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 fifth 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 implement 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.

Our highlights this year include meeting rigorous standards for social and environmental performance, accountability, and transparency to become a certified B Corp and undertaking an intensive, employee-led review of our internal policies and procedures around appraisal, development, communication and wellbeing. We also continued to support our clients to contribute more effectively to the achievement of the Sustainable Development Goals (SDGs) through respect for human rights.

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

Sincerely,

Luke Wilde, Chief Executive

Lode.

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 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 businesses to help them to implement their commitments to respect human rights. Since 2004, we have worked globally and across sectors, with a focus on extractives, technology, food & agriculture, tourism, technology & science 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, program 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 2017: Working with clients

The standard terms of many of the contracts issued to us by public bodies as well as private companies limit 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.

Key activities this year included:

- We worked with the Partnership for Sustainable Textiles to develop webinars and guidance documents for the coalition's stakeholder groups with a focus on human rights due diligence in textile supply chains and specific risk areas such as living wages or freedom of association and collective bargaining.
- We also supported the Partnership to design and deliver training on human rights due diligence in textile supply chains for their business members.
- We continued to expand the reach of our work on human rights due diligence into new sectors such as renewable energy. In Q3 and Q4 2017 we worked with a renewable energy company to undertake their biennial human rights assessment. twentyfifty supported



- internal stakeholder engagement, risk and opportunity analysis and worked with the company to build a communities programme to manage potential site level risk.
- We also expanded our work in Switzerland where we are supporting the Swiss Federal
 Department of Foreign Affairs (FDFA) and the Federal Department of Economic Affairs,
 Education and Research (EAER) to implement the Federal Council's National Action Plan
 (NAP). Our wrk focuses on an awareness-raising and capacity-building programme to
 provide business enterprises with guidance on how to respect human rights and implement
 human rights due diligence.
- We published an <u>overview of the growing medley of mandatory and voluntary human rights</u> <u>due diligence frameworks and legislation</u>. The paper analyses and provides general information about 10 selected due diligence frameworks in addition to the UNGPs to identify overlaps and specific requirements of each framework.
- We published "Guidance for multipliers: Human rights due diligence relevance and approaches for SME as part of our work with the Global Compact Network Germany
- We Launched our "Fit for the NAP" training course in Germany which supports companies to prepare for and comply with the obligations of the National Action Plan on Business and Human Rights
- We continued our close relationship with the German Network of the United Nations Global Compact and supported them to deliver an engaging programme of webinars, workshops events on integrating human rights due diligence into their operations and supply chains.

In 2017 we deepened and broadened our training offerings related to business and human rights. We delivered face-to-face training to businesses and others on topics such as:

- Advanced Training: Embedding human rights diligence in your own company
- Social impacts in textile supply chains
- Workshop: Understanding and implementing human rights due diligence An introduction into the due diligence process
- Introduction to human rights due diligence for "multipliers" (chambers of commerce, industry associations etc.)
- Fit for the NAP human rights due diligence in practice
- Modern slavery- risk prioritisation and roadmap development

We share our knowledge and expertise on human rights as guest speakers at events, through webinars and via <u>regular online blogs</u> on topics such as cybersecurity as a human rights issue and the role of multi-stakeholder initiatives in strengthening human rights due diligence approaches. In 2017, our webinars focused on understanding human rights due diligence requirements and first steps, making sense of human rights legislation and modern slavery. Members of our team spoke about human rights topics at the following events:

- Sedex conference, London, April 2017
- Driving Business & Human Rights In Indian Businesses, New Delhi, November 2017
- Sustainable Brands, Tokyo, January 2017
- UPJ e.V. (businesses partners of youth Germany) annual conference, March 2017
- Working group on grievance mechanisms at IOE Conference Amsterdam, April 2017





twentyfifty and Jindal Stainless Ltd. co-convened a special session on Driving Business & Human Rights in Indian Businesses, New Delhi, November 2017

Progress in 2017: 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, Switzerland and India, as well as a signatory of the Women's Empowerment Principles.

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 choose ethical or lower impact suppliers or business partners whenever possible, for example when we book travel or purchase computers. For example, we look for certified providers or consult websites such as 'rank a brand' before making purchase decisions.

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 are satisfied with the conclusion. We generally base our decision on whether we feel the client is showing meaningful commitment and our work will have a positive impact on the people (potentially) affected by the client's activities. Broadly, if we feel our experience and competencies can make a difference to people's lives, this is not an opportunity we want to walk away from. That said, we make these decisions on a case by case basis involving the entire team.

Measurement of outcomes

In 2017, we provided formal training to 140 participants representing at least 88 organisations, the majority businesses, at least 7 separate events.

Plans for 2018

In the year ahead, our plans are to:



- Support our clients to drive business and social value from implementing and communicating on the Sustainable Development Goals, with an explicit focus on respecting human rights in their value chains
- Carry out a human rights risk assessment for our own supplier base. The results of which will be used to implement appropriate due diligence to ensure that human rights are respected by our business partners
- Continue our thought leadership efforts and raise awareness on the opportunities of a human rights based approach in public fora and media



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 specialists 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 2017: Working with clients

This year we continued to develop our work on modern slavery. We saw a number of companies turn to us for support with regard to the completion of their modern slavery statements, some for the second time. This work often extended beyond the statement itself to supporting the company to implement further due diligence such as understanding the expectations of the Act, identifying potential risks of modern slavery in their operations and supply chains, and developing roadmaps to begin to address these risks and impacts.

Other activities included:

- Webinars on modern slavery, remedy and grievance mechanisms, the payment of living wages, the promotion of freedom of association and collective bargaining
- Articles and blogs on modern slavery

Progress in 2017: In our own operations

Within twentyfifty's operations, we have sought to improve further our working practices in ways that align with our values, treat our people fairly and manage our geographically spread team. We have updated or introduced several relevant corporate policies, including our Flexible Working Policy, Charitable Giving Policy and Leave Calculation Procedure.

Our values

We are committed to living our values, with each other and with our clients.

PASSION In our company and in our work, we let our passion shine through, heart and soul.

CLARITY We strive for clarity. We seek to get to the essence of what is important and practical. We communicate clearly with each other and with our clients, using simple, clear and accessible language.



INTEGRITY We do what we say we will do, and we trust each other to do a good job. We are good custodians of our clients' funds and our own, and we do not engage in any activity which is illegal or improper.

RESPECT & INCLUSION In our business and in our consulting, we seek to ensure that everyone is given a voice. When necessary, we reach out to individuals or groups who need particular support to voice their needs and aspirations. We seek to ensure that our own business processes empower and do not discriminate, and we provide all means possible for concerns to be raised and appropriately resolved by our management.

RESULTS-ORIENTED We want to do work that is meaningful and impactful. We are focused on delivering results for our clients that also deliver broader positive impacts to society and, wherever possible, on measuring these results. We help our clients to address negative impacts, and to make a real difference, by enhancing their contribution to people, society and to the planet.

We have also this year recognised that the systems and ways of working that have served us well in the past may need to adjust to suit the needs of our growing team. We have also recognised that, for us, balancing employee wellbeing with a growing and often demanding workload is a key risk. In 2017 we decided to meet these risks head on by dedicating significant time and resource to the implementation of an employee-lead review of our internal practices on appraisal, development, wellbeing and communication. This involved interviewing every member of staff, producing a report and working with an external expert in dialogue. We have developed our initial ideas on how we can strengthen our processes to ensure our team remains satisfied and well as the company expands. We will clarify our action plan at our January team meeting in 2018 and work throughout next year to implement these measures.

For us, diversity is a key success factor to ensure we can respond to client needs globally. Our team is diverse, with 12 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. This year, due to a particularly busy project workload, team members had little opportunity to access formal training. We will look to improve on this in 2018.

We seek wide involvement in decision-making through regular team calls and through all-team face-to-face meetings.

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

 100% of staff and several associates involved in coaching calls (both giving and receiving coaching)

Plans for 2018

In 2018, we plan to:

• Improve our internal systems for appraisal, development, wellbeing and communication



- Further expand our contribution to the eradication of modern slavery and forced labour in global value chains
- Identify more opportunities for our employees to access formal training that supports their personal and professional development, we specifically aim to train all interested staff in first aid

Environment

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

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

When working with clients, we seek to ensure that the environmental impact on people is considered, 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.

Progress in 2017: 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 also see the direct value and need for face to face engagement when it comes to addressing sensitive topics such as human rights. Therefore, our consultants travelled mostly for trainings and workshop delivery to clients in a range of countries. Where possible, we aim to partner with local organisations or use local associates in countries where our projects are located and this also enables us to reduce international travel.

twentyfifty's actions to promote environmental responsibility and reduce impact included:

- Recycling of office waste, including paper, packaging, stationery and office products
- Reducing the amount of printed materials, reports and written correspondence
- Purchasing second-hand IT equipment where suitable
- Use of local public transport and trains for business appointments as much as possible
- 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

As planned last year we have established a relationship with a carbon offsetting organisation Atmosfair and seek to include a carbon offset into every flight purchase we make. We have made good progress this year offsetting the carbon from over 70 flights but in 2018 we would like to include a clear statement to this effect in all of our standard proposals and budgets so that clients are aware of and have the opportunity to support our efforts. We will also prioritise ensuring that long-haul flights are offset.

Measurement

We have not had any measures in place in 2016.

Plans for 2018

In 2018, we plan to:



- Comprehensively offer opt-out carbon offsets for our project-related flight travel in our client proposals
- Ensure that flight purchases include a carbon offset, or purchase an offset separately
- Continue to select, as far as possible, our business partners and suppliers based on their sustainability performance and purchase sustainably.

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 our dealings, which includes speaking plainly and not using language that will mislead or confuse people that we are interacting with.

twentyfifty has put in place management practices to meet the requirements of the UK Bribery Act (2010) and we regularly review these. We do not tolerate any forms of bribery and corruption within our own operations or by associates or clients. We have an Anti-Bribery and Anti-Corruption Policy which is available on our website and communicated to all staff, and we maintain a Gifts and Hospitality Register.

Progress in 2017: Working with clients

This year several projects allowed us to support clients to work against corruption. In one project in particular, we worked working with a client to highlight the risks of bribery, corruption and government interference when working with state bodies in Brazil. We also worked with the client to establish stronger screening processes for prospective customers to reduce this risk in future.

Progress in 2017: In our own operations

During the year, when our staff and associates have visited high risk areas, twentyfifty has ensured that our people are properly briefed on the customs and particulars of the area. We also ensured that staff feel comfortable with all aspects of personal security and provided security briefings prior to travel via an external data provider of security and risk information

Measurement

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

Several gifts have been recorded on our gift and hospitality register.

Plans for 2018

In 2018, we plan to:

- Register all staff members on an online course on bribery and corruption
- Provide anti-bribery and corruption training for all employees.

