

NATHAN

Trusted for Excellence

United Nations Global Compact: **Communication on Progress 2022**

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CONTENTS

Statement of Continued Support by the President & Chief Executive Officer 2

Section 1: **Human Rights** _____ 3

Section 2: **Labour** _____ 5

Section 3: **Environment** _____ 7

Section 4: **Anti-Corruption** _____ 8

ABOUT NATHAN

Nathan is a private international economic and analytics consulting firm that works with government and commercial clients around the globe to deliver practical solutions and achieve lasting results. Whether building frameworks for economic growth, navigating regulatory hurdles, or securing infrastructure financing, Nathan’s experts serve as trusted partners offering clients the analysis, technical advice, and strategies they need for sound decision-making. Nathan is known for both technical and service excellence and has corporate offices in the United States, United Kingdom, and India, as well as more than 40 program offices around the world. More information about Nathan can be found at www.nathaninc.com

STATEMENT OF CONTINUED SUPPORT BY THE PRESIDENT & CHIEF EXECUTIVE OFFICER

For over 75 years, clients around the globe have relied on Nathan to design and deliver long-lasting economic solutions. Throughout our history of continued success and tangible local impact, we have been committed to being a positive force for our employees, stakeholders, and the communities we serve.

Nathan is a proud member of the United Nations Global Compact and a strong supporter of its corporate sustainability initiative. As such, I am proud of Nathan's accomplishments on the Compact's Ten Principles in the areas of Human Rights, Labour, Environment, and Anti-Corruption and pleased to present the fifth Communication on Progress Report, which offers a snapshot of our progress to date.

Looking ahead, we will leverage our successes and continue to focus on the integration of the Global Compact and its Principles into our business strategy, culture, and daily operations. In this report, we provide a summary of the key actions undertaken in 2022. We also commit to sharing this information with interested parties.



A handwritten signature in black ink that reads "Susan Chodakewitz". The signature is fluid and cursive, with a large, elegant flourish at the end.

Susan Chodakewitz

President & Chief Executive Officer
Nathan Associates Inc.

SECTION 1: HUMAN RIGHTS

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

Nathan is fully committed to upholding human rights principles and frameworks, and promoting and supporting the human rights of our employees, partners, suppliers, vendors, and beneficiaries with whom we work or come into contact. We are also wholeheartedly committed to safeguarding people and ensuring that our actions do no harm.

Nathan applies the highest standards of integrity and ethical conduct in all its affairs and activities. Nathan embraces a culture in which employees are free and encouraged to speak up when they see behavior that is not aligned with our policies, including those related to human rights abuses.

These commitments are set out in a range of corporate policies and guidelines, including:

- **Code of Business Conduct:** Establishes the standards of ethical behaviour for all employees, suppliers, partners, and associates.
- **Equality and Diversity Policy:** Establishes our commitment to providing a work environment where all individuals are treated with respect and dignity. We embrace diversity of identity, experience, and thought and actively strive for inclusive behaviours across our company and our work.
- **Reasonable Accommodation Policy:** Establishes our commitment to a safe workplace that encourages efficient, productive, and creative work. It further defines our approach to promoting equality and diversity in our recruitment efforts.
- **Anti-Modern Slavery Policy:** Defines our zero-tolerance approach to any form of modern slavery for all employees, suppliers, partners, and associates.
- **Modern Slavery and Human Trafficking Statement:** Publicly states our commitment to preventing modern slavery or human trafficking in our supply chains or in any part of our business.
- **Safeguarding Policy:** Describes our commitment to the safety and protection of all children and vulnerable adults from physical abuse, emotional abuse, sexual abuse, and neglect.
- **Whistleblowing Policy and Procedures:** Guides our employees, suppliers, partners, and associates on how they can speak up and confidentially report any suspicions or concerns they may have.
- **Data Protection Policy:** Aligns our policies and processes with data protection legislation, including The General Data Protection Regulation (GDPR).

Progress to Date

Nathan continues to improve the integration of Principles 1 and 2 in its work. This year, we again reviewed and updated our Code of Business Conduct so that it remains timely and relevant. Globally, we launched our Diversity, Inclusion, Equity and Accessibility (DEIA) initiative which includes:

- A *Global President and CEO Statement and Commitments on DEIA*, which was published in June 2022 and sets out four commitments: diversifying Nathan's workforce, DEIA learning and development opportunities for team members, outreach among underrepresented communities and internally through employee engagement; and communications to staff as well as externally.
- A global staff survey to solicit inputs and feedback on our Statement and Commitments on DEIA, as well as a dedicated online forum to solicit ongoing comments and suggestions on how to advance DEIA at Nathan.
- Development of our *Global DEIA Action Plan for period to 2022-2023* to set a common goal for Nathan Associates Inc. and drive decisions around priorities, metrics, staff engagement, and milestones across the four commitment areas.
- Continuous employee engagement and exchanges on DEIA through sessions such as themed chats with the President and CEO, informal discussions, open feedback mechanisms, an open-door policy, and further mechanisms to facilitate top-down/ bottom-up engagement on DEIA.

Nathan continues to develop and implement programs for raising awareness and ensuring our people are trained to help refine and implement our DEIA commitments:

- All employees and long-term associates globally have completed the annual Diversity and Inclusion, Code of Business Conduct and Anti-Harassment training modules.
- All employees globally have completed a Discrimination and Accommodation training, an online module designed to ensure equal treatment for all employees, regardless of their disability status or need for accommodation.
- In the UK we are continuing to support the British Expertise Diversity & Inclusion Working Group to drive change in the sector by advocating for change with clients.

Measurement of Outcomes

- **Policy Review and Attestation:** All Nathan's employees, suppliers, and partners reviewed and signed Nathan's Code of Business Conduct.
- **Compliance Training:** All Nathan employees received training on the Code of Business Conduct.
- **Reporting:** In 2022, no reports were made to Nathan's Global Hotline of human rights incidents. Nathan did not identify any incidents of employees or subcontractors causing or contributing to human rights violations.

SECTION 2: LABOUR

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

Nathan has a responsibility to ensure a safe and trusted environment for its employees, suppliers, partners, and beneficiaries. This includes our intent to address the issues of forced labour and modern slavery as detailed in Nathan's Code of Business Conduct and Anti-Modern Slavery Policy.

More specifically:

- All firms that are part of our supply chain are provided with contracts and must review the policy and sign the attestation for Nathan's Code of Business Conduct, which Nathan is able to audit at any time for compliance.
- All employees are made aware of company policies, setting out their rights, responsibilities, benefits, and the requirement to take an online ethics-focused training on an annual basis.

Nathan's policies related to labour practices include provisions relating to:

- **Diversity and Equal Employment:** Nathan has adopted a formal Equality and Diversity Policy to ensure employees, contractors, associates, and applicants are treated equally. Nathan recruits in all job areas, without regard to age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, or pregnancy/maternity status. This Equality and Diversity Policy is complemented by Nathan's affirmative action and reasonable accommodation policies and procedures.
- **Harassment in the Workplace:** Nathan prohibits harassment of any employee by another employee, manager, or third party. Harassment is conduct that has the purpose or effect of creating an intimidating, hostile, or offensive work environment and unreasonably interfering with an individual's work performance. Harassment may consist of verbal, physical, visual, or sexual harassment and may also include retaliation for reporting harassment or threatening to report harassment.
- **Commitment to Non-Retaliation:** Nathan prohibits any form of retaliation against an employee, supplier, or partner who files a complaint in good faith or participates in an investigation regarding a violation of Nathan's Code of Business Conduct or any other policy. Nathan will not tolerate any harassment, retaliation, or reprisals of any kind.

Progress to Date

In 2022, Nathan continued to consistently improve the integration of the four Principles related to Labour standards, including:

- Engaging a third party to benchmark Nathan's benefits with industry peers in the United States and non-executive compensation arrangements.
- Revising Nathan's employee value proposition on the careers site and job postings to improve transparency in our recruitment process globally.
- Refining Nathan's Global Core Competencies and Leader Competencies to better align with Nathan's business strategy and ensure applicability to all our offices.
- Renewing our commitment to putting in place effective systems and safeguards against any form of modern slavery or human trafficking taking place in our business or our supply chains.
- Transitioning our US workforce back to the office on a flexible hybrid schedule and supporting our other international offices with their return to the office.

Nathan's London Office reported further progress, including:

- Completing the recommendations identified in the UK Government's Modern Slavery Assessment Tool.
- Strengthening our Safeguarding and Modern-Day Slavery training modules and delivering these to all UK employees and teams on new programmes.
- Reviewing our career development framework as a guide for professional development in all job families.

Measurement of Outcomes

- **Compliance Training:** As in 2021, in 2022 we required all employees and long-term associates to participate in training which covered workplace harassment rules, regulations, and expectations.
- **Human Capital Management:** Performance and salary evaluations are conducted annually. Nathan achieved a 100% completion rate of the 2022 Annual Performance Review for employees across all its offices.
- **Reporting:** Nathan did not receive any complaints or concerns related to discrimination or Principles 3-6 of the UN Global Compact.

SECTION 3: ENVIRONMENT

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

Nathan has an Environmental Policy in place which is communicated through both the Code of Business Conduct and vetting and due diligence procedures. The company maintains a policy of minimum waste and recycling, and employees and employees-at-large are expected to promote this policy by minimizing printing, collecting, and recycling office paper, or avoiding use of disposable products.

Progress to Date

In 2022, Nathan continues to improve its work in alignment with the Environmental Policy. Accomplishments this year include:

- Decommissioning obsolete electronic equipment and replacing non-energy efficient equipment with more environmentally friendly solutions across multiple offices.
- Ensuring timely data collection to feed into our *Carbon Reduction Report for 2022* (to be published in March 2023), setting out how we have performed against our Carbon Reduction Plan and greenhouse gas emissions targets in the UK.

Measurement of Outcomes

- **Legislative Compliance:** Nathan has not been served any fines or non-monetary sanctions for non-compliance with environmental laws and regulations.
- **Supply Chain Management:** All UK supply partners are assessed in relation to their compliance with relevant environmental criteria prior to contracting.
- **Reporting:** Nathan has not received any complaints or concerns about potential or real environmental impacts resulting from Nathan's work.

SECTION 4: ANTI-CORRUPTION

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

Nathan has zero tolerance for bribery and corruption. Nathan conducts its business in an honest and ethical manner, and Nathan's Anti-Bribery Policy and Anti-Fraud and Corruption Policy together represent our commitments to conduct operations ethically and in compliance with applicable anti-corruption laws and regulations in jurisdictions in which Nathan operates.

Nathan has several policies and procedures in place which cover Anti-Corruption:

- **Code of Business Conduct:** Establishes standards of ethical behavior for all employees, suppliers, and partners.
- **Anti-Bribery Policy:** Presents our commitment to conduct operations ethically and in compliance with applicable anti-corruption laws and regulations.
- **Anti-Fraud and Corruption Policy:** Represents our commitment to conduct operations ethically and in compliance with applicable laws and regulations. It sets out our stance on fraud and corruption and our approach to preventing, detecting, reporting, and investigating fraud and corruption.
- **Whistleblowing:** Guides our employees, suppliers, partners, and associates on how they can speak up and confidentially report any suspicions or concerns they may have. Nathan's independent Global Hotline is accessible to anyone anywhere in the world, 24 hours a day, 7 days a week.
- **Anti-terrorism Policy and Statement:** Sets out how we will strive to ensure the maintenance of highest security standards and that all funds, including financial assets or economic resources, are used in an ethical manner and not in any way that contravenes the provisions of the UK Terrorism Act 2000 or any subsequent regulations pursuant to this Act.
- **Vetting and Due Diligence Processes:** All employees, suppliers, and partners undergo a rigorous vetting and due diligence process prior to contracting. This includes managing conflicts of interest and verification of compliance with tax obligations.

Progress to Date

Nathan continues to operate in a way which is consistent with the policies and practices mentioned above and upholds our commitment to Principle 10. This year, additional accomplishments include:

- Increased vetting of entire supply chain to identify any links to entities operating in Belarus or Russia.
- Review of our commitment to report on the International Aid Transparency Initiative, all activity funded by the UK Foreign, Commonwealth and Development Office (FCDO), and ensuring all employees working on FCDO programmes are appropriately trained to ensure compliance.
- Implementing IT security training modules for all Nathan employees to educate employees about cybersecurity risks in line with our IT and data protection policies.

Measurement of Outcomes

- **Compliance Training:** All employees completed the Nathan Code of Business Conduct training and understand how to identify corruption and how to report it.
- **Reporting:** No instances of fraud were reported to the Global Hotline.