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|  | Författare: MK | Datum: 20170613 | Rev: A | Rev datum: |
| | <h2 style="text-align: center;">Communication on Progress</h2> | | | |

Dear All,

I am pleased to confirm that IRO AB supports the ten principles of the UN Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication on progress, we express our intent to advance those principles within our sphere of influence. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

IRO AB will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's effort to implement the ten principles.

We support public accountability and transparency, and therefor commit to report on progress according to the UN Global Compact COP policy.

This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles.
- A description of practical actions that IRO AB has taken to implement the UN Global Compact principles in each of the four areas (human rights, labour, environment and anti-corruption).
- A measurement of the outcome (i.e., the degree to which targets/performance indicators were met, or other qualified or quantitative measurements of results).

Mihkel Aremann
CEO
IRO AB

Human Rights

- IRO ABs goal is to influence that our employees and all our business partners respect the Universal Declaration of Human rights and environmental protection. Based on our commitment we have set up a Code of Conduct, available for all our suppliers, employees and partners. Our Code of Conduct complies with the ISO 26000. In our supplier evaluation model one section is dedicated to Company Social Responsibility (CSR).
- IRO ABs Human Rights policies are implemented both in our Equality Policy and in our Sustainability Policy which is also public accessible (<http://www.iroab.com/about-iro/>).

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- IRO AB will carry out two surveys on yearly basis, one to our employees and one to our customers.
The outcome of these surveys is being used to measure our own CSR level.
All our strategic important suppliers CSR are evaluated during our supplier evaluation.
The outcome of these evaluations is being used to measure our suppliers CSR level.
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Labour

- IRO AB respect and follow the Swedish and International Labour Organization requirements on working conditions. We strive to be an equal place of work, free from any kind of discrimination. We want our employees to feel safe and positive at work and experience a work culture that enables a good balance between work and private life.
 - IRO AB handbook and policies state the right for collective bargaining. Our handbook covers policies concerning our employee rights and compensation and responsibilities. We assess labor related risks. We have a dedicated resource that monitors and mandates environmental and safety risks. We will continue to refine our employee handbook as needed and incorporate the UN Global Compact..
 - IRO AB will carry out two surveys on yearly basis, one to our employees and one to our customers. The outcome of employee survey is being used to measure the employee satisfaction level.
All working related incidents and injuries are reported and measured on yearly basis.
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Environment

- IRO AB has an environmental policy and is ISO 14001:2004 certified.
In the current year we have to following main environmental targets:
 - Design for as low weight as possible.
 - Reduce our environmental footprint.
 - Phase out of lead in our production.
 - Reduce electricity consumption in our production and property.
 - Reduce the proportion of airfreight to us from suppliers using more efficient planning and prognosis models.
 - IRO AB Environmental policies are implemented both in our Environmental Policy and in our Sustainability Policy which is also public accessible (<http://www.iroab.com/about-iro/>).
 - IRO AB follow up results of the above stated targets for each quarter and annually.
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Anti-Corruption

- IRO AB oppose corruption, strive for competition on equal terms, promote social responsibility in the value chain and respect ownership.
 - IRO AB Anti-corruption policy is implemented our Sustainability Policy (incl. Code of Conduct) which is also public accessible (<http://www.iroab.com/about-iro/>).
 - IRO AB has not been involved in any legal cases, rulings or other events related to corruption and bribery.
We have an external audit company to do four internal audits every year and the report directly submitted to the CEO.
Our books and accounts are subjected to statutory external audit annually. These audits are used as one of the methods for identifying any suspicious payments which could be related to bribery or corrupt behavior.
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