twentyfifty®

Communication on Progress

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To our stakeholders,

I am pleased to confirm that twentyfifty Ltd remains committed to supporting the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption.

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

We are a small company but one whose professional services are focused on, among others, helping large multinationals adhere to the principles of the UN Global Compact, especially those principles related to human rights and labour standards. We also commit to share this information with our stakeholders through our website and the Global Compact.

In a year when the UN launched the Global Goals on Sustainable Development, we have begun to work with them as a framework that complements the UN Guiding Principles on Business and Human Rights and challenges companies to understand how they enhance their social contribution, as well as addressing social impact.

We are committed to continuous improvement of our performance and look forward to any feedback on this report.

Sincerely,

Luke Wilde, Chief Executive

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Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

The purpose of twentyfifty is to build the capacity of companies to understand and address their impacts and lead change that serves both business and society.

We are committed to respecting human rights in our own operations, our service delivery and our business relationships. We do this by working with multinational commercial clients to help them to implement their commitments to respect human rights. Since 2004, we have worked globally and across sectors, with a particular focus on extractives, technology, food & agriculture, tourism, pharma/chemicals and retail & garments. Following their arrival in 2011, the UN Guiding Principles on Business and Human Rights (UNGPs) have underpinned much of our client work.

We provide support in raising awareness, engaging internal and external stakeholders, programme strategy and organisational change, and understanding and assessing human rights impacts as well as training, policy development and implementation. As a professional services firm, we aim to:

- Develop practical, implementable approaches to the UNGPs that deliver business benefits for our clients and provide organisational change support which enables these approaches to be implemented across global operations
- Encourage larger numbers of businesses, especially those operating in emerging markets, to implement the human rights principles of the Global Compact and the UNGPs
- Share, where clients allow, our work with wider audiences and encourage clients to be transparent about their progress and challenges in order to develop the collective knowledge and practice of respecting human rights

Progress in 2015: Working with clients

The standard terms of many of the contracts issued to us by public bodies as well as private companies limits what we can say about our work, however when we can we agree with our clients that they (and we) publish lessons from the project we undertake together to support the transformation towards a responsible and rights-respecting global economy.

- In 2015, we completed research for UNICEF on children's rights in the extractives industry, which was published as two separate documents. The oil & gas study examined the management of both negative and positive impacts on children's rights through a series of stakeholder interviews. The mining report used in-depth engagement with companies to determine the extent to which children's rights are being integrated into human rights due diligence.
- in Bangladesh, we are working to address gender inequality and sexual harassment in garment factories by improving factory management-workplace dialogue, and the participation of women.
- During the year we issued guidance for companies called "5 Steps towards managing the human rights impacts of your business", written in partnership with the German UNGC Network. This guide particularly focused on the first steps that small and medium-sized enterprises could take to get started with human rights due diligence. Before the end of the



- year, we will also publish a brochure including five case studies on human rights risk and impact assessments, which we developed with funding from UNGC Network Germany and the German Institute for Human Rights.
- In Germany, we run a peer learning group of companies in cooperation with the German
 UNGC Network to develop and share their approaches to implementing human rights due
 diligence. The outputs of these discussions are summarised and published for others to
 benefit. We also explored opportunities to kick start a similar group in India and a first
 meeting took place this year.

We share our knowledge and expertise on human rights as guest speakers at events, through webinars and via regular online blogs. In 2015, our webinars focused on human rights due diligence, women's empowerment, stakeholder engagement and land rights, in India and elsewhere. Members of our team spoke about human rights topics at the following events:

- Multi-Stakeholder Meeting to form a strategic alliance on business and human rights in India (consisting of multinational and home grown companies), March 2015
- Expert hearing on human rights due diligence and human rights impact assessments for development of German National Action Plan on Business and Human Rights, April 2015
- Responsible Extractives Summit on children's rights in mining and oil & gas, June 2015
- IOE/BDA International Business & Human Rights Conference in Berlin, June 2015
- Women Empowerment Principles event in New Delhi, India, September 2015
- Global Compact+15 Europe Conference, October 2015
- Modern slavery event in partnership with Black Sun plc, November 2015

One team member also contributed to a university course at Hochschule für Technik und Wirtschaft Berlin called "Globale unternehmerische Verantwortung – Der "Ehrbare Kaufmann" in der Krise?" for business administration and business law students, helping to raise awareness of human rights amongst future managers.

In addition to substantial projects with clients, we deliver training to businesses and others on putting into practice the UN Guiding Principles on Business and Human Rights and related topics. In 2015, we delivered training in the UK, Germany, Japan and India.

Progress in 2015: In our own operations

We seek to apply the same principles to our own operations as those we support our clients to implement, using the UN Guiding Principles as a reference point in our decision-making. twentyfifty is a member of the UNGC local networks in the UK, Germany and, as of 2015, Switzerland. In November 2015, we signed the Women's Empowerment Principles at an official signing ceremony with the German Federal Minister for Economic Cooperation and Development Gerd Müller in Berlin.

In contrast to our consulting engagements, where we do gain influence in the system via our multinational clients, as a micro business when it comes to our own operations, like other small businesses, our choices are limited to those which the system makes available to us. Therefore we do not conduct comprehensive human rights impact assessments on our own operations and business relationships but we do use our knowledge to chose ethical or lower impact suppliers or business partners whenever possible, for example when we book travel or purchase computers.





Photo: M. Gottschalk/photothek.net

One area where we do encounter dilemmas is in who we choose to work with. In controversial cases we seek to ensure that all colleagues are involved in the decision-making, and satisified with the conclusion. In 2015, we used this process to decide whether to work with a tobacco company and were able to reach agreement in a way that ensured the team was comfortable with the outcome. The focus of this work is to improve working conditions on farms which, often as one of several crops, grow tobacco. This seemed like the sort of opportunity to use our experience and competencies to make a difference to many people's lives from which we should not walk away. We are also clear that we would not work on the sales side of the business.

Measurement of outcomes

During the year, Kuoni's Indian subsidiary Sita won a national tourism award for the human rights impact assessment conducted with the toolkit we had prepared.

In 2015, we have provided formal training to 184 participants, representing at least 98 organisations, the vast majority businesses, at 11 separate events.

Plans for 2016

In the year ahead, our plans are to:

- Develop our work with the local Global Compact Networks in UK, Germany and India
- Broaden and deepen our training offerings related to business and human rights
- Continue our thought leadership efforts and raise awareness on the opportunities of a human rights based approach in public fora and media
- Promote women's empowerment and diversity when working and communicating with our clients and business partners

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Labour issues are core elements of human rights and one of the main areas that we focus on in terms of providing consultancy. We have several labour standards experts in our team. This gives us the capacity to support our clients to ensure local practices meet international expectations and the labour principles of the UN Global Compact.

In addition to working with our clients, we seek to make sure our own practices are exemplary. For us, fostering positive working conditions is essential to recruit and maintain the best talent. Our consultants will only be successful in supporting clients if they feel respected and treated fairly, have opportunities to develop and can find an adequate balance between work and personal life.

Progress in 2015: Working with clients

In 2015, we have focused in particular on modern slavery, providing training, guidance and insight in relation to the UK's Modern Slavery Act. Our activities included:

- Webinar on modern slavery
- Bespoke modern slavery training for clients
- Bespoke modern slavery guidance for clients
- Half-day course on effective due diligence of supply chains in relation to modern slavery
- Speaking engagements on modern slavery
- Articles and blogs on modern slavery

Our work in Bangladesh also focuses on non-discrimination. With the CSR Centre in Dhaka (who also provide the secretariat for the Global Compact in Bangladesh) we are working with ten readymade garment supplier factories. Our approach is to build local capacity, ownership in factories and greater worker representation to improve working conditions and ensure that the workplace is free from harassment. The project is a pilot initiative that seeks to demonstrate business value to both suppliers and their customers of addressing worker-manager relations and gender-based discrimination.

Progress in 2015: In our own operations

Within twentyfifty's operations, we have sought to make several improvements to our own working practices this year. Our team is geographically spread and has grown in the last 12 months. We have



established a leadership team to drive the business forward and to provide a clearer structure for our employees and associates. Each employee has a line manager with whom to discuss their needs and expectations of the business, raise grievances should there be any and ultimately improve their satisfaction and working conditions. We have also developed a Staff Handbook to support induction processes and to empower employees to make decisions.

We seek wide involvement in decision-making through regular team calls and through all-team face-to-face meetings. For example, in 2015 we have collaborated to develop our purpose statement.

For us, diversity is a key success factor to ensure we can respond to client needs globally. Our team is diverse, with 11 languages spoken, a leadership team that is 50% female and we provide flexible working arrangements to meet individual needs (e.g. to balance work and family life through working from home and flexible time).

We support the professional and personal development of each team member, providing access to training, coaching and other forms of support as required to be able to reach their aspirations. We do not use unpaid labour and negotiate fair contracts with our associates.

We have clear grievance channels and procedures. Employees may approach their line manager and either the chief executive or the chairman with any issues arising.

Measurement

- Number of company representatives directly engaged in modern slavery training 161
- 100% of staff and several associates involved in coaching calls (both giving and receiving coaching)
- 22 days of training provided to team members in total

Plans for 2016

In 2016, we plan to:

Articulate our values as the principles against which we make decisions



Environment

Principle 7: Businesses should support a precautionary approach to environmental chall enges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies

When working with clients, we seek to ensure that the environmental impact on people is taken into account, understood and addressed, in accordance with the UNGPs. In our own operations, twentyfifty is committed to minimising its impact on the environment wherever possible. Our biggest impact is the travel we undertake and this is increasing as we work further afield more often.

Progress in 2015: In our own operations

Wherever possible, we make use of public transport, and we make extensive use of teleconferencing and webinars to reduce the travel required (e.g. between the UK and German business and in our client work). However, in a global business flying is inevitable. We aim to partner with local organisations in countries where our projects are located and this also enables us to reduce international travel.

twentyfifty's actions during the year to promote environmental responsibility and reduce impact include:

- Recycling of office waste, including paper, packaging, stationery and office products
- Reducing the amount of printed materials, reports and written correspondence
- Use of public transport for business appointments as much as possible
- Purchase carbon offsets for business travel including flights where available
- Sharing car journeys where possible
- Sustainable methods of transport to work such as walking and cycling
- Supporting our team members to work from home
- Offsetting carbon where the option is enabled by the travel service provider

Measurement

We have not had any measures in place in 2015.

Plans for 2016

In 2016, we plan to:

- In 2016, we will ensure that all flight purchases include a carbon offset, or will purchase an
 offset separately
- As far as possible, select our business partners and suppliers based on their sustainability performance and purchase sustainably (e.g. using more recycled paper or second-hand IT equipment, using responsible financial service providers, supporting small-scale/regional entrepreneurs if sensible)
- Reduce energy use whenever possible.



Anti-corruption

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

twentyfifty seeks to practice transparent, ethical, and honest business practices. We believe that business must include honesty in all of our dealings, which includes speaking plainly and not using language that will mislead or confuse people that we are interacting with.

twentyfifty complies with the UK Bribery Act (2010) and any other relevant laws in the jurisdictions in which it operates. We do not tolerate any forms of bribery and corruption within our own operations or by associates or clients. We have a policy on Bribery and Corruption which is available on our website and we maintain a Gifts and Hospitality Register.

Progress in 2015: Working with clients

During the year, we recommended that a client join the Alliance for Integrity, based on challenges we identified through a project and they subsequently joined. We also attended the Alliance for Integrity Network launch in Berlin in October 2015.

Progress in 2015: In our own operations

During the year, staff and associates have visited high risk areas, such as Nigeria and Bangladesh. Alongside the Bribery and Corruption Policy, twentyfifty has:

- Ensured our people are properly briefed on the customs and particulars of the area
- Ensured that staff feel comfortable with all aspects of personal security and provided security briefings prior to travel

Measurement

Our staff have reported no incidents of being offered or asked for a bribe this year.

Plans for 2016

In 2016, we plan to:

• Strengthen the focus on integrating human rights through clients' compliance functions, building on existing anti-corruption processes.

