### UN GLOBAL COMPACT

# SALTERBAXTER MSLGROUP'S COMMUNICATION ON PROGRESS 2015



#### About us

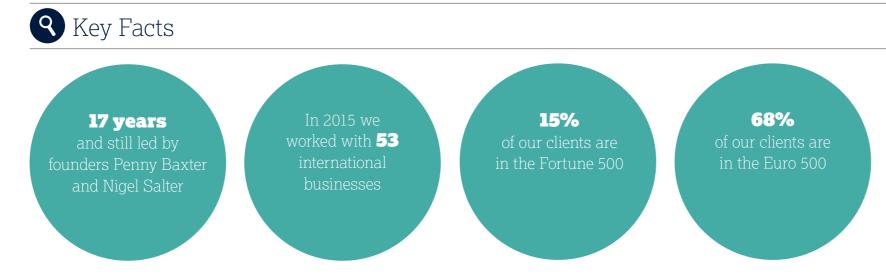
## Who we are and what we're all about

We help companies and brands Step Up to the changing relationship between business and society.

The old contract between business, society and consumers has broken and is being reinvented – fast. Companies and brands are not trusted as a matter of course – this has to be earned. Natural resources need to be managed differently. Inequalities need to be managed out. Value creation cannot be about short term profit. Sustainable business needs new models and innovation.

Stakeholders, investors, regulators and consumers are looking for business to play a different role in this new context. One where the businesses that want to win will lead the way in solving the problems and re-working the system.

This is where we come in. We combine smart strategy, savvy insights and sharp creativity to help businesses do things differently in order to be able to say things differently.





#### Introduction

### Contents

#### About this report

This is Salterbaxter's tenth Communication on Progress submitted to the UNGC. It covers the calendar year January to December 2015. As part of Publicis Groupe we are also covered in their Group <u>CSR</u> and <u>Annual</u> Reporting documents and their commitment to the UNGC.

<u>Section 1</u> restates our commitment to the UNGC 10 Principles and highlights some of our activities that make progress against each of these.

<u>Section 2</u> covers in more detail our internal sustainability programme If Only and responsible business policies.

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Our ongoing commitment

## Statement from our Founders

It is almost a cliché, but 2015 truly was a watershed year for business in society. New partnerships, achievements, ambitions, the launch of the Sustainable Development Goals and culminating in the historic Paris Agreement on combating climate change at COP21 in December.

We were proud to have been an active part of this movement. From discussing the emerging importance of science in setting goals and creating change in our annual <u>Directions report</u>, to being on-the-ground in Paris through our <u>Chance For Change</u> campaign representing the voices of Millennials amidst all the discussions led by governments, institutions and corporates.

Our business is about helping companies become a positive force in our global society so it is critical that we stand up to the same high expectations we set for our clients. The UN Global Compact is unique in providing a framework that sets a universal and comparable standard for a sustainable and inclusive global economy. That is why the UNGC is a fundamental component of our sustainability programme.



Nigel Salter CEO



Penny Baxter Managing Director



# The 10 Principles of the UN Global Compact





### The 10 Principles of the **UN Global Compact**



Human Rights



Labour

Principle 1:

businesses should support and respect the protection of internationally proclaimed human rights;

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Principle 2:

make sure that they are not complicit in human rights abuses.

Read more – page 08

Principle 3:

businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

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Principle 4:

the elimination of all forms of forced and compulsory labour;

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Principle 5:

the effective abolition of child labour; and

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Principle 6:

the elimination of discrimination in respect of employment and occupation.

Read more – page 09



# The 10 Principles of the UN Global Compact



**S** Environment



Anti-corruption

#### Principle 7:

businesses should support a precautionary approach to environmental challenges;

Continued on page 10

#### Principle 8:

undertake initiatives to promote greater environmental responsibility; and

Continued on page 10

#### Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

Continued on page 10

#### Principle 10:

businesses should work against corruption in all its forms, including extortion and bribery.

Continued on page 11



### **Human Rights**



#### Principles

#### Principle 1:

businesses should support and respect the protection of internationally proclaimed human rights;

#### Principle 2:

and make sure that they are not complicit in human rights abuses.

#### Our approach and actions

#### Approach

We continue to endorse the Guiding Principles for Business and Human Rights introduced by the UN Human Rights Council in 2011, as well as the Universal Declaration of Human Rights. We support and follow the UK Government's leadership in rolling out guidance for business to integrate human rights into their operations. We also welcome the Modern Slavery Act that became law in 2015 as evidence that modern forms of slavery must be recognised as issues facing our society today in order to be systematically addressed and combated.

We do not believe that our business operations have any adverse effects on human rights. However, we must still take a proactive approach and assess the real and potential impacts of our business operations, direct and indirect across our value chain. And as our business continues to grow in the US we must apply the same standards when working with new suppliers in new territories.

Through our work and influence, we also encourage and help our clients around the world to consider the direct and indirect impacts of their operations on human rights.

For more information about Publicis Groupe's approach and policies please see their latest Report http://publicisgroupe.com/#/en/responsibility/ governance-reporting-rse-csr

#### Actions

We take a number of steps to ensure that we deliver a positive impact on the human rights of our employees:

- We promote the right to education, and encourage the development of skills through formal and informal training and mentoring.
- Through the way we manage the business we promote the right to adequate standards of living as well as freedom of expression.
- We promote the right to safe and healthy working conditions through managing the work environment and through a comprehensive Health and Safety policy. All new employees, both permanent and contract staff, are inducted in this as part of our new starter process.
- We have a well communicated grievance procedure that ensures staff are familiar with how to raise concerns about staff, treatment or any other aspect
- As our business evolves and expands into new territories we continuously review our approach to ensure that we live up to best practice approaches.

More on this topic is covered under the Labour Standards principles on the following page. Further detail can also be found in 'Our People' in the 'If Only' section of this report.



### Labour



#### Principles

#### 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.

#### Our approach and actions

#### Approach

A culture in which all staff are treated fairly and each individual's merits are promoted equally is not just a good business practice or a regulatory requirement – it is also essential to a happy and productive workforce. We strongly support instruments that promote global labour standards such as the ILO Core Conventions.

As a UK-based professional services SME, our risk of contributing to detrimental impact on labour rights is very low. However, we firmly believe that excellent labour practices are fundamental for attracting, developing and retaining talented people in a competitive field.

Through our collaborative partnerships with clients and suppliers, we also encourage them to consider the direct and indirect impacts of their operations on labour rights.

For more information about Publicis Groupe's approach and policies please see their latest Report <a href="http://publicisgroupe.com/#/en/responsibility/governance-reporting-rse-csr">http://publicisgroupe.com/#/en/responsibility/governance-reporting-rse-csr</a>

#### Actions

- In 2015 we adopted Publicis Groupe's annual employee survey after benchmarking with our own process. The systems were well aligned and it provided better insight and value for the business. Through the survey we can still measure and monitor employee satisfaction as well as gather opinions on the direction of the company. 79% of staff participated and the results were shared at a company meeting and learnings taken forward by the management team.
- Performance against objectives and compensation are formally reviewed on a twice-yearly basis supported by informal monthly check-ins with line managers.
- Informal mentoring takes place between staff outside of formal line management.
- Working hours are monitored through our online business operations system to manage employees' work/life balance, ensuring that we take steps to respond and address issues as required. We aim to manage employee's workload so that working outside of office hours is not required, however in some cases this does happen. In previous years time off in lieu (TOIL) had been allocated on an ad hoc basis by team managers, in 2015 we formalised a policy to embed this process. Managers have been trained accordingly to implement the policy and it has been communicated to all employees.
- We regularly review and update as required our Employee Handbook, which covers staff benefits, our Human Resources policies and procedures including grievance mechanisms and Health and Safety.
- We remain an equal opportunities employer with regards to both our employees and recruitment processes. During 2015, women made up 72% of all staff, as well as comprising half of our senior team heads positions.

- All employees are free to join a union if they wish.
- All permanent staff have access to health insurance that incorporates a proactive healthy living programme that rewards them for taking steps to improve their health and wellbeing, as well as providing comprehensive medical coverage.
- The company also provides a pension scheme according to UK legislation.
- As we have aligned more closely with the Publicis Groupe, several employees have taken up opportunities to participate in a number of initiatives including:
  - Egalité a Publicis-wide employee network for lesbian, gay, bisexual and transgender (LGBT) professionals and allies. Salterbaxter hosted the inaugural UK meeting at our offices in October 2015.
  - GROW! A global MSLGROUP initiative to share experience and knowledge through 6 month mentoring programmes.
  - MSLGROUP mobility programme An initiative to encourage employees to think globally and broaden business perspectives (and opportunities) through working in different regions.
  - In 2016 we will also be encouraging participation in Viva Women, an internal international network of women focused on supporting women to succeed and lead.

Information on our social indicators can be found in 'Measure and report' in the 'If Only' section of this report.



### **Environment**



#### 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.

#### Our approach and actions

#### Approach

Since the business was founded 17 years ago, we have been working to elevate awareness and communication on environmental issues. Our day-to-day work involves helping businesses address and communicate the major challenges facing society in the short, mid and long term.

As an office-based professional services business, our own impact on the environment is relatively minimal. However, we understand the importance of encouraging more sustainable behaviours at both a macro and micro level, and have a responsibility to do what we can as a business and to influence our employees, clients and suppliers to mitigate their own environmental impacts.

#### Actions

- In 2012 we conducted an operational review in line with ISO 14001 that identified our most significant environmental impacts. Our ambitious targets have been to reduce these three outputs waste, water, and energy by 10% year-on-year.
- Environmental topics are a core component of our If Only programme and quarterly themes.
   The different themes encourage understanding of environmental challenges, greater awareness of our own behaviours and inspire us to act and address them.
- Print specifications for client publications and our own marketing materials aim to keep their environmental impact to a minimum.
- We use our positive influence to help our printing suppliers improve their environmental credentials.
- Our in-house printing uses FSC-certified or recycled paper.
- We recycle as much office waste as possible, from printer toners to IT equipment.
- We also encourage positive sustainable behaviour through everyday business processes including providing recycling bins, isolating a single non-recycling bin to one area of the office only, and upgrading printers to provide duplex printing.
- Our electricity is provided through a green energy tariff, which means that of the energy we purchase, the same value is put back into the grid through renewable sources.

- Our annual thought-leadership Directions publication entitled 'The rise of Science: Can it be mixed with sustainability, business strategy and consumer emotion?', focused on the impact of science based targets. We invited our network to events held in Amsterdam, New York and London to facilitate debate and further discussions. Science-based targets were a big talking point with prospective and existing clients throughout 2015.
- In addition to our client work, during the COP21 climate conference in Paris, alongside MSLGROUP, we organised an event called 'Chance for Change: Exploring the climate concerns of today and the solutions of the future'. At the event, held at Sciences Po in Paris, we considered how the climate deal would affect the relationships between employers and Millennial employees. The panel featured senior representatives from leaders in corporate sustainability, including Novo Nordisk, Mahindra Group, Sodexo, Danfoss and ENEA Consulting together with an audience of Millennials. As action on climate change becomes increasingly important both to corporate image and to competitiveness, the drive to harness the creative energies of young employees in the search of new solutions will only grow in importance. It is set to be a key feature of corporate culture in the era following the landmark Paris Agreement and a topic that will be a core part of many of the conversations we have with our clients.

Information on our environmental indicators can be found in 'Measure and report' in the 'If Only' section of this report.



### Anti-corruption



#### Anti-corruption

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

#### Our approach and actions

#### Approach

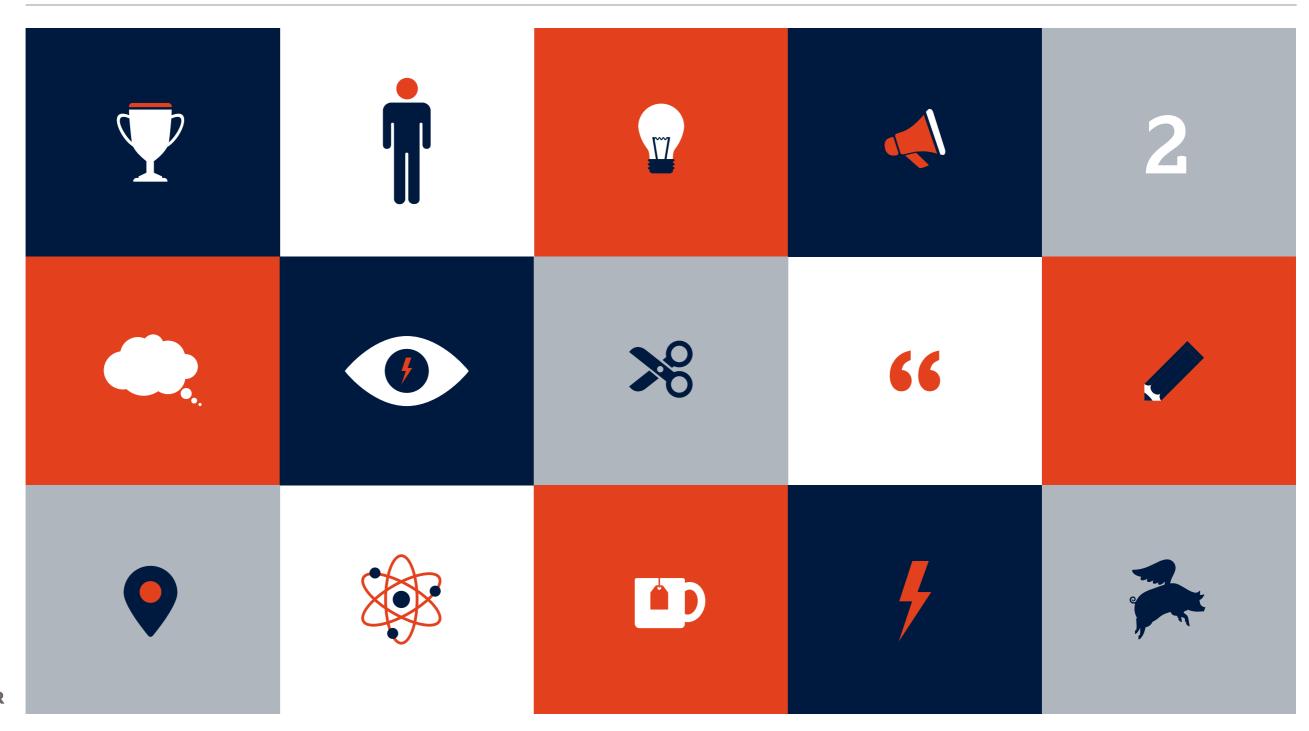
Salterbaxter is committed to operating ethically and against all forms of corruption at all times.

#### Actions

- Our Employee Handbook details our policy and procedure on receiving gifts, and only permits us to accept gifts of no substantial financial value. Any such gifts become the prizes in a Christmas fundraising raffle and the proceeds go to charity to prevent any undue influence developing in our client and supplier relationships.
- Our client hospitality is restricted to end of project celebration meals, when teams on both sides are thanked for their hard work.
- In 2016 our original policy will be replaced by the Publicis Groupe's Anti bribery and corruption policy and our business operations also adhere to the Groupe Code of Conduct known as JANUS.



### Our If Only programme





### If Only



If Only is our internal programme that brings sustainability to life within our own business and for our employees. In 2015 we continued with *Think it, do it* – four quarterly themes including our fourth Innovation Day, as well as **Measure and report** – reviewing our own impacts and progress against our KPIs.





"Throughout the year If Only provides opportunities to bring colleagues together in different ways to share knowledge, learn new skills and develop new ways of working together. We were reminded of how valuable the programme is to our culture when talking about it with other agencies within the Publicis Groupe. The enthusiasm shown for Innovation Day in particular, is something we hope to harness."

Lynn Dickinson Senior Consultant







Mission:

#### Inspire, innovate, impact

We will make change happen by inspiring each other to innovate and make a positive impact on sustainability challenges.



Awareness is not enough. Action is kev. We will find new ways to interact, motivate each other to participate and make an impact. We will do this through:

- Engaging themes that lead to understanding and drive behaviour change
- Supporting social businesses via our Innovation Day



#### Measure and report

Together we will create an inspiring place to work where our people thrive. We will also improve the management of our business impacts through:

- KPI scorecard and quarterly reviews
- UN Global Compact Communication on Progress including our annual performance report
- · People survey, ongoing dialogue, individual and collective action



### Think it, Do it Q1: Sustainable Design

#### Ouarter 1

If Only's year began with a concept from our design team. We were all asked to think about the role of design in daily life – how it contributes to unsustainable lifestyles but also how it can be part of the solution.

#### Sustainable Design

Sustainable design is something that many of us at Salterbaxter are passionate about. As creative people working on issues of sustainability, we don't just get excited about designing strategic communications, we enthuse about innovation to solve environmental and societal issues. So this was a great opportunity to share some of the amazing solutions and initiatives happening across the globe that are addressing some of the big challenges.

The Sustainable Design team organised four events throughout the first quarter. Setting all of us the challenge to find the best and worst examples of sustainable design: in our homes, in our community, in the UK and across the globe.

At each event, we presented our examples of good and bad design to colleagues. For example the 'in our homes' event included examples including wasteful packaging from online shopping to smart energy meters. This stimulated a discussion around each example, what makes it good or bad and the role of

design. We posted the examples on the 'Fame and Shame' wall and at the end, voted on the best of the best and the worst of the worst. Throughout the quarter we were also encouraged to continue collecting and sharing examples of sustainable design through our communal sharing space.

The nature of the initiative and the event format meant that we all got to find out about some really inspiring examples of sustainable design. We were also encouraged to question and change our behaviour when it came to examples of design that had a negative environmental and/or societal impact.









### Think it, Do it Q2: Innovation Day

#### Quarter 2

9th July was Innovation Day, a day when we give over our services to supporting social businesses. With the ongoing support of our partner UnLtd, and the inclusion of MSLGROUP London, we were able to be even more ambitious and increase the number of social entrepreneurs we were able to help.



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#### Innovation Day

At the very beginning of the year we met with the senior team at MSLGROUP London to walk them through the 'Roadmap to Innovation Day' and secure their commitment to the day. Then in March we presented to the full company at their offices alongside our event partner UnLtd, and two social entrepreneurs supported in previous years, Ben (Active Minds) and Alex (South London Cares). Enthusiasm for the day was immediate. As well as the Roadmap tool kit we supported MSLGROUP London throughout the planning process including regular calls and providing them with briefing and workshop templates.

UnLtd, the UK's largest provider of support to social businesses, build relationships with a diverse range of inspiring and innovative social entrepreneurs. Our Innovation Day is now an established part of UnLtd's 'Grow' programme.

At Salterbaxter, Innovation Day was preceded by a number of engagement initiatives including a vote for the four entrepreneurs we wanted to work with. This

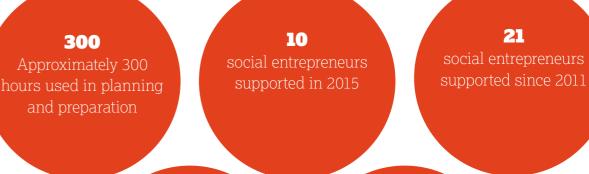
helped secure buy-in ahead of the day and meant that we could try to match individuals to a business they had voted for.

The whole company was then organised into four multidisciplinary teams championed by 3-4 people who were in charge of building a relationship with their entrepreneur, defining the brief, planning the day and engaging the rest of their team accordingly.

As has often been the case on Innovation Day, the entrepreneurs were overwhelmed (in a good way!) by the support, the quality of the insights into their business and the outputs delivered. And for all of us, the day was inspirational – an opportunity to work together in a different way with the client in the room and deliver work that would make an immediate impact.

For both Salterbaxter and MSLGROUP London, the process went smoothly and the day was a huge success despite a tube strike which presented a few last minute logistical challenges!





£25K

#### people from the MSLGROUP London investment for each team participated for social venture the the first time and on the same day!



### The Innovation Day teams

#### The four enterprises supported by Salterbaxter were:



Jermaine and Aysha Julie, Founders and Directors, The Gifted

#### The Gifted

Founded in 2012, The Gifted aims to educate, inspire and empower young people through knowledge, using podcasting projects and interactive workshops around topics such as health and lifestyle, enabling them to take ownership of their future choices.

The Gifted have developed and delivered a range of programmes and projects, working with some of Hertfordshire's most vulnerable and disadvantaged children and young people including care leavers and young offenders. Projects include Eat Better Move More, Reality Check, Real Talk, I Have A Dream and Inspire Me: Learn, Interact and Podcast.

Innovation day outputs for The Gifted included:

- Target audience definition
- Communications plan
- Digital strategy
- Training in social media and digital platforms



#### Daniela Varley,

Founding partner and Director, Recre8

#### Recre8

Recre8 is a psychology-based drama company with a successful record of delivering engaging, informative and consultative programmes with marginalised groups including persistent young offenders and those who are at risk of offending. By combining elements of psychology together with drama, Recre8 are unique in the work they offer. The programmes and interventions they develop actively challenge perspectives and reintegrate individuals back into society by helping them overcome their limitations.

Founded by sisters Anulka Varley-Griffin and Daniela Varley in Birmingham, Recre8 aims to reduce offending behaviour amongst young people who would not otherwise have been introduced to the arts.

Innovation day outputs for ReCrea8 included:

- Partnership values
- Target audience definitions
- Communications planning
- Communications framework
- Brand development



#### Kathryn Luckock,

Director, Solutions for the Planet

#### Solutions for the Planet

Solutions for the Planet specialise in connecting businesses with schools in their local communities to solve big global challenges. Their focus is on the energy, utility and construction sector where there is an urgent need to both retain and recruit innovative thinkers.

Businesses benefit by giving their employees the opportunity to be mentors in a dynamic learning environment alongside young people. And young people are inspired to be the entrepreneurs, scientists, engineers and responsible citizens of the future.

Innovation day outputs for Solutions for the Planet included:

- Target audience definition
- Elevator pitch
- Targeted messages
- Competitor review
- Website wireframes



Dr Gill Green,

Founder and CEO, Storm

#### Storm®

Storm provides skills-based training in suicide prevention and postvention, and self-harm mitigation for front line staff and volunteers across all sectors. The program of training was developed at the University of Manchester and is based in research and evidence.

Their mission is, primarily, to challenge the 'fear' and 'stigma' around the subject of suicide. It also works to encourage open and clear communication between services enabling people who are in psychological pain to access the help and support they need.

Innovation day outputs for Storm® included:

- Target audience definition
- Proposition development
- Tailored messaging
- Marketing concepts
- Partnership ideas

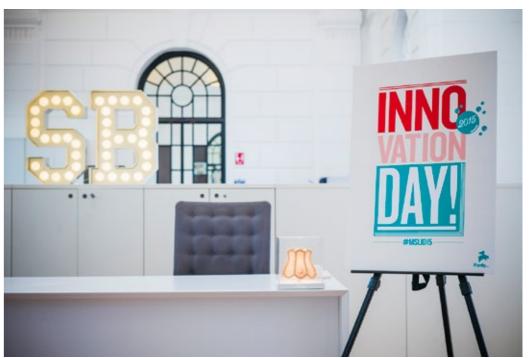
#### MSL UK worked with six entrepreneurs:

- Ruth Anslow, hiSbe
- James Cropper, Creative Minds Arts Network
- Elin Haf Davies, Aparito
- Josh Little John, Social Bite
- William Makower, DIG (Digital Information and Giving)
- Benita Matofska, Compare and Share



The four innovation teams in action at Salterbaxter



















### Think it, Do it Q3: Volunteering

#### Ouarter 3

Every year, everyone at Salterbaxter can take one day to volunteer for a cause of their own choice. However, awareness and take up of this opportunity has often been low and so we came together to campaign for it through an If Only quarterly focus.





"As a two man business, the tangible contribution that a team of 8 can make in just one day is huge. The group got an immediate grasp of what we do, and what we need to achieve, and got stuck in pulling apart and putting together our brand personality, tone of voice, and communication strategy. I came away feeling so much clearer about what we should be doing online, and how we can engage and bring our community together. I hope the volunteers got as much out of making such an obvious difference to a small business as we did. Thank you so much!"

#### Alicia Lawson, Rubies in the Rubble

"Thank you for your amazing help at Heartwood earlier this week! On the day of your visit you helped us to plant 1,017 trees."

Katherine Jaiteh, *Heartwood Forest* 

#### Volunteering

In July we established a team of individuals who were all tasked with identifying a volunteering opportunity that they thought would appeal to their colleagues at Salterbaxter. The group then liaised with the NGOs to establish the kind of support required and plan how to make the opportunity accessible for employees. Then they campaigned for their charity in order to encourage all of us to sign up.

We set ourselves the goal of achieving 60% participation by the end of the year, which proved to be ambitious given that we were already over half way through. However, we did achieve 32% and a new record for the business. And critically we have created a model that works and we can continue to build on next year.

Six charities were identified and five were supported:

- Art Against Knives: support to design and develop content for a new website for this innovative charity that uses creativity to change the lives of disadvantaged young people.
- Heartwood Forest: tree planting for the Woodland Trust's project to create England's largest new native forest.
- 240 Project: supporting the daily activities of this arts and health activity centre for homeless people.
- <u>Inspiring the Future</u>: connecting our employees with local state schools to talk about our job routes and skills.
- Rubies in the Rubble: an innovation day style workshop focused on brand development and digital communications strategy for this fast growing social business that saves ugly fruit and vegetables to make great tasting relishes.





### Think it, Do it Q4: Climate Change

#### Ouarter 4

Our final If Only campaign of the year focused on climate change in order to coincide with world leaders attending the Climate Summit COP21 and the development of the Paris Agreement to keep global warming 'well below' 2°c.

The 2015 United Nations Climate Change Conference, COP 21, was held in Paris from 30 November to 12 December 2015. In the run up to the event the Q4 Climate change team ran a number of knowledge sharing initiatives including a screening of 'No Carbon Man' and a food miles 'bake off'.

On 13 November we streamed the first few hours of 24 Hours of Reality and Live Earth: The World Is Watching, a global day of activity to raise awareness and inspire action on climate change. At the event Al Gore shared stories of progress from around the world and talked to influential artists, scientists, thought leaders and policy makers about developments in clean energy and other areas that are bringing us to a turning point on climate change. Unfortunately what was planned to be a 24 hour event was cut short by the horrific terrorist attacks that took place in Paris later that day.

Amidst even tighter security world leaders still arrived in Paris as scheduled for COP21. During the two weeks of the event we live-streamed many of the COP21 events and talks, provided daily round ups of the discussions including links to videos, infographics and articles on climate change.

As well as being part of the organising force behind the MSLGROUP event <u>Chance for Change</u>, held at the university Science Po in Paris during COP21, a number of colleagues also attended. The debate focused on how the climate deal would affect the relationships between employers and Millennial employees. On their return they presented back to the company and captured outcomes on blogs and in presentations for our clients.

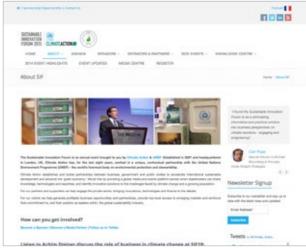
Following COP21 and the publication of the final agreement, we provided a summary of the outcomes from Paris for our clients, and this continues to be useful information for our new business meetings and client development. We also contributed to industry coverage of the event with <u>PR Week</u>, discussing the implications of the agreement for business.

At our Q4 company meeting we also reported back from 'The Rise of Science' our thought leadership event held in Amsterdam in October. The event focused on the impact of science based targets and what evidence we were already seeing of the topic in business.





'No impact man' movie and tool kit



Daily COP21 news round ups from multiple sources



Directions 2015



Chance for Change COP21 website



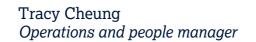
### Measure and Report: Social

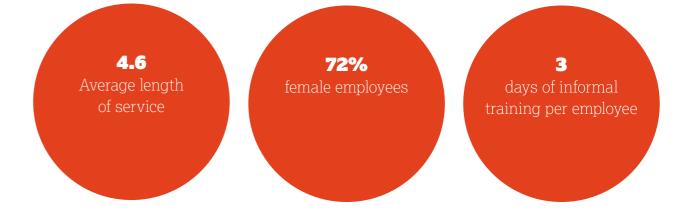
Salterbaxter is the sum of all our people – our collective knowledge, creativity, skills and dedication. Following a challenging period of business change, we need to focus on creating an environment that meets and exceeds expectations of the workplace. This will mean that we can continue to attract and retain the best talent. We promote a culture of openness and this means that we can listen and respond to what our employees have to tell us, and together with them, shape and drive a business that will continue to succeed and grow.





"As Salterbaxter has grown over the years, we have changed and adapted our processes and policies to ensure that we harness the power of our people to continuously improve our working lives. Transitioning from an independently owned business to being part of a global network of communications businesses introduced new challenges. Through open dialogue and workshopping what our business futures might look like, all staff were involved in managing that change. The conversation will – and must – stay open for us all to succeed."







## Measure and Report: Social

#### Achievements and actions

Average daily hours:

#### 8.3 (target 8.5)

For the third year running we've continued to make positive progress on reducing the average number of daily hours worked by our employees. Coming under our target shows that our efforts in monitoring and managing workload is contributing to an improved work-life balance.

#### Volunteering days (cumulative days per person): **0.5 (target 1.0)**

In order to encourage uptake of our contractual volunteering day allowance, we dedicated one of our quarterly themes to promoting this opportunity to employees. Whilst we missed our ambitious target of 60% participation, we still more than doubled uptake from 12% to 32%. Knowing that this format works we hope to build on it in future years.

Staff formal training days (cumulative days per person): **0.4 (target: 0.5)** 

Staff informal training days (cumulative days per person): **3 (target: 2.5)** 

We almost reached our target number for average staff formal training days (i.e. externally provided) and exceeded our target for informal (i.e. in-house mentoring, knowledge-sharing sessions) training.

We know that career development is a 'must have' for the majority of our employees and so we are designing a new appraisals and objectives format which has a career pathway map at its centre.

2016 will also see a new company team structure. This structure is based on up-skilling, knowledge sharing and expertise-building in mind.

Students: 0 (target: 2.0) Interns: 1 (target: 3.0)

In 2015 our employee development focued on other business priorities and we did not pursue opportunities to engage with students and interns. In 2016 we will take a step back and consider our approach and ambition in light of this lack of progress.

Employees inspired to work at Salterbaxter:

#### NA (target: 85%)

During the year we took the decision to move to the Publicis Groupe wide employee engagement survey and therefore this indicator was not tracked in 2015. 79% of Salterbaxter employees participated in the survey.

We continue to score highly on having a strong vision, good communication and excellent support of diversity and ethics. However it showed we have more work to do on supporting flexible working and career development, all of which feed through to staff retention levels.

Length of service:

#### 4.6 (up from 3.8 in 2014)

Despite a higher than average turnover, the average length of service per employee increased. We are proud that this shows we have been able to retain and develop many of our most experienced staff.

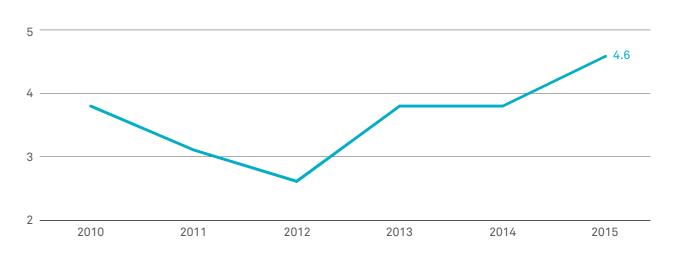
#### Looking forward

In March 2016 we moved to a Publicis Groupe shared building in the Baker Street area. With this in mind we will be reviewing our approach to our programme and goals for future years.

#### Additional social indicators

Indicator	2014	2015
Average number of full time employees	57	53
Average number of contractors	10	10
Average sick days per person	4	4
Average age	38	38
Gender ratio male:female	37:63	40:60

#### Average length of service





### Measure and Report: Environment

Our greatest impact on the environment is indirect, but we feel it is positive. Through our sustainability consultancy to clients we reinforce the need to address global challenges such as climate change and resource depletion. However, in order to advise our clients on sustainability, we need to be able to ensure our own environmental performance is as positive as it can be – we need to practice what we preach.



#### Our approach

In 2012 we conducted an operational review in line with ISO 14001. We identified the main areas where our direct impact lies: paper, waste, and electricity, and each year we set targets and measure our performance against them. As a small, office-based business our direct environmental impact is relatively minor, but we still aim to ensure best practice behaviour at work and at home. We are also conscious of the importance of considering the environmental impacts thoughout our entire value chain. We recommend print specifications for our clients that minimise the impact of commissioning print projects. We also use our influence with printing suppliers to improve their environmental credentials.

2015 was our last year in independent offices and from March 2016 we will be sharing a building with a number of other agencies within the Publicis Groupe at 82 Baker Street.

Originally built in 1904 for Marks and Spencer, in 2013 Lazari Investments elected to retrofit the Baker Street premises, rather than rebuilding it, for Publicis Groupe. The result was an energy and space efficient building with a new atrium, low energy mechanical ventilation systems, new lighting systems and a rooftop wildflower meadow to support biodiversity. The building has a commendation for Conservation and Retrofit (New London Architecture Awards 2015) and was a finalist in the AJ Retrofit Awards, 2015.

We will be reviewing the implications of the new managed building on our own environmental reporting. We already also contribute data to the <u>Publicis Groupe</u> CR report.



"With the company move to a Publicis Groupe managed building we have a great opportunity to work with our sister companies to make a real difference to the wider impacts the building has on the environment. Sharing our office space with like-minded people is a real boost to identifying impacts and looking at challenging, but credible measures as to how we reduce these impacts. The synergies don't stop with the building – we also have the opportunity to look at our respective supplier chains and take the best practice from each company in order to support our suppliers in improving their environmental impacts as well."

Jason Parry, Finance Director



### Measure and Report: Environment

#### Achievements and actions

#### Waste: 32.7kg per person (target: 26.1kg)

We have two types of waste – recyclable (e.g. paper, glass, plastic, cans) and non-recyclable (e.g. food, packaging that cannot be recycled). Our non-recyclable waste is reused for other purposes such as green energy.

In 2014, non-recyclable waste per person was 30.1kg and unfortunately 2015 saw a 9% increase. Whilst this increase was small we were obviously far off our 10% less target. However, it was an exceptional year in that we were planning for an office move between Christmas and New Year. Planning for the move began in the late autumn and our numbers for the last quarter evidence an increase in waste at this time. Whilst the move was eventually postponed until March 2016 a significant amount of clearing and sorting had already taken place.

Recycling per person decreased by 15% from 176.3kg to 152.4kg in 2015. This indicates that we need to continue to remind and refresh our best practice policies on recycling as new joiners begin, and to embed this with existing employees as a core behaviour. In early 2016 in preparation for the office move there was extensive training on recycling procedures for the clear out.

#### Paper: 33.1kg per person (target 29.7kg)

In 2014 paper use per person was 34.2kg and our ambition was 10% less for 2015. Whilst we only managed to achieve a 3% reduction it is positive to see an ongoing decrease in usage. We are considering how we can continue this trend by incorporating practical solutions for our work-sharing and printing practices in light of the new office environment in 2016.

Electricity usage per employee: 2,179 kWh (target: 1,952kWh)

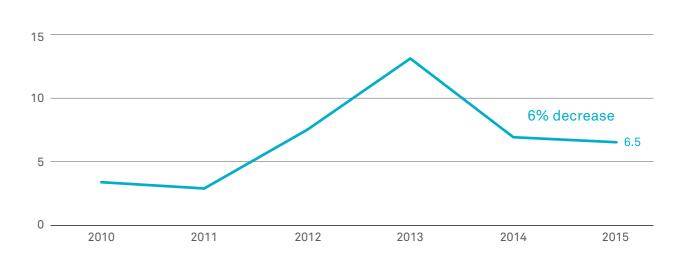
#### CO<sub>2</sub> emissions: 6.5 tonnes (6% decrease on 2014)

We achieved a 2% reduction in electricty use per employee. Whilst we didn't meet our target of 10% less it was good to see a decrease considering our leased office space is within a Grade II listed building that is less energy efficient than more modern buildings. The nature of our lease also gave us relatively little influence over our energy expenditure, other than to encourage minimal use.

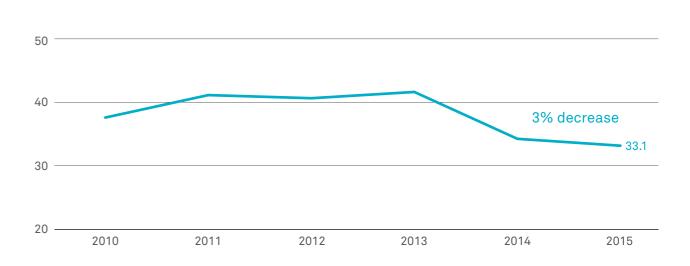
#### Looking forward

As mentioned previously, in 2016 we moved to a Publicis Groupe shared building. We are therefore reviewing targets and our approach to reporting environmental indicators in the future. We will continue to contribute data to the Publicis Groupe CR report.

#### CO<sub>2</sub> emissions (tonnes):



#### Paper use per employee (kgs):





### KPIs and targets 2015

KPIs	2014 Achievement	2015 Target	2015 Achievement
If Only participation days per employee (c)	3.6	2.0	3.1
Employees inspired to work at Salterbaxter	64%	85%	NA
Number of student placements	0	2	0
Number of interns	1	3	1
Volunteering days (c)	0.2	1	0.5
Paper usage (kg per employee)	33	29.7 (10% less)	33.1 (0.3% increase)
Waste to MRF (kg per employee)	29	26.1 (10% less)	32.7 (14.2% increase)
Electricity (kWh per employee)	2,169	1,952 (10% less)	2,179 (0.5% increase)
Average hours	8.5	8.5	8.3
Staff training formal (days per employee – c)	0.6	0.5	0.4
Staff training informal (days per employee – c)	3.2	2.5	3.0

c = cumulative

#### Looking forward

The office move and our new closer working practices with MSLGROUP and Publicis Groupe provides us with a natural opportunity to review our KPIs and targets and our ambition for If Only. From 2016 we will take the opportunity to reconsider what we want to achieve with If Only, how we can be a positive influence with our new colleagues in the building, as well as how we can be inspired by and learn from them.

We will continue to contribute to Publicis Groupe's annual CSR report, but as our data will be captured differently, we will reconsider what we can meaningfully monitor and manage.

Continuing to embed sustainable business practices will continue to be a priority, and an integral part of what it means to work at Salterbaxter.



### **Equal Opportunities policy**

We are an equal opportunities employer. This means that it is our policy to make every effort to ensure that there is no discrimination or harassment of employees, job applicants, clients, contractors or visitors on the grounds of colour, race, nationality, religion or belief, ethnic origin, disability, age, gender, marital status, sexual orientation, parental responsibilities, part-time or fixed-term status. Bullying is also a form of harassment and this is also covered by our policy.

#### Our approach

In issuing this policy we have three main objectives:

First, to encourage employees to take an active role against all forms of bullying, harassment and discrimination; second, to deter employees from participating in bullying, harassment or discriminatory behaviour; and third, to demonstrate to all employees that they can rely upon our support in cases of bullying, harassment or discrimination at work.

We are committed to a working environment that offers equal treatment and equal opportunities for all its employees, so that every employee is able to progress to their true potential. Even after employment has ended, we are committed to ensuring that discrimination does not occur.

This policy applies to all aspects of our working practices and therefore applies to the recruitment and selection of employees, terms and conditions

of employment, training, salary, work allocation, promotion, and disciplinary and grievance procedures. Our recruitment, selection, promotion procedures and general policies and practices will be periodically reviewed to ensure that this equal opportunities policy is being implemented.

All employees are required to follow and implement our equal opportunities policy and, if necessary, undergo any training and development activities to ensure that they can carry out their duties and responsibilities in terms of promoting, developing, implementing and reviewing the policy arrangements in the course of their work.

By supporting Publicis Groupe's Egalité and Viva Women! initiatives we hope we will reinforce our commitment to equality of opportunity.

In 2015 there were no breaches of this policy.







### Health and Safety policy

We want our employees to be as safe as possible in our working environment and require all employees to follow these guidelines at all times. While the Company will take all reasonable steps to ensure the health and safety of its employees, health and safety at work is also the responsibility of employees themselves. It is the duty of all employees to take reasonable care of their own and other people's health, safety and welfare. Employees should report any situation that may pose a serious or imminent threat to the wellbeing of themselves or of any other person.

#### Our approach

The Company will provide and maintain a healthy and safe working environment with the objective of minimising the number of health and safety related instances. The Company will pay particular attention to:

- Maintaining the workplace in a safe condition and providing adequate facilities and arrangements for welfare at work.
- Providing a safe means of access to and from the workplace.
- The provision and maintenance of equipment that is safe.
- The provision of such information, instructions, training and supervision as is necessary to ensure the health and safety at work of its employees and other persons.

• The Company also recognises its duty to protect the health and safety of all visitors to the Company, including contractors and temporary workers, as well as any members of the public.

The Company may take disciplinary action against any employee who disregards health and safety rules and procedures, or who fails to perform their duties under health and safety legislation. Depending on the seriousness of the offence, it may amount to potential gross misconduct rendering the employee liable to summary dismissal.

In 2015 there were no breaches of this policy.



# Environmental Procurement policy

#### Our approach

We are committed to managing and reducing the company's environmental impacts. The biggest impact we have on the environment is through our supply chain and how we place work with printers on behalf of our clients. Our print and paper policies can be read here.

#### Paper policy

All paper specified for our major projects, must adhere to the following as a minimum:

- Be ECF (elemental chlorine free) or TCF (total chlorine free).
- Any virgin pulp must be sourced from sustainably managed forests.
- The mills which produce the paper should have ISO 14001 accreditation.

We further aim to specify a percentage of those jobs from our 'Top 10' list of enhanced environmental paper stocks. All these papers are FSC accredited OR recycled with a minimum of 20% post-consumer waste. We are also looking into carbon neutral papers.

#### Print procurement policy

Where we have the buying decision, we aim to place our print with suppliers who are managing their environmental impacts in a progressive and transparent way.

This process is managed through a key suppliers list.

Where we do not have the final buying decision we will always advise clients to follow our guidelines and will record where they are not able to do so.

ISO 14001 is a key part of our criteria and although we understand the limitations of this system, we still feel it is a useful assurance process by which we can assess a printer's commitment to environmental management.

We may also consider other suppliers if their activities are transparent enough for us to assess without the ISO programme.



#### Next steps

### Looking forward

It is an exciting time for Salterbaxter. We have moved to new shared offices, are building our network within Publicis Groupe, and are growing our team in the US. At the same time we are evolving our business proposition to reflect the evolving nature of the work we do for our clients and the role we want to play: building purpose, maximising performance and transforming business.

With all this change in mind we are pausing to reconsider how If Only reflects this in the future and rethink what we want it to achieve. Moving away from an emphasis on improving performance and towards increasing social impact. A new strategy will be confirmed in 2016 and part of this will be aour approach to Reporting.





"As we evolve our offering to support companies and

Inspiring and motivating each other to take action on the issues that matter to us will still be fundamental to our plans, but more than this, we want to demonstrate the tangible value of our capabilities and actions."

brands navigate the changing relationship between business

and society, it's only natural we reflect this internally.

Caroline Carson Consultant



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