

# 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.

We combine smart strategy, savvy insights and sharp creativity to help businesses think different things, do different things and say different things.

# Our work addresses three fundamental challenges for our clients:

**Purpose**: Creating, defining and building more purposeful and sustainable organisations, strategies, brands and communications.

**Performance**: Strategies to drive better performance, and communications to make this performance transparent and trusted.

**Transformation**: Helping to create the new models and drive the changes needed to fulfil the new contract between business and society.

# **9 Key Facts**





# Introduction

# **CONTENTS**

# **About this report**

This is Salterbaxter MSLGROUP'S 11th Communication on Progress submitted to the UNGC. It covers the calendar year January to December 2016. As part of Publicis Groupe we are also covered in their Group CSR and Annual Reporting documents and their commitment to the UNGC.

- Section 1 talks about our business and our approach to delivering value to society through our work as well as our actions internally.
- Section 2 restates our commitment to the UNGC 10 Principles and highlights some of our activities that make progress against each of these.
- Section 3 is where you'll find our responsible business policies and procedures.

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Our ongoing commitment

# STATEMENT FROM OUR FOUNDERS

In this statement last year we said that 2015 was a watershed year. Global collaboration and unprecedented global frameworks in the UN Sustainable Development Goals and the Paris Agreement set the pathway for how the world could bring about a sustainable future.

If civil society and governments put these multilateral agreements in motion, in many ways 2016 saw business embrace and normalise them. There are still gaps to overcome to mend the relationship between business and society: in behaviours, finances, information and implementation. We looked at these in *Directions* – our annual thought leadership piece on the state of business and society. But many of the companies we spoke to demonstrate how putting purpose at the heart of their business is putting them in better shape to respond to the challenges faced.

It's not only our clients and leading businesses that are embracing this new agenda. In 2016, our parent company Publicis Groupe alongside the other 'big six', joined the UN's Common Ground initiative to advance the SDGs through the platform that we have as communicators. As the specialist sustainability agency within the Groupe we're proud to be leading the strategic approach and coordination going forward as we seek to contribute our skills to solving the Goal assigned to the Groupe – Zero Hunger. This will be a significant focus for us throughout 2017.

The UN Global Compact continues to lead and strengthen global links between business and society. It's important for us to meet the same high standards for ourselves that we push for in our work with clients. For this reason we remain committed to the UNGC and will be reporting on our progress through this report.



Nigel Salter CEO



**Penny Baxter**Managing Director



Impact through our client work

# SHAPING THE FUTURE THROUGH OUR WORK

We help companies and brands Step Up to the challenge of the changing relationship between business and society. We may be a relatively small business, but through our smart strategy, insights and creativity our impact reaches further, building sustainable purpose and driving transformation in some of the world's largest companies.

# Here are some examples of the impact our work is having:

# H&M: A groundbreaking strategy and launch

Launched in April 2017, H&M has now set out a bold new vision for the fashion industry as a whole and for its own business to be circular, renewable, fair and equal. Clear and ambitious '100%' goals support this vision, delivered through stretching, industry-leading targets such as being climate positive by 2040. Salterbaxter worked with H&M to develop this strategy, and launch it at an event convening hundreds from industry, science, finance, academia and start-ups.

# London Stock Exchange Group: Revealing the Full Picture

Sitting at the heart of the world's financial community, the London Stock Exchange (LSE) has a formidable influence on how capital markets function in the UK and beyond. As a partner exchange for the UN Sustainable Stock Exchange Initiative, the LSE was committed to providing guidance to companies on its exchange on how to report Environmental, Social and Governance (ESG) information. Salterbaxter collaborated with the LSE Group to develop, write and design these reporting guidelines for their launch in early 2017. The guidelines have been distributed to more than 2,700 companies with a combined market capitalisation of more than £5 trillion.

# Sustainable Apparel Coalition: Consumer Behaviour Change Through Product Communications

The Sustainable Apparel Coalition (SAC) drives sustainability standards and measurement in the apparel sector. As part of a European Commission initiative, the SAC convened a group of leading brands on a pilot project to calculate the environmental footprint of footwear from inception to end of life, and communicate the performance of their products to consumers in a credible and open way. Salterbaxter joined the working group to design a consumer-facing label and evaluate the effectiveness of the label in changing purchasing behaviours. We continue to support the SAC, participating in their Transparency Roadmap Council.



Left: London Stock Exchange Group: Guide to ESG reporting

Far left: H&M strategy launch





Impact through insight

# OUR CONTRIBUTION TO THOUGHT LEADERSHIP



Integrated Reporting supplement and roundtable event



Materiality supplement and breakfast seminar



Advisory Boards supplement and roundtable event





Directions Mind The Gap - Report and Sustainable Business Forums in Amsterdam and London

Throughout the year we invest resources in developing publications and organising events focused on current and cutting edge sustainability topics and trends.

We are at the forefront of new thinking and industry initiatives within sustainability, and publish a range of communications that look at trends and drivers in this space. We see our role as challenger and supporter.

As well as demonstrating our expertise, these publications are used as internal training tools and assets accessible for all employees.







Our If Only programme

# A YEAR OF EVOLUTION FOR IF ONLY

# Fig. 16 If Only

If Only is our internal programme that brings all of us together to tackle sustainability challenges. In 2016 we celebrated our fifth Innovation day and our first in our new building at Baker Street. We seized the opportunity to get our fellow Publicis Groupe agencies in the building involved and create our biggest event yet. In the second half of the year we reviewed our If Only strategy following the launch of the Common Ground initiative by Ban Ki-moon, a proposal by the six largest global advertising and communications corporations in support of the SDGs.



As well as delivering social impact through our Innovation Day, If Only is vital to creating an inspiring place to work for all of us. We know that it is a differentiator and can be a deciding factor when recruiting. It provides opportunities for colleagues to thrive in a collaborative and creative environment where we are all encouraged to Think it, Do it.

Lynn Dickinson
Senior Consultant and If Only programme lead



# The If Only framework



## Mission:

# INSPIRE. INNOVATE. IMPACT

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



# THINK IT. DO IT

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

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

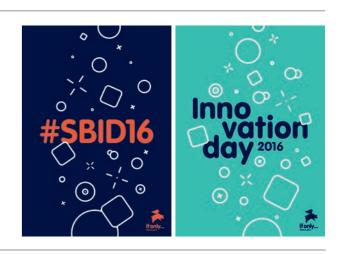


Together we will create an inspiring place to work where our people thrive. We will also improve the management of our business impacts through:

- KPI scorecard
- UN Global Compact Communication on Progress including our annual performance report



# THINK IT, DO IT: INNOVATION DAY



# **Innovation Day at Baker Street**

Social entrepreneurs build businesses that tackle social and environmental challenges. The aim of our annual Innovation Day is to bring as much impact as possible to these businesses through our skills and creativity.

# **Creating a multi-agency Innovation Day**

Year on year we are continually inspired by the social entrepreneurs that UnLtd introduce us to. UnLtd, our partner since the very first Innovation Day in 2012, offer the largest such network in the world and support hundreds of individuals each year through its programmes.

Our fifth Innovation Day was to be our first at Baker Street and our first featuring blended teams from five Publicis Groupe agencies based in London.

Whilst Salterbaxter remained the only agency to close down for client work for the day on 7th July, MSL volunteered 40+ people and other agencies including Vivid, Poke, August and CNC volunteered 2-3 people, a start that we hope will whet the appetite for greater participation in 2017.

We now have many experienced hands at planning Innovation Day here at Salterbaxter and all hands were required to help create the blended multi-agency teams, create a relationship with the social entrepreneurs, and develop a brief and workshop plan that would maximise the quality and usefulness of outputs from the day.

The inspired and dynamic atmosphere on the day was exhilarating for all who took part. Once again the people at Salterbaxter demonstrated an enormous commitment to delivering a positive social impact by designing an amazing event that delivered tangible communications solutions for the social entrepreneurs. The entrepreneurs were delighted with the outcomes and the experience. New participants relished the opportunity that the day brought.

The day also set a precedent for more collaborative working and skills sharing throughout all the agencies based at Baker Street supporting the Publicis One initiative

Following up with the social entrepreneurs three months on from Innovation Day we were delighted to hear that the work delivered was making a difference.

# **9 Key Facts**

social entrepreneurs supported in 2016

# £25K

Approximate time investment for each social venture the same day!

# 28

social entrepreneurs supported since 2011

# 125

participants in the day from across Publicis Groupe's London agencies

# What our entrepreneurs said

The Innovation Day was a wonderful experience and one that has initiated a change in the way we view and speak about *Grow*, both internally and externally. The day was well planned, brilliantly delivered and amazingly aspirational, we can't thank you all enough. Ama Chaney, *Grow* 

To have the opportunity to work with so many incredible individuals who were not only strikingly passionate and genius in their own work, but showed such passion for the *Foodinate* mission too... it really was humbling Caroline Stevenson, *Foodinate* 

I felt very lucky to work with you guys and you really got what I was trying to do. The messaging for different audiences and in particular around our impact has been so useful. It created a brilliant foundation for me to build on my comms.

Molly Mathieson, New Note Orchestra



# SEVEN INNOVATION DAY TEAMS



**Foundation futures** is a 'not for profit' specialist teaching service providing support to schools and other education providers to help ensure that our most vulnerable and disadvantaged learners are able to participate actively and effectively in education.

### **Innovation Day outputs:**

- ${\operatorname{\mathsf{-}}}\operatorname{\mathsf{Short}}{\operatorname{\mathsf{-}}}$  and long-term digital strategy
- Digital Event information platform
- ${\operatorname{\mathsf{--}}}$  Creative concept for Event and promotional materials



Forty Hall Vineyard is an exciting social enterprise which has established a new 10-acre organic vineyard in north London. As well as operating as a local food project, the vineyard also provides health and wellbeing benefits and volunteering opportunities to a wide range of local people.

### **Innovation Day outputs:**

- Brand narrative and messaging
- Marketing strategy
- Campaign concepts



New Note Orchestra help people play their way through recovery from alcohol and drug addiction by providing a safe space to try out musical ideas, performing concerts and encouraging the public to understand why it's important to help people stay sober.

### Innovation Day outputs:

- Target audience definition
- Brand narrative and targeted messaging
- Campaign concepts



**Grow to school** work with schools enabling them to deliver curriculum-led outdoor learning, food growing and cooking, and eating sessions in an efficient and sustainable way.

### **Innovation Day outputs:**

- Target audience definition
- Brand narrative and messaging
- Communications and media plans
- Website wireframes
- FAQs for website



**Foodinate** are a social enterprise, teaming-up with your favourite restaurants to ensure every delicious Foodinate-featured meal you enjoy results in a meal for a local person in need – at no extra cost to you.

## **Innovation Day outputs:**

- Target audience definition
- Communications plan
- Messaging development
- Web features concepts



**PAPER Arts** is a 'not for profit' social enterprise that is committed to providing employment opportunities to young people, to help them gain the skills, knowledge and experience to follow a career in the creative industries.

### **Innovation Day outputs:**

- Brand narrative and messaging
- Communication concepts
- Communication plan

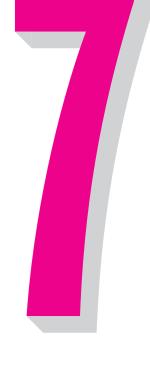


Inclusive Media Solutions provide innovative products and expert advice to a wide variety of organisations and individuals such as Councils, Educational providers, care homes and carers to promote Inclusion through the use of mobile technology.

## **Innovation Day outputs:**

- Target audience personas
- Product narratives and messaging
- Communications plan





Section 1

# **Innovation Day at Baker Street**

























# THINK IT, DO IT: A NEW APPROACH FOR IF ONLY

# If Only strategy development and planning

Following Innovation Day we began thinking about what If Only should look like in our new home. This coincided with an event at Cannes that would see Ban Ki-moon bring together the world's largest competitor advertising and communications corporations to tackle the SDGs.\*

# A new plan with a new focus

In June 2016 United Nations Secretary-General Ban Ki-moon announced the launch of an initiative by the six largest global advertising and communications corporations in support of the Sustainable Development Goals (SDGs). As part of this collaboration named Common Ground, Publicis Groupe were assigned SDG2 – Zero Hunger.

In the latter half of the year conversations began internally across the Groupe led by Salterbaxter, to create and agree a strategy that would tackle this particular SDG.

Meanwhile we seized the opportunity to review the If Only strategy and consider what a single focus could look like instead of the previous approach of changing quarterly themes. And in Q4 we launched a number of initiatives under the banner of 'Food Glorious Food' that began to highlight some of the many issues behind the Zero Hunger goal.

We launched with a quiz that challenged our knowledge of food standards, water use in farming, healthy foodstuffs and food miles. The next event was a food and wine tasting, testing our palettes to identify organic or not. With food waste in mind we also ran an ugly fruit and veg

competition and changed our weekly company food order to ensure that our employee fruit bowl was full of misshapen seasonal British fruit. And at the end of the year, our food-themed secret santa shone a light on food poverty and involved us all clearing out our kitchen cupboards, nipping to the local supermarket or making a financial contribution to support a local homeless shelter provide meals for their visitors over the Christmas period.

We also continued to develop the If Only strategy and finalised a new approach to start in January 2017. Our new plan aims to get all of us involved in delivering regular initiatives and experiences that bring to life the issues behind Zero Hunger. Our activity and any collateral created will be made accessible to the Groupe's 80,000 employees with the aim of instigating a wider impact as part of the Common Ground initiative. 2017's Innovation Day will also adopt a food focused theme by identifying social entrepreneurs who are tackling food issues in the UK and the US.

\*http://www.un.org/press/en/2016/envdev1683.doc.htm







# MEASURE AND REPORT

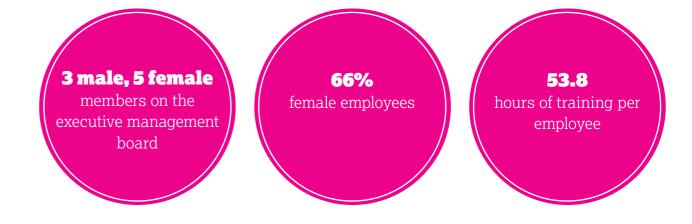
Continuing to embed sustainable business practices remains a priority, and an integral part of what it means to work at Salterbaxter. One year on from our move to Baker Street, we have a clearer view of the challenges and opportunities created by a large scale, shared-facilities building with regard to best practice behaviours and our environmental footprint. In 2017, we will review both our social and environmental indicators to ensure that they are the right ones in light of our move and an increased alignment with Publicis Groupe.





It is – and has always been – key for Salterbaxter to ensure business is conducted ethically and sustainably. Following our move, it became clear that it was no longer possible to measure and track our environmental indicators in the same way. Our reporting will need to adapt to reflect this change. We will be working on this in the first half of 2017 and next year's report will contain our conclusions and next steps.

Tracy Cheung
Operations and People Manager





# Measure and Report

# PERFORMANCE UPDATE: SOCIAL

### **Overview**

We will be reviewing our social indicators in H1 2017 in light of our increasing alignment with Publicis Groupe approaches, policies and systems. Meanwhile, we continue to make progress on some of our KPIs including, training, whilst failing to hit the mark on others.

# Average daily hours:

## 8.3 (target 8.5)

For the second year in a row we have achieved our target demonstrating that our efforts in monitoring and managing workload is contributing to an improved work-life balance. Key to this has been a more formalised 'time off in lieu' policy that has ensured that colleagues get time back in recognition of a heavy workload.

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

# Staff informal training days (cumulative days per person): 6.5 (target: 2.5)

We met 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 created a training and development planner aligned with our new appraisal system and developed a formal Insights and Inspirations programme in 2016.

Training and development is a vital factor in creating better business. We believe that learning is for everyone and takes many forms including e-learning, on the job and includes soft as well as technical skills.

# Length of service:

# 6.3 (up from 4.6 in 2015)

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.

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

In 2016, we took on a Sustainability graduate for a six-month paid internship. We have also actively engaged with Nottingham Business School in careers talks and aim to continue the development of the internship programme and expand the university outreach activities.

# I feel proud to work for Salterbaxter: 77% (target: 85%)

In 2016, Publicis Groupe ran a Groupe-wide employee engagement survey, while in 2015, we participated in the survey run by MSLGROUP. This question was asked in a slightly different format in 2015 but there was an increase in agreement with this statement.

We had great results on trust and confidence in the leadership team and understanding of the agency's priorities and goals and each individual's role with regard to this. Good communication and clear purpose was a 2016 priority resulting in the development of a new mission statement – Step Up. Salterbaxter continue to support a culture of respect for diversity and ethics. This will remain a priority for 2017.

# Volunteering day participation: 26% of employees (target 60%)

In a year of great transition – including a move to a Publicis-managed building and integration into new systems, processes and ways of working with sister businesses – volunteering was a challenge. 12 employees participated in volunteering activity, 3 of these were not a full day. Activities included designing a website for social enterprise Art Against Knives, careers talks at schools and tree planting for the Woodland Trust.

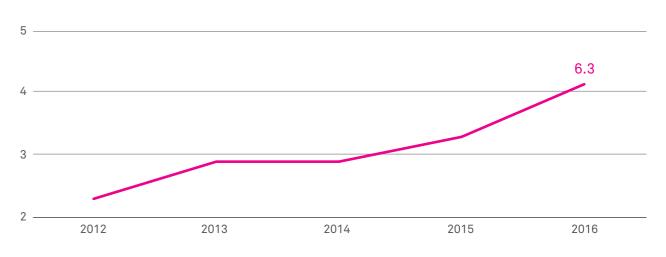
Volunteering as a contractual allowance continues and we will try harder to promote the day and encourage take up.

# Additional social indicators

Indicator	2015	2016
Average number of full-time employees	53	47
Average number of contractors	10	9.2
Average sick days per person	4	3.1
Average age	38	38.9
Gender ratio male:female <sup>1</sup>	37:63	34:66

<sup>1</sup>Percentage increase and decrease for gender ratio is as follows (male:female) -8.1:+4.8

# Average length of service





# Measure and Report

# PERFORMANCE UPDATE: ENVIRONMENT

### **Overview**

As mentioned previously, in 2016 we moved to a Publicis Groupe shared building with centrally managed premises (including utilities, waste management and stationery procurement). 82 Baker Street was refurbished in 2015 and is far more up-to-date than our previously Grade II Listed premises.

The move has come with benefits and challenges and we believe these are evident in our performance data below. For example, electricity usage has reduced dramatically due to the modernity of the building whilst waste per person has increased due to a lack of best practice recycling behaviour and supporting infrastructure.

We therefore need to review and redefine what we can meaningfully measure and influence in order to establish KPIs and set targets that can determine if we are making progress.

Meanwhile we present the data we have gathered and analysed against our previously established KPIs and targets. The waste, paper consumption and electricity numbers are a proportion of the usage for the entire building. It is not possible to isolate the exact consumption for Salterbaxter because of the shared facilities.

We also continue to contribute environmental data to the Publicis Groupe CR Report.

## Waste:

## 52.9kg per person (target: 26.1kg)

This is a 62% increase in waste per person which is a disappointing number. Prior to the move in Q1 to Baker Street, Salterbaxter restricted the number of waste bins in the office in order to promote recycling and ran various internal campaigns to encourage sustainable behaviours. Whilst Salterbaxter is committed to best practice, going forward we need to understand what and how we can influence best practice principles and behaviour building wide.

## Paper:

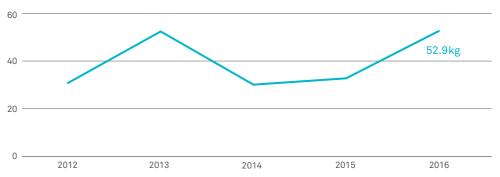
## 25.9kg per person (target: 29.7kg)

In 2015, paper use per person was 33.1kg. We managed to supersede our ambition of a 10% reduction and instead reduced the amount by 21.7%. While this number is encouraging it should be interpreted with a little caution. When stationery procurement was under direct control of Salterbaxter we were able to measure all paper products purchased or consumed. This is now procured and distributed centrally and therefore much harder to track with accuracy. However, Salterbaxter remains committed to encouraging using less paper and we will continue to encourage best practice.

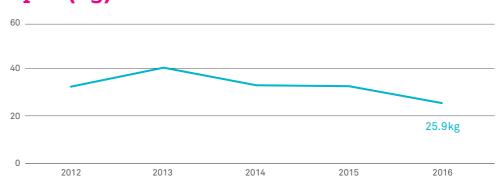
# Electricity usage per person: 1,152.6kWh (target: 1,952kWh)

We achieved a 47% reduction in electricity use per employee. Our offices at Baker Street is an efficient building as it underwent major works which completed in 2015. Double glazed thermally and acoustically enhanced windows were installed. Low energy mechanical ventilation systems, automated lighting and temperature systems were also installed. Shared facilities and more efficient use of office space has impacted positively on our energy usage. So good news and evidence of the difference that could be made across domestic and industrial use buildings generally if modernised using the latest products and technologies.

# Waste (kg):



# Paper (kg):



# **Electricity (kWh):**





Measure and Report

# DATA PRIVACY & RESPONSIBLE MARKETING

Issues of increasing concern for our sector are that of data privacy and responsible marketing. These are issues on which Publicis Groupe are leading and defining the approach for its agencies. Here we provide an overview of progress being made. It is also something we will consider in terms of our future reporting.

## **Data Privacy**

Publicis recognise that data privacy and information security are increasingly important topics for our clients and their customers. It is our responsibility to ensure that these concerns are properly addressed.

As part of Publicis' Code of Conduct and Ethics (Janus), all employees as well as contractors, vendors and subcontractors must ensure that they adhere to the standards set.

The Groupe Data Privacy Policies have been developed to ensure the following:

- The Personal information that is collected and used is done so in accordance with applicable data privacy laws.
- The Personal information we hold on behalf of clients is properly protected so we can help clients comply with their own obligations under the law.
- Requests from individuals for access to their own personal information are adequately managed.
- Requests from third parties for access to personal information are adequately managed.

The IT department in each region is responsible for ensuring that the systems and infrastructure are in place to secure data and all Personal Information. The Groupe have a top-down approach to managing data privacy policies throughout all agencies. The information is shared at top level with all HR/IT members and then it is their responsibility to share with the rest of the employees. Information on various topics around data privacy policies are readily available and accessible so that any employee is able to educate themselves on the details of the policies.

The Groupe have also appointed Markus Ruhl as Chief Data Privacy Officer who has been working closely with Publicis' business leaders and the Chief Information Security Officer to ensure that all the policies can be facilitated on a client engagement level as well as regulatory compliance on those matters.

# **Responsible Marketing**

Publicis believes that marketing can benefit everyone through its ability to make us aware of the social, societal, economic, cultural and environmental impacts of human activities.

Creativity & Technology for Good embodies the philosophy of using the tools to exemplify these issues through various campaigns that can bring around awareness.

Responsible communication requires thorough analysis, objective judgement and genuine commitment on the part of the agencies and their clients. Responsible consumption forces all of us to face up to our individual and collective responsibilities.

At Salterbaxter, bi-annually, we create thought leadership supplements which help in bringing the conversation to the table. We address topics that come to the forefront in corporate social responsibility and try to tackle them in differencing ways and help to give a varying perspective. One of our most recent supplements was Salterbaxter's Human Rights Supplement. A thought leadership piece that brings awareness to the risks that corporate activity brings to people and to the business.



# Our KPI scorecard

# **KPIS AND TARGETS 2016**

KPIs	2015 Achievement	2016 Target	2016 Achievement
SOCIAL			
If Only participation days	3.1	2	3
Employees proud to work at Salterbaxter MSLGROUP	N/A	85%	77%
Number of student placements	0	2	0
Number of interns	1	3	1
Volunteering day participation	32%	60%	26%
Average hours	8.3	8.5	8.3
Staff training formal (days per employee – c)	0.4	0.5	0.5
Staff training informal (days per employee – c)	3.0	2.5	6.5
ENVIRONMENT			
Paper usage (kg per employee)	33.1	29.7 (10% less)	25.9 (21.7% decrease)
Waste (kg per employee)	32.7	26.1 (10% less)	52.88 (61% increase)
Electricity (kWh per employee)	2,179	1,952 (10% less)	1,152.6 (47% decrease)





# THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT



# Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Read more – page 21

# Principle 2:

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

Read more – page 21

# Labour

# Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Read more – page 22

# Principle 4:

The elimination of all forms of forced and compulsory labour.

Read more – page 22

# Principle 5:

The effective abolition of child labour.

Read more – page 22

# Principle 6:

The elimination of discrimination in respect of employment and occupation.

Read more - page 22



# THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT



# Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Continued on page 23

# Principle 8:

Undertake initiatives to promote greater environmental responsibility.

Continued on page 23

# Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

Continued on page 23

# **Anti-corruption**



# Principle 10:

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

Continued on page 24



# **HUMAN RIGHTS**



# Principles

## Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

# Principle 2:

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 welcomed the Modern Slavery Act becoming 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 take a proactive approach and assess the real and potential impacts of our business operations, direct and indirect across our value chain. As our business continues to grow in the US we must apply the same standards when working with new suppliers in new

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

Publicis Groupe take a systematic and zero tolerance approach to human rights abuses, assessing the real and potential impacts of business operations across the value chain. As a subsidiary of Publicis Groupe, we report through the Groupe on this topic, however we publish our Anti-Slavery and Human Trafficking Policy in this report (see page 26).

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, including participation in workshops and talks with different agencies.
- Through the way we manage the business and the salaries paid, we promote the right to adequate standards of living.
- Through the way we manage the business we promote the right to 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 staff trained in first aid and fire risk assessment, prevention and response.
- We have a well communicated grievance procedure that ensures employees are familiar with how to raise concerns about staff, treatment or any other aspect of our work.
- 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.

# 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. Publicis Groupe's commitment is embodied by Viva la Difference – which embodies respect, celebration and encouragement of human diversity. We're an equal opportunity employer so of course there are no exceptions to this mantra; we live the difference every day, all employees at all levels. 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. 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. All employees are free to join a union if they wish.

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 2016 we ran the Publicis Groupe 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 measure and monitor employee satisfaction as well as gather opinions on the direction of the company.
   72% of staff participated and the results and action plan is being made and implemented by the management team.
- To support the launch of Publicis' new strategy and employee engagement approach, we ensured that we were aligned with the 'Power of One' training programme. These were sessions that took place in 2016 in aid of the Groupe's transformation. Alongside this the Executive Development Program (EDP) brings together 100-120 managers each year from different job functions, agencies and countries.
- 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. This includes
   Publicis-supported events such as the VivaWomen speed mentoring sessions which meant that there were a few of our employees attending the event as well as one of our employees mentoring at the sessions.
- 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 monitor employees' workload so that working hours are manageable. As a client-focused business we need to be agile and responsive to client needs which does require some flexibility, however we have guidelines and training for managers for assessing workloads and allocating lieu time. Hours are reviewed regularly in time reports and the process has been communicated to employees.

- We are an equal opportunities employer with regards to both our employees and recruitment processes.
   During 2016, women made up 66% of all staff, as well as comprising more than half of our senior team head positions.
- All permanent staff have access to health insurance, dental cover, discounted gym membership and a range of other wellbeing services.
- All permanent staff have access to an Employee
   Assistance Programme which can offer a range of
   services including bereavement counselling, online
   resources and articles on health, family, money and
   work matters
- The company also provides a pension scheme according to UK legislation.
- 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 has continued to support the network and grow awareness in induction sessions and promoting events.
  - Viva Women, an international network of women focused on supporting women to succeed and lead. In 2016, staff members attended Viva women sponsored training sessions such as Present Like a Pro which was aimed at female creatives and 'The Daring Way'. Penny Baxter, MD participated at a speed mentoring event to connect aspiring talent with experienced professionals.

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



# **ENVIRONMENT**

# **№** Principles

# Principle 7:

Businesses should support a precautionary approach to environmental challenges.

## Principle 8:

Undertake initiatives to promote greater environmental responsibility.

## Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

# Our approach and actions

# **Approach**

Since the business was founded 19 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.

A year into Salterbaxter's new home in the UK, 82 Baker Street, it has been difficult to measure all environmental factors that were considered in our previous building. However, we continue to spread awareness where we can. 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.

The Groupe's motto for environmental policy is 'Consume less & better' which has been developed around the EU's 2030 strategy (<a href="https://ec.europa.eu/europeaid/policies/european-development-policy/2030-agenda-sustainable-development\_en">https://ec.europa.eu/europeaid/policies/european-development-policy/2030-agenda-sustainable-development\_en</a>) and thus defines specific objectives. The four priority focus areas are:

- Reducing employee transport and its impact through the introduction of teleconference and conference call systems.
- Reducing energy consumption and improving energy efficiency (by seeking to limit the impact relating to electricity, heating and air conditioning).
- Reducing consumption of natural and raw materials (mainly paper and water).
- Recycling and organized (non-hazardous) waste management systems.

## 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.
- Salterbaxter moved into a shared Publicis-managed building in March 2016. While the management of the facilities and procurement were no longer directly controlled by Salterbaxter, the shared facilities and more efficient use of office space has had a positive effect on our energy usage which has been reduced by 47%. 82 Baker Street was refurbished in 2015 and incorporates features such as automated lighting and temperature control systems, a green roof with wildflower planting and energy efficient appliances.
- Further information on our environmental indicators can be found in 'Measure and Report' in the 'If Only' section of this report on pages 13 16.
- Environmental topics remain a core component of our If Only programme. A focus on the different issues relating to SDG2 – Zero Hunger will encourage further understanding of global environmental challenges and how they relate to the food we consume.
- Environmental challenges closer to home with regard to our own operational environmental footprint will also continue to be front of mind, and best practice behaviour will be encouraged through the sharing of information and the provision of the right tools, eg. non-recycling bins and programming printers to provide duplex printing.
- 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 PEFC-certified paper for colour prints and having recently moved to new shared facilities we are seeking to influence the central procurement purchasing of only recycled, FSC or PEFC-certified paper as the standard. We will update on our progress in our next report.
- 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.



# **ANTI-CORRUPTION**

# **Principles**

# Principle 10:

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

# Our approach and actions

# Approach

Publicis Groupe's anti-corruption policy was revised and strengthened in 2015, as an extension to the work carried out in previous years. Training for managers and support teams (Re:Sources) continued in 2016 and at Salterbaxter we are committed to operating ethically and against all forms of corruption at all times.

Publicis Groupe's Code of Conduct, known as JANUS, addresses the issues of gifts, conflicts of interest and inappropriate or unethical relationships, either with clients or suppliers, competition and unfair practices. JANUS is shared with all staff in inductions. The Groupe's legal experts play an important role in terms of awareness and the application of laws and regulations concerning corruption. Based in the shared services centres (Re:Sources) and functionally under the Groupe's Legal Department, these legal experts keep an eye on laws and regulations dealing with corruption.

They ensure agencies are made aware of the issues, work on prevention and lay down compliance procedures adapted to local markets. The aim is to maintain strict standards that comply with current applicable regulations. Progress has been made in developing new training programmes to facilitate improvement. We share all information that is shared at a Groupe level to the rest of our teams when appropriate – this is the top-down approach that we have adopted.

## 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 very occasional end-of-project celebration meals, when teams on both sides are thanked for their hard work.
- In 2016, we implemented Publicis Groupe's
   Anti-bribery and corruption policy and all staff were
   asked to declare any conflicts of interest and sign this.
   This has now been incorporated into our induction
   process.





# ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY

The following UK policy on anti-slavery and human trafficking has been drafted in order to comply with the Modern Slavery Act 2015 (the 'Act'). It extends to all of our business dealings and transactions in all countries around the world in which we do business.

# **Policy Statement**

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms such as slavery, servitude, forced or compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. The Groupe has a zero-tolerance approach to modern slavery and is committed to acting ethically and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its business or in any of its supply chains.

Salterbaxter is committed to ensuring there is transparency in its business and approach to tackling modern slavery throughout its supply chains, consistent with its disclosure obligations under the Act. Salterbaxter expects the same high standards from all of its contractors, freelancers, suppliers and other business partners. As part of its contracting processes, Salterbaxter includes specific prohibitions against the use of forced, compulsory or trafficked labour,

or anyone held in slavery or servitude, whether adults or children, and it expects that its suppliers will hold their own suppliers to the same high standards.

This policy applies to all persons working for Salterbaxter or on our behalf in any capacity, including employees at all levels, directors, officers, Salterbaxter workers, seconded workers, volunteers, interns, agents, contractors, freelancers, external consultants, third-party representatives and business partners ('Salterbaxter Staff').

This policy does not form part of any employee's contract of employment and may be amended at any time

# Responsibility for the Policy

The Groupe's UK Compliance Officer has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering modern slavery and human trafficking.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it and the issue of modern slavery in supply chains.

# Suppliers

Suppliers of Salterbaxter are required to comply with the supplier code of conduct (the 'Code') provided to them. The Code sets out minimum behaviours, standards and practices Salterbaxter expects to see from its suppliers to ensure compliance with the Act. Salterbaxter expects all who seek to have a business relationship with Salterbaxter or any member of the Publicis Groupe (the 'Groupe') to familiarise themselves with the Code and act in a way that is consistent with it.



# ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY CONTINUED

# Staff

All Salterbaxter Staff must ensure that they read, understand and comply with this policy.

The prevention, detection and reporting of modern slavery in any part of Salterbaxter's business or supply chains is the responsibility of all Salterbaxter Staff. Salterbaxter Staff are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify your manager or Salterbaxter's compliance officer as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

You are encouraged to raise concerns about any issue or suspicion of slavery and/or human trafficking in any parts of Salterbaxter's business or supply chains of any supplier at the earliest possible stage. In order to help identify modern slavery, there are a number of indicators that you should be aware of. Not all the indicators will apply in every case, and some may not be immediately apparent. The indicators include, but are not limited to:

## (a) Restricted freedom

Victims of slavery and/or human trafficking may not be in control of their passports or other travel or identity documents. They may have false identity documents or are unable to move freely.

## (b) Behaviour

Victims of slavery and/or human trafficking may be unfamiliar with the local language or may act as if they are instructed by someone else. They may show fear or anxiety and be distrustful of authorities.

# (c) Working conditions

Victims of slavery and/or human trafficking may have no contract or be unable to negotiate working conditions. They may be forced to work under certain conditions or work excessively long hours over long periods. They may lack basic training or professional licences.

## (d) Accommodation

Victims of slavery and/or human trafficking may not know their home or work address. They may live in poor or substandard accommodation, or have no choice where they live or who they live with.

## (e) Finances

Victims of slavery and/or human trafficking may receive little or no payment, or have no access to their earnings. They may be disciplined through punishment or fines. They may be forced to open bank accounts or forced to sign documents to receive social security benefits, credit agreements or loan agreements.

## (f) Appearance

Victims of slavery and/or human trafficking may suffer injuries that appear to be the result of an assault, or the result of the application of control measures.

For a full list of potential indicators please visit <a href="http://www.gla.gov.uk/who-we-are/modern-slavery/who-we-are-modern-slavery-spot-the-signs/">http://www.gla.gov.uk/who-we-are/modern-slavery/who-we-are-modern-slavery-spot-the-signs/</a>

If you believe or suspect that modern slavery, human trafficking and/or a breach of this policy has occurred or may occur you must notify your line manager or Salterbaxter's compliance officer or report it in accordance with our Whistleblowing Policy as soon as possible.

If you are unsure about whether a particular act, the treatment of workers more generally, or their working conditions within any tier of Salterbaxter's supply chains constitutes any of the various forms of modern slavery, raise it with your line manager or Salterbaxter's compliance officer.

Salterbaxter encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even is committed to ensuring that no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of Salterbaxter's business or in any of its supply chains. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform HR immediately. If the matter is not remedied, and you are an employee, you should raise it formally using the Grievance Procedure, which can be found in our Employee Handbook.

# Communication and awareness of this policy

Training on this policy, and on the risks Salterbaxter faces from modern slavery in its supply chains will be provided as necessary.

Salterbaxter's zero-tolerance approach to modern slavery must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter.

# Breaches of this policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

Subject to the relevant contractual terms, Salterbaxter may terminate its relationship with other individuals and organisations working on its behalf if they breach this policy.



# **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, disciplinary and grievance procedures. Our people managers are given training on best practice recruitment processes and other management skills to reinforce anti-discriminatory behaviour.

All employees are made aware of our equal opportunities policy and, if necessary, undergo any training and development activities to raise their awareness of equality issues.

By supporting Publicis Groupe's Egalité and Viva Women! initiatives and encouraging staff participation in related events, we hope to foster a culture that is supportive of diversity.

In 2016 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 information on first aiders, fire exits, evacuation procedures and meeting points in the event of an emergency.
- Provision of a First Aid room so that staff who are taken ill at work have some privacy and a place to get some rest.
- Access to taxi services if working after 9pm to ensure safe passage home 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. 82 Baker Street has security personnel on site 24/7.

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 2016 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.



# **LOOKING FORWARD**





A year on from having embedded our refreshed purpose – to help companies and brands Step Up to the changing relationship between business and society – and it's more relevant than ever. Amidst social and political uncertainty we believe in the powerful potential of business to advance the conditions for a sustainable future.

Not only do we believe in this potential, we're seeing more and more of it in our clients' actions and ambitions. Sustainable thinking and behaviours are becoming part and parcel of business practices, and leaders are going beyond their own operations and business models and seeking out partnerships to push for solutions to global challenges.

It's our responsibility to keep this role front-of-mind and continue to push our clients in this direction. Our creative thinking and strategic know-how is our strength. Applying it motivates us to go further.

Caroline Carson Senior Consultant

