

# **Ketchum's Communication on Progress**

**June 2009**

United Nations Global Compact:

On behalf of Ketchum employees around the world, I am pleased to present the accompanying fourth Ketchum Global Compact "Communication on Progress." This report represents our company's abiding commitment to the Compact's 10 principles through both internal implementation and external communication.

Sincerely,  
Raymond L. Kotcher

Senior Partner and Chief Executive Officer  
Ketchum

## **Introduction**

Ketchum is proud to be a member of the United Nations Global Compact and since 2001 has practiced the principles of the Compact through both active participation in the Compact as well as through the promotion of this international initiative to our clients and other prospective members.

## **I. A Proud and Active Member of the Global Compact**

Ketchum was one of the first public relations agencies to join the United Nations Global Compact and has been a member since 2001. We have interpreted membership to include not only adherence to the Compact's 10 principles but also voluntary initiatives in the spirit of the Compact's global mission.

### **A. Ketchum Policies, Performance Consistent With Global Compact Principles**

Each member company of the Global Compact must fulfill its social responsibilities in accord with the nature of its business. As a global communications counseling organization, Ketchum's corporate citizenship profile is quite different from, say, a manufacturing company with an obligation to environmental stewardship. Therefore, our "Communication on Progress" addresses those Global Compact principles that are particularly relevant to the way we operate our business in society.

### **Labor Rights and Human Rights**

Ketchum is in a knowledge-based business. Our human resources policies are therefore tailored to a global workforce that is highly educated and professional. Our services to clients – strategic and tactical communications counsel – require a highly motivated workforce performing in optimum working environments. Many of the Compact principles on human rights and labor standards are not directly relevant to our operations. However, several Ketchum policies support the Compact's labor and human rights principles:

- **Harassment and Discrimination Policy** - All employees should be able to enjoy a work environment that is free from harassment -- including sexual harassment -- and free from discrimination including that of race, color, national origin, ancestry, religion, disability, medical condition, marital or veteran status, sexual orientation, age, or gender. Any harassment or discrimination of employees or others at Ketchum undermines the integrity of our employment and our relationships. This conduct is unacceptable and is not to be tolerated. Ketchum expects its vendors and clients to support these guidelines.

- **Equal Employment Opportunity Policy** - Ketchum is an equal opportunity employer with individuals hired and promoted solely on the basis of ability, training and experience. The company makes every reasonable accommodation to the known physical or mental limitations of qualified employees with disabilities unless the accommodation would impose an undue hardship on other employees or inhibit the efficient service of our clients.
- **Code of Business Ethics Agreement** - At the request of Ketchum's chief executive officer, this policy document is formally acknowledged by each employee. It provides standards for virtually all operations of the company, including truth and accuracy in communications, record-keeping, gifts and entertainment, union agreements, conflicts of interest, and privacy.
- **Workplace Violence** - It is Ketchum's intent to provide a safe workplace for all employees. Threats, threatening language, or any other acts of aggression or violence made toward or by any Ketchum employee are not tolerated. Threats include but are not limited to any verbal or physical harassment, attempts at intimidation or instilling fear in others, menacing gestures, flashing of concealed weapons, stalking, verbal or physical abuse, or other hostile, aggressive, injurious, and destructive actions undertaken for the purpose of domination or intimidation.
- **Anti-Corruption/Transparency** - Ketchum is acutely aware of its responsibility as an active participant in the free flow of information and ideas in our society. The integrity of independent media is a cornerstone of this vital process. A revised policy document, "Ketchum Disclosure Guidelines," ensures that Ketchum employees are transparent in their dealings with the media, identifying the client or other entities as sources of the information.

## II. Ketchum Voluntary Initiatives Supportive of the Global Compact Mission

A company with more than 80 years of history of voluntary public service through employee volunteerism and corporate contributions, Ketchum in recent years has applied this commitment to global and local pro bono assignments consistent with Global Compact objectives. Ketchum and its employees have donated time and money to various charitable and philanthropic organizations ranging from humanitarian institutions to relief agencies to nonprofits:

- **GCLead** - In spring 2009, Ketchum provided artistic and technical services to produce communication materials, including the official brochure, "Moving Forward in Tumultuous Times," in support of the launch of the Global Compact's GCLead program. Subsequently, Ketchum also participated in the first GCLead webinar.
- **Conference of the Parties 15** - In December 2009 in Copenhagen, the world's leaders will gather to negotiate the details of the renewal of the Kyoto Protocol, which will expire in 2012. Recognizing that this meeting will be a critical watershed in the long-running debate on climate change, United Nations Secretary General Ban Ki-moon approached the heads of all of the major global marketing holding companies (Omnicom Group, WPP, Publicis, etc.) for support. Ketchum is taking the lead for Omnicom as the sole public relations organization supporting this prestigious campaign. Ketchum will work alongside the International Advertising Association and some of the leading creative forces in advertising, marketing, branding and communications to drive global public awareness of, and engagement in, the vital issues that will be raised at the Copenhagen meeting.
- **Room to Read** - In 2008, Ketchum formed a partnership with Room to Read, a nonprofit that is a leader in providing educational opportunities to underprivileged children around the world. Room to Read was established in 2000 based on the belief that education is crucial to breaking the cycle of poverty in the developing world. As of early 2009, the organization has supported more than two million children through the building of more than 450 schools, 5,500 bilingual libraries and 110 computer labs in Bangladesh, Cambodia, India, Laos, Nepal, South Africa, Sri Lanka, Vietnam and Zambia. With its goal of communication closely aligned with Room to Read's goals of literacy and education, Ketchum provides media relations, reputation management and event management support to Room to Read, among other services. Ketchum contributes 50% of the time of one of its vice presidents, who is dedicated to helping get Ketchum offices and individuals engaged with Room to Read programs and providing day-to-day counsel to Room to Read's executives. In addition to the pro bono time and funds the agency has donated, Ketchum has

undertaken a capital campaign in 2009 to build a library in Nepal, where Room to Read got its start. Funds will be generated through office fundraising activities, individual employee donations and a direct agency donation.

- **World Economic Forum** - Since 2004, Ketchum has contributed services to the World Economic Forum to increase public visibility and appreciation of three key World Economic Forum initiatives: the Global Health Initiative, the Global Greenhouse Register and the Global Governance Initiative. To promote the World Economic Forum Global Health Initiative, a public-private sector network designed to fight HIV-AIDS, malaria, and tuberculosis in the developing world, Ketchum helped form the China Health Alliance, a groundbreaking initiative that brings together select companies, the Chinese government, U.N. agencies and nongovernmental organizations in a joint effort to curb the large-scale spread of tuberculosis and HIV in a country where 45% of the population carries a latent form of tuberculosis. Ketchum has continued its support for the World Economic Forum with participation at its Annual Meeting in Davos and continuing with active involvement in regional summits in Brazil, Jordan, South Africa, Seoul, India and China. Ketchum also has loaned an employee from its London office to support the Forum in Geneva for one year, where he will focus on global health and anticorruption programs while providing general support to the Forum media team.
- **Ketchum Social Responsibility** - In December 2007, Ketchum launched Ketchum Social Responsibility, a companywide initiative to reinforce Ketchum's and each employee's responsibility to care for the communities, environments and stakeholders we touch. Ketchum has adopted "literacy in a digital age" as its cause for 2008 to improve literacy qualitatively and quantitatively by doing what we do best: communicating ideas that raise awareness, change attitude and foster action. As part of this initiative, we looked at literacy in the broadest possible sense and searched for partners and ways to improve literacy "horizontally" across a spectrum of skills and "vertically" in areas related to both society and our business: health, nutrition, business, work, play, and government, among others.
- **Volunteer Day** - In April 2008, Ketchum offices around the world held a Ketchum Social Responsibility Volunteer Day in which employees throughout 24 offices donated a half-day to serve such organizations as the Geoff Ashcroft Community in London (a special-care facility for people struggling with mental health issues), a soup kitchen run by the Saint Francisco's Friars in Milan, the Coalition for the Homeless in New York, and Bryan's House (a special-care facility that provides child care, adolescent programming and support services to families coping with serious medical issues) in Dallas.
- **New Orleans Relief** - In November 2006, Ketchum's partners spent more than 200 volunteer hours building homes for the Habitat for Humanity Katrina effort in New Orleans' devastated Ninth Ward. In November 2007, Ketchum built on this project when its global finance department met in New Orleans to donate a day to help restore Wilson Elementary School, a school housed in a temporary location because the original campus remained badly damaged from Hurricane Katrina.
- **24/7 Brainstorms** - Since 2004, Ketchum's Atlanta and Chicago offices have put their public relations expertise to work through their 24/7 brainstorm programs. During a 24-hour period, Ketchum teams have generated marketing and communication strategies for local nonprofits that don't ordinarily have the resources to spend for such counsel. Ketchum employees attend at least one brainstorm session and match their expertise with each nonprofit's need and interest. In addition, Ketchum recruits guest brainstormers from the local business, academic and nonprofit community.
- **"Ethical Decision-Making/Media Transparency"** - Ketchum has continued its "Ethical Decision-Making/Media Transparency" training program for all employees and donated the program to the Council of Public Relations Firms in June 2006 for the benefit of other agencies throughout the industry.
- **Speeches** - Ketchum Senior Partner and CEO Ray Kotcher has made several speeches that address the value of and imperative for corporate social responsibility:
  - On Sept. 15, 2005, Kotcher delivered a speech on corporate social responsibility and Ketchum helped organize the 2nd Guangming Daily Corporate Social Responsibility Awards ceremony. The event honored 20 transnational companies, including Motorola,

DaimlerChrysler, Kimberly-Clark, Samsung, Siemens and Microsoft, that were selected according to a survey among more than 180 companies' corporate social responsibility activities in China according to the China Ministry of Civil Affairs, Ministry of Finance, Ministry of Commerce, the State Council Information Office and the State Administration of Industry and Commerce.

- On April 12 and 13, 2007, Kotcher chaired the 22nd Spring Seminar of the Arthur W. Page Society, titled "Prove It With Action: The Case for Improving Business Performance by Improving Society." The Arthur W. Page Society 22nd Spring Seminar, which was held in association with the World Economic Forum Global Corporate Citizenship Initiative, offered broad and fresh perspectives on the issue of corporate trust and responsibility and had record attendance of over 300 people.
- **Thurgood Marshall Scholarship Fund** - Ketchum Senior Partner Lorraine Thelian has served as a director of the Thurgood Marshall Scholarship Fund, the only national organization of its type that provides merit-based scholarships and programmatic support to students attending the nation's public historically black colleges and universities. Since its inception in 1987, the program has awarded more than \$50 million in scholarships and programmatic and capacity support, enabling more than 5,000 students to attend public historically black colleges.
- **+Unidos** - Ketchum's São Paulo office, Ketchum Estratégia, is a member of +Unidos, a CSR initiative spearheaded by the U.S. embassy in Brazil. The +Unidos initiative promotes best CSR practices in Brazil through a network of more than 50 member companies, which in 2006 invested approximately \$250 million in more than 700 CSR projects across Brazil. Among the ways that Ketchum Estratégia participates in this initiative, the office helps raise awareness for the Brazilian Cancer Association, whose mission is to contribute to the prevention and early detection of cancer and reduce the suffering of the cancer patients. Ketchum Estratégia also donates its services to promote the Instituto Brasil Acessível (Accessible Brazil Institute), which builds rooms and houses for needy people. And Ketchum Estratégia lends its expertise to the ONG Alquimia, which has 32 monitors to care for children in slums and provide them a better quality of life.

### III. Preaching What We Practice

We believe that as a communications counseling company, our core competency – communications – should be applied to sharing the Global Compact message. We do that by projecting that message – the Compact principles and the value of membership – in many venues. Below is a sampling of our recent activities:

#### A. Global Compact Meetings

Ketchum participates and/or helps develop Global Compact meetings of members and potential members:

- **U.S. Global Compact Network meeting, April 2008, Harvard University Business School** - A Ketchum representative offered the "capstone" presentation at this conference on "Business Human Rights" introducing the newly published "Office of the U.N. High Commissioner for Human Rights Case Study Report – Volume Two."
- **U.S. Global Compact Network meeting, October 2007, San Francisco** - Ketchum participated in this meeting examining "responsible procurement" and promoted the meeting and its outcomes in several 2007 speaking engagements and published articles.
- **Global Compact Summit, July 2007, Geneva** - Ketchum was an active participant in the Global Compact Summit meeting in Geneva, issuing a summary report of the meeting for both internal and external distribution and featuring both "The Geneva Declaration" and the deliberations of the Summit's many breakout sessions.

#### B. Speeches, Presentations and Published Articles

- **"Transparency, Collaboration and Public Service: Three Opportunities for Public Relations as a Global Profession," February 2009** - A Ketchum CSR expert discussed how transparency, collaboration and public service represent three of the biggest opportunities for today's businesses.

- **“How More Companies Are Embracing Social Responsibility as Good Business,” March 2008** - In an article in The Wall Street Journal Online, a Ketchum CSR leader talked about the rising importance of corporate social responsibility over the last few decades and the imperative it has become for today's companies.
- **“The Arrival of Authentic CSR”, CSR Wire, March 2008** - A Ketchum commentary cites “the growing membership in . . . the United Nations Global Compact.”
- **Lecture at New York University Graduate School, New York, March 2008** - As a key part of a presentation in international public relations, a Ketchum CSR expert told two dozen graduate students of the development and operations of the Global Compact around the world.
- **“New Proof: CEOs and Investors – and Many Others – ‘Get It’ on CSR” article in CSR Guidebook, January 2008** - In referring to the Compact as a leading example of the growth of CSR, a Ketchum author cited Gavin Power’s comments on the theme, “Responsible Procurement.”
- **“CEO Efforts Key to Consumer Trust,” January 2008** - In a January 2008 article published in *PRWeek* magazine, one of Ketchum’s practice leaders explains how the public’s opinion of CEOs is driven by their performance with the environment, ethics and employees.
- **Schranz Lecture, November 2007, Ball State University, Muncie, Indiana** - In an address to this university’s academic community, a Ketchum executive included a report on the Compact Geneva Summit with excerpts from the remarks by U.N. Secretary General Ban Ki Moon and Coca-Cola CEO Neville Isdell.
- **“Globalization and Corporate Social Responsibility,” July 2007, Columbus, Ohio** - The Global Compact was featured in illustrating how Compact resources and programs are supporting responsible globalization and the pursuit of Millennium Development Goals.
- **Communications Research Conference, June 2007, Certified Institute of Public Relations, London** - In discussing contemporary corporate social responsibility, a Ketchum representative cited the Global Compact at length as an outstanding example of global cooperation in addressing the opportunities and challenges of business in society.

#### C. Miscellaneous

- **Human Rights case history, 2007-2008** - The Global Compact office, New York University and Ketchum combined to document Ketchum’s work in communicating the tragedy of global human trafficking and how public increased awareness can mitigate it. This case history was included in the Compact’s second volume on the subject and the remarks delivered by a Ketchum representative at the April 2008 Network meeting.
- **“Win-Win Partnerships With U.N. Agencies,” December 2007** - Ketchum arranged and sponsored a day-long meeting at U.N. headquarters during which six U.N. agencies summarized their missions and achievements for some 60 communications professionals and educated them about how the U.N. offers corporations an unparalleled opportunity to achieve social responsibility goals by helping the U.N. meet needs where demand is greatest around the globe. Compact representatives were not only present but were contributors to this dialogue, which was aimed at generating more partnerships between the private sector and U.N. programs.
- **Client/U.N. Liaison, fall 2007** – Ketchum introduced its client, Clorox Company, to the U.N. Office of Partnerships to explore a relationship with UNICEF in the interest of increasing clean-water supplies in developing countries.
- **Milwaukee/Marquette University Lectures, May 2007** - In a special communications course and in two lectures to the Marquette University academic community – as well as in an address to the Milwaukee Chapter of the Public Relations Society of America – a Ketchum executive emphasized the important role the Global Compact is playing in advancing corporate social responsibility around the world.

#### IV. Continuing Commitment

In the years ahead, Ketchum looks forward to building on its Global Compact commitment and experience with additional internal initiatives and external outreach to all Global Compact audiences.