



**NEON**

**2022 Annual Benefit Report**

# Introduction

Neon is a Vancouver-based digital product studio with a directive to conduct business with purpose. We believe the world needs a redesign, to not only benefit businesses but people and the planet as well. To achieve this we partner with exceptional people to create products that matter, serve our community, create the best environment for our team and work to reduce our impact on the environment.

In March 2021, Neon became a benefit company in order to: solidify our mission, become a B Corporation and ensure we remain accountable for years to come. A benefit company is a for-profit corporation that promotes one or more public benefits and commits to conducting business in a responsible and sustainable manner.

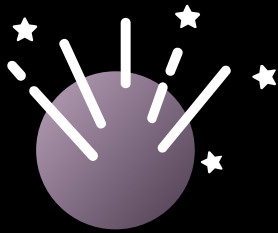
Along with being a benefit company, B Corp certification recognizes businesses for meeting “the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose.”

At the time of writing we are in the final review stage to become a certified B Corporation.

This report shares our efforts to advance public benefit in 2022.

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**Our Public Benefit**

# Our Public Benefit

## Support for purpose-driven organizations

*Those that contribute toward a clear social and/or environmental outcome.*

Neon commits to advance public benefit by creating products or providing services for purpose-driven organizations who conduct their business in a responsible and sustainable fashion and who have stated that they conduct their own business for the public benefit.

### How we supported purpose-driven organizations

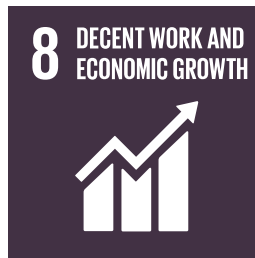
**47%**  
of our partners\*  
were purpose-driven, a decrease  
from 60% in 2021.

- Increased opportunities for women in sports
- Made medicine more inclusive
- Reduced veterinary care provider overwhelm
- Gave the underserved more opportunities to meet other local singles
- Provided accurate fit for e-commerce customers, and reduce returns and waste for retailers

Comprised 34% of our revenue  
*a decrease from 60% in 2021*

*\*The organizations we serve are referred to as our partners as their success is our success.*

## Our partner work contributed to the following United Nations Sustainable Development Goals:



## How we're continuing to grow our purpose-driven partnerships:



- Advancing our impact leadership role through networking, thought leadership, and direct outreach
- Ensuring underrepresented founders are included as part of our business development outreach efforts
- Leveraging the United Nations Sustainable Development Goals (SDGs) when screening partners
- Identifying how we can support legacy industries on their impact journeys



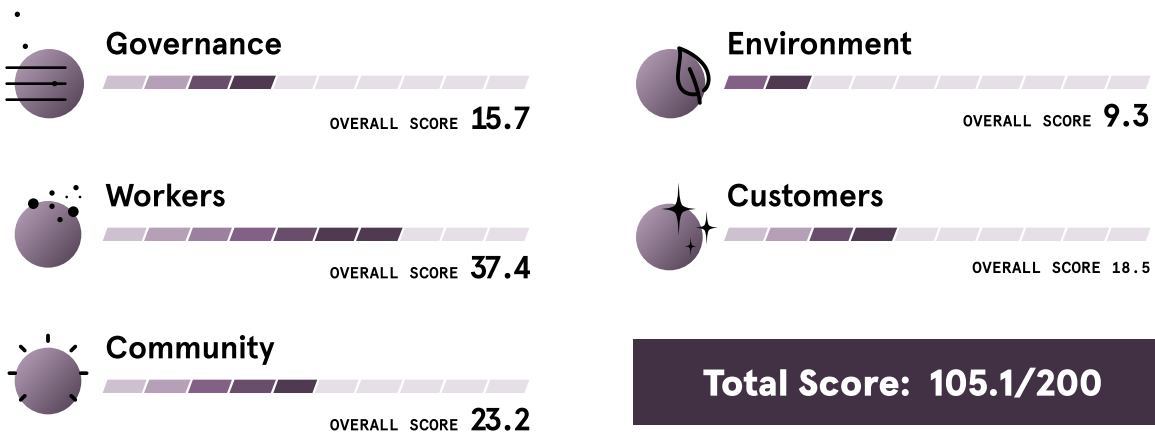
## **B Impact Assessment**

# Our B Impact Assessment

Our Benefit Report follows the third-party standard of B Lab’s B Impact Assessment (BIA). B Lab has certified thousands of companies, therefore, we believe these comprehensive and up-to-date standards are the best way to measure our business as a force for good.

To become a B Corp, companies must achieve a score of 80+ out of 200 points on the BIA. At the time of writing we’re currently in the last stage of certification. To ensure we are increasing our impacts year over year, we have completed an assessment for or fiscal year 2022 with a score of 104.3.

## Our Impact Assessment Status



## Year Over Year Assessment Comparison

	2020	2021	2022
Governance	14.3	15.6	15.7
Workers	34.5	37.9	37.4
Community	18.3	19.1	23.2
Environment	9.3	9.3	9.3
Customers	16.5	23.4	18.5
<b>Total</b>	<b>93*</b>	<b>105.4**</b>	<b>104.3**</b>

\*Score pending final B Lab review and may or may not fluctuate

\*\*Impact Assessment scores reviewed by B Lab every 3 years, this score is not formally reviewed but used to ensure our impact is tracking upwards



# Our Partners

B Lab uses the term “customers,” but we refer to our clients and customers as partners. We prioritize engagements with partners who promote public benefit and support underserved populations. We commit to supporting our partners on their impact journeys by helping them to realize, or further, their opportunities to do business for good.

**42%** of partners were purpose-driven

Contributing to a clear social or environmental outcome

**34%** of revenue came from purpose-driven organizations



**486+** Opportunities for Partner Feedback Collection

We continuously evaluate how Neon meets our partners’ needs and expectations. This number represents the sum of weekly check-ins with our partners.



Four female-founded businesses



Six businesses directly serving underrepresented groups



Two BIPOC-owned businesses



Two businesses increasing mental well-being

# Our Governance

Neon’s governance today determines our long-term impact and the legacy we can leave tomorrow. We’ve legally committed to ensuring our efforts continue, even through team or structural changes, and we practice visibility and transparency across our organization.

## Female Led



## Neon legally became a benefit company

As a digital business, our biggest impact comes from the partners we work with and products we create – and our benefit reflects this opportunity:

**The Company commits to advance public benefit by creating products or providing services for purpose-driven organizations who conduct their business in a responsible and sustainable fashion and who have stated that they conduct their own business for the public benefit.**



**12**  
Income Statements  
shared with the team



**6**  
Townhalls conducted  
in 2022

We share financial statements and communicate business decisions openly with our team, in order to build trust and empower everyone to make informed decisions.

## Whistleblower policy

This policy provides a safe way for employees and others to raise concerns about potential or suspected business ethics violations at Neon, without fear of retaliation or reprisals.

## 8 new employees read and signed our Code of Ethics

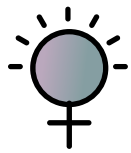
The Code of Ethics establishes the ground rules for maintaining and building our reputation as a fair and ethical corporate citizen, and for upholding Neon’s reputation in our community. The remainder of our team reviews and signs this policy annually.

## Diversity, Equity and Inclusion Surveys

We strive to create a diverse workplace and ensure that every member of the Neon team feels they are treated fairly and respectfully. To ensure we’re doing so we conduct annual anonymous surveys to provide a space for those who may not feel comfortable raising issues directly.

# Our People

With a people-first foundation, Neon aims to provide an open, fun, and caring environment where we encourage everyone to be who they are. We recognize that our ability to achieve our business and impact objectives depends on the holistic well-being of our team members.



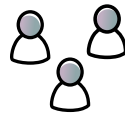
**40%**  
of our leadership team identifies as female



**121+**  
randomly paired one-to-one virtual coffees



**27**  
socials, lunch-and-learns, virtual events, and product launch celebrations



**33%**  
of our workforce identifies as being from a racial or ethnic minority



**50%**  
of employees took time off to volunteer



**2**  
new babies welcomed to the Neon family

**75%** of Neon employees say they're satisfied with their work

## 28% turnover in 2022

Our industry benchmark is a 13% turnover rate or less. We support and encourage our team to pursue opportunities that will help to fulfill their dreams.

## Benefits available



### Flexibility

15 vacation days, 2 Neon days, and a flexible schedule.



### Wellbeing

\$250 annually for wellness investments like yoga classes, a new pair of running shoes, or a Headspace membership.



### Health

Health Spending Account, Maple virtual medicine, an employee assistance program, and extended insurance.



### Personal Development

Neon offers private, one-on-one coaching through Sphere..



### RRSP Matching

We match 2% of annual RRSP contributions—no waiting period required.



### Career Growth

Team members can attend classes, conferences, learn from experts in their fields, and other development opportunities.

## Our team redeemed their \$250 well-being benefits on items such as:

- Gym memberships
- Yoga
- Sports Shoes
- Workout classes

## Portions of our training budgets were spent on:

Courses and conference for professional development.

# Our Community

We strive to embody the change we want to see in the world, and recognize that the community in which we operate in, physically and digitally, contributes to our success and must thrive alongside us. We consider how we support local suppliers, activate diversity and inclusion, and give back and contribute to our local community as a whole.

**10%** local suppliers and vendors engaged

## We prioritize suppliers who are:

1. Values-aligned, innovative, and actively engaged in the impact economy;
2. Locally owned and operated; and/or
3. Majority owned by women and/or people from underrepresented groups.

**52** volunteer hours donated

## 0.20% of revenue donated

An increase from 0.08% in 2021. We continue to maintain a realistic approach as we work to grow the business and navigate the uncertainty of the current economic landscape.

## Charitable Donations Given to

BCSPCA  
SPEAKING FOR ANIMALS

Canada  
Helps.org  
giving made simple

stpaul's FOUNDATION

KidSport

BC  
Children's  
Hospital

BC  
CANCER  
FOUNDATION

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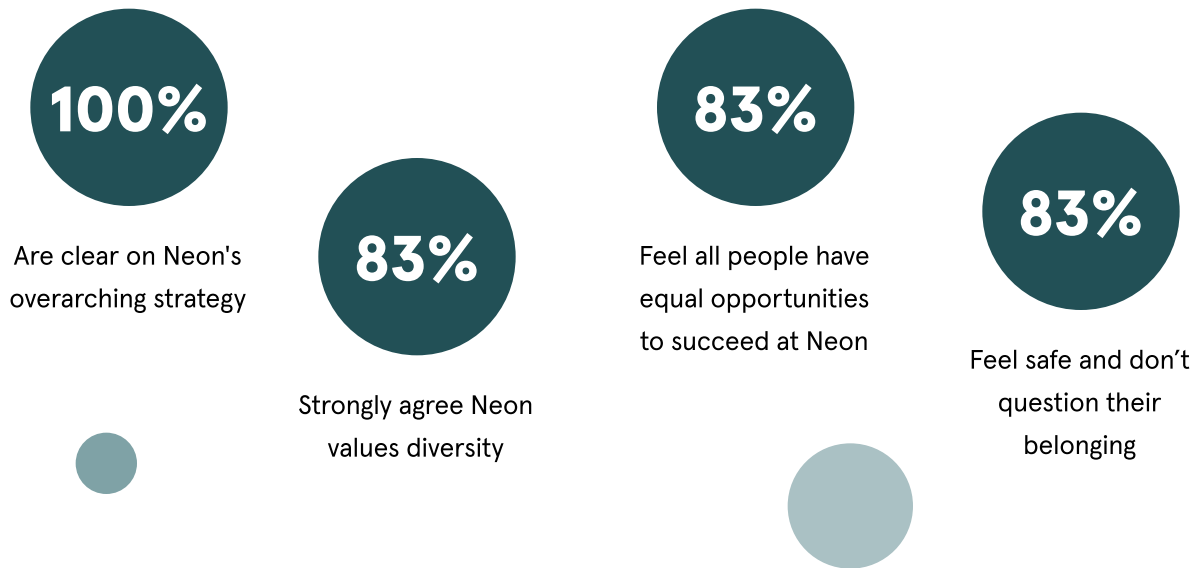
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HOUSING

THE  
SALVATION  
ARMY  
Giving  
Hope  
Today

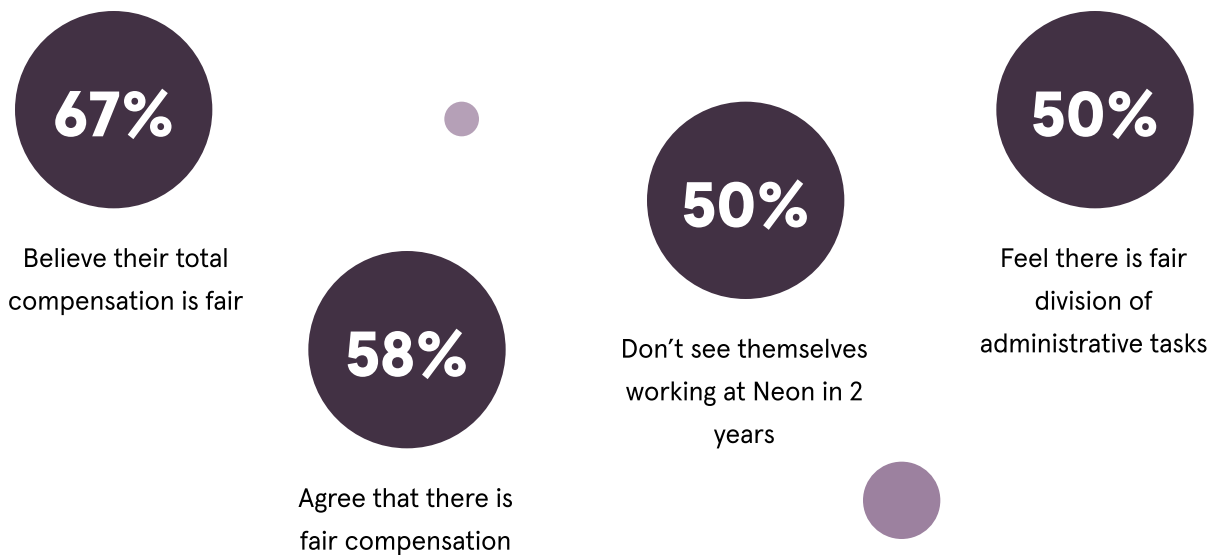
## 75% diversity & inclusion survey engagement

Not everyone is required to complete this survey, but we're proud to report our responses were 8% higher than the 69% industry average.

### Where we shine



### Where we can do better



# For the Planet

We believe it's our responsibility to address and take responsibility for our environmental impact. From the materials and suppliers we use, to how we support company operations, to energy usage and waste disposal, we aim to minimize our footprint across every part of the business.

## Partnership with Bullfrog Power

**Our partnership prevents 3 tonnes of CO2 from entering the atmosphere each year**

- A Canadian green energy retailer that matches our non-renewable energy use in a renewable form and returns it to the system on our behalf.
- Bullfrog power helps to fund small-scale, community-led projects, including solar panel installations for schools and Indigenous communities, education and training programs, and a cleantech accelerator.



### In Office Stewardship

- Choose natural or non-toxic cleaning supplies whenever available
- Extensive composting and recycling program for paper, plastic, and returnable containers
- Limit paper usage to what's strictly necessary
- Energy-saving light bulbs and light sensors are used throughout the office



### Virtual Office Stewardship

- Our team members reduce their at-home environmental impact by:
  - Recycling and composting
  - Using dedicated e-waste collection facilities for hazardous waste (e.g., batteries, lightbulbs, or small electronics)
  - Turning-off/unplugging electronics when not in use



# Closing Remarks

**As we reflect on and continue our mission to design a better world by creating digital products that matter, we want to highlight our continued areas of focus for improvement:**

- Continue to strengthen our reputation as the digital partner of choice for purpose-driven organizations
- Achieve a B Impact Assessment score of 115 or higher in our next assessment
- Strengthen our engagement practices to identify and consult with relevant stakeholders
- Identify more ways to support our community, local suppliers and vendors
- Increase teamwide ownership of implementing impact practices throughout our business
- Enhance our employee wellness and benefit plans to proactively prevent employee burnout and support parents

Being an impact business is a journey and we're looking forward to continuing to make a bigger impact along the way.

**PRODUCTS  
THAT MATTER**