

miltoon

Miltoon Group

United Nations Global Compact

Communication on Progress Report

December 2018 – November 2019

To our stakeholders,

Miltton is an ambitious, forward-looking consultancy, equipped with a unique range of skills and tools to help our clients succeed in the global marketplace and be relevant, responsible members of the society. Our integrated services range from corporate communications, advertising and public affairs to leadership development and strategic sustainability consultancy. We support our clients in developing their sustainability agendas and related communications, corporate culture, and stakeholder engagement, as well as integrating sustainability into the core of their business strategy.

I am pleased to confirm that Miltton reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption. Miltton joined the Global Compact in 2015 and this is our fourth Communication on Progress report.

This report describes our policies concerning the Global Compact's Ten Principles and how we implement and monitor them in practice. We aim to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations, as well as our client work. We have also made a commitment to share this information with our stakeholders.

This report covers all subsidiaries of the Miltton Group. We operate in Finland, Sweden, the Baltics, Belgium, and the USA, and many of our clients operate globally. The head office and majority of our employees are in Helsinki, Finland.

We at Miltton have another year of growth behind us. We finalised the acquisition of the Swedish digital creative agency House of Friends and extended our operations in Estonia by acquiring the communications agency JLP Communications. As a result of our continuous growth in recent years, one of our main goals for the future is to integrate our work between different offices and subsidiaries even further. One of the steps already taken is the ongoing process for defining common Miltton values.

A further significant action in 2019 was moving to new premises in Helsinki. These premises enhance our work environment by offering more diverse workspaces suitable for the needs of our employees, clients and growing company. More environmentally conscious solutions have also been implemented when designing and building the premises.

Mathias Järnström

Managing Director of Miltton Group

Helsinki, Finland

29th November, 2019

Table of Contents

Human rights.....	4
Assessment, policy and goals	4
Implementation.....	5
Measurement of outcomes	6
Labour	7
Assessment, policy and goals	7
Implementation.....	8
Measurement of outcomes	8
Environment.....	9
Assessment, policy and goals	9
Implementation.....	10
Measurement of outcomes	11
Anti-corruption	12
Assessment, policy and goals	12
Implementation.....	12
Measurement of outcomes	12

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.

Assessment, policy and goals

Miltton is committed to high standards of ethical conduct and complies with all applicable national and international laws and regulations. Miltton operates in Finland, Sweden, Estonia, Belgium, and the USA, which are all welfare countries with advanced legislation in terms of human rights.

According to Maplecroft's Human Rights Risk Index 2016, all operating countries apart from the USA are among low risk countries. The USA is scored as medium risk. None of the operating countries are scored as high or extreme high risk. Therefore, the immediate risk for serious human rights infringements in Miltton's operating countries can be seen as reasonably low. Nevertheless, human rights must be considered in our daily operations and client work.

The Miltton Group's Code of Conduct sets out our commitment to ethical business practices and defines the standards and behaviour expected from every employee. It was last updated in February 2018 and includes guidelines on human rights issues such as equality and non-discrimination, good working conditions, responsible sourcing, and respecting legislation. The code also states that employees have the right to refrain from work that compromises their personal ethics or beliefs.

Miltton has also defined a more detailed equality plan, which aims to ensure that every employee is treated alike. More about the equality plan and its implementation under Labour.

Given the nature of consultancy work and seasonal fluctuations, the work can be strenuous at times. Thus, the main people-related risks in our operating model are related to stress and overtime hours. To address this risk, Miltton adopted "Miltton Care", a Finland-wide approach to employee wellbeing in early 2018. The approach sets out an Early Support Model for identifying and addressing occupational wellbeing related issues and aims to prevent any serious incidents. The approach defines roles and responsibilities of different parties, provides advice for line managers and employees, lists early warning signals, and suggests courses of action. While Miltton Care has currently been adopted in Finland, other countries are supported by HR in similar matters.

Miltton also aims to support parenthood and proper work-life balance where possible.

Miltton requires its business partners, subcontractors, and suppliers to comply with all applicable laws and regulations but encourages its partners to strive beyond legal compliance. Miltton has set a Supplier Code of Conduct, outlining our expectations on ethical business conduct and how suppliers manage their social and environmental impacts. Suppliers are responsible for respecting and acting in accordance with the code and reporting any incidences or concerns regarding non-compliance they may be aware of.

As a company, we continuously work to improve our social impact. We also aim to address and advance human rights topics through our client work. Milton supports clients in the planning and implementation of their sustainability work and related stakeholder engagement and communications, as well as corporate advocacy related to human rights themes such as equality and non-discrimination. Milton also engages in pro-bono work to advance societal causes. Milton's pro bono partners include, but are not limited to, actors such as the United Nations Technology Innovation Labs UNTIL that seeks to promote the achievement of the Sustainable Development Goals and other UN mandates through emerging technology.

Implementation

All new employees sign Milton Group's Code of Conduct as an attachment to their employment contract. All employees are also requested to read and approve the Code of Conduct whenever it is updated, most recently in spring 2018. Employees shall respect and follow the code in their daily work and report any incidences of non-compliance they may be aware of. The ultimate responsibility for legal compliance lies with the Managing Director of each subsidiary.

In the event that an employee's job appears to contradict the code or they become aware of a breach of the code, employees shall immediately alert their superior or HR. If an employee wants to report or disclose a matter in confidence, there is also an anonymous whistleblowing channel available. In case concerns are raised, those are thoroughly investigated, and actions taken accordingly. If an employee has been found to have acted against the code, the employee's contract may be terminated.

The new Milton Care approach was shared with all employees in Finland in spring 2018 and has since then been in active use in managing and supervising work and in supporting the personnel's coping with work. Line managers receive group and one-on-one training on the Early Support Program and how to support their teams in work planning and resourcing. Milton aims to engage proactively in preventing psychosocial stress. Each employee is requested to record working hours and encouraged to openly discuss their workload with their supervisor. Recorded working hours are monitored on a monthly basis by supervisors, who engage in frequent discussions with the employees and are responsible for taking action in case of early warning signals. Milton also arranges regular opportunities for informal one-on-one discussions with HR and provides comprehensive occupational health services for employees in Finland, including specialty doctors such as psychiatrists and physiotherapists. Although Sweden does not have statutory occupational health care, Milton intends to broaden its occupational health care to employees in Sweden in accordance to the local legislation. In all operating countries, Milton complies with relevant laws and regulations related to occupational health and safety. Milton's People Team, dedicated to continuously developing Milton's working culture, addresses possible concerns together with the supervisors and occupational health services.

Milton conducts an extensive occupational wellbeing survey annually and additional pulse surveys quarterly. In the year 2019, Milton has adopted a new employee survey tool. With the survey, Milton collects direct feedback from its employees, maintains practices that are perceived to work well and gathers information on targets for improvement.

In 2019, all operating countries were covered by the surveys. All countries and units who have more than 5 respondents receive country-/unit-level results, which are shared with employees via face-to-

face meetings and virtual channels. Milton's People Team prepares action plans together with team and unit leaders based on the findings and any other feedback from employees.

Milton undertakes various actions to support parenthood. In Finland, where the majority of employees are located, Milton goes beyond legal minimum requirements by providing full salary for the first three months of maternity leave and by offering the opportunity to work 60% upon returning to work. Paternity leaves are also fully paid for 54 days. Milton also aims to support work-life balance by enabling flexible working hours, remote work, and bringing one's child to work if needed.

Milton's Supplier Code of Conduct should be attached to every supplier contract.

Measurement of outcomes

Milton's Code of Conduct is a standard attachment in every employee contract. Milton has not been involved in any legal cases or other relevant incidents related to the contravention of the Global Compact Human Rights Principles. No human rights offences have been reported via the whistleblowing channel.

As part of the Milton Care approach, supervisors and HR regularly monitor working hours and engage in open discussions with the employees and take action accordingly. The approach seeks to prevent and detect factors that threaten work ability, making it possible to respond constructively and provide effective solutions at an early stage.

The findings from Milton's annual and quarterly employee surveys and other feedback channels are used by the People Team to plan measures for improvement. Senior management monitors the fulfilment of these measures.

Employee survey results and related actions, as well as other internal development initiatives, are shared with the employees via various channels. For example, Milton organises monthly updates, where every employee is invited, representatives of senior management are present, and open discussion is encouraged. Video recordings of the events are streamed for off-site employees and relevant information is also shared via Slack channels. In addition, general and topic-specific internal briefings, heads-ups, trainings and Q&A sessions are organised.

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.

Assessment, policy and goals

Miltton is committed to high standards of ethical conduct and complies with all applicable national and international laws and regulations, including those relating to wages, salaries, working time, freedom of association, and other labour topics. Miltton operates in Finland, Sweden, Estonia, Belgium, and USA, which are all welfare countries with advanced legislation in terms of labour practices. Due to the nature of business and Miltton's operating countries, the risk of child or forced labour is relatively low.

The Miltton Group's Code of Conduct, last updated in 2018, covers topics related to labour, including but not limited to, freedom of association and non-discrimination. Miltton does not employ child or forced labour, nor will the company tolerate working conditions that conflict with international conventions and practices. In Finland, Miltton annually participates in work practice programs (TET) organized for high school students. These are unpaid, 1-2-week periods where students have an opportunity to be introduced to working life.

Miltton believes and understands that diversity and inclusion are key to good business: for us, our clients and the world we live in. Diversity should be actively promoted and measured, and no one should be discriminated against because of their age, gender, ethnicity, nationality, language, religion, views, opinion, health, cognitive abilities, disability, sexual orientation, family situation or any other personal attribute. Organisations must also create a space where diversity can fit in. Miltton has an internal working group and discussion channels for diversity and equality, where all employees are welcome to participate. Whenever this group develops ideas or suggestions, Miltton aims to put those ideas into practice.

Miltton has set an equality plan, which sets out our commitment and serves as a tool for everybody who works at the Miltton Group to promote equality actively and systematically. Once the final analysis of the recent employee survey comes in, Miltton will examine the need to update the equality plan. The Miltton Group is a member of the Finnish Business & Society (FiBS) and its Diversity Charter Finland.

As a company, we continuously work to improve our social impact. Miltton aims to set a good example for our clients. As an employer, Miltton focuses on providing a great working environment where equality and respect for each employee and ethical behaviour are key factors.

Implementation

All employee information is recorded and maintained in Milton's employee register. Every new employee signs the Milton Group's Code of Conduct as part of their employment contract. All employees are also requested to read and approve the Code of Conduct whenever it is updated, most recently in spring 2018.

Superiors are responsible for implementing labour legislation correctly in the workplace. If a supervisor or an HR & Administration Director observes irregularities, it then becomes their responsibility to intervene. Concerns can be raised directly with supervisors and HR or via anonymous whistle-blowing channels. Any issues raised are thoroughly investigated and actions taken accordingly.

Milton's employment contracts have not been negotiated with a trade union. There are various trade unions to choose from in our industry and employees may join any union they prefer. Milton promotes freedom of association and has encouraged employees to use their right to assemble. There is currently an ongoing application and election process to appoint an employee representative in Finland. Workplace safety representatives have also been appointed and regular, open discussions take place between management and employees via different channels. Milton aims to communicate to all its employees openly, collectively and simultaneously. The management of Milton is strongly committed to practicing open communication towards employees.

Milton selects and promotes employees based on their qualifications and merit, without discrimination or concern for race, religion, national origin, colour, gender, sexual orientation, age, disability, or any other personal attribute. Milton's Equality plan goes beyond gender equality and is based on a baseline survey conducted in 2016. Milton regularly reviews the need to update the Equality plan.

Comparison on salaries by gender is conducted twice a year and shared with employees at monthly meetings and via other virtual channels. In 2018, Milton also introduced unisex toilets at its Helsinki headquarters and this policy continues in our new Helsinki premises. All open positions are posted in English in order to reach non-Finnish speakers, and English is also Milton's official language in internal communications. Part-time work and flexible working time are offered as a possibility to promote work-life balance in different life situations. Career advancement opportunities are promoted to all employees equally, and proper briefing and mentoring are provided to new employees. Employees are also free to decline work that conflicts with their personal ethics and beliefs.

Milton also aims to promote diversity and non-discrimination in our client work and pro-bono projects.

Measurement of outcomes

Milton has not been involved in any investigations, legal cases or other events related to offences against the Global Compact Labour Principles. No serious offences have been reported via the whistleblowing channel.

In 2019, 62% of the Miltoon Group's employees are women and 38% are men. Senior management (heads of country operations including the Group managing director) has 50% women and 50% men. The average age of all personnel is 38 years and varies from 22 years to 64 years. Based on Miltoon's bi-annual salary comparison studies between genders, there are no major differences in women's and men's salaries for equal work, and variations may change in either direction. We are discussing findings bi-annually with the whole organisation.

Both women and men are well represented in all of Miltoon's age groups except for one. We notice a continuous decrease in the number of junior male applicants, which is affecting the share of the youngest male employees, and the overall balance between genders.

In addition to regularly monitoring the representation of women, men and non-binary persons, Miltoon is aiming at increasing representation of other marginalised minorities.

Milton conducts regular employee surveys for its employees to find out possible topics of concern. Miltoon listens to this feedback and takes action based on the findings. Senior management and the People Team set relevant targets on topics important to employees, share these with supervisors, and monitor implementation and the follow-up of goals. In 2019, no serious concerns were raised regarding equal treatment via employee surveys.

Based on the results of Miltoon's latest extensive employee survey, employees feel Miltoon has a working environment where "you can be yourself". This specific part of the questionnaire received the highest scores. Employees also feel that Miltoon has a lot of professional colleagues, freedom to work regardless of time and place, and meaningful work assignments. Fair salary and perks and development opportunities received the lowest scores from the latest employee survey, and these are the themes that will be in the focus of Miltoon's People development work during 2020.

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.

Assessment, policy and goals

As a consultancy, Miltoon does not use substantial amounts of natural resources. Due to the nature of our business, however, our company utilises resources such as electricity and computers, and relies on paper and printed products, among other office items.

The secure printing system at the new Helsinki premises is more environmentally friendly as it is based on logging on with one's personal key card, which removes the issue of accidental or unnecessary prints and wasted printing paper. Also, the new premises provide more advanced technology for setting up online meetings, with further technology for arranging remote meetings to be taken into use at the beginning of 2020.

Employees travel regularly to other offices and to meet clients, although travel is mostly short-distance. Catering is also arranged for client meetings and events. Conserving natural resources and supporting their sustainable use are therefore relevant for us, too.

While Miltton does not have a Group-level written policy for environmental management, the company aims to function in an environmentally friendly way, and some measures have been taken to reduce environmental impacts.

According to the Code of Conduct, in Miltton's client work, all communication must be honest, truthful and accurate. Transparency and truthfulness benefit all sides. Miltton avoids whitewashing and greenwashing in communications and advises clients against doing so. We demand that claims are based on facts and will not knowingly produce work that contains statements, suggestions or images that are false or misleading.

As a company, Miltton continuously works to improve our environmental impact, with an aim to set a good example for our partners and clients. Miltton has also set a Supplier Code of Conduct, outlining our expectations on ethical business conduct and how suppliers manage their social and environmental impacts.

Implementation

At our new Helsinki office, we have an electricity contract for 100% green energy, which is produced with wind power, and have taken measures to reduce our energy consumption. For example, we use energy saving settings as default in our computers and printers, and heating and air conditioning are used thoughtfully. In our other offices, energy is also consumed thoughtfully and, for example, low-energy consuming lighting is used, and employees are encouraged to turn off unnecessary lights. At the new Helsinki premises, the lighting has been implemented with LED lights in order to reduce energy consumption. The lighting works with motion detectors and is switched off automatically in the late evening.

Miltton aims to strike a balance between consuming necessary office supplies and making our workplace more sustainable. For example, it is not possible to cut out printing entirely in our business, but Miltton can choose its printing settings and paper type. All our printing paper is eco-certified and printer settings are set as two-sided and black and white by default. Only ecological detergents are used by our cleaning companies in Helsinki and Stockholm. Miltton favours a courier that has invested in electric cars.

As Miltton regularly hosts client meetings and events, we also have an impact by choosing sustainable products and food supplies for the offices. Miltton favours organic fruits, smoothies and coffee, and local products at our meetings. We provide only vegetarian food for meetings at the Helsinki office, unless otherwise requested.

Our employees are recommended to use carpool, hold client meetings via Skype, and use public transport for getting to client meetings if routing and schedules allow. New employees have been encouraged to use public transport and shown how to claim expenses from public transport tickets.

All Milton offices aim to sort and recycle their waste thoroughly, and the execution is partly dependent on the possibilities offered by our office properties. Offices in Estonia, Sweden, Brussels and the USA, are small consumers and generate only little waste. In Brussels, employees are encouraged to drink filtered tap water instead of purchasing plastic water bottles. At our new Helsinki premises, we have added several recycling options that our previous premises did not support. At the Milton House it is possible to recycle paper, biowaste, plastics, carbon, metal and glass. Our IT and print partners recycle electronics and all printer colours etc. material needed for printing.

Milton's Supplier Code of Conduct should be attached to every supplier contract. Many of our suppliers favour environmentally friendly packaging materials and e-invoicing to reduce their environmental impacts.

We also help our clients understand their impacts and stakeholder expectations for environmental responsibility and develop their environmental work and communications accordingly.

Measurement of outcomes

Milton has not been involved in any legal cases or other relevant incidents related to the contravention of the Global Compact Environmental Principles.

Milton does not separately monitor environmental indicators at Group level. At our new Helsinki office, we have made an electricity contract for 100% renewable sources and at our Stockholm office, 100% of the energy consumption comes from renewable sources. Other offices also favour electricity companies that provide renewable source options.

All printing paper at the Helsinki office is eco-certified and only ecological detergents are used by our cleaning companies in Helsinki and Stockholm

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, policy and goals

Miltton and its employees shall never offer, give, ask for, accept, or receive any form of bribes. A bribe occurs when someone attempts to influence a decision by offering some form of undue or improper advantage, favour, or incentive. Anti-corruption is addressed in Miltton's Code of Conduct and the Conflicting Interest Governance Guidelines. Insider trading is also prohibited and covered in our Employee Manual.

Transparency International's Corruption Perceptions index 2016 scores countries by their risk of corruption, 0 standing for 'highly corrupted' and 100 representing 'very clean'. According to this study, all of Miltton's operating countries score at least 70 points, with Finland scoring 89 points (and placing third highest globally). Therefore, the likelihood of corruption in Miltton's operating countries can be seen as reasonably low and in Finland and Sweden, very low.

Implementation

Miltton complies with laws and regulations, and does not accept any illegal or morally questionable activities in any measures. In public bidding processes, the company plays by mutual rules and acts as openly as possible in the situation.

All employees sign the Miltton Group's Code of Conduct as part of their employment contract. Employees shall report any incidences of non-compliance they may be aware of directly or via anonymous whistleblowing channels. In the event that an employee's job seems to contradict the code or they become aware of a breach to the code, employees shall immediately alert their superior or HR. Concerns raised are thoroughly investigated and actions taken accordingly. If an employee has been found to have acted against the code, the employee's contract may be terminated at the discretion of the management team.

Due to the nature of our industry, Miltton organizes various smaller and larger events throughout the year. All event services must be reasonable and not excessive. At times, Miltton facilitates and invites clients to off-site events, but in these cases transportation and accommodation are not covered by Miltton. Miltton does not offer gifts to its partners, but instead presents possible honours and testimonials through contributions to charitable organisations.

The use of confidential information in insider trading is strictly prohibited. Miltton has an insider register that prohibits Helsinki employees from providing sensitive information about our clients to any media or buying or selling shares during the period we possess critical information.

Measurement of outcomes

Miltton has not been involved in any investigations, legal cases or other relevant events related to offences against Global Compact Anti-Corruption Principles. No offences have come to light via the whistleblowing channel.