



Integrity Matters

Corporate Responsibility
Report 2016

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Introduction



Introduction

Purpose of Report

This report describes the integral part Corporate Responsibility (CR) plays in our business. It covers our values, principles and policies towards our people, our clients and the environment, and the potential impacts of our activities. We explain how we prioritise our most significant issues, our performance, lessons learnt and challenges.

We are mirroring the increasingly sophisticated approaches of our clients to corporate governance. We have overhauled our business continuity planning; worked out how to measure the impact of our activities; extended our screening of new employees and crews to include checks on identity, employment, criminal record and financial history; and continued to fund a range of social responsibility projects.

Corporate Responsibility is not an isolated programme at Sterling, but is integral to the way we operate. As part of our commitment to being a responsible organisation, we continually strive to integrate Corporate Responsibility into our values, culture, operations and business decisions.

We are signatories to the United Nations Global Compact (UNGC) and this report forms part of our commitment to act on and report our progress against the UNGC principles on human rights, labour, the environment and anti-corruption.

This report shows our commitment to managing and communicating our activities in a clear and transparent way. We hope you find this report useful and, as always, welcome any feedback. We encourage you to contact us with comments or questions by email to integrity.matters@sterling.com or via our website at www.sterling.com.



Company Information



Who we are

Sterling is the premier global mobility services provider of corporate mobility solutions. For over 20 years we've been delivering flexible, needs-based solutions, grounded in expert consultation and impeccable service delivery.

In our business, listening to our clients goes far beyond being polite and professional. It's quite simply the most important tool we have in implementing and developing our client's Global Mobility Programmes.

Our mission is to:-

“Be the most recommended service provider across every service that we offer”.

To be the most recommended provider of every service that we offer, we must do best what matters most to our customers. We must deliver to them impeccable operational delivery, proactive communication, great value and professional staff. We must deliver the highest quality services as defined by our customers.

In 2016, we managed 17,435 employee moves and relocations. We did so while maintaining a satisfaction rating of 94.2% among assignees, and 89% rated as services as excellent or good – we consider this to be the most important indication of the quality of the services we're providing.

We achieve these results because Sterling's teams are the most experienced and dedicated professionals in our industry. Our ultimate goal is to get the job done without disruption, fuss and under strong governance. For our clients this means managing the movements of their global mobility population and for our assignees in a way that instills confidence in our ability and with a constant focus on innovation and added value.

Ownership

Sterling's parent company is UniGroup, a \$1.7 billion mobility company with 80 years' experience in relocation. UniGroup and its subsidiaries (collectively "UniGroup") provide services under the following brands: United Van Lines, Mayflower Transit, United Containers, Mayflower Containers, United Mayflower Containers, Allegiant Move Management, UniGroup Logistics, UniGroup Relocation, Sterling, MultiTek1 and Trans Advantage. UniGroup, Inc. is a private, for-profit corporation organized under the laws of the state of Missouri.

What we believe in

At Sterling there are some things we strongly believe in. Our relationships with our clients and partners have been built on a foundation of honesty and trust and a commitment to ethical business practices. For us, minimum compliance has never been enough. We always want to conduct our business in an ethical and safe manner, and with sensitivity to our impact on the world around us.

Sterling has been successful in a fiercely competitive marketplace. We believe the reason for this is our adherence to our Core Values:-

Reliable

You can rely on Sterling to deliver consistent, quality service.



- Communicating honestly and promptly with our clients, suppliers and employees, providing transparent information at all times.
- Conduct business in a socially responsible and ethical manner, and without the use of corrupt practices, anti-trust, anti-competitive activities or acts of bribery to obtain an unfair advantage.
- Maintain the confidentiality of information entrusted to us, except when authorised or otherwise legally obligated to disclose.
- Comply with applicable laws, rules & regulations, and respect the law in the countries and communities where we operate.
- We train our employees to actively listen to the needs of our clients. We ensure that we maintain communication; this is important when a relocation is going perfectly and vital when there is something happening that you need to know about.

Caring

Doing things correctly, safely and with compassion



We are committed to:-

- Protecting the health & safety of all individuals affected by our activities, including our employees, contractors, clients and the public.
- Protecting & caring for our clients, their assignees and their data. Sterling takes its security obligations very seriously, and our vetting procedures make sure that we have the right people in the right roles.
- Maintain our commitment to an equal employment opportunity work force; to encourage diversity and support human rights. Sterling employs caring individuals who are culturally diverse and globally aware. Many of them have lived abroad themselves, helping them understand your needs and exceed your expectations.

Flexible

With the number of variables involved in an international relocation, flexibility is of utmost importance.



- Everyone at Sterling takes the success of our relocations personally, and will go the extra mile to ensure that our clients receive a service that exceeds their expectations.
- Sterling is able to modify services and respond to clients' needs to adapt to each relocation's unique circumstances.
- To be the most recommended provider of every service that we offer, we must do what matters most to our clients. We must deliver to them impeccable operational delivery, proactive communication, great value and professional staff.

Innovative

Sterling delivers smart solutions, informed by decades of experience



We aim to:-

- Continually improve everything we do, to ensure our services exceed our clients' needs and expectations, in addition to meeting the goals of our company.
- For every service we offer, we strive to continually monitor and anticipate our clients' changing needs, embracing new ideas, technology and innovation.

Sterling is never satisfied with the status quo. Innovative thinkers on Sterling's team are constantly developing new ways to serve you and your transferees.

Where we operate

We offer mobility services globally, through our service delivery hubs in EMEA, the Americas and Asia Pacific, and through our network of global partners.

The network is made up of the world's best international relocation and moving companies. We have selected the best partners in each location. And that's how we guarantee seamless delivery of relocation services, wherever in the world you need us to be.

Our offices are in the following locations:-



What we do

Sterling offers a wide range of integrated relocation services to make any mobility programme a success, including everything from language training to spousal support.

Clients may use a number of different relocation services as their employees settle into their new life. But dealing with multiple service providers can be time consuming and expensive. It can also lead to service inconsistencies.

Not only are we an integrated relocation service provider, but we manage all our services in-house. Even where we use one of our specialist partners to deliver the services, one coordinator oversees the whole process. We deliver everything as an integrated package, instead of several stand-alone services. So, shipping might be offered alongside storage, immigration services and tenancy management. This means smooth and stress-free delivery for our clients.

Services include:-

- Assignment Management
- Cross Cultural Training
- Departure Services
- Education Assistance
- Expense Management
- Furniture Rental
- Group moves
- Guaranteed Home Sale
- Home Finding Service
- Immigration, Visa and Work Permits
- Immigration Audit Service
- Language Training
- Move Management Moving Services
- Orientation
- Partner Assistance
- Policy Consultation
- Property Management
- Settling-In Services
- Short-Term Accommodation
- Storage
- Tenancy Management
- Transit Cover

Our approach to responsible business

Ethical standards are a key ingredient to the success of any great company. A great company remains so when its employees, representatives and those it does business with consistently choose to do the right thing. We want to conduct, and be known for conducting, our business ethically and with integrity. Behaving honestly, fairly and with integrity supports our beliefs and company culture, and helps us achieve our mission.

Strong governance forms the bedrock for long-term trusting relationships with clients and partners, and helps enforce consistent standards globally as well as adding value for our shareholders.



Sterling is committed to quality in all aspects of our business, including the highest standards of legal and ethical conduct in all of our practices. We recognise that the continued success and our reputation is dependent upon the ethical conduct of the company and its employees.

Our people:

- We are committed to protecting the health & safety of all individuals affected by our activities, including our employees, contractors, customers and the public;
- Maintain our commitment to an equal employment opportunity work force; to encourage diversity and support human rights;
- Sterling will ensure that all employees are treated fairly and with dignity, and with consideration for their goals and aspirations.

Our business operations:

- Conduct business in a socially responsible and ethical manner;
- Conduct business in an honest way and without the use of corrupt practices, anti-trust, anti-competitive activities or acts of bribery to obtain an unfair advantage;
- Are compliant with the anti-competition and trade regulation laws, which are designed to preserve the free enterprise system;
- Take all reasonable steps to identify and manage conflicts of interest that may arise, which might result in a material risk to the interests of our clients;
- Maintain the confidentiality of information entrusted to us, except when authorized or otherwise legally obligated to disclose;
- Comply with applicable laws, rules & regulations, and respect the law in the countries and communities where we operate.

Further details are provided in the next section.

Code of Conduct

The Code of Conduct was created in 2003 and is continuously updated to incorporate changes in business and in law, with major updates in 2004, 2008 and 2013. The Code of Conduct covers financial integrity, intellectual property protection, protection of proprietary and confidential information, conflicts of interest, discrimination and harassment, gifts, criminal conduct, conducting business with governments, bribery, political activity and contributions, human rights, money laundering, safe and healthy workplace, environmental laws, antitrust and competition laws, and customer relations.

United Nations Global Compact

Sterling supports the ten principles of the Global Compact and are committed to incorporating its principles into the strategy, culture and day-to-day operations of our company. We support public accountability and transparency, and this report acts as our annual communication on progress.

Issue Areas	UN Global Compact Principles	Read more in
Human Rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>People come first</p> <p>People come first</p>
Labour	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation</p>	<p>People come first</p> <p>People come first</p> <p>People come first</p> <p>People come first</p>
Environment	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Managing our environmental impact</p> <p>Managing our environmental impact</p> <p>Managing our environmental impact</p>
Anti-corruption	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Protecting our clients</p>

Rupert Morley

Chief Executive Officer
Sterling Group



People Come First



People come first

It is the people who make the difference. Our people, their passion, knowledge and experience, are our most important resource. As such, Sterling has adopted a highly structured approach to the selection & recruitment, development, management and retention of its people. We have built an environment where involvement, empowerment, continuous improvement, and teamwork flourish, so that our employees may both contribute and benefit by growing with us.

Recruitment

We recognise that the ways in which recruitment and selection processes are handled, affects the Company's image as an employer and, in turn, its ability to attract qualified people. Recruitment is a two-way process, concerned both with satisfying the Company's strategic staffing requirements and with attracting potential applicants to decide whether they meet the job requirements, are interested in the position, and want to join the organisation.

It is the Company's policy only to recruit people when there is a long-term permanent vacancy; and to recruit the best person for each vacancy, regardless of race, colour, religion, sex, sexual preference, national origin, political affiliation, disabilities, age, family responsibilities, matriculation or marital status. Wherever possible, existing employees are invited to apply for opportunities and we actively promote from within.

Learning & Development

Fielding a strong team is crucial to delivering the exceptional customer service that Sterling is known for. To support this Sterling invests significant resources in its induction and training programs in order to optimise the knowledge, productivity and motivation of our employees.

New employees are provided with a detailed schedule for a formal six month induction tailored to their role and previous experience. During their induction, new employees benefit from a blend of formal instruction in our training room and practical experience. They also spend time in other departments in order to understand how the different parts of a relocation interact. Finally, a formal review takes place, where strengths and weakness are assessed and additional training needs are identified. When an employee changes roles (for instance when they become managers for the first time), they undergo a further induction programme.

We believe that ongoing training raises quality, as well as acting as an incentive and retention tool. We have an online University, a training website, which helps efficiently provide required training for employees across the entire group. Courses also include governance, as well as general education on both common business topics and mobility industry specific topics. In 2016 81% of staff received further training, with 546 hours of formal training provided.

Nurturing Talent

The culture at Sterling is one of opportunity for all. It's about attracting and retaining great people; having the right people in the right roles. At a mission led company such as Sterling, there is a strong sense of everyone having an important part to play, with an opportunity to progress and develop their skills, regardless of experience, age or any other factor.

To recruit and retain staff of the highest quality, Sterling provides equal opportunities for the recruitment, professional growth, and advancement of all employees. Promotions and transfers provide employees with the opportunity to develop their skills and talents, which can contribute to career growth and advancement within the Company. We support promotion from within, in so far as this is compatible with our policy of appointing the best possible candidate to any given post.



Internal Secondment Opportunities

Internal secondments mean that staff can benefit from the wide range of different services within the Sterling group and expand their knowledge and skills. On 2016, we have had consultants move from Aberdeen to Madrid, London to Frankfurt, Madrid to London.

We recognise and reward talent. Sterling believe strongly in celebrating our successes and acknowledging and rewarding excellence, as well as providing access to support to facilitate a healthy work/life balance. The annual Employee of the Year awards are presented on an annual basis. All staff nominate their colleagues for their work over the preceding year. The executive board also nominate an employee. The winner in each category is announced at the annual Christmas Party and presented with an award.

Employee Assistance Scheme provided via Zurich Healthcare, all staff have access to free, anonymous employee assistance if they would like it.

Health & Safety

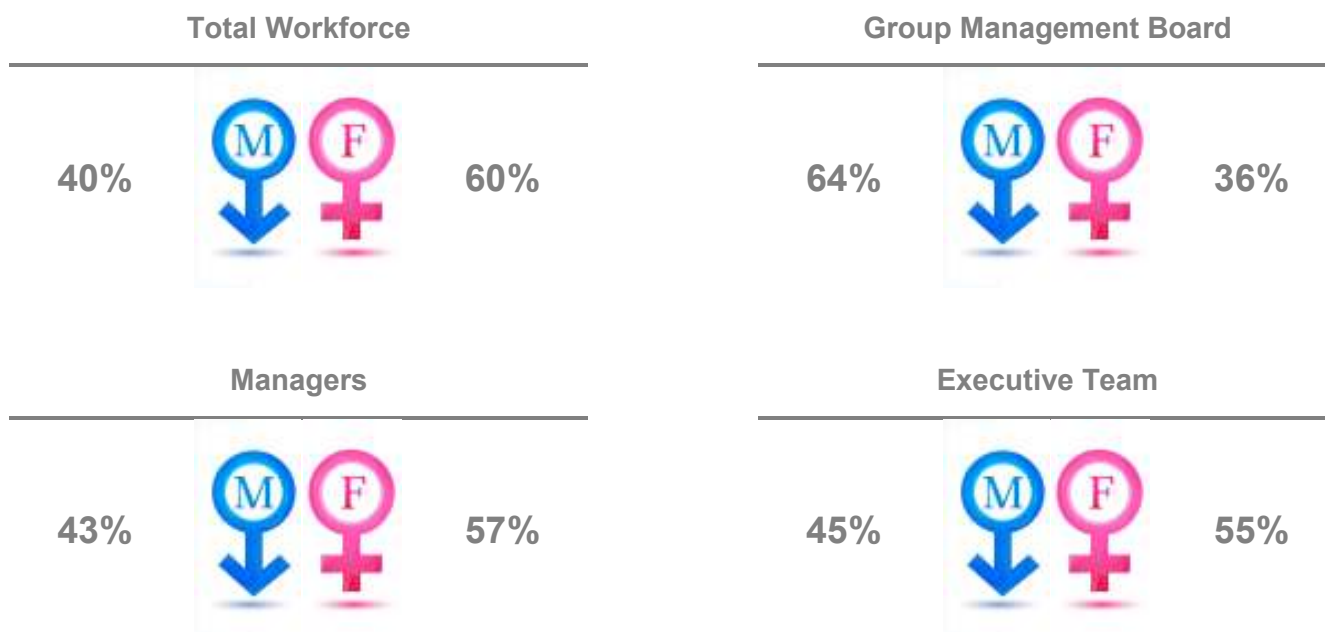
Sterling is committed to operating safely and acting properly at all times to ensure the wellbeing of employees, contractors and customers. To support this, we have upgraded our Fire & Evacuation processes in 2016, as well as business continuity plans. Drills are conducted and on-site H&S officers are trained in emergency first aid.

We also aim to promote a culture of healthier lifestyles and to improve the quality and longevity of life for our employees.

Diversity

As a global company with clients and offices spanning cultures across the world, we see diversity and inclusiveness as valuable company assets. We want to provide employees with an inclusive environment in which everyone can perform to the best of their ability to service our diverse client needs.

Gender diversity is a topic Sterling has championed for many years, and our results speak for themselves.



Discrimination

At Sterling, we believe putting people first and embracing and valuing the differences of every individual is important to our success. It is how we do business.

We create strong relationships with our employees, who in turn, provide outstanding service to our clients. We embrace and appreciate our differences which enable us to be more respectful and responsive to the changing needs of our clients. Sterling is an equal opportunity employer. Allegations of discrimination by employees are taken seriously and investigated. Appropriate actions are taken to address any issues.

Human Rights

As a socially responsible company, we do not employ child or forced labor in any of our operations. We do not permit the physical punishment or abuse of anyone under our employment. We follow all local laws governing employment and labor standards. Our Code of Conduct expresses our expectation that our suppliers and other business partners will uphold these same standards, and these are enforced through SLAs and contracts within our Supply Chain.

We uphold employee rights and respect collective bargaining and freedom of association. In countries where an employee delegate is not present, employees are encouraged to share their opinions with Line Managers and HR representatives.

Whistle-blowing

Employees are trained and encouraged to report any actual or suspected infringements they may come across using our whistle-blowing procedure, or any queries or concerns they may have. Any reported issues are immediately investigated, and should it be necessary, are escalated to the Law Department.

Managing Our Environment



Managing our environmental impact

Commitment

Sterling is committed to operating in an environmentally responsible manner. We obtain, keep current and comply with all required environmental permits, approvals and registrations.

By far our greatest environmental impact is created through the movement of people and personal effects around the globe, which is at the core of our business. Whilst we cannot control our client's movements, we do work hard to reduce our direct impacts, recognising this is not only the right thing to do, but also has business benefits including reducing utility and fuel costs.

Sterling ensure that every aspect of our activities is conducted in accordance with sound environmental practices, we will achieve this by:

- Minimising the consumption of natural resources and energy, whilst consuming material goods in moderation
- Reducing the creation of waste by the adoption of improved operating practices and by recycling of materials whenever practical
- Ensuring all waste and effluent is disposed of in a safe and responsible manner
- Investing in the development of new products and processes that have an improved performance regarding their impact on the environment
- Complying with environmental legislation
- Continued accreditation to ISO 14001 (Group headquarters)

We aim to foster among our employees, suppliers, clients, shareholders and local communities its operations an understanding of environmental issues in the context of its business. Our collective task is to ensure that we continually improve the environmental impact of all our activities.

Waste & Recycling in 2016

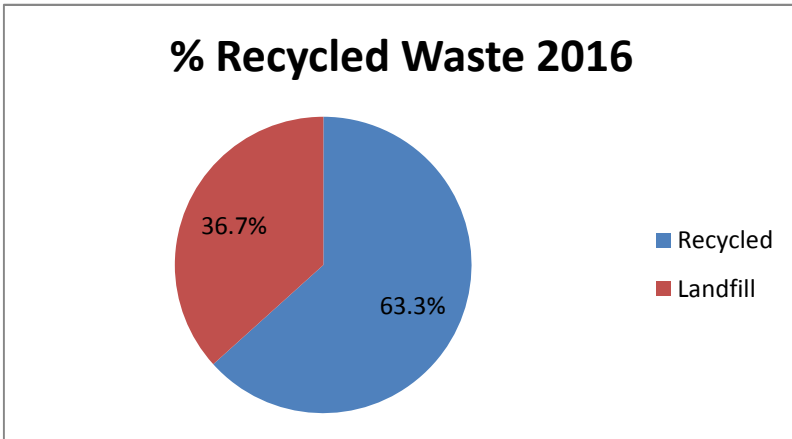
Our facilities produce a number of waste streams, including general waste (for landfill), paper waste, cardboard and wood waste, and other recyclable items such as aluminum cans and plastics. We are committed to reducing waste and recycling wherever possible.



Additionally we:-

- Have central recycling points for fluorescent lighting, batteries and used oil
- Purchase paper / card based packing materials from recycled paper pulp
- Use of materials from sustainable resources
- Reuse wooden storage containers where feasible
- Use steel containers wherever possible to replace wooden containers
- Recycle our own water in the truck washer
- Have a roller crusher for paper & cardboard which means that the skip holds more waste, reducing number of haulage trips required to keep skip empty.

This approach has reduced the amount of general waste year on year.



Business Travel

We have focused on implementing alternatives within the business to travel, for example installing high quality video-conferencing equipment including camera and headsets to every employee. We are also implementing an online video conference facility for assignees, to replace some of the physical pre-move surveys.

Reducing our Carbon Footprint

As well as promoting video conferencing to reduce internal employee travel by 32%*, we have worked hard to reduce our carbon footprint by increasing the efficiency of our fleet by 19%*, and reducing business travel within the company.

* As measured by the actual vs budget.



Protecting Our Clients



Protecting Our Clients

Customer Privacy

Sterling is committed to protecting the rights and privacy of individuals in accordance with the Data Protection Act of 1998. The lawful and correct treatment of personal data is very important to successful operations and to maintaining our customer's confidence in ourselves. Any personal data which we collect, record or use in any way whether it is held on paper, on computer or other media will have appropriate safeguards applied to it to ensure that we comply with all applicable laws.

We have adopted privacy policies and data protection practices that govern use, storage and transmission of any personal data. These include taking steps to ensure the integrity of our IT system, procedures to deal swiftly with any possible security breach and on-site shredding of confidential information.



ISO 27001

Information is a key resource for Sterling, without which virtually all of our activities would cease. Therefore it's imperative we do all we can to protect our, and our clients, information assets.

This is why Sterling are proud to have achieved accreditation at our HQ in London against **ISO 27001**.

Anti-bribery & Corruption Measures

Sterling has a zero tolerance approach to bribery and anti-corruption.

As a global player, we are subject to varying ABC requirements as dictated by the jurisdictions in which we are operating, including the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977. Sterling is also a signatory of the UN Global Compact, the 10th principle of which commits participants to avoid bribery, extortion and other forms of corruption. In order to ensure the highest standards are applied, we have implemented training and processes based on the highest standards. Our approach guides consistent behavior around the world for our own staff, and sets the expectations of all our partners and suppliers.

We believe that it is important to compete fairly for business and expects its employees to handle all business transactions in accordance with all laws aimed at preventing corruption.

In 2014, extensive training was undertaken when Sterling was acquired by UniGroup to roll out an updated Code of Conduct. And in 2016 we delivered refresher training to all employees.

Robust Supply Chain

Sterling's global coverage is achieved through our managed network of partners. Whilst the majority of the UK and European origin and destination work is carried out using in-house teams, in other countries Sterling partners with and manages best in class relocation service providers.

Our focus is on selecting the right partners, communicating expectations, ensuring effective policies and management processes, monitoring performance and sharing lesson learned. We are also keenly aware that there are a wide range of potential impacts (both environmental and social) from the activities of our Supply Chain. Business ethics, sustainability, labour rights, and health & safety, among others, are all issues that we seek to manage within our Supply Chain.

Experience, quality, competitiveness and responsibility are some of the key considerations when it comes to selecting the right partners for Sterling and our clients. The selection process requires a detailed methodology to evaluate not only what a service provider can do, but also how it's done. When selecting a partner Sterling looks for companies with similar standards and procedures to our own. We undertake extensive research to

identify suitable providers within each specific market, and conducts risk-based due diligence on all potential suppliers. Our criteria for selecting suppliers includes expertise, facilities & staffing, business model, financial status, strong governance, environmental, quality, depth of local knowledge, competitive pricing and cultural fit.

It is vital that our partners are given a clear picture of our clients' needs. Our invitations to tender clearly set our expectations, and potential suppliers must provide data and documentation around key corporate responsibility performance indicators. To further ensure suppliers, they are required to sign a detailed contract and service level agreement (SLA).

At the initiation of any new contract Sterling conducts an extensive briefing with its partners to ensure they are fully aware of the service requirements for the particular contract. All necessary documentation, forms and methods of reporting are agreed and test cases are placed through the system to ensure understanding and adherence to agreed process.

As quality performance is at the core of Sterling philosophy, this also extends to the management of our partners. The same strict criteria are applied to the monitoring of standards for our partners as are applied in house. Our quality assurance programme evaluates performance over a number of metrics, and the feedback we obtain is recorded, analysed and closely monitored by our Supply Chain Team, so that when we meet with our principle partners, we can review and discuss performance, providing a communication platform for us to share any concerns.

Sterling offers a choice of pre-approved service providers in every country, as we recognise that one of the easiest ways to reduce risks is by building a robust, reliable and transparent supplier base. This eliminates high dependence on a single supplier whilst increasing focus on compliance.

Integrity Matters



Integrity matters

Customer Satisfaction

Sterling measures customer satisfaction through 'Pulse', which is a series of single question surveys sent to our assignees throughout their mobility programme. We have found that by sending individual targeted questions at key stages, we get much more timely information, which allows us to immediately address any concerns or issues.

This feedback is analysed to evaluate the overall performance of the organisation, as well as individual and team performance.

The review of our quality procedures is so fundamental to the way Sterling works, that it forms part of the monthly review by the Sterling Senior Executive Team. This review includes monitoring trends in operational, business and quality performance of our services, as well as client praise and complaints, with corrective measures that were taken to resolve any issues. The report also includes preventive measures proposed on the basis of an analysis of the underlying causes of each issue, which are presented to the Board for approval.

We look at overall satisfaction, and net promoter score (NPS). These scores are also used in the annual appraisal process to determine development needs and calculate bonus payments. Linking customer satisfaction to employee bonuses helps to ensure high quality service.

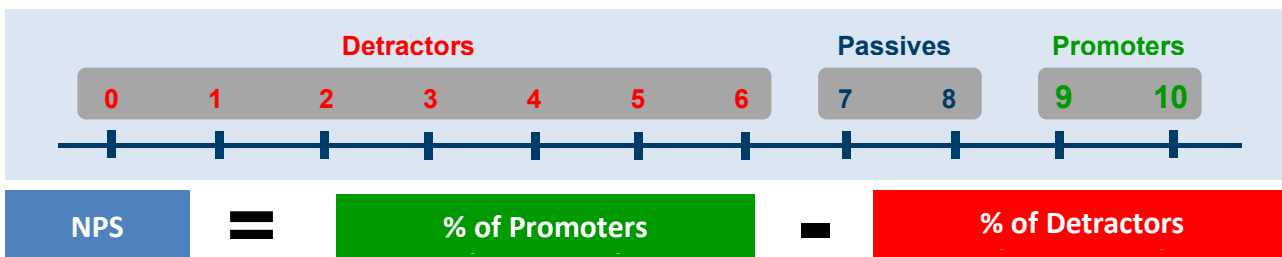
Net Promoter Score

Net promoter is a customer loyalty metric and a technique for using customer feedback to fuel growth in business. It is increasingly widely used since its invention in 2003 thanks to its simplicity and the proven linkage between positive scores and profitable growth. Net Promoter is the ultimate acid test of customer loyalty and recommendation and a key leading indicator of business growth potential.

NPS is calculated by asking questions on a scale of 0-10. Responses are then broken into three categories:-

- "Promoters" are loyal customers who keep buying from a company and urge friends to do the same; they have a strong brand loyalty to Sterling.
- "Passives" are satisfied but unenthusiastic customers who could be easily wooed by the competition
- "Detractors" are unhappy customers who are 'at risk' and spread the majority of the bad word of mouth

To calculate your NPS, calculate the % of "Promoters", subtract the % of "Detractors", this is your NPS %.



One of the great things about Net Promoter is that employees at all levels of the organisation can understand it, opening the door to customer centric change and improved performance. The score can be 100% positive or negative. An organisations net promoter score is a strong leading indicator of future business potential, performance and growth. On average, an industry's NPS leader outgrew its competitors by a factor greater than two times.

The world's best companies score 50% to 80%, and average companies score 5 to 10%. Sterling's 2016 score was 63%.

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