

Adam Smith International: UNGC Communication of Progress – 2022

Communication of Progress

Communication of Progress	1
Support for the UN Global Compact	2
Introduction	3
Human Rights	4
Assessment	4
Implementation	4
Measurement of Outcomes	6
Labour	7
Assessment	8
Implementation	10
Measurement of Outcomes	11
Environment	12
Assessment	12
Implementation	12
Measurement of Outcomes	13
Anti-Corruption	14
Assessment	14
Implementation	15
Measurement of Outcomes	16

Support for the UN Global Compact

July 2022

To our stakeholders:

I am pleased to confirm that Adam Smith International reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.



Our 2022 Communication on Progress describes our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations, as well as our achievements and areas for improvement in relation to embedding the UNGC principles. Our overall vision pertaining to managing the ESG (Environmental, Social and Governance) impacts we cause and contribute to, is to map and monitor through dedicated management systems these impacts and to integrate processes and policies which aim to address them specifically across the organization

Having become a certified B Corp in September 2019, ASI has remained committed to its triple bottom line that is closely aligned with these Ten Principles and the broader United Nations Sustainable Development Goals. We also commit to sharing this information with our stakeholders using our primary channels of communication. For the next few years, we plan to continue to establish specific goals within the areas of human rights, labour, environment and governance which address the further integration of our policies and programmes, the deepening of employees and supplier onboarding and training, safer delivery and implementation of projects.

Sincerely yours,

A handwritten signature in black ink that reads "Jalpa Patel".

Jalpa Patel

Chief Executive Officer

Introduction

Adam Smith International (“ASI”) is a global advisory company that works locally to transform lives by making economies stronger, societies more stable and governments more effective. We work with governments, businesses and civil society organisation that share our ambition to take on big challenges that face the world. We implement sustainable development programmes, including in fragile states and conflict zones. We work globally across Africa, the Middle East, South Asia, Asia Pacific and the Pacific Islands, Latin America and Eastern Europe.

ASI is a part of the Adam Smith Advisory Group Limited group of companies. This company is our parent company. ASI is headquartered in the UK and has subsidiaries and branches (the **ASI Group**) across the globe, operating in over 30 countries with around 220 employees. ASI is owned and operated by its employees. We are committed to corporate integrity and a triple bottom line of social, environmental and financial performance.



This way of working was formally recognised when we became a certified B Corp. B Corp certification indicates we balance profit and purpose through the highest standards of transparency and accountability as well as social and environmental performance. <https://bcorporation.net/>.

We believe we can achieve more in partnership with others than if we act alone. Our global operating model enables us to support our people and partners on the ground in delivering change in complex situations, in fragile states and where there is conflict. And by sharing our knowledge and experience, we can help to improve the standards of our industry, as well as the positive impact we can have on people's lives.

This is only possible if we think creatively about complex problems and deliver change through meaningful global and local partnerships.

We are governed by our **core values**, which shape our culture, underpin the way we behave and determine how we make decisions:



Partnership

Bringing together people from diverse backgrounds and adopting an inclusive approach to work.

This requires effective communication, sharing information and building relationships.



Impact

Creating lasting impact in complex, challenging situations and using resources responsibly, being accountable to and making decisions in line with our triple bottom of people, planet and profit.

We embrace responsibility, prioritise purpose, measure progress and celebrate success.



Creativity

Finding new ways to create value through innovative thinking, technology, and better ways of working.

We aspire to challenge the status quo, make problem solving personal and learn from others.

Our Codes of Conduct for our employees and for the third parties with whom we work continue to be at the core of all our stakeholder engagements, helping our employees, associates, suppliers and partners make decisions in often difficult and complex operating environments.

In this Communication of Progress (CoP) we have identified specific policies, actions and measurement systems we have implemented in the last year (2021/22) to work towards addressing the UN Global Compact's (UNGC) Ten Principles.

We welcome feedback and opportunities to discuss our work and the ways in which we can improve.

Human Rights

UNGC Principles:

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

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

Assessment

Description of the relevance of specific human rights issues for the company (i.e., based on assessment of human rights risk). Description of policies, public commitments and company goals on Human Rights.

As a company delivering sustainable development, including in fragile states or where there is conflict, we strive to maintain the highest standards of integrity, professionalism and efficiency in carrying out our work. We set out these principles in both our [Codes of Conduct](#) for employees and the third parties with whom we work. We see it as our responsibility to support transparency, identify and address risks, regularly review our business practices, and collaborate with others to protect the rights of those who are most vulnerable to abuses such as modern slavery.

ASI is committed to preventing and reducing harm to children and vulnerable adults who may be in contact with our staff or associates. All ASI staff and associates are required to adhere to our Safeguarding Policy. ASI has appointed a global Safeguarding Lead, creating a trusted point of contact for staff, associates and any external stakeholders, to raise concerns and ensure that any safeguarding matters are investigated, disciplinary measures are taken where claims are substantiated, and processes are improved to prevent reoccurrence. We have also delivered training in safeguarding to our staff and are looking at strengthening our training in this area, for example, by e-learning.

Beyond basic compliance with applicable employment and labour laws, ASI is committed to working with donors and partners to apply best practice through our supply chains and to use our expertise to help end human trafficking, modern slavery (sex trafficking and compelled labour) and all human rights abuses. ASI has a zero-tolerance approach to modern slavery and human trafficking and we are committed to continually improving our practices to combat slavery and human trafficking. All ASI staff are required to adhere to our Human Trafficking and Modern Day Slavery Policy and we have delivered training in this area to our staff.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

Speaking Up and Investigations

ASI promotes a culture of openness, accountability, and high ethical standards. As part of our employees', suppliers' and partners' duty under the ASI Code of Conduct and Partner Code of Conduct, they must report suspected or actual violations of law and regulations, as well as ASI's policies in relation to fraud, bribery and corruption, counter terrorism, human trafficking, modern slavery and safeguarding. As outlined in our Speak Up policy, ASI employees and other stakeholders can raise concerns through multiple channels, including an independent [Speak Up hotline](#) (Safecall).

Commitment to Preventing Modern Slavery in our Supply Chains

Our efforts in identifying and mitigating the risks of modern slavery and human trafficking continue to focus on prevention through our third party screening process and awareness-raising through training and policies, which clearly set out ASI's stance towards modern slavery and human trafficking. We understand that as we continue to gain a better understanding of our supply chains, we will expose further risks of modern slavery and we recognise that we will need to continually renew our efforts to minimise the negative impact on vulnerable people in our supply chain.

We are therefore continuously reviewing potential processes to proactively identify and address modern slavery across our operations. Our ongoing commitment means that we will progress year on year in our efforts towards transparency, prevention, identification and mitigation of human trafficking and modern slavery deeper down our supply chains. ASI's Human Trafficking and Modern Slavery statements are available through our [website](#) and the Transparency In Supply Chains website operated by the UK Government, the Modern Slavery Statement Registry.

Supply Chain Management

Our supply chains consist of third party suppliers, self-employed consultants and partner organisations spread across our global operational platforms.

We strive to ensure that all goods and services purchased as part of programme delivery and ongoing operations are free from modern slavery, human trafficking and other human rights abuses. ASI has a robust Third Party Screening process, which requires due diligence to be conducted on our partners and suppliers, including checking for any red flags or adverse media which could highlight human rights violations using ASI's Third Party Screening tool, which screens over 200,000 international sanctions lists and media sources, including lists of companies and individuals linked to modern slavery and human trafficking.

As per our Third Party Screening Policy we continue to inform all our suppliers and partners of our commitment to human rights. Our partners and suppliers are required to certify their compliance with the ASI Partner Code of Conduct, which in turn requires our partners and suppliers to ensure that no human rights abuses, including modern slavery and human trafficking, are taking place within their own supply chains.

Construction Contracts

ASI considers any third party providing construction services directly to ASI or through one of our programmes as the highest risk third party in relation to potential human rights violations. This is because the supply chains involved in construction are complex and there is a higher risk of migrant labour being used for elements of construction. This demographic is less likely to be able to negotiate fair wages, e.g. they may be compelled to provide labour in exchange for food or accommodation. Therefore, apart from undergoing a robust due diligence process, as outlined above, every single contract involving some form of construction requires the approval of ASI's CEO or CFO.



We seek to work with suppliers and third parties who can demonstrate that they share similar values as that of ASI. We endeavour to contractually require these suppliers to agree to abide by ASI's Code of Conduct.

Development Sector Networks and Forums

We are collaborating with organisations across the development sector on the topic of safeguarding and human trafficking. We are a member of the Cross-Sector Safeguarding Group (CSSG) which brings together representatives from NGOs, the private sector, the UN, research and financial institutions to collaborate and work on the area of safeguarding.

We also regularly attend the Safeguarding Lead network, a private sector led group borne out of the CSSG and the Human Trafficking Foundation, a network of anti-trafficking experts, NGOs and other organisations that work together to combat modern slavery by providing policy recommendations to HMG.

Onboarding of Staff and Associates

All our staff and associates are required to certify their compliance with the ASI Code of Conduct, through the Ethics and Compliance Declaration and are further bound to comply with the Code through the contractual terms of their employment or associate contracts.

All company employees have been required to pass the following e-learning modules with new joiners doing so as part of their inductions and all staff being required to complete refresher training as part of ASI's annual compliance training:

- Harassment and bullying at work
- Modern Slavery
- Equality and diversity in the workplace
- Unconscious bias
- Global anti-bribery and corruption
- Cyber security

Measurement of Outcomes

Description of how the company monitors and evaluates performance.

Commitment	Key Performance Indicator
Safeguarding log	We maintain a log of all safeguarding cases which are reported to the organisation and record outcomes of all applicable investigations.
Number of Speak Up cases	ASI has an independently operated “Speak Up” hotline. We can report that no instances of human trafficking or modern slavery have ever been reported or found in our business or supply chains.

Human Rights Principles Case Study – Support on prohibition on virginity testing of survivors of serious sexual violence (SSV)

The two-finger test and hymen examination were a standard part of medico-legal examinations of rape survivors in Pakistan, a practice that does not provide reliable admissible evidence in court and has long been declared a violation of human rights by the United Nations that states that this practice constitutes as ‘*violence against women*’. The Justice Sector Support Programme (JSSP), supported by the British High Commission (BHC) and implemented by ASI in Pakistan, helped prohibit virginity testing for survivors of serious sexual violence (SSV) in the country’s largest province (Punjab).



JSSP was designed to work directly with criminal justice institutions on targeted reform priorities with an aim to protect the rights of victims, witnesses, and vulnerable groups. As part of its work on improving the collection, preservation and use of forensic evidence and treatment of survivors of SSV, JSSP began advocacy efforts in 2019 with relevant health departments, the Office of the Surgeon Medico-Legal and professors at top medical colleges in Punjab to end virginity testing, and issue new protocols for conducting medico-legal examinations but knew this was not going to be enough.

In mid-2020 JSSP also reached out to its network of civil society actors and found two law firms in the process of filing petitions in the provincial high court i.e., the Lahore High Court, seeking to ban the two-finger test. Over several months, as the case was being argued in court, JSSP assisted the lawyers representing petitioners to broaden the scope of their petitions, to include hymen examinations, include relevant parties, and further strengthen the scientific grounds presented. JSSP provided research support and response to technical queries raised by the Court and the two law firms throughout the process.

At the same time, JSSP was also asked for assistance in responding to the case by the health departments and the Surgeon Medico-Legal Punjab. JSSP took the opportunity to engage in significant advocacy to pre-empt any objections to abolishing virginity testing and successfully reduced the resistance presented by the Government in court.

(story continues on next page)

As the hearings progressed, the petitioners and Court relied heavily on JSSP research to ultimately decide in favour of the petitioners. During the course of the hearings, the Specialised Healthcare and Medical Education Department also notified inadequate guidelines for eliminating virginity testing in an attempt to satisfy the court. JSSP was able to assist the petitioners and the Court by providing an analysis of the guidelines highlighting significant deficiencies and contradictions, which are reflected in the judgment of the Court which concluded that *“the 2020 Guidelines continue with the practice of virginity testing and has only attempted to confuse the issue rather than prohibit it”*.

On 4th January 2021 Justice Ayesha Malik of Lahore High Court issued a historic judgement declaring virginity testing (the so called ‘two finger test’) to be unscientific, without merit and violative of the Constitution and fundamental human rights.

The landmark judgment is a triumph for human rights advocates and survivors of sexual violence in Punjab and provides specific directions to the Federation and the Provincial Government to “take necessary steps to ensure that virginity tests are not carried out in medico-legal examination of the victims of rape and sexual abuse”.

The judgment directs them to devise appropriate protocols and guidelines for medico-legal examinations prohibiting the practice and declaring the existing protocols illegal and unconstitutional. With Justice Malik declaring existing medico-legal protocols for examination of victims of sexual violence as illegal, violating the right to life, the right to dignity, and discriminatory against female victims, **she has established a precedent that is legally applicable across Pakistan.**

Considering the above and news reaching the Supreme Court¹ of JSSP’s technical support and involvement leading to the judgement, Supreme Court Justice, Mansoor Ali Shah also reached out to the team, for technical support in informing a key judgment in a case of sexual violence which was issued on 25th March, 2021.

In addition to supporting the Supreme Court, JSSP also leveraged the opportunity created by supporting the judgment in this case, by engaging with the Government of Punjab to issue improved standards and guidance for conducting medico-legal examinations of victims of sexual violence developed by the program in 2019, so that this judgement can be implemented in letter and spirit.

¹ The highest appellate court of Pakistan.

Labour

UNGC 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.

Principle 6: The elimination of discrimination in respect of employment and occupation.

Assessment

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities).

Description of written policies, public commitments and company goals on labour rights.

ASI supports the UNGC principles on labour standards in addition to following local laws on employment and labour rights.

Equal Opportunity Employer

ASI recognises that everyone should be treated with dignity and respect in the workplace. ASI's Equality, Diversity and Dignity at Work Policy has the UK Equality Act 2010 at its core (as well as comparable legislation in the other jurisdictions in which we operate) and ensures that no employee or job applicant is discriminated against either directly or indirectly on the grounds of any of the protected characteristics – race, religion or belief, gender, marital or civil partnership status, sexual orientation, pregnancy and maternity, gender reassignment, age or disability – or is subject to bullying or victimisation. Concerns that these principles are not being respected can be pursued through our Grievance Policy.

Supply Chain Management

We must also ensure that any suppliers that provide goods or services to ASI and any other third parties we work with share our commitment to complying with labour laws and human rights. We conduct due diligence on sub-contractors including partners, suppliers and consultants and they are required to certify their compliance with ASI's Partner Code of Conduct, which includes a commitment to act in accordance with the UNGC Principles.

Identified Risk – Low Skilled Workers

We are aware that there is a higher risk of forced or compulsory labour or slavery amongst low skilled workers. Our global workforce includes a variety of lower skilled occupations such as drivers in the Democratic Republic of Congo and cleaners in Pakistan. We manage this risk by ensuring that all our workers receive a fair wage for the work they perform for ASI and by making all staff aware of the red flags to look out for in relation to modern slavery and human trafficking. Since our last statement we have also carried out significant work to promote our independent, multilingual Speak Up hotline and all our offices worldwide have posters raising awareness of this hotline which are visible to those in our workforce.

Duty of Care

ASI has established a strong reputation for a high standard of duty of care and safeguarding. It is widely recognised as being a strong factor for why many associates, partners and subcontractors choose to work with ASI. The company takes significant pride in this high standard and is recognised in the industry for this.

This provision of duty of care, and the associated frameworks that underpin it, are necessarily central tenets of the business by virtue that many of our operations are in fragile post-conflict or developing countries with weak governance, weak rule of law and violent or hostile elements and environments. Combined with this we also acknowledge the need to meet our moral and ethical obligations to everyone we work with, whether they are associates, partners, clients, and those we deliver projects to. Given we are custodians of public monies, and we operate on behalf of governments, partners and financial institutions supporting some of the world's most underserved, we believe we need to set the bar incredibly high, not only in our delivery of duty of care but also in ensuring that our operational platforms are shaped to meet those duty of care needs, in line with the environment we are operating in.

We remain wholly committed to ensuring the safety and health of all our staff, and where possible and necessary our beneficiaries. As part of this effort we continue to employ best in class personnel have across our lines of operation, who are responsible for implementing and managing the various duty of care frameworks that underpin our efforts, and we consistently go above and beyond our contractual and legal obligations through the provision of enhanced service offerings such as the mandatory application of excellent personal accident and emergency policies, Trauma Risk Incident Management, HEFAT training, mental health and wellbeing services and counselling.

Our emergency response mechanisms and critical incident management skills are amongst the best in the industry having been tested in the crucible of several international responses and incidents - the most recent being the al - shabaab attack on the Dusit Hotel complex, Nairobi, Kenya, where two of our staff were killed, and the evacuation from Kabul, Afghanistan, over the summer of 2021. We take an all-encompassing familial approach to our duty of care and emergency response - it's not just about the individual but about the family. Where necessary we have often supported staff and families in emergencies, providing financial, medical, trauma and relocation support as part of our ongoing commitment to ensuring we meet this duty of care in every situation.

Professional Development

Supporting our people to learn, develop and progress within ASI is one of the three strategic priorities of our People Strategy. We provide opportunities for formal and informal learning. When staff join us, they receive an induction as well as being given access to our online platform which contains a range of both compulsory and optional training modules. Over the past year, we have built upon the leadership training offered to our senior leaders by offering periodic refresher training, and importantly by developing and rolling out People Management Training to all line managers in the business. We have continued to run periodic training on modules from our 'Impact Framework', which provides a range of learning materials for staff at all levels. We also have an individual learning and development fund through which any employee can apply for funding for individual learning activities to support their professional development. Priority is given to junior and mid-level staff and at least 50% of the fund must be allocated to women.

Prompt Payment Code

ASI seeks to treat its suppliers fairly and pay them swiftly so it is important to us that we are a signatory to the UK Government's Prompt Payment Code. Invoices are expected to be submitted by the second working day of the month following the period of work to qualify for our standard payment terms of 30 days. Late submissions can result in delayed payment terms of up to 60 days. In accordance with these terms, we paid 78% of our suppliers within 30 days of supplying a valid and undisputed invoice in the most recent reporting period and a further 15% were paid within 31 to 60 days.

ASI has launched and is now using the Microsoft Dynamics 365 ERP system that is intended to dramatically improve the efficiency of ASI's entire finance systems including its invoicing cycles.

Mental Health

ASI has a Mental Health Policy and a network of Mental Health Champions aimed at supporting the mental health and well-being of all staff. We strive to create an environment and provide the tools, programs and practices for mental well-being. We continue working to help break the stigma surrounding mental health by fostering a workplace environment where people feel comfortable engaging in open, honest dialogue, including in response to external stresses such as the COVID-19 pandemic, natural disasters and other world events. We ensure that the Private Medical Insurance we offer to our employees includes mental health cover wherever possible (unfortunately, in a few countries we have not been able to identify a provider who offers this) and we have enhanced our offer to staff through an Employee Assistance Programme to staff, which now offers eight face-to-face counselling sessions, as well as providing online and telephone-based options for support.

Our network of Mental Health Champions is very active; in 2020 ASI established a SharePoint portal with content for all ASI workers and a monthly newsletter, with subjects including Burnout, Grief, Stress and working in the field during the COVID-19 pandemic. ASI has maintained the portal and continues to issue newsletters relating to general mental health issues. Through the pandemic during 2020-21 we commissioned an external trainer to facilitate a series of workshops with teams across the business to explore mental health and wellbeing challenges and to discuss how we can better manage and support the mental health and wellbeing of ourselves and others.

Flexible Working

As a result of COVID-19, 2021 was a year of extensive flexible working, both at home and in the field. Most of our people

have worked remotely for extensive periods of the year and we have supported this process by providing contributions to broadband payments and increasing the availability of laptops to those employees who previously only had access to desk-top computers.

We currently have approximately 25 staff on a range of formalised flexible working arrangements including part-time working and working from home on a regular basis. These staff are at all levels of the company, and many more staff benefit from flexibility on a more informal basis, such as through occasional or ad-hoc home working. We also offer staff the opportunity to take time off for study leave or to go on sabbatical.

Our job adverts promote flexible working, and our Flexible Working Policy makes clear that all staff are entitled to request a flexible working arrangement and we will endeavour to support such requests wherever possible.

Diversity and Inclusion

We pride ourselves on being a diverse and inclusive workplace. In 2021 we welcomed a second cohort into our Women Leaders Sponsorship Programme, which has the ambitious goal of reducing the gender imbalance in leadership roles and bridging the gender pay gap. The programme pairs exceptional women with senior staff sponsors (men and women) who have been asked to actively support the career advancement of the participant by advocating on their behalf, opening up professional networks, creating opportunities, providing coaching and advice and supporting the participant to develop the skills they need to advance.

We are immensely proud to have appointed a female Chief Executive Officer, have recently appointed another woman to our executive team and have other women in senior roles such as heads of department.

At the policy level, diversity & inclusion analysis is integrated into our core HR processes, incorporating analysis of our performance and salary review process by gender and geographic location and ensuring that at least 50% of our new individual learning and development budget is allocated to women.

Implementation

Supply Chain Management

ASI's supply chain due diligence process, as set out above in the Human Rights section, strives to ensure that ASI only engages with third parties that adhere to the same stringent ethical standards in relation to labour law and human rights, as ASI. [ASI's Partner Code of Conduct](#) sets out our expectations in relation to ethical conduct expected of our partners, which includes compliance with the UNGC Principles, as well as an explicit prohibition of engaging in any form of forced, bonded and indentured labour, as well as child labour. The Partner Code of Conduct also references the ASI Speak Up hotline, which should be used to report breaches of the Partner Code of Conduct. ASI requires its Partners to adhere to the principles that are set out in the Partner Code of Conduct and to cascade these standards further down their supply chains. The Partner Code of Conduct also provides ASI with audit rights to ensure that Partners are complying with the Code.

Onboarding of staff and associates

As part of the onboarding process, employees are required to pass the following e-learning modules related to the UNGC labour principles:

- Equality and diversity in the workplace
- Harassment and bullying at work
- Modern slavery

ASI Employee Owned Trust

Our company is owned by the trustees of the ASI Employee Owned Trust (EOT). The ASI EOT was specially formed for the purpose of holding the shares on behalf of the beneficiaries of the EOT i.e., the employees of ASI. Inherent in this form of business ownership model is the need for standards, competitiveness and dynamic thinking to flourish without the need for outside shareholders. It follows that those charged with managing the business must take responsibility for involving employees in relevant aspects of the running of the business. In May 2019, we launched a Staff Council to enhance the communication channels between employees and the Executive Team as well as a consultation panel including staff members, which is consulted by the Directors and the Trustees on shareholder-type matters. The Staff Council has been heavily involved in promoting communication and 2022 saw elections for new members to it, when several of the current ones completed their terms.

ASI Staff Council

In May 2019, we launched the ASI Staff Council to give all those working for ASI a voice, enable senior management to consult more broadly with all employees and enable the workforce to hold the executive to account. The Staff Council currently has 6 members who were elected by their constituents. The composition represents a cross-section of ASI's workforce both by geographical region and by type of role with one member also representing the many hundreds of workers we engage, largely as contractors, on specific projects.

We also continue to promote our independent, multilingual Speak Up hotline and all our offices worldwide have posters raising awareness of this hotline which are visible to those in our workforce.

Measurement of Outcomes

Description of how the company monitors and evaluates performance.

Commitment	Key Performance Indicator
E-learning	Our online Learning Management System records completion rates of the modules outlined above. We are committed to ensuring all employees complete our e-learning modules.
Number of Speak Up cases	ASI has an independently operated "Speak Up" hotline. We can report that no instances of forced, compulsory or child labour have ever been reported or found in our business or supply chains.
Supply Chain Management	ASI can confirm that through our Third Party Screening process, ASI has not identified any third parties which have been found to have breached international labour or human rights laws.

Environment

Principles:

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

Principle 8: Undertake initiatives to promote greater environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.



Assessment

*Description of the relevance of environmental protection for the company (i.e., environmental risks and opportunities).
Description of policies, public commitments and company goals on environmental protection.*

ASI is committed to minimising its environmental footprint by preventing pollution, reducing GHG emissions and encouraging practices to promote sustainability. This is part of our triple bottom line commitment to account for financial, social and environmental performance. We are working to measure, monitor and minimise our corporate environmental footprint, and to support improvements to the environment through our projects. We have adopted a strategic objective of being carbon neutral by 2025 and a net positive contributor to the environment by 2030.

We have an Environment Policy that define our objectives and methods and are currently preparing a detailed plan to reduce and offset corporate and project emissions year on year by 2025. Our Environmental Policy complies with the ISO14001 standard with a particular focus on UN SDG Principle 12: responsible consumption and production.

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

Environment Policy

In February 2020, ASI's global network of Environment Champions developed a new Environment Policy underpinned by the company's "reduce, reuse, recycle, offset" environmental strategy and setting out the procedures to respond to an environmental incident. The new policy is applicable to all ASI employees and self-employed contractors worldwide and is publicly available on the company's website [here](#).

Environmental Strategy

Through our "responsibility" pillar we are committed to reducing our ecological footprint by using less environmentally harmful materials in the delivery of the projects and raising environmental awareness with our partners, advisors, clients and employees. ASI's environmental strategy is focused on the reduction in consumption at both the corporate and the project level. However, we recognise that, as a business, certain types of consumption cannot be avoided. When consumption cannot be avoided, ASI expects its workers to recycle, reuse and offset.

We recognise that back-up diesel-fuelled power and flight travel are significant parts of our Scope 2 and 3 GHG emissions. The investment the company has made in technology, with the global roll out of Microsoft Teams for calls and chat and video conference facilities in 2019, and with the global pandemic in 2020, we have reduced our business travel and hope to maintain this reduction. We also plan to continue to limit the frequency and lengthen the duration of project-related missions.

However, ASI is aware that in the international development sector in which it operates, air travel cannot be completely avoided. We are therefore working in partnership with Climate Care <https://climatecare.org/> to help offset our flight emissions with gold standard carbon offsets. Whilst currently unable to offset all of our emissions, we are preparing a plan for progressively greater emissions reductions and offsets between now and 2025. Implementation has already begun with the carbon offset of the 2019 flight emissions of Board, Executive Team and Internal Audit team members when travelling for business purposes.

Environmental Assessments

ASI conducts yearly, systematic reviews of facilities and projects worldwide using an environmental assessment questionnaire. ASI's Environment Lead is currently working with fellow B Corp, Inhabit, to analyse the data produced through these questionnaires in order to generate a report for the company that can further direct our work to improve our environmental performance. ASI's Environment Team is also working with Inhabit to implement an online data collection system to provide real time data on carbon emissions from all ASI offices.

Training and Awareness

ASI's global network of Environment Champions conduct education and learning sessions with its employees on environmental issues to increase awareness and stimulate positive behaviour change and also write and circulate a quarterly newsletter to all staff, the "ASI Green Times" to raise awareness of new company policies, company examples of best practice and updates on the bigger picture of environmental issues worldwide.

Measurement of Outcomes

Description of how the company monitors and evaluates environmental performance.

Commitment	Key Performance Indicator
Net zero by 2025	ISO 14001 accreditation, training on the Environmental Policy, environment KPIs in our corporate strategy, data from our Environmental Assessment Questionnaires, and measuring our flight usage.
Offsetting flights through partnership with Climate Care	142 tonnes offset with Climate Care for 2019
Annual environmental impact assessment	ASI conducts a yearly environmental impact assessment of its operations. This includes an assessment on (where data is available): <ul style="list-style-type: none">• Scope 1, 2 and 3 carbon emissions• Water consumption• Total carbon emissions• Waste, Energy, and gas consumption• Environmental Hazards• Procurement and Suppliers

Anti-Corruption

Principles:

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

Assessment

Description of the relevance of anti-corruption for the company (i.e., anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

International Development Sector Context

The compliance requirements in the international development sector are increasing, as are donor and client expectations. Public and media scrutiny have intensified, and the need to maintain the highest standards of corporate governance, as well as the trust of our beneficiaries, partners and donors has remained as critical as ever. Given the countries that we work in, we recognise that there is an increased risk of fraud, bribery and corruption, and we must therefore ensure that we dedicate sufficient resources to mitigating these risks.

ASI's Commitment to the Anti-Corruption Principle

ASI seeks to proactively protect the organisation, its donors, clients, its partners and its beneficiaries from instances of fraud, bribery and corruption. This means that ASI:

- Will always seek to take disciplinary and/or legal action against those found to have perpetrated, been involved in, or assisted with fraudulent or other improper activities in any of its operations.
- Is committed to developing an ethical culture and reducing to the absolute minimum the likelihood of fraud, bribery and corruption occurring in any of its operations.
- Encourages immediate reporting of any actual or suspected incidents of fraud, bribery and corruption.
- ASI has measures in place that reduce the likelihood of fraud, bribery or corruption occurring. These include risk management arrangements, documented financial procedures and a system of internal controls as well as delivery of training.
- ASI is committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, safeguarding all resources which have been entrusted to us, as well as implementing and enforcing effective systems to counter fraud, bribery and corruption.

ASI's Counter Fraud and Anti-Bribery and Corruption Policy

ASI's Counter Fraud and Anti-Bribery and Corruption ("CFAC") Policy governs ASI's approach to preventing, detecting and responding to instances of fraud, bribery and corruption.

ASI staff and associates are required to adhere to the following principles as per the CFAC Policy:

Principles and rules

- ASI staff and associates **must not** give or receive bribes and **must not** use intermediaries, such as agents, consultants or any other business partners to commit acts of bribery.
- Always notify the Legal, Ethics and Compliance team of situations where a bribe or other unethical payment has been solicited.
- Always ask yourself before offering, giving, or promising anything of value to any person if what you are considering could be viewed as having an illegitimate purpose. If the answer is yes, you must not proceed.
- If you have any doubts about how your actions may be perceived, please consult with a member of the Legal and Ethics team.
- Always keep a record of actions and decisions taken in relation to approval of payments and the use of third parties.
- Failure to act by ASI Workers when aware of an actual or suspected breach of this Policy may be subject to the disciplinary process, up to and including dismissal for gross misconduct.

Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

ASI Code of Conduct

[ASI's Code of Conduct](#) establishes the ethical expectations of all people who work for or on behalf of ASI. The ASI Partner Code of Conduct sets out the same expectations for ASI's Partners.

ASI's Counter Fraud and Anti-Bribery and Corruption Policy

[ASI's Counter Fraud and Anti-Bribery and Corruption](#) Policy sets out in detail ASI's approach to preventing, detecting and responding to incidents of fraud, bribery and corruption.

Speaking Up and Investigations

ASI promotes a culture of openness, accountability, and high ethical standards. As part of our employees', suppliers' and partners' duty under the ASI Code of Conduct and Partner Code of Conduct, they must report suspected or actual violations of law and regulations, as well as ASI's policies in relation to fraud, bribery and corruption, counter terrorism, human trafficking, modern slavery and safeguarding. ASI employees and other stakeholders can raise concerns through multiple channels, as outlined in our Speak Up policy, including an independent Speak Up hotline.

Upon receipt of a Speak Up report, ASI will conduct an investigation in an independent, fair, confidential and unbiased manner with respect to all parties involved and in accordance with the ASI Investigations Manual. Details of the report, the identity of the individual raising a concern, and anyone mentioned in the report are kept confidential throughout and after the investigation and are only shared on a need-to-know basis.

ASI will take disciplinary action, up to and including dismissal (in accordance with local labour laws) against anyone who threatens or engages in retaliation or harassment of any person who has reported or is considering reporting a concern in good faith.

Training and Awareness

All ASI staff are required to take annual anti-bribery refresher training, as well as the anti-bribery and anti-corruption training they receive as part of their induction process. Counter fraud and anti-bribery and corruption topics form a part of face to face training sessions and programme specific training is delivered as required.

Onboarding of Staff and Associates

ASI conducts pre-employment background checks on staff and associates to ensure that they do not pose a fraud, safeguarding or other reputational risk. ASI staff and associates are required to certify their compliance with the ASI Code of Conduct by signing the ASI Ethics and Compliance Declaration and disclosing any conflicts of interest they may have.

Third Party Screening

ASI's global supply chains consist of third party suppliers, self-employed consultants and partner organisations spread across our global operational platforms.

ASI has a robust Third Party Screening process, which requires due diligence to be conducted on our partners and suppliers, using ASI's Third Party Screening tool, which screens over 200,000 international sanctions lists and media sources, including lists of politically exposed persons. In addition to undergoing the screening, ASI suppliers, subcontractors, grantees and other third parties are required to certify their compliance the ASI Partner Code of Conduct, which commits them to complying with ethical best practice, including the UNGC Principles.

Internal Audit

ASI's Internal Audit team acts as the third line of assurance to ensure that ASI's internal controls designed to prevent, detect and respond to incidents of fraud, bribery and corruption are operating effectively.

Anti-Corruption Programmes implemented by ASI

ASI builds the capacity of key state institutions within countries to increase the risk of engaging in corrupt activities by enhancing the ability to detect, investigate, prosecute, and adjudicate corruption. In addition, ASI works with civil society to enhance transparency, increase civic engagement, and hold governments to account. Through its international development programmes, ASI has delivered technical assistance focused on anti-corruption initiatives in countries such as Uganda, Ghana, Nigeria, Panama, Ecuador, Latvia, Cyprus and Malta.

Measurement of Outcomes

Description of how the company monitors and evaluates anti-corruption performance.

Commitment	Key Performance Indicator
E-learning	All eligible staff have completed the anti-bribery e-learning module. New joiners are asked to complete this module as part of their induction and all staff are required to complete the training annually.
ASI Ethics and Compliance Declaration	All new joiners are required to sign the Ethics and Compliance Declaration and declare any outside interests they may have.
Training and Awareness	Since ASI's last CoP, 71% of eligible staff have received training on topics including Understanding Cyber Security.
Number of fraud, bribery or corruption reports received through different Speak Up channels	Since ASI's last CoP, 13 (17 previous year) fraud cases have been reported through the ASI Speak Up hotline and other reporting channels. 10 (13) cases have been investigated and closed and a number of investigations are still ongoing.

Anti-Corruption Principle Case Study – TAFFI (a UK government-funded Technical Assistance Facility in Iraq)

Summary

The Technical Assistance Facility for Iraq (TAFFI) is a demand-led flexible TA facility which is focused on supporting Federal Iraq and the Kurdistan Regional Government in tackling corruption, increasing transparency by improving digital governance and strengthening Iraq's economy.

TAFFI operates in a period of transition, with multiple centres of power, a caretaker government and a broadly insecure environment. To ensure the provision of responsive and strategic technical assistance that achieves maximum impact, TAFFI maintains a wide stakeholder base, designs highly-specific technical inputs informed by political economy analyses and proactively adapts to regular and significant changes in context.



Examples of our work, and learnings therefrom, include:

Operationalising Iraq's Finance Intelligence Centre

- Iraq is due to undergo a Mutual Evaluation Review (MER) by the Middle East and North Africa Financial Action Taskforce (MENAFATF) in 2023, which assesses adequacy of anti-money laundering (AML) and counter-terrorism financing (CFT) measures.
- As things currently stand Iraq is unlikely to go through the MER process without an advisory being placed upon Iraq's financial sector.
- In response to this, TAFFI has partnered with the Central Bank of Iraq's Financial Intelligence Unit (FIU) to support the completion of the National Risk Assessment (NRA) of Iraq's exposure to AML/CFT risks and, the implementation of the UNODC's goAML solution.
- The introduction of goAML has exponentially increased the raw intelligence collected by the FIU for 'Suspicious Transaction Reporting', 'Cash Threshold Reporting' and 'Terrorism Financing Reporting'.
- TAFFI has also potentially catalysed investment by the Central Bank of Iraq and other donors in Iraq's AML/CFT capacity, by presenting its work with the FIU and the highest priority risks likely to emerge from the NRA.
- This case demonstrates the catalytic effect of TAFFI's interventions in generating momentum for change by increasing local ownership and donor interest.

Improving transparency through digital government rollout

- Iraq's fiscal indiscipline and endemic corruption has much to do with how so much of government business is conducted using paper-based systems that are easy to compromise and circumvent.
- TAFFI has, therefore, partnered with the departments responsible for the digitisation of government services and harmonising data management in Federal Iraq and the KRG.
- The programme's achievements to this end include the co-development of a prioritisation methodology/roadmap for the digitisation strategy of the KRG with the Department of Information Technology (DIT), and the facilitation of Workshops between the Federal Iraq's National Data Centre (NDC) and UK Government Digital Services GDS).
- TAFFI is also providing support to develop an anonymised, merit-based civil service recruitment portal. Though the project is in its infancy, if successful, it will reduce the patriarchal system through which civil service jobs have been traditionally distributed.

Strengthening the capacity of anti-corruption institutions

- TAFFI delivered a Meso-level anti-corruption PEA in late 2021, which outlined that while large-scale, white-collar corruption within government is in the decline, smaller scale corruption still persists and pervades the public service.

- In 2021, we commenced engagement with the Investigations Department of the Commission on Integrity, the primary counter-corruption organisation in the country. TAFFI produced a report on the weaknesses in its security architecture, and sought to upgrade their case management system.
- Though governmental data sharing protocol has stalled progress on this front, TAFFI is currently conducting a Training Needs Assessment in response to a request from COI for training on forensic accounting, cross border crime detection, data analysis and leadership.
- By means of training, TAFFI seeks to raise and maintain standards of detection, investigation and prosecution within the COI. We also hope to use the training as a way for the Embassy to engage with senior political figures (including the outgoing Minister of Finance) on ways to reduce white-collar, public-sector corruption.
- This experience shows the value of TAFFI's context-driven approach to engagement, and efforts tackle entrenched corruption in the long run by building HMF's political access and influence with key Iraqi stakeholders.

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