Communication on progress

United Nationals Global Compact media consulta International Holding AG Reporting time: 2019







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Statement by CEO and Managing Director Harald Zulauf

Social responsibility had an impact on mc's business and workflow even before I signed the Global Compact of the United Nations 12 Years ago. As an internationally engaged agency we are aiming to fully comply with the 10 principles of the Global Compact on a daily basis.

In our daily work, sustainability is key. We always aim to choose environmentally friendly options keeping future generations in mind. Therefore, mc rejects any advertising



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

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

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

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

Harald Zulauf CEO of media consulta International Holding AG

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Company profile

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

1.1 Full-service agency network

With more than 80 network agencies in all continents, mc has become the only German-led global agency network over the last several years. mc's continental hubs are in Brussels for Europe, Moscow for CIS, Rio de Janeiro for Latin America, Johannesburg for Africa, New York for North America, Jakarta for Asia-Pacific and Bahrain for GCC and coordinate the network agencies.



Our biggest asset is our **integrated approach**. mc is probably the only truly integrated agency network worldwide. mc offers all communications disciplines in-house: public relations, advertising, media planning, corporate publishing, digital, sport, youth and music marketing, event management and TV production.

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





1.2 Committed to quality and efficiency

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

As an agency committed to providing its clients high-quality services regarding all communication measures, mc is certified to **ISO 9001:2015**, the decisive European standard when it comes to quality management. At the same time, mc is an environmentally aware company and is certified to **ISO 14001:2015**, a standard defining the framework for an environmental management system.

1.3 Employees

According to the latest ranking published by Advertising Age, mc has **3,608 specialists across the globe and 347 in Germany**, each of whom is part of a team performing a whole range of modern communication services. All our consultants have specialist know-how of various PR and advertising instruments and sustain good contacts to editorial offices of national and international media.



mc Employees at an event at work.

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

1.4 Client structure

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

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

the field of media, mc relies on its own publishers and its own TV network, and realises diverse media collaborations in print, TV and online.

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

Social responsibility are not just empty words for us; they form the genuine basis for the corporate conduct of our entire network. Communication campaigns help to raise the public awareness for socio-political issues. Thus, we realize communication campaigns for public clients that are related to **our socio-political aims**. A few examples: We implemented a media relation and advertising campaign for the European Destinations of Excellence (EDEN) programme. One target of this programme is to support sustainable tourism. Another



The award ceremony of the German Football Ambassador.

example is provided by our campaigns for the Directorate-General for Enlargement, striving for international understanding by familiarising the accession candidates with the EU Member States and vice versa. Furthermore, mc promotes renewable energies for the **Federal Ministry of the Environment, Nature Conservation and Nuclear Safety**, gender equality for the European agency EIGE and helps the European Commission raise awareness for citizen rights. Since 2016, mc has also supported the International Renewable Energy Agency, IRENA. The aim of this campaign is to raise awareness about the use of renewable energies.

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

2 mc and Corporate Social Responsibility

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

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



The Network Meeting in Berlin.

mc developed a profound plan to achieve these principles. This plan includes direct funding activities, like building schools in Africa on behalf of UNICEF and the Nelson Mandela Foundation, financing of the teachers' salary and printing of the But also schoolbooks. indirect funding activities, for instance supporting organisations such as "Reporters without Borders", are part of the plan. It also includes the support of various charters and initiatives (e.g. the Charta of Diversity

or the initiative 'Fair Company'), and **pro-actively supporting environmentally friendly working and procurement processes**.

2.1 mc and the UN Global Compact

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

2.2 The Global Forum on Responsible Management Education

Having already worked on both the 1st and 2nd Global Forum for Responsible Management Education for the UN/Global **Compact Office**, mc Event also supported the UN the in preparation of the 3rd Forum in June 2012 within the scope of the Rio+20 Summit in Rio de Janeiro. mc provided support with the clarification of the target groups, target media and core messages. It also prepared a worldwide press mailing list, translated a



CEO Harald Zulauf as speaker at the Forum for Responsible Management Education for the United Nations, 2012.

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

A large number of mc's clients in the field of human rights, pro-democracy, prevention of damage to people's health and the environment demonstrates that mc is willing to bring more public and political attention to these issues.

2.3 The mc Foundation

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

- Environmental and climate protection: mc wants to support environmental projects, particularly by commissioning surveys accessible to the public. At the same time, mc plans to fund a range of projects in cooperation with renowned sponsors such as the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, the EU, the UN or international NGOs.
- International understanding: Above all, the foundation will use mc's key competence to secure this goal: creating campaigns. In addition, it will commission surveys or use its expertise by organising seminars.



Employees in front of mc Groups headquarter in Berlin.

- **Cooperation in the field of aid in developing and emerging nations:** By providing personnel, equipment or financial resources, the foundation wants to meet the aim of supporting projects in the field of development assistance. Institutions such as the EU, the UN, the Federal Ministry for Economic Cooperation and Development or internationally renowned NGOs are regarded as appropriate partners.
- **Public health and the healthcare sector:** Awareness-raising and prevention campaigns are planned.
- **Sports:** The mc foundation will subsidise respective offers of sports clubs. Furthermore, it will conduct prevention campaigns.

Within the framework of the Federal Government's "<u>Deutschlandstipendium</u>" initiative, the mc Foundation has been providing financial support to three students enrolled in marketing and international relations classes since November 2015. mc further gives these students the opportunity of gaining valuable work experience at the company's headquarters in Berlin, as well as at its network agencies abroad.



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



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

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

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

3.1 Ongoing efforts

As the one of the first communication agencies in Europe, mc implemented its own **ECO** audit in 2010. The ECO audit is **based on the environmental management standards ISO 14001 EU Eco-Management and Audit Scheme (EMAS)** and consists of an **environmental review**.

mc has established an **environmental management system** and carries out **environmental audits**, assessing the current management system and its conformity with the organization's policy and programme. The system details mc's **environmental performance** and presents the results achieved, compares them to the environmental objectives and suggests **future measures for the continuous improvement of the organization's environmental performance**. mc guarantees its clients a system of **continuous quality management and control** to ensure conformity of the products with the **specifications and standard force**.

It also describes the extent to which the environmental objectives have been achieved, as well as **future steps in order to continuously improve the organization's environmental performance.** mc encourages **environmentally friendly transportation to and from the office** among all employees.

As a result, **95% of mc's staff** uses **bicycles or environmentally friendly public transportation**.

All members of the mc Group and all mc Network agencies are committed to saving energy and using the latest environmentally friendly techniques.

For instance, the mc Headquarters in Berlin is committed to the following principles:

- mc only cooperates with environmentally accredited print companies, and mc's Production Unit only uses environmentally friendly paper (Blue Angel, Eco-Seal) or paper from sustainable forest cultivation (FSC, PEFC-seal)
- mc reduces CO₂ emissions by saving energy and by using environmentally friendly techniques
- mc completely neutralizes inevitable CO₂ emissions (e.g. by planting trees)

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

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

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

mc is also conscious of **environmentally friendliness** in regard to technical and PC equipment, and thus solely uses **energy efficient models** which are produced from **reusable and recyclable materials** (e.g. Lenovo ThinkVision[®] flatscreens and ThinkCentre[®] desktop PCs etc.).

| Part of the HQ | Energy Consumption (in kWh) | Emissions (in kg) |
|----------------------------|-----------------------------------|-------------------|
| Wassergasse 3 | 126.278 | 35484 |
| Wassergasse 4 | 56.369 | 15840 |
| Rungestraße 1 | 23.049 | 6477 |
| Hildeboldplatz, Cologne | 22.844 | 6419 |
| Overall | 228.540 | 64.220 |

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

mc aims to completely compensate for inevitable CO_2 emissions. One way of neutralising the emissions is **planting trees**, which mc has already done in Malta and Cyprus. To achieve this, we collaborate with our prospective partners, WWF and Naturefund.



CEO Harald Zulauf planting trees on Malta.

Further proof of environmentally conscious working and procurement methods is reflected in everyday "small" activities, e.g.

- relying on bicycle couriers for city mailings
- separating waste for recycling purposes
- substituting all existing light bulbs with energy-saving lightning bulbs
- supporting the staff's "paper-free working environments"

These measures are a testament to mc's full identification with the aims and objectives of taking action against climate change. mc not only provides professional communication services, but also **pro-actively contributes to the fight against climate change**.



The high levels of paper consumption make paper waste disposal particularly important. Hence, mc pays special attention to the use **of environmentally friendly paper** in the agency's daily work and to the implementation of paper recycling in the waste disposal management. For example, **we use exclusively FSC-certified and recycled paper for all office purposes**. In addition, mc advises its employees to print

sheets on both sides in order to keep paper consumption at a minimum. Furthermore, when purchasing products across Europe, mc pays attention not only to the traditional criteria of price and quality, but also to environmental factors. Increasingly, mc places an emphasis on **recyclable products** and also advises its clients to do so.

mc has installed its own **internal quality management system**, which is also responsible for the agency's **environmental management** and its permanent development. Regular training of the **environmental management appointee** is part of the environmental management system. In the framework of mc's in-house educational programme, the mc Academy, our staff is trained to

continuously improve our internal environmental performance. All mc employees are regularly informed about past performances and further developments of the environmental management system. Thus, they are encouraged to communicate and actively contribute to the maintenance of environmental standards.

Besides adhering to eco-conscious working practices in our day-to-day activities, we also pay **attention to the sustainable organization of events**. When compared with other communication tools, conferences and other events can have a **strong influence on the environment in many different ways**. Awareness of this means that measures can be taken to **keep this impact to a minimum** and avoid unnecessary emissions or waste.

At most events, the influence on climate change of participants' journeys are at the centre of such considerations. However, other areas such as paper usage, water and energy consumption or the traffic caused on location, as well as the minimization of waste, are of importance. Therefore, **mc always considers the guidelines issued by the German Ministry of Environment** when organising events to ensure cost-efficiency and sustainability at all times.

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

- receiving **100%** of our **electricity from green electricity** provided by the company Lichtblick
- using **photovoltaic elements** for producing electricity and supporting the agency's electricity supply
- using solar-thermal and geothermal elements for heating
- supporting the agency's further climate-friendly measures, such as planting flowers and bushes on the agency's roof and compounds





Certificate of Registration

This certificate has been awarded to

MEDIA CONSULTA INTERNATIONAL HOLDING AG

Wassergasse 3, 10179 Berlin, Germany

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

ISO 9001:2015

The scope of activities covered by this certificate is defined below

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

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

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| If there is any doubt at | to the authenticity of this certificate, please do no hesitate to o | contact the Head Office of the Group on info@urscertificari ro. | |

3.1.1 Green Energy for mc

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



Mein Strom. Mein Gas. Meine Entscheidung.

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

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

3.1.2 Network and system of continental hubs

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

3.1.3 Certified printing houses



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

3.1.4 #CompaniesForFuture

Supporting the youth and their future is one of the most important goals for mc. Since the beginning of the year, when the protests of #FridaysForFuture arose in Germany, mc supported the effort and the message behind the movement. mc stands with the demands #FridaysForFuture has: compliance with the objectives of the Paris Convention and the 1.5°C target. mc tries to raise awareness of climate change in other companies. National and international companies have to show their support for a future worth living for.



3.2 New projects

3.2.1 Green Talents

On behalf of the German Aerospace Center and the German Federal Ministry of Education and Research, mc once again conducted an integrated communication campaign for the initiative "**Green Talents – International Forum for High Potentials in Sustainable Development**". The competition is aimed at young researchers in the process of finding practical answers to challenges ranging from climate change to the shortage of raw materials. Since the initiator of the project, the Federal Ministry of Education, is convinced that solutions are more likely to be found through cross-border cooperation, Green Talents focuses on scientists from overseas countries and thus promotes internationalism as well. Since 2018, mc develops a media relations strategy for Green Talents, adapts campaign visuals, creates printed materials, compiles success stories from 25 promising researchers around the globe and produces a TV spot. mc is also responsible for the multilingual press work in the BRICS countries, as well as more than 20 other countries. In the competition phase

of 2019, the campaign reached 84 countries and generated 440 clippings. The second phase saw 304 clippings.



The official Green Talents flyer (left) and logo (right) of 2019.

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

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: the elimination of all forms of forced and compulsory labour
- Principle 5: the effective abolition of child labour
- Principle 6: the elimination of discrimination in respect of employment and occupation

4.1 Ongoing efforts

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



mc Group merchandise - fair produced.

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

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

Employees enjoy constant protection of their working conditions and are encouraged to a better work-life balance. For this, the company created highly efficient schemes: pension, **healthcare and childcare**. mc promotes the right of workers and employers to freedom of association and the effective recognition of the right to collective bargaining, works towards the elimination of all forms of forced or compulsory labour, effectively abolishes child labour and eliminates discrimination in respect of employment and occupation.

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

4.1.1 Staff participation - mc's employee survey

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





In a fourth part, all **employees could make comments and propose their own ideas** for improving the agency's policies in the areas of "Daily Work Life", "Career", as well as "CSR and Further Training". Of course, the survey was **completely anonymous**. The survey's results were evaluated by an **independent service provider, the "Institut für Personalforschung"** (institute for personnel research), led by Prof. Dr. Christian Ernst, an expert in the field of human resources lecturing at the renowned Cologne University of Applied Sciences. The Institute provided mc with a highly detailed report. The report had a very positive result – on a scale of 1 to 4 the various categories' average was between 1 and 2.

The average mark across all questions was 2.1, meaning "**good**". Yet our employee survey was not merely a tool for assessing the atmosphere within the teams and the agency, but is treated as a source for improvement.

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

4.1.2 Employer Branding - serving our staff

4.1.2.1 Clear and fair labour regulations

In the project-oriented world of communication agencies a 9 to 5 day is not always possible. Shorttime client requests or pitches might require extra hours. But mc has established a set of rules, **guaranteeing its employees a balanced daily routine**. Our employees work 41 hours per week on average. The very unlikely case of working at weekends generally leads to a day off in the working week. In addition, each employee working for more than 45 hours a week will also get leisure time as compensation. Working more than 50 hours a week is strictly forbidden. In addition, we offer our employees flexible working time arrangements.

4.1.2.2 Keeping our employees informed



Ideas from the employees.

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

Our mc **ambassadors**, long-term members of the various units, can be regarded as the **connection between the individual employees and the CEO**. The ambassadors receive all requests made by employees and discuss them with the CEO. Our staff can also approach them with individual problems and concerns. Those concerns, requests and ideas serve as the basis for improvements implemented by the ambassadors, who are also responsible for organising team building measures within or across the single units.

4.1.2.3 mc Academy

mc Academy, our internal further education programme, enables our staff to stay informed about the latest industry trends. Therefore, it benefits our employees, who are able to acquire new knowledge and also the company, which can use the acquired knowledge to remain competitive. mc Academy consists of **five modules** and covers **all areas of integrated communication**. To guarantee the high quality of our workshops, we rely on renowned and certified lecturers. mc Academy also regularly provides an internal transfer of knowledge through unit leaders holding **introductory presentations** on their daily business. At the moment, mc Academy is on hold due to the ongoing COVID-19 pandemic.



4.1.2.4 Support for young parents



Germany's communications sector is known for the high degree of flexibility it demands from employees. It would seem that the ideal person employed by an agency has to be single and childless. **mc does not believe that having children and working in an agency contradict each other**. There might hardly be any agency in Germany employing as many mothers as mc. One key to the compatibility of family and career are part-time schemes, allowing mothers to work part-time or to leave two hours before the

workday regularly ends. In addition, regarding pre-schoolers, mc grants **subsidies of € 1.200 a year for the childcare offers** of day nurseries, kindergartens and similar institutions.

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

4.1.2.5 Pension scheme

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

4.1.2.6 Sports and healthcare

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



A company race mc Group employees participated in.

4.1.3 Diversity and Internationalism

4.1.3.1 International headquarters

mc maintains a global network on all continents. Its clients are spread all over the world. Thus, respect for cultural backgrounds and a high degree of intercultural competence is а prerequisite for employees. mc lives its dream of a world without any ethnic or religious boundaries in its Berlin headquarters, where people from over **30 different countries** are employed. They come from the United Kingdom, France,

Turkey, China, Israel, Greece, the United States of America, Brazil, or Nigeria. Additionally, about **70** percent of mc's employees are female.

4.1.3.2 Charter of Diversity

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

4.1.3.3 GWA membership

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

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

According to the charter, the agencies "undertake to invest in junior staff and in employee training".







4.1.3.4 AIESEC

Since 2019, mc Group is in close contact with the biggest student organisation of the world, **AIESEC**. The goal of the "Association Internationale des Etudiants en Sciences Economiques et Commerciales" is the promotion of international understanding and

the **use of our society's potential**. They offer different internships and scholarships and thus stimulate the exchange of culture and knowledge across borders.

4.1.4 IHK-certified training company

As a **long-time IHK-certified training company**, mc complies with the regulations imposed by Germany's Chamber of Commerce and Industry regarding apprenticeships. The agency guarantees to impart its trainees with all the skills and qualifications necessary to work in Ausbildungsbetrieb the fields of PR and advertising. mc further commits itself to respect and uphold all established rules regarding regular working hours, accrued holiday time and vocational training.

4.2 New Projects

4.2.1 Federal Centre for Health Education (BZgA - Bundeszentrale für gesundheitliche Aufklärung)

Almost all teenagers play **video games and use the internet**. In order to sustain a healthy use of media, mc Group began a collaboration with the German Federal Center for Health Education, BZgA. The main strategic goals of the campaign "Ins Netz gehen" are to **prevent**

excessive use of video games and the internet. mc Group carries out continuous editorial and **technical support** as well as the conceptual and editorial development of the internet presence for the campaign. Therefore, the readability, the design and the content of the website www.ins-netzgehen.de, the multipliers website www.multiplikatoren.ins-netz-gehen.de and the blog echtzeit.insnetz-gehen.de are currently being updated by mc Group. The target group of boys and girls from the age of 12 is encouraged to develop critical thinking and responsible use of the internet.

4.2.2 European Statistical Office (Eurostat)

mc Group is carrying out an integrated pan-European awareness campaign for the European Statistical Office (Eurostat). Including social media, press work, digital

knowhow and event management, the campaign concentrates on the value and quality of European statistics, Code of Practice of the European Statistical System (ESS) as well as peer reviews of the ESS. Especially qualitative and quantitative surveys are used to test not only the creativity of the

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campaign but the increased level of awareness towards European statistics and the role of peer reviews.



4.2.3 German Cancer Aid (Stiftung Deutsche Krebshilfe)

donations, helping organizations and informing people who are directly or indirectly affected by cancer. In order to support the awareness of the Foundation and their work, mc focused on the conception, realization and distribution of informational film productions.

4.2.4 "Make it in Germany" and "Recognition in Germany"

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

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4.2.5 Suggestion box

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

4.2.6 Partnership with Corporate Benefits

mc teamed up with Corporate Benefits. The renowned provider now offers mc employees special discounts for their products and services. Thus, our employees can earn substantial savings and benefit from exclusive and attractive services.



5 Human Rights according to Principles 1 and 2

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

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

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

mc generally advocates the payment of a **fair price** as well as social standards in areas related to the production of a wide variety of goods. We reject service providers guilty of human rights violations.

5.1 IPRA membership

As a **member of the International Public Relations Association (IPRA)** mc binds itself to the principle of human rights protection. The IPRA's code of conduct recalls "the Charter of the United Nations which determines 'to reaffirm faith in fundamental human rights, and in the dignity and worth of the human person'". Furthermore, it refers to the "Universal Declaration of Human Rights" and especially recalling Article 19. Consequently, the IPRA members "shall observe the principles of the UN Charter and the Universal Declaration of Human Rights".



5.2 New projects

5.2.1 DG ECHO "EU Saves Lives"

mc has been contracted by **the Directorate for European Civil Protection and Humanitarian Aid Operations (DG ECHO)** to implement a large communications campaign in 2018, raising awareness and understanding for the help of the European Commission in humanitarian crises. The campaign has been realised to highlight the involvement of the European Commission in supporting **education during emergencies**.

Following the roadshow, mc Group further developed the pan-European roadshow "EU Saves Lives" in 2019 and coordinated and implemented all relevant measures – from press work, to event organization, social media and advertising. New features of the roadshow in





2019 were the state-of-the-art VR glasses and motion chairs.

5.2.2 Directorate General for Communication - Rural Areas (DG COMM)

To raise awareness of the positive impact the EU has on the day-to-day life of its citizens, mc group was responsible for developing and deploying an **information and communication campaign for DG COMM**. The main campaign goal was the improvement of the perception on the impact of the EU and its support for **rural communities**. Target groups were the citizens of **France, Poland, Greece, Italy, Spain, Hungary, and Latvia, B2B from rural areas**, B2C, as well as other stakeholders and multipliers. To achieve this mission, a **mobile roadshow** visiting selected rural areas and parallel side events in each country over one year were organized. Results showed a strongly **increased awareness about the EU** and its key messages.



5.2.3 Directorate General GROW - EU Single Market

To raise awareness of citizens' and businesses' rights in the EU Single Market via EU information and assistance tools, mc group organized and planned a promotional campaign using diverse communicational measures. Promoting the **rights and opportunities of citizens and businesses**, improving public awareness, and community management formed the main campaign goals. Main channels were the **Facebook** pages Your Europe Portal and SOLVIT. Next to social media promotion in at least 7 languages, mc developed and promoted a **Facebook quiz app**, a Q&A Live Chat and organized factsheet advertising in several European languages. The quiz app contained a quiz game with 50 questions and was advertised in 27 countries. Finally, the target audience was reached through 39 Facebook posts for Your Europe as well as 16 posts for SOLVIT, 230 ads in Google Display Network, 263 Google search ads.



Social Media Posts and the "Your Europe" quiz on Facebook.

6 Embracing anti-corruption according to Principle 10

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

However, as a transparent international agency, mc **encourages anti-corruption actions worldwide**. Therefore, every network agency of mc complies with strict rules to avoid corruption.

6.1 IPRA membership

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

| Principle | All members shall | | |
|--|--|-----------|---|
| Integrity | act with honesty and integrity at all times so as to secure and retain the confidence of those with whom the practitioner comes into contact | | |
| Transparency | be open and transparent in declaring their name, organisation and the interest they represent | | |
| Conflict avoid any professional conflicts of interest and to disclose s to affected parties when they occur | | | |
| Confidentiality | honour confidential information provided to them | | |
| Accuracy | take all reasonable steps to ensure the truth and accuracy of all information provided | | |
| Falsehood | make every effort to not intentionally disseminate false or misleading information, exercise proper care to avoid doing so unintentionally and correct any such act promptly | | |
| Deception | not obtain information by deceptive or dishonest means | | |
| Disclosure not create or use any organisation to serve an announced caus which actually serves an undisclosed interest Profit not sell for profit to third parties' copies of documents obtained public authorities Inducement neither directly nor indirectly offer nor give any financial or inducement to public representatives or the media, or other stakehold | | | |
| | | Influence | neither propose nor undertake any action which would constitute an improper influence on public representatives, the media, or other stakeholders |

Excerpt from the IPRA's Code of Conduct

6.2 Ranking audits

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

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6.3 Financial project management

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

mc assigns a **project controller**, who continuously compares the actual costs with the planned budget. Each project controller works in **close cooperation with the project leader** and is in charge of the financial management of the framework contract and the specific contracts.

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

6.4 Financial management of contracts

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

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

- Step 1: mc will break down the budget for each specific contract into single cost units, so all costs can later be directly attributed to a task
- **Step 2:** Each cost unit is entered into **SAP**, being assigned a single number
- **Step 3:** Every time a service or supply is needed in the scope of a project, the project manager files a **purchasing request in SAP** using the assigned cost unit
- **Step 4:** For **third party costs, the external offers** are obtained and included in the purchasing request for documentation
- Step 5: The purchasing request has to be **authorised by the project leader, the project controller and the head of unit** before an order can be placed or a service offered
- Step 6: The service or supply will deliver the best value for the client's money
- Step 7: Incoming invoices can be allocated easily to the existing purchasing request

- **Step 8:** All project invoices are **double-checked by the Controlling Unit** to ensure that the facts and calculations are correct before they are submitted to the project leader for approval
- Step 9: mc's Purchasing Unit ensures that the invoice total corresponds to the amount authorised and approved on the purchase request

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