

## EXECUTIVE STATEMENT 2015

Idnet is an IT company that creates efficient logistics for retail stores and warehouses. Our goal is to provide clients with modern and future-proof logistics solutions using improved work practices, with increased profitability and better ergonomics as a result. We deliver WMS solutions and/or integration with existing warehouse / business/ and store data systems that allow the customer to maximize system utilization to significantly increase the efficiency and quality. Customers consist largely of the leading Swedish chain stores as well as e-commerce, 3pl and production companies. Idnet currently has 30 employees, with headquarters in Gothenburg, Sweden and a local office in Björbo.

Idnet is a company that believes in responsible social and ethical behavior and we have a responsibility to both our customers and the employees who work for the company and to the suppliers. Moreover, we have a commitment to our stakeholders to maintain a high level of integrity and fair dealing. Our goal is to combine business operations with social and environmental responsibility.

During the year we have focused on the supply chain in order to develop and implement a compliance routine in the next year. This is because we have determined that the greatest risks based on those 10 principles are within our supply chain.

This has resulted in several activities during the year, some of the more extensive are:

- We have conducted background checks on our major suppliers
- We have conducted a situational analysis of supplier management from a compliance perspective for all of the company's processes
- We have implemented a new routine for employee surveys
- We have conducted external periodic audits according to ISO 9001 and ISO 14001

This report describes the steps Idnet has taken in 2015 in our efforts to integrate the principles of the UN Global Compact into corporate strategy, corporate culture and business operations.

Gothenburg, November 10, 2015

Magnus Alm



CEO, Idnet AB

## 1. Human rights

### 1.1 Our policy on Human rights:

*Idnet strives to operate responsibly and ethically. We respect international human rights principles aimed at promoting and protecting human rights, including the United Nations Universal Declaration of Human Rights and we participate actively in the United Nations Global Compact.*

### 1.2 Actions:

- An external party has conducted the situational analysis on the basis of compliance with the UN Global Compact in the supply chain of the company's processes.
- An implementation plan has been developed that will be fully executed during in 2016.

### 1.3 Measurement of results:

We ensure that both management and employees value human rights through our systematic environmental work. All employees are aware of the outcome of the situational analysis and the plan.

## 2. Labor & Work Environment

### 2.1 Our Labor & work environment policies:

#### ***Freedom of association and collective bargaining***

*Idnet's employees should be aware that, without fear of being subjected to any form of reprisal, intimidation or harassment, they have the right to form, join or not to join a labor union. When employees are represented by a legally recognized labor union, Idnet will work to establish a constructive dialogue and negotiate with the elected representatives appointed by the employees.*

#### ***Forced labor***

*Idnet forbids the use of any form of forced labor, in other words neither Idnet nor their subcontractors may use labor associated with prison labor, indentured labor, military labor, slave labor and/or human trafficking.*

#### ***Child labor***

*Idnet complies with applicable laws and regulations regarding employee age. No one under 18 may be employed in a capacity that includes any form of hazardous work. Our prohibition of child labor is consistent with the International Labour Organisation (ILO) standards.*

#### ***Discrimination***

*Idnet has a long-standing commitment to gender equality as well as intolerance of discrimination. We are dedicated to maintaining our workplace free from discrimination and harassment based on race, sex, color, national or social origin, religion, age, disability, sexual orientation, political opinion or other reasons. When it comes to hiring, training, salary and advancement, it is exclusively qualifications, performance, skills and experience that are the decisive factors.*

#### ***Salary and working hours***

*Idnet pays their employees at a competitive level relative to the industry and the local labor market. Operations are conducted in full compliance with applicable laws relating to wages, hours of work, overtime and benefits. All employees are offered the opportunity to develop their skills and the company does its utmost to protect and meet the desire for advancement where possible.*

#### ***Safe and healthy work environment***

*We provide a safe and healthy workplace. Our workplace is, and shall continue to be, free from violence, harassment, intimidation, and other harmful or disruptive components caused by internal or external threats. We are dedicated to minimizing the risk of accidents, injuries and exposure to health risks and conduct annual risk analysis on the mental as well as the physical work environment. We encourage employees to be physically active and work to ensure that all employees enjoy a balance between work and personal life. Our goal is for everyone to find their work rewarding and joyful.*

## 2.2 Actions:

- A new routine for employee surveys has been introduced.
- Risk assessments of employees' physical and mental health have been conducted through questionnaires.
- Several desks have been converted into height- adjustable desks.
- Idnet supports its employees with financial compensation related to physical training.
- We have developed an employment goal of becoming Sweden's best IT employer by the year 2020, and taken our first measurements in this regard in cooperation with "A Great Place to Work".
- We have developed a new recruitment process and new job descriptions to clarify what new and existing employees can expect from the service, the company and what is one's own responsibility.
- We have begun working on a "*Kulturbok*", a guide book that describes our company culture and will be a great support reference for both managers and employees in their daily work.
- An external party has conducted the situational analysis on the basis of compliance with the UN Global Compact in the supply chain of the company's processes. An implementation plan has been developed that will be fully executed during in 2016.

## 2.3 Measurement of results:

85% of the employees consider Idnet to be a good employeeer accoding to the measurments made by "A Great Place to work". The final result that will show our place among other Swedish companies within the same scoop and size as Idnet will be official in January 2016.

### 3. Environment

#### 3.1 Idnet's environmental policy:

*We require environmental awareness among our suppliers, subcontractors and business partners.*

*We take into account environmental considerations in the selection of equipment and products.*

*We sort waste material.*

*Our own environmental performance and our environmental management system is developed through continuous improvement measures.*

*All employees and hired subcontractors participate in our practical environmental efforts.*

*We shall comply with all applicable laws and regulatory requirements and our own policies.*

#### Our environmental goals:

Our products for efficient inventory management results in fewer deliveries and returns for the customers, while quality increases and incorrect deliveries decrease.

By selling more of our quality improvement system, we have the greatest opportunity to influence the environment in a positive direction. Our overall environmental objective is to be a company that actively considers and takes a position for better environmental choices in our daily activities.

#### Customers' experience

Customers should feel that our solutions will have a positive impact on their own environmental efforts. Through customer interviews we will continue to gather information regarding how customers think that our solutions influence their environmental work and key ratios.

#### Co2 emissions

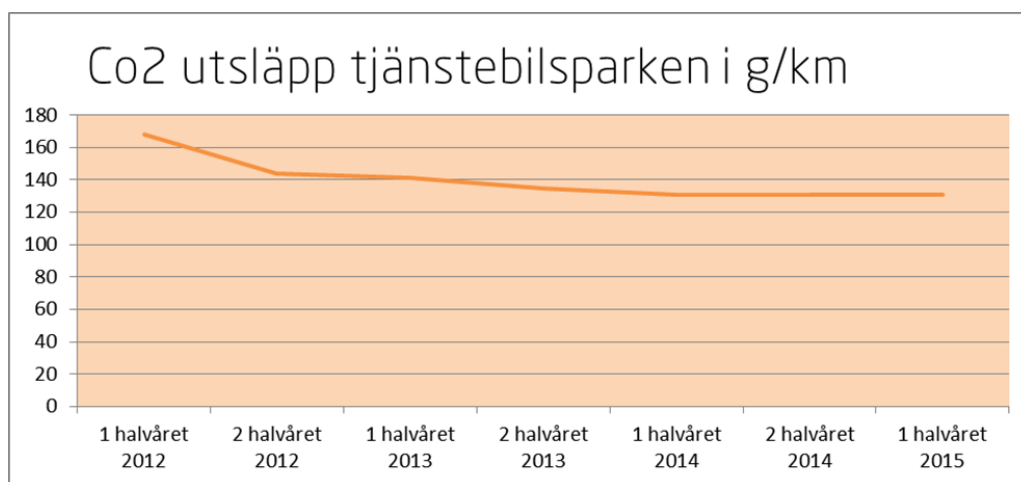
CO2 emissions and fuel consumption for the company vehicles according to specifications must decrease.

#### 3.2 Actions:

- We have entered into partnership with Linköping University's Department of Environmental logistics.
- During the spring of 2016 we will have two full-time interns in order to see if the theory that our solutions also create environmental sustainability by customers is correct, and to find the measurement methods related to the economic benefits of this.

### 3.3 Measurement of results:

The emissions from company cars remains on the same level as last year (131 gr.)



## 4 Anti-Corruption

### 4.1 Our Anti-corruption policy:

*We support the UN Convention against Corruption.*

### 4.2 Actions:

- An external party has conducted the situational analysis on the basis of compliance with the UN Global Compact in the supply chain of the company's processes.
- An implementation plan has been developed that will be fully executed during 2016.

### 4.3 Measurement of results:

We have added the anti-corruption aspect into our internal processes and risk analysis to ensure that the policy is adhered to and goals are met. The first measure of suppliers' commitment is planned for Q1 2016 and the outcome of the measurement will be presented in the next COP.

All employees are aware of the outcome of the situational analysis and the plan.