

2022 Environmental, Social, and Governance Impact Report

July 2023

Contents

About Us.....	1
About This Report	2
Environmental	3
Business development	3
Thought leadership.....	3
Competency development.....	4
Doing our part.....	4
Sustainable purchasing process	6
Social.....	7
DEI at Mathematica	7
Diversity at work	7
Employee experience.....	9
Supporting the community through DEI	10
Corporate giving	10
Corporate Governance.....	11
ESG Performance, Frameworks, and Data Matrix.....	12

Tables

1. Mathematica headcount trend by race and ethnicity	7
2. GHG emissions summary	12
3. GHG emissions-mobile combustion.....	12

Figures

1. Headcount of individuals with disabilities	8
2. Disability hiring	8
3. Headcount of veterans	9
4. Veteran hiring	9
5. Electricity usage by year, in kWh	12

About Us

Mathematica operates at the intersection of data science, social science, and technology, generating evidence-informed solutions that help our clients and partners see clearly and act quickly.

Mission: Mathematica strives to improve public well-being by bringing the highest standards of quality, objectivity, and excellence to bear on the provision of information collection and analysis to our clients.

Vision: Mathematica is shaping an equitable and just world where evidence drives decisions for global impact.

We are employee owned through our employee stock ownership plan (ESOP). Our ESOP enables us to be staff driven in fulfilling our mission. Each employee has the opportunity to share in ownership and contribute directly to the company's growth and success. The ESOP reflects Mathematica's core values, especially collaboration and collegiality. By working together, we build a stronger organization in terms of our financial strength as well as our ability to deliver on our mission.

To learn more about our work, our approach, and our employee-owners, visit www.mathematica.org.

About This Report

This report covers our impact and commitments in the following areas:

- Environmental concerns and sustainability
- Social — diversity, equity, and inclusion
- Corporate governance

Reporting year: Calendar year 2022, unless otherwise noted

Currency: U.S. dollars, unless otherwise noted

This Environmental, Social, Governance (ESG) disclosure does not incorporate Mathematica’s independently operated subsidiary, EDI Global, which operates in England, Tanzania, Kenya, and Uganda.

Environmental

Climate change represents the single most significant policy challenge in the 21st century. It is a multifaceted and global threat to society that touches on a range of concerns, from the environment and food security to health and economic inequality. Recognizing the urgency of the threat, Mathematica recently established a Climate Change practice to help develop innovative and sustainable solutions that meet ambitious reduction goals for carbon dioxide emissions while also helping vulnerable communities become more resilient.

Our climate change strategy is built on four pillars:

- Business development
- Thought leadership
- Competency development
- Doing our part

Business development

Mathematica's interdisciplinary Climate Change practice focuses on tackling the climate crisis through innovative, sustainable solutions that meet ambitious emissions reductions goals while making vulnerable communities more resilient. As domestic and international policy is aligned to combat climate change and the challenges it creates, we believe rigorous research and advanced analytics are key to helping agencies and foundations mobilize resources for climate action.

The focus on climate change stems from Mathematica's long-standing commitment to marshal the best available evidence to confront the most serious problems threatening the collective good and improve people's lives. To do so, we are drawing on our technical expertise in research and data analytics and our subject matter expertise in areas like health, education, poverty reduction, clean energy, and sustainable agriculture. We provide the following solutions:

- Advisory services
- Research and evaluation
- Data analytics
- Digital innovation
- Public health data analytics

Thought leadership

Our climate action focus areas help clients understand climate change impacts and explore solutions across a range of sectors, including agriculture, energy, water, sanitation and hygiene, education and workforce, livelihoods and economic stability, and health and nutrition.

The agriculture sector is both a central contributor to climate emissions globally and an essential source of rural livelihoods and economic stability. We apply extensive knowledge of agricultural systems challenges to help our clients and partners understand the effects of interventions that improve their performance and sustainability internationally. Through our agriculture evaluations, we help clients

understand the impacts of improved and sustainable farming practices, improved water management, post-harvest technologies, and how agricultural productivity impacts smallholder farmers.

Access to modern energy services is essential to enhancing economic opportunity and economic stability, improving living standards, and increasing national and regional resilience to climate change. We provide data collection and data analytics solutions that help our clients understand energy usage, inform policymaking, and analyze the efficacy of green energy investments. We are currently helping the Millennium Change Corporation study how its investments could lead to more reliable and higher-quality electricity in Benin, Ghana, and Liberia, in addition to previous work in Tanzania.

Cities are on the frontlines of global climate change: they are the source of most energy-related greenhouse gas emissions and face high risks associated with rising sea levels and temperature shocks. Enhanced measurement of urban emissions can be key to empowering compact, resilient, and resource-efficient cities that drive economic and environmental progress. We study the role of emissions measurement, including how to use technical assistance to help measure and reduce greenhouse gas emissions. We also bring deep familiarity with measurement protocols, such as the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories and data bases that track city emissions and city actions.

Historically marginalized communities, which often bear the least responsibility for causing climate change, are exposed disproportionately to climate-related natural disasters. Just as exposure to these extreme weather events is unequal, so too is susceptibility to their health effects. Using advanced analytics and dynamic visualizations, we uncover the complex relationships between exposure, sensitivity, and capacity, and identify who is most vulnerable to climate-related health issues. In so doing, we help clients understand the conditions that should trigger emergency warnings to protect vulnerable residents and help communities and health systems bolster their climate resilience.

Investments that slow down climate change or protect populations from its negative effects have the potential to generate new “green” jobs. We help policymakers and other stakeholders anticipate the number, types, and quality of these green jobs. Our work also focuses on how to increase equitable access to these jobs, particularly among historically underserved communities and those displaced from other jobs. We study job opportunities directly and indirectly created by World Bank-funded projects to support the transition to clean energy in parts of Latin America, Africa, Asia, and Eastern Europe. Our researchers have also evaluated U.S. Department of Labor programs that prepare disadvantaged workers for green jobs.

Competency development

Building internal capacity is just as important as seeking out new opportunities and projects. Under the pillar of competency development, we seek to showcase and expand upon our staff’s capabilities and interests in the climate sector.

Doing our part

At Mathematica, we want to do our part to contribute to climate change mitigation, adaptation, and resilience. We are always thinking about how we can reduce our own carbon footprint. In 2022, the company had eight offices in the United States and one company vehicle at the headquarters in Princeton, New Jersey. To do our part in creating a more sustainable future, Mathematica has committed to having a net zero carbon footprint by 2050 in alignment with President Biden’s Federal Sustainability Executive

Order. Being conscious of our impact on the Earth is not new at Mathematica. We advance toward this goal by ensuring our offices are equipped with the following:

- LED lighting in communal areas
- Light sensors in all offices
- MERV (Minimum Efficiency Reporting Value)-rated air filters for HVAC systems

In addition, we have equipped multiple offices with the following:

- Auto flush, faucets, and soap dispensers
- Bike racks
- Rain sensors for irrigation
- Green clean supplies since 2008

We have a climate change affinity group and a volunteer employee-led sustainability team. The climate change affinity group brings together colleagues with a shared interest in expanding Mathematica’s work in shaping climate policy, taking action to address climate change, exchanging information on our work, and identifying ways for interested staff to collaborate. Whereas the climate change affinity group strategizes on a macro research and public policy level, the sustainability team focuses on a micro individual employee level with a mission to learn about, coordinate, share, and participate in sustainability actions and initiatives to combat climate change. Designated lead representatives from each office meet biweekly to coordinate activities and events that lead to more sustainable behavior and practices. Monthly, the team hosts events like sustainability drives, electronic recycling events, bike to work challenges, eating sustainably challenges, and “flip the bins” campaigns, which challenge staff to use only the main trash bins in the office—not those at their desks—to decrease the use of plastic bin liners. In addition, the team circulates a sustainability newsletter to its members and maintains a community page on the company’s Yammer site open to all employees.

To support sustainable practices in everyday life, Mathematica also provides a Bicycle Commuter Benefit, which is a reimbursement of up to \$20 per month for certain expenses to employees who use a bicycle regularly for a substantial portion of the travel between their residence and place of employment. Employees can be reimbursed for reasonable expenses incurred during the calendar year for the purchase of a bicycle, bicycle improvements, helmets, repair, and storage. This benefit is entirely funded by Mathematica.

With the company’s carbon footprint and greenhouse gas (GHG) emissions related to employee commutes in mind, our philosophy on hybrid workplace optimization emphasizes flexibility and presence with purpose. Mathematica has long been a hybrid workplace, with staff working fully remote, in offices, or in a combination of the two. Where and how people work best varies from person to person. We recognize and prioritize the diverse needs of our staff, offering most the option to work wherever it is best for them. Today, nearly 90 percent of our colleagues work fully remote or maintain hybrid status, using an office between one to four days per week. We continue to be thoughtful about maintaining the flexibility we developed over the last few years while creating an inclusive and equitable work environment that supports connection and the sharing of knowledge, information, and experience, no matter where staff chooses to work. Over the next several years, we plan to significantly reduce our physical office footprint by reducing space and closing offices. Rethinking our real estate obligations enables us to reinvest in other areas to achieve more equitable impact, shrink our carbon footprint, and be

well positioned to lead in a marketplace where top talent is increasingly drawn to companies that offer a remote and hybrid-centric work environment.

Sustainable purchasing process

In 2023, Mathematica will be developing a formal sustainable procurement policy. The policy will be backed by executive-level commitment, a program lead, and the resources needed for implementation. In addition, we will develop a supplier sustainability code of conduct and requesting vendors for their sustainable policies. We are unifying across the organization and with our business partners to develop a long-term vision for sustainable purchasing success.

Social

DEI at Mathematica

Our commitment to diversity, equity, and inclusion (DEI) is pivotal to our mission of improving public well-being. We believe our research is more credible when it is informed by diverse perspectives and when we take the time to listen to and partner with the communities we serve. At Mathematica, we focus on building a welcoming and supportive culture that is enhanced by the various ethnic backgrounds, cultures, abilities, and experiences of our employees. We work to better understand and employ equitable evaluation and culturally responsive research practices, and our mission to improve public well-being is strengthened by a greater understanding of issues and challenges facing the communities we serve. Mathematica is committed to the following DEI strategic priorities:

1. Enhance the candidate and employee experience
2. Evolve organizational culture and climate
3. Embed DEI into business systems, processes, and practices
4. Infuse DEI principles and practices into business development approach and research work
5. Strengthen staff DEI capabilities to support equity work
6. Support equitable opportunities, experiences, and outcomes among staff and partners
7. Advance organizational external presence, influence, and impact

Diversity at work

Table 1. Mathematica headcount trend by race and ethnicity

Race/Ethnicity	2018		2019		2020		2021		As of 12/31/22	
	#	%	#	%	#	%	#	%	#	%
American Indian/Alaskan Native	0	0.0%	0	0.0%	0	0.0%	1	0.1%	1	0.1%
Asian	157	13.0%	181	13.5%	204	14.2%	203	13.2%	228	13.2%
Black/African American	88	7.3%	112	8.3%	118	8.2%	135	8.7%	148	8.5%
Hispanic/Latino	54	4.5%	65	4.8%	73	5.1%	86	5.6%	106	6.1%
Two or more races	22	1.8%	28	2.1%	38	2.6%	52	3.4%	66	3.8%
White	888	73.4%	959	71.3%	1,005	69.9%	1,066	69.1%	1,182	68.3%
Total	1,209	100.0%	1,345	100.0%	1,438	100.0%	1,543	100.0%	1,731	100.0%

Our new talent sourcing strategy will broaden our talent pipeline to support diversification at all levels, with continued emphasis on senior roles across the organization. In addition, current efforts such as using Ripple Match, a diversity pipeline identification system, and ensuring diverse representation at each stage of the recruiting process for all positions will continue to be a priority. In terms of representation by gender, Mathematica is predominantly female (69 percent). Considering gender by race and ethnicity, data suggest lower under-represented group (URG) female and male representation across all levels. However, 56 percent of our executive leadership team are women and/or people of color. We will continue to focus on increasing representation among URGs, including the number of individuals of other gender identities working at all levels of the company.

In general, we continue to make progress in terms of representation of URGs in hiring. In 2021, 42 percent of all hires were from racial and ethnic URGs; through the end of Q4 2022, this number remained at 42 percent. However, we have seen some softening in diverse hiring at the senior levels of the organization compared with the previous year. For senior hires through Q4, 36 percent were from a URG, which is significantly lower than 2021’s 50 percent. These findings highlight the importance of continuing to ensure we move diverse candidates through the hiring pipeline for all positions, including senior roles.

Overall, we continue to see a positive year-over-year trend in representation among individuals with disabilities. As of Q4 2022, 9 percent of employees self-identified as having a disability; 12 percent of hires were individuals who identified as having a disability, up 2 percent from 2021. There is still significant work to be done to increase representation overall, a top priority for the organization.

Figure 1. Headcount of individuals with disabilities

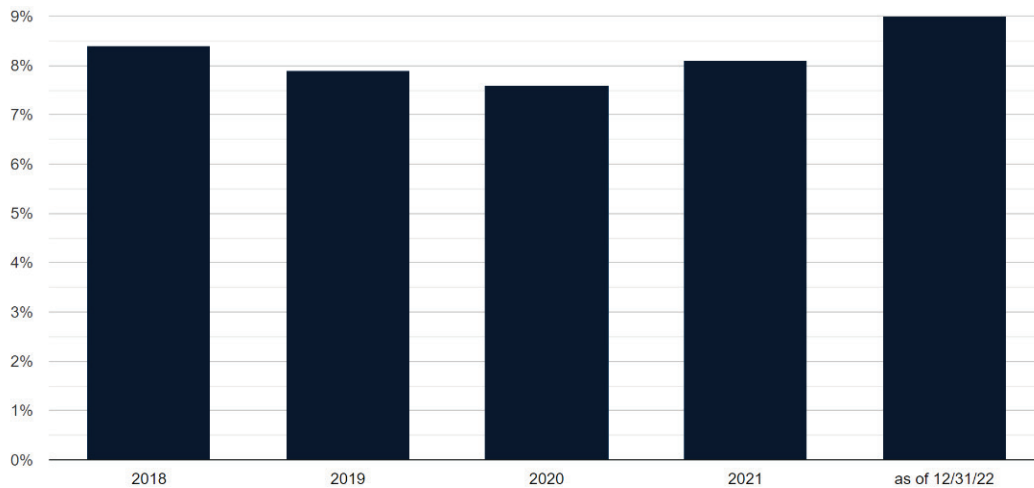
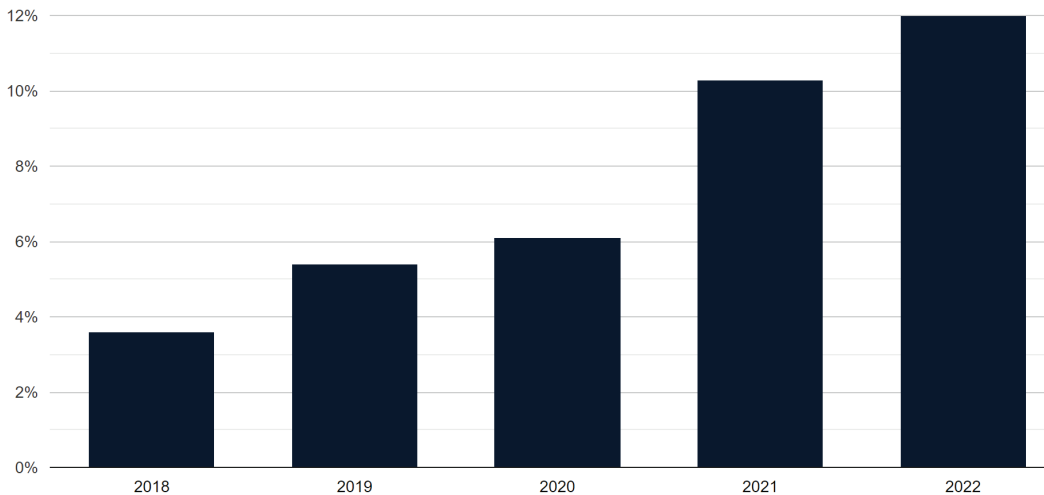


Figure 2. Disability hiring



We have substantial work to do to increase representation among veterans at Mathematica. Over the last four years, less than 1 percent of employees self-identified as veterans, with .69 percent of employees self-identifying as of Q4 of 2022. Recruiting more veterans into our organization is prioritized in our DEI strategic plan.

Figure 3. Headcount of veterans

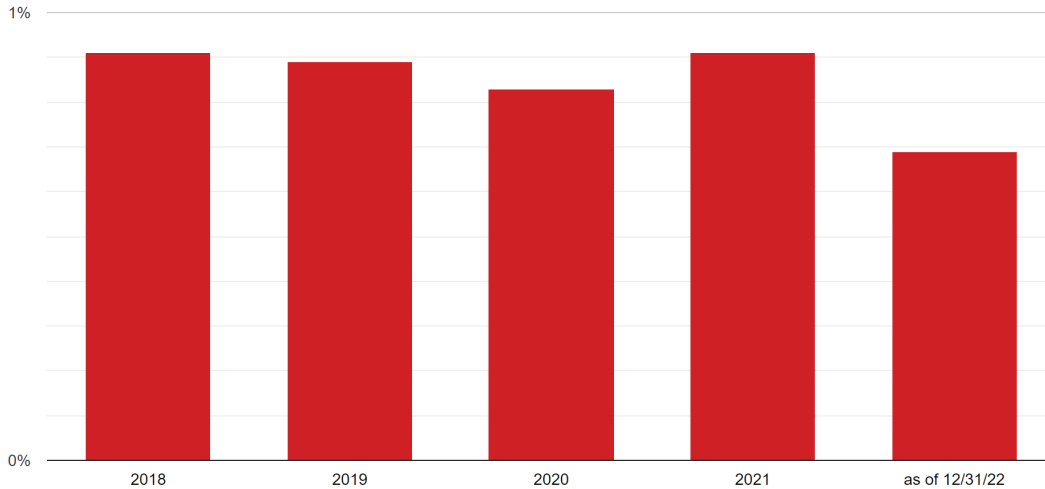
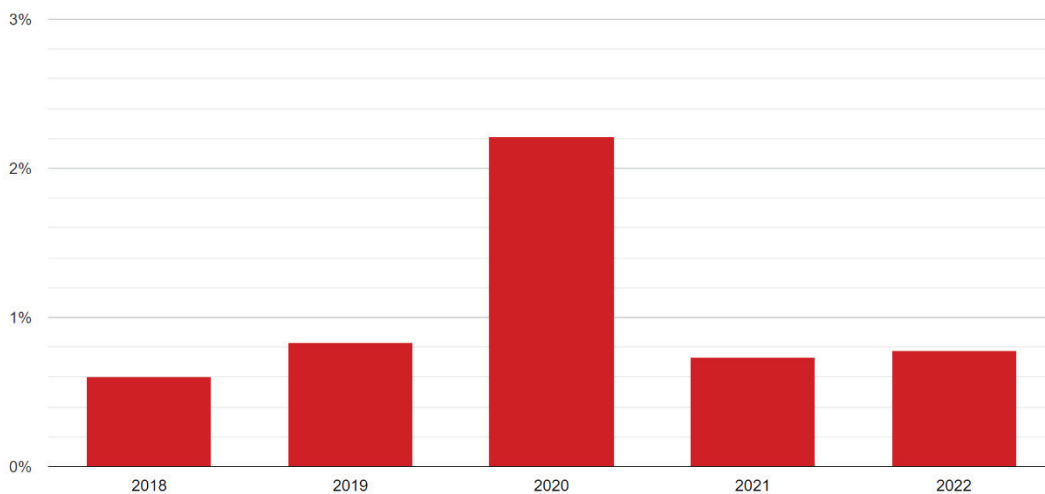


Figure 4. Veteran hiring



Employee experience

Mathematica introduced the Employee Experience Survey in the fall of 2021. Employees are now surveyed on an annual basis so their feedback can be collected and acted upon. Honest feedback helps guide the decisions and actions we take to make Mathematica an even better place for all of us to grow, thrive, and make progress together. To improve the employee experience, the Employee Experience Council, the DEI Workgroup, and other internal process owners and experts propose actions that will improve employee engagement and inclusion across four key focus areas:

- Internal communications
- Resource management
- Feedback and recognition
- Hybrid workplace/office strategy

Supporting the community through DEI

Equity is central to our work at Mathematica. We understand that we do not have all the answers, but we know we can attain more equitable outcomes when we include the communities we serve in our work and look to them for guidance.

Whether those communities are families with children, Indigenous peoples, Black and Latino students, or the disability community, we strive to work hand in hand to apply research, analytics, and technology in ways that enhance well-being. We have worked with our partners to evaluate and implement programs that expand equitable access to COVID-19 vaccines, provide better employment opportunities for youth with disabilities, and implement place-based systems change to promote economic and educational opportunities.

Learn more about DEI at Mathematica at <https://www.mathematica.org/sp/dei/diversity-equity-and-inclusion-at-mathematica>.

Corporate giving

Mathematica is an employee-owned company, so our staff play a direct part in the company's success and direction. This approach also guides our volunteer work and corporate giving. Volunteer committees made up of staff members in each office reach consensus on a charity to support, and these decisions are then backed by senior leaders.

We care about our local neighborhoods and work directly with home-grown and community-based organizations to pursue our mission where we live, helping to improve health and well-being for at-risk families, people experiencing food insecurity, unhoused people, dislocated workers, and vulnerable populations of all ages.

Learn more about our corporate giving program and local volunteering at <https://www.mathematica.org/about-mathematica/overview/corporate-giving>.

Corporate Governance

Since its inception in 1986, Mathematica's Board of Directors has been an inclusive body dedicated to providing governance and oversight that helps inform Mathematica's vision and strategy, as well as the policies, practices, and leadership that propel the organization's success. A leader among its peers in gender and racial and ethnic diversity, the board comprises 11 members representing diverse backgrounds, perspectives, and lived experiences that are integral to advancing Mathematica's mission of improving public well-being. Sixty-four percent of the members of our board are women and/or people of color. The board shares the deep commitment of the company's employee-owners to shape an equitable and just world where evidence drives decisions for global impact.

Learn more at <https://www.mathematica.org/about-mathematica/our-people>.

ESG Performance, Frameworks, and Data Matrix

GHG emissions for Scopes 1 and 2 were calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

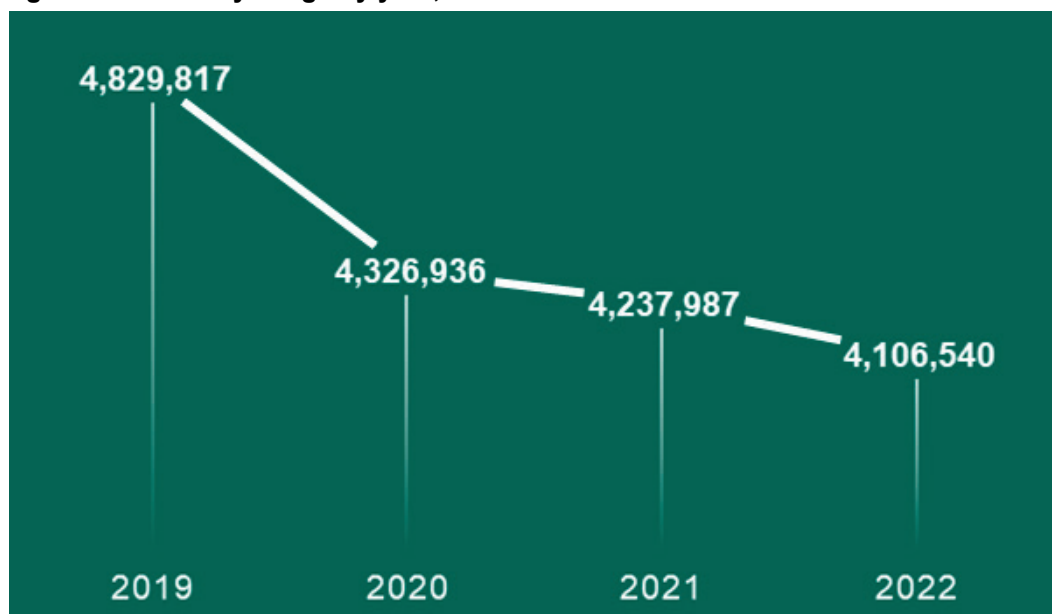
Table 2. GHG emissions summary

Scope	Activity type	Year			
		2019	2020	2021	2022
Scope 1	Stationary combustion	0.74	0.05	0.08	1.40
	Mobile combustion	0.00	0.00	0.00	0.21
	Scope 1 total	0.74	0.05	0.08	1.61
Scope 2	Purchased electricity – location-based	2,087.24	1,869.91	1,831.47	1,774.67
	Scope 2 total – location-based + heat and steam	2,087.24	1,869.91	1,831.47	1,774.67

Table 3. GHG emissions-mobile combustion

Calculation method	Greenhouse gas	Fossil fuel emissions
		Scope 1 (metric tonnes)
Distance	CO2	0.208
	CH4	6.015E-06
	N2O	3.869E-06
Total (metric tonnes CO2e)		0.210

Figure 5. Electricity usage by year, in kWh



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