

United Nations Global Compact

COMMUNICATION ON PROGRESS 2020

Crown Agents' annual submission to the United Nations Global Compact

September 2020



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Professional



Development. The provision of Supply Chain Services including Health Logistics and the management of third party quality assurance and inspection services related to the supply

of manufactured and processed products. International freight forwarding services utilising in house sub-contract warehousing. Verification of service as follows: Air Import – Clearance UK airport; Exports – Airport of departure; Sea Imports – Clearance UK port; Sea Exports – Port of loading.





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

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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.

Crown Agents operates 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. We are constantly evaluating our internal procedures to ensure they are innovative and reflect our ethical ethos and the current global landscape.

In 2020, 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 and diversity in the aid sector. Crown Agents continues to integrate the Global Compact and its principles into our business strategy, culture and daily operations. Given the various challenges of 2020 and working in an international arena during a global pandemic, Crown Agents has demonstrated its business agility whilst ensuring the highest levels of integrity and ethics.

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

Crown Agents has continued to show its commitment to uphold human rights principles and frameworks around the world and has continued to respond quickly and effectively to changing global environments. Whether this has been in relation to the Covid-19 Pandemic or the importance of addressing the issues of inclusion and diversity in the workplace.

After the tragic killing of George Floyd in the USA and the importance of the Black Lives Matter movement, Crown Agents decided to look in-house at inclusion and diversity issues, thus leading to the formation of a diversity and inclusion working group. This responsibility is held at Board level with a Non-Executive Director holding overall responsibility for inclusion.

Continuing with Crown Agents priority with the improvement of our safeguarding culture, the safeguarding committee identified project focal points and conducted a mapping exercise of projects with high safeguarding risk in quarter 4 of 2019. In early 2020 further focal points were identified in the international offices as well as a presentation at the monthly All Staff Meeting.

Our safeguarding lead also conducted a safeguarding training exercise in conjunction with a safeguarding lead for our Saving Lives project in Sierra Leone. Thus, ensuring project and regional specific issues were targeted and discussed.

Since 2015, Crown Agents has managed an EU funded project called TANSIQ, which assists the Iraqi government with developing a human-rights compliant counter terrorism strategy. As of October 2019, the project has worked with Iraqi partners to develop a performance management model, and has delivered several training programmes in leadership, management and specialised intelligence for mid-high-ranking officers. This has included an emphasis on the Rule of Law, Human Rights and Gender weaving these cross-cutting issues into every single training conducted.

- Formation of the Diversity and Inclusion Working Group
- Maintaining a strong due diligence process that efficiently highlights and communicates risks related to human rights.
- Regular monitoring of the process.
- Specific training and development in relation to Safeguarding issues.
- Human rights training for Iraqi intelligence personnel

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 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.

We have continued our commitment to modern slavery and in January 2020 we conducted a gap analysis of our business operations to assess where our vulnerabilities lie as an organisation. This has led to more of a collaborative approach between the different teams in the organisation and has led us to adapt our Ethical Due Diligence process to consider more specific questions with regards to modern slavery, for all our business partners and suppliers.

We conducted two training sessions on modern slavery with our Programme Management Office and the Sierra Leone International Office. The training covered the current Modern Slavery Act and how both departments can integrate this lens within their projects and offices and how to report concerns.

- Modern slavery gap-analysis
- Updated Business Partner Questionnaire to include modern slavery considerations
- · Conducted modern slavery training for Sierra Leone International Office
- · Conducted modern slavery training for Programme Management Office

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.

4.2 Our approach

Crown Agents aims 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, with regards to environmental sustainability, Crown Agents is committed to the relevant national development targets. We have continued to encourage the use of environmentally friendly technologies within our sphere of influence and take account of prior environmental impact assessments for relevant business opportunities and where possible, use environmentally friendly options.

Crown Agents supports partners in their transitions to low-carbon economies by providing technical advice to support governments and the private sector to improve climate security and energy access by attracting additional investment through three main routes, which form our Green Pillars.

- Bulk procurement advisory and end-to-end supply chain services for the de-centralised renewables industry including the mini-grid sector and government programmes to provide solar energy for health and educational services.
- 2. Energy sector capacity building services to support government partners with more efficient procurement of energy generation projects including through energy auction; increasing efficiency and resilience of transmission and distribution systems; increasing the mix of renewables in utility scale generation.
- 3. Design and deployment of technical advisory pools focused on climate change adaptation and mitigation.

This has included delivering capacity building technical assistance to Senegalese commercial banks to accelerate domestic lending for clean energy and an analysis and recommendations to create a level playing field for battery energy storage systems through policies, regulations, and renewable energy auctions in developing countries. Additionally, a guide was developed for preparing a distributed energy resources plan or roadmap, among other activities.

Since 2014 Crown Agents USA has implemented the \$20 million USAID-funded Climate Economic Analysis for Development, Investment, and Resilience' (CEADIR) project in over 30 developing countries. Through <u>CEADIR</u>, we are making the business and economic case for clean energy, sustainable landscapes, and climate change adaptation, and facilitating public and private financing to accelerate the transition to low carbon, climate resilience economies.

Over the last year Crown Agents has undertaken several activities such as a cost-benefit analyses of charcoal use and alternatives and an analysis of improved livestock management practices.

- Continuous involvement of our Facilities Manager and our staff in our building headquarters
- Regular communications around energy consumption and waste management (i.e recycling audit results circulated to our staff)
- Continuing support for project in Punjab, Pakistan to provide 12,000 schools with clean solar energy
- Cost-benefit analyses on charcoal use in Malawi and Zambia
- Cost-benefit analysis on livestock management in Ethiopia
- Technical Assistance to Senegalese commercial banks

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 conducts 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 2019/2020 has managed an EU funded programme in Lebanon. This project has focused on strengthening stabilisation and good governance of public administration in Lebanon, thus, improving transparency and reducing opportunities for corruption.

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 continued to be implemented at the highest standards.

In 2020, we also ran targeted anti-corruption training session with our Sierra Leone International Office. This included a through discussion of the issues of bribery and corruption on the ground, how to implement and report on Gifts and Hospitality and Conflicts of Interest.

- 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
- Targeted training on anti-corruption and bribery; Gifts and hospitality; and Conflicts of Interest