

United Nations Global Compact

Communication on Progress / February 2014 – February 2015



Do Good. Do Well. **Win.**™

Table of Contents

- Statement of Continued Support..... 2
- The Ten Principles of the UNGC..... 3
 - Human Rights..... 3
 - Labour 4
 - Environment..... 6
 - Anti-Corruption..... 8

Statement of Continued Support

BrownFlynn is a corporate responsibility and sustainability consulting firm whose vision is to create a world where all companies operate in a manner that enables current and future generations to thrive. This is just one of the reasons why we continue to support The Ten Principles of the United Nations Global Compact (UNGC). We are proud to be in partnership with countless other like-minded organizations, working together to help companies embed responsible business practices into their overall strategy. In addition, as the first U.S.-certified training partner of the Global Reporting Initiative (GRI) and a Silver Consultancy Partner for CDP, we are advocates for comprehensive and transparent reporting in accordance with globally accepted sustainability standards.

We have made great strides in the last year to help organizations identify and focus on the sustainability issues that matter most: not only educating organizations on materiality and sustainability impact mapping throughout the value chain, but also leading them through the materiality assessment process. BrownFlynn has acted on these practices ourselves as well; in 2014 we undertook our own materiality assessment that included value chain impact mapping and stakeholder identification and engagement, and we are in the midst of developing our fourth sustainability report. With the addition of top talent and relocation to a historic office space in downtown Cleveland, Ohio, we are committed to the sustainability of our people, our great city, and our world.

Sincerely,



Barb Brown

Principal & Co-Founder



Margie Flynn

Principal & Co-Founder

The Ten Principles of the UNGC

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.

Assessment, Policy, and Goals

BrownFlynn supports the UNGC's Universal Declaration of Human Rights and all other principles that protect human rights. We have not directly contributed to any negative impacts on human rights, nor are we aware of any human rights violations in the products or services in our value chain. Further, we do not retain clients that have known human rights violations or have no strategy to address current issues and mitigate future issues.

Implementation

We utilize our Sustainable Purchasing Policy to help screen against any offending products or services from our value chain. Through our materiality assessment we have identified procurement and sustainable supplier selection as a material issue; however, we do not have the scale or resources to perform our own investigations of the products or services we purchase. We rely on the markets, government, and other third parties to identify troubling products or services. For our clients that have identified human rights as a material issue, we work with them to develop strategies and practices to mitigate risks and identify opportunities not only for improvement, but also to be an industry leader in this area.

Measurement

We have had no known human rights violations or fines from any regulatory body and we have no international workforce to monitor. We encourage our clients with international operations to support and uphold the protection of human rights throughout their value chains via continuous transparency and disclosure.

Labour

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.

Assessment, Policy, and Goals

Our people are the most important asset of our firm; without them we would not be in business. We invest time and money into providing them a safe, healthy, and enjoyable work environment, and support their personal and professional development in every way feasible. Our office policy outlines employee benefits, rights, and responsibilities, and includes our Anti-Harassment and Anti-Discrimination Policy and a section on Equal Employment Opportunity.

Our mission, vision, and values are communicated and carried out on a daily basis. BrownFlynn is a women-owned, small business, and we are encouraged by the fact that our success defies statistics and that we have the opportunity to serve as an example to other small, women- or minority-owned firms. Over the last year, employee engagement has been a significant focus for our clients. This includes recruitment, retention, work-life balance, wellness, and other important facets of a healthy workforce. Because of this, it has been our goal to focus more effort on effective employee engagement and help our clients to do the same.

Implementation

BrownFlynn does not discriminate based on gender, age, race, religion, ethnicity, sexual orientation, etc., and we actively seek to add diverse talent to our team. We are always in compliance with all relevant labor regulations. We ensure employees are paid a fair and comparable wage, are eligible for and have access to benefits, and work in a safe and healthy environment. We have an open-door policy wherein employees are encouraged to offer honest feedback and/or suggestions to management (when applicable). Further, we conduct mid-year and annual performance reviews for all employees as a formal venue for discussion.

We provide ample opportunity for work-life balance with the implementation of flexible schedules and telecommuting. Because employee engagement has been a focus for our clients, we have helped them develop numerous employee engagement plans that have served as industry best practices and even won awards.

Measurement

At the present time our gender diversity ratio is 15% male and 85% female. Since our last Communication on Progress, we have added a well-respected and experienced sustainability professional to our management team, adding to our gender diversity. We have also relocated to new office space in the heart of the city to allow for continued growth. Our new office space is located in an existing, historic building that we renovated with all local vendors.

We have no incidents of labor violations, investigations, legal cases, rulings, fines or any other related labor events. We adhere to a generally-accepted, 40-hour work week, with the exception of client deadlines and tightened project timelines in case of client emergency.

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.

Assessment, Policy, and Goals

As a corporate responsibility and sustainability consulting firm, we are committed to the preservation of our planet. We understand the impacts we have on the environment and recognize that natural resources are finite. We strive to “walk the talk” every day, both individually and collectively as a firm. In our materiality assessment, walking the talk—conducting our business operations in a sustainable manner—was identified by our stakeholders as the most material sustainability issue for our firm; given our size as an organization, our greatest impact is through our clients, and we need to maintain our credibility as a sustainability consulting firm to increase our impact with clients.

To reduce our carbon footprint, our general policy is to conduct client meetings remotely as often as we can without sacrificing productivity and collaboration. The city of Cleveland’s public transportation hub is in the basement of our building; almost all of our employees utilize public transportation (or walk) on a daily basis, and we encourage clients and out-of-town guests to use public transportation when traveling to our offices is necessary. Our office environmental policy includes guidance on conserving resources and energy, as well as the purchasing of recycled and post-consumer products from sustainable vendors and suppliers.

Implementation

We try to conserve electricity, heat, air conditioning, and water where feasible—although, because we lease our office space, we have little control over these matters. However, the building in which our office is housed is owned by one of our clients that is committed to sustainability, and they actively maintain their properties as efficiently as possible. We recycle all of our recyclable waste; per our office environmental policy, every employee has a recycling bin at their desk that feeds into larger receptacles in our office that capture all paper and plastic waste. When the receptacles are full, our landlord employs a third-party vendor to pick up and process our recyclables.

Other sustainable practices we employ:

- We purchase office supplies and food items in bulk to reduce packaging waste.
- We use ceramic and metallic dinnerware to eliminate kitchen paper and plastic product waste.

- We turn off lights when rooms aren't in use, unplug electronics that aren't in use (including powering off laptops and monitors), and turn down (or off) the heat or air conditioning when we leave in the evening.

As previously mentioned, sustainable procurement and supplier selection was identified by stakeholders as a material issue, and we continue to adhere to it closely. Furthermore, we work with our clients to do the same, especially clients that have also identified these issues as material.

Measurement

BrownFlynn received an "Honorable mention" in Northeast Ohio Areawide Coordinating Agency's 2014 Commuter Choice Awards, with 100% of staff taking alternative transportation at least once a week. Our headquarters employees work remotely at least once per week, and utilize public transportation unless it's not feasible on certain days or in certain instances. Currently, we have two (of thirteen) full-time employees who work remotely, which significantly impacts our carbon footprint.

Because we lease our office space, we rely heavily on our landlord to help us maintain our sustainable practices on a daily basis. They are also willing to listen and collaborate on ideas for how to make the building and its operations more sustainable.

Anti-Corruption

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

Assessment, Policy, and Goals

Much like human rights, as consulting services providers, corruption is not a material issue. Nonetheless, we have zero tolerance for corruption and follow all applicable laws. Furthermore, we do not engage with companies that have known corruption violations or have no strategy to address current issues and mitigate future issues. For clients that identify this as a material issue, we help them develop a strategy to mitigate risks and identify opportunities to improve in this area.

Implementation

Our anti-corruption policy is to be fully compliant with the law, and we expect our clients to adhere to this same standard.

Measurement of Outcomes

We evaluate our anti-corruption performance against the applicable laws. We have not had any corruption issues, nor do we expect to have any.