

WRIGHT COMMUNICATIONS SUSTAINABILITY REPORT 2018

WRIGHT
COMMUNICATIONS

DOING THE RIGHT THING

ABOUT THIS REPORT

This is Wright Communications' inaugural sustainability report, covering the period to December 31, 2018. It has been prepared using Global Reporting Initiative (GRI) Standards: core option.

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THE 'WRIGHT' WAY

After producing sustainability reports for our clients since 2007, Wright Communications is taking a big step for a PR consultancy and producing our own sustainability report for others to measure us by. Our inaugural report reflects our continuing commitment to help companies 'do the right thing' using our public relations and strategic communications expertise, especially in Corporate Social Responsibility (CSR).

That said, we also provide full-service communications support to a wide range of organisations, from New Zealand SMEs to multi-national companies, local government bodies and charitable organisations. With our team of 11 plus our external suppliers we have impressive combined experience, which means there's not a lot we haven't seen, and not a lot we can't do.

Like all agencies, we offer a broad range of consulting services, from strategic communications and public relations planning to media relations, training and monitoring, social media strategy, sponsorship and awards leverage. Through all these we aim to guide companies along the transformative path of CSR. We do beauty. We do high-tech manufacturing. We do legal. We even do surf life-saving. But the one thing that we do that makes us different is helping clients do the right thing.

We're proud to have kept our profitability and revenue steady year-on-year since 2006. And although we've grown in number and expanded our offering into the consumer realm, we've stuck to our structure of small, dedicated client teams and mostly senior consultants, which means we have become trusted advisors to clients, which ensures consistent, quality outcomes for them.

While our core business remains corporate communications with a speciality in CSR, over the last 12 months the growth in brands inquiring about our services has led to the establishment of a consumer team of three. This was largely based on the development of an affiliate relationship with Sydney-based consumer agency Forward. The consumer side of the business now represents about 35% of total billings and is steadily growing.

In the coming year we will be focused on consolidating our CSR niche, growing our consumer offering, and retaining and continuing to add value for existing clients. This means 'walking the talk' and we are committed to being carbon neutral by 2019, as well as partnering with like-minded businesses. We'll also be reviewing our supply chain and looking for further ways to reduce our carbon footprint, and developing our own Sustainable Procurement Policy.

We're proud that at the heart of it, Wright Communications continues to be an agency based on our core values of *Genuine connections*, *Delivering exciting work*, *Having each other's back* and *Doing the right thing*, coupled with an unwavering commitment to our niche in CSR. This sets us apart and opens the door for a diverse range of work and a happy team.

I'd like to take this opportunity to say a massive thank you to my insanely talented team and valued clients. It's a pleasure working in a profession where we learn so much about a huge range of industries. The one thing we cherish above all else is the one-on-one relationships we enjoy with each and with every one of you. Thank you for continuously challenging us.



A handwritten signature in black ink, appearing to read 'Nikki Wright', written in a cursive style.

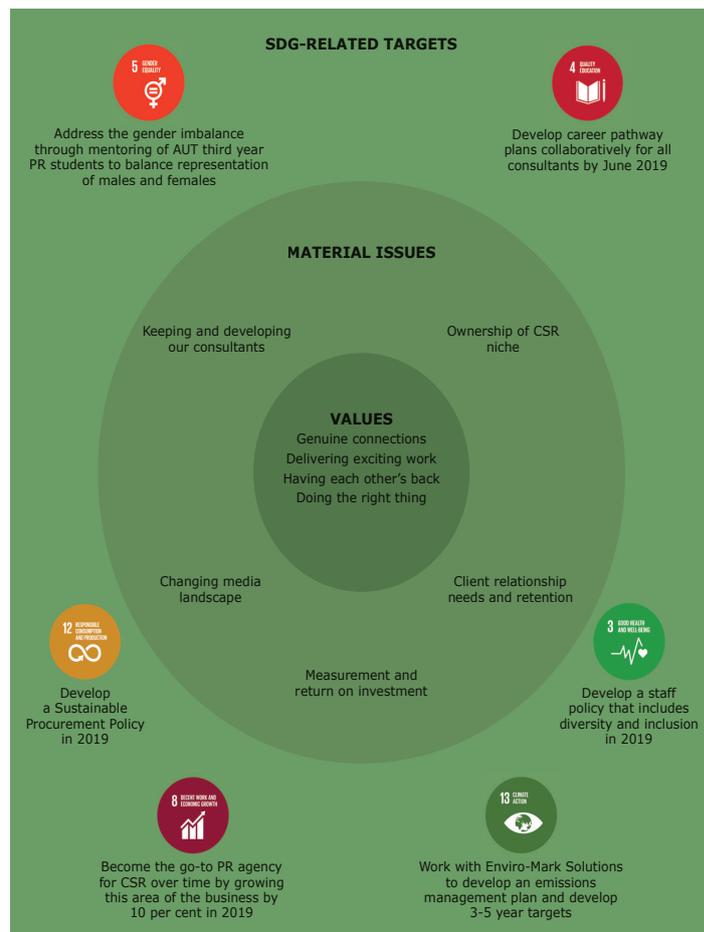
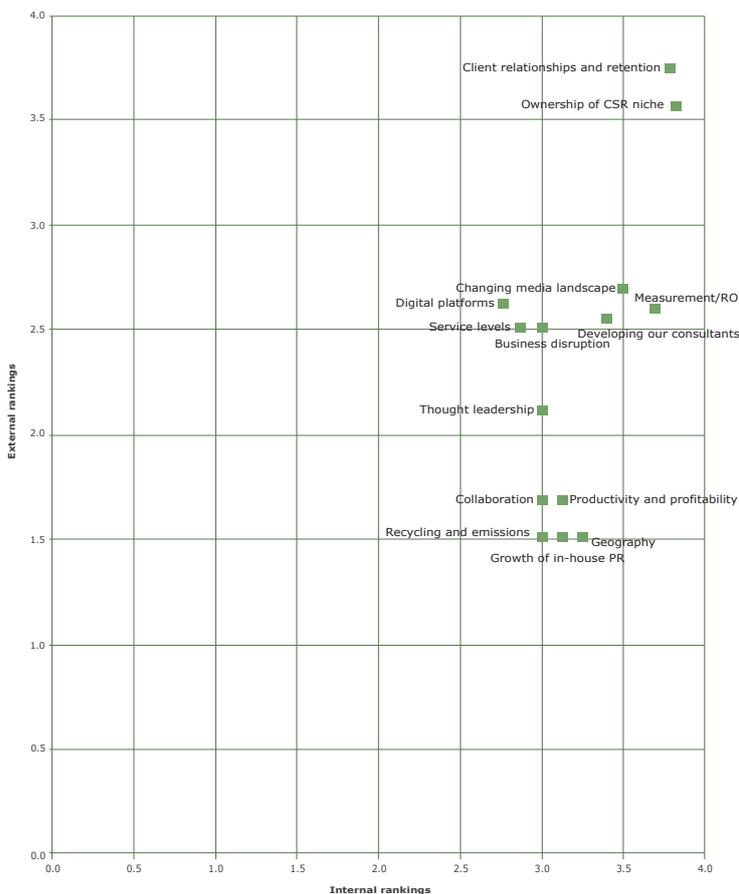
Nikki Wright

Managing Director

Wright Communications

WHAT MATTERS MOST

Wright Communications' material topics



This year we have done our own materiality assessment to guide our inaugural sustainability report. We've spoken to staff, clients and suppliers through focus groups, surveys and interviews to flush out what they think the issues and opportunities are for us. It was an incredibly valuable process for us, not only for this report, and we appreciate everyone's involvement in helping inform our business and sustainability priorities.

Our top five interconnected material topics are reflected in the structure of this report, starting with Ownership of the CSR niche. It's where Wright Communications set itself apart from its competitors early on, and it has become increasingly important for a number of our clients over the past 12 years. During that time, we have worked with some of New Zealand's largest businesses on projects including CSR strategies, community investment reviews, sustainability reports and materiality assessments. It's a drawcard to Wright Communications for many, but now there are also others claiming expertise in this field.

For our first sustainability report, Wright Communications has moved beyond mapping the Sustainable Development Goals (SDGs) set by the United Nations, to relating them meaningfully to our business strategy in order to use them to build our organisation's sustainability culture. We've taken our values and material topics and committed to some tangible, real-life targets that relate to the SDGs. These are reflected in the diagram above, and throughout this report as targets related to each of our topics.

PR'S PLACE IN THE WORLD

While some worry about the future of PR, I'm more confident than ever that this is its moneyball moment. Attending the #PRovoke18 conference in Washington DC hosted by The Holmes Report this year left me inspired and confident about PR's place in the world right now.

Organised by the authoritative voice of the global public relations industry and attended by more than 350 international senior PR practitioners, the quality of the speakers was excellent and provided plenty to be positive about.

We heard from major marketers that half of all advertising dollars are wasted. We know PR is much more cost-effective but, more than that, CEOs are becoming brand spokespeople. Since PR practitioners are already working closely with the CEO on reputation management, we're well positioned.

Procter & Gamble's Chief Brand Officer, Marc Pritchard, widely viewed as the world's most influential brand leader, was clear that he believes mass marketing is being disrupted and PR can accelerate that disruption. It's high time for the PR industry to come together to innovate on measurement systems.

And that's the key, isn't it? How we measure PR's impact matters more now than ever before. We need to link our efforts to reputational scorecards. But we also need to find a way to impress the sales team. If we're truly going to capitalise on this moment in time, we have to be able to prove PR's impact.

"Today Gen Z, Millennials, and even Boomers want to know what brands believe in, the people behind them, their values, and points of view on relevant issues like equality and the environment," Pritchard said, "And they make choices based on others advocating for a brand – not a paid sales pitch."

I agree with what Pritchard says in terms of taking advantage of disruptive forces sweeping the traditional marketing industry, that our PR industry needs to take four actions:

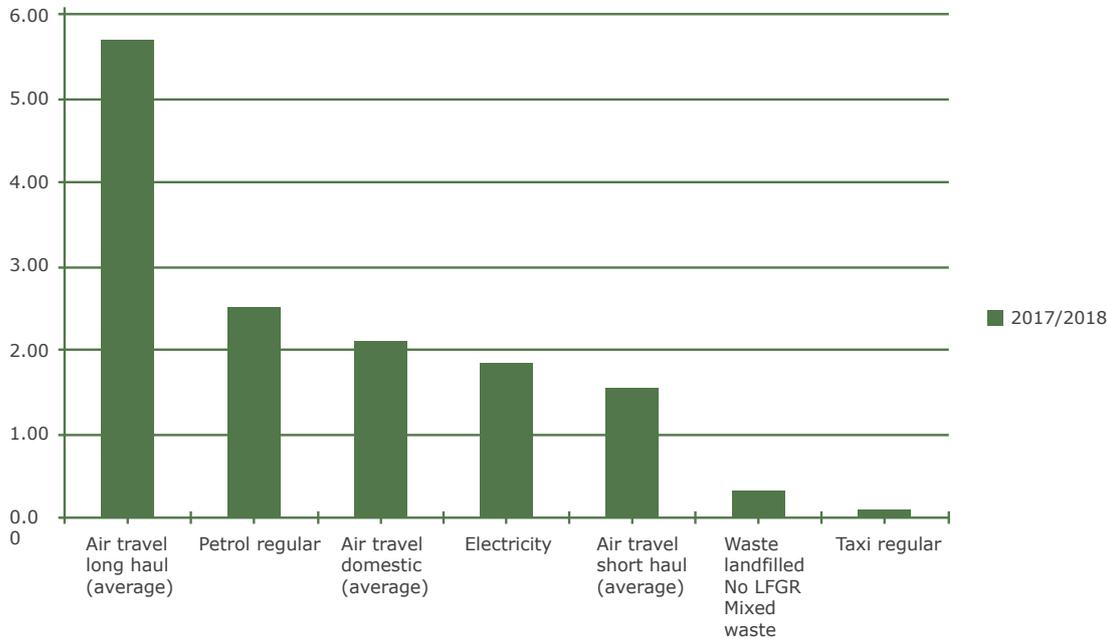
1. Innovate on data and analytics to achieve mass word of mouth on a one-to-one basis.
2. Innovate on measurement to get visibility on who's being reached.
3. Innovate on content and work through influencers.
4. Join forces to be a force for good and a force for growth.

While traditional advertising declines, we see the rise of digital media and e-commerce. Doing less 'push' advertising has led to more 'pull influencing' through 'talkable content'. Think about a world with zero ads – instead, building partnerships with professional content creators to drive engaging experiences with consumers.



OUR CARBON FOOTPRINT

Total emissions (tCO₂e) by source



Enviro-Mark helped us measure the organisational footprint of our Greenhouse Gas (GHG) emissions for our financial year, to March 31, 2018, so we have a benchmark to set some targets around in the coming year. These figures have not been verified yet so we don't officially have our carboNZero certification, but we will in early 2019. Incidentally, the consultancy attained carbon neutral certification in 2008 and then again in 2013. Over that time, we have checked in to ensure our carbon intensity is not increasing despite our growth.

Unsurprisingly, we are a business with low emissions – only 14 tonnes – and even though we will offset all our direct and indirect emissions considered more than minimal, we are committed to cutting them even further. We're pleased that this is similar to our 2012 figure of 13 tonnes, which considering the increased size of our organisation from seven FTEs to 11 FTEs is positive for our carbon intensity.

Wright Communications has measured through Scope 1, 2 and 3 covering its direct and indirect emissions. Eighteen per cent are in Scope 1, 13 per cent in Scope 2 and 69 per cent in Scope 3, which covers mandatory emissions from other indirect sources due to the activities of our organisation.

Our greatest source of emissions for the measured period (40 per cent) were from long haul air travel, but to put this in perspective this was one return flight to the United States. This, along with domestic air travel (15 per cent) and short haul air travel (11 per cent) - which is largely due to clients Toyota in Palmerston North and Meadow Mushrooms in Christchurch, as well as our associate Forward in Sydney - will be reduced by more use of technology, such as telephone and video conferencing, where possible.

Our regular petrol use (18 per cent) covers our three hybrid company vehicles, and also includes 12 months of daily commuting from the North Shore in to Auckland City for the consultancy's Managing Director. To understand how to reduce this further next year we will be tracking the use of 98 versus 91 octane petrol. In conjunction with this we will be considering how to cut down our already limited use of Corporate Cabs or Uber vehicles.

This year in the office we have moved to Method Recycling, the leaders in helping workplaces divert waste from landfill to make a visible difference. It's easier to separate waste and means we are also now recycling all soft packaging. This occurred after our carboNZero audit so we are expecting even lower waste to landfill in the coming year than the current two per cent.

This should be the same for our electricity (13 per cent), as we are moving to provider Ecotricity, New Zealand's only carboNZero certified company, which purchases from wind, hydro and solar generators the same amount of electricity it supplies to customers on an annual basis. In 2019 EnviroMark will help us put in place an emissions reduction plan to reduce and mitigate our impacts, in addition to offsetting.

OWNERSHIP OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) NICHE

Wright Communications has penned sustainability reports for companies including world-class businesses Air New Zealand, ecostore and Toyota. Our first report was for innovative private courier business Urgent Couriers, titled 'Proof of Delivery' and over the last decade a range of worthwhile reports have been produced for retailers, manufacturers, primary producers, energy companies and technology businesses. Each report is unique and authentic to the client's company and has honed our skills.

Over the years our expertise has expanded from the GRI Standards to the Integrated Reporting Framework and we now use either or a combination of both, such as for OfficeMax and Moana New Zealand over the past year, depending on our clients' strategic approach to annual reporting. Essentially, we love partnering with leaders in sustainability and helping them craft their story.

These are the kind of stories that matter to us, and we dedicate our time, effort and public relations and strategic communications expertise to also do this in the not-for-profit sector.

We're also proud to have provided our storytelling skills to causes that we care about, and serve the community with heavily discounted professional fees for those working on campaigns that strengthen the fabric of our society, environment and cultural diversity - preventing suicide, domestic violence, child poverty, drownings at our beaches and helping people identify environmentally preferable products and the symptoms of coeliac disease. This year the consultancy has contributed \$180,000 to charitable storytelling.

In addition, our flagship pro bono project that started in 2014, the Annual Review of the State of CSR, which last year explored the potential impact of the Sustainable Development Goals on business, attracted more participants and more downloads than any past report.

We are confident that our commitment and experience in the CSR space will ensure we reach our goal of being THE 'go-to' agency for CSR in this country by 2020.



MOANA NEW ZEALAND INTEGRATED ANNUAL REPORT



Wright Communications suggested its retainer client Moana New Zealand, the country's largest Iwi-owned fishing company, produce its first Integrated Annual Report in 2016 and with Wright Communications' help it has produced one each year since.

Integrated Reporting (IR) fits with its values as a Māori company and it wanted to make a commitment to and show how it lives those values, not only to its shareholders, but to the people of New Zealand who have an interest in the industry and use of shared resources. The commitment to IR brought sustainability to the fore for the company, and resulted in it revisiting its business strategy to reflect that. A valuable part of IR was gathering the views of its partners and stakeholders through a materiality process. It identified what was most relevant, but also resulted in better engagement with staff and stakeholders alike.

CLIENT RELATIONSHIP NEEDS AND RETENTION

At Wright Communications we count client retention as one of the stand-out achievements of the firm, and an ongoing challenge for a business like ours. We pride ourselves on our understanding of client needs, the value we add, and the deep relationships of mutual trust and respect that have been created.

Our clients have been incredibly loyal to us and enjoy the depth of connection they have with their respective account directors. Our structure is quite unique in that we do not operate a typical hierarchy. Our consultants are 'senior doers' and collaborate on creative ideas and problem solving with their peers and clients.

We choose to primarily operate a retainer model – as well as undertake key projects - which means we can afford to be proactive. And while we operate a sliding scale of charge-out rates for most clients and services, we proudly offer pro bono services for charities and a reduced rate for all public-sector and not-for-profit organisations.

Our two local government experts undertake ongoing work for ATEED and our in-house automotive expert has won several awards in his field.

Wright Communications has 21 monthly retainer clients. Of these, 10 have been with the consultancy for four years or more, including:

- Toyota / Lexus – 11 years
- Wainhouse Distribution – 11 years
- Colmar Brunton – 8 years
- Corporate Cabs – 8 years
- James & Wells – 8 years
- Presbyterian Support Northern – 6 years
- Environmental Choice New Zealand – 5 years
- Moana New Zealand (formerly Aotearoa Fisheries) – 4 years
- Niue Tourism – 4 years
- Surf Life Saving Northern Region – 4 years

Our almost 12-year client/supplier relationship with Toyota has seen us work with them on communications planning, product launches, sponsorship leverage, issues management, social media influencer management and sustainability storytelling.

"We have become true business partners and it has been professionally challenging, rewarding and inspiring. To see up-close how one of the country's most successful businesses conducts itself and treats its people, partners and suppliers is incredibly motivating for a small business owner like myself."

Nikki Wright



JAMES & WELLS



Presbyterian Support
Northern



ADDING VALUE FOR GLOBAL WOMEN

In mid-2017, Global Women engaged Wright Communications to raise its profile and that of its Chief Executive Officer, Miranda Burdon, through media coverage. We developed a relationship with the Global Women team based on a comprehensive understanding of its mission and objectives, and a deep level of confidence and trust. Over the past year our remit has continued to develop and we now support Global Women in many different ways.

We have created content for its revised membership collateral, helped create brand and membership videos, regularly contributed to strategic planning, campaign development, issues management, website copywriting, and event planning for both Global Women and its affiliate, Champions for Change.

Highlights this year include providing support to manage media partnerships around Global Women's One Day for Change, International Women's Day and Inclusion Research events, resulting in extensive, widely-read coverage in New Zealand's major media outlets, STUFF and NZME.

We also took over Global Women's social media pages for almost a month while it was resource-stretched. Strategies were tested to increase followers and engagement on its Facebook, Twitter, LinkedIn pages and clicks through to its website. We exceeded targets for Twitter and LinkedIn over that time and also provided Global Women with a roadmap for ongoing social media growth and engagement.

CHANGING MEDIA LANDSCAPE

It is a challenge for us and everyone in PR to keep up with trends in order to provide maximum insights to clients on how to convey their messages most effectively. With increasing redundancies and re-purposing of people in mainstream media, including community newspapers as a result of sharing material and growing digital platforms, strong placement in the right place is increasingly important.

The challenge into the future for PR will be that these growing digital platforms allow for greater personalisation of consumption, contributed to by Artificial Intelligence (AI). Many smartphones have AI capabilities now that support decisions people make across their day. By curating choices or responses to options people will only see information they choose, not necessarily what a client wants them to, through PR. The question is whether this will enable agencies like ours to have a greater or lesser influence in terms of setting the talking points and agenda that increase brand perception and reputation.

We are confident that AI is an augmentation of human capabilities, not a replacement of our functions by robots. And while we all need to have an understanding of this new landscape in order to give sound advice to our clients, we do not need to become expert technologists. We are still providing the strategic direction and crafting content to tell clients' stories, but in increasingly diverse ways.

For example, Information Foraging Theory suggests that in digital environments people follow similar strategies to get their information (prey). They look for cues in the environment (scent), which will lead them to a result the fastest and most efficient way. The role of PR is to lay a scent trail that is easily scanned and will lead people to the information we want them to receive. That's likely 'snackable' content and images across multiple platforms in order to get to more detail.

We keep up by sharing new research with the team, for example CIPR's research study into the impact of AI on PR. We also recognise that strategic counsel and client relationships will not be replicated, but that certain functions like reporting and data analysis is already automated and actually useful to free time up for more valuable work. We also partner with our clients that are looking to become early adopters of this new automated technology, for example with Toyota we are trialling TrendKite for measurement of PR's impact.

KEEPING AND DEVELOPING OUR CONSULTANTS

As a consultancy we have a corporate membership for PRINZ and the Code of Ethics is prominently displayed for internal and external awareness. This is a critical document for our consultancy as it stresses our role as professional advisors, one we take very seriously.

Our people are the lifeblood of the business and their personal and professional satisfaction is equally as important as that of our clients. They are an experienced, dedicated group with a comprehensive and diverse range of skills. It's another point of difference for us in the market, where agencies in particular often now have a high number of junior staff that frequently turn over. This structure makes for a stimulating, collaborative culture internally, which also delivers value to clients.

This year our consultant retention rate has been 75 per cent, reflecting the retirement of one of our very experienced account directors, John Coker, and two of our account managers moving on to other opportunities. We wish them all well and have enjoyed welcoming others into the team, who have slotted in seamlessly.

However, the right talent attraction and retention remain an issue for the business, and the industry as a whole. In our team currently, we have seven women and four men, and the average age of our consultants is 47. With regard to seniority, although our Managing Director is a woman and we have two other female Senior Account Directors, our two Group Account Directors and only other Senior Account Director are men.

Wright Communications also strives to create a healthy environment that stimulates staff and fits with their values as people. Our new office, which we moved into in April, has not only been designed to be more open plan and flexible in order to create more opportunities for interaction and collaboration, it has plenty of timber, plants and windows.

We used Ministry of Architecture and Interiors for the office fitout. They ensured everything was sustainably sourced or environmentally preferable, and in addition to LED lights throughout the office we have some David Trubridge pieces, which highlight the essence of environmentally responsible design. While we have always been conscious of purchasing sustainable consumables for the office, in the coming year we will develop a sustainable procurement policy.

"Balancing a vibrant, engaging and environmentally sustainable materials palette with cost effective and hard-wearing commercial products was a key design consideration from the outset. Sourcing FSC certified solid timber flooring and wall panelling, energy efficient LED lighting, carpet tiles with high recycled content and low emission laminates and ceiling tiles was key to the project's success."

Malcolm Ewart, Principal, Ministry
of Architecture + Interiors

Diversity of consultants

Ethnicity/nationality

NZ European/Pakeha	9
Samoa	1

Age

20-29	2
30-39	1
40-49	3
50-59	2
60-69	2

Wright Communications' consultants

Gender	No. of consultants	% of consultants
Female (Full-time)	4	40
Male (Full-time)	3	30
Total full-time employees	7	

Management positions

Gender	Number of managers	% of management
Female	1	33.3%
Male	2	66.7%

The fact that we have more females at a lower pay scale is reflected in our gender pay gap – our men get paid 23 per cent more than our women – but we do have equal pay for equal work. In the coming year, we will be focusing on creating a pathway to senior roles for women, as well as considering the value of increasing diversity at all levels through a number of targeted actions.

KEEPING AND DEVELOPING OUR CONSULTANTS (CONT.)

Recognising people for their work, both professionally and personally, is important at Wright Communications and there is a long-standing peer-nominated Reward & Recognition programme.

Wright Communications also embraces agile thinking and continuous improvement, which benefits staff and clients. A weekly Firestarter brainstorm is held on a different piece of business, and at our weekly Diamond and Coal session each consultant shares their highlights and challenges from the previous week to assist with shared learning.

A collective shared learning experience for all staff this year saw everyone undergo Umbrella resilience training, a corporate wellbeing programme that creates positive, productive and high performing workplaces. This fits with Wright Communications' ideal of empowering people in both their professional and personal lives.

It is important for our staff to be involved in Continuous Professional Development, and along with being committed to the PRINZ River programme, during 2018 a number have been involved in a range of activities including mentoring, judging and gaining new skills through relevant training. And while all staff have comprehensive job descriptions developed in line with PRIA's Professional Framework (and performance-based remuneration is reviewed annually with client satisfaction and staff feedback taken into consideration) more focus will be put on building career pathways for our people in the coming year.

- Simon Roche was an APR Viva Voce Panellist in 2017 and was invited again in 2018
- Megan West-Hill attended the Learning Lunch
 - Creative PR – stand out from the herd
- Nikki Wright spoke at the Northern Event 'How to run a PR firm (a.k.a. The ruthless application of common sense)'
- Ron Murray and Nikki Wright attended the Learning Lunch - Exploring the value PR brings to an organisation
- Nikki Wright attended the 2017 Awards Gala and Conference
- Anita Winterstein attended a PRINZ evening with Clarke Gayford – Managing the media and PR machine
- Ron Murray presented a webinar on Internal Communications
- Simon Roche mentored an APR candidate in 2018
- Simon Roche attended the PRINZ Senior Professionals Event
- Nikki Wright provided monthly mentoring for an emerging agency owner in Wanaka

Evidence of the quality of our work has once again been recognised through the PRINZ Awards in 2018, this time with being Highly Commended in the Medium-Large Agency of the Year category, despite being one of the smallest agencies in it.

At Wright we believe that it is true you're only as good as your last job, and our robust quality control process ensures every piece of content we produce meets our own standards of excellence and clients are comforted knowing the work is accurate and we care deeply about connecting their message with the intended audience.



KEEPING AND DEVELOPING OUR CONSULTANTS (CONT.)

PRINZ Awards Feedback from the Chief Judge: Wright Communications
– Medium to Large Runner-up

Wright Communications was last year's winner in the Small to Medium category. Strong growth has nudged it into the Medium to Large category where it is a very well-deserved runner-up this year.

Wright has a very clear idea of who they are. Corporate Social Responsibility underpins their approach to clients and informs their business ethos. They have seen a gap in the market and expanded the consultancy to add consumer PR into their offering, and have clearly managed this challenge well.

The CSR brand integrity and leadership has been maintained and challenged through the growth, and the judges commend Wright Communications for sticking to their values and brand proposition through these challenges.

All three case studies were clear examples of the management of reputation for organisations in serious moments of change and growth. The senior strategic leadership shown by Wright is a credit to these clients.

Wright practices what it preaches, with its values demonstrated in its approach to and care of staff.



MEASUREMENT AND RETURN ON INVESTMENT

We are committed to advancing the credibility of the industry by focusing on PR as a core measure of corporate reputation.

2018 marked the fourth year of our involvement with the Colmar Brunton Corporate Reputation Index. We fund 50% of the annual CEO event and the media relations around the results, including coordinating content for a two-page editorial spread in the National Business Review, with whom we have a long-standing media partnership.

We also co-ordinate New Zealand's participation in the Annual Review of the State of CSR (Australia and New Zealand) in association with the Sustainable Business Council, Massey University and Deloitte. 2018 marks the sixth year of this longitudinal study and in addition to contributing to questionnaire development and managing the PR for the release of the findings, Wright Communications also covers the hard costs associated with Dr Leeora Black's annual trip to New Zealand to present the results to interested companies.

Tied up with PR being a core measure of corporate reputation is how our impact is measured. At Wright Communications we are committed to burying Equivalent Advertising Values (EAVs) as a way of measuring public relations and communications performance once and for all.

We have taken the bold step of informing clients that we are moving away from measuring our worth using EAVs because it only takes into account a slither of what we actually do. Our strategies not only employ media relations, but increasingly stakeholder engagement, sponsorship management, internal communications and community outreach.

Certainly, we still need to clearly demonstrate how the dial is being moved as a result of our initiatives, but there are other, better, more professional ways to deliver and demonstrate tangible value. We are taking our lead from PRIA, who in 2017 produced a framework for measurement and evaluation that takes in the whole picture and provides a feedback mechanism, no matter what the activity.

It focuses on reporting the impacts of a programme or campaign beyond outcomes.

Its guidelines advocate aligning the communications and organisation's objectives at the start and making sure they are SMART, something we should all be doing anyway. However, it emphasises developing CSR communications objectives at this stage also to ensure a holistic approach.

There is a strong focus on research – having baseline qualitative and quantitative data - in terms of identifying stakeholders not just as targets for information, but during the 'inputs' stage of a campaign to understand their needs, interests and the channels they prefer to be reached through, and to develop positive and lasting relationships with them.

This makes complete sense though as evaluation needs to be conducted progressively – gone are the days in this media landscape where you produce a campaign roundup or report and pronounce a campaign a success or not. Learnings need to be taken along the way – especially in the digital realm - so that strategy and potentially tactics can be tweaked if need be to achieve the objectives and show the impacts.

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