



2010 Communication on Progress



The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.



Human Rights

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.

Labour Standards

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.

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.

Anti-corruption

Principle 10

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

Introduction to Impact

Who we are and What we do



Impact is a global people development company, established in 1980 in the UK. We now operate in over 50 countries from 17 offices covering Asia Pacific, the USA and Europe. We are a proud member of the United Nations Global Compact and have won a number of awards for being a Great Place To Work, as voted for by our employees. We are committed to becoming a model of sustainable enterprise, integrating social equity and environmental sustainability into our work so as to achieve better and more profitable business results. It is our belief, born from real experience, that other commercial organisations can embrace this concept of 'doing well by doing good'.

Impact help people work more effectively together. Since 1980 we have assisted organisations with sustainable business transformation and people development. We constantly innovate and evolve our thinking and methodologies in response to the ever-changing market and global economic climate. Doing this ensures that our people remain engaged and motivated and this in turn helps us to retain our standing as a global leader in our field. Our focus is on developing inspirational leaders, building high performing teams and accelerating organisational change. These key areas provide the foundations for all of our propositions and services from engaging employees and developing talent to leveraging diversity.

We work with a variety of organisation including Sony, Royal Bank Scotland, Serco, DFID, Save the Children, Welsh Assembly Government, Lego, JP Morgan, INSEAD, Insolvency Service, UNDP.

Introduction from David Williams Founder and CEO of Impact International



Impact International signed up to the UNGC in June 2005 and this is our fifth Communication on Progress Report. As signatories to the Global Compact we are committed to demonstrating the progress we are making in each of the ten principles.

The economy has continued to throw new challenges at Impact and our clients over the past year. Yet despite this, we have emerged from the recession in good shape, thanks to the commitment of the team globally and our continued aspiration to become a leader in the field of sustainable enterprise.

As experts in behavioural change and leadership development, Impact has developed new solutions in recent years that address the issues of business sustainability and support organisations on their journey to becoming sustainable enterprises.

Increasingly, our clients are becoming interested in our concept of Creating Sustainable Enterprise (CSE) and see this as a key differentiator for Impact. We have built a strong reputation for an approach to leadership development that is focused on organisational sustainability and on building business by innovating around environmental, community and employee based opportunities.

We take our commitment to social responsibility very seriously and not only have we worked hard on this ourselves, we are also influencing our multi-national clients globally through our Community Action Learning methodology. In 2010 alone we ran 45 different programmes involving almost 60 community partners in 7 different countries, engaging over 2,000 participants.

We have continued to extend our portfolio of CSE products and services as we encourage our clients to consider their supply and value chains. We have recently launched a new open programme which focuses on developing Leaders for Sustainable Enterprise. This short course is about how leaders and managers define themselves as a leader for sustainability, how their conduct, their confident advocacy and their actions will make the critical difference.



Introduction from David Williams Founder and CEO of Impact International

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Impact is also working with a global leader in consumer electronics to ensure that sustainability is at the core of their strategy, creating both competitive advantage and improved employee engagement. Through Impact's ongoing facilitation the organisation has 100% buy-in from senior managers and is continuing to work on critical projects for strategic implementation.

We have created a new programme for the world's leading source in intelligent information, to develop their high potential future leaders through a 10 week process that includes virtually facilitated learning using webinar technology and culminates in a community action learning project in rural India where the participants work with social entrepreneurs to develop leadership capacity, business awareness and scalable projects. This combination of virtual learning and CAL is something we will be encouraging more clients to invest in during 2011.

This year, we supported our Relief & Development Group's transition to becoming a social enterprise (named 'Wasafiri') and Impact are now a key stakeholder. Wasafiri are addressing some of the key challenges of our time – tackling poverty and hunger in Africa, creating a peace dividend for the Afghani people in a district of Helmand, supporting climate change negotiations and leading the transformation of the National Institute of Statistics in Rwanda.

We have continued to grow the work we do through our Social Enterprise, Impact Beyond, which provides capacity building services to organisations in the third sector. In January 2011, we brought together senior representatives from 10 key sporting not-for-profit organisations to build trust and agree how they can collaborate more effectively to deliver community development through sport.

As in previous years, our report demonstrates success and failure against our 2009 targets. We have also set some new targets for 2011, which we are committed to achieving.

Each year we include a link on our website for anyone who wishes to read it. We will also put it on the UNGC website.



Human Rights

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.

Context: Impact International is committed to supporting the implementation of all aspects of human rights. As a service provider, as opposed to a manufacturing business, key challenges for us are in the areas of health & safety, employment practices (see section on Labour principles) and influencing across our supply chain. As an international organisation we recognise that there are differences in accepted practices with regard to standards in health and safety, child protection and other aspects of human rights, however we consistently seek to develop best practice across all regions and work to the highest standards rather than just local legal minimums.

Summary of targets set in 09 for 2010: In 2010 in the UK the Safeguarding policy will be reviewed to ensure it is relevant for our work with young people and vulnerable adults.

In 2010 we did limited work with vulnerable adults and children within the UK, consequently the policy was not reviewed. However, it was applied in all relevant work and safeguarding briefings are a mandatory part of all safety briefings given to programme participants on relevant events.

Summary of targets set in 09 for 2010: To continue to develop our staff through the engagement of community based projects (LiTC). We aim for a 20% improvement in all Impact regions.

Progress: Impact International's Learning in the Community (LiTC) Programme is a key part of our commitment to supporting local community development and empowerment. Learning in the Community (LiTC) is now mandatory for all staff in the Asia Pacific Region.

In the UK a total of 120.5 LiTC days were achieved out of a potential 195 days. This equates to 62% days which is a 9% increase from 2009. So although participation was increased we have not hit our 20% improvement target yet.

Human Rights

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Summary of targets set in 09 for 2010: To review the Children's Holiday opportunities for 2010.

Progress: Impact International UK continued its commitment and ran another 'Children's Holiday' for underprivileged children in Cumbria. Due to the challenging economic climate this year and our reduction in staff numbers we were not able to run similar holidays in other global regions.

Summary of target set in 09 for 2010: The Relief & Development Group will demonstrate the progress made by the implementation of a new business model in order to bring in experts to support the overall aim of the group, which is to 'serve those living in crisis'.

Progress: Impact International's Relief & Development Group (which is based within our European Region but operates worldwide) is a specialist consultancy which helps organisations more effectively serve people living in crisis. In the last year we have continued to expand this group and in so doing have worked with a range of International NGOs, Donors and Private Sector Clients.

The Relief & Development Group is Impact's major contribution to seeking innovative ways that the Private Sector can pro-actively promote Human Rights and contribute to poverty alleviation on a global scale.

In April 2010 The Relief & Development Group launched a new business model which saw it start trading as an independent social enterprise 'Wasafiri Consulting'. Impact International maintains a stake in this enterprise and representation on the advisory board, as well as considerable flow of personnel, expertise and contacts. The intention here was to pioneer a new business model which would allow a wider use of consultants, particularly those from the Global South and would drive the growth of this specialist consultancy, and so increase its impact on 'people living in crisis'. For Impact International this represents an evolution in the ways we can most effectively offer our services to support the relief and development sector.

Other progress beyond targets:

Health & Safety - In the UK we have continued to perform to the KPIs introduced in 2006, which require that all staff receive health and safety briefings within 2 weeks of starting their employment with Impact and that regular updates are provided to existing staff. Where deemed necessary international staff may also travel to the UK to receive specific safety training. This has been a major global focus for Impact over the last 3 years and we have seen a year on year decrease in our accidents and related injuries. For the year 2010 there were just 8 injuries compared to 13 for the previous year and 30 the year before.

Community Action Learning - over the last year we have expanded our use of this methodology across all our global regions. Community Action Learning sees us bring together corporate clients with community partners to deliver capacity building projects. Such projects range from simple infrastructure activity to complex consultancy business development based interventions. Key examples for this year include working with Sony to deliver leadership and business skills development to members of the streetfootballworld network, partnering Thomson Reuters with a number of charities in India and engaging over 100 investment banking graduates in schools around London.

When such projects are based on mutual strategic objectives they provide powerful learning and development vehicles whilst delivering lasting sustainable results to community organisations. Through influencing our clients we have seen significant growth in the use of such projects. In 2010 from the UK office alone we worked with 57 different community partners, engaging over 2000 participants in direct work within their community.

Targets for 2011:

Our central purpose through 2011 in regards to our commitment to the UN Global Charter will be to influence our clients and our supply chain with regards to their practices. To this end our specific targets in the realm of Human Rights are:

To offer existing and potential clients a free facilitated conference event on 'Employee Wellbeing in the Workplace'. The purpose of this event is to encourage our clients to explore the link between employee wellbeing and organisational productivity, and provide them with practical ways to increase the well being of their employees.

To seek more opportunities to work with our clients around their CSR strategies and increase the use of Community Action Learning as a central methodology for our work. Next year we will report on the use of Community Action Learning from all Global Offices.

To grow the work of our social enterprise Impact Beyond, and thereby use our core business skills to grow the capacity of organisations working to tackle issues of social and environmental justice. Specifically we will invest in the Business Development capacity by committing a 0.5 equivalent person dedicated to the growth of the business, Impact International will carry the full salary costs of this person(s). By year end we will commit to launching Impact Beyond as an independent business.

To grow participation in Learning in the Community across our Global Offices. In the last year, given a very challenging financial situation, many of our smaller offices have struggled to maintain their commitment to LiTC, however we will reinvigorate this practice across all our regions. We will aim for a 60% take up rate for all international offices, and a 70% uptake for the UK head office.

To conduct a complete safety audit across all our global offices and implement all relevant recommendations on a global basis

To review and develop the programme for Impact's Cumbria Children's Holiday - for over 15 years we have been running a fully funded holiday for children within the care system in Cumbria - this year we will again run the holiday but will review the programme to offer an enhanced personal development experience.



Labour Standards

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;

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the effective abolition of child labour; and

Principle 6

the elimination of discrimination in respect of employment and occupation.

Context: Impact International recognise that our key asset is our people. Consequently Impact is committed to adhering to, and going beyond, all legal requirements to provide fair, flexible and appropriately remunerated employment to all our directly employed and freelance contract staff.

Key labour related issues for Impact are providing flexible working structures (both in terms of available contracts for staff and day to day working practices) and providing transparent remuneration and appropriate benefits for contract staff. Impact employ a large number of 'contract' or 'freelance' staff across our global offices, because of their freelance status such staff often have the least access to representation and forms of collective bargaining. Over the last year Impact have introduced a number of policies and initiatives to make sure these staff receive adequate pay and benefits, on the whole in excess of industry standards

Summary of targets set in 09 for 2010: To share the results from the external staff surveys including the Times Best Companies and Great Places to Work "Best Places to Work" awards.

Progress: Impact has continued to participate in a number of employee-based surveys and in 2009 we won 7 major awards.

Labour Standards

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These include:

Great Place to Work Awards 2010: Impact was ranked 3rd. This is based on our people's feedback about Impact in terms of Credibility, Respect, Fairness, Pride and Camaraderie. We were ranked alongside all other companies, large or small in the UK.

Sunday Times Best Small Companies to Work For Awards 2010: Impact was ranked in 17th place - a fantastic achievement in an increasingly competitive and challenging environment.

Impact is one of just four companies to be reaccredited with a 2010 BITC “Big Tick” for the Impact on Society Award for a Small Company.

- ✓ 92% of our people agreed we make a positive impact on the world. *source: Great Place to Work Awards Survey 2009)*
- ✓ 99% of Impact people believe that Management is honest and ethical in its business practices. *(source: Great Place to Work Awards Survey 2010)*
- ✓ 99% of our employees believe that we manage our impact upon society responsibly. *(source: Great Place to Work Awards Survey 2010)*
- ✓ 95% of our employees believe that this is a psychologically and emotionally healthy place to work. *(source: Great Place to work Awards Survey 2010)*

Labour Standards

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Target: For Impact Poland to finish work on our labor standards system through a series of individual meetings with Impact employees and associates (January – March 2010) and a workshop dedicated to creating the system of competences for associates.

Progress: Impact Poland ran a series of individual meetings with full time employees and associates and created a new system of cooperation based on feedback from people the business needs. The system of competences for associates is still to be created.

Other progress beyond targets:

USA

Impact work with a wide variety of clients across a wide variety of industries. On occasion for personal ethical reasons individuals may not wish to work with a specific client. As part of our commitment to being a great place to work and to respecting our employees Impact USA, in line with Impact UK, introduced a policy to allow individuals to opt out of working with specific clients if they wish to for personal ethical reasons. This policy extends to freelance staff, individuals do not have to justify their choice and will not be prejudiced in terms of future work with Impact.

Targets for 2011

To conduct a consultation process with all staff who work in our Business Fulfillment function, the team who are out working with clients delivering development programmes, currently known as 'Best People, Best Work'. This consultation will be designed to gather ideas and get engagement in developing the process, systems and strategy for the business for the next 3 years. It will include a commitment to, and investment in, professional development.

Impact International draws on a large pool of associate staff, these are individuals who we do not employ directly but on a freelance basis. This year we are committed to extending the benefits that we as a company offer to our associates and will offer personal development opportunities to key associates on an international basis. This includes fully funded opportunities to attend international internal training events.

For 2011 we will be exploring ways to increase the diversity of our associate pool, by examining our attraction, recruitment and development strategies.

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.

Context: Like all businesses Impact faces considerable environmental challenges. As a service sector, as opposed to manufacturing, extraction or agricultural business, our key challenges are around resource use in our programmes, office energy efficiency and transport.

- ✓ 97% of our employees believe that we are working to reduce our environmental impact. (source: *Great Place to Work Awards Survey 2010*)

Summary of targets set in 09 for 10: More accurately measure our carbon footprint, continuing to strive towards a reduction of energy use by 15% by the the end of 2010 from 2006 levels (UK office).

Progress: Carbon production from energy use is now measured in kWh, whilst we have maintained measuring our transport use in miles, therefore leading to a more accurate estimate of total carbon footprint. Unfortunately due to this our total emissions through energy use is up significantly from 2008 levels. The winter of 2008/09 was also particularly harsh which could partly explain an increase in gas emissions (81%). Energy efficient lighting has been further installed in our hotels this year and insulation has been improved, so we are hoping to see a reduction in energy use by the year end.

Target for 2011: A reduction of carbon emissions resulting from energy use of 30% by 2015 (from 2009 levels) with an intermediate target of 15% by 2012

Summary of targets set in 09 for 10: London Office switch to green energy sourcing.

Progress: Due to a lack of budget this has not been achieved this year.

Target for 2011: London Office switch to green energy sourcing by the end of 2011.

Summary of targets set in 09 for 10: To put a new car sharing scheme in place to improve our environmental impact, based upon an analysis of staff commuting patterns.

Progress: A proposal for implementing a car share scheme utilising our fleet of minibuses has been submitted. However, due to several changes in staff and structure of the organisation this has not happened. Now that new systems and staff roles are in place, a pilot scheme should be possible to implement.

Target for 2011: To put a new car sharing scheme in place to improve our environmental impact, based upon an analysis of staff commuting patterns by the end of 2011.

Summary of targets set in 09 for 10: To measure train travel in our annual carbon footprint.

Progress: It is our policy to travel by train whenever possible and to date this is happening with an increase to our expenditure on train fares year on year. We are now able to measure train travel in miles which should lead to a more accurate measurement.

Target for 2011: To measure train travel more accurately in our annual carbon footprint.

Summary of targets set in 09 for 10: To measure and report our CO2 emissions based on the purchase of the new cars.

Progress: In 2009 we purchased a new fleet of cars which were chosen based on size (we have opted for smaller hatchbacks rather than big estates), their efficiency in (miles per gallon) and their performance in terms of CO2 emissions. We are in the process of measuring the change in our emissions resulting from our fleet to the end of 2010.

Target for 2011: To further investigate alternative transport and more efficient methods with the aim of reducing carbon emissions.

Environment

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Summary of targets set in 09 for 10: To have a policy that states that wherever possible we will look to source venues that will consider environmental and labour relations issues.

Progress: We strive to ensure that all of our suppliers have good environmental and labour policies. However, there is not a current process for assessing this.

Target for 2011: To develop and implement a pilot scheme to assess our suppliers environmental policies, with the aim of using suppliers who demonstrate good practice or with the aim of helping those who do not.

Summary of targets set in 09 for 10: To influence clients and suppliers to encourage the use of virtual meeting technology and reduce travel.

Progress: If a client or supplier meeting can happen without the need for travel, this is the preferred option. We have also developed a virtual learning methodology which we have used successfully in practice. We will strive to utilise this methodology more frequently in the future.

Target for 2011: To influence clients and suppliers to encourage the use of virtual meeting technology and reduce travel.

Other progress beyond targets:

A recent survey of Impact UK employees commuting patterns found:
a 40% uptake in the cycle to work scheme
20% of all employees cycle to work at least one day a week
just under 50% of staff car share at least once a week

All Impact employees are expected to complete a minimum of 3 days of Learning in the Community on a project of their own choosing. Several of these have been environmental projects. These have included Himalayan Balm removal with South Cumbria Rivers Trust, setting up community allotments, promoting alternative transport at Cyclefest, woodland coppicing for Cumbria Woodlands and for one individual acting as Executive Chair for Cumbria Woodlands

Impact are active supporters of several organisations including the Prince of Wales May Day Network on Climate Change, the Prince's Rainforest Project, the Lake District Adventure and Environmental Awareness Group, 10:10 and Nature Lakeland. Our support includes facilitating conferences, events and business strategy sessions at cost or for free.

Environment

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Additional targets for 2011

To develop an alternative fuels strategy for Merewood by the end of 2011, with the aim of sustainable heat and power by the end of 2012

To include water use into our annual reporting and reduce consumption by 5% by the end of 2012

To develop Impact's virtual learning offering to reduce the need for travel by delivering it to at least 5 additional clients by the end of 2011



Anti-corruption

Principle 10

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

Context: Impact firmly believes that all businesses should work against corruption. We have strong internal policies communicated to all staff (through our staff handbook) about expectations for professional and ethical behaviour.

Targets for 2010: To include a policy in our handbook that we work against anti-corruption in all its forms.

Progress: All policies, including our stance on anti-corruption, set out within the staff handbook are currently under review and will be re-published to all staff globally in 2011.

Target for 2011: To include a policy in our staff handbook that Impact work against anti-corruption in all its forms.



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