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Adam Smith International

Introduction

Adam Smith International Ltd (**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.

Professional services firms are generally regarded as being at relatively low risk for modern slavery. Nonetheless, we believe it is essential to have robust risk identification and mitigation processes in place to address reputational and regulatory risks, as well as for humanitarian reasons.

ASI's structure

We are a global advisory company that works locally to transform lives by making economies and societies more stable and governments more effective. We work with governments, foundations and companies 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. ASI is a part of the AS International Holdings Limited group of companies. This company is our ultimate parent company. ASI is headquartered in the UK and has subsidiaries and branches (**ASI Group**) across the globe, operating in 26 countries with over 250 employees.

Our business

We deliver programmes in country, in the areas of stabilisation, security and justice, governance, public financial management, education, climate change, private sector development, and infrastructure. As a company delivering sustainable development, including in fragile states and/or where there is conflict, we strive to maintain the highest standards of integrity, professionalism and efficiency in carrying out our work.

Our supply chains

Given the nature of our work in developing and post-conflict regions, we acknowledge that there are some parts of our supply chain which are situated in environments with elevated risks of modern slavery. These areas often experience high poverty levels, limited awareness and understanding of human trafficking and modern slavery They may also have weak national systems for monitoring and addressing human rights abuses, including modern slavery incidents.

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 and human trafficking. We continue to engage local NGOs as local implementation partners and also as advisers. Alongside our employees, we engage local and overseas independent consultants as specialists to join the project team. Projects where there may be personal contact with members of the local community (including vulnerable individuals) and projects where licences and authorisations are needed from local government and ministries, result in higher risks being carried through the supply chain. We have a thorough supply chain due diligence screening and vetting process for all our third parties which is intended to minimise the risk of modern slavery

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and human trafficking with their business and onward supply chains. We seek to work with suppliers and third parties who can demonstrate that they share similar values as those of ASI. Our standard approach is to contractually require these suppliers to agree to abide by ASI's Code of Conduct.

Our Codes of Conduct and policies on slavery and human trafficking

ASI has Codes of Conducts for its employees and the consultants whom we engage (**Staff**) and third parties with whom we engage. The Codes include specific requirements on our Staff relating to anti-slavery and human trafficking. Both of these Codes have been recently updated.

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We fully endorse and support the principles of the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and ILO's Forced Labour Convention. We are signatories to and endorse the principles set out in the United Nations Global Compact. The UNGC encourages businesses to align their strategies and operate with these principles on labour, human rights, the environment and anti- corruption. Every year, ASI reports to the UN Global Compact showing how we comply with the principles.

Our Human Trafficking and Modern Slavery Policy reflects our commitment to act ethically and with integrity in all our business relationships, and to implement and enforce effective systems and controls to ensure slavery and human trafficking is not taking place anywhere within the ASI Group and in our supply chains.

Our Safeguarding Policy reinforces our commitment to all vulnerable individuals who may be affected by our work, including those are at risk of being human trafficked and subject to modern slavery.

Our Procurement Policy requires that ethical standards are adhered to in the purchase of goods and services.

Our Third-Party Screening Policy requires that third parties with whom we do business are screened in accordance with good practice in the sector.

Our Equality, Diversity and Dignity at Work Policy requires that all ASI Staff are treated with respect and dignity at work, are free from bullying or harassment, and are paid equal to their counterparts.

Our Speak Up Policy and subscription to the independent reporting line, Safecall provides our Staff and our partners with a direct, anonymous, and free of charge phone line for incidents or suspected incidents of unethical behaviour, including human trafficking and modern slavery, to be reported and responded to with urgency.

Our Investigations Manual provides for the thorough and independent investigation of any reported violation of the above policies (and other ASI Group policies).

Due diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk we have in place systems to:

- Identify and assess potential risk areas in our supply chains, bearing in mind particularly high-risk jurisdictions and industries;

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- Mitigate the risk of slavery and human trafficking occurring in our supply chains;
- Continuously monitor potential risk areas in our supply chains; and
- Protect whistle blowers.

We stay abreast of developments in best practice in relation to mitigating the risks of modern slavery and human trafficking.

Third Party and Staff adherence to our values

As part of our zero tolerance to slavery and human trafficking, we also ensure all those in our supply chain comply with our values:

- All Staff are engaged on terms that are compliant with local labour laws;
- Our Staff and third parties are required to comply with ASI's Codes of Conduct which set out the ethical expectations of the ASI Group.
- All third parties and Staff are screened using RiskRate, a reputable due diligence risk management platform and where necessary, we supplement this with an additional local due diligence process. An informal, on the ground due diligence is also carried out through local networks, where appropriate and proportionate.
- All third parties and Staff are contractually required to comply with the Modern Slavery Act 2015;
- All third parties and Staff are required to sign an ethics declaration form which confirms their compliance with the Modern Slavery Act 2015, amongst other key and complementary pieces of legislation, such as anti-bribery legislation;
- All third parties and Staff are informed of and are given access to the anonymous, free of charge Speak Up phone line, and any reports are escalated and dealt with as a matter or urgency by our Head of People & Talent as well as our Head of Internal Audit and Investigations.
- The Internal Audit team conduct audit(s) during the life cycle of a project and make recommendations to ensure management take steps to mitigate identified risks.

Whistleblowing

ASI truly values and encourages anyone connected to our work; which includes Staff as well as beneficiaries to speak up and report any actual or suspected misconduct, possible breach(es) of our Codes of Conduct, ASI's operations or laws and regulations. The ASI Group impose contractual commitments on all partners and, where possible, suppliers to highlight to their staff the need to report on these issues and how to do so. Anyone who suspects or knows of any violations of ASI's Codes of Conduct, policies, or any commitment outlined in this statement should raise their concerns through an independent third party *Speak Up hotline* which enables the reporting of breaches that could relate to modern slavery and human trafficking.

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Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide mandatory training to our Staff for all new joiners and thereafter as part of the annual compliance training programme. In addition, we have a dedicated page on our intranet with a range of safeguarding resources and tools including those linked to anti-modern slavery and human trafficking that Staff can access at any time. We endeavour to build the capacity of our supply chain partners through training sessions and workshops in order to help them understand the importance of ensuring that their own workforce and supply chain is free from modern slavery and human trafficking. Where appropriate, we will work with suppliers to improve their own policies and processes to mitigate the risks of modern slavery and human trafficking.

Monitoring our mitigation of slavery and human trafficking risk

As part of our general safeguarding activities we maintain an investigations log of any reports of suspected slavery and human trafficking. We are pleased to state that no such reports have been made during the statement period.

Steps we have taken

During the statement period, we introduced an anti-modern slavery questionnaire, which has been shared with key downstream partners working on our donor programmes to ensure robust systems are in place. We have also received explicit confirmation of compliance in this area in annual compliance statements from these key downstream partners. .

We have also started work on an updated modern slavery training module which will be shared across the ASI Group.

The year ahead

We understand there is not an easy solution to the challenges of modern slavery and human trafficking. The ASI Group continues to learn about and identify the risks and warning signs across all elements of our supply chains and business operations, and we look for ways to combat modern slavery and human trafficking. We will continue to review the effectiveness of the steps we have taken, including internal audits and engagement with a range of teams so that preventative measures are further embedded within our various business streams.

Following a review of the effectiveness of the steps we have taken to date to minimise the risks of there being any slavery or human trafficking in our supply chains, we intend to continue to strengthen our compliance programme by:

- Working with a new training provider to improve our anti-modern slavery training resources for Staff to ensure that they have a comprehensive understanding of the risks of modern slavery and human trafficking in our supply chains and our business;

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- reviewing and updating our policies relating to anti-modern slavery and human trafficking, and safeguarding. We are planning to review and update our due diligence policies and processes to strengthen ASI's approach to eliminating the risk of slavery and human trafficking within our business and supply chain. All the reviews are intended to ensure our strategy is responsive to changing risks. This includes working with our key stakeholders on any recommendations and opportunities for improvement that might arise out of our assessment of a project;
- continuing our work in creating lists of preferred suppliers with whom we have worked before and have undergone thorough due diligence;
- developing our IT infrastructure to digitalise an annual submission of the ethics declaration form by third parties, so as to strengthen anti - modern slavery and human trafficking monitoring;
- consideration of adopting an additional channel to report suspicion of modern slavery and human trafficking, namely the Communities Activity Reporting Mechanism, with a proposal to roll this out globally to raise standards of reporting in line with the requirements of international donors;
- monitoring our whistleblowing mechanisms monitored for cases involving modern slavery to ensure any reported instances are handled appropriately, efficiently and in accordance with applicable law; and
- continuing work on developing key performance indicators to support all of the above activities.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2023. It was approved by the board on 28 June 2024.

DocuSigned by:
Jalpa Patel
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Jalpa Patel, Chief Executive Officer

Adam Smith International Ltd

Date: 28 June 2024 | 12:52 PM BST