



Communication on progress

Implementing UN global compact principles in the Stanley Group of Companies 2022

1. Introduction

Stanley Group and The Stanley Group Foundation are pleased to confirm that we, on behalf of the Stanley Group of Companies, reaffirm their support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

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

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours faithfully,

John F. Watts
Managing Director
Commercial & Strategic Development

Andrew P. Baker
Managing Director
Organisational Standards & Integrity





2. The Stanley Group of Companies

Stanley Group is a global advisory firm delivering material impact, enterprise value, and lasting change through cutting-edge implementation methodologies within multiple cross-functional verticals in private and public sector markets.

We think creatively about complex problems, we deliver change through global and local partnerships, and we transform organisations through the impact of our work.

We put emphasis on working in partnership with local stakeholders to build the ownership needed to achieve lasting change. We have international breadth and depth of experience across more than 100 countries and numerous service lines addressing key development and organisational issues.

We promote quality and never take shortcuts. We are known for delivering to the highest standards and managing our programmes closely, with exacting precision and efficiency. Not only advising on problems to be solved - we implement solutions. We effectively manage risk and engage seriously with material issues to ensure sustainable impact.

We apply our expertise and capabilities to solve difficult development problems in the areas of health, economics, governance, humanitarian crises and stabilisation, and to mitigate the negative effects of climate change. In all that we do, we collaborate with changemakers. Local concerns are at the heart of our solutions.

We enable individuals and institutions to build self-sufficiency by adapting and adopting ideas, knowledge and skills. We accelerate the actions of our partners to strengthen systems and nurture prosperity.



3. Our approach to the 10 principles

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals.

The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. Launched in 2000, it is the largest corporate sustainability initiative in the world, with more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and nearly 70 Local Networks.

Stanley Group is proud to be part of this important and timely global network.

In the Spring of 2020, the Stanley Group of Companies registered as a member of the UN Global Compact program. At that point we identified three major stakeholders which could guide the direction of our CSR policy - where we wanted to make a difference within the natural context of our business.

These are:

- People (employees and members)
- Society (locally)
- Society (globally)

In this connection we decided to implement our initiatives in two stages. The first stage would thus concentrate on implementing initiatives within the Secretariat to ensure that all members of staff understood UNs basic principles and ensure the willingness to implement sustainable solutions throughout the organisation.

The second stage would hereafter be directed at initiatives outside the secretariat, first towards our members, and later toward society, locally and finally globally.

To make sure that all initiatives were employee borne, we set up a CSR committee, which became responsible for choosing and implementing the internal initiatives within stage one.

HUMAN RIGHTS & EQUALITY
ENVIRONMENT
ANTI-CORRUPTION & LABOUR



4. Contents of the Stanley Group CSR Policy – Year One, Environment

The first set of CSR initiatives has been concerning labour (employee rights) and environment.

Goals

We wish to continue to find areas where we can reduce our CO2 emissions

How we monitor and evaluate performance

The CSR committee regularly informs the organisation, which initiatives have been initiated. Furthermore, once a month, a prize is given to the most environment friendly employee.

Our responsibilities

Stanley Group recognises that it has a responsibility to the environment beyond legal and regulatory requirements. We are committed to reducing our environmental impact and continually improving our environmental performance as an integral part of our business strategy and operating methods.

We will encourage customers, suppliers and other stakeholders to do the same.

The Stanley Group of Companies is responsible for ensuring that this environmental policy is implemented, however, all employees have a responsibility in their area to ensure that the aims and objectives of this policy are met.

Policy aims

We endeavour to:

- Comply with all relevant regulatory requirements.
- Continually improve and monitor environmental performance.
- Continually improve and reduce environmental impacts.
- Incorporate environmental factors into business decisions.
- Increase employee awareness and training.

Paper

We will:

- Minimise the use of paper in the office.
- Reduce packaging as much as possible.
- Seek to buy recycled and recyclable paper products.
- Reuse and recycle all paper where possible.



Energy and water

We will seek to:

- Reduce the amount of energy used as much as possible.
- Switch off lights and electrical equipment when not in use.
- Adjust heating with energy consumption in mind.
- Take energy consumption and efficiency of new products into account when purchasing them.

Office supplies

We will:

- Evaluate if the need can be met in another way.
- Evaluate if renting or sharing is an option before purchasing equipment.
- Evaluate the environmental impact of any new products we intend to purchase.
- Favour more environmentally friendly and efficient products wherever possible.
- Reuse and recycle everything we are able to.

Transportation

We will:

- Reduce the need to travel, restricting to necessity trips only.
- Promote the use of travel alternatives such as e-mail or video/phone conferencing.
- Make additional efforts to accommodate the needs of those using public transport or bicycles.
- Favour 'green' vehicles and maintain them rigorously to ensure ongoing efficiency.

Maintenance and cleaning

We will:

- Use cleaning materials that are as environmentally friendly as possible.
- Use materials in any office refurbishment that are as environmentally friendly as possible.
- Only use licensed and appropriate organisations to dispose of waste.

Monitoring and improvement

We will:

- Comply with all relevant regulatory requirements.
- Continually improve and monitor environmental performance.
- Continually improve and reduce environmental impacts.
- Incorporate environmental factors into business decisions.
- Increase employee awareness through training.
- Review this policy and any related business issues at monthly management meetings.



Culture

We will:

- Update this policy at least once annually in consultation with staff and other stakeholders where necessary.
- Involve staff in the implementation of this policy, for greater commitment and improved performance.
- Provide staff with relevant environmental training.
- Work with suppliers, contractors and subcontractors to improve their environmental performance.
- Use local labour and materials where available to reduce CO2 and help the community



5. Contents of the Stanley Group CSR Policy – Year One, Anti-corruption & Labour

Background

Within the Criminal Finances Act 2017, there are two Corporate Criminal Offences (CCO) of failing to prevent the facilitation of tax evasion.

HMRC guidance relating to the CCO states that top-level management (e.g., Board, CEO etc) should be committed to preventing 'associated persons' from engaging in criminal facilitation of tax evasion. They should foster a culture in which activity intended to facilitate tax evasion is never acceptable.

CCO Policy in a nutshell

This policy sets out ***“our zero tolerance to tax evasion and facilitation of corruption and/or tax evasion”***

The Criminal Finances Act 2017 introduced two new Corporate Criminal Offences ('CCO'):

- ▶ The failure to prevent facilitation of UK tax evasion, and
- ▶ The failure to prevent facilitation of foreign tax evasion. The legislation took effect on 30 September 2017.

This policy applies to all our employees, agents, contractors and any third party who provides services for or on behalf of our business (defined as 'associated persons under this legislation').

This policy sets out the background of this legislation and expectations of all our people and other 'associated persons' in meeting the requirements of this legislation.



Context

The Corporate Criminal Offences, enacted as Sections 45 and 46 of the Criminal Finances Act 2017, addresses the perceived gap in the law that made it difficult to hold a corporation to account when its representatives committed the criminal offence of facilitating tax evasion.

In summary, the legislation is all about businesses such as ours being able to demonstrate we can prevent the facilitation of tax evasion as part of our day-to-day operations. Specifically, the legislation means that if an “*associated person*” of a business does criminally facilitate tax evasion, and the business is unable to demonstrate that it had reasonable procedures in place to prevent such facilitation, the business is guilty of a criminal offence. “Associated person” is defined very widely and includes any person (individual or corporate) who represents (or provides a service for or on behalf of) the business - employees, contractors, agents, and in certain circumstances external suppliers.

The consequences of a prosecution for the business include *unlimited fines*, *reputational damage* and the likelihood of *regulatory sanction*. Tax evasion and facilitation of tax evasion are also punishable for individuals with fines and custodial sentences. **We therefore take our legal responsibilities very seriously.**

Any individual who breaches this policy may face disciplinary action, potentially resulting in dismissal for misconduct or gross misconduct. Similarly, we may terminate our relationship with other individuals, organisations and other associated persons working on our behalf if they breach this policy.

The HMRC Guidance in respect of the CCO legislation states:

“The Government believes that [businesses] should be criminally liable where they fail to prevent those who act for, or on their behalf from criminally facilitating tax evasion. The new offences will be committed where a relevant body fails to prevent an associated person criminally facilitating the evasion of a tax, and this will be the case whether the tax evaded is owed in the UK or in a foreign country.”

The legislation applies to all taxes – personal and corporate tax – and includes other taxes such as VAT, Customs Duties, National Insurance Contributions etc.

Criminal prosecution of the business, unlimited financial penalties and reputational damage to the business can result if we fail to comply with this new law (and individuals can be prosecuted for tax fraud or facilitating tax fraud under pre-existing criminal legislation).



Scope: Who is covered by this policy?

This policy applies to all employees, including leadership, senior managers, officers, directors, employees (whether permanent, fixed term or temporary), consultants, contractors, casual workers and agency staff, volunteers, interns, agents, or any other person associated with us (see below), any of our subsidiaries or their employees wherever located. The policy also applies to Officers, Trustees, Board, and/or Committee members at any level.

In this policy, and as defined above, an associated person is defined as a person who performs services for or on behalf of our organisation. This can be an individual or an incorporated or unincorporated body. Typically, this includes suppliers, agency workers, outsourced service providers, contractors etc.

This policy also applies to all our employees in how they manage their relationships with anyone they meet during the course of work for us, and this will include actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Scope: What is covered by this policy?

It is important to make sure we understand what we mean by 'tax evasion' and 'facilitation of tax evasion'.

HOW WE ARE RESPONDING AS A BUSINESS

Our policy is to have a zero tolerance to tax evasion and facilitation of tax evasion.

This means we expect all our employees and anyone who works for us – e.g., contractors, not to engage in any activity which evades tax or facilitates or may facilitate the evasion of tax by any other person (company or individual). It does not matter whether the taxes are UK taxes or are due to an overseas fiscal authority.

Nor will we engage with any third party (including those who contract with us or otherwise provide services to us) who do not have a similar policy.

Specifically, we expect all employees and associated persons to be able to identify and take steps to prevent any scenarios where there may be a risk that they are facilitating others to commit tax evasion, either in the UK or overseas.

As a group, we support the questioning and eventual declining of business where there are any suspicions of tax evasion or the facilitation of tax evasion.

All cases of suspicion in relation to future or existing business should be first reported (see below) before making any decisions in relation to existing business relationships or committing the business to transact in the manner proposed.



WHAT TO LOOK OUT FOR

Below are examples of risk areas and red flags that could arise during the course of your everyday working, and which should raise a concern under this policy.

Examples could include, but are not restricted to the following:

- A supplier, contractor or anyone in your role within our business asking you to do something that does not match up with official documentation – for example, paying into a different account than that which is specified on the invoice
- You are feeling under pressure to process or approve an invoice (or make changes to our contractual terms) that you don't feel makes sense, for example in terms of changing the payment details or VAT amount



- You receive an invoice from a third party that appears to be non-standard or customised or is different to what you expected
- Turning a blind eye to when someone was doing continued productive work while on furlough
- Contracts where invoices are not exchanged for the face value of services/good exchanged
- You are aware of any short cuts in our Supplier or Customer Take On procedures (e.g., someone you know circumventing the supplier set-up and P2P process which means that there are no checks on the company/person they were purchased from or contract in place)
- Someone who works for a third-party supplier offering you what seems like a discount, e.g., because they tell you they don't need to charge you VAT- without giving a reason
- Being concerned about the set up and/or supporting paperwork of a particular transaction that you think may not reflect the true commercial reality or fact pattern
- Someone at work (for example an employee or a contractor) claiming to have found a 'short cut' in how much tax they pay, or you are aware that tax is not being declared
- Someone at work (for example an employee or a contractor) claiming illegitimate expenses
- Someone asking for a favour that is not in line with your company policy
- Any other knowledge or suspicion that anyone in our business, either in the UK or any other country, is evading or facilitating tax evasion.
- Colluding in the evasion of – or turning a blind eye to – overseas tax evasion by globally mobile staff; for example, by a failure to track location of staff and potential tax liabilities and residence.

YOUR RESPONSIBILITIES

The prevention, detection and reporting of facilitation of tax evasion is the responsibility of all employees throughout the organisation.

This means that you must have read, understand and comply with all the information contained within this policy, and with any training or information relating to the Criminal Finances Act you receive.

Any individual who breaches this policy may face disciplinary action potentially resulting in dismissal for misconduct or gross misconduct. Similarly, we may terminate our relationship with other individuals, organisations and other associated person working on our behalf if they breach this policy.

**What to do if you have a suspicion or concern?**

If at any time you have a reasonable belief, suspicion or concern that, in any way connected to our business, someone has been engaged in facilitation of tax evasion or other wrongdoing (however insignificant it may be and whether it involves an employee of a third party) you must raise this with your line manager or the compliance manager.

What to do if you are a party to facilitation of tax evasion?

You must tell your line manager or the compliance manager, or senior management as soon as possible if you are asked to do something (either by someone else in the business or a third party) where you suspect there may be facilitation of tax evasion or believe that you are a victim of another form of unlawful activity.

What to do if you feel threatened or vulnerable?

If you refuse to act on a request (either by someone else in the business or a third party) that you think may result in the facilitation of tax evasion, you may feel worried about potential consequences. We take this very seriously and will support anyone who raises concerns in good faith under this policy, even if investigation finds that they were mistaken.

ONGOING MONITORING

We will maintain an effective system for monitoring compliance procedure to ensure we remain committed to our zero tolerance to facilitation of tax evasion. This includes training (both face-to-face and online as appropriate) and forms part of the induction process for all new employees. All existing employees receive regular, relevant training on how to adhere to this policy. Our zero-tolerance approach to facilitation of tax evasion must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.



6. Contents of the Stanley Group CSR Policy – Year One, Human Rights & Equality

Stanley Group recognises that discrimination and victimisation is unacceptable and that it is in the interests of the Company and its employees to utilise the skills of the total workforce. It is the aim of the Company to ensure that no employee or job applicant receives less favourable facilities or treatment (either directly or indirectly) in recruitment or employment on grounds of age, disability, gender / gender reassignment, marriage / civil partnership, pregnancy / maternity, race, religion or belief, sex, or sexual orientation (the protected characteristics).

Our aim is that our workforce will be truly representative of all sections of society and each employee feels respected and able to give of their best.

We oppose all forms of unlawful and unfair discrimination or victimisation. To that end the purpose of this policy is to provide equality and fairness for all in our employment.

All employees, whether part-time, full-time or temporary, will be treated fairly and with respect. Selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability. All employees will be helped and encouraged to develop their full potential and the talents and resources of the workforce will be fully utilised to maximise the efficiency of the organisation.


Our staff will not discriminate directly or indirectly, or harass customers or clients because of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation in the provision of the Company's goods and services.

This policy and the associated arrangements shall operate in accordance with statutory requirements. In addition, full account will be taken of any guidance or Codes of Practice issued by the Equality and Human Rights Commission, any Government Departments, and any other statutory bodies.

OUR COMMITMENT

To create an environment in which individual differences and the contributions of all our staff are recognised and valued. Every employee is entitled to a working environment that promotes dignity and respect to all. No form of intimidation, bullying or harassment will be tolerated. Training, development and progression opportunities are available to all staff.

To promote equality in the workplace which we believe is good management practice and makes sound business sense. We will review all our employment practices and procedures to ensure fairness.



Breaches of our equality policy will be regarded as misconduct and could lead to disciplinary proceedings. This policy is fully supported by senior management. The policy will be monitored and reviewed regularly.

Responsibility for ensuring the effective implementation and operation of the arrangements will rest with the Chief Executive / Business Owner. Directors / Managers will ensure that they and arrangements, and that all reasonable and practical steps are taken to avoid discrimination. Each manager will ensure that:

- all their staff are aware of the policy and the arrangements, and the reasons for the policy;
- grievances concerning discrimination are dealt with properly, fairly and as quickly as possible;
- proper records are maintained.

Head Office will be responsible for monitoring the operation of the policy in respect of employees and job applicants, including periodic departmental audits.

RESPONSIBILITIES OF STAFF

Responsibility for ensuring that there is no unlawful discrimination rests with all staff and the attitudes of staff are crucial to the successful operation of fair employment practices. In particular, all members of staff should:

- comply with the policy and arrangements;
- not discriminate in their day to day activities or induce others to do so;
- not victimise, harass or intimidate other staff or groups who have, or are perceived to have one of the protected characteristics.
- ensure no individual is discriminated against or harassed because of their association with another individual who has a protected characteristic.
- inform their manager if they become aware of any discriminatory practice.

THIRD PARTIES

Third-party harassment occurs where a Stanley Group employee is harassed, and the harassment is related to a protected characteristic, by third parties such as clients or customers. Stanley Group will not tolerate such actions against its staff, and the employee concerned should inform their manager / supervisor at once that this has occurred. The Company will take all reasonable and/or viable steps to fully investigate and take all reasonable steps to ensure such harassment does not happen again.



RELATED POLICIES AND ARRANGEMENTS

All employment policies and arrangements have a bearing on equality of opportunity. The Company policies will be reviewed regularly, and any identified discriminatory elements removed.

RIGHTS OF DISABLED PEOPLE

The Company attaches particular importance to the needs of disabled people.

Under the terms of this policy, managers are required to:

make reasonable adjustment to maintain the services of an employee who becomes disabled, for example, training, provision of special equipment, reduced working hours. (NB: managers are expected to seek advice and guidance from external agencies where appropriate to maintain disabled people in employment); include disabled people in training/development programmes; give full and proper consideration to disabled people who apply for jobs, having regard to making reasonable adjustments for their particular aptitudes and abilities to allow them to be able to do the job.

EQUALITY TRAINING

15. This policy will be distributed to all staff and reviewed periodically. Equality information is also included in induction programmes.

16. Training will be provided for managers on this policy and the associated arrangements. All managers who have an involvement in the recruitment and selection process will receive training.

MONITORING

The Company deems it appropriate to state its intention not to discriminate and assumes that this will be translated into practice consistently across the organisation as a whole. The information collected for monitoring purposes will be treated as confidential and it will not be used for any other purpose.

GRIEVANCES/DISCIPLINE

Employees have a right to pursue a complaint concerning discrimination or victimisation via the Company Grievance or Harassment Procedures.

Discrimination and victimisation will be treated as disciplinary offences and they will be dealt with under the Company Disciplinary Procedure.

REVIEW

Policy and associated arrangements will be reviewed annually under the direct supervision of the Board of Directors.



Future initiatives

In 2022 and 2023 we are planning to:

- Start a campaign to encourage our implementing partners and suppliers to register within the global compact framework
- Set the agenda for diversity and encouraging equal opportunities in recruitment, training and promotion, especially for female consultancy and local-national staff
- Actively encourage our implementing partners and suppliers to promote Corporate Social Responsibility issues within their networks.

CAMPAIGN TOWARDS PARTNERS AND SUPPLIERS
EQUAL OPPORTUNITIES
CORPORATE SOCIAL RESPONSIBILITY



Stanley Group
Deliver Change. For Good.

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