

UN Global Compact Communication on Progress

THE ADARA GROUP

AUGUST 2021



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Contact us

E: info@adaragroup.org

T: +61 2 9395 2800

www.adaragroup.org

www.adarapartners.org



A statement from our Chair and CEO

At Adara, we believe in using the power of business and partnership to change the lives of people living in poverty. It is for this reason that we are strong supporters of the United Nations Global Compact (UNGC). We believe it recognises that business has a significant role to play in making our world a better place. This is more important than ever in the face of both climate change and the COVID-19 pandemic and the associated health and economic crises the world is currently facing. The values and goals of the UNGC are critical as we rebuild and create an inclusive and sustainable world.

At Adara we believe that each and every person should have access to quality health, education and other essential services, no matter where they live. The first part of the Adara Group is an international development organisation called Adara Development that has expertise in maternal, newborn and child health, and remote community development. Adara Development has been delivering services in Nepal and Uganda since 1998, and sharing knowledge globally. The second part of the Adara Group consists of two businesses, Adara Partners and Adara Advisors, which are 'for purpose' rather than for profit. Together, these entities make up the Adara Group. The sole objective of Adara's businesses is to fund Adara Development's administration, infrastructure, and emergency project costs.



This allows 100% of donations received by Adara Development to go directly to project-related costs.

Our work aligns closely with the UN Sustainable Development Goals (SDGs) which provide a shared blueprint for the future of our planet. We recognise that the SDGs can only be achieved in partnership and that all sectors have a role to play. Our commitment to partnership across divides is embodied in our tagline: "Bridging Worlds."

The Adara Group has been a participant of the UNGC since 2018, and we actively support and promote this important initiative.

We are pleased to confirm that the Adara Group reaffirms its support of the Ten Principles of the UNGC in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this second Communication on Progress, and through our 2020 Operations Report, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

Yours sincerely,

Audette Exel
Founder & Chair
CEO Adara Advisors Pty. Limited
and Adara Partners (Australia) Pty. Limited

Madeline Vaughan
Chief Executive Officer
Adara Development

Introduction

The Adara Group consists of an international development organisation, Adara Development, and two corporate advisory businesses, Adara Partners and Adara Advisors. We have two very different parts but one shared purpose: to bring quality health and education services to communities in need. We touch the lives of more than 70,000 people living in poverty each year and countless more through knowledge sharing.

As at end of December 2020, we have put more than AUD \$50.8 million dollars into our international development work, including AUD \$16.3 million from our businesses.

REMOTE COMMUNITY DEVELOPMENT

An estimated 3.4 billion people – around 44% of the global population – live in the rural areas of developing countries. Despite the decrease in global poverty since 1990, a person's place of residence still largely determines their access to essential services.

We're on a mission to deliver excellent health and education services to people living in some of the world's remotest places.

We specialise in improving access to local health services and ensuring children have access to quality early-childhood, primary, secondary and tertiary education. By improving the quality of education in Nepal, we also aim to eliminate child trafficking.

Our work reaches three key areas of Nepal: the remote district of Humla in the Himalayas, the remote region of Ghyangfedi and the capital Kathmandu.



MATERNAL, NEWBORN & CHILD HEALTH

Every day, across the globe, more than 800 women die from causes related to pregnancy and childbirth, and 7,000 babies die during their first month of life. Most of these deaths are preventable.

We're on a mission to strengthen maternal, newborn and child health services in low-resource settings.

We specialise in delivering high-quality healthcare to women, newborns and children at health facilities, in the community and at home. By working to upskill healthcare workers and equip facilities, we aim to reduce preventable maternal and newborn deaths. We do much of this work in partnership with Kiwoko Hospital in Central Uganda, which the Ugandan Ministry of Health recognises as a centre of excellence in newborn health.

With more than 23 years' experience, we are now scaling our work to accelerate change across Uganda.



COVID-19 RESPONSE

We are leveraging our expertise in maternal, newborn and child health, and remote community development to support communities living in poverty during the COVID-19 pandemic. This pandemic has shown us that we are all connected – and that the crisis will not be over for any of us until it is over for all of us. Adara is determined to reach out and help the communities we support in Nepal and Uganda to face this crisis.

Adara's teams and partners have been working extremely hard to respond to surges of COVID-19, while ensuring that essential services in education, health, nutrition and child protection continue.

Over the past year Adara has:

- Worked alongside the Nepal Police, UNICEF and the Nepal Red Cross at the three Nepalgunj border crossings from India to support Nepali migrants returning to Nepal each day, by providing masks, sanitary pads, handwashing stations and drinking water.
- Continued implementing our distance learning programmes in Nepal, including radio education (reaching 17,000+ students) and home learning kits so children can continue learning during lockdowns.
- Established emergency accommodation for frontline nurses in Nepal so they and their families have a safe place to stay.
- Set up a 10-bed children's ward in Ghyangfedi to provide essential care to children during the ongoing second wave of COVID-19, as well as during a likely third wave.
- Sourced personal protective equipment to keep health workers safe so they can continue their essential work in both Nepal and Uganda.
- Secured lifesaving medical equipment including oxygen concentrators and pulse oximeters so health facilities have the supplies they need to respond to COVID-19 in both Nepal and Uganda.
- Supported health facilities with protocols, guidelines and research around best practices in COVID-19 prevention and management in both Nepal and Uganda.
- Developed COVID-19 awareness and prevention programmes to provide the communities we support with the most up to date information on COVID-19, including training community health workers in both Nepal and Uganda.
- Established health education radio programmes reaching 10 districts in Uganda to share information on COVID prevention, vaccine, and other essential health issues.
- Ensured essential health, education, child protection and nutrition programmes continue.
- Continued to provide in-home follow up care to 97% of high-risk infants discharged from the Kiwoko Hospital neonatal intensive care unit (NICU).



I. Human Rights Principles



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

ASSESSMENT, POLICY AND GOALS

Adara's vision is that each and every person has access to quality health, education and other essential services, no matter where they live. Our mission is to bridge the world of business and the world of people in extreme poverty, and to support vulnerable communities with health, education and other essential services. Wherever we operate, we respect and support human rights, articulated in the freedoms in the Universal Declaration of Human Rights (1948).

Adara's Development Philosophy is the cornerstone of Adara's commitment to upholding human rights. All staff, volunteers and development partners are trained in our philosophy which reinforces Adara's deep and connected relationships with the communities in which we work, our local NGO partners and our donors.

Adara endorses the principles of the UN Convention on the Rights of the Child (1989), specifically Article 19. Adara promotes child protection at all levels through its Child Protection Policy and Child Safeguarding Toolkit. This Toolkit includes minimum standards across HR and training processes, creating child-safe environments and child safeguarding reporting systems. We work with local partners to implement child safeguarding policies.

All personnel engaged by Adara must sign the Child Protection Code of Conduct and are trained in safeguarding. Positions which involve contact with children or working with children (even remotely) must undergo a police check and, where available, a working with children check. This includes all visitors to project sites.

Adara requires business partners and suppliers to uphold and support human rights. Adara's Partnership Guidelines set out selection criteria and due diligence requirements to thoroughly evaluate the fit between Adara's values and a potential partner. We seek to ensure that all partners share our values and meet key governance and compliance requirements, particularly in relation to protecting children.

The Adara businesses are Certified B Corporations, meaning they have met verified high standards in relation to social and environmental performance, public transparency and legal accountability in their operations.



OUR ACTIONS IN THE PAST 18 MONTHS

EXAMPLE 1: Adara's work in the prevention of child trafficking

RELEVANT ARTICLES: Articles 4 and 5 - Freedom from torture and slavery

Since 2006, Adara has worked with a group of 136 children in Nepal who were trafficked from their homes to Kathmandu and were found in deplorable conditions. We have worked with these children to rehabilitate and reintegrate them with their families and assisted them with mentoring, education and employment. Through our work with these children, we have developed deep expertise in supporting the education and well-being of at-risk and disadvantaged youth. In 2020 we supported 86 young people pursuing degrees in subjects such as health and nursing.

We are now expanding our anti-trafficking work to all seven rural municipalities in the remote Humla district. We are partnering with The Himalayan Innovative Society as well as local, provincial and national governments. This work involves training focal people in child protection in every rural municipality, forming anti-trafficking watchdog committees, continuing awareness raising on radio, setting up anti-trafficking conferences and working with local media to increase anti-trafficking discourse.

EXAMPLE 2: Maternal, newborn and child health work

RELEVANT ARTICLES: Article 3 – The right to life – Article 25 – The right for mothers and children for special care and assistance

Adara has worked with our partner Kiwoko Hospital in Central Uganda for over 20 years, and with women, children and families in surrounding villages to strengthen maternal, newborn and child health services. In particular, Adara works side by side with Kiwoko assisting at-risk babies, designing and delivering nurse and midwife training, and equipping and resourcing Kiwoko Hospital's neonatal intensive care unit (NICU).

The partnership reached a milestone in 2018 when the Ugandan Ministry of Health recognised the Kiwoko NICU as a centre of excellence for the entire country. Together, Adara and Kiwoko provide care to more than 1,100 small and sick newborns in the NICU, as well as more than 3,400 women in the Kiwoko maternity ward every year. Nearly one million people live in the Kiwoko Hospital catchment area and Adara's work ensures these people have access to quality health services.

As part of our commitment to knowledge sharing, we have launched a newborn pilot project with Nakaseke Hospital – a government hospital a half hour's drive from Kiwoko. We have helped Nakaseke to set up a five-bed special care baby unit (SCBU). This is designed for babies who are not critically ill but need more care than healthy newborns. In the coming years, we will continue to work with Nakaseke by upgrading the SCBU to a larger, 14-bed neonatal unit that can offer higher levels of care. We will also provide ongoing staff training and mentorship. Between April 2018 – December 2020, the SCBU has cared for 1,171 babies.



EXAMPLE 3: *Education in low-resource settings*

RELEVANT ARTICLES: *Article 26 – The right to education*

In Nepal, we have been working with communities in Humla for over 20 years. Our earliest project, the Yalbang School, was named in 2017 as the best school in remote districts of Nepal and the fifth best school in Nepal by the Ministry of Education among 30,000 government and 7,000 private schools. There has been a 43% increase in students enrolled in Adara's target villages in Humla since 2011. We have also strengthened the capacity of our child clubs in our partner schools in Humla and the Shree Ghyangfedi School. Child clubs are a powerful way to empower students to take responsibility and leadership within their community. Members of the child clubs are now engaging in rural municipality meetings.

Adara is now in the process of setting up a Youth Community Centre in Uganda to provide information and support for the youth in the community with a particular focus on sexual health and counselling.



EVERYDAY ACTIONS WE CONTINUE TO TAKE



Adara integrates a rights-based approach into the development of its programmes. On all projects and strategies, Adara's approach is to engage vulnerable people.



Adara's induction programme, Adara University, trains all new staff on the protection and promotion of human rights. Adara staff working on project sites have regular training on child protection and safeguarding.



- Adara promotes accountability and transparency to ensure responsibility for the respect and support of human rights is assumed by all relevant stakeholders, at all levels. Adara's Partnership Agreements include an obligation on the partner to comply with Adara's child protection policy and require all partners to act in an ethical manner which respects the cultural practices, sensitivities and dignity of beneficiaries, in particular women and children.
- Adara provides training assistance and shares knowledge with its in country programme partners regarding child protection and safeguarding.
- Adara's rights-based approach, which is aligned with the SDGs, ensures that human rights considerations are assessed at every stage of the development of its programmes, from design to evaluation.
- Adara's MNCH Plan is aligned with SDG 3 (good health and wellbeing) and works towards our strategic goal of reducing preventable maternal, newborn and child deaths and improving the health and well-being of communities in low-resource settings.
- Adara's RCD Plan is aligned with SDG 3 and 4 (quality education). Under this plan, we aim to improve the lives of people in remote and vulnerable communities through impactful health, education and child protection programmes.
- Through all phases of programme development Adara actively collaborates with local communities to ensure accurate assessment of any potential human rights impacts. We consistently monitor the progress of our projects to ensure they all have the desired outcome and to implement mitigation strategies as issues arise.

2. Labour Principles



Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

Principle 5: Businesses should uphold the effective abolition of child labour

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

ASSESSMENT, POLICY AND GOALS

Adara values the strength that a diverse workforce and an inclusive culture brings to our organisation. Because we prefer to employ local candidates in our programme locations, our local workforces, including our leaders, are representative of the communities in which we operate.

Our control framework of relevant policies and standards include our Development Philosophy, Anti-Bullying Policy, Whistleblower Policy, our Ethical and Sustainable Procurement Policy, our Child Protection Policy and Safeguarding Policy.

Collectively, these documents, developed with reference to core international standards, such as the Universal Declaration of Human Rights and International Labour Organisation Declaration on Fundamental Principles and Rights at Work, demonstrate Adara's commitment to an inclusive workplace that treats people with respect and dignity.

In particular, they

- promote equality of opportunity for all persons;
- promote a good and harmonious working environment where all persons are respected;
- prevent occurrences of discrimination, harassment and victimisation;
- allow for lawful affirmative action to be taken, where appropriate.

Through our Partnership Guidelines and Know Your Partner procedures, amongst other things, we look at labour practices when onboarding a new partner or renewing an existing partnership agreement.

All our staff in Australia, United States of America and Uganda are covered by an Employee Assistance Programme, and we are actively investigating similar culturally appropriate professional counsellors for our staff in Nepal. We respect the right of all employees to choose to belong to a union and seek to bargain collectively.



OUR ACTIONS IN THE PAST 18 MONTHS



We appointed a female CEO to lead our international development arm. The Adara businesses continue to be female owned and/or controlled.



We introduced a flexible working policy to allow employees to benefit from in office and at home working.



Our 2020 staff engagement survey, which was completed by 88% of staff, indicated an overall satisfaction score of 82.6% and an engagement score of 88.63%.



We appointed Yangchen Lama, Dr Cyril Engmann and Dr Peter Waiswa to our boards to ensure our boards are advised by those with local expertise and deep specialist knowledge.



In March 2021 our Sydney team were given a half day to partake in the March4Justice for equality, justice, respect and an end to gender violence.



We benchmarked parental leave against the national average in our sector resulting in an increase in our parental leave allowances.

EVERYDAY ACTIONS WE CONTINUE TO TAKE



Adara provides in-country Staff Manuals for each office. These handbooks set out how Adara implements labour policies, reduces labour risks and responds to labour violations



Sourcing products and services from suppliers and partners in an ethical and socially responsible manner in line with our Ethical and Sustainable Procurement Policy



- Adara's Support Leave Policy provides five days paid support leave (every year) for any employee who experiences family violence.
- Through our remote community development work in Nepal we give more children access to education that they wouldn't otherwise have. Our programmes enhance the quality of any existing education offerings which keeps children in school for longer thereby reducing the chance that they will be forced into child labour.
- Adara acknowledges that maintaining a safe work environment requires everyone's continuous cooperation. This means that staff are individually responsible for protecting their own health and safety, and the health and safety of other workers and people in the Adara workplaces by working in compliance with Adara policies and safe work practices, and the national law.
- Adara's Anti-Bullying policy allocates responsibility for all staff to ensure they do not adversely affect the health and safety of others in the workplace.

3. Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Businesses should undertake initiatives to promote greater environment responsibility

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

ASSESSMENT, POLICY AND GOALS

Adara is committed to limiting the environmental impact of its operations and promoting environmental sustainability throughout its projects. Climate change presents complex challenges for the communities we operate in. In partnership with our stakeholders, we are managing risk and building resilience to climate change. We understand that climate change is the single greatest challenge in the fight against poverty and inequality. On an ongoing basis our Global Leadership Team strategises how to address the changing climate at the programme level. Where possible we include climate change assessments and initiatives in our programme design.

Adara's commitment towards environmental stewardship is captured in our Environmental Sustainability Policy. The policy formalises Adara's commitment to limit the environmental impact of its operations and promotes environmental sustainability throughout its projects.

It is also cross referenced in Adara's Ethical and Sustainable Procurement Policy. This means that suppliers who Adara wishes to work with should, where practicable, recognise and comply with Adara's Environmental Sustainability Policy. As set out in the Ethical and Sustainable Procurement Policy, Adara will strive to work with suppliers who are mission aligned companies.

Adara will continue to inspire a commitment to environmental sustainability throughout our offices and project sites, by proactively pursuing a strategy that integrates

- the Ten Principles
- UN SDGs, and
- the high standards of social and environmental performance as a certified B Corporation organisation.



OUR ACTIONS IN THE PAST 18 MONTHS



COVID-19 restrictions have meant that we have moved to a flexible working from home model. This has reduced each employee's carbon footprint because they no longer need to commute to work everyday, employees are able to make lunch at home which is often less wasteful in terms of excess food waste and packaging.



Meeting online is now the primary option for employees, avoiding the need to travel long distances.



We have further developed our child club programme in Humla and Ghyangfedi to encourage environmental stewardship in the younger generation. We partnered with Ghyangfedi school to create a new school garden to teach students gardening skills and to provide fresh fruit and vegetables for the school's midday meals.



EVERYDAY ACTIONS WE CONTINUE TO TAKE



The inclusion of minimum environmental standards in contracts with suppliers and other relevant partners



Internal awareness-raising and training on environmental stewardship for employees

Actively pursuing initiatives to reduce waste material and which improve the energy efficiency of products, services and processes



- Adara does not accept plastic containers, bags, napkins and cutlery.
- All computers are shut down and screens turned off at the end of the day and office equipment is recycled as e-waste.
- On project sites we source local, sustainable materials to limit our environmental footprint.
- We promote alternative materials for heating and cooking in remote communities, as opposed to use of wood.
- We encourage local communities to plant trees and plants.
- We use sustainable, low-impact transportation.
- We support in-country partner organisations to achieve their environmental goals through knowledge sharing.
- We continue to assist communities by providing solar lighting systems and smokeless stoves. This has dramatically reduced indoor air pollution and contributed to the decreasing rates of respiratory disease symptoms in the residents.
- Adara works closely with villages in Humla to supply additional electricity through clean micro-hydro power systems.

4. Anti-corruption

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

ASSESSMENT, POLICY AND GOALS

Adara is firmly committed to operating with integrity and maintains a strict stance against bribery and corruption.

The foundation of Adara's position against fraud, bribery and corruption is outlined in our Anti-Fraud, Bribery and Corruption Policy and Control of Funds and Resources Policy. Together, these documents, developed in consideration of the principles articulated in the UN Convention against Corruption, demonstrate Adara's commitment to the highest levels of integrity and ethical standards in all our relationships. In particular, they

- demonstrate Adara's commitment to a high standard of governance and accountability;
- operationalise Adara's business integrity compliance programme;
- strengthen open and transparent dealings with stakeholders.

Adara has a global whistleblower policy, which operationalises Adara's confidential whistleblowing programme. It enables a wide range of individuals associated with Adara to report any concerns about the business or behaviour of individuals in the business.

Adara is also committed to a culture of transparency and encourages its employees to speak up about their issues and concerns, through management or formally through the whistleblower process.

Adara's dedication to open and transparent dealings with all its development stakeholders is demonstrated in its Open Information Commitment, published on its website. Adara believes strongly in the power of information and knowledge sharing to contribute to positive global change.



OUR ACTIONS IN THE PAST 18 MONTHS



All programme partners must have their financial records externally audited and must provide audit reports to Adara.



Adara engages external auditors to audit each of its entities, once a year. In Nepal, Adara's books and accounts are subjected to a statutory external audit by the Social Welfare Council every 2.5 years. These audits are used as to identify suspicious payments, allegations of bribery or corrupt behaviour. There have been no such incidents reported via the audit process.



We recently partnered with ADL Compliance Limited who provided us with anti-money laundering and anti-terrorism financing training for our staff.



EVERYDAY ACTIONS WE CONTINUE TO TAKE



We encourage in-country partners to engage in honest and ethical conduct and include minimum business integrity standards (including anti-money laundering and counter terrorism laws, establishment of adequate controls and processes, and Adara audit rights) in partner contracts.



Adara maintains a robust checks and balances system over transactions, including utilising dual authorities. All financial information is checked and controlled by our finance and operations teams.



- Adara provides a whistleblowing mechanism which enables staff, suppliers and partners to raise concerns about misconduct or an improper state of affairs in relation to Adara in a protected way.
- Adara's complaints handling policy is published on the website, referenced in its annual report, explained to all staff during induction and included in Adara's partnership agreements.
- Adara maintains a confidential staff survey every two years, where all staff members can record feedback (including concerns). The communication is anonymous and passed directly to the boards of Adara Group, providing staff with a direct access to the board.
- During the induction process, all new staff are trained in Adara's governance processes.
- Specialised training on good governance and anti-money laundering and counter terrorist financing are provided to Adara's leadership teams, directors (where relevant) and teams which handle money and donations and relations with partners.

