



## **UN Global Compact Communication on Progress Update March 2, 2011**

### **Statement of Continuing Support**

*Global citizenship is a key commitment at Edelman. To lead this initiative and integrate it into Edelman at a global level, John Edelman was named the firm's first ever Managing Director, Global Engagement and Corporate Responsibility as of June 1, 2010.*

### **Letter from John Edelman**

For the past several months, we have been working to develop a comprehensive global citizenship function at the agency. From our previous informal structure involving diffuse and localized programs, we now have established a more centralized role and clearly delineated responsibilities. We have completed a materiality assessment, an environmental footprint analysis, and other initiatives designed to inform our employees and stakeholders about our direction and to establish meaningful global citizenship goals going forward. Our interim report submitted on March 2, 2011 provides a brief update on our progress to date.

We will distribute our next Global Citizenship Report on June 1, 2011, which will fully report on progress from our last global citizenship report and discuss our new commitments going forward. Additionally, we plan to announce our global citizenship signature program, which will be linked to the United Nations' Millennium Development Goals ("MDG").

We look forward to partnering with the United Nations Global Compact, leveraging our resources to achieve MDG goals, and communicating our progress on an ongoing basis.

John Edelman  
Managing Director, Edelman Global Engagement & Corporate Responsibility  
March 2011

## UN Global Compact Principles

### Principle 1: Business should support and respect the protection of internationally proclaimed human rights.

#### Update:

Edelman's focus on supporting and respecting the protection of human rights is embedded in our Vision, Mission and Values, which emphasize the following principles: Quality, Integrity, Respect, Entrepreneurial Spirit, and Mutual Benefits. These values inform our human rights policies and our daily interactions with clients, colleagues and stakeholders.

We support and respect the free exercise of human rights, in particular the freedom of speech and of association, which affect the right of the individual to give and receive information. In doing so we help to maintain the public's trust, which is essential for communicating clients' messages effectively.

Aside from protecting the human rights of our employees, Edelman actively engages stakeholders who are committed to improving human rights around the world.

Edelman and the International Business Leaders Forum (IBLF) are partnering with the Clinton Global Initiative (CGI) to spearhead a new CGI Action Network on Human Capital and Sustainability. This Action Network will explore how companies can develop human capital; improve education, economic empowerment, and global health; and provide employees with opportunities to make a difference. The group will develop strategies for building connections between a company and its stakeholders while building employee skills, competencies, morale and motivation.

Edelman also gives back to the communities in which we operate through volunteer activities and pro bono counsel. Pro bono clients include Auschwitz Birkenau Foundation, CAMFED, Planet Water Foundation, AMREF Flying Doctors, Jane Goodall Institute's Roots and Shoots and Operation Smile. Some additional examples from around our global network are included below, and we will provide a comprehensive list of partners and activities in our forthcoming Global Citizenship Report on June 1, 2011.

#### Sample activities from around our global network:

- The Little Give program, initiated in 2008, is the annual collaboration between our offices in Canada, in which two full days of time and service are dedicated to making a difference in the lives of underprivileged children and youth. In 2010, 15 non-profit organizations were selected by three Canadian offices as grant recipients, which included 48 hours of service, 150 people, and \$2,500 donated to each non-profit.
- In 2006 a startling study, *Hidden in Plain View*, identified Atlanta as the number one trafficked place for child prostitution. In response to the report, Mayor of Atlanta Shirley Franklin engaged Edelman to elevate the issue and create a public awareness campaign—the **"Dear John" campaign**—to change the status quo for women and young girls at risk. What ensued was one of Edelman's pioneering public engagement campaigns – enlisting support from a vast array of advocates from within the community to affect real change on how the issue was being

addressed: toughening laws against Johns from a misdemeanor to a felony; increasing fines from \$50 to \$10,000; and creating a mandatory five-year prison sentence on those who were convicted. The campaign has been touted by the U.N. Conference on Women, used a template for change by human trafficking coalitions, and was awarded both a regional Emmy award and a World Leadership Award.

- Edelman's New York office is committed to mentoring the founding class of the **Manhattan Business Academy**, a newly formed charter school, through their graduation in 2013. We do this in partnership with the Junior Achievement of NY (JANY). The program provides volunteer opportunities for our employees in the in-school teaching program each fall, the annual Youth Leadership Conference each spring, and "job shadowing" opportunities for students in their junior and senior years. We also host an annual summer fundraiser for JANY.
- Various unfortunate natural disasters occur in the archipelago of Indonesia, ranging from earthquakes, tsunamis, volcano eruptions, landslides to floods. IndoPacific Edelman provides relief to the victims of the disasters in many ways. We helped collect financial donations, food, medicine and other basic necessities, and handed them over to the various credible organizations channeling the relief, including the **Indonesian Red Cross**. For the past several years, IndoPacific Edelman has worked closely with the Government of Indonesia in establishing and manning media centers immediately after natural disasters. For the victims of the Yogyakarta earthquake in 2006, the firm held a charity bazaar to collect donation money. For the October 2010 Mentawai tsunami and Mount Merapi volcano eruption disasters, we are presently working with the American Chamber of Commerce and are the lead communications officer to provide updates on the disasters to line officers and donors, as well as draft updates for the American Chamber of Commerce website.
- **CLOCC** is a nationally recognized consortium that works with a broad-based network of partners to empower individuals, families, communities and society to make meaningful changes that will result in healthier behaviors and less obesity in children. As a member of CLOCC's Corporate Advisory Committee, Edelman has provided financial support and strategic, creative and tactical expertise. Our pro bono efforts have included media relations for CLOCC's "5,4,3,2,1 Go!" campaign and promoting its international behavior change conference. Edelman also redesigned the CLOCC logo and collateral materials, and is providing counsel to CLOCC on its positioning statement and messaging.
- **Misiones Rurales Argentina (MIRA)** is a non-profit association that works in the integral human promotion of the rural family through public primary school; its efforts aim to support the rural teacher, especially those who work in remote places, far from the urban centers, often in inhospitable locations where the education task becomes a permanent challenge. Edelman Argentina provides media relations for MIRA, developing media strategy, mapping, and general counseling on the media landscape. In addition, the development of communications collateral with an emphasis on organizational branding is also a service Edelman provides free of cost.
- Edelman Milan has been handling public relations for the Italian branch of the NGO **Children in Crisis** since 2009. Children in Crisis was established in 1993 in UK by Duchess of York Sarah Ferguson to give children in some of the world's poorest countries access to the education they need to fulfill their potential to live healthy lives and contribute to the development of their societies.

## **Principle 2: Businesses must ensure their own corporations are not complicit in human right abuses.**

### **Update:**

Supporting and protecting our employees' human rights is a defining aspect of Edelman's employment policies and practices, and a focus on human rights is integrated into our daily operations. Edelman strives to create and maintain a fair, safe and diverse workplace in of our locations around the world. We recognize that we cannot effectively deliver for our clients if our employees do not feel safe or are not treated fairly.

There are several ways that we seek to protect these human rights and avoid abuses:

- **Living by Our Code of Conduct:** Edelman's Code of Ethics and Business Conduct and other elements of our compliance and ethics program are intended to help raise employee awareness of the legal requirements that apply to our business. Every Edelman employee is responsible for applying the information and policies outlined in our Code of Ethics and Business Conduct to their daily work. We encourage employees to report any illegal or unethical behavior in the work place in order to immediately and effectively resolve an issue.
- **Supporting Diversity:** At Edelman, we recognize the value that diversity brings to our workforce and actively seek to employ qualified employees from diverse backgrounds, train our staff about the power of diversity, actively work with organizations that represent diverse backgrounds and also grow partnerships with minority- and women-owned businesses to provide mutually beneficial opportunities. Additionally, Edelman strictly prohibits harassment and discrimination based on race, color, religion, age, gender, national origin, disability, sexual orientation, or marital status.
- **Promoting a Safe Workplace:** We protect our employees' human rights by enforcing zero-tolerance workplace violence and harassment policies. These policies help to ensure that our employees are working in productive, safe work environments.

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

#### **Update:**

Edelman is committed to upholding employees' freedom of association and recognizes our employees' rights to collective bargaining. We have employee work counsels where required by local law.

### **Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor.**

#### **Update:**

Edelman's employees are our most valuable assets. As a professional communications and services company, any individual that we employ, whether as an employee or freelancer, is paid a living wage. We strive to complement our workplace with a focus on work-life balance, promoting education, sharing best practices on a global level and emphasizing quality performance.

- **Work-Life Balance:** We believe the balance between the personal and working lives of our employees is the key to maintaining health, productivity, creativity, and overall job satisfaction. Edelman recognizes the importance of time away from the office and urges our employees to use their paid time off. All full-time employees are eligible for vacation time. Optional days are provided in addition to formal holidays and may be used at the discretion of the employee on a jurisdiction by jurisdiction basis. Edelman also offers employees in the U.S. days off to be used during the summer months.
- **Education Opportunities:** Launched in 1996, Edelman University is a comprehensive in-house learning and development program for all employees. We are committed to developing the knowledge and skills of our employees so that they can deliver the highest quality service for our clients. We recently rolled out and encouraged employees to take part in a Social Media Belt Training Program and a Public Engagement training program.
- **Global Sharing:** Edelman offers international exchange programs to encourage our employees to learn best practices from others around our global network. This consists of working in a different office for three months to one year. Edelman's fellows working in different countries are encouraged to blog about their experiences for the whole network and the public to learn from.
- **Quality Performance:** Edelman has a strong Quality program, which helps us assure consistent high quality performance throughout our global network. Through our Edelman Excellence (E<sup>2</sup>) program, we reward exceptional employee efforts and E<sup>2</sup> reviews are part of the protocol for promotion and advancement.

## **Principle 5: Business should support the effective abolition of child labor**

### **Update:**

As a professional communications and service company, any individual that we employ, whether as an employee or freelancer, meets appropriate legal age requirements.

## **Principle 6: Business should support the elimination of discrimination in respect of employment and occupation.**

### **Update:**

Edelman prohibits harassment and discrimination based on race, color, religion, age, gender, national origin, disability, sexual orientation, or marital status. We have equal opportunity hiring and recruiting policies in place in order to help us identify employees from diverse backgrounds that strengthen our workforce and can help provide a multicultural perspective to our clients. Furthermore, Edelman actively works with organizations that represent diverse backgrounds and partners with minority- and women-owned businesses to provide mutually beneficial opportunities.

## **Principle 7: Business should support a precautionary approach to environmental challenges.**

### **Update:**

Edelman has completed its first global carbon and water footprint and will share details in our next Global Citizenship Report, which will be released in June 2011. The green house gas (GHG) accounting and reporting is based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) developed by the Greenhouse Gas Protocol Initiative. For the fiscal year 2009/2010(July 1 2009 to June 30, 2010) the total gross GHG emissions of Edelman's global operations were 13,360 tCO<sub>2</sub>e

## **Principle 8: Business should undertake initiatives to promote greater environmental responsibility.**

### **Update:**

As part of the environmental footprint, Edelman licensed Energy Carbon Intelligence System (ECIS), a web-based portal to enable each global office to track and report its ongoing GHG emissions. To support ongoing ECIS and environmental initiatives, each office has appointed a dedicated green team. Additionally, the company has established a policy for all offices to purchase paper with 50 percent recyclable content.

Edelman is a member of the World Economic Forum's taskforce on 'Driving Sustainable Consumption'. As business, brands and citizens learn to address the impacts of consumption on planetary resources and social wellbeing; this is an important initiative for Edelman and our clients. The Sustainable Consumption taskforce is exploring the role that World Economic Forum and its members can play across three pillars:

- Tackling consumer engagement as a business innovation opportunity
- Looking at employees as a stepping-stone to consumers
- Exploring innovative ways to empower and enable consumers

The taskforce is also working on a pilot portal to provide more information on carbon, water and waste to help consumers make better choices about products and services.

## **Principle 9: Business should encourage the development and diffusion of environmental friendly technologies.**

### **Update:**

As we redo our workspace in many of our offices around the world, Edelman has taken steps to incorporate energy savings lighting controls and educate our staff to continue to conserve energy not only on the office but in the home. We have a policy that automatically shuts down all desktops at 8:00pm local time in order to avoid having staff leave their computers on overnight. We require all equipment that is purchased throughout the Edelman network to be energy star or energy star equivalent.

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

### **Update:**

In 2007, Edelman established a full-time compliance and ethics function under the direction of a dedicated Global Compliance Officer. Edelman's Code of Ethics and Business Conduct, which addresses compliance with anti-corruption regulations, was updated and distributed to all employees in December 2008. All new employees receive compliance and ethics training as part of their orientation, and are required to confirm in writing their understanding and commitment to comply with the provisions of the Code of Ethics and Business Conduct.

In 2008 Edelman rolled out a formal anti-corruption program that addresses the following:

- **Due Diligence:** Performing due diligence on business partners, personnel and contracts related to government client engagements.
- **Policy:** Establishing clear company policy on what constitutes unacceptable behavior.
- **Communication:** Training employees regarding corruption risks and our related policies. An update of this training program is being rolled out in 2011.
- **Monitoring:** Implementing an internal audit function (established in 2011). Compliance with the requirements of our anti-corruption policies and procedures are being incorporated into our internal audit procedures.

Edelman has been a member of the World Economic Forum's Partnering Against Corruption Initiative (PACI) since 2009. The PACI's mission is to develop multi-industry principles and practices that will result in a competitive level playing field, based on integrity, fairness and ethical conduct. Over 150 chief executives of industry-leading companies across industries and regions have committed as PACI signatories to implement a zero-tolerance policy towards bribery and to establish effective internal anti-corruption programs. Randall Corley, Edelman's Global Compliance Officer, is Edelman's representative to the PACI.