

# RESPONSIBLE BUSINESS

## Introduction

The Group recognises the impact of its business operations on a diverse range of stakeholders, including our employees and the wider community.

This report outlines the Group's approach to responsible business practices and details some of the activities that we have undertaken in 2015. We remain dedicated to growing our business and delivering shareholder value while maintaining an uncompromising stance on unethical practices, products or organisations.

Our approach reflects the diverse, independent operations of the Group and each business implements these practices in a way that is appropriate for them.

## Our ethics

Our overriding aim is to continue to build and support a culture which values openness, accountability and disclosure.

Our Code of Ethics is published on the Group's intranet and all employees have access to Group policies and Bribery Act training via a dedicated policy management system. Each employee is responsible for upholding the principles and practices set out within it. All employees have access to an independent whistleblowing hotline which enables them to voice any concerns without risk.

Before accepting work that may pose an ethical risk, employees are required to seek advice from the responsible person or committee in their company and/or division. In certain circumstances the decision is referred to the Group CEO, who makes the final decision.

Huntsworth seeks to comply with all applicable laws and respect internationally recognised human rights standards in every location in which we operate. We aim to make a positive contribution to human rights through the clients we work with, our choice of suppliers and our own HR policies and practices.

## Our people

The experience, knowledge and creativity of our people is integral to the success of our business. We have in place employment policies and practices that enable us to attract, retain and develop our talent and ensure that the Group retains its market-leading position.

## Diversity

We actively deploy recruitment policies and practices which enable us to attract the widest possible sources of talent into our business, which develops an inclusive culture.

All employees are recruited, appraised, trained and promoted on the basis of fairness, professional competence and contribution. We do not discriminate directly or indirectly against any individual on the basis of gender, marital status, race, nationality or ethnic origin, religion or belief, age, sexual orientation, disability, pregnancy or part-time or full-time employment status.

The Group's equal opportunities policy is designed to ensure that disabled people are given the same consideration as others and enjoy the same training, development and prospects as other employees.

In terms of gender diversity, as at 31 December 2015 women accounted for 38% (29) of executive management, 57% (65) of senior management and 65% (1,028) of total employees. There are currently two female Non-Executive Directors on Huntsworth's Board. The Board understands the benefits of boardroom diversity and its aspiration and expectation is to maintain the proportion of women on the Board to at least the current level, while maintaining flexibility to ensure that all appointments are made on the individual's ability and competency to fulfil the requirements of the role.

**Training and development**

We aim for all employees to receive an appraisal and performance evaluation at least annually to assist them in their career development. The Group provides access to a number of training initiatives which enable our people to develop skills which will support our businesses' development and strategy.

Each of our Group companies also operates their own internal training programmes to keep staff up to date with developments in their sectors and provide additional skills in areas such as people management, leadership development, client management and international client director training.

Training programmes include a mixture of externally and internally facilitated courses. A number of our businesses allocate a mentor or coach to support personal development, perform appraisals and identify training needs. Our talent management programmes aim to recognise our best talent through both monetary incentives and providing additional development opportunities, for example through secondments into other areas of the business.

**Communication**

The Group makes use of its intranet as a communication tool and each division also has its own intranet site and communication tools which deliver specialised information and tools which enable our people to work effectively and keep in touch with local news and developments.

Employees have opportunities to attend international conferences on matters of significance to their division as a whole. On a local scale, regular meetings are held between local management and employees to facilitate employee involvement in decision making and businesses performance.

**Health and wellbeing**

The Board recognises the need to maintain a safe and healthy working environment for all employees. Each business is responsible for ensuring that they operate in compliance with Group policies and local health and safety legislation.

The Group deploys policies and practices which assist its employees in achieving an appropriate work/life balance, including policies on parental, maternity and paternity leave, emergency time off and, where applicable, flexible working practices. Initiatives to promote health and wellbeing vary by company and include:

- flexible working is promoted through a range of schemes including work-from-home schemes and flexible starting times and flexi-hours;
- flexible benefits packages allowing employees to take their entire package as remuneration or opt for a range of benefits, including private medical insurance, staff pension schemes, life assurance, childcare vouchers, cycle-to-work schemes, discounted lifestyle vouchers or extra holiday days;
- employee assistance programmes which provide confidential advice and counselling support across a range of areas; and
- measures to promote a healthy working environment for employees, including on-site facilities for breaks, provision of showers for employees who wish to exercise in lunch breaks or cycle/run to work, provision of fruit and healthy refreshment options.

**DIVERSITY**

**38%**

of executive management are women

**57%**

of senior management are women

**2015 GENDER DIVERSITY**



**Our work**

We apply our sustainability principles across all of our operations and wherever possible we make use of technologies that enable us to limit our environmental impact. Employees are trained in video-conferencing and webinar facilities, with virtual meetings being conducted where possible. When travel is the only option, public transport should be used where possible.

Many of our businesses have developed specific sustainability, Corporate Social Responsibility and ethical business practices, where we work with our clients to develop, manage and communicate their sustainability and corporate responsibility activities. We work with various 'not for profit' and government organisations to tackle issues relating to the environment and to raise awareness of social issues.

**Community**

The Group recognises its responsibility towards the communities in which its businesses operate. In support of our communities, Group businesses throughout the world organise activities for staff to raise money for charity as well as offering pro bono support to non-profit projects, helping to raise money and awareness for good causes.

We support our employees in participating in volunteering and fundraising activities. Our businesses have supported a wide range of charities through the year through organising and participating in events. The Group also makes formal contributions to charities. During 2015, the Group donated over £13,000 to 40 different charities around the world.

**Environment**

The Group recognises its responsibilities to conserve resources and is committed to continuous improvement in the environmental impact of its operations. Due to the nature of our businesses, the Group does not have a high environmental impact. Our principal impact arises from energy, paper and water consumption.

**Greenhouse gas emissions**

During 2015, we have measured our greenhouse gas ('GHG') emissions from our global operations. The Group measures GHG emissions based on financial control boundaries, so that all operations which are consolidated as subsidiaries in the Group's financial statements are included in the measurement exercise.

We have identified the following key activities as being within the GHG reporting requirements:

- Scope 1: Natural gas, company cars, on-site fuel consumption and refrigerants;
- Scope 2: Purchased electricity, heat and steam.

At present, Scope 3 activities, including business travel, are excluded from the reporting scope.

We have identified GHG emissions per employee as the most appropriate KPI for the Group.

We have collected data from offices across the Group. We have followed the 2013 UK Government Environmental Reporting Guidelines and used emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2015. The results are presented in the table on page 25.

**COMMUNITY**

The Group donated over

**£13,000**

to 40 different charities around the world

In some offices in the Group's portfolio, electricity and heat charges are included in the office rental charges and therefore information on the exact amounts consumed by those particular businesses is not available. In these instances, we have calculated an estimate based on the size of the property being let and usage data from similar properties. In addition, it has not been practicable to measure the Group's emissions from refrigerants, although these are not expected to be significant.

#### Actions

A network of Employee Champions promote positive environmental actions around the Group. We aim to minimise energy and water consumption, through encouraging staff to switch off electronic appliances and using electricity generated from renewable sources.

Paper wastage is minimised through promoting reuse, use of electronic communications and using paper from sustainable forests. By recycling, the Group's UK businesses together saved the equivalent of 693 trees and 72 tonnes of CO<sub>2</sub> in 2015.

## GHG EMISSIONS

We are pleased to report a reduction in our carbon emissions this year, as a result of the consolidation of our property portfolio.

|                             | <b>Tonnes of<br/>CO<sub>2</sub>e<br/>2015</b> | Tonnes of<br>CO <sub>2</sub> e<br>2014 |
|-----------------------------|---|--|
| Scope 1                     | <b>38</b>                                     | 46                                     |
| Scope 2                     | <b>1,800</b>                                  | 2,108                                  |
| <b>Total GHG emissions</b>  | <b>1,838</b>                                  | 2,154                                  |
| Average number of employees | <b>1,577</b>                                  | 1,603                                  |
| Emissions per employee      | <b>1.19</b>                                   | 1.39                                   |

RED

# PROVOKING THOUGHT, PROVOKING ACTION



## Our brands

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**red**

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**SHINYred**

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**Red Consultancy** develops and manages campaigns, runs major press offices and steers brands and businesses through engagement with media, consumers, customers, stakeholders and internal audiences within the UK and beyond.

From its Soho base, **Red Consultancy**'s offer of strategic counsel with flair and creativity is at the heart of its core appeal for clients. The agency's ethos of 'work hard/play nice' is central to building long-term relationships.

The agency's services span media relations programmes aimed at building awareness to targeted experiential events and from launches to re-positioning. Campaigns are planned around

a complete spectrum of activity reflecting the increased demand for integrated communications which see traditional media relations combined with the development of digital assets backed by targeted media spend.

The agency's social media arm, **Shiny Red**, is the longest-standing dedicated offer of its kind in the UK.

**Red Consultancy**'s clients include: McDonald's, Johnson & Johnson, Emirates, Activision, Samsung, Adobe, Nestlé and Boots.

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**£12.8m**

Revenue

**20.3%**

Operating margin

**8%**

Group revenue

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## CASE STUDY

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Red Consultancy ensured the launch of Activision's highly anticipated Call of Duty: Black Ops III, the world's biggest entertainment franchise, hit headlines across mainstream media as well as gaming press in November 2015.

An action-packed event culminating in a two-hour livestream showcasing the new game was created, with Red managing all logistics, on-the-night media opportunities and coordinating over 500 guests including media, celebrities and YouTube influencers.

Content for use across traditional and social media channels was created pre-event to build momentum, along with interviews with celebrity Call of Duty

ambassadors. Further social media amplification and media interview opportunities took place during the event. The livestream was hosted on mainstream websites including The Sun and Daily Express and was awarded a Guinness World Record for the 'most watched video game launch broadcast'.

The launch generated hundreds of launch features and reviews across print and broadcast media as well as high engagement across social media channels.