

Salterbaxter's Communication on Progress UN Global Compact

20 April 2009

This document is to be read alongside Salterbaxter's corporate responsibility (CR) review 'CR at salterbaxter' which can be found at <http://www.salterbaxter.com/cr/>. 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 third 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

Salterbaxter advises companies on branding, corporate responsibility, corporate reporting and employee engagement. We name companies, re-invent companies, re-position companies and re-brand companies. We help companies communicate with shareholders and their employees and we advise them on how to address corporate responsibility. We create brands, complete company communications programmes and global guidelines. We design, build and manage websites, e-commerce sites and all things interactive. We develop climate change campaigns and bring sustainability to life. In short we apply creative thinking to the big issues that businesses have to address in order to improve performance. Our clients are extremely varied and include FTSE 100 and Euro 100 companies; some of the world's most exclusive brands; independent, entrepreneurial businesses; world leading educational establishments; law firms; private equity firms and media companies.

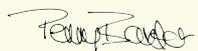
At the time of writing there are 35 full time employees. The company was founded in 1998 by Nigel Salter and Penny Baxter.

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 ten 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 either directly through their roles or as part of our 1% programme. 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, Europe and North America (North American suppliers were related to one of our client projects in 2008 and we do not expect our supply chain to continue in this region in 2009).
- 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 online CR review for more information.
- We operate an open and honest culture to discuss issues and have a grievance procedure. See our online 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 office procedures.
- We recognise that the design industry has issues surrounding diversity and have conducted research in this area. Over the past year we have gone out into schools and universities to promote careers in this industry to more diverse groups in an effort to improve the situation. See our online CR review for more information.

- 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 online 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

Salterbaxter actions:

- We engage all our employees on environmental and energy efficiency issues.
- We launched an individual carbon footprint campaign to raise awareness of climate change and what our employees can do.

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

Salterbaxter actions:

- We are committed to minimising all our environmental impacts.
- 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 a quarterly 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 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 save energy as much as possible and are signed up to a green electricity tariff. We offset carbon emissions when they are unavoidable.
- We are researching the carbon footprint of papers and printers, which is an area currently not well addressed in the industry.

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 have terms and conditions for working with suppliers and with clients.

- 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 2008

We are in the process of updating the measurement section on our online portal, below is a summary of our key performance indicators for 2008:

- Paper we use – all the paper we use is either recycled or FSC and recycled the equivalent of 109 trees in 2008.
- Travel – we travelled a total of 65,617 business miles in 2008, but we offset all the carbon produced.
- Working hours – our working hours averaged 9.1 per day per employee, the same as 2007.
- Training – average 7.9 days per employee, same as 2007. We missed our target of 9.5 days per employee.
- Work placements – 11 x 2 weeks for student placements and we just missed our target of 12 placements.
- Energy – we are still on a green tariff and in 2008 we launched an individual carbon footprint awareness campaign.