

Communication on Progress 2012/13

I am pleased to confirm that Spirit UK Managed Services Limited ('Spirit UK') reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this our first annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,

Pritpal S Sehmi

Managing Director

Spirit UK Managed Services Limited, United Kingdom, COP for 2012/13

Human Rights Principles

Policy and Goals

Spirit UK actively supports the Universal Declaration of Human Rights. We will not carry out business with any countries or organisations where human rights fail to be respected and unacceptable methods are used e.g. exploitation, torture, politically motivated disappearances, slavery and child labour.

We support and respect the protection of internationally proclaimed human rights, including: the right to life, the right to a nationality, treating employees fairly and consistently and the right to movement and residence. Spirit UK strives to ensure equality to all employees and is committed to zero tolerance of victimisation, bullying or harassment.

Spirit UK's operations are in the United Kingdom and comply with the protection offered by legislation in the UK. Our Directors ensure that we protect the human rights of our employees through establishing and implementing various policies that support our company values.

Implementation

Every effort is made to ensure the countries where our manufacturing and procurement partners are located comply with the Universal Declaration of Human Rights. We evaluate all partners and suppliers against a set of defined principles, policies and guidelines. Any contraventions of human rights are documented and the responsible partner will be put on probation and given a timeframe to address and resolve the issue. Continued non-compliance will result in the partner relationship being terminated.

To ensure all Spirit UK employees are informed of organisational changes, staff consultations are completed. This allows employees the opportunity to influence the outcome of the changes prior to implementation. Our company handbook covers policies concerning our employee rights, compensation and responsibilities.

We are committed to supporting the abolition of child labour – our policy is universally applied independent of local laws. We ensure all our employees are above the compulsory school age and identification is required prior to employment to confirm their age.

Measurement

All policies are reviewed for suitability, sustainability and effectiveness on an annual basis or sooner should a significant change occur. These reviews are formally recorded.

Spirit UK has never been subject to any investigations, legal cases or incidents involving Human Rights violations. No other issues have been identified.

Labour Principles

Policy and Goals

It is the Company's policy to provide employment, training, promotion, pay, benefits and other conditions of employment without regard to race, colour, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, gender reassignment, marital status, age and/or disability unrelated to an individual's ability to perform essential job functions. It is also the Company's policy to conform to all employment standards required by law.

All Spirit UK employees are issued with a contract of employment, which clearly states their terms and conditions including pay rates, holiday and sickness entitlement, and also an Employee Handbook where further information can be found regarding policies.

In addition, we provide detailed guidelines on Health and Safety items such as risk assessments, identified hazards and the procedures in place to reduce or eliminate any risks. Spirit UK complies with all relevant Health and Safety legislation, and provides various forms of training to employees to perform their job role in a safe and effective manner.

Annually through our Quality Management System all employees and agents are reminded of our policies and procedures for all matters relating to CSR (Corporate Social Responsibility) and existing employees have access to our comprehensive Employee Handbook which includes details regarding equal opportunities, flexible working, parental leave, work life balance and anti harassment amongst others. All new employees are taken through a robust induction program, which introduces them to the ethos of Spirit UK.

With the continued support from the HR department, all employees are encouraged to participate in dialogue on any subject matter. In addition, our quarterly meetings for Safety, Health and Environmental matters mean that all staff have an open forum to raise any issues.

Implementation

Spirit UK has a wide range of policies supporting best practice in terms of labour and employment including Diversity & Equal Opportunities Policy, Appraisal Procedure and Flexible Working Policy.

Spirit UK has an annual company review on a one to one basis with employees for the Managing Director to provide an update of the past business year – giving staff merit for achievements, where the business is going and thanking them for their individual contribution. This also provides an opportunity for minor issues and/or grievances to be addressed.

Meetings for Safety, Health and Environmental matters are held on a monthly basis for staff to raise any issues or concerns, these meetings are formally recorded and the minutes are made available for all to read. Spirit UK maintains a comprehensive recruitment procedure and all records are maintained within the HR department, and has a Health & Safety Policy which continues to be developed to update company safety procedures.

Spirit UK continually monitor all areas concerning Labour Principles and aim to continually improve processes and policies and where new risks or hazards are identified which could impact on our employee's health and safety additional work instructions are put in place.

Measurement

Annual appraisals are completed for Spirit UK employees to identify personal development needs and training requirements, where possible these are actioned. Company meetings / days out are also held twice a year to encourage both individual and company goal setting, SWOT analysis and team-building.

We ensure our employees are well informed on the progress of the business and we encourage involvement in the processes and development wherever we can. As a result, our employees are happier and are passionate about the company they work for and employee satisfaction is at our company goal of 80% (or higher), resulting in a 'family' type of atmosphere within the team.

Spirit UK has not been involved in any Health & Safety notices, investigations, legal cases or other relevant events related to the contravention of the Global Compact Labour principles.

Environmental Principles

Policy and Goals

Spirit UK recognises that in the pursuit of our business goals we have a responsibility to ensure that our practices minimise any adverse environmental impact. Spirit UK promote the use of environmentally sound resources, discourage wasteful or damaging practices, and continue with initiatives to promote greater environmental responsibility through implementation of a detailed and comprehensive Environmental Policy.

Although our direct impact on the environment is relatively small Spirit UK is keen to ensure continued commitment to its internal policies and controls. Our Environmental policy is made available to all stakeholders and to the public.

Implementation

The environmental aspects and impacts are reviewed and audited annually and all staff are asked to sign up to the Environmental Policy annually. Targets have been set based on the company's impact as follows:

1. Waste reduction

- Spirit UK is committed to a wide range of recycling schemes, which are reviewed on an ongoing basis to ensure waste reduction in all the key business materials used.
- Spirit UK's corporate goal is to become a 'paperless' environment wherever possible.
- Spirit UK ensures that there are paper recycling bins close to desks or printers, and separate recycling bins for glass, paper and plastics.
- Mugs and glasses are used instead of plastic or paper disposable cups, spoons, etc.

2. Energy

- Spirit UK is committed to reducing its energy usage, and uses monitoring devices to track and pinpoint high electrical activity and consumption.
- Wherever it's safe to do so, Spirit UK turn off (and unplug where possible) electrical equipment overnight or when it's not being used, including unused lights, computer monitors and other equipment.
- Spirit UK use greener alternatives where possible, e.g. low-energy water heater instead of a traditional kettle.

3. **Water** Spirit UK currently undertakes monthly water audits in order to manage its water more efficiently.

4. Transport

- Spirit UK actively encourages the use of Public Transport to minimise unnecessary car travel.
- Office bicycles are provided for employee usage, when visiting clients in London.
- Spirit UK actively encourages using teleconferencing and video conferencing instead of travelling to meetings.
- Working from home is encouraged, and car sharing is arranged where possible.

5. Office Premises

The office is fitted with all the most up-to-date energy savings specifications, all key equipment purchased since moving into the premises is at a AAA star rating wherever possible.

6. Legislation

Spirit UK are proactive adopters of legislative requirements. We make it our business to know when new UK or EU legislation comes into force. Spirit UK is committed to comply with all other requirements with the day-to-day running of the business.

7. Supply Chain Management

Spirit UK collaborates with key suppliers to promote environmentally responsible procurement of goods and services. All suppliers are expected to support our aims for sustainability.

8. Company Culture

Spirit UK is a progressive and proactive company with a dynamic way of understanding the environment around them.

Measurement

During the past twelve months awareness campaigns have been introduced and by using actual data captured Spirit UK have been able to give comprehensive feedback to all staff detailing paper consumption, ink consumption and waste generated to further highlight our impact on the environment and reinforce our aims to become more environmentally friendly.

All of the data for these items is reported directly to the board and to all staff and measured against overall company objectives.

Spirit UK now uses licensed waste companies for disposal of waste, and a WEEE compliance company for disposal of waste electrical and electronic equipment and battery disposal.

Spirit UK has not had any reports of environmental incidents within the last year or been subject to any statutory notices or prosecutions.

Anti-corruption Principles

Policy and Goals

Spirit UK is compliant with the Bribery Act and does not participate in any corruption, bribery or extortion. We do not operate in countries or with organisations that are corrupt.

We are committed to work against corruption in all its forms including extortion and bribery. We invest in training and development to assist our staff to be more educated in this regard and comply with the ethical code of practice.

Spirit UK has introduced further documented procedures within its finance department to eradicate any additional risks and has committed to increasing the number of procedures over the coming twelve months. In the next year staff briefings will be given in relation to bribery and corruption to ensure our integrity as an international business.

Implementation

Spirit UK ensures all daily monetary values are checked under the responsibility of the Managing Director with a prior check by the Financial Controller. Employees are given training in each business area to support anti-corruption in our organisation.

We will continue to audit our suppliers to ensure they are ethically trading and not involved in any unethical practices.

The Staff Handbook contains all relevant policies and procedures for staff to review and as part of the induction process staff are introduced to these.

Our financial records are audited on a monthly basis by our chairman and are controlled by our Managing Director and on an annual basis our accounts are audited independently.

Measurement

Our recruitment procedure is continually checked and audited by external bodies such as clients and ISO auditors, and includes such checks as proof of citizenship and credit scoring which can reduce our exposure to risk of corruption. Awareness and evaluation measures have been place in place to prevent corruption.

The measurement for corruption remains the responsibility of the Managing Director and is based on perception according to the information provided to him by the Finance Manager, Senior Management, staff and process owners. Areas where further investigation is required are passed to the Head of Compliance or any other body necessary to fulfil the requirements of a complete audit.

During the last 12 months Spirit UK have not been involved in any legal cases, rulings or other events related to bribery, corruption or extortion.