

# **Ketchum and the United Nations Global Compact**

## **Our Communication on Progress**

**April 2007**

United Nations Global Compact:

On behalf of Ketchum employees around the world, I am pleased to present the accompanying second 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 labor policies, a few of them amended recently, implicitly relate to Compact 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 will not 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 will make 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 the Ketchum 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 a more than 80-year 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. A few examples:

- **World Economic Forum** - In 2004, Ketchum agreed to contribute services to the World Economic Forum (WEF) to increase public visibility and appreciation of three key WEF initiatives – the Global Health Initiative, the Global Greenhouse Register and the Global Governance Initiative. Ketchum's relationship with the World Economic Forum expanded and flourished in 2006. A global Ketchum team worked with the WEF's Global Health Initiative to increase its profile with international media and to support its World TB day and Africa Summit.
- **"A Caring Company"** - That is the designation bestowed upon Ketchum's Hong Kong operation, Ketchum Greater China, in recognition of the office's achievements in "employing the vulnerable" and corporate giving.
- **Hurricane Katrina Relief** - 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 2006.
- **Corporate Philanthropy** - Ketchum and its employees donated time and money to various charitable and philanthropic organizations ranging from children's hospitals to the Thurgood Marshall Scholarship Foundation.
  - 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.
  - 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.
- In addition, several Ketchum U.S. offices have held 24-hour brainstorming events to help develop marketing and communication ideas for local nonprofits that don't ordinarily have the resources to spend for such counsel.
- **"Ethical Decision-Making/Media Transparency"** - Ketchum continued its "Ethical Decision-Making/Media Transparency" training program for all employees and then donated the program to the Council of Public Relations Firms in June 2006 for the benefit of other agencies throughout the industry. As of early 2007, 40% of member companies have completed the program.

### III. Preaching What We Practice

We believe that the Global Compact message is well worth sharing. Therefore, we continuously promote not only Compact principles but membership as well. We do that at meetings large and small with speeches and presentations and with bylined articles in influential publications. A sampling of such activity since our previous Communication on Progress report:

#### A. Global Compact Meetings

Ketchum has participated in and/or helped develop several Global Compact meetings of members and potential members:

- **Global Compact Summit, July 2007** - Ketchum will be represented at the July 2007 Global Compact Summit in Geneva as the company was at the 2005 Summit at the U.N. headquarters in New York. The 2007 Summit will focus on how global markets can be made more sustainable, dynamic, and inclusive, and we believe that strategic communications counsel can be a vital element in this process.
- **Compact Meeting, February 2007** - Ketchum continually urges its clients to consider joining the Compact. In February 2007, we arranged a special introductory meeting for a client with Georg Kell, Compact Executive Director, who provided valuable insights on the Compact's development and future.
- **U.S. Network meeting, "Financial Markets and Corporate Responsibility," May 2006** - Ketchum's representative, along with two dozen network-member representatives, discussed the just-launched "Principles for Responsible Investment" and reviewed reports on the progress of other Global Compact networks around the world.
- **Global Compact U.S. Network meeting, March 2006** - Ketchum participated in this Network planning meeting in Palo Alto, California, which addressed issues such as how to promote and enlarge the network and how to involve more NGOs and governments.

#### B. Speeches and Presentations

- **"Globalization and the Good Company Conference," July 2007** - Ketchum accepted the Global Compact invitation to represent the member company experience in a panel discussion at this New York conference in July 2007.
- **World Bank Conference, "Communication For Development," October 2006** - This event in Rome provided another opportunity for Ketchum to present case histories on how Global Compact member companies, partnering with NGOs, have improved the standard of living and quality of life in less developed countries.

- **World Public Relations Festival, June 2006** - In Brasilia, Brazil, at the World Public Relations Festival, a Ketchum executive summarized global interconnectedness and illustrated how Global Compact principles can help significantly in the accomplishment of the U.N. Millennium Development Goals.
- **New York University Graduate School of Communications, March 2006** - In a lecture on globalization and international public relations, Ketchum presented the Global Compact as a leading institution for advancing corporate responsibility around the world.

### C. Articles

Whenever the opportunity arises, Ketchum links responsible globalization with the Global Compact and its 10 principles in published commentaries appearing in a spectrum of media. A few such recent articles in which we have featured the Compact and its work:

- **“Looking Forward: A Global Leadership Opportunity for Public Relations in the 21st Century,”** *The Public Relations Strategist*, Fall, 2006
- **“The Demise of Short-Termism?”**, *Business for Social Responsibility News*, October 2006
- **“How to Talk to Your Boss, And Others, About Corporate Responsibility,”** *CRO magazine*, Winter 2006

### D. Miscellany

- **Environmentalism** - Employees in the Ketchum London office have developed a voluntary environmentally-sensitive culture which pervades the workplace and also affects personal lifestyles. This effort has been noted in the U.K. newspaper *The Guardian* and the PR industry magazine *The Holmes Report*. We are studying whether and how this kind of culture can be introduced in other parts of the organization.
- **Research** - Ketchum recently participated in two Global Compact surveys of CEOs and operational personnel to examine the effectiveness of Compact programs and design of potential services.

## 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.