

UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS

2012 REPORT

**Company name: APCO Worldwide**

Address: 700 12th Street, N.W., Suite 800

Washington, D.C. 20005

Country: United States of America

Permanent employees at 12/31/12: 606

Sector: Professional services/consulting

Website: www.apcoworldwide.com

UNGC membership: Since June 1, 2010

Date submitted: August 30, 2013

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Position: Associate Director, Office of the CEO

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STATEMENT BY THE CEO

On behalf of my colleagues around the world, I am pleased to submit APCO Worldwide's third annual progress report to the United Nations Global Compact (UNGC). In the pages that follow we have provided a summary of our internal efforts and our work with clients that align with our commitment to the UNGC principles. In addition to an update on our activities and progress made in support of the principles, there are two efforts that are extremely relevant to both the spirit and letter of UNGC principles and of which we are particularly proud to highlight in this report.

First, is our work with the Yunus Social Business Global Initiative. We agreed with professor Yunus and his team that we would partner with them on their important work in areas where we could add value around the world. This became a centerpiece of our company's pro-bono commitment for the year. We are proud to have made an impact through a variety of activities that helped increase the understanding of social business and raise the visibility of this important work among key stakeholders. We are also proud to have been able to support the events around his recognition by the U.S. Congress through a Congressional Gold Medal.

Second, is our involvement in issues that touch women and economic empowerment. Over the past 10 years, APCO has worked with several global companies helping to design, develop and implement programs that support women taking their places in the economic mainstream of their communities and nations. From mentoring and training programs to business networks and market access – the focus has been on enabling women to strip away the barriers that keep them from gaining access to financial stability. As a women-owned business, we join, collaborate and in some cases lead professional associations and global organizations that are playing a role in advancing women's participation in the global economy. This year we took stock of our own efforts in this area and found a diverse group of organizations where APCO team members are actively involved, such as the White House Forum on Women and the Economy Summit, Women Presidents' Organization, the Womanity Foundation and the Global Thinkers Forum, among others.

We believe both of these examples – our work with Yunus Social Business and with women's economic empowerment organizations – directly and indirectly support UNGC's human rights and labor principles. You will read greater details about these activities and more in this report.

On behalf of my colleagues, we are proud that APCO is a member of the Global Compact and we welcome your feedback on this report.



Margery Kraus
Founder and CEO



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APCO Worldwide Inc. joined the UNGC in June 2010. This report is our third Communication on Progress (COP). All data contained in this document relates to the calendar year January - December 2012. In addition, some initiatives mentioned refer to the first quarter of 2013.

This report is in two parts:

PART 1 provides a short overview about APCO including our 2012 organizational profile and our approach to governance, responsible business and citizenship.

PART 2 covers our policies, programs and actions to promote the Global Compact's 10 principles on human rights, labor, environment and anti-corruption. This section uses the "basic COP" template provided by Global Compact.

This report was reviewed and approved by APCO's Responsible Business Committee and the CEO.



PART 1:

ABOUT APCO

ABOUT APCO

APCO is one of the largest privately owned communication, engagement and business strategy firms in the world and has the distinction of being both majority employee-owned and certified by the Women's Business Enterprise National Council, in partnership with the Women Presidents' Educational Organization, as a women-owned business. We believe this designation also creates a special obligation to serve the interests of employee owners and the communities in which they live and work.

Founded in 1984, APCO is the only major consultancy of its kind headquartered in Washington, D.C. We have offices in 33 major business, government and media capitals around the world. Our 606 permanent employees (as of December 31, 2012) comprise more than 40 nationalities and are from diverse backgrounds, including former elected leaders; ambassadors; journalists; business and nonprofit executives; government officials; market researchers; and communication, corporate affairs and online experts.

APCO has developed mostly by organic growth in its nearly 30 years of operation. This has caused us to develop a strong culture and an important sense of teamwork. As a result, we operate as one global firm around the world, without barriers to collaboration. We are solicitous of each other's opinions and respectful of each other's cultures.

This "one firm" business model allows us to invest in and bring together the best people for every opportunity and offer our clients truly integrated, seamless service around the world. It also provides our employees with the opportunity to engage in a rich diversity of national and international projects, embracing the best thinking of an eclectic group of people who we believe set the standard in their fields, taking best practices from market to market.

This year was a solid year for APCO in terms of interesting and impactful projects, revenue and profitability, with global revenue of more than US\$120 million (pre-audit results).

Since last year's report we have accomplished the following:

- Opened our 33rd office in Doha.
- Won "Best Large Agency to Work For in North America," based on an anonymous survey of staff conducted by *The Holmes Report*.
- Undertook a major pro-bono commitment for Yunus Social Business. This is a new initiative of Nobel Peace Prize Winner Professor Muhammad Yunus, which launches and manages social business development programs, including incubator funds for Social Businesses, in countries around the world.
- Witnessed our founder and CEO, Margery Kraus, receive a number of prestigious awards in recognition of her public service including: the "Corporate Statesmanship Award" for civic leadership by the U.S. Association of Former Members of Congress; the "Honoring Milestones in Mentoring Award" from the Plank Center for Leadership in Public Relations in recognition of her dedication to expanding opportunities for PR students; the Global Thinkers Forum (GTF) "Excellence in Leadership Award," which recognized her leadership and efforts in promoting socially responsible business around the world; and the "Spirit of the Founders Award" from Volunteers of America, for leading the way in terms of community engagement.
- Received several awards for our work conceiving and launching the UN Foundation's Shot@Life campaign which drives awareness, fundraises and builds advocates in support of expanded access to lifesaving immunizations for children around the world.
- Won a number of other industry awards (see page 6 for further details).

VISION AND VALUES

OUR VISION

APCO is the trusted partner of choice – creating value by challenging convention and providing global service, culture by culture.

OUR VALUES

All aspects of our work are guided by our core values:

Principled

acting with integrity and high ethical standards

Client focused

exceeding expectations and anticipating what's next

Integrated

working together to advance the best ideas from everyone, everywhere

Enterprising

nurturing a spirit of initiative, creativity and the freedom to challenge convention

APCO OFFICES

AMERICAS

Boston
Chicago
New York
Ottawa
Raleigh-Durham
Sacramento
San Francisco
Seattle
Washington, D.C.

EUROPE

Berlin
Bonn
Brussels
Istanbul
London
Moscow
Paris
Rome
Warsaw

IMEA

Abu Dhabi
Doha
Dubai
Johannesburg*
Mumbai
New Delhi
Tel Aviv

*affiliate

ASIA

Bangkok
Beijing
Hanoi
Ho Chi Minh City
Hong Kong
Jakarta
Kuala Lumpur
Shanghai
Singapore

AWARDS AND RECOGNITION

Best Large Agency to Work For
The Holmes Report

CSR Awards: A-List
APCO's Corporate Responsibility team
PR News

Gold EMEA SABRE Award for Best Campaign
for an Educational or Cultural Institution
University of Southern California
The Holmes Report

Best Mobile App
Shot@Life Campaign
PR News Social Media Icon Awards

Digital PR Awards
New Site
Shot@Life Campaign
PRNews

2012 Inc. 500|5000 fastest-growing private
companies in America
Inc. 500 | 5000

Digital Communications Leader of the Year
Evan Kraus
PR News

15 to Watch
Jason Meyer
PR News

PR Power List, 2012 and 2013
Margery Kraus
PRWeek

Silver Anvil
Public Affairs for Associations
The No Takeover Campaign
Public Relations Society of America

EMEA Silver SABRE
Internal Publication
GE's IMAGINE
The Holmes Report

Silver SABRE
Branding & Positioning
United Nations Foundation: Shot@Life
The Holmes Report

GOVERNANCE, RESPONSIBLE BUSINESS AND CITIZENSHIP

GOVERNANCE

The highest governance body of the company is the APCO Worldwide Inc. board of directors which has the legal and fiduciary responsibility for oversight of the company's management practices and financial activities. The five-member board has a unitary structure. Two of the board members are APCO employee shareholders; one board member is independent; two are investors in the company. Three of the five members are non-executive members and the chair of the board is also an executive officer of the company; Margery Kraus, our founder and chief executive. The board meets quarterly. The chief executive holds shareholder meetings with employees who are share and option holders as needed to discuss the company's strategy and financial results.

A nine-member executive committee reports to the board and has a mandate to oversee the company's global business strategy, financial performance, investments, and mergers and acquisitions. The chief executive chairs the executive committee. Also seated on the executive committee are directors of finance and human resources, and directors representing global practices, global client management and geographic areas. Meetings for the executive committee are conducted quarterly in person and more often via conference call as needed. The results of these meetings are communicated to the entire corporation.

Reporting to the executive committee, the management committee oversees annual business planning and forecasting; operational priorities; and integration of geographies, practice areas and global client groups. The management committee comprises 26 senior staff members from around the world and meets quarterly.

RESPONSIBLE BUSINESS

We believe that the expert and responsible practice of communication and public affairs is grounded in respect and compliance with the law and both global and local expectations for business conduct, as well as adherence to industry codes and rigorous self-regulation. We aim to serve clients who are themselves committed to high standards of integrity and accountability. This objective is reflected in our new business and client service protocols.

BOARD OF DIRECTORS

Margery Kraus, chair

Ron Boschetto

Neal Cohen

David Greenberg

Neil Wiesenber

EXECUTIVE COMMITTEE

Margery Kraus, chair

Neal Cohen

Evan Kraus

Stacy Reyan

Robert Schooling

Larry Snoddon

Brad Staples

Kirk Stewart

Denise Teeling

Established in 2008, APCO's Responsible Business Committee has oversight for management of APCO's Code of Conduct and responsible business policies and systems, including compliance and ethics training. The Responsible Business Committee is represented on the management committee and reports to APCO's executive committee. The Responsible Business Committee is comprised of approximately 10 members, including senior corporate staff, the board of directors, representatives from each of our regions and our corporate responsibility practice group.

Our new business acceptance policy includes a formal mechanism for reviewing all client opportunities on their merits, taking into account our existing client base, contractual obligations, the potential client and their objectives and openness to advice, potential conflict with APCO's mission and values, as well as the fit with our service offering. It has been and continues to be APCO's policy that staff may be excused by their managing director, regional executive director or president, from working on certain issues or with certain clients for personal or professional reasons.

GLOBAL CLIENT MANAGEMENT

Engagement with our clients is critical to APCO's long-term success. APCO has a formal Global Client Management (GCM) structure managed by two members of APCO's executive committee. The goals of GCM are to continuously improve the quality of our work, service and client satisfaction, as well as to share best practices in client service across the entire firm. As part of GCM, each global and key client is formally reviewed internally by APCO senior management on an annual basis. In addition, formal yearly reviews are held with each global and key client. We also conduct an annual client satisfaction survey across the majority of our client base.

EMPLOYEE DEVELOPMENT AND ENGAGEMENT

APCO is committed to providing employee learning and development opportunities and benefits packages that are industry leading. We are proud to have won a number of industry awards which recognize our strength as an employer including, most recently, being named the "Best Large Agency to Work For" by *The Holmes Report* at the North America SABRE Awards.

In 2012, we completed our training and development platform called APCO University which offers knowledge sharing webinars about services, key trends happening within a specific market, as well skill-based training on consulting effectiveness and people management. This year, we introduced a formal leadership development program to increase our investment behind our employees' development and strengthen our pipeline of future leaders for the firm.

INDUSTRY CODES

APCO has endorsed and adheres in all our activities to the following industry codes:

Council of Public Relations Firms
Code of Ethics

Public Relations Society of America
Member Code of Ethics

International Association of
Business Communicators
Code of Ethics for Professional
Communicators

The European Public Affairs
Consultancies Association (EPACA)
Code of Conduct

The Association of Professional
Political Consultants (UK)
Code of Conduct

Confederation of Indian Industry
Code of Business Ethics

De'ge'pol (Germany)
Code of Conduct

In 2011 we conducted an employee survey, the results of which led to two targeted areas to focus upon in 2012. They were to:

- improve the ways we communicate with employees to increase engagement.
- educate employees on the firm's compensation practices so every employee understands his/her pay opportunity to help increase retention.

While we have a number of communication and education channels already in place, we made improvements to our:

- **Communication:** by paying closer attention to how information is cascaded throughout the company, reducing our reliance on email and other forms of electronic communication and empowering managers to play a more active role in the delivery of company information with their teams so information is tailored to the specific audience. We also streamlined the amount of information sent to employees, ensuring the information sent is necessary, meaningful and directed to the right audience.
- **Education:** by developing a comprehensive six-month orientation program for all new employees at the start of their APCO career, culminating in the APCO Academy, a two-day session led by the company's senior management and focused on the fundamentals of our business, culture, business approach and key programs.

Our range of other employee opportunities includes:

- **Training:** Diverse and frequent training on financial, project and people management, and on broad based public affairs and communication issues and trends, is available throughout our employees' careers through APCO University. In 2012, new hires averaged approximately 60 hours of induction and training while existing employees continued to average approximately 40 hours of training. We also designed a leadership development program to aid in increasing our management and leadership capacity within the firm.
- **Mentoring:** A robust mentoring program pairs new staff members with longer-tenure employees, as well as junior team members with senior staff to provide counsel and advice outside the traditional reporting systems. Participation in this program continues to increase each year. In 2012, we had 62 employees participating in the mentoring program (as mentee or mentor) representing more than 10 percent of our employee population.

MEMBERSHIPS

APCO is proud to be a member partner of the following organizations:

A Billion + Change

Business for Social Responsibility

Business in the Community

Clinton Global Initiative

International Business Leaders Forum

LAGRANT Foundation

Women Presidents' Organization

World Economic Forum Global Growth Companies

World Economic Forum (WEF) Global Agenda Council on Anti-Corruption & Transparency

- **CEO Councils:** Each region hosts an annual CEO Council where top-performing employees at the mid and junior levels meet directly with APCO's founder and CEO for a half day of in-depth discussions about the firm's future, employees' concerns, ideas and interests, and new opportunities to explore for the company.
- **Global Employee Scholarship Program:** To foster integration, share best practices and enhance cultural understanding, each year a group of employees are selected to spend two to three weeks working in another APCO office. Approximately 18 to 25 scholarships are awarded and those individuals selected are expected to contribute to the host office by sharing best practices, reviewing client engagements, taking in the culture and then returning to their home office to share their learning and experiences with colleagues.
- **Worldwide Management Committee Meetings:** Several times per year, both in person and via conference call, a group of colleagues representing various aspects of the firm's business comes together to discuss and resolve critical business issues and contributes to the business strategy and planning process. We also use these meetings to strengthen collaboration across offices and services, and to provide professional development opportunities.
- **International Assignments:** To provide the best level of client service, some employees are offered the opportunity to work in another country or at a client location to become an integrated part of the clients' team. This provides the client with an extremely high level of service and the employee with a unique professional development experience.

The global "APCO Gives Back" program empowers employees to contribute to their communities.

CITIZENSHIP AND COMMUNITY ENGAGEMENT

The "APCO Gives Back" program empowers employees to contribute to their communities through volunteerism with support from APCO – in the form of both time and financial resources.

APCO Gives Back is a worldwide program, providing all APCO employees with the following opportunities:

Group and Individual Volunteerism

All APCO offices are encouraged to nominate an APCO Gives Back coordinator or committee to arrange and manage group volunteer activities for employee participation in hands-on projects (e.g., planting trees, serving meals, mentoring youth). In addition to group volunteering activities, APCO provides each employee with an opportunity to spend up to eight working hours each year volunteering with a charity or cause of their choice.

A selection of APCO's group volunteering and fundraising projects from around the world in 2012 included:

Beijing: APCO's team partnered with a local high school to provide career guidance and mentoring on topics such as post-secondary education, internships and careers in international firms in China and abroad.

Berlin: staff fund-raised in order to support the victims of flooding in Bavaria and East Germany.

Brussels: employees participated in their third Discover Your Talent Day. APCO's team welcomed around 80 local young job seekers from the disadvantaged Brussels neighborhood of Anderlecht to interactive workshops on CV writing, interview training, presentation skills, competence building, social networks and individual counseling.

Brussels staff also organized the fifth annual UNICEF Quiz for Children in November 2012. Seventy teams representing the European Union institutions, journalists, companies, law firms and consultancies competed. Approximately €20,000 was raised and donated to UNICEF's "Education in Emergencies" campaign.

London: our employees participated in Business in the Community's Give and Gain Day, the UK's largest business volunteering event, by helping to organize a community sports day for school children in the London Borough of Lambeth.

New York: a team of APCO employees donated time, food, clothing and other supplies to help the victims of Hurricane Sandy.

Paris: APCO's team volunteered with Santé en Entreprise to support the organization's programs to combat HIV, malaria and chronic diseases among employees and local communities in France, Africa and the Caribbean.

Washington, D.C.: a team of APCO employees participated in community volunteering projects organized by HandsOn Greater DC Cares to mark the September 11 day of service.



APCO participated in the International Good Deeds Day, a global volunteering and philanthropic campaign.

Corporate Giving and Charity Matching

In 2012, APCO donated more than US\$115,000 to community causes, including foundations and nonprofit sponsorships, corporate matching of employee donations for major disaster relief efforts and other employee donations to nonprofit and charitable causes.

Pro-Bono Services

APCO makes significant contributions to our local communities and to global causes via pro-bono work. In 2012, our global pro-bono work reached more than US\$1 million in services. We support a wide range of nonprofit organizations around the world, including:

- **The Clinton Global Initiative:** APCO is proud to provide pro-bono communication and strategic counsel support to the Clinton Global Initiative (CGI). CGI's mission is to inspire, connect and empower a community of global leaders to take action on the world's most pressing challenges. CGI catalyzes its members – leaders from multinational corporations, social enterprises, governments and nonprofits – to maximize their efforts to alleviate poverty, create a cleaner environment and increase access to health care and education. CGI members have to date made more than 2,100 commitments, which have already improved the lives of nearly 400 million people in more than 180 countries. APCO helps CGI members gain interest in the causes they are addressing, demonstrate their successes and highlight the wide-ranging achievements of CGI as a whole. APCO's CEO participates in the annual strategy and planning meeting for CGI. APCO's team handles press outreach before and during CGI's Annual Meeting, including manning the press office of more than 1,000 journalists, as well as offering media and communication training to CGI member organizations. In the past two years, APCO has significantly increased its pro-bono support for CGI and now manages all the press around CGI's America meeting, as well as its global Annual Meeting. APCO has helped generate many millions of media impressions and hundreds of articles in leading news media and our partnership with CGI has resulted in new levels of visibility for the tremendous work of its members and commitment-makers around the world. The pro-bono partnership with CGI is a global effort, including colleagues from many APCO offices around the world.
- **Yunus Social Business Global Initiative:** In 2012, APCO began providing pro-bono communication support services for this new initiative of Nobel Peace Prize Winner Professor Muhammad Yunus, which launches and manages social business development programs, including incubator funds for social businesses, in countries around the world. APCO's work includes providing media relations and event management, as well as developing marketing materials aimed to attract corporate supporters and creating a video to outline the concept of social business. In April of this year, our team was proud to support Professor Yunus as Members of

In 2012, APCO's
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services. This
represented an
increase of more
than 16 percent
from 2011.



the United States Congress presented him with the Congressional Gold Medal in recognition of his contributions to fight global poverty.

- **Artists Striving To End Poverty (ASTEP):** This organization connects performing and visual artists with underserved youth in the United States and around the world to awaken their imaginations, foster critical thinking and help them break the cycle of poverty. In 2012, APCO's Washington, D.C., team provided a communication audit, made strategic recommendations including key messages, and developed a communication and media plan for the Kennedy Center American Theater College Festival.
- **Enactus China:** APCO's Shanghai office assisted Enactus China, an NGO that mobilizes university students to use entrepreneurship to improve disadvantaged communities, to refresh its brand awareness, communication, messaging and marketing materials. The organization faced an unprecedentedly large fundraising goal, and struggled with its brand awareness and messaging to potential sponsors, government officials and the media. APCO helped Enactus China to refine and unify its messaging ahead of the Enactus World Cup in 2014, which will be an ideal platform for them to gain more long-term supporters.
- **I am Number One:** APCO's Dubai office facilitates a support group for people and parents of children who suffer from Type 1 diabetes. This involves organizing and hosting events with experts such as chefs and nutritionists who can advise on healthy cooking, and providing media relations to raise awareness and visibility for the support group.
- **International Health Partners:** APCO's London office has an established pro-bono partnership with International Health Partners (IHP), an alliance involving health care companies, medical charities and NGOs, governments, the medical community and concerned individuals and companies who provide pro-bono services and financial contributions. During 2012, the APCO team provided pro-bono communication and strategic counsel to IHP, including advice on stakeholder engagement and message development. To date, IHP has supported more than 500 medical projects in 92 countries with donated medicines, vaccines and medical supplies with a value of £100m, with the support of 180 associations and companies.
- **Nature Conservancy:** APCO's New York team built a messaging platform for a new urban conservation strategy in the New York City metro area. We developed a messaging architecture, recommendations and key considerations for the organization's 2013 communication plan.
- **Seeds of Peace:** This nonprofit, non-political organization helps teenagers from regions of conflict learn the skills for making peace.

In 2012, APCO began providing pro-bono communication support services for a new initiative of Nobel Peace Prize Winner, Professor Muhammad Yunus, which launches and manages social business development programs around the world.

APCO's Washington, D.C., team audited the organization's external communication and developed a comprehensive social media strategy, as well as provided strategic recommendations to better leverage their annual spring gala.

Humanitarian Emergency and Disaster Response

APCO provides opportunities for employees to support people impacted by humanitarian emergencies and disasters around the world by matching employee donations up to US\$10,000.

Commitment to Leadership Development and Civic Services

In addition to the activities above, members of APCO's senior management team serve in leadership positions in important civic and educational organizations, including university trustees, educational foundations, civic organizations, community foundations, industry oversight bodies and professional societies.

CHALLENGES AND OPPORTUNITIES

As discussed in our 2011 report, we believe there are fundamental issues that have a material impact on our success.

These issues are addressed through our policies, practices, the industry code of conduct and ethics to which we adhere.

- **The Work We Take On:** The clients we take on reflect who we are as a company and therefore have significant impact on our reputation in the marketplace and ability to attract and retain the best talent. We have established strict guidelines that apply to everyone in the company – as protocols used to bring on a new client or project that address conflicts not only with existing clients as well as our vision and values.
- **The People We Hire:** Talented employees who can deal with the complexity of a global business environment are critical to our providing clients with the insight needed to serve them over the long term. Our objective is to build a diverse, creative and knowledgeable team who works across borders and issues and chooses to build their careers at APCO.
- **Our Commitment to Transparency:** The communication industry is often criticized for tactics used to promote clients' interests. Being transparent in who we are, what we do and how we do it is how we build credibility with our clients, their stakeholders as well as with our own employees. To that end, we have defined policies and practices supported by training and accountability across all levels of the company.

CHAMPIONING WOMEN & GIRLS FOR SUSTAINABLE GROWTH



A CERTIFIED MAJORITY
WOMEN-OWNED BUSINESS



CLIENT AND PRO
BONO WORK



EXECUTIVE AND EMPLOYEE
ENGAGEMENT

Investing in women is not only the right thing to do, but it is also critical to the success of businesses, governments and organizations. We believe that by investing in and advocating for women – whether internally at APCO, as part of our extensive client and pro bono work in this space or through the active external leadership of our employees – we can help strengthen business outcomes and create benefits for families, communities and countries. Our multifaceted commitment to women, through our work in all these areas, underscores APCO's commitment to a wide range of UNGC principles including those focused on labor and human rights.

A CERTIFIED MAJORITY WOMEN-OWNED BUSINESS

As the largest certified majority women-owned global business in our industry, our passion for women and girls is infused across our offices in more than 20 countries.

- APCO is certified by the Women's Business Enterprise National Council, in partnership with the Women Presidents' Educational Organization, as a women-owned business.

CLIENT AND PRO BONO WORK

APCO's recent work focuses on driving greater access to economic opportunities and advancement for women globally.

- **Lean In:** APCO provided strategic counsel and media relations support around the launch of Lean In. Sparked by Sheryl Sandberg's book "Lean In: Women, Work and the Will to Lead," Lean In is a global community committed to encouraging and supporting women leaning in to their ambitions.

APCO's LEADERSHIP TEAM

42% of leadership positions in geographic and global operations held by women

43% of global practice leadership positions held by women

38% of global account leadership positions held by women

100% of APCO Worldwide Inc. corporate officers are women (president, treasurer and secretary)

- **UPS and the World Association of Girl Guides and Girl Scouts:**

Since 1988, APCO has worked in partnership with The UPS Foundation to design, communicate and help implement UPS' strategic philanthropy programs. As part of this assignment, APCO has helped develop and strengthen a signature partnership with the World Association of Girl Guides and Girl Scouts, an organization which helps more than 10 million girls and young women in 145 countries realize their full potential as responsible citizens of the world. APCO has helped support the development and implementation of UPS' CGI commitment. The commitment responds to the problem that for too long, girls' voices have been excluded, and that girls have both the ability and the right to make their voices heard on major issues that affect them today and will impact their futures.

- **A Roadmap for Promoting Women's Economic Empowerment:**

APCO is providing strategic counsel and communication support for A Roadmap for Promoting Women's Economic Empowerment, a collaboration between the United Nations Foundation and a leading energy company to identify proven, promising and high-potential program and policy interventions. The report, to be released later in 2013, helps bridge a crucial knowledge gap by identifying what works to promote women's economic empowerment.

- **Womanity:** APCO works for this charity that aims to empower girls and women and accelerate progress in their communities. Womanity engaged APCO to raise their profile and help them to build successful relationships. APCO provides strategic advice and support in messaging, media relations and event management in Europe, the United States and the Middle East.

EXECUTIVE AND EMPLOYEE ENGAGEMENT

Championing the progress of women and girls globally is part of our DNA and has been for 30 years, since our founding by current CEO Margery Kraus. Our company-wide commitment to support the development of women is evident in the personal actions and affiliations of our employees and executives.

- **Clinton Global Initiative Women and Girls Champions:**

Margery Kraus serves as a CGI champion for women and girls issues, providing input on the development of women and girls commitments and programming including CGI Americas and the CGI Annual Meeting. In the past year, APCO also provided support to CGI member companies and organizations to design, implement and raise the visibility of commitments and events

Championing
the progress
of women and
girls globally is
part of our DNA
and has been
for 30 years.

focused on women's economic empowerment, training female garment workers and providing leadership development for girls.

- **Supporting the Next Generation of Women Leaders:**

- **Global Thinkers Forum:** Margery Kraus received the 2012 Global Thinkers Forum (GTF) Excellence in Leadership Award, which recognized her leadership and efforts in promoting socially responsible business around the world. GTF is a nonprofit initiative and a platform to create dialogue and bring current and future leaders together to discuss governance, society, progress and the future. The focus of GTF 2012 was women leaders in the Middle East and North Africa (MENA) region. Women Arab leaders across industries came together in Amman, Jordan to promote knowledge, positive change, create more incentives and offer support towards women to help them pursue their careers or become successful leaders in their fields.
- **Margery Kraus Scholarship:** Introduced in 2011, APCO continues to support the Margery Kraus Scholarship for the study of Global Communications and Public Affairs at American University, which supports women who are studying abroad.



PART 2:

UN GLOBAL COMPACT PRINCIPLES

HUMAN RIGHTS PRINCIPLES

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2:

Make sure that they are not complicit in human rights abuses

APCO'S POLICIES, OPERATIONS AND GOALS

Support and respect for human rights and respect for human beings is an integral part of APCO's values, which transcend geographical boundaries and are embraced in every APCO office. In addition, at the core of APCO's governance are two essential policies with which all employees of APCO and its subsidiaries are required to comply – APCO's Code of Conduct and APCO's Anti-Discrimination and Equal Employment Opportunity Policy.

APCO's Code of Conduct details the high standards of behavior expected of all APCO employees in their interactions with each other, vendors, clients, prospective clients, government officials, etc. Underlying the Code of Conduct is a belief in treating others with respect and acting in good faith and transparently in all transactions.

APCO's Anti-Discrimination and Equal Employment Opportunity Policy specifically prohibits APCO employees from engaging in or supporting discriminatory behaviors. Specifically, it is APCO's policy: (i) to recruit, hire and promote the most qualified staff for all jobs; (ii) to ensure that all staff actions (including, but not limited to, recruitment, hiring, compensation, benefits, transfers, layoffs, and all company-sponsored training, social and recreational programs) are administered in a non-discriminatory way, all without regard to an applicant's or employee's race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, family responsibility, disability, veteran status, education, political affiliation, genetic information or any other classification protected by applicable law.

HUMAN RIGHTS PRINCIPLES APPLIED TO EXTERNAL WORK

In addition to respecting human rights in our own operations, we contribute to promoting awareness and respect for international human rights through pro-bono and client assignments, including:

- **Landesa:** APCO provides global communication and advocacy support to this international nonprofit organization that champions the power of land ownership and secure land rights as the key to a better future for the world's poor. The organization partners with governments to design laws, policies and programs that provide the rural poor with opportunities to legally own, lease or inherit land. As a result of Landesa's efforts, more than 100 million families around the world have gained legal rights to land.
- **The World Justice Project (WJP):** APCO provides media relations and global communication support to this nonprofit organization working to advance the rule of law in communities around the world. APCO helps raise awareness of the WJP's three signature efforts – the Opportunity Fund competition that recognizes new and innovative approaches to fighting social injustices; the World Justice Forum which convenes a diverse range of stakeholders to address various human rights and corruption issues; and the WJP Rule of Law Index, which measures how well countries adhere to the rule of law in practice.

Throughout our client assignments, we strive to provide guidance on adherence to the Universal Declaration of Human Rights and other international instruments, including providing specific recommendations to promote and respect human rights and the rule of law in certain countries in Africa, Eastern Europe and South East Asia.

INTERNAL IMPLEMENTATION

In order to keep our values at the forefront of what we do, APCO takes several concrete actions to ensure employees understand the importance of our values, the spirit we intend by living our values and that our actions match our words. It starts at the very beginning of the employee life cycle.

Before joining the firm: During the hiring process, candidates are interviewed not only by the hiring manager, but also by their potential peers. This is to ensure that the candidates understand the importance of integration and respecting diverse viewpoints as a core value of the firm.

New employee orientation: During the first few days of joining APCO, the firm's values, as well as APCO's Code of Conduct and our Anti-Discrimination and Equal Employment Opportunity Policy are reviewed with all employees as part of the standard Global Orientation Program. This underscores the importance of following and abiding by these principles in employees' interactions from the very start of their employment.

APCO takes several concrete actions to ensure employees understand the importance of our values, the spirit we intend by living our values, and that our actions match our words.

Making it relevant: Throughout the year, several APCO executives conduct periodic ethics and values training sessions to reinforce the importance and adherence to these policies. These trainings are not only beneficial to APCO's own operations but there have also been instances where they have made a positive impact helping our clients satisfactorily resolve ethical dilemmas.

We also have defined and introduced our employee value proposition, the APCO Experience, as a comprehensive way to communicate the firm's goals we are working to achieve, how our values help us achieve those goals, and the programs and opportunities available to employees to support them in pursuit of their goals that align with the firm's values.

In 2012, we also introduced a recognition program called "Doing it Right," empowering anyone from around the company to recommend a colleague for demonstrating the exemplary behavior and core values in the delivery of service for the client or the firm.

Every two years, all employees are required to participate in anti-discrimination and code of conduct training where we reaffirm the principles and re-educate everyone on the various reporting mechanisms for concerns, questions or violations.

Ethics Compliance Line

APCO has a global compliance line which provides employees with an additional avenue to raise questions or file complaints about unethical or illegal conduct. This line is monitored daily and was implemented in 2009.

When concerns are raised, whether it be through direct line management or via another reporting channel (Human Resources, Legal Counsel, Responsible Business Committee, etc.), we determine the appropriate course of inquiry and party best suited to pursue follow-up action. Typically, most questions or concerns about following a specific business practice or use of a reporting tool are handled by members of the Responsible Business Committee. Claims that are more serious in nature or have a personnel implication are handled by the office of the general counsel and the senior human resources executive collaboratively. Responsible Business Committee calls are held monthly to report on any common questions or use of the compliance line. Significant issues, if any, are brought to the attention of the executive committee and board of directors. Annually, a report is prepared for the company's executive committee and board of directors on usage of the compliance line and trends.

In 2012, one call was received by the global compliance line. The information was incomplete, but the claim was promptly investigated by our Human Resources Department to the fullest extent possible and was considered resolved.

MEASUREMENT

Focus area: Employee Ethics Training

2012 Performance: 75 percent of new employees who joined APCO in 2012 received ethics training in 2012 and the first quarter of 2013.

Live training was conducted by APCO's legal team throughout the relevant time period. Participants sign in and are tracked.

An updated global ethics training webinar was implemented in 2011 for those not attending live training and attendance/participation was tracked.

LABOR PRINCIPLES

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:

The elimination of all forms of forced and compulsory labor;

Principle 5:

The effective abolition of child labor; and

Principle 6:

The elimination of discrimination in respect of employment and occupation.

APCO POLICY AND GOALS

It is our practice to follow, and where possible exceed, local employment laws in each of the countries in which we operate, and to ensure that individuals meet country and local employment eligibility standards, such as regulations governing age. Furthermore, APCO's equal opportunity policy, mentioned above, provides the framework for non-discriminatory actions affecting labor.

APCO does not prevent employees from joining trade unions. Our approach to human resources is to foster and maintain an open and transparent work environment and dialogue with employees, and to address any issues raised by employees in accordance with the law and with our values and policies.

We do not promote, engage or employ child labor in any of the countries in which we operate and our anti-discrimination policy clearly defines the company's position on employment practices that may harm communities or individuals on a broad range of personal characteristics.

We implemented a Diversity & Inclusion (D&I) Program in 2009 and clearly stated our D&I goals to be the employer of choice in our industry for diverse talent. We have a long-term goal to be recognized as the undisputed, most diverse agency by 2020. We firmly believe the very best solutions, products and contributions come from the diversity of our people, their backgrounds and experiences and APCO has a competitive distinction when we fully embrace and leverage this belief.

In 2012, we continued our focus on education – supporting educational efforts of women and minorities, educating ourselves and educating others.

APCO is committed to a healthy and safe work environment for all our employees and we take pride in creating environments that are not only compliant with various country regulatory standards in this respect, but are also pleasant environments for our employees to work in. We have a number of policies and procedures in place to address health- and safety-related issues. Whether it is complying with Belgian standards of ensuring access to natural light into employee work spaces, or confirming that hallways and furniture are laid out with adequate distance to meet U.S. fire standards, we are diligent in our practices to create a healthy and safe work environment. Throughout different offices we encourage our employees to lead a healthy lifestyle, examples include some offices organizing fun and healthy competitions for losing weight, playing on organized sports teams, etc. Our wellness program also provides the opportunity to receive rewards for demonstrating healthy behaviors.

In addition to our formal procedures and directed opportunities, we have built the firm on a spirit of mutual respect which is an essential part of how we collaborate so well together across projects and continents.

IMPLEMENTATION

Non-Discrimination, Child and Forced Labor: We take a number of actions to ensure a work environment free of discriminatory practices and do not allow or condone the engagement of child or forced labor. Employees of APCO's worldwide offices enter willingly into employment contracts reflective of the laws of the country in which they work and reside, and we follow market standard practices with regard to notice period requirements.

The global compliance line (referenced previously) is promoted throughout APCO's offices (through posters, brochures, wallet cards and information on APCO's intranet) as one mechanism for reporting issues or concerns about inappropriate or disrespectful behavior.

This compliance line is monitored by the general counsel's office and the senior human resources executive for follow up and action, as necessary.

Health and Safety: During our standard orientation program, all new hires are provided with information on health and safety practices for their local office to include: fire evacuation routes, alarm testing procedures, leave reporting procedures for employees to follow in the event of national emergencies, inclement weather procedures and policies prohibiting drug use at work.

We take steps to abide by health and safety requirements on an ongoing basis including, but not limited to, participation in emergency drills, confirming the ban of any weapons or dangerous instruments on work grounds, ensuring smoke-free work environments in all countries where smoking in buildings is banned, and checking that all building dimensions are continuing to meet the building code standards for emergency evacuation as well as accommodating individuals with mobility impairments.

Diversity: To ensure the spirit of the employment (labor) policies and practices are maintained, human resources reviews progress against the stated D&I goals, as well as performing market-based pay survey research in the majority of the countries in which APCO operates. In doing so, we ensure sound practices and are able to continue to offer competitive wages without any adverse or unintentional pay discrimination practices.

Given the shortage of diverse talent expressing interest in pursuing careers in our industry, we have taken a long-term strategic focus on education and it is quickly becoming one of the cornerstones of the D&I program. We have learned that through educational outreach we can make great strides in reaching a key constituency of future potential candidates and creating a greater awareness of diversity in our industry. Introduced in 2011, APCO continues to support the Margery Kraus Scholarship for the study of Global Communications and Public Affairs at American University, which supports women who are studying abroad. Additionally, APCO remains a supporter of the work of the LAGRANT Foundation which supports minority students majoring in communication by hosting events where students of the foundation can learn more and be exposed to the work of agencies.

Striking the right balance and diversification is something we are committed to today and in the long term. We are proud of our accomplishments to date in working towards creating a diverse and inspired workforce and know there is always more work to be done.

MEASUREMENT OF OUTCOMES

Focus area: Diversity and non-discrimination

2012 Performance: diversity of client-facing staff remained unchanged from 2011

In 2012, our global staff turnover rate decreased to 15 percent, down from 19 percent in 2011

Health and safety: In 2012, we had no serious incidences or work-related injuries reported

ENVIRONMENT PRINCIPLES

Principle 7:

Business should support a precautionary approach to environmental challenges;

Principle 8:

Business should undertake initiatives to promote greater environmental responsibility; and

Principle 9:

Business should encourage the development and diffusion of environmentally friendly technologies

APCO POLICIES AND GOALS

As a professional services firm, our environmental footprint arises primarily from our office operations and business travel. Accordingly, our global policy is based on adhering to all applicable environmental laws and regulations; while at the same time applying the principles of reduce, reuse and recycle in the workplace, using a Green Office checklist covering office and IT energy efficiency, office supplies and recycling, travel preferences and large company meetings.

In 2010-11, we commenced a pilot program to analyze the carbon footprint of several mid-sized offices to guide the development of our measurement tools and reduction/offset strategy. This exercise showed that office energy usage, business air travel and paper usage constitute the main elements of our carbon footprint (scope 2 and 3 emissions). The next step involves setting up a consistent internal environmental data collection system within our operations team and implementing it in selected large- and mid-sized offices.

IMPLEMENTATION AND MEASUREMENT

Business air miles: In 2012, we estimate business air miles originating in our North American and West European operations were just under 7 million miles (6,819,076 miles). This is based on third-party travel vendor records for these regions which cover an estimated 95 percent of these regions' business air travel. We estimate these air miles accounted for approximately 3,307 tons of CO₂ emitted. We have not yet developed a program that appropriately reduces or offsets these emissions.

ENVIRONMENT PRINCIPLES APPLIED TO EXTERNAL WORK

In addition to focusing on our own operations, we contribute to promoting environmental responsibility and greener technology through pro-bono and client assignments which in 2012 and early 2013 included:

Asian Cities Climate Change Resilience Network (ACCCRN): APCO drives media strategy and publicity efforts for this pan-Asian, nonprofit initiative, which is helping 10 cities in four Asian countries (India, Indonesia, Thailand and Vietnam) to adapt to the growing impacts of climate change. Our work consists of both strategic and tactical elements and involves international media campaigns to raise the profile of the initiative and its financial supporter, the New York-based Rockefeller Foundation.

The China Green Tech Initiative (CGTI): CGTI is a partner-funded collaborative platform focused on identifying, developing and promoting green technology solutions in China. APCO was a founding partner for CGTI and has assisted CGTI with its government relations since the organization's inception four years ago. In this role, APCO has developed a comprehensive government engagement strategy that helps CGTI introduce the organization to Chinese regulators and build trust in its offerings.

Clean Edge: APCO provides pro-bono media relations support to Clean Edge, a clean tech market research and advisory firm. Our work has included developing and executing an earned media strategy targeted at major international, national, regional and online press around Clean Edge's global Clean Energy Trends report, as well as its U.S. Metro Clean Tech Index and U.S. Leadership Index. APCO has secured prominent online and traditional coverage for Clean Edge's reports, including Chinese Energy News, CleanTechnica, EarthTechling, Environmental Leader, *The Guardian*, Green Tech Media, Grist, *Le Figaro*, *Sacramento Bee*, *San Francisco Chronicle*, *San Jose Mercury News* and Triple Pundit.

The Cleantech Open: The largest incubator and business competition in the United States focuses on finding, funding and fostering clean-tech entrepreneurs. APCO works as the Pacific Northwest region's public relations and marketing team to increase visibility of the competition and its competing start-up companies with regional media, investors and the entrepreneur community. APCO's core activities include leading media relations, managing social media and assisting in the execution of multiple events. The organization continues to be increasingly recognized as a core driver of developing the region's "green" economy through facilitation of innovation. APCO supports the Cleantech Open on a pro-bono basis.

In addition to focusing on our own operations, we contribute to promoting environmental responsibility and greener technology through pro-bono and client assignments.

GE: APCO supports GE across its business units in the United Kingdom, including working closely with GE Energy and GE Power & Water to raise awareness across Europe of new products and projects that are revolutionizing the energy industry. GE's 2.5-120 "brilliant" wind turbine, drives higher power output, improves service productivity and creates new revenue streams for customers in the wind energy sector.

The International Renewable Energy Agency (IRENA): This agency promotes the sustainable use of all forms of renewable energy. APCO was appointed to generate global media coverage around IRENA's landmark General Assembly in Abu Dhabi in 2013 and for its presence at the World Future Energy Summit in Abu Dhabi immediately after the Assembly. APCO worked to create a profile for IRENA in the global media as the worldwide authority and leading enabler of renewable energy globally; organized an intensive media campaign with daily news stories to drive awareness of IRENA's expertise and innovations that are helping the planet convert to renewable energy; conducted daily media briefings using IRENA's research data and experts to create intense worldwide interest in both traditional and social media; and organized media briefings with IRENA's director general, Adnan Amin, which cemented IRENA's position as the preeminent enabler for organizations in government and the private sector looking to increase levels of renewable energy. These efforts resulted in a spike in inquiries for IRENA's services and the organization continues to thrive as the world's leading body in its field.

Masdar: APCO has been the agency of record for Masdar, Abu Dhabi's multi-faceted renewable energy company, since 2010. APCO is engaged by Masdar to position it as a leading player in the global renewable energy and clean technology space and to broaden awareness and recognition of the Masdar Initiative with journalists and key stakeholders regionally and internationally. This effort encompasses media outreach, thought leadership, government counsel and strategic communication counsel. In 2013, APCO has supported Masdar in the inauguration of Shams 1, the world's largest concentrated solar power plant located in Abu Dhabi, and the London Array, the world's largest offshore wind farm, located off the Kent coast, in the United Kingdom.

Microsoft: APCO works with Microsoft's International Organizations team to promote flagship joint initiatives with leading international organization partners and global stakeholders. In June 2012, APCO supported Microsoft's broad engagement at the Rio+20 Sustainable Development Conference where they promoted initiatives, such as their environmental mapping solutions with the European Environment Agency, green data centers with the UN Environment Programme (UNEP) and Microsoft's own carbon neutrality pledge.

The Recolight campaign has contributed to the recycling of more than 175 million light bulbs, preventing more than half a ton of mercury from entering landfill sites.

MIYA: Urban water distribution utilities worldwide face the challenge of reducing water leakage in decaying pipe systems and improving their water efficiency management. Businesswoman and philanthropist Shari Arison created Miya, an Arison Investments company, to become a global provider of comprehensive water efficiency solutions, as a way to address this pressing global challenge. This valuable initiative advances water efficiency, maximizes on the abundance of existing water supplies and substantially reduces costs and energy consumption. In 2012 and 2013 APCO provided specific targeted exposure within the framework of the Arison Investments global effort to spread awareness of Miya's services.

Recolight: APCO works with Recolight, a not-for-profit recycling program for the lighting industry, to promote the importance of recycling low-energy light bulbs to businesses and consumers in the United Kingdom. Low-energy light bulbs need to be recycled in accordance with the European Waste Electrical and Electronic Equipment (WEEE) Directive but above that, they contain a small amount of mercury and are therefore classed as hazardous waste, and could be harmful to the environment if allowed to go to landfill. APCO manages a number of awareness-raising initiatives for Recolight, including a school education program "The Big Light Project," regional media tours and on-going PR and social media programs. The campaign has contributed to the recycling of more than 175 million light bulbs, preventing more than half a ton of mercury from entering landfill sites.

UK Trade & Investment (UKTI): APCO works closely with UKTI to build awareness in the United States of UK businesses' know-how and global leadership in creating a low-carbon society. UK businesses are leaders in the development of renewable energies such as off-shore wind and in the development of more sustainable, energy-efficient technologies for all kinds of infrastructure from water to buildings.

World Future Energy Summit: For the third consecutive year, APCO has worked with Masdar to support communications around the World Future Energy Summit in Abu Dhabi. Bringing together heads of state, policymakers, academics and leading businessmen, the World Future Energy Summit is one of the world's foremost events dedicated to renewable energies, energy efficiency and clean technologies. In 2013, the World Future Energy Summit, formed part of Abu Dhabi's Sustainability Week with the Assembly of IRENA; the International Water Summit (IWS); the fifth annual Awards Ceremony for the Zayed Future Energy Prize; and the International Renewable Energy Conference in Abu Dhabi (ADIREC).

The Zayed Future Energy Prize: This is the preeminent award in the field of clean energy supported by the government of Abu Dhabi and announced at the World Future Energy Summit in 2008. It recognizes and aspires individuals, organizations and companies making contributions in clean energy research, engineering, theoretical advancement and/or in the areas public policy and public awareness. APCO supported the Zayed Future Energy Prize in its outreach to potential award winners, including with the Global Schools Prize which was awarded for the first time in January 2013. This year APCO worked across the United States, Europe and Asia to build relationships with partner organizations helping to raise global awareness of this \$4 million award.

While we are proud of these contributions and our support for our clients' endeavours to promote environmental responsibility and greener technologies, we remain mindful that as a firm we also work with a range of companies with diverse environmental footprints.

MEASUREMENT

APCO offices have developed their own environmental efficiency programs in an effort to decrease our environmental footprint, aligned with local laws, customs and opportunities negotiated through our relationships with landlords.

ANTI-CORRUPTION PRINCIPLES

Principle 10:

Business should work against corruption in all its forms, including extortion and bribery.

APCO POLICY AND GOALS

APCO is a professional services company with subsidiary companies around the world. APCO's legal team does ongoing risk assessment paying heightened alert in those countries where APCO does business and Transparency International's Corruption Perception Index shows a culture of corruption. Other factors taken into consideration in deciding the amount and kind of risk assessment needed include the sector in which APCO is providing services, the value and duration of the project, and whether third-party consultants, agents and or affiliates are being engaged. APCO considers the totality of the circumstances in managing bribery risk.

APCO has zero tolerance for corruption, bribery and extortion. This is clear in our Code of Conduct and policies dealing with the Foreign Corrupt Practices Act and the UK Bribery Act that clearly state that a breach of their anti-corruption, bribery and extortion standards is grounds for immediate termination. APCO is also a signatory to several industry codes that have provisions relevant to anti-corruption, i.e., the UK Association of Professional Political Consultants Code of Conduct, the Code of Lisbon-European Code of Professional Conduct in Public Relations, the Code of Athens-International Code of Ethics, the International Association of Business Communicators (IABC) Code of Ethics for Professional Communicators and the Confederation of Indian Industry Code of Business Ethics.

APCO requires its business partners to adhere to anti-corruption principles and has instituted procedures to implement compliance. APCO's policy is to conduct due diligence on third-party consultants, agents and affiliates/strategic partners. APCO also requires its affiliates/strategic partners to sign onto its Charter for Professional Ethics & Conduct for Strategic Partnerships with its anti-corruption requirements and to contractually represent and warrant that they will not participate in corrupt acts.

APCO has zero tolerance for corruption, bribery and extortion.

IMPLEMENTATION

Anti-corruption is embedded in APCO's culture. Its compliance program takes many forms including:

- Formation in 2008 of the Responsible Business Committee –see page 7/8.
- Regular executive memos to all staff on APCO's commitment to ethics, integrity and social responsibility.
- Training conducted on Ethics & Compliance that includes its Code of Conduct and Foreign Corrupt Practices Act and UK Bribery Act policies both in person and by webinar for current and new employees.
- Extra training attention given to those offices in countries where there is a known culture of corruption.
- Legal alerts written by the APCO legal team and sent to all staff reminding staff of anti-corruption requirements.
- Memos from APCO's founder and CEO on the use of the Compliance Line, along with additional training on reporting alleged misconduct either through the Compliance Line or directly with management as part of APCO's Ethics & Compliance training.
- Procedure for evaluating entertainment and hospitality and gift expenses for clients to distinguish between reasonable expenses and lavish expenditures that could be considered a bribe.

Responsibility for anti-corruption implementation within APCO rests with the Responsible Business Committee and the general counsel. However, each individual at APCO is responsible for abiding by APCO's anti-corruption policies, its Code of Conduct and the law, and for reporting any perceived misconduct.

As stated on page 8, APCO has signed on to a number of public relations/public affairs codes of conduct prohibiting corruption and related acts.

In addition to focusing on our own operations, we contribute to promoting anti-corruption through pro-bono and client assignments.

For instance, APCO's German offices work for Transparency International, the global civil society organization leading the fight against corruption. In 2012, APCO supported them by providing media and communication training for leaders of their organization in Germany.

**APCO has procedures
in place to ensure
compliance with the
requirements of the
UK Bribery Act and the
U.S. Foreign Corrupt
Practices Act.**

Additionally, APCO's Moscow and New York teams supported the third international National Council on Corporate Governance conference, held in Moscow in May 2012. This event attracted more than 300 attendees to listen to a roster of prominent speakers, among them former U.S. Senator Chris Dodd (the keynote speaker). Academics, professionals, executives and representatives of multinational institutions spent two days discussing the quest for global corporate governance. The event included a thought-provoking panel session focusing specifically on anti-corruption practices and enforcement.

APCO is also a member of the World Economic Forum's Partnering Against Corruption Initiative (PACI) supporting the PACI Principles for Countering Bribery, and our CEO serves as a member of the Global Agenda Council on Anti-Corruption & Transparency and as an advisor to PACI. By signing the PACI Principles, we have committed to having a zero-tolerance policy towards bribery and to developing and implementing or maintaining a broad-based, anti-corruption program to guide the behavior of our employees. These principles also apply to key business relationships with controlled subsidiaries, joint ventures, agents and other intermediaries, as well as contractors and suppliers.

**We look forward
to sharing our
continued
progress to be
world class not
only in what we do
but how we do it.**

MEASUREMENT

APCO believes that its extensive compliance training program including training on the Compliance Line has been successful. No incidents of corruption have been reported and there have not been any legal cases, ruling or fines assessed on APCO related to corruption. APCO's external auditors conduct audits of the company each year and have not uncovered any incidents of corruption.

MOVING FORWARD

We hope this summary of our work to date provides both the sense of how important these goals are to us as a firm and the full range of things we do to support these goals as part of our DNA. We look forward to sharing our continued progress to be world class not only in what we do but in how we do it.