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DATE

10 August 2022

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TO

H.E. António Guterres
Secretary-General United
Nations
New York, NY 10017
United States of America

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FROM

I.R. Consilium, LLC
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United States of America
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Dear Mr. Secretary-General,

I respectfully write to reaffirm I.R. Consilium, LLC's continued support of and commitment to the Ten Principles of the United Nations Global Compact on Human Rights, Labor, Environment, and Anti-corruption.

In this annual Communication on Progress, I am pleased to share some of the activities and initiatives that demonstrate our commitment to the Global Compact and its principles, as well as the Sustainable Development Goals. This promise is reflected in our business strategy, culture, and daily operations, is written within our Code of Conduct, and is discussed at team meetings. We work to continually improve the integration of the Global Compact and its principles not only within our internal operations, but also within the projects and partnerships we undertake.

While there are numerous examples of how our work has furthered the aims of the Global Compact, as well as the Sustainable Development Goals, I would like to share with you the following:

- We have continued our influential work of identifying, mapping, and exposing illicit and high-risk supply chains of different sorts, often tied to widespread criminality, violence, and sanctions busting (SDGs 3, 6, 11, 13, 15 and 16). We followed up last year's groundbreaking report for the OECD on gold flows out of Venezuela with a second report now in the publication process for release in the coming months. This report focuses on the roles played by Free Trade Zones (FTZs) in illicit gold flows in Latin America and the Caribbean, with special emphasis on FTZs in Colombia, Panama, and the Dominican Republic. In April 2022, we were asked by Global Affairs Canada and the OECD to moderate a panel on Venezuela at the OECD Forum on Responsible Mineral Supply Chains; we later delivered a briefing on our research into gold flows and FTZs at the WCO/OECD fifth annual meeting of the informal law enforcement network on minerals-related crimes. In a related project, a five-year grant from the United States National Science Foundation is funding our continued work, in collaboration with the [Colorado School of Mines](#) and the Canadian NGO [IMPACT Transform](#), to conduct comparative mapping of the networks linked with gold and mercury flows in Peru and Colombia on one hand, and Kenya on the other. In addition to generating analyses now being prepared for publication, our

research on this grant has allowed us to coordinate with law enforcement and regulatory agencies in Peru, Ecuador, Colombia, and Brazil in mapping networks linked with these illicit flows. In addition to the aforementioned SDGs, this project also addresses goals 5 and 12. Finally, we provided expert analysis in interviews for a forthcoming documentary by award-winning production company [Noon Films](#) on gold laundering and money laundering connected with Dubai. Our contribution to that film supports goals 1, 3, 6, 8, 10, 12, 15, and 16.

- We have partnered with UNDP to embark with the government of Equatorial Guinea on an ambitious program to develop and implement a long-term strategy for sustainable growth in that country's maritime economy. Our work so far this year culminated in a week-long series of meetings in Equatorial Guinea, including with President Teodoro Obiang. The project, which is intended to ensure broad and lasting economic benefit to the people of Equatorial Guinea, is now underway and will unfold into 2023 and beyond. It supports SDGs 1, 2, 3, 5, 7, 8, 9, 10, 12, 13, and 14.

- We have engaged internationally, providing strategic analysis, with the crisis precipitated by Russia's invasion of Ukraine. Our initial and prescient analysis on the potential impact on global food supply chains was [published in POLITICO](#) and has been cited many times by decision makers. On our website, we have published two more influential analyses: [one on "the deeper war"](#) in which the mind is the battlespace, and [another on Turkey's position](#) relative to the Ukraine crisis. We have also published an article in [CIMSEC](#), co-authored with the Head of the Legal Branch of the Ukrainian Navy, on Russian "unlawfare" in the Black Sea, as well as appearing on a [podcast](#) at the same outlet, and co-authoring an article for the [Navy League](#) with Adm. Jamie Foggo (USNR) on the growing impact of the global food crisis caused by the war. Our efforts have been focused on ensuring Ukrainian and international security, including food security as well as other forms, and have particularly addressed SDGs 1, 2, 3, and 12.

- Our ongoing efforts to support sustainable fisheries included this year collaborating with Trygg Mat Tracking in the publication of a [Spotlight Brief](#) on the various ways in which high-risk fishing operators seek to exploit African flag registries. This publication identifies practices that facilitate

illegal, unregulated, and unreported (IUU) fishing and opens opportunities to counter those illicit activities, addressing SDGs 1, 2, 3, 8, 11, 12, and 14.

- In the wake of the catastrophic volcanic eruption in Tonga, we co-authored an article in [Slate](#) making the case for better and more equitable monitoring and safeguarding of submarine cables around the world. The security and reliability of these cables are central to global connectivity, but pose a particularly grave risk to small island and archipelagic states such as Tonga. Our analysis highlighted the UN principle that access to the internet is a human right, and addressed SDGs 1, 2, 3, 4, 6, 8, 9, 10, and 11.

- We have also continued to work to draw international attention to the deepening crisis of the *FSO Safer*, a floating oil storage and offloading facility in the Red Sea, roughly five miles off the coast of Yemen. Building on our work of previous years, as well as the relationships we have patiently built in our efforts to avert a major humanitarian and environmental catastrophe, we have continued to work behind the scenes with stakeholders toward resolution, and to bring more attention to the crisis. Our public contributions have included [a talk at the Atlantic Council](#) on the worsening situation. This crisis, if unresolved soon, will lead to devastating long-term impacts on the marine environment (SDG 14), the livelihoods of coastal communities (SDG 1), food security in the Red Sea (SDG 2), availability of clean water, leading to further conflict (SDG 6), escalation of the famine in Yemen (SDG 2), the already fragile regional context (SDG 16), and the wider life in the Red Sea region (SDG 15). We will continue to do all we can to prevent such a crisis.

- With the world's leading credibility on the subject, we also continued our work in researching, reporting on, and advising on downstream oil theft and ways to combat illicit hydrocarbons activities (SDGs 7, 9, 11, 12, 13, and 16). In January, we presented as experts on "Understanding Phantom Oil" at a webinar held by the King Abdullah Petroleum Studies and Research Center (KAPSARC) in Saudi Arabia. Our chapter on oil and fuel crime in a forthcoming book in the Routledge series [Studies in Organized Crime](#), tentatively titled *The Private Sector and Organized Crime*, details a number of ways in which organized crime, including entrenched networks of corruption in both public and private sectors, encroach on the hydrocarbons supply chain.

We also consulted with a major international oil company on how to counter adulteration of products in its supply chain in an oil-rich country.

As proud contractors to the United Nations, we support the broader goals of the UN and the Global Compact specifically. We are honored to highlight our participation to the general public through our website and will continue to work to uphold and promote the Ten Principles. Please accept this annual report as a statement of our continued participation.

We recognize and celebrate that in taking action implementing the Ten Principles and wider UN goals, we contribute to a safer, more secure, more peaceful, and more prosperous world.

Respectfully yours,



Dr. Ian M. Ralby, CEO, I.R. Consilium