

NAVEX[®]

ESG Report for 2021-2022

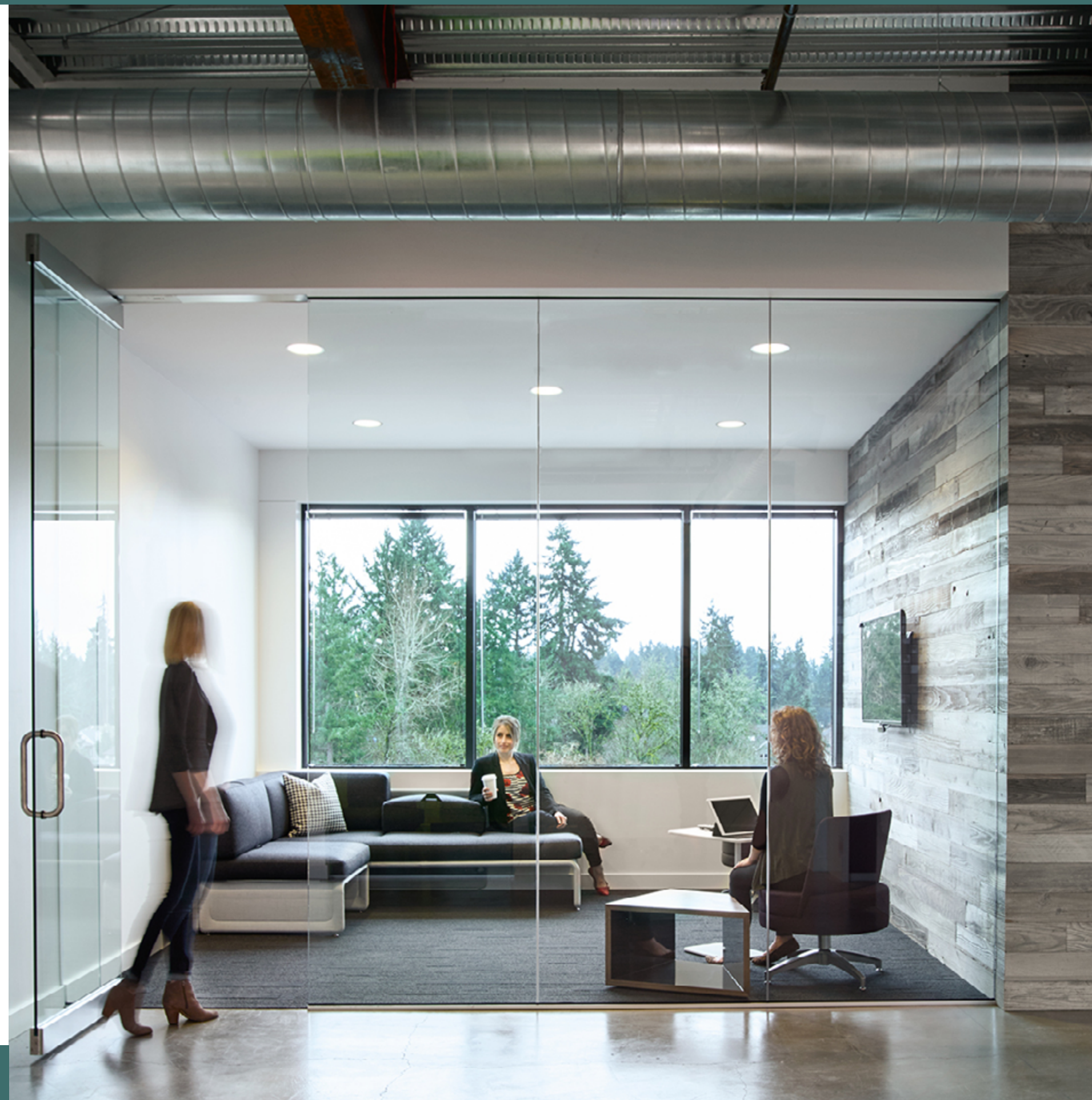
■ Investing in **outcomes that matter most**

Published June 2023



Contents

- Introduction** **3**
- A Message From Our CEO 3
- Our Purpose, Vision and Values 4
- About Our Business 5
- About Our Report 6
- ESG at NAVEX** **7**
- 2022 Highlights** **9**
- Environmental** **10**
- Our Net Zero Goal 11
- Our Global Footprint 12
- Sustainable Workplace Practices 16
- Greenhouse Gas Offset 17
- Social** **18**
- Be the One 19
- Be the One - Together 20
- Learning and Development 22
- Health and Wellness at NAVEX 23
- Community Outreach 24
- Governance** **25**
- Our ESG Team 26
- Our Risk and Compliance Program 27
- Responsible Sourcing 28
- Data Privacy and Security 29
- Freedom of Expression 31
- Our Speak-up Culture 31
- Appendix** **32**



A Message From Our CEO, Sean Thompson

I am proud to present our 2023 ESG report and provide an update on the progress made on our commitments during 2021 and 2022. In addition to advances in environmental sustainability, we also share a continuing set of thoughtful social initiatives. Our focus and intent is to make a positive impact on people’s lives through good-governance policies and practices that ensure our own workplace is safe, legally compliant, ethical and inclusive.

NAVEX published its first ESG report in January 2021. Like other organizations, we were emerging from – and reckoning with – COVID-related disruptions at that time. We planned for accelerated growth and a commensurate increase in the full range of our responsibilities. With this in mind, we conducted a comprehensive assessment of our operations. Using our own software, we collected internal metrics and assessed our third parties to review our performance against important ESG measures and standards. Of particular note is our 2022 commitment that set specific greenhouse gas reduction targets along with emission offsets.

The correct approach, then and now, starts with collecting the right data. We then analyze it with a focus on prioritizing actions that will deliver the greatest positive, sustainable impact for our workplace, team members and the communities that support us. Our policy management, training and ESG assessment software are vital components of our own risk and compliance program management and help us achieve our ESG goals. Combined with the functionality of the NAVEX One® Platform, we have a comprehensive view of our risk management performance including environmental, social and governance measures.

All in all, we have a compelling story to tell and welcome the opportunity to share our progress along this important journey.

Sean Thompson
Chief Executive Officer



Our Purpose, Vision and Values

OUR PURPOSE

Promote an ethical, inclusive and equitable workplace culture for all.

Protect our customers' brands and stakeholders from an ever-changing risk landscape.

Preserve our environment by enabling sustainable business practices.

OUR VISION

Deliver the world's smartest integrated platform that enables organizations to predict and mitigate risk.

OUR VALUES

- WE DO** the right things right!
- WE INSPIRE** one another!
- WE DELIVER** extraordinary value!
- WE CELEBRATE** our successes!

In This Workplace We Believe...

We are unified by our drive to help our team members and customers thrive. Treating all people fairly is the only way. The unique attributes we each hold makes us collectively stronger. In doing the right things right. Our communities deserve our support. Protecting the environment is important. Listening leads to learning. Taking time to care for ourselves is essential. Extending grace makes us all better people. Together we are better.



We **DO** the right things right!

We **INSPIRE** one another!

We **DELIVER** extraordinary value!

We **CELEBRATE** our successes!

WE BELIEVE IN YOU.

OUR PEOPLE GOAL

*Be the **One place** people want to grow their careers and thrive in life.*

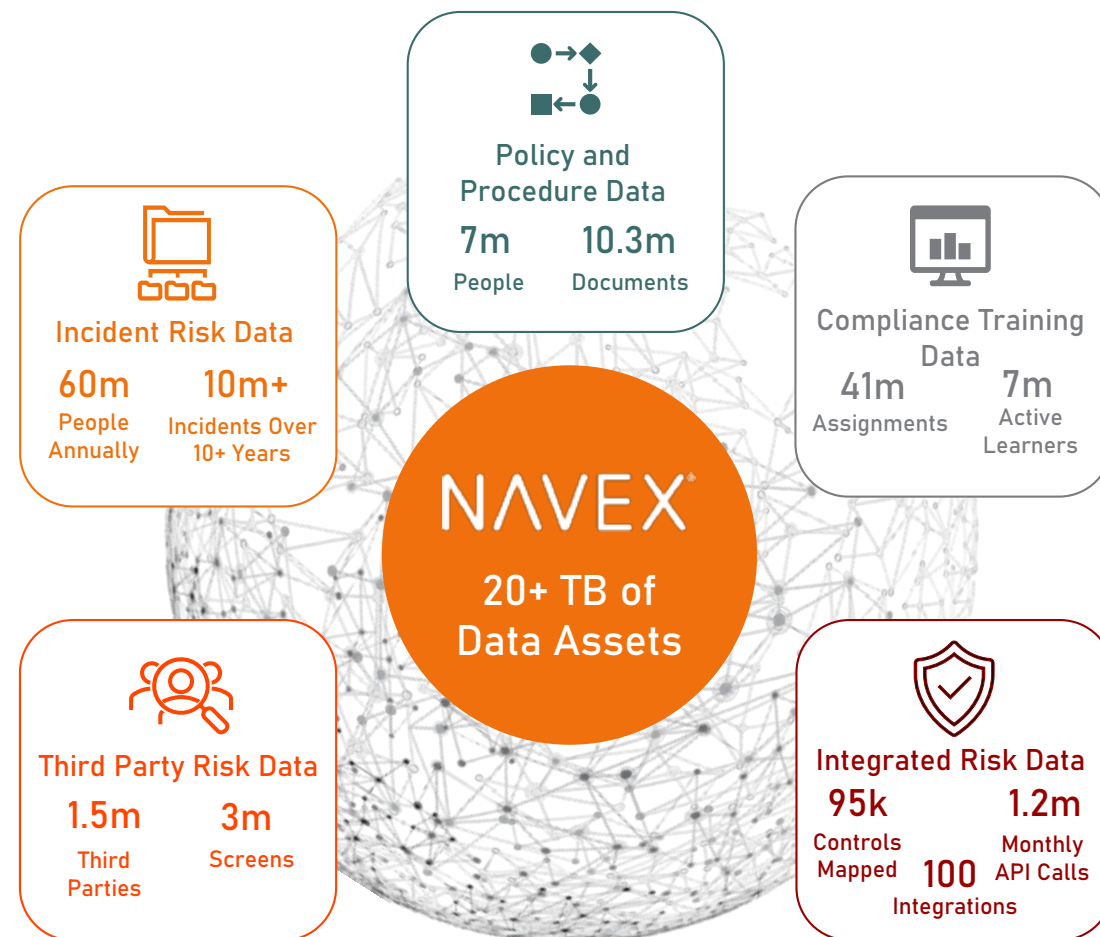
About Our Business

NAVEX is the worldwide leader in integrated risk and compliance management software services and training. We are a team of approximately 1,250 team members dedicated to doing the right things right and to helping our 13,000 customers, with more than 70 million employees, do the same.

Our solutions are delivered through the **NAVEX One** risk and compliance platform which allows customers to confidently and successfully manage the full range of critical risks facing their organization.

Our **NAVEX One GRC** information system platform is designed to deliver the world's most popular incident reporting and management system, policy and procedure management, enterprise-wide integrated risk management, ESG data collection reporting and a full range of legally vetted compliance training courses in an integrated fashion.

NAVEX stores the world's largest collection of GRC data with over 20TB in assets. This data drives powerful network effects through enhancements, automation, benchmarks and predictions.




Enhanced Employee Culture of Compliance



Reduced Third Party Risk



Automated Risk and Compliance Processes



Informed, Data Driven Governance

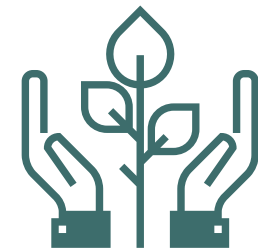
About Our Report

We believe that commitments we make to more sustainable, socially responsible actions today will yield better outcomes tomorrow.

Our biennial report reflects:

- Environmental data for calendar years 2021 and 2022 based on the International Sustainability Standards Board (ISSB) and Value Reporting Foundation reporting framework, which are detailed in the [Appendix](#)
- Social and Governance initiatives achieved through the end of calendar year 2022, as informed by subject matter experts across our organization

Based on data collected and analyzed, we have identified the following areas of focus, with more information about specific initiatives detailed in the sections that follow.



NAVEX Environmental Principles

- **Commit** to operationalizing our greenhouse gas (GHG) reduction targets
- **Offset** 100% of our GHG emissions
- **Reduce** waste to landfills from operations
- **Reduce** use of some major energy-consuming assets
- **Recycle**, reuse and repurpose across operations
- **Select** offices and data centers that are LEED and ENERGY STAR® certified (or equivalent)



NAVEX Social Principles

- **Create** a workplace culture that enables people to thrive in life
- **Invest** in our local communities
- **Promote** hiring opportunities across all groups
- **Develop** underserved youth with key community partners
- **Build** unity through education and training
- **Enable** possibility for each team member



NAVEX Governance Principles

- **Advance** our ESG framework
- **Operate** a strong governance, risk and compliance program
- **Keep** pace with information security best practices
- **Engage** with suppliers that have ethical business practices
- **Maintain** a supplier code of conduct
- **Safeguard** customer privacy

ESG at NAVEX

Our ESG journey was formalized in 2020 with a review of company activities and the collection of baseline data using our ESG data collection software. This “activity audit” allowed us to assess how we were doing and plan our next steps. We adopted the Sustainability Accounting Standards Board (SASB) Software & IT Services Standard as our reporting framework.

The environmental section of our inaugural report, published in January 2021, reflected a starting point to begin moving us from a nascent state to a mature set of defined goals and objectives.

In 2022, we set ambitious environmental goals by committing to:

- **Measure GHG emissions annually**
- **Set a GHG reduction target**
- **Reduce GHG emissions annually**
- **Offset GHG emissions annually**

In addition to funding offsets, we reconfigured office space and decreased our multi-office footprint, resulting in significant reductions in emissions and waste to landfills as well as water, electricity and natural gas usage.

Our headquarters office in Lake Oswego, OR, which was LEED certified Gold in 2020, was upgraded to **LEED certified Platinum in 2022**. As a company that operates in leased office space, we seek out – and promote discourse with – landlords that share our commitment to a sustainable workspace.

2022 also saw achievements in **building sustainability into our everyday operations**, with strides toward a paperless office and direct ship of supplies and equipment. Business travel resumed as the pandemic lifted, but emission data for 2022 reflected a reduction in emissions over our base year of 2019.

Of course, our ESG commitments go beyond environmental considerations. From a social perspective, our vision in 2020 was to deepen our commitment and further expand the ways in which we interact with team members and our communities.

Our 2022 strategic intent to **Be the One**, along with the introduction of a holistic set of initiatives designed to better promote a powerful workplace culture, led to NAVEX being named as a USA Top Workplace in Oregon, SW Washington and the City of Charlotte, NC, and recognized for its learning, recognition and DEI programs.

Be the ONE

Our **Be the One** strategic intent was reflected in our recruiting efforts and compensation programs, too. It spurred on initiatives aimed at **pay equity and pay transparency**. And it drove the formation of **new Community Groups**, more learning and development opportunities and enhanced health and wellness programs for our team members.

In the governance space, our efforts were focused on preserving the trust of our customers and stakeholders and promoting the principles of accountability and transparency throughout our operations. We understand that we have a unique responsibility to not only promote good governance, but to be a role model for good governance ourselves.

In 2021, our new Chief Executive Officer led a cross-functional task force in **re-examining, refreshing and re-introducing our Company mission, purpose and values**. These, along with other updates were woven into our [Code of Conduct](#) in 2022. We also launched our first [Supplier Code of Conduct](#), in 2022, as a guide for our business partners and a companion piece to our Code.

We safeguard the privacy of data entrusted to us and maintain strict policies and procedures to meet both global and local requirements.

We continue to use and benefit from the same solutions we sell in the marketplace: NAVEX One and associated technology. As an integrated Governance, Risk and Compliance Information System (GRCIS), **we rely on our NAVEX One platform to help us maintain a best-practice program** for reporting and incident management, policy and procedure management, code of conduct, ethics and compliance training, disclosure management and third-party monitoring/screening. Our extended solutions also include functionality that assists us with other critical processes like business continuity, IT security and third-party IT risk, and ESG reporting.

We ensure a superior customer experience is built into our solutions – that is integral to our mission and vision. We have **teams and tools that are devoted to measuring our customers’ experience**, and we use this information to inform the development, deployment and enhancement of our products and services.

Beyond the products and services we offer, we have always considered it our responsibility to:

- Provide risk management awareness and expertise for the risk and compliance management industry
- Help all those interested in risk and compliance issues keep up with emerging trends, adopt best practices and be better equipped to respond to their employees, board members, customers and investors



Our annual Hotline & Incident Management Benchmark Report

Widely distributed free of charge, the Report analyzes anonymized and aggregated data from over a million incident reports (1.52 million in 2022 and 1.37 million in 2021) managed within our customers' systems, to help companies benchmark their programs against others. It remains the de facto standard in the industry and equips practitioners with the information they need to make better decisions about the effectiveness of their reporting systems and organizational compliance risks.

This benchmark report is only one of many thought leadership and educational deliverables we produce annually. From white papers, professional surveys on the state of the industry, toolkits and case studies to webinars, master classes and our virtual conference, we help advance our industry and aid organizations and government regulators in thinking about governance issues like whistleblowing, transparency, third-party risk and sustainability in a more disciplined, actionable way.



2022 Highlights

Total emissions down
48%
since 2019

Named
USA Top Workplace
by Energage



92%
rate of favorability for embracing
different ways of thinking, lifestyles
and backgrounds

Headquartered in
LEED Platinum
certified building

Women comprised
44%
of management team



Response rate of
81% on annual
Employee Engagement Survey

Launched inaugural
**Supplier
Code of Conduct**

Environmental

“In 2021 and 2022, we hit our stride in making progress toward our targets and adapting our workplaces and tools to align with post-2020 norms.”

– Andy McConnell, VP of Information Technology and Facilities

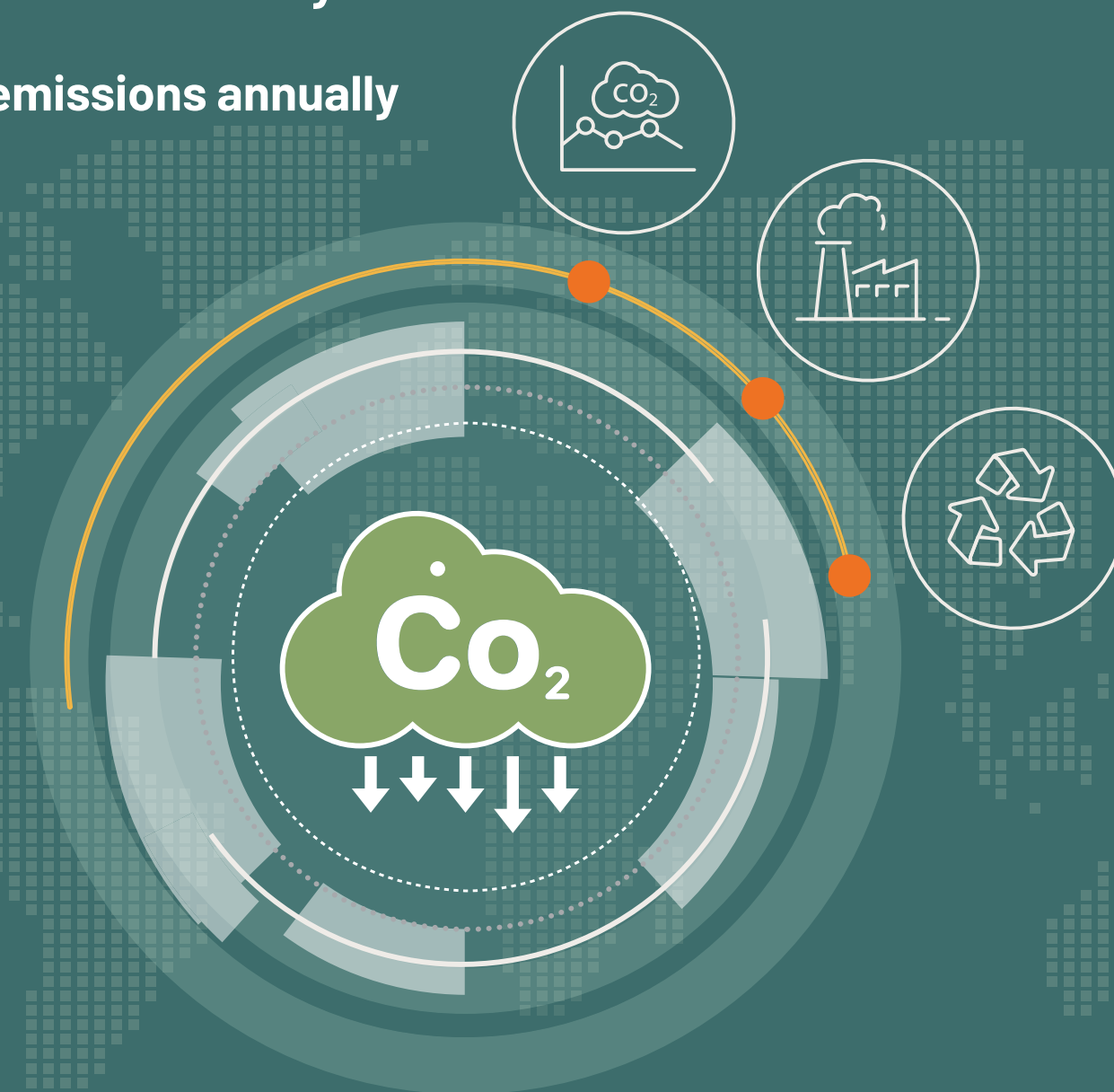


Our Net Zero Goal

The **responsibility** for building a sustainable planet is a shared responsibility, and we are committed to doing our part. In 2022, we committed to measure greenhouse (GHG) emissions, set a GHG reduction target and offset GHG emissions on an annual basis with the goal of:

We're proud to come together with other software, data and technology-enabled businesses to make a meaningful difference. We believe that harnessing the power and the promise of many will be transformational.

- **Reducing GHG emissions by 50% by 2030**
- **Emitting net zero GHG emissions by 2050**
- **Offsetting our GHG emissions annually**



Our Global Footprint



OFFICE HUBS

Brentford, United Kingdom*

Charlotte, NC

Lake Oswego, OR – World Headquarters

DATA CENTERS

Fort Worth, TX

Frankfurt, Germany

Amsterdam, Netherlands

* Note that 2022 reporting did not include data collection in this location.

At 2022 year-end, NAVEX conducted its business operations from three global office locations, and we used three global data centers to run the software products sold to our customers. This configuration presented a significant contrast to our office/data center footprint in 2020.

COVID **redefined the word “workplace”** for our organization – as it did for almost every other company in the world – and with a significant, now-remote workforce, we adapted our physical space in response.



Future Initiatives

Transitioning our London hub from Brentford to Hammersmith was identified as an objective for 2023 completion. Work was undertaken in 2022 to identify leased space for this office in a smaller, greener building that is easier to reach by public transit. Although the LEED certification does not extend to buildings outside of the United States, the selection team looked for an equivalent. The London hub will be located in a building with a BREEAM Rating of “Very Good” and an EPC rating of B, corresponding to LEED Silver/Gold.

Our Global Footprint

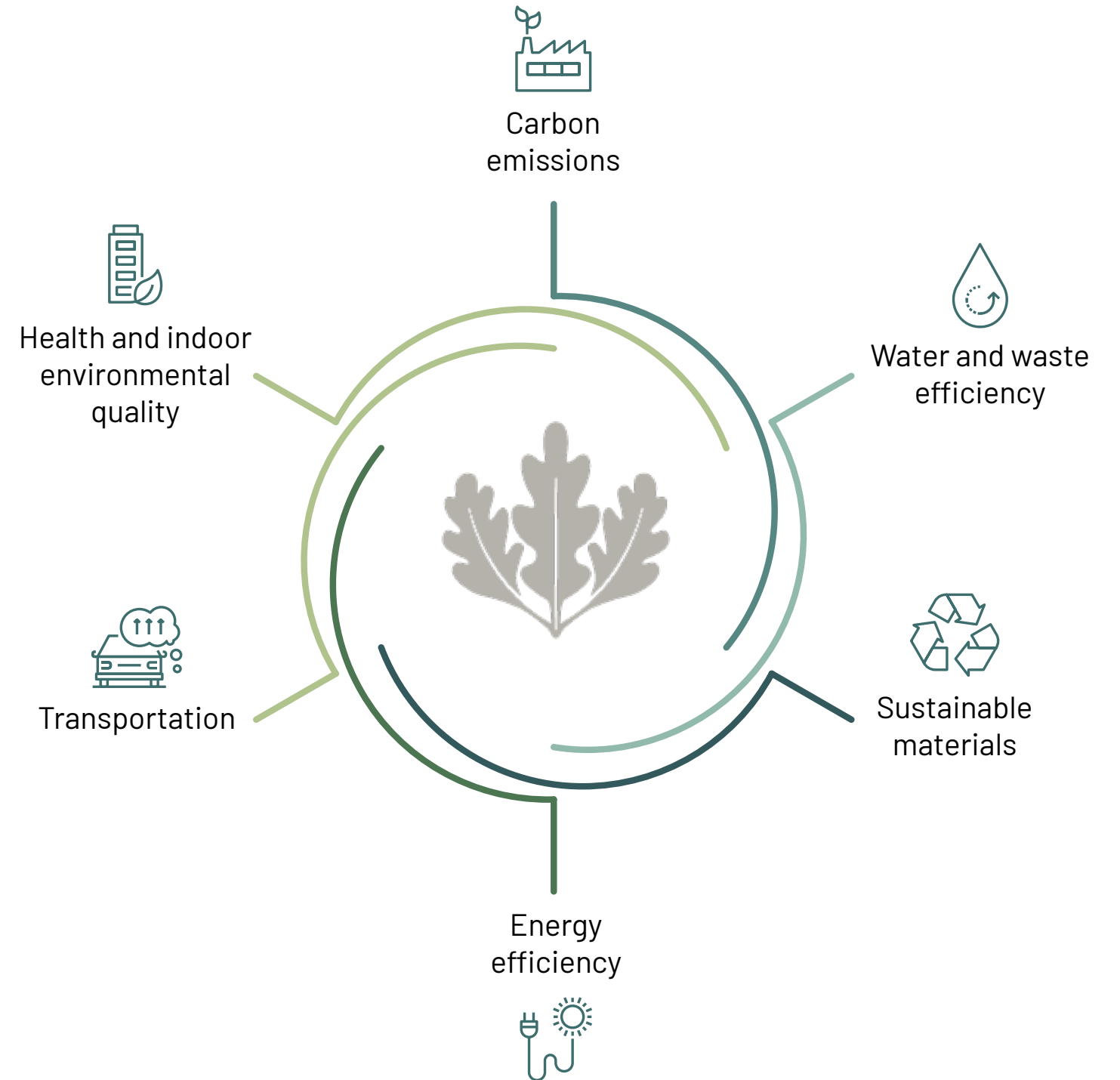
In 2021, we closed our Las Vegas and Reno data centers and moved the contents of one data center from a legacy vendor to two new locations, Cyxtera in Frankfurt and Cyxtera in Amsterdam. We also ceased use of former offices in three U.S. locations and in Chippenham UK, resulting in reductions of on-site demand for cooling and heating as well as waste to landfills.

LEED Certification

Our global headquarters is housed in a **LEED Platinum certified building**, and one of our three current data centers is ENERGY STAR certified. We're proud to be associated with green building owners who are reducing carbon emissions, energy and waste and supporting the health and well-being of our team members and our planet.

GREEN BUILDINGS

Our corporate office in Lake Oswego, OR, is housed in a LEED Platinum certified building operated by San Francisco-based Shorenstein Properties. With a LEED v.4 score of 85 points, the building earns top marks in the following areas:



Our Global Footprint

Resource Management

We track energy consumption and greenhouse gas emissions across our offices and data centers using the Value Reporting Foundation SASB Software & IT Services Standard, as well as through reporting to our private equity firm owners. In 2021 and 2022, we tracked natural resource patterns across office and data center locations, taking into account:

- Energy mix usage and cost
- GHG emissions calculations for each location
- Business travel

As our offices re-opened and travel resumed post-COVID, overall emissions increased approximately 28% over 2021, but were 26.5% less than our base year of 2019.

SUMMARY OF TOTAL EMISSIONS AND ENERGY COSTS

	2022	2021	Base Year: 2019
Scope 1 Emissions	10.33	9.65	10.5
Scope 2 Emissions	1,071.62	1,233.17	1,307.12
Scope 3 Emissions	542.79	30.57	892.95
Overall	1,624.75	1,273.39	2,210.57
% Change from Prior year	27.59 %		
% Change from Base year	-26.50 %		
Annual Reported Operating Cost	4,996,969.55	5,118,511.40	5,082,937.14
Annual Energy Cost (USD)	509,035.29	490,750.90	523,516.82
% Spent on Energy	10.1868799 %	9.5877662 %	10.2994944 %

As an organization with a large salesforce impassioned about serving its customer base, restrictions on air travel during the pandemic dramatically altered sales activities. But we found alternative ways of connecting that translated into a win for the environment while keeping us face-to-face with our customers. We continue to use technology instead of meeting space, whenever possible. Mileage and emissions for 2022 were approximately **40% less than base year** of 2019.

SCOPE 3 EMISSIONS (ALL VALUES IN CO2e METRIC TONNES)

	2022	2022	2021	2021	2019	2019
	Mileage	Emissions	Mileage	Emissions	Mileage	Emissions
Business Travel*						
Air - Long Flight	1,863,456	314.33	72,445	12.22	1,337,619	225.63
Air - Medium Flight	1,582,111	228.46	127,107	18.35	4,414,976	637.53
Air - Short Flight					117,484	29.79
Car - Medium Size						
Total Business Travel	3,445,567	542.79	199,552	30.57	5,870.079	892.95
Overall Total	3,445,567	542.79	199,552	30.57	5,870.079	892.95
% Change from Prior Year	1,626.6511987 %	1,675.3042522 %				
% Change from Base Year	-41.3028854 %	-39.2135734 %				

* Emission factors were directly sourced from EPA Climate Leaders to account for CH4 and NO2 gas breakdowns. Emissions attributed to air travel are also applied to an RFI (Radiative Forcing Index) factor of 1.9.

Our Global Footprint

As a company that occupies leased space in buildings shared with other tenants, collection of data specific to our operations is not always available. We are promoting accountability in this respect and finding increased partnership with our landlords.

To the extent we were able to do so, we have completed all **utilities estimates, occupancy and operating costs adjustments** in NAVEX ESG and have analyzed data to determine emissions per square footage.

Going forward, we will continue to track and report on metrics that illustrate our usage, including:

- Water consumption and cost
- Waste generation and cost
- Total energy consumed
- Grid electricity as a percentage of total energy consumed
- Percentage of energy from renewable sources consumed



Future Initiatives

At our global office locations:

- Request a renewable energy mix from our utility providers
- Continue to remove and replace antiquated equipment
- Request LEED certification – or equivalent on all occupied office buildings

At our data centers:

- Add a renewable energy mix
- Request energy-efficient servers
- Continue to remove and replace antiquated equipment

At our headquarters: Develop and implement a company-wide responsible purchasing program that includes:

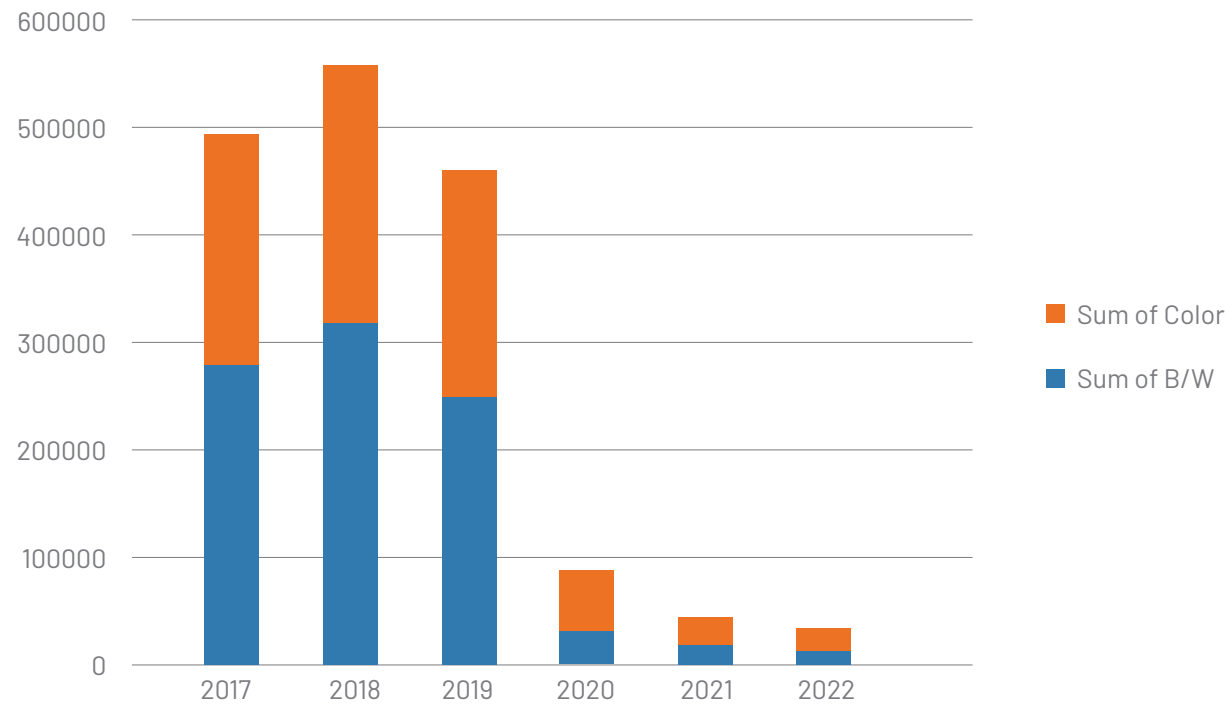
- ENERGY STAR certification for servers, equipment and office equipment
- Offer a vendor buyback program to address e-waste



Sustainable Workplace Practices

We seek out ways to work smarter, cleaner and more sustainably.

- Our 2016 initiative to fully digitize our operations and create a **paperless office** continues, with an end (and achievement) in sight. Antiquated equipment is being replaced. Office copiers have been reduced from 18 to 4 and paper usage has significantly declined.



- Our Company-issued devices now contain **solid state drives**. No moving parts means less power to operate, longer battery life and greater durability, reducing the need for more frequent replacements.
- On the software front, we rely on a **cloud-based infrastructure** and have migrated common services we purchase (such as MS Office365) to cloud-based use rather than using our own servers in-house.
- **Direct-ship of equipment and supplies** to remote team members – rather than shipping to office locations for them to retrieve – is another energy-saver.

- Our **NAVEX Next Virtual Conference** – which we’ve conducted annually **and virtually** for 11 years – serves as an enduring reminder that an online, interactive experience continues to reap rewards for our customers and our planet. Since its inception in 2012, our annual conference has attracted more than 100,000 attendees, none of whom traveled for the event.



331 metric tons:
 Estimated number of metric tons of CO2 saved in 2022 by attendees who did not travel to attend our annual conference.



Greenhouse Gas Offset

In 2022, we partnered with Clearloop, a carbon solutions platform, to help us achieve our sustainability goals by **investing in a solar project** designed to facilitate a transition to clean energy in Panola County, Mississippi, which was identified as a distressed community by the Economic Innovation Group.

Our investment in this new clean-energy project will offset 1,705.4 mtCO₂e and support a more equitable transition to decarbonization and the health and economic benefits that follow.



Social

“We believe people deserve more than a place to work; they deserve an experience that enables them to thrive in life.”

– Cindy Raz, Chief People Officer



Be the One

Fundamentally, the “S” in ESG, is about building trust and investing in initiatives and interactions that positively impact people’s lives. In 2022, we created a strategic initiative to **Be the One place people want to grow their careers and thrive in life**. We’ve built a robust set of ways for team members to connect with each other and with the communities where they live and work. Our workplace culture extends beyond what people do professionally and celebrates successes achieved in all facets of their life – it’s a culture that serves as an example of what’s possible when an organization strives to Do the Right Things Right.



USA Top Workplace

Based solely on team member feedback gathered during a survey administered by Energage LLC in 2022, NAVEX was honored as a **USA Top Workplace** for 2023. The anonymous survey measured 15 unique culture drivers that are critical to the success of any organization – including alignment, execution and team member connection. In addition to the Top Workplaces honor, Energage also recognized NAVEX for culture excellence in Employee Well-Being and Diversity, Equity and Inclusion.

NAVEX was also named a 2022 Oregon Top Workplace by The Oregonian and a 2022 Charlotte Metro Area Top Workplace by The Charlotte Observer.



Future Initiatives

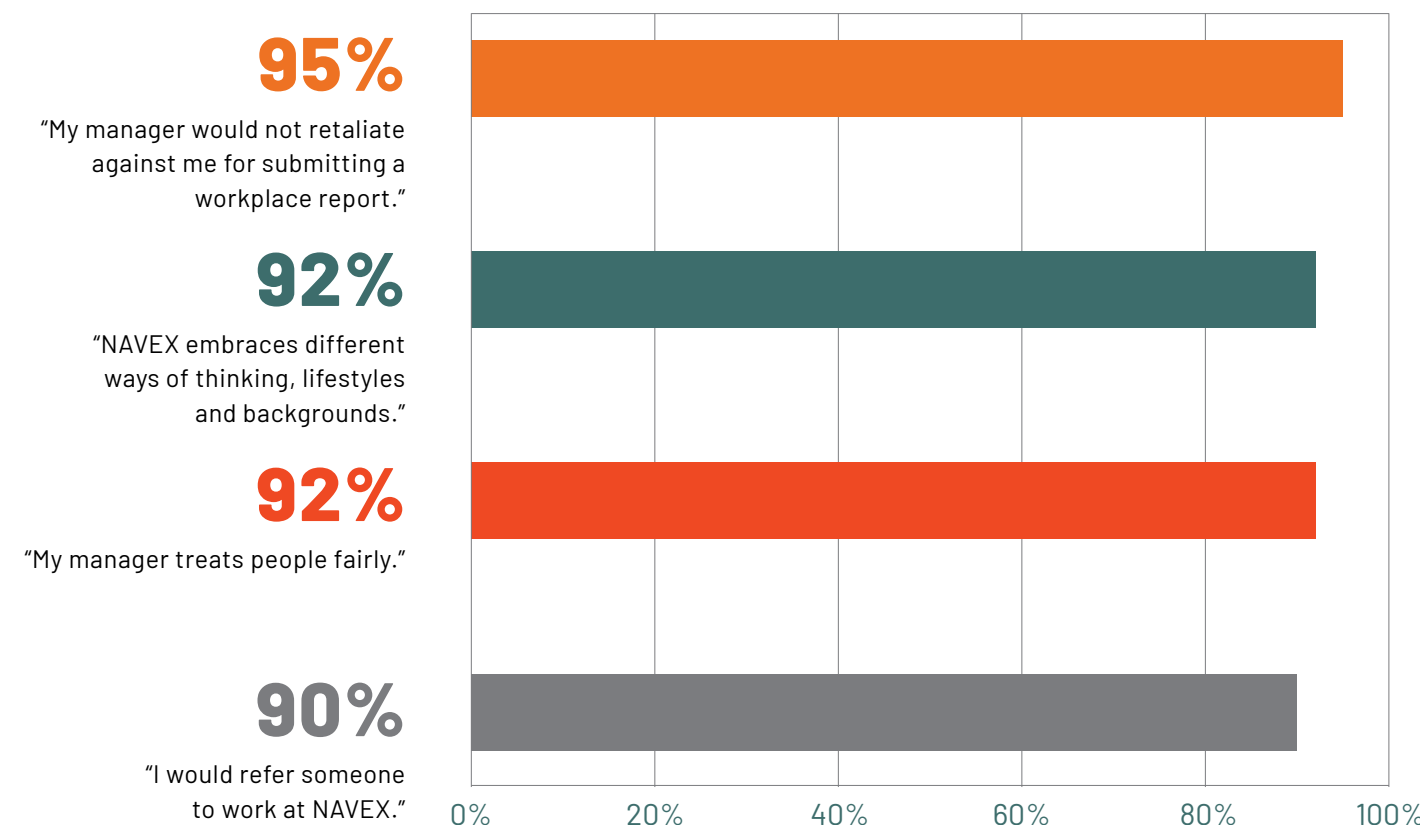
Our Top Workplace recognition affirms our commitment to our team members, reinforces our Be the One strategic initiative and aids in recruiting top talent. We will strive to achieve the same level of recognition in the years ahead.

Culture and Engagement Survey

Through our annual survey and Pulse Check surveys, we invite team members to provide feedback on their experience at NAVEX. The tool – managed through a third party that specializes in employee survey distribution and reporting and ensures anonymity of responses – provides a snapshot in time of team member perspectives on job satisfaction, leadership and workplace culture.

Eighty-one percent of our workforce participated in the survey and **scores reflected questions that were scored favorably 85% of the time** – the highest on record for an annual survey. Our commitment to listening plays a critical role in making NAVEX more than just a great place to work but a truly meaningful place to be.

WE INSPIRE One Another!

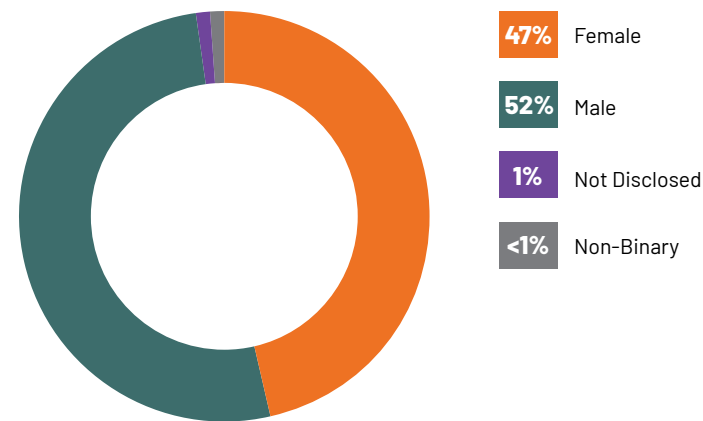


- Percentage of team members who responded favorably (rating of 4 or 5) on the NAVEX 2022 Annual Engagement Survey

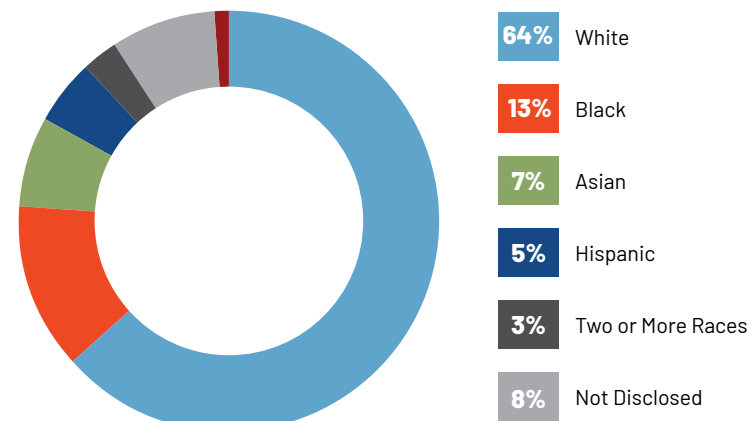
Be the One – Together

We promote **belonging**, the sense that every individual is not only welcomed, but valued for who they are. Promoting **a workplace where everyone feels safe, connected and engaged**, lifts up our business, the communities where we live and work, and the world we live in. Initiatives we introduced and advanced in 2022 reflected this conviction.

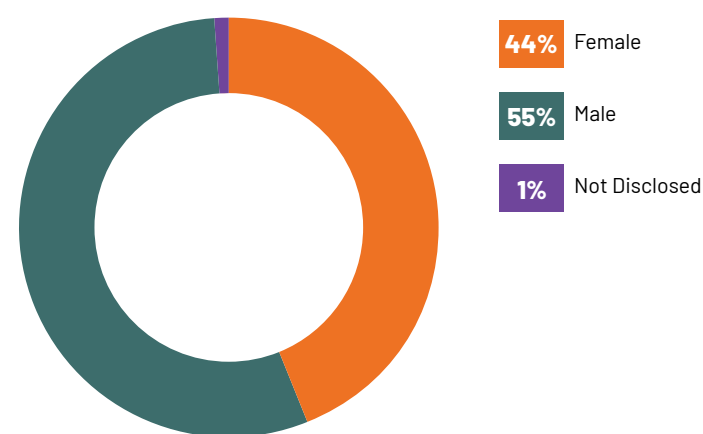
1,250 Team Members



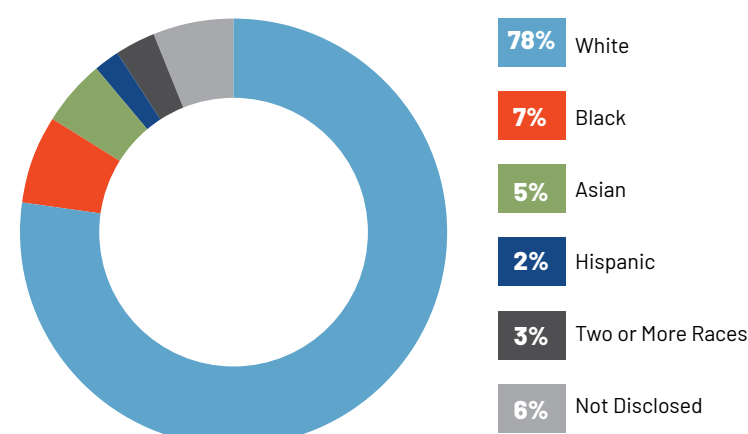
1,250 Team Members



Managers/Supervisors



Managers/Supervisors



WE DO the Right Things Right!

At NAVEX, our ability to deliver outcomes that matter most for our customers begins with building a workplace that matters most to our people.

*Our culture is connected by our shared purpose and values. Our individual commonalities and differences – those that can be seen and heard and those that cannot – enable us to **Be the One – together.***

Be the One – Together

In Our Recruiting

We attract, develop and retain strong teams that reflect the customer base we serve. In 2022, we:

- Built up our **diverse workforce**. Forty-two percent of all NAVEX new hires identified as having a race other than white – up from 40% in 2021.
- Hired a **Talent Brand Ambassador** who is dedicated to supporting our community partnerships and people goals across our organization.
- Promoted **Affirmative Action** and increased awareness of our opportunities across community groups through a partnership with a SaaS-based workforce development organization established in 2021. This partnership enables NAVEX to publish our job openings across 600 diversity-specific job sites.
- Reached underserved community groups through our **Discover Your Extraordinary Internship Program**, which inspires career potential within the field of technology and engages people in non-traditional academic settings.
- Connected with underserved youth through our **Youth Development Program**. We believe that to develop great people, today’s youth must see and feel possibility in their life. Our Youth Development Program specifically supports an inclusive pathway to success.
- **Required bias training** for all hiring managers to ensure biases they may have do not inhibit their responsibility to evaluate people fairly and objectively during and after the recruitment process.



In Our Compensation

Team members benefited from an increase in the company’s annual compensation budget, expanded participation in our **Management Bonus Program** and the ushering in of a culture of pay transparency:

- **Pay Equity.** Before releasing a job offer – internally or externally – our HR Team evaluates the offer to ensure the pay is equitable to other “like” roles held by people with like experience.
- **Pay Transparency.**
 - In 2021, NAVEX implemented a **Step Program** that brought full transparency to wages for our sales professionals, giving them a line of sight to growing their careers and achieving their financial goals. In 2022, the Step Program was expanded to Business Development Reps and Product Engineering; all teams will have this model in place by the end of 2023.
 - All job postings are published with pay ranges that align with internal pay equity. This **gives candidates visibility** into – and understanding of – pay for the position they’re considering.
- **Beyond the Minimum.**
 - NAVEX ensures people are provided the opportunity to earn a wage beyond regulatory requirements. **No team member earns less than \$15.00/hour.**
 - The average wage paid at NAVEX for individual contributors outside the Contact Center is approximately \$76,000 (\$68,000 with the Contact Center included.)(For context, according to the Bureau of Labor [ECI Home : U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov), the average hourly wage for a U.S. employee in 2022 was \$11.03 and the annual median wage was \$54,132).
- **Top Talent.** In addition to NAVEX’s annual compensation review, people identified as demonstrating **performance above and beyond** their job duties are eligible to receive additional compensation throughout the year.

Learning and Development

Our message to customers about building an ethical culture is based on the investment we make in building our own. Our team members are innovators, collaborators, ambassadors and advisors. They are the drivers of our success, so we are committed to providing formal career planning, virtual life conferences and other resources and opportunities that enable them to be at their very best. We recognize that the level of engagement with our team members not only stokes our corporate culture but is directly tied to the service we provide our customers. Team members have many paths to advancing their professional development:

- In 2022, NAVEX's HR Team began developing the framework for an internal **Be the One podcast series**. Going live in 2023, the podcast lets attendees hear firsthand from NAVEX team members about how they have grown their career and overcome adversities in life.
- Our **Community Groups** encourage team members to connect with people who share similar experiences and share ideas for supporting their experience at NAVEX. Current community groups include Women in Sales, LGBTQ+, Black Connect, Asian and Pacific Islander and a Parenting Group. For 2023, in response to requests from team members, a new Community Group for Early Career Professionals will begin to meet.
- **Talent Calibration Sessions**, conducted annually, ensure performance ratings are calibrated fairly, successors for key roles are identified, managers receive feedback to support the development of their teams and managers identified as having leadership potential are invited to participate in management training. In lieu of formal written performance reviews, NAVEX conducts talent review sessions to reinforce our in-the-moment coaching model and invest in people's success throughout the year.

- NAVEX's corporate **talent development programs** enable people to thrive at NAVEX and in life, by:
 - Formally mapping their career journey – 100% of team members are required to have a **career plan** established, and 100% of new leaders are required to have a **leadership development plan** in place. Leaders also participate in a six-month leadership development program as well as training on topics such as Leading Through Pressure and Leading Across Cultures.
 - Attending our **Virtual Life Conference**. In our inaugural conference, held in 2022, team members had an opportunity to attend sessions about how to manage their personal finances and develop skills in project management, presentations, Excel fundamentals and more. Sessions were also hosted on life skills topics such leading with compassion and empathy, managing personal finance, promoting whole body wellness and balancing parenting and working.
 - Celebrating personal milestones. **NAVEX's Life and Tenure Program** is designed to mark meaningful life moments and milestones for team members. In 2022, NAVEX invested approximately \$95,000 to celebrate team members who welcomed a new child or celebrated a birthday, a marriage, retirement or their work anniversary at NAVEX!

WE CELEBRATE our successes!

Eighty-eight percent of people identified as top talent at the end of 2021 and 95%, based on mid-year ratings in 2022, were retained as of 12/31/22.



Future Initiatives

To advance growth for team members within our Contact Center operations – our most ethnically diverse group of team members – NAVEX is launching a new program to further the opportunity for internal mobility for this team in 2023.

Health and Wellness at NAVEX

Live Well educates team members about being better health care consumers, rewards them with additional dollars to support their health care costs for preventive appointments and encourages their participation in raffles for exercise equipment to promote a healthy lifestyle.

The **Calm App** gives team members free access to robust tools and resources to help support balance in their life.



In 2022, NAVEX increased the number of free sessions in our **Employee Assistance Program** from 3 to 6, for team members to meet with a mental wellness professional.



Inclusive Therapy, through our Be the One Together Resource Center, connects individuals in underrepresented groups to wellness resources, including: Inclusive Therapists, National Queer and Trans Therapists of Color Network, Women’s Health and Pride Counseling.

Our **Managing Life’s Realities training programs** equip managers with resources to recognize and support people experiencing mental wellness issues. Team members are provided a safe space to bring forward their concerns and receive support as needed.

In 2023, NAVEX will launch a new **Life Leave Program** that provides up to:

- 14 weeks for pregnancy / parental leave
- 12 weeks of paid leave for military leave
- Leave for a serious health condition and care for a family member
- 2 weeks to support people through the loss of a loved one, with no restriction on how people define what a family member means to them
- 12 weeks of paid leave for care associated with gender affirmation

Mental Wellness Monday messages support people struggling with mental health by highlighting helpful resources and actions.

100% of team member premiums for **short- and long-term disability** are paid by NAVEX to ensure a team member is financially cared for in the event of an extended illness beyond our Life Leave Program.

NAVEX offers **Time-off Programs** that exceed industry standards for people to step away from work to rejuvenate, including 12 paid holidays.

Community Outreach

We believe in improving lives, not only through the solutions we offer, but also through participation in, and support of, local and global initiatives – we want the communities where we operate to thrive. As a company, we strive to be a good neighbor, and we encourage team members to engage in causes they are passionate about.

- Through our **Outreach Program**, our philanthropic group brings people together to support local non-profits in their local communities through drives, events and volunteer opportunities. NAVEX contributed approximately \$17,000 toward charities in 2022 and an additional \$43,000 specifically in support of relief efforts in Ukraine.
- Every team member is given an opportunity to engage in **16 hours of paid Days of Service** each year.
 - Eight hours may be used to support our **ACT Program (Acting and Changing Together)** – organizations that are supporting underprivileged communities.
 - Eight hours may be used to volunteer time to an organization that matters most to the team member.
- Our **Inreach Program** enables NAVEX team members to help coworkers who are facing hardship.
- NAVEX's corporate recruiters volunteer their time, providing **recruitment services** to individuals in underserved communities and coaching on job interview preparation each year.

WE INSPIRE One Another!

After giving birth to her first child, a team member hired in 2019 experienced the unimaginable loss of her husband and uncle in a tragic car accident in Q4 2021. Through NAVEX Inreach, a gofundme page was established where more than \$11,500 was donated, in addition to food and clothing for her daughter, by Q1 2022. This team member continues to advance her career with NAVEX today.



Governance

“Good governance is good business. It’s what we tell our customers; it’s the way we conduct our own business.”

– Carrie Penman, Chief Risk and Compliance Officer



Our ESG Team

Our ESG activities are coordinated, managed and measured by a cross-functional team of senior leaders with oversight, guidance and input provided by our Chief Executive Officer and our board of directors. The team includes our:

- Chief Executive Officer
- Chief Risk and Compliance Officer
- Chief People Officer
- General Counsel
- Associate General Counsel, Compliance and Deputy Compliance Officer
- Associate General Counsel, Privacy and Data Privacy Officer
- Vice President, Information Technology

In addition, subject matter experts from our product and leadership teams (including our Chief Product Officer, Chief Technology Officer and Chief Customer Officer) support our understanding of best practices and standards.

Two senior level committees maintain formal oversight:

- Risk and Compliance Committee
- Privacy and Security Committee

As a privately held organization, our board members include our Chief Executive Officer, our (former CEO and) Executive Chairman of the Board and key representatives of our owners. Our board meets at least quarterly and receives reports related to our initiatives and programs from our Chief Risk and Compliance Officer, who participates in all board meetings.



Future Initiatives

Use our town hall forum as a vehicle for socializing and promoting our ESG efforts among team members.



Our Risk and Compliance Program

The emphasis we place on promoting, protecting and preserving a culture of integrity is not simply a message that we send to customers; it is the cornerstone of our own risk and compliance program and an authentic expression of how we conduct business ourselves. As the global leader in governance, risk and compliance solutions, we take seriously our responsibility to **set the standard for conducting business ethically and lawfully**.

Our code of conduct, "[*Doing the Right Things Right*](#)," is a reflection of the high standard we set and is something to which each NAVEX team and board member annually attests. Integrated into our code of conduct is a comprehensive framework of internal policies and our team member handbook, "People Programs and Practices."

To educate our team members and reinforce items of importance or risk mitigation to our organization, we administer **regular and topical trainings** accompanied by leadership messaging in both written and monthly town hall forums. Our team members also have a duty to report any suspected issues of noncompliance through any available channel, including our anonymous and confidential web-based portal. We adhere to a strong non-retaliation policy.

WE DO the Right Things Right!

Our team members commit ~ 10 hours/year to training on a variety of ethics and compliance topics including data privacy and cybersecurity.

We also host a Learning Library with free access to online courses, podcasts and articles on topics that range from communicating effectively to conflict resolution.

We also leverage the best-practice solutions we offer to our customers, including:

- Our **NAVEX IRM** solution helps us identify, assess and prioritize risk throughout our organization. A foundational element of all risk and compliance programs – and all ESG programs – is a strong risk assessment process that identifies risk areas, current mitigation strategies and any gaps. Through this process, we build mitigation plans, assign owners and track the plans to completion.
- We use our **NAVEX One** solutions to manage many aspects of our compliance program:
 - Our PolicyTech® tool provides **easy access to all our policies** and captures team members' annual attestations to key documents, like our code of conduct, our team member handbook and other policies applicable to each team members' role.
 - Using our **library of online training content**, we not only mitigate compliance risks, but also communicate expectations and set the tone for a respectful and inclusive workplace.
 - We promote a **speak-up culture** and offer multiple channels for reporting. Our NAVEX4NAVEX web reporting tool provides team members and third parties with a means for anonymously sharing concerns about unethical or illegal conduct.
 - We collect potential **conflict-of-interest disclosures** from certain team member groups via our Disclosure Management tool.
 - We perform **due diligence using our RiskRate®** solution to vet our suppliers up front and flag subsequent reputational risks on an ongoing basis.
- Finally, our **NAVEX ESG** solution helps us track and report on key ESG metrics.

Our Risk and Compliance Program

Anti-Bribery and Corruption

Our commitment includes an **absolute prohibition on bribery, corruption and anticompetitive behavior**. As an organization serving a global customer base, we stay alert to – and compliant with – the laws in the locations where we operate. We have no tolerance for acts of bribery and corruption, and we communicate that policy via annual training and attestation to team members in roles and in countries where there is a heightened risk of bribery or corruption.

Business Continuity

To reliably support our customers, we maintain a Business Continuity Plan (BCP) to protect against disruption of our operations. We continuously monitor for system downtime and strive to **keep downtime to an absolute minimum**. Our teams systematically identify and address performance issues and will continue to build upon these processes, the efficacy of which drives customer confidence in our offerings. We conduct annual testing of our BCP via a table-top exercise.

Responsible Sourcing

We hold our vendors, suppliers, contractors, consultants and others who work for us (“suppliers”) to the same high standards we set for ourselves and communicate our expectation that they will conduct business in a way that is consistent with our company practices and values.

- The **due diligence** we perform using our RiskRate solution helps us protect our reputation in the marketplace.
- We also **screen appropriate individuals and entities** directly involved in the provision of services prior to hire or contract (as applicable) and monthly thereafter against the Office of Inspector General List of Excluded Individuals and Entities (“OIG List”) and the SAM.gov Exclusions List (formerly the General Services Administration Excluded Parties List Systems), as well as the exclusion lists of DEA, FDA, ORI, PHS, Tricare and numerous state certification and licensing boards.
- We expect our suppliers’ business conduct to align with our values, and we monitor their performance in key areas to ensure our standards and customer commitments are met, particularly as they relate to information security. In 2022, we developed and launched the NAVEX [Supplier Code of Conduct](#) to outline expectations of third parties who do work for us or on our behalf.
- We strive to work with suppliers that share our **respect for human rights** and have published a [“Modern Slavery Statement,”](#) which we review and update annually.



Data Privacy and Security

Data privacy and security are among our highest and most impactful priorities. To support these priorities, we are proud to **operationalize data privacy and security principles throughout our product, customer and processing life cycles**. These principles guide decisions and strategy across our organization to ensure we are safeguarding the data entrusted to us and in the manner expected of us.

Data Governance

Our commitment to data privacy and security begins with our approach to data governance. Our privacy function is led by our Data Privacy Officer who, along with a **dedicated team** of privacy attorneys, advises and leads the organization on privacy matters affecting all aspects of our business. Together, our privacy team monitors international legislative, judicial and policy developments and guides responsive actions throughout the enterprise.

Our governance structure also includes a **Privacy and Security Committee** comprised of leaders representing the privacy, legal, compliance, information security, production engineering, hosting and customer support functions of our business. This committee meets at least twice a quarter to ensure sustained organizational and executive awareness of key privacy and security matters.

Operationalization of Core Privacy Principles

We adhere to and are guided by several core privacy tenants, taking into consideration global and local perspectives. In the design and engineering stages of our solutions, **our privacy-by-design approach** to products and functionality ensures data protection measures become ingrained in our solutions early on.

Once live, our solutions and services likewise follow the **principles of data minimization and least privilege** to restrict the amount of data collected to that which is necessary and to limit access to that data to only those who have a bona fide need to access it.

While our steadfast commitment to these principles exists now, we fully expect our practices and programs to mature, improve and become more refined over time.

WE DO the Right Things Right!

Our solutions and practices are also designed to:

- **Enable correction** of inaccuracies in personal data
- **Allow for the deletion** of such personal data as our customers may be directed by data subjects



Data Privacy and Security

Data Security

We honor the privacy of those who entrust their data to us. **Good data security** is a fundamental part of maintaining that trust. We annually engage third-party auditors to perform a SOC 2 Type 2 audit that reviews our controls in relation to several trust principles, including security and confidentiality. The primary data centers we employ to support our production environments are ISO 27001 certified.

In 2022, NAVEX engaged a well-known third-party firm to conduct a **cybersecurity maturity assessment**, which yielded a positive score and recommended areas for improvement. We have adopted six major initiatives to further increase an already-strong maturity score for 2023.

Internally, our dedicated information security team maintains a standardized packet of security information as well as **a comprehensive suite of policies, protocols and documented procedures** detailing a collection of safeguards. We also routinely make commitments to our customers in contractual documents through which NAVEX agrees to maintain numerous data security measures, including encryption of customer data.

WE DO the Right Things Right!

We protect sensitive information. NAVEX supports:

- 6M+ workers in highly regulated industries
- 8 of the UK's 10 largest banks
- 9 of the world's largest pharmaceutical companies
- 4 top global telecommunications manufacturers
- 1,900+ European customers



Freedom of Expression

Freedom of expression is a foundational philosophical element of our most widely used marketplace offerings: hotline and incident management. Comprised of call centers, web-based intake portals and incident management software, these channels of communication are available to our customers' stakeholders around the clock every day of the year. These solutions **amplify and empower the voices of individuals worldwide** to speak up on matters affecting individuals' legal and human rights, from pay equity to humane working conditions, in a manner that protects personal privacy at every step.

Among our most sacred commitments is to **safeguard the personal data entrusted to us** for secure processing in our systems. In 2022, reporters filed more than 1.5 million reports (representing 3,430 organizations that received ten or more reports in 2022) on a vast array of issues, including discrimination, retaliation, conflicts of interest and harassment. Each report was handled in alignment with our robust privacy and security policies, contractual commitments and processed through a software application replete with safeguards designed to protect personal privacy and data security. **We never sell or make secondary use of customer personal data**, nor do we allow our third-party sub-processors to do so. Moreover, if desired by the reporter and enabled by the customer's configuration, these reporting channels allowed each reporter to report anonymously in order to facilitate the information flow.

Further **empowering free expression**, we have established policies and procedures for the narrow and legally required circumstances under which data must be disclosed to certain third parties, such as litigants and government representatives. Likewise, we have never created a backdoor or master key to any of our products or services, nor have we ever allowed any government body direct access to our applications or production servers. **We will soon publish our inaugural Transparency Report**, which will more thoroughly address our handling of third-party requests for customer data, such as investigative and litigation subpoenas. For now, please see the transparency tables in the [Appendix](#).

WE DELIVER Extraordinary Value!

*In 2022, reporters filed more than 1.5 million reports (representing **3,430** organizations that received ten or more reports in 2022) on a vast array of issues.*

Our Speak-up Culture

Within our own organization, we are committed to fostering **a culture that inspires and values free expression**. In fact, we understand that our organization's viability requires that our 1,250 team members worldwide are empowered to raise concerns so that the concerns may be properly addressed. Our internal reporting channels are fortified by the same safeguards that protect our marketplace offerings, as we use the same proprietary reporting and incident management solution internally.

Among these safeguards are functionality enabling reporter anonymity and **our resolute policy of non-retaliation** against reporters and those participating in an investigation. And we make no secondary use of personal data disclosed in our reporting processes – any personally identifying information in a report is used only to the extent necessary to investigate and resolve the report. And when reports are submitted through our proprietary incident management system, which is the same system used by our customers, the same administrative, physical and technical safeguards protecting the marketplace version of the application are in place for our internal system.

At NAVEX, we understand how critical trust in reporting channels is to the free flow of information and remain **committed to building this trust** in organizations worldwide and especially in our own.



Appendix



SASB Standard: Software & IT Services

Topic	Item no.	Accounting Metric	Response
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	<ol style="list-style-type: none"> Total energy consumed Percentage grid electricity Percentage renewable 	Total energy consumed, 100% from the grid, was 3,441,634 kWh – of which 48.7% was renewable grid electricity
Data Privacy & Freedom of Expression	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Please refer to the Resource Management section in the discussion of our environmental initiatives in this report
	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	NAVEX's privacy policies and procedures relating to its customers' data expressly restrict the use of customer personal data for behavioral advertising. All processing of user information is done strictly to provide the services and is performed in accordance with our customers' instructions. Please refer to our full Privacy Statement for more details around how NAVEX processes personal information on its website
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	NAVEX does not process user personal information for secondary purposes in its services
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	None
	TC-SI-220a.4	<ol style="list-style-type: none"> Number of law enforcement requests for user information Number of users whose information was requested Percentage resulting in disclosure 	Please refer to our Transparency Appendix
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	None
Data Security	TC-SI-230a.1	<ol style="list-style-type: none"> Number of data breaches Percentage involving personally identifiable information (PII) Number of users affected 	We do not report on these metrics
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Please refer to the Data Security section of this report
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	13%
	TC-SI-330a.2	Employee engagement as a percentage	84%
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff and (3) all other employees	Please see detailed breakdown
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	None
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	We do not report on this metric
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	We do not report on this metric

Appendix

TC-SI-330a.3: Detailed Breakdown

	Percentage in Management	Percentage in Technical Roles	Percentage in All Other Roles
Female	42	23	53
Male	58	76	46
Not Disclosed	0	1	1

	Percentage in Management	Percentage in Technical Roles	Percentage in All Other Roles
Asian	4	11	4
Black or African American	6	4	17
Hispanic or Latino	1	2	5
White	82	73	61
Other	3	4	6
Not Disclosed	4	6	7



Appendix

Transparency

INFORMATION REQUESTS – GOVERNMENT			
Year	Number of Requests	Identity of Authorities	Location of Data Subjects
2010	2	United States Department of Justice	United States
		United States Department of Homeland Security	United States
2011	0		
2012	0		
2013	1	United States Department of Justice	United States
2014	0		
2015	0		
2016	1	Federal Bureau of Investigation	United States
2017	0		
2018	0		
2019			
2020	3	City of Chicago	United States
		U.S. Army Criminal Investigation Command	United States
		United States Department of Justice	United States, China
2021	1	Federal Bureau of Investigation	United States
2022	1	U.S. Equal Employment Opportunity Commission	United States

INFORMATION REQUESTS – PRIVATE INDIVIDUALS/ENTITIES		
Year	Number of Requests	Location of Data Subjects
2010	1	United States
2011	2	United States
2012	5	United States
2013	3	United States
2014	5	United States
2015	6	United States
2016	9	United States
2017	5	United States
2018	8	United States
2019	6	United States
2020	6	United States
2021	7	United States
2022	8	United States (one geographically unlimited)

NAVEX[®]

NAVEX.com

NAVEX
WhistleB
WhistleB.com