

**COMMUNICATION ON PROGRESS (COP)**

**Period covered by this COP**

**From: 28/09/2020 To: 28/092022**

**1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER**

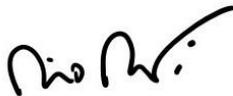
September 28, 2022

To our stakeholders:

I am pleased to confirm that E4 Foundation reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



CEO  
Prof. Mario Molteni

## 2. DESCRIPTION OF ACTIONS

### *Human Rights*

E4Impact Foundation has set up and implemented a code of conduct that aims to influence our employees and all our business partners to respect the Universal Declaration of Human rights and environmental protection. The [Code of Conduct](#) is published on the organization's website to make the organization's position and principles clear to those representing, administering, or managing E4Impact Foundation Impresa Sociale (hereinafter "Foundation" or "E4Impact") as well as its employees, associates and more generally all those operating in whatever capacity on behalf of or in the interests of E4Impact. This document defines and disseminates the principal values to which the Foundation intends to make constant reference in its business operations.

E4Impact endeavours to create a conducive working environment for all its employees where each person is treated with dignity and their human rights are respected and not infringed on.

### *Labour*

The real strength of E4Impact lies in the professionalism, creativity, and passion people. The collaboration between the Italian and African teams only builds on this. The staff consists of 47 people altogether.

The presence of E4Impact is a widespread and organized way in the African continent and has made possible the implementation of an inclusive model that appreciates and prioritizes collaboration for development. E4Impact mobilizes local talents and resources to design and implement initiatives, which have proven to be highly effective and efficient without employing international staff.

The Foundation annually promotes training and upskilling among its employees. In 2021 an average of 15 hours of training per person were provided. Particular attention was paid to the improvement of the following skills and knowledge: foreign languages, digital marketing, circular economy principles and solutions, and measurement of social impact. In 2021, the E4Impact Project Manager provided 12 employees of the Nairobi office in Kenya with a project cycle management training course of 18 classes for a total of 36 hours. The aim was to strengthen the expertise in project management and to promote autonomy in the submission of projects. The team posted good results (an average of 75% overall) evidenced by the successful submission of 6 projects.

Staff wellbeing is another central theme of E4Impact. At the end of each year, the Management organizes individual meetings to discuss the results achieved, collect suggestions for improvement, and define future goals for the Foundation.

In 2020, in response to the Covid global pandemic, E4Impact embraced smart working which has been maintained as a work-life balance modality. This gives the employees the flexibility to work from home three days a week.

E4Impact is committed to guaranteeing the safety of its team; in 2021, there were no accidents in the workplace.

The Foundation offers fair remuneration treatment for its employees. It means that the difference in the salaries cannot exceed the ratio of 1 to 8 in line with article 8 of its Bylaws. In 2021 this ratio was 1 to 3.

### ***Environment***

#### **Reduction of Carbon Footprint**

E4Impact is mostly office based, and the nature of our direct environmental impact is relatively small as we are a provider of entrepreneurial training services.

For this reason, most of the impact is linked to carbon emissions generated by staff travel to the office and by air travel between Italy and Africa.

To reduce the carbon footprint, in the last year, the Foundation implemented the following actions:

- Implementation of the smart working system for three days per week, then reducing the need to commute to the office.
- Periodical online meetings with the staff in Africa, decreasing the number of travels to the African offices.
- Online events and training through the E4Impact online e-learning platform.

#### **Raising awareness among stakeholders**

The E4Impact core mission is to promote entrepreneurship focusing on social and environmental impact in Africa and beyond. This vision has enabled E4Impact to influence the environmental awareness of entrepreneurs and other stakeholders.

Besides offering its MBA in Impact entrepreneurship, E4Impact also implements multilateral projects that incentivize economic development and the strengthening of the value chains. The main sectors of intervention are Climate Smart Agribusiness, where the Foundation offers support to develop innovative and environmentally sustainable solutions in rural areas, and waste management, with a specific commitment to

improving the communities quality of life and promoting sustainable consumption of natural resources.

Below are some examples.

### **Climate Smart Agribusiness**

The projects "*Support to Resilience for Sustainable Livelihoods*" and "*Building Drought Resilience*" contribute towards increased resilience to droughts and other negative impacts of climate change, enhancing food and nutrition security, generating sustainable livelihoods and protecting productive assets in two arid and semi Arid counties in Kenya.

The project "ARABIKA", also carried out in Kenya, adopts techniques suitable for "climate-smart" production, disease control, right composting of coffee residue, and adoption of modern and eco-friendly post-collection technologies.

Switch Africa Green - Green to Grow, also contributed indirectly to the reduction of the environmental footprint of Kenyan Micro Small and Medium Enterprises (MSMEs) in agribusiness. The initiative aims to ensure an enhanced competitive advantage for the target MSMEs, reached by the adoption of Sustainable Consumption and Production practices (SCPs) and technologies.

### **Waste Management**

The project DAKAR REVE – Dakar Régénération Verte, has the general objective of contributing to the sustainable urban development of the Dakar region in the current climatic transition scenario, through the improvement of the services of urban utility and the entrepreneurial participation linked to waste management.

The Blue & Green initiative, which takes place in Kampala (Uganda) and Dakar (Senegal) and focuses on enhancing the local authorities' understanding of the coastal economy and strengthening collaborations with local companies by enabling an environment toward impact entrepreneurship.

### **Anti-Corruption**

The anti-corruption pillar of E4Impact is embodied in its Code of Conduct, with clear disciplinary measures in case of violation.

The anti-corruption control is also embedded in the governance structure of the

E4Impact Foundation. The governance counts on an Audit Board tasked with supervising the compliance with the law and the Bylaws, the principles of proper administration and the adequacy and concrete functioning of the organizational and administrative structure of E4Impact. It is also responsible for monitoring compliance with social purposes and certifying that the social report has been drawn up following the guidelines of the Third Sector.

In 2021, the Foundation adopted an Organizational and Management Model, establishing a specific position for a security manager to formalize the operating procedures to reduce the risk of illegal actions within the organization.

The Audit Board and the security manager are some of the ways of identifying any suspicious payments which could be related to bribery or corrupt behaviours.

There has been no such incident reported in 2021.

### **3. MEASUREMENT OF OUTCOMES**

The Foundation practices the theory of change approach in measuring its outcomes. The Theory of change is a preferred methodology due to its participatory process and rigour, in which different groups and stakeholders in the course of planning articulate their long-term goals [impact] and identify the conditions they believe must unfold for those goals to be achieved. An evaluation based on a theory of change, therefore, identifies what to measure - estimated and provisional results, and the implementation of activities designed to achieve those results - and it helps to guide the E4Impact Foundation in strategic choices to achieve continuous improvements in the implementation of its activities.

Committed to the achievement of its mission, E4Impact contributes to generating indirect positive impacts in terms of decent job creation. Through its entrepreneurial capacity-building initiatives, entrepreneurs can improve their business performance, create new decent jobs and consequently generate positive social and or environmental impact within their communities.

As a result of the activities carried out in the last years, 1,321 entrepreneurs were trained in the MBAs (33% of which were women), 40 entrepreneurs were supported through the Accelerator in Kenya and 4,383 entrepreneurs were trained within the development projects.

The main impacts the Foundation has generated over the years are:

- 6 Average Jobs created per entrepreneur;
- 57% of entrepreneurs that started a new business;
- 98% of entrepreneurs that increased their revenue;
- 80% of entrepreneurs that expanded their supplier and partner network;
- 41% of entrepreneurs accessed financing;
- 22% of entrepreneurs that opened new branches.