



SCOTT WILSON GROUP plc

**United Nations Global Compact
Communications on Progress**
for the period October 2005 – April 2007

30th June 2007

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Scott Wilson Group plc
No. 8 Greencoat Place
London
SW1P 1PL

Tel: +44 (0)20 7798 5000
Fax: +44 (0)20 7798 5001

Primary Contact Person: Cristina Leal
Direct Tel: +44 (0) 2077 985025
Fax: +44 (0) 2077 958001
Email: cristina.leal@scottwilson.com

INTRODUCTION AND CONTEXT

The Scott Wilson Group formally indicated its adoption of the United Nations Global Compact in October 2005 and committed to developing and implementing a programme to embed the ten Principles into its business.

The Scott Wilson Group, with over 5,500 members of staff globally, provides sustainable, integrated solutions to meet the planning, engineering, management and environmental needs of clients across the transportation, property, environment and natural resources market sectors. The Group has doubled in size over the past few years and from its UK headquarters currently controls a worldwide network of 80 offices, of which 40 are in the UK. The main international centres are located in China, Hong Kong, India, SE Asia, the Middle East, Eastern Europe and Southern Africa.

Our overarching [Corporate Mission and Values](#) are relevant to each Principle and cascade into other group policy statements. Further information about our business can be found at www.scottwilson.com or upon request to our main point of contact – see *details inside front page*.

Since making our UNGC commitment, the Scott Wilson business has undergone substantial change. In March 2006, the Group made a highly successful transition from a private to a public company listed on the London Stock Exchange. Thereafter a series of tactical acquisitions enhanced the Group's presence in strategically important market sectors. All of the acquisitions are performing and integrating well, allowing us to provide our clients with holistic but tailor made solutions.

Considerable management attention was required to prepare for the London Stock Exchange flotation and adapting to the change in status and a wider range of stakeholders, as well as ensuring the smooth integration of the acquisitions into the business. Our efforts have been independently recognised and we were recently awarded three notable accolades: 'New Company of the Year' at the 2007 UK PLC Awards, 'Major Firm' at the 2007 NCE/ACE Consultants of the Year Awards and 'IPO of the Year' at the Shares Magazine Awards.'

Following our initial commitment to the Compact, an internal working group was convened with representatives from each of the five Divisions under my leadership. Drawing upon in-house expertise across a number of disciplines and the results of an earlier review of our Corporate Social Responsibility performance, an action plan was developed to further embed the Principles across the business.

This Communication covers the period from our initial commitment in October 2005 through to the end of April 2007.

We recognise that our initial commitment marks the first step in an important journey and that this Communication only covers our first measures. In particular, we have recently launched a number of initiatives to improve our performance indicators. We anticipate that our next Communication on Progress will contain more detailed qualitative information on which our progress and achievements can be judged; the section entitled 'Goals for the 2007-8 Report' summarises our aspirations.

Geoff French
Group Chairman

ADVOCATING THE UN GLOBAL COMPACT

Scott Wilson's commitment to the UNGC is publicly affirmed through a variety of channels:

External media:

Group Website: The 'Corporate' section contains a page devoted to advocacy of the UN Global Compact. *(Note that this page will shortly be expanded to link to both the main UNGC website and that of the UK Network and to refer readers to further information on our commitment, policies and actions).*

Annual Report and Accounts 2006: In our first post-flotation report on our business performance, we included a short section on Corporate and Social Responsibility that promoted the UN Global Compact to our shareholders.

UNGC UK Network: Scott Wilson has been an active member of the [UK Network](#) since January 2005, attending various meetings and functions wherever possible and helping to identify more potential signatories. We have also been investigating the scope to participate in other networks worldwide. This Communication will be available for peer review by other UK Network participants.

Other media: Wherever practical, the advantages of the UN Global Compact and membership of its UK Network are raised in speeches, at seminars and via corporate press releases, the most recent being an announcement of a substantial switch to renewable energy.

Internal media:

The Group's **intranet** – Unite - has a section on the UN Global Compact that will be increasingly populated with guidance and information on related activities

We have nominated *Cristina Leal* as our **single point of contact** for staff comments and suggestions in regard to our UN Global Compact programme. Cristina will also provide a single point of contact for external stakeholders

The Divisional UNGC representatives comprise:

- International: *Martin Edge*
- Railways: *Derek Holden*
- Scotland & Ireland: *Nigel Hackett*
- UK Central: *Robert Armitage*
- UK South: *Andrew McNab*

We have also disseminated the details of the Global Compact through our internal Divisional Management Meetings and have begun to disseminate information about the UN Global Compact more widely using PowerPoint **presentations**, to explain and promote our commitment throughout the organisation

UNGC articles and updates feature regularly in our **internal corporate publications** like the weekly staff magazine, Interchange.

PRINCIPLE 1:

Business should support and respect the protection of internationally proclaimed human rights

A. COMMITMENT

Internal / Staff

The Group's policies relating to human rights are set out within the Scott Wilson Internal Management System (SWIMS) and are communicated via the Group's intranet. External readers are invited to use the following hyperlink access to the following relevant statements – [Corporate Ethics and Values](#); [Innovation and Best Practice](#); [Recruitment and Employment](#); [Risk Management](#); [Training and Continuing Professional Development](#); [Health, Safety, Welfare and Security](#); and [Whistleblowing](#).

External Business Relationships

The following defines our policy in regard to this Principle and applies to all staff and all transactions globally:

“Scott Wilson prefers to partner businesses with compatible ethical standards and will never authorise, tolerate or ignore human rights abuses committed by any entity associated with the Group. Whilst we do not formally ask clients, joint venture members, consortia partners, suppliers and sub-consultants to confirm their policies or practices, we will seek to terminate the relationship in the event that any serious incompatibility is brought to our attention.”

B. SYSTEMS

Internal / Staff

Policies are cascaded into working practices via our on-line Human Resources' 'Employment Policy and Procedures Handbook' which details requirements on topics like Recruitment and Selection; Diversity and Equality; Grievance; Maternity; HIV and AIDS; Training and Development; Working Time Regulations; Time off for Trade Union Duties Policy. We also have an 'Employee Handbook' and further on-line guidance for UK managers and staff, with other arrangements in place to ensure due compliance throughout our international offices.

Whilst implementation of these human resource policies and procedures has been generally sufficient for our needs, we have identified opportunities to instigate further improvements particularly in regard to developing clear performance indicators on human rights issues.

External / Business Relationships

Advocacy of our commitment to the UN Global Compact has been the principal mechanism to affirm our support and respect for the protection of internationally proclaimed human rights in all countries in which we operate.

In addition, the importance of reputation to our global consultancy business ensures that we apply the highest standards of integrity to our work and uphold the spirit of the guiding principle. We provide a number of client services that promote respect for and support human rights - for example our training, advisory and monitoring work on development projects worldwide. In addition to managing stakeholder consultation and engagement processes for our clients, we are frequently commissioned to undertake social and environmental impact assessments. We also employ specialists who provide services for fair labour and working conditions, community health and safety, involuntary resettlement, indigenous peoples and cultural heritage.

C. ACTIONS

We have launched an internal programme to promote human rights and to ensure that they are dealt with explicitly in our management systems and in our business relationships:

- We have assessed the risks of the Group's potential exposure to human rights issues and abuses within our sphere of influence (i.e. in relation to what we do and who we are working with, not the general exposure risks from simply having a presence in any country) using a variety of tools including the methodologies of the Danish Institute for Human Rights' (Country Risk Assessment and HRCA 'Quick Check') and the Business Leaders Initiative on Human Rights. We will also assess use of the UNGC Human Rights and Business Learning Tool when it is launched later in 2007.
- In the UK, our Health and Safety management system was certified against the requirements of the OHSAS 18001:1999 standard.
- We have started to develop a more sophisticated approach to incorporating human rights across all Group policies, raising awareness, collating good practice and monitoring compliance. We are currently updating our procurement criteria and are developing staff guidance to reinforce our commitment to the protection of human rights.
- We have trained specialist personnel to assess risks and devise, implement and monitor solutions to identified problems

Human rights and Scott Wilson's sphere of influence:

- **Direct pressure** – can be applied within the Group and to any minority partners in joint ventures and project collaborations, sub-consultants and suppliers so that we should be able to control or strongly influence issues like employee rights (i.e. equal opportunity; child or forced labour; discrimination; pay and conditions; health and safety, welfare and security; etc.)
- **Influence** – can be used to sway or influence clients and majority partners and to a lesser extent both their supply chains and the communities and people who might be affected by our work. The amount of influence Scott Wilson can exert will vary with each client and each commission but could conceivably extend to issues concerning employee rights and community rights (e.g. indigenous peoples; local health, safety and environmental quality; etc.)
- **Advocacy** – can be applied to organisations that we are unlikely to be able to exert any significant influence upon, such as national or local governments and their agencies. We can however raise concerns across the full range of human rights issues through various techniques such as tactful communications, speaking out, stakeholder engagement programmes and leading by example.

D. PERFORMANCE

Whilst our investigations have not revealed any major systemic problems within our business or in the first tier of our supply chain, there is no room for complacency.

Nonetheless, we are pleased to report:

- No uptake of our whistleblower policy mechanism on any human rights issues (independent monitoring is undertaken by a specialist organisation, Public Concern at Work)
- No known staff grievances or exit interviews that made direct reference to any human rights issues and no unresolved complaints from personnel
- No adverse comments or complaints received from any individuals, non-governmental organisations or other external groups on human rights issues
- No industrial tribunal hearings, regulator or court actions in regard to any human rights issues or abuses

PRINCIPLE 2:

Business should make sure that they are not complicit in human rights abuses

A. COMMITMENT

The following defines our policy in regard to this Principle and applies to all staff and all transactions globally:

“Scott Wilson will regularly assess the risks associated with operations in host countries which do not adequately respect or protect human rights. Where an extreme or high risk of human rights abuses is detected in a host country or in a business relationship, we will consider whether providing our services might contribute to such abuses in any way. Scott Wilson will engage with appropriate stakeholders to determine a suitable course of action, monitor the effectiveness of any subsequent measures and demonstrate our opposition to human rights abuses.”

B. SYSTEMS

Our strategic and operational risk programme is applied in order to:

- Identify any potential scenarios and actual situations in which the Group might inadvertently become complicit in human rights abuses
- Inform our own personnel and any external business partners and suppliers / sub-contractors of both any concerns we have and any subsequent measures we can take to mitigate against the risk of such abuses.
- Promptly address issues of non-conformance if they arise and monitor human rights / social compliance as appropriate (e.g. through questionnaires, spot checks, site visits and audits).

C. ACTIONS

We have assessed the risks of the Group’s potential exposure to complicity to human rights abuses within our direct sphere of influence.

We have started to develop a more sophisticated approach to incorporate human rights across all Group policies, raise awareness, collate good practice and monitor compliance. We are currently updating our procurement criteria and developing staff guidance to reinforce our commitment to the protection of human rights – please see the Goals for the 2007-8 Report

We have trained specialist personnel to assess risks and devise, implement and monitor solutions to potential human rights issues

D. PERFORMANCE

Although our risk assessment process has not identified any specific issues within our business or our immediate sphere of influence (both minority and majority partners and our supply chain), the wide geographical spread of our operations means that we work in many countries that represent a challenge in terms of human rights. The incidence of ‘extreme’ and ‘high’ risks shown in *Table 1* (at the end of this document) vividly illustrates the need for improved advocacy and better awareness of potential issues within our business.

To date, we have not identified any actual incidences of non-compliance with our policy or any situations in which we might be legally complicit in human rights abuses. However, we have uncovered several minor anomalies in our systems with regards to both risk awareness and internal communications that are still being investigated.

In addition, we provide a number of client services that promote respect for human rights and fair treatment of workers, for example our training, advisory and monitoring work in regard to the Equator Principles and World Bank / IFC standards as applied to development projects worldwide. The Equator Principles set a common reference standard for labour and working conditions, community health and safety, involuntary resettlement, indigenous peoples and cultural heritage - see www.equatorprinciples.com). The importance of reputation to our consultancy business ensures that we apply the highest standards of integrity to our work and uphold the spirit of the guiding principles.

Scott Wilson's support for socially oriented programmes

We maintain the Scott Wilson Millennium Project, which is a registered charity, focused upon the relief of poverty, hardship and distress among children in developing countries where we work. Since 2000, we have supported projects in 15 countries and raised more than £36,000 for targeted projects that have a real impact upon children's lives, like the Christopher Foundation in Sri Lanka. The Christopher Foundation helps improve the quality of life of children suffering with mental and physical disabilities living in poor and disadvantaged communities in Colombo. The Scott Wilson Millennium Project provided initial set up and running costs of the Foundation. The Scott Wilson Millennium Project ensures the sustainability of all projects we support by involving Scott Wilson staff in their selection and monitoring. The charity's latest initiative is to design, build and finance a primary school in sub-Saharan Africa. More than £10,000 has already been set aside for the project, with the detailed planning stage about to begin. For more information, contact millennium.project@scottwilson.com.

In addition, we are a patron of the Red R charity that provides training and competent personnel to humanitarian relief efforts (see www.redr.org). We are also a founding member of the UK Anti-Corruption Forum, an alliance of UK business associations, professional institutions, civil society organisations and companies with interests in the domestic and international infrastructure, construction and engineering sectors (see www.anticorruptionforum.org.uk).

Scott Wilson Group – Safety Statistics (2006 calendar year)

During 2006, there were 4 workplace accidents reportable under national legislation, with a further 85 reports of minor injuries and 10 near miss reports. Based on an average of 4,870 employees working 1,700 hours pa, this was equivalent to an incident rate of reportable events of 0.82 per 1,000 employees and a frequency of 0.05 per 100, 000 hours worked. The total number of days lost through accidents was 90.

In addition, in the last 5 years, the Group has not:

- *Sustained any workplace fatalities*
- *Been served with any improvement or prohibition notices by regulatory bodies*
- *Been prosecuted for any breaches of any H&S or environmental legislation*

PRINCIPLE 3:

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

A. COMMITMENT

The nature of the Scott Wilson Group's business is such that the vast majority of our staff are engaged as professional consultants and technical experts. We have a full range of corporate policies and procedures on human resource issues that are aimed at ensuring the recruitment and retention of the best candidates and at the same time provide suitable protection to individual and groups of employees.

We recognise the right to freedom of association and collective bargaining and confirm that there are no barriers to trade union or similar activities anywhere in the business. The following defines our policy:

"Scott Wilson shall not discriminate or take adverse actions against employees in retaliation for exercising employee rights, participating in union activities or reporting suspected legal violations. The Group shall not use undue influence, employee transfers, or other coercive tactics to improperly interfere with the ability of staff representatives to effectively negotiate on behalf of its members during any collective bargaining process. In addition, the Group shall protect employees from union-related harassment by other staff."

B. SYSTEMS

In the UK, we have a 'Time off for Trade Union Duties Policy' defined within our Human Resources' Employment Policy and Procedures Handbook. Trade unions are currently represented within our Railways Division and, should union involvement extend to other parts of our global business, the following arrangements would also apply:

- Staff representatives shall have reasonable access to any Group documentation needed to fulfil their duties, negotiate with the Group and ascertain the performance of the Group regarding relevant matters.
- The Group shall provide staff representatives with both reasonable access to employees and Group facilities necessary to carry out their responsibilities and all information material to any collective bargaining agreements/
- The Group shall engage in collective bargaining and convene regular consultations with authorised staff's representatives concerning working conditions, remuneration, dispute resolution, internal relations and matters of mutual concern.
- The Group shall engage in prior consultation and give reasonable notice of impending changes in operations that may affect employment at the Group.

C. ACTIONS

We have not identified any specific new actions in this area; we have a good working relationship with those trade unions currently engaged and respect all local legal obligations in regards to employment law. We are however developing procurement criteria and staff guidance to include or provide links to appropriate guidance on freedom of association and collective bargaining - please see the Goals for the 2007-8 Report.

D. PERFORMANCE

Not applicable: there are no known concerns regarding either freedom of association or collective bargaining within our direct sphere of influence.

PRINCIPLE 4:

The elimination of all forms of forced and compulsory labour

A. COMMITMENT

We affirm that

“Scott Wilson shall not use, be complicit in, or in any way benefit from forced labour in any of its various forms such as debt bondage, compelled involuntary overtime, forced prison labour and trafficked labour.”

B. SYSTEMS

Our strategic and operational risk programme ensures that we have a full understanding of what forced labour is and are aware of the countries, regions, industries, sectors and economic activities where forced labour is more likely to be a practice.

Procedures are in place to ensure that:

- Employment contracts are written so that they are easily understood by all staff and clearly indicate the terms and obligations of both parties in regard to both engagement and eventual termination of employment
- No forced labour is supplied directly or via external agencies or firms involved in trafficking, debt bondage, or kidnapping.
- No member of staff shall be indebted to the Group through any recruitment process or has to continue to work for the Group to pay off such debt.
- No original identity documents are retained and that any individual's identity documents in the Group's possession are protected against loss, damage or misplacement.
- All staff are free to leave the Group's employment, either at the end of the established notice period or by mutual agreement

C. ACTIONS

We have not identified any specific new actions in this area and our initial risk assessment has not uncovered any potential issues in current or planned business arrangements.

We continue to respect all local legal obligations in regards to employment law but have identified ways in which we can exert more proactive influence. We are therefore developing an ethical procurement policy and staff guidance that will include or provide links to appropriate guidance on any forced labour scenarios that might be encountered - please see the Goals for the 2007-8 Report.

D. PERFORMANCE

Not applicable: there are no known instances of forced labour within our direct sphere of influence.



PRINCIPLE 5:
The effective abolition of child labour

A. COMMITMENT

As Scott Wilson's workforce is largely composed of qualified, degree-educated professionals there is unlikely to be any recruitment of young persons or children. Nevertheless we shall comply with all pertinent local legislation regarding the minimum age for employment and shall not recruit anyone less than 15 years of age.

B. SYSTEMS

Our strategic and operational risk programme ensures that we have a full understanding of what child labour is and that we are generally aware of the countries, regions, sectors and economic activities where there is a greater likelihood of child labour.

Procedures are in place to ensure that we:

- Adhere to minimum age provisions of national labour laws and regulations and, where national law is insufficient, take account of the International Labour Organisation standards
- Use adequate and reliable mechanisms for age verification, if necessary
- Are aware of the forms of identification forgery commonly used in any suspect country of operation and are able to spot non-compliant documents

C. ACTIONS

Our risk assessments have not detected any situations in current or planned business arrangements in which child labour is or could be a factor.

We continue to respect all local legal obligations in regards to employment law but have identified ways in which we can exert influence to combat child labour in our business relationships. We are developing an ethical procurement policy and staff guidance that will include or provide links to appropriate guidance on any child labour scenarios that might be encountered - please see the Goals for the 2007-8 Report.

D. PERFORMANCE

Not applicable: there are no known instances of child labour within our direct sphere of influence.

PRINCIPLE 6:

The elimination of discrimination in respect of employment and occupation

A. COMMITMENT

We have defined our Mission and Values (Ambitious, Collaborative, Diverse, Professional and Responsive). Those values are cascaded through the organisation via the range of relevant corporate Policy Statements, management system processes and in the Employee Handbook, which are all available on the Group intranet.

B. SYSTEMS

Those policies include specific undertakings in relation to 'Recruitment and Selection Policy' and 'Diversity and Equality Policy' within our Human Resources' Employment Policy and Procedures Handbook.

Implementation of these procedures ensures that hiring, placement, remuneration, advancement and termination decisions within the Group are based only on objective factors and are not connected to the gender, age, nationality, ethnicity, race, colour, creed, caste, language, mental or physical disability, organisational membership, opinion, health status, marital status, sexual orientation, birth, or civic, social, or political characteristics of the staff. In addition we have recently updated our recruitment systems to more easily collect and review gender, age and ethnic monitoring information.

Each of the HR Managers in the various countries apply the principles in the Diversity and Equality policy and ensure they comply locally with both the spirit of the principles and the host country's legal and statutory requirements. Our procedures require that:

- Staff have access to grievance and 'whistleblowing' mechanisms to report complaints of discrimination.
- If discrimination is identified, we shall address complaints, handle appeals and provide recourse for employees
- We provide training on disability awareness and reasonably adjust the physical environment to accommodate individual needs
- Training programmes are made available, without discrimination, to help staff achieve the qualifications necessary to acquire positions at all levels within the Group

C. ACTIONS

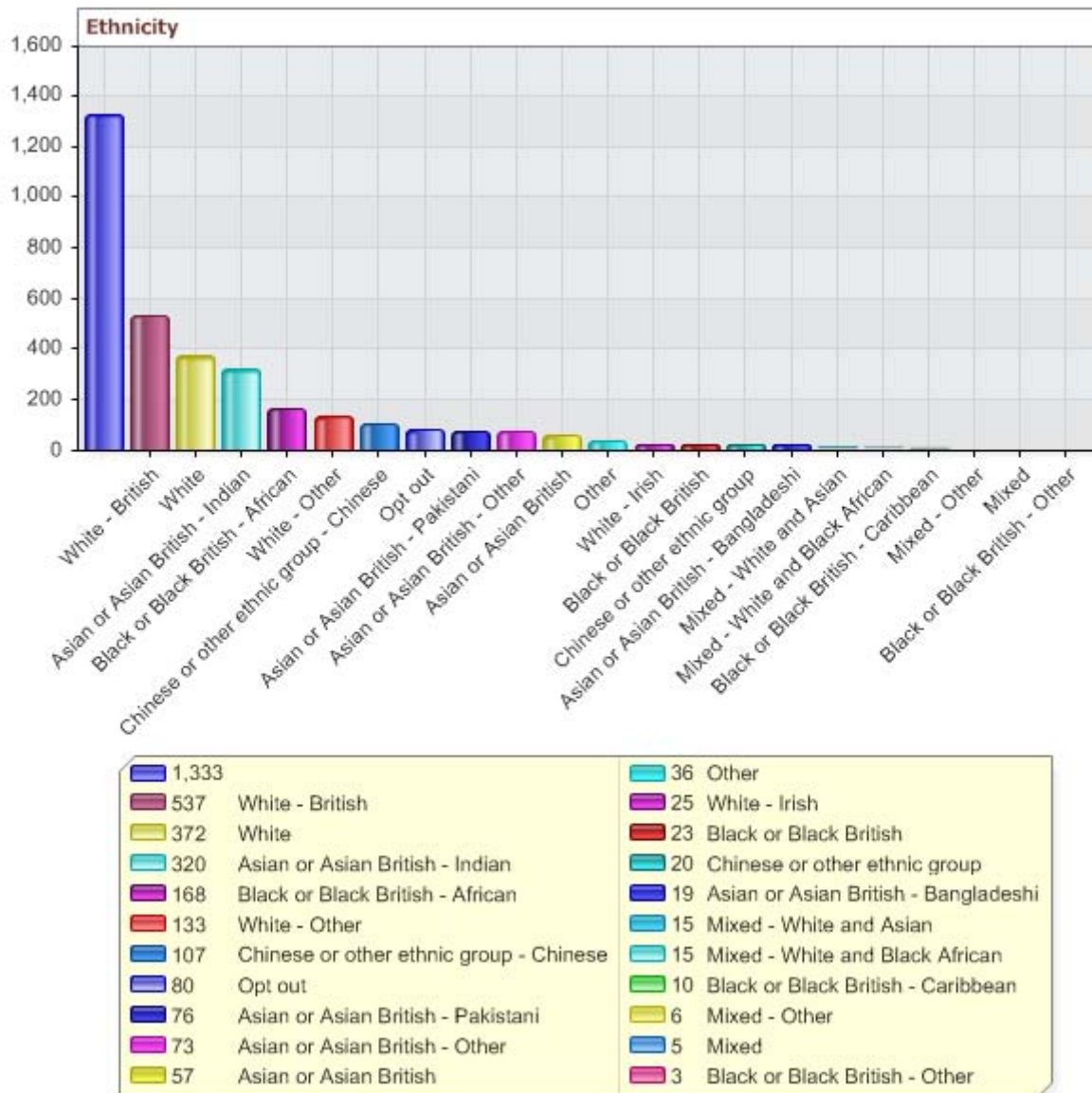
We are currently reviewing our policies with a leading diversity consultant, to assess best practice options and what we need to do to improve awareness, development and monitoring in this area.

D. PERFORMANCE

There are no reported instances of discriminatory behaviour within our business or direct sphere of influence.

Although we do not (yet) have diversity metrics across the whole of the business, the following table shows the diversity profile of the 1,333 recent graduate applicants in the UK. (Note that these results exclude a large number of overseas applicants who were unable to comply with work permit requirements):

Ethnic Background of Graduate Recruits



PRINCIPLE 7:

Business should support a precautionary approach to environmental challenges

A. COMMITMENT

Scott Wilson reaffirmed its Policy in regards to the [Environment and Community](#) in September 2006. It commits the Group to comply fully with our legal obligations and adopt a preventive approach to the management of any pollution risks or adverse impacts upon local communities. We also seek to minimise our demands on environmental resources, through the adoption of sustainable management practices and technologies wherever there are economic and practical opportunities to do so.

B. SYSTEMS

Scott Wilson operates an Environmental Management System (EMS) certified to the requirements of ISO 14001:2004. The system is audited and registered by an internationally accredited certification body. Although our registration is currently limited to our operations in the UK and Ireland we are extending arrangements to our international offices in order to facilitate reporting on our environmental performance.

Our EMS has three constituent elements - a corporate overview; Office EMS which describes how we manage and mitigate the environmental impacts of working in our premises and business travel; Project EMS which incorporates an impact assessment of our role in all client commissions in order to ensure due application of environmental control procedures and mitigation. The EMS is fully developed on our intranet system.

Our environmental impact is limited by the nature of our work, which is largely office-based. Only a small number of offices are fully owned by the Group and the vast majority are leased often on a fully serviced basis. Our Office EMS considers energy and water utilisation, waste management and business travel as the main impacts, although other issues such as noise/nuisance, biodiversity, hazardous materials, effluents, etc may need to be considered at specific locations (such as our laboratories).

In regards to client commissions, our Project EMS applies a risk-based approach to the range of services although direct environmental impacts are the exception rather than the rule due to the nature of most of our assignments. For example, our presence 'on site' is most usually in regard to non-intrusive survey, inspection or supervisory roles and we are rarely directly responsible for creating or managing impacts. Where we - or any sub-contractors we engage - do have such responsibilities (e.g. intrusive sampling/surveys), we rigorously ensure due compliance to all consents and competency requirements to apply best practice.


Scott Wilson is also a corporate member of the Institute of Environmental Management and Assessment and we are registered under its Environmental Impact Assessment scheme. Scott Wilson staff are registered assessors for a number of schemes such as CEEQUAL¹ and BREEAM².

C. ACTIONS

EMS staff resources were increased to facilitate EMS implementation and ensure greater focus on environmental improvements.

¹ Civil Engineering Environmental Quality Assessment (see www.ceequal.com)

² Building Research Establishment Environmental Assessment method (see www.breeam.org)



At the corporate level, management efforts focused upon system improvements and the extension of our ISO 14001 arrangements into our project activity, staff training and the continuing integration of new acquisitions into our management systems. However, we also started to monitor business travel and instigated a carbon management scoping exercise with a view to establishing baseline data and reducing our carbon impact.

In the UK, a range of initiatives were also launched at Divisional / local office levels to:

- Investigate measures to improve energy efficiency by reducing consumption
- Investigate measures for reducing and recycling waste
- Develop 'green travel plans' at strategic office locations
- Increase environmental awareness among employees and improve the information available on the environmental status of sub-consultants and suppliers and encourage environmental awareness among clients

We are examining options for developing ethical procurement policies to address this Principle in a more explicit manner.

We also strive to identify innovative solutions to reduce the environmental impacts of our design and consultancy activities.

D. PERFORMANCE

Internal

We are not yet able to present full details of our environmental performance across the whole of the business. This is partly due to the way in which we source our offices (full service lease arrangements often preclude access to meaningful data on our environmental impacts as we do not have full control over energy / water utilities, waste management, etc.), recent expansion and awaiting the outcome of our carbon scoping exercise (so that we will have common performance indicators across the global business). Further details will be released on our corporate website in due course.

Nevertheless, in addition to many local initiatives, we have also converted 18 of our offices onto a certified³ renewable energy contract that reduces both cost and our carbon footprint. Further offices will switch as existing supply contracts expire.

External

Our client services are essentially technical and advisory in nature with some design and architectural work. As a consequence, our focus is on developing our professional skills and capabilities by training and education and being able to exert positive environmental influence on our clients through the provision of inspiring, sustainable solutions and new technologies. One example is the development of Unmanned Aerial Vehicles as survey platforms; they are quieter / less intrusive, have lower fuel consumption and generate only a fraction of emissions in comparison to other aircraft types.

We are able to offer an integrated approach to sustainability and can use our extensive expertise to enhance our client's projects. A particularly relevant offering relates to carbon neutral development where - in addition to a wide range of complementary services - we now offer energy demand assessments / carbon footprinting; energy / carbon reduction strategies; renewable energy options and advice on carbon offsets and adaptation measures; and sustainability appraisals (see corporate website for details on our service offerings).

³ From sources accredited by the Energy Saving Trust (see www.energysavingtrust.org.uk)

PRINCIPLE 8:

Business should undertake initiatives to promote greater environmental responsibility

A. COMMITMENT

Scott Wilson reaffirmed its Policy in regards to the [Environment and Community](#) in September 2006.

Scott Wilson is also a corporate member of the Institute of Environmental Management and Assessment and we are registered under its Environmental Impact Assessment scheme.

B. SYSTEMS

Scott Wilson operates an Environmental Management System (EMS) certified to the requirements of ISO 14001:2004. In regard to promoting greater environmental responsibility, most of our EMS content is available on the Scott Wilson intranet, Unite. An integral part of our arrangements for knowledge management, the EMS materials can be consulted at any time by all UK staff.

Key elements supporting environmental awareness and responsibility include:

- Corporate policy and EMS/SQE management manuals
- Registers of Legal and Other Requirements for the UK and for Ireland
- Generic environmental impact analyses for Project and Office EMS components
- Best practice guidance on a range of environmental issues (e.g. mitigation strategies for design and advisory work for clients; practical tips and control procedures for site or physical works; etc.)

In addition, each new starter receives an environmental briefing as part of the induction process whilst a range of techniques is used to further communicate environmental information. These include articles in Group publications like our weekly e-magazine 'Interchange', periodic Divisional EMS newsletters, posters and notice boards plus discussions in team meetings. Further environmental training needs are assessed through our annual staff performance appraisal and career development system, Pathways Plus.

C. ACTIONS

The Group continued to attend numerous trade association meetings, themed environmental / sustainability seminars and other events during the reporting period.

Staff are encouraged to become active members of professional institutes and other environmental groups such as the Institute of Environmental Management and Assessment, Institute of Waste Management, Institute of Water and Environmental Management, AccountAbility and so on. The Group funds the annual cost of one professional qualification, affiliation or membership for each member of staff. Staff are also encouraged to participate in environmental and community initiatives.

A series of internal EMS training modules was updated and expanded in May 2006. These are now available to all business units and include modules on general environmental issues; the UK environmental legal framework; ISO 14001; and EMS implementation. During the reporting period, 3 internal EMS auditor training courses were conducted, whilst 2 members of staff also attended external EMS auditor training courses.

During the reporting period, a new UK staff benefits package was introduced. One benefit, available to all staff, is the provision of an interest free loan to encourage cycling to/from the office. The Group also offers loans for the purchase of season tickets on public transport.

D. PERFORMANCE

In May 2006, Scott Wilson was one of only four companies awarded a contract by the International Finance Corporation (IFC) to provide training on social and environmental sustainability - including social and environmental assessment and management systems; pollution prevention and abatement, labour and working conditions and community health, safety and security.

We have organised and/or presented at numerous internal and external seminars covering various environmental and sustainability topics, ranging from the carbon footprint of plastics recycling through to the application of the Equator Principles, World Bank and International Finance Corporation (IFC) standards to international development projects.

We are also preparing an ethical procurement policy to help 'green' our supply chain – e.g. provide web pages to communicate policies and requirements for clear supplier / sub-consultant specifications for products and services, selection and approval criteria including any environmental competencies and performance monitoring.

Middlesbrough and Newcastle Office Travel Survey 2007:

The Middlesbrough and Newcastle Offices are monitoring their carbon footprint for all staff travel, including both commuting and business travel. The total CO2 'footprint' for February and March 2007 was some 14.6 tonnes and 16.3 tonnes respectively with staff generating from zero kg up to 1.09 tonnes per person per month; the average impact was approximately 205 kg per person per month. The Newcastle office annual travel survey showed that despite the office's surprisingly large 'footprint' only some 18 per cent of staff used cars to travel to and from the office.



PRINCIPLE 9:

Business should encourage the development and diffusion of environmentally friendly technologies

A. COMMITMENT

Scott Wilson reaffirmed its Policy in regards to [Environment and Community](#) in September 2006. It includes the following commitments relevant to Principle 9.

“Where clients have not established clear environmental and community objectives for a commission, we will offer to provide appropriate technical advice that contributes to the development of sustainable solutions.”

Scott Wilson is also a member of and active participant in the Environmental Industries Commission, the leading UK environmental trade association, which promotes and supports the development of a strong, competitive UK environmental technology and services industry.

B. SYSTEMS

Scott Wilson operates an Environmental Management System (EMS) certified to the requirements of ISO 14001:2004. Except for information and communications technology, we have limited need for plant or equipment outside of our two accredited laboratories and various specialist survey teams. As a result the opportunities to apply new technologies within our business are somewhat constrained although we do insist on energy efficiency when procuring equipment and have trialled use of low carbon emission vehicles. The main area in which we can improve our use of environmentally friendly technologies is to expand our videoconferencing capability and upgrade Information and Communication Technology (ICT) arrangements to facilitate remote or home-working and reduce business travel (e.g. make more use of ‘skype’ communications, desktop videoconferencing, e-learning solutions etc.).

We remain highly proactive in our client work, undertaking various strategic research commissions on topics like ‘Demonstrating how Plasterboard can be collected more efficiently on construction and demolition sites in the UK’ and ‘Estimation of the Recycled Content of an Existing Construction Project’. Scott Wilson has continually developed its service portfolio and new offerings include: energy demand assessments / carbon footprinting; energy / carbon reduction strategies; renewable energy options and advice on carbon offsets and adaptation measures; sustainability appraisals and ethical profiling.

C. ACTIONS

We have established a Materials and Innovation Team and a Spatial Solutions Team at our Nottingham premises where synergy with the local university is being exploited to develop new services based upon technological advances. One of these teams launched the above-mentioned Unmanned Aerial Vehicles (UAVs) as survey platforms.

One of our new acquisitions, Cameron Taylor, is working with a major UK retailer on a number of fronts to design renewable and sustainable solutions for new store construction and larger mixed use schemes. The client’s aim is to achieve a 50 per cent reduction in carbon emissions from new build stores compared with equivalent 2006 shops. Our solutions involve a mixture of innovative design, improved energy efficiency and locally generated renewable and low carbon technology power.

D. PERFORMANCE

None available.

PRINCIPLE 10:

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

A. COMMITMENT

In addition to our Corporate Mission and Values, Scott Wilson has defined its Policy in regards to [Corporate Ethics and Values](#). Please also see our Group [Whistleblower](#) policy and disclosure process.

Pending further revision and approval of our corporate Ethics and Values statement, we have made the following addition to our policy in this area:

“In terms of its relationships with host governments and political parties, the Scott Wilson Group will ensure that:

- *The Group neither endorses political parties, organisations or their representatives, nor makes payments or offers of other support for political parties, organisations or their representatives*
- *Policies and processes are in place to avoid anti-competitive behaviour and comply with legislation*
- *In dealings with host governments, the Group will ensure communication of its support for the UNGC principles”*

Scott Wilson’s support for anti-corruption initiatives is long established and has for example been promoted through involvement in relevant trade associations; in 2002 the need to take action against global corruption in the construction sector was personally championed by its then President of the Institution of Structural Engineers, a Scott Wilson director.

Scott Wilson is a founding member of and active participant in the UK Anti-corruption Forum, an alliance of UK business associations, professional institutions, civil society organisations and companies with interests in the domestic and international infrastructure, construction and engineering sectors.


Please see the Forum’s website at <http://www.anticorruptionforum.org.uk/acf/about/>.

B. SYSTEMS

The Group’s Employee Handbook outlines applicable ‘Principles for Business Conduct’, which outlines Group standards in relation to conflicts of interest, personal financial interests, gifts / entertainment and so on. Any potential violations by staff would be subject to an internal investigation, then corrective and/or preventive actions taken as appropriate to the case (e.g. remedial training, application of disciplinary and grievance procedures, etc.).

A ‘Whistleblower’ disclosure process (articulated within the Policy statement) is in operation to facilitate reporting of any breach of Business Principles or other potential malpractice. A three-stage process exists for internal disclosure of allegations, including provisions for independent advice to staff and for confidential reporting of concerns via the independent charity, Public Concern at Work. Each incidence would be investigated and suitable actions taken to resolve that case and prevent any further conduct violations, including notification of external authorities.

Corporate governance systems, risk assessment processes and financial controls, including external audits of accounts, are applied to ensure due probity throughout our business dealings.



For example, our core business process – Project Management – includes a Risk Assessment form to help decide whether a prospective commission exposes the Group to undue risks. This form requires consideration of the Corruption Perception Index of the country in which the assignment is to be carried out.

However, as a result of the increasing attention being given worldwide to this subject and to underscore our commitment to this UNGC Principle and our participation in the UK Anti-Corruption Forum, Scott Wilson has reviewed its management arrangements for ensuring compliance with societal norms and stakeholder expectations and decided that a more systematic approach is required.

Accordingly, Scott Wilson is now developing a Business Integrity Management System (BIMS) taking account of the guidance from a number of sources including the International Federation of Consulting Engineers (FIDIC), Transparency International and the UK Anti-Corruption Forum. This significant initiative will, as far as possible, be integrated with existing corporate processes and procedures and focus on universal understanding of responsibilities and practical actions. It is also planned to generate better performance metrics to facilitate future reporting.

D. ACTIONS

Scott Wilson has continued to participate in the UK Anti-Corruption Forum initiative, in which staff have attended meetings and helped provide both articles and editorial input to its Newsletter.

Scott Wilson staff participated and / or attended a range of events promoting anti-corruption initiatives, including functions hosted by the UK Foreign and Commonwealth Office and the UK Department for International Development.

The main ‘action’ of the reporting period comprised a significant amount of preparatory work on the BIMS initiative. This involves a review of policy, development of various guidance and awareness training materials and integration of proposed controls and monitoring systems with existing personnel, management and financial processes.

E. PERFORMANCE

Until the rollout of BIMS, we are not able to report using robust performance data. We look forward to being able to provide more detailed information on what we accomplish when we report next year.

In the meantime, we are not aware of any allegations or incidences of corruption or malpractice by our staff.

GOALS FOR THE 2007-8 COMMUNICATIONS ON PROGRESS REPORT:

UNGC Indicators	2007-2008 Goals
Human Rights:	
<ul style="list-style-type: none"> Raise human rights awareness 	<ul style="list-style-type: none"> Develop on-line guidance for the Group intranet and provide hard copy format for overseas offices where no ICT capability (check effectiveness of this through next employee survey)
<ul style="list-style-type: none"> Consideration of Human Rights in procurement 	<ul style="list-style-type: none"> Develop integrated policy on sustainable / ethical purchasing
<ul style="list-style-type: none"> Monitor human rights of suppliers 	<ul style="list-style-type: none"> Continue risk assessment exercise and investigate any potential anomalies or high risks
<ul style="list-style-type: none"> Partnerships with NGOs 	<ul style="list-style-type: none"> Develop global guidelines on NGO engagement procedures Identify strategic partnership(s) with suitable NGO(s)
Labour:	
<ul style="list-style-type: none"> Group mission and values 	<ul style="list-style-type: none"> Review corporate Human Resource policies with a view to including explicit references to Human Rights Communicate to all employees worldwide (check effectiveness of this through next employee survey)
<ul style="list-style-type: none"> Group policies and non-UK centric guidance 	<ul style="list-style-type: none"> Clarify ethics policies with clear instructions on how to react to and report on situations in which staff may be faced with ethical dilemmas
<ul style="list-style-type: none"> Diversity / non-discrimination 	<ul style="list-style-type: none"> Track equal opportunities / diversity metrics in all offices worldwide
<ul style="list-style-type: none"> Staff grievances 	<ul style="list-style-type: none"> Track and report on staff grievances Encourage proactive use of suggestion scheme / UNGC point of contact and ensure prompt attention paid to each submission
<ul style="list-style-type: none"> Health and safety 	<ul style="list-style-type: none"> Ensure appropriate H&S management applied at all offices worldwide Provide non-UK centric guidance for overseas offices Set up system to monitor annual review of office risk assessments, fire drills and training / awareness metrics across whole Group
Environment:	
<ul style="list-style-type: none"> Environmental management system and ISO 14001 	<ul style="list-style-type: none"> Provide non-UK centric guidance for overseas offices Establish systems to obtain metrics from all overseas permanent offices
<ul style="list-style-type: none"> Carbon Footprint 	<ul style="list-style-type: none"> Set up systems to track and account for carbon footprint Implement range of coordinated initiatives to reduce carbon footprint and track performance improvements If applicable, align any carbon offsets with sustainable business objectives (e.g. channel into Millennium Project schemes to mitigate against effects of global warming rather than plant trees)
<ul style="list-style-type: none"> Recycling 	<ul style="list-style-type: none"> Implement initiatives at each office to minimise waste and/or promote recycling and track performance improvements
<ul style="list-style-type: none"> New technologies 	<ul style="list-style-type: none"> Establish system to capture data on client commissions in which Scott Wilson is applying new technologies Encourage use of new technologies throughout the Group
Anti-corruption:	
<ul style="list-style-type: none"> Raising awareness 	<ul style="list-style-type: none"> Definition of on-line Business Integrity Management System guidance on Unite and hardcopy format for overseas offices where no ICT capability exists (check effectiveness of this through next employee survey) Internal executive / management briefings Continued participation in external forum (UK Anti-Corruption Network)
<ul style="list-style-type: none"> Business integrity management system 	<ul style="list-style-type: none"> Employee training (formal training / on-line) Establish system to track any investigations and sanctions imposed

Table 1: Country Risk Rankings

	Health and safety	Human Rights	Child labour	Corruption and transparency		Health and safety	Human Rights	Child labour	Corruption and transparency		Health and safety	Human Rights	Child labour	Corruption and transparency
Permanent Offices:					PROJECT OFFICES:					Local Representation:				
Bahrain	10	67	26	36	Azerbaijan	83	144	28	130	Armenia	57	127	175	93
Botswana	86	64	107	37	Bulgaria	77	106	107	57	Georgia	67	133	55	99
Canada	97	30	35	14	Cambodia	166	154	175	151	Kenya	185	135	129	142
China	157	181	143	70	Channel Islands	-	-	-	-	Kyrgyzstan	63	106	143	142
Ethiopia	187	164	166	130	Ghana	162	133	187	70	Mauritius	80	37	55	42
Hong Kong	-	-	-	-	Greece	31	98	107	54	Moldova	54	101	125	79
India	145	185	129	70	Jordan	68	75	58	40	Mongolia	65	85	129	99
Ireland	28	48	2	18	Kazakhstan	100	118	58	111	Pakistan	140	176	175	105
Lithuania	48	56	107	46	Libya	87	121	N/A	105	Turkmenistan	74	110	175	142
Malawi	176	110	95	105	Morocco	156	115	143	79	Uganda	186	185	166	105
Malaysia	110	118	58	44	Nigeria	172	178	166	142	Uzbekistan	105	167	123	151
Mozambique	184	121	143	99	Sri Lanka	109	161	143	84					
Philippines	137	184	50	121	Ukraine	127	137	107	99					
Poland	120	83	143	61										
South Africa	136	137	143	51										
Thailand	169	154	143	63										
Turkey	159	148	143	60										
UAE	124	90	58	31										
UK	62	56	55	11										
Vietnam	173	149	95	111										
Zambia	150	137	50	111										

KEY:

- Health and safety: ranking based upon ILO estimates of fatal / serious accidents and fatal disease pro rata to population size: survey size 210 countries, 1 = lowest risk ranking
- Human Rights risk: ranking based upon reported violations as per Amnesty International, Human Rights Watch and US State Dept data, 1 = lowest risk ranking
- Child labour: ranking based upon index derived from data from US State Dept / UNICEF plus whether or not country has ratified the 2 relevant ILO Conventions, 1 = lowest risk ranking
- Bribery and corruption: ranking based upon Transparency International's Corruption Perception Index and risk 'Barometer', 1 = lowest risk ranking

Data derived from <http://maps.maplecroft.com/> (January 2007)