



UN Global Compact - Communication on Progress Report 2015-16

STATEMENT OF SUPPORT

To our stakeholders:

I am pleased to confirm that Fibre Technologies Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Ian Hunt
Managing Director – Fibre Technologies Ltd



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Human Rights

Assessment, policy & goals

FTL's day to day business operations are designed to ensure that our employees and contractors respect the human rights of each other and the communities we work in. This is explicitly stated in our HUMAN RIGHTS & LABOUR CONDITIONS POLICY which is attached as an appendix to this report.

We also incorporate human rights in our Code of Conduct, where we acknowledge that conducting our business in a manner that respects human rights – as set out in the Universal Declaration of Human Rights and the core conventions of the International Labour Organisation – is fundamental to us. We focus on due diligence and access to remedy, concepts from the UN Guiding Principles on Business and Human Rights.

Workers' rights

We respect the rights of those working for us in line with the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. These include:

- freedom of association – employees can join a union wherever permitted by law;
- freedom from discrimination in the workplace, through equal opportunities.
- freedom from forced labour; and
- the abolition of child labour.

We aim to create a workplace that encourages people to make best use of their talents and provides them with flexible working conditions to meet their individual needs.

Implementation

Since signing the Global Compact 2 years ago, we have been reviewing our existing processes and practices, with consideration for these principles. We have updated and implemented new policies covering Ethical Business Conduct, Equal Opportunities, Human Rights and Privacy.

We have made our employees aware of our Human Rights and other policy revisions by carrying out training and providing information via our Employee Handbook. We have additionally reviewed our disciplinary and grievance procedures, and have urged employees to communicate with us with any concerns or suggestions.

As part of our ISO 9001 accredited Quality Management System, we review our register of Approved Suppliers annually. In 2014 we added a question that requires all suppliers to confirm that they “*do not employ workers below the legal minimum age for employment or use any form of forced or bonded labour*”. Failure to confirm this prohibits a supplier from inclusion on the register.

Measurement of Outcomes

We review our Human Rights & Labour Policies at our monthly Management Meetings and discuss any suggestions put forward by our employees. These are logged on a register.

All Approved Suppliers have now confirmed that they do not use underage workers or use any form of forced or bonded labour.

Labour

Assessment, policy & goals

FTL has implemented an ISO9001 Accredited Quality Management System. This not only covers Quality but employee and labour rights. We actively monitor UK legislation and comply with;

Health & Safety Regulations - www.hse.gov.uk/legislation

Employment law and Information Security Regulations – www.Direct.gov.uk

Environment Regulations - www.bis.gov.uk/policies/business-sectors/environmental-and-product-regulations

Companies Act 2006

Computer Misuse Act 1990

Data Protection Act 1998

Disability Discrimination Act 2005

Employment Act 2008

Equality Act 2010

Pensions Act 2008

Regulation of Investigatory Powers Act 2000

We have implemented or updated a number of company policies on the rights of our employees & acceptable working practices;

- Absence
- Alcohol, Drug & Substance Misuse
- Capability
- Dignity at Work
- Disability in Employment
- Email and Internet Security
- Emergency Leave
- Equal Opportunities
- Flexible Working and Job Sharing
- Parental Leave (Adoption, Maternity, Paternity)
- Recruitment
- Retirement
- Staff Development
- Working Alone

Implementation

The policies listed above form an integral part of our Employee Handbook. FTL's commitment to maintaining its ISO 9001 accreditation requires constant monitoring of its employees' Labour Rights.

Measurement of Outcomes

We review our Human Rights & Labour Policies at our monthly Management Meetings and discuss any suggestions put forward by our employees. These are logged on a register.

In the last year we have implemented 2 initiatives arising from this;

Living Wage: FTL has committed to pay all employees at least the Living Wage rate defined by the Living Wage Foundation – www.livingwage.org.uk

This was maintained in 2015. FTL raised its hourly rates in line with LWF's annual revision.

Company Pension Scheme: In line with its legal obligations, FTL matches employee contributions up to 4% of their annual salary if it is paid into the Company's scheme.

Environment

Assessment, policy & goals

Sustainability

The Company is committed to integrating the key aspects of sustainable development into its operational practices and culture. We seek to be proactive, by considering sustainability issues in all our business activities, and by sharing best practice on sustainability with our customers, employees & suppliers.

We have met this responsibility through the implementation of an approved Environmental Management System (EMS), to ISO 14001 International Standards. The ISO 14001 Environmental Management System standards provide a framework that ensures that we will conduct our business in a manner that protects the environment, the health and safety of employees, clients, and the public at our office location and at our other operational sites.

Compliance

We conduct our business in accordance with all applicable environmental, health and safety laws and regulations and other relevant standards to which we voluntarily subscribe. We provide the training, management systems, and resources necessary to do so.

Health and Safety

We foster a culture that makes the health, safety and well-being of our employees our number one priority - more important than production, and profits - and provide every employee the absolute right and obligation to question, stop and correct any unsafe act or condition.

Corporate Social Responsibility

We aim to conduct our business in a socially responsible manner, to contribute to the community in which we operate and to respect the needs of employees, investors, customers, suppliers, regulators and other stakeholders.

Quality Management

We aim to provide a professional and ethical service to our clients and endeavour to deliver our products and services to specification and on time.

Pollution Prevention

We include pollution prevention and resource conservation opportunities in our business planning and operating decisions to help reduce our impact on the environment.

Communications

We maintain an open and honest dialogue with our employees and stakeholders about the environmental, health and safety performance of our operations.

Continuous Improvement

We have established key measures to track our performance, set objectives and targets to drive continuous performance improvement, conduct audits and assessments and promptly correct conditions that we determine threaten human health, safety or the environment.

FTL is committed to sustainable & quality business practices that include compliance with environmental regulations, advancement of environmental awareness, minimisation of environmental risks, reduction of emissions and waste and conservation of energy and water.

Implementation

We have implemented an Environmental Management System accredited to ISO 14001. All employees are trained about the Company's environmental impacts at induction and they

refresh their knowledge at regular intervals. Since 2012, FTL has set annual Objectives & Targets to focus and quantify its impact reduction efforts. In 2015-16 we set 6 Objectives;

Electricity Use Reduction

To maintain electricity consumption at the same level as 2014-15 despite the switch to electric vehicles by:

- Switching off appliances when not in use.
- Ensuring all power is off at night other than essential use.
- Reducing the number of servers left constantly on.

Gas Use Reduction

To reduce electricity consumption by a further 5% over 2014-15 by:

- Ensuring that office thermostats are set on the minimum agreed temperature for comfortable working.
- Programming office heating systems to switch off between 1pm - 3pm each day.
- Making the most of office radiators' cool down period at the end of every day.

Vehicle Fuel Use Reduction

To reduce Company vehicles' fuel use by 10% & to reduce the fuel cost per employee to less than 2011-12 value by:

- Switching to electric or hybrid vehicles when existing ones are due for replacement.
- Sharing journeys where possible.
- Adhering to speed limits.
- Ensuring that car emissions comply with MOT requirements.

Printing Cost & Paper Use Reduction

To achieve at 10% reduction in toner & paper costs over 2014-15 by:

- Only printing out emails or documents if essential.
- Using B&W and double sided printing only where at all possible.

Bought-in Packaging Elimination

To eliminate stationery costs relating to packing customer deliveries by:

- Ensuring that supplier packaging is always used for onward delivery to customers.
- Using packaging from direct deliveries to FTL to replace damaged boxes.

Measurement of Outcomes

The Company uses its annual Objectives & Targets to measure its environmental performance. In 2015-16, we made good progress in some areas despite an increase in staff numbers;

Electricity use: per employee, excluding vehicle charging decreased by **5%** over the last year.

Printing & paper costs: have also decreased by **42%**. This is because of a large reduction in colour copies. All toner cartridges are recycled.

Bought-in packaging: Costs have almost been eliminated.

However, we can improve future performance in others;

Gas usage: This actually increased by **11%**, partly due to the 15% increase in staff numbers.

Vehicle fuel use: Costs rose by **9%** in the last 12 months despite the introduction of electric vehicles & cheaper fuel prices. Again, a larger workforce is at least part of the reason for the increase.

Water usage: has increased by **10%** over the last 12 months Rates have risen even higher; by **27%**. The Company target of avoiding increases through lower usage has been tested by higher staff numbers.

Anti-Corruption

Assessment, policy & goals

Whoever we may deal with, and wherever we may operate, we are committed to doing so lawfully, ethically and with integrity. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated. We must not, and we must ensure that any third party acting on our behalf does not, act corruptly in our dealings with any other person.

This anti-bribery and corruption policy sets out FTL's policies to prevent acts of bribery and corruption. These policies and procedures have been designed to comply with legislation governing bribery and corruption on a global basis. This policy provides guidance on the standards of behaviour to which we must all adhere and most of these reflect the common sense and good business practices that we all work to in any event.

This policy is designed to help employees identify when something is prohibited so that bribery and corruption is avoided, and to provide them with help and guidance if they are unsure about whether there is a problem and if they need further advice.

Who this policy applies to

The fundamental standards of integrity under which we operate do not vary depending on where we work or who we are dealing with. This policy applies to all FTL employees (full and part time) and temporary workers (such as consultants or contractors) across the Company no matter where they are located or what they do. It is the responsibility of each of us to ensure that we comply with these standards in our daily working lives.

This policy sets out a single standard that all employees must comply with, regardless of whether local law or practices might permit something to the contrary. Part of the Company's commitment to prevent bribery and corruption is to ensure that the people acting on our behalf also do so in compliance with effective anti-bribery and corruption policies. Accordingly, where we engage third parties such as agents, distributors or joint venture partners, we have obligations to complete sufficient due diligence when entering into arrangements to ensure that they are not acting corruptly, and to periodically monitor their performance to ensure ongoing compliance. In short, if we can't do it, neither can they.

Failure to comply with this policy, whether or not this is intentional, may lead to disciplinary action (up to and including dismissal), and criminal liability for the individual involved (up to and including imprisonment). Employees are required to confirm that they have read and understood the policy and that they comply with its terms as part of their ongoing employment assessment processes.

In addition, relevant employees will be required to attend training to support the guidance in this policy.

What is bribery?

Bribery involves the following:

- when a financial or other advantage is offered, given or promised to another person with the intention to induce or reward them or another person to perform their responsibilities or duties improperly (it does not have to be the person to whom the bribe is offered that acts improperly); or
- when a financial or other advantage is requested, agreed to be received or accepted by another person with the intention of inducing or rewarding them or another person to perform their responsibilities or duties inappropriately (it does not have to be the person who receives the bribe that acts improperly).

It does not matter whether the bribe is:

- given or received directly or through a third party (such as someone acting on FTL's behalf, for example an agent, distributor, supplier, joint venture partner or other intermediary); or

- for the benefit of the recipient or some other person.

Bribes can take many forms, for example:

- money (or cash equivalent such as shares);
- unreasonable gifts, entertainment or hospitality;
- kickbacks;
- unwarranted rebates or excessive commissions (e.g. to sales agents or marketing agents);
- unwarranted allowances or expenses;
- “facilitation” payments/payments made to perform their normal job more quickly and/or prioritise a particular customer;
- political/charitable contributions;
- uncompensated use of company services or facilities; or
- anything else of value.

Implementation

We carry out employee training, and ensure that our employees are aware of our policies and expectations. Bribery is also covered in our employee handbook.

Measurement of Outcomes

We evaluate anti-corruption performance by reviewing policies, directives and processes; top-level commitment; risk assessment; due diligence of business partners; implementation, training and communication; monitoring and review (including reporting mechanisms). Additionally, we are monitored by our accreditations to ISO 14001 & 9001.