



March 2, 2012

## Edelman's Communication on Progress

UNITED NATIONS GLOBAL COMPACT



TABLE OF CONTENTS

STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (CEO) .....3

HUMAN RIGHTS PRINCIPLES .....4

LABOUR PRINCIPLES .....6

ENVIRONMENT PRINCIPLES.....8

ANTI-CORRUPTION PRINCIPLES .....9

## STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (CEO)

PERIOD COVERED BY OUR COMMUNICATION ON PROGRESS  
FROM: MARCH 3, 2011 TO MARCH 3, 2012

Edelman has been a participant of the United Nations Global Compact since March 2001. I am proud to affirm my continued support of the company's commitment towards the Compact and its principles.

Since our last Communication on Progress in March 2011, we've made progress on a number of the principles. Specifically, in January 2012 we distributed critical CSR policies—human rights, environment and supplier code of conduct—to all Edelman staff. We also established mandatory, online anti-corruption compliance training to applicable employees in order to educate on new regulations and increasing enforcement activity around this area.

Additionally, in FY 2011, we created our first Global Citizenship Report using the established Global Reporting Initiative (GRI) framework. The creation of this report was a global exercise, as employees from all over the world contributed CR content, including 38 case studies. In completing the report, we were able to share our progress on our global carbon footprint, global volunteerism and contributions results, and other issues. To view our FY 2011 CR report, please [click here](#).

Edelman continues to support the United Nations by collaborating on projects with United Nations Population Fund (UNFPA) and United Nations Development Programme (UNDP), and the International Integrated Reporting Council (IIRC) pilot program. Additionally, in order to assist in achieving one of the United Nations Millennium Development Goals of eradicating hunger and poverty, we established a global policy that provides four hours paid time off, per year, per employee, for professional volunteer activities towards achieving that goal.

As a company, we are committed to ensuring that business is performed in a sustainable and ethical manner. We look forward to our continued participation with the United Nations Global Compact as we move forward with our commitments to the Compact principles.

Sincerely,



Richard Edelman  
President & CEO

# HUMAN RIGHTS PRINCIPLES

**PRINCIPLE 1: BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND**

**PRINCIPLE 2: BUSINESS SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES.**

## UPDATE:

As a signatory of the United Nations Global Compact, Edelman supports internationally accepted principles regarding human rights, including the United Nations Declaration on Human Rights and core ILO conventions.

Since our last Communication on Progress, we created a new Human Rights Policy to reflect our commitments to principles-based behavior and delivering on societal and operational responsibilities. In January 2012, the policy was distributed to all Edelman staff. The policy highlights areas of commitment that are most relevant to our company. Specifically, our Human Rights Policy addresses our commitment to equal opportunity and non-discrimination; fair pay and working conditions; and health and safety. Additionally, the policy outlines our stance on child labor; forced/bonded labor; freedom of association and the right to collective bargaining; bribery; and compliance and political activities. You can view a more in-depth review of our Human Rights Policy [here](#).

Supporting and protecting our employees' human rights is a defining aspect of Edelman's employment policies and practices, and a focus on human rights is integrated into our daily operations. Edelman strives to create and maintain a fair, safe and diverse workplace in all of our locations around the world. We recognize that we cannot effectively deliver for our clients if our employees do not feel safe or are not treated fairly.

With our Human Rights Policy, Code of Ethics for Suppliers and Service Providers, Edelman's Code of Ethics and Business Conduct and support for diversity, we seek to protect employees' human rights and avoid abuses. Below are some of the ways we strive to do this:

- **Living by Our Code of Ethics and Business Conduct:** Edelman's Code of Ethics and Business Conduct and other elements of our compliance and ethics program are intended to help raise employee awareness of both the legal requirements and the expectations of ethical business practices that apply to our industry. Every Edelman employee is responsible for applying the information and policies outlined in our Code of Ethics and Business Conduct to their daily work. We encourage employees to report any illegal or unethical behavior in the work place in order to immediately and effectively resolve any issues. For a more in-depth review of our Code of Ethics and Business Practices, you can view it [here](#).
- **Supporting Diversity:** At Edelman, we recognize the value that diversity brings to our workforce and actively seek to employ qualified employees from diverse backgrounds, train our staff about the power of diversity, actively work with organizations that represent diverse backgrounds and grow partnerships with minority- and women-owned businesses to provide mutually beneficial opportunities. Additionally, Edelman strictly prohibits harassment and discrimination based on race, color, religion, age, gender, national origin, disability, sexual orientation marital status, or any other basis protected by law.
- **Promoting a Safe Workplace:** We protect our employees' human rights by enforcing zero-tolerance workplace violence and harassment policies. These policies help to ensure that our employees are working in productive, safe work environments.

Furthermore, Edelman seeks to extend high ethical standards to our suppliers and service providers. As highlighted in our Human Rights Policy, we expect our suppliers to understand and comply with our Code of Ethics for Suppliers and Service Providers, which communicates our expectations regarding human rights and other provisions that apply to our third party service providers. Failure to comply with the provisions of this code can result in exclusion of a third party service provider from doing business with Edelman. For a more in-depth review of our Code of Ethics for Suppliers and Service providers, you can view it [here](#).

In supporting human rights, Edelman also gives back to the communities in which we operate through volunteer activities and pro bono counsel. In FY 2011, we provided \$5.1 million of cash, non-cash (volunteerism) and in-kind giving to our communities. Moreover, we established the Edelman Community Investment Grant Program where we award up to \$2,500 to employee volunteer organizations that focus on a variety of cause categories such as animal welfare, community development, culture/arts, education, environment, health, poverty/hunger, social services and youth. In FY 2011, we awarded \$150,000 to over 60 employee volunteer organizations.

## LABOUR PRINCIPLES

**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.**

### UPDATE:

Stated in our Human Rights Policy, Edelman employees have the right to organize and engage in collective bargaining without fear of intimidation, reprisal or harassment. In countries that restrict this right, Edelman may choose to support similar means of independent and free association and collective representation as allowed by applicable law. Moreover, as clearly outlined in our Human Rights Policy, employees must be employed of their own free will. The use of forced, compulsory, or bonded labor is unacceptable. Edelman will not employ anyone under 15 years old, except as otherwise allowed under applicable laws and regulations and acceptable under societal and cultural norms (e.g., for use of minors in certain age-appropriate product promotion activities). Where local minimum age law stipulates a higher age for work or mandatory schooling the higher age would apply. Edelman supports ILO convention 182, which bans certain forms of child labor. Edelman prohibits harassment and discrimination based on race, color, religion, age, gender, national origin, disability, sexual orientation, marital status, or any other basis protected by law. We have equal opportunity hiring and recruiting policies in place in order to help us identify employees from diverse backgrounds that strengthen our workforce and can help provide a multicultural perspective to our clients.

In addition, we strive to complement our workplace with a focus on work-life balance, promoting education, sharing best practices on a global level and emphasizing quality performance in order to implement our commitment to labor practices:

- **Work-Life Balance:** We believe the balance between the personal and working lives of our employees is the key to maintaining health, productivity, creativity, and overall job satisfaction. Edelman recognizes the importance of time away from the office and urges our employees to use their paid time off. All full-time employees are eligible for vacation time. Optional days are provided in addition to formal holidays and may be used at the discretion of the employee on a jurisdiction by jurisdiction basis. Edelman also offers employees in the U.S. days off to be used during the summer months.
- **Education Opportunities:** Launched in 1996, Edelman University is a comprehensive in-house learning and development program for all employees. We are committed to developing the knowledge and skills of our employees so that they can deliver the highest quality service for our clients. We recently rolled out and encouraged employees to take part in a Social Media Belt Training Program and a Public Engagement training program. We also provide employees with opportunities for external education/training and provide tuition reimbursement for applicable courses.
- **Global Talent Sharing:** To support our global culture, we offer employees the ability to gain first-hand experience working in different markets and different cultures for a period of three months to three years. Specifically, this allows us to help develop our future leaders' global understanding and

capabilities; support our business objectives; and facilitate knowledge-sharing and best practices between employees across the firm.

- **Quality Performance:** Edelman has a strong Quality program, which helps us assure consistent high quality performance throughout our global network. Through our Edelman Excellence (E2) program, we reward exceptional employee efforts and E2 reviews are part of the protocol for promotion and advancement.

Since our last Communication on Progress, we established a Global Diversity Advisory Council (GDAC), made up of select employees around the world. The GDAC's primary responsibility is to monitor action plans in all of our regions and ensure that they align with the firm's overarching diversity and inclusion goals.

Additionally, Edelman created the Global Women's Empowerment Network (GWEN), which is an empowered group of people committed to networking, recruiting, collaborating and career planning for women across the Edelman network. GWEN's objective is to increase the presence of women at the most senior levels of the company and to create an environment where women are encouraged to lead and succeed.

In regards to the measurement of the labor principles, in our FY 2011 CR report we reported our gender metrics as follows:

- Total female: 68%
- Total male: 30%
- Undisclosed: 2%

We also reported our U.S. diversity breakdown:

- Ethnically diverse: 25.99%
- Caucasian: 74.01%

With the introduction of the GDAC and GWEN we are seeking to expand the company's diversity initiative and will continue to monitor our progress in relation to the labor principles.

## ENVIRONMENT PRINCIPLES

**PRINCIPLE 7: BUSINESS 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.**

### UPDATE:

In 2010, we initiated the Edelman Global Carbon and Water Footprint Project to establish an accurate baseline and lay the foundation for measuring and managing future impacts. In FY 2010, our footprint was approximately 12, 812 metric tonnes CO<sub>2</sub>E, which accounted for the carbon emissions of 51 Edelman offices in five operating regions.

Furthermore, in January 2012, we established a Global Environmental Policy where we state our support for protecting our environment and conserving our precious natural resources. We highlight our approach towards maintaining a sustainable business through the Edelman Global Carbon and Water Footprint Project and state our commitment to continuing to look for ways to reduce adverse environmental impacts of our business activities. To view our new Environmental Policy, please click [here](#).

We continue to license a web-based commercial software from CarbonSystems to enable each global office to track and report its ongoing GHG emissions. Additionally, as a result of our initial global carbon footprint, we are developing a global carbon reduction target.

In striving to improve our global carbon footprint and our commitment to sustainability, we have made important investments in our U.S. office facilities and processes:

- We only purchase electronic equipment with an Energy Star rating or equivalent
- We purchase office furniture from manufacturers who use low- or no- volatile organic compounds (VOCs) and wood from sustainable sources. When we dispose of old furniture, we make every effort to do so by sending it to local charities
- We adhere to USGB (US Green Building) standards when designing our spaces
- We have a policy of default, double-sided printing and 30% recycled paper for our printers and copiers

Since our last Communication on Progress we've continued to track our global carbon footprint by engaging our global offices in actively participating in this exercise. Our partnership with RESET Carbon allows us to constantly measure our progress against the environmental principles. We will publish our environmental progress in our next CR report.



## ANTI-CORRUPTION PRINCIPLES

### PRINCIPLE 10: BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY.

#### UPDATE:

Since 2007, Edelman has had a full-time compliance and ethics function under the direction of a dedicated Global Compliance Officer. We also address compliance and anti-corruption regulations in the Edelman Code of Ethics and Business conduct, which is distributed to all new employees. The Edelman Code of Ethics can be viewed [here](#).

In addition to ensuring high ethical standards apply to our employees, we made sure they apply to our third party business partners. In January 2012, we established a Code of Ethics for Suppliers and Service Providers, which is intended to ensure that subcontractors, freelancers, suppliers and other third parties (“Our Suppliers”) understand and agree to comply with our set standards in all business dealings. Our policy covers our commitment to honesty, transparency and fair dealing. Moreover it ensures that Edelman’s business activities align with the interest of all stakeholders: clients, employees and parties with whom we interact. Finally, it explains how Edelman strives to model best practices in all the areas of our business and how Edelman does not violate legal obligations, including but not limited to applicable anti-corruption and anti-money laundering statutes. To view our new policy, please click [here](#).

All new employees receive compliance and ethics training as part of their orientation, and are required to confirm in writing their understanding and commitment to comply with the provisions of the Code of Ethics and Business Conduct. Furthermore, in December 2011, we updated and rolled out mandatory online anti-corruption compliance training to applicable employees. This training was important as it highlights new regulations, increasing enforcement activity, and important internal policies around anti-corruption practices and expectations. The Edelman compliance and ethics team will monitor and enforce employee completion of these training programs on an ongoing basis.

