

Genesis Analytics

COMMUNICATION ON PROGRESS (COP)

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04 February 2020

H.E. António Guterres
Secretary General
United Nations (UN)
New York, NY 10017
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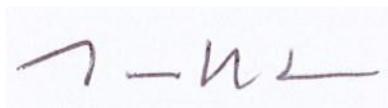
Sir,

Statement of continued support by the Chairperson of Genesis Analytics

A couple of years ago, Genesis Analytics became a signatory to the United Nations Global Compact. I am pleased to re-confirm our continued support of the Ten Principles of the UN Global Compact with respect to human rights, labour, environment and anti-corruption.

We are happy to report on our efforts to operate responsibly at all times and support society meaningfully and are committed to sharing this information with our stakeholders. In the past year, we have redefined our efforts in relation to Human Rights, Labour, Environmental and Anti-Corruption Principles. We are also committed to complying with all relevant legislation and approved codes of good practice locally, nationally and internationally in relation to these principles.

Regards,



Stephan Malherbe
Chairperson, Genesis Analytics (Pty) Ltd

Genesis Analytics (Pty) Ltd
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Genesis Analytics (herein 'Genesis') is an economics-based consulting firm that advises private and public-sector clients in emerging markets. Incorporated in South Africa in February 1998, Genesis now employs over a 100 people on a full-time basis split across our offices in Johannesburg, Nairobi and London. We also have representatives in Nigeria, Côte d'Ivoire, Canada, and India.

The firm has completed assignments in 41 countries in Africa, and 29 other geographies outside the continent. Our clients include development agencies, foundations, governments, local and international corporations, regional organisations and regulators. Genesis' purpose is to unlock value in Africa by helping clients to make better decisions that are creative and optimistic, and sustainable and defensible over time.

Recognised as one of Africa's largest and fastest growing economics-based advisory firms, Genesis possesses comprehensive expertise across multiple areas including Health; Financial Services; Monitoring and Evaluation; Competition and Regulatory Economics; Infrastructure and PPP Advisory; Digital Infrastructure and Skills, Youth and Tech-enabled economic opportunities, Agriculture, Shared Value and Applied Behavioural Economics.

Human Rights Principles

GENESIS AND HUMAN RIGHTS

ASSESSMENT, POLICY AND GOALS

Genesis supports the values of human dignity, equality and freedom through two of our values:

1. **Siyakhana** (“we build each other” in isiZulu): We are open and inclusive, and show compassion and respect. We build each other.
2. **Glass Box**: Work and decisions can withstand scrutiny. Our people value and exhibit integrity and ethical behaviour.

Based on our commitments to human rights and dignity, we live and work by the following Code of Ethics:

<p>The work we do</p> <p>My work tries to improve social outcomes. Where my work actively harms these, I stop doing it. I never write a lie. I don't fit the truth to the client. I credit others for their ideas. I try to live and work sustainably.</p>
<p>Dealing with clients</p> <p>I make sure all team members are ethically comfortable with the work. I promise only what I can deliver, and deliver what I promise. I strive for financial success, but don't charge dishonestly.</p>
<p>Conflicts of interest</p> <p>I keep confidential information confidential. I seek to avoid conflicts of interest between our clients, or between our practices. When in doubt, I ask. I abide by the laws of the communities in which I operate.</p>
<p>Working together</p> <p>I treat, speak and think about people around us with fairness and kindness. I give colleagues space to honour their aspirations and commitments outside of work. I cherish our diversity and respect the beliefs of others.</p>

We have the following policies in place with respect to the protection of human rights:

- *Policy for working with Minors* - this policy encourages and ensures the highest standards of care for all minors with whom any staff member, through Genesis, has a relationship.
- *Safeguarding Policy* - a policy that encourages and ensures the highest standards of care for children and at-risk adults are adhered to by all individuals with whom any staff, contractor, volunteer or associated personnel, through Genesis, have a relationship.
- *Sexual Harassment Policy* - a policy covering the definitions, details and guidelines for dealing with instances of harassment of this nature.
- *Modern Slavery Act Policy* - illustrates how Genesis' commitment to the prevention of slavery and human trafficking.

IMPLEMENTATION

Genesis has taken the following measures to guard against human rights violations **in our work and interactions**:

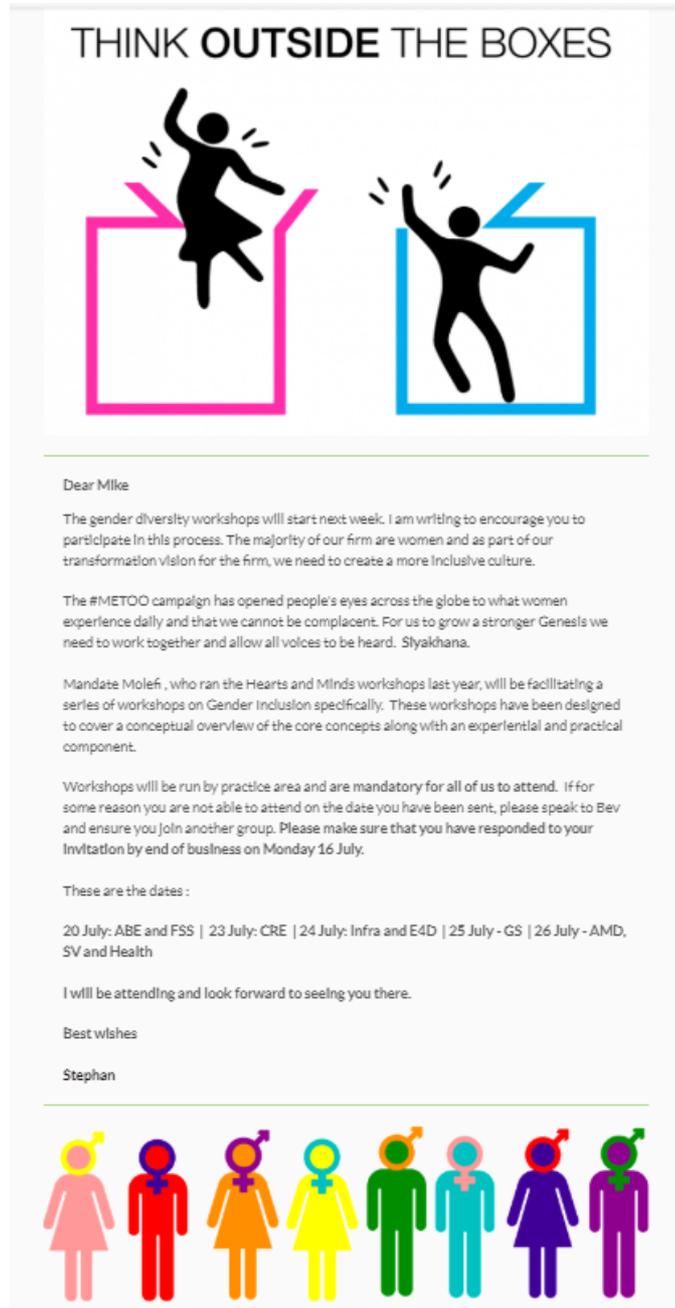
- In October 2019, following extensive research and consultation, the Genesis Transformation and Employment Equity Committee (TEEC) launched the firm's new *Belonging* "value" which has been adopted by the firm; that Genesis is a place where people feel like they *Belong* and are appreciated. The move to *Belonging* not only signals a commitment made by Genesis, but also reflects a joint responsibility among G: staff. Genesis has defined what *Belonging* means and what it does not.



- As part of the Genesis Transformation¹ Action Committee Diversity Consciousness focus, a completely anonymous 'hotline' was set up on the Genesis internal site. The purpose of this is to provide an avenue for staff to raise any direct or indirect issues related to unfair treatment that they are concerned about. A newly revamped platform now allows staff to:
 - Report concerns
 - Choose whether or not they want to remain anonymous
 - Indicate if they would like to receive feedback on the reported concern; and
 - Select how they would like to receive feedback (directly/indirectly).

¹ Transformation is a strategic imperative at Genesis underpinned by a legislative framework as the South Africa's Broad-Based Black Economic Empowerment (B-BBEE) Act and its supporting Codes of Good Practice which aim to guide business in the journey to transform the country's economy and society. Genesis ascribes and commits to the statements and ethos as contained in the relevant legislation regarding Employment Equity and Affirmative Action, in an effort to support and enable those who have previously been disadvantaged by unfair discrimination and in order to derive maximum benefit from their diverse skills, talent and potential to consistently improve the service offering of the company.

- Harassment, and particularly sexual harassment, is a violation of the fundamental human rights of men and women and is a violation of the right to equality, human dignity, privacy, security of person and fair labour practices. Genesis held a number of six-hour training sessions in 2018, to raise awareness and train all our employees on our policy and general appropriate behaviours. Some background to this training is detailed in the message below, which was sent to staff:



- As part of our due diligence procedures for potential long-term engagements implemented in the past year, we require our prospective business partners to complete a due diligence questionnaire where we assess whether the business partner has documented policies or procedures for some human rights related matters and ask them to confirm whether their directors or any other person who has powers of representation has been convicted of offences in respect of human trafficking and/ or child labour or sexual transgressions.



- We renamed a number of our boardrooms. As part of the ongoing process of living out our Transformation Vision, the space in which we work needed to reflect this cultural change we have embarked on. With the aspiration to be open, inclusive, respectful, and compassionate, we set milestones to mark our progress towards such growth. One such milestone was the renaming of some of our boardrooms, with the aim that this small act will contribute greatly to enforcing our transformation vision, values and purpose of unlocking value.

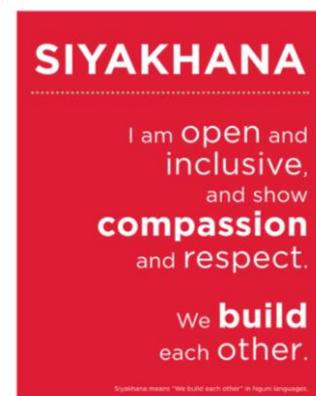
This was a firm-wide process and our staff were tasked with coming up with the new names. In coming up with the names the following had to be considered:

- Does it relate to our transformation vision?
- Does this individual, place or concept/artefact speak to our values?
- Does this individual, place or concept/artefact relate to our purpose of unlocking value in Africa?

Through this process, we renamed 10 boardrooms.

To tie our People value more meaningfully into our transformation vision, we reworked and relaunched our People value. This was a collaborative approach with firm's leadership and staff. Our previous people value was: Our People define us – “I respect, value and help grow the people around me. Our strength is working together”.

We felt this was not a true call to action and we wanted it to tie into our transformation vision, which we had set in the previous year. Our new value is now: Siyakhana - (“we build each other” in isiZulu): We are open and inclusive, and show compassion and respect. We build each other.



G·ENESIS

As part of the launch campaign, we looked at and challenged people to think about whether they were building or destroying. One element was posters that went up, to make people think in dichotomies. Below, are some examples of these posters:



Genesis also encourages active citizenry, **outside the office**, as well:

- In September 2019, when civil society groups including members of #TheTotalShutdown organized a protest in Sandton, South Africa, aimed at raising awareness about femicide, gender-based violence, child abuse and xenophobia and calls for the support of corporate South Africa, Genesis staff were encouraged to take some time off and participate.
- Genesis in Society (G:Soc) and Transformation committees also ran a joint initiative to provide support to those who are affected by Gender Based Violence (GBV) in South Africa.

MEASUREMENT OF OUTCOMES

- Issues raised in the anonymous hotline served as input to a firm-wide diversity consciousness training.
- Genesis runs a Culture Survey (previously, Dipstick Survey) - To ensure that progress around inclusion and acceptance is sustained at both within practice areas and at firm-wide levels. This survey is now different from previous surveys in that it makes reference to a sense of belonging at the firm. It is conducted biannually to track and check progress. The purpose is to explore and understand the perceptions and experiences of all staff, as they relate to inclusion and acceptance following the transformation and culture change efforts that are underway.

The survey is run by an independent research and strategy firm, which designs, conducts, analyses and reports the results of the survey. It provides insight and direction that will assist the process of culture change to be realised over time at both the practice and firm-wide levels.

The results are presented to the Genesis Transformation Committee, the Genesis Management Committee, all staff and Partners. Workshops are also held with each Practice Area in Genesis to go through the results for that particular area, and have open conversations about the issues raised, and together come up with actions and ways forward to improve from where we are.

Labour Principles

GENESIS LABOUR RELATIONS

ASSESSMENT, POLICY AND GOALS

Genesis supports the values of human dignity, equality and freedom as detailed in our Values and Code of Ethics. This lays the foundation for fair and equitable standards of conduct and performance consistent with the specific requirements of the industry, the business requirements of the company and the requirements of our clients. Employees have the right to expect fair, just and consistent treatment. We promote a clear, open and healthy working relationship between employees at all levels within the company. A procedure will ensure that both grievances and disciplinary issues are fairly and effectively administered. In applying this procedure, Genesis adheres to the principles set out in the Code of Good Practice, which is contained in Schedule 8 of South Africa's Labour Relations Act, no. 66 of 1995.

Employee records are considered highly confidential, at Genesis and access to any information contained in these files is carefully controlled. This information is kept in a locked filing cabinet and only the Human Resources (HR) Department, Payroll Department and Partners have access to this information.

We have the following policies in place that demonstrate the importance of labour rights to our firm:

- *Disciplinary and grievance procedures* - what course of action is followed in a disciplinary process.
- *Employee records policy* – how personal information is retained.
- *Working with minors* - encourages and ensures the highest standards of care for all minors that any staff member, through Genesis, encounters in the course of project implementation.
- *Primary care giver policy* - details on the leave you can take if you're an expectant parent.
- *Paternity leave policy* - details on the leave you can take if you're an expectant father.
- *Remuneration policy* - details regarding our remuneration philosophy and how salaries are determined.

IMPLEMENTATION

- We have implemented a retention process that we loosely refer to as “Cohort Meetings” – these run once a year in September/October and are a process where we interview both Juniors and Seniors in the practice areas to establish their level of engagement/satisfaction and probe around various topics. Summaries of these meetings are then shared with the Practice Partner/s and Managers and discussions are held with these senior leaders together with the COO and Head of HR to debate any concerns or issues and come up with ways to address them.
- As a growing player in a competitive market, Genesis benchmarks salaries paid to staff and consultants within their national context to avoid artificial inflation of costs and maintaining fair payments. To assist us in this, we subscribe to the PwC RemChannel Remuneration Benchmarking service, an online real-time system with over 1-million data points. Based on job grades, the system facilitates benchmarking of positions across industries throughout the region. This information, in addition to market trends related to economic outlook, salary movements within the industry, and markers such as CPI and average industry increases, enable us to establish market-related salary bands per level of staff within the firm. Our salary bands are set using the 25th, 50th and 90th percentiles against market data. This provides a range per level and differentiation based on performance and experience. The application of the of the established salary bands is supported by a bi-annual competency-based performance review.
- As part of our due diligence procedures for potential long-term engagements, implemented in the past year, we require our prospective business partners to complete a due diligence questionnaire, where we assess whether the business partner has documented policies or procedures for labour related matters and ask

them to confirm whether their directors or any other person who has powers of representation has been convicted of offences in respect to violating applicable obligations in of labour laws and child labour.

MEASUREMENT OF OUTCOMES

- Once the information is collated from “Cohort Meetings,” the Human Resources team meets with the practice area heads (Partners) to discuss and strategize where needed, both in terms of retention and succession.
- Induction is held with all new hires to ensure they are aware of Genesis values, how to live these and all policies and procedures, where to access these on the internal resources site. Follow-up meetings are held with them within their first 6 months to ensure they have no queries or issues.
- A standardized performance process is run every 6 months which includes a process to ensure that all staff are being treated equally and consistently, across the organisation, in terms of promotional opportunities and remuneration.
- We updated our Upward Feedback form to provide more meaningful input to our Seniors regarding their performance and assist them to better understand where they could make changes.
- We are also in the process of testing a pilot Partner Scorecard to better manage Partner performance
- Statutory reports are submitted annually to the South African Department of Labour to report on transformation processes as well as equal pay.
- Annual investigations by the South African Department of Employment Labour are now in force. In the last annual audit, Genesis was once again found to be compliant in all aspects relating to employment law and required processes and procedures.

Environmental Principles

GENESIS AND THE ENVIRONMENT

ASSESSMENT, POLICY AND GOALS

Genesis recognises that businesses can have a negative impact on the environment. We are therefore committed to reducing our carbon footprint and finding innovative ways to reduce any negative impact we may have both in the office and when work takes us away from the office.

We have the following policy in place, in respect of environmental protection:

- *Sustainability Policy* - our commitment to reducing our carbon footprint.

IMPLEMENTATION

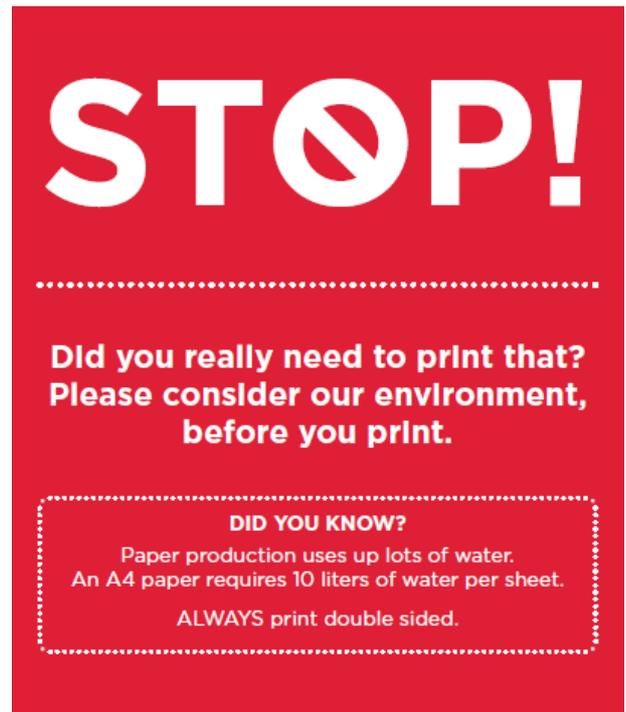
- Genesis has been purchasing its coffee from *Bean There* coffee company since 2009. *Bean There* is South Africa's first roaster of certified Fairtrade coffee and strives to make a sustainable difference in the lives of African coffee producers. Direct fair trade means producers receive a fair payment for their coffee through equal engagement regardless of market fluctuations, which ensures community development, empowerment and sustainability. *Bean There's* single origin coffee is optimally roasted in South Africa and sustains people today and the earth for tomorrow.
- We buy fresh pasteurized milk in glass bottles, reducing our plastic footprint.
- Fridges and chest freezer energy ratings are: A and A+. Dishwashers are energy efficiency class: A+.
- Staff in the G: Soc committee ran a campaign to encourage colleagues to reuse their mugs and glasses per day, in an effort to decrease the dish washing done.
- Staff are encouraged to open windows and decrease the use of air conditioners, which are predominantly only used in the afternoons.
- Google chat, video and skype is used extensively throughout Genesis. Our staff resides around the country and we try to minimise air travel by using these means to communicate. Special AV equipment has been installed in two of the boardrooms to facilitate this for large meetings as well in the chill area for staff meetings. Staff can then log into these meetings and thus do not have to travel to the office



Creating a more sustainable
environment for our staff
and future generations

G:ENESIS
UNLOCKING VALUE

- All printers and copy machines have the energy saver mode function.
- Printing awareness campaigns are run continuously. Double-sided printing is the default setting on all computers.
- All invoicing is done electronically, unless a client specifically requests otherwise.
- Paper is recycled via Iron Mountain, which provides secure shredding.
- We have changed all light bulbs in in one of the blocks that houses staff (Block A) to energy efficient LED and all the downlights in the other block (Block B).
- All office lights are switched off by the last person leaving the office in the evenings.
- As part of our office renovations in 2018, Genesis ensured that we reused rather than bought new. This was the brief given to the interior designers who did the revamp. The company, which is also based in our office park, used local and close by suppliers. Almost all our furniture was re-used. We purchased no new chairs or sofas.



Creating a more sustainable environment for our staff and future generations

G:ENESIS
UNLOCKING VALUE

A chandelier, was also commissioned as part of these office renovations, from a local supplier. It was made out of the recycled air filters from trucks. The raw materials are sourced in the most socially beneficial way possible.

This local supplier, TRuk, supports and works closely with micro recyclers, whose hugely overloaded trolleys are a common sight on South African streets. TRuk believes that not only design, but the fabrication needs to have a relevant and measurable positive effect while entrenching their philosophy of zero waste.



- As part of our due diligence procedures for potential long-term engagements, implemented in the past year, we require our prospective business partners to complete a due diligence questionnaire, where we ask the business partner to confirm compliance environmental standards and whether the organisation has been convicted with breaching any environmental legislation.

MEASUREMENT OF OUTCOMES

- Monthly records of the number of times the dishwasher is run per day are recorded on a chart that is kept in public view, in an effort to continuously encourage staff to use the same cup and glass to save on washing and thus water and electricity wastage.
- We conducted a detailed analysis to work out what the KW saving per year was of converting all lights to LED. Even though it cost a large up-front capital investment, the change amounted to a huge 4826kWh saving per year.
- We believe in driving behaviour change. While this is difficult to quantify, we believe our efforts detailed above, have all made a difference.

Anti-Corruption Principles

GENESIS AND ANTI-CORRUPTION

ASSESSMENT, POLICY AND GOALS

Genesis is committed to conducting business in accordance with all applicable laws, rules and regulations and the highest ethical standards.

We are also committed to promoting a culture of openness, probity and accountability, in line with our Values and Code of Ethics. We therefore expect all staff and all other stakeholders: suppliers/subcontractors/partners/vendors and clients (referred to as third party/ties) to maintain high standards in accordance with our policies and procedures. An important aspect of this openness and accountability is a mechanism to enable all those working for Genesis to voice concerns over illegal or unethical conduct in an effective and responsible manner.

We have the following operational policies in place, demonstrating our commitment to anti-corruption principles:

- *Anti-Corruption and Anti-Bribery policy* - information about our commitment to anti-corruption and anti-bribery laws.
- *Whistleblowing policy* - assists individuals who believe they have discovered malpractice or impropriety.
- *Conflict of Interest policy* - details about this policy including what constitutes a conflict of interest.

IMPLEMENTATION

- On our website, we have a link to a form for any individual working with or for Genesis (including staff, suppliers, sub-contractors, partners, vendors and clients) to raise an issue about wrongdoing in the firm. Staff can also refer to the Whistle Blowing Policy on the Resource Site for more details regarding this.
- A Conflict of Interest form was introduced to staff in early 2019 to document any form of conflict of interest that they may have or do encounter.
- New hires are trained on our Values and Ethics as we believe and live our values.
- As part of our due diligence procedures for potential long-term engagements, implemented in the past year, we require our prospective business partners to complete a due diligence questionnaire that includes a declaration on Conflict of Interest. It also asks them to confirm whether their directors or any other person who has powers of representation has been convicted of offences in relation to corrupt activities.

MEASUREMENT OF OUTCOMES

- Induction is held with all new hires to ensure they are aware of Genesis values, how to live these and all policies and procedures, where to access these on the internal resources site. Follow-up meetings are held with them within their first 6 months to ensure they have no queries or issues.
- As of 31 January 2019, we have had no instances reported.

Genesis Analytics

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