

UN GLOBAG CONRACI

SALTERBAXTER COMMUNICATION ON PROGRESS 2019



Who we are and why we're here

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 more than 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.

We are part of the global MSL network, the largest PR agency in both Asia and Europe and 4th largest globally, giving us access to 3,000 experts across 50 countries, for the benefit of our clients.



new clients in 2019

Food & Drink, Manufacturing & Processing sector and **Apparel & Consumer Goods sectors**

Most represented industries in 2019



Average number of employees in 2019

We are a sustainability agency that creates big ideas to inspire and deliver the necessary step change towards businesses that are simply sustainable. We work with some of the world's leading businesses and brands helping them to create value in the face of big global challenges and shifting stakeholder expectations.

SALTERBAXTER AN MSL COMPANY | UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2019

21 years

of sustainability consulting experience



of our clients in 2019 were from outside the UK

About this report

This is Salterbaxter MSL **GROUP'S 14th Communication** on Progress submitted to the UNGC.

It covers the calendar year January to December 2019. As part of Publicis Groupe we are also covered by their Group CSR and Annual Report documents and their commitment to the UNGC.



Section One introduces our business and our approach to delivering value to society through our work as well as our actions internally.



Section Two restates our commitment to the UNGC 10 Principles and highlights some of our activities that make progress against each of these.



Section Three is where you'll find our responsible business policies and procedures.

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+44 (0) 20 7313 8656 Michelle.Obee@salterbaxter.com

82 Baker Street London W1U 6AE

www.salterbaxter.com

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Contact

Michelle Obee Senior Account Director

Ence our

Section One **Statement from our leadership**

2019 saw the environmental agenda come to the fore like never before:

the 'Greta' effect and the climate protest movement, the rise of veganism and plant based diets becoming more mainstream, the plastics debate, the shift in language from climate 'change' to 'emergency' and 'crisis', the circular economy and science-based targets.

All reflect a changing narrative and landscape around sustainability and the frequency, speed and depth at which many companies are having to adapt to rising societal concerns is unprecedented.

As we head into 2020 and the 'decade of action'. ambitious climate action is more urgent than ever, but ambitious actions and strategies are still too far and few between. Most can see that business as usual can no longer continue. But we are still seeing too much slow incremental change and not enough radical overhaul, too much tinkering at the edges and not enough innovation.

Many have acknowledged that there will be no environmental justice without social justice. Yet too many sustainability strategies still operate in silos, keeping these issues separate.

Once again, it's understandable; organisational change doesn't happen overnight and the governance of sustainability is still too often annexed rather than integrated.

As a sustainability consultancy, we need to shift from helping businesses be a force for good to becoming a force for change. We need more businesses to be operating within a human, societal and planetary ecosystem. More connective tissue, ecosystems thinking and a radical new approach to finding collaboration opportunities amid difficult constraints. That is where we are putting our energy right now. We maintain our commitment to going beyond the briefs we receive, to challenging clients harder even as those conversations become more difficult, and to partnering and collaborating with all our stakeholders in new ways to help make that change happen together. Our work needs to create even more value and positive societal impact, thus challenging the temptation for business to bounce back to the status quo.

I firmly believe that in this way we can uncover and unleash significant new growth as well as addressing these challenges.

Onwards together!

Kathleen Enright Managing Director "Our work needs to create even more value and positive societal impact, thus challenging the temptation for business to bounce back to the status quo."

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Kathleen Enright Managing Director

Making sustainability creative, tangible and actionable

DOLE | Developing the first ever sustainability framework and goals

Dole, the largest producer of fruit and vegetables worldwide, had a history of sustainable practices, and sought an overarching framework to tie together the company's sustainability goals.

As transparency and traceability have become of the utmost importance to stakeholders in the food industry, Dole strived for a holistic sustainability strategy and supporting communications.

We gathered market and stakeholder insights that informed the strategic framework, goals and reporting. This included peer benchmarking research and internal and external stakeholder interviews.

We defined a new sustainability strategy for Dole, including a name (The Dole Way) and graphic to help people 'wrap their arms around' the company's approach, a narrative and focus areas (For People, For Nature, For Food) that encompassed all the key sustainability issues uncovered through our research.

With Dole we finalised an ambitious set of eight 2025 and 2030 goals, which Dole had never had before. We also facilitated interactive workshops (in the US and abroad) to engage relevant internal stakeholders in the decision-making process.

Dole is now able to effectively communicate its sustainability strategy and progress through a set of goals that are time-bound, specific and measurable.

The Dole Way is a highly respected strategy that is embedded across the business and has brought about substantial changes in how Dole has been received by stakeholders.





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Our 2030 goals

Making sustainability creative, tangible and actionable (continued)

ANGLO AMERICAN | Communicating a business going through major transition

Following a volatile period for Anglo American and the extractives sector, it was imperative to meet investor needs by creating greater transparency and connectivity of information. Our challenge was to cut through the complexity of Anglo American's business model to create coherent communication solutions, and continue to evolve a reporting structure and narrative that explained Anglo American's role within society and how the business creates value, sustainably.

We communicated the complexity of the business and impact it delivers in a clear way, collaborating closely with the Anglo American team to understand key challenges and opportunities. We rationalised their core messaging so that it responded to business and market conditions, and ensured that the narrative structure integrates financial and non-financial content. We developed a clear connection of Anglo American's corporate purpose through to remuneration approach including material matters and the links to strategic imperatives and Anglo American's seven pillars of value. We created brand and design alignment for Anglo American's Platinum and Kumba businesses in South Africa. Ultimately, this extensive programme included a full integrated reporting suite and associated shareholder and reporting materials.

We produced a highly-respected reporting suite that showcases how Anglo American's unique approach to mining is challenging how extractives operate, and building the investment proposition. During our eleven year partnership with Anglo American, the report has won a range of prestigious awards and in 2019 it won the Best Annual Report (FTSE 100) at the IR Society Awards 2019 and was 'highly commended' in the Corporate & Financial Awards 2019 and the IR Magazine Awards 2019.







Contributing to the debate through thought leadership

At Salterbaxter we are driven to share our knowledge widely, to lead the charge on making sustainability as accessible as possible. Our team regularly contributes to thought leadership and we thrive on staying ahead of the latest thinking, seeking to inspire our clients to achieve the most positive impact possible.

In 2019, as part of our culture of continuous learning and knowledge sharing, we participated in a variety of conferences and collaborations:

In 2018 we published a Directions supplement to launch 'Active Strategies', which is our approach to working with clients to create strategies that are relevant, actionable, achievable and transformational. We took this forward in May 2019 as we presented it directly to our clients by hosting a webinar on Active Strategies, reaching 60+ participants amongst clients and peers. Active Strategies was also featured in The Times Magazine for its Responsible Business Report.

In September, we spoke at the **Evolution of** The Annual Report panel hosted by Communicate Magazine in London. In collaboration with MSL, we delivered a panel on driving reputational resilience through reporting.

We are also a member of The Sustainable Apparel Coalition (SAC), which enables us to access and contribute towards their events and thought leadership. In 2019 this led to one of our consultants joining a panel discussion at their Annual Meeting on the topic of storytelling and transparent communications. We also supported the SAC by developing messaging and website copy for a new transparency platform for their members to begin to publish more information about their brand and their performance. The platform was tested at their Annual Meeting in 2019 which led to Higg Co developing a new open data platform (LINK), launched in October 2020.

Last but by no means least, at Salterbaxter we use our blog page to share the latest insights from the team. In 2019 we shared eight blog articles, covering everything from purpose and social activism to how to move beyond net zero targets. Read more here.

loin the conversation





Contributing to the debate through thought leadership - Salterbaxter at the Sustainable Brands conference

Today's sustainability challenges require transformational change - the kind that breaks old paradigms and questions traditional ways of thinking. But in a landscape that is always shifting, even sustainability leaders are struggling with how and where to start.

Setting ambitious goals is key to defining a business' ambition, communicating intentions and rallying support. The next generation of goals that are emerging are much more akin to corporate strategy goals that influence systems, unlock business opportunities and drive behaviour change. But setting goals is the just beginning and even the most savvy leaders grapple with how to turn a bold idea into tangible action.

At the 2019 Sustainable Brands conference in Detroit, Michigan, Salterbaxter moderated two panels, entitled: 'Lessons from the Corporate Optimist: Start Somewhere and Learn Fast' and 'The Importance of Aligning Lobbying and Policy Positions with Sustainability Strategy'.

Both sessions presented the opportunity to learn from business leaders who are driving the sustainability agenda within their respective industries, and engaged fellow practitioners in lively debates around the most pressing sustainability issues. Our sessions featured companies who took a thoughtful approach to a challenge and used their lessons learned from pilot programmes to scale their successes more broadly.

Attendees learned tips on how to translate an idea into an action plan, productively engage stakeholders and swiftly take action.







The Future of Social Activism Why everyone is talking about purpose-led comms

We kicked off 2019 with our event 'The future of social activism, why everyone is talking about purpose-led comms'. The focus of the event was on how sustainability and purpose can drive genuine business transformation.

The event focused on emerging themes from the 2019 World Economic Forum and the development of sustainability messaging in consumer-facing messaging. It also included an insightful panel discussion by experts in the field from leading companies such as Oracle, Innocent Drinks and Taylors of Harrogate. Extracts from the opening speech and the panel discussion are available here.

Our top insights from the event:

- Sustainability and purpose go hand in hand. Many businesses are simply missing the trick to leveraging their sustainability strategy and actions as the ultimate proof of purpose.
- Actions and behaviours. Purpose isn't achieved with bolt-on social marketing or cause-related initiatives; instead society expects organisations to behave coherently and credibly across all areas of operations, behaviours and communications.
- Can a purpose be too big if you can't achieve it? No - that is precisely the point of having a purpose, to propel you forward. But a purpose can be too generic, and that is where brands and business are missing out.
- Should your purpose be around your most material impact? The critical connection between sustainability and purpose lies at the intersection of your material impacts and what you are doing to reduce your impact (sustainability) and where you want to make a positive difference (purpose).















Finding the balance – cultivating good mental health and wellbeing at Salterbaxter

In 2018, our employees identified 'Work Life Balance' as one of the primary issues affecting their day-to-day wellbeing and productivity.

In 2019, we ramped up to bring mental health and wellbeing to the forefront of productivity at Salterbaxter, seeking to ensure we are all on the right track to having more 'good days at work'.

Alongside the launch of Publicis Groupe UK's headline strategy for mental health and wellbeing, we implemented the following at agency level:

- We trained up two Mental Health First Aiders as go-to, onsite emergency and non-emergency support for mental health challenges.
- Our Mental Health Ambassadors work directly with Groupe to design and activate mental health and wellbeing strategy for both Publicis Groupe UK and across Salterbaxter, meeting monthly.
- Monthly mental health anonymous reporting to spot patterns of stress and spikes in mental health challenges amongst the team, and problem solve through agency-wide action.

- Whole-person wellbeing during Mental Health Awareness Week in October. We organised a week of activities to engage, boost and celebrate employee wellbeing - from private Yoga sessions, to a film screening and Q&A on male suicide, to office-based massages, mental resilience training from Tough Cookie, and an uplifting 'Lifefullness' session on living with purpose, plus extensive resources and access to 24/7 support. Through these activities, we supported local social enterprises who in turn provide support services for vulnerable community groups.
- A day off for mental health awareness in October 2019, we gave all our employees the day off to reflect and recharge in whatever way they needed. Giving our team the opportunity to acknowledge their own mental health and take some time for themselves was wonderful.

"A healthy, happy and productive team is a real priority for us. We're working to destigmatise the conversations around mental health, provide friendly and discreet access to support wherever and whenever it is needed, and work together as a team to ensure we show up each day as our whole selves, for more 'good days at work'."

Felicity McLean Consultant



Volunteering in Brockwell Park Community Greenhouses

We ended the year with a team volunteering day in London - giving us the chance to come together as a team and to give something back to a local community.

Brockwell Park Community Greenhouses is an open community garden in South London. The gardens are both a community space and a charity that aims to improve lives by encouraging people to take part in gardening, outdoor learning, play and other creative activities. The community also runs courses and workshops on horticulture, green woodworking, drawing, natural dyes, cooking and other subjects.

On our volunteering day out in December, the team created Christmas wreaths for the community's Christmas market, picked berries for the Christmas home-made merchandise and tended the garden in preparation of the festivities.



















Innovation Day 2019 – two locations supporting 11 entrepreneurs made this year our second largest event to date

For a single day in June for eight years in a row, a talented bunch of creatives, consultants and co-ordinators at Publicis Groupe are thrown together to help social enterprises tackle some of their biggest communication issues. The result is a fast-paced day that always inspires and challenges in equal measure. Trying to solve these (often long-standing) problems can sometimes feel like a herculean task. Yet, every year we round off the day with a re-cap of what each team has achieved that highlights how much positive change we can create in just eight hours.

Innovation Day 2019 was our eighth annual event, and for the third time went international with a parallel event in our New York office. We broadened our focus this year to the challenges the social enterprises worked on – making it more inclusive and welcoming a range of social and environmental innovators. We continued to work with UnLtd, who represent the UK's largest network of social businesses and support hundreds of individuals each year through its programmes. Whilst in the US we reached out directly to social enterprises tackling challenges close to the New York area.

This year, unlike in previous years, due to team changes in Amsterdam we were unfortunately unable to run the event there.

At Salterbaxter we dedicate all our staff to the entire day with strong support from other Publicis Groupe agencies. In 2019 20 people from MSL, over 30 people from Publicis Sapient, and many more volunteers from Kekst CNC and Publicis Health agencies signed up to the event. Overall, over 150 people attended the event. The day in both locations was high energy, full of passion and exhilarating for all who took part. We partnered with a professional film company, Be Inspired Films, to help capture the day in the UK. The presentations at the end of the day showed a high level of appreciation from the entrepreneurs for the solutions we provided. First time participants were surprised at the range of skills we could provide and inspired by the social enterprises' mission-led approach, and experienced hands were able to guide their teams towards the outcomes required.

Participants leading the day from Salterbaxter and other agencies demonstrated great dedication to tailor the workshops for each social enterprise and ladder this up to an inspiring event for all. The initiative helps drive and enable collaboration and sharing of skills between all agencies involved - igniting new networks and friendships across our London and New York offices and the wider Groupe.

Watch the Innovation Day 2019 video here.

Innovation Day 2019 (continued)

Every year Innovation Day is evolving and improving the offer we provide to social enterprises. This year we welcomed:

Participating agencies from across Publicis Groupe

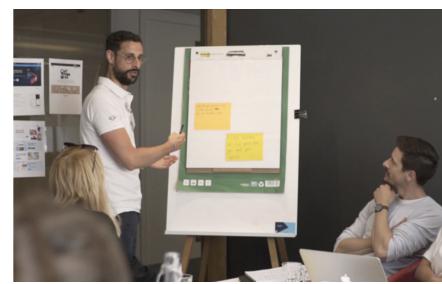


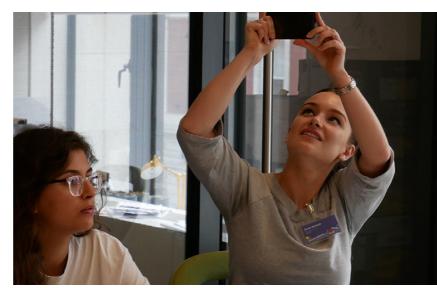




social entrepreneurs supported since 2011













Section One **Social data**

Measure and report

The People Team at Salterbaxter and MSL London aims to support employees in their personal development and wellbeing; for this reason it encourages training sessions and provides numerous benefit packages. See page 24 for more information on our benefits. Recognising the wider social impact, the People Team also takes action to be inclusive in its recruitment and culture to encourage a diverse workforce. See page 25 to learn more on our approach and actions to promote equal opportunities.

This section reviews some of the measurements and indicators that we track.

Female to male ratio in management

1,000+

Classroom hours of training for employees in 2019

"We are committed to creating an environment where everyone feels a sense of belonging and proud to be part of a connected community. In 2019 we drove our social commitments forward, with a focus on mental health and wellbeing. This included offering enhanced benefits and training mental health ambassadors and first aiders.

We are also committed to attracting and hiring diverse talent. In 2019 we extended our outreach to more diverse communities to ensure a career in sustainability is accessible to all."

Phoebe Hetherington People Advisor MSL & Salterbaxter



Social data: A continued focus on work-life balance and driving up the number of internships

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 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.

See our Quarterly reports for 2019 on Talent Engagement and Inclusion Q1, Q.2, Q.3, Q4

Standard daily working hours: 7.5 hours per day, 37.5 hours per week

We offer flexible working to everyone - we believe our people should work wherever it makes the most sense to achieve their objectives - be that at home, at client offices, one of Publicis Groupe's three London campuses or wherever else works. If it's more time-efficient, we use technology such as instant messaging, video conferences or file sharing to communicate without the need for travelling. Everyone is given their own laptop to encourage flexible/agile working.

Work/life balance is just as important for wellbeing at work: that's why we always aim not to work excessive hours. But when we really have to, hard work and overtime is acknowledged and appreciated. We offer time off in lieu, early summer finishes and a 'Christmas close'. Sabbatical is also rewarded after three years of full service.

Training: 1,000+ hours

We believe in creating a learning culture: a mix of experience and learning. On top of classroom learning, all of our employees have access to Publicis Groupe's online learning platform (Publicis Learning) which offers hundreds of free online courses. With just over 1,000 hours of training completed by our staff, we are pleased to have exceeded our training target for the year.

We believe this is to do with our thorough training needs analysis carried out by our Learning & Development (L&D) team and how we do appraisals. All of our employees receive a formal appraisal: each year starts with a motivational kick-off meeting, followed by regular performance pulse-checks to share consolidated feedback and deliver on-the-job feedback via performance acceleration conversations to keep our teams developed and motivated. These conversations are supported by our bespoke, online objective tool (My Performance Conversations). The tool has been built to enhance performance conversations and career development.

Length of service: Average length of service: 3 years 4 months

In terms of staff retention, we have had a higher turnover than normal in the past 12 months due to new management coming into effect late 2019. With new management has come fresh ideas and belief into what Salterbaxter can bring to the table; there's a buzz of excitement about what 2020 can bring!

Students/interns: Students - 0. Interns - 3.

We are proud to have had three interns work within a variety of teams during 2019. We offer three-month paid intern programmes in many of our areas of work across the business, with the hope to bring them into the company permanently. We really encourage junior talent - to bring fresh ideas and insight into the business.

We didn't bring on any students, which we realise is a missed opportunity for us. Although, we have recently partnered with FIT NYC, an international college whom we will work with to get students in the business (20 hours p/w) to help on project work and gain an insight into agency life. Additionally, we are about to launch a new apprenticeship programme, with a revised strategy for outreach. This is a key priority for the year to come.

Environment: Complying with Publicis Groupe's environmental approach

It has been three years since we moved to a Publicis Groupe shared building at 82 Baker Street with centrally managed premises.

As Groupe manages utilities, waste management and stationery procurement it is the Groupe's environmental policy and goals that guide our environmental approach.

Groupe's environmental strategy is called 'Consume less and better', its focus areas include:

- Reducing forms of transport that produce high levels of CO_2 ;
- Reducing energy consumption and sourcing 100% renewable energy;
- Reducing the consumption of raw materials: water, paper, plastics;
- Reducing waste in all its forms so as to achieve 100% recovery and recycling.

In 2019 Publicis Groupe updated its environmental targets and aligned its targets for GHG emissions with the Science-Based Target initiative as it aims to become carbon neutral as soon as possible before 2030.

At Salterbaxter we must align our reporting on environmental indicators with Publicis Groupe; however, we always ensure we apply best practice behaviours. In 2019 we undertook action to improve recycling rates and behaviour at our office at 82 Baker Street.

For us at Salterbaxter environmental 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.

Going forward we will continue to take action to ensure our company's environmental performance is minimised, from travel to office utilities and positively contribute to Groupe's environmental policies and performance.

Section One Looking forward

"In 2019, we delivered sharp strategic insights and brave communications that helped clients rise to the demands of a challenging global context."

Abisola Adekoya

Director, Sustainability Strategy & Communications



For Salterbaxter North America, 2019 was our busiest year to date, and it's no surprise given the sheer number of global events that shed light on the need to advance environmental sustainability and social equity – wild fires raged in the Brazilian Amazon and Australian bush, anti-government protestors took to the streets in Hong Kong and millions took part in the Global Climate Strike.

Against this backdrop, business leaders (including many of our clients) declared the end of shareholder primacy, proclaiming a new era of stakeholder capitalism through forms like the Business Roundtable. As trusted partners, our work with clients - defining new strategic frameworks and communications approaches - helped to ensure that business leaders were able to rise to ever expanding societal expectations.

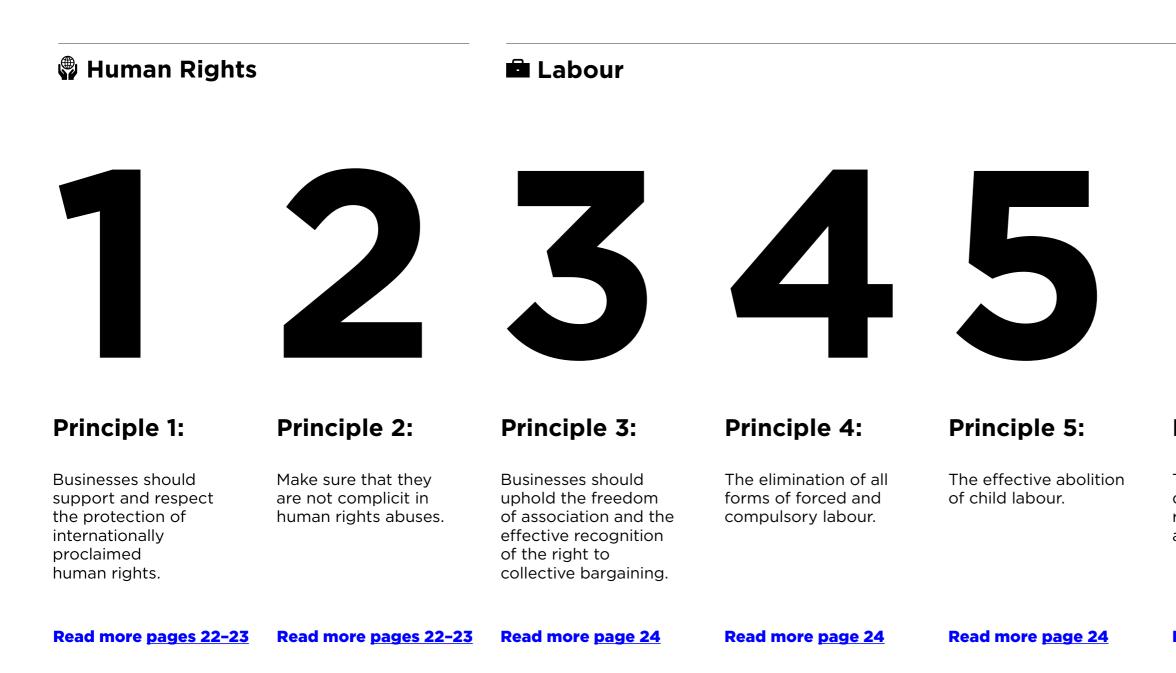
Undoubtedly, 2020 will present a new set of challenges. Regardless of what emerges, our focus will remain clear: helping clients, regardless of wherever they are in their sustainability journeys, to deliver the positive growth that will enable business and society to thrive.

Principles of GEUNGOG





The 10 Principles of the UN Global Compact



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Principle 6:

The elimination of discrimination in respect of employment and occupation.

Read more page 25

The 10 Principles of the UN Global Compact (continued)

V Environment

Anti-corruption







Principle 7:

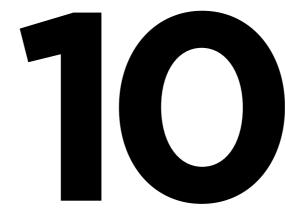
Businesses should support a precautionary approach to environmental challenges.



Undertake initiatives to promote greater environmental responsibility.

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.



Principle 10:

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

Read more page 26

Read more page 26

Read more page 26

Read more page 27

Section Two Human rights

Principles

Our approach and actions

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

Publicis Groupe has been a signatory of the UN Global Compact since 2003 and has supported the SDGs since their launch in 2015, demonstrating its commitment to respecting Human Rights. As part of French regulation Publicis also has drafted and implemented a Duty of Care plan to identify and prevent infringements of human rights resulting from the company's activities, whether through direct or indirect controls.

Human rights protection principles are incorporated in the following key documents and policies:

- The company's Janus Code of Ethics, in particular Talent and Human Resources;
- CSR Guidelines for Business.

Janus Code of Ethics forms the guidelines for all its employees' business conduct and 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. Groupe also ensures that its conduct is ahered to, by training its staff on it; every new employee, regardless their position follows an induction programme that includes education on team and manager standards of behaviour and rules in regards to fair trade. These policies are supported by a Whistleblowing Policy that ensures confidentiality and non-retaliation. CSR Guidelines for Business outline the key elements that form Publicis Groupe's responsible procurement approach; these are complementary to the UNGC 10 principles and therefore include zero tolerance to discrimination and respect for human rights.

For more information about Publicis Groupe's approach and policies on human rights please see their latest Report.

As a subsidiary of Publicis Groupe, we 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, and we report to Groupe on this topic. We support and abide by the Modern Slavery Act becoming law in 2015, and we publish our Anti-Slavery and Human Trafficking Policy in this report (see page 29). We believe that modern forms of slavery must be recognised as issues facing our society today in order to be systematically addressed and combatted. We take a proactive approach and assess the real and potential impacts of our business operations, direct and indirect, across our value chain.

Human rights (continued)

Principles

Our approach and actions

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 action

- In 2019 Publicis Groupe trained 85% of its staff on the Janus Code and its contents:
- 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;

- treatment or any other aspect of our work;
- to their business through materiality assessments;
- improvement:
- 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 <u>Social data</u> in this report.

• We have a well communicated grievance procedure that ensures employees are familiar with how to raise concerns about staff,

• 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

 Through our work with clients we strive to promote the highest human rights standards and encourage companies to report openly and regularly about their progress and areas of

• As our business evolves and expands into new territories we continuously review our approach to ensure that we live up

Labour

Principles

Our approach and actions

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.

Our approach

Publicis Groupe adheres to the International Labour Organization (ILO) Convention and regards the freedom of expression as a basic human right. The Groupe is not only committed to respecting the freedom of expression, association and the right to collective bargaining in the countries where it operates and within its entities but it also encourages its agencies to promote direct, frequent exchanges between managers and their teams regarding business procedures.

Labour rights and freedom of expression and bargaining policies can be found in the following documents:

- The Janus Company Code of Ethics, in particular the Reporting Concerns & Whistleblowing section:
- CSR Guidelines for Business:
- For more information about Publicis Groupe's approach and policies please see their latest Report.

As a UK-based professional services SME, Salterbaxter's 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. 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.

Our action

- membership and more;
- family, money and work matters;
- cultural events:
- legislation;
- check-ins with line managers;
- as the Viva Women speed mentoring sessions;
- allocating lieu time when earned.

 Salterbaxter strongly supports instruments that promote global labour standards such as the ILO Core Conventions. (Please see page 32 for more information on our equal opportunities policy);

• All permanent staff have access to a range of wellbeing services including private health insurance, dental cover, discounted gym

• 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,

• All permanent staff have access to engaging activities and

• The company also provides a pension scheme according to UK

• Performance against objectives and compensation are formally reviewed on a twice-yearly basis supported by informal monthly

• Informal mentoring takes place between staff outside of formal line management. This includes Publicis-supported events such

• 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

Labour (continued)

Principles

Our approach and actions

Principle 6

The elimination of discrimination in respect of employment and occupation.

Our approach

Publicis Groupe puts particular emphasis on eliminating discrimination in respect of employment and occupation. It even puts the celebration of diversity at the core of its culture with the company motto 'Viva la Difference', which embodies respect, celebration and encouragement of human diversity.

Groupe's approach to implementing inclusion and diversity rests on four pillars: the 'zero tolerance' principle, creating an inclusive culture, Groupe commitments and focus on the Women's Forum. The latter has been part of Publicis for 10 years and its aim is to accelerate real gender equality and, in particular, equal pay, amongst other fronts.

Currently in Groupe women continue to make up a significant part of all staff at every level. In 2019 women made up 49.8% of the global headcount and 38.3% of Leaders' positions were occupied by women. Publicis Groupe has also received the highest scores on the Human Rights Campaign's (HRC) 2019 Corporate Equality Index survey. Thanks to this achievement the company can adopt the designation of 'best place to work for LGBTQ equality'.

Key documents outlining Groupe's approach to inclusion and diversity are the following:

- Publicis Groupe Inclusion and Diversity Policy;
- The company's Janus Code of Ethics, in particular Talent and Human Resources ;

For more information about Publicis Groupe's approach and policies please see their latest Report.

At Salterbaxter we are an equal opportunity employer; we live the difference every day, all employees at all levels. As part of Publicis UK our CEO Annette King forms the majority of the Executive Committee and we receive training by the legal team particularly on Unconscious Bias for women and men. Furthermore, Publicis UK established VivaWomen!, an organisation that promotes gender equality by raising awareness and organising events and small work groups. Through 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.

Our action

- our employees and recruitment processes;
- Principles (WEP);
- in a number of initiatives including:
- by Egalité in London.
- Women's Day.

• We are an equal opportunities employer with regards to both

• Publicis Groupe has signed the UN Women's Empowerment

• Several employees have taken up opportunities to participate

- 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 2019 Pride parade organised

- VivaWomen!, an international network of women focused on supporting women to succeed and lead. In 2019, Salterbaxter employees were able to attend mentoring events, awareness raising events and a workshop session for International

Section Two Environment

Principles

Our approach and actions

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

Publicis Groupe has a proactive approach to environmental performance, since it first signed to the UNGC in 2003. It also signed to the Caring for Climate Pledge in 2007.

The Groupe's motto for environmental policy is 'Consume less and better' which has been developed around the EU's 2030 Strategy and goals, which were revisited in 2019. The Groupe's Environmental priority 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 raw materials;
- Systematically installing recycling and organised (non-hazardous) waste management systems;
- Achieve carbon neutrality for the entire Groupe as soon as possible and by 2030.

Groupe also takes action to ensure its impacts through real estate, on biodiversity and through waste are minimised and improved, for more information see their report.

At Salterbaxter, 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.

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. As an office-based professional services business, our own impact on the environment is relatively small. 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.

Our action

Publicis Groupe reviewed its sustainability focus areas and goals setting Science-Based Targets to reduce its GHG emissions.

Groupe voluntarily follows Task Force on Climate-related Financial Disclosure (TCFD) recommendations.

At Saltebaxter we use our positive influence to help our printing suppliers improve their environmental credentials. We ensure our in-house printing uses FSC-certified paper for colour prints and we are seeking to influence the central procurement purchasing of only recycled, FSC or PEFC-certified paper as the standard.

We also encourage positive sustainable behaviour through upgrading printers to provide duplex printing.

through informative posters.

 In 2019 we also took action to improve our building's recycling performance by influencing our colleagues' recycling behaviour

Section Two **Anti-corruption**

Principles

Our approach and actions

Principle 10

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

Our approach and actions

The Janus Code of Ethics document outlines the Groupe's zero tolerance anti-corruption approach, specific contexts and at-risk areas to which all employees and managers must comply. Furthermore, training is provided to all managers and employees with exposure to corruption risk. Internal and external accounting audits are conducted to verify compliance and whistleblowing portals are in place.

Publicis Groupe also set up a centralised body, Re:Sources, to provide support for financial and administrative services to its agencies. Publicis Groupe's Code of Conduct, 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, based in the shared services centres (Re:Sources) and functionally under the Groupe's Legal Department, play an important role in terms of awareness and the application of laws and regulations concerning 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.

Anti-corruption policies, guidance and performance can be found in the following documents:

- Janus Code of Ethics, in particular, Anti-bribery and anti-corruption Policy;
- The Annual Registration report.

At Salterbaxter we are committed to operating ethically and against all forms of corruption at all times. 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.

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. To ensure these rules are enacted, 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.

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Section Three

Poles

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 gueries 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 to 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.

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

Staff 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.

See the UK Government's full list of potential indicators here <u>here</u>.

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

If staff 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, staff must raise it with their 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.

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 policy

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 members of 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 is 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 has 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.

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, a family-friendly workplace and diverse company culture through its Culture Hack activities.

In 2019 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 which is 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-health related 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 2019 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 below.

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 an 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.



Contact

Michelle Obee Senior Account Director

+44 (0)20 7229 5720 Michelle.Obee@salterbaxter.com

82 Baker Street London W1U 6AE

<u>www.salterbaxter.com</u>

