

SALTERBAXTER
An MSL Company

UN GLOBAL COMPACT

SALTERBAXTER
COMMUNICATION ON PROGRESS 2018

Who we are and why we're here

We are a sustainability agency that creates big ideas to inspire and deliver the necessary step change towards businesses that are simply sustainable.

We believe that this will be achieved through collective ambition and action-led approaches that are built to respond to the fast pace of change.

Less talking, more walking.

This change is more than communications, more than business operating in isolation. We believe in doing things differently in order to engage all audiences differently. This means breaking the mould on conventional approaches to strategy, performance and communications. This means taking a systems view of the issues and building strategies that are as agile as they are ambitious. Something that we have been doing for 20 years, with some of the world's leading businesses. Wherever the journey starts, together with our clients, we will help to make the step change happen, delivering positive growth and business impact by making sustainability creative, tangible and actionable.

20 years

of sustainability consulting experience

approx. 75%

of our clients are from outside the UK

28

New clients in 2018

33

Average number of employees in 2018

About this report

This is Salterbaxter MSLGROUP'S 13th Communication on Progress submitted to the UNGC.

It covers the calendar year January to December 2018. As part of Publicis Groupe we are also covered in their Group CSR and Annual Report documents and their commitment to the **UNGC**.

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

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section one

Our commitment and our impact

section one

Statement from our new leadership

We are proud to share our 13th Communication On Progress to the UN Global Compact, and the second that I am penning as business leader.

From concerted stakeholder action, to the elevation of the science of climate change, to a mainstream consumer awakening, 2018 was a tipping point to which we have a unique responsibility to help accelerate a transformation to sustainable business and ultimately, to an equal, mindful and thriving society.

As a sustainability consultancy providing strategic counsel and challenge to some of the world's leading businesses, we take this responsibility to heart in every conversation, never missing an opportunity to challenge our clients, to propose more ambitious action and commitments, to change our narrative to one of urgency, of climate crisis and survival rather than opportunity. In some instances, that has also meant turning down work and I am immensely proud of our stance, despite the commercial pressures any business faces, when we have felt that clients wanted to do the talking without the walking.

Suffice to say that it has been incredibly rewarding, within this context, that our clients and peers named us as one of the UK's leading Management Consultancies in Sustainability in the Financial Times ranking.

Reporting to the UN Global Compact each year gives us an opportunity to reflect on our progress and whether we are driving change at the necessary pace. As I look back at 2018, I see tremendous strides in the influence and positive change we have driven through our work – from defining transformative sustainability strategies, to engaging in ever deeper dialogue with stakeholders and using our communications strategies to propel forward debate and deeper commitments to issues such as plastics and regenerative agriculture.

The next step in our journey needs to also be one of inflection and ensuring that what we are delivering for our clients we are also delivering for our staff. That we nurture the great people behind the great work, that we show how agency life can be different and that we push the boundaries on what it means to be a progressive business.

These are exciting times!

Kathleen Enright
Managing Director



Kathleen Enright
Managing Director



Huw Maggs
Deputy Managing Director,
Head of Strategy

section one

Accelerating transformation towards sustainable businesses

Our impact reaches further through our clients, some of the world's largest companies, embedding sustainability in their DNA and driving transformation. Some examples of our work from 2018 included:

ASICS | How can we showcase Asics sustainability attributes?

Centrica has an important role to play in the future of energy and in supporting 25 million customer accounts across the UK, Ireland and North America. Last year's

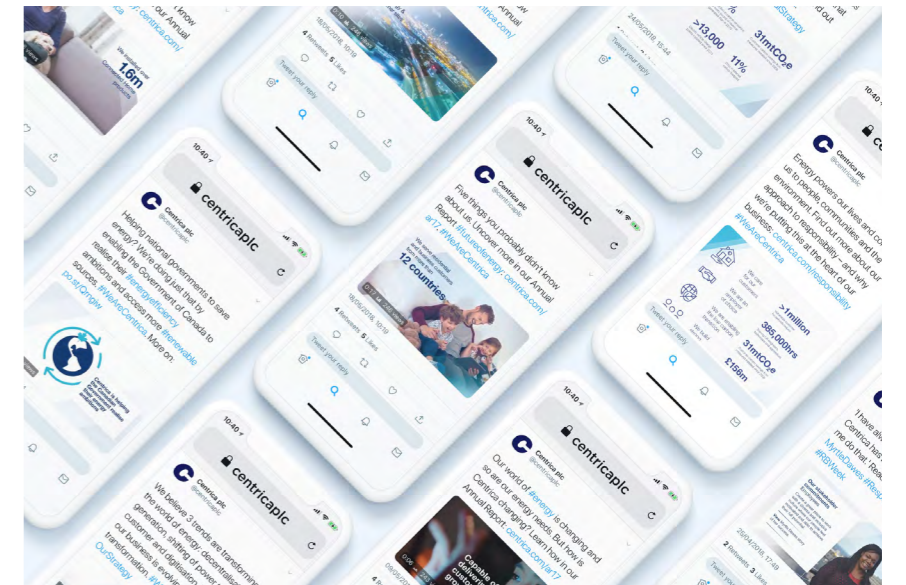


Annual Report messaging and narrative was going to be crucial to telling a more complete story about Centrica's activity and positive impacts. To launch the report, we took a campaignable approach to ensure that the stories aligned with the strategic focus and presented opportunities to gain much greater impact through audience-first outreach strategy.

CENTRICA | The power of Centrica's customer story

Centrica has an important role to play in the future of energy and in supporting 25 million customer accounts across the UK, Ireland and North America. Last year's Annual Report messaging and narrative was going to be crucial to telling a more complete story about Centrica's activity and positive impacts. To launch the report, we took a campaignable approach to ensure that the stories aligned with the strategic focus and presented opportunities to gain much greater impact through audience-first outreach strategy.

This included a diverse mix of qualitative and quantitative touchpoints, supported by engaging human stories from across the business, such as training in dementia awareness and investing in sustainable technology and services. We brought this to life through a toolkit of digital, social and video assets activated utilising a range of channels tailored for specific stakeholder groups. Through this approach we were able to create a big shift in Centrica's year-end by increasing consistency and maximising positive impact.



section one

Accelerating transformation towards sustainable businesses **(continued)**

BESTSELLER | United brands towards a bold North Star

We helped Danish fashion house BESTSELLER develop a more ambitious group-wide sustainability strategy, narrative and identity that stood up to stakeholder scrutiny.

We conducted initial internal engagement and building buy-in amongst the brands and departments through inspirational workshops. We undertook an external stakeholder engagement and a materiality assessment to inform the strategic direction.

We developed a robust sustainability vision and framework, based on material issues and their business model using pillars that reflect their value chain. We worked collaboratively to develop targets for each pillar, and commitments and KPIs. We also developed the overall narrative, creative look and communications plan for launch.

'Fashion FWD' launched in Autumn 2018 with significant coverage of the major ambitions and targets as well as links to external partners such as the Science Based Target Initiative. The roadmaps empowered teams to engage and collaborate, driving sustainable improvements throughout their value chain to ensure that sustainability remains 'at the core of the business'.



FASHION
FWD ▶▶
 BRINGING SUSTAINABLE FASHION FORWARD

section one

Contributing to the debate through thought leadership

At Salterbaxter we believe that sharing our insights and continuously building on them is essential to achieve the thought leadership needed to bring about sustainable transformation for business.

Despite the reality of running a growing commercial business keeps us devoted to client's immediate needs, we believe in the need to foster a culture of continuous thought leadership, that bridges creativity and critical thinking to deliver solutions that are at the forefront of innovation.

In 2018 we published four supplements, [Seen But Not Heard](#) undertakes a review of leading businesses that have the most engaging reporting communications. [Win-win-win of Sustainability](#) outlines how companies can move their employees from sustainability awareness to being immersed in sustainability experience in order to meet ambitious goals and targets. [Moving the Goal Posts](#) explored the new generation of emerging sustainability goals that are unlocking business return and driving transformational change beyond 2020. Finally, [The Big Shift](#) publication focused on getting to grips with systems change and addressing the big sustainability challenges.

We believe in giving everyone in our organisation a voice through our blog where we regularly publish short pieces on the latest issues in sustainability. We also participate in events that foster our creativity and inspire us, for example in 2018, we co-chaired Company versus Climate Change, the B2B climate solutions event in Amsterdam and New York. The two days were insightful and engaging and we felt attendees came away with many new perspectives on solutions to solving our climate emergency.



section one

New Perspectives on Stakeholder Engagement with **Directions 2018**

Last year we hosted Salterbaxter's 8th 'Directions' event which focused on the concrete steps that business can take to enhance the return they can get from stakeholder engagement and collaboration. The event was hosted in the Impact Hub, Amsterdam to embody and encourage stakeholder dialogue and co-creation amongst attendees.

At the event we focused on exploring the triple advantage of:

Competitive agility: leveraging outside knowledge and ideas to keep close to evolving trends and driving value by finding smart ways to bring insights and stakeholders into the heart of business.

Collaborative advantage: working in partnership to align future markets and systems with long-term trajectory as a business and the needs of society.

Reputational integrity: building lasting relationships and shifting internal behaviours and culture to enhance the long-term position of business and brand.

At the event, our speakers from Signify, Philips, SAC, Scania, H&M and DSM:

- Challenged perspectives on the value of stakeholder engagement and the ways in which business can apply new engagement principles in its operations;
- Uncovered learnings and insights from leading companies who were already achieving an outside-In driven ROI;
- Explored the practical tools and approaches being used to transform the engagement process;
- Connected with other practitioners and external stakeholders.



section one

A culture of change makers

“Following the departure of our founders in Q1 of 2018, and the expected associated shift in company culture, we wanted to create a space for the team to share, feedback and build the next generation of Salterbaxter from the bottom up. The ‘Culture Hack’ was a process designed to be collaborative, non-hierarchical, inclusive, self-driven and empowering for the whole team. Each step of the iterative journey provided the team with an opportunity to actively participate, by sharing their feedback, voting democratically on what matters most to them. This was a chance for anyone to step-up and lead change in issue areas they feel passionate about, work in small teams to ideate, design, pitch and prototype new ideas to tackle the biggest challenges and opportunities in a new era for Salterbaxter.”

Felicity McLean
Account Director



The ‘Culture Hack’ process followed the core principles of design thinking:

We choose this approach as we wanted to promote and celebrate internally our flat hierarchy where ideas reign, wherever they come from, one where every person in our business contributes in some way to making a positive difference in the world, from typesetting to leading debates.

The outcome was:

7

working groups were formed

88

opportunities for improvement were discovered

20

ideas were implemented

section one

Innovation Day continues to grow and create lasting impact for social enterprises

Social entrepreneurs build businesses that tackle social and environmental challenges.

For one day a year we dedicate our time to supporting social entrepreneurs, using our skills and experience to help them increase their impact by boosting their communications.

Innovation Day 2018 was our seventh annual event, and for the second time went international with a parallel event in our New York office and at MSL Amsterdam (another agency within Publicis Groupe). In our focus on SDG 2- Zero Hunger, the same as the previous year, one third of the enterprises specifically focused on food issues. We continued to work with UnLtd, who offer the UK's largest network of social businesses and support hundreds of individuals each year through its programmes. This year UnLtd also helped us make the event go international by putting us touch with one of their US partners, Blue Ridge Labs, a social enterprise tech incubator. In Amsterdam, the team partnered with Social Enterprise NL.

At Salterbaxter we dedicate all our staff to the entire day with strong support from other Publicis agencies. More than 25 people from MSL signed up, 15 from Publicis. Sapient in addition to up to 10 volunteers each from Kekst CNC, August Media, Poke and Publicis Health agencies. With 200+ participants, 3 locations supporting 14 entrepreneurs, Innovation Day 2018 was our largest event to date.

The dynamic atmosphere on the day in all three locations was exhilarating for all who took part. The entrepreneurs were delighted with the outcomes and the experience; first time participants relished the opportunity that the day brought, and experienced hands were reminded how much can be achieved when we come together to solve big challenges.

Needless to say once again Salterbaxter colleagues demonstrated an enormous commitment to delivering a positive social impact by designing an amazing event for all. The day continues to set a precedent for more collaborative working and skills sharing throughout all the agencies and launched new networks and friendships across our London, New York and Amsterdam offices and the Groupe. The hope is that this will also lead to Innovation Day events in even more locations next year.

"I signed up for innovation day to tap into the bigger picture in life, like the solutions that people are working on, the causes that people are passionate about, and putting myself in the heart and mind of the entrepreneur and really using my skills and passions to drive it forward in any way I can."

Felicity McLean, Account Director, Salterbaxter

"I learned so much about the different methodologies they (the entrepreneurs) use and I think we can apply it in our different agencies immediately."

Pedro Gastal, Marketing Manager, Spindrift Sapient

"Innovation is not big labs, glass towers, or a really expensive process; during Innovation Day we see that innovation is often just bold thinking and courage and that everybody can drive it."

Kathleen Enright, Managing Director, Salterbaxter

Watch the Innovation Day 2018 here:
<https://bit.ly/30hYgpA>

section one

Innovation Day (continued)

Every year Innovation Day is scaling and expanding. This is the cumulative effect of everyone involved from across our network and number of social enterprises who we have supported over the years.

Joanna Hamer, Juta Shoes

“The day was great – we learned a lot, the team brought such energy, and I was impressed with how much we got done. It was definitely useful to have a full day to think about this, as well as the expert support, and more useful to have this concentrated help in one day rather than a longer-term consultancy project.”

Fiona Ollerhead, The Pantry Partnership

“It felt like marketing at speed! A whirlwind of creativity and an honour to have those many and varied skills in the team.”

Marika Finne, UnLtd Connect Manager, London

“On behalf of everyone at UnLtd and our 9 lucky social entrepreneurs in London, a big thank you to everyone at Salterbaxter and Publicis for arranging & hosting another brilliant Innovation Day”

Rachel Sumekh, Swipe Out Hunger, NYC

“It was an inspirational and useful day, thanks so much for everyone’s time and thoughtful guidance. We have already managed to put the work into action in how we communicate to others about the company and our work.”



18
agencies from across
Publicis Groupe
participating

14
social entrepreneurs
in one day

200+
participants on the
day in London, NYC
and Amsterdam

54
social entrepreneurs
supported since 2011



section one

Measure and report

With a new People Team in place we are working to measure and make progress on our key social priorities.

We want to practise what we preach! As we share our working spaces in both Baker Street, London and Broadway, New York with other Publicis businesses, our direct control over some areas is limited – in particular our environmental impact. As a result we continue to evaluate the meaningfulness of the indicators we can measure and manage. This section reviews some of the measurements and indicators that we track.

66%
female employees

900
hours of training for employees in 2018

1
male and female members on the executive management board



“With the introduction of a dedicated People Team to Salterbaxter, Diversity and Inclusion (D&I) and Mental Health became a bigger focus at Salterbaxter last year. We believe that building a truly diverse and inclusive workplace is everyone’s business and responsibility. We want to create a culture where everyone feels their voice matters, they are heard and their contribution is recognised and rewarded.

D&I has two dimensions: external - i.e. attracting diverse talent and internal - being a truly inclusive place.

We strive to create a culture and environment where employees feel they can bring their whole self to work and be open and honest about their mental health and wellbeing, whether that be physical or mental. We want to make conversations on mental health and wellbeing the norm so that they become a deeply embedded part of our culture. Doing so will make a difference, and make us better.”

Subhani Rawat
Head of People

section one

Social: Promoting a work-life balance and increasing employee training

Measuring our social performance allows us to consider our progress on employee diversity and satisfaction, we believe these to be material indicators to our business success.

Since 2017 forward Publicis Groupe has signed up to the CEO Action for Diversity & Inclusion™ pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. Network agencies based at 82 Baker Street responded by setting up an Employee Resource Group with representatives from all the brands including Salterbaxter and defined an agenda.

See our Quarterly reports for 2018 on Talent Engagement and Inclusion

Q1: <https://rse2017.publicisgroupe.com/fr/assets/pdf/newsletter/Q1%202018%20-%20TEI%20Quarterly%20R1.pdf>

Q2: <https://rse2017.publicisgroupe.com/fr/assets/pdf/newsletter/Q2%202018%20-%20TEI%20Quarterly.pdf>

Average daily hours: 7.5 (target 7.5)

For the fourth year in a row we have achieved our work-life balance target. We believe that this demonstrates that our efforts in monitoring and managing workload is contributing to an improved work-life balance. To add to our actions were the initiatives from Culture Hack that introduced work from home allowances and three summer afternoons off policies that ensured that colleagues get time back in recognition of a heavy workload. However, we do also recognise that there specific teams that continue to longer hours and that there is still work to do on process and planning to help the areas that are overstretched.

Cumulative formal and informal

staff training hours: 900.30

Staff formal and informal training days (cumulative days per person): 2 days average (target 1 day)

Staff informal training days (cumulative days per person): 4 days averagely (target 3 days)

We are extremely pleased to have exceeded both the formal (i.e. externally provided) and informal (i.e. in-house mentoring, knowledge-sharing sessions) training targets. We believe that this is the result of our training and development planner aligned with our appraisal system, access to Groupe wide opportunities (eg. Viva Women and events) and a more strategic approach to knowledge sharing. We are also much more disciplined in how we record training time.

Length of service: 2.94 years (down from 5 in 2017)

In 2018 numerous senior employees who worked at Salterbaxter for over 5 years have left the company in the wake of the main change in senior management and the overall company change, which happened as a consequence to the new management and company culture shift. Many new people also joined the company bringing new energy and enthusiasm to accompany the new management board. For these reasons, the length of service declined from last year, however, Salterbaxter aims to increase the length of service by creating an inspiring workplace for its new employees who drive the company in a new era management and company culture. The decrease reflects that we need to work hard to ensure that we offer career development opportunities in line with personal ambition.

Students: 0 (target: 2.0)

Interns: 0 (target: 3.0)

In 2018, we were not able to offer any internships or student placements, we have retained the KPI despite failing to hit the mark in recent years. We realise this is a missed opportunity for us and we are on track to change our record regarding internships in 2019.

Relationships with design courses in the past have proved fruitful in terms of providing a great experience for students, mentoring responsibilities for our employees and recruiting great talent. So we would like to change in 2019.

section one

Social: Increasing volunteer day participation and maintaining gender diversity at all levels

I feel proud to work for Salterbaxter:

Not measured (target: 85%)

In order to avoid employee survey fatigue our internal survey was postponed in order to align with MSL and Publicis Groupe’s broader employee engagement practices. However, in 2018 no employee survey was conducted for the second year, which we consider a missed opportunity. We are currently running our own Salterbaxter survey for 2019 to ensure that next year we will be able to post our survey results and, alongside our company meetings, bi-annual reviews and monthly 1-2-1 line management meetings, we meet our own standards for open and honest dialogue and feedback.

Volunteering day participation:

employees, 93% of employees (target 60%)

Our volunteering day participation was a great success, outperforming our target strongly and raising the number to 93% from 12% the year before!

31 employees participated in volunteering activity.

Additional social indicators

Indicator 2017 2018

- Average number of full-time employees: **33**
- Average number of contractors: **26** (including single day freelancers)
- Average sick days per person: **5.6 days**
- Average age: **38 male, 37 female**
- Gender ratio: **14 male to 21 female**

KPIs	2017 achievement	2018 target	2018 achievement
Culture Hack participation days	2.6 (If Only initiative)	1	1
Employees proud to work at Salterbaxter	Not recorded	85%	Not recorded
Number of student placements	0	2	0
Number of interns	1	3	0
Volunteering day take up	12%	60%	93%
Average hours	8	8.5	7.5
Staff training formal	0.8	1	2
Staff training informal	4	3	4

section one

Environment: Complying with Publicis Groupe's environmental approach

In 2016 we moved to a Publicis Groupe shared building at 82 Baker Street with centrally managed premises including utilities, waste management and stationery procurement.

The move came with benefits and challenges and these became apparent in our first year of performance data in comparison with our previous office space. For example, electricity usage per head reduced dramatically due to the modernity of the building, whilst waste per person increased due to a lack of best practice recycling behaviour building-wide and supporting infrastructure.

We therefore stated that we would review and redefine what we can meaningfully measure and influence. Our conclusion is that we must align our reporting on environmental indicators with Publicis Groupe. And whilst we can of course continue to apply best practice behaviours and try to influence operations and procurement at Baker Street, reduction targets are redundant. Numbers are calculated by building headcount of which we are approximately 50 of 600+ people.

We are therefore unable to compare our performance with that of others in the building with whom we share every aspect of the infrastructure, or set meaningful targets against which we can measure progress.

Publicis Groupe measures a number of other environmental indicators including water usage which of course in some of the network's international offices could have a material impact.

Going forward measures and targets must be set at Groupe level and campaigns driven building-wide. It is therefore our role and responsibility to see if we can influence this in coming years.

For more on the Groupe's approach please visit:

<https://publicisgroupe-csr-smart-data.com/en/>

[https://rse2018.publicisgroupe.com/en/
environnement](https://rse2018.publicisgroupe.com/en/environnement)

section one

Looking forward



“No year is ever quite the same at Salterbaxter. But a common thread of creating engaging and inspiring sustainability strategies always runs through every year.”

Nicolas Heath

Consultant, Sustainability and Communications

2018 was no different, and saw us step up as an agency to challenge and collaborate with our clients, partners and each other in new and exciting ways. Throughout the year the growing importance of the sustainability agenda was underlined by events from Blue Planet II to the IPCC’s landmark report on climate change and protests by Extinction Rebellion. With the gauntlet thrown down, we saw renewed ambition from our clients (old and new) to set ever higher standards.

2018 saw ever greater opportunities to collaborate with our sister agency MSL and the wider Publicis Groupe. The Publicis ‘Power of One’ showed its value as a way to bring some of the best creative and strategic minds together to achieve our client’s sustainability ambitions.

Making our way into 2019, there’s no doubt that it will prove to be another exciting year in sustainability. The agenda is becoming more important for all of society’s stakeholders and creative solutions are needed more than ever. But the greater the challenge, the more opportunity to step up and drive meaningful change – I have no doubt that 2019 will prove to be a year to do just that.

section two

The 10 Principles of the UN Global Compact



section two

The 10 Principles of the UN Global Compact

Human Rights

1

Principle 1:

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

[Read more page 21](#)

2

Principle 2:

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

[Read more page 21](#)

3

Principle 3:

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

[Read more page 22](#)

4

Principle 4:

The elimination of all forms of forced and compulsory labour.

[Read more page 22](#)

5

Principle 5:

The effective abolition of child labour.

[Read more page 22](#)

6

Principle 6:

The elimination of discrimination in respect of employment and occupation.

[Read more page 22](#)

Labour

section two

The 10 Principles of the UN Global Compact (continued)

Environment

7

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

[Read more page 23](#)

8

Principle 8:

Undertake initiatives to promote greater environmental responsibility.

[Read more page 23](#)

Anti-corruption

9

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

[Read more page 23](#)

10

Principle 10:

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

[Read more page 24](#)



section two

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 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 territories.

Through our work and influence, we support and encourage our clients to report their human rights challenges in line with best practice and help them to analyse the importance of the topic to their business through materiality assessments.

Publicis Groupe has been a signatory of the UN Global Compact since 2003, demonstrating its commitment to respecting Human Rights. Its code of conduct also refers to the principles of the International Labour Organization (ILO) with special attention paid to gender equality in terms of employment, equal opportunity, remuneration, social security and employee relations. The organisation takes 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 on human rights please see their latest [Report](#).

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 under "Performance update: social" in this report.

section two

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

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.

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. The Publicis Groupe frames its culture of inclusion through its slogan of Viva la difference – which embodies respect, celebration and encouragement of human diversity. We are 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. Please [see page 30](#) for more information on our equal opportunities policy.

As part of the MSL Group we also adhere to the MSL Equal Opportunities Policy which is set to avoid any type of discrimination at work, starting at recruitment. On a broader level this fits in the Publicis' Groupe business ethics policy called the Janus Code.

Publicis Group has also received the highest scores on the Human Rights Campaign's (HRC) 2018 Corporate Equality Index survey. Thanks to this achievement the company can adopt the designation of "best place to work for LGBTQ equality".

For more information about Publicis Groupe's approach and policies please see their latest Report: <http://documents.publicisgroupe.com/resultats2019/ddr-2018-en.pdf>

Actions

- Publicis Groupe has signed up to the CEO Action for Diversity & Inclusion TM pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.
- 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 Viva Women 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.
- We implemented new measures to not just monitor but proactively manage 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 when earned.
- Women continue to make up a majority of all staff at every level. At December 31, 2018, 55% of the Board were women and 45% were men. There has been balanced gender representation on the Supervisory Board since 2012, making Publicis Groupe SA one of the first groups to apply gender parity to its Board.
- We are an equal opportunities employer with regards to both our employees and recruitment processes.
- All permanent staff have access to a range of wellbeing services including private health insurance, dental cover, discounted gym membership and more
- 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.
- All permanent staff have access to engaging activities and cultural events.
- 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, with employees participating to the annual pride parades organized by Egalité in London.
 - Viva Women, an international network of women focused on supporting women to succeed and lead. In 2018, once a month Viva Women organised an event for the representation of women in the workplace. For example, during the month of March, on the occasion of International Women's Day, a series of events across Publicis agency brands were organised to celebrate women. In March, July and November the agency also celebrated VivaMentor = VivaWomen! The UK's speed mentoring format that brings together senior and junior female talent for an evening of mentoring. In October the concept VivaSTEM was developed to launch a transition programme to attract and help facilitate women into STEM roles/careers across Publicis Groupe.

More information on our social indicators can be found in 'Performance update: social' in this report.

section two

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 more than 20 years ago, we have been working to elevate awareness and communication on environmental issues. Our day-to-day work involves helping businesses address and communicate the major challenges facing society in the short, mid and long term.

As an office-based professional services business, our own impact on the environment is relatively minimal. Our greatest impact is through our influence. However, we encourage more environmentally responsible behaviours as a way of spreading positive change and recognise our responsibility to do what we can.

The Groupe's motto for environmental policy is 'Consume less & better' which has been developed around the EU's 2030 strategy (https://ec.europa.eu/europeaid/policies/european-development-policy/2030-agenda-sustainable-development_en) 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 organised (non-hazardous) waste management systems.

Actions

- Having conducted an operational review in line with ISO 14001 in 2012 we are aware of most significant environmental impacts. Up until our move into a shared Publicis-managed building in March 2016 we were able to measure them and set targets accordingly. However, the management of the facilities and procurement is no longer directly controlled by Salterbaxter and this has impacted on what we can control, influence and measure.
- On [page 16](#) in 'Performance update: environmental you can read more about our alignment with Publicis Groupe's systems.
- 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.
- Last year we worked towards minimising our environmental impact of print specifications for clients and in-house marketing material. We will be moving towards digital formats of our Directions publications in the future.
- We use our positive influence to help our printing suppliers improve their environmental credentials.
- Our in-house printing uses FSC-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 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.

section two

Anti-corruption

Principles

Principle 10:

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

Our approach and actions

Approach

In 2018 our anti-corruption policy was updated to include annual checks against bribery and corruption for every employee. At Salterbaxter we are committed to operating ethically and against all forms of corruption at all times. Publicis Groupe also set up a centralized body, Re:Sources, to provide support for financial and administrative services.

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, included in the Publicis' Groupe Janus code of conduct, details our policy and procedure on receiving gifts, and only permits us to accept gifts of no substantial financial value.
- Our client hospitality is restricted to very occasional end-of-project celebration meals, when the team 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.

section three

Policies



section three

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.

section three

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 <http://www.gla.gov.uk/who-we-are/modern-slavery/who-we-are-modern-slavery-spot-the-signs/>

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. It is also 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.

section three

Anti-slavery and human trafficking policy (continued)

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

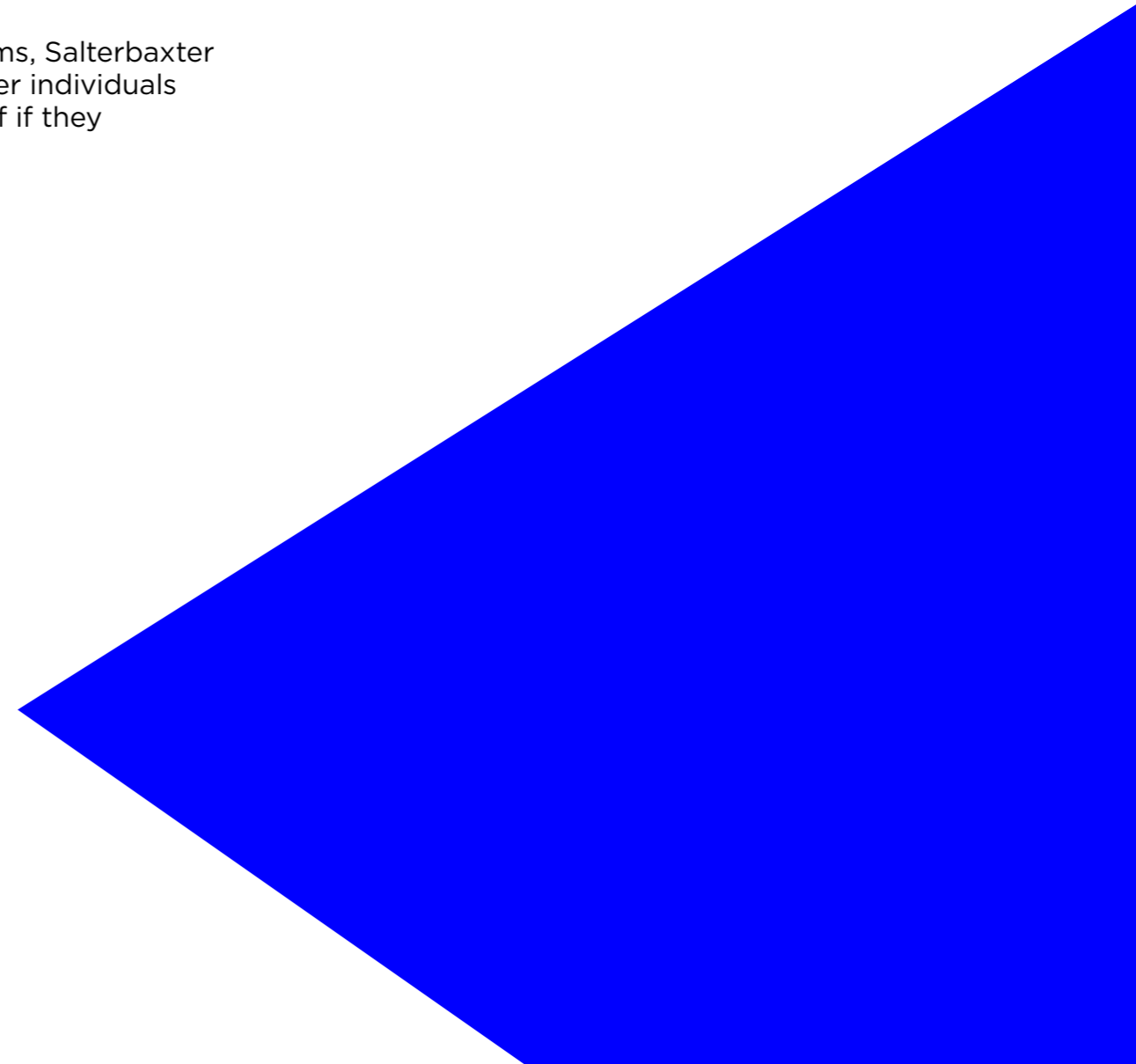
Training on this policy, and on the risks Salterbaxter faces from modern slavery in its supply chains will be provided as necessary.

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.



section three

Data privacy

In late 2017, an initiative was launched to prepare Publicis agencies in the UK in readiness for the EU General Data Protection Regulation (GDPR), effective as of 25 May 2018. Salterbaxter assigned two staff to take the role of Data Privacy Stewards (DPS).

GDPR programme

The programme was rolled out centrally and led by the legal team in conjunction with the Global Security Office, beginning with a data audit and creation of a Personal Data Register, followed by training for the DPS. The DPS are responsible for identifying risks, taking remedial actions as required, staff training and ensuring compliance with GDPR regulation.

Salterbaxter are committed to protecting data privacy responsibly, in compliance with client requirements and any applicable data privacy laws worldwide.

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 GDPR regulation.
- 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 remains 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. These policies are then shared with agencies and the implementation of the appropriate procedures are then managed by the DPS at agency level and any issues are referred back to the legal team or Global Security Office, as required.

section three

Equal opportunities policy

At Salterbaxter we value diversity and we 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.

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;
- 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.

Salterbaxter is also working to identify priorities and create action plans around recruitment practices, flexible working, family friendly workplace and diverse company culture through its Culture Hack activities.

In 2018 there were no breaches of this policy.



section three

Health and Safety policy

We want our employees to be as safe as possible in our working environment that's why we 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.
- Providing training for first aiders and fire marshals to support staff in the event of emergency
- Giving access to staff to an Employee Assistance Programme which includes helplines for bereavement counselling and probate helplines as well as online resources for family, health and money issues
- 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.
- Providing access to Mental Health Ambassadors who are trained to assist employees in seeking help for mental issues.

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 2018 there were no breaches of this policy.

section three

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. 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.



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