

# FRONTIER'S COMMITMENT TO UN GLOBAL COMPACT

## STATEMENT OF CONTINUED SUPPORT BY FRONTIER'S MANAGING DIRECTOR

30 July 2025

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To our stakeholders

I am pleased to confirm that Frontier Economics Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This year's statement marks a decade that Frontier has been a signatory to the UNGC. Frontier strongly supports the UN Global Compact and the role that businesses play in promoting sustainability and development goals.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "J. Bellis".

James Bellis

Managing Director

## Communication of Progress 2025

Frontier Economics Ltd (Frontier) is a microeconomics consultancy which harnesses the power of economics to solve challenging policy and business problems for clients in both private and public sectors. Frontier is an employee owned, values driven organisation where people are at the heart of our business and our values are aimed at promoting staff welfare and engagement. These are:

- fun – making Frontier a welcoming and enjoyable place to work;
- interesting – doing work that is challenging and makes a difference;
- profitable – and sustainably so; and
- open – having a culture that generates trust, respect and integrity.

Frontier is committed to respecting and promoting the ten principles of the UNGC. Below we provide a summary of our contribution to the UNGC principles.

### Human Rights Principles

#### Assessment, Policy and Goals

The focus of the company in this area has been to ensure that none of the work that we do for clients makes us complicit with human rights violations. Frontier continues to respect human rights principles, in accordance with the laws of the countries in which its offices are located (UK, Belgium, France, Germany, Ireland, and Spain).

Risks are most likely to arise for us where Frontier is called upon to work for companies or clients operating in countries where local laws may not fully protect human rights and/or uphold non-discriminatory principles. Our priority is therefore to ensure that, as Frontier grows internationally and expands the scope of the work it does, we do not place ourselves in situations where we may be complicit with or are remaining silent in the face of possible human rights violations.

Frontier's public commitment to the UNGC in February 2014 was our first formal step. Since then we have put in place guidance and an internal review mechanism that is effective in ensuring that Frontier's business winning activity remains at all times consistent with the principles of the UNGC.

#### Goals for the coming year

We have communicated to colleagues across the firm the importance of giving explicit consideration to these issues when doing business. We strengthened our guidance for managers and senior members of staff on our commitment to the UNGC principles.

For example, in January 2024 we published and communicated our internal guidance on the ethical considerations of our project selection. This was accompanied by a template to document the 'Ethical Considerations Assessment' that we require the Project Manager/Director to conduct in relevant cases.

To ensure ongoing compliance with international sanctions we have implemented a tool that conducts checks and ongoing monitoring of prospective and current clients & suppliers against sanctions lists and flags full/partial matches for further investigation. In addition to checking individuals/entities against the sanctions lists the tool also identifies organisations that are owned or controlled by individuals, entities, countries, or regions which are sanctioned by the US Department of the Treasury's Office of Foreign Assets Control (OFAC) and/or the European Union.

## IMPLEMENTATION

All Frontier Directors are responsible for ensuring that the company does not engage in commercial relationships that would make it complicit with human rights violations with the Board ultimately accountable.

We do not consider there to be any Human Rights concerns within Frontier, our work or supply chain. We have appropriate policies in place and open channels of communication in order to identify and address any issues that might arise. For example, we have anti-harassment and anti-bullying policies to protect our employees alongside a range of other policies such as modern slavery, anti-bribery anti-corruption and a supplier code of conduct. Perhaps more importantly, Frontier has a flat management structure where communication between colleagues at all levels in the company is actively promoted and colleagues with management responsibilities in particular listen and are responsive to feedback from the wider firm. This feedback is collected through a number of channels, including regular and anonymous staff surveys.

In addition, we have in place a whistleblowing policy which outlines a process for raising and, if necessary, escalating concerns, particularly those where the public interest is at risk.

## Progress made

In the last year we have progressed in this area in the following ways:

- We continue to highlight to all colleagues the firm's commitment to ensuring that all project work is fully compliant with the UNGC.
- We have communicated new guidance on monitoring any ethical issues that arise in our work, including how decisions should be taken when a practice director is considering a relevant project.

- Our Corporate and Social Responsibility (CSR) team continues to monitor, promote and communicate our activities in this area. The team undertakes regular reviews of projects that have raised ethical issues across the firm.
- We continue to use a supplier code of conduct which sets out the standards we expect of all our suppliers, to ensure that any company we directly work with is compliant with UNGC principles. This supplier code of conduct can be found on our website<sup>1</sup>.

## Measurement of outcomes

Frontier has introduced a process to help us better understand the risks that we face and ensure that we meet the UNGC principles, including those relating to human rights violations. Before committing to conduct any work, Frontier's project managers and directors are required to discuss leads with their practice area and if relevant and necessary with Exco<sup>2</sup>, if they are in any doubt whatsoever as to their compatibility with UNGC principles or our values. The assessment as well as the decision about these leads are documented and, where requested, can be discussed with the wider firm.

## Outcomes this year

Over the course of the last year, the Exco has not had to intervene to prevent any projects taking place that might otherwise contravene the UNGC principles or our wider ethical guidance. We believe that this reflects the fact that, following the guidance issued, project managers have appropriately internalised the UNGC principles and therefore quickly move to dismiss any such leads at an early stage. While this is positive, we remain vigilant as we further expand our business. We conducted a staff workshop which explained how Frontier implemented the new process for assessing ethical issues in our project work.

## Labour Principles

### Assessment, Policy and Goals

The welfare of our colleagues is at the very core of our activity, since the value we bring to our clients lies in the people who work at Frontier.

Frontier runs a large range of initiatives aimed at ensuring staff feel happy and fulfilled in their working environment. These include measures to promote work-life balance, career development, progression and fulfilment, and overall social cohesion within the company. It

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<sup>1</sup> <https://www.frontier-economics.com/media/izjhlrj3/supplier-code-of-conduct-2025.pdf>

<sup>2</sup> Exco is Frontier's senior decision making body. In previous years it was the Management Committee.

also means promoting colleagues' engagement with the values of the company, and ensuring that they feel empowered to make change happen.

In terms of the labour principles specifically mentioned in the UNGC, our focus has been on ensuring the absence of any form of discrimination. Neither forced nor child labour are a concern in the context of Frontier's work.

Employee voice is fundamental to Frontier's model and values. Frontier is wholly owned by its employees, with no external shareholders. This structure aligns the interests of staff with those of the business and fosters a culture of ownership, where everyone is expected to take responsibility for the firm's success. As both employees and shareholders, staff benefit from enhanced rights to information and consultation. High levels of openness and transparency ensure meaningful involvement in most major decisions, reinforced by formal decision rights in Frontier's Shareholder Agreement and by staff representatives, who play a key role in ensuring diverse perspectives are reflected in decision-making.

Frontier is committed to providing equal opportunities to all employees and prospective employees, independent of age, disability, gender, marital or civil partnership status, pregnancy or maternity, race, nationality, ethnic origin, religion or belief, sex or sexual orientation. In addition, as with violations of human rights, Frontier is committed to not being associated with any form of discrimination by clients or other third parties.

Frontier has five internal employee resource groups: Brilliance (focused on disability), Kaleidoscope (race, ethnicity and culture), Spectrum (LGBTQ+), Prism (gender) and Working Families (those with caring responsibilities). These are open to all employees, and supported by two network co-ordinators and Frontier's central Equity, Diversity and Inclusion Council made up of Director-level representatives across practices and offices.

In regards to training and development, Frontier offers a comprehensive syllabus of learning opportunities available to all employees.

Upon commencement of employment, all employees attend an onboarding Induction and are made aware of Frontier policies relating to standards of behaviour that we require from them as well as where they can seek support. We ensure that 100% of new starters complete the induction within two weeks of commencement of employment. We also provide specific mandatory training on awareness of modern slavery to everyone within Frontier which will be repeated on regular cycle.

## **Goals for the coming year**

Our goal this year is to invest time, resources and budget to furthering our Equity, Diversity & Inclusion journey while continuing to promote employee engagement with the Frontier values and its UNGC commitment.

This year, we are continuing to embed and deliver against our EDI strategy which was launched in January 2024. Our EDI Council was formed as part of this new strategy along with a number of working groups, each leading on developing our approach to five key areas: Talent Acquisition, Talent Development, Culture, Client Engagement and Data. This strategy is closely aligned with one of five strategic priorities of our Executive Committee; to review our pay and progression model.

## Implementation

Our EDI mission is to build a workplace where everyone is treated fairly, feels respected and has an equal chance to succeed. Everyone has a role to play in the success of this mission, but responsibility for driving it lies with our Executive Directors and Executive Committee, who in turn are accountable to our Board. We've set up an EDI council, led by our People Director, to steer our efforts and act as a design authority and decision-making forum. In 2024, we have launched five working groups to tackle specific improvement areas:

### 1. Diversity in talent acquisition

Women are underrepresented among economics graduates and experienced economists, and this trend has worsened in recent years. Studies indicate that between 2013 and 2018, only between 30% and 38% of economic undergraduate students were female and that progress toward gender parity has now slowed and in some areas been reversed. We tackle this in our recruitment by ensuring we reach as many female candidates as possible, through marketing, partnerships and inclusive selection practices. We also strive to promote internal role models and provide support for female careers. We're pleased to share some positive numbers reflecting our progress. In the year to March 2025, women represented:

- 50% of our new Analysts,
- 75% of our business management team hires, and
- 30% of our experienced economist hires.

In 2024 and 2025, we designed and delivered new recruitment training to our hiring managers, focusing on developing effective selection skills while prioritising inclusion and aiming to eliminate bias from our processes. We have continued to improve the diversity of our candidate pipelines, through strategic partnerships and targeted marketing efforts.

### 2. Talent development and promotion

In 2019, we set a goal to achieve 40% female representation at Manager level by January 2024. We achieved that goal a year early, in January 2023 and in January 2025 46% of our Managers are female. This year 54% of our Manager promotions and 33% of Associate Director promotions were female. We also monitor bonus and salary increases by gender to ensure equitable reward and progression over time. While we are proud of what we've

achieved, we know that to continue closing our gender pay gap we must do more to increase female representation at the most senior levels of our organisation. Our Talent Development group will work on making promotions and resourcing processes clearer and more supportive, especially for those on parental leave. We'll also enhance our programmes for women's advancement, paying particular attention to the challenges faced by women of colour.

### 3. Strengthening our inclusive culture

Over the past year, we've taken meaningful steps to make Frontier a more inclusive place to work — we've improved communication around EDI, clarified the purpose of our networks, signed up to the Race at Work Charter, Women in Finance Charter, and Charta der Vielfalt, and continued our outreach with local schools. We've also held our first EDI away day, 360-degree EDI feedback for practices and new EDI with Exec sessions, launched a new Neonatal policy, created clear terms of reference for all EDI workstreams, and refreshed our L&D offering to highlight the support available.

Looking ahead to 2025, we'll continue to invest in developing female talent through leadership programmes, expand opportunities for underrepresented groups, launch a new podcast series on specialist EDI topics, strengthen our partnership with the Royal Economic Society, and host panel events to prompt conversation on key topics.

### 4. Client engagement

We know EDI is important to our clients. We want Frontier to be a role model to them and to other partners. To help achieve this, we have established an EDI comms strategy to increase external visibility of our EDI partnerships and activities, via our website and social media. We foster an environment of open communication, trust and support: internally through our employee networks; and with clients, through our client feedback programmes. We promote our EDI standards in our work with clients, partners and suppliers, to ensure that our EDI standards are clear. We foster and promote a positive working environment with a zero-tolerance approach to discriminatory behaviour, with a clear reporting and escalation process, available on our employee intranet.

### 5. Diversity data

We understand that collecting diversity data is a sensitive matter and has a number of legal and cultural implications, which vary across our European offices. In 2024 and 2025 we have engaged with expert advisors who have helped us increase and improve the data we hold for our employees and candidates. We are continuing to roll out this plan and are taking an office-by-office approach, making sure our people are clear on what we are looking to collect and how we will and will not use this information to help inform our policies and ways of working, helping us create a truly inclusive working environment.

## Progress made

This year Frontier has continued to embed measures to prevent any potential discrimination issues arising, in particular:

- We continue to invest in our female talent through extensive learning and development programmes, one to one coaching, sponsored leadership programmes and growing family's coaching.
- We provide project managers with guidance that, in pursuing new business, they must ensure that Frontier is not placed in any situation where it would be associated with forms of discrimination.
- We continue to adhere to the Modern Slavery and Human trafficking law and produce an annual statement for our shareholders and suppliers.

In other areas:

- Frontier actively monitors work-life balance and working hours to ensure that employees do not work excessive hours.
- Frontier has pushed forward mental health initiatives, aimed at increasing the awareness, understanding and acceptance of mental health issues and problems.
- Frontier has established links with external coaches and mentors that are specialists in stress management and mental health issues.
- We have also enhanced awareness of our Employee Assistance Programme system so that employees have access to 24-hour, confidential support on a range of wellbeing issues.
- We have introduced our first Menopause awareness campaign and Menopause support policy in 2022. By providing information and guidance to our employees and managers on how menopause can affect women and how we can provide support, we took a step forward in opening up a dialogue and creating a culture of openness and support around the topic. We have also committed to ongoing investment in this space by offering one to one coaching with an external coach who specialises in menstruation, hormonal health and menopause as well as funding menopause healthcare plans, providing treatment and support.
- Our Growing Families programme offers comprehensive support before, during, and after parental or care leave for both parents or carers. In 2024, more than half of our eligible staff have taken advantage of this programme, benefiting from resources and guidance tailored to their unique needs during these pivotal moments in their lives. This initiative reflects our commitment to ensuring that starting or growing a family does not impede career development but is embraced as a valued part of our employees' journey.



## Measurement of outcomes

We monitor our performance against the company's values through a variety of informal and more formal ways: staff feedback, group discussions, our appraisal system and staff surveys. We monitor in particular the data on colleagues' progression and promotions to understand whether there are potential gender barriers to progression.

## Outcomes this year

The overall female participation at all levels of the company was 47%. Female participation fluctuates depending on grade and is lower in more senior positions in the firm. In 2024, women made up<sup>3</sup>:

- 53% of our Intern hires
- 53% of our Analyst hires
- 25% of our Experienced Economist hires (67% of our more senior roles)
- 75% of our Business Management teams

## Environmental Principles

Frontier's vision for environmental sustainability is built on our values, which distinguish us and guide our actions. We are committed to actively minimising the adverse impact that our business has on the environment. We seek engagement both within the business and with the wider community to promote greater environmental responsibility as a company.

We have been a 'carbon-zero' company since 2010 and our green remit continue to work to integrate environmental sustainability into Frontier's day-to-day operations. As well as working on issues mentioned above, they engage Frontier employees in green policy debates through discussion and events, and encourage environmental responsibility across the company through behavioural nudges.

## Background, methodology and assessment

As an economics consultancy operating in an office environment, our main environmental impacts are electricity and business travel emissions. For offices for whom energy data is unavailable<sup>4</sup>, CO<sub>2</sub>e per sqm of air-conditioned office space is applied. Emissions for rail and taxi travel are based on pounds (£) spent per category (CO<sub>2</sub>e per £).

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<sup>3</sup> <https://www.frontier-economics.com/media/f1gcssbe/frontier-economics-gender-pay-gap-report-2024-final.pdf>

<sup>4</sup> Applies to the Berlin office only.

Frontier uses the firm CO2balance UK Ltd to run an audit of its greenhouse gas emissions each year. Emissions factors are taken from Defra/DECC's 'UK government conversion factors for company reporting'.

The assessment methodology for the greenhouse gas review follows the reporting guidelines provided by the Greenhouse Gas Protocol, which is published by the World Business Council for Sustainable Development and the World Resources Institute (WBCSD/WRI Protocol) and includes all three scopes:

- Scope 1 – Direct emissions
- Scope 2 – Indirect emissions
- Scope 3 – Indirect emissions (outsourced operations)

Frontier has 15 years of audited CO2 reports and to date offset 8,687.74 tonnes of carbon dioxide emissions to balance out our carbon footprint. Offsets are conducted through social impact carbon offset projects in Africa, run by CO2balance.

## Progress made this year

The total carbon emissions from this period (754tCO<sub>2</sub>) show an increase of 182.96tCO<sub>2</sub>e (32.01%) vs the preceding 12-months' period.

As with the previous assessment, a growth in air travel is the main reason for the overall rise in emissions, increasing by an extra 222 of tonnes CO<sub>2</sub>e and reflecting 72% of Frontier's overall emissions. Emissions in electricity on the other hand reduced by over 10%. It is noted though that the emissions per person remains lower than pre-Covid (2019) and is still low for an international company, at well under 2 tCO<sub>2</sub>e per employee.

The latest carbon audit report includes once again the carbon emissions related to Frontier's home working model. These estimates are based on the Home Emissions Whitepaper produced by EcoAct in partnership with Lloyds Banking Group and NatWest Group.

This year we have moved our London office to Worship Square reflecting our commitment to smart, sustainable workspaces that meet high sustainability and energy efficiency standards. In the case of Worship Square, it is a **net-zero carbon building** designed for operational efficiency, featuring:

- BREEAM Outstanding and 5.5\* NABERS targets
- All-electric systems, rooftop solar PV, and air source heat pumps
- Circular economy features such as an in-house wormery and edible rooftop gardens
- Transparent energy data to support ESG reporting and continuous improvement

We aim to match or exceed these standards in future office moves, ensuring consistency in our approach across all locations. This year, Frontier has undertaken pro bono work to support environmental goals. Frontier worked with Sustainability First, a think-tank and charity that promotes environmental, social and economic wellbeing. A team of Frontier economists looked at the issue of building intergenerational fairness into climate policy. Together with Sustainability First, they produced a report which will provide vital information for policymakers in delivering a fair transition to net zero.

Alongside this, Frontier economists published a number of articles throughout the year analysing important environmental issues. These included thought-leadership pieces on fixing failing carbon offset markets<sup>5</sup>, and how Covid-19 has affected London's air quality<sup>6</sup>.

## Goals for the coming year

Our objectives for the coming year are focussed on **Achieving the commitments set out in carbon reduction plan** to reduce absolute Scope 1 and Scope 2 emission by 46% by 2030 from a 2019 base year. We also commit to measure and reduce our Scope 3 emissions. We therefore plan to implement the following carbon reduction measures:

### ■ Travel Emissions Management

- Scope 3 Emissions Review: **Assess business travel emissions** to better understand the share of attributed to travel for internal vs. client-related business trips.
- Travel Management Consultancy Review: Evaluate ability for supporting our travel requirement whilst hitting reduction targets.

### ■ Carbon Reporting & Tooling

- **ESG Dashboards:** Improve data collection and evaluate reporting through enhanced tooling and dashboards.
- **Technology Emissions**
- **Scope 3 Expansion:** Whilst Frontier has not made significant technology acquisitions that would constitute decisions around sustainability, we will evaluate the feasibility of including emissions from external data centres and cloud/AI services.

### ■ Sustainable Procurement

- **Eco-Friendly Supplies:** Revise procurement policy to prioritise recycled/recyclable and net-zero certified products and suppliers.

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<sup>5</sup> <https://www.frontier-economics.com/fr/fr/actualites-et-perspectives/publications/article-i8445-fixing-failing-carbon-offset-markets/>

<sup>6</sup> <https://www.frontier-economics.com/uk/en/news-and-insights/articles/article-i8518-how-covid-19-lockdowns-have-affected-air-quality-in-london/>

- **Sustainable Catering & Greener Food Choices:** Partner with sustainable caterers to increase plant-based options and reduce food-related emissions.
- **Hard-to-Recycle Item Recycling:** Frontier will actively explore options to responsibly recycle challenging materials like e-waste and hard plastics within its offices and make this available to employees, including their personal items.

## Anti-Corruption Principles

### Assessment, Policy and Goals

Frontier aims to conduct all of its business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

### Implementation

Frontier has anti-bribery and anti-corruption policies, and a zero-tolerance approach to upholding standards in this area. Any employee who is believed to have breached these policies will face disciplinary action, which could result in dismissal for gross misconduct. Any non-employee who breaches these policies may have their contract terminated with immediate effect.

These policies apply to all persons working for us or on Frontier's behalf in any capacity, including employees at all levels, consultants, associates, contractors, trainees, homeworkers, casual and agency staff and people on work experience.

We conduct pre-employment checks on individuals at Frontier, these may include previous employment reference checks, sanctions, financial probity and criminal records checks.

All employees are required to complete compliance training modules on a regular basis. The compliance training modules cover topics such as 'Anti-Bribery', 'Anti-money laundering', 'Modern Slavery' and 'Whistleblowing'. This training aims to provide employees with an understanding of potential risks in these areas, and what action should they take if they suspect any breaches of our policies.

Any employees offered a bribe, or asked to make one, or suspecting that any bribery, corruption or other breach of these policies has occurred or may occur, are required to notify their manager or the People Director as soon as possible.

Where the employee prefers to, this can be raised under the protection provided by our whistleblowing policy to give security to the individual that they will not face reprimand for raising the issue.

## **Measurement of outcomes**

In all of Frontier's history, we have not had any incidents with corruption. We remain vigilant and are looking to run further information sessions on whistleblowing to ensure that we have the frameworks not only in place but understood in the event that there were any issues to address.