

The Global Compact

Communication on Progress

From 27 March 2019 to 22 March 2020

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CEO's statement of continued support for the UN Global Compact and its Ten Principles

I am pleased to reaffirm The Risk Advisory Group's continued support of the Ten Principles of the UN Global Compact.

As a provider of consultancy services to so many prominent international businesses and organisations it is enormously beneficial for us to have clear principles to unambiguously align our sustainability agenda with so many other committed organisations. Our goal has consistently been to run a good business in the right way. Adhering to the principles gives us a clear framework for our business strategy and operational processes. We firmly believe that this makes us a better business partner, employer and adviser to our clients.

This is our second annual Communication on Progress, in which we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations.

We are committed to sharing information about our activities and progress with our stakeholders using our website, social media presence and direct communications. We are delighted to take queries and suggestions from anyone associated with the business.

Yours,

Dr David Stewart Claridge
Group CEO
The Risk Advisory Group

Human Rights

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

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Commitment

Risk Advisory is committed to protecting and promoting human rights. Our Human Rights Policy, which was introduced in 2019, is based on the principles found within the UN Global Compact. The policy refers to the principle of 'Do no harm' and stakeholder engagement; freedom of association; health and safety; labour; working hours, salary and benefits; diversity; and security. It also informs employees and subcontractors on implementation and investigations.

Our Ethical & Code of Conduct Policy demonstrates this commitment to ensuring safe and healthy working conditions, non-discrimination in employment practices, guarding against use of forced or child labour, providing access to basic health, education, housing for workers when needed, and accommodating employees' religious observance and practices.

Our Supplier Code of Conduct demands similar standards from our suppliers and sets out our aim to provide decent work, and to produce decent goods and services that improve lives. It also considers forced displacement, the protection of economic livelihoods of local communities, contribution to public debate, enabling girls education and ensuring a diverse workforce. This is reviewed at regular agreed intervals throughout a project cycle. Our Supplier Code of Conduct can be found on our [website](#).

Policies and processes

Our induction programme for staff and suppliers includes ethical training covering human rights, modern day slavery, and gender sensitivity, with annual refresher training. This is supported by our Whistleblowing Policy which provides staff with a process to raise or report any ethical or legal issues to senior management for investigation.

Our Ethical & Code of Conduct Policy states:

Employees must also respect the rights of other employees and third parties. Their actions must be free from discrimination, libel, slander or harassment. Each person must be accorded equal opportunity, regardless of age, race, sex, sexual preference, gender identity, colour, creed, religion, national origin, marital status, handicap or disability.

This is supported by our Human Rights Policy which states:

Respect for human rights is fundamental to the sustainability of the

communities in which we operate. We are committed to ensuring that all individuals are treated equally, with respect and dignity.

Activities

For many of the projects that we undertake, the risk of human rights violations is low. However, some projects include more significant risks of violations, and we have therefore put in place additional monitoring and mitigation. Our Human Rights Policy seeks to protect human rights within and outside of the organisation, while also informing our employees on tools for investigations and reporting in the case of any human rights violations.

For the various security sector development projects we deliver, we have fully incorporated the UK government's Overseas Security and Justice Assistance (OSJA) Human Rights Guidance¹ into our approach to risk management. This means that we have a designated OSJA lead who advises our personnel on the process. We clearly identify, manage, and mitigate risks of doing harm in the delivery of our services. This is underpinned by, firstly, continuous monitoring of human rights risks identified for any project intervention, and, secondly, regular controls of our wider supply chain.

To this end, at our Women in Compliance event in July 2019, Moira Oliver, Head of Policy & Chief Counsel, Human/Digital Rights at BT Group, spoke about the need to contextualise human rights and adopt a holistic rights approach. She emphasised how this includes taking the full - and oftentimes geographically-dispersed - supply chain into consideration in order to ensure that human rights are protected across local cultures.

As part of our commitment to ensuring that we fully respect human rights, we have developed a number of mechanisms for our staff and contractors to raise any issues or concerns they may have. These include:

- The appointment of three members of staff as independent advisors. These provide staff with an avenue to get advice outside their line management structure and formal channels.
- Our Grievance Procedure, which provides clear instructions on how to formalise any complaints and sets out our commitment to investigating any matters raised.
- Our Disciplinary Procedure, which sets out clearly the process for investigating any complaints raised involving issues including harassment, bullying, bribery, corruption, dishonesty, and acts of violence and aggression.

No complaint in terms of a violation of human rights has been reported to date. We believe that this is due in part to our continued dedication to ensure an inclusive work environment for all.

Plans for 2020-2021

Over the next 12 months, we commit to:

¹ *Overseas Security and Justice Assistance (OSJA): Human Rights Guidance*, HMG, 2017.

- Continuing to monitor risks of human rights violations and the protection of human rights for all projects, and ensuring that we update our Human Rights Policy accordingly
- Raising awareness of our dedicated employee assistance programme, which provides impartial, confidential advice 24 hours a day, 7 days a week.

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.

Commitment

Risk Advisory is committed to the UN Global Compact's labour principles. Our Diversity & Equal Opportunities Policy states that we do not:

... discriminate against its workers on the basis of their gender, sexual orientation, marital or civil partner status, gender reassignment, religion or belief, race (including colour, nationality, ethnic or national origin), disability or age, pregnancy or maternity (referred to as "protected characteristics") or because of their trade union membership or the fact that they are a part-time worker or a fixed-term employee.

Policies and processes

People Strategy

Our commitment to the rights of our staff is clear from our group-wide People Strategy, which focuses on our commitment to invest in our people through development, recognition, promotion and retention. It is underpinned by our founding values and our people vision. It makes a clear statement about how we value and treat our people to enable everyone to achieve and sustain excellence in all areas of the business.

To support our People Strategy, and ensure that we meet our commitments under Principles 3, 4, 5 and 6 of the UN Global Compact, we have set a number of goals that we strive to meet. These include:

- Providing a workplace where health and wellbeing are positively and actively promoted, where people feel valued, engaged and developed to their full potential;
- Embedding and encouraging a supportive and consistent culture which is inclusive, positive, fair and safe; and
- Ensuring that opportunities are open to all, where people can lead and are led effectively and where change is approached with positive and inquisitive minds.

Other policies and undertakings

Our People Strategy flows down into other policies and processes which demonstrate the respect we have for the rights of our people and we recognise and encourage diversity in all that we do, be it our people, clients or our suppliers. These include our:

- Accreditation as a Living Wage employer in the UK since 2015;
- Support for freedom of association through the publication of information about the rights to do so on our intranet; and
- Undertakings in our policy on Modern Slavery, which are set out in more detail under the Anti-corruption section of this report on progress.

Activities

Internal

We have made good progress with our approach to flexible working, launching a global working from home policy to suit all of our employees and to provide them with the tools that they need to be able to work from home effectively.

The aim of the policy is to provide clarity around our approach to working from home, as well as encouraging staff to carefully consider their work life balance by choosing to flex their hours of work or work from home. We have seen an increase in the uptake of shared paternity leave over the past 12 months, demonstrating that we are well equipped to provide support to new parents.

The Board is currently considering a variety of ways of implementing a full flexible working policy that works well globally and across the business and we will continue working on this over the next 12 months..

We continue to invest in our Junior Research Analyst (JRA) programme. This is a paid internship programme that allows us to establish direct relationships with students and raise awareness of our work to potential recruits. JRA roles are typically available for a six month period and are designed to provide a successful cohort with valid work experience and a basic skill set in research to help them decide if this is the type of career they strive for and equally, it gives us as the employer an opportunity to assess individual skill and mind sets.

Over the past 12 months we have converted eight JRA employees into entry level Research Associate positions. This is 50% more than we converted last year.

While external recruitment will continue to play a key role in developing and growing the business this is one way in which we have reduced our reliance on external recruitment agencies.

Government Services Projects

Although still very low, there is a slightly higher risk of labour rights violations in some of our security sector projects because we often work in areas of conflict and in countries with low governance standards. For these projects we employ both international contractors, as well as local labour. Our local staff have varied skill sets including drivers, interpreters, administration clerks, office managers and 24/7 operation room watchkeepers.

On these projects we work closely with the government donors to ensure that labour rights are protected. Prior to deployment, all contractors are carefully vetted. They also receive a project briefing that includes details of security, travel, logistics, communications, administration, current situation and cultural sensitivities. Arrival briefings also include in country induction visits/briefs, cultural briefs and a thorough understanding of the risk management plan.

We ensure all of our staff have opportunities for continuous learning and development. We deliver, first aid/responder training, personal/situation awareness training and gender and conflict sensitivity training to all our staff and integrate gender and conflict sensitivity issues (following review of lesson plans) into our training delivery.

External engagement

Our Diversity & Equal Opportunities Policy states that:

The Company is fully committed to a culture of equal opportunities and diversity. We consider diversity has sound commercial, ethical and economic sense.

We extend this externally to our clients and business partners.

Several employees at Risk Advisory are part of a London-based network aimed at promoting diversity and inclusion in the security intelligence, analysis and consultancy sector. Its members advocate for open and competitive hiring processes and encourage others to consider perspective and background in their work. The network aims to conduct briefings, workshops and panel discussions on these topics.

Risk Advisory hosted a launch event for the network at its office in London in November 2018. Since then, relevant Risk Advisory staff has organised and attended three events hosted by different organisations and companies in London. These have covered topics and workshops ranging from how to promote diversity and inclusion (D&I) among organisations to how to ensure suppliers are complying with D&I standards.

Plans for 2020-2021

Throughout 2020, we will continue our work on developing a wider flexible working policy that works for all of our staff.

Environment

Commitment

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.

Risk Advisory is committed to the UN Global Compact's principles on the environment. As set out in our Environmental Policy, Risk Advisory undertakes to 'conduct its business operations in an environmentally friendly manner at all times'. Our Environmental Policy describes how we:

- Strive to continuously improve our environmental performance and integrate recognised applicable best practice into our business operations.
- Reduce our consumption of resources and improve efficiency in the use of these resources.
- Manage waste generated from our business operations according to the principles of reduction, reuse and recycling.
- Ensure environmental criteria are taken into account in the procurement of goods and services, wherever possible.

Policies and processes

Risk Advisory is predominantly an office-based consultancy and as such our greatest impact on the environment is generated through the running of our offices and staff travel. . Over 50% of Risk Advisory's staff are based in our London office and, as a result, our Environmental Policy largely focuses on the impact we can make by mitigating our London office waste. Four areas on which we particularly focus our efforts are recycling, energy saving, purchasing and paper usage (see below).

In addition to the key areas covered in our Environmental Policy, we work hard to minimise travel by using technology such as video conferencing to hold meetings with teams which are split across various offices and with clients. All of our staff have desktop access to video conferencing facilities.

Graphic

Activities

We committed last year to trying to reduce the environmental impact of our travel, establish a Green Team, reduce single-use plastic and source recycled stationery in our Washington, D.C. office and have made good in-roads.

Over the past year we have:

- Established a Green Team with members from across our offices. This has given us a forum for thinking about new ways to make Risk Advisory more environmentally friendly.
- Scheduled a tree planting exercise for some of our staff to work towards carbon offsetting our travel and increasing awareness of environmental issues
- Implemented a travel app to more accurately record our carbon footprint from travel and to give staff visibility of their carbon footprint from business travel. This app also enables staff to take control of their travel arrangements and means that those that prefer to take trains rather than flights are able to.
- Used environmentally-friendly methods to print and package our largest printed marketing campaign and were accredited by [ClimatePartner](#) for carbon offsetting the project
- Removed plastic cups from our London office which were our largest single-use plastic

Plans for 2020-2021

In 2020, Risk Advisory will continue to develop new ways to improve our environmental performance. Specifically we plan to:

- Run a programme of events for staff to encourage engagement in environmental matters
- Expand the sourcing of recycled stationery, where possible, to all our offices
- Reduce our international and local travel through a combination of reduced business travel and increased working from home.

Anti-corruption

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

Commitment

Risk Advisory is a global risk management consultancy which works with clients to manage a range of different risks, including those related to integrity. A core component of our work centres on supporting clients which are investigating allegations of corruption or bribery or conducting due diligence work to try to minimise those risks in new ventures and with new business partners.

Risk Advisory is actively committed to the fight against bribery and corruption. This commitment to do business with honesty and integrity is enshrined in our core values and is a theme that runs throughout the fabric of the business. Our specific commitment to work against corruption is expressed in our Ethical & Code of Conduct Policy which explicitly states that:

The Risk Advisory Group runs its business with integrity. Everyone must work together to ensure that they remain untainted by bribery or corruption ... We take a zero-tolerance approach to bribery.

Our commitment to eradicating bribery is set out in more detail in the Ethical & Code of Conduct Policy, which requires staff to operate within full compliance of the regulatory and legal framework in whichever country we operate. This includes compliance with the Bribery Act and other similar legislation, which outlaws the payment of kickbacks. These requirements are also reflected in our contracts with both clients and suppliers.

Policies and processes

To be a credible provider of integrity due diligence services, Risk Advisory has made sure that - like its clients - it has the systems and controls to eradicate the risk of bribery and corruption from its business. Over the past year we have built on the structure that we had in place in 2018 and refined it to meet evolving requirements.

In 2019, we updated our Ethical & Code of Conduct Policy, which all staff sign when they join the company. The policy provides staff with clear guidance on the standards of behaviour that are required by Risk Advisory.

To reinforce Risk Advisory's position on bribery and corruption, the CEO talks about it during inductions with new staff. Individual practices also run specific training sessions which focus on areas of particular concern, including specific sessions on areas where we believe there is a particular vulnerability, like how to manage third parties. Over the past year we have focused on improving awareness and compliance with our policies and procedures. That has involved a review of all of our policies. During our periodic review of our policies we decided to integrate our Anti-Bribery Policy into our Ethical & Code of Conduct Policy to

provide staff with a single point of reference. We also took the opportunity to revisit the way that we train staff on ethical issues.

A working group helped to identify a number of areas where training would be most beneficial and also designed materials to support the delivery of scenario-based training across the company. The Chief Risk & Compliance Officer ran training sessions with all staff throughout 2019. 2019's sessions focused on identifying issues and raising awareness of the channels for reporting concerns or getting advice; we plan to deliver the training annually, changing the focus to highlight different areas of our anti-bribery and -corruption programme.

Activities

Engagement with our clients

Risk Advisory is a global risk management consultancy committed to helping the world's most discerning organisations to manage their integrity, competitor and political and security risks.

Central to helping clients manage their integrity risk is the provision of our due diligence services. We work with clients across the globe to support their pre-transactional and periodic reviews of their business partners in support of their anti-bribery and -corruption compliance programmes. We also work closely with clients investigating allegations of wrongdoing made by whistleblowers or which emerge as a result of regulatory investigations.

Thought leadership

In the course of delivering our core services we regularly produce material that aims to highlight the potential risk of bribery and corruption for our clients, keep them up-to-date on regulatory developments and enforcement activity, and discuss best-practice. Over the past year, this has included articles discussing how the [new Ultimate Beneficial Ownership registers will impact the EU's Anti-Money Laundering regime](#) and [whether the mafia presents a pan-European risk](#).

Corruption Challenges Index

Every year, Risk Advisory's due diligence, political and security experts compile our Corruption Challenges Index. The index assesses corruption threat, regime instability and accessibility of information in 187 countries to arrive at a 'Corruption Challenge' score, and resulting in a 'Most Challenging Jurisdiction' ranking to highlight the awareness of global corruption, mitigants against it and what activities are going on to counter it.

In creating the index we draw on our direct experience of working in the world's most challenging countries, revealing the markets that pose the most – and the fewest – corruption challenges for foreign investors. We evaluate various factors – local corruption threat, foreign investors' exposure, the level of anti-bribery enforcement action – and refract

them through the prism of accessibility and availability of information when carrying out investigative research.

Event briefings, webinars and podcasts

Risk Advisory hosts a number of briefings, webinars and podcasts from a variety of global locations from Washington, D.C., to Hong Kong, where our experts are regularly joined by guest speakers. Over the past year we hosted briefings on topics such as the connection between human rights and compliance: a conversation with Moira Oliver in July 2019 and how to avoid Sanctions Pitfalls: Navigating Business in Russia - In association with Debevoise & Plimpton LLP in December 2019.

Women in Compliance

Risk Advisory founded the [Women in Compliance](#) (WIC) group in London in 2009 to give like-minded women the opportunity to network and build relationships with others in the risk management consulting field. The group's LinkedIn group, where members are encouraged to share ideas and issues, grew in 2019 and the membership is close to 4,000.

The group runs a number of events throughout the year on topics in the compliance field. In 2019, this included hosting a practical briefing for those who work in corporate compliance teams that provided practical examples of the impact of a cultural approach to compliance and how the impact can be measured.

Plans for 2020-2021

In the coming 12 months Risk Advisory will:

- Expand on our ethics training by adding new scenarios to cover frequent questions and new regulation
- Update and expand our training for staff in relation to the management of consultants and contractors