

## Salterbaxter's Communication on Progress UN Global Compact

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15 July 2011

This document is to be read alongside Salterbaxter's corporate responsibility (CR) review. The corporate responsibility review is updated on a yearly basis with data and information that has changed throughout the year. The two documents together form Salterbaxter's Communication on Progress (COP). This is the fifth COP submitted by Salterbaxter and will continue to be produced on a yearly basis. The corporate responsibility review describes the way Salterbaxter approaches CR, the activities it is involved in and recent performance in key areas. This document links key activities to the ten principles of the UNGC. We welcome all feedback and contact details can be found in the CR review.

### About Salterbaxter

We are strategy, sustainability and creative communications advisers to Europe's largest and most exciting organisations. We help build long-term value for companies through five key disciplines: sustainability, digital communications, branding, corporate reporting and employee engagement.

We are increasingly seen as one of Europe's leading sustainability communications consultancies, with an unrivalled breadth and depth of experience across multiple sectors and multiple countries. We offer a full range of corporate responsibility and sustainability communications services – from board level strategy consulting to the design, writing and delivery of printed and online communications. And everything in between. Our clients are the leading corporations in multiple sectors across the whole of Europe. At the time of writing there are 40 full time employees. The company was founded in 1998 by Nigel Salter and Penny Baxter.

### Statement of support

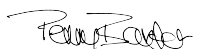
Operating responsibly has always been part of the fabric of salterbaxter and its importance is just as strong as it was when we started the business over 13 years ago. And as the business grows it remains a fundamental part of the culture with all employees' aware of, and taking part in, our CR programme.

We are in the process of reviewing and updating our CR programme and the 1% initiative that we started a number of years ago. The plan is to launch the new initiative internally later on this year. The key focus of the new initiative will be on how we create the future we want. More details on the new initiative are provided in the attached corporate responsibility review 2010.

The corporate responsibility work we do with our clients is where we can deliver most but the way we run our own business must reinforce the corporate responsibility advice we give clients. We are active supporters of UNGC and take part in the UK Network working groups for Communications and SME issues.



Nigel Salter



Penny Baxter

## Human Rights

1. Principle 1 – Business should support and respect the protection of internationally proclaimed human rights.
2. Principle 2 – Business should ensure that they are not complicit in human rights abuses.

### Salterbaxter actions:

- Salterbaxter operates in the UK and Europe.
- We support human rights and uphold equal opportunities policies.
- Our supply chain is based in the UK and Europe.
- We assess our impacts on a yearly basis but believe we do not have human rights impacts at this time.

## Labour Standards

3. Principle 3 – Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Principle 4 – Business should support the elimination of all forms of forced and compulsory labour.
5. Principle 5 – Business should support the effective abolition of child labour.
6. Principle 6 – Business should support the elimination of discrimination in respect of employment and occupation.

### Salterbaxter actions:

- Salterbaxter employees are free to join a union should they wish.
- We conduct annual reviews on performance and salary. See our CR review for more information.
- We operate an open and honest culture to discuss issues and have a grievance procedure. See our CR review for more information.
- We monitor working hours through our online business operations system and manage them throughout the year to encourage a work/life balance and well-being.
- All permanent employees are on a contract that states their terms and conditions of employment and we have a staff handbook that explains their benefits along with all HR policies and procedures.
- We run a programme called 1% where all employees are involved in activities that enhance the culture and the running of the business. Many of the CR activities are run and managed via the 1% programme. See our CR review for more information.
- All permanent employees are entitled to take one day's paid leave for volunteering each year.
- We operate an equal opportunities policy.

## Environment

7. Principle 7 – Business should support a precautionary approach to environmental challenges.
8. Principle 8 – Business should undertake initiatives to promote greater environmental challenges.
9. Principle 9 – Business should encourage the development and diffusion of environmentally friendly technologies.

### Salterbaxter actions:

- We engage all our employees on environmental and energy efficiency issues.
- We are committed to identifying and minimising our environmental impacts and have conducted a review of our operations in line with ISO14001 thinking.
- The biggest impact we have is through our supply chain and the production of printed materials for our clients.
- We work hard to ensure we use the best printers and papers in order to keep that impact as low as possible. We work with printers to improve their environmental credentials. We review our performance and related issues on an annual basis.
- We research the best papers for use in communications materials and advise clients on what to use.
- We buy recycled and FSC paper for office use, and strive to recycle all paper used.
- We recycle office waste as much as possible; this includes paper, cardboard, plastic and metals, IT equipment and printer toners.
- We measure and strive to increase energy efficiency and we are signed up to a green electricity tariff. We offset carbon emissions when they are unavoidable. See our CR review for more information.

#### Anti-corruption

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

#### Salterbaxter actions:

- We are committed to work against corruption and to work ethically at all times.
- We only accept gifts of a modest nature and ensure they are distributed amongst all staff to prevent any undue influence developing with our client or supplier relationships.

#### Update on our performance in 2010

We measure our performance so that we can make improvements, see if our policies are effective and if our targets are meaningful. These are some of the results for 2010.

- Print - We placed all our printing with level 3 printers. See our Environment policy for an explanation of printer levels. In 2011 we plan to continue this by looking to place all printing with level 3 or 4 printers.
- Paper recycling – we strive to recycle all our office paper and 55 trees were saved (or 3,131kg).
- Paper we use – All of the paper we buy is either recycled or FSC accredited.
- Travel – 94,590 miles in 2010. We offset the carbon produced.
- Working hours - Average of 8.7 hours per day per employee – less than the last two consecutive years so we are on target.
- Training – only 0.4 days per employee – we missed our target and therefore this is one of our key objectives for 2011.
- Tommy's – Our Tommy's volunteers raised £116 in 2010, which was substantially less than the previous year when we organised a car boot sale. We are therefore looking at new initiatives for fund raising in 2011.
- Work placements - 9 placements of two weeks each totalling 18 weeks for placements for 2010 –short of our target by 3 placements or six weeks.
- Energy – We've continued with our green energy tariff. We upgraded our IT switches in the year to more energy efficient models and we continue to work with our cleaning contractor, 'Green You Office', to identify areas we can promote to help reducing, re-using and recycling energy and waste output.

## Corporate Responsibility (CR) review 2010

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It has always been important to us to be a responsible company. Our CR programme is tailored to the areas where we have real impact. That means it is part of our day-to-day operations and develops with the company. To keep it clear we group our activities under four headings. The fifth shows our performance. These are:

1. LEADERSHIP & INFLUENCE
2. OUR PEOPLE
3. COMMUNITY INVOLVEMENT
4. ENVIRONMENT
5. MEASUREMENT

### LEADERSHIP & INFLUENCE

We are leaders in sustainability communications and we aim to use our expertise in this area to raise awareness of these issues with our staff, the design community and our suppliers as well as in our client facing work.

#### 1. Research and debate

We want to highlight current issues in corporate responsibility, both for client and industry knowledge. As part of our knowledge programme, we continue to produce the Directions and Directions Bi-monthly publications, and conduct individual research projects. These are made available on our website. We are signatories of the UN Global Compact and active members of the UK Network. We champion communications and SME sustainability issues as members of the network's working groups.

#### 2. Education

We create links with design colleges and other educational institutions to promote CR issues to young people. We give lectures and workshops, and set briefs when invited.

#### 3. Diversity in Design

We identified that the design industry has a lack of diverse and disabled workers in its workforce. So we have undertaken a piece of research to identify the realities of the situation and see if there are ways we could develop initiatives to tackle the issue.

#### 4. Supply Chain

The majority of our impacts are in the supply chain. So we encourage our clients and our suppliers to run their operations in a responsible way. We advise them on printing processes, materials and papers that can minimise environmental impacts.

### OUR PEOPLE

Our business succeeds because of the commitment, energy and often sacrifices our people are willing to make for the high quality work we produce for our clients. This means that our culture and the way we work together are fundamental in maintaining a happy and healthy workplace, and we protect them at all costs.

#### 1. Culture

There are two things that make us tick: helping people develop really quickly and using teamwork to get results. This means that individuals are thrust into the deep-end and given lots of responsibility, but there is always collective ownership of projects (and problems) with a mentoring process to back people up. And ideas are never stifled by seniority, hierarchy or preciousness. Everyone can contribute and have a voice. We also ensure we operate an equal opportunities policy.

## 2. Learning and Development

We run a staff motivation programme known as 1% that encourages people to support our culture and develop skills alongside their day-to-day roles. We offer training to all staff and career reviews are held biannually.

1% - a few of the things that some of our people are responsible for:

- Mark – as well-being, health and fitness champion, Mark keeps us in tip-top condition.
- Tracy - our office manager makes sure we use less energy, recycle more and work with our suppliers to encourage best practice.
- Vicki and Tracy – make sure we are plain language users.
- Adam – our socialite who makes our lives fun.
- Vicki, our paper champion - makes sure we know about the newest and best environmental papers.
- Nina and Stew – make sure we know about the best things happening in the design industry.
- Karen and Olivia – encourage us to think about and debate topical sustainability issues.
- Penny – encourages us to share knowledge.
- Lindsay and Tracy – take charge of innovative ways to raise money for Tommy's Charity.

## 3. Being Understood

We have a policy of straight talking. Key issues are always handled with face-to-face staff meetings or individually. We hold weekly staff meetings to discuss work planning and to provide a forum for open debate. Company financial performance is discussed openly once a month and company strategy is discussed annually.

## COMMUNITY INVOLVEMENT

We want to ensure we give time, expertise and money back to the community in a way that is relevant to our people and our business. We have concentrated our efforts in two areas: educational initiatives that encourage young people to express themselves through design and fundraising for Tommy's, the Baby Charity.

### 1. Education Initiatives

We take part in Big Arts Week and our staff volunteers have inspired local school children for the past 6 years, working alongside the children to create and complete an art project. We also work with design students to explore the creative possibilities in corporate responsibility and run various projects at universities.

### 2. Fundraising for Tommy's

In the UK a baby is lost every 2 minutes as a result of miscarriage, stillbirth or premature birth. Tommy's is the only UK charity solely dedicated to maximising health in pregnancy. We are committed to continue to support Tommy's year-on-year through a range of activities that involve staff, clients and suppliers.

## ENVIRONMENT

The biggest impact we have on the environment is through our supply chain and how we place print work with printers on behalf of our clients. To manage this we encourage printers to be ISO14001 and FSC accredited. We set clear targets to place work with the most environmentally friendly printers and to use environmentally friendly papers and inks.

We also measure and monitor our office environmental impacts and try to reduce them when we can. We are on a green energy tariff and encourage staff to save energy. We recycle all paper and as much kitchen waste as possible. We recycle CDs and toners and any old IT equipment. We try to travel by the least carbon intensive methods possible and offset carbon when we can't. The combination of reducing carbon emissions from our office operations as much as possible, and offsetting only when that isn't possible, means we are working towards reducing our impact on climate change and reaching a neutral status.

## MEASUREMENT

We measure our performance so that we can make improvements, see if our policies are effective and if our targets are meaningful. These are some of the results for 2010.

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We focus on four main areas: Leadership & Influence, Our People, Community and Environment. But we realise there are other areas where we have impacts. Our CR programme develops as the business does, so in the future we will be working on improving our current activities and tackling issues like health and safety, client satisfaction and ethics.

## LOOKING FORWARD – REFRESHING AND RELAUNCHING OUR CR PROGRAMME

We are planning to re-launch our internal CR programme in July this year. Below is an overview of our current outline and the key areas we want to focus on. This is a work-in-progress at this stage and a full update of the revised CR programme will be provided on next years corporate responsibility review post launch.

### Inspire

We want the key focus of our new programme to be on how we can create the future we want by applying our creative thinking to positive living. We are looking to inspire each other and our clients and collaborators in a number of different ways to help achieve this:

- Innovation events and initiatives:
  - Hold an annual event where creative thinking takes on a sustainability 'problem' that is centred on a topical issue. The outcome would lead to a live project – creating a toolkit, making an App that creates a positive impact. In July we are running an internal engagement day where we will launch the programme to employees. On the launch day we will also find out 'what matters' to our people and therefore what we can solve by applying our creative thinking.
  - Encourage ongoing internal initiatives that support the main programme objective 'create the future we want'
  - We will also consider the potential of working in partnership with third parties to solve a specific live issue with the planned output leading to 'making' something e.g. investment in an idea.
- Demonstrate the value of creative thinking – e.g. working with young people to demonstrate the benefits of creative skills as well as partnering with other sectors to demonstrate the varied application of creative skills.
- Day-to-day support and development for employees – e.g. develop an app to encourage and support positive living covering health and environmental impacts, create opportunities to mentor agencies in other parts of the world, encourage wider take up of individual or group volunteering.

### Measure and report

Measuring our impacts and performance will continue to sit at the heart of our sustainability programme. We are currently reviewing our environmental impacts – what we measure and how we measure it. This will lead to putting some more focused targets in place. As part of this we are looking to install a company wide print management system that will enable us to track what we are printing as well as forcing staff to have to physically go to the printer in order to print out their work.

Having recently refreshed our company values, and skills and capabilities literature we are also reviewing what measurement we can put in place to ensure that our people are happy, healthy, motivated and inspired.

Our goal is to report on our new environmental and people performance targets every 6 months. Our new reporting platform will be in place by the autumn.

## Environmental Policy

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Salterbaxter is committed to managing and reducing its environmental impacts.

The biggest impact we have on the environment is through our supply chain and how we place print work with printers on behalf of our clients. Our print and paper policies can be read below.

We monitor and manage other impacts of our office operations including energy use, waste and paper. Targets and results can be viewed in our corporate responsibility review on our website.

### Paper policy

All paper specified for our major reporting projects (annual reports, CSR reports, corporate brochures), and any major print components of large branding projects must adhere to the following as a minimum:

- BE ECF (ELEMENTAL CHLORINE FREE) OR TCF (TOTAL CHLORINE FREE)
- ANY VIRGIN PULP MUST BE SOURCED FROM SUSTAINABLY MANAGED FORESTS
- THE MILLS WHICH PRODUCE THE PAPER SHOULD HAVE ISO 14001 ACCREDITATION

95% of all major projects must go further and specify paper from our 'Top 10' list of enhanced environmental paper stocks. All these papers are FSC accredited OR recycled with a minimum of 20% postconsumer waste. We are also looking into carbon neutral papers.

### Print procurement policy

Where we have the buying decision, we aim to place the majority of our print with suppliers who are managing their environmental impacts in a progressive and transparent way.

The proportion of print we assess is around 80% of our total and consists of all major reporting project (annual reports, CR reports, corporate brochures), and any major print components of large branding projects.

This process is managed through a key suppliers list. The list is structured into 4 levels. In the past we have aimed to place 90% or more of our print in the top two levels, with 10% placed in levels 1&2. In 2011 we aim to place 100% of our print in the top two levels and are reviewing the levels to encourage innovative practice in the print industry.

#### LEVEL 1:

- VEGETABLE INKS AS BASE SET
- RECYCLE 80% OF WASTE FROM PRESSES
- HAVE ENVIRONMENTAL TARGETS AND POLICY IN PLACE, INCLUDING ENERGY, WASTE AND EMISSIONS, AND ARE AIMING TO ACHIEVE ISO 14001

#### LEVEL 2:

Level 1 requirements plus:

- ISO14001

#### LEVEL 3:

Level 2 requirements plus:

- FSC ACCREDITATION

#### LEVEL 4:

Level 3 requirements plus:

- RENEWABLE ENERGY
- CARBON NEUTRAL
- IPA EMISSIONS BELOW 10%

We will hold meetings with these and other printers to encourage and assist them in progressing through the levels and will continue to assess these categories throughout the year.



The remaining 20% of our print total for smaller projects and other one-off items will be reviewed on a project-by-project basis. We need some flexibility in this area as the practicalities of finishing and production/capacity may mean placing the work with other specialists in the industry.

Where we do not have the final buying decision we will always advise clients to follow these guidelines and will record where they are not able to do so.

ISO 14001 is a key part of our criteria and although we understand the limitations of this system, we still feel it is a useful assurance process by which we can assess a printer's commitment to environmental management.

We may also consider other suppliers if their activities are transparent enough for us to assess without the ISO programme.

## **Health & Safety Policy**

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Health and safety information for all employees of salterbaxter is supplied in the staff handbook, which is available to all employees at all times for ease of reference. Health and safety information relates to salterbaxter's office on the first floor of 202 Kensington Church Street, London, W8 4DP.

We want our employees to be as safe as possible in our working environment. We require all employees to follow these guidelines at all times.

### **Accidents**

If an accident of any description happens at work (either on or offsite), employees must report it to the Office Manager and it must be recorded in the Accident Book. A first aid box is available at all times. If an accident is of a serious nature, the Office Manager must be informed immediately.

### **First Aid**

The Office Manager has First Aid training and will be on hand to assist with any immediate issues.

### **Emergencies**

An evacuation procedure in the event of an emergency or fire is detailed in the staff handbook. All employees must evacuate the building immediately via the Fire exits and dial 999 to call the relevant Emergency Service. Fire Exit doors must remain free from obstruction at all times and employees cannot return to the building until given the all clear by the Emergency Services or someone in authority.

### **Fire**

Fire extinguishers are located throughout the working environment including CO2 extinguishers for an electrical fire. Employees should leave the building in the event of a fire as soon as possible and only use fire extinguishers if they have the relevant training.

### **Hazards**

Smoking is forbidden anywhere in the office.

Scalpel blades are kept in a single safe place and disposed of safely. It is the responsibility of all employees to ensure that they are stored and disposed of safely at all times.

All flammable substances and solvents e.g. Spray Mount, Display Mount, Lighter Fluid, Spray Paint are stored in one area marked Flammables. These must always be stored away immediately after use for safety.

### **Clear Desk Policy**

Desks should be kept as clear as possible during the working day. At the end of each working day, the desk surface should, ideally, be clear.

## Equal opportunities policy

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Salterbaxter Communications Limited is an equal opportunities employer. This means that it is the Company's policy to make every effort to ensure that there is no discrimination or harassment on the grounds of colour, race, nationality, religion or belief, ethnic origin, disability, age, gender, marital status or sexual orientation, their parental responsibilities, part time or fixed term status, in the way that the Company treats its employees, job applicants, clients, contractors and visitors. Bullying is a form of harassment and this policy covers bullying.

In issuing this policy the Company has three main objectives:

Firstly, to encourage its employees to take an active role against all forms of bullying harassment and discrimination; secondly, to deter employees from participating in bullying harassment or discriminatory behaviour; and thirdly, to demonstrate to all employees that they can rely upon the Company's support in cases of bullying, harassment or discrimination at work.

The Company is committed to a working environment that offers equal treatment and equal opportunities for all its employees, so that every employee is able to progress to their true potential. Even after employment has ended, the Company is committed to ensuring that discrimination does not occur.

This policy applies to all aspects of the Company's working practices and therefore applies to the recruitment and selection of employees, terms and conditions of employment, training, salary, work allocation, promotion and disciplinary and grievance procedures. The Company's recruitment, selection, promotion procedures and general policies and practices will be periodically reviewed to ensure that this equal opportunities policy is being implemented.

All employees are required to follow and implement the Company's equal opportunities policy and, if necessary, undergo any training and development activities to ensure that they can carry out their duties and responsibilities in terms of promoting, developing, implementing and reviewing the policy arrangements in the course of their work.