



United Nations Global Compact

COMMUNICATION ON PROGRESS 2018



December 2017 – March 2019



STATEMENT OF CONTINUED SUPPORT BY OUR CHIEF EXECUTIVE OFFICER



To Our Stakeholders:

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

In this our first annual Communication on Progress, we describe our actions to continually improve the integration of the Principles into our business strategy, culture and daily operations. We disclose specific actions and activities undertaken from December 2017 to March 2019 to advance the Principles, and commit to sharing this information with our stakeholders using our primary channels of communication.

For more than 50 years, Abt has been guided by our mission, *to improve the quality of life and economic well-being of people worldwide*. We are committed to living our mission by making a positive impact both through our work and in our workplace. Respect for human rights, dedication to ethics, transparency, governance and a reverence for the natural environment—these aren't just policies and words—this is how we live our values as we move people from vulnerability to security worldwide.

A handwritten signature in black ink that reads "Kathleen L. Flanagan". The signature is fluid and cursive, with the first name being the most prominent.

Kathleen L. Flanagan

President & Chief Executive Officer
Abt Associates

About Abt

Founded in 1965, Abt Associates provides research, consulting and technical assistance services to clients worldwide in the areas of health, environmental and social policy, technology and international development. As an engine for social change, our mission is to *improve the quality of life and economic well-being of people worldwide*. We are fueled by caring, curiosity, cutting-edge research and the desire to solve the world's most pressing challenges. Our diverse staff of more than 3,600 bold thinkers 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

Mission Driven.

We are united by our mission to improve the lives of people worldwide. We work with our clients and communities to enhance the quality of life and economic well-being of people around the world.

Collaborative.

We know that working collaboratively produces excellence. We reach within and beyond our organisation to forge enduring working relationships based on trust, mutual respect and shared pride in our work and its impact.

Global.

We are a global community, bringing diverse knowledge, expertise and perspectives to the many challenges faced by today's world. We embrace people's cultural, ethnic and geographic backgrounds to facilitate the exchange of ideas and the development of successful practices.

Accountable.

We take responsibility for what we do and how we do it. We strive to be a healthy, growing company and recognise that every action and inaction has consequences for our colleagues, clients and the world around us.

Committed to Excellence.

We strive to meet and exceed the highest professional standards. We take pride in the quality of our work and seek innovative solutions to today's and tomorrow's challenges.

Balanced.

We sustain the energy and commitment we bring to our roles by promoting a healthy balance between our personal and professional lives. We are invigorated by meaningful work, supportive relationships with our colleagues and clients and the pursuit of personal interests.



HUMAN RIGHTS

PRINCIPLE 1

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

PRINCIPLE 2

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

The first of our six core values is Mission Driven. We partner with our clients and communities to improve the quality of life and economic well-being of people around the world. Counter to this value is the abuse of human rights. We believe every person deserves to be treated with dignity, respect and compassion within our workplaces and programs around the world. In accordance with our corporate policies, we will not tolerate trafficking in persons, use of child labour, and use of forced labour or procurement of commercial sex acts by an Abt employee, subcontractor or supplier.

While businesses and customs vary, and each individual who works for Abt Associates is unique, certain standards and responsibilities are shared wherever we do business. We have a strict, zero-tolerance policy for sexual misconduct of any kind. This type of behavior is contrary to our values and prohibited by our Code of Conduct. Abt Associates U.S. has several long-standing policies in place that address these topics, including Freedom from Harassment, Child Safeguarding, Combating Trafficking in Persons, Non-Retaliation and our Workplace Non-Violence Policies. These policies are reviewed and updated biennially unless circumstances arise that would otherwise require an immediate update.

We require all Abt Associates U.S. employees to complete training modules on human rights, trafficking, child protection, preventing sexual exploitation and abuse, reporting harassment, investigations and retaliation and zero tolerance. In FY 18, from April 1, 2017 through March 31, 2018, 100 percent of Abt Associates U.S. staff completed training on all modules. We have two 24-hour anonymous helplines for reporting any potential misconduct, as well as robust required training on the aforementioned policies. Across Abt Associates Britain and Abt Associates Australia, formal training is provided for child protection, fraud and sexual harassment, with the modern slavery and human trafficking formal training currently in development.

Abt is compliant with all of its U.S. Government contracts containing the Federal Acquisition Regulations (FAR) clause found at FAR 52.222-50, entitled "Combating Trafficking in Persons". Additionally, upon issuance of a subcontract under a U.S. Government prime contract, Abt includes this same FAR clause and ensures compliance by its subcontractors. Our work performed under agreements with the U.K. Department for International Development (DFID) requires that we likewise adhere to and be compliant with relevant anti-trafficking and human rights policies.

Our work for the Australian Government's Department of Foreign Affairs and Trade (DFAT) strictly adheres to the Environmental and Social Safeguard Policy. Abt Associates Australia implements a robust child protection policy in compliance with DFAT's stringent requirements driving adherence to international child safeguarding standards. In accordance with a 'do no harm' approach, a number of key safeguarding requirements are implemented as part of our operations and program activities including rigorous recruitment and screening measures, comprehensive child protection training for staff and partners, dedicated child protection resourcing across programs, detailed risk management processes and partner capacity building. Child protection is considered both a key risk area and an important cross-cutting issue in the aid and development sector, with the organisation committed to ensuring best practices in this regard. Without question, wherever and for whomever we work, we take these commitments very seriously.

Abt's own policies on Child Safeguarding and Combating Trafficking in Persons ensure that we comply with our stated values as well as international laws regarding child abuse and severe forms of trafficking in persons, defined as, "the recruitment, harboring, 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."

It is an ethical obligation for all Abt employees, and anyone who represents the interests of Abt anywhere in the world, to comply with these policies. Prior to undertaking an international assignment, and as part of the induction process, all staff, regardless of background, experience, or position receive information on organisational policy and procedure for safety and security.

Our researchers study some of the most important and relevant questions facing the world today, from the effects of Post-Traumatic Stress Disorder, to evaluating the effectiveness of strategies to reduce barriers to family planning services. Social, behavioral, and educational research can pose risks to privacy and confidentiality as well as ethical challenges, especially studies involving vulnerable populations. As part of its commitment to conducting research that meets the highest ethical standards, Abt Associates maintains its own Institutional Review Board (IRB) to safeguard research participants' rights and welfare and to protect their personal information.

In calendar year 2018, our IRB reviewed 100 new research studies and monitored 71 ongoing studies. The IRB review typically includes assessment of: 1) the informed consent process and research design; 2) compliance with country or state privacy laws; 3) a safety plan for studies involving vulnerable populations to ensure those in need were referred to appropriate resources, e.g., helplines for veterans, and study teams complied with mandated reporting requirements, e.g., potential child neglect and abuse, 4) a detailed data security plan and data agreements;



and 5) certificates of confidentiality or privacy certificates to protect participants' sensitive research data.

The Abt Associates IRB also ensures that staff take training on research integrity and protection of human research participants every three years. In 2018, 79 staff completed a three-hour on-line training, which is available in 10 different languages. The IRB supplements the on-line training with role-based training on other topics such as privacy laws, e.g., HIPAA, open data policies, e.g., USAID's, and ethical issues specific to a methodology, e.g., qualitative research with vulnerable populations.

In 2018, the IRB received only 2 complaints from research participants who called the IRB's toll-free hotline. One complaint was regarding the high number of follow-up messages the participant received. The participant requested to be removed from the study. The second complaint was regarding the nature of random assignment, once described, the participant was no longer upset. Finally, Abt has had zero reported violations of human rights abuses through any of our employees, clients, suppliers or research participants.





Our Work

Combating Human Trafficking

Forced labour, involuntary domestic servitude, sex trafficking—these are all aspects of modern slavery, and represent an egregious violation of human rights. We work closely with government agencies, providers and survivors to better understand both the issues faced by trafficking survivors and the programs that work to reduce human trafficking. Our research has addressed human trafficking offenders, victims and justice system responses using a wide range of qualitative and quantitative methods. We are now developing and testing a methodology for producing valid estimates of human trafficking prevalence across the United States, using surveys in shelters, emergency medical facilities and jails.

Advancing the Sustainable Development Goals

5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



LABOUR

PRINCIPLE 3

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

PRINCIPLE 4

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

It is the policy and practice of Abt Associates to abide by all applicable local, state and federal laws and regulations affecting employee compensation and comply with applicable international regulations and contractual obligations related to our company status as a Government contractor. Compliance with DFID's Supply Partner Code of Conduct, DFAT's Environmental and Social Safeguard Policy, and the nature of our U.S. federal work have supported the advancement of our responsible labour practices over time. We will 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 FY19, Abt had zero incidents of policy breach or misconduct towards the labour principles as laid out by the UNGC Principles.

Beyond our responsibility to meet and respect the basic tenets of human rights and responsible labour practices, Abt makes voluntary, positive contributions to support diversity and inclusion within our workplace.

PRINCIPLE 5

Businesses should uphold the effective abolition of child labour.

PRINCIPLE 6

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

We are an affirmative action and equal opportunity employer and compensate our employees fairly, without regard to any protected status or personal characteristic. Abt celebrates different perspectives, cultures, expertise and points of view and believes that diverse teams deliver better solutions for our clients. Across Abt, our senior-level leadership positions have consistently been held by a higher percentage of females than males. In addition to our President and Chief Executive Officer, Kathleen Flanagan, our corporate offices in the U.K. and Australia are led by women.

Abt Associates leads the list of 50 private-sector companies and consultancies rated in the Global Health 50/50 2019 report, tied with Unilever for first place. The report, compiled by the University College London Centre for Gender and Global Health, rated 198 organisations on performance across 10 domains, including commitment to gender equality, senior management parity, gender of executive and programmatic gender strategy.

As of the end of FY19, 56 percent of Abt's U.S. leadership and 51 percent of the U.K and Australia leadership teams are female, exceeding industry norms. We are also leading the norm with 67 percent of our non-senior U.S. staff and 51 percent of our non-senior U.K and Australia staff being female.

Abt recently expanded its focus on Gender Equality & Social Inclusion, which includes programs on empowering women and girls, ending gender-based violence, promoting social inclusion and engaging men to advance rights for everyone. The company has also formally adopted the Minimum Standards for Mainstreaming Gender Equality.

To engage and empower our global staff, Abt fields an annual global survey of all staff to assess alignment with our strategy and to surface issues and concerns of importance to staff.

Actions as a result of the most recent staff survey include enhanced professional development support to encourage employees' efforts to develop their skills, knowledge and advance their careers within the company. Employees may receive financial assistance when attending an accredited university or upon completion of a professional certification. Any employee working 30 hours is eligible for a Learning Account, which will accrue hours to be spent toward professional development outside of the office. In FY19, 144 global employees participated in the Professional Development Assistance benefit. Abt also supports internal mobility through the Mobility Marketplace. The Mobility Marketplace allows staff to post open assignments and provides the means for staff across the company to apply their skills on new projects. This program facilitates simple and effective internal movement, resulting in more opportunities for our staff. In FY19, 175 mobility assignments were posted on the Mobility Marketplace.

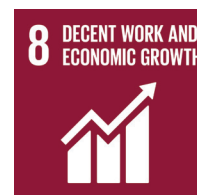
Our Work

Advancing Equality

Gender inequality is both a social issue and a critical economic challenge. Harnessing and leveraging women's economic potential has the power to create jobs, drive growth and transform countries' GDP. Investing in Women is an Australian government initiative led by Abt Associates and working in partnership with major employers in the Philippines, Indonesia, Vietnam and Myanmar.

The goal of the initiative is to accelerate women's economic empowerment in the region, and in turn, contribute to inclusive economic growth in Southeast Asia. A key strategy of this initiative is building partnerships with large employers to prioritise gender equality as a business imperative. To date, Investing in Women has brought together 28 leading employers that together employ nearly 500,000 people and formed four business coalitions to lead the way on achieving gender equality goals in their organisations and beyond. Member companies are committed to advancing gender equality in their workplaces and measuring their progress using EDGE – the leading global assessment methodology and business certification standard for gender equality.

Advancing the Sustainable Development Goals



ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9

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

Recognising that protection of natural resources is a vital element of achieving our mission, we have pledged to apply our creativity, technical expertise and collective efforts to reduce our own environmental footprint and the footprint of services we offer our clients. Through our corporate-wide Global Sustainability Program (GSP), we evaluate environmental performance, develop mitigation actions, and measure and report progress on a regular basis in the following areas: energy use, materials consumption, waste generation, procurement, travel and greenhouse gas (GHG) emissions.

The GSP's primary governance and accountability mechanism is the GSP Operations Committee, which is an executive-level body responsible for guiding the meaningful integration of sustainability into decision-making, business processes and department strategies. Abt's emitted tonnage of GHGs is one of the key metrics tracked and communicated publicly to The Climate Registry and through Abt's annual corporate reporting. Emissions accounting for the years 2012 through 2016 have achieved external verification, and we will continue to audit and verify our emissions on a biennial basis.

A major initiative undertaken in 2018 was the relocation of Abt's two largest U.S. offices to new spaces, both of which were designed and built to Leadership in Energy and Environmental Design (LEED) specifications. The offices feature motion sensor LED lights, zero volatile organic compound (VOC) paint, carbon-neutral carpeting, high-recycled content workstation furniture, and Forest Stewardship Council (FSC) certified millwork and wood flooring. These offices not only substantially reduce the energy intensity of our office space, but also provide our employees a healthy and welcoming work environment. We are committed to applying the same sustainability-conscious considerations to all office spaces that approach their lease end.

In 2015, Abt issued a goal to decarbonise its operations by 2050. To ensure success, Abt set interim 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 GHG reduction target four years ahead of schedule and to date have reduced our emissions by 28 percent. In 2018, air travel continues to be the highest source of GHG emissions for Abt.

Providing technical assistance in more than 50 countries makes air travel a necessity. To increase efficiency, we are bundling meetings, regionalising services, increasing use of virtual collaboration technology and enhancing connectivity. These efforts have led to a decrease in emissions by 60 metric tonnes of CO₂eq in the past year. Electricity is the second largest source of emissions for Abt. The 2018 relocation of our two largest U.S. offices accounted for a combined 51 percent reduction in electricity use over the previous site locations in 2017. We continue to improve our GHG accounting methods and expand the scope of what is captured in our emissions inventory. In 2019, we have begun expanding our GHG accounting to include Abt's Australia and U.K. operations and emissions from operating data centers.

Eliminating office-generated waste continues to be a priority. In 2018, we made significant improvements to our system, and have standardised systems across our U.S. locations. In Maryland and Massachusetts, we separate and track waste generation data and thus are able to set a landfill diversion goal of 80 percent by 2020 for those offices. We have made strong progress towards this goal as indicative by our Massachusetts office achieving a 75 percent landfill diversion rate to date.

Across the world, all of Abt's programs abide by the environmental regulations and standards required by the relevant funding entity. In the case of USAID-funded programs, we ensure that the programing is in adherence with the 22 CFR 216 (USAID Agency Environmental Procedures). In the case of U.K.-funded programs for DFID, we adhere to the U.K. International Development Act and DFID's Environmental Operations Policy, which is to conserve resources, reduce waste and phase out the use of volatile organic compounds and other substances damaging to health and the environment. In the case of Australia-funded programs for DFAT, we ensure compliance with the Environment Protection Policy for the Aid Program, and the Environmental and Social Safeguard Policy.

Our Work

Facilitating Investment in Clean Energy

Abt is promoting clean energy in developing countries by overcoming barriers to financing. Barriers, including those pertaining to investment, institutional, policy and capacity development, depress or eliminate incentives for the commercial lending sector to commit to this rapidly evolving market opportunity.

For example, countries in the Lower Mekong region – Cambodia, Lao PDR, Thailand and Vietnam – have grown an average of six percent per year since 2011. This growth has improved livelihoods, but rising demand for energy and dependence on fossil fuels threaten to put the region firmly on the path to dangerous and unsustainable emissions. USAID's Abt-led Clean Power Asia encourages power-sector investments in environmentally-friendly, clean energy sources, including bringing more renewable energy into electricity grids. Our approach – enabled by the public sector and led by the private sector – integrates flexible activities that strengthen power systems within and across borders. The project also gathers datasets to support national renewable energy targets and integration of the targets into power development and integrated resource plans. To date, Clean Power Asia has reported \$16.5 million in investment in clean energy.

Advancing the Sustainable Development Goals



—ANTI-CORRUPTION—

PRINCIPLE 10

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

Ethical behavior and a strong moral compass are expected from all Abt staff, from entry-level to senior management, up to the Board of Directors. We maintain a strong tone at the top that Abt will conduct its business according to the highest standards, and unethical behavior will not be tolerated. Our Code of Conduct clearly states corruption will not be condoned at any level nor within any country of operations. We employ a number of measures to ensure staff behave in accordance with our standards and in compliance with regulations that govern our work.

Beyond a comprehensive Code of Conduct, our policies on business process and procedures are easily accessible to all employees. We train staff on various ethics and compliance topics annually and implement robust controls to ensure that policies and procedures are followed. It is an ethical obligation for all employees, and anyone who represents the interests of Abt anywhere in the world, to act with the highest levels of honesty and integrity. To this end, Abt has developed an Anti-Bribery Policy and procedures for complying with the global anti-bribery laws, including the Foreign Corrupt Practices Act, the U.K. Bribery Act and Australian anti-bribery and corruption laws. We also have a strict non-retaliation policy

that protects anyone who raises a concern or participates in an investigation from reprisal. In addition, Abt maintains and promotes two 24-hour anonymous helplines for reporting any potential misconduct. One of the helplines is monitored by Abt's General Counsel and the other one is monitored by the Board Chair of Abt's Finance and Audit Committee.



An aerial photograph of Mexico City, showing a dense urban landscape with numerous high-rise buildings and a mix of residential and commercial structures. In the background, the city gives way to a vast, hilly area under a sky with scattered clouds. The image is used as a background for the top half of the page.

Our Work Fighting Corruption

USAID's Abt-led Mexico Economic Policy Program (MEPP)—Programa de Política Económica de México—works with the Mexican government to improve its business environment and competitiveness by strengthening public sector economic governance and integrity. MEPP is carrying out targeted transparency and anti-corruption initiatives focusing on procurement reform and business regulation and driving civic empowerment through public accountability. For example, MEPP developed a Corruption Risk Index to evaluate public contracts in the federal procurement system. This analytical model and database—the first of its kind in Mexico—flags barriers to competition, lack of transparency and legal violations in the contracting processes, helping government and independent experts focus resources to clean up federal procurement.

MEPP achieves results via collaboration with government counterparts and local institutions, guiding policy change and building organisational capacity. For example, working with Petroléos Mexicanos (Pemex)—the national oil producer that recently became Mexico's largest state-owned productive enterprise—MEPP is developing an operational code of conduct that promotes compliance with ethical practices among executives and managers.

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
EMPLOYEES	3,600 +

LOCATIONS

Atlanta | Baton Rouge | Boulder | Brisbane
Cambridge, Mass. | Canberra | Chicago
Durham | London | New York
Washington, DC

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



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