



CEO LETTER

# Message From Our CEO

## In a Perfect World

As the owner of a communications agency whose many specialty areas began (and remain) with a foundation in technology, I was awed after attending the TED conference in Vancouver, B.C., earlier this year. Anyone who's been to TED can testify how inspiring it is to hear the many stories about technological advancements and human potential something I've blogged about a number of times. One theme in particular piqued my interest after my conference ended; strangely enough, it was the central subject for TEDx Portland. That topic: "Perfect" and the challenge in striving for it, defining it and creating it. Around the time I was hanging up my own entrepreneurial shingle, my dad gave me some advice that still speaks to me more than 30 years later: "Don't let the perfect stand in the way of the good." This is something I think about often. A mix of optimism and pragmatism ultimately rules the day and the decisions we make. For me, being confident in the choices that determine our future matters much more than trying to create a perfect world.

When we first started producing our corporate citizenship report, it wasn't perfection we were after but a yearly all-up accounting of our

various efforts and areas of improvement. With a half-dozen reports under our belt (including this one), we have learned a lot and continue to evolve along our citizenship path. Actions speak louder than words, and while progress is sometimes slow, progress is progress. We remain steadfastly committed to evolving our corporate citizenship strategy and achieving sustainable performance for the long term with an eye on impact. This year we are transitioning to the Global Reporting Initiative 4.0 framework and using the opportunity to review and refocus on factors that are most material to the long-term sustainability of WE. As part of the transition we will also move to a biennial reporting cycle (every two years); our next GRI report will be published in the fall 2015.

WE reaffirms its support for our participation in the United Nations Global Compact (UNGC) and remains committed to the 10 principles of the UNGC as part of our strategic planning and daily operations. The following interim report indicates the progress in continuing to support and integrate the principles into our business. The four focus areas — environment, human rights, labor and anti-corruption — are critical for us as a growing international agency.

Contributing economically and socially to society while helping conserve natural resources and positively contributing to the quality of life of our employees and citizens in the community in which we operate and beyond is central to our future success.

Perfection serves us best when we accept it as a source of inspiration rather than an unattainable ideal. This interim report builds on the content of the company's previous corporate citizenship reports and communications on progress to UNGC. As the ways we conduct our business evolve, so must our commitments. We look forward to providing more details on progress, focus areas and outcomes in the next complete report in 2015.

Warmest Regards, Melissa Waggener Zorkin, CEO

Melin Wager For



## Commitment and Opportunity

Waggener Edstrom Communications Inc. (WE) is an independently owned global, integrated marketing and communications agency. From planning through implementation, WE uses earned, paid and owned mediums to help its clients achieve their business goals. WE is a partner to and champion of international leaders including Microsoft Corp., GE Healthcare, Teleflex Medical, Cambia Health Solutions, and Coca-Cola, among others. WE's vision is to be the preeminent leader in giving a voice to innovations that influence markets, inspire people and improve lives.

Founded in November 1983, WE is a privately held company headquartered in Seattle, Wash., USA. As of Dec. 31, 2013, WE's global footprint included 19 offices in nine countries, and the company employed 793 employees. Our 2013 global revenue was \$117.6 million. In 2013, WE celebrated its 30th anniversary and reflected on the history of the company as well as anticipated with excitement what the future could hold.



Our sixth corporate citizenship report tells the story of impact and progress. Corporate citizenship represents our commitment to making a positive and sustainable social, environmental and economic impact through our services, employees, management of operations and contributions to society.

WE's sixth corporate citizenship report is intended to be a transparent and accountable explanation of the company's corporate citizenship strategy. Our 2013 report provides an overview of the company's performance using the Global Reporting Initiatives (GRI) protocol framework as a foundation. In 2015 WE will publish a GRI report using the 4.0 framework.

People are at the heart of WE's business and corporate citizenship strategy. The company believes that corporate citizenship is about improving the quality of life for employees and for the communities in which it works and lives. With an eye on the long term, WE is focused on two core strategies to fuel growth and expand its business: attract, retain and engage employees via a series of triple bottom-line initiatives, and invest in core competencies to

achieve maximum business value for clients and societal impact. Our global reach and mindset ensure that we apply the right people and best resources to address our clients' business needs.

In 2013, WE expanded its global footprint by adding four members to the WE Global Alliance Network: Taiwan (One For All), Sweden/Nordics (Agera PR), Czech Republic (Best Communications), Benelux (Mindshake), bringing the total members to 35.

WE experienced 15 percent growth in the EMEA region and 11 percent growth in the APAC region. WE's three fastest-growing markets in 2013 were South Africa, the United Kingdom and China.

WE's carbon emissions remain two percent under the 2008 baseline numbers, demonstrating progress from operational changes made since 2008. These changes have also resulted in a 60 percent reduction in emissions from waste due to our recycling and composting programs as well as the implementation and increased use of video and audio technology by employees in place of travel.



# Serving the Greater Good

Since 2010, Waggener Edstrom Communications has been a signatory of the United Nations Global Compact. In 2013 WE issued our fourth annual Communication on Progress, a public disclosure to stakeholders on progress made in implementing the 10 principles that focus on international HUMAN RIGHTS, FAIR LABOR, ENVIRONMENTAL RESPONSIBILITY AND ANTI-CORRUPTION, as part of the annual corporate citizenship report.

## Commitment, support and protection of human rights: For us as a professional services company human rights takes the form of no

For us as a professional services company, human rights takes the form of nondiscrimination personnel practices that promote equal opportunity and diversity as published in WE's Code of Conduct. Each year WE promotes and supports human rights in the community through financial contributions, volunteering and pro bono services. In 2013, WE partnered with Women for Women International (WfWI), a nonprofit organization that provides women survivors of war and other conflicts with the tools and resources to move from crisis and poverty to stability and self-sufficiency.

## **Global volunteer movement:**

Employees' global participation in volunteer activities to support organizations that share the company's value for education and economic empowerment donated over 7,000 hours in pro bono and volunteer time and built capacity for over 20 nonprofit organizations. WE also organized over 70 team volunteer events potentially impacting 4,800 lives.

## Conserving resources and minding the planet:

For the past six years, WE has measured its carbon footprint and proactively been working to reduce its environmental footprint through its procurement decisions, technology investment strategy, education and engagement with employees with the goal to encourage behavioral changes that will translate into actual reductions and positive habits in the workplace and at home.

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CITIZENSHIP
REPORT
COMMUNITIES
& ENVIRONMENT







In 2013, WE produced 4,167 metric tons of carbon emissions, which equates to an average of 5.2 metric tons per employee. The agency's 2013 carbon footprint remains down 2 percent from the 2008 baseline. However, WE experienced a 1 percent increase from 2012.

## Power of Partnerships:

To have an impact, propel positive change and support communities, WE believes that win-win partnerships are the key to progress and effectively serving our clients.

- Delivering Impact via Pro Bono Services: In 2013 teams across the agency engaged in 3,314 hours of pro bono work, valued at \$631,285 and donated to the community at no fee, supporting the growing needs of more than 20 nonprofit clients.
- Social Change Through Collaboration: In 2013, WE and partners NetHope and Mercy Corps concluded two, three-year Clinton Global Initiative (CGI) commitments to action in partnership: with NetHope (Scaling the Development of Young IT Professionals) and Mercy Corps (Empowering Ethiopian Women and Girls for Peaceful Change).
- Investing in the Next Generation of Professionals: As part of the company's commitment to education, WE has built a partnership with The LAGRANT Foundation (TLF), which provides ethnic minority college students aspiring for careers in communications with scholarships, career workshops, professional development, mentoring and internships. In 2013, WE hosted career development workshops and the first-ever Alumni Leadership Forum for alumni recipients of the TLF scholarships in New York to support their personal leadership development and emotional intelligence skills to support the next stage of their careers.

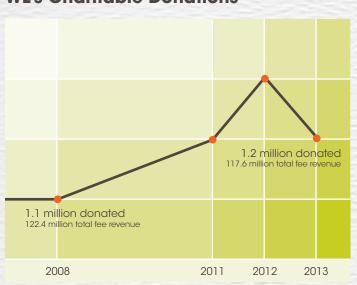


## Good Work Is Its Own Reward

We report on our progress and initiatives annually. Since WE first published a corporate citizenship report, WE has been focused on reducing its carbon footprint from its 2008 baseline year after year and giving back one percent of its total fee revenue annually. WE is steadfastly committed to these broader goals. Corporate citizenship has been and continues to be a dynamic learning journey. Goal-setting continues to mirror the same path. The company will continue to incorporate corporate citizenship into its annual strategic planning process and the journey to transition to the GRI 4.0 framework in 2015.

## Donate at least one percent of our annual total fee revenue to the community

### **WE's Charitable Donations**



### 2013 Results

- Contributed 3,314 hours of pro bono work, creative services and strategic communications services to help build capacity for more than 20 nonprofit clients.
- Motivated 52 percent of employees to use some portion of their 16 hour volunteer benefit totaling 4,082 hours, valued at a \$332,079 contribution to nonprofit organizations.
- Organized over 70 team volunteer events, potentially impacting 4,800 lives.

70+
VOLUNTEER EVENTS

52
PERCENT OF EMPLOYEES

3,314
RECORDED VOLUNTEER HOURS



Reduce GHG emissions from the baseline year after year

Greenhouse Gas Emissions (CO2E) Metric Tons

Baseline (2008)

**5.1** Per Employee 4,249 Total

2012

4.9 Per Employee
4,108 Total

2011

4.8 Per Employee 3,871 Total

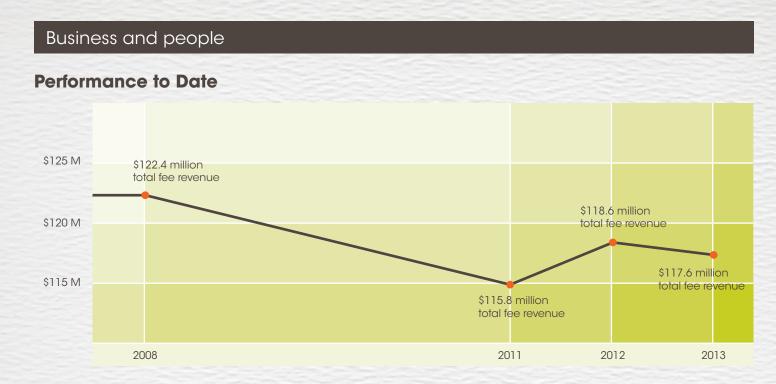
2013

**5.2** Per Employee 4,167 Total

### 2013 Results

- **Using Technology to Lower Emissions:** In 2013, 85 percent of employees utilized a new tracking system to capture their work-from-home hours to further inform WE on employees commute habits.
- >> Turning the U.S. Capital Green: WE-DC focused on integrating green practices into their everyday habits. 80 percent of employees are biking or walking to work each day, all the paper in the office is 100 percent recycled, large juice bottles replaced individual containers to lower plastic consumption, energy efficient light bulbs are installed, and all employees commit to turning off monitors and other equipment each evening and on the weekends.
- **Ride, Bike, Walk or Carpool:** In 2013, WE invested resources to educate and promote commute options for all U.S. offices and created online ride share tools to ease carpool/vanpool formation.





In 2013, WE's overall revenue base declined by 0.7 percent from the previous year due to the agency's U.S. revenue decreasing 3.0 percent year over year. This decline in the U.S. was somewhat offset by continued international diversification, which resulted in 15 percent growth in the EMEA region and 11 percent growth in the APAC region. WE's three fastest-growing markets in 2013 were South Africa, the United Kingdom and China. Despite the drop in revenue, the U.S. remains the agency's highest-performing region in terms of revenue and profit margin.

15% EMEA

11% APAC

Fastest Growing
Markets in 2013
South Africa, China,
& United Kinadom

Highest-performing Region United States

The technology sector continued to be the largest portion of the agency's client portfolio and was a driver of growth in our markets across the world. However, 2013 saw the addition of many new and exciting brands including Teleflex Medical, Cambia Health Solutions, AVG, Coca-Cola, and Volvo, across our other areas of expertise, including healthcare, social innovation and consumer.



Nurturing Creativity & Curiosity

We place a premium value on our employees and consider them our greatest asset. In the intellectual capital and professional services sector, people are your product. Recognizing this and making business decisions that put people at the center of a well-run business is essential.

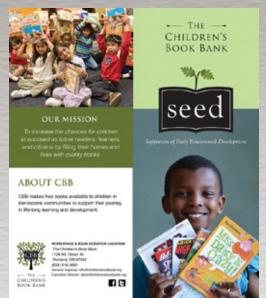
To attract, retain and engage world-class talent, we aim to provide our people with a special experience and opportunity that they won't get elsewhere. We are focused on our employees' whole experience. The experience and rewards we offer are designed around employees' careers, well-being and lifestyle.



## & Pro Bono

Human capital and intellectual assets are valuable resources for nonprofit organizations. The demand for skilled volunteering and professional services among nonprofits is high. Waggener Edstrom is working to continue to provide employees with ways to engage with nonprofit partners and to use their professional skills to give back. WE employees are eligible to use 16 hours per year to serve nonprofit organizations of their choice. In 2013 WE increased the flexibility of the volunteer benefit to further promote the engagement of employees in the community. In 2013, our pro bono clients included UN Foundation Family Planning, NetHope, Mercy Corps, SHE, Portland Sunshine Division, Peaches Neat Feet and Women For Women International, among others. WE also participated in a 24-hour pro bono initiative called CreateAthon.

In October 2013 a group of 18 employees from across the agency participated in a 24-hour creative pro bono initiative. Participants volunteered their professional skills in graphic design, public relations, social media strategy and Web development to support four nonprofits. The organizations received more than \$100,000 in pro bono services upon completion of the projects:

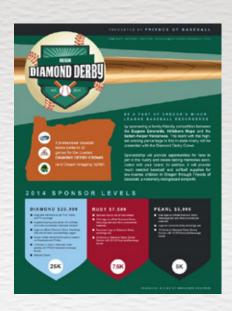


Children's Book Bank: (CBB) seeks to get more books into the hands and homes of young children who might not otherwise have books of their own. They were launching a new program seeking funding from local businesses to connect with the underserved communities CBB seeks to enrich. They needed assistance branding and raising awareness of this program in order to make it a success. WE employees worked to provide CBB with a new brand identity, logo, messaging, a full brochure, communications plan and corporate presentation to engage stakeholders and achieve fundraising goals.

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**Friends of Baseball:** (FoB) is an organization that offers Oregon's economically and geographically challenged children enhanced opportunities for social interaction, academic success, and physical and mental well-being through participation in youth baseball and softball team programs. FoB was launching a regional baseball tournament with the intention of raising brand awareness, securing sponsorships, getting local media attention and ultimately helping them to better reach their communities. With no marketing department to assist in this project FoB reached out to WE. WE designed a brand identity for FoB as well as, marketing materials, and a microsite to promote the friendly in-state rivalry between the (Eugene) Emeralds, (Hillsboro) Hops, and (Salem-Keizer) Volcanoes.





**Tualatin River Keepers:** (TRK) is a nonprofit that works to protect and restore Oregon's Tualatin River System. TRK requested a brochure to share with volunteers, donors and the community that clearly shared their mission and goals. WE developed a website mock-up, social media strategy, a new logo that included new brand colors, and a brochure to showcase the most important aspects of TRK with the goal of increasing funding and community involvement.





BUSINESS & PEOPLE

Oregon Dog Rescue is a shelter devoted to placing dogs in the best homes and assuring the long-term success of the adoption. Oregon Dog Rescue had a goal of raising their brand awareness and increasing their social media outreach in order to attract more donors, volunteers, and potential adopters. WE provided them with a social media plan to help increase the exposure of their adoptions. They also received Twitter and Facebook how-to resources and pitching guides to support the execution of the plan. After 8 months, ODR experienced a 30 percent increase in adoptions.

SHE is a social enterprise that invests in overlooked (and often taboo) ideas and people to become vehicles of social and economic changes. Through its first initiative, SHE28, SHE is providing girls and women access to affordable menstrual pads in an effort to increase their quality of life. In 2013, WE developed a brand positioning statement and framework for a new line of "go!" pads for SHE. These sanitary pads would be introduced into local schools and organizations to young Rwandan women and produced and distributed locally. The purpose of the program is to improve opportunities for women and girls while also driving broader social and economic change.

WE identified key brand elements that would resonate with a variety of audiences — bold, modern, confident, reliable, comfortable and affordable. The team developed a brand positioning statement for go! including brand target, brand essence, brand purpose and competitive differentiation, and created a messaging framework for the various audiences involved in the process. go! pads are currently in stores and schools in Rwanda increasing the access for women and girls.





& Pro Bono



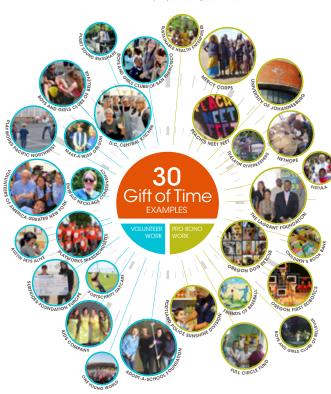






# (Y) 7,400 = \$963K

## 2013 Social Impact Snapshot





















## **Volunteer**

## & Pro Bono

### **WE Volunteers**

In 2013, WE offices across the globe got out into the community and invested in WE's two corporate causes: economic empowerment and education. In 2013, 52 percent of employees used some portion of their 16 hour volunteer benefit, totaling more than 4,000 hours.

### **WE-SOUTH AFRICA**

WE-Joburg Gives Back to Adopt-a-School Foundation

Twelve WE-Joburg employees volunteered for the Adopt-a-School Foundation. The employees participated in three events to give back, including painting a classroom, donating cleaning supplies to the school to keep it looking good for the students, and doing a 15K walk to raise more funds for Adopt-a-School



### WE-UK

Look Up, Twirl and a Smile

Eight employees in the WE-UK office headed out to volunteer with Kids Company, which has been providing practical, emotional and educational support to vulnerable youth since 1996. The employees helped with a circus workshop, which both instilled



confidence in the youth and also provided them with an arena to have a great time.

### **WE-NW**

Pause for a Cause

Pacific Northwest employees took a break from "business as usual" for active interaction with the Boys and Girls Club of Bellevue to bolster the education, health and wellness of local kids. The employees helped facilitate art projects and run a full day of activities at the beach during one of BGC's summer camps.



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## WE-NY

WE-NY Gives Back by Providing Children With the Tools to Learn

A team of eight WE-NY volunteers took a trip to Chelsea to help Volunteers of America fill backpacks to provide lowincome families with the right materials to send their children to school fully equipped.

## **Strength Through**

# Storytelling

"Women for Women International knew right from the start what the rest of the world has taken longer to realize: that strong women are key to strong nations. That's a conviction we share."

- Hillary Rodham Clinton



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## Challenge

Women for Women International (WfWI) is a nonprofit organization that provides women survivors of war and other conflicts the tools and resources to move from crisis and poverty to stability and self-sufficiency, strengthening communities and nations in the process. To celebrate its 20th anniversary milestone, WfWI enlisted WE to tell a story about the organization's amazing impact and "Stronger Women, Stronger Nations" philosophy in a way that would resonate with audiences, drive media coverage and position the organization for growth under new leadership.



Hillary Rodham Clinton and Sheryl Sandberg on stage at the gala

## Insight and Strategy

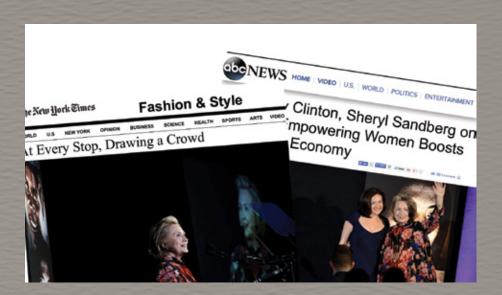
By leveraging its expertise in women's empowerment programs and Master Narrative capabilities, WE recognized the gala served as a unique opportunity to tell a unified story about the organization's success and future goals. WE crafted a story framework that focused on WfWl's impactful work and supported speech development for the gala's high-profile presenters, including former Secretary of State Hillary Rodham Clinton, Facebook COO Sheryl Sandberg, and WfWl's President and CEO Afshan Khan. WE equipped these thought leaders with strategic messaging to harness throughout the event and during media interviews. WE drove a robust media strategy with key influencers and conducted onsite interviews with CNN's Christiane Amanpour and WfWl's Founder Zainab Salbi.



Hillary Rodham Clinton and Donna Karan meet during the reception

## Impact

- 13 placements in top tier outlets including ABC News, The New York Times, and New York Daily News, generating more than 86.7 million impressions
- Top tier broadcast appearance on CNN International, reaching more than 9 million viewers
- Developed 10 new relationships with reporters from A-list media such as National Geographic, Harper's Bazaar, Reuters, Fast Company, Huffington Post, InStyle and Bloomberg Businessweek
- Sold out gala, with 667 guests
- A record \$2.1 million in contributions raised for WfWI from the gala



## **Business Opportunity**

Get Fit

Despite significant investments in consumer health and well-being, the public at large did not appreciate or understand GE Healthcare's commitment to health beyond providing "machines in hospitals." There also was a perception that the company was old-school and predictable when it came to marketing and communications. In partnership with the WE Healthcare team, the Studio D team devised an integrated communications campaign for GE Healthcare to encourage people globally to lead healthier lives; specifically to join the fight against cancer. Each year, 12.7 million people discover they have cancer, and 7.6 million people die from the disease. Evidence shows that 30–40 percent of cancer deaths can be prevented and that a healthy diet and exercise can help reduce this.



## Strategy

The public health campaign, "Get Fit," was a Twitter-hosted storytelling initiative that encouraged people to tweet about cancer-busting lifestyle choices. Each continent was given its own hashtag, and the two-month competition determined which continent's residents could "Get Fit" the fastest by making lifestyle changes that reduced cancer risk and tweeting about their actions.



GE Healthcare

## Measure of Success

The main objective was to help people recognize that making healthy lifestyle changes could help reduce the risk of cancer. "Get Fit" engaged more than 2.6 million people via Twitter over eight weeks, successfully encouraging lifestyle changes. In addition, more than 1,000 GE Healthcare employees participated, making healthy lifestyle changes and acting as brand ambassadors.

### By the Numbers:

- 7,958 hashtags used
- 7,949 tweets from 30+ countries during 8 week campaign
- 702 tweeters
- 55 countries involved
- Newsroom visits up 62 percent year-over-year
- \$20,000 donation to Kenva Red Cross Society
- Africa/Middle East won the competition and donation
- Coverage in 37 outlets 23 news articles and 14 blogs





# & People

WE is focused on giving employees the opportunity to do their best work, leverage their strengths and advance their career by working with strong clients and being surrounded by leaders and managers committed to mentoring and coaching them to success. WE recognizes that every employee's experiences and priorities are personal and each employee is in a different phase of their career. WE designs recognition, incentive, reward, and benefit programs to support and nurture its employees' journey.



BUSINESS & PEOPLE

## **Leadership Forum**

Leadership Forum is a program targeting high-performing managers and directors at WE. Each group of eight to 12 people convenes monthly over the course of one year to refine personal, professional and management leadership skills in addition to tackling real business situations or opportunities. Since its launch in 2006, more than 114 employees have participated in Forum, totaling 8,066 training hours and shaping various policies and programs.



### **WE TOUR**

To encourage greater collaboration, networking, learning and exploration of businesses, geographies and clients, WE introduced WE Tour. Available to all employees worldwide, WE Tour encourages employees to take advantage of travel — personal or professional — by providing an additional day's accommodations to enable employees to work from one of our 19 offices around the world.



## & Development

**WE Learning** 

Continuous learning and development is at the heart of WE's strategy to attract and retain world-class talent. WE's monthly training calendar is supplemented by signature programs and initiatives designed to create an immersive learning experience and opportunities for knowledge sharing. In 2013, WE offered roughly 450 total hours of training, with employees around the globe devoting nearly 6,395 total hours to professional development initiatives.

EDUCATION	2008	2011	2012	2013
Number of Trainings Delivered Worldwide	242	195	242	166
Percent Delivered in U.S.	68%	88.2%	76%	52%
Percent Delivered in APAC/EMEA	32%	11.8%	24%	48%
Total Training Attendance	2,373	1,958	2,043	2,685

## **Global Exchange Program**

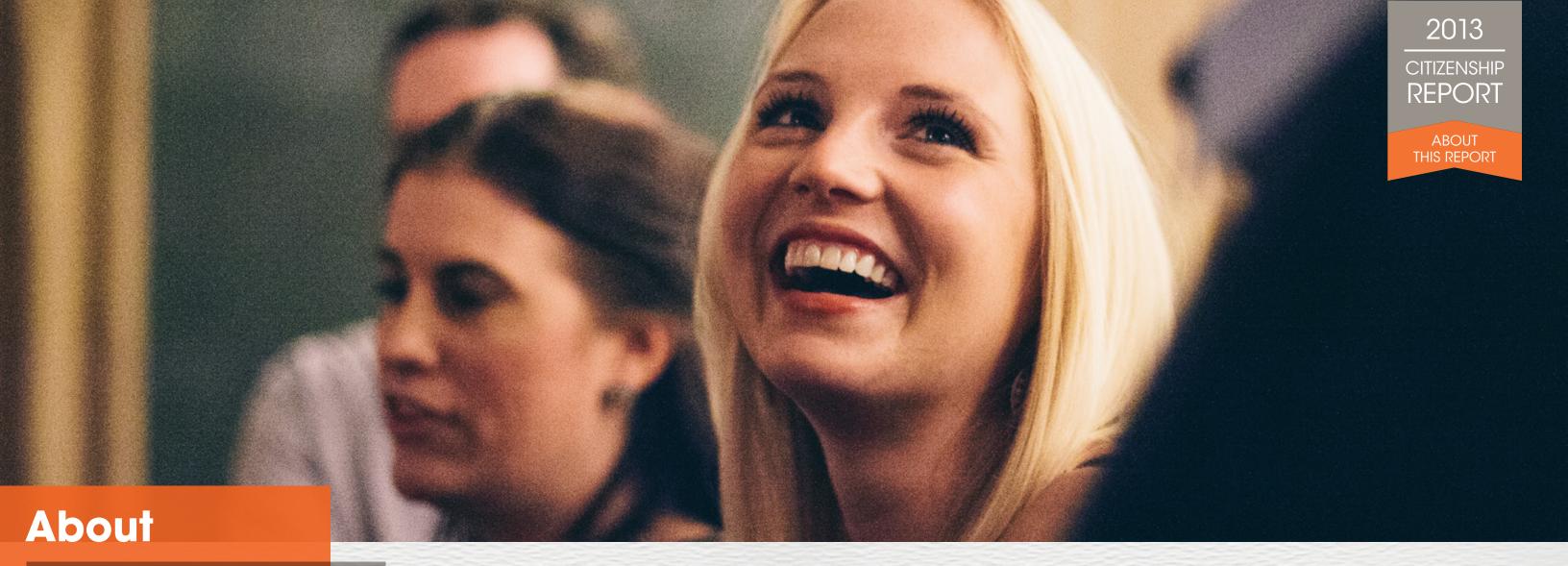
For the past six years, WE has continued to increase employees'knowledge and create new opportunities for employees through its Global Exchange program. In two weeks, the program provides employees with an opportunity to see the world, immerse themselves in a new culture and experience working at a different WE office. In addition to fostering a spirit of teamwork across offices in different geographic regions, the program promotes understanding and greater cooperation across cultures within the agency. In 2013, 20 employees participated in the program.



## **WE Wellness**

In 2013, WE launched WE Wellness. The program builds on our existing employee benefits and wellness initiatives to support overall wellbeing in WE employees. It provides ongoing onsite education and prevention programs with incentives for healthy eating, self-care, exercise and health monitoring.





# This Report

WE uses the Global Reporting Initiative (GRI) guidelines as a basis for its report and a framework for measuring and reporting our environmental, social and economic performance.

In 2014, WE will transition its reporting cycle to align with its internal planning cycle (July 1-June 30). WE will provide a GRI-assured report after transitioning to the Global Reporting Initiative 4.0 framework in fall 2015.

For more information about this report and WE's Corporate Citizenship initiatives, please contact:

Rhian Rotz Director, Corporate Citizenship +1 503 443 7821 rhianr@waggeneredstrom.com @WE\_Citizen

## **About Waggener Edstrom Communications**

Waggener Edstrom Communications (WE) is a global, integrated communications agency. For 30 years, the independently owned firm has developed strategic communications programs for innovative and world-changing clients, working to influence markets, inspire people and improve lives. In the past few years, the agency was honored with numerous awards for our creative and strategic work, among them recognition as Global Technology Agency of the Year, Best Large Agency to Work For, Communications Agency of the Year, and Technology Agency of the Decade. The agency has more than 750 employees in 17 offices around the world, and its Global Alliance partners expand the agency's reach to more than 80 additional international markets. WE has four key sectors: Social Innovation, Technology, Healthcare and Consumer, as well as expertise in Creative, Digital, Content, and Insight & Analytics. To learn more, visit http://www.WaggenerEdstrom.com.



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