

Communication on Progress

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Prepared for the United Nations Global Compact

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To our stakeholders,

I am pleased to confirm that twentyfifty 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 eighth annual Communication on Progress, we describe the actions we have taken 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 through the UN Guiding Principles for Business and Human Rights. We also commit to share this information with our stakeholders through our website and the Global Compact.

Our highlights this year include an increasing level of positive outcomes for rightsholders in Africa as the number requests for Human Rights Impact Assessments increases from our clients. A groundbreaking partnership in Turkey bringing producers together to drive change in their supply chain for the benefit of farmers. Increasing levels of engagement at the C-suite level of companies, reviewing their human rights strategies and making public commitments in support of the UN Sustainable Development Goals (SDGs). A focus on working with companies to integrate human rights due diligence into their operations as a proactive response to increasing legislation in Europe. We have created the twentyfifty Academy, our training centre, through which we have started to provide Human Rights e-learning and other online training, enabling us to reach a wider global audience.

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

Sincerely,

Luke Wilde,

Chief Executive

John Je.



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 help companies contribute to a more equitable and inclusive world. We do this by partnering with them to identify their human rights impacts and address their social risks by integrating human rights management into their business. Together we strive to deliver greater positive impact.

Our values of passion, clarity, integrity, respect and inclusion guide us in the work that we do. We are driven by the belief when human rights are respected, individuals not only survive, but have the chance to grow, thrive and flourish. In turn, we believe that businesses flourish when people flourish.

We are committed to respecting human rights in our own operations, our service delivery and our business relationships. Knowing whether business is being done responsibly involves continually engaging and listening to the people and communities that your business impacts. Whether that is our own business in Frome, Somerset or the global business of one of our clients. We all have an impact through our operations and business relationships, and are continually learning, adapting and transforming our human rights practices.

We have been working to transform human rights in business since 2004 and work across sectors, including FMCG, Food and Agriculture, Industry and Technology and Finance and Trading.

Using the UN Guiding Principles on Business and Human Rights (UNGPs) we provide practical support and expertise to implement the hard-wiring of human rights due diligence within organisations and value chains, as well as organisational change and leadership development skills to embed human rights within the soft-wiring of human relationships and organisational cultures. 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 to develop the collective knowledge and practice of respecting human rights.

Progress in 2021: 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 projects we undertake together to support the transformation towards a responsible and rights-respecting global economy.



Key activities this year included:

We worked with 36 companies, in over 40 countries, across many industries and sectors, integrating our expertise in leadership of change, dialogue, facilitation and human rights.

In 2021, our clients continued to experience demands relating to the Covid-19 pandemic, as supply chains continued be disrupted with staff furloughed, off with illness or needing to work from home. We have been able to bring our expertise to the fore, guiding companies through these complexities, learning how business systems have been affected and offering insights into how decisions being taken as a result of the crisis might be affecting vulnerable groups.

We continued to support our clients in the delivery of the Sustainable Development Goals (SDGs), with an explicit focus on respecting human rights in their value chains.

We worked with a German government-run certification scheme for sustainably manufactured textiles to enable 50+ businesses to become accredited.

Through an external stakeholder engagement process, we supported a global pharmaceutical organisation to set up of a cross-functional working group to oversee their human rights due diligence and update their Human Rights Charter. We helped them prioritise their human rights risks through a risk analysis and conducted a Human Rights Impact Assessment in India to give them deeper insights to their human rights challenges and opportunities. We also created advisory reports on grievance mechanisms, Al technologies and ESG reporting.

We partnered with 10 pioneering German companies to define top tips for implementing human rights due diligence.

We delivered an ambitious plan for developing and implementing a Centre of Excellence for a members organisation focused on responsible sourcing for the FMCG sector

We continued to expand the reach of our work on human rights due diligence in the automobile industry where we especially provide support to responsible sourcing.

We delivered a human rights gap assessment of a leading telecoms provider's central processes and created a comprehensive Blueprint for Action that included a cross-functional governance structure to help their prioritisation and alignment to international standards.

We delivered a guide for business leaders on ending Child Labour in partnership with Unicef and the World Business Council for Sustainable Development.

In 2021 we deepened and broadened our training offerings related to business and human rights. We delivered training to businesses on topics such as:

- General business and human rights;
- Human rights due diligence;
- Implementation of due diligence systems;
- Modern slavery; and
- Child Labour.

We shared our knowledge and expertise on human rights as guest speakers at events, through webinars and via online blogs on topics such as modern slavery, child labour, and human rights and climate change.

Progress in 2021: In our own operations

We seek to apply the same principles to our own operations as those of our clients, 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, and a signatory of the Women's Empowerment Principles.

We endeavour to choose ethical, local or lower impact suppliers or business partners whenever possible, for example, when we book travel or purchase computers. We also look for certified providers or consult websites such as <u>'rank a brand'</u> before making purchase decisions.

One area where we encounter dilemmas is in who we choose to work with. We try not to shy away from difficulties. Some of our clients source from under scrutinised suppliers or invest in countries attracting concern, which leads to questions internally about whether we should work with them. In our view, if they are prepared to listen to rightsholders at potential risk, work respectfully with us and act sincerely on our findings, we will continue to engage.

We make these decisions on a case-by-case basis and 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. In 2021, we have turned down lucrative work with clients who don't meet our stringent criteria. This allowed us to worked more deeply on repeat projects with long-term clients who are committed to transforming how they behave towards all their stakeholders in their value chains.

During 2021, due to the continuing pandemic, like all companies, we thought carefully about the wellbeing of our employees. Most of our employees were able to work comfortably and effectively from home. At times we were able to utilise our UK office where we took steps to introduce social distancing, enabling several consultants to work safely in the building simultaneously.

In 2021 we increasingly used locally based contractors to carry out Human Rights Impact Assessments in developing countries, rather than travelling to carry out the assessments ourselves. In this way we increased our impact, due to:

- better local knowledge;
- improved relationships with local people;
- deliberately building skills of the local teams and contributing to long term resilience in local networks;

Our new Managing Partner has expanded our thought leadership efforts, raising awareness of the opportunities of a human rights-based approach in public fora and media;

We have installed internal Well-being and Development leads in each office, who are available at all times to all staff. Leaders meet monthly to discuss their findings and report to senior management.

During the lockdown, we tried to ensure that human values were central to our increasingly on-line and mechanised world.

Measurement of outcomes

- In 2021, we provided formal training to nearly 100 participants representing 44 organisations, at 19 separate events
- Employed 26 local contractors in 9 Human Rights Impact Assessments in 6 African and 3 Asian countries.
- No redundancies made due to the pandemic in any of our operations.



Plans for 2022

In the year ahead, we will continue to work with our clients to transform their businesses from identifying social risk to delivering sustainable business. We will work with them to address both human rights and the wider impacts of climate change and inequality. We plan to:

- Recognise the growing internationalisation of the business and the opportunities that a more diverse and inclusive workforce will bring to the wider team
- Observe connectivity, community & belonging within our increasingly hybrid/satellite working model
- Implement our Africa strategy, creating a registered office and developing a plan for engaging with local consultants
- Finalise our approach to framing and measuring our impact in the world

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 a core human rights issue 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 our client work, we seek to make sure our own practices are exemplary. For us, fostering positive working conditions is essential to recruiting and maintaining 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 2021: Working with clients

This year we continued to focus on agricultural labour practices across the globe, identifying salient human rights issues, as well as land, environmental and socio-economic impacts in agricultural communities in Ethiopia, Malawi, Kenya, Tanzania, Macedonia, Azerbaijan, India and Bangladesh.

We continued our work on child labour, helping a number of existing clients to further understand expectations and supporting their continued efforts to address their risks and impacts. Likewise, our projects around general human rights due diligence, decent work and responsible sourcing inevitably and importantly also include child labour components.

We also continued our work around modern slavery including:

Workshops and trainings;



- Support to companies' risk identification processes;
- Work on Modern Slavery statements.

We have also:

- conducted a survey of agricultural practices in India, to find out to what extent the minimum wage was being implemented throughout this sector;
- supported a global agricultural company in the implementation of their farm labour standard, engaging with over 400,000 smallholder farmers across 30 countries, developing a fit-for-purpose reporting process and monitoring system for the whole product supply base.
- undertaken major industry initiatives in Turkey and Zimbabwe, bringing competing companies under the same roof to work together to provide better working conditions to thousands of labourers in their in their industries.
- conducted a Supply Chain Impact Assessment involving large agricultural companies in both Turkey and Zimbabwe, developing and implementing a shared action plan to address the priority issues affecting rightsholders in the sector;
- worked with participants of the UN Global Compact's Decent Work in Global Supply Chains
 Action Platform to develop a comprehensive open-source toolkit for all businesses and
 stakeholders to use to embed decent work into their procurement practices. Until its
 development, there had been few practical tools for businesses and we were excited to
 bring our expertise to create positive change in supply chains.
- conducted a Supply Chain Impact Assessment to identify the salient risks affecting cocoa
 growing communities in Cameroon, involving 'on the ground' social research with cocoa
 growing communities to understand issues affecting them and their environment.
- conducted a modern slavery assessment in factories in the UAE, including onsite assessment, focus groups, management interviews and document review

Progress in 2021: 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 support our geographically spread team. This past year, we have focused on strengthening the implementation of existing corporate policies, including our Maternity/Paternity leave and Equal Opportunities policies, our Appraisal and Development and our Induction procedures, and our Code of Conduct. Through internal awareness-raising, team discussion and practice, we continuously seek to ensure employees understand and make use of their related freedoms and entitlements.

We negotiate fair contracts with our associates and do not use unpaid labour.

We have clear grievance channels and procedures. Employees may approach their line manager, one of the Managing Partners, or the Chair with any issues arising.

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.

Our team has doubled in size and projects since the start of 2020. We recognise that balancing employee wellbeing in this context is important and have implemented a thorough Action Plan for appraisal, development, wellbeing and communication practices.

We have considerably improved our employee diversity, with 18 languages spoken, in order to respond to client needs globally. We have recruited and trained several contractors in developing countries, thereby also reducing our reliance on travel. We have recruited 4 women into Leadership positions in the UK and Germany, and are continually aiming for diverse representation at the highest level.

We continue to seek wide involvement in decision-making through regular team calls and through all-team face-to-face meetings. We continue to improve our IT capabilities to help the global team stay connected and to improve our flexible working arrangements to contribute to the work-life balance of all our employees.

We continue to support professional and personal development by providing each team member with a training fund for them to choose their own training courses. We continue to hold fortnightly internal online peer-learning opportunities, that are attended by most of the team. As an organisation with highly skilled and experienced experts from various backgrounds, we recognise that great opportunities exist in internal coaching and development sessions.

In order to further enhance working conditions internally, in 2021 we also:

- Launched a Flourish programme for employee wellbeing, led by our Human Flourishing lead, to help all our staff to thrive in the workplace;
- Set up a Stewardship group which meets fortnightly to act as a shadow Employee
 Ownership body prior to setting up an Employee Ownership Trust;
- Conducted initial internal Human Flourishing training and started to embed Human Flourishing within all our processes;
- Established informal weekly hub calls to share experience regarding work satisfaction and wellbeing across the team and in small groups;



- Enhanced our appraisal process by developing our Consultant Skills Framework, which clearly defines consultant career progression opportunities;
- Inaugurated a quarterly Pulse Survey to continuously gain employees' views on subjects such as job-related roles, communication and relationships, and the overall work environment;
- Instigated "Pirate lunches" once a month informal forums for peer learning;
- Developed a centre of excellence for internal learnings and trainings that will feed into our external training programmes delivered by our new "twentyfifty Academy";
- Moved several of our contractors to employment status to ensure we are 100% compliant with IR35 regulations;
- Focused on "Understanding Impacts" a structural change in our Knowledge Base and internal library to address our expertise in the areas of Child Rights and Forced Labour.
- Enhanced our project tracking processes through effective use of our new online project management software. This has helped us to avoid over-working our staff, by identifying future workload crunch points and taking mitigating action.

Measurement

In our December 2021 Pulse Survey:

- 78% of staff reported a workload that was "Manageable but with periods of high intensity";
- 0% said their workload was "Negatively impacting your life on a frequent basis";
- No staff disagreed with the statement "I have a good relationship with twentyfifty as an organisation"
- 91.1% of staff stated that twentyfifty supports at least some aspects of their flourish
- 100% of staff and several associates involved in coaching calls (both giving and receiving coaching)
- No violations of the above-mentioned principles have been detected by our management's due diligence activities or reported through our employee grievance channels.

Plans for 2022

Having doubled in size over the past 2 years, twentyfifty has put several structures in place, as described above, to support employee skills training and flourishing. In 2022, we plan to grow further whilst fully embedding these structures and practices, and:

- Integrate human flourishing into all our key processes through quarterly internal trainings
- Define and grow our understandings of our Employee Ownership options across the team
- Define and develop our baseline induction & training procedures
- Evolve structures & processes to support consultant development
- Continue to develop internal policies
- Review employee benefits



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 2021: Working with clients

"Facing into Climate/Ecological Crisis" is one of our key success factors for doing business. We continue to work with environmental expert to incorporate the sometimes-unseen human rights impacts of climate change into our work with clients. In 2021 we sought every possible opportunity to alert clients to their environmental impacts and how these can impact people, through pollution, land rights, and climate impacts that lead to forced migration.

Progress in 2021: In our own operations

Due to the efforts of our environmental sub-committee, we are well on the way to fulfilling on our commitment to become carbon neutral by 2025:

- Further to our decision in January 2020 to reduce long-haul travel to an absolute minimum, we have successfully implemented our plan to use local consultants in all 12 Human Rights Impact Assessments that we undertook in developing countries.
- We have employed local contractors throughout East and southern Africa, as well as Turkey and South Asia, leading to the elimination of long-haul travel and vastly reduced carbon footprint.
- We make increasing use of public transport and increase our use of teleconferencing and webinars even for internal meetings, allowing staff to work from home, for example, instead of making unnecessary journeys to the office.
- We reviewed our insurance portfolio, moving part of the portfolio to more ethical providers, specifically those who invest in Green Assets and in companies who have signed up to the science-based targets aligned to the Paris Climate Agreement;
- Due to these choices and indeed to global changes in working practices due to the pandemic, we no longer regard face-to-face engagement as necessary to the running of a global human rights business.
- We work with carbon offsetting organisation <u>Atmosfair</u> and have succeeded in including a carbon offset into the few flight purchases we made in 2021. We continue to include a clear



opt-out carbon offsetting statement to this effect in all our standard proposals and budgets so that clients are aware of and have the opportunity to support our efforts.

Measurement

In 2019 we took 43 long-haul flights. In 2020, we reduced this to 0. In 2021 we again took 0 long-haul flights

We offset carbon on all short-haul flights taken

Plans for 2022

In 2022, we plan to:

- Continue to select, as far as possible, our business partners and suppliers based on their sustainability performance and purchase sustainably;
- Increase the number of projects we undertake in which environmental concerns are a factor;
- Move more of our insurance portfolio to ethical providers

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 those with whom we interact.

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 2021: Working with clients

This year several projects allowed us to support clients to work against corruption. In the agricultural sector, for example, we led trainings surrounding the key issues needed to inform a strategic assessment of current, emerging and long-term threats of global illicit trade in agricultural commodities.

Progress in 2021: In our own operations

We have continued to offer anti-corruption training to our staff and contractors.

Measurement

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

Plans for 2022



In 2022, we plan to:

- Provide anti-bribery and corruption training for all recent recruits;
- Review our policies and procedures.