

# IMPACT REPORT

# 2023



Certified



Corporation



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# Dear H&A Community,

As we look back on 2023, I am compelled to reflect on the journey we've undertaken - a journey marked by both unprecedented challenges and significant achievements. This past year, without a doubt, has been one of the most challenging in our 23-year history, testing our resilience, adaptability and commitment to our core values.

## **Facing External Challenges**

The business landscape in 2023 presented formidable challenges. Our clients and their customers grappled with soaring energy costs, persistent inflation and elevated interest rates. This cocktail of economic pressures led to a palpable lack of confidence across the sectors we have traditionally traded in, resulting in delayed projects and, unfortunately, cancellations. These external factors tested our resolve and forced us to confront the reality of our operating environment.

## **Embracing Internal Transformation**

Internally, 2023 was a year of strategic transformation. Building on the shift initiated during the pandemic in 2020, we wholeheartedly embraced the changes necessary for our evolution. This journey wasn't without its sacrifices - tough decisions were made about the nature of our work and the clients we serve. These decisions, though difficult, were essential for aligning our operations with our purpose and values. The transition led to significant financial implications and necessitated redundancies, marking a period of mental and emotional strain for our team.

## **Finding Pride in Our Progress**

Despite these challenges, there are numerous accomplishments and moments of resilience that fill me with pride:

Our team's response: The enthusiasm, hard work, and resilience demonstrated by our team in the face of change have been nothing short of inspirational.

B-Corp accreditation: The thoughtful consideration given to achieving B-Corp accreditation underscored our commitment to not just short-term adaptations but to the long-term implications of our decisions on societal impact.

Quality of work: The work produced during this tumultuous period has been among our best, showcasing our unwavering dedication to excellence.

Strengthened relationships: The trust and openness exhibited by our clients and partners in 2023 have been foundational in cementing relationships that transcend traditional business dynamics.

## **Looking Forward with Optimism**

As we turn the page on 2023, we stand on the cusp of a new chapter. Our redefined service offerings are poised to deliver increased value and impact. Our focus for the coming year is to forge partnerships with membership groups to amplify the message of purpose-driven business. Through these collaborations, we aim to empower more businesses to embrace their role as a force for good.

In closing, I want to express my deepest gratitude to our team, clients and partners for their support and belief in our mission. Together, we've navigated the challenges of 2023, laying a strong foundation for growth and positive impact. Let's continue to lead with purpose and drive meaningful change in the world.

Warm regards,



Ross Haddow  
Managing Director, H&A

## OUR MISSION

Redefining business for a better world through design, knowledge and collaboration.

Our approach is rooted in three fundamental principles: leveraging our influence, transferring our knowledge, and creating network effects, all while incorporating our unique design-led methodology to accelerate the transition.

### 1. Leveraging our Influence

At H&A, we understand the power of example. By embodying the principles of purposeful business in our own operations, we aim to inspire other companies to embark on a similar journey. We demonstrate the tangible benefits of embedding societal and environmental values into business strategies - ranging from enhanced brand loyalty to increased employee engagement. Our success stories serve as compelling evidence that purpose and profit can coexist harmoniously, encouraging others to follow suit.

### 2. Knowledge Transfer through Design-Led Approach

Central to our strategy is our design-led approach to problem solving. This methodology provides a structured process for addressing complex challenges in innovative ways. We employ this approach to assist companies in identifying their core purpose and seamlessly integrating it into their business models. Through workshops, consultancy, and a suite of tailored resources, we equip our clients with the insights and tools necessary for a successful transition to purpose-driven operations. Our design-led approach ensures that the pathway to purpose is not only clear but also aligned with each company's unique strengths and market demands.

### 3. Creating Network Effects

Beyond individual company transformations, H&A is committed to fostering a community of purposeful businesses. By connecting like-minded organizations, we amplify the impact of our collective efforts. This network serves as a vibrant ecosystem for sharing experiences, collaborating on initiatives and pooling resources to address societal challenges more effectively. The collective action and shared purpose within this community not only reinforce the individual efforts of its members but also contribute to broader systemic change.

We believe that by leveraging our influence, sharing our knowledge, and nurturing a network of purpose-driven companies, we can collectively pave the way for a future where businesses contribute positively to the planet and its people.

By applying our design-led approach to catalyse the shift towards purposeful business practices, we aim to be at the forefront of a movement that redefines the role of businesses in society.

# OUR JOURNEY TO B-CORP CERTIFICATION

## A Reflection

Our journey toward B-Corp certification began amidst the global upheaval caused by the pandemic. This period of deep personal reflection and dialogue among staff and partners catalysed a collective realisation: it was time to redefine our purpose and strategy. As we marked two decades of operation, the desire to ensure that the next twenty years would wield a more significant, positive impact became paramount.

The decision to pursue B-Corp certification stemmed from our aspiration to move beyond good intentions to tangible actions. We sought a framework and a benchmark against which we could measure our progress, and B-Corp emerged as the ideal path for us. This journey was not merely about attaining a certification but about embedding a culture of purpose, sustainability and social responsibility into the very fabric of our business.

### Aligning Strategy and Culture

The process of completing the B Impact Assessment was nothing short of transformational. It altered our perspective, shifting our view of the assessment from an administrative checklist to a strategic driver. While our policies for workers and customers were already robust, the process revealed areas for improvement that were previously overlooked. This introspection unveiled new opportunities for growth and impact, enriching our strategy and reinforcing our commitment to positive change.

The wealth of information and advice provided by B Lab, alongside the invaluable support from our certification advisor, propelled our journey forward. The experience fostered profound internal discussions about the symbiotic relationship between business performance, societal impact and environmental stewardship. It compelled us to re-evaluate issues of fairness and equity and to scrutinise our environmental and social footprint with a new level of detail.

## Impact on Our Business

Adopting the B-Corp framework has not only deepened our commitment to “help the good guys win” but also pushed us to adopt more ambitious standards, policies and targets. It has revolutionised the way we document, share and implement our practices, contributing to a more rigorous and transparent operational model.

In our first year of B-Corp certification, the tangible impacts are already evident. Despite challenging trading conditions, employee engagement remains strong, fostering an environment ripe for personal and professional growth. Additionally, our certification has opened doors to new partnerships with organisations aligned with the B-Corp movement, thereby enhancing our credibility and expanding our reach.

Perhaps most importantly, B-Corp certification has acted as a catalyst for ongoing change within H&A. It has invigorated our conversations, provided us with clear direction, and spurred us to amplify our impact on both people and the planet. As we continue on this journey, we do so with a renewed sense of confidence and optimism, driven by the knowledge that our B-Corp certification is not just a badge of honour but a commitment to continuous improvement and positive action.

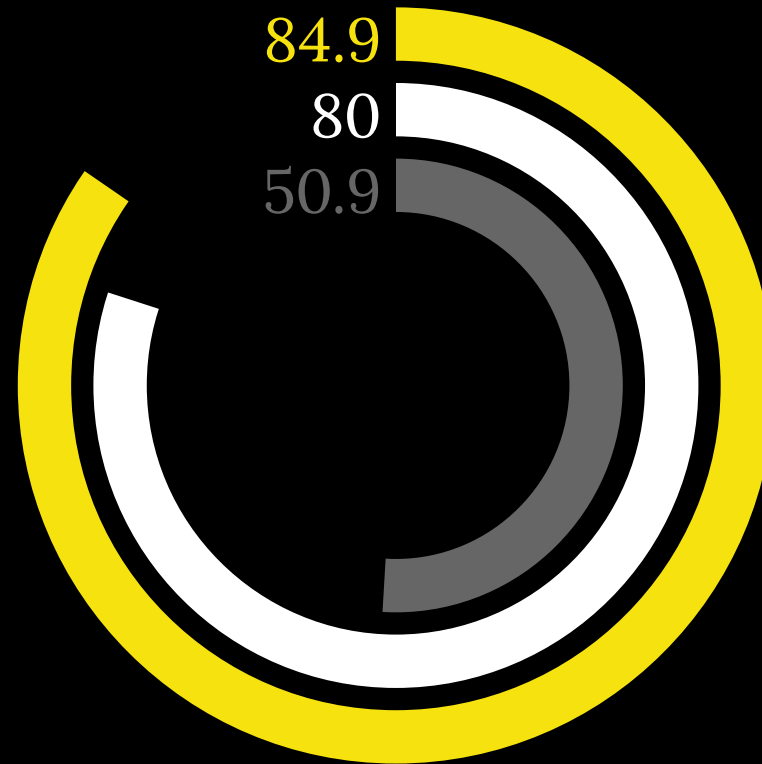
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# OUR IMPACT SCORE

# 84.9



Overall B Impact Score

Qualifies for B Corp Certification

Median Score for Ordinary Businesses

**How our score is made up:**

Community	19.2
Customers	2.7
Environment	14.8
Governance	16.1
Workers	31.8

# COMMUNITY

## Overall Score

Evaluates a company's engagement with and impact on the communities in which it operates, hires from and sources from.

# 19.2

Diversity, Equity & Inclusion	5.3
Economic Impact	7.1
Civic Engagement & Giving	4.6
Supply Chain Management	1.2
Other	1.0

## Success in 2023

- Developed our strategy to engage and educate our local business community to help spread ideas and implement action for a more sustainable and equitable future.
- Put Corporate Citizen Standards in place for pro-bono work and volunteering. Tracked participation by staff in these activities.
- Signed up to initiatives designed to enhance Social and Environmental standards. These include: *Design Declares*, *Clean Creatives*, *Better Business Act*, *Living Wage Foundation* and *SME Climate Hub*.
- Established our charitable giving and community investment standard, which includes giving 1% of profits to local organisations.

## Key Stats

# 5%

Staff time allocated to pro-bono consulting and volunteering.

# 257

Total number of volunteering hours carried out in 2023.

*"We are committed to having a positive impact on the communities in which we live and work. Our primary aim is to help spread good ideas for a more sustainable future. We are also committed to supporting community groups by sharing our time, skills and profits."*

Ross Haddow

## Goals in 2024

- Enhance mix of organisations we support through pro-bono work and as volunteers.
- Increase scale and reach of our local business community education programme.
- Make H&A a recognised source of action and ideas for sustainability and community engagement.
- Ensure a robust mechanism is in place to deliver best practice in the areas of diversity, equity and inclusion (in relation to both staff and suppliers).
- Enhance our community and charitable outreach.

## How we'll get there

- Review partnership opportunities with charitable and community organisations and the local business community.
- Create a supplier diversity policy (and monitoring mechanism) and enhance spending on local suppliers.
- Enhance diversity, equity and inclusion policies. Provide diversity, equity and inclusion training for staff. Set up tracking mechanism to monitor performance.
- Participate in/run public forums on social and environmental topics.
- Evaluate our Significant Suppliers (including banking/finance providers) for their social and environmental impact. Establish a DEI and environmental screening process for new suppliers.

# CUSTOMERS

## Overall Score

Evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.

# 2.7

Customer Stewardship

2.7

## Success in 2023

- Redesigned and repositioned our service offering to help our customers benefit from a more purpose-driven approach – one that helps them address key economic and social challenges.
- Put new robust customer stewardship policies in place. This enhanced the way we assess customer outcomes, monitor customer satisfaction, measure impact and ensure continuous improvement.
- New policies in place to ensure that an ethical approach is taken to all our work (with a particular focus on data, marketing and privacy).
- New monitoring and feedback system in place. This tracks client satisfaction. It also assesses whether clients have been able to make a significant positive change to their status as a result of our work.

## Key Stats

# 100%

Positive feedback.

# 8/10

Customer satisfaction rating.

*"We are committed to helping our customers, the good guys, win. For us that means continually driving to better understand them and the challenges they face. It means building relationships, practicing honesty and showing empathy. It also means knowing our stuff, understanding what good looks like and how we can make a difference, and making sure we make every second count."*

Ross Haddow

## Goals in 2024

- Aim for 9/10 as our average client satisfaction ratings.
- Continue to get 100% positive feedback.
- Help clients benefit from a purpose-driven strategic approach.
- Enhance the social and environment impact of the clients we work with.

## How we'll get there

- Apply the feedback we receive from clients to implement an on-going programme of client-service improvement.
- Implement an enhanced quality control strategy.
- Develop a customer impact measurement mechanism to get insights on the effects of our work.
- Enhance our customer feedback/complaint mechanism, sharing outcomes internally and externally.
- Use client feedback and involve clients directly in product/service development and testing.
- Look for opportunities to enhance the overall client experience and to demonstrate the benefits of a purpose-driven strategic approach.
- Develop new service(s) that enhance the impact we have on our clients' social and environmental impact.



# ENVIRONMENT

## Overall Score

Evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land and biodiversity.

# 14.8

Environmental Management	2.8
Air & Climate	3.7
Water	0.5
Land & Life	1.5
Other	6.3

## Success in 2023

- Strengthened our policies, standards and procedures that relate to energy consumption, pollution, waste management and overall environmental management.
- Set baseline year for carbon emissions (2022) and started using *Ecologi* to track Scope 1, 2 and 3 carbon emissions.
- Put robust office policy and processes in place to reduce waste and water use (through partnership with *Changeworks*).
- Moved to remote working and changed operations (which delivered a significant reduction in carbon emissions). Established virtual work standard to enhance performance in this area.
- Fully offset all 29.5t CO<sub>2</sub> of our emissions through *Ecologi*.
- Made commitment to offsetting 100% of carbon emissions. Met this commitment for 2023.

## Key Stats

# 100%

Percentage of 2023 carbon emissions offset.

# 50%

Percentage reduction in annual carbon emissions.

*"We are committed to minimising our environmental impact, whilst supporting those who are working hard to conserve and restore nature and promote sustainable practices."*

Ross Haddow

## Goals in 2024

- Improve the environmental impact of our remote working activities.
- Set absolute reduction targets for key aspects of our environmental impact.
- Fully offset all carbon emissions for the year.
- Improve our Scope 3 carbon emissions.

## How we'll get there

- Develop training programme for staff. Ensure all staff are supported with information and advice to make their homeworking as sustainable as possible.
- Enhance the detail of our reporting on the environmental impact of our homeworking activities.
- Look for new opportunities to reduce the environmental impact of our remote-working activities and overall business model.
- Review our suppliers and service subscriptions to ensure that we are using those that share our commitment to high environmental standards.

# GOVERNANCE

## Overall Score

Evaluates a company's overall mission, engagement around its social/environmental impact, ethics and transparency.

# 16.1

Mission & Engagement	2.7
Ethics & Transparency	3.4
Mission Locked	10.0

## Success in 2023

- Formalised mission statement to create a business that is fair and ethical in all of its undertakings and which works with its staff, clients and other stakeholders to be sustainable and a force for good.
- Updated articles of association so that we are required to consider all stakeholders in our decision making.
- Worker empowerment standard strengthened to ensure our decision-making process involves all relevant parties. Quarterly strategy days introduced to provide framework for this approach.
- On-going monitoring of a range of KPIs, in areas such as employee engagement, client satisfaction and financial performance.
- Reviewed and updated our organisation chart, job descriptions and business processes.
- Robust policy and codes in place on ethics, whistle-blower issues and financial controls, conduct and disclosures.

## Key Stats

# 9/10

Effective Voice average score from Fair Work Survey

*"We are committed to ensuring our business practices are as fair and sustainable as they can be. We are also committed to monitoring and continually improving our work practices and the impact we have on all stakeholders. If we are going to help move our clients and our community to a fairer and more sustainable future, we have to walk the walk, as well as talk the talk."*

Ross Haddow

## Goals in 2024

- Prioritise our Impact Focus and enhance our financial status and that of our staff and other stakeholders.
- Produce Impact Report for the year 2024.
- Enhance financial knowledge of staff, so they can take part in financial discussions and also enhance their own financial well-being.

## How we'll get there

- Strengthen policy around remuneration, dividends and pay. Enhance our financial reporting.
- Enhance staff educational programme around financials. Conduct financial training once per quarter.
- Undertake an ethics-focused risk assessment in 2024.
- Investigate third-party social/environmental assessments that might be applicable to H&A.
- Look into establishing a more formal Board structure.
- Review current management practice, with particular focus on financial oversight and control.

# WORKERS

## Overall Score

Evaluates a company’s contributions to its employees’ financial security, health & safety, wellness, career development and engagement & satisfaction.

# 31.8

Financial Security	11.5
Health, Wellness & Safety	6.0
Career Development	4.8
Engagement & Satisfaction	4.2
Other	5.2

## Success in 2023

- Enhanced processes and practices to create a workplace where employees thrive both professionally and personally.
- Committed to following the principles set out by the Fair Work Convention, and aligned our new employee satisfaction measurement scheme to it.
- Scores for our 2023 Fair Work Survey: Opportunity: 8/10, Security: 6/10, Fulfilment: 8/10, Respect: 9/10.
- Provided an enhanced range of staff benefits, including supplemental health insurance.
- Strengthened our employee review and feedback processes, using ‘job crafting’ principles.
- Consolidated worker empowerment process by formalising procedures around staff input to our H&A strategy days.
- Formalised our range of training policies, including a new professional development plan and budget.

## Key Stats

# 100%

Percentage of employees paid at least the living wage for a family.

# 8/10

Overall score from first quarterly Fair Work survey.



*“Despite the current testing economic climate, which has required some staff changes, we have still managed to score highly on employee engagement and satisfaction. This is because we prioritise not just the economic aspects of employment, but also the range of factors that contribute to a balanced and equitable work experience. Our goal is to create an environment where every individual feels valued, empowered, and inspired to reach their full potential.”*

Ross Haddow



## Goals in 2024

- Ensure all staff participate in cross-jobs skill training, and that our 5% time budgets for this training are hit.
- Aim to increase employee ownership to 100%.
- Attain Fair Work score of over 8/10 for each survey area (this will require a key focus on Security).
- Enhance staff wellness and reduce the number of days lost to sickness.

## How we’ll get there

- Further strengthen worker training and empowerment, helping staff to uptake new professional development opportunities.
- Review ownership model and dividend/bonus structure.
- Continue to monitor worker satisfaction and engagement and make adjustments through a job-crafting review process.
- Review potential for enhanced benefit packages (that include part-time workers).
- Achieve improvement in Fair Work security score through finance training and by tightening up our financial policies.
- Investigate provision of more socially responsible private pension options.
- Enhance employee review process to offer a 360-degree review.

# FOR MORE PURPOSEFUL BUSINESS

