

UNITED NATIONS GLOBAL COMPACT

Communication on Progress

July 2011

STATEMENT FROM THE CEO

COMMITMENT TO THE UNITED NATIONS GLOBAL COMPACT

Support of the Global Compact Ten Principles

As chief executive officer and founder of Waggener Edstrom Worldwide Inc. (WE), I reaffirm my support of the company's participation in the United Nations Global Compact initiative and the company's commitment to continuing to make a sustainable difference in the communities in which we work and live. This report is WE's inaugural Communication on Progress to the United Nations Global Compact (UNGC). It summarizes key initiatives that support its principles.

WE is committed to making a difference in the world by adopting responsible, sustainable business practices; contributing economically and socially to society while respecting and helping conserve natural resources; being accountable for our actions; and contributing to a better quality of life for our employees and the communities in which we live and operate.

Our corporate citizenship is aligned with our core values and corporate mission. Within our influence, we are committed to adhering to and advancing the Global Compact Ten Principles with respect to human rights, labor, environment and anti-corruption, for the long term.



Melissa Waggener Zorkin
CEO, President and Founder
Waggener Edstrom Worldwide Inc.

HUMAN RIGHTS

PRINCIPLE 1

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

PRINCIPLE 2

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

WE is a supporter of the articles of the Universal Declaration of Human Rights, which are represented in the company's own policies and practices. WE also recognizes that it has a responsibility to uphold human rights in the workplace and to use its influence and global reach to foster support for human rights in the communities where it operates.

At WE, a professional services company with a highly skilled workforce, human rights take the form of non-discrimination personnel practices that promote equal opportunities and diversity, and a harassment-free workplace environment. WE is committed to creating and maintaining a safe, clean and healthy work environment, nurturing a supportive, inspiring and innovative culture, and providing professional development to improve employability and employment benefits to full-time and part-time staff to support health, wellness and quality of life for employees' professional and personal lives. For example, WE's compensation and benefits programs have many important components: base salary; 401(k) (U.S. employees); time-off programs, such as vacation and sabbaticals; health and income protection benefits; and the WE-Connect program (smartphone, broadband and data plan reimbursement opportunities). Many WE benefits are provided at no cost to the employee (for example: employee medical and dental coverage in the U.S.). Other benefits, such as additional life insurance and long-term care insurance, can be chosen based on family needs with associated fees.

Each year WE protects and supports human rights through financial contributions, employee engagement and volunteering, community relations, and pro-bono services geared toward a variety of social causes, in particular economic development, education and poverty alleviation (hunger and homelessness) with the goal of helping develop and sustain communities. In 2010, WE donated \$1.1 million to the community; this includes 5,040 volunteer hours carried out by employees during the work week using a corporate WE benefit. Also, WE partnered with Mercy Corps, Melissa Waggener Zorkin and the Batonga Foundation to carry out a three-year Clinton Global Initiative commitment to action, to promote the economic empowerment of a community of approximately 450 underprivileged entrepreneurial girls, women and their families in the Derashe and Konso districts of southern Ethiopia. In this example, WE recognizes the value of increasing the opportunities for women to succeed economically to promote human rights and community stability.



As a means of monitoring and evaluating the company's performance in the area of human rights, WE tracks employee satisfaction, rates of injury and absenteeism, and the number of work-related injuries and fatalities. The company has not registered any fatalities or injuries in 28 years of business. In addition, the company tracks donations (monetary and time-based) to charitable organizations and commits to donating up to 1 percent of its total fee revenue to the community each year.

LABOUR

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; and

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.

Integrity, respect and a sense of responsibility are the building blocks of interactions between WE's leadership, employees and stakeholders; these are the values on which WE's solid reputation is built. WE is composed of a highly skilled group of knowledge workers. All WE employee contracts state the terms and conditions pertaining to employment and provide for the parties' rights to terminate the employment relationship (general procedures associated with departures are posted on the corporate intranet site). Forced and compulsory labor issues are not material risks to our business. Equally, WE has not identified any risks for incidents of child labor.

As of July 1, 2011, WE operates 16 offices in nine countries including, but not limited to India, Republic of China, Singapore, South Africa, United Kingdom (U.K.) and the United States of America (U.S.A.). WE supports the right of employees to exercise freedom of association and collective bargaining. WE employees in Paris, France, are subject to a collective bargaining agreement, under the country's national collective governing body (La Fédération SYNTEC), which applies to all employees of engineering, IT and consulting firms. WE's business expansion strategy and process involves assessing local and national laws and norms to ensure compliance to, adherence to and support of local cultures and labor laws.

Creating and maintaining a safe working environment is a priority commitment for the company's management and leadership. WE has an Emergency Response and Business Continuity (ERBC) team, which is made up of 15 global representatives from the legal, operations, communications and technology services, and human resources departments, and acts in support of all employees. The safety committee



is small compared with our entire employee population, but its work affects employees at all levels in all offices. The team provides comprehensive planning for employee safety, communications and business needs, especially in the event of a crisis. A primary goal of ERBC efforts is to educate WE employees about how to respond to a wide range of crisis events, including personal injury, severe weather, natural or manmade disasters, or infectious disease outbreak. Information and resources about maintaining a safe and comfortable workplace and how to respond to local emergencies are accessible to all employees via the SafetyNet site, which is housed on the corporate intranet.

Attracting and retaining a diverse and engaging global workplace is critical to our business. At WE, we commit to creating a diverse workplace where differing perspectives, experiences, lifestyles and cultures are embraced and respected. Our business requires it, our clients expect it — and we all benefit. WE has seen the value of bringing in fresh ideas and approaches to our work through broad and diverse hires. WE measures the outcomes of its diversity commitment by monitoring its year-over-year employee population based on age and gender. The information is published in the company's annual corporate citizenship report, which has been published every year since 2008.

WE measures the outcomes of initiatives associated with labor rights by setting goals and measuring initiatives' success against the goals. For example, WE measures participation rates in mandatory employee training about policies and procedures concerning labor rights. In 2010, 85 percent of U.S. managers (257 employees) completed 2 hours of workplace harassment training; the result met the goal outlined at the beginning of the year. The training was targeted at all U.S. managers with at least one assigned direct report. The training program provided both education and increased awareness of workplace situations.

ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies.

WE is committed to integrating sustainable business practices into the company's operations; contributing economically and socially to society while respecting and helping conserve natural resources; and being accountable for our actions. Since 2008, WE has published a corporate citizenship report and measured its annual carbon footprint with the goal of identifying material aspects of its business and ways to continually reduce or minimize its impact on the environment and increase cost efficiencies. In 2010, WE achieved a 7.9 percent reduction in its Green House Gas (GHG) emissions from its 2008 baseline. WE



has a continuous record of incremental improvements of its environmental performance in the areas of travel and commuting, paper use, energy management, and waste and recycling.

WE has proactively been working to reduce its environmental footprint by making smarter procurement decisions, investing in technology, and educating employees and encouraging behavioral changes that translate into actual reductions in carbon emissions. The company is committed to making continued investments in communications and remote access technology, which is available to all full-time employees to avoid unnecessary travel, and to stabilize and ultimately reduce the most material areas of the company's environmental impact, namely travel and employee commuting. In 2009-2010, the company rolled out Microsoft Office Communicator to all employees, enabling them to stay connected and communicate by linking messaging, email, calendaring, voice mail, videoconferencing and webconferencing in one interface.

As a professional services company, WE incurs the largest portion of its overall carbon footprint as a result of business travel, which accounts for 43 percent (1,689 metric tons) of the company's overall carbon emissions. For WE, travel is to a large extent unavoidable, primarily to serve clients and meet bottom-line targets and business goals. WE has a travel policy for all WE employees in the United States and Europe when traveling on behalf of the company or clients. The policy states that employees should consider alternatives to travel as a first option to accomplish a business task; in instances where it is the optimal means of travel from both a time and cost perspective, employees should travel by rail; and when webconferencing will not meet the company or client business needs, employees should consider planning longer, more productive trips, in which they can meet with multiple clients or individuals to help eliminate the need for several short trips and to positively reduce the carbon footprint.

WE's environmental policy is accessible to employees from the corporate intranet. The policy applies to all employees and operations of Waggner Edstrom Worldwide, including wholly owned subsidiaries, for which we have financial control. All employees are requested to understand their responsibilities for environmental compliance and management, and comply with the intent of this policy and the environmental laws and regulations relevant to their positions. WE's policy states that the company will:

- Comply with all applicable laws, regulations and internally-established environmental practices
- Communicate the company's environmental position, and provide guidance and resources to engage employees
- Promote sustainability by conserving resources in conducting its operations, giving consideration to sustainability in the procurement of products and services that it purchases and provides
- Seek opportunities to continually improve its ability to identify, measure and control the environmental impacts of its business and operations
- Support open and constructive dialogue on environmental issues with engaged stakeholders

WE measures the outcomes of its efforts by setting short- and long-term goals and initiatives in the areas of travel and commuting, paper use, energy management, and waste and recycling to improve its performance record and increase efficiency. Environmental sustainability initiatives are supported and carried out by business leaders in each region, who are held accountable for the outcomes, which are tracked by the corporate citizenship team. The corporate citizenship team regularly communicates with



business leaders and employees to educate, inform and inspire positive actions, and conducts an internal survey among employees to measure engagement initiatives and solicit feedback.

WE conducts a carbon footprint assessment for each calendar year. The results of the assessment are available in the spring of the following year. In 2010-2011, WE has committed to designing and implementing a revised work-from-home policy (to maximize remote workplace productivity); conducting energy baseline measurement exercises for personal computers, servers and productivity tools in conference rooms and datacenters in the two largest U.S. offices; signing at least one of WE's European offices up to purchase renewable energy in 2011; and transitioning to purchasing 50–100 percent post-recycled content paper in all WE offices by the end of 2011, as part of its annual corporate citizenship business plan. More details about environmental sustainability initiatives can be found in the corporate citizenship reports published at <http://waggeneredstrom.com/about/cr>.

ANTI-CORRUPTION

PRINCIPLE 10

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

WE is committed to working against corruption in all its forms, including bribery and extortion, and is committed to being in compliance with all relevant laws in the countries where it operates.

Integrity is one of the company's corporate values, and this drives all actions and decisions that WE makes: being honest and authentic in the services that the company provides, in the quality of the work and in the relationships that we hold. This is particularly important as a professional services company where our employees have an active role in facilitating discussions and disseminating information between a wide variety of stakeholders on behalf of clients, including but not limited to media, bloggers, customers, and nongovernmental organizations. WE leadership and employees are committed to acting with integrity in their dealings with clients and stakeholders, as well as being transparent, truthful and substantiated in the agency's communications, while honoring the confidential agreements between and proprietary rights of the company and third-party clients and vendors. Since 2001, WE has been a member of the Council of PR Firms, an organization dedicated to advocating for and advancing the business of public relations firms. WE is committed to the [Council's Code of Ethics](#) and statement of principles.

Waggener Edstrom adopts and promotes its guidelines to avoid insider trading to protect the agency and employees from the serious penalties that can result from violations of U.S. federal securities laws. Each employee is advised of his or her responsibility for ensuring that he or she does not violate federal or state securities laws or the agency's policies and for the compliance of employees' immediate family and



personal household members, including any account over which employees have investment direction or discretion.

The company is currently working to develop a comprehensive Code of Conduct policy. WE's legal team is equipped to respond if corruption, including extortion and bribery occurs. Within the annual commitment window there have not been any recorded incidents of corruption involving WE employees, clients or stakeholder relationships; therefore no actions were necessary. The company has a disciplinary procedure in place should such a situation arise. Information about the handling and process of dealing with anti-corruption matters would be managed under the guidance of Human Resource Business Partners, who are assigned to every practice or business group. Information on this matter is published on the corporate intranet's human resources page and is accessible to all employees.

ABOUT THIS REPORT

This report serves as Waggener Edstrom Worldwide's first Communication on Progress to the United Nations Global Compact; it will be published on the Global Compact website and the Waggener Edstrom internet site, <http://waggeneredstrom.com/>. The report highlights relevant initiatives and progress between January 1, 2010, and July 2011.

WE publishes its Corporate Citizenship Report every year. WE will publish its 2010 corporate citizenship report after this Communication on Progress has been published. WE uses the Global Reporting Initiative (GRI) guidelines as a basis for its report. Based on GRI's Sustainability Reporting Guidelines, we self-declared the 2009 report to be GRI application level B+.

Please visit <http://waggeneredstrom.com/about/cr> to learn more about the company's corporate citizenship initiatives.

ABOUT WAGGENER EDSTROM WORLDWIDE

Waggener Edstrom Worldwide (WE) is a global, integrated communications agency. For more than 25 years, the independently owned firm has developed strategic communications programs for innovative and world-changing clients, working to influence markets, inspire people and improve lives. PRWeek US named WE an agency to watch in its Editors' Choice 2010: Who to Watch list and presented its PR Innovation of the Year 2010 award to WE for its twenz™ application. The Holmes Report also named WE its 2010 Technology Agency of the Decade. In 2009, WE was awarded Best PR Agency in North America by International Business Awards and Top Place to Work in PR by PR News. The agency has more than 800 employees in 16 offices around the world, and its Global Alliance Network expands the agency's reach to more than 80 additional international markets. WE has seven global practices: Analyst Relations, Consumer, Corporate, Healthcare, Public Affairs, Technology and WE Social Innovation, along with its WE Studio D™ digital strategies group. To learn more, visit <http://www.WaggenerEdstrom.com>.