

United Nations Global Compact



Communication on Progress

For the period from 24th January 2019 to 24th January 2020



1 Statement of Continued Support by the Chief Executive

I am pleased to confirm that Pegasys reaffirms its support and commitment of the Ten Principles of the United Nations' Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. Pegasys signed up to the United Nations Global Compact on the 25th January 2018.

In accordance with UNGC's subsidiary policy, this commitment applies to our UK and foreign subsidiaries and branch offices.

It is Pegasys' mission to promote meaningful change around the world to help people and countries achieve growth and reduce poverty and disadvantage through public policy reform. We exist to change the world for the better, by helping to solve some of the most pressing developmental challenges of the 21st century. As a values-based company, we are guided by our principles, with the aim of improving people's lives and sustaining our environment.

Pegasys combines broad regional experience with technical depth and unparalleled management skill, and our success is dependent upon us operating responsibly and sustainably.

In our second annual Communication on Progress, we provide an update on our actions in integrating the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours sincerely

Dr Guy Pegram

Chief Executive Officer



2 About Pegasys

“We create the conditions to empower more people to participate in local economies.”

PEGASYS was incorporated in South Africa in 2000 to support South African public sector institutions in achieving national transformation and service delivery goals. Now we serve the public sector across Africa and Europe, developing keen insights into inter-sectoral linkages and the components of sustainable growth and development.



Water



Transport



Climate



Resilience



Cities



Waste



Energy

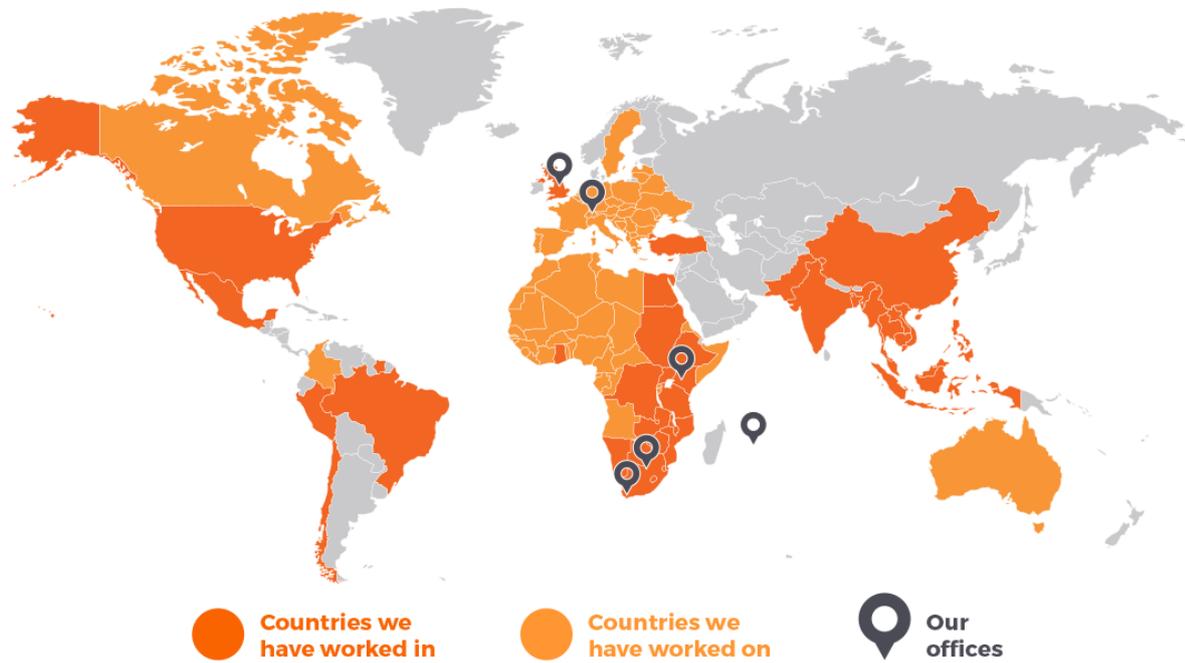
PEGASYS is a specialist African management and strategy consulting group with international expertise in policy and regulatory analysis, strategy formulation, business planning, institutional arrangements, governance support, and economic and financial analysis - particularly in the African natural resources, climate change and public infrastructure fields.

We believe in partnering with the public and private sector to drive transformational service delivery, infrastructure development, and equitable access to resources. Together with our clients and partners we are improving quality of life, access to economic opportunities and building resilience on the African continent.

But we are also conscious of the complexity of the challenges that we tackle, and reflect on critical questions that our clients face. It also means we pose the difficult questions that need to be asked to uncover the root cause. Every problem, whether social or environmental, has unique traits and nuances, which calls for diversified thinking through an integrated approach.

PEGASYS finds the greatest success in forging partnerships with our clients. From the outset, we build relationships of trust and understanding, interrogating and reflecting on the key questions and challenges that our clients face, translating these into opportunities for meaningful change. We build project teams around the needs of the client and our shared insights into how to best serve those needs, leaning on a diverse set of in-house skills supported by an extensive network of consultancies and academic institutions. We strive to be solution-driven, innovative and flexible, to address continuously changing needs, and to be responsive to learnings as they emerge during a project.

Together with our clients and partners, **PEGASYS** is changing the future of Africa and developing countries beyond the continent, through the implementation of pragmatic, cost-effective, and sustainable solutions and practices. We continue to positively shape and influence effective management and implementation of public resources by creating more robust and resilient institutions; transforming, capacitating and building the



knowledge base of civil servants as well as key stakeholders on projects we are involved with; and keeping the needs of the most marginalised at the centre of our consulting solutions. Pegasys staff have diverse skill sets and backgrounds but are bound by a shared value system.



3 Executive Summary

Since joining UNGC in January 2018, we began incorporating its Ten Principles into our business strategies, policies, and procedures, as well as into our culture of integrity. We communicate these commitments into the Pegasys Standards of Business Conduct, and the “Pegasys Way”, as well as policy manuals that guide all our work.

During the last year we started to embed several corporate initiatives which have impacted greatly on our progress in relation to the UNGC including projects to ensure ongoing regulatory compliance to meet donor requirements in the relevant areas.

We have also taken steps to strengthen our risk management approach, which includes those concerning human rights abuses, labour, the environment and bribery and corruption.

We apply our Pegasys Way to the way we serve our clients, partners, and stakeholders around the world. These fundamental business conduct principles apply to all employees worldwide, the Board of Directors, consultants, authorized representatives, and all others acting on behalf of the company. Additionally, we encourage stakeholders to hold us to these expectations.

4 Description of Actions

4.1 HUMAN RIGHTS 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.

Pegasys endorses the **Universal Declaration of Human Rights** and will adhere to international human rights standards in our activities and our relationships. This includes taking steps towards respect, protection and fulfilment for such rights as freedom of association and collective bargaining; the effective elimination of child labour and modern slavery; the elimination of all forms of racial and gender discrimination; and the realisation of a workplace which positively empowers its employees and people of the broader world without discrimination on the basis of sexual orientation, physical ability, or mental illness.

Pegasys's adherence to fundamental human rights is enshrined in our **Code of Conduct and Business Ethics**, which confirms that “Pegasys supports and respects the protection of local and internationally



proclaimed human and employment rights” and confirms its commitment to respecting fundamental human rights and treating all employees and others with fairness, equality and respect to foster an open, transparent, and trusting environment which is free from prejudice, discrimination, bias, harassment, victimisation and/or violation.

Pegasys undertakes to uphold the **International labour organisation (ILO) and its eight (8) conventions** that are aimed at promoting opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity. And will incorporate its standards in our policy and practice,

Beyond these basic commitments, we intend to implement measures, which positively contribute to the realisation of human rights, in particular through the creation of a diverse, inclusive and accessible workplace. We believe this pledge places us in line with best-practice international standards regarding human rights.

ACTIONS IN THE LAST YEAR:

- Pegasys continues to introduce all new staff members to our company principles, **Code of Conduct and Business Ethics** through our **Induction Programme** and each employee receives an **‘Employee Handbook’**.
- This year we provided training to all staff on a number of policy documents, procedures and statements applicable, which confirm Pegasys’ commitment to protecting basic human rights. These include, among others, the applicable grievance procedures, the **whistle-blower procedure** and respective **recruitment and selection policies**. **All new employees are made aware of corporate policies at induction.**
 - Data Protection
 - Anti-slavery and human trafficking
 - Safeguarding policy
 - Whistleblowing policy
 - Sexual Harassment
- We have made a provision in our **‘Whistle-blowing Policy’** to raise concerns internally as well as externally to a ‘whistle-blowing hotline”. All concerns will be treated in confidence and every effort will be made not to reveal the person’s identity;
- We have also introduced and communicated to the business our **“Transformation Charter”**, which sets out our aspirations, principles and basis for designing and implementing a transformation strategy at Pegasys. Transformation is seen as a key goal in our organisational strategic plan. To us, transformation is a conscious, deliberate, planned and goal directed process of fundamentally changing the conditions that in the past have led to the deliberate exclusion of groups and their meaningful participation in the economic environment. We commit to consciously creating an environment and opportunities that will lead to the inclusion of all groups enabling disadvantaged groups to thrive and contribute to a successful and economically viable organisation, country and continent.



- As a consulting firm operating in the development space, we also direct our work towards transforming underserved communities. We have a deliberate focus on developmental impact, measuring our proposed solutions in terms of the effect on poor people's livelihoods, economic growth and environmental sustainability for the most marginal communities.
- We continue to ensure our workers are provided safe, suitable and sanitary work facilities; and we ensure reasonable accommodations for all employees' religious observance and practices;
- There have been no reported human rights offences within Pegasys to date;
- Our safety procedures related to occupational health & safety are reviewed annually to account for potential human rights risks and impacts.

4.2 LABOUR 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.

Commitment to People is one of our core values. We are committed to providing opportunities for our people to develop, achieve their professional aspirations, and enjoy successful and rewarding careers within the company. This commitment is reflected in our human resources policies, systems and activities across our offices.

Diversity is a key element of our human resources strategy and our staff have diverse skill sets and backgrounds but are bound by a shared value system. Pegasys has created an environment that welcomes and respects the different perspectives of all our diverse people, as well as those of our associates, contractors and sub-contractors.

Our companies **Code of Conduct and Business Ethics** respects employees' rights to join or not to join a legally recognised trade union, or any other body representing their collective interests, and establish constructive dialogue and bargain in good faith with trade unions or representative bodies on employment



conditions, labour management relations and matters of mutual concern, to the extent practicable taking national and international laws into consideration

ACTIONS IN THE LAST YEAR:

- We have undertaken a consulting staff “benchmarking” exercise to ensure equal wage standards are met.
- We further enhanced our annual performance review process.
- We continue to ensure that employment-related decisions are based on relevant and objective criteria through our “remuneration committee”
- Also in line with our commitment, Pegasys this year set up an **EDI Committee (Equality, Diversity and Inclusivity) and mandate** to measure and track the organization’s commitment and progress of its transformation objectives in achieving equity in the workplace, eliminating unfair discrimination, and the implementation of affirmative action. The composition of the committee is compliant with legislation and is representative of all groups and levels across the organization.
- We have policies and guidelines in place on recruitment as well as contracts for all employees.
- We have in place an onboarding handbook and policies that state the right for collective bargaining. Our onboarding handbook covers policies concerning our employee rights, compensation and responsibilities.

4.3 ENVIRONMENT 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.

Pegasys is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing sustainable businesses through interventions to prevent pollution, reduce waste and minimising the consumption of resources. Pegasys recognises the importance of supporting and developing global initiatives aimed at protecting the environment and conserving natural resources.

Pegasys works in partnership with others to drive innovation, promote environmental care, increase understanding of environmental issues and disseminate good practice. Pegasys operates in compliance with



all relevant environmental legislation and we will strive to use pollution prevention and environmental best practices in all we do.

ACTIONS IN THE LAST YEAR:

- We ensured that our office equipment and stationery (including lighting and paper products) are sourced sustainably, and have minimised the use of air conditioning and lights in our office;
- We trained all our staff on our environmental sustainability policy;
- We underscored to all employees that they have a responsibility to carry out their duties in a resource efficient way by ensuring that they switch off lights, appliances and equipment to save energy and they are responsible for actions and behaviours that drive sustainability;
- We made considerable efforts to recycle waste including paper, tins, cardboard, plastic, glass, cans and IT equipment with the use of labelled bins and local recycle services; and
- We have promoted environmental friendliness through interactions with customers suppliers, associates and other stakeholders and increase awareness.

4.4 ANTI-CORRUPTION PRINCIPLES

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery;

Pegasys recognises that corruption is a major hindrance to the sustainable development of an organisation and its communities. The development of rules for corporate governance rules around the world has prompted Pegasys to focus on anti-corruption measures as part of our need to protect the reputation and interests of our stakeholders.

Pegasys has zero-tolerance for bribery, fraudulent and corrupt activities and will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. Pegasys is committed to conducting business in an ethical and honest manner and is committed to implementing and enforcing systems that ensure bribery, fraud and corruption is prevented.

Pegasys fosters honesty, integrity and fairness in all aspects of its business and expects the same in its relationships with all those with whom it does business.

Our zero-tolerance approach to bribery, fraud and corruption is communicated to associates, contractors and sub-contractors at the outset of our relationship with them and as appropriate thereafter.

ACTIONS IN THE LAST YEAR:



- We trained all staff on our formal Anti-Bribery and Corruption policy, including our Whistleblowing policy;
- We assessed, and continue to assess, the risk of corruption when conducting all business, in line with our policy;
- We developed a supplier “due diligence checklist” and system to ensure adherence to anti-corruption
- We have undertaken a review of our “supplier terms and conditions” to ensure that they align with our formal policy;
- We developed a “gifts policy,” highlighting the procedure for capturing and authorisation; and
- We ensured, and continue to monitor, that all internal procedures support the company’s anti-corruption commitment.

5 Measurement of Outcomes

- There have been no reports of human rights abuses or infringements during the past year.
- There have been no instances of occupational diseases, accidents or injuries at the place of work or while travelling.
- During the year, no incidents of discrimination, forced labour or compulsory labour were found to exist in the Group.
- Pegasys has not been involved in any legal cases, rulings or other events related to corruption and bribery.