

Stockholm, January 20, 2022

United Nations Global Compact Communication on Progress

Letter From Our CEO

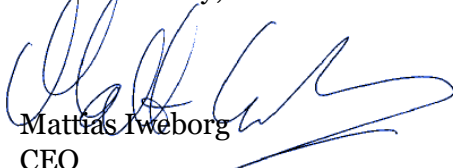
Dear Stakeholders,

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 want to change the way business is being done. 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.

We support public accountability and transparency, and therefore commit to report on our progress. The following Communications on Progress describes our impacts and activities undertaken by Enact on human rights, labour, environment and anti-corruption during the fiscal year January 1 -December 31, 2021.

Yours sincerely,



Mattias Iweborg
CEO
Enact Sustainable Strategies Group AB



Our Impact

Enact's commitment to sustainability and responsible business conduct 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 in 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 Global Compact – and the work towards 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 2021, we have participated in 175 assignments (145 last fiscal year) with focus on responsible business conduct.

The companies and organisations we have worked for and trained have a combined workforce counted in the millions, and with tens of millions of people working in their supply chains. More than 1000 people from all over the world have participated in trainings and events delivered by Enact during 2021, of which 300 has been participating in a new training course focusing on the EU Taxonomy.

There are multiple examples of how we are helping our clients both to become more aware of the importance of sustainability and to steer operations in a more responsible direction. Hereby we are not only assisting our clients in improving the business, but also contributing to bettering the life for people and reducing negative social and 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 almost 1500 executives in 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 2021, Enact has continued to build long-term relationships and partnerships with clients and organisations whom we support with advice and trainings. This close and continuous cooperation enables long-term impact towards sustainable business.

For example, Enact has supported the Swedish government agency the Swedish Institute in the planning and execution of management programmes for business executives in Africa, Northern Europe and Latin America. The programme provides business leaders from these regions with a combination of theory and practice on sustainable business and responsible leadership, including advanced business-related problem solving, seminars and meetings with prominent experts in the commercial, political and cultural fields, as well as company visits. Since 2020, due to the global Covid-19 pandemic, the programmes that usually are delivered as a series of week-long face-to-face modules has been transformed into highly interactive on-line trainings.

Enact as an organisation is taking pride in having a strong sense of responsibility for our employees. Ever since the pandemic struck in March 2020, we have worked hard to meet the challenges connected to it. All employees have from time to time been working exclusively from home and we have closely monitored any attendance in our offices to avoid more than two to five persons gathering at the same time (depending on the local pandemic restrictions). All employees have received active support in creating ergonomically suitable workstations in their homes and we have allowed very flexible working hours to accommodate the challenges brought by the fact that all society, including schools and childcare facilities have been affected by the pandemic.

Throughout the pandemic, we have increased the number of employee-manager digital check-ins to make sure that we are closely monitoring how all our employees are coping with working from home and seldom or never physically meeting their colleagues. Not at least is the risk of suffering from mental health issues such as stress and loneliness a topic that we regularly discuss and try to find digital solutions for. According to the employees, Enact is seen as a responsible employer both in general and with regards to the pandemic.

During the winter 2020-2021, Enact participated in a study conducted by two students from the psychological faculty at Stockholm University to examine the psycho-social work environment at Enact. The study included both questionnaires and interviews and concluded that Enact in many aspects offered a healthy psycho-social work environment although suggestions were also made on how to improve it, mainly focusing on how to relieve work related stress.



Enact has during 2021 kept being re-certified 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.

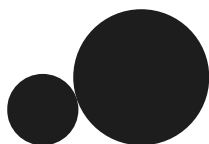
Enact keeps encouraging and supporting the local union club at the office in Sweden. A cooperation agreement is established between Enact as an employer and the local union club and Enact are following all responsibilities that follow from being part of the collective agreements in Sweden.

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 our last fiscal year, 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.

The following are a few examples of assignments we have carried out during 2021, in which we have helped our clients to improve their respect for human rights:

- Enact continued to organise and facilitate the Swedish Network for Business and Human Rights.
- Enact held three focus group meetings on different topics on Human Rights & Business for FIBS, which is the leading promoter of sustainable business in Finland.
- Enact conducted several human rights impact assessments, human rights risk screenings, human rights due diligences, assessed processes to manage human rights risks and many other assignments.
- Enact conducted gap analysis for a number of international organisations
- Enact conducted several public and in-house trainings on the human rights due diligence process.
- Enact conducted and participated in several webinars on human rights and business and the value of audits and certification.
- Enact conducted a multi-modular training programme on human rights in everyday work situations for a municipality.



- Enact facilitated a business working group on issues related to respecting human rights in China.
- Enact mapped and evaluated existing tools to analyse adverse impacts on human rights in the space of international development and peacebuilding in conflict settings.

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

Apart from supporting others with improving their human rights work, we at Enact are also committed 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 client projects, sometimes in countries where the civic space is very limited. We also always carefully consider the safety of our own employees and subcontractors during projects around the world as well as at home.

Labour

The respect for fundamental labour rights and the opportunities in promoting good industrial relations are key elements in many of our assignments. Here are some examples of what we have been helping clients with during 2020:

- Enact frequently conducts human rights due diligence for clients, and at the centre stage of focus is always fundamental principles and rights at work; elimination of forced and child labour, discrimination in recruitment and employment and right to organise and collective bargaining.
- Enact has conducted several risk assessments for clients with focus on fundamental labour rights in the supply chain, including elimination of forced and child labour and discrimination in the workplace.
- Enact supported a Swedish government agency in implementing a multi-modular international training programme with participants working with labour issues in Africa and Asia, which aims to improve labour markets in each respective country by focusing on decent work for sustainable development and in line with Agenda 2030.
- Enact provided advice to clients on how to respond to impacts relating to fundamental labour rights, as part of human rights due diligence mitigation strategy planning.



- Enact assisted a Swedish government agency with drafting a strategy for confronting state-backed forced labour in the supply chain.
- Enact participated as speakers in seminar on the value of audits and certification.

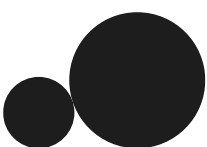
Through these efforts, we have specifically contributed to the fulfilment of the Global Goals #3, #5, #8 to #12, #16 and #17 and indirectly to goal #1 and #2.

Regarding our own employees, we truly believe they are our most valued asset. We work actively with competence development, diversity issues and constantly try to help our team members to find a good work-life balance. We have regular team meetings where we always spend time checking on both work related status but also how people are doing in general, may it be coping with the pandemic, the home office situation or social boredom and loneliness.

We place high value in nurturing a culture that promotes collaboration, teamwork and individual growth. Regular group meetings, high flexibility and inclusive decision-making processes are all central aspects of our work. Every year, we carry out a two-day kick-off (sleep-over) where we gather our team from all offices to co-create, plan and promote team spirit. Every month we carry out one longer team meeting, during the pandemic done digitally. Every week we organise one shorter team meeting and two to four times per month we have individual manager-employee conversations to make sure that we are aware of our employees' well-being. A non-pandemic year, when we are not working exclusively from home, we would conduct manager-employee meetings once per month. During the pandemic, starting from March 2020, increasing the frequency of those meetings have been one way for us to carry out our responsibility as an employer.

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 and to come from various backgrounds. By the end of 2021, our employees consisted of 17 women and four men altogether carrying seven different nationalities. The management team consisted of four persons, one man and three women. The lack of gender balance at Enact mirrors the gender imbalance of the industry where women are in clear majority.

Being able to combine work with private life has for the last years been a prioritised aim at Enact. However, in our Annual Employee Survey 2021, only 50% of our employees agreed to the statement that the job allows them to combine work and private life in a balanced and satisfactory way, which is a setback compared to the survey from 2020 where 67% agreed to the same statement.



In part this change might be explained by the team primarily having worked from home, as a consequence of the pandemic. Regardless of the causes, we have made several efforts to ensure an improved work life balance. Some of them are described in the section *Our approach* above.

During the fiscal year 2021, the local union club have re-appointed the working environment representative, the chairman and the vice chairwoman from 2020. The co-operation between the local union representatives and the employer continues to work well and to follow the annual co-operation cycle according to plan. Some disruption has been caused by the pandemic, but as part of the collective agreement, Enact is following the guidelines from the central negotiation parties.

Anti-corruption

Business ethics and anti-corruption is one of our knowledge competence areas. We believe that the questions raised by ethics, 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:

- Enact has provided support to clients on aligning policies and processes with responsible business practices, for example the OECD Guidelines for Multinational Enterprises, where anti-bribery and anti-corruption are major components.
- Enact includes a corruption perspective in all human rights due diligence and risk assessment assignments, meaning that where a client has a risk for corruption in the value chain, it is also explained in the context of human rights. Corruption and abuses against human rights are intrinsically linked, and they perpetuate each other.
- Enact supported investors in portfolio-responsibilities to address risks of corruption.
- Enact anti-corruption issues have also been handled as part of our projects relating to Codes of Conducts and companies defining their sustainability risk and agenda.
- Enact delivered and facilitated sessions on anti-corruption as part of training covering sustainability in general.



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

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 2022, where environmental issues have been a key component:

- Enact supported our clients with climate and emission calculations for their non-financial reporting as well as defining the most important environmental impacts.
- Enact trained and raised awareness through sessions on environment and climate and how that relates to business to mid-to high level managers as part of our assignments to our clients and our public trainings.
- Enact supported clients in developing environmental policies.
- Enact supported clients with integration of climate related values in products and business development.

Through these efforts, we have specifically contributed to the fulfilment of the Global Goals #7, #13, #15 and #17, and indirectly to #1 and #2.

We ourselves would like 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 process, we have mapped our own environmental impact, set targets and monitor our performance.

