

ACUE

COMMUNICATION ON PROGRESS (COP) United Nations Global Compact

September 2021



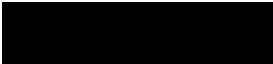
COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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SUPPORTING STATEMENT

1 Septiembre del 2021

To our stakeholders:

Since 2019 at Grupo Ache we have integrated sustainable development into our corporate values to bring our environmental impact as close to zero as possible while leaving a legacy in our community by doing business with purpose.

The above program confirms our endorsement of the Ten Principles of the United Nations Global Compact in the areas of human rights, labor standards, environment and anti-corruption.

We are continuing our efforts with our adherence during the current year by implementing the following strategies:

- We offer the Net Zero event service that consists of measuring and offsetting the carbon footprint of our projects.
- We facilitate the process of measuring and reducing the ecological footprint of our own and our clients' business operations.
- We promote among the community the actions we have created for a better future.
- We comply with the policies established by the corresponding national and international authorities.

In this annual progress communication, we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to sharing best practices with stakeholders through our main communication channels.

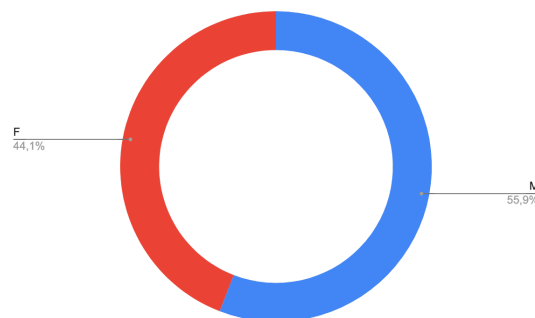
Sincerely yours,



Carlos Verastegui
Chief Executive Officer

BUSINESS DEMOGRAPHICS

Currently, Grupo Ache's team is made up of thirty-nine full-time employees and the average age is 35 years old, more than 85% of them live in Mexico City, women represent 44% of the gender count and the agency offers the option of teleworking.

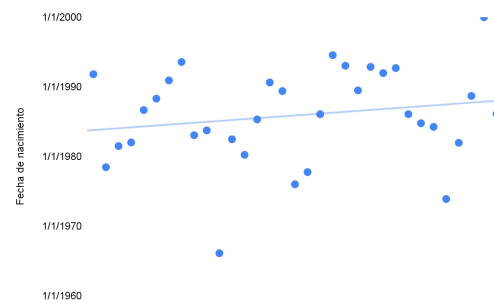


Graph 1 - Gender count

Place of residence




Graph 2 - Place of origin



Graph 3 - Age trend line.

MEASUREMENT OF OUTCOMES



The design and implementation of Grupo Ache's sustainability program is carried out by Sabio Company, who established the different general and specific objectives based on the four pillars of the Global Compact with the mission of addressing most of the risks posed and permeating this philosophy within all levels of the company's operation.

The Global Compact diagnostic was used to determine what actions should be carried out to support the decalogue of principles. When filling out each of the questions, it was identified that 68% of the suggested activities are carried out, the remaining 27% will be carried out in the short term and 5% do not apply. The following is a list of the actions implemented within the four pillars of the Global Compact:

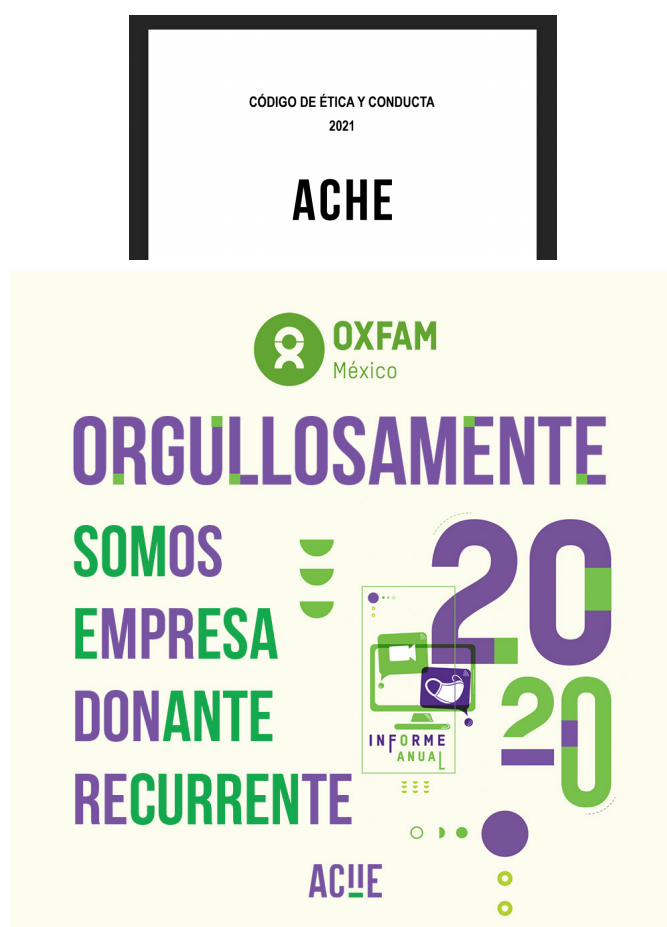
a) Human Rights

Within this axis, the company has a record of zero reported incidents since 2020 and the following box shows the actions implemented as part of the human rights promotion and compliance program. Ache is also part of the Oxfam community.

The company's actions in this area are:

- Team data is known to determine demographics.
- The company provides safe, adequate and hygienic work facilities and also gives the option to telecommute.
- Increase the confidence and comfort of employees working in the company.
- Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats through the AMAPRO organization, which includes:
 - A communication channel that allows people to express their concerns and incidents in a safe manner.
 - A response committee and an action protocol to resolve complaints through the communication channel.

The company promotes compliance with human rights among its value chain through:



b) Labor Standards

The company's system calls for all major employers along the value chain to have policies that establish that hiring, placement, compensation, promotion, training, discipline, retirement and termination decisions are based on objective factors and are not related to gender, age, nationality, ethnicity, sexuality, race, color, creed, caste, language, mental or physical disability.

- The actions implemented by the company in this area are:
- There is a form for recording and monitoring indicators.
- The empowerment of women in the workplace is promoted and their rights are respected.
- They comply with minimum wage standards.
- There is a communication plan to inform the relevant actors about the actions and efforts made to mobilize joint action.

Ache strengthens the relationship with various relevant actors to jointly change the marketing sector towards a more sustainable present.



Mexico's independent promoters joined forces for the first time to bring more than 40 national and international bands to a festival where diverse genres and audiences participated. People enjoyed free of charge from the comfort of their homes.

Orgullosamente somos #EmpresaSemilla

Apoyando durante 2019 la gran labor de

FONDO SEMILLAS
MUJERES SEMBRANDO IGUALDAD



Impactamos
positivamente la vida de

Mujeres fortalecidas

45,052

180,208

personas



Financiamos a 141
organizaciones que
trabajan por la igualdad de
género en 31 estados de
México.



Ache developed a guide to foster a safe work environment where the following values are promoted:



In addition to the above, the Mexican Association of Promotion Agencies (AMAPRO) created a space where complaints about sexual harassment and harassment at work could be made, several agencies were invited to join this initiative that seeks to eradicate bad practices in the workplace.



<https://espacioseguro-app.dialogus.com.mx/complaint>

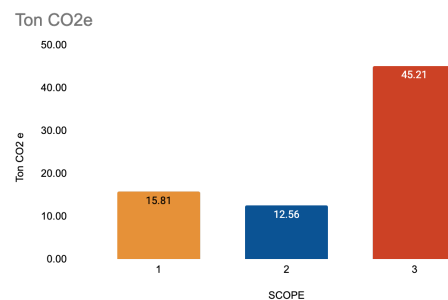
At the beginning of 2020, Ache participated in this training and two investigators were trained, who were taught how to use the platform for complaints, as well as the specific criteria to initiate an investigation, to follow up, to conduct the respective interviews and to make recommendations regarding the actions to be taken.

Environment

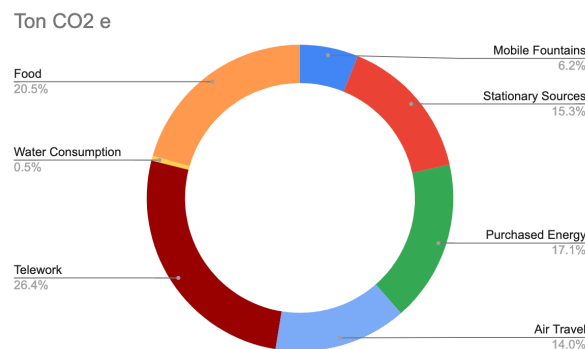
The company takes care to avoid environmental damage through regular maintenance of project production processes and also has a mechanism for risk prevention. The following is a list of actions taken for a better planet:

- They take measures to eliminate ingredients, designs, defects or side effects that could harm or threaten human life and health during the manufacture, use or disposal of stands, BTL activations and event products. Source: Risk Matrix:
<https://drive.google.com/file/d/1aNc4chg6eZJUV4BX6d5M1zVAcCtBqD65/view?usp=sharing>
- Measure the ecological footprint of office and warehouse operations.
- Communicate actions to reduce energy and water consumption.
- Make local and environmentally friendly purchases.
- Minimize the use of chemicals and other hazardous substances.
- Promote recycling and reuse of materials in both office and field operations.

Total emissions measured from January 2020 to June 2021 are 74 tons of CO₂ equivalent. The following graphs show the details of emissions for 2020 and part of 2021 and the calculation of the indicator is obtained under the Mexico Greenhouse Gas Program.



Graph 4 - Emissions by type of scope according to the GHG Protocol.



Graph 5 - Emissions by type of source.

Ache desarrolla su propio proceso creativo considerando impactar positivamente a las personas a través de sus ideas, lo cual nos permite construir marcas y generar experiencias únicas que cuentan historias que conectan más allá de la razón a través de producciones y proyectos amigables con el entorno.



El alcance de la estrategia de sostenibilidad implementada para ACHE con la empresa SABIO, se enfoca en la medición, reducción y compensación de la huella de carbono que corresponde a la transformación de dichas ideas en realidad.

La huella de carbono, es la cuantificación del conjunto de emisiones de Gases de Efecto Invernadero generadas, directa o indirectamente, por personas, organizaciones, productos, servicios, eventos o regiones geográficas medidas en términos de CO2 equivalente.

Los queremos hacer parte de esta visión sustentable, para lo cual creamos la calculadora de huella de carbono que mide sus actividades de marketing con el fin de compensar su huella en el medio ambiente.

Los invitamos a sumarse para mejorar nuestro planeta.

ACHE
www.ache.ooo

Ache develops its own creative process considering a positive impact on people through their ideas, which allows us to build brands and generate unique experiences that tell stories that connect beyond reason through environmentally friendly productions and projects.

The scope of the sustainability strategy implemented for ACHE with the accessory of company SABIO focuses on the measurement, reduction and compensation of the carbon footprint that corresponds to the transformation of these ideas into reality.

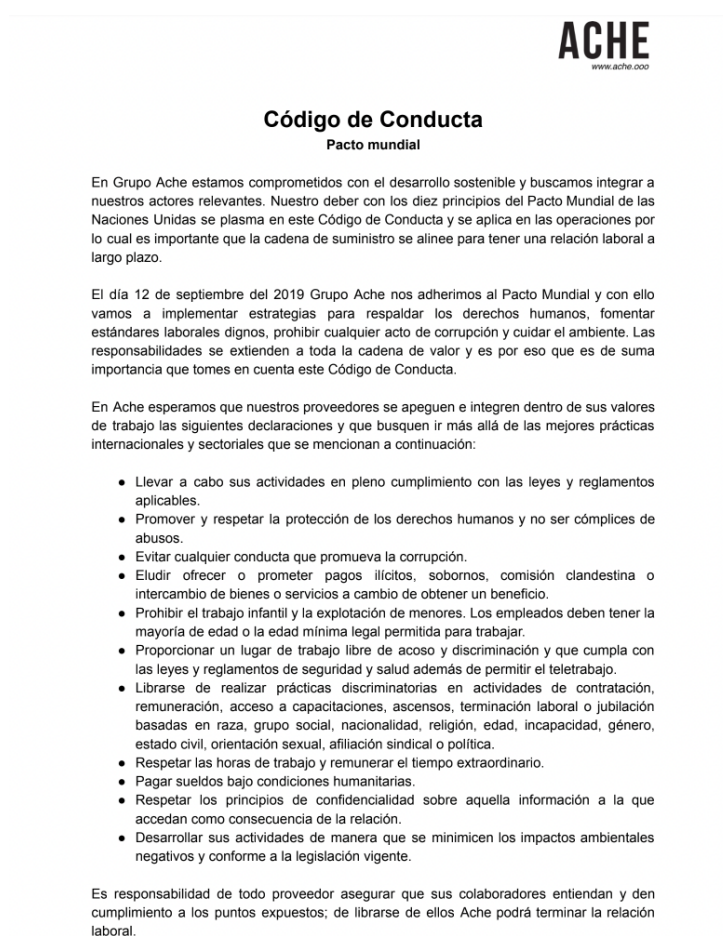
The carbon footprint is the quantification of the set of greenhouse gas emissions generated, directly or indirectly, by individuals, organizations, products, services, events or geographic regions measured in terms of CO2 equivalent.

We want you to be part of this sustainable vision, for which we created the carbon footprint calculator that measures your marketing activities in order to offset your footprint on the environment.

Anti-corruption

The company aligns itself with anti-corruption practices and promotes it among its value chain through the code of conduct and the following points:

- Mention the words "anti-corruption" and/or "ethical behavior" in contracts with business partners.
- Ensure that internal procedures support the company's anti-corruption commitment.



PERFORMANCE

The table below includes the most relevant indicators resulting from Ache's sustainability program for the period January 2021 to July 2021 in accordance with the guidelines of the Global Compact Mexico.

INDICATORS			UNIT	FIGURE
1	GENERAL			
1.1.1	Number of projects that include sustainability strategies		#	1
1.1.2	Number of SDGs supported by the company's activities		#	4
1.2.1	Amount of money donated to social projects		MXN	\$105,000
1.2.2	Percentage of procurement budget spent with local suppliers		%	100%
1.3.1	Number of messages with program or pact information sent		#	6
1.4.1	Number of internal policy signatures		#	39
1.4.2	Number of sustainability committee members		#	4
1.5.1	Percentage of suppliers that signed the supplier code of ethics.		%	80%
1.5.2	Number of contracts signed with new clauses (teleworking)		#	39
1.6.1	Number of projects with risk matrix		#	1
1.7.1	Number of projects with social, environmental and/or economic objectives/actions		#	2
2	HUMAN RIGHTS			
2.1.1	Demographic data have been identified.		Yes/No	Yes
2.1.2	Number of employees per contract, specify part-time or full-time and gender.	Part-time.	#	0
		Full time.	#	39
		Genre.	%	42% M
2.2	Incident reporting system	Number of incidents reported.	#	0
		Number of incidents resolved.	#	0
		Number of people on the decision-making committee.	#	5
2.3	Does the Company have policies/programs that promote equal opportunities (regardless of gender and other diversities) that explicitly extend throughout the value chain?		Sí/No	Sí
2.4.1	Average hours of training that the organization's employees have completed during the reporting period.		#	10
2.4.2	Number of messages sent regarding the topic.		#	4

2.5	Measures taken by the organization during the reporting period to contribute to the effective abolition of child labor.	#	1
2.6	Total number of identified leaks, theft or loss of data.	#	0
3	LABOR STANDARDS		
3.1.1	Does the company system and all major employers along the value chain have policies that state that hiring, placement, compensation, compensation, assumption, training, discipline, retirement and termination decisions are based on objective factors and are not related to gender, age, nationality, ethnicity, sexuality, race, color, creed, caste, language, mental or physical disability, etc.?	Sí/No	Sí
3.1.2	¿El sistema de la compañía y todos los empleadores importantes a lo largo de la cadena de valor tienen políticas que establezcan que la contratación, colocación, remuneración, asunción, las decisiones de entrenamiento, disciplina, retiro y terminación se basan en factores objetivos y no están relacionados con el género, edad, nacionalidad, etnia, sexualidad, raza, color, credo, casta, idioma, discapacidad mental o física, etc.?	#	40
3.2	Number of contracts signed with clauses.	#	35
3.3	Average hours of training that the organization's employees have undertaken during the reporting period, by: Gender and Category.	#	5
3.4	Representation of women in managerial, skilled (non-managerial) and unskilled positions.	#	18
3.5.1	Number of new employees by age group, gender, and region.	#	1
3.5.2	Number of employees terminated by age group, gender, and region.	#	0
3.5.3	Ratio of contract employees to project personnel.	%	5
4	ENVIRONMENT		
4.1.1	Carbon footprint.	t CO2e	59
4.1.2	Power consumption.	MW	25.42
4.1.3	Consumption of liquid fuels (diesel).	l	1,697
4.1.4	Consumption of liquid fuels (LP Gas).	l	6,930
4.1.5	Type of antifreeze.	-	R - 134A
4.1.6	Number of airplane flights.	#	36
4.1.7	Electrical consumption of computer equipment.	MW	30.14
4.1.8	Electricity consumption.	MW	0.18
4.1.9	Consumption of electrical energy during work.	MW	7.33
4.1.10	Mail sent on average.	#	201,960
4.1.11	Meals served in the office dining room.	#	1,600
4.2.12	Water consumption in the office.	m3	487.62
4.8.13	Amount (percentage) of green purchases in the office.	\$ / (%)	30%
5	ANTI-CORRUPTION		
5.1	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of activity:	Incidents of non-compliance with regulations resulting in a fine or penalty;	# 0
		Incidents of non-compliance with regulations resulting in a warning;	# 0

		Incidents of non-compliance with voluntary codes.	#	0
5.2	Total number of governance body members trained in anti-corruption.		#	4
5.3	Publicly stated commitment to work against corruption in all its forms, including bribery and extortion.		#	Si
5.4	Commitment to comply with all relevant laws, including anti-corruption laws.		#	Si

Table 1

Annex (ODS)

The purpose of this section is to disseminate which Sustainable Development Goals Grupo Ache contributes to through its daily work.



For this purpose, a mapping of high impact areas was carried out to help Grupo Ache understand where to concentrate its efforts. For each of the potentially high impact areas, one or more indicators were identified that express the relationship between the company's activities and the impact on sustainable development, so that performance can be monitored over time.

Resources	Activities	Products	Results	Impacts
What resources used positively or negatively affect the ODS?	What activities are carried out?	What is generated by these activities?	What changes are seen in the target population?	What are the changes as a result of these outputs?
Ideas are the main resource of the company, which positively affects the company's ability to execute campaigns to promote a sustainable lifestyle.	Marketing, digital, public relations, creativity, design, booking and btl activations.	Production of elements for advertising, marketing and events.	Sustainability best practices are sought to be replicated with clients and among the team's community.	Green procurement, supply of sustainable products and services.

Table 2

Two interviews were conducted with the CEO of Grupo Ache and in one of them he shared the priorities of his business, which was integrated with the analysis of table 2, resulting in the priority of focusing on the work team, the director commented - "They are the most important part. We want them to take the practices we implement here home and pass them on wherever they go".

Once the priority has been prioritized, the next step was to define the baseline. To do this, Grupo Ache has environmental, social and economic indicators for 2019 as

a starting point, since the first Communiqué of Progress (COP) was created in that year.

The next step for the company is to anchor sustainability objectives within the business. The active leadership of the CEO and senior management has been key to the success of Ache's organizational change.

However, the integration of sustainability objectives is due to the management team's understanding of the added value for the business. The SDGs to which Grupo Ache contributes are:



And finally, Ache integrates sustainability into all company functions. Although there is already a team formed by the green committee and Sabio Company, both dedicated to the implementation of the program. They are working on the organizational culture to have the support and sense of ownership of corporate functions such as R&D, business development, procurement, operations and human resources as they are key to the incorporation of sustainability in the business strategy, culture and operations.

The report was produced with the support and advice of Sabio Company.

If you have any technical questions, please contact:

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