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INTRODUCTION: ABOUT THE UNITED NATIONS GLOBAL COMPACT /

The United Nations Global Compact is the world's largest corporate sustainability initiative.

It represents a commitment from companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and to take actions that advance societal goals. Over 20,000 companies are involved and are based in more than 160 countries, both developed and developing, representing nearly every sector and size.

The ten universally agreed principles are:

THE UNITED NATIONS GLOBAL COMPACT PRINCIPLES /

HUMAN RIGHTS /

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

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

LABOUR /

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

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

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

ENVIRONMENT /

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

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

ANTI-CORRUPTION /

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



1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER /

Crown Agents is a not-for-profit international development organisation that works with leaders and clients to design and implement practical solutions to their needs such as meeting the Sustainable Development Goals (SDGs) and improving the quality of life and opportunities for their citizens.

Crown Agents shares its core values with the ten principles of the UN Global Compact which is embedded throughout the work we carry out globally. Our values of courage and authenticity sit at the heart of our programmes and align closely with these ten principles, whether we are ensuring that individuals



benefit from basic human rights such as health care or adequate food or shelter, or whether we are improving government systems to tackle corruption.

In 2022, we initiated a rapid emergency response to the invasion of Ukraine, building on our longstanding existing partnership with the Ministry of Health of Ukraine. We brought together our donors and partners and drew on the expertise of our in-house procurement and logistics teams to deliver emergency supplies such as food kits, first aid kits and medical equipment to thousands. We offered reconstruction support to civil society organisations throughout Ukraine. As we monitor the fast-changing environment in Ukraine, we are currently providing much needed supplies such as generators to help the people of Ukraine through the harsh winter.

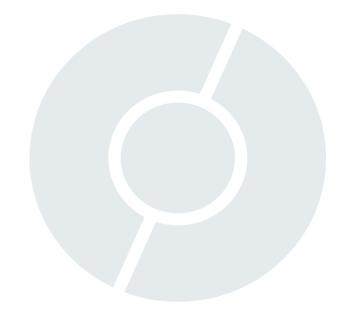
Alongside our Ukraine response, Crown Agents and its partners have continued to deliver vital programmes around the globe such as remaining instrumental in delivering the Covid-19 vaccine, especially in hard-to-reach areas such as South Sudan.

Crown Agents has reaffirmed its support to the UN Global Compact and the ten principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual communication on progress, we summarise our input into key global issues such as climate change and accountability in government expenditure. Crown Agents continues to integrate the UN Global Compact and its principles into our business strategy, culture and daily operations. Given the significant challenges of 2022 and working in an international arena, Crown Agents has demonstrated its business agility whilst ensuring the highest levels of integrity and ethics are upheld.

Sincerely yours,

Fergus Drake, Chief Executive Officer







2. HUMAN RIGHTS

2.1 Principles

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

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

2.2 Our approach

At Crown Agents, our mission is to accelerate self-sufficiency and prosperity for all individuals supported by the programmes we implement for our clients. This resonates well with the 2030 Agenda for Sustainable Development and its Sustainable Development Goals to eradicate extreme poverty. Through our partnerships with governments, multilateral institutions, the private sector, civil society and citizens we lessen these inequalities.

The impact of the Covid-19 pandemic continues to be felt across the globe. Access to medical care is a basic human right that all individuals should benefit from wherever they live and whatever their status. The global pandemic has brought this into even sharper view. As soon as the pandemic started, Crown Agents formed key partnerships with its clients such as with the Foreign, Commonwealth and Development Office (FCDO) and the Ministry of Health of Ukraine to put in place supply chains for the delivery of PPE and subsequently vaccines as soon as they became available. We remain committed to striving for healthcare equity and the promotion of universal access to vaccines, including the crucial task of achieving last-mile coverage in some of the world's most fragile environments. Harnessing our partnership with Gavi (The Vaccine Alliance) and UNICEF, we are currently vaccinating individuals against Covid-19 in some of the remotest regions of South Sudan.

In addition to our work to tackle Covid-19, we have continued our commitment to delivering health programmes. Our work supporting neglected tropical diseases (NTDs) programmes included coordinating mass drug administration campaigns and assisting governments with information management in countries within East Africa and in Nepal.

When the war started in Ukraine, Crown Agents felt it was imperative that it should channel its expertise from 25 years of work in the country to respond with the provision of life saving equipment. To date we have supplied over 330,000 items to those affected by the war, including food kits, first aid kits, oxygen concentrators, patient monitors and incubators for premature babies, thereby saving lives. Crown Agents disbursed £750,000 of Disaster Emergency Committee (DEC) funds to 39 Ukrainian institutions responding to the needs of Internally Displaced Persons. In partnership with Help Age International, Crown Agents supplied hygiene and special needs equipment to care homes for the elderly. Women and children were also safely evacuated from Russian-occupied Mariupol using the Civil Society Emergency Fund to safer areas within Ukraine and Europe.

Crown Agents has been working in Nepal through the FCDO fund for Improving Public Financial Management and Accountability since 2018. Through this programme, a new software system has been developed called The Subnational Treasury Regulatory Application (SuTRA). This system has been enhanced to include 753 municipalities from an initial 300. Transparency and timeliness in producing consolidated financial statements was improved through the publishing of expenditure on municipalities' websites enabling the municipalities to make informed budgeting and planning decisions on gender, ethnicity and geography This has ensured that much needed resources are being allocated to marginalised groups.

On a corporate level, the Crown Agents' Diversity & Inclusion Committee has continued to engage and inform staff through a range of initiatives, including training and awareness raising sessions. Crown Agents has hired a full time Gender, Equality & Social Inclusion (GESI) Lead who feeds GESI expertise into our programmes. The Crown Agents Safeguarding Committee also remains active in its mission to raise awareness of Crown Agents' commitment to keeping people safe in its programmes and in the workplace, reinforcing its zero-tolerance approach to sexual exploitation, abuse and harassment. Safeguarding initiatives include bringing on board a permanent Safeguarding Advisor and training staff on safeguarding and on Crown Agents' speak up culture.



2.3 Measurement of outcomes

- Safely delivering 9.8 million Covid-19 vaccine doses to 43 countries and territories, including to some of the remotest places on earth. In South Sudan, our Covid-19 vaccine campaigns contributed to 30% of the country's population being fully vaccinated.
- Delivering over 20.5 million drug administration treatments to fight neglected tropical diseases in Tanzania, Uganda, Kenya and Mozambique.
- Supplying over 330,000 items of life saving equipment in Ukraine and supporting Internally Displaced Persons by moving them from high tension areas to safer places.
- Putting robust systems in place within the Nepalese Government to implement better financial management.
- Strong gender parity across Crown Agents, including within the Executive Team, where 50% are women.
- Continuing awareness raising for staff and partners through the work of the Diversity and Inclusion Working Group and Safeguarding Committee.
- Having a robust due diligence process during the on-boarding process for our staff, partners and suppliers to ensure we do not do business with human rights abusers.



3. LABOUR

3.1 Principles

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

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

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

3.2 Our approach

Crown Agents takes a zero-tolerance stance towards modern slavery and human trafficking. We acknowledge that we work in countries and contexts where there is a high risk of modern slavery and to this end we are firmly committed to mitigating this risk in our operations. Our Modern Slavery Policy reflects our commitment to acting ethically in all our business relationships and to improving our systems and controls to prevent modern slavery taking place in our supply chains or in any part of our business. We also publish our annual Modern Slavery Statement on the Crown Agents website.

The Crown Agents Modern Slavery Committee (Committee) is well established with members representing various teams, including across the organisation's international offices. The Committee is driving forwards an action plan to increase awareness of the risk of modern slavery within Crown Agents' supply chains. A member of the Committee recently attended training workshops on tackling modern slavery in global supply chains. Training of this kind further equips our staff members to detect modern slavery issues.

3.3 Measurement of outcomes

- In addition to checking for modern slavery risks through due diligence on all direct business partners, enhanced due diligence was carried out on 50 tier two supplier on the Health Pooled Fund project in South Sudan, which delivers health services across 80% of the country through a consortium of over 20 implementing partners led by Crown Agents and funded by the FCDO, United States Agency for International Development (USAID), the European Union (EU) and the Swedish International Development Cooperation Agency (SIDA).
- Ensuring that all suppliers and partners are aware of and adhere to Crown Agents' Ethical Code for Business Partners, which prohibits modern slavery, child labour and promotes speaking up to highlight anomalies.
- Including modern slavery as a mandatory training topic for all new Crown Agents staff members, improving knowledge awareness for staff across the organisation and empowering them to identify and report and signs of potential modern slavery.



4. ENVIRONMENT

4.1 Principles

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

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

4.2 Our approach

Climate change remains one of the biggest threats humans have ever faced with its impact being most pronounced on the world's poorest countries. Crown Agents is cognisant of the need to effectively respond to the global climate emergency.

Crown Agents aims to ensure that environmental safeguarding and sustainability becomes an integral part of our day-to-day operations such that we counteract the effects of climate change. In 2021 the Crown Agents Board approved our commitment to achieve Net Zero by 2050 and in 2021 we published our first Carbon Reduction Plan. We therefore continue to work towards this goal and are committed to reducing the climate footprint of all our activities.

Solar4Health is a programme through which Crown Agents is working with its partner Bamboo Capital Partners to support health facility electrification in Sub-Saharan Africa. By putting in place a finance mechanism, we are aiming to unlock at least USD 150 million of private capital for the health sector by putting in place performance-based service payments, breach of contract insurance and working with communities to help them maintain, monitor and protect solar panels for maximum efficiency.

As global temperatures rise, the Caribbean is a key region that is prone to the effects of climate change and natural disasters with over 175 disasters reported in the region between 2020 and 2022. Crown Agents has completed a consultancy project for the Organisation for Eastern Caribbean States Commission (OECS) to help it better prepare their procurement systems for when natural disasters strike. We have supported the OECS and its members to facilitate the pooled procurement of goods, works and services during an emergency response such as roofing material and debris cleaning kits.

Another programme that Crown Agents has delivered this year in the Caribbean region is the Barbados waste to energy project. With its strategic location in the Southern Caribbean, Barbados' Bridgetown Seaport acts as a hub for trade, logistics, transport, technology and people. This seaport, managed by Barbados Port Inc. (BPI), is a critical port of entry for cruise tourism and cargo operations, handling over 1,151 vessels every year. With its understanding of the climate related challenges facing the Caribbean region, Crown Agents is playing a key role in supporting BPI with their vision to be the most innovative and green maritime hub in the world by 2030. Combining extensive experience and a global network with first class technical procurement, sustainable public procurement and project management expertise, we are working with BPI to update their waste management facilities and build waste management capacity.

UK Partnering for Accelerated Climate Transitions (UK PACT) is a programme funded by the UK Government. UK PACT supports countries that strive to overcome barriers to clean growth and have high emissions reduction potential to accelerate their climate change mitigation efforts. Crown Agents partnered with PA Consulting to help low-income countries attend to issues of climate change. The experts supported these countries in reviewing climate change legislation, preparing greenhouse inventories and in renewable energy and green financing planning.

4.3 Measurement of outcomes

 Solar4health programme development which aims to improve the quality and availability of health services for 50 million people.



- Equipping member states of the OECS to respond more effectively when natural disasters strike. Helping the BPI make Bridgetown Port become an exemplar in waste management capacity.
- UK PACT programme capacity building and development of expert roster with over 58 experts recruited and deployed, 31 peer-to-peer skill shares delivered and 14 countries assisted overall.
- Work in progress under energy advisory services in countries like Mozambique, Laos, Botswana, Ethiopia and Lebanon to increase efficiency and competitiveness in energy procurement.

5. ANTI-CORRUPTION

5.1 Principles

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

5.2 Our approach

Crown Agents is committed to acting with honesty, integrity, fairness and professionalism in all its business dealings and relationships wherever it operates. Crown Agents takes a zero-tolerance approach to any forms of fraud, bribery or corruption. Crown Agents does not and will not offer, pay, solicit, receive, authorise, collude in or condone the payment or receipt of bribes (including so-called 'facilitation payments') or engage or collude in any fraudulent or dishonest practice anywhere in the world by any person on its behalf or for its benefit in any way whatsoever. Furthermore, Crown Agents holds its business partners to the same standards.

Crown Agents implemented the USAID Accountable Governance for Improved Service (AGIS) Project in Zambia, working with the Ministries of Health and Education to enhance transparency and accountability in public funds management. The AGIS project helped to improve auditing and procurement and internal controls, which also minimises the risk of corruption.

In 2022, Crown Agents continued with the European Union funded Technical Assistance Facility (TAF) programme. TAF has focused on strengthening stabilisation and good governance of public administration in Lebanon, thus, improving transparency and reducing opportunities for corruption. Through partnerships with critical government institutions, Crown Agents has assisted in embedding good procurement practices, and this led to the awarding of three gas and oil contracts through robust and clear procurement procedures, thereby saving the government USD 25 million.

Under a Sustainable Public Procurement programme which entered the implementation stage in 2022, through funding from SIDA, Crown Agents and the FCG Finnish Consulting Group ensured purchasing processes for participating governments were aligned to national development goals. Training and monitoring of the same will continue as we move into the new year.

The Crown Agents Counter Fraud Committee is now well established and is driving initiatives that tackle fraud, bribery and corruption, including by further developing counter fraud investigation guidelines and rolling out a programme of mandatory counter fraud training to staff across the organisation.

5.3 Measurement of outcomes

- Approximately 2000 government officials were trained as part of the USAID AGIS project in Zambia.
- Enhancement of mandatory anti-bribery and corruption training to staff, including rolling out of face-to-face training initiatives in Crown Agents' international offices.
- Thorough review and improvement of Crown Agents due diligence processes, including its Due Diligence Guidelines and Business Partner Questionnaire underway, which will be accompanied by staff training.