



COWATER INTERNATIONAL

Report on Progress 2019

CowaterSogema's annual submission to the United Nations Global Compact

Overview

With over 800 projects implemented in more than 80 countries, CowaterSogema International (operating as Cowater International or Cowater) is Canada's leading international development consultancy firm. Our mission is to contribute tangibly to overcoming the challenges facing developing and emerging economies from a social, economic and infrastructure perspective and support inclusive, sustainable growth for all. After more than 34 years in operation, Cowater has established itself as a leader in state modernization, infrastructure development, promoting economic growth, ensuring gender equality and respect for the environment.

Cowater has developed a reputation of excellence for our strong commitment to working collaboratively with clients and stakeholders to provide international best-practice technical assistance, tailored to the context of the institution and country in which we operate. We possess internationally recognized and award-winning experience at the policy, programme and project-levels; developing and managing major programme and project initiatives, as well as undertaking more targeted studies, capacity building, and communications activities.

Our work entails working closely with governments, partner organizations, communities and civil society to design and implement sustainable solutions that generate positive social, economic and environmental impact. We strive to develop customized projects that address the unique situation of each client combined with international best practice and standards; modern and appropriate infrastructure; and information technology solutions. Our holistic and inclusive methodologies address specific needs and challenges at the government, institution, industry partner, community, and individual level, providing capacity building and participatory approaches that are client driven and sustainable. This ensures that all stakeholders are a part of project design, decision-making and monitoring and evaluation stages.

Our Global Footprint

Cowater is a global company with its headquarters in Ottawa, Canada, and offices in Montreal, London, (Cowater UK Ltd.); Pretoria (Cowater South Africa) and Kenya. Additionally, the company operates project offices worldwide in countries including, among other locations, Bangladesh, Barbados, Burkina Faso, Cambodia, Cameroon, Ethiopia, Indonesia, Jordan, Malawi, Mali, Morocco, Niger, Pakistan, Peru, Senegal, Vietnam, the Occupied Palestinian Territories, and Zambia.



Our Expertise

Our core areas of expertise as an organization are captured by the figure below. These themes align with the firm's five internal divisions under which projects are designed and managed. Wherever possible, we work to ensure cross-cutting issues such as gender, social inclusion and climate change take a prominent role in each of our projects. Under each of the thematic areas listed above are several sub-practice areas of focus.



About the UN 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 UN Global Compact aims to mobilize a global movement of sustainable companies and stakeholders to create the world we want. To make this happen, the UN Global Compact supports companies to:

1. Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and
2. Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

The Ten Principles of the UN Global Compact

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.



The ten universally agreed principles are:

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.



Statement by Cowater Chief Executive Officer on Continued Support

Cowater International is pleased to submit its Communication on Progress (COP) for 2019 and hereby reaffirms its support and commitment to the Ten Principles of the United Nations Global Compact on Human Rights, Labour, Environment and Anti-Corruption.

In all our day-to-day operations and activities, we continue to commit to supporting the UN Global Compact and its principles.

In accordance with our Letter of Commitment, our Communication on Progress describes our company's efforts to implement the Ten Principles and provides examples of our work in support of our vision to be a leading international development consultancy company and supporting the countries in which we work.

We also commit to report annually on our progress. As part of this, we will continue to submit:

- A statement signed by our Chief Executive Officer committing continued support for the UN Global Compact and our ongoing commitment to the initiative and its principles.
- A description of practical actions that the company has taken to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption).
- A measurement of outcomes

The following Communication on Progress describes the ways in which the principles are embedded into our projects and our day-to-day operations.

Sincerely,



David Baron

Chief Executive Officer
Cowater International



Report on Progress

Human Rights

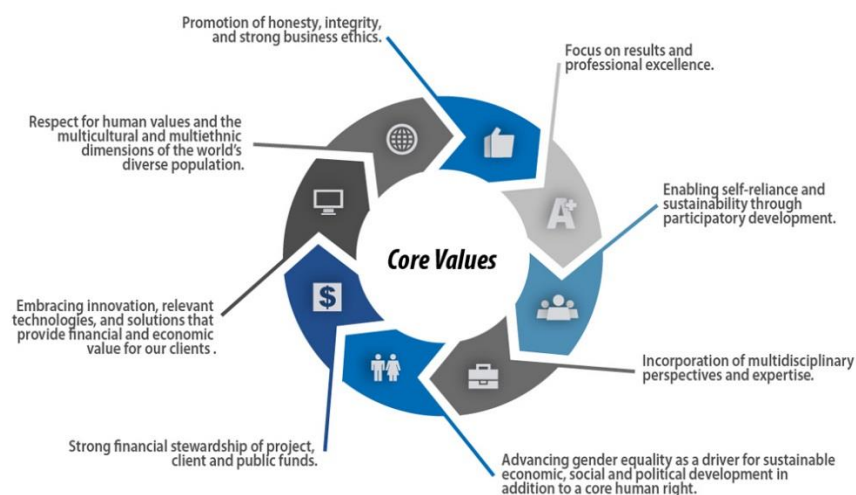
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Practical actions: Cowater is committed to upholding human rights both within our company and in the work that we do. All our activities, operations and employees are guided by a requirement to conduct business with integrity and fundamentally, with respect to the interests of those our activities may impact. This approach is captured in and is guided by our organizational values:

COWATER'S MISSION & CORE VALUES

Mission: To help nations and people to sustainably improve their economic, social, physical, and environmental well-being.



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| Integrity | ethical, honest, and accountable |
| Excellence | professional excellence to deliver quality and lasting results |
| Sustainability | promoting self-reliance and sustainability through participatory development |
| Multidisciplinary | adding client value and unique value propositions with our multidisciplinary perspectives and expertise |
| Gender equality | integrating gender equality as a driver for sustainable economic, social and political development |
| Financial stewardship | providing strong financial stewardship and controls to protect the trust that clients place in us with their financial resources |
| Innovation | embracing innovation to drive financial and economic value |
| Respect | respect for human values and a multicultural world |



These values are also cascaded to our delivery chain partners through our Code of Conduct and associated policies which form part of all contracting relationships. We undertake due diligence on all delivery chain partners to assess their commitment to high standards in: tax and financial management requirements; quality controls and assurances; compliance with a variety of client codes of conduct (DFID, GAC, DFAT etc.) which include sound policies and practices in the areas of prevention of Modern Slavery; Safeguarding; Protection of Vulnerable Persons; Sexual Exploitation and Harassment; Occupational Health and Safety; Conflict of Interest; Data Security; Recruitment and Procurement; and Environmental Safeguards.

Monitoring and Measurement of Outcomes:

- Undertaking annual review of all policies relating to human rights and safeguarding to ensure they reflect best practices and that they are clear, concise and readily available to all staff and partners;
- Ensuring that all employees are fully trained in all policies and undertake annual refresher training;
- Maintaining strong performance monitoring processes to ensure policies are well understood and implemented across all activities.

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.

Practical actions: Cowater ensures that the views of our staff are represented through a number of means including quarterly Town Hall sessions, an annual Employee Engagement Survey, and other formal feedback sessions. Additionally, we have a Code of Conduct and a set of policies that are designed to create a safe, trusted and comfortable environment for our employees, consultants, partners and clients. This commitment includes our support for the Modern Slavery Act 2015, formalized through an Anti-Slavery and Human Trafficking Policy. The Company's policy is to oppose human trafficking and modern slavery vigorously:

- We do not and will never tolerate human trafficking or modern slavery in any aspect of our own work.
- We will combat human trafficking and modern slavery across all our supply chains.
- We will collaborate with other organizations to present a united front against human trafficking and modern slavery in our wider working environment.
- We will support our staff to be aware of the risks of human trafficking and modern slavery and to act appropriately when any such risk is detected.



Cowater maintains a strong policy of equal employment opportunity. The Company's employment equity policy recognizes the value and dignity of each individual and ensures that every employee will have genuine, open and unhindered access to employment opportunities, free from artificial barriers, whether systemic or otherwise.

Employment equity involves hiring the most suitably qualified candidate for any open position while ensuring that the hiring process and the qualifications required for each position are fair and equitable for all persons. Accordingly, the Company seeks to integrate fully the principles of employment equity with our other human resource policies and procedures to ensure that all present and potential employees receive equitable treatment in all matters related to employment.

To ensure all candidates and employees are assessed equally, a matrix of qualifications is designed for each position which evaluates candidates on an objective basis, considering the skills, knowledge and abilities relevant to specific positions.

Our equal employment opportunity philosophy applies to all aspects of employment with the Company including recruiting, hiring, training, transfer, promotion, job benefits, pay, dismissal, and social activities. Employee related decisions are based on principles of individual merit and achievement. The Company's compensation policies will be applied fairly without regard to factors such as gender, age, colour, national origin, religion, marital status, sexual orientation, or disability.

Monitoring and Measurement of Outcomes:

- Updating and full roll out of policies and procedures including employment equity, child protection, sexual harassment, anti-slavery and human trafficking, and safeguarding;
- Set up a team dedicated to reviewing and monitoring progress on all Safeguarding policies and procedures.
- Set up a team responsible for conducting investigations into safeguarding incidents, log them and track them in registers. We also notify clients and relevant authorities and record safeguarding incidents in a log and register.
- Strengthening the training process for new employees to ensure they are fully inducted into all policies and processes.
- Undertaking annual refresher and certification training of our staff on our policies with relevant review processes incorporated.

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.



Practical actions: At Cowater, our objective is to ensure we consider the environmental impact of all our activities and operations, both in Canada and in the countries where we work. All activities will be conducted with due consideration of potential environmental impacts of our work and proper steps will be taken to ensure any negative impacts are reduced to the extent possible. Our commitment extends to all our business operations, wherever they take place, to reduce any potential negative impact on the environment. We aim to prevent any environmental damage, reduce pollution, minimize resource usage and ensure the overarching themes of sustainable development are integrated company-wide.

We have developed and implemented an Environment Policy, the purpose of which is to outline the ways in which environmental management is to be performed throughout Cowater services, activities and operations. This policy has been endorsed by management and employees across the Company's various groups, and the entire company is committed to ensuring this policy is implemented across all operations and business activities.

The Company commits to continuous improvement through performance measures that will be reported upon on an annual basis.

Monitoring and Measurement of Outcomes:

| Environmental Statement | Actions and Key Performance Indicator(s) |
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| 1. Cowater will effectively identify and manage significant environmental impacts | <ul style="list-style-type: none"> For Cowater led projects, Inception Reports will identify and develop mitigate strategies for any significant environmental impacts the projects could have during implementation; In all infrastructure investments, due consideration for Environmental and Social Impact Assessments (ESIAs) will be given and mitigating strategies will be developed for all environmental impacts identified <p>KPI 1: 100% of Cowater projects assess, identify and develop mitigation strategies for significant environmental impacts</p> |
| 2. Cowater expects that all sub-contractors and joint venture partners will uphold the same environmental standards | <ul style="list-style-type: none"> Our contracts with sub-contractors and joint venture partners include a statement committing to conduct an assessment of their environmental impact at the beginning of the assignment; Assurance that the supply partner understands Cowater's environmental policy and the best in class expectations of our Clients; We will review our partners'/ sub-contractors' corporate environmental policy in our due diligence forms <p>KPI 2: 100% of signed contracts with sub-contractors and joint venture partners include a statement committing to uphold the environmental standards as Cowater</p> |
| 3. Cowater commits to comply with all relevant, significant local environmental legislation | <ul style="list-style-type: none"> As part of the Inception Workplan, project teams will review local environmental legislation relevant to the project activities; Projects will comply with relevant local environmental legislation. <p>KPI 3: 100% of projects in compliance</p> |
| 4. Cowater will monitor the implementation of the Environmental Policy and will conduct a review of progress made on environmental issues on an annual basis | <ul style="list-style-type: none"> Cowater will continually assess our performance related to environmental sustainability; We will review our performance on an annual basis, starting in 2019. We will establish an Environmental Sustainability Committee: the Terms of Reference will define the objectives and responsibility of the Committee, including (i) to conduct an initial scan of what has been done and done well, (ii) to identify what can be improved, and |



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| | <p>(iii) to oversee the implementation of the Annual Environmental Performance Reporting process, and (iv) to act as stewards in supporting the implementation of the environmental policy.</p> <p>KPI 4a: Establishment of an Environmental Sustainability Committee with clear Terms of Reference</p> <p>KPI 4b: Environmental Performance Report is published on an annual basis</p> |
| 5. Cowater is committed to educating and training all employees on the impacts of environmental issues | <ul style="list-style-type: none"> • We will expand the Environmental Management Policy section in the Employee Handbook to integrate environmental sustainability and climate change; • We will conduct learning events on environmental sustainability topics and to socialize the results of the Environmental Sustainability Committee; • There is also the possibility of environmental courses as part of professional development training, with manager approval; • We have in-house expertise in environmental management and sustainability, particularly within the Water, Climate and Environment Group. <p>KPI 5a: Two environmental sustainability related educational events per year</p> |

Anti-Corruption

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

Practical Action: Corruption in the form of bribery and/or payoffs is sometimes present in the world of international business. Cowater and its subsidiaries considers corruption to be anti-developmental and a major constraint to development progress in many countries. As a company with a strong commitment to development, the Cowater must be clear on its policy in this regard. We are committed to establishing and enforcing high ethical standards of conduct. We commit to conducting business with honesty, integrity and in compliance with all applicable laws.

Our policy is to comply with all applicable national and international anti-corruption laws and not to engage in any corrupt activity. Cowater does not accept any form of corruption and/or bribery in or in connection with its business activities.

Our commitment is captured in our Code of Conduct and code of Ethics to which all employees, consultants, and partners must accept and abide by. This code discusses the ethical principles that should guide all employees in their daily work.

Any form of corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct. Preventing bribery and corruption



Monitoring and Measurement of Outcomes:

- Ongoing monitoring of the effectiveness of the implementation of our Code of Ethics. This includes regular review (annual) of its suitability, adequacy and effectiveness in consideration of international best practices;
- Undertaking on-boarding training and annual refresher training for all staff to ensure understanding, awareness and implementation of the policy, including their individual responsibility and accountability to identify and report potential forms of corruption;
- Ensuring sound financial management and internal control systems and procedures to prevent, detect and address any form of bribery and corruption;
- Ensuring our Code of Ethics is adhered to across our supply chain, including all parties associated in anyway with Cowater's work;
- Maintaining and promoting easy access to reporting and whistleblowing mechanisms; and,
- Establishing clear and open communication protocols with our clients as it relates to detection of any form of corruption related to their funding.

