

Global Compact

Communication on Progress 2013

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CEO Statement

"The Respect vision that of is a sustainable world. A sustainable world can only be built on equal rights and opportunities for all. At Respect, we are aware of our responsibility to society and we are committed to support and follow the ten principles of the Global Compact. Our contribution is also to help our customers to adjust their activities towards sustainable business that take the environment, people, human rights, and sustainable development under consideration. Sustainable business is a makes business sense for clients, employees, owners, management and our planet."

Bertil Rosquist, CEO, Respect Sustainable Business RSB AB

Our Commitment

Respect supports the 10 principle of the Global Compact and encourages everyone in its sphere of influence to do the same. The principles are a natural part of our everyday operations; it constitutes how we do business and it is integrated in our offer. Acting as a consultancy in sustainability, we are deeply committed to spreading knowledge and business strategies complying with the 10 principles. As for our own business, the aim is to report our commitment to corporate responsibility in a clear and transparent way. Following are our activities and performances reported in relation to the principles.

The Organisation since the Last Report

The Respect Organisation has undergone some changes the last year. In September 2012, Respect and Sustaina, another consultancy in sustainability, merged and today works together under the name Respect Sustainable Business RSB AB. This has made Respect more comprehensive in our sustainability service offer; when Respect were experts in climate related issues, strategic development and sustainability reporting, Sustaina were experts in management systems and supply chain development.

In April this year, another organisational change was made. Respect and South Pole, a Swiss carbon offset project developer, started a joint venture for climate related solutions: Respect Climate. In this year's Communication of Progress, Respect Climate is included as a part of Respect Sustainable Business. Respect Sustainable Business is a co-owner of the company; the two companies work closely as if we were one and we still share office in Stockholm.

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. Respect supports the UN Universal Declaration of Human Rights.

Respect supports the Human Rights, as stated in the United Nations (UN) Universal Declaration of Human Rights. We understand and respect the importance of supporting the Human Rights as a part of business behaviour. Respect will not, in any way, be complicit in actions violating the Human Rights in our operations, nor any of the applicable parts of the Swedish law. This also applies to partnership agreements and we encourage all our partners to respect and support the Human Rights. Respect also acknowledge the new UN framework, *Protect, Respect, Remedy*, and actively works to spread knowledge about this framework and Human Rights-accountability, in our client base as well as among our partnerships.

Our most important contribution is helping our clients to adapt their business to minimise risks of violating the Human Rights. We offer human rights-related services as part of our offer, e.g. Respect supports in visualising risks with Country Risk Assessments as a tool for managing and eliminating violation of human and labour rights in risk areas. In addition, Respect regularly holds seminars, trainings and workshops for business partners and customers, higher management as well as other members of the workforce, in order to help them to minimize the risks of violating the Human Rights in their sphere of influence.

Respect also regularly conducts several projects in supply chain management, helping companies to map and measure human rights risks in their supply chain. As an example, Respect has the last year conducted several audits, both in Sweden and abroad, to review risk suppliers and how they work with human rights-related issues. We also provide clients with tools for incorporating sustainable business conduct and human rights risk evaluation in their supply chain.

No violations of the Human Rights, as stated by the UN, as a result of Respect's operations, have been reported since the last COP.

Labour Standards

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.

Respect supports and honours the Global Compact's principles on labour standards, follows the Swedish law on all applicable areas, and respects the labour standards set by the International Labour Organisation (ILO) conventions on labour rights.

All employees are free to form and join independent trade unions, and Respect will not in any way hinder arrangements in regards to meeting possibilities; rather offer support with practical assistance.

Respect strongly condemns the use of forced or compulsory labour, as well as child labour. We do not accept such abuse as part of our operations, and actively engage in spreading information about the importance of the abolition of forced or compulsory labour and child labour.

Respect's management regularly arranges dialogues with co-workers, in order to be a flexible and self-critical organisation, ready to meet the needs of its most valuable resource: its employees. Equality, diversity, and gender equality are key values for Respect; in our daily operations, in regards to employment, and as part of our offer to clients.

Spreading awareness and encouraging respect of labour rights is also part of Respect's offer to clients. Respect contributes by conducting risk assessments, holding workshops and helping customers to develop companywide strategies for social responsibility. Respect is committed to spreading the value of the rights of the worker. As pointed out under Human Rights, one of Respects services is to help companies map and develop their supply chain. Main issues are often work-related, and Respect offers several tools and solutions raising knowledge to develop suppliers in work-related issues.

Since the last COP, no reports of Respect being complicit in any violations to labour standards, as stated by the ILO, the UN or the Swedish law, have been reported.

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.

Respect supports and follows the principles on environment set by the Global Compact. We are aware of our responsibility and environmental impact. We apply a pre-cautionary approach to environmental issues. We also respect and stay current with the Swedish laws on environmental issues. Environmental awareness is also vital to Respect when it comes to suppliers and partners.

Respect works after an environmental management system, certified after ISO 14 001, verified by AAA Certification AB. The last certificate was issued in May 2013, after a review that showed only a couple of minor areas for improvement.

The majority of Respect's employees use public transport, alternatively walk or cycle to work. Our travel policy urges employees to go by train on business trips, if other transportation is not highly motivated by price or distance.

We encourage and assist our customers and business partners to reduce their climate impact generated from their operations. Respect also offers clients consulting in decreasing impact, and has developed an online tool for climate impact assessment – www.svante.se. Furthermore, we encourage companies to become climate neutral – minimize climate impact through different measures and offset the remaining greenhouse gas emissions by supporting projects, mainly in Least Developed Countries (LDCs), via CDM-projects or credible VER-projects.

We consider it self-evident to measure and reduce our own climate impact. Last year (2012) the total amount of greenhouse gas emissions generated from Respect operations were 26.5 tonnes CO₂e, 2.48 tonnes CO₂e per employee. This is an increase of emissions from the preceding year, which mainly can be explained by the change of office following the merge with Sustainia. The new office did not use renewable energy sources for heating and electricity, an issue that is now corrected.

In order to neutralise climate impact from business operations, Respect offset the remaining emissions generated in 2012 via buying carbon reduction units from Gyapa Cook Stoves; a Gold Standard-certified project distributing energy efficient cook stoves in Ghana. Being a Gold Standard-certified project, it has a broad sustainability focus aiming at strengthening the local community and providing social benefits as well as environmental.

For Respect's calculations, we have chosen to include the whole of scope 1 and 2, plus the parts of scope 3 we are able to calculate and influence (i.e. business trips, commuting to and from work, paper use, energy carriers etc.), from the GHG Protocol.

We have a wide client base that we support with environmental services. We continuously assist to decrease their impact on the environment and the climate, e.g. through carbon accounting, carbon offsetting, environmental strategies and

strategy implementation, reviews of environmental impact, sustainability reporting according to the Global Reporting Initiative (GRI) and more.

There have been no reports on Respect violating any laws or regulations regarding the environment since the last COP.

Anti-corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

Respect supports the Global Compact principles on anti-corruption, follows the applicable parts of the Swedish law, and condemns any form of bribery or corrupt activity as part of our business. We further strive to emulate the principle by assisting our clients in their sustainability journeys, which includes eliminating all forms of corruption in their sphere of influence.

There have been no reports on corrupt activities, including extortion or bribery, during the year.