



DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.

DISCLOSURE QUESTIONNAIRE

Company Name: Adam Smith International
 Date Submitted: September 2019

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		√
Biodiversity Impacts		√
Chemicals		√
Company Explanation Of Disclosure Item Flags		√
Disclosure Alcohol		√
Disclosure Firearms Weapons		√
Disclosure Mining		√
Disclosure Pornography		√
Disclosure Tobacco		√
Energy and Emissions Intensive Industries		√
Fossil fuels	√	
Gambling		√
Genetically Modified Organisms		√
Illegal Products or Subject to Phase Out		√
Industries at Risk of Human Rights Violations		√
Monoculture Agriculture		√
Nuclear Power or Hazardous Materials		√
Payday, Short Term, or High Interest Lending		√
Water Intensive Industries		√
Other		√

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		√
Child or Forced Labor		√
Negative Environmental Impact		√
Negative Social Impact		√
Other	√	
Other Disclosures		
	√	

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		√
Breaches of Confidential Information		√
Bribery, Fraud, or Corruption		√
Company Explanation Of Disclosure Item Flags		√
Company has filed for bankruptcy		√
Consumer Protection		√
Financial Reporting, Taxes, Investments, or Loans		√
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		√
Labor Issues		√
Large Scale Land Conversion, Acquisition, or Relocation		√
Litigation or Arbitration		√
On-Site Fatality	√	
Penalties Assessed For Environmental Issues		√
Political Contributions or International Affairs		√
Recalls		√
Significant Layoffs		√
Violation of Indigenous Peoples Rights		√
Other		√

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		√
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		√
Company Explanation Of Disclosure Item Flags		√
Company prohibits freedom of association/collective bargaining		√
Company workers are prisoners		√
Conduct Business in Conflict Zones		√
Confirmation of Right to Work		√
Does not transparently report corporate financials to government		√
Employs Individuals on Zero-Hour Contracts		√
Facilities located in sensitive ecosystems		√
ID Cards Withheld or Penalties for Resignation		√
No formal Registration Under Domestic Regulations		√
No signed employment contracts for all workers		√
Overtime For Hourly Workers Is Compulsory		√
Payslips not provided to show wage calculation and deductions		√
Sale of Data		√
Tax Reduction Through Corporate Shells		√
Workers cannot leave site during non-working hours		√
Workers not Provided Clean Drinking Water or Toilets		√
Workers paid below minimum wage		√
Workers Under Bond		√
Other		√



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: Adam Smith International

UPDATED AS OF: September 201

DISCLOSURE QUESTIONNAIRE CATEGORY	Grant provider to the rehabilitation of a Dam
ISSUE DATE	Aug-1
TOPIC	Refurbishment of Dams
SUMMARY OF ISSUE	ASI works to transform lives by making economies stronger, societies more stable, and governments more effective. Within the scope of this, ASI has programs that provide advice to governments on the construction of infrastructure. Typically ASI provides technical advice for either National or Provincial governments to understand the positive and negative impacts resulting from the construction of specific infrastructure as well as advising government on regulation design and implementation to ensure transparency standards are met.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	ASI has one scenario where they have contracted a supplier to support the rehabilitation of a weir in Zimbabwe funded by UKaid (DFID). This was the only rehabilitation project undertaken, although there were recommendations for more dams to be rehabilitated across the water basin for this region. The recommendations were provided to DFID. The entire project alluded to in this case is under the umbrella of Climate Resilient Infrastructure Development Facility CRIDF, a DFID funded programme with the major aim to work with governments, businesses and other organisations in the Southern African Region to scope and design key transboundary water projects using best practice in order to ensure that they are both pro-poor, and fundable/bankable investment opportunities. The value of this specific activity was worth 3.37% of the total value of the CRIDF project. In 2018 CRIDF was worth 0.61% of ASI's total revenue.
IMPACT ON STAKEHOLDERS	ASI engaged with stakeholders in more than 7 countries to conduct a stakeholder analysis, a risk management assessment, livelihood reviews, and ASI's methodological design of the intervention. In addition a Social and Environmental Impact assessment was conducted by the contracted supplier to ensure that the impacts of the rehabilitation were understood and communicated to the respective government and client (DFID). These engagements also included the actual deliverables submitted to the client.
RELATED INCIDENTS Y/N	There have been no related incidents.



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UPDATED AS OF: September 201

DISCLOSURE QUESTIONNAIRE CATEGORY	Onsite Fatalities
ISSUE DATE	Aug-1
TOPIC	Onsite Fatalities
SUMMARY OF ISSUE	<p>ASI works in many of the world’s most dangerous countries, providing development assistance to build institutions and markets for economic and social development. ASI currently operates in 31 countries across the world, covering several conflict zones including those in Afghanistan, Syria, Somalia and Nigeria. The company has deployed over 8,000 staff and consultants to these environments over the past 5 years. To support this, ASI has established tried and tested duty of care and security frameworks that are tailored to each operating environment where they work. The company has invested significant resources to ensure fit for purpose risk management solutions are an integral part of their corporate business process and project delivery systems. Where necessary the company employs best in class security advisers, information service providers, training and equipment to deliver upto date services and live information pertinent to fluid conflict risk environments.</p>
SIZE/SCOPE OF ISSUE	<p>In aggregate, in the past five years there have been nine fatalities of staff and associates during their time of service. The majority of these fatalities resulted from terrorist attacks in the markets where the company operates.</p>
IMPLEMENTED MANAGEMENT PRACTICES	<p>Understanding that ASI is a company that operates in conflict environments and works in high-risk contexts, the company has developed thoughtful processes at handling risk.</p> <p>For deployments, all staff and advisers receive security briefings and industry recognised pre-deployment training from their Regional Security Managers or Third-Party providers (HEFAT). Briefings and trainings are territory specific and harmonised with a robust package of country-specific standard operating procedures and frameworks, ensuring that staff are equipped with the tools, information and support needed to drive down risk. ASI mandates and provides all staff and consultants with special contingency insurance as well as Personal Accident & Travel insurance, guaranteeing we can provide benefits in respect of death, medical, special contingencies and evacuation and repatriation.</p> <p>The company continuously monitors their risk profile and operating environment using a variety of tools and methods: (a) Proactive risk monitoring and assessment is integral to Duty of Care (DoC). The company also manages risk at an enterprise wide level with a view to driving risk down across the spectrum of operations. Operational risk management, driven by the Global Operations and Security Manager, Regional Security and Project Managers, delivers cross operation clarity on DoC planning, responsibilities and crisis response mechanisms. (b) All Security Managers compliment this by collating security reporting information – both formal and informal - including from in-country HMG posts. (c) ASI also receives global security updates from specialist security providers, including asset tracking, which is routinely shared across the business. This global operational suite informs a comprehensive ‘live’ operating picture enabling Managers to provide regular updates to personnel, aimed at maximising safety and minimising disruption to projects.</p>



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UPDATED AS OF: September 201

DISCLOSURE QUESTIONNAIRE CATEGORY	Other - Unethical Business Practices
ISSUE DATE	December 2016
TOPIC	Negative media coverage regarding allegations of falsified beneficiary testimonials and unethical business practices
SUMMARY OF ISSUE	In December 2016, media allegations surfaced that Adam Smith International (ASI) had falsified beneficiary testimonials provided to the UK Parliament's House of Commons International Development Committee (IDC) in order to provide a positive portrayal of ASI's efficacy and impact as a private international aid and development contractor. The story also alleged that an ASI employee that had previously worked in the UK's Department for International Development's (DFID) had circulated internal government business plans in order to advantage the company's business interests.
SIZE/SCOPE OF ISSUE	The allegations and subsequent inquiries pertained to ASI's role delivering international development projects for DFID which accounted for around 75% of the company's revenue.
RESOLUTION	<p>In response to the allegations, both the IDC and DFID began specific inquiries into the practices of Adam Smith International. The IDC's investigation found that the allegation of falsified testimonials was exaggerated and that the IDC "was not misled, influenced, or told untruths" by ASI. However, the report did acknowledge that ASI "overstepped" its role in soliciting and shaping testimonials, and expressed concern over the culture of the company at the time of the incident.</p> <p>Separate from the IDC inquiry, DFID undertook its own investigation which also concluded that ASI did not falsify testimonials and "did not gain any significant or specifically identifiable commercial advantage from reviewing the business plans". Following the completion of a comprehensive 37-point reform plan implemented over 6 months by ASI, DFID subsequently conducted a Central Assurance Assessment (CAA) led by its Internal Audit Department over the period May to September 2017.</p>
IMPLEMENTED MGT PRACTICES	<p>"ASI voluntarily withdrew from bidding for new UK government contracts in February 2017 in response to the allegations. During this withdrawal and into 2019, the company implemented a second large-scale reform programme to review and strengthen its corporate governance, internal controls and cyber security, and built new functions of Internal Audit and Legal, Ethics and Compliance. The company changed its senior leadership including all the founding Directors and the CEO stepping down. The company has also made many other internal changes, including renewing its mission and values, launching a new Code of Conduct, introducing new policies including a "Speak Up" (whistleblowing) policy, strengthening employee vetting processes, improving supplier due diligence and diversifying its client base.</p> <p>In February 2018, with the consent of DFID, ASI re-entered the DFID procurement market, and has subsequently been awarded a number of new contracts by DFID and other UK government departments such as the Foreign and Commonwealth Office and the Home Office.</p>
REPORT	https://www.parliament.uk/business/committees/committees-a-z/commons-select/international-development-committee/inquiries/parliament-2015/conduct-of-adam-smith-international/
OTHER MANAGEMENT COMMENTS	<p>It is important to note that during the period of withdrawal from the DFID market, ASI's ongoing projects continued unaffected and we continued to be awarded new contracts by all our other clients.</p> <p>During ASI's withdrawal from the market, DFID introduced its new contractual Terms and Conditions and Supply Partner Code of Conduct. Suppliers are assessed and scored against these by DFID, both at a corporate-level and at project-level. ASI has been rated as 100% compliant at corporate and project-level with the Terms and Conditions and Code of Conduct and is rated as "low risk" by DFID.</p>
RELATED INCIDENTS Y/N	No



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UPDATED AS OF: September 201

DISCLOSURE QUESTIONNAIRE CATEGORY	Industry - Fossil Fuels
ISSUE DATE	Sep-19
TOPIC	Company's service offerings include governance and sustainable development of the mining, oil and gas industries in emerging markets
SUMMARY OF ISSUE	<p>ASI provides strategic advice and implements complex reform programmes to enhance the transparency and effectiveness of the governance of mining, oil and gas sectors. ASI works for governments and development agencies that want to improve governance of the extractive industries in pursuit of sustainable development. ASI's work relates to improving laws and regulations, establishing fiscal regimes that balance the need to attract investment from responsible companies with generating adequate returns to the state, reducing environmental damage and improving transparency. The company provides expert advice on every strand of extractive industries governance:</p> <ul style="list-style-type: none"> -Strategy, Policy & Legislation -Institutional Strengthening -Revenue Management -Communications and Communities -Transparency & Accountability -Environmental Sustainability -Economic Impact <p>In 2010, ASI became an accredited official validator of the Extractive Industries Transparency Initiative (EITI), and supports a number of countries with implementing EITI, reflecting their strong commitment to good governance and transparent natural resource management.</p>
SIZE/SCOPE OF ISSUE	<p>ASI has one scenario where they have contracted a supplier to support the rehabilitation of a weir in Zimbabwe funded by UKaid (DFID). This was the only rehabilitation project undertaken, although there were recommendations for more dams to be rehabilitated across the water basin for this region. The recommendations were provided to DFID.</p> <p>The entire project alluded to in this case is under the umbrella of Climate Resilient Infrastructure Development Facility CRIDF, a DFID funded programme with the major aim to work with governments, businesses and other organisations in the Southern African Region to scope and design key transboundary water projects using best practice in order to ensure that they are both pro-poor, and fundable/bankable investment opportunities. The value of this specific activity was worth 3.37% of the total value of the CRIDF project. In 2018 CRIDF was worth 0.61% of ASI's total revenue.</p>