

IMPACT INTERNATIONAL

COMMUNICATION ON PROGRESS 2011



www.impactinternational.com



The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.



Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

make sure that they are not complicit in human rights abuses.

Labour Standards

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.

Environment

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.

Anti-corruption

Principle 10

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

IMPACT: Who we are and What we do

Impact International is a global people development company, established in 1980 in the UK. We now operate in over 50 countries from 17 offices covering Asia Pacific, the USA and Europe. We are a proud member of the United Nations Global Compact and have won a number of awards for being a Great Place To Work, as voted for by our employees. We are committed to becoming a model of sustainable enterprise, integrating social equity and environmental sustainability into our work so as to achieve better and more profitable business results. It is our belief, born from real experience, that other commercial organisations can embrace this concept of 'doing well by doing good'.

Impact help people work more effectively together. Since 1980 we have assisted organisations with sustainable business transformation and people development. We constantly innovate and evolve our thinking and methodologies in response to the ever-changing market and global economic climate. Doing this ensures that our people remain engaged and motivated and this in turn helps us to retain our standing as a global leader in our field. Our focus is on developing inspirational leaders, building high performing teams and accelerating organisational change. These key areas provide the foundations for all of our propositions and services from engaging employees and developing talent to leveraging diversity.

We work with a variety of organisations including Sony, Barclays, Deutsche Bank, ScottishPower, Swiss Re, Edinburgh University, BP, Post Office, Siemens and Wates



INTRODUCTION FROM DAVID WILLIAMS Founder and CEO, Impact International



Impact International signed up to the UNGC in June 2005. As signatories to the Global Compact we are committed to demonstrating the progress we are making in each of the ten principles.

On this journey to progressing these principles I am humbled that 98% of our staff are proud to tell others they work here and 96% believe the organisation manages its impact upon society responsibly (source: Great Places To Work Survey 2011). Internally, we have always challenged ourselves on the sustainability agenda and I know we have a long way to go, however, as the above statistics demonstrate, 96% of our people believe we are on the right track.

As experts in behavioural change and leadership development, Impact has developed new solutions in recent years that address the issues of business sustainability and support organisations on their journey to becoming sustainable enterprises.

Last year we talked about how our clients were increasingly interested in our concept of Creating Sustainable Enterprise (CSE). In 2011 we have generated significant revenue in the design and delivery CSE related services. In two cases an Impact consultant was seconded into the client organisation to work alongside the sustainability teams conducting interviews with a variety of stakeholders before designing workshops that helped to better engage their workforce in the sustainability agenda.



INTRODUCTION FROM DAVID WILLIAMS cont...

Our Community Action Learning programmes continue to engage, inspire and develop our clients and the social sector organisations with whom we work. In 2011 we worked with more than 2200 participants and more than 60 partners globally.

Internally we have appointed a new Head of the UK business, Samantha Carey. She is the first female to be appointed as the Head of the UK. With her appointment the business has undertaken a new direction, which I am confident will maintain and further drive our commitment and focus around CSE.

We continue to retain great people, 51% have worked here for over 10 years.

One of the ways we do this is by providing exciting development opportunities for our employees. In 2011 we delivered the first of three modules of the 'Future Leaders' Programme which brought 8 international employees together in New York for a 5 day development programme, the next event will take place in Asia. All employees are invited to apply for this programme. The next cohort of participants will start in the autumn of 2012.

Our Learning in the Community (LITC) initiative is now in its 7th year, this internal commitment supports all employees to give 3 days to a community partner of their choice. The engagement must benefit the partner and be a developmental experience for the employee. Examples include delivering a 'career presentation' to a year group (120 students) at a secondary school and the design, delivery and facilitation of a conference to help a local charity to generate ideas on how to become self-sufficient.

Two LITC programmes that include a larger percentage of our staff is the Kids Holiday. Now in its 18th year this one week commitment involves 16% of our staff over a 5 day period and offers local children within the care system a free residential holiday. Our Work Inspiration week supported 10 local students in 2011.



INTRODUCTION FROM DAVID WILLIAMS cont...

In our Japan office there was a tremendous commitment to help those affected by the Tsunami. Which included the donation of 40 employee days in May alone to assist with relief work at Minamisanriku Town, one of the hardest hit areas of the Japanese earthquake and tsunami that struck on 11 March 2011.

From an Environment point of view Impact has an embedded environmental management strategy within the business. We operate to ISO 14001:2004 standards.

98% of our employees believe that we are working to reduce our environmental impact (source: GPTW Survey 2011).

To reduce our travel costs we have held Webinars rather than host meetings. This has benefited us in two ways – eliminated travel time and appealed to a wider group of clients, our most recent Webinar attracted more than 80 clients globally.

In 2012 we will continue to challenge and drive our business to be profitable, sustainable and effective both internally in what we do, and externally - in how we engage our clients.

As in previous years, our report demonstrates success and failure against our 2011 targets. We have also set some new targets for 2012, which we are committed to achieving.

Each year we include a link on our website for anyone who wishes to read it. We also put it on the UNGC website.

COMMUNICATION ON PROGRESS 2011: HUMAN RIGHTS



Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

make sure that they are not complicit in human rights abuses.

CONTEXT: Impact International is committed to supporting the implementation of all aspects of human rights. As a service provider, the key challenges for us are in the areas of health & safety, employment practices (see section on Labour principles) and influencing across our supply chain. As an international organisation we recognise that there are differences in accepted practices with regard to standards in health and safety, child protection and other aspects of human rights, however we consistently seek to develop best practice across all regions and work to the highest standards rather than just local legal minimums.

2011 Target: To offer existing and potential clients a free facilitated conference event on 'Employee Wellbeing in the Workplace'.

Progress: Completed. The purpose of this event was to encourage our clients to explore the link between employee wellbeing and organisational productivity, and to provide them with practical ways to increase the wellbeing of their employees. 40 HR professionals attended and more than 50% scored the event at 4.5 or higher. Comments included 'wellbeing is back on the agenda', 'I have come away with some useful and easy things to implement immediately'.

2011 Target: To seek more opportunities to work with our clients around their CSR strategies and increase the use of Community Action Learning (CAL) as a central methodology for our work. Next year we will report on the use of Community Action Learning from all Global Offices.

Progress: We have been successful in addressing the target set above. We have now worked with two global organisations by helping them to embed and engage people in the sustainability/CSR agenda.

COMMUNICATION ON PROGRESS 2011: HUMAN RIGHTS



Community Action Learning has become a recognised approach to developing people. Below is a summary of CAL in the UK, our largest population of employees

UK - we delivered Community Action Learning for 30 corporate clients in the UK and more than 2000 participants. We worked directly with 45 schools and more than 1500 students. Our solutions were aligned with the national learning curriculum and welcomed by head teachers. Our clients, through the Community Action Learning methodology, tackled the organisational challenges of 25 charities and Social Enterprises during their 'Consultancy' based programmes.

2011 Target: To grow participation in Learning in the Community across our Global Offices. We will aim for a 60% take up rate for all international offices and a 70% uptake for the UK head office.

Progress: We have hit our target in the UK and Japan. Below we have shared our progress.

Japan:

72% of staff took part in LiTC activities, 50 LiTC days were achieved out of a potential 69 days.

8 LiTC days were undertaken by 2 associate staff.

All were devoted to relief in the Tsunami damaged area in the northern part of Japan.

UK:

73% of staff took part in LiTC activities, 169 LiTC days were achieved out of a potential 231 days.

This equates to an 11.16% increase on 2010 and a 20% increase on 2009.

Examples of activities include working with students from North Liverpool Academy, being a school governor and facilitating conferences for local Community based organisations.

COMMUNICATION ON PROGRESS 2011: HUMAN RIGHTS



2011 Target: To review and develop the programme for Impact's Cumbria Children's Holiday

Progress: Impact UK continued its commitment in 2011 by delivering our 17th 'Children's Holiday' for underprivileged children in Cumbria. This is our most resource dependent commitment and engages more than 10 staff over a five day period. This year 21 children enjoyed an activity-based holiday - for most it was their first ever holiday.

Other progress beyond targets

In the last year, through Impact Beyond (our own social enterprise), Impact International has been able to support development within the Not for Profit sector. Impact is currently supporting, through the activity of one of our senior consultants, NAVCA (National Association for Voluntary and Community Action) to develop a nationwide leadership development programme for voluntary and community organisations. This represents a major capacity building initiative for many smaller NGOs in the UK.

Impact has, over the last year supported the development of 'Wasafiri Consulting'. Wasafiri is an alliance of consultants, drawn from both the Global North and South, who work at the frontiers of humanitarian and international development issues. We are now focusing on a collaboration between the two organisations, to build leadership capacity and a co-ordinated approach around delivering aid and development support where it is needed most in the developing world.

Health & Safety: In the UK we have continued to perform to the KPIs introduced in 2006, which require that all staff receive health and safety briefings within 2 weeks of starting their employment with Impact and that regular updates are provided to existing staff. Our annual Safety, Environmental and Quality audit by Achilles who are contracted by one of our clients as part of their preferred supplier process, showed a positive improvement:

Last Year Health & Safety - 92.7%; Environment - 70.1%; Quality - 94.5%

This Year: Health & Safety - 96.3%; Environment - 90.9%; Quality - 98.1%

In 2011 there were 9 participant injuries (8 in 2010; 13 in 2009; and 30 in 2008). There were 0 staff accidents or RIDDOR reports.

COMMUNICATION ON PROGRESS 2011: HUMAN RIGHTS



TARGETS FOR 2012

Our central purpose through 2012 in respect of our commitment to the UN Global Charter will be to influence our clients and our supply chain with regards to their practices. To this end our specific targets in the realm of Human Rights are:

For Impact Beyond to focus on working in cross sector partnerships on specific projects. We believe this is a more effective way for Impact to leverage our expertise whilst using other organisation's sector specific knowledge and relationships to deliver lasting leadership development.

To work with NAVCA to help create a leadership programme to address the needs of their national UK members and the creation of a cross-sector leadership programme for the Humanitarian Sector working with a number of UN Agencies.

To uphold 70% engagement in our internal 'Learning in the Community' programme in the UK

To actively seek more opportunities to work with our clients around their CSR strategies and increase the use of Community Action Learning (CAL) as a central methodology for our work. Next year we will report on the use of Community Action Learning from all Global Offices.

To publish safety policies, risk assessments and codes of practice across all our global offices and implement all relevant recommendations on a global basis.

To bring the 'Wasafiri Consulting' strategy to fruition and to have commenced with at least three actual events.

COMMUNICATION ON PROGRESS 2011: LABOUR STANDARDS



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.

CONTEXT: Impact International recognise that our key asset is our people. Consequently Impact is committed to adhering to, and going beyond, all legal requirements to provide fair, flexible and appropriately remunerated employment to all our directly employed and freelance contract staff.

Key labour related issues for Impact are providing flexible working structures (both in terms of available contracts for staff and day to day working practices) and providing transparent remuneration and appropriate benefits for contract staff. Impact employ a large number of 'contract' or 'freelance' staff across our global offices. Because of their freelance status such staff often have the least access to representation and forms of collective bargaining. Over the last year Impact have introduced a number of policies and initiatives to make sure these staff receive adequate pay and benefits, on the whole in excess of industry standards.

2011 TARGET: To conduct a consultation process with all staff who work in our Business Fulfillment function, the team who are out working with clients delivering development programmes. This consultation will be designed to gather ideas and get engagement in developing the process, systems and strategy for the business for the next three years. It will include a commitment to, and investment in, professional development.

COMMUNICATION ON PROGRESS 2011: LABOUR STANDARDS



Progress: In 2011 we ran the consultation process under the project name 'Best People, Best Work'. We are now using the data and opinions gathered to inform our development and retention strategy for 2012.

We have delivered the first Cohort of the 'Future Leaders' Programme, an 18 month professional development Journey for our top talent population. The first Cohort was delivered in New York and 8 people attended this 5 day module from all over the world. The next module will take place in Asia in June.

2011 TARGET: we will be exploring ways to increase the diversity of our associate pool, by examining our attraction, recruitment and development strategies.

Progress: We have made a start on reviewing our associate strategy globally and will continue to explore ways to increase the diversity of our associate pool.

Other progress beyond targets

In Poland - We introduced more flexible ways of working – both for full time employees and freelance people (full time people can start work between 8:00-10:00, there is the opportunity to work from home in some cases. We are working more virtually with associates. We keep a system of regular annual meetings for full time employees and associates – as a part of creating dialogue in company in creating mutual cooperation.

In USA - We continue to honour the request from those of our employees and associate staff who request to not work with some of our clients due to own ethical reasons.

In the UK all returning mothers can decide when they want to come back whilst on maternity leave rather than before they leave, we believe this takes the pressure off our female employees and gives them space and time to adjust to family life.

COMMUNICATION ON PROGRESS 2011: LABOUR STANDARDS



This year we again took part in the 2011 Sunday Times Top 100 Best Small Companies to Work for. Impact have placed in the Top 100 companies list since 2005. We also won the special award 'Best for Giving Something Back' in 2006, 2008, 2010 and 2011.

Business in the Community have awarded Impact a 'Big Tick' for the Impact on Society Award for a Small Company since 2006.

In 2010 Impact were awarded a special Laureate award for five consecutive years in the Great Place to Work Institute's Top 50 Best Workplaces in the UK and Europe.

TARGETS FOR 2012

In 2012 we will proactively engage the business in aligning individual contributions with our strategic priorities and goals. We will do this through regular dialogue forums, functional and cross-functional offsites and learning workshops. We will also create a communal kitchen and meeting area where people can come together for lunch and social events.

We will share the results from the 'Great Places to Work' survey. This is conducted by an external organisation and asks employees to answer questions around how the fairness, creditability and openness of the organisation helps in being a Great Place to work.

We will develop a strategy for recruiting, inducting, developing and retaining our associate team globally and we will run at least one selection event with a view to finding more diverse associates to work for us.

By the end of 2012 we will have completed a global system of competences for associates to ensure that we are transparent in the skills and expectations of our associates globally.

COMMUNICATION ON PROGRESS 2011: ENVIRONMENT



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.

CONTEXT: Like all businesses Impact faces considerable environmental challenges. As a service sector, as opposed to manufacturing, extraction or agricultural business, our key challenges are around resource use in our programmes, office energy efficiency and transport.

- ✓ 98% of our employees believe that we are working to reduce our environmental impact. (source: *Great Place to Work Awards Survey 2011*)

2011 Target: A reduction of carbon emissions resulting from energy use of 30% by 2015 (from 2009 levels) with an intermediate target of 15% by 2012

Progress: Impact UK emissions have decreased by 40% from 2009 to 2010. 2011 data is currently being collated. The majority of this derives from a decrease in the carbon output from flights taken by UK staff and a reduction in mileage from fleet vehicles. We will maintain this target for the future.

COMMUNICATION ON PROGRESS 2011: ENVIRONMENT



2011 Target: To develop and implement a pilot scheme to assess our suppliers environmental policies, with the aim of using suppliers who demonstrate good practice or with the aim of helping those who do not.

Progress: A suppliers database has been created with environmental credentials policies recorded. Those suppliers who make sound ethical environmental decisions are utilised where possible, providing that other criteria of quality and price are also met.

2011 Target: To influence clients and suppliers to encourage the use of virtual meeting technology and reduce travel.

Progress: Data for fleet vehicle use and flight distances flown by Impact UK staff show a reduction of 26% and 76% respectively.

Progress: Virtual training is now utilised by a number of clients and Impact staff.

2011 Target: To develop an alternative fuels strategy for Merewood by the end of 2011, with the aim of sustainable heat and power by the end of 2012

Progress: Wood fuel surveys have been conducted with the possibilities for it's introduction to be discussed in early 2012 by a focus group of key stakeholders.

2011 Target: To include water use into our annual reporting and reduce consumption by 5% by the end of 2012

Progress: Water consumption was measured and recorded in the 2010 Environmental Performance Report. Data for the year end of 2012 is being collated. Once this data is received, a water use strategy will be implemented.

COMMUNICATION ON PROGRESS 2011: ENVIRONMENT



Other progress beyond targets

In Japan we continue to look for opportunities to improve our environmental impact. In 2011 all used paper was recycled through a paper recycle company. This is a cost to our business but it is in line with our approach to minimising our waste. We also collect and send tops from plastic bottles to Ecocap association. We have sent 240,000 tops so far.

Learning In The Community: All Impact employees are expected to complete a minimum of 3 days working in the local community on a project of their own choosing. In 2010 the environmental projects that have been chosen have included: the in house graphic design company Zinco developing a website for Marine Education Trust, Himalayan balsam pulling, working with the Royal Geographical Society Expeditions and Fieldwork Committee and advising the Ambleside University campus on future use as a centre for sustainability

Impact owned hotels: With the aim of developing the energy efficiency of the building fabric of the three hotels, surveys have been carried out by Cumbria Woodlands on the suitability of a combined heat and power wood burner supplied with coppiced woodland from the hotel grounds. Finance decisions are currently underway regarding implementation. Improvements have also been made to the insulation in Merewood's roof.

Local Partnerships: The importance of a strong and well connected network of local communities and organisations is very important to Impact. This includes the environmental sector, and in 2011 has continued with strong relationships with the Lake District National Park Authority, The John Muir Award, Cumbria Woodlands and Nurture Lakeland. All of whom we have been working alongside on a number of local based environmental projects.

COMMUNICATION ON PROGRESS 2011: ENVIRONMENT



TARGETS FOR 2012

A reduction of carbon emissions resulting from energy use of 30% by 2015 (from 2009 levels) with an intermediate target of 15% by 2012

To implement a pilot commuter minibuss and car pooling scheme by the end of 2012

Increase internal communication on environmental issues through the creation of regular conversation sessions with the aim of increased employee engagement and ownership of environmental projects

To further qualify what are sound ethical environmental decisions and develop a system for offering those who do not meet that criteria

To communicate an alternative fuels strategy in a publicly available target by the end of 2012 with the conclusions of wood fuel potential

To develop and communicate a water use strategy and reduce consumption by 5% by the end of 2012.

To apply for an Environment Award to recognise that we are demonstrating best practice in terms of our commitment to the environment.

COMMUNICATION ON PROGRESS 2011: ANTI-CORRUPTION



Principle 10

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

CONTEXT: Impact firmly believes that all businesses should work against corruption. We have strong internal policies communicated to all staff (through our staff handbook) about expectations for professional and ethical behaviour.

2011 Target: To include a policy in our handbook that we work against anti-corruption in all its forms.

Progress: We have failed to complete the policy in time to include it in our staff handbook, however, we have started the process of writing such a policy. We are currently refining this policy and it will be completed and communicated by the summer of 2012.

TARGETS FOR 2012

To include a policy in our staff handbook that Impact work against anti-corruption in all its forms.



Communication on Progress

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