



United Nations Global Compact

COMMUNICATION ON PROGRESS

2016/2017 REPORT

APCO
worldwide®

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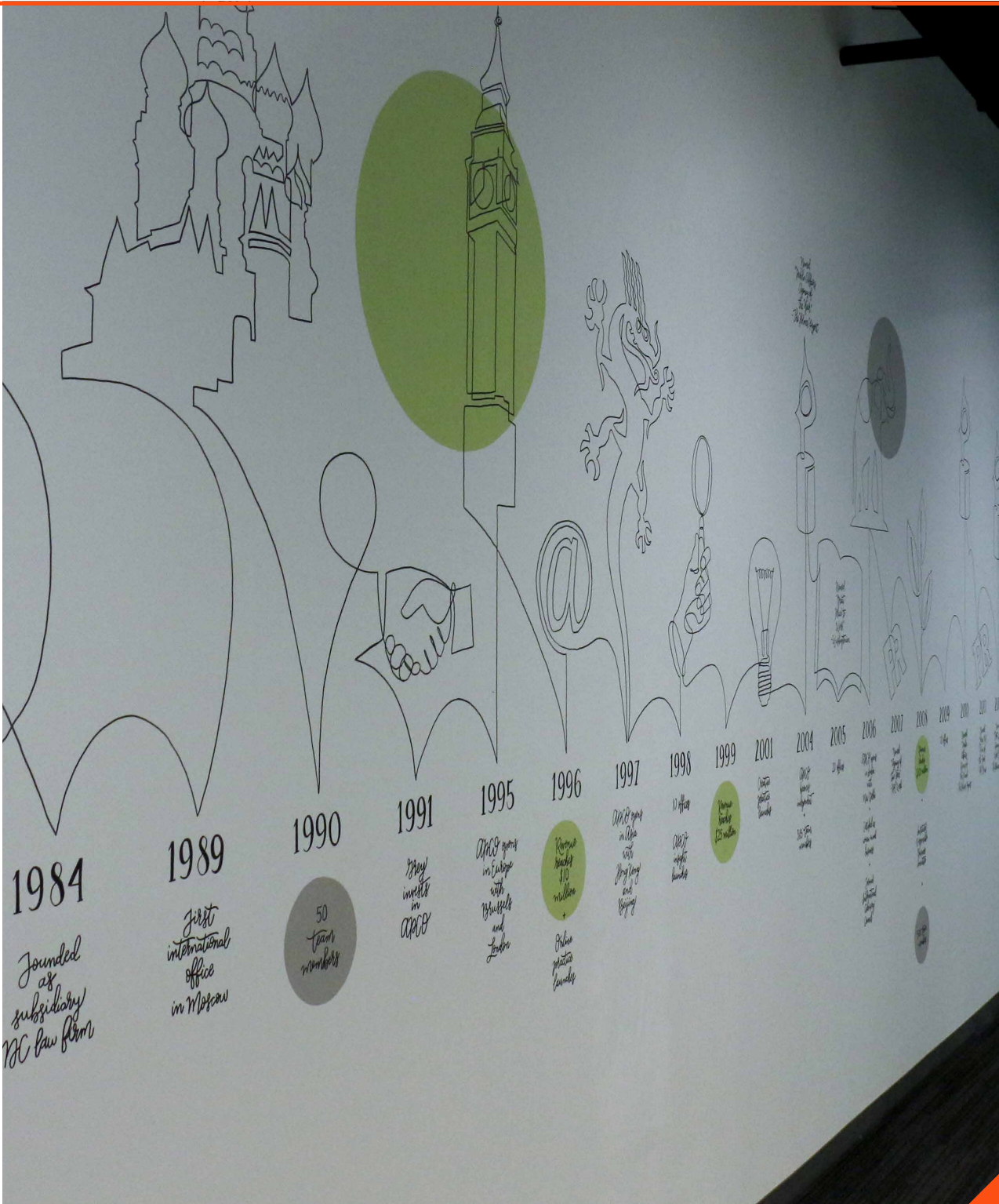
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JOINT STATEMENT FROM THE EXECUTIVE CHAIRMAN & CEO

APCO Worldwide is pleased to present our seventh annual report on progress as a signatory of the UN Global Compact. Since our last report, the world has dramatically transformed. A rise in populist and nationalist sentiment, particularly in the United States, has driven sharp divides, creating political uncertainty, testing long-standing alliances and creating space for new global leaders to champion the global sustainability agenda. From where APCO sits at the intersection of business, politics and society, we see that uncertainty, and the fortitude to act in the face of it, is perhaps our greatest obstacle. The lack of a proven playbook or consensus around global priorities, and the means to achieve them, enhances the importance of the Global Compact as a convening organization and the ambitions it represents in the Sustainable Development Goals (SDGs).

As a global company operating in this uncertain environment, we continue to challenge ourselves to learn, grow and adapt. All employees are required to participate in anti-corruption trainings upon joining APCO. APCO promotes volunteerism through our corporate giving and charity matching program, as well as our APCO Gives Back initiative. We

are active in advancing conversations and initiatives and are champions of diversity and inclusion—56 percent of our leadership positions are held by women and 28.8 percent of our U.S. team was classified as minority in 2016, per EEOC designated ethnic categories.

As a global communications consultancy, we help clients define their own unique purpose and mission. Assuring our clients, employees and partners are creating programs and policies that have a meaningful impact on the SDGs. In 2016–17, these efforts involved very candid discussions on whether to “enlist” or “resist;” how to balance competing stakeholder demands on issues ranging from immigration to climate change; and, most fundamentally, defining and communicating organizational value that transcends political noise. For eight years, APCO provided pro bono communication and strategic counsel support to the Clinton Global Initiative (CGI). CGI convened global and emerging leaders to create and implement solutions to the world’s most pressing challenges. As a result, the members committed to more than 3,600 Commitments to Action, which helped improve the lives of over 435 million people in 180 countries. This is just one of the many

examples of our efforts to live by the UN Compact Principles locally and globally.

Our work also enables us to galvanize movements that sustain impact. We saw this unfold when the masses united at Lampedusa concerts hosted by the Jesuit Refugee Services across America. The moment—the shared experience of music—transcends the politics and problems surrounding the issue.

We amplify our impact by continuing to work with organizations, like the International Crisis Group, World Economic Forum and Jesuit Relief Services. Our communities become fortified forces to be reckoned with when we move, believe and inspire together.

As a majority women-owned firm, we prioritize empowering other women through our women’s economic inclusion work with organizations like the Women’s President Organization, WEConnect International and Women Advancing Africa.

Though we remain faced with uncertainty, we take a stance. We do it for ourselves—and for our clients. APCO is proud to reaffirm our commitment to supporting the SDGs and its Principles in this report. As always, we welcome your thoughts and feedback.

Sincerely,



A handwritten signature in black ink that reads "Margery Kraus".

Margery Kraus
Founder and Executive Chairman



A handwritten signature in black ink that reads "Brad Staples".

Brad Staples
Chief Executive Officer

COMMUNICATING OUR PROGRESS

APCO Worldwide Inc. joined the UNGC in June 2010. This report is our seventh Communication on Progress (COP). All data contained in this document relates to the calendar year January–December 2016. In addition, some initiatives mentioned refer to the first half of 2017.

This Report Contains Two Parts:

PART I

Provides a short overview about APCO, including our 2016–2017 organizational profile and our approach to governance, responsible business and citizenship.

PART II

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.

A global cross-functional team was responsible for developing this report, which was reviewed and approved by the Chair of APCO’s Responsible Business Committee and by our Executive Chairman and CEO.

PART I

ABOUT APCO

APCO Worldwide is a global communications consultancy. We help the most innovative organizations adapt and thrive in this fast-moving, interconnected and complex world, enabling them to reach their business and societal goals. We bring our clients' work to life creatively and digitally through diverse thinking and a campaign mentality that is not limited by any particular service or discipline, but embraces a variety of integrated tactics to achieve success. APCO is a majority employee- and women-owned business.

Founded in 1984, APCO is the only major consultancy of its kind headquartered in Washington, D.C. We serve clients in more than 80 markets around the world. Our 672 permanent employees (as of December 31, 2016) comprise more than 40 nationalities and come from diverse professional backgrounds, including: former elected leaders, ambassadors, journalists, business and nonprofit executives, government officials, market researchers, as well as communication, corporate affairs and online experts.

APCO secured its independence in 2004 after more than a decade as an affiliate of Grey Global Group. Since its inception in 1984, it has grown from a small one-office firm to a diverse global consultancy servicing high-profile clients. APCO's revenue has more than doubled since obtaining its independence in 2004.

APCO's growth was mostly organic during its 32 years of operation. In 2017, APCO retained its independence through a buyout of previous minority shareholders with the support of Citibank and Monroe Capital. The arrangement also provides the potential for additional capital, which APCO can use for growth, acquisition and continued innovation to meet the changing demands of the marketplace and to better service clients. This renewed commitment to independence is another step in our unique story and an exciting opportunity to continue to build a first-rate firm for the future.

We also added two new members to our board of directors, who replace three outgoing members: Marcia Page, executive chair of Värde Partners, and Peter Milton Sommerhauser, founding partner at Wing Capital Group. They join three existing board members: APCO Founder and Executive Chairman Margery Kraus, CEO Brad Staples and Joseph Zimmer, former managing director at Goldman, Sachs and Co. APCO also added four new members to its Global Leadership Team (GLT) who will help direct future growth for the firm. The new GLT members include: Agnieszka Yank, APCO's chief talent officer; Robert Ardelt, managing director of APCO's Germany offices; Kelly Williamson, managing director of APCO's Raleigh, North Carolina office; and Marc Johnson, global practice lead of APCO's digital practice. Our Global Leadership Team serves as the ideas engine of APCO.

VALUES

MAKE client success OUR MEASUREMENT OF achievement.
Empower PEOPLE TO DO great WORK.

Nurture AN ORGANIZATION WHERE everyone IS VALUED.
Rely ON ONE ANOTHER TO ACHIEVE PERSONAL potential

Build relationships TO BUILD BUSINESS.

TELL THE truth.

Push the boundaries WITH innovative TECHNOLOGY AND SOLUTIONS.

PROVIDE global service CULTURE BY CULTURE.

MISSION AND VALUES

In the first quarter of 2016, APCO relaunched its revitalized mission and reconfirmed its values across the company. Through a series of discussions, employees gained a new perspective on the importance of APCO's mission and the values that employees adhere to in order to achieve APCO's goals. APCO continuously educates its staff about the company's mission and values.

APCO'S MISSION

- Enable clients to achieve their objectives through insightful counsel, authentic advocacy and creative communications.
- Counsel clients on the opportunities and challenges of a global marketplace and engaged stakeholders in times of transformational change.
- Partner with clients to add value to their enterprises and benefit society.

ACCOMPLISHING OUR MISSION

We accomplish our mission by fostering a culture of critical and unconventional thinking, which is made possible because of our commitment to hiring, growing and retaining exceptional people from diverse backgrounds. We achieve results through a strategic understanding of our clients'

objectives and deep insights into their political, economic and social environments.

While we operate as one integrated company with offices around the world, we secure our clients' license to operate and grow by delivering results that are locally relevant but globally impactful.

APCO'S VALUES

- Make client success our measurement of achievement
- Empower people to do great work
- Nurture an organization where everyone is valued
- Rely on one another to achieve personal potential
- Build relationships to build business
- Tell the truth
- Push the boundaries with innovative technology and solutions
- Provide global service culture by culture

APCO OFFICES



AWARDS AND RECOGNITION

Hall of Femme 2017

Margery Kraus
PRWeek

EMEA SABRE Awards 2017

Best Network to Work For in EMEA
The Holmes Report

EMEA SABRE Awards 2017

Cause-Related Marketing
"eBay Adopts L'Aquila"
The Holmes Report

EMEA SABRE Awards 2017

Public Education
"BetterThanThat" Polish Cultural Institute
The Holmes Report

European Excellence Award

"eBay Adopts L'Aquila"
European Excellence Awards

North America SABRE Awards 2017

Public Affairs Agency of the Year
The Holmes Report

Global Power Book 2017

Margery Kraus, Brad Staples, Jim McGregor,
Nelson Fernandez and Nick Ashooh
PRWeek

CSR Awards 2017

Agency CSR A-List
PR News

50 Most Powerful Public Relations

Firms in America 2016
The New York Observer

Hall of Femme 2016

Tina-Marie Adams
PRWeek

Global SABRE Awards 2016

One of the Top 40 Campaigns in the
World

"Modernizing the Legal Status of Animals in
France: A Major Breakthrough in French Law"
The Fondation 30 d' Amis
The Holmes Report

EMEA PR Consultancies of the Year Awards 2016

French PR Consultancy of the Year
The Holmes Report

EMEA SABRE Awards 2016: Animal Care

"Modernizing the Legal Status of Animals in
France: A Major Breakthrough in French Law"
The Fondation 30 d' Amis
The Holmes Report

CSR Awards 2016: Agency CSR A-List
PR News



PR News CSR Awards 2017



Holmes North America SABRE Awards 2017



MEPRA 2016 Awards



PR News CSR Awards 2017

GOVERNANCE & RESPONSIBLE BUSINESS

Governance

APCO Worldwide is governed by a 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 Brad Staples) are APCO executives; the other three members (Joseph Zimmel, Marcia Page and Peter Milton Sommerhauser) are outside directors. The chair of the board is Margery Kraus, APCO's founder and executive chairman. The board meets at least quarterly.

At the start of 2015, APCO formed a Global Leadership Team (GLT) consisting of senior leaders who represent geographical, practice and operational areas of the company. The GLT defines and develops the company's

business strategy, incubates ideas and drives innovation and contributes to the annual budget development. The GLT meets three to four times a year in person, and the membership is reviewed on an annual basis. This leadership group reflects the diversity of APCO and reinforces the company's commitment to the changing global nature of business and communications and a shift in corporate interests to new, international markets. It also empowers the next generation of leaders at the company.

Responsible Business

As work is conducted across the globe, APCO strives to be a responsible company in everything it does. A commitment to conducting business at the highest level of ethics and integrity is derived from the core values that have guided APCO since its founding. This commitment is embodied in its Code of Conduct, which sets forth the fundamental ethical principles that govern

how business is done. APCO's commitment to operating responsibly includes acting with strong ethics and integrity; adhering to standards of good governance and financial stewardship; supporting local communities; and managing its environmental footprint. APCO complies with the local laws of every market in which it operates, adheres to industry codes of conduct to which it is a signatory and strives to meet stakeholder expectations. In 2008, APCO's Responsible Business Committee (RBC) was established to provide oversight for management of APCO's Code of Conduct and responsible business policies and systems, including compliance and ethics training. APCO's RBC is the steward of APCO's commitment to ethical and responsible business conduct. In addition to regularly reviewing and updating the Code of Conduct, the RBC corroborates that staff members are provided training on ethical conduct and compliance with laws and works with senior management to

help identify and resolve potential conflicts of interest with client work or APCO's values. The RBC guides APCO's Global Leadership Team on ethical matters and provides insights and information that helps inform decisions made by leadership around the firm. The RBC serves as a resource for employees who have questions, concerns or personal conflicts with the assignments we accept or how we operate. The RBC also works to help APCO adopt industry best practices in all areas of ethics, integrity and accountability.

GLOBAL LEADERSHIP TEAM MEMBERS

Margery Kraus	Robert Ardelt	Marc Johnson	Kelly Williamson
Brad Staples	Claire Boussagol	Lisa Osborne Ross	Agnieszka Yank
Evan Kraus	Karen Buerkle	Mamoon Sbeih	
James Acheson-Gray	Nelson Fernandez	Denise Teeling	
	Mara Hedgecoth	Martina Tydecks	



GLT Meeting 2016

CODES OF CONDUCT

APCO Has Endorsed and Adheres to the Following Codes of Conduct in All of Its Activities:

- Association Française des Conseils en Lobbying (AFCL) (France)
Code of Ethics
- Association of Professional Political Consultants (United Kingdom)
Code of Conduct
- Confederation of Indian Industry (India)
Code of Business Ethics
- Council of Public Relations Firms (United States)
Code of Ethics
- Council of Public Relations Firms in Hong Kong (Hong Kong)
Code of Ethics
- Degepol (Germany)
Code of Conduct
- European Public Affairs Consultancies Association (EPACA) (Europe)
Code of Conduct
- Haute Autorité de la Transparence de la Vie Publique (HATPB) (Paris)
Code of Conduct
- Independent Commission Against Corruption (ICAC) (Hong Kong)
Prevention of Bribery Ordinance (POBO)
- International Association of Business Communicators (International)
Code of Conduct
- Public Communication and Institutional Relationship Management Association (KIYED) (Turkey)
Ethical Principles
- Public Relations and Communications Association (PRCA) (United Kingdom)
Code of Conduct
- Public Relations Society of America (United States)
Member Code of Ethics
- World Economic Forum (International)
Partnership Against Corruption Initiative Code of Conduct (PACI)

A commitment to conducting business at the highest level of ethics and integrity is derived from the core values that have guided APCO since its founding.

EMPLOYEE DEVELOPMENT

Investing in staff's learning and development remains a top priority for APCO. Continuous learning and skill development are important components of an employee's professional development and contribute to the firm's success. APCO's training program addresses business competencies, reflects the needs of the organization, enhances client relationships and supports professional development. APCO's goal is for 100 percent participation so that all employees continuously enhance their business competencies and grow as professionals.

To complement training initiatives, APCO uses a state-of-the-art digital learning platform. This platform serves as a central hub for all things learning and development. Core skill gaps related to technology, project management or budgeting can be addressed at a much quicker pace and reach more offices through online courses.

Our focus in 2016 included:



ARC: APCO's Digital Learning Platform

ARC hosts our centralized global learning and development calendar. Any training happening anywhere in the world is easy for our employees to find and join. It serves as a hub for all of our online courses and modules. ARC is designed to promote best practice sharing and knowledge transfer within the company.

Significant Improvement in Global Learning and Development

In Gallup's 2016 Q12 Engagement Survey, APCO's score for "learning and growth" was 26 percent higher than the company's 2015 score. This placed APCO in the 64th percentile of Gallup's database, which contains survey responses from 850 organizations worldwide. The increase in the learning and development score is the result of key 2016 training initiatives that focused on providing employees with a half-day presentation skills boot camp, as well as the revamp of our Manager 101 training.

EMPLOYEE ENGAGEMENT

In 2016, APCO's Employee Engagement Program included:

Gallup Q12 Employee Engagement Survey

In 2016, APCO assessed employee engagement by administering the Gallup Q12 Employee Engagement Survey. The highly accredited survey queried research-based questions that measure the most important elements of employee engagement.

Recognizing Employee Milestones and Anniversaries

APCO celebrates our employees by recognizing their anniversary of joining the company. Founder and Executive Chairman Margery Kraus handwrites personalized anniversary cards for all employees across the globe. Additionally, she posts anniversaries and milestones announcements to Workplace, APCO's internal communications platform.

Global Exchange Program

To foster integration, share best practices and enhance cultural understanding, each year a committee at APCO selects 15 employees to spend time working at another APCO office around the world. Those selected individuals 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 learnings and experiences with colleagues.

Myriam Ugeux-Gerault Fellowship

In an effort to promote creativity, build exposure to new ideas and encourage collaboration across APCO's global network, APCO's talent management team partnered with its Paris office to establish the Myriam Ugeux-Gerault Fellowship. The fellowship is in honor of Myriam Ugeux-Gerault, a former APCO employee in the Paris office who passed away in 2009. The fellowship is awarded to one APCO employee who is granted the opportunity to attend a conference to build his or her expertise in strategic communications, corporate responsibility, innovation or digital communication. In addition, the employee spends one week in the Paris office learning and sharing best practices that promote creative communication strategies and responsible business behavior/sustainability.

International Assignments and Global Mobility

To provide the best level of client service, employees are regularly offered the opportunity to work in another country or at a client location to become an integrated part of a specific client's team. This provides the client with an extremely high level of service and the employee with a unique professional development experience. To ensure that opportunities for global mobility are at the cornerstone of our global offering to existing and potential employees, a global mobility specialist is dedicated to managing a database of employee skill sets that complement various international assignments and carefully matches the right employees with the right opportunities.

MEMBERSHIPS

APCO is Proud to Be a Member Partner of the Following Organizations:

- Arthur W. Page Society
- Boston College Center for Corporate Citizenship
- Business and Society, Belgium
- Business for Social Responsibility (BSR)
- Clinton Global Initiative (CGI)
- ColorComm
- Economic Initiative Frankfurt Rhine Main
- Enterprising Women
- Institute for Public Relations
- International Crisis Group
- LAGRANT Foundation
- PR Council
- Public Affairs Council
- WEConnect International
- World Economic Forum Gender Parity
- World Economic Forum Global Agenda Council on Anti-Corruption & Transparency
- World Economic Forum Partnership Against Corruption Initiative (PACI)

CITIZENSHIP & COMMUNITY ENGAGEMENT

The APCO Gives Back program empowers employees to contribute to their communities through volunteerism with support from APCO in the form of 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.

Pro Bono Services

APCO makes significant contributions to local communities and global causes via pro bono work, contributing over \$1 million in pro bono services across the globe. APCO also supports a wide range of nonprofit organizations around the world. Below is a small selection of APCO's global pro bono activity; other examples are included throughout Part II of this report:

The Clinton Global Initiative

From 2008 through 2016, APCO provided pro bono communications and strategic counsel support to the Clinton Global Initiative (CGI). Established in 2005 by President Bill Clinton, CGI convened global and emerging leaders to create and implement solutions to the world's most pressing challenges. CGI catalyzed 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. Since its creation, CGI members have made more than 3,600 Commitments to Action, which helped improve the lives of over 435 million people in 180 countries. For nearly a decade, APCO helped CGI members gain interest in the causes they were addressing, demonstrate



their successes and highlight the wide-ranging achievements of CGI as a whole. APCO's Founder and Executive Chairman Margery Kraus participated in the annual strategy and planning meeting for CGI. In addition to other meetings and sideline events, APCO's team handled 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 communications training to CGI member organizations. Over the years, APCO significantly increased its pro bono support for CGI and helped generate millions of media impressions and hundreds of articles in leading news media. The partnership with CGI 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 was a global effort that included colleagues from many APCO offices around the world. The 12th and final CGI Annual Meeting concluded in September 2016.

Mahila Housing Trust (MHT)

APCO's India offices worked with MHT to support their outreach and media efforts at the Clinton Global Initiative meeting in September 2016. APCO used its qualitative research to help MHT prepare its strategic communications material to best present its core mission and social impact goals to donors and wider stakeholders. MHT is an autonomous organization promoted by the Self Employed Women's Association (SEWA) with the vision to realize the right to shelter and dignity for all. Towards this, MHT focuses on enhancing civic engagement among citizens, particularly slum residents, women and rural poor, through promotion of Community-Based Organizations (CBOs) and grassroots women's leadership.

Landmark Group

APCO's UAE client, Landmark Group, aimed to initiate a campaign addressing diabetes because it is estimated that one in five people in the UAE suffers from the disease. Together, APCO and Landmark Group launched the Beat Diabetes Walk. The walk kicked off in Dubai in 2009, and APCO has supported the cause ever since. Leading into 2016, APCO worked with the Beat Diabetes team on extending the initiative to seven countries—Bahrain, Oman, UAE, India, Kuwait, Qatar and the Kingdom of Saudi Arabia. The last Beat Diabetes Walk, in November 2016, had 18,000 participants in the UAE alone. Throughout the rest of the year, APCO engaged Landmark Group in various awareness drives, including community outreach initiatives and media engagement. Landmark Group's 500+ stores across the UAE have raised AED 4 million, and contributed a further AED 10 million to fund diabetes research. These funds were earmarked to the Al Jalila Foundation to further the cause of diabetic research.

Ecolab

APCO's Chicago office, with support from New York and Washington, D.C., developed an integrated communications platform to position Ecolab as a global expert in water management for business. The program is grounded in Ecolab's commitment to help customers in more than 170 countries reduce, reuse and recycle water. As the global leader in water, hygiene and energy technologies and services that protect people and vital resources, Ecolab delivers comprehensive solutions and services to promote safe food, maintain clean environments, optimize water and energy use, and improve operational efficiencies. APCO continues to support Ecolab's Nalco Water business and its ongoing thought leadership activities as it launches its Water University in the fall of 2017.

StreetGames

APCO's London office provides pro bono communications support for StreetGames, a charity that offers sporting opportunities to disadvantaged youths to change lives and communities. As part of a successful effort to help the charity attract new corporate sponsors, APCO devised and hosted Pinstripe Ping Pong, a corporate ping pong competition, which raised thousands of British pounds. APCO is also supporting StreetGames with the upcoming

launch of its new initiative, Fit and Fed. This program aims to alleviate school holiday hunger, inactivity and isolation, providing support for 7,500 children and young people during the summer holidays, including serving 225,000 meals. APCO has identified possible supporters across business and government, engaging with them to support the cause both financially and publicly. This outreach has raised awareness regarding the issue of holiday hunger in the UK, which, until recently, was a cause very much overlooked. Fit and Fed will be launched with cross-party support in September 2017 at the House of Lords.

Pearl Initiative

Adding to APCO's work in the corporate governance space, its offices in the UAE signed the Pearl Initiative as a client on an annual retainer contract in 2016, where up to \$25,000 worth of services are provided annually on a pro bono basis. Developed in cooperation with the United Nations Office for Partnerships in 2010, the Pearl Initiative is a leading Gulf-based nonprofit organization promoting a corporate culture of accountability and transparency as a key driver of competitiveness across the Gulf region. The organization to date has impacted over 160 business leaders and over 6,500 students from the Gulf region through its thought leadership programs.

APCO helps the Pearl Initiative build its profile and enhance its impact through a targeted communications program. APCO is also a member of the Pearl Initiative and regularly participates in its integration meetings.

The French Union of the Associations of Relatives and Friends of People with Mental Disabilities (UNAPEI)

APCO's French team is a pro bono partner of UNAPEI and recently provided strategic advice on how best the organization could raise awareness of its activities during the French presidential campaign. It resulted in a very successful and award-winning campaign organized by UNAPEI, entitled "Mélanie peut le faire," where a mentally disabled young woman presented the famous daily weather forecast on French

TV. APCO's advice also helped UNAPEI reinforce its social media strategy and considerably increase its visibility, notably on Twitter and Facebook.

Women Advancing Africa

In 2016, APCO partnered with the Graça Machel Trust, an organization founded by the former First Lady and wife of the late President Nelson Mandela, to develop and launch the Women Advancing Africa (WAA) initiative. Mrs. Machel, a lifelong advocate for women's rights, approached APCO to help "multiply the faces and amplify the voices" of African women through the creation of a new, flagship initiative. In contrast to other women's events in Africa, Mrs. Machel wanted Women Advancing Africa to be a truly pan-African initiative, bringing together women from across



generations and geographies to strengthen the critical role women play in shaping Africa's future. Throughout 2016, APCO worked closely with the Trust to develop Women Advancing Africa from the ground up. The team provided intensive counsel and in-kind support—shaping the program, advising on communications and positioning and recruiting a number of corporate partners to support this first-of-its-kind initiative. In August 2016, APCO assisted with a soft launch of Women Advancing Africa, bringing together a select group of women leaders and corporate partners in advance of the inaugural Women Advancing Africa Forum in 2017. APCO continues to work with the Trust as a convening partner for Women Advancing Africa, advising on strategy and assisting with sponsorship outreach and ongoing communications in support of this growing initiative.



HUMANITARIAN EMERGENCY & 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 \$10,000.

COMMITMENT TO LEADERSHIP DEVELOPMENT & CIVIC SERVICES

In addition to the activities above, members of APCO's senior management team serve in leadership and advisory positions at important civic and educational organizations, including universities, educational foundations, civic organizations, community foundations, industry oversight bodies and professional societies.

CHALLENGES & OPPORTUNITIES

Each year, APCO assesses the issues that have a material impact on business. As noted in previous reports, these issues—trust, transparency and talent—do not change from year to year as they are core to their ongoing success and growth across all of APCO's markets.

Trust:

Societies around the world have languished in a decade of eroding levels of public trust in all types of organizations—including APCO's own industry. APCO works every day to build trust with its clients, stakeholders, colleagues and communities. Strict policies and protocols apply to everyone in the company and aim to preclude potential conflicts among existing clients and also with APCO's mission and values as a global company.

Transparency:

The only way APCO can build trust with our clients, stakeholders, employees and the public is to be transparent about who it is, what it believes and does and how it conducts business. It is an essential part of building and growing a successful enterprise.

Talent:

APCO's business will only succeed if it has the right employees in place with the right skills and expertise to meet clients' needs. APCO works to attract and retain a diverse, creative and knowledgeable group of people who want to work across borders, issues and platforms to solve problems and advance goals while building their careers at APCO. Working with senior leadership, APCO seeks to ensure that the issues are adequately and clearly addressed through

its corporate policies and practices and the industry codes of conduct and ethics to which everyone adheres.

Trust, transparency and talent are core to APCO's ongoing success and growth.

EXAMPLES OF EXECUTIVE LEADERSHIP'S BOARD MEMBERSHIPS

- American University
- Close Up Foundation
- Catherine B. Reynolds Foundation
- Center for Executive Women at the Kellogg School of Management
- Center for Responsible Enterprise and Trade (CREATE)
- French Lobbying Association Ethics Committee
- Gideon's Promise
- Institute for Public Relations
- Women Presidents' Organization
- World Economic Forum's Partnering Against Corruption Initiative

CHAMPIONING WOMEN & GIRLS FOR SUSTAINABLE GROWTH

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 the industry, APCO's passion for women and girls is part of its DNA as a firm.

Investing in Women

Investing in women is not only the right thing to do, but it is also critical to the success of businesses, governments and organizations. With the widespread explosion of women's empowerment initiatives, gender equality is a major part of the public discourse. Yet, profound gender gaps persist, especially for women of color, in the United States and around the world. APCO believes that inclusion is a business imperative. However, as the issues women face vary greatly by community, the path forward for companies looking to advocate in this space is not always clear. APCO believes that by investing in and advocating for women—whether internally at APCO as part of its extensive client and pro bono work in this space or through the active external leadership

of its employees—it can help strengthen business outcomes and create benefits for families, communities and countries. APCO's multifaceted commitment to women, through work in these areas, underscores its commitment to a wide range of UNGC Principles, including those focused on labor and human rights. This March, APCO celebrated International Women's Day across all of its offices. APCO is proud that its senior management is composed equally of women and men and that its Global Leadership Team has a majority of female members. Founder and Executive Chairman Margery Kraus has been a determined and consistent advocate for women in business, as well as a mentor and role model to many women in the company and beyond. Adding to thought leadership on this topic, a number of APCO's colleagues wrote blog posts on issues related to women's empowerment.

Parental Leave

As a commitment to independence and its corporate values, APCO has expanded its North America paid parental leave policy from three weeks to three months of fully paid leave. APCO's founder started the firm as a working mother with three children and has always believed that the best employees can be the most successful when they know that their employer is a true partner in their growth and development at work. APCO aims to empower employees to successfully

balance the demands of their growing families with the opportunities of growing their career. APCO is beyond proud to support all of its employees and their families that commit their time to the firm.

CHAMPIONING WOMEN & GIRLS FOR SUSTAINABLE GROWTH: CLIENT, PRO BONO AND CHARITABLE WORK

Championing the progress of women and girls globally is part of APCO's DNA and has been for 32 years.

In the last year, heightened levels of activity and engagement has been seen 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 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:

Mentorship 360

As part of APCO's Mentorship 360 CR project, our Istanbul office executed a closed member roundtable to address opportunities

At APCO, women account for:

- 56% of leadership positions in geographic and global operations
- 50% of global practice leads

Women & Thought Leadership:

[Recruiting and Retaining Top Women in STEM](#) by Devyn McDonald and Kaleb Pittman

[Behind Every Woman](#) by Rossella Carrara

[Moving from Female Leaders to Leaders Who Are Female](#) by Julie Kjestrup

[Gender Equity Needs Action, Not a Pledge](#) by Margery Kraus

[Redefining Gender in the Workplace Through Communications](#) by Kimberly Gardiner

[Unicorns, Superpowers and Nontraditional Career Paths](#) by Anna Tunkel

[From ColorComm: It's who you bring with you to listen that really matters](#) by Lisa Ross

[APCO Worldwide's Margery Kraus named to PRWeek's Hall of Femme Champions of PR](#)

[APCO Worldwide's Tina-Marie Adams named to PRWeek's Hall of Femme Champions of PR](#)

and obstacles for Turkish women's professional development, as well as the key concerns regarding the Turkish workplace today and for the next generation. Our Mentorship 360 program's Women's Day event featured panelists including: consul-generals of the United States, United Kingdom and Sweden; President of the Kale Group; and the CEO of Biomarin Turkey. The event was well attended with 50 exclusive participants, including the CFO of PepsiCo and HR director of Vodafone among other Turkish business and NGO leaders. APCO was featured in the 1.5-page report as the main supporter of the program and a champion of women's empowerment in Turkey. The keynote speaker was Tayfun Ugur, who was the former CEO of British Telecom, Hewlett Packard and Cisco. The team provided a summary document with take-away points summarizing the general points made during the roundtable discussion about the opportunities, obstacles and concerns for women at the individual, institutional, structural/systemic and socio-cultural levels.



WEConnect International

WEConnect International is a global nonprofit that helps women-owned businesses succeed in worldwide value chains. It identifies, educates, registers and certifies businesses that are owned and managed by women and connects them with multinational corporate buyers. In 2017, APCO's Founder and Executive Chairman Margery Kraus was officially recognized as one of WEConnect

International's Founding Ambassadors. This ambassador class featured three internationally successful women business owners who are dedicated to acting on WEConnect International's commitment to opening doors for women business owners, economic empowerment and inclusive growth. APCO served as WEConnect International's official media partner for its first ever Global Supplier Diversity and Inclusion Symposium. The Symposium assembled corporate supplier diversity and inclusion professionals, as well as corporate responsibility and sustainability professionals, to share tools and resources to successfully begin or enhance their global supplier diversity and inclusion efforts. APCO promoted the event through media outreach, secured key interviews with WEConnect International's CEO and ensured the attendance of media representatives to cover the Gala.

Womanity

APCO's India offices have served as the official media and communications partner to the Womanity Foundation's Women Change Makers Program (WCM) in India since 2014. WCM is a capacity-building program focused on supporting NGOs who work in women's issues to enhance their efforts in strategy planning, HR, IT, communications and other select spheres. Last year, as in other years, APCO's India team supported the WCM at all partner meetings, participated in the selection process of new grantees and supported the capacity-building efforts of some of their grantees. It has also mentored the CEOs of grantee organizations. APCO's support to the WCM program and mentoring of the grantee CEOs is on a pro bono basis, while its support to the grantees' capacity-building efforts is on a deeply discounted rate card.

#emBRACE

In March 2017, APCO's UAE employees made cash and in-kind donations to the charity campaign #emBRACE, which seeks to supply undergarments to young girls and women in rural Uganda who are often subjected to physical abuse because they are not properly dressed.

“A bra is taken for granted everywhere. But not so in Uganda, where young girls, orphans and widows struggle to survive and cover themselves. Based on my experience and research around African rural communities, I can say one reason why social crimes, such as rape, are on the rise is because impoverished women are forced to walk around without any underwear, let alone a decent blouse or skirt.”

—Juliana Kagugube, founder of the #emBRACE campaign

Educate Girls

APCO works closely with Educate Girls, a nonprofit organization in India that aims to tackle issues at the root cause of gender inequality in India's education system. APCO supports its government outreach and communications for the Educate Girls Development Impact Bond. On behalf of Educate Girls, APCO has successfully engaged with key government stakeholders across federal government and state levels, key multilaterals (UNICEF and UNESCO), partner organizations and the media.

Daughters of Tomorrow

Daughters of Tomorrow is a charitable organization in Singapore that aims to empower single mothers with the skills required to seek employment and become role models in the

workplace. Daughters of Tomorrow achieves this goal by providing its beneficiaries with courses on leadership, communication and confidence building; and partnering with potential employers for job-matching; and with corporations for skills training. However, a key challenge Daughters of Tomorrow faced was the lack of consistent key messages among the staff and beneficiaries in communicating the value of the organization to the public and its stakeholders. APCO's team in Singapore partnered with Daughters of Tomorrow to support its communications efforts. In March 2017, APCO conducted a communications and media training workshop for the board of directors, staff and its beneficiaries. The session successfully created a strong, clear

and consistent Daughters of Tomorrow brand, enabling individuals to share their own unique stories with a powerful yet consistent message.

Triangle Women in Science, Technology, Engineering and Math (STEM)

Attracting and retaining women to careers in the STEM field is a national challenge. For North Carolina, it is a prominent issue as the state is home to some of the world's most innovative companies and research organizations that are in need of diverse top-tier talent. The region has many initiatives that focus on STEM-related activities, yet it lacked one that brought together a cross-section of business and nonprofit organizations to tackle the talent

retention challenge at its highest level. APCO's Raleigh office is part of an effort to launch an initiative called Triangle Women in STEM that focuses on raising awareness of the challenge, encouraging females to stay in the field, and creating new networking opportunities. APCO is on the steering committee with other companies, such as IBM, Fidelity Investments, Credit Suisse and Duke University. APCO also helps lead the Communications Strategy and Branding committee to drive its profile in the market. APCO organized a Triangle Women in STEM event with Lisa Ross, managing director of APCO's headquarters office, who gave an inspirational speech in front of more than 200 STEM leaders in the Triangle region. APCO continues to provide guidance and

leadership in working with the group on their messaging and market presence to establish the Triangle Women in STEM as a nationally recognized advocacy group.

There is now widespread understanding that investing in women and girls is a wise use of resources.



Lisa Ross speaking to over 200 STEM leaders in the Triangle region

HIGHLIGHTS OF APCO'S CLIENT WORK

Ebay Adopts L'Aquila

In 2009 a devastating earthquake hit L'Aquila, a city in central Italy, crushing an entire community and local economy. Seven years later, the city and local businesses were still struggling to fully recover from the damage. APCO's Rome office helped its client, eBay, develop a communications campaign which consisted of "adopting" small and medium-sized businesses (SMBs) from L'Aquila to help their digital transformation and give their businesses a new lease of life. APCO leveraged a partnership between eBay and the Italian Retailers' Association, Confcommercio, to recruit the local SMBs and proceeded to give their newly opened eBay stores and personal stories widespread visibility through multi-channel emotional storytelling. APCO also launched an intensive media relations effort, which culminated with a national announcement timed for the earthquake's seventh anniversary and a local event with media, institutions and the sellers with their families. The campaign helped reach business objectives for the client and led to concrete business results for the SMBs concerned.

#BetterThanThat

After the UK's vote for Brexit, a 41 percent rise in hate crime was reported, along with several high-profile attacks on Poles living in the UK. The Polish Cultural Institute engaged APCO to launch a campaign to engage UK politicians from all parties; create a coalition to partner

with other NGOs and UK faith groups; generate national media and social media coverage to highlight the problem and reach the demographic most likely to perpetrate hate crime. APCO's strategic campaign concept — #BetterThanThat — tapped into patriotic feelings across the spectrum, making clear that the UK was "better than" what these instances of hate crime might suggest. Focus group research revealed that this message resonated strongly with all target audiences. APCO then secured the endorsement of the UK Prime Minister Theresa May and other government ministers including the Secretary of State for DCLG. At the very successful cross-party launch event in Parliament, the audience heard compelling speeches from leading ministers; conservative, labour and liberal democrat MPs; as well as moving stories from our client and other communities in the UK. MPs from all main parties shared the #BetterThanThat hashtag and video on their own social channels. Building a coalition of more than 20 different NGOs, including diverse faith groups, to support the campaign was crucial. These partners attended the launch and amplified the "BetterThanThat" message across their social channels and among diverse communities. APCO developed a good relationship with The Sun on Sunday, one of the most negative voices on immigration and Brexit in the UK, marking an important change in tone on this sensitive issue. The launch event was also covered in multiple top-tier media, including The Daily Mirror, The Times, The Guardian, The Independent, Huffington Post UK, the BBC, LBC Radio, among others.



• IF FRUITS & VEGGIES •
≡ aren't ≡
ON YOUR LIST
CONSIDER GETTING A
NEW LIST

FNV

Of the nearly \$2 billion spent annually on advertising food and beverages to youth audiences, only one percent is spent on promoting healthier foods. To combat this deficit, the Partnership for a Healthier America, a nonprofit organization devoted to working with the private sector to tackle the U.S. childhood obesity crisis, created FNV, the brand for all fruits and veggies. APCO led an advertising and PR campaign to maximize the visibility of FNV by identifying four priority sub audiences of millennials in an effort to drive behavioral change. This national campaign has been so successful, that a recent survey revealed that more millennials are prioritizing eating fruits and vegetables than they were in Fall 2016 (66 percent from 61 percent) and more than a third (34 percent) consider eating fruits and veggies a very high priority. Even more importantly, it was reported consumption of fruits and veggies increased by 4 points (from 72 percent to 76 percent), with those saying they eat fruits and vegetables at least once a day.



Fortune+Time Global Forum 2016, Rome

Time Inc. hosted the Fortune+Time Global Forum 2016, Rome. The event convened select global Fortune 500 CEOs; members of the Time 100; and nonprofit, academic, religious and labor leaders to address the need for a global economic system that both encourages growth and spreads its benefits more broadly. The solution-based conversation held during the two-day Forum tackled several subjects, including technology and jobs, global health, food and water, commitment to communities, energy and the environment and financial inclusion—each in need of urgent attention representing critical elements related to poverty alleviation. The two-day conference culminated in an address by His Holiness Pope Francis at the Vatican. APCO's team in Rome, supported by colleagues in its France, UK, Germany and Brussels offices, provided media relations support to raise the visibility of the event and discussions surrounding these critical societal issues. APCO succeeded in generating significant coverage in the European media, as well as securing the attendance of many Italian journalists and foreign correspondents on day two of the Forum at the Holy See Press Office.



PART II

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 include examples of how we apply the principles to our work with clients around the world, 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

Principle 2

Make sure they are not complicit in human rights abuses



APCO'S POLICIES, OPERATIONS AND GOALS

APCO's Values Transcend Geographic Boundaries and are Embraced in Every Office

Support and respect for human rights is an integral part of APCO's values. These values transcend geographic 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 with transparency in all transactions.

APCO's Anti-Discrimination and Equal Employment Opportunity Policy

APCO's anti-discrimination and equal employment opportunity policy prohibits APCO employees from engaging in or supporting discrimination. 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, company-sponsored trainings, social and recreational programs) are administered in a non-discriminatory way 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. As a global organization, other APCO regions, such as Greater China, Europe and Southeast Asia, have also enforced equal employment

policies. Such policies protect employees from discrimination based on their sex, marital status, disability or pregnancy. These policies ensure all individuals receive the same opportunities with regard to recruitment, hiring, promotion and compensation. In addition, many of APCO's offices around the world have contributed to anti-discrimination causes via pro bono support, client work or fundraising.

APPLICATIONS IN EXTERNAL WORK

In addition to respecting human rights in its own operations, APCO contributes to promoting awareness and respect for international human rights through pro bono and client assignments, including:

Children's Investment Fund Foundation (CIFF)
APCO works on behalf of CIFF, a leading strategic philanthropic foundation and premier academic institution in India, to engage with key government stakeholders to make the case for stringent law enforcement around the issue of sexual exploitation of children. To strengthen this campaign, APCO worked with CIFF in India to conduct a landscape analysis on policies and programs supporting the health, education, protection and skill development of adolescents in a less developed state in India.





Jerusalem Development Authority (JDA)
APCO's Tel Aviv office, through its client the JDA, which is responsible for the economic development of the city, is able to support a number of charities who do not have the wherewithal to raise their visibility and attract much needed funders for their important work. During the annual JDA-run Jerusalem Marathon in March 2017, APCO worked to raise the visibility of representatives from charities running in the marathon to the international media. Organizations included "Runners without Borders," a unique running team of Jewish and Arab youth from across Jerusalem; SHEKEL, a leading Israeli NGO, committed to the inclusion of people with special needs within the wider community; One Family, a charity that supports the victims of terror; Melabev, a leading charity

providing treatment for Alzheimer's sufferers; and the Jerusalem Rape Crisis Center, which provides support to women who have been victims of sexual assault. An example of the work done can be found in [a CNN story featuring Runners Without Borders](#). By engaging both the local and traveling media covering the Marathon with the good causes being represented at the event, APCO was able to garner some great results, including a feature on CNN, CBN and coverage in community and local publications, greatly supporting the awareness-building abilities of these important causes.

Jesuit Refugee Service (JRS)
The number of refugees, asylum-seekers and other displaced persons exceeded 65 million

globally in 2016, and the average length of displacement for a refugee is 17 years. Education is key to helping refugees find a path forward, in the hopes of returning home or finding a new one. JRS is an organization that provides crucial refugee education programs globally, and enlisted APCO as a pro bono communications partner to help raise awareness and understanding about the refugee crisis. APCO worked with JRS to create a powerful and uplifting concert series, Lampedusa: Concerts for Refugees, an 11-stop concert tour featuring Grammy Award-winning artists Emmylou Harris, Steve Earle, Joan Baez, Buddy Miller, Robert Plant, The Milk Carton Kids and other special guests. The team created a powerful narrative that guided the entire campaign discussing how, through education, refugees would have the opportunity to heal, learn and thrive. As hoped, the Lampedusa concerts significantly impacted attendees' perceptions, with 81 percent of attendees reporting that the concerts had improved their understanding of the refugee crisis and 98 percent saying they are now willing to take action to support refugees. Residents of Lampedusa markets report that they are more familiar with the global refugee crisis than national residents (30 percent vs. 26 percent say they are very familiar) and place a higher priority on the issue than those who live

elsewhere (79 percent vs. 72 percent say it is a high priority). Moreover, a majority of Lampedusa market residents believe it is our responsibility to help refugees.

KidsRights Index

APCO's London team provided communications support to gain visibility for the KidsRights Index in both 2016 and 2017 across the UK and other key markets, namely France, South Africa and Peru. The annual index is a measurement of how countries compare against other nation states in the provision, implementation and protection of the rights of children. The project was a resounding success, securing top-tier coverage across all key target markets. APCO's London team is also helping the KidsRights Foundation organize its annual International Children's Peace Prize in The Hague later in 2017. The prize is awarded to a young person who has made an extraordinary contribution to promoting the rights of children. This year, the prize will be presented by one of its previous winners and Nobel Peace Laureate, Malala Yousafazi.

PerkinElmer

APCO works closely with PerkinElmer, a global leader in newborn screening, across India to support engagements with key federal government and state government stakeholders. APCO's work with PerkinElmer aims to deliver a robust newborn screening



program in India to address the significant issue of newborn mortality and morbidity across the country.

World Innovation Summit For Education (WISE)

WISE is a global platform that promotes and empowers education innovation. APCO's China team supports WISE's strategic communications effort in China, managing WISE's media relations with the aim of expanding public awareness of WISE global projects and local collaborations. APCO arranged in-depth interviews with representatives of WISE projects and organized media roundtables with leading Chinese media on WISE's collaboration report with Chinese partners. APCO also supports WISE in identifying and engaging key education-sector stakeholders to increase Chinese participation at WISE events, organizing meeting and gala dinners with national policy-makers, scholars, NGO leaders and entrepreneurs. APCO helps WISE generate consistent and positive media coverage to expand public recognition of WISE projects while establishing WISE's reputation in China as the global reference for innovative education practices.

APCO's commitment to diversity and inclusion can be seen through many different initiatives. In celebration of Pride Month, APCO created a global video with employees from around the world sharing their thoughts on why LGBT+ pride matters.

INTERNAL IMPLEMENTATION

In order to keep values at the forefront of what APCO does, the company has taken several concrete actions to ensure employees understand the importance of the company's values, the spirit it intends by living its values and that its actions match its 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.

New Employee Orientation

During the first few days of joining APCO, the firm's values, as well as APCO's Code of Conduct and 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.

Ethics Compliance Line

APCO has a global compliance phone line that provides employees with an additional avenue to raise questions or file complaints about unethical or illegal conduct. This line is monitored daily since its implementation in 2009. When concerns are raised, whether through direct line management or via another reporting channel (Human Resources, General Counsel, Responsible Business Committee, etc.), the appropriate course of inquiry and party best suited to pursue follow-up action are determined.

Typically, most questions or concerns about following a specific business practice or the use of a reporting tool are handled by members of APCO's 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 Global Leadership Team. Annually, a report is prepared for the company's Global Leadership Team on usage of the compliance line and trends. In 2016, there were no calls received by the global compliance line.

MEASUREMENT OF EMPLOYEE ETHICS TRAINING

2016 Performance

In 2016, APCO updated its anti-corruption training program, which is led by APCO's general counsel and human resources teams. Anti-corruption training is now conducted online through APCO's easily accessible internal portal. The anti-corruption training is mandatory for all employees and requires the completion of an exam, which the employees must pass in order to meet APCO's compliance training requirements.

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

Principle 6

The elimination of discrimination in respect of employment and occupation



APCO'S POLICY AND GOALS

Labor Principles

APCO adheres to the employment laws in each of the countries in which it operates to ensure that individuals meet country and local employment eligibility standards, such as regulations governing age, among other things. Furthermore, APCO's equal opportunity policy provides the framework for non-discriminatory actions affecting labor. APCO does not prevent employees from joining trade unions. Its approach to human resources is to foster and maintain an open and transparent work environment to address any issues raised by employees in accordance with applicable law and with its values and policies. APCO does not promote, engage or employ child labor in any of the countries in which it operates and its 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. APCO implemented a Diversity & Inclusion (D&I) Program in 2009 and clearly stated its D&I goals to be the employer of choice in its industry for diverse talent. As a clear leader in diversity, APCO firmly believes the very best solutions, products and contributions come from the diversity of people and their backgrounds and experiences, and APCO has a

competitive distinction when it fully embraces and leverages this belief. In 2016, APCO continued its focus on education, supporting educational efforts of women and minorities, educating itself and educating others. APCO is committed to a healthy and safe work environment for all employees and takes pride in creating environments that are both compliant with various country regulatory standards in this respect and pleasant to work in. APCO has several 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, APCO is diligent in its practices to create a healthy and safe work environment for APCO employees around the world. In fact, new ergonomic work stations and standing desks were installed for all employees in the headquarters' new office space. Throughout different offices APCO encourages its 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. In addition to formal procedures and directed opportunities, the firm was built on a spirit of mutual respect, which is an essential part of how employees collaborate so well together across projects and continents.

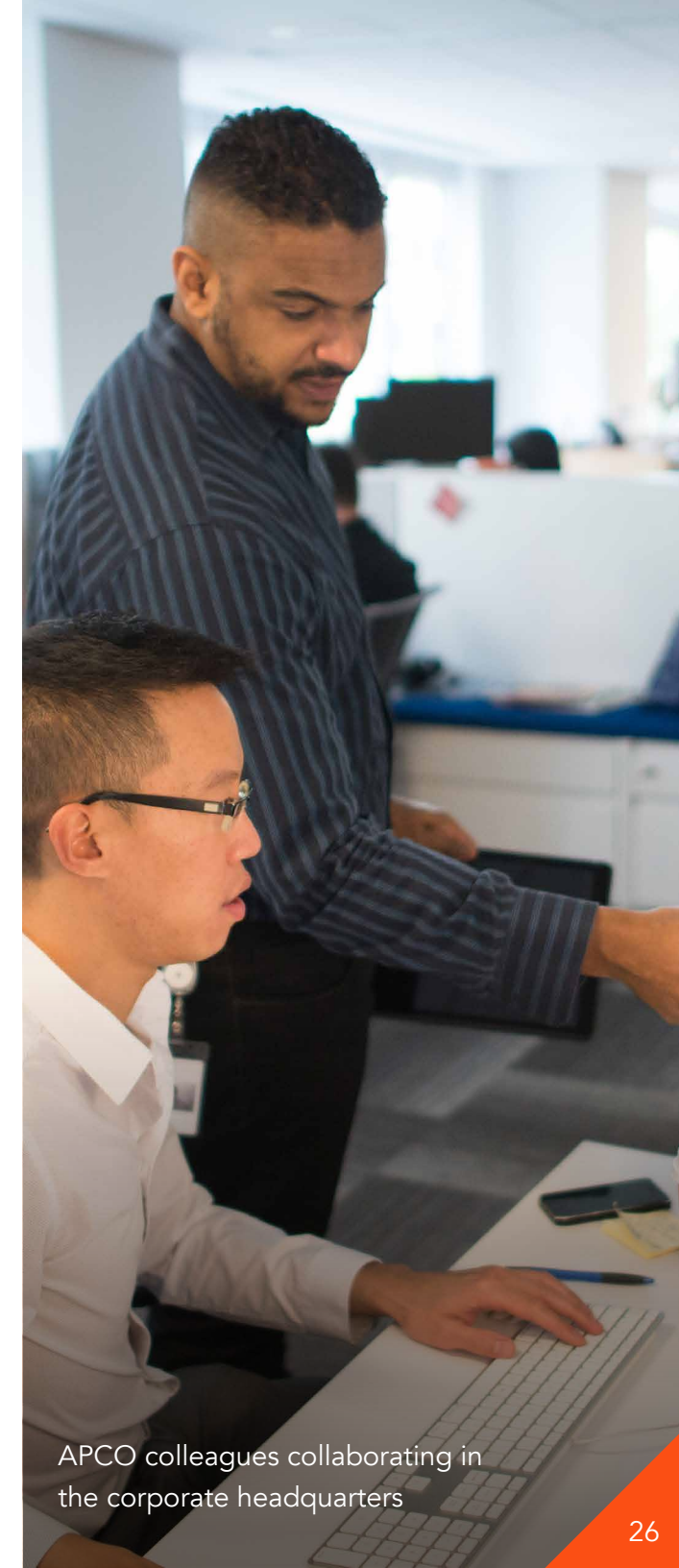
IMPLEMENTATION

Non-Discrimination, Child and Forced Labor

APCO takes a number of actions to ensure a work environment free of discriminatory practices and does not allow or condone the engagement of child or forced labor. Employees at all APCO offices enter willingly into employment contracts (in jurisdictions where it is customary) reflective of the laws of the country in which they work and reside, and the company follows 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 senior human resources executive for follow-up and action, as necessary.

Health And Safety

During APCO's 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



APCO colleagues collaborating in the corporate headquarters



Brad Staples and Lisa Ross speaking at ColorComm, sponsored by E3 Taskforce

prohibiting drug use at work. APCO takes 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, checking that all building dimensions continue to meet the building code standards for emergency evacuation and accommodating individuals with mobility impairments.

| APCO was built on a spirit of mutual respect.

Diversity

To ensure the spirit of the employment (labor) policies and practices are maintained, APCO's human resources team reviews progress against the stated diversity and inclusion (D&I) goals and performs market-based pay survey research in the majority of the countries in which APCO operates. In doing so, sound practices are ensured and APCO can 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 the industry, APCO has placed a long-term strategic focus on education which is quickly becoming one of the cornerstones of the D&I program. Through educational outreach, APCO can make great strides in reaching a key constituency of future potential candidates

and creating a greater awareness of diversity in the industry. Striking the right balance and diversification is something APCO is committed to today and in the long term. APCO is proud of its accomplishments to date in working towards creating a diverse and inclusive workforce and knows there is always more work to be done.

E3 Taskforce

APCO is proud to lead the industry-wide E3 Taskforce, which was established by APCO's Washington, D.C., managing director, Lisa Ross, to empower people from diverse backgrounds to elevate their voices and emerge as indispensable leaders. Achieving this outcome requires a deep understanding of the current barriers diverse candidates and colleagues are facing in their road to the c-suite. For the past year, Lisa Ross led a group of industry leaders from more than 15 agencies in monthly discussions about the state of diversity and inclusion, as well as opportunities to make an impact. Since the beginning of 2017, APCO helped organize listening sessions with women across seven markets about diversity and inclusion in the workplace. Anecdotal evidence needed to be backed with quantitative proof points, so APCO created and launched an online survey to engage colleagues across the industry. The outcome of APCO's work this past year was presented to four global c-suite leaders at the ColorComm Conference in July 2017.



LABOR PRINCIPLES APPLIED TO EXTERNAL WORK

Chicago Youth Programs (CYP)

CYP is a Chicago nonprofit dedicated to improving the opportunities of at-risk youth, from birth to age 25, living in underserved communities. APCO reviewed the CYP's communications strategy to help raise the organization's profile among key audiences, including donors, the media and the local community. APCO conducted a digital analysis of the media landscape and developed a donor questionnaire that CYP can administer to better understand how donation decisions are made. APCO also reviewed CYP's communications materials and provided positioning counsel related to the organization's mission statement, annual program report, fundraising activities and videos, website, social media channels, media relations efforts and more. The report delivered, containing actionable recommendations related to communications and fundraising, serves as a guidebook for staff.

Food For Good

Food for Good is part of PepsiCo's Performance with Purpose initiative. PepsiCo uses its resources and expertise to fight childhood hunger by delivering food to children in underserved communities after school, on the weekends and during the summer months. The program works with local partners to provide food and physical activity to children in need in 18 cities in the United States, with plans to continue to expand, and provide job

opportunities to local community members along the way. APCO works with Food for Good to develop a media strategy; implement outreach; coordinate with media outlets; provide support during interviews; seek other opportunities for recognition, such as local awards and forum-like events; and develop physical materials for promotion of the program. APCO is crucial in helping Food for Good raise awareness of the program and gain the recognition that it deserves.

MEASUREMENT OF OUTCOMES

Focus Area: Diversity and Non-Discrimination

- 28.8% of APCO's U.S. team was classified as minority in 2016, per EEOC-designated ethnic categories.
- Health and Safety: in 2016, there were no serious incidences or work-related injuries reported.



ENVIRONMENTAL PRINCIPLES

Principle 7

Business should support a precautionary approach to environmental challenges

Principle 8

Business should undertake initiatives to promote greater environmental responsibility

Principle 9

Business should encourage the development and diffusion of environmentally friendly technologies

APCO POLICIES AND GOALS

Environmental Principles

APCO's environmental footprint arises primarily from office operations and business travel. Accordingly, its global policy is based on adhering to all applicable environmental laws and regulations, while at the same time, applying the principles of reducing, reusing and recycling 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 APCO's mid-sized offices showed that office energy usage, business air travel and paper usage constitute the main elements of APCO's carbon footprint (scope 2 and 3 emissions). While the capacity for a consistent internal environmental data collection system has not yet been developed, individual offices have taken steps to decrease air travel and paper use. APCO works with landlords and property owners to address office energy use. For instance:

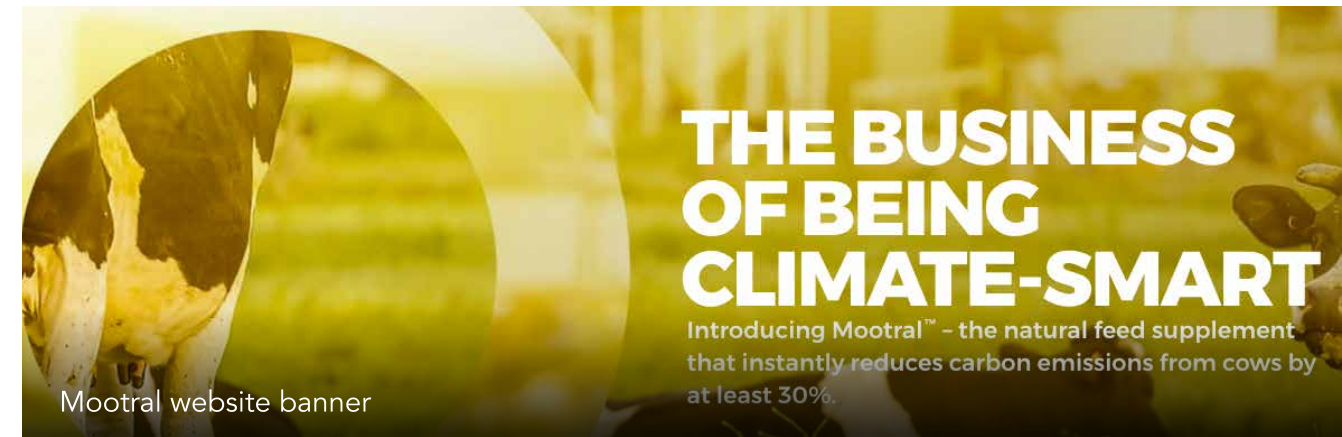
- APCO's global headquarters moved to a new building in the first quarter of 2016. In an effort to minimize the amount of material disposed in landfills, the company's chief information officer launched a "TRASHED" campaign, in which all recyclables and e-waste were properly discarded.
- Most offices have separate receptacles for paper, glass/plastic/metal, cardboard and trash. Some offices feature motion-detecting lights which saves electricity when rooms are not in use.
- APCO's Paris team provides all employees with recycling-only bins, trains cleaning staff on waste sorting and provides information on recycling to all French employees. Used IT devices are now donated to Emmaus, one of the leading French nonprofit organizations that employs marginalized workers to refurbish IT devices and resell them at low prices—also contributing to the fight against unemployment. The team is now focusing on further reducing waste generation and energy consumption, notably by optimizing electricity usage and reducing the amount of packaging in the food and beverages offered to employees and visitors. The Paris office works with a company called LOXY that recycles all telecommunications and digital equipment and disposable coffee capsules.

APPLICATIONS IN EXTERNAL WORK

In addition to focusing on operations, APCO contributes to promoting environmental responsibility and greener technology through pro bono and client assignments, which in 2016 and early 2017 included:

Zaluvida—A Disruptor For Carbon Reduction Technologies

In 2016, governments around the world agreed to reduce anthropogenic carbon emissions by signing the UN Paris Agreement. There is now a sense of urgency to implement immediate, rapid and effective actions to achieve these global carbon reduction targets. The livestock agriculture sector is the third largest carbon emitter in the world. Zaluvida, a full-circle life science group, hired APCO to help gain visibility for its new approach to mitigating methane emissions from cows—called Mootral. This approach provides a market mechanism so that governments, consumers and farmers are positively engaged by means of value creation, as well as a technical solution (a natural feed supplement) that is easy to incorporate into the feed chain and has a proven, immediate methane reduction ability. APCO helped Zaluvida develop a brand identity for its technology, position the technology with key media and policy audiences and find strong partners to create a movement around battling livestock emissions.



UAE Research for Rain Enhancement Science

The UAE Program for Rain Enhancement Science launched an international research initiative to develop innovations in research and technology for this important scientific field. The program

offers a \$5 million grant to reinvigorate rain enhancement science. The technology has been dormant for half a century, but due to its growing population, booming economy and a local climate that provides less than 100mm per year of annual rainfall, the UAE needs to innovate upon the existing technology. APCO understood the stakeholders for this challenge were part of a highly specialized scientific niche, so APCO's Rome and Abu Dhabi teams planned and organized a continuous series of local events and global roadshows in America, Asia and Europe to meet with leading institutions, scientists and researchers. The success of the efforts were clear as the number of scientists submitting proposals to participate in the program soared to 91 pre-proposals received from 180 institutions across 45 countries, including 15 countries new to the program. This represented an increase of 17 percent over the previous cycle. Furthermore, the number of participating scientists grew by 28 percent (up from 325 to 450).

Sunna Design and Solektra International

Sunna Design is a French startup, with internationally recognized expertise in the field of smart solar lighting, that has developed a new generation of solar street lamps resistant to the most extreme temperatures. This breakthrough design has been recognized with numerous awards, including the Bloomberg Energy Pioneer Prize in 2017. Since 2016, APCO's Paris team assisted Sunna Design with its corporate communications and media relations outreach across Africa and France. One of the most recent projects included the launch of a crowdlending operation to pre-finance "Moon," a new offer combining access to energy and digital content to populations in rural areas of Senegal. This offer, intended for homes in rural areas, was officially presented in Paris on May 23, 2017, by the executives of Sunna Design and Solylend, the private lending platform-business partner of the project. Their objective, to raise €100,000 in the first phase to launch the first pilot, was surpassed



thanks to APCO's active media outreach and digital campaigning. Solektra International, known for launching the Akon Lighting Africa initiative, also announced a major partnership with Sunna Design, starting with the launch of the first solar street lamp assembly line in Bamako, Mali. With Sunna Design's innovative, connected and low energy-consuming plant, Solektra International will bring renewed manufacturing capacity to the African continent as part of its new strategy moving forward. The assembly line, which is expected to produce no fewer than 30,000 solar street lamps per year, was inaugurated on January 13, 2017, alongside the Africa-France Summit for Partnership, Peace and Emergence. APCO supported Sunna and Solektra through event management and media relations around the project, as well as coordinating on-site interviews in Bamako with leading local and Pan-African media, including notably, Vox Africa and Jeune Afrique.

Smart Power—The Rockefeller Foundation

More than 1.2 billion people around the world have little to no access to electricity, stymying their ability to fulfill their economic potential. APCO works with the Rockefeller Foundation's Smart Power for Rural Development initiative, which built India's largest cluster of renewable energy mini-grids and powers more than 100 villages. APCO helped the Foundation launch its advocacy efforts for accelerated energy access among India's most vulnerable areas and continues to support its efforts in building the partnerships and shaping the mindsets required to scale the mini-grid sector as a pathway for achieving UN Sustainable Development Goal (SDG) 7. In 2017, APCO is partnering with the Foundation to bring Smart Power to the global stage through thought leadership and strategic media relations, as well as the expansion of Smart Power's innovations to parts of Africa and Southeast Asia through government relations and stakeholder engagement.

UAE Rain Enhancement: An International Effort



100 Resilient Cities—The Rockefeller Foundation

APCO's global team has been collaborating with the Rockefeller Foundation for more than 10 years on a range of global communications and advocacy projects to support the foundation's key global initiatives. Specifically, APCO leads communication efforts for the 100 Resilient Cities (100RC) network in Europe, the Middle East and Asia regions to strengthen the growing urban resilience movement from the community to government and finally to the regional level. APCO managed high-level media for 100RC at major global platforms like the World Economic Forum in Davos, securing top tier international coverage and supporting efforts to more effectively reach local, national and global political leaders. In Europe, APCO worked with 100RC's diverse network of cities in nine EU member states, including Paris, Milan, Athens, Manchester, Dublin, Rotterdam and in Brussels, to ensure resilience stays at the forefront of the political agenda. APCO also supported individual city milestones and broader thought leadership thorough strategic media relations.

Today, over half of the world's population lives in cities. Planning for this dynamic future is critical as estimates have shown that 75 percent of urban infrastructure that will exist in 2050 still does not exist today. Together, APCO supports 100RC's mission of improving the capacity of cities to adapt and grow as they face future challenges that may include shocks such as sudden natural disasters or stresses such as inadequate infrastructure and transportation systems. APCO works towards this goal through culturally and contextually relevant storytelling aimed at increasing awareness of urban resilience across diverse countries, as well as fostering partnerships and engagements that support the cities' mission of bringing their resilience strategies to life.

Asian Cities Climate Change Resilience Network (ACCCRN)—The Rockefeller Foundation

APCO has supported ACCCRN for the past six years by helping raise awareness of this Rockefeller Foundation initiative and its commitment to developing and implementing effective methods of responding to changing climatic conditions. The APCO team provides a full suite of media relations, stakeholder engagement and online communications services in the six countries where ACCCRN operates: Bangladesh, India, Indonesia, the Philippines, Thailand and Vietnam.



APCO employee utilizing a laptop mount in London office

BUSINESS AIR MILES:

In 2016, APCO's business air miles totaled 6,700,087; this is an increase from 2015's business air miles, which totaled 6,296,604, but is less than half of the increase from 2014 to 2015. The nature of APCO's business as a global consulting firm often requires our staff to be onsite with clients. APCO would not be able to deliver as impactful or effective work without sending employees on business travel. However, APCO has attempted to minimize business air miles for internal meetings by installing advanced video and web conference service, Zoom, in conference rooms across the company. APCO is committed to utilizing these resources to the fullest extent and reducing the footprint for internal collaboration moving forward. APCO took other steps to decrease the use of energy globally, including:

- Creating a nearly 100 percent laptop work environment across all offices.
- Moving most network infrastructure to the Cloud, resulting in substantially lower power consumption.

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 focuses on anti-corruption efforts. Society will not be able to address the critical issues facing the world today—poverty, global health, universal education and economic opportunity—unless we are able to continuously minimize corruption, extortion and bribery in both the public and private sectors around the world.



Adjustable standing desks in the Berlin office

APCO POLICY AND GOALS

As a professional services company with subsidiaries around the world, APCO's legal team undertakes ongoing risk assessments. It pays close attention to those countries where APCO does business, especially where the Transparency International's Corruption Perception Index shows increased risk of corruption. APCO considers the totality of the circumstances in managing bribery risk. Factors taken into consideration in the risk assessment needed include the sector in which APCO is providing services, the value and duration of the project, the economic structure of engagement and whether third-party consultants, agents and/or affiliates are participating in the work.

APCO has zero tolerance for corruption, bribery and extortion.

This is clear in APCO's Code of Conduct and policies dealing with the Foreign Corrupt Practices Act and the UK Bribery Act, which 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 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 International Association of Business Communicators (IABC) Code of Ethics for Professional Communicators; and the Confederation of Indian Industry Code of Business Ethics.

APCO has zero tolerance for corruption, bribery and extortion. APCO has procedures in place to ensure compliance with the requirements of the UK Bribery Act and the U.S. Foreign Corrupt Practices Act.

IMPLEMENTATION

Business ethics and transparency are embedded in APCO's culture. Its compliance program takes many forms, including:

- Formation in 2008 of the Responsible Business Committee.
- Regular executive memos to all staff on APCO's commitment to ethics, integrity and corporate responsibility.
- Ethics and compliance training for all APCO employees that includes APCO's Code of Conduct, Foreign Corrupt Practices Act and UK Bribery Act policies.
- 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 executive chairman 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.



APPLICATIONS IN 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, affiliates and strategic partners where it does business in countries with scores below 60 on Transparency International's Corruption Perception Index. APCO also requires its affiliates and 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's executive chairman participated in the Pearl Initiative Regional Forum on Raising Anti-Corruption Standards in the Gulf Region. Leaders from across the globe

gathered together to discuss and share ideas that organizations can implement to improve anti-corruption across the Gulf.

APCO has been a member and a signatory to the World Economic Forum's Partnering Against Corruption Principles for almost a decade.

By signing the PACI Principles, APCO has 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.

In 2016, Founder and Executive Chairman, Margery Kraus joined the Vanguard CEO Board of the World Economic Forum's Partnering Against Corruption Initiative. The PACI Vanguard Board is the ultimate decision-making body that mandates the PACI agenda which includes new projects, events and other areas of public-private cooperation. CEOs commit to:

- Participate in the PACI Vanguard meeting in Davos-Klosters
- Serve as an anti-corruption champion at other Forum meetings in which they may participate
- Help to shape the Forum's anti-corruption and transparency strategies at the global, regional and industry levels
- Serve as a spokesperson on anti-corruption with global and national media, as appropriate

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, rulings or fines assessed on APCO related to corruption. APCO's external auditors conduct audits of the company each year and have not observed any incidents of corruption. In addition to focusing on operations, APCO contributes to promoting anti-corruption through pro bono and client assignments. Examples of this include:

Elephant Ivory Trafficking Prevention

In 2016 APCO worked for two nonprofit organizations—the World Wildlife Fund for Nature (WWF) and The Nature Conservancy—to help them communicate and amplify their campaigns against the ivory trade in Thailand and China respectively, by engaging with key policy





Margery Kraus participating in a panel discussion for PACI

makers, the media and other stakeholders in both countries. Previously, Thailand was one of the main hubs for African ivory, and APCO supported WWF with their successful campaign to have the Thai government legislate to stop the importation and exportation of African ivory. This culminated in the Ivory Act of 2015. Since that success, APCO's team in Bangkok has been supporting WWF's campaign to persuade the Thai government to tackle the domestic ivory market. As part of this project, APCO has undertaken stakeholder mapping and a thorough perception audit, as well as extensive message testing on behalf of WWF.

World Economic Forum's Partnering Against Corruption Initiative

APCO continued its involvement and commitment to upholding global anti-corruption standards through the Partnership Against Corruption (PACI) and its Vanguard group of global CEOs and WEF's Global Agenda Council on Anti-Corruption & Transparency. APCO's Founder and Executive Chairman Margery Kraus continued serving as an anti-corruption champion in numerous WEF meetings, including the WEF-PACI Spring meeting in London and the Annual Meeting in Davos.

At the Spring London Meeting, Margery Kraus participated in a panel discussion on Rebuilding Trust and Integrity with co-panelists, including Unilever's Paul Polman and Deloitte's David Cruickshank. At the World Economic Forum's Annual Meeting in January 2017 in Davos, Margery Kraus participated in a panel discussion on Ending Corruption alongside co-panelists Mark Pieth of the Basel Institute on Governance and Joseph Stiglitz of Columbia University. The discussion focused on what kinds of sanctions should be

imposed on pariah states in light of their facilitation of crime, corruption, tax evasion and money laundering. APCO, jointly with the World Bank Integrity Department, co-hosted the two-day World Economic Forum's Annual Partnership Against Corruption Initiative Meeting in May 2016. A number of the world's leading experts and organizations who are engaged activists for anti-corruption and transparency attended the first-day sessions, including Transparency International, Basel Institute, Citibank, Siemens, Deloitte, among many others. The second day of the Summit was held at the World Bank and brought together a broader group of stakeholders, such as Google, Microsoft, MasterCard, Vestas and Thompson Reuters, as well as Columbia University and Georgetown University. Margery Kraus participated in a session entitled "Rebuilding Trust and Integrity in Business Institutions," and Anna Tunkel, senior director in APCO's New York office, moderated a session on "Youth Mobilization on Anti-Corruption."

United States Advanced Medical Association (AdvaMed)

APCO worked with AdvaMed on promoting and implementing the industry association's China Code of Ethics to strengthen industry self-regulation and compliant business practices. The Code represents a major change in the business practices for many AdvaMed member companies and their Chinese counterparts. To ensure smooth implementation, APCO developed a strategic outreach plan to strengthen crucial partnerships with the domestic industry and a wide range of stakeholders in the health care ecosystem (e.g., key medical associations, central and local government entities, KOLs and physicians). This engagement aims to raise awareness of AdvaMed's contributions in supporting core Chinese government goals in the health care sector and potentially setting up a model for other sectors to follow.

APCO continues to work with a number of confidential clients on transparency and anti-corruption initiatives, helping foster an internal and external culture of ethics and accountability.



MOVING FORWARD

We hope this summary of our work to date demonstrates both how important the UNGC Principles are to us as a firm and the full range of things we do to support them. We look forward to sharing our continued progress—not only in what we do, but in how we do it.

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