



NEON

2020 Annual Benefit Report

Introduction

AT NEON, WE BELIEVE THE WORLD NEEDS A REDESIGN. WE PARTNER WITH EXCEPTIONAL PEOPLE TO CREATE PRODUCTS THAT MATTER.

Neon is a Vancouver-based digital product studio that aims to do business with purpose. We recently embarked on our journey to become a certified B Corporation, or B Corp. We're currently awaiting our review and status finalization.

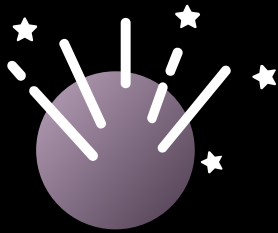
The B Corp certification recognizes businesses for meeting "the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose."

In March 2021, Neon became a benefit company in order to: meet B Corp requirements, solidify our mission, 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.

This report shares our efforts from 2020, our first B Corp certification period, to advance public benefit. We're excited to share the foundation we've set and what we've achieved so far.

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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

43%
of our customer and client partners were purpose-driven

- Increase access to well-being and personal development
- Enhance data privacy for anyone, on any platform
- Give the underserved more opportunities to find companionship
- Increase equal opportunity to quality employment

Comprised 23% of our revenue

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





Challenges supporting purpose- driven organizations

- As a new business operating during the Covid-19 pandemic, we had to balance our intake of partners who had a direct social or environmental benefit and those who did not.
- We're still building our profile as the partner of choice for purpose-driven organizations.
- Those who were not purpose-driven had larger project needs than those who were.



How we're addressing our challenges

- Advancing our leadership role in the impact space through networking, thought leadership, and direct outreach.
- Leveraging the United Nations Sustainable Development Goals (SDGs) as a north star when screening partners and projects.
- 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. We submitted for certification in July 2021, with an initial overall score of 89.8. We pledge to continue increasing this benchmark number, year over year.

Additional B Corp requirements:

- Once certified, share our score publicly on bcorporation.net
- Recertify and complete the BIA every three years
- Annually track impact metrics
- Publish an annual Benefit Report

Our Impact Assessment Status



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.

43%

of partners were purpose-driven

Contributing to a clear social or environmental outcome

3

Opportunities declined

Prioritizing values-aligned partners with a clear and measurable impact

23% of revenue came from purpose-driven organizations



206+ 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.



Two female-founded businesses



Two businesses that directly serve underrepresented groups

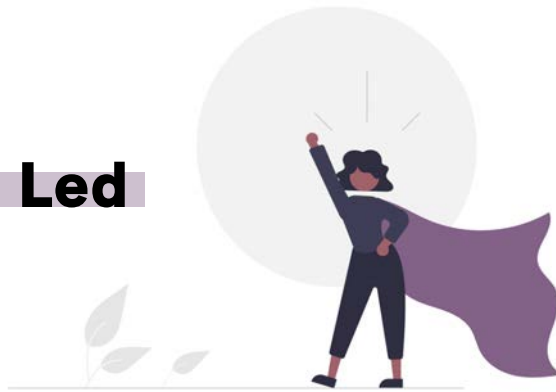


One BIPOC-owned business

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 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



21
Townhalls conducted
in 2020

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.

15 employees read and signed our Code of Ethics

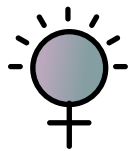
The Code of Ethics establishes the ground rules for maintaining and building our reputation as a fair and ethical corporate citizen, and for upholding Neon's reputation in our community.

Non-discrimination practices

We believe a diverse and pluralistic society is central to our community identity. We strive to ensure that every member of the Neon team, and everyone with whom we do business, feels they are treated fairly and respectfully.

Our Team

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.



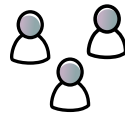
38%
of our leadership team
identifies as female



200+
randomly paired one-
to-one virtual coffees



25
socials, lunch-and-learns,
virtual events, and product
launch celebrations



27-59
the age range of
our team

87% of Neon employees say they're satisfied with their work

21% turnover in 2020

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:

- Swim club membership fees
- Gym membership fees
- Yoga classes
- Bike trainer mats
- Soccer cleats
- Running shoes
- Personal training
- Meditation subscriptions

Portions of our training budgets were spent on:

- Personality training – understanding how to work effectively with each other
- Impact training for the entire team – to ensure everyone has the tools to deepen impact in our day-to-day efforts
- Leadership development and coaching program
- Epic React workshop – to help our developers make confident choices and become a group of experts who build React applications that scale over time
- Covid-19 related business relief
- Product owner certifications

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.

18% 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.

0.05% of revenue donated

We aimed to donate a higher percentage of our revenue in 2020, but ultimately maintained a realistic approach, given the uncertainty of the economic landscape.

Charitable Donations Given to



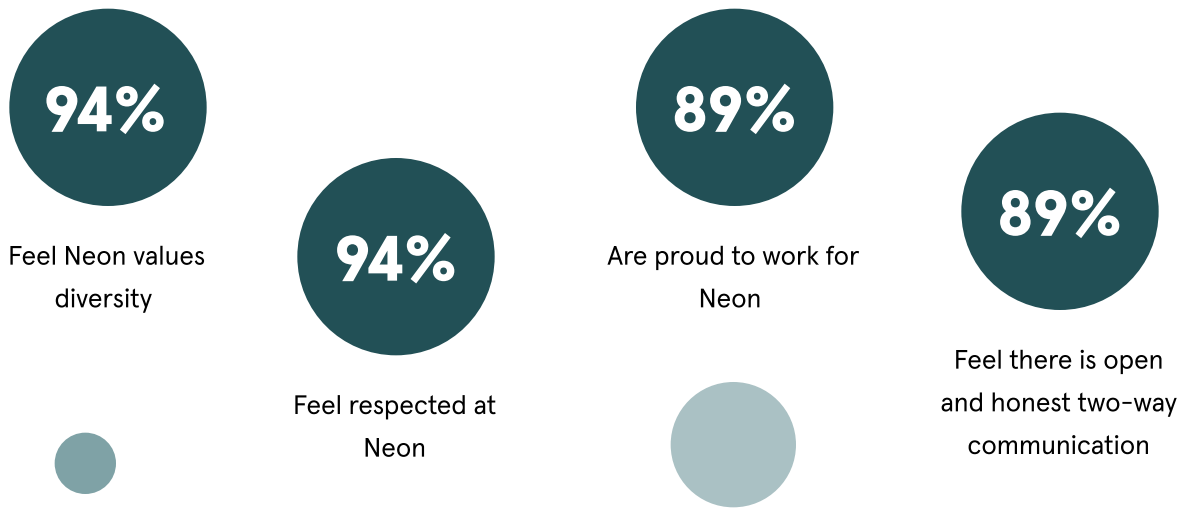
Alzheimer Society



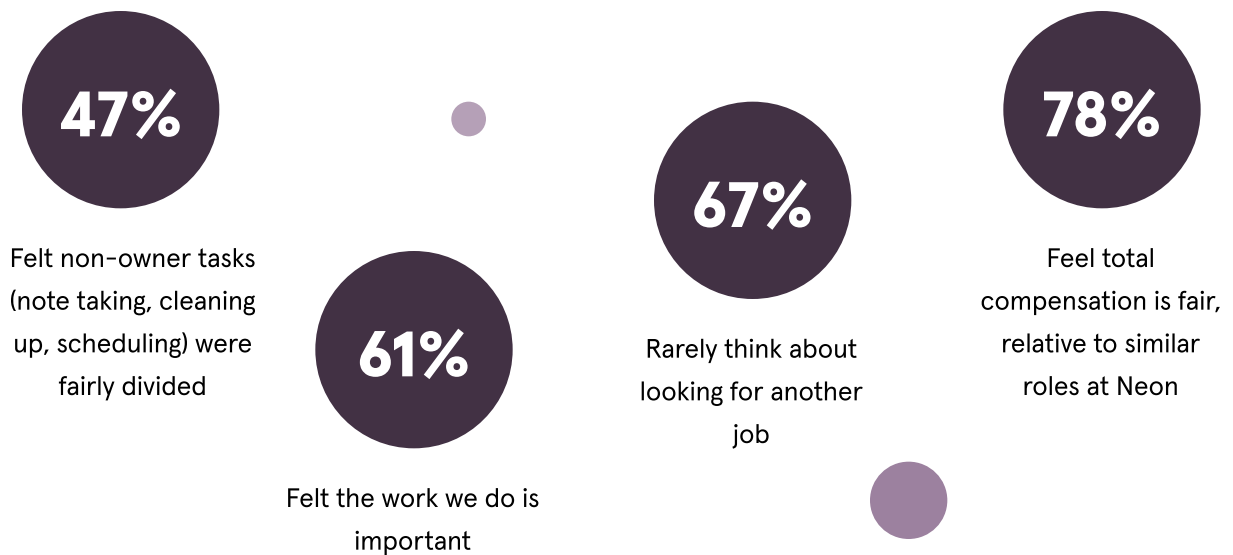
78% diversity & inclusion survey engagement

Every year, we conduct a diversity and inclusion insights survey to learn how our team feels and where we can do better. Not everyone is required to complete this survey, but we're proud to report our responses were 9% 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

- Covid-19 changed how we work, and proved that we can function productively as a remote team. 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 several areas for ongoing improvement:

- Continue to strengthen our reputation as the digital partner of choice for purpose-driven organizations.
- Achieve a B Impact Assessment score of 95 or higher in our next submission.
- Strengthen our engagement practices to identify and consult with relevant stakeholders, in order to ensure comprehensive representation from affected groups, communities, and individuals.
- Find more ways to support local suppliers and vendors.
- Enhance our employee wellness and benefit plans to proactively prevent employee burnout and support parents.

**PRODUCTS
THAT MATTER**