerships to influence how these businesses uphold human rights and labor standards, protect the environment and stand against anti-corruption. Examples include but are not limited to:

- **Unilever:** PSI and Unilever have worked together in varying capacities since 2012 on projects including clean household water programs in India, handwashing programs in Kenya, Vietnam and Zimbabwe, preventing diarrheal disease in Vietnam, and sanitation financing and toilet demand generation in India.
- **Vodafone:** PSI has partnered with Vodafone since 2015 on investments including HIV testing and referral for children in Lesotho and addressing technology gaps in referring and linking health care in Tanzania.
- **AstraZeneca:** Since 2014, our partnership has focused on the Healthy Hearts initiative, aiming to reach 10 million hypertensive patients across Africa by 2025.
- **Merck:** Since 2012, PSI and Merck have partnered in many of PSI's health and technical areas, including maternal health in Uganda, access to contraceptive options in Vietnam, social franchising, and a maternal and newborn health Development Impact Bond in India. PSI was an NGO partner of Merck's Global Health Fellows Program, whereby Merck employees execute an agreed upon Scope of Work in PSI countries.
- **Pfizer:** Pfizer and PSI have been partners since 2004. PSI is an NGO partner of Pfizer's Global Health Fellowship Program, whereby Pfizer employees execute an agreed upon Scope of Work in PSI Countries – there projects have focused on social enterprise operations, water and sanitation in Ethiopia and India, PSI's franchise model in Asian countries, the NCD Markets in Tanzania and more.
- **Eli Lilly:** PSI and Eli Lilly worked together in partnership focused primarily on NCDs.
- **Bayer:** PSI has been a member of Bayer's World Contraception Day, a worldwide campaign with a vision for a world where every pregnancy is wanted, since 2011.
- **Philips:** Together with Philips and other partners, PSI is exploring ways to strengthen private sector health care across East Africa to sustainably meet the health needs of underserved populations.
- **General Electric:** PSI is partnering with GE Africa on a primary and referral care initiative in Uganda looking at the commercial viability of portable ultrasounds.

## Measurement of Outcomes

The above description of actions PSI has undertaken in accordance with the UN Global Compact has included reference to measurement of outcomes wherever possible. [It is notable that PSI measures its overall health impact on a monthly basis and tracks progress against our strategic targets.](#) Metrics covered in the monthly report include DALYs averted, CYPs provided, and total distribution of products/services. PSI's impact would not be possible if it weren't for our commitment to promoting human rights and upholding labor standards, protecting the environment, and zero tolerance against corruption.