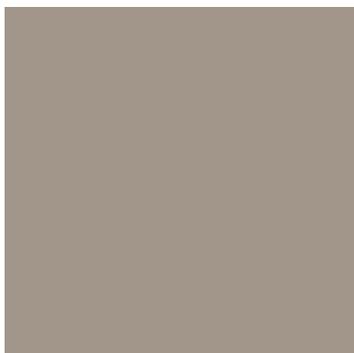
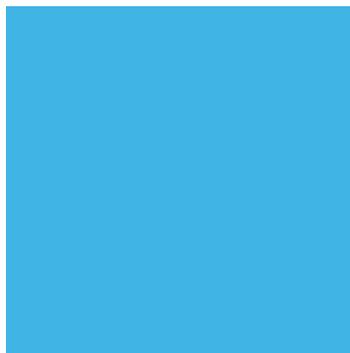


UNITED NATIONS GLOBAL COMPACT

APCO
worldwide®

COMMUNICATION ON PROGRESS

2013/14 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 December 31, 2013: 658

Sector: Professional services/consulting

Website: www.apcoworldwide.com

UNGC membership: Since June 1, 2010

Contact name: Kelly Kolker

Position: Director, Office of the CEO

Contact telephone: +1.202.778.1000

STATEMENT BY THE CEO

I am pleased to submit APCO Worldwide's fourth annual progress report to the United Nations Global Compact (UNGC). This report provides an update on our activities and progress made in supporting the UNGC principles.

When I started APCO 30 years ago, we wanted to ensure that we could carry out our business fairly, honestly and openly. One of the first policies we established in support of that objective was to take a zero tolerance approach to any form of corruption. I believe that standard has served the company well around the world. Corruption is a universal business risk and standing against such practices is a strategic imperative of every CEO, government official and community leader.

Over the past several years APCO has worked closely with other business leaders on anti-corruption efforts, including being a signatory on the World Economic Forum's Partnership Against Corruption Initiative (PACI) and serving on the Forum's Global Agenda Council on Anti-Corruption and Transparency. This year I am honored to assume a vice-chair role of this group and to help raise awareness of transparency and anti-corruption globally, working closely with distinguished experts such as: Leonard McCarty, vice president for Integrity & Transparency at the World Bank; Dimitri Vlasits, chief of the Corruption and Economic Crime branch of the United Nations Office on Drugs and Crime; Cobus de Swardt, managing director of Transparency International; and many others.

We recognize that progress on this issue cannot be made if it only remains a topic discussed in board rooms, government offices and NGOs. We need to make it accessible, understandable and actionable for all of us. For the first time we are focusing efforts on an education and outreach campaign that will do just that – give all of us an opportunity to speak out against corruption. In the pages that follow, we have provided additional information on APCO's efforts to support the 10th principle, as well as a summary of our internal efforts and our work with clients that align with the objectives of the other UNGC principles.

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



“
Corruption –
in any form
– jeopardizes
economic and
social growth and
development. It
must be a strategic
imperative, not
just for CEOs
and government
leaders, but for all
of us.”

”

COMMUNICATING OUR PROGRESS

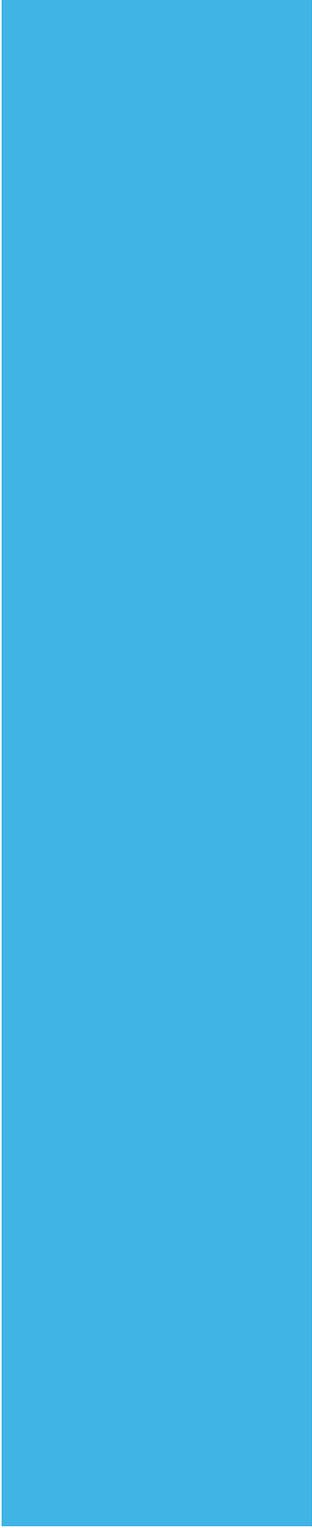
APCO Worldwide Inc. joined the UNGC in June 2010. This report is our fourth Communication on Progress (COP). All data contained in this document relates to the calendar year January - December 2013. In addition, some initiatives mentioned refer to the first quarter of 2014.

This report is in two parts:

PART 1 provides a short overview about APCO, including our 2013 organizational profile and our approach to governance, responsible business and citizenship.

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

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



PART 1:

ABOUT APCO

APCO is one of the largest privately owned communication stakeholder 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 our 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 34 major business, government and media capitals around the world. Our 658 permanent employees (as of December 31, 2013) 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 30 years of operation. This has caused us to foster 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.

In 2013 APCO was pleased to embark on a number of interesting and impactful projects, and we experienced solid 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:

- Won two significant agency-of-record accounts, including for BlackBerry globally (together with our partners at Text 100) and for IKEA in the United States. Our work for the latter includes helping IKEA raise visibility for their U.S. corporate responsibility programs. Recent highlights include supporting IKEA's highly successful launch of their ground-breaking "cost of living" hourly minimum wage structure, based on each store's location, which has been widely heralded as a model for other companies.
- Helped Shot@Life maximize visibility for their partnership with Walgreens through the development of the successful "Get a Shot. Give a Shot.™" campaign. For every immunization Walgreens pharmacies administered over a six-week period, the cost of one measles or polio vaccine was donated to Shot@Life. The partnership has helped to provide 3 million polio and measles vaccines to children in developing countries who need them most.

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:

<p>Principled acting with integrity and high ethical standards</p>	<p>Client focused exceeding expectations and anticipating what's next</p>
<p>Integrated working together to advance the best ideas from everyone, everywhere</p>	<p>Enterprising nurturing a spirit of initiative, creativity and the freedom to challenge convention</p>

AWARDS AND RECOGNITION

Best Large Agency to Work For
The Holmes Report (2012 and 2013)

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

Best Campaign for an Educational or Cultural Institution
University of Southern California
The Holmes Report's Global SABRE Awards

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

PR Power List, 2013 and 2014
Margery Kraus
PRWeek

Best Agency to Work For
Public Affairs News

2013 Top Crisis Management Practice
PR News PR Agency Elite Awards

2013 Hall of Fame
Margery Kraus
International Communications Consultancy Organisation (ICCO)

Platinum Award
Yunus Social Business Video
Marcom Awards

Platinum Award Honorable Mention
Yunus Social Business Brochure
Marcom Awards

Best International Campaign
TV9: The Free Press Georgia Movement
PRCA Awards

2013 Brand Marketer of the Year
Marilyn Fancher
PR News PR People Awards

2013 PR People to Watch
Christina Kaiser
PR News Rising Stars

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 Office

ASIA

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

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 duties to oversee the company's activities, management practices and financial performance. The five-member board has a unitary structure. Two of the board members (Margery Kraus and Neal Cohen) are APCO executives; one board member is independent (David Greenberg); and two are outside investors in the company (Ron Boschetto and Neil Wiesenberg). Three of the five members are non-executive members. The chair of the board is Margery Kraus, our founder and chief executive. The board meets at least 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.

An eight-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 employees.

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 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 Wiesenberg



EXECUTIVE COMMITTEE

- Margery Kraus, chair
- Neal Cohen
- Evan Kraus
- Stacy Reyan*
- Larry Snoddon
- Brad Staples
- Kirk Stewart
- Denise Teeling

*Replaced by Kathryn Medina in 2014

In 2008, we established APCO's Responsible Business Committee to provide oversight for management of APCO's Code of Conduct and responsible business policies and systems, including compliance and ethics training. We are in the process of reviewing the membership, role and responsibilities of the Committee in order to ensure it reflects our global business and can effectively represent the regional and cultural diversity of the company. In the interim, we have a Committee chair in place and continue to oversee our Code of Conduct and policies and systems.

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

Investing in our staff's learning and development remains a top priority for APCO. We believe that continuous learning and increasing skills are important components of an employee's professional development and contribute to our success as a firm. Our robust APCO University has learning curricula that support our most critical business competencies. Our curricula feature more than 35 core courses that we run regularly to all worldwide staff in order to help them enhance their client relationships and professional development.

In 2013, we expanded APCO University with the launch of an online Learning Management System. The new tool offers employees an interactive experience to browse our global calendar of classes and register online. They can search for available classes, view learning curriculums and access the "My Classes" portal to keep track of their learning progress.

We are proud to have won a number of industry awards that 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 for the second year in a row.

INDUSTRY CODES

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

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

Confederation of Indian Industry
(India)
Code of Business Ethics

Council of Public Relations Firms
(US)
Code of Ethics

The Council of Public Relations
Firms in Hong Kong (HK)
Code of Ethics

De'e'pol (Germany)
Code of Conduct

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

Independent Commission against
Corruption (ICAC) (HK)
Prevention of Bribery Ordinance (POBO)

International Association of Business
Communicators (International)
Code of Conduct

Public Relations Consultancies
Association (PRCA) (UK)
Code of Conduct

Public Relations Society of America
(US)
Member Code of Ethics

In 2013, APCO put forth a blueprint for moving forward as a company over the next three years. A key element of this plan is to improve connectivity among employees and enhance opportunities for employee development. To accomplish this, we introduced our employee value proposition, the APCO Experience. The APCO Experience is about challenging convention and challenging oneself. It defines the mutual commitment between APCO and our employees. Senior leaders traveled across the world to every APCO office to deliver the APCO Experience and answer questions from employees. The APCO Experience is made up of four parts:

- Challenging & Varied Work
- Recognition & Reward
- Career Development & Progression
- Engagement & Connectivity

Top highlights from the APCO Experience in 2013 include:

- **Recognizing Employee Anniversaries.** APCO celebrates our employees by recognizing their anniversary of joining the company. Our CEO, Margery Kraus, handwrites personalized anniversary cards for all 658 employees across the globe. This year she also hosted a milestone anniversary celebration for five colleagues who have been with APCO a combined total of 90 years!
- **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 around the world. Up to 25 scholarships are awarded annually and those individuals selected are expected to contribute to the host office by sharing best practices, reviewing client engagements, experiencing the local culture and then returning to their home office to share their learning and experiences with colleagues.
- **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.
- **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 a specific clients' team. This provides the client with an extremely high level of service and the employee with a unique professional development experience.

MEMBERSHIPS

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

Business for Social Responsibility (BSR)

Business in the Community

Clinton Global Initiative

International Business Leaders Forum

International Crisis Group

LAGRANT Foundation

Shared Value Initiative Affiliate Network

Women Presidents' Organization

Woodrow Wilson Center's Women in Public Service Project 50x50 Leadership Circle

World Economic Forum

Global Agenda Council on Anti-Corruption & Transparency
World Economic Forum Gender Parity

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 2013 included:



Brussels: In November 2013 APCO’s Brussels office (with support from APCO colleagues in London and Paris) hosted and organized their sixth annual Quiz for Children, in aid of UNICEF’s education in emergencies campaign. This quiz has become a Brussels institution, and in 2013 we welcomed 70 teams from law firms, businesses, trade associations and other organizations. The quiz raised nearly €20,000 for UNICEF’s campaign to support the millions of children in the Philippines whose education was interrupted by Typhoon Yolanda.

Dubai: APCO’s team in Dubai fundraised in a range of ways to donate money to Mission Sonapour,

an initiative to help laborers residing in camps in Sonapur with daily essentials and Iftar meals (the meal at sunset when Muslims break their fast during Ramadan); and also to raise money for a charity supporting Syrian Refugees.

Hong Kong: APCO’s Hong Kong office helped organize and judge the 4th Hong Kong Politikos Quest Championship; a policy research competition for Hong Kong undergraduates who presented their proposals on the topic of poverty alleviation and rural development. The Hong Kong team also set up an APCO scholarship to support an outstanding student at the Hong Kong Institute of Vocational Education.



APCO's sixth annual Quiz for Children in Brussels in November 2013 raised nearly €20,000 for UNICEF.

Istanbul: APCO's Istanbul office hosted and organized a photography exhibition entitled "Deficient" ("Eksik" in Turkish) in order to promote and gain visibility for a local Turkish humanitarian aid organization's activities. The exhibition showcased photographs taken by aid volunteers in Afghanistan, Bangladesh, Indonesia, Kenya, Nigeria, Pakistan, the Philippines, Somalia and Sudan; and highlighted that for millions of people, the biggest deficiency in their lives is basic requirements, such as drinking water, a school or a hospital. As a result of APCO's support, the aid organization received excellent media coverage in Turkey that highlighted their important work.

London: APCO's London team 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. The team also raised money via several cupcake sales for Maternal and Child Health Advocacy International (MCAI), a charity that works with country partners to improve and save the lives of babies, children and pregnant women in areas of extreme poverty in countries such as Liberia, Gambia, Cameroon and Bosnia.

Paris: APCO's team in France constructed (and then deconstructed) a wooden house in front of the Gare Montparnasse in central Paris to raise awareness of the fundraising campaign "A Roof and Health for All in Haiti," run by the nonprofit association Santé en Entreprise (SEE) that specializes in programs to combat HIV, malaria and chronic diseases among employees and local

communities in France, Africa and the Caribbean. This activity resulted in significant coverage in local and national media and garnered support for SEE's campaign from a number of leading French journalists, artists and officials.

Raleigh: APCO's team in Raleigh undertook community service by deconstructing a house for the charity Habitat for Humanity.

San Francisco: APCO's San Francisco office volunteered at 826 Valencia, a nonprofit organization that supports underserved students with their writing skills, to help a third-grade class write and publish an original story.

Singapore: A team from APCO's Singapore office joined with our clients at Microsoft to volunteer at The Bishan Home For The Intellectually Disabled, which looks after more than 130 adults with downs syndrome, autism and other challenges.

Washington, D.C.: Our D.C. office participated in the APCO Day of Service at the Capital Area Food Bank in September 2013. The event was in cooperation with the September 11th National Day of Service and Remembrance. More than 25 colleagues packed 2,000 bags of food for D.C. children in need. Also, in December 2013, our D.C. office donated boxes of clothing and toys to a local nonprofit, Safe Shores, to provide disadvantaged children with presents for the holidays. The team also contributed over 30 bags of items to the charity, Gifts for the Homeless, to be used as presents for homeless adults and children in the D.C. area.

Corporate Giving and Charity Matching

In 2013, APCO donated more than US \$208,000 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 2013, our global pro bono work reached more than \$1 million in services. We support a wide range of nonprofit organizations around the world, including:

Global pro bono efforts

- **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. In 2013, APCO provided more than 1,500 pro bono staff hours supporting media outreach and engagement on behalf of CGI and its members, including coordinating 75+ one-on-one interviews between CGI members and media and running the media room at the CGI America meeting in Chicago, as well as the Annual Meeting in New York.
- **Yunus Social Business Global Initiative:** In 2013, APCO continued providing pro bono communication support services for Nobel Peace Prize Winner Professor Muhammad Yunus' Social Business Global

In 2013,
APCO undertook
pro bono work to the
value of more than \$1
million in services.

Initiative, which launches and manages social business development programs, including establishing incubator funds in countries around the world. APCO's work included media relations, positioning and event management support. In April of 2013, our team was proud to work with Professor Yunus and his team when Members of the United States Congress presented him with the Congressional Gold Medal in recognition of his contributions to fight global poverty.

Pro bono projects from APCO's offices around the world

- **American Prairie Foundation (APF):** In 2013 APCO's New York office provided pro bono communication support for this NGO, which is focused on developing one of the world's largest conservation projects — a 3.5 million acre wildlife reserve in Montana. To help highlight the organization's mission and vision, our team secured significant media coverage in top-tier publications, such as *The Economist*, which helped them increase awareness and donations.
- **D.C. Arts and Humanities Education Collaborative (DCAHEC):** APCO's StudioAPCO team in Washington, D.C., has supported DCAHEC for the past three years with pro bono online communication services, including designing and building a new website for the organization (<http://dccollaborative.org/>) and capacity building/online training for DCAHEC team members. The organization seeks to widen access to Washington's rich cultural resources to all teachers and students in the area, particularly in low-income neighborhoods.
- **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.
- **International Health Partners (IHP):** APCO's London office has an established pro bono partnership with 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 the past year, the APCO team has provided pro bono communication and strategic counsel to IHP, including advice on stakeholder engagement and message development. For instance, APCO organized an international media campaign, in partnership with HRH the Prince of Wales and the Serum Institute, to

promote the donation of 5 million measles vaccines to the Philippines to assist in the country's recovery from Typhoon Yolanda.

- **Office of the Public Advocate's Asian Pacific New Yorkers Count:** APCO's New York office provided strategic counsel to the New York City Office of the Public Advocate, designing a strategic public affairs and media relations campaign to drive awareness of the social service and needs of Asian Pacific communities in New York and the civic organizations that serve them. In recognition of our work, APCO was honored in an official proclamation by the then Public Advocate (now Mayor of New York), Bill de Blasio, as "an organization worthy of our highest respect and esteem..."
- **One Spark:** APCO's team in Berlin helped provided pro bono communication services to the first ever crowd-funding festival in Germany. We also encouraged various APCO clients in Germany to participate in the festival, which supports SMES in the Berlin region, particularly in the tech and digital industries.
- **Shared Value Initiative (SVI):** A team of consultants from APCO's New York, Seattle and Sacramento offices helped the Shared Value Initiative organize a major event in New York, including securing significant media coverage for their leadership and speakers at the conference. This work helped raise visibility for the valuable work of the SVI, which convenes a global community of leaders who work with businesses to address societal challenges.
- **SOUGH:** APCO's Dubai office provided pro bono media relations services for this social enterprise initiative that aims to create opportunities, training and advice for unemployed Emiratis with entrepreneurial potential. The same team also provided positioning and stakeholder engagement services to a charitable organization called "Education for Employment," which seeks to link education programs more directly with employer needs in the Middle East.
- **Woodley House:** APCO's CEO and senior management provided pro bono strategic advice to this charity on how to increase their donor base and expand their fund-raising activities. Woodley House provides mental health and housing support to vulnerable residents in the D.C. region.

APCO organized an international media campaign in partnership with HRH the Prince of Wales and the Serum Institute to promote the donation of 5 million measles vaccines to the Philippines to assist in the country's recovery from Typhoon Yolanda.

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 & OPPORTUNITIES



As discussed in previous reports, the fundamental issues that have a material impact on our success do not change from year to year. These issues are addressed through our corporate policies and practices, which we review and update on an annual basis, as well as the industry codes of conduct and ethics to which we adhere.

- **The Work We Take On:** Our reputation in the marketplace and opportunities to continue to grow are impacted by the clients and projects we take on. We have strict policies and protocols that apply to everyone in the company and which preclude conflicts not only with existing clients but also with APCO's vision and values as a global company.
- **The People We Hire:** Talented employees who can deal with the complexities of the global business environment and critical social development issues are essential to providing our clients with the insight needed to serve them over the long term. Our goal is to attract and retain a diverse, creative and knowledgeable team that works across borders and issues to build their careers at APCO.
- **Our Commitment to Transparency:** Being transparent in who we are, what we do and how we do it is the only way we can build credibility with our clients and their stakeholders, as well as with our own employees. In an industry that is often criticized for the tactics used to promote clients' interests, we are especially attuned to the value gained through conducting our work in a transparent manner.



CHAMPIONING WOMEN & GIRLS FOR SUSTAINABLE GROWTH

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

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

As the largest certified majority women-owned global business in our industry, our passion for women and girls is part of our DNA as firm and reflected in our offices across more than 20 countries.

CLIENT AND PRO BONO WORK

In the last year, we saw heightened levels of activity and engagement by businesses, governments and community organizations alike. There is now widespread understanding that investing in women and girls is a wise use of resources. As a result, we are seeing our clients shift their focus beyond simply making the case for investment in this space, to trying to better understand how best to enhance their impact. Actors in this area are digging deeper, tackling bigger challenges and paving the way for a more prosperous future. Here are just a few examples:

50% of leadership positions in geographic and global operations held by women

40% of global practice leadership positions held by women

63% of global account leadership positions held by women, up from 25% in 2012

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. For the last decade, APCO has helped develop and strengthen a signature partnership with the World Association of Girl Guides and Girl Scouts, an organization that helps more than 10 million girls and young women in 145 countries realize their full potential as responsible citizens of the world. Last year in Hong Kong, APCO supported the announcement of an expansion of this partnership, which includes investments of more than \$5 million to date reaching hundreds of thousands of girls through leadership development, environmental sustainability and advocacy programs. The next phase will include programs in Mexico, Nigeria, Panama, South Africa and the UAE — emerging markets in which UPS has a growing business presence and a strong employee base to engage as volunteers.
- A Roadmap for Promoting Women's Economic Empowerment:**
 APCO provided strategic counsel and communication support for the September 2013 release of A Roadmap for Promoting Women's Economic Empowerment, a collaboration between the United Nations Foundation and a leading energy company. This research provides a framework for implementing programs that successfully increase women's productivity and earnings in particular economic and country contexts. APCO helped brand the research initiative and created the initiative's website, as well as several videos. The Roadmap has been celebrated by thought leaders, including Secretary Clinton, Bob Zoellick, Melanne Verwee and Cherie Blair, as a ground-breaking, field-leading contribution. The findings have been disseminated widely, reaching top funders and implementers in the space.
- 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.

In March, we published an issue brief and series of blog posts informed by our ongoing work and commitment to support the advancement of women and girls.

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 at CGI America 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 focused on women's economic empowerment, training female garment workers and providing leadership development for girls.
- **Ernst & Young Strategic Growth Forum:** An invitation-only event, EY's Strategic Forum convenes more than 2,300 women leaders of the nation's most successful, high-growth companies and key stakeholders to share growth strategies and discuss current marketplace opportunities and challenges. The Forum provides a unique opportunity for Entrepreneurial Winning Women to highlight their companies' achievements, share their personal stories and position their companies with established entrepreneurs, top executives, business advisors and prospects to develop stronger business strategies and ensure long-term success.
- **Justice for Women by Women:** Margery Kraus was invited by the International Development Law Organization (IDLO) to moderate a panel discussion around the United Nations' 58th Session of the Commission on the Status of Women. The discussion explored the key contributions that women justice professionals can make to sustainable development, combating poverty, advancing inclusive growth and addressing gender-based violence. This event brought together key stakeholders in the legal profession from countries such as Afghanistan and Mexico, highlighting the essential need to increase women's access and participation in the promotion of the rule of law and justice to advance gender equality.
- **ICCO Summit 2013:** The International Communications Consultancy Organisation (ICCO) is the voice of public relations consultancies around the world. Margery Kraus was invited as a keynote speaker to open the ICCO's annual summit that took place in Paris, France. Her speech was titled "Women in PR: Past and Future," and in it she shared her personal insights and perspectives into what role women have played in shaping the PR industry and what role they will continue to play in developing the future of our industry.

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

- **World Economic Forum Gender Parity Group:** Margery Kraus played an active role in the meeting of this group at the World Economic Forum in Davos in early 2014.
- **Women in Public Service Project:** Established in 2011 with the U.S. State Department, Margery Kraus is a member of the WPSP Leadership Circle, a program of the Global Women’s Initiative at the Woodrow Wilson Center that aims to empower and mobilize the next generation of women leaders worldwide on critical global issues through innovative research, learning institutes and peer-to-peer mentoring. The partnership works with the Seven Sisters Colleges, including Scripps, Mills; Mount St. Mary’s Colleges; the City College of New York; a public school consortium spearheaded by UMass-Lowell; and ,the most recent addition, the Australian government. WPSP’s primary goal is to reach 50 percent representation of women in public service by 2050 (“50 × 50”). APCO is also a corporate sponsor of their initiatives.
- **Women President’s Organization 17th Annual International Conference:** APCO is an active member of the WPO, and Margery Kraus currently serves on the organization’s board of directors. In this capacity Margery provides strategic counsel and guidance regarding the overall direction of the organization and planning of WPO’s Annual International Conference. The conference brings together hundreds of WPO members who are women CEOs and presidents to share best practices, business strategies and experience with other successful women from all over the world, as well as learn from interactive seminars and speakers in an intimate setting.

EXECUTIVE AND EMPLOYEE ENGAGEMENT

- **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.
- **Women Presidents’ Organization and Sam’s Club Mentoring Program:** Margery Kraus helped launch the WAC/WPO Executive Leadership Program, a collaboration between the Women Presidents’ Organization and Sam’s Club. The program pairs high achieving women business leaders with Sam’s Club top talent, to act as a confidential sounding board to generate new ideas, strengthen each other’s leadership roles and increase outreach to business leaders in their communities.



PART 2: UNGC PRINCIPLES

In the pages that follow, we provide a summary of APCO's internal policies and practices aligned to support the UNGC Principles. We also have included examples of how we apply the principles to our work with clients around the world. Many of the examples of our client work that are cited align with multiple principles, particularly our work focused on human rights and labor practices.

HUMAN RIGHTS PRINCIPLES

Principle 1:

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

Principle 2:

Make sure they are not complicit in human rights abuses.

APCO'S POLICIES, OPERATIONS AND GOALS

Support and respect for human rights 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 to: (i) recruit, hire and promote the most qualified staff for all jobs; and (ii) 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:

- **International Justice Mission:** APCO was hired by International Justice Mission, an international human rights organization, to provide communication support for the launch of a communication and outreach effort focused on embedding the issue of everyday violence into the discussions of and plans for addressing poverty. The program operates with the premise that being poor is endemic to being vulnerable to violence and that functioning justice systems are the solution.
- **Landesa:** APCO provides global communication and advocacy support to this international, nonprofit organization that champions the power of land ownership and secures 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.
- **World Justice Project:** APCO provided global media relations support to this independent, nonprofit organization working to advance the rule of law worldwide. The organization has mutually reinforcing programs of research, scholarship, WJP Rule of Law Index®, and engagement work toward increasing public awareness around the importance of the rule of law, stimulating government reforms and developing community programs.

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 Southeast 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. Regular interview skills training is provided to employees to ensure candidates are treated fairly and have a positive interview experience.

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.

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.

Making it relevant: Throughout the year, several APCO executives conduct periodic ethics and values training sessions to reinforce the importance of 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.

The APCO Experience: 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.

Doing It Right: In 2013, we continued to recognize employees through a 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.

Ongoing Training: 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 that 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.

MEASUREMENT

Focus area: Employee Ethics Training

2013 Performance:

82 percent of new employees who joined APCO in 2013 **received ethics training**. Live training was conducted by APCO's legal team throughout the relevant time period. Participants sign in and are tracked.

We also offer a global ethics training webinar for those not attending live training and attendance/participation is tracked.

Typically, most questions or concerns about following a specific business practice or the 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. 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 2013, 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 closed.

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 and their backgrounds and experiences, and APCO has a competitive distinction when we fully embrace and leverage this belief.

In 2013, 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 for APCO employees around the world. Throughout different offices we encourage our employees to lead a healthy lifestyle. Examples of this 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, including: 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, our human resources team 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

26% of our **U.S. team** was **classified as minority in 2013**, according to EEOC designated ethnic categories.

Our global staff turnover rate was 17 percent in 2013, which we believe is **below industry norms.**

Health and Safety: In 2013, **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

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.

A pilot program conducted with several of our mid-sized offices showed that office energy usage, business air travel and paper usage constitute the main elements of our carbon footprint (scope 2 and 3 emissions). While we have not yet developed the capacity for a consistent internal environmental data collection system, individual offices have taken steps to decrease air travel and paper use. We work with landlords and property owners to address office energy use.

Business air miles: In 2013, we estimate business air miles originating from our United States, UK, India, Belgium, France and Germany operations were 4,384,694, a decrease from 6,819,076 miles in 2012. Our estimates are based on third-party travel vendor records for our operations in these countries. We estimate 2013 air miles accounted for approximately 1,300 tons of CO₂ emissions, a significant decrease from the estimated 3,307 tons of CO₂ emitted in 2012. We have not yet developed a program to offset these emissions.

We also took several steps to decrease our use of energy globally, including:

¹ Conversion based on Climate Care's calculator tool.

- Creating an almost 100 percent laptop work environment across all offices
- Expanding our teleconference capabilities to help decrease travel
- Centralizing our server/IT network by collapsing our regional infrastructures into one worldwide shared facilities location
- Consolidating our server through virtualization — moving from physical boxes to virtual machines, resulting in substantially lower power consumption

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 2013 and early 2014 included:

AGT: APCO works with AGT, a technology company which helps cities around the world improve their efficiency and sustainability, to raise awareness of the company's innovative sustainable city solutions through media relations, strategic partnerships, executive positioning, thought leadership, events and social media. By connecting people, sensors, machines and social networks, AGT creates significant improvements and efficiencies for cities around the world, synthesizing relevant data, infrastructure and systems to enable dramatic improvements in the quality of life of all citizens in myriad ways. AGT also offers innovative solutions to monitor and analyze air quality, proactively manage water resources, mitigate flood and drought impact and much more.

American Council on Renewable Energy (ACORE): As ACORE's pro bono communication partner for the past two years, APCO has provided strategic counsel, media relations support and on-site staffing for the organization's policy forum in Washington, D.C. to secure high-level media attendance and widespread media coverage of the event. Our work has included providing speaker recommendations and collateral material to ensure consistency and effectiveness of messaging, and successfully pitching to print, online and broadcast media. APCO secured coverage for ACORE in publications such as Reuters, Politico, E&E Publishing, The Hill, Triple Pundit, Fierce Energy, Green Tech Media, and Platts Energy Week, among others.

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 has helped CGTI introduce the organization to Chinese regulators and build trust in its offerings.

Clean Edge: APCO provided pro bono media relations support to Clean Edge, a clean tech market research and advisory firm. Our work 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 provided pro bono support 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 included 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 continues to support the Cleantech Open at the national level with communication counsel on a pro bono basis.

GE: APCO supports GE across its business units in the UK, including working closely with GE Oil & Gas, GE Power Conversion and GE Power & Water to raise awareness across Europe of new products and projects that are revolutionizing the energy industry.

Geothermal Energy Interests: APCO works with a major geothermal operator in California to raise awareness of the attributes of geothermal energy to facilitate recontracting of this unique and valuable renewable energy. Our work has focused on message development, grassroots advocacy, digital and earned media, and paid media targeted to policymakers, regulators and others with influence over how utilities procure renewable energy. APCO also assisted the Imperial Irrigation District with messaging, media relations and collateral development

for its plans to develop new geothermal energy projects to help fund environmental restoration at the Salton Sea in Southern California.

IKEA: APCO developed and implemented a communication campaign to bring national attention in the United States for their “Brighter Lives for Refugees” campaign. Our goals included increasing awareness of the poorly understood issue of lighting in refugee camps and the effects on those living there. As part of the campaign IKEA committed to donate €1 (approx. \$1.38) to the UNHCR for every IKEA LEDARE — LED light bulb sold. So far this successful campaign has resulted in IKEA donating \$570,000 to UNHCR to provide solar street lights, indoor solar lanterns, and other renewable energy technologies in refugee camps run by UNHCR in countries such as Ethiopia, Chad, Bangladesh and Jordan.

IKEA: Also as part of our work as U.S. communication agency of record for IKEA, APCO helped the company raise visibility with key stakeholders in the government and media around the announcement of their first wind farm investment in the United States. This investment represents the company’s largest single renewable energy investment globally and an important step towards reaching its goal of producing more renewable energy than it consumes worldwide by 2020. To be built in Hoopeston, Illinois, the wind farm will support the total energy consumed by IKEA in the United States.

The International Renewable Energy Agency (IRENA): APCO was appointed to generate global media coverage around IRENA’s annual assembly in Abu Dhabi in 2013. APCO’s activities included organizing a media campaign to augment IRENA’s profile as the global authority and leading enabler of renewable energy adoption; conducted daily media briefings using IRENA’s research data and experts to create worldwide media interest; and organized media briefings with IRENA’s Director General Adnan Amin.

Masdar: APCO has been the agency of record for Masdar, Abu Dhabi’s renewable energy company, since 2010. Through an aligned communications strategy, APCO is helping the company position itself as a global leader in the advancement of renewable energy and clean technology. Our approach has generated positive, international media interest and brokered connections with key, global stakeholders. The effort encompasses media relations, thought leadership, digital strategy and strategic counsel. In 2013, APCO supported Masdar in the inauguration of Shams 1, the world’s largest concentrated solar power plant located in Abu Dhabi, and London Array, the world’s largest offshore wind farm, which is located in the United Kingdom.

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) Directives as 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 has managed a number of awareness-raising initiatives for Recolight, including a trade media outreach program, video creation and social media promotion. The campaign has contributed to the recycling of more than 200 million light bulbs, preventing 800kg of mercury from entering landfill sites.

Suntech: APCO is working with Suntech, a global PV manufacturer, as it emerges from bankruptcy as a privately held company. The assignment is to help it re-establish its reputation as a global leader in the manufacture of high-quality PV panels and a thought leader in sustainable energy solutions. Key to the positioning effort is a global media effort based on Suntech's new strategy to become the largest integrated clean energy supplier globally, both in its manufacturing as well as owning clean energy producing assets.

UK Trade & Investment (UKTI): APCO worked 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.

United Nations: APCO's New York team facilitated a strategy session with the UN Secretary General's executive committee responsible for communication to assist their preparations for participating in the Global Summit on Climate Change.

World Future Energy Summit: For the third consecutive year, APCO has supported all communication surrounding the World Future Energy Summit — a key element of Abu Dhabi Sustainability Week, the largest gathering dedicated to sustainability in the Middle East. Bringing together heads of state, policymakers, academics and the business community, the World Future Energy Summit is one of the world's foremost events dedicated to advancing renewable energy, energy efficiency and clean technologies. Working closely with Masdar, APCO has developed communication and media outreach strategies, leveraged the power of online to connect with digital stakeholders and managed high-level panels and thought leadership opportunities.

The Zayed Future Energy Prize: This annual US \$4 million prize — established by the United Arab Emirates government — honors companies, organizations, schools and individuals who have made significant contributions to advance renewable energy and promote sustainability. APCO supported the entire communication program to raise awareness about the prize, as well as executed outreach to drive participation and entries in key geographies.

APCO developed a communication campaign to bring national attention to IKEA's "Brighter Lives for Refugees" campaign, whereby €1 is donated to the UNHCR for every IKEA LEDARE - LED light bulb sold. So far this successful campaign has resulted in IKEA donating \$570,000 to UNHCR to provide solar street lights, indoor solar lanterns, and other renewable energy technologies in refugee camps run by UNHCR in countries such as Ethiopia, Chad, Bangladesh and Jordan.

ANTI-CORRUPTION PRINCIPLES

Principle 10:

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

As indicated earlier in this document, APCO has focused a great deal of our time and attention on anti-corruption efforts. The reality is that society as a whole will not be able to address the critical social issues facing the world today – poverty, global health, universal education, economic opportunity – unless we are able to continuously decrease levels of corruption, extortion and bribery in both the public and private sectors around the world.

APCO POLICY AND GOALS

As a professional services company with subsidiaries around the world, APCO's legal team undertakes ongoing risk assessments, paying heightened attention in those countries where APCO does business and in particular where there is an overlap with Transparency International's Corruption Perception Index which 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, the economic structure of the engagement, 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 (see sidebar on page 8) that have provisions relevant to anti-corruption, i.e., the World Economic Forum's Partnering Against Corruption Initiative (PACI) supporting the PACI Principles for Countering Bribery, the UK Association of Professional Political Consultants Code of Conduct, the Code of Lisbon-European Code of Professional Conduct in

APCO has zero tolerance for corruption, bribery and extortion.

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.

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 8.
- Regular executive memos to all staff on APCO's commitment to ethics, integrity and social responsibility.
- Trainings conducted on Ethics & Compliance that includes APCO's Code of Conduct, 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 APCO's 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.
- Procedures for evaluating entertainment, hospitality and gift expenses for clients to distinguish between reasonable expenses and lavish expenditure that could be considered a bribe.

Responsibility for anti-corruption implementation within APCO rests with the Responsible Business Committee and the office of 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.

ANTI-CORRUPTION PRINCIPLES APPLIED TO EXTERNAL WORK

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, which includes anti-corruption requirements, and to contractually represent and warrant that they will not participate in corrupt acts.

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

In addition to focusing on our own operations, we contribute to promoting anti-corruption through pro bono and client assignments. For instance, APCO works for Transparency International, the global civil society organization leading the fight against corruption. In 2013, APCO supported them by providing media and communication training for leaders of their organization in markets around the world.

APCO is a member of the World Economic Forum's Partnering Against Corruption Initiative (PACI) supporting the PACI Principles for Countering Bribery, and a member of the Global Agenda Council on Anti-Corruption and Transparency. Our founder and CEO, Margery Kraus, now serves as vice-chair of the Forum's Global Agenda Council on Anti-Corruption and Transparency. This initiative promotes robust anti-corruption efforts globally with like-minded corporations, organizations and governments. By signing the PACI Principles, we have committed to having a zero-tolerance policy towards bribery and to developing, 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.

Continued progress against corruption, extortion and bribery demands greater understanding of the true cost to all of us and broader involvement of new stakeholders. One of the areas that APCO will be championing through our involvement with the World Economic Forum and PACI/Global Agenda Council groups is a global public awareness raising on transparency and anti-corruption. We are working on compelling communication tools and messages to speak about negative impact of corruption in business, with a particular focus on millennials, and leadership and growth opportunities for the next generation.

MOVING FORWARD

We hope this summary of our work to date provides both the sense of how important the UNGC principles 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.

MEASUREMENT

APCO believes that its extensive compliance training program, which includes 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.

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