

August 3, 2009

Communication on Progress: Sirota Survey Intelligence® 2008-2009

Sirota Survey Intelligence¹ became a member of the Global Compact in September 2008. This document summarizes our progress on the ways in which we are implementing the ten principles of the Global Compact.

a. Statement of Continued Support

Sirota does not issue a formal Annual Report, therefore, we will commence by providing a statement of continued support for the Global Compact, and renewing our ongoing commitment to the initiative and its principles, in the words of our CEO, Michael I. Meltzer:

"Sirota Survey Intelligence (Sirota) is a New York-based international survey research and consulting firm which conducts employee satisfaction and other kinds of multi-constituency organizational surveys; based on these surveys, we provide feedback and consultation regarding improving the well-being of employees and other stakeholders, while enhancing the success of the organization.

Sirota's philosophy and methodology is drawn from the discipline of organizational psychology and successful management practices, and is congruent with the Ten Principles of the Global Compact. Ours is a partnership culture, both internally and in regard to our various stakeholders. It forms the basis of how we advise our clients; how we market our professional services; how we relate to our employees in our home office in the USA, our employees in the United Kingdom, and in our affiliate organizations around the world. Our client work includes an emphasis on the importance of adherence to basic human rights in order to ensure an engaged, committed work force. Research from our own archives shows that a high level of employee satisfaction goes hand in hand with greater financial success. The Ten Principles also underlie the way we partner with our vendors, the way we interact with the community at large, and our efforts to contribute to the effectiveness of the United Nations in its achievement of the Millennium Development Goals (MDGs).

Our range of surveys includes employee opinion/attitude surveys, ethics, accountability, and corporate social responsibility (CSR). Our definition of CSR is the equitable treatment of customers, employees, vendors, owners/investors, and the community: one group does not prosper at the expense of another group. Figure 1 displays our model. Our CSR surveys show organizations where they stand on a number of CSR measures, how they compare to other organizations, and advise them on how to improve their standing.

Sirota is a professional organization which prides itself on its thought leadership and research which we endeavor to actively disseminate to our colleagues in business and in psychology. To this end we have published presentations in newspapers, journals, on our web site and in professional conferences, most recently a poster session on CSR at the meeting of the Australian Psychological Association in Sydney, Australia, on June 26, 2009.

The Centre at Purchase
One Manhattanville Road
Purchase, New York 10577

914.696.4700 (main)
914.696.3401 (fax)

www.sirota.com

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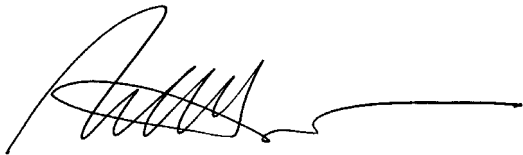
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Sirota's admiration for the United Nations, the pre-eminent organization supporting Human Rights, has been demonstrated by our endorsement (through financing and time) of two of our senior employees: Drs. Walter Reichman and Mary O'Neill Berry are NGO representatives to the United Nations Economic and Social Council (ECOSOC) from the International Association of Applied Psychology (IAAP). In this capacity, they conducted a pro bono survey of NGO representatives on the topic of "Working Relationships between the NGO Representatives and the United Nations." They have also presented Brown Bag lunches to UNDP and UNICEF

on the application of psychological principles to the work of the UN. They have presented symposia on the UN to professional psychological organizations, and are planning a symposium for the 2010 Congress of IAAP on the UN's work in poverty reduction and on the contributions of organizational psychology to the work of the UN. Their interview with Georg Kell, Executive Director of the Global Compact, was published in The Industrial Psychologist (TIP), the journal of the Society of Industrial/Organizational Psychologists (SIOP), and their interview with Ndjankou Njonkou, then Director of the New York office of the International Labour Organization (ILO) was published in the IAAP Bulletin. In addition, they wrote a submission on the topic of decent work (based on Sirota's research) for the 2009 ECOSOC Annual Ministerial Review (AMR) meeting; they also submitted a statement to the 2006 NGO Forum and to the 2006 High Level Segment of the Economic and Social Council. In addition, they offered their services to Dr. Manuel Escudero, head of the Global Compact Research Center, to contribute research and/or presentations on CSR for the companies with the best COPs (see attached email).

Sirota is proud to be a member of the Global Compact, and hereby reaffirms our ongoing commitment to this initiative and its principles.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael I. Meltzer", followed by a long horizontal flourish.

Michael I. Meltzer
Chief Executive Officer"

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b. Description of Actions

We understand that this section must address activities and, if applicable, policies, which reflect Sirota's implementation of at least two of the four issue areas (human rights, labour, environment, anti-corruption) related to the principles.

1. Labour

- i. Sirota companies comply with all relevant laws and regulations mandated by the relevant local authorities, including the Occupational Health & Safety Administration (OSHA) in the United States, and the Health & Safety Executive in the UK.
- ii. Each new employee receives briefing and training about office HSE programs within their first week, and are advised of Sirota's overall Health, Safety and Environmental protection programs.
- iii. Sirota provides a safe working environment for employees. Regular fire drills and fire alarm testing procedures are conducted in all Sirota locations, and all office buildings are inspected regularly and adhere to all building and construction Codes.
- iv. Sirota has a strong interest in creating and maintaining benefit programs that improve and enhance the quality of life of all its employees and that help make Sirota an employer of choice. Benefits include healthcare coverage for applicable employees and their families, and supplemental programs for vision care, preventative care, dependent care programs, life and long-term disability programs. Sirota also contributes to the retirement pensions of employees.
- v. Sirota conducts an annual Employee Opinion Survey, which is an opportunity for all employees to make their views known in an unfiltered manner to all levels of management in the firm. This has been an effective means of upward communication for almost 10 years now, and the firm has a good record of addressing issues which surface in the survey results.
- vi. Sirota has a flexible workplace policy. Several employees work virtually from their homes in other states besides our HQ state of New York, and many more work at home one or more days each week, at the discretion of their supervisor. Many employees work hours other than the traditional 9 to 5, again, at the discretion of their supervisors.
- vii. Sirota supports the annual "Take Your Child To Work" day.
- viii. Sirota provides an annual Employee Holiday Party, held off-site.
- ix. Until recent economic conditions made it impossible, Sirota awarded annual bonuses to all employees who merited them.
- x. Sirota is an equal opportunity employer, and numbers among its workforce not only African-American and Hispanic individuals, but also many nationalities, including British, Chinese, Indian, Irish, and Israeli.

2. Environment

- i. Sirota has an appointed ECO officer and has convened a small group of employees who meet regularly as the "Green Team" or "Corporate Social Responsibility Team". They have been responsible for spearheading a company-wide effort regarding conservation of paper (encouraging paperless output and providing options to reduce paper usage such as toner recycling, double-sided paper use, etc.) and the firm has received a citation for these efforts by Shred It (a paper recycling organization). Sirota also practices reduced energy consumption by ensuring that employees turn off lights, computers and printers when not in use.
- ii. The team also initiated a partnership with other businesses in the corporate office park in which we are located, in order to establish a recycling policy for the entire park.
- iii. This team also identified numerous tips for healthy living, which are regularly published in the firm's weekly online newsletter, and sponsored regular potluck lunches for all employees featuring healthy foods.
- iv. Sirota recently renovated its office space in the US to include 100% recycled carpet and ceiling tiles.
- v. Sirota has eliminated paper products (cups, paper towels, etc.) and replaced them with reusable products and energy-saving appliances.
- vi. Sirota organizes car-pooling programs for its employees.
- vii. Sirota employees are encouraged (by company-funded share-matching) to support their local farming communities by participating in Community Supported Agriculture (CSA) programs.
- viii. Sirota contributes (on behalf of our clients in lieu of holiday cards) to "Trees for the Future", an organization that has, since 1989, helped communities around the world plant trees, and was awarded their Certificate of Tree Planting, indicating that a grove of 1,000 trees has been planted in Honduras in honor of the firm.
- ix. Sirota's Corporate Social Responsibility/Community Service activities include the following:
 - a. Encouraging employees to volunteer help and assistance to their own communities

- b. Collecting toys for needy children at holiday time
- c. Participating in the community Blood drive
- d. Donating to funds for catastrophic events (we received a Certificate of Recognition from Feed the Children for our contributions to the victims of Hurricane Katrina)
- e. Donating to employee-sponsored causes, e.g., breast cancer research
- f. Discounting work to not-for-profit organizations by 20%
- g. Conducting pro bono projects for not-for-profit organizations such as the United Nations Department of Public Information (DPI), Action Against Hunger – USA, the National Park Foundation, and the Institute for Social Research, University of Michigan.

3. Anti-Corruption

- i. One of Sirota's products is an Ethics Survey, which assesses the culture of integrity in an organization. In addition, most of our broad-based employee opinion surveys include items measuring employees' views of their own organization's performance on such critical areas as "being ethical in its business dealings."
- ii. Sirota includes on its website prominent mention of the Global Compact and our support for its principles.
- iii. Sirota passes the strictest global requirements regarding the protection of human subjects in our survey work, and the privacy of the information we gather. We hold "Safe Harbor" status in the European Union (EU).

4. Partnerships

- i. Since 2005, two of Sirota's senior staff, Drs. Walter Reichman and Mary O'Neill Berry, have been NGO representatives to the United Nations Economic and Social Council (ECOSOC) for the International Association of Applied Psychology (IAAP). In this capacity, in 2006 they conducted a pro bono survey of NGO representatives on the topic of "Working Relationships between NGO Representatives and the United Nations", the results of which were presented in a Department of Public Information (DPI) Communications Workshop at the UN in November 2006.
- ii. Drs. Reichman and Berry also presented Brown Bag lunches at UNDP, covering topics such as dealing with bureaucracy, teambuilding, overcoming resistance to collaboration and gaining acceptance for new ideas, implementing/operationalizing projects, and effective communications.
- iii. They are members of the Planning Committee of the annual Psychology Day at the United Nations, and have co-chaired speaker panels each year.
- iv. They have interviewed (and subsequently published those interviews) Georg Kell, Executive Director of the Global Compact, and Djankou Ndjoukou, then Director of the New York Office of the International Labour Organization (ILO).
- v. They have offered Sirota's services to Dr. Manuel Escudero, head of the Global Compact Research Institute, to contribute research and/or presentations on CSR to Global Compact members with outstanding COPs (see email text in Measurement section).
- vi. They are members of the Global Task Force on Organisational Psychology for Poverty Reduction, founded at the 2008 meeting of the Society of Industrial/Organizational Psychology (SIOP).
- vii. Several Sirota staff have attended Global Compact meetings in New York and Boston.
- viii. Several Sirota staff have attended conferences organized by the Corporate Responsibility Officer (CRO).
- ix. Sirota has established a network of affiliates around the world, who assist in securing and implementing client projects.

c. Measurement of Outcomes

1. Labour.

- a. Executive Summary of Sirota Employee Survey:
Sirota fully believes in "practicing what we preach" and we survey our employees on an annual basis, using a customized version of the survey items we provide to our clients. The Sirota internal survey results are substantially above the benchmark for engagement. We disaggregate the company data to team leaders and insist on extensive review and action plans at the team level. The Management Committee regularly reviews progress on these plans and conducts 'pulse' surveys when necessary to check actual progress. Our philosophy is to continuously strive to improve the results.
- b. Sirota's most recent filing of its EEOC Certificate of Compliance was 1 August 2008.

2. Environment.

- a. Samples of suggestions for conservation efforts included in weekly online newsletter "This Week At Sirota":
 - * Bring your own bag. Every year, more than 500 billion plastic bags are distributed and less than 3% of those are recycled. They are typically not biodegradable and can take up to 1,000 years to completely decompose in landfills that emit harmful greenhouse gases.
 - * Choose reusable water containers rather than disposable water bottles.
 - * Wash all clothes in cold water.
 - * Clean the lint screen after every use of your clothes dryer.
 - * Never use the heated dry option of the dishwasher.
 - * Get an energy audit of your house – a "home performance" assessment.
- b. Award for paper saved presented by "Shred It"
- c. Certificate of Tree Planting presented by "Trees for the Future": 19 December 2007
- d. Certificate of Recognition presented by "Feed The Children" for emergency relief following Hurricane Katrina: 2005
- e. Samples of healthy potluck lunch dishes shared with Sirota Staff:
 - i. Roasted shrimp and mango salad
 - ii. Artichoke bread
 - iii. Hummus and whole-wheat pita bread
 - iv. Rice and bean fiesta

3. CSR

- a. Examples of Sirota CSR Survey Items:
 - i. Rate XYZ on having a genuine interest in the well-being of its employees
 - ii. Rate XYZ on taking a genuine interest in the welfare of the community in which it does business (being a good "corporate citizen").
 - iii. Rate XYZ on having a genuine concern about protecting the environment.
 - iv. Rate your awareness of/familiarity with XYZ's various CSR programs/activities.
 - v. Rate the effectiveness of XYZ's various CSR programs/activities.
- b. CSR Grid (see below).
- c. CSR Project: Montefiore Medical Center 2009 Sustainability Survey
- d. Attendance at Global Compact-related Meetings:
 - i. UN Global Compact US Network Meeting: "Water in the 21st Century: Managing the Business Risks and Opportunities;" 3 November 2008, New York City.
 - ii. UN Global Compact US Network Meeting: "Business and Human Rights;" 28 April 2008, Boston, MA.
- e. Attendance at CSR-Related Meetings:
 - i. Corporate Responsibility Officer (CRO) Conference, 10 May 2007, New York City.
 - ii. CRO Conference, 12 September 2007, Chicago, IL.
- f. Presentations on CSR:
 - i. CRO Conference, 26 March 2008, New York City: "Attitudes of Corporate Responsibility Practitioners and Providers" – Joint Sirota/CRO research – presented by Doug Klein, President, Sirota Survey Intelligence.
 - ii. CRO Conference, 18 June 2008, San Francisco: "Top 10 Trends in CSR," presented by Doug Klein, President, Sirota Survey Intelligence.
 - iii. Australian Psychological Association Conference, 26 June 2009, Sydney, Australia: "Business Sustainability as a Function of Corporate Social Responsibility," Poster Session presented by Walter Reichman, Vice President, Sirota Survey Intelligence.
- g. Press Releases on CSR:

- i. "Workers Satisfied with Company's Social Responsibility Are More Engaged and Positive, Study Shows," 2 May 2007
 - ii. "Corporate Social Responsibility Contributes to Bottom Line, Improves Worker Engagement and Customer Loyalty, Says Sirota Survey," 18 June 2007
 - iii. "Workers' Perceptions of Companies' Environmental Policies is Key Factor in Employee Engagement," 5 September 2007
 - iv. "Corporate Social Responsibility in Uncertain Times Requires Reaching Out to Many Affected Groups," 29 October 2007
 - v. "New Study Finds Big Differences in Perceptions of the Success of Corporate Responsibility Efforts," 22 April 2008
- h. Publication: "A Field Guide to Corporate Social Responsibility," Michael I. Meltzer, CEO of Sirota, ACC Docket, April 2008

4. Anti-Corruption.

- a. Examples of Items from Sirota's Ethics Survey:
 - i. Rate XYZ on being ethical in its business dealings.
 - ii. XYZ has created an environment which provides protection against unlawful harassment and discrimination.
 - iii. I can report financial irregularities without fear of reprisal.
 - iv. The leaders of XYZ show strong commitment to ethical business decisions and conduct.
 - v. The people I work with act with integrity.
- b. Presentation: "Assessing and Shaping a Culture of Ethical Conduct" made by Michael I. Meltzer, CEO of Sirota, to ACCGNY, New York City, 14 April 2009
- c. Newspaper Article: "Where Businesses Fall Short," by Michael I. Meltzer, CEO of Sirota, The Philadelphia Inquirer, 14 October 2008.

5. Human Rights.

- a. Examples of Sirota Survey Items with Human Rights Connotations:
 - i. Rate the extent to which management treats employees with respect and dignity.
 - ii. How do you feel about the amount XYZ has done to provide opportunities for women/for minorities?
 - iii. Where I work, reasonable accommodations are made for persons with disabilities.
 - iv. My manager/supervisor is sensitive to the need for balance between my work life and my personal life.
 - v. Employees where I work can usually get a fair hearing for their complaints.
- b. Presentation: "Assessing and Shaping a Culture of Corporate Responsibility" made by Michael I. Meltzer, CEO of Sirota, to Business Leaders Initiative on Human Rights, Stockholm, Sweden, 19 June 2008

6. Partnerships.

- a. Email Text of Services Offered by Sirota to Dr. Manuel Escudero, Executive Director of the Research Center for the Global Compact:

13 February 2009

Dear Dr. Escudero: Thank you so much for meeting with us and describing the work of the Research Center for the Global Compact. After further reflection among ourselves, we thought we would suggest the following as a possible way in which Sirota, as an international survey research firm with over 35 years' experience, could be of service in the important work that you do.

You mentioned a series of Retreats planned for 2009-2010 with the top 200 Global Compact members, the topics being various aspects of CSR. We feel that we could contribute to one or more of these meetings by presenting Sirota's approach to measuring the effectiveness of CSR among multiple corporate stakeholder groups, and perhaps facilitating breakout discussion sessions with the attendees as they wrestle with the challenges of systematically managing their stakeholders, defining the internal location of CSR and effectively

implementing CSR within their organizations, and dealing with CSR in a post-crisis landscape. Our research has a great deal to say about what constitutes a successful CSR effort and how organizations can assess their CSR progress over time – from the perspective of the perceptions and attitudes of the stakeholders, rather than simply the money and time spent on CSR.

If this is of interest to you, please let us know and we will send you a draft outline of what our presentation might look like, for further discussion.

Thank you again for your time.



Mary O'Neill Berry, PhD
Executive Vice President



Walter Reichman, EdD
Vice President

CSR GRID:

Measurement Dimension	Main Themes	Notes	Level 1 - Baseline	Level 2 - Maturing
Activity in CSR	Integration of CSR in Business		There are few if any CSR activities underway. Decisions about CSR activities are made separately from other business decisions.	CSR activities are among those important to the organization but are decided upon and handled in ways distinct from the major business operations.
Activity in CSR	Extent of CSR Activities in Organization		CSR activities are non-existent or limited to one or two and/ or are of a short duration	The organization is involved in a limited number of CSR activities above those that are purely philanthropic.
Compliance	Communication/Awareness of compliance		There is little to no communication about legal and ethical practices.	Descriptions of relevant legal and ethical practices and focus points are distributed at least once, and then again each time they change.
Compliance	Degree of compliance efforts		Legal and ethical operations are outlined in handbooks and other documents, but training is not provided except in special cases.	Training on legal and ethical behavior is part of the standard on-boarding and the professional development process. (There is no formal system of accountability for employees)

Economic Performance - CSR Alignment	Company Performance & Evaluation	Level 2- should we include CSR linked to initial company eval	CSR accomplishments are not counted among the assets of the company. They are considered secondary to core business operations and are perceived as adding little to the financial value to the company.	CSR activities are included in the discussions about the overall standing of the company in the community. (CSR activities receive minimal or no weight when evaluating the success of the organization)
Economic Performance - CSR Alignment	Acknowledgement of Contribution		CSR activities are not seen as contributing to the success of the organization.	The potential for CSR activities to contribute to organizational success is acknowledged within the company.
Economic Performance - CSR Alignment	CSR Focus	Measurement DIM correct? Scope of CSR?	The CSR focus of the organization is primarily philanthropic.	The CSR focus of the organization is extended to include local activities or partnership with an established national philanthropic endeavor.
Economic Performance - Innovation	Development of Products and Services		CSR is not considered when developing company products and services.	CSR is acknowledged when developing products and services.
Environmental Performance - CSR Alignment	Environmental Consideration		Consideration of environmental impact is limited to activities such as recycling and energy efficiency in organizational practices.	Environmental impact beyond internal practices is considered when planning organizational operations (i.e., environmental footprint, pollution, etc.).
Environmental Performance - Innovation	Risk Taking Behavior		The organization does not encourage stakeholder groups to take risks to find ways of operating that reduce negative effects on the environment.	The organization encourages stakeholder groups to take risks to find ways of operating that reduce negative effects on the environment.

Leadership Excellence - Values	Integration with mission, statement, and goals		CSR is not included in the organization's formal statements of mission, values, and goals presented to stakeholders.	CSR is broadly addressed in the organization's mission, values, and goals presented to stakeholders.
Leadership Excellence - Values	Civility, Trust, and Respect for Human Rights		Civility, trust, and respect for human rights is a value of the organization but not actively promoted within organizational activities.	Civility, trust, and respect for human rights is a value and is actively promoted within organizational activities such as special programs.
Measurement - Audit	Incorporation into the Business		Financial and human resource expenditures in CSR activities are not assessed in terms of ROI.	Some financial and human resource expenditures in CSR activities are assessed in terms of ROI.
Measurement - Survey	Opinion Survey		Opinions regarding the organization's CSR activities and overall reputation are not assessed formally or informally.	Opinions regarding the organization's CSR activities and overall reputation are assessed, but informally or from a nonrepresentative sample.
Process Excellence - Communication (Outward)			CSR results are either not reported or are reported informally to shareholders, financiers, or the Board of Directors.	CSR results are reported to shareholders, financiers, and the Board of Directors through the annual report, most often among philanthropic activities distinct from business activities.
Process Excellence - Onboarding	Onboarding		The importance of CSR is not communicated to new employees in onboarding or other socialization processes.	The importance of CSR is communicated to new employees during onboarding procedures.
Process Excellence - Organizational Design	Formal Presence within Organization		CSR responsibilities are carried out as an additional duty of an individual and is not formally represented in his or her job description.	CSR is a formal responsibility specified in an individual's job description.

Process Excellence - Recognition & Rewards	Rewards & Recognition	Level 3 criteria to high?	Little or no rewards are given for employee contributions that enhance an organization's CSR performance.	Employee contributions that enhance an organization's CSR performance are both encouraged and recognized.
Social Performance - Innovation	Customer Incentives		The organization does not explicitly encourage or provide incentives to customers for participation in environmental or social responsibility activities.	The organization encourages customers to participate in environmental or social responsibility activities through advertisements and campaigns.
Social Performance - Treatment of Stakeholders	Equitable Treatment	Review Level 2	Ensuring equitable treatment of stakeholders is not an explicit part of strategic planning.	The equitable treatment of stakeholders is taken into consideration in strategic planning but not necessarily followed.
Process Excellence - Communication (Horizontal)	Interaction with Suppliers		Suppliers' CSR activities are not considered in business dealings.	Suppliers are made aware of the organization's CSR standards and activities.
Social Performance - Treatment of Stakeholders	Treatment of foreign subsidiaries		There is little knowledge and no involvement with the manner in which employees in foreign subsidiaries are treated.	There is a concern for employees in foreign subsidiaries but the local culture is the major determinant of equitable treatment.

LIST OF THE GLOBAL COMPACT PRINCIPLES

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights, and
2. Make sure that they are not complicit in human rights abuses.

Labour

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

Environment

7. Businesses should support a precautionary approach to environmental challenges,
8. undertake initiatives to promote greater environmental responsibility, and
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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