

United Nations Global Compact

COMMUNICATION ON PROGRESS 2019



APRIL 2019 – MARCH 2020



STATEMENT OF CONTINUED SUPPORT BY OUR CHIEF EXECUTIVE OFFICER



To Our Stakeholders:

I am pleased to reaffirm that Abt Associates is deeply committed to the Ten Principles of the United Nations Global Compact across the areas of Human Rights, Labour, Environment, and Anti-Corruption.

In this, our second Communication on Progress, we detail our actions and measured outcomes associated with the continual integration of the Principles into our business strategy, culture, and daily operations. All activities disclosed in this report were undertaken from April 1, 2019 to March 30, 2020 (Fiscal Year 2020, or FY20), unless otherwise noted. Abt is committed to sharing this information with our stakeholders using our primary channels of communications.

Guided by our mission, *to improve the quality of life and economic well-being of people worldwide*, Abt has made tremendous strides in integrating the spirit of the Principles into our values, operating strategy, and culture. Respect for human rights, dedication to ethics, transparency, governance, and a reverence for the natural environment aren't just policies and words—this is how we live our mission as we help people to move from vulnerability to security worldwide.

A handwritten signature in black ink that reads "Kathleen L. Flanagan". The signature is fluid and cursive.

Kathleen L. Flanagan

President and Chief Executive Officer
Abt Associates

About

Abt

Founded in 1965, Abt Associates is a consulting and research firm that works on U.S. domestic policy and international development. Abt uses data and bold thinking to improve the quality of people's lives worldwide. From increasing crop yields and combatting infectious disease, to ensuring safe drinking water and promoting access to affordable housing—and more—we partner with clients and communities to tackle their most complex challenges. Our diverse staff of more than 3,600 operate on the ground in more than 50 countries alongside our clients, enabling us to tailor our solutions to meet their needs and the needs of those they serve.

Our Values

In FY20, we refreshed our corporate values. We undertook the refresh with a commitment to meaningfully engage our staff around the world so that our core values continue to reflect the diverse, collective values of our global staff. This is critical to fostering ownership of the culture we all want for Abt Associates, and to driving meaningful change across the company. More than 1,000 employees participated in conversations, focus groups, and a global survey. Across these engagements, the message was clear: *our values only matter if we live them*; we are all responsible for the culture of One Global Abt. In our commitment to these new values, we are dedicated to intentionally creating the work environment we all want to share.



MISSION

- ◆ I am driven by Abt's mission to improve the lives of people worldwide.
- ◆ I contribute directly to and positively affect our financial health to expand our mission and sustainable impact around the world.

- ◆ I approach my work with discipline and rigor while seeking opportunities for continuous improvement and development.
- ◆ I set high expectations for myself and others, and take responsibility to coach and teach others.



EXCELLENCE



DIVERSITY

- ◆ I actively build a diverse Abt community that collaborates with and reflects those we serve.
- ◆ I empower and create opportunity so all voices are heard regardless of background and experiences.

- ◆ I work to earn, build, and sustain trust.
- ◆ I treat people with respect regardless of their position or their agreement with me.



RESPECT



INTEGRITY

- ◆ I do the right thing, even when no one is looking.
- ◆ I am accountable for my choices and actions, and I honour my commitments.

- ◆ I can flex when I work, where I work, or how I work to meet both personal and professional commitments.
- ◆ I must balance all of Abt's stakeholders' interests in my decision making.



BALANCE

HUMAN RIGHTS

1 PRINCIPLE

Businesses should support and respect the protection of internationally proclaimed human rights.

2 PRINCIPLE

Businesses should make sure that they are not complicit in human rights abuses.

Mission continues to be our first value, as it has been since our company was established 55 years ago. We partner with our clients and communities to advance our mission—to *improve the quality of life and economic well-being of people worldwide*. Abt employees are driven by this mission and the aspiration to expand our mission impact around the world. Respect for human rights is fundamental to furthering this mission. We believe that every person deserves to be treated with dignity, respect, and compassion within our workplaces and programs globally. It is an ethical obligation for all Abt employees, and anyone who represents the interests of Abt anywhere in the world, to comply with our zero tolerance corporate policies around trafficking in persons, use of child labour, forced labour, procurement of commercial sex acts, harassment, and retaliation. Abt remains compliant with all of our

U.S. government, Australia Department of Foreign Affairs and Trade (DFAT), and U.K. Government contractual clauses and requirements related to international and domestic human rights policies.



Abt requires all employees globally, including field staff, to complete formal training on human rights-related topics. Abt U.S. employees, both domestic and international field staff, complete annual training on human rights, trafficking, child protection, reporting harassment, investigations, and retaliation. In FY20, Abt's U.S. *Freedom from Harassment* training expanded to include more actionable training around recognising, preventing, and reporting sexual exploitation and abuse. Abt Australia and Abt Britain conduct formal training on child protection, fraud, and sexual harassment within three months of an employee's start date and provide refresher training to all staff annually. In FY20, formal trainings on modern slavery and human trafficking were developed and rolled out to Abt Australia and Abt Britain staff, with a training completion rate of 100 percent.

Abt requires all employees globally to complete human rights training.

In January 2020, Abt launched the Peer Advocate Network Pilot. Peer Advocates are field-based employees with an active commitment to the preservation of an inclusive environment free from harassment, exploitation, and abuse. Peer Advocates act in a regional capacity to offer guidance, remediation, and support. Examples include advising on how to report incidents, the difference among reporting options, sharing information about the Employee/Work Life Assistance Program with a colleague seeking help with personal issues, modelling appropriate behaviours, and addressing mediation with others



through conversations when appropriate. Currently, the Peer Advocate Network is being piloted in eight countries—Bangladesh, Ghana, Kenya, Malawi, Nepal, Rwanda, Tanzania and Uganda—with plans to expand this network in FY21.

As a global professional services firm, the performance of our suppliers and alignment of supplier conduct to high business standards is crucial to our ability to honour our ethics policies and deliver on our mission. To this end, in FY20 Abt began developing a global Supplier Code of Conduct to reflect our commitments to human rights, the environment, health and safety, business ethics, and the development of a diverse and sustainable supply chain. The spirit of the UNGC's Ten Principles are interwoven throughout Abt's draft Supplier Code of Conduct. Specifically, the draft code notes that trafficking includes, "the recruitment, harbouring, transportation, provision or obtaining of a person for labour or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt, bondage, or slavery and sex trafficking."

OUR WORK

Bringing Countries Closer to Self-Reliance in Stopping HIV/AIDS

Abt worked with the Government of Vietnam to manage the transition from donor funding to a domestically financed HIV response. We partnered with government agencies to add HIV/AIDS services to the country's social health insurance (SHI) scheme. We helped centralize procurement of antiretroviral (ARV) drugs and integrate HIV outpatient facilities into the public health system so that they would be eligible for SHI reimbursement. As of 2019, the percentage of people living with HIV enrolled in SHI has reached 90 percent. Copayments and premiums are subsidized to provide financial protection to the most vulnerable groups, and 99.7 percent of the country's outpatient treatment facilities have been integrated into the public health system. Domestic funding for HIV/AIDS has grown from covering less than a third of the program to covering more than half in 2019.

Project: USAID Sustainable Financing for HIV

Funder: U.S. Agency for International Development (USAID)

Empowering Local Response with Data to End Homelessness

Abt Associates is recognized for our expertise in homelessness and housing. We pioneered the methodology to measure homelessness across the United States, and since 2007 we've collected and analysed data for the Annual Housing Assessment Report (AHAR) to the U.S. Congress. The 2019 AHAR revealed mixed findings. Although family homelessness declined by 5 percent, the number of individuals without shelter increased sharply, by 9 percent. Communities on the front lines of the response to homelessness depend on localized data to make informed decisions. Working with the U.S. Department of Housing and Urban Development, Abt developed a data visualization tool, Stella Performance, that depicts how the system is serving people experiencing homelessness. The tool examines data on length of time homeless, exits to permanent destinations, and returns to homelessness, thus enabling the local response to be better targeted and more effective.

Project: Stella Performance Data Indicator

Funder: U.S. Department of Housing and Urban Development (HUD)

Improving Early Grade Reading Outcomes in Malawi

In Malawi, Abt is working with the Ministry of Education, Science, and Technology to address the country's education challenge—after two years of formal schooling 75 percent of students are still unable to read a single word. Supporting Malawi's National Reading Program, Abt is training the country's 47,000 primary school teachers, developing classroom assessments aligned with reading curriculum, and developing targeted remediation approaches and assessment training to help teachers gauge their students' progress. The standardized literacy assessment methodology is now used at scale in all 5,476 primary schools in the country, and the 2019–20 academic year is the first in which teachers nationwide are implementing our reading assessments and remediation activities in the classrooms.

Project: Yesani Ophunzira (YESA) Activity

Funder: U.S. Agency for International Development (USAID)



1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Advancing the Sustainable Development Goals

LABOUR

3 PRINCIPLE

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

4 PRINCIPLE

Businesses should uphold the elimination of all forms of forced and compulsory labour.

5 PRINCIPLE

Businesses should uphold the effective abolition of child labour.

6 PRINCIPLE

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

It is the policy and practice of Abt Associates to comply with all applicable local, state, and federal laws and regulations affecting employee compensation, including minimum working age laws. We abide by all applicable international regulations and contractual obligations related to our company's status as a government contractor. Abt does not tolerate trafficking in persons, use of child labour, use of forced labour, or procurement of commercial sex acts by an Abt employee, subcontractor, or supplier as stated in the Human Rights section of this document, above.

In FY20, Abt had zero incidents of policy breach or misconduct related to the UNGC Principles of Labour. The UNGC Principles of Labour are similarly integrated into Abt's draft Supplier Code of Conduct. In it we establish that all suppliers representing Abt Associates must provide a safe and healthy working environment that complies with local laws and minimises occupational hazards. Additionally, suppliers should adopt practices to minimise health and safety risks, safeguard the welfare of their

employees and other impacted individuals or entities, support accident prevention, and ensure safe workplaces free from harassment.

Abt Associates is committed to a workforce and workplace free of harassment and unlawful discrimination. We are an affirmative action and equal opportunity employer and compensate our employees fairly, without discrimination. Abt celebrates different perspectives, cultures, expertise, and points of view. We believe that diverse teams deliver better solutions for our clients.

We are committed to fostering the development of our staff. Annually, employees in all locations worldwide go through performance evaluation in which they are provided with feedback, a rating for goals and competencies, and the opportunity to create a professional development plan with their supervisor. In October 2019, Abt enhanced this process



through the implementation of a *Continuous Performance Management* process and tool. Continuous Performance Management places a greater emphasis on regular check-ins, consistent feedback, and tracking goals and activities over the course of the year, allowing employees to document achievements as they happen and request or provide timely feedback on performance.

Gender Equality, Diversity, and Inclusion

Abt is a community. We don't just believe in making a positive impact through our work; we believe in making a positive impact at work, where staff are encouraged to contribute, grow, and model what we want to see in the world. In FY20, Abt made tremendous strides in developing our diversity and inclusion strategy, including explicitly identifying Diversity as one of our six global core values. We are each responsible for living our Diversity value and are guided by the following statements:

- ✓ **I value individuals of all races, ethnicities, religions, genders, sexes, sexual orientations and identities, ages, mental and physical abilities, and nationalities.**
- ✓ **I actively build a diverse Abt community that collaborates with and reflects those we serve.**
- ✓ **I empower and create opportunity so all voices are heard regardless of background and experiences.**

We recognise gender equality as a development objective in its own right, as well as a key approach to accelerate progress towards other development goals, such as health and economic well-being. In June 2019, Abt Associates was awarded the Economic Dividends for Gender Equality (EDGE) certification, becoming the first U.S. government implementing partner to meet the prestigious global business standard for gender equality. Abt is one of just 20 organizations in the U.S. to attain EDGE certification.

EDGE certification is considered the leading global assessment methodology and business certification standard for gender equality. The process included an intensive audit of Abt's gender equity practices, policies, and employee perceptions, and benchmarking them against other organisations. Abt further achieved global EDGE certification in the fall of 2019, following the certification of Abt Australia. This certification includes both Abt's Australia and Britain entities, certifying One Global Abt at the Assess level.



Creating and maintaining a diverse and inclusive workplace is vital to achieving our mission. In January 2020, Abt announced the launch of Employee Networking Groups (ENGs). ENGs are voluntary, company-wide, employee-led groups that focus on shared identities, life experiences, or demographic factors. ENGs provide opportunities for personal and professional development through knowledge-sharing, mentoring, networking, leadership development, and community involvement. ENGs are uniquely positioned to foster an environment of belonging and to generate ideas for improving the employee experience. Examples include LGBTQIA+, Young Professionals, and Health and Wellbeing.



OUR WORK

Abt's Emerging Impact Program

In 2019 Abt continued to expand its new Emerging Impact program, an internal initiative aiming to advance staff's professional development while serving a mission-aligned non-profit at no cost. In the second cohort of this program, Abt employees are partnering with Men Stopping Violence, an Atlanta-based social change organization taking action to end violence against women. The team applies Abt's cutting-edge skills to conduct formative research to help in messaging and build a foundation for future research to examine the impact of their communications work.



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Advancing the Sustainable Development Goals

ENVIRONMENT

7 PRINCIPLE

Businesses should support a precautionary approach to environmental challenges.

8 PRINCIPLE

Businesses should undertake initiatives to promote greater environmental responsibility.

9 PRINCIPLE

Businesses should encourage the development and diffusion of environmentally friendly technologies.

In 1970 our founder, Clark Abt, pioneered the concept of corporate social responsibility at Abt by launching an annual audit of the company's social and environmental impact from corporate operations. Today, Abt Associates continues to apply our creativity, technical expertise, and collective efforts to reduce our own environmental footprint and the footprint of the services we offer our clients.

Abt is committed to minimising the creation of pollution and waste. We further strive for continual improvement in environmental performance through the active involvement of our employees and partners to exceed all relevant legislative and contractual requirements. In 2015,

Abt Associates committed to decarbonising all operations by 2050. To ensure success, we set interim greenhouse gas (GHG) reduction targets, the first of which was a 25 percent reduction in emissions by 2021 from the 2012 base year. We met our 2021 reduction target four years ahead of schedule and have externally verified our 2018 calendar emissions to confirm a reduction of 35 percent over the 2012 base year.

Although Abt has been externally verifying its GHG emissions inventory since 2012, the 2018 calendar year, verified in 2019, represents an important milestone. In 2018 we expanded the scope of our inventory to include global

emissions from Abt Australia and Abt Britain operations. 2018 was also the first year for attaining external verification for indirect emissions related to air travel, employee commuting, and data centre colocations. The development of Abt's next interim target for 2026 has commenced, and will feature a global scope and a science-based methodology that aligns with limiting warming to 1.5°C.

Abt has reduced its GHG emissions by 35 percent from the 2012 base year.

To date, Abt has implemented comprehensive recycling services in all U.S. offices and composting services in three major locations, which serve more than 50 percent of our U.S. staff. In the two largest U.S. offices, located in Maryland and Massachusetts, we track waste generation data and have set landfill diversion goals of 80 percent by the end 2020. Activities implemented across our U.S. offices in January 2019 to enhance our waste-diversion rates have resulted in significant improvements. These activities include the standardisation of recycling signage, implementation of mobile compost bins for catered events, and enhanced employee engagement and education activities. These advancements contributed to our Massachusetts office achieving an 83 percent landfill diversion rate in 2019, beating our 2020 goal. Abt will be making it a priority in the upcoming year to scale tracking and implementation strategies around waste in our Australia and Britain offices.

Integration of environmental responsibility into Abt's supply chain management represents a significant opportunity for Abt, especially on issues relating to climate change mitigation and risk-reducing adaptation strategies. Abt's draft Supplier Code of Conduct details measures suppliers must take to minimise their use of natural resources and the potential negative impacts of their operations on the environment. Steps include compliance with all applicable environmental laws and regulations, hazardous substance and waste management, resource efficiency, and environmental and GHG accounting. Suppliers must demonstrate to Abt a clear understanding of the environmental risks, impacts, and responsibilities associated with the products and services they provide, and must have formal environmental policies in place to actively measure, manage, and mitigate these risks.



OUR WORK

AWS Public Safety & Disaster Response Competency

In 2019 Abt achieved Amazon Web Services (AWS) Public Safety & Disaster Response Competency status. This differentiates Abt as an AWS Partner Network (APN) member that provides specialized, demonstrated technical proficiency and proven customer success with implementing work focused on Disaster & Public Safety Data and Analytics Tools and Disaster & Public Safety Infrastructure Recovery Tools. Abt is dedicated to helping national and local leaders develop resilience through strong climate science and deep expertise modelling all the areas impacted by disaster, including transportation, health, housing, and energy. AWS provides Abt the tools and services we need to deliver highly precise predictive models and decision tools for decision makers at all levels.



Powering Grids with Clean Energy in the Lower Mekong Delta

Across Cambodia, Lao People’s Democratic Republic, Thailand, and Vietnam we are encouraging power-sector investments in environmentally friendly, clean energy sources, including bringing more renewable energy into electricity grids. Our approach is enabled by the public sector and led by the private sector to integrate flexible activities that strengthen power systems within and across borders. Leading Clean Power Asia, we are facilitating the deployment of renewable energy through the power grids of the Lower Mekong Delta. We have improved planning tools, fostered supportive policies, and mobilized the private sector. More than 400 developers, bankers, and others have been trained in project finance and modelling to invest in solar and wind technologies. To date, \$346 million has been invested to achieve 287 megawatts in renewable energy.

Project: Clean Power Asia

Funder: U.S. Agency for International Development (USAID)

Quantifying Public Health Benefits of Energy Efficiency and Renewable Energy

Air pollution from fossil fuel-powered electricity damages public health and leads to increased respiratory and cardiovascular illness and premature death. Quantifying public health benefits of energy efficiency and renewable energy (EE/RE) is critical to facilitating the transition to clean energy. Working with the U.S. Environmental Protection Agency, Abt developed benefit-per-kWh (BPK) values that can help estimate the monetized public health benefits of investments in EE/RE in different regions of the U.S.. The BPK values represent estimates of the monetized annual public health benefits resulting from emissions reductions associated with EE/RE projects, programs, and policies. There are different values for each combination of region, EE/RE intervention type (such as wind and solar), and discount rate, and the values reflect energy, air quality, and health benefits.

Project: Estimating the Public Health Benefits per-Kilowatt of Energy Efficiency and Renewable Energy

Funder: U.S. Environmental Protection Agency State (EPA) and Local Energy and Environment Program



3 GOOD HEALTH AND WELL-BEING

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Advancing the Sustainable Development Goals

— ANTI-CORRUPTION —

10 PRINCIPLE

Businesses should work against corruption in all its forms, including extortion and bribery.

The highest standard of integrity is expected in all of Abt's business dealings. We expect that all employees and representatives of Abt, including our suppliers, conduct business in an ethical manner in all countries of operation. Both Abt's employee Code of Conduct and the draft Supplier Code of Conduct state that all aforementioned parties shall abide by all applicable anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, Australian anti-bribery and

corruption laws, and applicable international anti-corruption conventions. Any and all forms of corruption, extortion, bribery, and embezzlement are strictly prohibited and may result in immediate contractual termination and legal action.

Abt provides procedures for complying with the global anti-bribery laws and training on our internal anti-bribery policy. We have a strict non-retaliation policy to protect from reprisals anyone who raises a concern or participates in an investigation. In addition, Abt maintains anonymous helplines that include a secure web-based portal for reporting any potential misconduct to Abt's management or the Board of Directors. Abt's draft Supplier Code of Conduct further details requirements across the topics of conflict of interest, anti-competitive behaviour, trade, and data privacy and security. It is Abt's intent that by accepting any buy-side contract from Abt Associates, suppliers will have to acknowledge their acceptance of the principles of decent business conduct as described by the code and their intention to comply with its requirements.

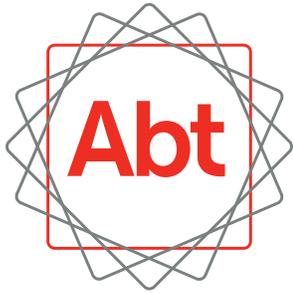




16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Advancing the Sustainable Development Goals



**BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT**

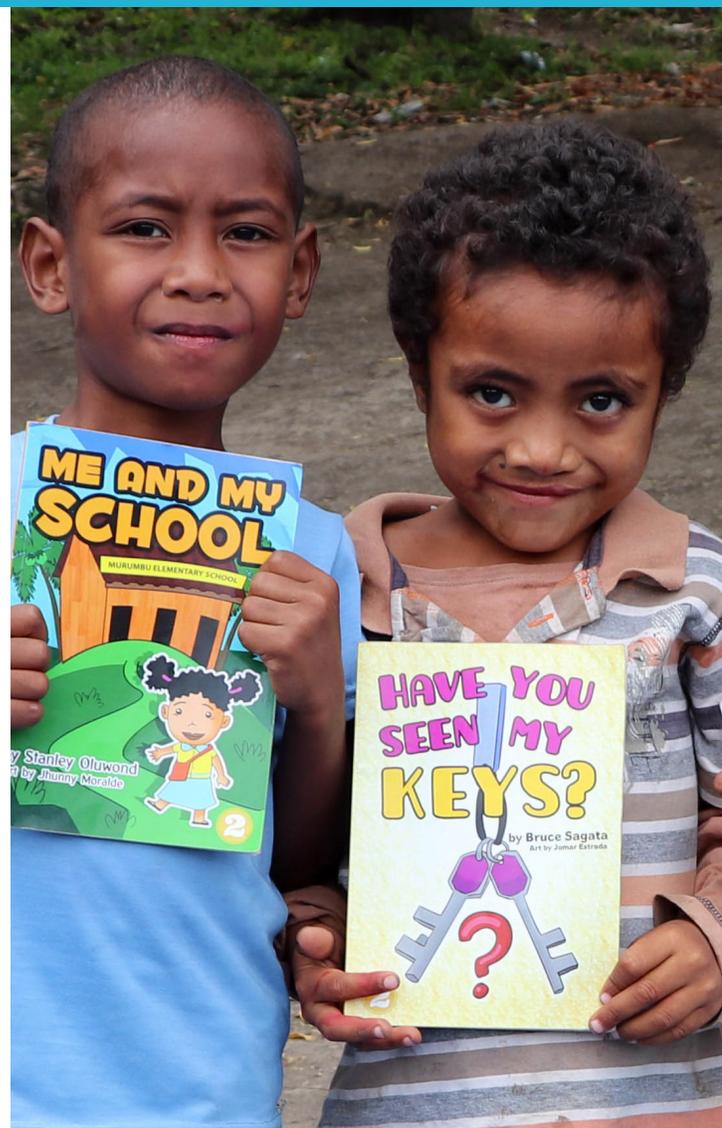
Founder Clark C. Abt, Ph.D.
Year Founded 1965
President & CEO Kathleen L. Flanagan
Employee 3,600+

Locations

Atlanta, GA | Baton Rouge, LA | Boulder, CO
Brisbane, AU | Cambridge, MA | Canberra, AU
Chicago, IL | Durham, NC | London, UK
New York, NY | Rockville, MD

Program Offices in More than 50 Countries

Australia & Asia-Pacific | Latin America & Caribbean
Middle East & North Africa | North America
South & Central Asia | Sub-Saharan Africa
UK & Europe



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