

2012

A photograph showing a person in a red shirt rappelling down a rock face. The background is a dense forest, and the scene is bathed in warm, golden light, possibly from the setting or rising sun.

# Corporate Citizenship Report

A stylized, light gray logo consisting of the letters 'W' and 'E' intertwined.

Waggener Edstrom Worldwide



# Independence

## What's the purpose?



### A letter from our CEO

As I write this in the third quarter of 2013, business is brisk and our momentum has me feeling grateful, energetic and inspired. Although I always look forward to the chance to share agency news with you, I take pride in writing this annual letter because it introduces a detailed documentation of our agency's commitment to transparency, accountability and our employees' desire to make a difference in their world. Whether that means **repairing crumbling stilt houses in Tai-O**, **helping to feed kids in a Soweto township**, or **providing school supplies to low-income youth across the U.S.**, each has taken place since our first annual Corporate Citizenship report was published in 2009 in adherence with Global Reporting Initiative guidelines.

When one's passions cover so much literal and figurative ground, one must also be passionate about keeping records, and this document is derived from many sources: financial records on giving, pro bono work, and employee volunteer hours; labor statistics and employee benefits; office carbon emissions data; client case studies; personal employee stories; and policies and codes of conduct. In addition, consultants help us set up benchmarking and measurement for each year's analysis. Altogether, it is this balance of priorities that sustains our daily business, helps us plan our future, and frees us to commit wholeheartedly to our

clients. And what allows us to choose our own priorities is this agency's purposeful commitment to independence.

The reason for our commitment is simple: We want to drive our own destiny as we build our business. For us, being independent means tempering the freedom of choice we enjoy with the size of our workforce, the scale of our ambitions, and the needs of our clients. We are solely responsible for deciding where to invest, who to hire, and how to maintain our culture as we grow. We make decisions today based on how they will affect the long-term health of our company, and we have the flexibility to make choices that are not driven solely by the bottom line. We consider this our right, but it is also our responsibility.

For example, even though we did not meet our overall financial expectations for 2012, we committed to meeting our 1 percent charitable donation goal; in fact, by the end of the year we had exceeded it due in part to extending our support for Mercy Corps' **ACT for Impact** initiative.

Of course, all our choices were not as easy. When we discovered that key areas of anticipated growth were actually holding us back, we had to make some humbling decisions to keep moving forward. During an intense period that required reorganizing



agency priorities and one North America team, we lost some very talented and wonderful people. One of the risks and benefits of independence is the freedom to develop new specialties and services within your business model. In this case, our ambitions ultimately exceeded our clients' needs. But our independence allows us to review, reset and renew when the task at hand demands action.

Through dedication to hard work, vision and strong values, today we are in a fortunate position with nearly limitless paths of opportunity ahead; the imperative is to choose wisely. I am always grateful for the results of the struggles and lessons because they help us make bold choices. For example:

- 1. We hire open minds.** It's important to me that our people be citizens of the world and not denizens of office cubicles. To encourage this, we expanded our Global Exchange program to give employees firsthand experience in cross-cultural business. By cultivating future leaders with global capabilities, we can offer our clients valuable expertise and our employees compelling opportunities.
- 2. We commit to international partnerships.** Our clients have global stories and need savvy partners that know the ins and outs of every local market. When business takes us to a place where we don't have a physical office, our Global Alliance program ensures that we have knowledgeable colleagues present to serve. And, when we assess our social and environmental priorities and goals, we give due consideration to international frame-

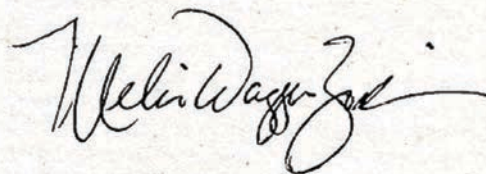
works such as the United Nations Global Compact. We remain committed to adhering to and advancing the Global Compact Ten Principles with respect to human rights, labor, environment and anti-corruption, for the long term.

- 3. We don't fund our ambitions with debt.** Instead, we invest in smarter, more efficient ways to bring in new business. The more educated we are about pursuits, the more targeted our efforts, the better we perform and the more we earn.

This brings me to my final point. The matter of how you sustain a growing company's independence depends wholly on the talent behind the business plan. Crafting a brilliant design for the future is pointless if you aren't working with people who believe in the vision and can execute the plan. Together, alignment of vision and talent grants you the freedom to take calculated risks. This includes challenging ourselves to innovate in our social and environmental programming, such as transitioning to measuring ourselves against social impact metrics — something we're beginning to do this year.

In the long run, it's through thoughtful, deliberate risks that an independent business makes a positive impact for the clients, employees and local communities it supports — and that is the purpose of independence.

Warmest Regards,  
Melissa Waggener Zorkin, CEO





# Independence

What freedom brings



Waggener Edstrom (WE) is an independently owned, global, integrated marketing and communications agency. From planning through implementation, WE uses earned, paid and owned mediums to support and champion **international leaders** including MICROSOFT CORP., GE HEALTHCARE, TARGET CORP. and PATH, among others, to achieve their business goals.

Founded in November 1983, Waggener Edstrom is a privately held company headquartered in Seattle, Wash., USA. As of December 31, 2012, our global footprint included 19 offices in nine countries, and the company employed 859 employees. Our 2012 global revenue was \$118.6 million.





Our fifth corporate citizenship report tells the story of impact and progress. Corporate citizenship represents our commitment to making a positive and sustainable social, environmental and economic impact through our services, employees, management of operations and contributions to society.

People are at the heart of our business. We believe that corporate citizenship is about improving the quality of life for employees and for the communities in which we work and live. With an eye on the long term, we are focused on two core strategies to fuel growth and expand our business: attract, retain and engage employees via a series of triple bottom-line initiatives, and invest in core competencies to achieve maximum business value for clients and societal impact. Our global reach and mindset ensure that we apply the right people and best resources to address our clients' business needs.

Opened new offices in Geneva, Switzerland, as well as in Bengaluru and Delhi, India



Acquired Patzer PR in Germany, a leading Munich-based health-care communications firm



Purchased a minority stake in Shout Communications in South Korea





# ORIGINAT

## Global Citizenship

Serving the greater good

Since 2010, Waggner Edstrom Worldwide has been a **signatory** of the United Nations Global Compact. In 2013, we issued our third annual Communication on Progress, a public disclosure to stakeholders on progress made in implementing the 10 principles that focus on international HUMAN RIGHTS, FAIR LABOR, ENVIRONMENTAL RESPONSIBILITY AND ANTI-CORRUPTION, as part of the annual corporate citizenship report.



**Commitment, support and protection of human rights:** In 2013, we externally published our Code of Conduct, the agency's commitment and guide to the actions of its employees to its stakeholders, to ensure consistent and uncompromising integrity.



**Global volunteer movement:** Employees' global participation in volunteer activities to support organizations that share the company's value for education and economic empowerment engaged more than 650 employees, totaling 5,000 hours and positively impacting the lives of more than 10,000 people.





### Conserving resources, minding the planet:

From 2008 to 2012, we have reduced our carbon footprint even though our physical global footprint has grown during this same timeframe. We have proactively been working to reduce our environmental footprint through procurement decisions, technology investment strategy, and education and engagement with employees with the goal to encourage behavioral changes that will translate into actual reductions and positive habits in the workplace and at home.

- Since 2008, we have conducted an annual carbon footprint assessment to identify the material impact areas of our business and measure changes as a result of concerted operational initiatives and business growth.

- In 2012, we produced 4,105 metric tons of carbon emissions, which equates to an average of 4.9 metric tons per employee, a decrease of three percent compared to the 2008 baseline. This overall decline in our emissions demonstrates that the operational improvements the agency has made over the past five years are delivering results and having a positive impact. However, we did fall short of our goal to reduce our carbon footprint year-over-year from 2011 to 2012, with our carbon emissions increasing by 6 percent in 2012 from 2011 levels. This is largely due to year-over-year increases in headcount and changes to commuting habits.

4,105

In 2012, our company produced **4,105** metric tons of carbon emissions.

4.9

That's **4.9** metric tons per employee.

-3%

Since 2008, WE has decreased per-employee emissions by 3 percent.





**Power of partnerships:** We operate in a world of global stories. We rely on savvy partners that know the ins and outs of every local market to serve our clients and to connect with our communities.

- › In 2012, WE partnered with more than **150 charitable organizations** to implement and support programs and advance community causes.
- › WE joined the **A Billion + Change** campaign, which aims to mobilize billions of dollars of pro bono services to address core issues communities face around the world. We are committed to demonstrating that the partnership between business strategies and social impact is imperative to the community's success. We have been doing our part to answer the need for pro bono services for several years and remain committed to putting our strategic business insight and expertise to work for organizations that are addressing major social problems.
- › We continued to make progress on our two Clinton Global Initiative (CGI) commitments in partnership with NetHope and Mercy Corps. CGI members have embarked on a financial commitment through a project that translates practical goals into tangible, meaningful and measurable results.



## Scaling the development of young IT professionals

In partnership with NetHope member organizations Accenture, Accenture Foundation, Cisco, Voila Foundation, Microsoft and HP, our commitment to action announced in 2011 expands the successful NetHope Academy to train 1,000 IT interns in Latin America and Africa within three years. NetHope made significant progress on its CGI commitment in 2012 training an additional 400 interns through **NetHope Academy** programs in Ghana, Haiti, Kenya, Rwanda and South Africa. Our role is to provide pro bono communications services to help tell stories about NetHope Academy graduates, and to communicate progress on the program. In 2012, WE gave an employee from the content team an opportunity to support this initiative. He travelled to Nairobi, Kenya, to spend a week embedded with NetHope Academy leaders and students to capture stories about their experiences with the program.



## Empowering Ethiopian women and girls for peaceful change

This project empowers girls and women in the Konso and Derashe districts of Southern Ethiopia. WE provides financial support to this program, which will run through August 2014, to help vulnerable girls stay in high school and ultimately improve the incomes for the mothers and caregivers that support their education. As the women in the targeted areas receive important skills and literacy trainings, their financial acumen is increasing and they are running successful small businesses. Out of the 140 female students who were provided scholarships and tutoring by the project to stay in secondary school, 40 have completed their education by successfully finishing grade 12. During 2012, Mercy Corps continued to support the remaining 100 students in grades 10, 11 and 12, enabling the students to continue their education without interruption. In 2012, 63 women received short skills trainings on topics such as embroidery, grain marketing, computer application and hair dressing.



# Tracking Our Impact

Good work is its own reward

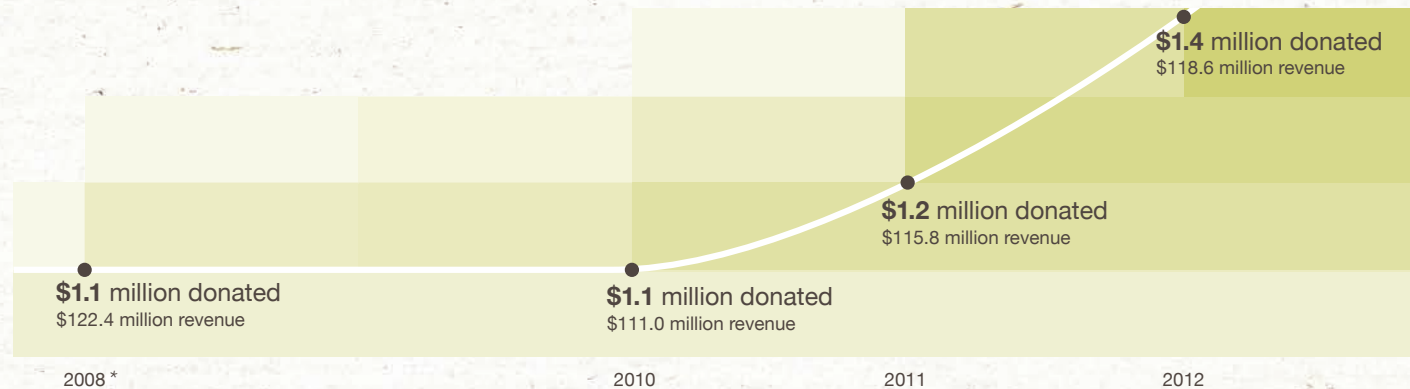


We report on our progress and initiatives annually. In 2012, we achieved our short-term corporate citizenship goals and continued to identify improvements to our measurement strategy and metrics. Since WE first published a corporate citizenship report, we have focused on reducing our carbon footprint from its baseline year after year, and to giving back one percent of our annual total fee revenue. We remain committed to these goals and have also been challenged to set longer-term corporate citizenship objectives which requires a significant amount of reflection, honesty and practicality. Corporate citizenship has been and continues to be a dynamic learning journey. Goal-setting continues to mirror the same path.



## Donate at least one percent of our annual total fee revenue to the community

### Performance to date



\*2008 was the first year of reporting

### 2012 results

- Organized or supported more than 55 volunteer events that impacted the work of close to 50 nonprofit organizations around the world.
- Motivated 78 percent (667) of employees to use a portion of their 16-hour volunteer benefit. Collectively, employees recorded 5,007 volunteer hours in 2012.
- Established a tracking system to record skilled volunteer hours, and achieved 61 percent (\$865,674 value) of our one percent metric via pro bono and skilled volunteering.

55

VOLUNTEER  
EVENTS

75

PERCENT OF  
EMPLOYEES

5,007

RECORDED  
VOLUNTEER  
HOURS



## Reduce GHG emissions from the baseline year after year

### Performance to date

WE Greenhouse Gas Emissions (CO<sub>2</sub>e) in metric tons

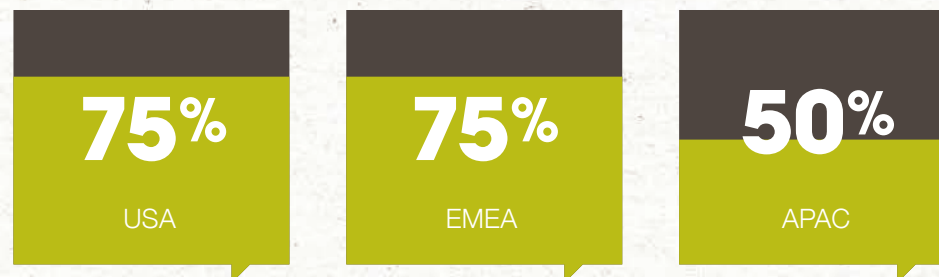
Baseline (2008)	2010	2011	2012
<b>5.1 per employee</b> 4,249* total	<b>4.9 per employee</b> 3,913 total	<b>4.8 per employee</b> 3,868 total	<b>4.9 per employee</b> 4,105 total

*\*Discrepancy due to rounding*

### 2012 results

- Implemented and rolled out sustainability criteria worldwide for operations in each office. We set a goal of achieving 75 percent or better compliance in the U.S. and EMEA offices and 50 percent compliance in APAC offices. In 2012, we achieved these compliance levels in all three regions.
- Introduced a tracking system for all employees in the U.S. to record their work-from-home hours. The company has education to do around the system as only 29 percent of employees reported tracking their work-from-home hours, with the majority of respondents providing "I am not familiar with the feature" as their reason for not using it.

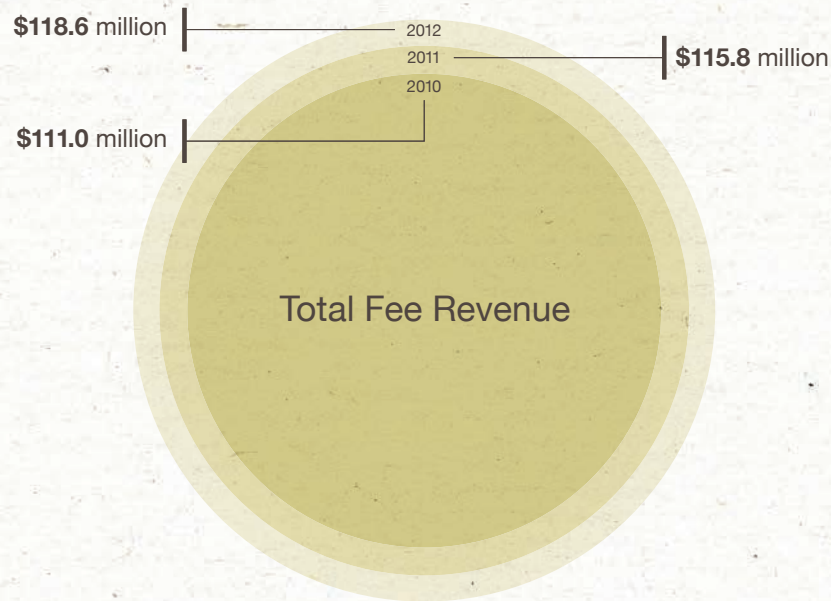
### Percent of compliance to sustainability criteria





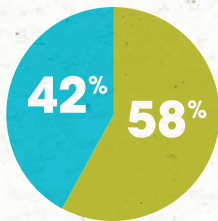
## Business strategy and clients

### Performance to date



**2.3%**

Growth in  
Revenue Base



Organic Growth

New Clients

### 2012 results

In 2012, we grew our revenue base by 2.3 percent from 2011. Our three fastest growing markets were India, Hong Kong and South Africa. The U.S. remains our highest-performing region in terms of revenue and profit margin. Fifty-eight percent of our growth was due to organic client expansion such as lynchpin client Microsoft and the newly divided pharmaceutical companies Abbott and AbbVie, while 42 percent came via new clients business such as L'Oréal, Target Corp. and Seattle Children's Hospital. In 2012, we continued to build and invest in services and capabilities that support clients' professional, communications and creative services needs that follow the entire life cycle of their programs, services and products.



# Integrated Marketing Communications

Nurturing curiosity & creativity



We place a premium value on our employees and consider them our greatest asset. In the intellectual capital and professional services sector, people are your product. Recognizing this and making business decisions that put people at the center of a well-run business is essential.

In order to attract, retain and engage world-class talent, we aim to provide our people with a special experience and opportunity that they won't get elsewhere. We are focused on our employees' whole experience. The experience and rewards we offer are designed around employees' careers, well-being and lifestyle.



## Volunteer and Pro Bono

Human capital and intellectual assets are valuable resources for nonprofit organizations. The demand for skilled volunteering and professional services among nonprofits is high. Our employees are eligible to take up to 16 hours per year to serve nonprofit organizations of their choosing. In 2012, 667 WE employees — nearly 80 percent of the employee population — recorded 5,007 volunteer hours (using the WE benefit), compared with 6,375 volunteer hours in 2011. In 2012, our pro bono clients included [NetHope](#), [Mercy Corps](#), [My Street Grocery](#), [Microsoft Alumni Foundation](#), [Global Philanthropy Forum](#), [See Your Impact](#) and [Technology Access Foundation](#), among others.



WE Paddlers





## Pro Bono Partner



### A Case of Influence: Launching My Street Grocery

Through Portland State University's Impact Entrepreneur program, WE worked with a social enterprise called [My Street Grocery](#). Its mission is to bring fresh, healthier food at affordable prices directly into neighborhoods where residents may not otherwise have easy access.

#### Business Opportunity

- Think of My Street Grocery as a “book-mobile” that delivers healthy food to senior centers and low-income neighborhoods. It targets a social issue called “[food deserts](#)” in Portland — areas where residents don’t have ready access to well-stocked grocery stores and farmer’s markets.
- WE assisted My Street Grocery with the launch of a new mobile van, which is central to the organization’s service, and provided PR counsel to increase awareness of the service among especially low-income, elderly or immigrant populations.
- During the same timeframe, My Street Grocery underwent a rebranding exercise, which WE also supported.

#### Influence Strategy

WE provided PR strategy and outreach to local and hyper-local media to promote the launch of the new truck. The team provided messaging counsel, trend and industry insight, and research to inform the communications strategy; developed press materials including the media and influencers list, created the targeting strategy, and conducted spokes-people training and outreach to raise awareness of the organization and launch.

#### Measure of Success

The outreach resulted in nine positive articles in a combination of online, print and regional outlets including [Sustainable Business Oregon](#), [Oregon Business](#) and [KGW](#) (local NBC affiliate) and reached more than 500,000 local citizen, viewers and visitors.



## BEIJING AND HONG KONG

## SINGAPORE

## SOUTH AFRICA

## UNITED KINGDOM

### WE Volunteer

**RESPONSIBLE RECYCLING** Members from our technology services team volunteered to donate 60 WE computer hardware items to the **Chi Heng Foundation** to support rural children affected by AIDS, and to **Caritas** to support training unemployed youth and donations to low-income children.

**NURTURING THE ENTREPRENEURIAL TALENT OF DOMESTIC WORKERS** Juan Sanchez, Peter McFeely, Tashia Perera and other members from the WE Singapore team volunteered their skills and delivered a **social media workshop** in May for **Aidha**, a nonprofit organization dedicated to enriching lives through financial education.

#### **WE SOUTH AFRICA CELEBRATES MANDELA DAY IN SOWETO**

WE-Johannesburg employees celebrated Nelson Mandela International Day by giving a portion of their WE volunteer hours to a Soweto-based afterschool care center for underprivileged children from AIDS-affected families — a place where children do their homework, get their daily meals and wait for their caretakers to pick them up.

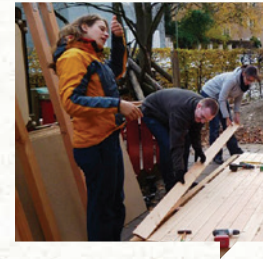
**EMPLOYEES GIVE AND GAIN (A) DAY** Equipped with paint, paintbrushes and smiles, 10 WE-London employees helped revamp a tired-looking playground at the Edith Neville Primary School in Camden. This event was part of the Business in the Community initiative, which involves hundreds of companies donating their time for different projects around London at inner-city schools.





## GERMANY

**MASTER-BUILDERS FOR CHILDREN** Ten WE-Munich employees helped build a garden cabin for Das Kindershiff, a neighboring nonprofit Kindergarten that cares for 28 young children while their parents are at work.



## AUSTIN

**PR PROFESSIONALS JUDGE SCIENCE FAIR** A team of four Austin employees volunteered to judge extraordinary projects presented by 150 kindergarten through fifth grade students at the Mathews Elementary School Science Fair, a small downtown school with the most diverse elementary student body in Austin.



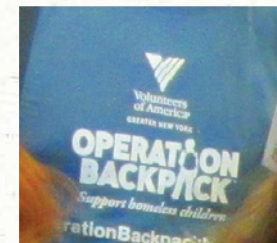
## BOSTON

**RECESS ROCKS!** Fourteen WE-Boston employees supported Playworks by participating in a **kickball tournament fundraiser**. Playworks improves the health and well-being of children by increasing opportunities for physical activity and safe, meaningful play.



## NEW YORK

**OPERATION BACKPACK** Eleven WE-New York employees volunteered to help sort office supplies at Volunteers of America's "Operation Backpack" event. This NY community event provided 13,000 supplies and backpacks for children struggling with homelessness.





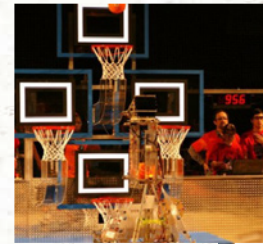
## SAN FRANCISCO

**SERVING HEALTHY MEALS** Fourteen WE-San Francisco employees helped feed people in need of food at GLIDE to support the nonprofit organization in its mission to create a radically inclusive, just and loving community mobilized to alleviate suffering and break the cycles of poverty and marginalization. In addition, seven employees packed 1,200 boxes of food for low-income seniors at the [San Francisco Food Bank](#).



## PORTLAND

**WE SUPPORTS OREGON FIRST ROBOTICS WORK** A team of eight WE-Portland employees volunteered their skills at the Oregon FIRST Robotics competition at Portland's Memorial Coliseum to inspire young peoples' interest and participation in science and technology.



## SEATTLE

**WE STARS HELP KIDS' WISHES COME TRUE** Several Seattle employees supported Make-a-Wish Foundation in 2013 by preparing gift packages for Wish Kids and banding together with friends and family for the Make-a-Wish Foundation's Walk for Wishes fundraising event.





## Industry-leading work

WE delivers integrated marketing and communication services as well as program strategies to help for-profit, nonprofit, government and intergovernmental organizations give life to solutions and ideas that improve lives and transform societies. We do this by delivering integrated communication services. Our teams help organizations be the story they want to tell, working from the inside out (beginning with employees), and moving to the world at large.



### A Case of Influence: PatientSafe Solutions

#### Business Opportunity

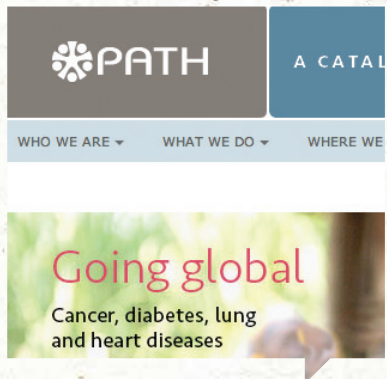
PatientSafe Solutions wanted to grow its business and attract more investors to its product through a package of digital services, including a website redesign. Its previous website had a high bounce rate off the homepage and a low penetration rate into its products and services sections on the site; increasing visitor engagement was a big priority.

#### Influence Strategy

- Used our discovery process to understand how PatientSafe Solutions' customers wanted to interact with the digital presence of the company.
- Implemented simplified navigation and a newfound emphasis on photography, screenshots, iconography and video.
- Developed the site as a customizable WordPress theme in tandem with a refresh of its social media properties to establish a long-term, unified and measurable voice for PatientSafe Solutions.

#### Measure of Success

The redesign increased traffic to all PatientSafe Solution web pages significantly curbed bounce rates, and greatly improved engagement via contact forms and scheduling tools. The website redesign was named Best in Class in the Healthcare category of Interactive Media Awards (August 2012).



### A Case of Influence: PATH

#### Business Opportunity

PATH needed to construct a new brand narrative in parallel with a global strategic refresh initiated by its new CEO. PATH's pace of budget and scope growth over the past several years had resulted in a diffused business strategy and associated narrative, and the organization needed to revisit its external positioning to ensure that it reflected its new reality.

#### Influence Strategy

The Master Narrative® was derived from analysis of the following components:

- Stakeholder interviews with ten internal and seven external stakeholders.
- Analysis of external communications assets from six peers in the nonprofit global health sector.

#### Measure of Success

WE developed a new Aspirational Master Narrative for PATH. To support narrative evolution, WE developed a series of thought-leading statements and supporting messages, along with key audience prioritization and a marketing communications plan, to roll out new brand assets to internal and external audiences.



## Learning and development

In 2012, WE offered roughly 450 total hours of training across initiatives, with employees around the globe devoting more than 4,875 total hours to professional development initiatives. By encouraging employees to be intellectually curious, surrounding individuals with seasoned mentors and leaders, and investing in learning experiences that deliver new, external perspectives, WE can retain employees, which in turn helps secure client satisfaction and business excellence.

### WE training

**4,876**

TOTAL HOURS  
OF TRAINING  
USED WORLDWIDE

**450**

HOURS OF  
TRAINING  
OFFERED

**3**

SIGNATURE PROGRAMS:  
LEADERSHIP FORUM, VISITING  
PROFESSORS, INFLUENCE INSTITUTE

## Global Exchange Program

For the past five years, we have continued to increase employees' knowledge and create new business opportunities through our Global Exchange program. It's an example of how the company encourages employees to travel, get out of the workplace and gain new perspectives. In a two-week period, the program provides employees with an opportunity to see the world, immerse themselves in a new culture and experience working at a different WE office.

### HONG KONG

#### JARRED DU PLESSIS

Account Executive,  
Johannesburg

Jarred's Global Exchange experience took place in our Hong Kong office. He went to learn more about the accounts his Hong Kong-based colleagues work on, including a number of pieces of business in the tech, fashion, food and beverage, and consumer spaces. In addition to learning a lot from his co-workers, he also shared with them an overview of the South African media and digital landscape, as well as an overview of the Johannesburg office, clients and employees.

"On top of the amazing experiences I had in the office — like contributing to client brainstorms and presentations — I did my best to see as much of what Hong Kong has to offer," said Jarred. "From **The Peak**, to **Lantau Island**, to the **ICC building**, the energy of Hong Kong is infectious and I loved every second of soaking up the culture!"



## About this report

For a comprehensive view of Waggener Edstrom's 2012 Corporate Citizenship Initiatives, please explore our full corporate citizenship report available at <http://wecitizenship.com>

We use the Global Reporting Initiative (GRI) guidelines as a basis for our report. Based on GRI's Sustainability Reporting Guidelines, we self-declared the 2012 report to be GRI application level B+.

For more information about this report and our corporate citizenship initiatives, please contact:

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## About Waggener Edstrom Worldwide

Waggener Edstrom Worldwide, Inc. (WE) is a global, integrated communications agency. For nearly 30 years the independently owned firm has developed strategic communications programs for innovative and world-changing clients, working to influence markets, inspire people and improve lives.

In the last few years, the agency was honored with many awards for our creative and strategic work; among them we were recognized as Global Technology Agency of the Year, Best Large Agency to Work For, Communications Agency of the Year and Technology Agency of the Decade.

The agency has more than 850 employees in 19 offices around the world, and its Global Alliance partners expand the agency's reach to more than 80 additional international markets. WE has five global practices: Brand Strategy, Healthcare, Public Affairs, Technology and Social Innovation. To learn more, visit <http://waggeneredstrom.com>.

