

United Nations Global Compact

Communication on Progress / February 2015 – February 2016



Do Good. Do Well. **Win.**™

Table of Contents

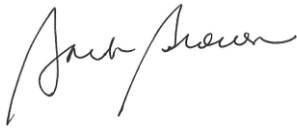
- Statement of Continued Support..... 2
- The Ten Principles of the UNGC..... 3
 - Human Rights..... 3
 - Labour 4
 - Environment..... 6
 - Anti-Corruption..... 8

Statement of Continued Support

BrownFlynn is a corporate sustainability and governance 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 collaborate with many 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 trusted partner of such organizations as NASDAQ and Bloomberg, we advocate for comprehensive and transparent sustainability reporting in accordance with globally accepted standards.

In the last year, we have helped organizations identify and focus on the sustainability issues that matter most to their business and various stakeholders—and have enabled them to set bold goals to encourage meaningful progress. BrownFlynn has acted on these practices ourselves as well; in 2015, we published our fourth sustainability report, in which we address the most material issues affecting our Firm in accordance with GRI G4 core option guidelines. With the addition of top talent to our 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, to the best of our knowledge, we currently do not work with any 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; 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 policies to mitigate risks and identify opportunities for improvement.

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.

BrownFlynn is a women-owned, small business. After 20 years in business, we are encouraged that our success defies statistics and that we have the opportunity to serve as an example to other small, women- or minority-owned firms. We communicate and carry out our mission, vision, and values on a daily basis. In 2014 we completed our first materiality assessment, identifying 14 material topics to our business. Three of these material topics were human capital initiatives: recruitment, retention, and professional development. In response to this, it continues to be our goal to focus significant effort on effective employee engagement and to 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 always comply with all relevant labor regulations. We pay employees a fair and comparable wage, provide access to benefits, and support a safe and healthy work environment. BrownFlynn provides ample opportunity for work-life balance with the implementation of flexible schedules and telecommuting.

We have an open-door policy wherein we encourage employees 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.

Measurement

At the present time the gender diversity ratio of our full-time workforce is 28.5% male and 71.5% female. Since our last Communication on Progress, we have added two male employees to our consulting team, adding to our gender diversity.

We have no incidents of labor violations, investigations, legal cases, rulings, fines, or any other related labor events. We adhere to a 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 sustainability and governance 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. Given our size as an organization, our direct environmental impact is limited; 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. We therefore strive to “walk the talk” every day, both individually and collectively as a Firm. Our stakeholders identified walking the talk—demonstrating subject matter expertise/best practices to clients by having gone through it ourselves—as the most material sustainability issue to our Firm.

To reduce our carbon footprint, our general policy is to conduct client meetings remotely as often as we can without sacrificing productivity and collaboration. Our region’s public transportation hub is in the basement of our building, and nearly all of our employees utilize public transportation (or walk) on a daily basis. We also encourage clients and out-of-town guests to use public transportation when traveling to our offices is necessary. Our Firm’s 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 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 work with our clients on sustainable procurement and supplier selection.
- We purchase office supplies and food items in bulk to reduce packaging waste.

- We use glass drinkware, ceramic dinnerware, and metallic flatware to eliminate kitchen waste from cans, bottles, paper, and plastic. 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.
- We purchase coffee pods that are 97% compostable for use in our coffee maker.

Measurement

As a small professional services organization, BrownFlynn does not focus resources on measuring our environmental impact. Our headquarters employees work remotely at least once per week when work schedules allow, and utilize public transportation unless it's not feasible on certain days or in certain instances. Currently, we have two (of fourteen) 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. Furthermore, because we are a professional services firm, the nature of our business enables us to have a small, manageable carbon footprint.

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.