



UN GLOBAL COMPACT
2006 COMMUNICATION ON PROGRESS

20th December 2006

Statement of continued support

Since its formation in 1991, Zenith International Ltd has always sought to conduct its business to the highest standards of professionalism, service and ethics.

With 2006 group sales approaching £4 million and a team of more than 50 staff, the company has enjoyed significant growth, but remains a very modest enterprise by most measures.

Nevertheless, we strongly believe that all firms should sign up to and act on certain common principles, both in their local communities and on a wider scale.

The UN Global Compact provides not just the foundation for a statement of intent, but also a disciplined framework for accountability and reporting.

For a smaller business, this is in fact quite demanding. We do not have the resources or monitoring systems of larger firms. But we accept the challenge, because we endorse the principles and want to play our part.

Over the years, we shall try to build on our commitment. This report reviews our recent actions.

Richard Hall
Chairman

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

Zenith aims to meet all generally accepted best practice on human rights, health and safety and other employment standards.

Following the appointment of a new Human Resources Manager during 2006, the company is about to introduce a completely revised and fully comprehensive staff handbook with specific policies on:

- ◆ equal opportunities
- ◆ recruitment
- ◆ training
- ◆ personal conduct
- ◆ harassment and
- ◆ discipline.

In all overseas activities, including developing countries, the company applies the same standards.

Principle 2 : Business should ensure that they are not complicit in human rights abuses

Zenith has no direct or indirect experience of human rights abuses and no specific mechanism to monitor this.

Nevertheless, the company is conscious of the possibility and does take account of supporting this principle in its procurement and sub-contracting processes.

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

The rights to consultation and union representation are enshrined in all relevant company employment policies and are set out in the new staff handbook, which will be given to all employees.

Consultation with staff is sometimes formal, as with the introduction of a new contributory pension scheme from 1st January 2007 and where necessary to comply with legislative requirements. More often, it is informal, such as debriefings after some board meetings and on a range of changes or developments.

Principle 4 : Business should support the elimination of all forms of forced and compulsory labour

Zenith has no direct or indirect experience of forced labour and endorses accepted international standards on this.

Principle 5 : Business should support the effective abolition of child labour

Zenith wholeheartedly opposes the use of child labour.

It does, however, try to respond favourably to local schools and staff seeking short periods of work experience for pupils and family members respectively at its main UK office.

Principle 6 : Business should support the elimination of discrimination in respect of employment and occupation

Zenith has a number of equality and anti-discrimination policies in the new staff handbook and these conform to established best practice. Each has specified procedures for their implementation.

All appointments, promotions and remuneration are based on merit in terms of skills and competencies.

As a company with a particularly international perspective, we are pleased to employ nationals from a wide range of countries.

Principle 7 : Business should support a precautionary approach to environmental challenges

Consistent with its role as a specialist business consultancy, Zenith takes a proactive role on a number of environmental fronts.

- ◆ It has a Water & Environment Consulting department which advises on environmental best practice, undertakes environmental impact assessments and seeks to optimise water resource management for clients.
- ◆ A new development in 2006 was expansion into the emerging technology of geothermal heat exchange modelling.
- ◆ The company regularly organises industry conferences where environmental concerns and issues are featured. These included UN spokesmen at global congresses in both 2004 and 2006. Sustainability has been a recurring title theme in various conferences, including an international vending industry event planned for 2007.

In April 2006, Zenith's Chairman participated in discussions with the UN Global Compact Cities Programme Director on a visit to Bath and this could lead to co-operation with possible future city initiatives relating to water heritage and benefits.

Principle 8 : Business should undertake initiatives to promote greater environmental responsibility

Zenith's two main internal concerns have been the management of waste and the minimisation of unnecessary travel.

- ◆ The company has regular paper and packaging waste recycling collections.
- ◆ International travel is budgeted and has to be approved by department heads.

All lighting in the main UK office uses long life low energy bulbs.

Nevertheless, more could undoubtedly be done and an environmental audit of the business is planned for 2007.

Externally, Zenith has a number of publications and news services.

- ◆ These regularly report on new technology, new legislation and new product development such as packaging lightweighting and new packaging materials.
- ◆ The company has also introduced environmental progress into its industry awards programmes. All four international awards criteria will include environmental objectives and awards in 2007.
- ◆ Another 2007 initiative will be the development of industry training programmes and these will also feature environmental best practice.
- ◆ The 2007 conference and workshop schedule already features sessions led by other environmental organisations.

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

Zenith employed its first member of staff dedicated to geothermal modelling in 2006. It expects to employ further specialist expertise in 2007 and sees this as a major development opportunity for the business.

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

Zenith has had to act directly against corruption or possible corruption in a limited number of instances.

The company does not accept payments in cash and all transactions have to be properly recorded with invoices and receipts.

Zenith as corporate citizen

For a smaller business such as Zenith, the UN Global Compact represents concerns and aspirations that rarely touch some of our everyday preoccupations. The company also aims to play an active role in its local community and to support the direct participation of staff in social and charitable endeavour.

Zenith's policy towards charitable giving is to allocate a minimum 1% of pre-tax profit to charity and up to a target 3% where particular criteria are met. These criteria include the encouragement of active staff involvement, securing matched funding and supporting development initiatives.

The most common donations match fundraising in charity walks and marathons. In 2005/06 the company has also sponsored a seat in the newly opened Egg youth theatre in Bath and set aside funds towards becoming a founder sponsor of the Bath City of Festivals initiative. In 2007 and 2008 the company has agreed to extend its sponsorship of the education of orphaned children at the Sikkim Himalayan Academy in India and to supplement the funding of a local cricket club in which staff members play.

Another new 2007 development is the introduction of corporate membership of a newly opened health club, to which all staff are eligible and more than one quarter have already subscribed.

Inevitably, none of these efforts is sufficient to the overall task or even a small part of it. But we believe we are heading in the right direction and are happy to be pressed from any direction to do more.

Circulation of this report

Copies of this report will be circulated electronically to all Zenith staff, posted on the Zenith website and sent by e-mail to the UN Global Compact office.

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