

The Innovation Group plc

Communication on Progress

Issued January 2014



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UN Global Compact Communication on Progress**1st October 2012 to 30th September 2013*****1.0 Statement of continued support by the Chief Executive***

I am pleased to reaffirm Innovation Group's support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. This short report describes how we integrate these principles into our business practices.

Sustainability is a key value upon which our business will move forward. Sustainability matters to our employees, it matters to our customers, it matters to our wider stakeholders and it matters to me.

Quite simply, we must run our business in a responsible, considerate, informed and sustainable way. We must also develop and deliver sustainable solutions for our clients and we must help our supply chain to minimise their impact. By implementing this model I believe we can make a real difference. This is all vital work to ensure we are indeed a 'Future Ready' business.

I hope you will find this summary report informative. Please also note that our full Sustainability Report and supporting GHG Emissions Inventory Reports will be available on our website in February 2014:

<http://www.innovation-group.com/sustainability>

Andrew Roberts, CEO The Innovation Group

2.0 Company Overview

Our business

Innovation Group is a specialist service and solution provider to the insurance, automotive and property industries. The Group is able to provide tailor made solutions to meet the needs of our clients. The clients are able to leverage Innovation Group's staff, resources and technology for first notification of loss, incident management, accident management, warranty servicing and supply chain management. By offering these services in an effective and efficient way we can save resources and reduce the impact of our own business and as well as that of our clients.

As of the 31st August, 2013, the Innovation Group employed 2,832 staff and operated in 11 countries.

We believe that our business is one with relatively low risk to the environment. We are an office based organisation with services delivered largely by call centre operations and field personnel (e.g. client liaison, assessors and loss-adjusters). Some offices are very small (less than 10 employees) and some staff are home based. Field people travel predominantly by car, although rail or air travel may be involved. One of our specialist subsidiaries delivers subsidence, geotechnical and ecology based services. Although we believe we have relatively low environmental impact from our direct operations, we are a responsible business and are managing issues such as energy, waste, paper use and water as explained later in the report.

However, we have an extensive supply chain made up of a broad range of organisations of different sizes and sectors. These include garages, plumbers, builders, electricians and repair service providers for instance. We acknowledge that we have a responsibility, and our clients expect us to manage and support this supply chain to minimise risk to the environment and the societies in which we operate.

In 2010, the Group launched 'Partners in Progress', our sustainability strategy framework, which was focused on managing our global carbon footprint and reducing the environmental impact of our own operations and supporting our suppliers to do the same.

Our Culture and Company values

Our values

- We act with integrity
- We respect our clients, their customers, our colleagues and suppliers
- We are reliable
- We are innovative
- Our solutions are sustainable

Our promise

- For our customers: reduce costs and risks, improve efficiency and increase customer satisfaction and loyalty
- For our employees: provide meaningful jobs and a fulfilling working environment
- For our shareholders: focus on delivering market-leading returns

It is clear that sustainability underpins our values and promises. Innovation Group aims to be the organisation of choice for customers, shareholders and employees, not just because of what we do, but because of the way we do it. In order to achieve this goal, we know that

need to make a worthwhile contribution to society and minimise our impact on the environment. Sustainability is core to our business strategy and not just a bolt on consideration.

3.0 Human rights and labour principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

3.1 Assessment, Policy and Goals

We are committed to adhering to the Universal Declaration on Human Rights and ILO Core Conventions. We communicate our policy on Human Rights and Labour principles in our code of conduct. This code outlines to our suppliers, partners and employees the standards that we will operate under. The following policies relating to Human Rights and Labour principles are taken from our code of conduct:

- **Discrimination:** Our employees must be recruited, selected, and promoted on the basis of objective criteria only, in accordance with all legal requirements. Harassment or discrimination based on race, colour, sex, religion or on any other basis, will not be tolerated by Innovation Group. In the case of disability or chronic illness employees should be able to work for as long as medically fit and appropriate work is available, avoiding prejudice and discrimination in the process. It is one of our core objectives to create an attractive working environment for our employees. In this respect it is our responsibility to recruit, hire and promote employees on the sole basis of suitability for the job (whilst supporting the South African Black Economic Empowerment initiative to redress the imbalances of the past), to stimulate their individual and professional development, and to provide a safe working environment.
- **Child labour:** Innovation Group adheres to the legal minimum age requirements in all countries in which the Company is active.
- **Business Relations:** business unit management is responsible for making the Innovation Group standards with regard to child labour known to key suppliers and contractors.
- **Forced labour:** Innovation Group will under no circumstances make use of forced labour. Innovation Group will only employ employees that are working of their own free will. No employee is required to lodge deposits nor will they be deprived of identity papers upon commencing employment with the company. Business unit management is responsible for making the Innovation Group standards with regard to forced labour known to key suppliers and contractors.
- **Right to organise:** Innovation Group recognizes the freedom of employees to establish or join an organisation of their choice and will respect this right. Innovation

Group will not make the employment of a worker subject to the condition that he/she shall not join a union or shall relinquish trade union membership. Innovation Group will not dismiss or otherwise prejudice a worker for the mere reason of trade union membership.

- **Collective bargaining:** Innovation Group respects within the framework of applicable laws, regulations and prevailing labour relations and employment practices, the right of employees to be represented by labour unions and other employee organisations.

3.2 Implementation

We have taken the following measures to ensure that our Human Rights policy and labour principles (as outlined in our code of conduct) is upheld across its global operations:

- New employees entering the Company must receive at least a basic training on Business Principles within their first three months of employment. Management at every level of the Company must ensure that all employees are informed about Innovation Group's Business principles. The intensity of training may vary depending on the risk of possible infringement of Business Principles to which the various categories of employees may be exposed.
- Key suppliers to Innovation Group companies must sign that they comply with Innovation Group Business Principles and that they live up to these principles in their business relations with Innovation Group
- We recruit, hire and promote employees on the sole basis of suitability for the job whilst supporting the South African Black Economic Empowerment initiative to redress the imbalances of the past.
- We prohibit harassment of any kind and exploitation of child labour.
- We provide safe and healthy working conditions for our employees in all our countries of operation

3.3 Measurement of outcomes

We are committed to conducting our business with honesty and integrity, and we expect all staff to maintain high standards in accordance with our Code of Conduct. However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential in order to prevent such situations occurring or to address them when they do occur. To enable us to identify breaches of our Human Rights and Labour principles policy, we have a global Whistle Blowing policy. The policy is aimed at encouraging our staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected. To manage this process we have implemented a global Whistle Blowing policy that will enable us to effectively report, investigate, track and analyse our employees' concerns.

4.0 Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

4.1 Assessment, Policy and Goals

We are aware of our significant environmental aspects and are committed to minimising our impact on the environment, preventing pollution and complying with environmental legislation. We have documented Environmental Management Systems in a number of our offices in the UK and Germany and have set targets to further develop these systems and implement them in more offices during 2014. Our Stuttgart office operates an EMAS verified system. We have calculated our global carbon footprint and set a reduction target. Full details can be found in our GHG Emissions Inventory Report appended to this submission.

In addition to our own impacts, we have an extensive supply chain made up of a broad range of organisations of different sizes and sectors. We have engaged over 70% on InFront Innovation's UK supply chain members (by spend) in our carbon training, calculation, reporting and reduction project. All suppliers are now contractually required to report their carbon footprint to the Group on an annual basis.

The Innovation Group has also completed an analysis of the Sustainability Risks and opportunities which can be found in the FY2013 Sustainability Report appended to this submission.

Our full Sustainability strategy including environmental improvement targets can be found in section 1.5 of the FY2013 Sustainability Report.

4.2 Implementation

The Group has worked hard throughout FY2013 to implement sustainability initiatives to improve our performance. Some highlights are summarised below but a more detailed outline can be found in the FY2013 Sustainability Report appended to this submission.

Sustainability is at the heart of our business strategy moving forward and is a consistent item on the bi-annual Senior Executive global strategy conference agenda. All business leaders within the Group are committed to driving sustainability within the organisation.

The Chief Executive Officer Andrew Roberts, along with the full Board and the Senior management team, have all completed an advanced, in-house, 3 hour e-learning course in Sustainability. Completion of this course attracts the title of 'Sustainability Ambassador' within the Group. There is also a team of appointed regional Sustainability Ambassadors across the organisation who have all completed the training and are committed to driving Innovation for Sustainability.

Furthermore we have a dedicated in-house team focused on developing sustainable solutions to help our customers.

We aim to be a Future Ready business by being informed and educated and using this knowledge to develop innovative sustainable solutions for our clients, as well as supporting our extensive global supply chain network towards our common goal of better sustainability performance.

Highlights of our progress so far:

1. Sustainability remains a regular agenda item at the bi-annual senior executive global strategy conference.
2. Our CEO, the full Board and the full Senior Management Team have all completed the advanced 3 hour e-learning course and earned the title of Innovation Group Sustainability Ambassadors.
3. We have adopted a new SmartCarbon™ web-based tool to calculate our carbon footprint. We have applied the Green House Gas Protocol principles to our global implementation of the data gathering, calculation and reporting process. Our total global carbon footprint is 13,805 tCO₂e. Our intensity ratio is 6 tCO₂e per full time equivalent employee. We have made tackling carbon emissions our number one priority within our Sustainability Strategy and have set a target to reduce our full time employee emissions intensity (tCO₂e/FTE) by 6% by the end of FY2015 financial year against a FY2013 baseyear⁸. We plan to extend this reduction to achieve 15% by the end of the FY2020.
4. InFront Innovation was recognised as being the first carbon managed claims handling operation of its kind in the United Kingdom. It is now a contractual requirement for all UK InFront Innovation suppliers to report their carbon footprint using the SmartCarbon™ web-based platform. By supporting and enabling our suppliers to measure and manage their carbon emissions, we are able to bring the long-term benefits of reduced energy and material usage to our clients, suppliers and shareholders. This capability is seen by our clients as a differentiator and we are focused on spreading this expertise to other parts of the Group.
5. We have a trained, competent and dedicated global team of Sustainability Ambassadors and Carbon Champions. We held the first of what is to be an annual 'Global Sustainability and Carbon Workshop' in the UK with Ambassadors and Champions from nine regions in attendance. We offset the emissions associated with this conference.
6. The employee engagement programme is well underway. We have a dedicated Sustainability Hub on the intranet with information and resources. We aim to launch a global training programme and employee questionnaire in Quarter 1 of 2014.
7. Standardised energy audits have been carried out globally at all main Innovation Group sites.
8. We have added a Sustainability module to our Kairos Management Programme and set a project focused on developing sustainable products and services.
9. We have maintained our FTSE4Good status, demonstrating that we meet globally recognised standards of responsible business practice

There are a whole host of other examples of environmental initiatives and programmes. More detail can be found in our full Sustainability Report appended to this submission.

4.3 Measurement of outcomes

There are a number of processes to measure, monitor and evaluate the effectiveness of our sustainability initiatives. Our global carbon footprint calculation has been subjected to an internal audit and there are regular management review meetings. We have an EMAS (Eco-

Management and Assessment Scheme) verified system in our Stuttgart office which is subjected to external verification audits. We also have a basic Environmental Management System in two UK offices with a target in our strategy to develop an Environmental Management System (EMS) for the Head Office in Whiteley, UK by April 2015 and consider suitable EMS certification schemes.

5. Bribery and Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

5.1 Assessment, Policy and Goals

It is the policy of The Innovation Group plc to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the regions in which we operate.

Our Anti-bribery and corruption policy is published on our website. The purpose of this policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

5.2 Implementation

- Our policy includes the requirement to keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- An affected person must enter details of all hospitality or gifts accepted or offered, which are permitted by this policy on his/her regional hospitality/gift register.
- An affected person must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.
- An affected person is encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If an affected person is unsure whether a particular act constitutes bribery or corruption, or if an affected person has any other

queries, these should be raised with his/her line manager. Concerns should be reported by following the procedure set out in the Whistle Blowing Policy. Persons who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

- Training on this policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this policy. Our zero-tolerance approach to bribery and corruption is communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.
- An affected person's line manager has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

5.3 Measurement of outcome

An affected person's regional MD (together with the board, directors and Chief Legal Officer of the Company) will monitor the effectiveness and review the implementation of our Anti-bribery and corruption policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

The board of directors of the Company has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

Affected persons are invited to comment on this policy and suggest ways in which it might be improved through our regional legal teams.

6.0 Our performance against prior year commitments

The Group has made good progress over the past three years to begin embedding sustainability into the core of our business.

We have achieved a large amount of what we set out to do last year and have documented a new set of commitments in our Sustainability Strategy for 2013-2015.

The following table outlines the activity undertaken during the past year against each of our commitments.

Sustainability area	Innovation Group's 2013 sustainability objectives	Progress made by Innovation Group
Employees	Continue to build on our Kairos employee training programme to further develop the skills of our employees.	This programme is considered to be a great success within the business. We have a new cohort of learners enrolled this year and the syllabus has been updated to include a module on Sustainability. There is also a dedicated project focusing on 'Innovation for Sustainability'.
	Select a pilot location to review health and wellbeing of our staff, to identify enhancement opportunities with a particular focus on enabling healthy workplace behaviours.	Pilot study completed at two contact centres in the UK Motor business. An implementation plan is being developed to test the business value of action on employee wellness over the next 12-18 months at UK Motor in Whiteley.
Environment	Initiate a range of behavioural changes and investments towards delivering our carbon reduction target of 6% per employee by 2015, against a 2012 baseline and report on performance.	<p>Note that we have restated this target against the FY2013 base year as we have further developed our data collection and carbon calculation processes. Therefore we have an increased level of confidence in the FY2013 reported figure. This has not prevented us from making progress on implementing measures to reduce our emissions.</p> <p>We have invested in carbon offset projects to compensate for emissions from the InFront Innovation (IFI) and Marishal Thompson¹ business's which are now carbon neutral. Additionally their entire supply chain has been audited and carbon emissions measured ready for active management in 2014 (see our full Sustainability Report appended to this submission for more information).</p> <p>We have also developed e-learning courses to promote behaviour</p>

		change.
	Develop systems to monitor key environmental metrics including energy, water use, paper and waste.	We have developed systems to monitor certain Key Performance Indicators (KPIs) which are in use in some regions. We will implement this across our operations globally in line with timescales set in our strategy.
	Pilot the development of an Environmental Management System and consider suitable EMS certification schemes.	We have an established a verified Eco-Management and Audit System (EMAS) for our Stuttgart office in Germany. We have also developed a basic Environmental Management System for the Head Office in Whiteley, UK. We have a target within our strategy to further develop this EMS and achieve ISO 14001 certification for the Whiteley Office before April 2015.
	Continue to refine and expand our global carbon emissions inventory with a view of reporting some material scope 3 emissions.	We have trained our global team of Carbon Champions who represent each region of the business and have adopted The CarbonFix ² Foundation SmartCarbon TM web-based calculation tool ³ to improve the accuracy of our footprinting process. We have a high degree of confidence in our reported figure which includes scope 1, scope 2 and scope 3 emissions from business travel.
Supply chain	Continue to embed sustainability criteria into supplier contracts.	<p>It is a contractual requirement for all UK InFront Innovation suppliers to report their carbon footprint using the SmartCarbonTM web-based platform.</p> <p>As part of a wider project to make our global supply chain more sustainable, we intend to roll out this carbon footprint model across our supply chains in Europe and then globally.</p> <p>We will also include wording in our</p>

		contracts to ensure that each of our suppliers around the world comply with our set of sustainability requirements.
Community investment	Generate options for employees to invest in the local community through volunteering programmes.	We have examples across the regions such as those outlined from South Africa in our full Sustainability Report appended to this submission. We have also set a target within our 2013 -2015 Sustainability Strategy to generate opportunities for employees to invest in the local community through volunteering opportunities.
Innovation	Work with our suppliers and employees to assess options, so as to reduce the impact of repairs in the claims handling process and to collaborate with our key clients to assess demand for low impact or preventative insurance products.	<p>There have been a number of programmes to promote innovation for Sustainability.</p> <p>We have asked employees to provide suggestions for ways to improve our performance via our global newsletter, e-learning course and Sustainability Hub on the intranet.</p> <p>We have also set a dedicated project requiring one of our Kairos teams to research and present ideas for Innovative solutions for our business and our clients.</p> <p>We have engaged with our suppliers and our clients and our Chief Executive, Andrew Roberts will request meetings with key clients in the UK, early in 2014, to discuss demand for low impact or preventative insurance products.</p>
Communication	Communicate our sustainability performance to our employees through the employee intranet.	We have established a dedicated Sustainability Hub which is accessible to all employees via the Intranet. This contains a message from the Group Company Secretary along with case studies of good practice from within the Group, information, policies, resources and

		videos. This is updated bi-annually by the Group Sustainability Manager.
	Develop a network of employee sustainability champions so that improvement ideas can be communicated to the Group's Sustainability Committee.	<p>We have an enthusiastic and dedicated global team of Sustainability Ambassadors representing each region of the business. All of these champions are knowledgeable and competent as they have completed an advanced 3-hour e-learning course on Sustainability. The majority have also attended a 2 day sustainability and carbon conference that was held in the UK. This is to be an annual event.</p> <p>These individuals, together with the Group Company Secretary and Group Sustainability Manager, make up the Group Sustainability Committee, which meets on a quarterly basis. The Group Company Secretary chairs the Committee. A summary of these meetings is passed to the Regional Managing Directors who have all also completed the same e-learning course.</p>
	Develop a system of communication to inform our key stakeholder groups of our progress in managing sustainability risks and opportunities.	<p>We have developed a detailed communication plan for all internal parties which is managed by the Head of Global Communications, PR and Marketing. In addition, there are currently three tiers to the Sustainability Hub with a fourth tier in development (as detailed below). Each tier has a dedicated message for a target audience communicated via the intranet and extranet:</p> <p>Tier 1 – All employees Tier 2 – Sustainability Ambassadors Tier 3 – Carbon Champions Tier 4 – Sustainability page on external website</p>

Monitoring and reporting	Establish a data collection system to collect social and environmental KPIs on an on-going basis.	<p>We have significantly improved our global carbon monitoring and reporting which was our key priority. We have migrated the carbon accounting and reporting process from an excel spread sheet to SmartCarbon™, a dedicated web-based tool.</p> <p>We did not achieve this goal on a global scale for wider social and environmental KPIs and have moved it to our strategy for FY2014. However, the Company already reports Gender and Diversity as part of the new corporate governance disclosure requirements in the Annual Report and some regions are monitoring and reporting some, or all of these KPIs in their businesses.</p>
	Deliver sustainability data management training to data owners to improve sustainability data quality.	We have developed and delivered advanced face to face and e-learning courses for our full global team of Carbon Champions as part of our carbon footprinting activity.

7.0 Our 2013 commitments to the UN Global Compact

Since our last submission to the UNGC early 2013 we have developed a new Sustainability Strategy for 2013 – 2015. The table below summarises the objectives and targets set within the strategy.

Sustainability Theme	Innovation Group's sustainability goals 1 st October 2013- 30 th September 2015
Carbon	<ol style="list-style-type: none"> 1. Appoint in-house Carbon Champions certified by The CarbonFix Foundation (www.carbonfix.it) in each operational region of our global operation by 1st October 2013. 2. Ensure Carbon Champions drive the collection and uploading of Carbon data from all operational regions in to the SmartCarbon™ web-portal allowing web-based quantification of Carbon emissions by 1st November 2013. 3. Ensure delivery of an accurate Scope 1&2 Carbon emission report for base year FY2013 and initiate Scope 3 inclusion for FY2014. 4. Establish a carbon abatement strategy for the Group by 1st October 2014 and expand to our supply-chain by 1st October 2015. 5. Establish a measured carbon reduction project in all operational regions by 1st October 2015. 6. Meet our carbon reduction targets of a 6% reduction in our carbon emissions per FTE by FY2015 based on FY2013 base year increasing to 15% by FY2020. 7. As our systems for carbon data management develop, we will increase the scope of reported emissions to include further Scope 3 emissions from indirect non-owned or controlled sources such as waste emissions by 1st October 2015. 8. In order to comply with the Energy Efficiency Directive (2012/27/EU), all large companies will have to complete an assessment of their energy consumption every four years, the first of which must be completed by December 2015. We will ensure a schedule of energy audits is planned and conducted by a competent energy auditor to meet these requirements.
Environment	<ol style="list-style-type: none"> 1. Pilot the development of an Environmental Management System (EMS) for the Head Office in Whiteley, UK by April 2015 and consider suitable EMS certification schemes. 2. Collaborate with our key customers to assess demand for low impact or preventative insurance products by 1st October 2014. 3. Implement a clearly defined process for measuring reduction in the environmental impact of operations and establish parameters and baseline key performance indicators (KPI's) for Carbon intensity by 1st October 2013; waste to landfill and waste recycled by 1st October 2014 and water use and paper consumption by 1st October 2014.

Employee engagement	<ol style="list-style-type: none"> 1. Engage further with and improve employee understanding of the sustainability strategy empowering them to implement effective change by 1st October 2014. 2. Distribute a global questionnaire to promote employee engagement in the sustainability agenda and assess how to support our employees in reducing our environmental impacts by no later than 31 March 2014. 3. Implement a clearly defined process for establishing baseline key performance indicators (KPI's) for absenteeism, development, company community investment, disabilities, gender and internal complaints by 1st October 2014. 4. Continue to invest in our people through the Kairos programme, developed in conjunction with Cranfield School of Management. Further develop this programme to include Sustainability learning on the syllabus and a sustainability project as an output by 1st October 2014. 5. Select a pilot location to review health and wellbeing of our staff to identify enhancement opportunities with a particular focus on enabling healthy workplace behaviours by 1st October 2013. 6. All employees are to complete 'Code of Conduct', 'Anti-bribery' and 'Data Protection' online training by 1st October 2014. 7. Continue to generate options for employees to invest in the local community through volunteering opportunities. 8. InFront Innovation to achieve Investors in People (IiP) gold status by December 2014.
All Stakeholders	<ol style="list-style-type: none"> 1. Communicate more effectively with internal parties on Sustainability through a new intranet prior to 31 December 2013. 2. Communicate more effectively with external parties on Sustainability through a new internet site prior to 31 December 2014. 3. Develop a programme to communicate with our stakeholders so that we understand and respond appropriately to their key concerns on sustainability issues prior to 31 December 2013. 4. Maintain effective governance and annual reporting of our Sustainability performance. 5. Use the results of stakeholder engagement to complete a materiality review and inform further evolution of the Sustainability Strategy by 1st October 2014.
Innovation	<ol style="list-style-type: none"> 1. Continue to work with our suppliers and employees to assess options so as to reduce the impact of motor and property repairs in the claims handling process and to collaborate with our key customers to assess demand for low impact or preventative insurance products. 2. Engage with our customers to better understand how we can transfer our technical knowledge to reduce the [environmental and social] impact of claims and repair handling business 3. Continue to invest in innovative "Future Ready" technological solutions such as the development of our Insurer suite of software products.
Supply chain management	<ol style="list-style-type: none"> 1. Support 75% of InFront Innovation's top 20 suppliers to calculate and report their carbon footprints by December 2014. 2. Establish measured Carbon reduction throughout our global supply-chain. 3. Establish a Sustainability Code of Practice embedded within all supplier contracts.
Governance	<ol style="list-style-type: none"> 1. Establish a supplier code of conduct with all our suppliers 2. Maintain listing on FTSE4Good index and UN Global Compact and consider registration with other sustainability initiatives. 3. Report to the Carbon Disclosure Project in 2014.

Notes/references:

Note 1. Marishal Thompson & Co. (Environmental) Ltd is a wholly owned subsidiary of The Innovation Group plc.

Note 2. The CarbonFix Foundation is a not-for-profit organisation. The CarbonFix Foundation implement carbon reduction projects around the world which aim to provide sustainable and audited benefits for local communities, biodiversity and greenhouse gas reductions.

Note 3. SmartCarbonTM is a web based tool developed by the CarbonFix Foundation.

Please access the following supporting documents on our website (available February 2014):

<http://www.innovation-group.com/sustainability>

FY2013 Sustainability Report

FY2013 GHG Emissions Inventory Report