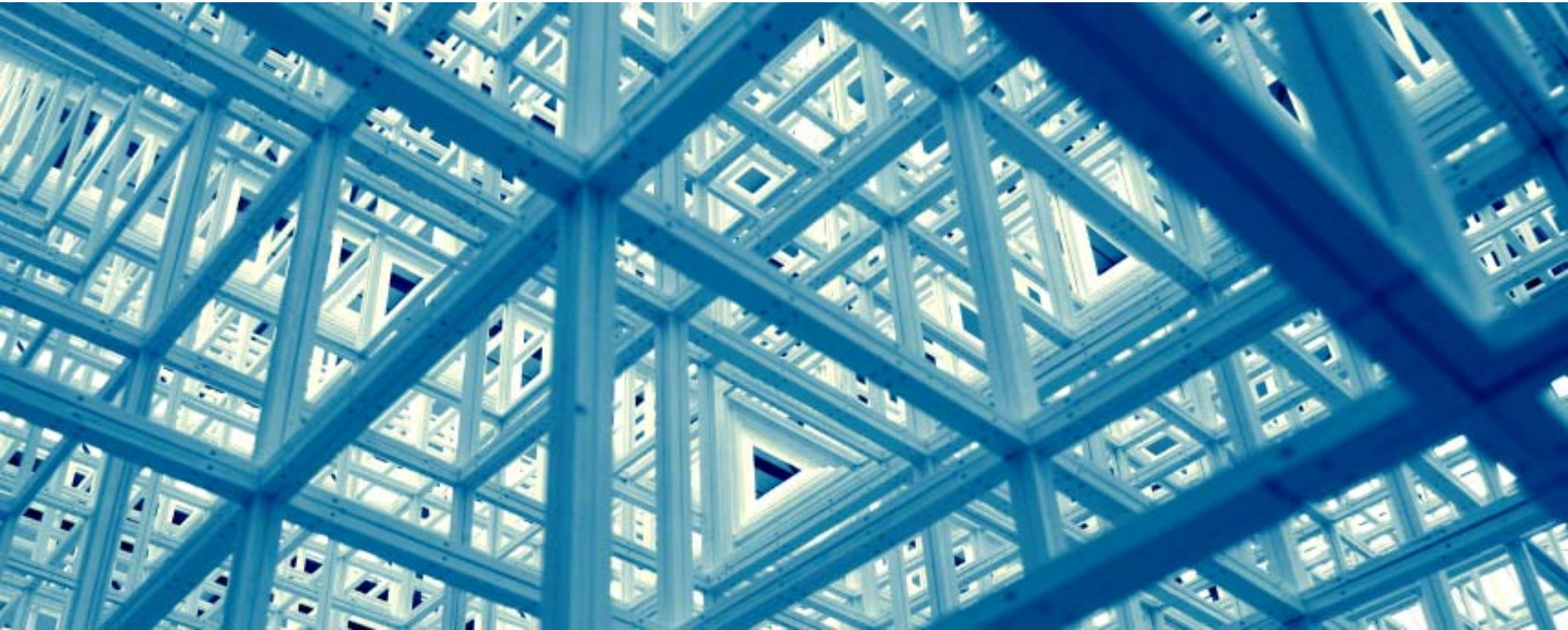


Framework LLC Communication on Progress

United Nations Global Compact



August 1, 2017

Strategies for Sustainable Advantage

Framework LLC is a respected advisory firm that helps leading companies unlock the full value of sustainable business practices—those that protect and grow their social, environmental, and financial forms of capital.

In a time of rapidly changing economic, sociopolitical, and environmental landscapes across the globe, this emerging discipline is indispensable for companies seeking new competitive advantages.



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Dear stakeholders:

We are pleased to present this, our second Global Compact Communication on Progress (COP).

We are in our fifteenth year assisting companies in their efforts to improve governance, align more closely with their stated values, and be more forward thinking and responsive to stakeholder expectations.

It is clear to us that our work has never been more important than it is right now.

The capriciousness of the current U.S. administration and its utter disregard for international cooperation on trade and climate issues, and the increasing polarization of views and xenophobic extremism in this country and around the world all present existential threats to business and society. It's become clear that the private sector has a critical role to play in advancing progress on society's most pressing issues: climate change, inequality, and the health and well-being of all humanity. All are intricately interconnected and interdependent. Our role at Framework is to help our clients understand how they can best use their talents and core businesses to make progress on these and other material issues in ways that reduce risk, build trust among key stakeholders, and position the companies themselves to thrive over the long term. This also happens to be our mission and where our greatest potential for positive impact lies.

To advance our mission, we must expand our work with current clients and continually reach new companies. We must also be profitable so that we can continue to invest in the development of our people and our products and services and evolve our thinking in ways that bring value to our clients and society.

In the current business climate, this is our greatest challenge and our greatest opportunity.

We continuously evaluate our business; build on what works for both clients and the firm; develop systems that enable us to work efficiently and effectively while complying with laws and increasingly stringent client requirements; focus on systematic improvement while retaining the best aspects of our culture.

In fact, our strong focus on maintaining a positive culture in which our people can bring their best selves to work and their best thinking to solving clients' problems led us to the number two spot on Fortune's 50 Best Small Workplaces list in 2016. We are mindful of the elements of a strong workplace culture and will continue to focus on building on the positive aspects of our culture while the business necessarily changes to adapt to the needs of our people and our clients.

For example, we recently expanded our Seattle office, in part because we see that as a growth market for Framework, and in part because some of our people wanted to call the Pacific Northwest home. This move presents both challenges and opportunities. We have built Framework as an on-the-move culture that allows for remote working. As people move to different locations, however, we recognize the challenges to professional development, oversight, and consistency, as well as increased costs to the firm in terms of travel, systems, and office space. We balance these considerations and are willing to undertake new working arrangements because we believe that both clients and the firm will benefit from the retention of key talent.

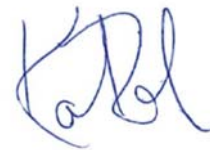
As promised in last year's COP, we have set goals that relate to the material issues we identified in 2016—**promoting sustainability, client satisfaction, growth and profitability, talent management, and effective marketing.** We have articulated goals and targets related to each of these throughout this report and have indicated how they are aligned with the UN Sustainable Development Goals. In the coming year, we will build a system for tracking and reporting progress on them.

Promoting sustainability is not only a material issue for Framework; it's the primary tenet of our mission. And while it's easy for us to point to our client work as the principal means of advancing our mission to promote sustainability, we know that's not enough. We must be advocates for change both in conversations with clients and in the public sphere. We increasingly use our voices as individuals and our collective voice as Framework representatives to advocate for public- and private-sector action that serves humanity, firm in our belief that good for humanity is good for business.

One example is our advocacy in favor of the United States' continued commitment to the Paris Accord. In January 2017 we signed the [Business Backs Low-Carbon USA statement](#), committing to do not only what we can to reduce carbon emissions in our own operations and personally, but also to advocate for our clients and for governments to do so as well. Once the Trump administration indicated that it might back out of the Paris Accord, we advocated on social media for remaining in and signed the [We Are Still In](#) pledge reiterating that commitment. We have backed up that pledge with our goal to offset the carbon emissions from our business travel. As of the publication of this COP we have offset emissions from all business travel in 2016.

Our focus in the coming year and beyond will be on honing our ability to help solve some of our clients' thorniest issues; driving profitable growth through efficiency and systematic improvements in performance; and expanding our network and influence among our key markets. We will advocate for action on society's greatest challenges and progress on the Global Goals. And through our own operations and advisory work with clients we continue to support the Ten Principles of the Global Compact.

As always, we welcome your feedback and look forward to fulfilling our promises to you.



Kate Rebernak
Founder and CEO

Who we are and what we do

Framework LLC is a unique firm, and a special place to work.

We are a mission-driven business: a specialty advisory and analytics firm that has been helping leading companies create and protect value through strategies for sustainably managing their financial, social, and environmental capital since 2003.

We are also a small business that thinks much bigger than our size: an entrepreneurial laboratory where we challenge ourselves daily to innovate and model the employee-centered management practices we encourage our clients to implement.

At Framework, we believe organizations that protect the environment, uphold human rights, engage in fair labor practices, develop sustainable products, and behave ethically reap significant financial and intangible benefits. In fact, our analyses have demonstrated that companies are most likely to outperform financially when such practices are embedded into operations and undertaken in the normal course of business.

Quick Facts about Framework

- Founded 2003; Offices in Stamford, Connecticut and Seattle, Washington
- Clients represented in the Fortune 500, S&P 500, Dow Jones Sustainability Index, and FTSE4Good
- Recognized as pioneers and leaders in materiality analysis
- Research cited by Harvard Business School faculty, *Bloomberg News*, and American Institute of CPAs
- GRI Organizational Stakeholder since 2005
- Experts in GRI reporting, SASB, IIRC, DJSI, CDP and other standards and frameworks
- Innovators in analysis and application of Bloomberg ESG data as well as financial value correlation analysis
- Strategic Counsel to the Global Compact Network USA
- Woman-owned business certified by WBENC
- Certified as a “Great Workplace” by Great Place to Work®; named #2 on Fortune’s 50 Best Small Workplaces ranking for 2016
- Winner of 2014 National Psychologically Healthy Workplace Award

Corporate sustainability is an approach to business that creates long-term value for a broad range of stakeholders by

- responding to the changing environmental, social, governance (ESG), and economic contexts in which a company operates;
- efficiently and responsibly deploying and protecting capital in its social, environmental, and financial forms; and
- uncovering and proactively managing a company’s key risks and opportunities—what we refer to as material issues.

For more information, visit www.framework-llc.com.

Promoting the ten principles of the UNGC

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure they are not complicit in human rights abuses.

Commitment, Policy, and Systems

Framework respects and supports the [Universal Declaration of Human Rights](#) and the [Guiding Principles on Business and Human Rights: Implementing the United Nation's Protect, Respect, and Remedy Framework](#).

We affirm the dignity, worth, and equality of every person. In Framework's employee handbook, we explicitly state that we treat every person with respect, and in return, expect a high level of personal integrity.

Actions and Outcomes

As a professional services firm, we do not have material human rights issues in our operations. Our clients, however, especially those with complex, global value chains, face various human rights challenges and risks.

We provide advisory services to help our clients assess risks and opportunities across a broad spectrum of human rights issues such as human trafficking, freedom of speech and movement, due process, and others. Over time we expect to build our capacity to review our own suppliers to ensure we are not unknowingly complicit in any abuses conducted by others.

Promoting the ten principles of the UNGC

Labor Standards

3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of compulsory labor;
5. the effective abolition of child labor;
6. and the elimination of discrimination in respect of employment and occupation.

Goal

Ensure inclusion of diverse candidates in recruiting for open positions, including via direct outreach through personal networks and social media.

Commitment, Policy, and Systems

Framework upholds the Global Compact principles related to freedom of association, elimination of compulsory and child labor, and nondiscrimination. We have explicitly committed to nondiscrimination in our hiring practices, and our employee manual contains provisions related to equal opportunity employment and spells out actions both employees and management can take when concerns or disputes arise. A nonretaliation clause reiterates that employees will not be penalized for proper use of the dispute-resolution procedure.

Actions and Outcomes

We engage in robust discussions with our clients about labor standards in the workplace and supply chain. Key conversations and analytical work have centered on diversity and inclusion across management and employee ranks.

We have held some of those same discussions with regard to our own operations and are seeking ways to improve the diversity of our firm membership. Our recruiting process explicitly targets the inclusion of diverse candidates who can bring a varied set of perspectives to our work—whether ethnic, cultural, philosophical/religious, generational, or with regard to sexual identity or orientation.

Promoting the ten principles of the UNGC

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Goal

Offset all carbon emissions associated with Framework's business travel (on an annual basis).

Commitment, Policy, and Systems

As an office-based professional services firm, Framework's environmental footprint is relatively small; our greatest contribution to the reduction of environmental impacts comes through our advisory services and thought leadership. Nonetheless, we have undertaken to reduce the environmental footprint of our own operations.

We established our headquarters in Stamford, Connecticut, to facilitate a variety of employee lifestyle choices (urban, suburban, rural), all connected by major transit corridors and access to public transportation. Most of our employees do not drive to work but rather take trains or buses or walk. In addition, many employees are offered the opportunity to work from home one or two days per week.

The primary equipment we use includes desks, chairs, computers, printers, and smartphones. When purchasing new inventory or office furniture, we consider the environmental impacts of potential purchases. We recycle materials as possible, print as little as we can, and fly sparingly.

Actions and Outcomes

Beyond our own footprint, we have a significant impact in facilitating the enhanced environmental performance of our clients. We are involved on multiple fronts related to their efforts to improve environmental performance, including, among others:

- Initial identification of material environmental issues as well as stakeholder expectations around environmental performance
- Analysis of environmental megatrends and their impacts on companies' risk and opportunity profiles
- Collection of environmental data, including for purposes of developing greenhouse gas inventories
- Development of environmental goals and targets, including linkages to the Global Compact Principles and the Global Goals
- Disclosure of environmental impacts and performance in sustainability reports and communications
- Submission of environmental data through mechanisms such as the CDP and Dow Jones Sustainability Index questionnaires to help identify gaps in environmental performance and transparency

Committing to the Low-Carbon USA Pledge

In May 2017, Framework LLC joined one thousand companies and investors in signing the [Business Backs Low-Carbon USA](#) statement, reaffirming our commitment to the Paris Climate Agreement.



The image shows a screenshot of two tweets. The top tweet is from Framework LLC (@SustainStrategy) dated May 8. The text of the tweet asks if the user's business has signed the #LowCarbonUSA statement and encourages joining the @SustainStrategy group. Below the text is a graphic for the 'LOW-CARBON USA' pledge. The graphic features the text '1,000 AMERICAN BUSINESSES BACK CLIMATE ACTION' in large blue letters, with a silhouette of a city skyline below it. At the bottom of the graphic, it says 'See who at LowCarbonUSA.org'. The bottom tweet is from A Dobkowski-Joy (@adjoy1) dated May 8. The text of the tweet states that she and @SustainStrategy pledge to do their part to create a #LowCarbonUSA and asks US leaders to do the same. Below the tweets are icons for reply, retweet, like, and share.

Framework LLC @SustainStrategy · May 8
Has your biz signed the #LowCarbonUSA statement yet? Good week to do it. Join @SustainStrategy +100s of others! [lowcarbonusa.org](#) #CSR

LOW-CARBON USA
1,000 AMERICAN BUSINESSES
BACK CLIMATE ACTION

See who at [LowCarbonUSA.org](#)

A Dobkowski-Joy @adjoy1 · May 8
We @SustainStrategy pledge to do our part to create a #LowCarbonUSA and ask US leaders to do the same [lowcarbonusa.org](#) Join us! #ESG

We pledge to do our part, in our own operations and beyond, to support a global economy that limits global temperature rise to well below two degrees Celsius. In 2017, we offset 28 mt of carbon emissions by purchasing carbon credits generated by [COTAP.org](#)'s portfolio of carbon offset projects.

As signatories, we call on our elected U.S. leaders to support:

- low-carbon policies;
- investment in the low-carbon economy; and
- continued U.S. participation in the Paris Agreement.

“The value of Paris to businesses is the clear market signal that the future is in lower carbon, rather than a chaotic and unsustainable future of business disruptions from rising seas and changing weather patterns.”

- American Sustainable Business Council

Promoting the ten principles of the UNGC

Anti-Corruption

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

Goal

Update the Framework Employee Handbook on an annual basis and ensure each employee reads and understands handbook provisions, especially as related to ethical behavior.

Commitment, Policy, and Systems

We attribute much of Framework's success and reputation to our commitment to fair dealing and ethical conduct. Our internal policies make clear that unethical practices will not be tolerated and will result in prompt disciplinary action, up to and including termination of employment. We specifically prohibit, for example:

- Paying or accepting bribes, kickbacks and other illegal payments in any form from anyone for any purpose
- Failure to disclose conflicts of interest
- Falsifying or altering any company records or reports
- Disclosing confidential information
- Violating any provision of the [Foreign Corrupt Practices Act](#)

Actions and Outcomes

Employees receive a copy of the Framework employee handbook upon hire and are required to certify that they have read and understood provisions outlined therein. Employees must report any actual or suspected illegal or unethical behavior to their supervisor or a firm partner.

In addition to explicit prohibitions of unethical behavior, our culture strongly reinforces ethical practices. We never take for granted the trust that our clients place in us and have put in place systems, processes, and a culture of discretion to protect the confidentiality of client information.

In our advisory work, we encourage clients to report publicly on the key provisions of their ethics, compliance, and anticorruption policies and systems, and to disclose both the reported and substantiated instances of ethics violations they have recorded as well as corrective actions taken.

Our role as strategic counsel to UNGC Network USA

Global Compact Network USA

Global Compact Network USA is the local network of UNGC signatories in the United States. Launched in 2007, the Network is a forum designed to bring U.S.-based signatory companies (and U.S.-based units of foreign companies) together with stakeholders from the public sector, civil society, labor, academia, and other spheres in order to advance the values and the ten principles of the United Nations Global Compact.

Since 2012, Framework has contributed to the development and execution of Network USA's strategic plan and programming. We have also refined and strengthened Network communications, from web and social media presence to relationships with Global Compact personnel, prospective signatories, signatories, and other local networks.

For more information, please visit the Network's website:
<http://www.globalcompactusa.org/>.

Framework's mission is to:

- Promote sustainability
- Consciously evolve for the benefit of our clients, our peers and ourselves
- Build strong, lasting relationships and
- Be bold, thoughtful and responsive in all we do

One way in which we live our mission while directly supporting greater awareness of and adoption of United Nations Global Compact principles is through our role as strategic counsel to the Global Compact Network USA.

The United Nations announced the Global Goals for Sustainable Development in September of 2015. These global priorities set aspirations and targets to be achieved by 2030 and consist of 17 goals and associated sub-goals and targets. Learn more about the Global Goals at: <http://www.globalgoals.org/>.



Global Compact Network USA Programming



Webinar: Understanding the COP and the Value of Disclosure

Held in July 2016, this [webinar](#) covered the latest trends in corporate sustainability reporting and provided an overview of the UN Global Compact's Communication on Progress.



Webinar: Mobilizing Private Sector Engagement in Humanitarian Action

Held in October 2016, this [webinar](#) featured panelists sharing various perspectives on the role of business in supporting humanitarian action, especially as related to the refugee crisis.



Workshop at NYU: Business-University Collaboration on the SDGs

In November 2016, the Center for Responsible Business at NYU's business school hosted a Network USA [workshop](#) to explore methods of collaboration between businesses and universities to help achieve the Sustainable Development Goals.

2016 Governance Meeting



Annual Governance Meeting

In December 2016, Network USA's Board of Directors invited all of the network's participants to its annual [governance meeting](#) to reflect on the Network's activities in 2016 and plans for the year ahead.

Network USA Programming (cont.)



Webinar: Zero Hunger: How U.S. companies can help achieve SDG 2
In December 2016, this [webinar](#) covered how U.S. companies large and small can contribute to making food systems more resilient, distribute food effectively at a global scale, and build an effective agricultural supply chain in a resource-constrained world.



Regional Meetups: San Francisco, New York, Washington DC
Network USA held three regional meetups between February and April 2017 to allow signatories to meet each other, discuss the new business model of the UNGC, and offer feedback on their expectations of the UNGC and Network USA.



2017 Symposium: Making Global Goals Local Business
In July 2017, Network USA held its flagship event: the annual [symposium](#). Individuals from many sectors and types of organizations gathered in New York to discuss actions the private sector can take to advance progress on the Sustainable Development Goals.

Framework's support for the SDGs



Ensure healthy lives and promote well-being for all at all ages

Targets

- 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and [promote mental health and well-being](#) Framework has built a workplace culture that promotes psychological and physical health, healthy work/life integration, a positive and respectful work environment, and healthy habits.
- 3.8 Achieve universal [health coverage](#), including financial risk protection, [access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines](#) for all Even though we are a small business, Framework offers employees who work >30 hours/week the opportunity to participate in the company group health plan. Framework pays 75 percent of health premium costs for employees and 37.5 percent of health premium costs for employee dependents.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Targets

- 4.7 By 2030, [ensure that all learners acquire the knowledge and skills needed to promote sustainable development](#), including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development Framework regularly publishes thought-leadership pieces that highlight the business value of sustainability concepts and serve as tools and useful reference for making the business case for performance on key ESG issues.
- For example, our [Sustainability Disclosure and Rankings Almanac](#) provides summaries of many of the leading sustainability frameworks and rankings and their associated deadlines.

Framework's support for the SDGs

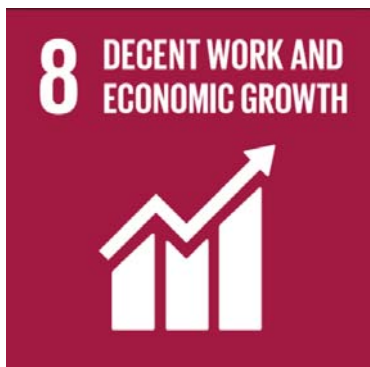


Achieve gender equality and empower all women and girls

Targets

5.5 Ensure **women's full and effective participation and equal opportunities for leadership** at all levels of decision-making in political, economic and public life

Framework is a woman-owned business that models a successful and diverse approach to leadership. We promote the participation of all team members in societal discourse and decision-making.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Targets

8.3 Promote development-oriented policies that support productive activities, **decent job creation**, entrepreneurship, creativity and innovation, and encourage the formalization and **growth of micro-, small- and medium-sized enterprises**, including through access to financial services

As a small business, Framework is part of the significant majority of companies falling into the micro, small, and medium-sized category. We are focused on growing our firm to not only serve more companies and expand our influence, but also to create employment, contractor, and partnership opportunities.

Framework's support for the SDGs



Ensure sustainable consumption and production patterns

Targets

- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

As a trusted advisor, we counsel large, multinational companies as to how to identify, address, and integrate sustainability priorities into their business operations. We produce and develop sustainability reports, communications, and disclosures that present quantitative and qualitative information as to progress achieved.

We promote the use of digital media with our clients to broadly disseminate sustainability information and disclosures. We also encourage clients to consider other communications channels and mechanisms so as to reach key stakeholders and expand access to information.



Take urgent action to combat climate change and its impacts

Targets

- 13.2 Integrate climate change measures into national policies, strategies and planning

In 2017, Framework signed the [Business Backs Low-Carbon USA](#) statement, re-affirming our deep commitment to addressing climate change through the implementation of the Paris Agreement. We continue to support local, state, national, and international policies to accelerate climate action, awareness, and mitigation. We also purchase carbon credits to offset our unavoidable carbon

Framework's support for the SDGs



Strengthen the means of implementation and revitalize the global partnership for sustainable development

Targets

Multi-stakeholder partnerships

- | | | |
|-------|---|--|
| 17.16 | Enhance the global partnership for sustainable development , complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries | Framework serves as the strategic counsel for the UN Global Compact Network USA. In this capacity, we promote multi-stakeholder partnerships in support of the UNGC and SDGs. |
| 17.17 | Encourage and promote effective public, public-private and civil society partnerships , building on the experience and resourcing strategies of partnerships | Through our work with the UNGC Network USA, we facilitate engagement, learning, and best-practice sharing with regard to enhancing the effectiveness of the network and ability to take collective action. Framework is also a UNGC signatory. |

Data, monitoring and accountability

- | | | |
|-------|---|---|
| 17.19 | By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product , and support statistical capacity-building in developing countries | We are an organizational stakeholder of the Global Reporting Initiative (GRI) and participate in reviewing, commenting on, and applying disclosure principles and measurements promoted by the GRI, the Sustainability Accounting Standards Board (SASB), the International Integrated Reporting Council (IIRC), and other disclosure initiatives. In our own thought-leadership efforts and on behalf of our clients, we continue to explore linkages between ESG performance and financial results. |
|-------|---|---|

Our material issues

Framework's material issues

In 2016, as part of the process of developing our first COP, we conducted a comprehensive materiality analysis. Through internal evaluation and external stakeholder engagement, we identified five issues of highest relevance to our business objectives and impacts, and of highest importance to our stakeholders.






A full description of our materiality analysis process is available in our [2016 COP](#).

Framework's material issues reflect the nature of our business and the expectations of our stakeholders. They also demonstrate that the highest contribution to progress on the ten Global Compact principles lies external to our operations. Namely, the delivery of insightful client advisory services enables us to substantively contribute to progress on human rights, labor issues, environmental protection, and anticorruption.

Framework's material issues

- PROMOTING SUSTAINABILITY
- CLIENT SATISFACTION
- GROWTH AND PROFITABILITY
- EFFECTIVE MARKETING
- TALENT MANAGEMENT

Progress on our material issues

Material issue		Description of Progress
Promoting Sustainability		<ul style="list-style-type: none"> • Clarified and refined our core services • Expanded the reach of the Global Compact Network USA by 25 percent in 2016, from 373 to 465 members • Signed the Business Backs Low-Carbon USA statement, re-affirming our commitment to the implementation of the Paris Agreement
Client Satisfaction		<p>Over the past year:</p> <ul style="list-style-type: none"> • Achieved 100 percent client retention • Conducted post-project debriefs with all clients • Developed a client contract compliance database to track and ensure continued compliance with all client requirements
Growth and Profitability		<ul style="list-style-type: none"> • Established a Seattle office • FY16 revenue was flat relative for FY15 • Strengthened operations, communications, engagement, and analytics teams
Effective Marketing		<ul style="list-style-type: none"> • Completed build out of new CRM system • Refined strategy to reach new entrants (smaller companies just starting to embed sustainability) • Developed comprehensive sales materials and evolved positioning • Developed new quarterly campaigns system
Talent Management		<ul style="list-style-type: none"> • Achieved #2 rank on Fortune Best Places to Work (small and medium-sized businesses) • Integrated direct outreach to diverse candidates into recruiting process for open positions

Our priorities: Promoting Sustainability

The quest for a more sustainable global society, economy, and planet is what drives us to excel on behalf of our clients and the firm itself. Each of us has chosen Framework in order to promote sustainability: we believe in this work, and we believe we are making a difference with every engagement we undertake.

The primary way in which we promote sustainability—and facilitate progress on the Global Compact’s Ten Principles—is through client service. We most frequently advise large, publicly held, U.S.-based corporations in various sectors, including chemicals, consumer packaged goods, energy, financial services, healthcare, heavy industries, information technology and hardware, media, and transportation, among others.

Our direct client work is supported by the considerable time and effort we dedicate to internally generated and funded research on cutting-edge topics. We engage in thought-leadership activities such as publishing research papers, articles, and infographics; presenting webinars; and speaking at conferences and events.

PROMOTING SUSTAINABILITY

- *Impact and influence with clients and society*
- *Leading change to transform organizations*
- *Implementing our Mission, Vision, and Values*

1. Assessment

- **Materiality Analysis**
- **ESG Research and Analytics**
 - Benchmarking
 - Trend and Risk Forecasting
 - Custom Research and Assessments
- **ESG Management Assessment**
- **Stakeholder Engagement**

2. Optimization

- **Strategic Planning**
 - Sustainability Vision and Roadmap Development
 - Decision-making Criteria
- **Implementation Support**
 - Governance Structures
 - Policy Development
 - Goals Development and Metrics Prioritization
 - Program Design and Assessment
 - ESG Data Management

3. Transparency

- **360° Disclosure Management**
 - Sustainability Reporting and Scorecards
 - Ratings and Rankings Enhancement
 - Questionnaire Support
- **Sustainability Branding and Messaging Strategy**

Our priorities: Promoting Sustainability

Small and medium enterprises (SMEs)

While the majority of Framework’s clients are large, publicly traded corporations in the S&P 500 and 100 indices, we also serve smaller-cap publicly traded and privately held firms, nonprofit organizations, and industry associations.

In fact, some of our most interesting and influential work is through our partnerships with small- and medium-sized clients. By helping these firms embrace more sustainable business practices at an early stage, we can greatly amplify the impacts and benefits of our work as our clients grow.

We have found that what smaller organizations might lack in financial or human resources, they make up for in their agility and capacity for substantive change. As such, we strive to meet our smaller clients where they are—delivering tools, insights, and recommendations that are both valuable and realistic within their operating contexts.

Starting down the right path

Framework services with the greatest utility for our smaller clients include:

- **Level-set workshops:** bringing together cross-functional leaders to foster shared interpretations of “sustainability” and devise coordinated approaches to relevant sustainability issues
- **Benchmarking:** assessing peer organizations’ sustainability issues, practices, disclosures, and performance as a basis of self-evaluation
- **Stakeholder engagement:** Framework-facilitated interactions with key external stakeholders to understand their concerns, solicit their feedback, and earn their trust and partnership
- **Board and executive memoranda:** communications to leadership that shed light on organizations’ sustainability risks, opportunities, and proposed courses of action
- **“Outsourced CSO”:** in some cases Framework will manage all aspects of an SME’s sustainability efforts, serving as an outsourced Chief Sustainability Officer

PROMOTING SUSTAINABILITY

- *Impact and influence with clients and society*
- *Leading change to transform organizations*
- *Implementing our Mission, Vision, and Values*



Framework’s KT Michaelson and Alec Lager journey to the ends of the earth to promote sustainability and facilitate a client’s stakeholder-engagement efforts (Alaska)



Aleksandra Dobkowski-Joy experiences a much-different climate while learning about biomimicry’s application to sustainable business at GreenBiz17 (Arizona)

Our priorities: Client Satisfaction

Building relationships

Building trusted, long-term client relationships is essential to our success and ability to further our mission. So we enter each new client engagement invested in the client's success and focused on delivering value aligned with their long-term objectives.

In initial conversations with prospects, we openly share our approach, culture, and expectations and ask probing questions to elicit similar information, to ensure good cultural fit. Most importantly, we explore whether a potential client is authentically committed to pursuing substantive actions and disclosures to improve their performance.

Once we enter an engagement, our role is multifaceted. Along with expertise on a wide range of ESG issues and their business and financial impacts, we deliver encouragement and support; strategies for addressing challenges; and tools, resources, and connections to people that can facilitate progress.

We also offer constructive critique, providing objective advice on proposed strategies, activities, or communications. Our aim is always to ensure credibility with internal and external stakeholders.

Measuring success

We continually work to measure, in both quantitative and qualitative terms, how successful we are in helping our clients. We do this to ensure that we continue to efficiently provide outstanding service so as to build strong, lasting partnerships with our clients—another element of our mission.

We track progress using a custom-built project-management platform and a customer-relationship-management system. We use a number of indicators to measure client satisfaction, including the average tenure of client relationships: Nearly half of our clients have worked with us for at least five years.

In addition to quantitative measures of client satisfaction, we seek qualitative feedback through a structured debrief process following the completion of every project. We use this feedback to continuously improve our technical performance and enhance our services.

CLIENT SATISFACTION

- *Client engagement*
- *Relationship strengthening*
- *Adhering to the Framework promise.*

The Framework Promise

We will

- Listen. Carefully.
- Call it as we see it.
- Keep our eye on the big picture while paying meticulous attention to the details.
- Ask you to examine your opportunities, risks, responsibilities, challenges, achievements, and shortcomings with an honest eye.
- Bear in mind the difference between “ideal” and “possible.”
- Hold ourselves and our work to exceedingly high standards.
- Be enjoyable to work with and help you through the tough days.

Our priorities: Growth and Profitability

We are staunch believers in the power of capitalism as an engine for positive economic and societal development. We also know that financial sustainability is essential to the viability of any business model. These beliefs guide both our work with clients and how we set our own growth and profitability goals.

Profitability, in particular, is critical to our ability to create the conditions necessary for our team members to deliver exceptional service to clients. We need to maintain healthy profit margins to be able to attract and retain the best people with competitive compensation and benefits. Profitability enables us to invest in productivity tools such as data services and project-management platforms, in IT and data-security infrastructure, and in services to advance our professional development such as research publications and conference participation. Profitability also allows us to invest in research to advance our own thinking and that of our peers and clients.

These investments inform our perspectives; enable us to provide exceptional service to clients, improve efficiency and productivity, and manage risk; and further our mission to promote sustainability, consciously evolve, and build strong lasting partnerships.

Framework's growth model

We seek to grow our business to advance our mission to promote sustainability. Our growth model consists of *intentional relationship management*, *thoughtful business development*, and *conscious capabilities evolution*.

Intentional relationship management. We place high priority on our client's interests and the long-term good of our relationship with them. By going above and beyond in supporting our clients—both in their individual career development and their corporate practices—we foster mutual, long-term growth.

Thoughtful business development. We aim to grow, but not for the sake of growth only. Our business development is strategic and undertaken so that we can grow responsibly, invest sensibly, and retain the very best aspects of our firm culture. We also seek out clients whose values and objectives align with our own.

Conscious capabilities evolution. We pursue innovation as a core value. Our insights not only contribute to thought leadership but also keep us on the cutting-edge of advisory and analytics that promote more sustainable business practices.

GROWTH AND PROFITABILITY

- *Pricing, profitability, and competitiveness*
- *Ability to continue to serve clients and engage partners*
- *New and enhanced services and capabilities*
- *Cost control and efficiency*
- *Protection of intellectual property*

Our priorities: Growth and Profitability

Challenges to growth

Our ability to achieve meaningful organic growth faces several challenges, including:

- consolidation and increasing competition, in particular from larger and better-resourced firms that have established relationships with companies in other areas of operation;
- relatively small client/company budgets for action on what often continues to be considered a cost center as opposed to a value generator;
- commoditization of some services that were once considered bespoke;
- increasingly stringent operational and insurance requirements such as the requirement to subscribe to supplier-management platforms and high levels of insurance coverage and conduct cybersecurity risk assessments; and
- our own tendency to go “above and beyond” to serve a client’s needs in the service of continuing and strengthening relationships.

We address these issues by ensuring that we are in compliance with all customer requirements; investing in the development of our employees’ professional capacities and expertise; continuing to deliver exceptional service while improving efficiency and productivity, and developing tools and services that add value to key client services. By the same token, we are challenged to keep our fees low, especially by legacy clients, even in the face of rising costs of operation.

GROWTH AND PROFITABILITY

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The team kicking off a brainstorming session at our Seattle office.

Launching our Seattle office



In July, Framework brought together accomplished members of Seattle's sustainability, business, and civic community to celebrate the opening of our office there. Guests mingled on a rooftop deck sampling sustainable foods and wines while enjoying lively conversation backed by a vibrant salsa band and surrounded by expansive Puget Sound views.

While Framework has long had ties to the Seattle community, 2017 was our first year to establish an office in the area, an epicenter of sustainability leadership.

The launch opens many new strategic opportunities for the firm in the country's fastest-growing city.



Our priorities: Effective Marketing

In today's din of digital messages continually clamoring for our attention, carving out a space and platform where we can introduce ourselves to prospective clients, partners, and employees takes considerable effort and attention. Most of all, we look for ways to share our capabilities in ways that provide value rather than more clutter.

Our marketing approach harkens back to our mission in being bold, thoughtful, and responsive in all we do. We develop materials to share with clients and prospects that demonstrate our ability to locate and interpret complex data and help solve challenging problems. Even when recruiting, we customize our job descriptions to offer a taste of Framework's character, whether it be highlighting our culture of full engagement or pointing out our penchant for "freakishly high" quality standards. In short, we seek to put out useful and actionable information so that our stakeholders derive value from every interaction they have with us.

Our thought leadership work has been cited by Bloomberg, Harvard Business the [American Bar Association](#) and published by [American Institute of CPAs](#), [Compliance Week](#) and [Food Dive](#).

A new strategy

In 2016 and 2017, we updated and sharpened our service offerings and evolved both our prospecting targets and methods. Our work included:

- Developing new research on materiality analysis uptake among the S&P 500
- Fully implementing a new CRM system and populating it with data on thousands of companies
- Developing and testing a new service area/positioning with significant potential for the firm
- Defining the most comprehensive and prioritized structure for undertaking and coordinating marketing activities we've ever had
- Developing a [Disclosure Almanac](#) to help corporate sustainability professional keep track of questionnaire release dates and deadlines

EFFECTIVE MARKETING

- Earning visibility through cutting-edge content and thought leadership
- Effective sales techniques and systems
- Sharing new ideas and unique perspectives in ways that cut through clutter



Our priorities: Talent Management

Our talented, passionate employees make our success possible. Through the application of our collective talents, skills, and expertise, we devote ourselves to intrinsically meaningful work and seek to create a sustainable future for ourselves and our clients.

As a values-driven organization whose mission is to promote sustainability, we attract dedicated and passionate individuals from all disciplines and backgrounds. We are scientists, analysts, anthropologists, economists, researchers, lawyers, and communicators, all sharing a similar vision and purpose. We enjoy an energetic, intellectually stimulating work culture punctuated by moments of irreverence. We also really like dogs.



Barley accompanies Alec on a watery adventure!

Our recruiting process is firmly rooted in identifying individuals who will bring their best selves to work every day in a spirit of full engagement. We ask applicants and new hires to take both the [StrengthsFinder](#) and [Neethling Brain Instruments](#) (NBI™) assessments. We use these tools to better understand each individual's ideal working style and preferences. We then refer to our strengths and right-brain/left-brain profiles in customizing roles and planning team structures, staffing for specific projects, and interacting with each other on a daily basis.

Our recruiting efforts also incorporate direct outreach to diverse applicants in order to strengthen our pool of candidates for open positions. Creating a diverse workplace is part of Framework's long-term strategic vision as we seek to develop creative solutions to addressing ESG issues for our clients and ourselves. By embracing different perspectives, skills, and talents, we can enhance the quality and tenor of our ongoing conversations—thereby increasing the quality of our ideas and service to clients.

TALENT MANAGEMENT

- *Attracting, recruiting, and retaining talent*
- *Includes: benefits, office location, and work space; flexible work arrangements; competitive compensation*

Framework's values speak to who we are and how we work:

- Committed to a better world
- Reliable and accountable
- Positive and energetic
- Collaborative and supportive
- Pragmatic and value-focused
- Leaders and innovators
- Always learning and sharing

Framework updated its employee handbook over the past year to provide transparency and clarity with regard to expectations for “how we work”. The handbook clearly communicates expectations and ensures that all employees are treated fairly.

Our priorities: Talent Management

Building Trust

Framework is proud to have been certified as a Great Place to Work and to be named to the #2 spot on Fortune's Best Places to Work list. These achievements reflect how hard we work at building a high-trust culture. We use the Great Place to Work survey as an opportunity to measure employee engagement and to understand how we can improve. We believe that having a healthy culture is better for business and gives us a competitive advantage in the marketplace.



TALENT MANAGEMENT

- *Attracting, recruiting, and retaining talent*
- *Includes: benefits, office location, and work space; flexible work arrangements; competitive compensation*



Our priorities: Talent Management

Creating a culture of full engagement

We pay close attention to creating an atmosphere of collegiality and collaboration, and take care to avoid “office politics” or other drama. Every employee has access to other employees and the firm’s management and is fully empowered to bring any issue to the attention of their manager or the partners.

Frequent conversations and engagement opportunities in the form of casual, formal, and social events keep us connected, actively engaged, and candid with each other. In the first week of each January we hold a day-long annual meeting during which we evaluate the year past and ensure alignment on focus areas for the coming quarters. During that week we hold our annual post-holiday party, complete with White Elephant gift exchange.

We also deploy anonymous surveys periodically with the support of an organizational psychologist to gauge employee satisfaction, engagement, and energy levels.

Benefits of working at Framework

- Competitive compensation packages, including the opportunity to participate in Framework’s group health plan and 401(k) with employer match and profit-sharing contributions
- Generous time off, not based on seniority: 15 days of personal time, all federal holidays, and paid week off between Christmas and New Year’s Day
- Flexible hours and work schedules with opportunities to work from home
- Paid and unpaid family leave corresponding to seniority at the firm (including maternity/paternity leave or to care for an ill family member)
- Annual performance reviews for all employees; regular check-ins throughout the year
- Employee development and training opportunities to help individuals attain expertise in specialized areas
- Summer “Flex Fridays”: employees can take Friday afternoons off during the summer as long as all work obligations are met.

TALENT MANAGEMENT

- *Attracting, recruiting, and retaining talent*
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Framework’s commitment to work-life balance means that I have the ability to arrange my work schedule around personal appointments and life events without having to take personal leave. This past year, I was fortunate to be able to move to our Seattle office and join our growing team in the Pacific Northwest. –KT Michaelson, Director of Analytics

Framework takes a very modern and thoughtful approach to its employee’s working arrangements. Our firm partners recognize the attractiveness and lifestyle value of telecommuting and try to balance that with the cultural value of congregating in our offices. Personally, I’ve spent the past few years following the movement of my wife’s medical training across three different states, and Framework has done an incredible job accommodating that complexity. Life is fluid, and they get that. –Alec Lager, Director of Strategic Services

Our priorities: Talent Management

Promoting wellness

Framework believes all employees should work in a safe and comfortable space where they can perform at their best. Our Stamford office is equipped with ergonomic tools at every work station such as standing desks, dual monitors, and noise-cancelling headphones.

Employees are encouraged to take walking breaks or hold meetings outdoors for purposes of renewing energy and focus. The office layout provides everyone with access to natural light. We also have a “quiet room,” a space designed for taking private calls, meditating, or napping. Raisins, almonds, apples, clementines, and other healthy snacks—along with the occasional indulgence—are on offer for morning snacking or afternoon pick-me-ups.

Framework strives to promote a healthy relationship between work and home responsibilities. We encourage employees to take all of their personal time each year to reenergize and gain new experiences.

Supporting employee development

During annual reviews, all Framework employees identify opportunities and set goals for improving their professional skills. Over time, individual roles are fine-tuned to maximize employees’ contributions. We also provide personalized support and peer encouragement to ensure well-rounded growth.

At the same time, we allocate high levels of responsibility and independence to every employee. The entrepreneurial nature of our work and the spirit of the firm are an enormous factor in employee motivation and growth. At Framework, people excel because they love what they do.

We have established a paid summer internship program to provide opportunities for undergraduate and graduate students to gain experience in working for a different kind of consulting firm. These highly competitive positions infuse our office with new energy and ideas while providing a pipeline for potential future hires.

TALENT MANAGEMENT

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Promoting our values via NoteWorths

We recognize and appreciate talent. “NoteWorth” cards give every employee an opportunity to recognize another employee for exemplifying Framework’s values. Each card represents a value, which is listed on the reverse side. Employees handwrite a brief message on the blank side of the card and hand it to the person who they feel has demonstrated true Framework value. The Noteworthy is accompanied by a “taco token” redeemable at a local restaurant.

Millennial Matters

Framework’s 2017 summer internship program attracted more than 50 candidates eager to pursue corporate sustainable career paths and drive positive global change through their work.

Our priorities: Talent Management

Fostering a culture of learning

Over the past twelve months, we have specifically focused on our value of “always learning and teaching.” As a trusted advisor to large corporations, we are relied on to provide cutting edge thinking and analysis, generated from an idea-sharing and problem-solving culture. Our emphasis on constant learning also translates into developing employees by building confidence, increasing engagement, and motivating growth.

Every week, Framework’s offices (both East and West coasts) convene for a Monday Morning Meeting. Our first agenda item is: “What’s happening in our world?” By allowing time for reflection on events and activities outside of our immediate project work, employees can more clearly evaluate trends, anticipate and plan for change, and develop a more future-oriented mindset in serving our clients.

We encourage employees to be bold thinkers and take action to promote progress on ESG issues, whether that be participating in climate marches, writing letters to legislators on public policies, or volunteering their time with issue-specific organizations.

Framework offers employees, from recent hires to more seasoned staff, specific learning opportunities such as the ability to attend events, seminars, conferences, and webinars.

I was able to take part in a three-day training on the Greenhouse Gas Protocol’s Corporate Standard. I had worked on greenhouse gas reporting in the past, but had never been formally trained. I’ve already used the knowledge I received from the training in projects and I feel much more confident now in projects and conversations pertaining to the subject. –Faith Nicholas, Analyst

TALENT MANAGEMENT

- *Attracting, recruiting, and retaining talent*
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Attending the Net Impact conference last fall provided me with new ways to sharpen my own skills, which gave me even more confidence in my job. This opportunity helped me to not only be competent in my job but excel in it! I appreciate the thoughtful support from Framework that give me the opportunity to shape the direction of my career. –Cristina Tyler, Senior Analyst

On my first day, Framework set the tone for the educational support they would provide by ensuring access to an event hosted by the United Nations and the New York University Stern School of Business, on Climate Action: Mobilizing the World. The conversation with Secretary-General António Guterres allowed me to stay abreast on the most relevant UN initiatives to my work. –Adam Gordon, Engagement Manager

About this report

In 2015, Framework became a signatory to the United Nations Global Compact.

In this, our second Communication on Progress, we evaluate how our business and values align with the ten UNGC Principles and the Sustainable Development Goals. We discuss how we help our clients enhance their performance and disclosure on human rights, labor, environmental, and anti-corruption issues.

This report also describes the progress we've made—and continue to make—in delivering on our material issues. With this report, we reinforce our commitment to the Global Compact, to our clients, and to the right way to do business: sustainably.

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