

Ketchum's Communication on Progress

April 2014

Report Covering January-December 2013

United Nations Global Compact:

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

Sincerely,
Rob Flaherty

Senior Partner and Chief Executive Officer
Ketchum

A Proud and Active Member of the Global Compact

One of the largest global public relations firms in the world, Ketchum has more than 100 offices in 70 countries with approximately 2,700 employees worldwide. Ketchum was the first public relations agency to join the United Nations Global Compact in 2001 and has been a proud member for more than 13 years. We have practiced the principles of the Compact through active participation in the organization, as well as through the promotion of this international initiative to our employees, clients, business partners, prospective Compact members and other audiences.

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.

For Ketchum, 2013 was a significant year in that we celebrated 90 years in the business. We honored this milestone - not by focusing on the past, but rather by working together to create a positive future. We will provide additional details in this report. In short, we donated more than 90 brainstorm sessions to nonprofit organizations around the world and raised funds to support four years of education for 95 young girls in Tanzania and India.

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 focuses its Communication on Progress by addressing 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. The services we provide 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 and include:

- **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 tolerated. Ketchum expects its business partners 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 CEO, the Code of Business Ethics 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 is 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. An internal 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 – consistent with UNGC principles and the Public Relations Society of America Ethics Code.
- **Ethical Decision-Making/Media Transparency** – Ketchum has continued its mandatory Ethical Decision-Making/Media Transparency training program for all employees, and it donated the program to the Council of Public Relations Firms in 2006 for the benefit of other agencies throughout the industry.

Ketchum Voluntary Initiatives Supporting the Global Compact Mission

As a company with more than 90 years of history of public service through employee volunteerism and corporate contributions, Ketchum applies this commitment to global and local pro bono assignments consistent with Global Compact objectives. Since our beginning, Ketchum and its employees have donated time and money to various philanthropic organizations that address issues that range from hunger to environment to education. In 2013 alone, Ketchum donated more than 4,000 hours to nonprofits around the world.

In December 2007, Ketchum formally launched Ketchum Social Responsibility (KSR), a company-wide initiative that represents a value the agency has acted on since our founding – a value that we can and should integrate social, ethical and environmental concerns into the business of public relations. Ketchum expanded its commitment to KSR by hiring a full-time global KSR director in July 2012. The individual is responsible for activating and evolving Ketchum’s corporate social responsibility policy and helping drive all implementation efforts. The director is responsible for driving global engagement in KSR initiatives across Ketchum offices and affiliates and creating a consistent and collaborative global program.

Ketchum’s major KSR or corporate responsibility commitments fall into the following areas:

1. Room to Read – Ketchum’s global, long-term pro bono partner

An employee-led process steered Ketchum to adopt literacy as its cause in 2008. The goal was to improve literacy qualitatively and quantitatively by doing what Ketchum does best: communicating ideas that raise awareness, change attitude and foster action.

As part of this effort, Ketchum looked at literacy in the broadest possible sense and searched for potential partners in this area. Subsequently, we formed a partnership with Room to Read, a nonprofit that is a leader in providing educational opportunities to children in the developing world. This global organization is focused on improving the lives of children in the developing world through improving literacy and gender equality in education. In fact, Room to Read believes at its core “world change starts with educated children.”

Over the past decade, Room to Read has scaled exponentially to impact more than 8 million children in Bangladesh, Cambodia, India, Laos, Nepal, South Africa, Sri Lanka, Tanzania, Vietnam and Zambia through its worldwide network of more than 1,700 schools and 16,000 libraries filled with more than 13 million children’s books. In addition, more than 25,000 girls participate in its Girls Education program. Working in collaboration with local communities, partner organizations and governments, Room to Read has empowered children with increased access to high-quality educational opportunities.

Partnership Highlights

- **Participation in Advisory Board** – Rob Flaherty, Ketchum’s senior partner and CEO, actively fulfills his commitment to the Room to Read advisory board by contributing time and expertise to the organization throughout the year.
- **Contributions from 31 Ketchum Offices and Affiliates** – To date, 31 Ketchum offices and

affiliates from North America, Europe, the Middle East, Africa and Asia have participated in the pro bono partnership.

- **Employee Engagement** – More than 500 employees worldwide have contributed time and expertise to the organization. Individuals at all levels and across all geographies are given opportunities to share their skills and participate in the global effort.
- **Ongoing Media Relations Support** – Ketchum has engaged its Global Media Network and other media experts throughout the agency to develop and implement media strategies to support the organization's mission. We have also created volunteer media task forces in the U.S. and Europe to assist with localized outreach tied to specific campaigns. Such media placements help generate awareness and funds for the organization and its work.
- **Multiple Language Translations** – Ketchum has translated communications materials into Dutch, German, Japanese and Mandarin to ensure Room to Read's message reaches as many audiences as possible.
- **Funding for Key Programs** – Ketchum has contributed funds to support the publication and distribution of 5,000 books in Laos, the establishment of a libraries in Nepal and Tanzania and the financial support for 177 girls in their Girls' Education program.

2. World Economic Forum

The World Economic Forum (WEF) is committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas and for the past nine years, Ketchum has been involved with WEF in a variety of ways.

Ketchum's support for the Forum involves many people and parts of the agency and touches upon multiple focus areas of the organization's global agenda. Rob Flaherty, CEO, Ketchum, is a regular contributor to projects related to the Forum's increasingly ambitious health agenda and facilitated several high-level sessions at its annual meeting in Davos, Switzerland. Barri Rafferty, CEO North America participates on the Forum's gender parity council and also contributed to the Davos discussion on a series of panels. And David Gallagher, CEO of Europe, chairs the Global Agenda Council on the Future of Media.

Ketchum also dedicates a full-time employee to work at the Forum's Geneva headquarters, providing communications strategy and support for major initiatives such areas as global health, anti-corruption and media literacy. This employee provides one to two years of service to the WEF's media relations team, supporting Davos and regional meetings around the world. Most recently, 2012-2014, Ketchum "loaned" a public relations expert from our Berlin office.

In 2013, Ketchum, The World Economic Forum and the Ad Council launched Creative for Good, an online resource of case studies of effective public education campaigns. It brings together more than 60 campaigns from around the world that cover social issues such as education, health and the environment.

WEF's Global Agenda Council on the Future of Media developed the initiative to help smaller NGOs and organizations create their own public service campaigns by providing access to a range of successful campaigns from different regions and a how-to guide. Case studies from around the world are now included in the platform. Among them: Hair for Hope, from Thailand, which serves to give hope to cancer patients; Operation Christmas, which encourages FARC guerrillas in Colombia to demobilize; Germany Will Find You, which raises awareness on missing children in Germany; and Bell Bajao, which aims to stop domestic violence in India.

Working with the Ad Council, Ketchum provided international media relations support, garnering placements in such outlets as *The New York Times*, *Broadcast & Cable*, Huffington Post, *PRWeek* and *PRWeek UK*, Fhi360.org, NationMultimedia.com, and PubblicitaItalia.it.

3. Ketchum-supported Volunteer Days – KSR Month Worldwide – September 2013

For the past five years, Ketchum has supported up to four hours of donated time per employee to give back to their communities. In 2013, more than 800 colleagues came together to serve their local communities. Collectively, Ketchum supported dozens of organizations around the world, including our pro bono partner Room to Read. These projects reflect thousands of hours of people time and significant financial investment by Ketchum companies.

4. Corporate Sustainability Program

Ketchum has long been an advocate of responsible energy use, and our businesses around the world have set policies to reduce waste, increase energy efficiency and promote sustainable business practices with employees.

In 2012, we developed a set of global policies to help all of our businesses establish improvement targets in energy use reduction; travel/carbon offset policies; supply/service procurement; waste management and recycling; and indoor air quality. These are based on established programs in our London, New York and San Francisco operations and set specific measures for constant improvement.

A big part of Ketchum's commitment to improving society involves its commitment to being an environmentally responsible business and reducing its environmental impact. Although offices are rented spaces within larger office buildings, office leadership goes to great lengths to ensure that the overall buildings are eco-friendly, and Ketchum offices adopt eco-friendly practices.

Currently, Ketchum has a number of different sustainability efforts in place at offices worldwide, going beyond traditional recycling and composting. They include:

- Adopting paperless initiatives such as centralized vendor invoicing and integrated electronic payroll systems, which cut local office paper consumption in half and **eliminated the printing of 18,000 paychecks annually**.
- Implementing a system that allows **73 percent** of computers to automatically go into sleep mode when dormant and to turn off **41 percent** of office lighting after work hours.
- Encouraging mass transit or alternative transportation through fare discount programs and by providing shower/locker facilities so staff can refresh after walking or biking to work.
- Installing cost-effective carpet squares that extend flooring lifespan, minimizing the use of cleaning products and participating in a manufacturer downstream recycling program.
- Providing a filtered water delivery service to eliminate landfill impacts of single-use plastic bottles.

Direct Support to the UNGC

In 2013, Ketchum continued its longstanding commitment* to delivering the United Nations Global Compact message, and, whenever possible, tying it to corporate social responsibility/sustainable development messages in various media formats and at a range of communications forums. John Paluszek, a senior counselor at Ketchum provides ongoing pro bono communications for UNGC programs and its overall mission.

Under his guidance, and that of Gavin Power -- then a Ketchum associate, now deputy director of the UNGC -- Ketchum provided communication counsel to the Compact in its early development, helping to attract corporate, non-governmental organizations, academic, and government organizations to its mission and programs. That relationship has developed substantially over the years during which Paluszek has attended, and often spoken at, UNGC meetings in Berlin, Paris, Geneva, Boston and New York. He has also promoted UNGC in many other professional venues, including his new venture, parallel with Ketchum, "Business In Society." The mission: To present regular video programming on how business is addressing major social problems. Experts, including UNGC leaders, report on and analyze such progress and challenges on issues such as environment, energy, women's empowerment, human rights/trafficking, labor rights and transparency.

* See earlier Ketchum annual Communication on Progress reports

Additional 2013 examples:

- A. Special UNGC/Ketchum dialogue** – Ketchum’s global management leadership meeting centered on a keynote address by Georg Kell presenting UNGC priorities and programs for the coming year and beyond. A high-interest dialogue ensued, highlighted by a quasi-survey of the Ketchum personnel to help establish UNGC priorities. Mr. Kell’s highly informative and inspiring remarks resonated frequently during the year whenever Ketchum representatives discussed related subjects with clients, potential clients, communication professionals and executives of many different organizations. Communications manager Kristen Coco also participated in the dialogue.
- B. Global Compact Meetings**
- **UNGC Human Rights meeting**, at United Nations Headquarters, April. A Ketchum representative participated in the dialogue with panelists from industry, non-governmental organizations and government. The discussion led to a subsequent television interview of two of the panelists (from the Interfaith Center For Corporate Responsibility and the General Electric Company) at our affiliate, Business In Society (see below).
 - **The 2013 UNGC Leaders Summit**, New York City, September – Ketchum sponsored the Summit and had a representative in attendance throughout the summit, contributing to discussion at several breakout sessions. Subsequently, it added to Summit media attention by publicizing “Architects for a Better World” highlights, such as new UNGC commitments to Business for Peace and Global Education as well as the establishment of the Global Compact 100 stock index.
- C. Related venues for delivery of UNGC themes** - Ketchum executives frequently promote the Global Compact connection with corporate social responsibility/sustainable development indirectly and directly in a variety of communication venues.
- **Media** - A Ketchum executive by-lined two op-ed pieces appearing in impact media: “Can Business Help Build International Harmony,” (*Foreign Policy Association*) championing UNGC’s Business for Peace initiative; and “Is Sustainability Reaching a Tipping Point?” (*Executive Perspectives: Thomson-Reuters Sustainability*) citing UNGC growth and prospects.
 - **Academic outreach** - In visits to U.S. colleges/universities teaching CSR/communications (lectures, accreditation, recruitment, etc.) UNGC messages are often integrated into Ketchum remarks delivered to students, faculties and administration. In 2013, such visits occurred at NYU, Syracuse University (NY and Washington D.C.), Manhattan College, University of North Carolina Charlotte, South Florida University and Kansas State University.
 - **CSR/Sustainable development affiliated organizations** - Ketchum’s substantial involvement in international organizations with goals contiguous to UNGC provided numerous opportunities in 2013 for inclusion of UNGC news and messages. Examples include: The September webinar on integrated reporting featuring the International Integrated Reporting Council, as well as several postings of UNGC developments on the website of The Global Alliance For Public Relations and Communication Management.
 - **Ketchum affiliate, “Business in Society”** - This newly launched video enterprise examining global social issues -- and how business is addressing them -- featured two half-hour interviews with Executive Director Georg Kell and Deputy Director Gavin Power. The programs were distributed nationally and, via the BIS “Academic Engagement Program”, for use by a dozen U.S. colleges/universities teaching undergraduate and graduate business and communications courses.

Ketchum's 90th Anniversary – Opportunity to Expand UNGC Principles in 2013

As Ketchum prepared to celebrate its 90th anniversary in 2013, the agency aimed to mark this milestone by creating a future where 90 girls would attend and graduate from secondary school and where 90 brainstorms conducted by our employees would benefit organizations around the world with communications support to solve local, regional, national and even global challenges.

90 Brainstorms

90 for 90 was a campaign in which Ketchum colleagues led and participated in creative brainstorms to assist nonprofit organizations to overcome a communications challenge. Employees from each office, business unit and affiliate were able to nominate organizations in their communities with which they had an existing relationship or had a personal interest supporting. Employees suggested a diverse group of nonprofits, addressing causes ranging from children's health to animal welfare to the environment and more.

The KSR team created 90 for 90 toolkits and planning guides to ensure the effort produced consistent results. Offices around the world participated including Africa (such as Johannesburg), Asia (such as New Delhi), Europe (such as Munich) and Latin America (such as Buenos Aires) and all regions in between. The sessions empowered staff to come together and brainstorm short and long term solutions.

By the end of the effort, 41 offices and affiliates participated in 92 brainstorms for 78 organizations. This included brainstorms held in office conference rooms and virtual brainstorms conducted online that allowed for global participation. As a result, employees from all parts of the world were able to contribute to organizations near and far.

90 Girls Campaign- Funding Girls' Education in Africa and Asia

As another way to celebrate Ketchum's 90th anniversary, and also the five year anniversary of the partnership with pro bono partner Room to Read, Ketchum set another ambitious goal in 2013. The agency and its employees sought to raise \$90,000 to pay for four years of secondary school for 90 girls in Tanzania and India. The campaign benefits Room to Read's Girl's Education program, which builds on the idea that education is the most powerful and effective way to fight global poverty.

Finishing secondary school leads to smaller, healthier families, lower HIV infection rates, and higher wages. Educated women are more likely to educate their own children, ending the cycle of illiteracy in one generation. To date, Room to Read has supported more than 20,000 girls in Africa and Asia. The Room to Read Girls' Education program provides material support such as school fees, clean uniforms and transportation. It also provides mentoring and life skills training to help girls succeed in the classroom and beyond.

Ketchum employees raised funds through various ways, including personal donations, office fundraisers, and automatic payroll deductions in the U.S. — and Ketchum matched those donations. Within six months, we surpassed our goal, ultimately raising more than \$95,000 by the end of 2013. These funds will allow 95 girls to complete secondary school and will not only change their futures, but also the futures of the family members and their communities.

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.