

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2021

Statement of continuing support June 2021





UN Global Compact Communication on Progress 2021 Statement of Continuing Support

We are pleased to introduce Neighbourly's Communication on Progress for the United Nations Global Compact (UNGC). Neighbourly reaffirms its support of the Ten Principles of the UNGC in the areas of Human Rights, Labour, Environment and Anti-Corruption.

2020 is a year that has gone down in the history books. The Covid-19 pandemic has demonstrated both the incredible resilience of businesses and local communities whilst deepening existing inequalities that we believe can be tackled by society working together with a greater purpose.

Just six months after submitting our 2019 communication on progress, Neighbourly was set to respond swiftly to the Covid-19 pandemic, setting up an emergency Community Fund in partnership with eight of our corporate business partners.

Together we raised $\pm 1.2M$ to support over 3,100 local good causes and 1 million people through the immense challenges they faced in the wake of the pandemic - challenges that can in part be attributed to our legacy system of shareholder primacy and state capitalism, where profit is prioritised over people and planet.

Since then, environmental, social and governance (ESG) issues and the drive for stakeholder capitalism have rightly shot up the corporate agenda, with leaders recognising their wider responsibility and the need for communities and the environment to thrive in order for businesses to survive.

As we move closer to the 2021 United Nations Climate Change Conference, in response to our global climate emergency, more and more businesses are joining the Race to Zero, providing hope that with the right momentum and backing, we will be able to meet the Paris Agreement, limiting global warming to 1.5 degrees, when compared to pre-industrial levels.

Nonetheless it's going to take more than commitments - requiring sustained, large-scale and measured action from businesses, politicians and society on a global level to make real change happen.

In March 2021, Neighbourly completed its Series A fundraising round, raising £3M to grow and expand the business. With a renewed ability to invest heavily in our team, we have ambitious plans to reach more businesses than ever before, helping them to achieve their ESG objectives by supporting local communities at scale and building a world where businesses are a force for good.

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

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Steve Butterworth Chief Executive Officer

Principle	Definition	Overview	Outcomes				
Human Rights							
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and;	The team at Neighbourly have set out our commitment to human rights through a range of internal and publicly available documents. Our Employee Handbook is consistently updated and issued to all new starters and is available to all staff on an ongoing basis. We follow a Responsible Sourcing Policy and Assessment Framework when collaborating with partners and suppliers.	We continue to take steps to ensure that our business activities deliver a positive impact on our employees and ensure that we only work with clients and suppliers that support and respect the protection of internationally proclaimed human rights. Our Employee Handbook is underpinned by the Human Rights Act 1998 and clearly sets out to employees that it is essential all members of Neighbourly behave with dignity, courtesy and respect, acting in a non-discriminatory manner at all times and with all stakeholders. The Employee Handbook has been updated and enhanced to ensure that it is fit for purpose as the business grows and faces new challenges, without compromising the values on which the business was established. Our Responsible Sourcing Policy and Assessment Framework continues to inform the purchasing decisions of the Neighbourly team when selecting a supplier, setting out the principles and processes by which we will assess the credentials of prospective suppliers. It specifically sets out that we will not tolerate child labour or any form of modern day slavery in our suppliers. We reserve the right to terminate arrangements with any organisation not complying with these principles.				
Principle 2	make sure that they are not complicit in human rights abuses	Our Ethics Policy is available to the public through our website. These all include references to our observance of and commitment to the UN Human Rights Charter and principles of the UN Global Compact.	Due to the nature of our work, we interact on a daily basis with socially vulnerable and disadvantaged community groups. We have consistently subscribed to rigorous vetting procedures to ensure these stakeholders are not complicit in human rights abuses and respect the protection of internationally proclaimed human rights. In addition, all community team members are trained on a complaints procedure that safeguards all our stakeholders. Due to the impact of the Covid-19 pandemic, the majority of the team have worked from home since March 2020. Regular surveys have been carried out throughout this period to assess suitability of home working as well as stress levels and mental health concerns. All staff now have access to a free online CBT therapy course and a budget to purchase any necessary home working equipment such as office desks and chairs. Those who have been unable to work from home have had the opportunity to come into the office as and when needed. We continue to consult with the team regularly through various means including internal team and company-wide meetings, staff surveys and socials to ensure all staff are kept up to date with business progress and all views are heard and considered.				

Principle	Definition	Overview	Outcomes
Labour			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Neighbourly believes its employees are its greatest asset and recognises its responsibility to ensure they are afforded appropriate development throughout their employment. We value and encourage diversity and difference and believe that we are a stronger company as a result. Our aim is to support and develop	 We consider robust labour practices as fundamental for attracting, developing and retaining the talented people that make us leaders in our field. This year following a successful round of Series A funding, we have been able to invest significantly into growing our team. We are working directly with a local B Corp certified recruitment agency to ensure our recruitment process aligns with the B Corp ethical framework we too adhere to. This includes recruitment of several heads of department which will provide a new level of senior management between the C-Suite/Directors and middle managers - improving leadership and mentorship to support the development of the wider team. The company is currently made up of 54% women and 46% men across the workforce, while the executive team is 67% men and 33% women, in comparison to 75% : 25% a year ago.
Principle 4	the elimination of all forms of forced and compulsory labour;	employees in their role so that they feel confident to undertake the responsibilities placed upon them and ultimately are able to contribute to the success of our mission.	Equal opportunities are guaranteed for all employees, in what is a collaborative and supportive team environment. Flexible and part time working is offered where possible and temporary contracts are converted into full-time permanent roles at every opportunity. Our Ethics Policy publicly sets out our responsibility to each other: - We will at all times treat our colleagues with dignity and respect. - We will work as a team, encourage collaboration, recognise the
Principle 5	the effective abolition of child labour; and;		 strengths of our differences, and support each other to achieve our shared goals. We will not tolerate discrimination, harassment or victimisation. We will embrace the value of diversity in recruitment and dealings with employees. We will value openness and honesty and encourage our employees to raise ethical concerns. We will at all times conduct ourselves in a manner which brings credit to Neighbourly and our partners.
Principle 6	the elimination of discrimination in respect of employment and occupation		

Environment

Principle 7	Businesses should support a precautionary approach to environmental challenges;	In line with our B-Corp status, we seek to reduce the environmental impact of our own business and provide services to help corporate organisations reduce theirs too.	We operate 'Ne back of store for to being a sign supported the ' Government in regularly attend We have contin partners to imp progress agains and drink indus
Principle 8	undertake initiatives to promote greater environmental responsibility; and;	Our work involves helping businesses use their scale to tackle current and future social and environmental challenges facing society in all the communities where they operate.	Our food surplu over 56 million have otherwise 88k tonnes of C Whilst the majo have the option 'cycle to work' to return to the
Principle 9	encourage the development and diffusion of environmental ly friendly technologies	We have continued to work to increase awareness of and change behaviour around environmental issues and are committed to working towards our own commitment to 'net- zero'.	bike storage an cycle to work so carbon emissio We have also so at home and fo and 83% use so their working d In addition, wh use environmen cycling or using

We operate 'Neighbourly Food', which is now the UK's leading back of store food surplus redistribution programme. In addition to being a signatory of the Courtauld 2025 commitment, we have supported the 'Step up to The Plate' initiative launched by the Government in May 2019 to help halve food waste by 2030 and regularly attend steering committee and advisory group meetings. We have continued to work closely with WRAP to help our partners to implement the TMA reporting structure to track progress against their goals and increase adoption across the food and drink industry.

Our food surplus redistribution programme has now redistributed over 56 million meals (up from 17m meals last year) that would have otherwise gone to waste and this has led to savings of over 88k tonnes of CO2 since 2016.

Whilst the majority of our staff now work from home, they now have the option to purchase a bike at a reduced rate with our 'cycle to work' scheme which we launched in 2020. When it is safe to return to the office, those that do will have access to secure bike storage and showering facilities. This, in conjunction with the cycle to work scheme, we hope will encourage staff to reduce their carbon emissions by cycling to work as much as possible.

We have also surveyed staff to assess their environmental impact at home and found that 70% of staff use a green energy provider and 83% use some kind of energy saving device or method during their working day.

In addition, when travelling into the office to work, 76% of staff use environmentally friendly modes of travel such as walking, cycling or using public transport.

Anti-corruption

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery Our ethical policy sets out that we will not accept favours or bribes or allow personal affiliations to influence the award of contracts. Our Employee Handbook outlines the relevant policy and grievance procedures is available to download and read via our HR system so that employees are familiar with how to raise concerns about any form of corruption arising in the context of their work.

This year we introduced compulsory anti-bribery training for all team members to ensure clarity of understanding across the board.

There have been no reported incidents over the last year, with the company maintaining a zero tolerance position on corruption in all its forms.



Contribute

A friendly place where people and companies come together to work on community projects

Re-connect

Where people come to re-discover what it means to be neighbourly and join the fight for a better world

Celebrate

Where collaborators share inspiring stories to help unlock the abundance of potential in our communities



United Nations Global Compact

