

Ketchum's Communication on Progress

March 2016

Report Covering January-December 2015

United Nations Global Compact:

On behalf of Ketchum employees around the world, we are pleased to present the accompanying 10th 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

Julie Ferriot Hines

Senior Partner,
CEO and President
Ketchum

Global Director,
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Ketchum

A Proud and Active Member of the Global Compact

One of the largest global public relations firms in the world, Ketchum has 136 offices and affiliates in 74 countries with approximately 2,500 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 15 years. The company has practiced the principles of the Compact through active participation in the organization, as well as through the promotion of this international initiative to employees, clients, business partners, prospective Compact members and other audiences.

Ketchum has 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.

Ketchum Policies, Performance Consistent with Global Compact Principles

Each member company of the Global Compact must fulfill its social responsibilities in accordance 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 the company operates its business in society.

Labor Rights and Human Rights

Ketchum is in a knowledge-based business. The company's human resources policies are therefore tailored to a global workforce that is highly educated and professional. The services Ketchum provides to clients – strategic and tactical communications counsel – require a highly motivated workforce performing in optimum working environments. 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, conflicts of interest and privacy.
- **Workplace Violence** – It is Ketchum’s intent to provide a safe workplace for all employees. Threats, threatening language, or any other acts of aggression or violence made toward or by any Ketchum employee are not tolerated. Threats include but are not limited to any verbal or physical harassment, attempts at intimidation or instilling fear in others, menacing gestures, flashing of concealed weapons, stalking, verbal or physical abuse, or other hostile, aggressive, injurious, and destructive actions undertaken for the purpose of domination or intimidation. In 2015, Ketchum instituted a policy of mandatory background checks for new employees in North America and will extend it to other countries in line with national privacy laws.
- **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

Corporate social responsibility has been part of Ketchum’s DNA since the firm was founded in 1923. Ketchum formalized its CSR program in 2007, when employees determined via an agency-wide survey that codifying the company’s substantial commitment to global citizenship was a priority. Ketchum is on this journey because together we believe communications can play a central role in making the world a better place, and communications agencies should exemplify the advice given to clients.

As a workforce, Ketchum believes so strongly in these ideas that the firm has coined its own phrase for the support provided to the communities where employees live and work: “KSR” or Ketchum Social Responsibility. KSR is a global platform that is the manifestation of the company’s commitment to CSR.

In 2015, KSR continued to grow in terms of employee involvement, global reach and its positive impact on the world's citizenry. It was a record-setting year for the number of Ketchum offices and employees participating in philanthropic efforts, especially the program's capstone activity -- KSR Global Month of Service -- which provides opportunities for employees to volunteer in their local communities.

Ketchum is proud of this ever-evolving employee-led program and the eagerness its employees display through volunteer participation in wide-ranging social and environmental initiatives. Through KSR, Ketchum is striving to change the world – one donation, volunteer hour or pro bono activity at a time.

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 and education as its cause in 2008.

Quality of life, health and economic opportunity all depend on education, and there remains an education crisis in low income countries. Literacy is the foundation for all future learning yet nearly 780 million people are illiterate, and 2/3 are women and girls.

Even with increased access to school, children aren't learning while in primary school due to a lack of teachers, funds and school infrastructure challenges and it gets worse for girls in secondary school when female student enrollment sharply drops due to societal and economic challenges.

As a global communications agency, Ketchum understands the critical role that literacy plays in business and day-to-day life. The company's 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, KSR formed a partnership with Room to Read, a nonprofit that is a leader in providing educational opportunities to children in Africa and Asia through its Literacy and Girls' Education Programs.

Since Ketchum established the partnership in 2008, hundreds of employees have raised more than \$250,000 and volunteered more than 12,000 hours in support of Room to Read programs that benefit more than 10 million children in more than 17,500 communities across the world. More than half of Ketchum offices have participated in Room to Read fundraising activities.

Among the highlights of Ketchum's Room to Read involvement are:

- Establishing libraries in Nepal and Tanzania
- Publishing 5,000 local-language children's books in Laos
- Providing scholarships for 175+ girls in India, Tanzania and Zambia
- Training 200 teachers in South Africa
- Providing media training for Room to Read spokespeople; media outreach in support of Room to Read initiatives; and social media counsel
- Annual training for global leaders at Chapter Leadership Conferences

2. World Economic Forum

Since 2004, Ketchum has provided communications support – pro bono – for the World Economic Forum, the Geneva-based international organization committed to improving the state of the world.

Much of our participation revolves around the Forum's annual meeting in Davos-Klosters, Switzerland. There, 2,500+ global leaders from business, government, international organizations, academia and civil society convene for strategic dialogues that map key transformations reshaping the world. Over the years, many Ketchum leaders from across its global network have participated in Davos panels and presentations, and contributed to the creation of alliances and charters that guide policy on key issues.

Ketchum also regularly provides the Forum with the full-time services of an employee through its acclaimed secondment program.

This global partnership is mutually beneficial to our organizations.

- Ketchum gives the Forum senior-level counsel and on-the-ground tactical assistance in the areas of strategic messaging, content development and media relations.
- Ketchum receives tremendous insights and learnings stemming from our participation in the annual Davos meetings, which we then apply to our daily client work.
- Ketchum collaborates with other organizations in the media, entertainment and information industries on projects related to catalyzing creative communications solutions to pressing social issues, promoting digital media literacy and helping governments and business assess local readiness for digital transformation.

Ketchum's support for the Forum involves many people and parts of the agency, including its senior-most leadership:

- Rob Flaherty, Senior Partner, CEO and President, is the senior leader of the agency's relationship with the Forum; has been a regular contributor to projects related to the Forum's increasingly ambitious health agenda; and has facilitated several high-level sessions at its annual meeting.

- Barri Rafferty, Senior Partner and CEO, North America, participates on the Forum's sustainability task force and has contributed to numerous Davos panels.

3. KSR Global Month of Service – September 2015

Each September, the capstone of KSR activities worldwide is the KSR Global Month of Service, which provides opportunities for employees to volunteer in their local communities.

As KSR has evolved, the KSR Global Month of Service continues to grow -- in participating offices, employee involvement and social impact. 2015 marked its biggest year yet, with a 52% increase in office participation (to 35) and more than 1,200 Ketchum colleagues taking part in 15 countries.

More than 45 nonprofit organizations benefitted from KSR Global Month of Service contributions in 2015. Here are a few of the many highlights:

- **Atlanta, USA:** Employee volunteers packed over 1,000 meals for Open Hand of Atlanta, a nutrition agency providing medically-appropriate meals and nutrition education for Atlanta residents living with HIV/AIDS.
- **Düsseldorf, Germany:** Thirty colleagues from Ketchum and sister agency BBDO collected toys, kitchen utensils and many other items for Bürgerstiftung Gerricus, an organization providing relief programs for refugees.
- **Madrid, Spain:** About 30 employees regularly volunteered at and raised €760 to benefit the Asociacion Manos de Ayuda Social, which provides food to people in need.
- **Moscow, Russia:** Seventeen employees donated funds and supplies (including 120kg of dog food) to Biriulevo, an animal shelter.
- **Seoul, South Korea:** Employee volunteers used Braille typewriters to re-type a variety of books into Braille for the Korea Blind Union, which makes them available electronically for free distribution to blind and visually impaired residents.

Projects like these, and many others, happened not because Ketchum colleagues were instructed to give up their time. They happened because a huge cohort of passionate PR professionals were given the opportunity to become more involved in agency citizenship in ways they feel they can best contribute.

4. Corporate Sustainability Program

Ketchum is committed to being an environmentally-responsible business, and has implemented numerous eco-friendly policies and procedures to reduce its carbon footprint across the globe. Many initiatives have been suggested or implemented by individual employees keen to make a difference.

In 2015, Ketchum earned the Silver Recognition level by EcoVadis, a sustainability rating platform for global supply chains. That ranking places Ketchum among the top 30 percent of performers evaluated by EcoVadis on environmental, social and ethical performance criteria.

While many Ketchum offices are rented spaces within larger buildings, office leaders and employees adopt environmentally-aware practices and eagerly adhere to national and international sustainability guidelines. Each effort – large and small – makes a tangible, positive impact on the environment, and the company is proud that many offices make sustainability a top priority.

Here are a few of the many examples of sustainability in action across the Ketchum network:

- **Recycling:** Eighty-five percent of Ketchum offices recycle paper and 56 percent recycle aluminum/glass.
- **Energy Reduction:** More than half of Ketchum offices (56 percent) use energy-efficient LED lighting.
- **Printing:** As of 2015, the printers in all Ketchum offices in North America default to double-sided and black and white printing.
- **Water:** More than half of offices (59 percent) use filtered water delivery services to eliminate single-use plastic bottles.
- **Transportation:** Many offices provide storage for bicycles and other alternate forms of transportation.

Ketchum is also supporting numerous client initiatives in the areas of sustainability, CSR, environmentalism, climate change and others that are having a significant effect on global conservation efforts. From São Paulo to Shanghai, Dallas to Milan, Ketchum teams are creating and implementing communications campaigns to drive awareness of products, programs and platforms that promote clients' eco-friendly initiatives.

Direct Support to the UNGC

As a proud member of the United Nations Global Compact since 2001, Ketchum once again applied its core competency – communications with target audiences – in support of UNGC objectives during calendar year 2015.

Media

Ketchum Senior Counsel John Paluszek, in addition to participating in many of the Ketchum UNGC activities, supplemented such involvement with communications programs in the related communications channel, Business In Society www.businessinsociety.net. BIS television productions, Twitter, blog and Facebook messages reported widely on several significant UNGC/UN events.

A representative sampling includes the following:

- In June, a series of three consecutive daily published reports focused on "UN Global Compact + 15 -- Business as a Force For Good," which covered planning for the post-2015 SDGs. See: shar.es/12SFeV and bit.ly/1BPCP1G.

These eye-witness reports were posted on the CSRwire global portal and replicated on the Business In Society website, as well as posted on its Twitter, blog and Facebook social media properties. Cumulative audiences around the world reached over 100,000.

- In continuing coverage of the advent of the UN SDGs, Business In Society filed three daily reports in September on the post-2015 agenda from the United Nations Summit. The three-day CSRwire coverage is summarized in the following link: bit.ly/1jqooZF

Conferences

At the Public Relations Society of America's November 2015 International Conference in Atlanta, Ketchum's UN representative, John Paluszek, participated as a panelist in the professional development session: "Understanding Global Public Opinion: Examining Affirmative Worldviews." During the panel, he cited at length the post-2015 SDG as a global vehicle for understanding and progress.

Academic audiences

UNGC was highlighted in Ketchum visits and lectures at Syracuse University and Indiana University.

UNGC events

Ketchum was represented at several additional UNGC 2015 events, including the Annual Partnership Forum and Lise Kingo's inaugural press conference. Ketchum also distributed through media outlets the January Summation remarks of retiring Executive Director Georg Kell.

Continuing Commitment

During 2016 and the years ahead, Ketchum looks forward to building on its United Nations Global Compact commitment and experience with additional internal initiatives and external outreach to all Global Compact stakeholder audiences.