Communication on Progress

The United Nations Global Compact media consulta International Holding AG Reporting Time: 2015/2016





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Statement by CEO and Managing Director Harald Zulauf



Social responsibility has long been a core an principle of mc's, even before I signed the Global Compact of the United Nations 9 Years ago. As an internationally active agency we are confronted with the need to comply with the 10 principles of the Global Compact on a daily basis

In our daily work, we always aim to protect the environment in order to leave a healthy world for future

generations. Therefore, mc rejects any advertising and PR actions for the tobacco and spirits industry, or for environmentally harmful products and companies. We also set a good example in the areas of social responsibility and environmental protection. For example, together with the Nelson Mandela Foundation and UNICEF, we have financed the construction and operation of schools in disadvantaged regions since 2007. In the field of environment, we support renaturation and afforestation projects in Malta and Cyprus. Our commitment is also reflected in our projects.

Due to our global alignment, our responsibility also has a global character. We regard the protection of human rights and the environment as indispensable and advocate the compliance of the principles of the UN Global Compact in all our actions.

In this sense, mc's headquarters in Berlin has set very high standards, which are adopted by all 83 network agencies. This is how we at mc live according to the principles of the UN Global Compact on all five continents.

I hereby confirm my continued support for the Global Compact and my renewed commitment to the initiative and its principles.

Harald Zulauf

CEO of media consulta International Holding AG

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1 Company profile

Following media consulta's COP for the United Nations Global Compact the company presents its objectives focusing on working conditions at its headquarters in Berlin as a positive and productive example for all media consulta network and partner agencies.

1.1 Full service agency network

Over the last several years, mc has become the only German-led global agency network, consisting of more than 80 network agencies present in all continents. The network agencies are coordinated by continental hubs: Brussels for Europe; Moscow for CIS; Rio de Janeiro for Latin America; Johannesburg for Africa; New York for North America; Jakarta for Asia-Pacific; and Bahrain for GCC.



Our biggest
asset is our
integrated
approach.
media consulta
is probably the
only truly
integrated
agency network
worldwide. mc
offers all
communications
disciplines in-

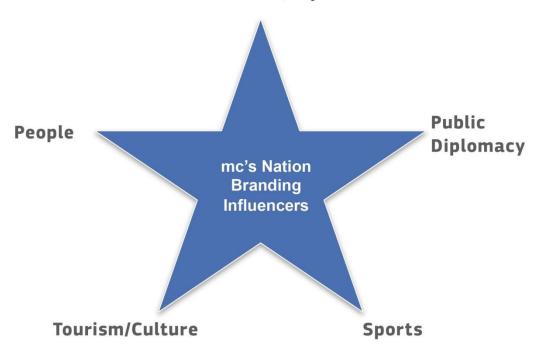


house: public relations, advertising, media planning, corporate publishing, digital, sport, youth, music marketing, event management and TV production.

The agency network has four main target groups: **politics, business, sports and media**. In politics, media consulta is on its way to becoming the world market leader in nation branding. We work for more than 30 governments in the fields of **public diplomacy** (e.g., public diplomacy campaigns of the EU in the Philippines, India, China, Georgia and Belarus); **tourism** (e.g., Abu Dhabi, Malta, Philippines, India Tourism, pentahotels); **investment promotion** (e.g., the Government of the Free State of Bavaria, Qatar Investment Forum in Berlin, China Tourism Board, Investment Plan), and **export promotion** (e.g., Consorzio Prosciutto di San Daniele and Consorzio Tutela Grana Padano).



Investment/Exports



1.2 Committed to quality and efficiency

In 2015, the second year in a row, mc was given the honour of "National Champion" at the European Business Awards Competition.

As an agency committed to providing its clients high-quality services regarding all communication measures, mc is certified to **ISO 9001:2008**, the decisive European standard when it comes to quality management. At the same time, mc is an environmentally-aware company, so that it is certified to **ISO 14001:2008**, a standard defining the framework for an environmental management system.

1.3 Employees

According to the latest ranking published by Advertising Age, mc has **3,260 specialists across the globe and 329 in Germany**, each of whom is part of a team performing a whole range of modern communication services. All our consultants have specialist know-how of various PR and advertising instruments and sustain good contacts to editorial offices of national and international media.

In order to maintain our services up-to-date and in line with the most specific communications needs media consulta **runs its own training mc Academy**. With its regulated and inspirational training sessions mc Academy enhances further education of the employees, developing their know-how in the various areas of expertise.

1.4 Client structure

mc's clients include institutional and private organisations. About fifty percent of all clients are public organisations including political institutions such as the **German government and numerous Ministries**, the German Bundestag, the **European Commission**, and various national **governments and associations (e. g. Bundeszentrale für gesundheitliche Aufklärung/Federal Centre for Health Education, BzgA)**. In the NGO sector, the **German Cancer Aid** is one of the agency's longstanding clients.

In the area of business, our clients include big **German, European and international brands**, including Lidl, Generali, Zain, TMD Friction, mhplus Betriebskrankenkasse (a German health insurance company), World Duty Free Group, German Sports Marketing, Electrolux, Consorzio Prosciutto di San Daniele & Consorzio Tutela Grana Padano and Turkcell. We also work with internationally renowned football clubs such as Real Madrid, Manchester City, Bayer Leverkusen, Corinthians Sao Paulo and Flamengo Rio de Janeiro, and have implemented communication measures for FIFA World Cups, the UEFA Champions League, the Olympic Games and the Formula 1 team Williams Martini Racing. In the field of media, mc relies on its own publishers and its own TV network, and realises diverse media collaborations in print, TV and online.

Yet even against the background of our aim to grow and acquire new clients, **we do not neglect the aspect of Corporate Social Responsibility**. For example, we commit ourselves to the United Nations Global Compact and its principles in the fields of environment, anti-corruption, diversity and human rights – which are, by the way, the same fields covered by our mc Foundation.



Social ethics is not just empty words for us; they form the genuine basis for the corporate conduct of our entire network. Communication campaigns help to raise the public awareness for socio-political issues. Thus, we realize communication campaigns for public clients, which are related to **our socio-political aims**. To name a few examples: We implemented a media relation and advertising campaign for the European Destinations of Excellence (EDEN)

programme. One target of this programme is to support sustainable tourism. Another example is provided by our numerous campaigns for the Directorate-General for Enlargement, striving for international understanding by familiarising the accession candidates with the EU Member States and vice versa. Furthermore, mc promotes renewable energies for the **Federal Ministry of the Environment, Nature Conservation and Nuclear Safety**, gender equality for the European agency EIGE, helps the European Commission raise awareness for citizen rights. Within the framework of renewable energy, mc has also been supporting the International Renewable Energy

Agency, IRENA, since 2016. The aim of this campaign is to raise awareness about the use of renewable energies.

Taking social ethics seriously also means that sometimes lucrative business must be renounced. So, mc will never work for the tobacco industry, and it will never promote environmentally harmful products or services. Rather we try to increase the awareness about the importance of Corporate Social Responsibility and to secure that our private clients include **important socio-political issues** in their agenda.

2 mc and Corporate Social Responsibility

Corporate Principles are one of the highest priorities for mc. Thus the following guidelines were initiated and play an important role in mc's work:

- mc takes on social responsibility and refuses assignments that contradict the corporate principles (e.g. campaigns for the tobacco industry or for products and companies that pollute the environment)
- mc is staunchly committed to environmental and climate protection, and incorporated into the daily work of the agency
- mc's corporate principles are valid for its entire network
- As market leader in the field of political communication, mc especially supports democracy and human rights (e.g. the initiative "Reporters without Borders")
- With the European Commission as one of its main clients, mc explicitly supports a better European and also international understanding
- mc is committed to the UN Millennium Goals by financing schools in Africa
- mc offers excellent development opportunities for its employees
- For paper waste disposal mc cooperates with "Delphin Werkstätten", an institution employing handicapped people giving them an opportunity to work in a normal environment.

mc developed a profound plan to achieve these principles. This plan includes **direct funding activities** (building schools in Africa on behalf of UNICEF and the Nelson Mandela Foundation, financing of the teachers' pay and daily a warm meal, printing of the schoolbooks), **indirect funding activities** (supporting organisations such as the Human Rights Organisation "Reporters without Borders"), supporting various charters and initiatives (e.g. the Charta of Diversity or the initiative 'Fair Company'), and **pro-actively supporting environmentally friendly working and procurement processes** on a daily basis.



2.1 mc and the UN Global Compact

In April 2008, CEO Harald Zulauf personally signed up for mc's membership in the United Nations CSR initiative, the Global Compact (GC), at the United Nations in New York. This means that mc officially supports the ten principles of the GC initiative, whose goal is to promote sustainable economic management. With mc's participation in the UN Global Compact, the agency committed itself, amongst other principles, to protecting international human rights, to creating socially compatible working conditions, as well as to promoting environmental protection and fighting corruption. By joining the Global Compact, Harald Zulauf, himself a long-standing member of the International Business Leaders Forum (IBLF) for sustainable economic management, further extended the CSR agenda of the worldwide agency network.

2.2 The Global Forum on Responsible Management Education



Having already worked on both the 1st and 2nd Global Forum for Responsible Management Education for the UN/Global Compact Office, mc Event in 2012, also supported the UN with the preparation of the third Forum in June 2012 within the scope of the Rio+20 Summit in Rio de Janeiro. mc provided support with the clarification of the target • groups, target media

and core messages. It also prepared a worldwide press mailing list, translated a press release into nine languages, and distributed it in 11 countries on all continents. Furthermore, the agency was responsible for the Forum's clipping service (430 clippings), drafted and produced a three-minute opening movie, and layouted adverts as well as conference materials. **Harald Zulauf, CEO of mc, attended the event** and was a speaker at a panel discussion.

A large number of media consulta's clients dealing with issues such as the violation of human rights, pro-democracy conflicts, prevention of damage to people's lives, health and the environment demonstrates that media consulta is willing to bring more public and political attention to these issues. Therefore, we take on project after project to raise awareness worldwide with its campaigns.

2.3 The mc Foundation

The mc Foundation fits the Global Compact's purpose and principles perfectly. According to its statutes, it will not only support education measures in the field of communications and marketing, but shall also promote:

- **Environmental and climate protection:** mc wants to support such projects, particularly by commissioning surveys accessible to the public. At the same time, mc plans to fund certain projects in cooperation with renowned sponsors such as the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, the EU, the UN or international NGOs.
- **International understanding:** Above all, the foundation will use mc's key competence to secure this goal: conducting (awareness-raising and prevention) campaigns. In addition, it could commission surveys or use its expertise by organising seminars.
- Cooperation in the field of aid in developing and emerging nations: By providing
 personnel, equipment or financial resources, the foundation wants to meet the aim of
 supporting projects in the field of development assistance. Institutions such as the EU,
 the UN, the Federal Ministry for Economic Cooperation and Development or
 internationally renowned NGOs are regarded as appropriate partners.
- **Public health and the healthcare sector:** Awareness-raising and prevention campaigns are planned.
- **Sports:** The mc foundation will subsidise respective offers of sports clubs. Furthermore, it will conduct prevention campaigns.

Within the framework of the Federal Government's "<u>Deutschlandstipendium</u>" initiative, the mc Foundation has been providing financial support to three students enrolled in marketing and

international relations classes since November 2015. mc further gives these students the opportunity of gaining valuable work experience at the company's headquarters in Berlin, as well as at its network agencies abroad.





Another mc Foundation project is the **mc Ambassador Talk**. This is an exciting discussion forum focused upon socially and politically relevant topics in mc Continental HUBS Europe, CIS, North America, Latin America / Caribbean, Asia / Pacific, Africa and GCC / MENA. These are closely related to current affairs, mc campaigns and the countries mc collaborates with: India, Russia, Qatar, UAE, Bahrain, Saudi Arabia, Mexico, Brazil, Argentina and Cuba, to name but a few. Interested employees, customers, suppliers as well as political multipliers and journalists are welcome to join the audience.

Within this framework, Mrs Dr. Stausberg, Diplomatic Correspondent of the German newspaper "DIE WELT", will moderate interesting debates. Afterwards, attendees will have the chance to continue the evening's discussion in an informal environment.



3 Environment: sustainable agency according to Principles 7, 8 and 9

- Principle 7: mc supports a precautionary approach to environmental challenges
- Principle 8: mc undertakes initiatives to promote greater environmental responsibility
- Principle 9: mc encourages the development and diffusion of environmentally friendly Technologies

3.1 Ongoing efforts

As the first communication agency in Europe, mc will implement its own ECO audit. The ECO audit is based on **ISO 14001** and the **EU Eco-Management and Audit Scheme (EMAS)** and consists of an environmental review. Furthermore, it establishes an environmental management system; carries out an environmental audit thoroughly assessing both the management system in place and conformity with the organisation's policy and programme; and finally, **describes the extent to which the environmental objectives have been achieved**, as well as the future steps to be undertaken in order to continuously improve the organisation's environmental performance. mc encourages environmentally-friendly transportation to and from the office among all employees. As a result, 95% of mc's staff uses bicycles or environmentally friendly public transportation.

We developed a **key index system** that makes it possible to measure and to continuously improve environmental management performance. The following key indices are relevant for a communication service provider:

Category	Absolute Key Data	Relative Key Data	
electric power	kWh p.a.	kWh per employee	
consumption			
heat energy consumption	kWh p.a.	KWh per sqm	
water consumption	cubic meter p.a.	cubic meter per employee	
paper consumption	kilogram p.a.	kilogram per employee averaged according to paper grade	
paper waste disposal	kilogram p.a.	kilogram per employee according to disposal route	
disposal of electronic waste quantity	quantity p.a.	quantity p.a. averaged by disposal routes and recycling	

mc actively pursues the reduction of electric power consumption, for example by using an efficient lighting system. Corridor **lights are automatically turned off** after 3 minutes, while office lights are controlled manually. Having divided the lighting into sections, we have lights only where we need them, instead of lighting up the entire premises. Each unit has rotas, which allocate staff members responsible for turning all electric devices off by the end of each day. This rota is

maintained and updated regularly, ensuring its functionality. Furthermore, in the field of technical and PC equipment, mc minds **environmentally friendliness** and solely uses **energy efficient models** which are produced from **reusable and recyclable materials** (e.g. Lenovo ThinkVision® flatscreens and ThinkCentre® desktop PCs etc.).

The high levels of paper consumption make paper waste disposal particularly important. Hence, mc pays special attention to the use **of environmentally friendly paper** in the agency's daily work and to the implementation of paper recycling in the waste disposal management. For example, **we use exclusively FSC-certified and recycled paper for all office purposes**. In addition, mc advises its employees to print sheets on both sides in order to keep paper consumption at a minimum. Furthermore, when purchasing products across Europe, mc pays attention not only to the traditional criteria of price and quality, but also to environmental factors. Increasingly, mc places an emphasis on **recyclable products** and advises its clients accordingly.

Moreover, media consulta demonstrates its ecological awareness by separating waste for recycling purposes, by relying on bicycle messengers, and by replacing normal with energy-saving bulbs.

mc has installed its own **internal quality management system,** which is also responsible for the agency's **environmental management** and its permanent development. Regular training of the **environmental management appointee** is part of the environmental management system. For the continuous improvement of internal environmental performance, staff training is also of great significance in the framework of mc's in-house educational instrument, the mc Academy. All mc employees are regularly informed about past performances and further developments of the environmental management system, and are hence in a position to communicate and actively contribute to the maintenance of the environmental standards.

Energy consumption at mc's Berlin headquarters and its Cologne office

Part of the HQ	Energy Consumption (in kWh)	Emissions (in kg)
Wassergasse 3	122.004	39.163
Wassergasse 4	54.741	17.572
Rungestraße 1	21.241	6.818
Hildeboldplatz	23.491	7.541
Cologne		
Overall	221.477	71.094

One way of neutralising the emissions is **planting trees**, something mc has already done in Malta and Cyprus.

In the future acquirement of new agency real estate, mc will optimise internal energy household by

- using **photovoltaic elements** for producing electricity and supporting the agency's electricity supply
- using solar-thermal and geothermal elements for producing heat
- **supporting the agency's further climate-friendly measures**, such as planting green shrubbery on the agency's roof and compounds





Certificate of Registration

This certificate has been awarded to

MEDIA CONSULTA INTERNATIONAL HOLDING AG

Wassergasse 3, 10179 Berlin, Germany

in recognition of the organization's Environmental Management System which complies with

ISO 14001:2004

The scope of activities covered by this certificate is defined below

Public Relations, Advertising, Media and Online Services, Event Management (Sports Marketing) and Related Translation and Travel Services

Public Relations, Werbung, Medien- und Online-Dienste, Event Management (Sport Marketing) und damit in Zusammenhang stehende Übersetzungs- und Reisemanagement-Dienstleistungen



3.1.1 Green Energy for mc



mc's commitment to sustainability and a greener world is also embodied by the agency's German electricity provider. With about 23 000 members, **Greenpeace Energy** is the largest energy cooperative in Germany, and it aspires to help securing the energy turnaround in the Federal Republic. **Greenpeace Energy not only rejects supplying electricity from nuclear power plants, but also from coal power stations**, where energy production is connected with

extremely high CO_2 emissions. So, the electricity mc consumes can be referred to as truly clean. But the contract with Greenpeace Energy is more than a guarantee for truly clean electricity. It is a contribution to cooperative's activities for a healthier planet. Greenpeace Energy builds clean plants, provides innovative solutions such as wind gas, conducts surveys, and remains an active participant in the political debate. Every two years, it organises its Energy Congress, aiming at the provision of solutions that may pave the way for a clean energy sector.

In 2012, mc negotiated its first contract with Greenpeace energy, which became the primary electricity provider for selected parts of our agency complex. In 2013, the **contract's scope was extended** to include the few buildings that had been supplied with energy from more "classic" sources as well as our Cologne office. Since then, our whole business in Germany has been driven not only by creativity and dedication to integrated communication, but also by electricity from sustainable sources.

3.1.2 Network and system of continental hubs

Admittedly, establishing a global network and continental hubs responsible for coordinating regional activities was a decision based on business considerations. And, of course, building the current structure required numerous business trips. However, the collaborations are now in full swing, so that we can rely on a seamless workflow. This in turn **saves our German team members the necessity of being present on-site** – therefore avoiding exhausting as well as CO₂ intense flights to other continents.

3.1.3 Certified printing houses

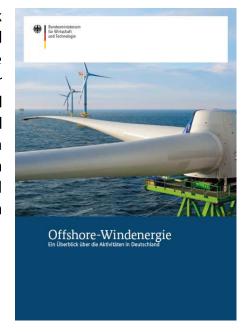
Regarding the production of print publications, mc relies on the services of printing houses that fulfill the standards and requirements set by the **Forest Stewardship Council** (FSC) and/or the **Programme for the Endorsement of Forest Certification** (PEFC). One of mc's key service providers in the field of printing, Hofmann Infocom, complies with the standards of both initiatives. Furthermore, like mc, Hofmann Infocom also pursues a climate-neutral approach, meaning that CO₂ emissions caused by the printing process are offset by climate protection measures.



3.2 New projects

3.2.1 Client campaign: Federal Ministry of the Environment, Nature Conservation and Nuclear Safety/Federal Ministry for Economic Affairs and Energy

In 2014, **implementation of media consulta's framework contract for renewable energy publications** was passed from the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety to the Federal Ministry for Economic Affairs. That same year, the agency started producing a second edition of its brochure "Offshore Wind Energy – an Overview of Activities in Germany." Due to high demand for the 2013 edition, the brochure was published in both German and English in 2015. mc staff were also invited to attend a high-level conference on offshore wind energy in Bremerhaven.



3.2.2 Green Talents

GREEN TRILEMTS

THE COMPTION

THE WITHOUT THE WITHOUT

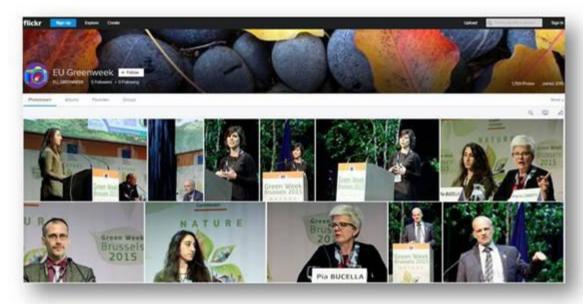
On behalf of the German Aerospace Center and the German Federal Ministry of Education and Research, mc once again conducted an integrated communication campaign for the initiative "Green Talents – International Forum for High Potentials in Sustainable

Development". The competition is aimed at young researchers in the process of finding practical answers to challenges ranging from climate change to the shortage of raw materials. Since the Federal Ministry of Education, which launched the project, is convinced that solutions are more likely to be found through cross-border cooperation, Green Talents focuses on overseas scientists and thus promotes internationalism as well. mc developed a media relations strategy for Green

Talents, adapted campaign visuals, created printed materials, compiled success stories about 25 promising researchers around the globe, and produced an advertising TV spot. mc was also responsible for the **multilingual press work** in the BRICS countries, as well as 21 other countries. In the competition phase, the campaign reached 59 countries and generated 325 clippings. The second phase saw 421 clippings in 23 countries.

3.2.3 Green Week

Within the scope of its framework agreement with the European Commission's Directorate-General for Research and Innovation, mc successfully implemented media relations for the Green Week in both 2014 and 2015. The DG's flagship event focused on environmental challenges and the respective EU policies. All together, more than 60 journalists from each of the European Union's Member States attended the event and secured coverage of the Green Week. Approximately 500 articles were published by media outlets across the European Union.



20ing AG

3.2.4 Client campaign: International Renewable Energy Agency (IRENA)

In 2016, mc started working for IRENA, the International Renewable Energy Agency. IRENA is an intergovernmental organisation and supports countries in their transition to a International Renewable Energy Agency sustainable energy future, and serves as the principal platform for international co-operation. This agency promotes the widespread adoption of renewable energy and includes bioenergy, geothermal, ocean, solar and wind energy. As part of the collaboration, mc assists in the preparation of publications, preparation of materials for events and thus in the external effectiveness of the agency.

3.2.5 "We Inspire Each Other"



The "**We Inspire Each Other**" campaign commissioned by the EU Delegation to the Philippines was a **six-month public diplomacy campaign** that ran from December 2014 to August 2015. After this period the campaign was extended until 2016. The aim was to increase awareness and understanding of the EU by improving its perception as a key trade partner to the Philippines, as well as addressing climate change and providing development cooperation aid. The campaign consisted of a variety of measures, which would penetrate every relevant communication channel available. Main measures included:

- Three videos covering the themes of trade and business, health and climate change/Yolanda/SWITH, which were used online and as TV commercials
- TV appearances and interviews
- Print ads for each theme, formatted for and placed in broadsheets
- Radio ads translated into local dialects and broadcasted nationally and regionally
- Online advertising on Facebook, YouTube, the Google Video Display Network, the Google Banner Display Network and on the CNN website
- Social media campaign with regular Facebook and Twitter updates
- Landing page featuring the videos, infographics and brochures

The campaign generated **1,511,960,328 opportunities to view**. This was calculated by multiplying the number of viewers/listeners/readers of each media outlet by the number of times an ad was aired/printed, plus the number of online ad impressions. A more conservative estimation includes each circulation number only once, assuming that repeat distribution through each

channel reaches the same individuals, plus adding the click-through rate for online ads. This generates a campaign reach statistic of 24,542,850 individuals.

A true campaign highlight was the **video on climate protection**, hosted by the Delegation's Youtube channel. At the end of the campaign, it was the 3^{rd} most watched European Commission video on YouTube and the 1^{st} most watched EC video in Asia! You can watch it here.









THE EUROPEAN UNION AND THE PHILIPPINES

In 2014, mc signed an agreement with the "Tourism for Future NGO", commissioned by Mongolia's Ministry of Culture, Sports and Tourism, to promote their country as a tourism destination at ITB Berlin



travel trade show in 2015. As the NGO's communication agency, mc's task was to **raise** awareness of Mongolia's touristic qualities while emphasising its commitment to sustainable tourism. PR measures focused on Mongolia's cultural and environmental diversity, and one of the key slogans was "Our Resources – Our Greatest Attraction." During the period that mc managed the Travel Mongolia social media channels, the number of "likes" increased by approximately 247 percent. The print and online campaign reached more than 4 million people in total. About 3.2 million people were reached through print and another 1.2 million through online channels.



4 Labour regulations according to Principles 3, 4, 5 and 6

- 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 labour
- Principle 5: the effective abolition of child labour
- Principle 6: the elimination of discrimination in respect of employment and occupation

4.1 Ongoing efforts

mc deplores any form of behavior contradicting the principles mentioned above. Of course, the agency secures compliance with principle 3, 4, 5, and 6 of the Global Compact in its Berlin Headquarters and makes sure that none of its network agencies violates them. Yet to fight violations mc thinks beyond its own network. We not only reject assignments from clients subverting fair labour regulations, but also ascertain that our service providers and suppliers comply with the four principles.

A good example might be the selection of an appropriate supplier of running shirts we purchased for a relay in Berlin. Instead of choosing the cheapest supplier for this single event, mc relied on KONA Sports, a subsidiary of KONA International GmbH. KONA has imposed a very strict CSR codex, which perfectly fits the principles mentioned above. According to the codex, the company rejects child and compulsory labour, the freedom of every worker to join a trade union and the exploitation of workers. It supports acceptable working hours and an active health and security policy.



Over the year, **mc receives a myriad of applications** from all over the world. Yet due to the special requirements of the communications sector and the need for intercultural competence, **potential mc employees have to pass a comprehensive legal and professional selection procedure**. Currently, the agency is planning the establishment of its own assessment center. The highly selective approach of media consulta can on no account be regarded as an obstacle for young and ambitious professionals. Rather it is the first measure for a pleasant everyday work. Only those who really fit a job profile will appreciate their daily work.

Once having become a member of the mc family, **employees enjoy constant protection of their working conditions, encouraging** a better work-life balance. For this, the company created a few highly efficient schemes: pension, **healthcare and childcare**. mc promotes and realises in good faith the right of workers and employers to freedom of association and the

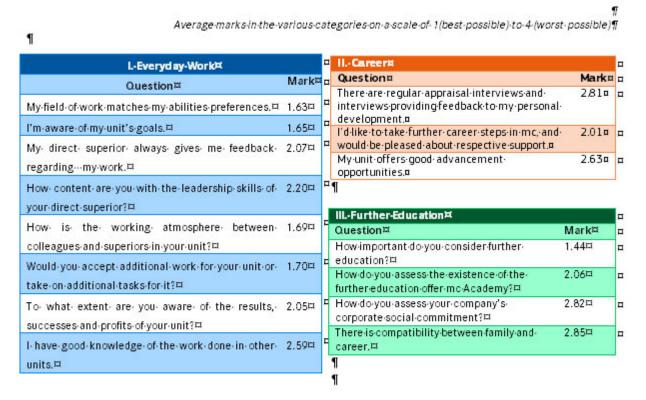
effective recognition of the right to collective bargaining, works towards the elimination of all forms of forced or compulsory labour, effectively abolishes child labour and eliminates discrimination in respect of employment and occupation.

media consulta's CEO Harald Zulauf considers **transparency as a prerequisite for a healthy business environment and smooth operations**. So, he does not only constantly inform his employees about upcoming changes and new undertakings, but seeks regular meetings with team leaders and account managers to get their feedback and ideas.

4.1.1 Staff participation – mc's employee survey

mc's **staunch dedication to treat its employees fairly and respect their rights** is also underpinned by the decision to conduct an employee satisfaction survey in the company's Berlin headquarters and its Cologne branch. Employees **got the opportunity to assess their situation** in the following areas of "Daily Work Life" and "Career". At the same time, they were asked to assess the company's further-training offer and its approach to "Corporate Social Responsibility".

In a fourth part, all **employees could make comments and propose their own ideas** for improving the agency's policies in the areas of "Daily Work Life", "Career", as well as "CSR and Further Training", **thus having a chance to fashion progress**. Of course, the survey was **completely anonymous**. The survey's results were evaluated by an **independent service provider, the "Institut für Personalforschung"** (institute for personnel research), led by Professor Dr Christian Ernst, an expert in the field of human resources lecturing at the renowned Cologne University of Applied Sciences. The Institute provided mc with a highly detailed report.



The average mark across all questions was 2.1, meaning "**good**". Yet our employee survey was not merely a tool for checking whether the atmosphere within the teams and the agency is good, but also meant to be a source for improvement.

At the time this report was submitted, mc was preparing the survey for the current year.

4.1.2 Employer Branding – serving our staff

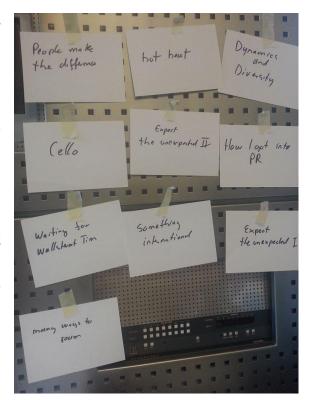
4.1.2.1 Clear and fair labour regulations

It goes without saying that in the project-oriented world of communication agencies a 9 to 5 day is not always possible. Short-time client needs or pitches might require extra hours. But mc has established a set of rules, **guaranteeing its employees a balanced daily routine**. Our employees work 41 hours per week on average. The very unlikely case of working at weekends generally leads to a day off in the working week. In addition, each employee regularly having been in the agency for more than 45 hours a week will also get leisure time in compensation. Working more than 50 hours a week is strictly forbidden. In addition, we offer our employees flexible working time arrangements.

4.1.2.2 Keeping our employees informed

There is hardly a better way of showing respect for employees than by keeping them informed about the company's future strategy and the individual steps taken to follow it. To that end, our CEO not only offers monthly company introductions for new employees, but also regularly presents new regulations, the latest developments **strategic approaches** in our mc Academy's "mc Insights". This is supported by biannual feedback meetings with the heads of unit and annual meetings with the CEO. Additionally, besides our biannual print newsletter, we have a bimonthly internal online newsletter. Another information resource is media consulta's intranet, also providing a bulletin board, and our online newsletter.

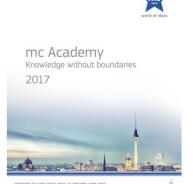
Our mc **ambassadors**, long-term members of the various units, can be regarded as the **connection**



between the individual employee and the CEO. The ambassadors receive all requests made by employees and discuss them with the CEO. Our staff can also approach them with individual problems and concerns. Those concerns, requests and ideas then serve as the basis for

improvements implemented by the ambassadors, who are also responsible for organising team building measures within or across the single units.

4.1.2.3 mc Academy



mc Academy, our internal further education programme, enables our staff to stay informed about the latest industry trends. It therefore benefits our employees, who acquire new knowledge and thus upgrade their CVs, and the company, which can use the acquired knowledge to remain competitive. mc Academy consists of **five modules** and covers all areas needed for integrated communication solutions. To guarantee the added value of our workshops, we rely on renowned and certified lecturers. mc Academy also regularly provides an internal transfer of knowledge, when unit leaders hold introductory presentations on the their daily business.

4.1.2.4 Support for young parents

Germany's communications sector is known for the high degree of flexibility it demands from employees. So, it seems that the ideal person employed by an agency has to be male, single and childless. **mc does not believe that having children and working in an agency contradict each other**. There might hardly be any agency in Germany employing as many mothers as media consulta. One key to the compatibility of family and career are part-time schemes, allowing mothers to work half a day, or to leave two hours before the workday regularly ends. In addition, regarding preschoolers, mc grants **subsidies of € 1.200 a year for the childcare offers** of day nurseries, kindergartens, and similar institutions.

In cases where a full-time female employee's contract expires during her pregnancy, she can **get her contract renewed, go on maternity leave and then return to more flexible working conditions,** if desired; for example, she could combine part-time office hours with part-time work from home.

4.1.2.5 Pension scheme

mc offers its employees the option of a company pension scheme. Following demographic change, pensions are growing in importance. The company pension scheme is part of the second pillar of pension plans and is defined in Article 1 of the German Company Pension Act (BetrAVG). Apart from that mc contributes to private pension schemes.

4.1.2.6 Sports and healthcare

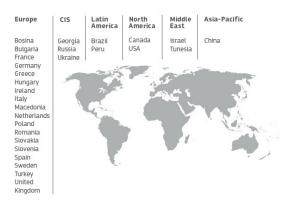
In order to promote the health of our employees mc offers a **financial subsidy** of 50% for membership fees e.g. **gyms or sports clubs up to 150 euro per year**. Furthermore, our in-house mc News Cafés provide our employees with healthy and fresh-made food to attractive prices including a fruit basket every morning. Every year, our headquarters' employees are invited to participate in the Berlin amateur team run. In addition, this year we want to implement a workplace health promotion.



4.1.3 Diversity and Internationalism

4.1.3.1 International headquarters

media consulta maintains a global network in all continents. Its clients are spread all over the world. Thus, respect for cultural backgrounds and a high degree of intercultural competence is a must for the agency. mc lives its dream of a world without any ethnic or religious boundaries in its Berlin headquarters, where people from 27 different countries are employed. They come from the United Kingdom, France, Turkey, China, Israel, Greece, the United States of America, Brazil, or Nigeria. Additionally, about 70



percent of mc's employees and all but two unit leaders are female.

4.1.3.2 Charter of Diversity

So, little wonder that mc is also signed the initiative "Charta der Vielfalt" (Charter of Diversity), which was initiated by leading German companies and is under the patronage of Dr. Angela Merkel, Chancellor of the Federal Republic of Germany. The Charta strives for fostering the recognition of and appreciation for diversity in Germany's corporate sector. No employee should be discriminated because of his sex, nationality, cultural background or worldviews.

4.1.3.3 GWA membership

media consulta is a long-term **member of the "Gesamtverband Kommunikationsagenturen"** (General Association of Communications Agencies) in Germany. As such the agency follows the association's guidelines. Regarding "employees and colleagues", the GWA's statutes say:



The people in our agencies are our most important capital because their work creates values for our clients and our agencies. Therefore, we ensure appropriate working conditions, basic and advanced training and reasonable remuneration. We undertake to ensure that our employees have equality of opportunity and can work free of any discrimination.

According to the charter, the agencies "every GWA agency undertakes to invest in junior staff and in employee training".

4.1.4 Cooperation with Delphin Werkstätten



For several years now, mc has maintained a partnership with "Delphin Werkstätten", which **serves two causes at once**. Delphin Werkstätten is an institution founded by the German Caritas and aims to professionally and socially integrate handicapped people. One branch of its operations recycles paper. mc is obliged to dispose of outdated but sensitive print material professionally, and thus relies on the

project of the Berlin Caritasverband.

4.1.5 IHK-certified training company

As a **long-time IHK-certified training company**, media consulta complies with all of the regulations imposed by Germany's Chamber of Commerce and Industry regarding apprenticeships. For instance, the agency guarantees to impart its trainees with all the skills and qualifications necessary to work in



the fields of PR and advertising. mc further commits itself to **respect and uphold all established rules** in regards to regular working hours, accrued holiday time and vocational training.

4.1.6 Client campaign

4.1.6.1 "Make it in Germany" and "Recognition in Germany"

On behalf of the Cologne Institute for Economic Research, mc has been implementing PR and media-planning activities to promote the portal "Make it in Germany", an integral part of the German Federal Government's strategy to **attract skilled professionals from foreign countries**. Another part of this campaign is the website "Recognition in Germany", maintained by the Federal Institute for Vocational Education and Training and supported by media consulta's communication experts. The portal explains how professional qualifications acquired in foreign countries can be recognised as the equivalent to German degrees and qualifications. mc's communication measures encourage skilled workers from abroad to apply for well-paying, highly-lucrative jobs right here in Germany.

4.2 New Projects

4.2.1 Suggestion box

To complement other employer-branding measures, mc introduced a suggestion box that is **easily accessible through the company's intranet site**. Employees can anonymously contact an ombudsman and tell him or her about their questions, concerns and suggestions for a stronger, better workplace. The ombudsman then identifies the scope for improving working conditions, develops proposals based on the employees' comments, and forwards them to the CEO.

4.2.2 Partnership with Corporate Benefits

Early in 2015, mc teamed up with Corporate Benefits. The renowned providers now proudly offer mc employees special discounts for their products and services. This way our employees can earn substantial savings and benefit from exclusive and attractive services.

4.2.3 Internal communication for TMD Friction

The German company TMD Friction is the leading producer of brake pads. The year 2014, however, saw a step that will have a lasting effect on this global player. By merging both its production sites in Leverkusen and Essen, TMD pooled its capacities and began its challenging course in modernisation. The biggest investment in the company's history made Essen the global main plant for the key sector of "OE Passenger Car business" and brought the Ruhr Area of Germany the most



progressive facility of its kind. mc was responsible for marketing the project, called "Fit 4 Future" to the media, as well as internally to its employees. The task was to generate a positive outlook and appreciation in relocating the Leverkusen production site. To that end, media consulta developed an internal communication strategy, heavily relying on full transparency and based on the policy of informing employees early and often about every step in the relocation process. mc published the company's employee magazine "TMD direct" in six languages to provide comprehensive information to every employee, and in a big assembly at both production sites, the management presented the merger plan to TMD staff. Other measures included an explanatory film, a suggestion box and CEO consultation hours for all employees. The internal communication strategy also counted on the early involvement of TMD's Works Committee.

4.2.4 European Development Days

At the end of 2014, media consulta was awarded a four-year contract with the European Commission to organise the annual flagship event, the European Development Days. The 2015 edition, which had already been organised by the agency, gathered more than 6,000 participants, among them high-ranking politicians. The EDD consists of a myriad of workshops, plenary sessions and discussions, and pursues "a comprehensive approach" to development assistance and cooperation. The approach also deems the **full enforcement of fundamental human rights, the provision of decent jobs for its citizens and the fight against discrimination as essential for a better future**. Fair labour regulations playing a pivotal role in the sessions can be seen on the website:

- Example 1: Proposed Sustainable Development Goal 8
- Example 2: Programme

For the current year, the planning and preparation for the upcoming European Development Days are taking place.

5 Human Rights according to Principles 1 and 2

- Principle 1: Businesses should support and respect internationally proclaimed human rights;
 and
- Principle 2: ensure that they are not complicit in human rights abuses

Since its foundation in 1993, media consulta has become the European **market leader regarding political communication**. Since 1998, the agency has been working for the "Bundestag", the German parliament. In addition, the agency has been a long-term communications service provider of the German Federal Government as well as of the European Commission and its various Directorates-General. Due to its worldwide network, media consulta also coordinates campaigns for institutional clients outside Europe.

Of course, mc's position makes the agency an advocate for democracy, for citizen rights and for the freedom of opinion. It also obliges media consulta to **permanently keep track of political developments on a global level**.

mc generally advocates the payment of a **fair price** as well as social standards in areas related to the production of a wide variety of goods. So, we reject service providers guilty of human rights violations. The example of the purchase of our running shirts already mentioned also applies for the issue of human rights.

5.1 IPRA membership



As a **member of the International Public Relations Association** (IPRA) media consulta binds itself to the principle of human rights protection. The IPRA's code of conduct recalls "the Charter of the United Nations which determines 'to reaffirm faith in fundamental

human rights, and in the dignity and worth of the human person". Furthermore, it refers to the "Universal Declaration of Human Rights" and especially recalling Article 19". Consequently, the IPRA's members "shall observe the principles of the UN Charter and the Universal Declaration of Human Rights".

5.2 New projects

5.2.1 European Year for Development

In 2014, the European Commission assigned mc with a pan-European integrated campaign for its 2015 theme year, the European Year for Development. preparations and final report on the project continued into the year 2016.

Citizens in all 28 EU Member States were called on to engage with the topic and the challenges it presents. Citizens should become more aware of the role of the EU as a global player in development cooperation, to better



understand the political complexity of the issue and realise that development aid benefits donors as well as recipients. EU citizens were also expected to reflect on their own level of support in this area. The year did not merely concentrate on eradicating poverty, but also highlighted the potential of European development cooperation for **securing good governance** in developing countries. It was shown that the EU's assistance also had a lasting impact in important areas, such as human rights and the fight against corruption. During the last twelve months, mc created and promoted a pan-European media relations campaign and organised more than 800 events on a local, regional and national level. Following a storytelling concept, mc portrayed people who benefitted from the EU's efforts. With more than 60,000 page views, those stories proved to be the website's most popular content to date. A total of 207 partners - among them EU Member States, EU institutions, companies and NGOs - could be convinced of promoting their message on the campaign website. High-level testimonials came from J. K. Rowling, Didier Drogba and Emma Watson, who served as ambassadors. Our multilingual campaign materials also included toolboxes for teachers, so the EU's message could reach all the classrooms in its Member States.

5.2.2 Events organised by mc

eudevolayseu As already mentioned in the previous chapter, the

European Development Days' approach also considered

the full enforcement of fundamental human rights and the fight against discrimination as essential for a better future. <u>Human Rights was even one of the main categories into which</u> the sessions were divided, and even the sessions in the "Growth" category dealt with issues such as "responsible supply chain management".

Another event took place in 2016 in collaboration with the European Agency for Safety and Health at Work. As part of the campaign "Healthy Workplaces - for all ages", which points to healthpromoting work, mc planned the kick-off event for this campaign and implemented it in February 2016.

5.2.3 European Economic and Social Committee (EESC)

mc's TV department produced several short films about the work from the European Economic and Social Committee (EESC).

In 2015 the animated video clip entitled "The Lifecycle of an Opinion" shows how opinions are drawn up by the EESC and the different stages they go through, from the initial concept to approval of the final text by the plenary assembly. The following



year mc's TV department published a second video clip about the work of the EESC.

6 Embracing anti-corruption according to Principle 10

mc sees corruption not only unethical and damaging, but also unprofitable flow. Corruption adds additional expense throughout the corporate value chain and can lead to costly operational disruptions. Current studies suggest that corruption adds more than 10 % to the cost of doing business in many countries, and that moving business from a country with low levels of corruption to a country with medium to high levels is equivalent to a 20 % tax.

However, as a transparent international agency, media consulta **encourages anti-corruption actions worldwide**. Therefore, all of mc's network agencies comply with strict rules to avoid corruption.

6.1 IPRA membership

As an international network, mc is a member of both the **International Public Relations Association (IPRA) and the Public Relations Society of America (PRSA)**. Both organisations attach great value to preventing their members to become involved in any corruption cases. This is visible in their Codes of Conduct.

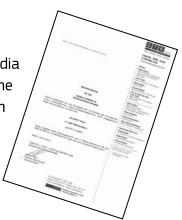
Excerpt from the IPRA's Code of Conduct

Principle	All members shall	
Integrity	act with honesty and integrity at all times so as to secure and retain the confidence of those with whom the practitioner comes into contact	
Transparency	be open and transparent in declaring their name, organisation and the interest they represent	
Conflict	avoid any professional conflicts of interest and to disclose such conflicts to affected parties when they occur	
Confidentiality	honour confidential information provided to them	
Accuracy	take all reasonable steps to ensure the truth and accuracy of all information provided	
Falsehood	make every effort to not intentionally disseminate false or misleading information, exercise proper care to avoid doing so unintentionally and correct any	

	such act promptly
Deception	not obtain information by deceptive or
	dishonest means
Disclosure	not create or use any organisation to serve an announced cause but which
Disclosure	actually serves an undisclosed interest
Profit	not sell for profit to third parties copies of
	documents obtained from public authorities
Inducement	neither directly nor indirectly offer nor give any financial or other inducement to public representatives or the media, or other stakeholders
Influence	neither propose nor undertake any action which would constitute an improper influence on public representatives, the media, or other stakeholders

6.2 Ranking audits

According to the two acknowledged revenue-based rankings, media consulta is Germany's leading PR agency and ranks third among the country's leading advertising agencies. Furthermore, we finished 15th in the latest global ranking of PR Week. To ensure the accuracy of our figures in all these rankings, we voluntarily submitted ranking audits and CPA statements through an external accounting firm.



6.3 Financial project management

mc will ensure an **effective cost controlling process** within the framework of client's communication activities, in order to ensure compliance with the agreed budget. mc is using the **software system SAP Business by Design**, an Enterprise Resource Planning (ERP) programme, to control and manage all financial activities.

mc will assign a **project controller**, who will continuously compare the actual costs with the planned budget. Each project controller will work in **close cooperation with the project leader** and will be in charge of the financial management of the framework contract and the specific contracts.

All costs will be controlled on multiple levels by mc's **Purchasing Unit** (including four staff members), the **Controlling Unit and** the **project leader**.

6.4 Financial management of contracts

The financial management of specific contracts is done in a **digitised way** using the software solution SAP. Therefore, mc is able to give **information on the status of the budget – e.g. used and planned allocation of budget resources** – at all times.

mc uses the following **9 steps** to control all costs and invoices:

- **Step 1:** mc will **break down the budget** for each specific contract into **single cost units, so** later on all costs can be directly attributed to a task
- Step 2: Each cost unit is entered into SAP, being assigned a single number
- **Step 3:** Every time a service or supply is needed in the scope of a project, the project manager files a **purchasing request in SAP** using the assigned cost unit
- **Step 4:** For **third party costs, the external offers** are obtained and included in the purchasing request for documentation

- Step 5: The purchasing request has to be authorised by the project leader, the
 project controller and the head of unit before an order can be placed or a service
 offered
- **Step 6:** The service or supply will deliver the **best value for the client's money**
- **Step 7: Incoming invoices can be allocated easily** to the existing purchasing request
- **Step 8:** All project invoices are **double-checked by the Controlling Unit** to ensure that the facts and calculations are correct before they are submitted to the project leader for approval
- **Step 9:** mc's Purchasing Unit ensures that the **invoice total corresponds to the amount authorised and approved** on the purchase request

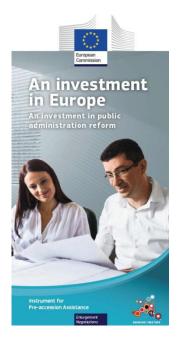
6.5 New projects

6.5.1 European Year for Development and European Development Days

As mentioned above, both the European Year for Development and the European Development Days also dealt with the important topic of fighting corruption. For instance, the EU Development Days session "How can development cooperation effectively fight corruption and promote good governance?" can be watched here. The EYD website, which was actively promoted by mc and which attracted 14.000 unique visitors per month, also featured stories about combating corruption.

6.5.2 Directorate-General for Enlargement

mc has been working for the European Commission's Directorate General for Neighbourhood and Enlargement Negotiations since 2006. In the area of fighting corruption in 2014 and 2015, mc worked on the "Rule of Law" projects. The agency produced thematic leaflets in all of the EU's 24 official languages and even published a brochure, "The Transformative Power of Enlargement", in English, French and German, which uses best practices to show the efforts undertaken within the EU enlargement countries to fight corruption. In addition, the Police Assistance Mission of the EU to Albania is surely one of the best examples of corruption-fighting projects presented in the brochure. The mission is bringing Albania closer to EU standards of public order and security, border management and the fight against corruption and organised crime by developing credible, ethical and professional law enforcement and judicial services to provide safety and security for all its citizens.



6.5.3 Window to Europe

For the **Delegation of the European Union in Ukraine**,

mc promoted the TV show
"Window to Europe. Stronger
Together." The show is aired
weekly on the Ukrainian TV
channel Kanal 5 and is a part of
the European Neighbourhood
and Partnership Instrument
(ENPI). The current affairs
programme aims to provide
Ukrainians with balanced



information about economic and social developments within the EU, cooperation with Kiev and general information on the ENPI. To do this, mc draws on contributions from correspondents and live reports, and invites experts to the local studio. Fighting crime and corruption in the Ukraine is definitely one of the show's most important issues. Besides having promoted the show in print and through social media channels, mc has also been responsible for the media cooperations with Kanal 5 and 20 regional broadcasters, so that the show could attract its more than six million viewers.

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