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United Nations Global Compact Communication on Progress

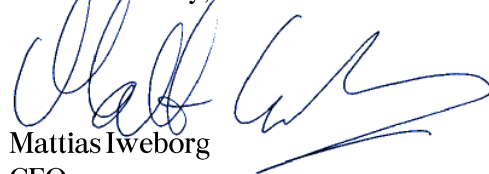
Dear Stakeholders,

Enact Sustainable Strategies Group AB (Enact) has been a signatory to UN Global Compact since May 2014. I am pleased to continue endorsing our long-term support for the ten principles of the Global Compact on Human Rights, Labour, Environment and Anti-Corruption.

Enact is a values-led consultancy specialised in the area of sustainable business development and corporate responsibility. We are driven by our vision – a sustainable, global development, in which the business sector is a responsible driving force. Our mission is to help companies become more successful in reaching their overall business objectives by behaving in a more responsible way, thereby earning trust and reputation. To put it simply: We want to change the way business is being done!

We support public accountability and transparency, and therefore commit to report on our progress. The following Communication on Progress describes our impacts and activities undertaken by Enact on human rights, labour, environment and anti-corruption during the fiscal year January 2019 – December 2019.

Yours sincerely,



Mattias Iweborg
CEO

Enact Sustainable Strategies Group AB

Our Impacts

Enact's commitment to sustainability and corporate responsibility is demonstrated and continuously improved by emphasising the importance of values, business ethics and good working conditions for sustainable growth.

As a business, our responsibility can be described along three dimensions: our responsibility as a trusted and pioneering advisor to our clients, our responsibility towards our employees, and our responsibility as a business. This summarises our efforts towards our vision and integrates marketplace, workplace, environment and community concerns with our business operations in interaction with our stakeholders.

Our most important impact and contribution to the implementation of the ten principles of the Global Compact – and the work towards the fulfilment of the Global Goals for Sustainable Development – is through the work we deliver to our clients and the people we train. During the fiscal year 2019, we have supported more than 138 clients (110 last fiscal year) in responsible business assignments.

These companies have a combined workforce counted in the millions, and with tens of millions of people working in their supply chains. More than 1000 people have participated in trainings and events delivered by Enact during 2019 in Sweden, Iceland, Finland, Estonia, Latvia, the Netherlands, China, Indonesia, Colombia, Bolivia, Uganda, Tanzania, Kenya, South Africa and USA.

There are multiple examples of how we are helping our clients both to become aware of the importance of sustainability and to steer operations in a more responsible way. Hereby we are not only assisting our clients in improving the business, but also contributing to bettering the life for people and reducing negative environmental impact.

Ever since the company was established in 2005, we are using the Global Compact and its principles as a guiding star in our work. As part of this, we have successfully encouraged several clients to commit to the ten principles and become signatories of the Global Compact, as well as supported them in their work with the Global Goals. For example, we provide companies, organisations and municipalities with both customised and public trainings on how to work with Agenda 2030, and measure and report on the Global Goals.

Our advisory and training assignments cover and often crosscut over the topics on Human Rights, Labour, Environment and Anti-Corruption.

Since 2012, we are a certified Global Reporting Initiative training partner. Through our GRI trainings, we have trained more than 1200 executives how to report non-financial aspects of their business. In this context, the ten principles of the Global Compact and the Global Goals are always mentioned and very often explicitly referred to in the reports produced by the reporting organisations.

During 2019, Enact has supported four companies with sustainability consultants as staff on-loan. This close and continuous cooperation enables long-term impact towards sustainable business.

During the year, we redesigned how the company is managed and created a new system for this, *Our Way of Working*. The ambition has been to integrate policies and processes with practices more closely. During the year, Enact was recertified in the international management system standards ISO 9001 for quality and ISO 14001 for environment. We have been certified in these standards since March 2016. According to Enacts' employees, our new way of managing the company has contributed to the fact that the overtime has decreased and the profit increased during the year. During 2020, dissemination and follow-up on Our Way of Working, including policies, procedures and processes, is a prioritised area of internal work.

The following are descriptions of assignments and activities we have conducted during fiscal year 2019 in which the ten principles of the Global Compact and the UN Global Goals for Sustainable Development have been promoted and pursued.

Human Rights

Enact has a longstanding commitment to human rights. We have advised and supported companies across the world on human rights topics for over a decade. During fiscal year 2019, the Enact Human Rights & Business Practice Group (HRBPG) has supported clients and stakeholders to improve their human rights work on various levels including due diligence, management systems, internal controls, policy and managing grievances.

We have come across several examples of actual or potential gross violations of human rights and have been able to help our clients take an active role in preventing or mitigating these impacts, including using financial and political leverage to stop harassment of human rights defenders.

The following are a few examples of assignments we have carried out during 2019, in which we have helped our clients to improve their respect for Human Rights:

- Continued to facilitate and expand the Swedish Network for Business and Human Rights
- Held four network meetings on different topics on Human Rights & Business for Finland's leading promoter of sustainable business, FIBS, Focus Group on Human Rights and Business
- Conducted Human Rights impact assessments, Human Rights risk screening, assessed processes to manage Human Rights risks, reviewed monitoring of social contract terms and many other assignments in which we have helped our clients to improve the way they manage human rights, ensuring respect as well as remediate negative impacts.
- Delivered in-house training and assisted in building e-learning on Human Rights.

Through these efforts, we have specifically contributed to the fulfilment of the Global Goals #3 through to #8, #10 through to #12 and indirectly to #1 and #2.

We ourselves are committed to doing whatever is needed to ensure that we respect human rights in our own work. A key concern is to ensure safe participation for the people with whom we engage in each of our projects, sometimes in countries where the civic space is shrinking. Another, equally important, issue is the safety of our own employees and sub-contractors during projects around the world.

Labour

The respect for fundamental labour rights and the opportunities in a responsible approach to employees and industrial relations is a key element in Enact's approach to sustainable business and permeates most of our projects.

These are some other examples of assignments we have carried out during the last fiscal year where labour issues have been central:

- Conducted supplier risk assessments, including impact on labour rights, as well as human rights and environmental impact
- Reviewed diversity & inclusion
- Assisted in assessing migrant labour issues
- Developed extensive educational material on labour, Human Rights and consumption

Through these efforts, we have specifically contributed to the fulfilment of the Global Goals #3, #5, #8 through to #12, #16 and #17, and indirectly to #1 and #2.

In Enact itself, we see people as our most important assets. We aim to engage our people by working actively with competence development, work-life balance and diversity issues.

We place a high value on nurturing a culture that fosters collaboration, teamwork and individual growth. Monthly group meetings, high flexibility and inclusive decision-making processes are all central aspects of our work.

During fiscal year 2019, the process of implementing collective agreements in Sweden has continued. For example, the union branch and employer agreed on an annual cycle covering specific activities and meetings, as annual reviews for all employees. During fiscal year 2020, the union branch intends to appoint a working environment representative, who will get the education and time required to carry out the commitment in a satisfactory way.

We believe that diversity is an important factor in business success and strive to have a team with a wide range of competences and experiences. By the end of 2019, our employees consisted of 16 women and 3 men. The lack of gender equality at Enact is mainly a consequence of an unequal recruitment basis, therefore women are in vast majority among our job applicants. Additionally, the sector in general is highly dominated by women. On the other hand, Enact is a company with diversity regarding nationalities.

A key challenge for us is to ensure that people working in the company can combine work and private life. In our Annual Employee Survey for 2018-2019, 46 per cent of the employees stated that their work-life balance was unsatisfactory. This is a small increase compared to 2017-2018(44), despite the fact that work-life balance was a prioritised area during 2019.

We will therefore continue to work with and develop our people management strategy through a number of specific actions, including a quarterly employee poll.

Environment

At Enact, we believe in providing our clients with a holistic perspective of responsible business which extends beyond compliance.

The following are examples of assignments we have carried out during 2019, where environmental issues have been a key element:

- Supported clients with climate and emission calculations for their external non-financial reporting as well as defining their most important environmental impacts

- Trained and raised awareness through sessions on environment, climate, and how these relate to business, as part of our assignments and our public trainings
- Supported a client organising an executive training programme in which we used the palm oil value chain to investigate different kinds of social and environmental sustainability challenges and applying the lessons learned, making recommendations for the world's largest palm oil producer.
- Assisted clients with materiality analyses to identify each company's material sustainability impacts.
- Supported clients in developing environmental policies

Through these efforts, we have specifically contributed to the fulfilment of the Global Goals #7, #9 through to #15 and #17, and indirectly to #1 and #2.

We ourselves want to set a good example in our approach to the environment. We deliver and develop our services and own operations, and inspire our clients and business partners according to best environmental praxis.

We are certified according to the international environmental management system standard ISO 14001. As part of the certification progress, we have mapped our own environmental impacts, set targets and monitor our performance.

In September 2019, we implemented a new method of documenting our flights. Enact's estimated CO2 emissions amounted to 52 tonnes during 2019¹.

Anti-Corruption

Business ethics and anti-corruption is one of our knowledge competence areas. We believe that the questions raised by ethics and integrity, coupled with anti-corruption practices are the starting point for business responsibility.

The following are examples of assignments we have carried out during the last fiscal year on Anti-Corruption issues:

- Delivered and facilitated sessions on anti-corruption as part of more trainings covering sustainability in general.
- Supported several investors in portfolio-responsibility to address violations
- Conducted a risk assessment in the global logistics- and transportation sector, on behalf of Swedish county councils
- Anti-corruption issues have also been handled as part of our projects relating to Codes of Conducts and companies defining their sustainability risks and agenda.

Through these efforts, we have indirectly contributed to the fulfilment of the Global Goals, in particular goal #16 and #17, as well as many of the other goals.

¹ The new and more precise method introduced in September has provided us with data for the period September – December 2019. In order to arrive at a total figure for 2019, we have decided to estimate that emissions caused by us during January – August 2019 are at the same level per month as during September – December rather than using incomplete data for this first part of the year.