

F R O S T  S U L L I V A N



Market
Insight

Traditional Corporate Responsibility is Out!

**BPOs Transforming Employee Engagement into a
Competitive Advantage**

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Introduction

This Market Insight will explore how large Business Process Outsourcers (BPOs) are redefining and expanding traditional Corporate Social Responsibility (CSR) to deeply engage their agents and employees within the local communities they serve. Much more than a company call for donating to a favorite charity, the focus is on employee voluntarism, feeding children, caring for the environment, day care, employee wellness, sports activities, blood drives and community support!

Readers will understand how these forward-thinking outsourcers are doubling down on their investments to transform employee engagement into a competitive advantage. This study will discuss the net effect and global impact of CSR on company culture, branding, efforts to lower agent attrition and increase customer satisfaction.

In preparing this report, Frost & Sullivan conducted interviews with executives from the following companies:

- Alorica
- Atento
- Qualfon
- Sitel
- Sutherland Global Services
- SYKES
- Teleperformance
- TeleTech

Please note that the insights and opinions expressed in this assessment are those of Frost & Sullivan and have been developed through our research and analysis. The expressed insights and opinions in this Market Insight do not necessarily reflect the views of the companies cited above. We sincerely thank these leading service providers for their insights, commentary and participation. The author of this study has travelled extensively to delivery sites, globally, and includes his personal observations and perspectives on BPO corporate social responsibility.

Frost & Sullivan has a global team of analysts and consultants, who continuously research a wide range of markets across multiple sectors and geographies. As part of this ongoing research, we identify companies that are true industry leaders, delivering best practices in what we term growth, innovation, and leadership (GIL). These companies have a keen eye to the future, and drive innovation that meets future needs before they become commonly visible. They are often the first to market with new solutions. These service and solution providers focus on delivering the best products and services at optimal prices to maximize customer value and customer experience. By doing so, they qualify as growth leaders in their respective industries.

Identifying such companies involves extensive primary and secondary research across the entire value chain of specific products and/or markets. Several of the companies interviewed for this Market Insight have recently been recognized with Frost & Sullivan Best Practice Awards.

The Corporate Social Responsibility Imperative

It is difficult to describe the excitement and passion with which BPOs approach their collective CSR initiatives, programs and discrete activities. BPO companies and their employees have a long standing history of philanthropic outreach, generosity and support of the communities in which they operate.

The Expanding Definition of CSR

One thing that we have learned in conducting research for this study, is that the definition of CSR has been expanding over the last 5 years. In the not-too-distant past, CSR was limited to charitable giving, in-kind donations and basic recycling programs. Although these elements are an important part of CSR, the overall definition and scope of CSR now includes the myriad ways that a company can have a positive impact on the world — people, organizations, communities, and the environment.

We asked for example, how does CSR affect people inside and outside of the company? Are BPOs building a sustainable business model that will contribute to the greater good? Are there CSR initiatives/ impacts that will enhance relationships with existing customers while attracting new clients? CSR is now trending in a direction that incorporates caring for each person professionally and personally so that CSR benefits the individual employee, the immediate community and the company.

Industry Challenges

Global BPOs today, believe that they have a fundamental obligation to help human society and our planet thrive. The challenge for them is this: Beyond charitable giving and employee voluntarism, how can they make an even bigger impact on engagement, agent retention, client relations and tenure? Can a BPO company balance its financial goals while supporting programs that have wide global societal impacts?

These are some of the issues that global BPOs are tackling under the umbrella of corporate social responsibility:

- Long-term employment opportunities
- Employee health and wellness
- Homelessness
- Employee academic development
- Carbon reduction
- Gender equality
- Global youth development
- Childcare
- Technology skills training
- Workforce diversity
- Spirituality
- Human rights
- Anti-corruption policies
- Mass transportation
- Higher education
- Sustainable business practices

The challenge of 'going green' in contact centers is part and parcel of an ongoing business imperative to shave operating costs, raise efficiencies and optimize agent effectiveness. Environmental benefits are important and companies want to be known for having green practices in place. However, at the end of the day, shareholders want business processes -including green ones - that contribute to value generation, brand awareness, growth of the customer base and profits.

As we all know, employee volunteerism is a critical component of CSR and environmental sustainability. The initiatives are wide-ranging; differing in maturity from company to company. This report will highlight individual company programs in the section entitled "Examples of Social and Environmental Programs" in order to demonstrate exactly what this new level of employee engagement looks like today. The readout may surprise you.

Market Drivers

Below are some the primary market drivers related to social responsibility and sustainability. These have been shared with Frost & Sullivan by BPO executives who are charged with managing CSR in their respective companies:

The Right Thing to Do. BPO firms have long been committed to being a critical part of, and giving back to, the communities in which they live and serve.

Transparency. Companies want to provide their investors, stakeholders, clients, prospects, suppliers and employees with a comprehensive view of CSR activities. This includes carbon-reduction initiatives, their global workforce and other mission-critical priorities.

Measuring CSR. Another trend that we witness is that companies are actually measuring CSR and sustainability activities. They are identifying what they want to accomplish in their mission, setting goals, and tracking how well they are doing to accomplish those goals. Ultimately, what gets measured gets managed.

Industry Leadership. Tier 1 BPO firms demonstrably support the communities in which they operate. They recognize their obligations to act responsibly, ethically and with integrity in interactions with all stakeholders; shareholders, associates, clients and even suppliers. These are also the ones that typically lead efforts to provide disaster relief aid around the world.

CSR and Strategy Integration. Company mission statements are taking on a greater responsibility in how the company and its people can contribute to the greater good. This can take many forms, but the key is that CSR is not just something that is added as part of what a company does, but ultimately becomes its purpose.

Socially Conscious Employees. Around the globe, BPO employees have joined forces with their companies to impact local charities that have a global impact. This raises the level of involvement and impact a company can have on a community. It also enables employees to directly contribute to causes that are important to them.

Shared Cultures. Employees, especially Millennials, are choosing to work for and stay with companies that embrace CSR. They want to be part of something larger than themselves and that contributes to the greater good. They aspire to work for companies that align with their values and their own purpose. Our findings indicate that clients are looking for a high level of CSR involvement when selecting and maintaining a relationship with BPO partner.

Customer Experience Impact. When BPOs have a greater purpose and care for their communities and employees, they create an inspirational business model that is successful and sustainable. Better employee satisfaction drives improved customer satisfaction.

Executive Sponsorship

Mission, Vision and Values

As global employers, BPO C-level leaders actively encourage all of their employees to give to charitable causes, volunteer time and energy, and act as good stewards of the environment. As you will see in the upcoming section dedicated to individual company CSR initiatives, the spotlight is on:

- Company Mission
- Company Values
- Corporate Social Responsibility Programs
- Environmental Conservation Efforts

At Qualfon, for example, CSR is not only aligned with company mission and values – it is synonymous with the mission and vision of the organization. Qualfon sees stewardship and CSR as absolute essentials in being the best BPO. The second part of its mission – making people’s lives better, is likewise implemented largely through CSR endeavors.

Employee Education

In almost every case, new employees receive a company orientation that includes Code of Conduct, safety rules, health, corporate security standards and CSR. The HR department and local managers typically cover the individual employee about the communal importance and potential impact of CSR involvement.

Examples of Social and Environmental Programs

Listed below, alphabetically, are examples of BPO CSR activities, programs and outcomes:

Alorica

Company Mission

“Create insanely great customer experiences.”

“We think serving customers is awesome. And that’s why, when it comes down to it, we really only do one thing — we make lives better...one interaction at a time. We fulfil our vision to make lives better by living our mission to create insanely great customer experiences – whether on the phone, through email, in a chat session, on social media or video - we’ve got you covered. It’s why we set out to deliver predictable, repeatable and sustainable performance as a partner to the world’s greatest brands every day.”

Company Values

Passion. Performance. Possibilities

Passion represents our eagerness to help others and solve problems.

Performance represents our commitment to deliver results.

Possibilities represent our desire to challenge the status quo, inspire creative thinking, and generate innovative ideas.

Corporate Social Responsibility (CSR) Programs

Making Lives Better with Alorica (“MLBA”)

MLBA is a non-profit 501(c)(3) organization dedicated to providing assistance to Alorica employees, their families and the people, organizations and communities who support them. This organization is not a subsidiary or owned by Alorica Inc.

MLBA generally assists individuals in crisis and emergency situations where they have nowhere else to turn to for assistance such as after disaster strikes, helping with costs associated with an unexpected illness, and many other emergency situations. MLBA also provides support to local organizations and communities that Alorica chapters reside in.

With chapters across the United States and internationally in the near future, funds are raised locally and local chapter boards determine how funds are distributed locally. Through MLBA, Alorica strives to make a positive impact in the lives of Alorica employees, their families and local individuals, communities and organizations. Employees can donate online, via payroll deductions or checks.

Unique Day Care Facility

In its site in the Dominican Republic, Alorica operates a Day Care center. This allows agents to bring their young children into the facility during working hours and saves the expense of babysitters or nannies. This is a huge employee benefit that this author has not seen duplicated in other BPO locations- anywhere!

AloriCares Veteran’s Initiative

An Alorica program devoted to recruiting and hiring active duty, veterans, service-disabled veterans and military spouses of the U.S. Armed Forces. We are grateful for their service and to show our gratitude, AloriCares offers a unique mentorship program, leadership and development certifications, and tuition reimbursements.

Environmental Conservation Efforts

Alorica continues to make great progress to infuse environmental responsibility as part of its business. Woven into its priorities is Alorica's passion for conservation awareness and action. Alorica's green initiatives reach across the organization in efforts to embrace an Earth-friendly attitude. Alorica actively looks for ways we can use materials and processes that conserve and preserve our resources.

Energy Savings Examples:

- Recycling programs in Alorica's global facilities recover paper, cardboard, plastic and metal, including beverage bottles and cans. Workstations and break rooms have recycling bins. Alorica has reduced the number of trash bins throughout the centers and have utilized larger ones throughout the production spaces. This encourages more awareness on recycling and consumption.
- Environmentally friendly cleaning products are utilized throughout its global locations.
- Metro Ride Share programs are available and promoted for use within metro areas.
- Green Vendors are utilized throughout Alorica's global locations.
- Alorica's more than 5,000 home agents greatly contribute to reduce carbon footprint. Work at home eliminates the need for lengthy and expensive commutes, reducing carbon emissions and gas usage. Also global use of phone, email and conferencing services reduces the need for corporate travel.
- Virtualized servers promote reduced size of equipment and servers, which also reduce the need for NOC size, power and storage space.
- Alorica is testing the performance of 75% and 100% recycled paper to improve its present use of 30% post-consumer content products.
- Earth-friendly measures are followed with facility build-outs and renovations. For example, by reusing post-consumer materials and recycling removed materials for a recent renovation, Alorica diverted 45,600 pounds of carpet from landfills.

Next Steps

Alorica is in process of determining its carbon footprint measurement and related measures to reduce it. The company will engage in an energy-saving electric and utility monitoring program (cuts annual spend 30%), consider LEED certified buildings as it expands, and engage in telecommuting where feasible.

Atento

Company Mission

“We make companies successful by guaranteeing the best customer experience for their clients.”

Company Values

- Commitment
- Passion
- Integrity
- Trust

Corporate Social Responsibility (CSR) Programs

As described in the CSR Annually Report (certified by GRI-G4 and according to the Global Compact initiative from the United Nations), the primary CSR activities for Atento for 2014-2015 were:

Active Participation With The Community

Chile, El Salvador, Guatemala, Mexico and Peru	Voces que Ayudan (Voices that Help): Atento volunteers work with non-governmental organizations collecting funds for solidary purposes.
Argentina	A Sun for the Kids: Together with UNICEF, more than 1,000 volunteers answered calls to receive donations for a televised marathon. The new telephone collection record showed a 49% total collection of UNICEF.
Brazil	Donation of 2,610 kilos of food, 8,980 garments, 8,009 toys, and 2,965 Christmas presents, all destined to people who are socially excluded, through more than 40 organizations and with the help of 126 volunteers.
Mexico	The donation of 2,500 school supplies for children in vulnerable situations; supplies and food to an animal shelter; toys, clothes, and cleaning supplies to civil society organizations that help people in vulnerable situations.
Peru	Magical Godparents: a Christmas volunteering program to give away toys and chocolate milk, that organizes a show for children of institutions near Ate y Callao (operation entities of Atento Peru), with volunteers from the company.
U.S.	Three campaigns to donate toys in Texas during the holiday season destined for children with low income. Donation of canned foods for homeless people together with the Salvation Army for Thanksgiving.

Environmental Conservation Efforts

All of Atento’s subsidiaries have implemented several initiatives to lower its corporate carbon footprint and minimize environmental impacts from operations. Listed below are some examples:

Brazil: Greenhouse Gases Inventory. Impact monitoring and compensation initiatives.

Peru: Green Contact. Monthly measurement of the carbon footprint from service activities in Atento Peru. The company compensates through the purchase of carbon bonds to contribute to the preservation of Amazon forests.

Peru: Do Your Part Campaign. In partnership with the Ministry of the Environment, Atento joined as a "friend of the weather" that gathered individual and corporate commitments in order to make Peruvians aware of the environmental impacts. This includes celebratory days to promote the environment (Earth Day, Recycling Day, Environment Day and Water Day).

Argentina and Uruguay: Since 2014, Atento has digitized the company magazine *Juntos* as well as employee payroll. All company printers are set up to print double-sided. It has a paper recycling program to benefit the Garrahan Hospital Foundation. Every year, approximately 882 kg of paper is collected, alleviating the destruction of 14 medium-sized trees.

Mexico: Intelligent Handling of Wastes Atento Program (MIRA). This includes recycling disposable materials and depreciated fixed assets, reforestation, and savings in electricity through energy-efficient lighting. Low usage toilets have been installed in order to reduce water consumption.

Concept	Indicator	Units	Quantity
Materials	Materials used per weight or volume	Kilos	11,331.8
	Percentage of materials used that are recycled materials	%	45
Energy	Internal energy use	Joules	2.77×10^{17}
	External energy use	Joules	1.16×10^{16}
	Energy use reduction	Gallons of fuel	7.5
	Energy intensity used	KW/h	1,210,986.12
Water	Water intake volume depending on source	m ³ /employee	6.89

Emissions	Direct greenhouse effect gas emissions (Scope 1)	Tons of CO ₂	9,324.866
	Indirect greenhouse effect gas emissions when generating energy (Scope 2)	Tons of CO ₂	886,664.09
	Intensity of greenhouse effect emissions	Tons of CO ₂	8,326
	Reduction of greenhouse effect gas emissions NO _x , SO _x and other significant atmospheric emissions	-	Emissions less than 4% of the total
Effluent and Wastes	Total spill of waters, depending on their quality and destination	m ³	107,702
	Total weight of wastes depending on type and treatment method	Tons	57,016

Qualfon

Company Mission

“Be the best BPO. Make people’s lives better”

Company Values

The acronym S.T.R.I.D.E.S. represents Qualfon’s seven company values:

- Service
- Teamwork
- Results
- Integrity
- Dignity
- Encouragement
- Spirituality

Company employees live by this system of shared values and use it as a framework for decision-making at all levels. At Qualfon, CSR is not only aligned with company mission and values – it is synonymous with the mission and vision of the organization. Qualfon sees stewardship and CSR as absolute essentials in being the best BPO. The second part of its mission – making people’s lives better, is likewise implemented largely through CSR endeavors.

Corporate Social Responsibility (CSR) Programs

The Mission Office is responsible for CSR and divides its efforts into five different pillars or programs that serve the entire person—the employee, the family member, and the members of the community:

- **Learn@Work.** Qualfon provides its managers, supervisors, and trainers with certification in adult learning techniques. The company offers courses on leadership and values through the Supervisor Academy, which also includes Six Sigma green belt certification. In 2014, Qualfon conducted training sessions with 13,253 participants. There were a total of 43,817 training hours attributed to these programs. The Leadership Readiness Certification creates a career path for agents and builds bench strength for the supervisor position.
- **Care@Work.** Qualfon is a caring family that strives to show empathy, compassion, and respect for all its members. One example is Qualfon's unique chaplaincy program among BPOs. It offers on-site community and fellowship activities. These interfaith activities foster care and respect, and help employees develop a strong personal foundation from which they can "pay it forward" when they feel so called, through Qualfon's CSR initiatives.
- **Give@Work.** Whether by getting their hands dirty or by rolling up their sleeves, Qualfon employees donate time and talent to build inclusive, economically empowered, and environmentally sustainable communities. Qualfon encourages, supports, and recognizes employees who volunteer in their communities. In 2014, almost 11,086 Qualfon employees contributed over 26,366 hours of service at more than 45 organizations in 4 countries. Specifically, Qualfon has participated in Habitat for Humanity (building and repairing structures for the homeless), Mano Amiga (a program that provides funding for education in poverty-stricken areas), Cuatro Cienegas (a Development Plan), Sacré Coeur TEFL certification and the Mahaica Girls Orphanage. Another example is Qualfon's milk subsidy program in Guyana, where milk is prohibitively expensive. Qualfon provides milk subsidies for children of employees and local orphanages, helping make nutrition more affordable. All of these programs and organizations foster responsibility, stewardship, and care toward local communities and individuals in need.
- **Fun@Work.** The main drivers are a sense of belonging, community, relationship, healthy development, and happiness to leverage, sustain, and transform work into a fun place to work. Examples include an annual music video contest and a variety of hobby and recreational development opportunities.

- **Communication@Work.** Qualfon promotes open and honest communication through various means and channels, including Town Hall Meetings and the Snap Shot Report, both of which focus on evaluating and improving CSR, among other topics. Other initiatives include a company mobile app and newsletters that help Qualfon keep open lines of communication.
- **Qualfon's Haven for Hope Contact Center.** This is a unique contact center that employs Haven for Hope residents and graduates. Haven for Hope is a place of hope and new beginnings for people experiencing homelessness. Qualfon operates the center, located in San Antonio, Texas. Qualfon hires qualified members of Haven for Hope who work alongside Qualfon's employees to provide service for Qualfon's clients and customers. Members are thoroughly screened, evaluated, tested and interviewed before employment. Haven for Hope members are employees of Qualfon and are trained by Qualfon to perform their job duties.

Environmental Conservation Efforts

- **Qualfon Guyana 10-Acre Green Campus.** Qualfon's newest facility in Guyana takes a very green approach and includes:
 - Onsite waste water treatment plant reduces waste water and ensures self-sustaining practices
 - Green building supplies reduce environmental impact of construction
 - A rainwater collection system reduces water consumption and ensures self-sustaining practices
 - Employee bus services reduce carbon
 - Planting of trees reduces carbon
- **Energy Efficient Lighting Program.** Qualfon's energy efficient lighting program ensures that the company builds or retrofits our contact centers with low energy LED lighting, sensors and other technology to conserve energy. Because LED lighting also produces less heat, it provides a reduction in energy use from the cooling buildings which traditionally consumes even more energy than the lighting system. Estimated savings from this program are greater than \$10,000 annually per center.
- **VRF HVAC and Energy Efficiency.** Qualfon installs an energy efficient HVAC system at all centers. The VRF HVAC systems use less energy because they are designed to provide exactly the amount of cooling needed for the current conditions, which means it runs less frequently and at a lower capacity. The VRF HVAC system is also designed to capture heat from the cooling process and reuse it in other areas that may need heating.

- Reusing Ink Cartridges. Qualfon refills old printer ink cartridges to reduce the need for new production and also reduce waste.
- Electronics Recycling. Qualfon reduces carbon by recycling computers and electronics rather than throwing them away. Every laptop recycled saves roughly 41 pounds of carbon emissions and decreases the environmental impact of obsolete electronics.
- Next Steps, Solar Panels. Qualfon is actively investigating the opportunity to place energy-saving solar panels on its contact centers.

Corporate Alignment: Qualfon Mission Index

Qualfon continuously measures its ability to make people's lives better. The Mission Index holds the company accountable for enriching the lives of employees, their families, and their communities. Specifically, Qualfon's Mission Index measures:

- Job creation
- Employee retention
- Employee engagement in humanitarian-related activities sponsored by Qualfon
- Employee satisfaction and opinions about the company

"The spirit of the company is our mission, and this is how we provide visibility into the achievement of our primary purpose."

—Roberto Sanchez Mejrada, Chief Mission Officer, Qualfon

Sitel

Company Mission

Keeping the promise of sharing outstanding experiences is how Sitel is helping the largest brands in the world retain and grow their customer base. Sitel combines knowledge sharing, global operational excellence, global strength and local flexibility with a 'people first' culture - a foundational framework to enhance the employee experience.

Company Values

Sitel's values include

- Accountability
- Excellence
- Integrity
- Open Communication
- Teamwork

These values, together with the 'people first' culture, fully embody Sitel's commitment to protecting universally-proclaimed human rights. As part of its commitment towards employees and solid business ethics, last year Sitel adhered to the UN Global Compact initiative and has committed to support and advance the 10 principles relating to human rights, labor, the environment and anti-corruption.

Corporate Social Responsibility (CSR) Initiatives

In the past couple of years, Sitel accounted for 480+ discrete activities related to CSR across the globe. This equates to an estimated 13,000+ hours invested in CSR. More than 50% of the activities are carried out on a regular basis (e.g. ongoing, annual, monthly, etc.), which shows that these activities have the potential to bring about more consistent impact on the communities in which it operates.

The most active region is the Americas (that includes Sitel sites in North, Central and South America) with 63% of the activities. This is followed by EMEA and APAC, with 28% and 9% respectively. The majority of the activities (63%) are initiated by Sitel, while about 25% of the activities are employee-initiated.

One fourth of the activities are "drives", in which Sitel employees are invited to actively participate by donating blood, clothing, food and other items to a local charitable organization. Some examples:

- Toys. Sitel Spain brings happiness every Christmas to 100 kids from a local church. In the last toy drive, Sitel Brazil collected 645 toys that were donated to more than 200 children assisted by 4 charitable organizations.
- Food. Sitel Brazil collected almost 1 ton of non-perishable food that was donated to an organization that assists children with cerebral palsy.
- Blood. Sitel India conducts regular blood donation camps.

- School supplies. Sitel India employees were able to collect in a single drive, 2,800 notebooks for children in schools in the rural area around Mumbai.
- Clothing. Sitel Germany recently collected clothes for the refugee population.
- Personal care items. Sitel U.S. regularly collects toiletries and personal care items to donate to the Armed Forces. Sitel Portugal employees donated baby care products to an orphanage.

Donations and fundraising efforts represent almost one-third of the activities:

- Monetary donations. Sitel Nicaragua supports several charitable organizations that help abandoned children with mental and physical disabilities or with cancer, severely burned, handicapped, underprivileged etc.
- Other donations. Sitel Colombia donated 40 computers to a charitable organization that helps orphaned children to develop vocational skills and Sitel Portugal donated 120 blankets to a homeless organization.
- Fundraising. Sitel Nicaragua employees took part in a fund-raising event to support their local charity partners, raising more than \$50,000.

Sitel employees regularly engage in volunteer activities that give them the opportunity to be closely involved with the assisted community:

- School Clean up. In the Philippines, Brazil and UK, Sitel employees volunteered to clean up and repaint classrooms in local schools.
- Relief work. In Sitel India, U.S. and the Philippines employees provided assistance to victims of natural disasters.

Environmental Conservation Efforts

Sitel encourages the use of technologies that improve efficiency and conserve resources. By providing employees with multiple conferencing options and collaboration solutions, Sitel is able to cut down on business travel; thereby reducing the company's carbon footprint.

In 2014 Sitel had 1,445 Work@Home employees and in the following year, this figure increased to 2,000+ agents. Consider this. An average of 268 gallons of gas is consumed per year by an average commuter in the U.S. Sitel's 2,000 Work@Home employees saved at least 532,000 gallons of gas in one year (approximately 4,700 metric tons of CO₂).

Examples of other smart energy actions that have been implemented in Sitel sites include:

- The use of motion sensors for lighting
- Low energy LED lighting,
- Scheduling of HVAC systems,
- Shutting down computers when not in use, etc.

Waste prevention and recycling are powerful ways to use less energy, reduce greenhouse gas emissions, and contribute to a healthy climate. Sitel sites have recycling programs in place to minimize the impacts from the release of harmful gases from landfills.

Sitel in Serbia operates in one of the few certified green buildings in Belgrade. The building has received the BREEAM certification that sets the standard for best practice in sustainable building design, construction and operation.

Through a formal savings and reduction program, Sitel Brazil sites were able to drop water consumption from 16,904,000 cubic meters in 2013 to 12,754,000 in 2014. This represents an almost 25% decrease in the amount of the water consumed.

Sitel's CSR Program is based on four Pillars: Associates, Business Ethics, Community and the Environment. Sitel established a global CSR Office in 2014 in order to:

- Mentor and develop future CSR leaders
- Leverage global best practices across its sites
- Further imbue the CSR principles into the Sitel company culture
- Create greater efficiencies and oversight for all related CSR activities

The Global CSR Office is responsible for defining the strategies that reinforce Sitel's CSR objectives, with the invaluable assistance of the country CSR Leads, who leverage the CSR program locally.

Sutherland Global Services

Company Mission

Since its inception in 1986, Sutherland has remained laser-focused on a single mission: to help its clients maximize their customer lifetime value and increase their competitive advantage by helping drive productivity and efficiency while delivering measurable results.

Company Values

- Clients
- Commitment to Our Communities
- Commitment to Diversity
- Entrepreneurial Spirit
- Commitment to Be Green

Corporate Social Responsibility (CSR) Programs

UN Global Compact

Sutherland Global Services is committed to working with the UN Global Compact to create a culture of integrity across its enterprise. This includes adopting universal principles on human rights, labor, environment and anti-corruption and taking actions to advance societal goals with a mission to create a sustainable and inclusive global economy that delivers lasting benefits to people, communities, and markets.

Community Outreach

Sutherland's global reach increases opportunities for volunteerism and productive partnerships around the globe. By reinforcing global programs with local initiatives, and by bringing corporate giving together with an individual effort, Sutherland and its employees directly strengthen the diverse communities that sustain its business. Sutherland established a global Charitable Mission Statement in 2007; to stand firmly behind causes and technologies which foster, support and assist in advancing Global Youth.

Investments in the Community

In the last three years Sutherland has extended its local community investment to more than \$250,000, supporting employee-enabled missions. Sutherland expects that number to grow substantially in the coming years.

Community Technology Centers

Community Technology Centers, established and operated by Sutherland, provide local communities with the chance to receive free technology skills training and the opportunity to earn a Microsoft Digital Literacy certificate. To achieve this, Sutherland has collaborated with Microsoft, a number of Non-Governmental Organizations (NGOs), and schools in India and local governments in the Philippines. The centers, located in Chennai and Kochi in India, and in the Tarlac Province of the Philippines, have trained over 4,100, 2,400, and 1,200 students respectively, and see increased participation year over year.

Sutherland Cares Program

Initiatives by the Sutherland Cares Program have enabled Sutherland to make a difference in areas of critical importance to individuals and their communities. Its charitable mission supports a wide range of beneficiaries including:

American Red Cross	Typhoon Relief	American Cancer Society
Mexican Red Cross	Autism Speaks	MADD
Canadian Red Cross	Canadian Heart & Stroke	Centro de Atención
Ronald McDonald House	American Heart Association	Integral al Anciano, A.C.
Mexican Cancer Society	Toys for Tots	Big Brothers Big Sisters
American Diabetes	United Way	Easter Seals
Canadian Diabetes	Open Door Mission	Children First
Mexican Diabetes	Make a Wish	Fundacion Luca

Supplier Diversity

Through its established diversity initiatives and Minority Business Enterprise (MBE), community membership, Sutherland Global Services has continued to develop inclusive environments for its employees, suppliers, and clients.

Products/Services Provided	Value (\$)
Telecom - Connectivity & Telephones	1,766,769
Equipment Rental	129,845
Printing and Stationery	105,009
Technology Consumables	70,594
Internal Audit Charges	70,174
Other Office Admin Costs	63,882
Office Equipment 14,643	14,643

Environmental Conservation Efforts

Sustainability

Sutherland has implemented sustainable business practices which are seamlessly blended with its everyday business processes. Sutherland’s waste-free policies have been in effect for over a decade, leading to an exceptionally low total environmental impact, including low carbon emissions.

The following are standard policies and practices that Sutherland puts in place worldwide:

- Use of recycled paper and stationary in all facilities
- More than 30% of its client programs operate in paperless environments
- Energy efficient and energy managed thin client PCs, LCD monitors, and electrical equipment throughout global facilities
- Recycling receptacles in facilities for the collection of waste toner/ink cartridges, laptop batteries, cellphones, and other harmful products
- Wastewater in Sutherland’s largest India facilities is treated and reused on site
- Mass transportation is provided for the majority of its associates, reducing the impact of vehicular pollution
- Sutherland ECOE Squad (Employees Conserving Our Earth) has been implemented to support community events that support environmental causes

SYKES

Company Mission

SYKES' mission is to make its clients more efficient and more profitable while improving loyalty to their company brands.

Purpose Statement

In 2016, approaching its 40th anniversary, SYKES reflected on its purpose as an organization, adopting the mantra:

“We help people, one caring interaction at a time.”

This statement reflects the following tenets:

- Act as one
- Answer the challenge
- Every person matters
- Make each moment count
- Serve with thought and heart
- Create a spirit of trust
- Be current

Corporate Social Responsibility (CSR) Programs

For SYKES, CSR has always been a grass-roots effort. “Act local, Be Global”. SYKES prefers a decentralized CSR model; one where employees engage in activities that are important to their local communities. SYKES participates in and supports numerous community initiatives around the world; from promoting local exercise programs to enabling the delivery of clinical health services.

Listed below is a sampling of just a few of the community and public service programs in which SYKES participates:

- SYKES CARES is the philanthropy program of SYKES in the Philippines. Primarily established as an education advocacy arm, SYKES CARES has launched programs geared towards increasing access to education by providing educational facilities and equipment to underprivileged communities.
- Edinburgh Breakfast Club.

- Costa Rican Beach Clean-up.
- SYKES supports Junior Achievement and its mission to inspire and prepare young people to succeed in a global economy.
- Habitat for Humanity.
- SYKES supports **Feeding America** – the nation’s largest charitable hunger-relief organization.
- The SYKES Employee Relief Fund assists employees who are experiencing serious financial hardship and are unable to afford housing, utilities and other basic living expenses because of a natural disaster; life-threatening illness or injury; death; or other catastrophic circumstance beyond an employee’s control.
- All of SYKES’ sites in the Philippines provide Mother’s Rooms for the privacy and comfort of pregnant and nursing mothers.
- Every year, SYKES recognizes October as U.S. **Domestic Violence Awareness Month** by developing and delivering manager programs and awareness information for all employees.
- SYKES Academy provides English training for job candidates who do not meet English proficiency requirements. To date, SYKES has provided job offers to over 4,000 program graduates and impacted over 12% of the local working community.

Sustainability and Environmental Conservation Efforts

Sustainability at SYKES encompasses several areas:

- Operational efficiencies regarding energy, waste and water to lessen the company’s impact on the environment and remain a profitable company.
- Labor practices, human rights and adherence to SYKES’ Global Standards of Conduct.
- Responsible disposal of technology.
- Aligning community participation with the business mission, positively impacting personal lives and local economies.

SYKES is strategically approaching sustainability, as reflected in the organization of its Global Sustainability Committee. The SYKES Global Sustainability Committee is made up of Senior Managers, Directors and Global Vice Presidents from Accounting, Corporate Communications, Data Security, Ethics, Finance, Global Delivery, Health & Safety, Human Resources, Information Technology, Legal, Procurement, Real Estate and Strategy. The committee also includes a principal officer of SYKES.

SYKES' Latin America, Philippines and United Kingdom operations have regional teams that are focused on the environmental, economic and social aspects of the company's operations. Within its Costa Rica operations, SYKES has a team of full-time sustainability specialists who manage ComprometeRSE, SYKES Latin America's corporate social responsibility strategy. SYKES Costa Rica made the commitment to the environment and employees, suppliers and clients to be the first carbon neutral contact center in the region.

SYKES has a well-developed Employee Health and Safety Program, and many of its sites have additional features for the benefit of individual health. Over 75% of sites take part in one or more of the following: regular indoor air quality testing, the use of certified green cleaning products and steam cleaning (non-chemical) HVAC coils.

Future Energy and Water Initiatives

SYKES' sites in Costa Rica, El Salvador and Manila are in the process of evaluating the installation of solar panels. The SYKES regional Enercon team in the Philippines is also currently evaluating a water catchment and filtration system to reduce the usage of plastic water bottles.

Teleperformance

Company Mission

"Teleperformance is a company of people serving other people by helping them find solutions to their daily problems. Every day across five continents, we provide an exceptional customer experience in the millions of interactions generated through our clients' customers. We bring our unfailing commitment, passion and constant search for excellence to each of these interactions to create opportunities and value for our employees, our clients, our clients' customers and our shareholders."

"Transforming Passion into Excellence"

Company Values

Teleperformance's five (5) corporate values are as follows:

- Integrity
- Respect
- Professionalism
- Innovation
- Commitment

As a global enterprise serving 160 world markets, Teleperformance has demonstrated its responsibility to the communities it serves and the environment. Teleperformance has put forth that these principles are in complete harmony with its Corporate Social Responsibility (CSR) initiatives.

Corporate Social Responsibility (CSR) Programs

- The United Nations Global Compact (UNGC) is a strategic policy initiative of the United Nations to align businesses with human rights, labor, environment and anti-corruption principles. In 2011, Teleperformance officially signed the United Nations Global Compact and reports on its progress every year. In order to embrace and adhere to the universal principles of the UNGC, the company formally launched the Teleperformance Corporate Social Responsibility Committee in 2012. This governing council oversees implementation and adherence to the Global Compact. The committee has developed and implemented policies and/or statements for Human Rights addressing labor practices including Freedom of Association, Occupational Health and Safety Policy and Environmental Policy.
- Since 2013, Teleperformance has been serving as an advisor and supporter to the Rockefeller Foundation for its Global Impact Sourcing Initiative to help employ disadvantaged youth in both Africa and in developing countries around the world.
- Teleperformance participates in the Clinton Global Initiative (CGI). The CGI is a non-political global summit of selected government and business leaders to address the world's most pressing issues.
- Teleperformance is a member of CSR Europe, the leading European business network for Corporate Social Responsibility. Through its network of around 50 corporate members and 45 National CSR organizations, it gathers over 10,000 companies, and acts as a platform for those businesses looking to enhance sustainable growth and positively contribute to society. In its mission to bring the CSR agenda forward, CSR Europe goes beyond European borders and cooperates with CSR organizations in other regions across the world.
- Since 2013, Teleperformance has been a corporate sponsor and advisory council member of the Global Sourcing Council, a non-profit organization focused on sustainable, socially responsible sourcing practices.
- Since 2006, Teleperformance's top management have brought teams come together to aid those in need in its communities, through its "Citizen of the World" (COTW) charitable activities. This is the 10th anniversary of the program. The company assumes responsibility for protecting nature and lessening the impact on the environment with its "Citizen of the Planet" (COTP) corporate initiative launched in 2008. COTP activities are focused on carbon footprint reductions.

2015 Charitable Giving and Volunteer Hours

- \$5,461,112 donated toward the feeding, clothing and bringing joy to the needy, worldwide
- \$3,706,345 in-kind donations for clothing and school supplies
- \$997,984 in cash donations from the global Teleperformance family
- \$756,783 in service value for volunteer hours donated during TP working hours
- \$300,000 for the construction of TP Gawad Kalinga Village in the Philippines

A partial list of 2015 Citizen of the World activities includes:

- 2,778 computers donated to impoverished schools
- 15,412 underprivileged infants and youths received toys and presents during the Holiday season
- 52,947 volunteer hours were donated for various activities

The activities listed below are included for COTP under the heading Environmental Conservation Efforts below. The COTW Impact Report Program to Date (since 2006) includes:

- 14,388 computers donated to impoverished schools, benefiting 50,358 children
- 365,729 infants & children were fed through several monthly feeding programs
- 356,409 infants & children benefited from in-kind donations that included clothing, school supplies, and other critically-needed items
- 355,747 underprivileged infants and youths received toys and presents during the Holiday season
- 275,446 volunteer hours were donated for various activities

As noted above, in 2015, Teleperformance raised more than \$5.4 million in cash and in-kind donations, far exceeding its Clinton Global Initiative annual commitment of \$1 million. Since 2006, Teleperformance has raised nearly \$24 million in cash and in-kind donations and has exceeded its CGI commitment every year of participation.

Employee Involvement

Gawad Kalinga Village

It is important to note that vast majority of Teleperformance's contact center agents work in the Philippines. Launched as the company's flagship CSR program in 2011, Teleperformance Philippines completed the construction of the Teleperformance Gawad Kalinga village in 2014. The company turned over 100 home units for the victims of Typhoon Ondoy, who were left homeless in Tanay Rizal. In addition to the homes, Teleperformance provided the residents with a community center, a fully furnished learning center, day care center and recreational playground for children.

Teleperformance employees continue to support the village and its residents through skills development training and health and nutrition projects.

Kythe Child Life Center, Philippine Blood Center and White Cross Over the last 5 years more than 4,000 Teleperformance employees in the Philippines have been actively engaged in CSR efforts; generating nearly 25,000 volunteer hours. Teleperformance Philippines employees have also lent support through voluntary payroll contributions and participation in various relief operations nationwide.

Through its partnership with the Kythe foundation and the White Cross Children's Home, Teleperformance provides financial and medical assistance to terminally-ill and abandoned children.

Listed below are other notable mentions of employee participation and involvement:

- Since 2012, nearly 2,000 Teleperformance employees have participated in the quarterly site-wide blood donation drive. This effort has generated more than 500,000 ml of blood-potentially saving 4,000 lives.
- Since 2009, more than 38,000 employees from more than 37 countries participated in the annual Fun Festival, a global competition in the categories of art, music and dance recognizing and celebrating the unique artistic talents of Teleperformance people around the world. In 2015, more than 8,500 employees produced 2,025 videos for the competition.
- Teleperformance Sport Club is a global initiative that encourages employees to share time with colleagues by way of a group sport. The program is a worldwide initiative that aims to promote sport as a means for well-being and quality of life. In 2015, we had 343 soccer teams throughout the world, 96 volleyball teams, 95 basketball teams, 75 bowling teams and many other teams playing tennis, badminton and softball.

- Since 2009, Teleperformance has deployed a Global Premises Standard to guarantee a healthy and pleasant work environment. The Standard covers areas such as Lighting, Acoustics, IT & Security, Safety, Hands-on-Management, Sustainable Development and Wellbeing. The Standard provides blueprints and guidelines for all departments and all areas of its centers
- Passion 4U is Teleperformance's wellness program promoting well-being and a higher quality of life, aiming at fostering health literacy and minimizing stress by promoting mental and physical health, exercise and enjoyment at work.
- Teleperformance University is an Executive program that prepares the next generation of senior leaders to sustain Teleperformance's dominance and leadership in the industry.
- In 2016, Teleperformance employees remained active, engaged and committed. The company continued to make tangible progress in aligning its overall business approach and its policies with the 10 universal principles comprising human and labor rights, the environment and the fight against corruption. Teleperformance also completed a rigorous third party independent CSR certification process calibrated with global best implementation practices and advanced reporting, tracking and transparency standards. Teleperformance is included in the Euronext Vigeo Eurozone 120 list for environmental, social and governance performance.

Environmental Conservation Efforts

Leading by example, Teleperformance employees are encouraged and recognized for:

- Switching to energy-efficient lighting at home
- Carpooling with friends and colleagues
- Using public transportation
- Buying fuel efficient vehicles
- Using solar energy at home
- Purchasing energy-efficient refrigerators and home air conditioners

In 2012, Teleperformance Colombia became the first BPO with a LEED-certified contact center building. This green initiative has been so successful, that the company keeps expanding its efforts to a total of 4 LEED certified buildings in Colombia. Teleperformance also operates a green LEED-certified building in China and in the Philippines.

Using energy saving light bulbs and natural lighting, CONNECTA Business Park in Colombia is saving 28% of the energy used in its buildings. Using low consumption toilets and efficient faucets to control water consumption along with rain and residual water recirculation and treatment, CONNECTA is saving 45% on its water costs. CONNECTA's roof is a perfectly green environment which allows the building to reduce heat emissions absorption. This results in a significantly cooler internal building temperature. All new commercial LEED projects are required to significantly reduce carbon emissions as compared to current levels.

Teleperformance also holds ISO 14001 certifications at sites in the United Kingdom and Germany, and two BREEAM certifications in Scotland and its headquarters in Paris, France.

In 2015, the company's total measure of CO2 emissions was 102,519.85 tons with a carbon footprint per employee (CFE) of 0.68 tons, a fully audited 9% decrease from the previous year.

Finally, Teleperformance is committed to reducing its carbon footprint by embarking on a project that will power all of its 16 sites in Mexico with renewable energy. Currently Teleperformance consumes 25 GWh of electricity per year in Mexico. By switching all of its electricity to solar photovoltaic, the company will reduce its carbon footprint by more than 80%; contributing to a 9% decrease for the entire company worldwide. Mexico's switch to solar power will begin later in 2016 and will be completed by June 2017.

References:

The Teleperformance global policies are publically available on its corporate website at

<http://www.teleperformance.com/en-us/people-company/social-responsibility/the-global-compact>

2015 Annual Financial report (AUDTIED CSR section pages 97 - 126)

<http://www.teleperformance.com/media/2571251/ddr-2015-ev-final.pdf>

Video CSR 2015: https://www.youtube.com/watch?v=A_7IEj9adQA

Report CSR 2015: <http://www.teleperformance.com/media/2598232/teleperformance-2015-csr-report-online-edition111.pdf>

UNGC Communication on progress: http://www.teleperformance.com/media/2525316/t_ungc-report_2015-30jul15-02.pdf

TeleTech

Company Mission

“Accelerate growth by simplifying and personalizing interactions that build deep engagement between people and brands.”

Purpose: Deliver humanity to business.

Vision: Leading the world's most respected organizations to create and grow emotionally connected, valuable, lasting relationships.

Company Values

- **Lead Every Day.** We lead every day at every level to achieve results. We know that courageous, authentic leadership translates into positive impact.
- **Do the Right Thing.** We expect the highest degree of integrity from ourselves and each other. We act with honesty and respect in everything we do.
- **Reach for Amazing.** We are innovators who make amazing things possible. We spark creativity and never accept “can’t.”
- **Seek First to Understand.** We delight customers every chance we get. We strive to see the world through the eyes of our clients, their customers and our colleagues.
- **Act as One.** We’re stronger together – one company with one purpose and one team. We work together and have each other’s backs.
- **Live Passionately.** We believe in our purpose and live it with intensity. We celebrate, laugh and have fun together.

Corporate Social Responsibility (CSR) Programs

TeleTech Community Foundation Impact (2015)

- 89 employee grant requests approved on behalf of organization's that align with the foundation's mission of education innovation.
- \$230,000 donated to 89 education organizations across the globe.
- \$115,000 donated to educational organizations outside of the U.S.
- 5 community partnerships with educational organizations including the Denver Art Museum, Denver School of Science and Technology, STRIVE Preparatory School, Book Trust and University Preparatory School.

- 30,000 students impacted in Australia, Brazil, Costa Rica, Mexico, the Philippines, the United Kingdom and the U.S.
- 300+ books donated through TeleTech's Book Trust partnership totaling \$15,000
- \$50,000 technology gift to purchase Ipads to support the funding of a teaching assistant in a classroom were given to University Preparatory School as part of TeleTech's 3-year partnership, \$250,000 financial commitment.

TeleTech Foundation Philippines

- TeleTech Community foundation had 37 grants requests with a total of 90k (3.96M Php) in contributions to the community.
- \$7,200 donated by 3,107 employees through the TeleTech Run in Sync (Zombie Color Run).
- Recognized by the Department of Education as a valued partner in uplifting the education landscape in the Philippines.
- 185 Computers donated to various schools and youth organizations.
- Project Share raised 500,000 in PTO hours.
- 38,895 students received an improved educational experience.
- Involved hundreds of employees in the company foundation activities program.
- TeleTech employees report that they identify with the company more because of its care for the communities that impact them.

The Final Word

Impacts on Culture, Branding, Growth and Customer Satisfaction

Some BPO companies, including SYKES and Qualfon, are looking at plans to provide college degrees for their employees. They are even considering extending this benefit to dependants. As mentioned earlier, in the Dominican Republic Alorica operates a day-care center for employees. Similarly, other BPO's are piloting child care programs to better serve their people and families. Health is important, since it impacts what people are able to do with their lives. Spirituality is also a key. The leaders at Qualfon, for example, believe that each person has a unique purpose in life and, for many people, this purpose is rooted in their spirituality. So, providing inter-faith support with chapels on site, this can be very powerful.

Frost & Sullivan has come to the conclusion that the concept of BPO Corporate Social Responsibility has moved from an abstract value, to a transformational component of organizational culture. By its very nature, CSR often attracts new recruits and helps retain talent. Outside of the U.S. BPO companies are working closely with the local governments (Mexico, Central America, South America and the Philippines) to create and deliver on a plan of economic development. This kind of partnership can have a much greater impact than the direct employment of people.

CSR is Good for Business

Let's connect the dots. Treating your people well, serving the employee's community and developing them, make for good return on investment (ROI). Period. What we've seen is these cost effective activities result in higher agent performance and leadership succession planning. It also translates into dramatic savings in employee replacement and training costs

This whole notion of "A Greater Purpose" aligns with the mission/vision of clients and prospects. The BPO then earns an excellent reputation in the community. Done right, with a sincere desire to serve, Frost & Sullivan believes that BPO CSR gives a company a differentiated and competitive place in a crowded market. CSR is not just good for business. When it is infused into the business mission, it provides greater benefits to the company, its people, its clients and customers, and in the communities in which it operates.

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- Delivering the broadest industry and market coverage of any research and consulting firm worldwide, 10 industries, 35 sectors, and 300 markets, ensuring clients not only understand their industry challenges and opportunities but growth opportunities in aligned industries and understand competitive pressures from previously unknown sources,
- Providing a 360 degree perspective—integrating 7 critical research perspectives to enhance significantly the accuracy of clients' decision-making and lowering the risk of implementing growth strategies with poor return,
- Leveraging extensive contacts within the chemicals and materials value chain, including manufacturers, distributors, end users, and other industry experts,
- Ensuring clients maintain a perspective of opportunities and threats worldwide through 1,800 analysts in 40 offices, making sure clients receive global coverage and perspective based on regional expertise,
- Researching and documenting best practices worldwide, ensuring clients leverage proven best practice answers to tough business challenges for successful growth, and
- Partnering with the client's team, in addition to delivering best practices research and experience, to ensure success.