



UN GLOBAL COMPACT

2014 COMMUNICATION ON PROGRESS

31st December 2014

Statement of continued support

Since its formation over 20 years ago in 1991, Zenith International Ltd has always sought to conduct its business to the highest standards of professionalism, service and ethics.

With 2014 group sales of £4 million and a team of some 60 staff, the company has become well established in providing specialist services to the food and drink industries worldwide, but remains a very modest enterprise by most measures.

Nevertheless, we strongly believe that all firms should sign up to and act on certain common principles, both in their local communities and on a wider scale.

The UN Global Compact provides not just the foundation for a statement of intent, but also a disciplined framework for accountability and reporting.

For a smaller business, this is in fact quite demanding. We do not have the resources or monitoring systems of larger firms. But we accepted this challenge as far back as 2003, because we endorse the principles and want to play our part. We also acknowledge our good fortune to be based in Bath, one of so few cities recognised in their entirety as a UNESCO World Heritage Site.

Over the years, we shall try to continue building on our commitment. This report reviews our recent actions.

Richard Hall
Chairman

Zenith International Ltd

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

Zenith aims to meet all generally accepted best practice on human rights, health and safety and other employment standards.

The company regularly updates a fully comprehensive staff handbook, with specific policies on:

- ◆ health and safety
- ◆ recruitment
- ◆ training
- ◆ equal opportunities
- ◆ family leave such as maternity, adoption, flexible working
- ◆ personal conduct
- ◆ harassment and
- ◆ discipline.

In all overseas activities, including developing countries, the company applies the same standards.

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

Zenith has no direct or indirect experience of human rights abuses and no specific mechanism to monitor this.

Nevertheless, the company is conscious of the possibility and does take account of supporting this principle in its procurement and sub-contracting processes.

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

The rights to consultation and union representation are enshrined in all relevant company employment policies and are set out in the staff handbook, which is given to all employees.

Consultation with staff is sometimes formal, as with the introduction of a new contributory pension scheme from 2007 and where necessary to comply with legislative requirements. More often, it is informal, such as quarterly financial results briefings.

Annual staff attitude surveys were introduced in November 2008 and the feedback from them has informed numerous management policy changes as well as employee development programme improvements.

Principle 4 : Businesses should support the elimination of all forms of forced and compulsory labour

Zenith has no direct or indirect experience of forced labour and endorses accepted international standards on this.

Principle 5 : Businesses should support the effective abolition of child labour

Zenith wholeheartedly opposes the use of child labour.

It does, however, try to respond favourably to local schools and staff seeking short periods of work experience for pupils and family members respectively at its main UK office.

Principle 6 : Businesses should eliminate discrimination in respect of employment and occupation

Zenith has a number of equality and anti-discrimination policies in the staff handbook and these conform to established best practice. Each has specified procedures for their implementation.

All appointments, promotions and remuneration are based on merit in terms of skills and competencies.

As a company with a particularly international perspective, we are pleased to employ nationals from a wide range of countries.

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

Consistent with its role as a specialist business consultancy, Zenith takes a proactive role on a number of environmental fronts.

- ◆ It has a Water & Environment Consulting department which advises on environmental best practice, undertakes environmental impact assessments and seeks to optimise water resource management for clients.
- ◆ Its Operations Consulting team manages the construction of factories that incorporate leading technology for sustainability in their design.
- ◆ The company regularly organises industry conferences where environmental concerns and issues are featured. Sustainability has been a recurring title theme in numerous conferences.
- ◆ In June 2010 Zenith's Chairman participated in the UN Global Compact Leaders Summit in New York, chairing two roundtable discussions and reporting back on one during a plenary session.

Principle 8 : Businesses should undertake initiatives to promote greater environmental responsibility

Zenith's two main internal concerns have been the management of waste and the minimisation of unnecessary travel.

- ◆ The company has regular paper and packaging waste recycling collections.
- ◆ International travel is budgeted and has to be approved by department heads.

All lighting in the main UK office uses long life low energy bulbs.

An environmental audit of the business was undertaken in 2007. This contributed to a number of significant environmental initiatives.

- ◆ A comprehensive company environmental manual was produced in 2008.
- ◆ Zenith also gained accreditation under the ISO 14001 worldwide standard for environmental management systems in 2008 and this accreditation has been maintained.

Externally, Zenith has a number of publications and news services.

- ◆ These regularly report on new technology, new legislation and new product development such as packaging lightweighting and new packaging materials.
- ◆ The company has also introduced environmental progress into its industry awards programmes. All international awards criteria have included environmental objectives and awards since 2007.

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

Zenith added geothermal modelling to its scope of services in 2006 and this remains one of the company's consulting services.

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

Zenith has had to act directly against corruption or possible corruption in a limited number of instances.

The company does not accept payments in cash and all transactions have to be properly recorded with invoices and receipts.

Zenith as corporate citizen

For a smaller business such as Zenith, the UN Global Compact represents concerns and aspirations that rarely touch some of our everyday preoccupations. The company also aims to play an active role in its local community and to support the direct participation of staff in social and charitable endeavour.

Zenith's policy towards charitable giving is to allocate a minimum 1% of pre-tax profit to charity and up to a target 3% where particular criteria are met. These criteria include the encouragement of active staff involvement, securing matched funding and supporting development initiatives.

The most common donations match fundraising in charity walks and marathons. The company also backs staff participation in charity days and competitions.

Since 2005, the company has embarked on a succession of more ambitious local projects:

- ◆ 2006 sponsorship of a seat in the newly opened Egg youth theatre in Bath for £2,500
- ◆ 2007 and 2008 founder support of Bath Open Art Fair for £5,000, helping raise funds for a local hospital neo-natal intensive care unit

- ◆ 2009 support of Bath's first contemporary public sculpture in recent years for £15,000, appropriately a water feature by William Pye
- ◆ 2010 corporate contribution of £1,500 towards redevelopment and expansion of the Holburne Museum in Bath
- ◆ 2013 corporate contribution of £1,500 towards redevelopment and expansion of Bath Preservation Trust premises at 1 Royal Crescent
- ◆ 2014 corporate contribution of £10,000 towards Bath Abbey Footprint Appeal.

Some of these gifts were channelled through the Quartet Community Foundation, in which Zenith has become actively involved. From 2007 to 2013, Zenith's Chairman served as a Trustee and as Chairman of its Bath & North East Somerset Committee.

In 2007 we extended our sponsorship of the education of orphaned and other children at the Sikkim Himalayan Academy in India. From 2008 this included matching staff contributions to pay for the full education costs of eight children. In 2010 Zenith funded a member of staff to travel to Sikkim and help the teachers there during a three week stay.

Another 2007 development was the introduction of corporate membership of a newly opened health club, to which all staff are eligible.

From 2008 to 2011, Zenith's Chairman served as a Director of Future Bath Plus Ltd, a joint venture between the elected Bath & North East Somerset Council and the local business community. He also chaired its newly created Public Events Panel.

In 2012 Zenith's Chairman was appointed to the Bath Abbey Appeal Board, which is seeking to raise up to £20 million for major improvements to the Abbey's facilities and work.

Inevitably, none of these efforts is sufficient to the overall task or even a small part of it. But we believe we are heading in the right direction and are happy to be pressed from any direction to do more.

Circulation of this report

Copies of this report are being circulated electronically to all Zenith staff, posted on the Zenith website and sent by e-mail to the UN Global Compact office.

31st December 2014