

13th January 2021

Inwido's Communication on Progress 2020

I am pleased to confirm that Inwido AB 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 our annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication.

Best regards



Henrik Hjalmarsson
President & CEO

Human rights

Inwido seeks to secure that all employees and business partners respect the Universal Declaration of Human rights. This is dealt with through our Code of Conduct for employees, Code of Conduct for Business Partners, Health & Safety policy and Lean assessment model. In addition to that, we make supplier audits to control adherence to the signed Code of Conduct for Business Partners.

The following is specifically stated in Inwido's Code of Conduct

"Inwido expresses support and respect for fundamental human rights and recognizes our responsibility to honor those rights when we conduct our business. Inwido will endeavor to ensure that we do not violate the United Nations' Declarations of Human Rights adopted by the General Assembly of the United Nations and we must always consider health, safety and the environment in order to contribute to a sustainable development"

Additionally, Inwido's business units have local policies in place for harassment, abuse, health, safety etc.

To secure anonymity and to protect all employees, a Whistleblower-process is in place to ensure that irregularities gets brought to light and dealt with accordingly. As of 2020, 0 incidents have been reported and resolved.

Related to Health and Safety, each business unit reports and follows up on incidents and the like on a daily basis. For 2020, Inwido has experienced an increase in the accident levels. Partly due to the prevailing Covid-19 situation with an increased number of short time workers. The situation is high on the agenda and measures are being taken to secure a safe workplace and to avoid similar situations in the future.

During 2020, an e-learning module regarding Code of Conduct has been rolled out within Inwido. This initiative seeks to educate and put additional focus on matters related to health & safety, ethics, human rights and free competition. Additional local training is scheduled as ongoing in each local business unit.

Labor

Inwido's Employee Code of Conduct explicitly states the right for all employee's to be treated equally, fairly and with respect and that no employee will be discriminated in any way. It covers policies against any forced labor, child labor and upholds the employee's rights to freedom of association and collective bargaining. Our Employee Code of Conduct also recognizes the importance of fair wages and benefits.

We seek to lead by example and comply with the requirements set out in the code of conduct in all of our operations. Both our Code of Conduct for Business Partners and for Employees are mainly based on internationally agreed standards such as the Universal Declaration of Human Rights, the principles in The UN Global Compact, The UN Convention on the Rights of the Child and applicable ILO Conventions, as well as national legislation. To measure the development of these areas, Inwido has KPIs in place that measure how many employees and business partners within Direct Material that have signed the relevant Code of Conduct. In all, Inwido has a zero tolerance against all breaches of our Code of Conduct.

Internal training and tools include the e-learning module highlighted above, the employee satisfaction survey and a management audit:

The employee satisfaction survey is completed annually and anonymously. An employee survey is a way to receive feedback and to understand and measure employees' satisfaction, motivation and attitude. It is also a way to understand if objectives and goals are clearly understood throughout the organization.

The Management audit is completed every second year for senior management within the group to secure good succession plans, talent management and competence development.

During 2020 we have launched an MD development model with an assessment part to secure that we have the best leaders for our business if they are the best they will develop their people and their business and secure that they are running a sustainable business in all aspects.

Environmental

Inwido has a Sustainability Compass stating that we should give more than we take. The Compass is built on three main pillars, namely; Be an environmental friend, be a good place to work and be a responsible business. The Environmental pillar is critical and we seek to decrease environmental impact from our own operations and demand the same from our suppliers. With that said, we monthly report, monitor and assess our environmental impact in a number of areas including, energy, waste, air emissions CO₂.

Being a group of producing businesses, we measure our carbon footprint compared to our unit of output and our yearly goal is to decrease all our environmentally related KPIs with 5%. Additionally, in 2020 Inwido communicated its long-term sustainability ambition **to reduce its carbon footprint by 50% by 2030 and be carbon neutral by 2050**. Apart from highlighting some of the areas in our Annual Report, we also report and communicate our work through the CDP (Carbon Disclosure Project) reporting on an annual basis. This stretches outside of Inwido's immediate organization to also include data from our main suppliers within our three main categories of purchases. The CDP reporting also covers our main risks and opportunities resulting from environmental impacts.

Each quarter, all managers and related sustainability functions within Operations, Finance and HR are gathered for a quarterly sustainability forum. In this forum all results are discussed, local examples and best practice sharing is carried out and attention is put on areas where progress is made or perhaps not in the pace as anticipated.

The 2020 results will be concluded in Q1 2021. However, the results for 2019 compared to 2018 showed a decline in one of our main KPIs, being CO₂e per unit of output. CO₂e decreased by 8,9% in comparable figures, compared to our target of a decrease by 5%.

Anti-corruption

Inwido has a zero-tolerance for corruption, bribery, extortion and fair competition. This is explicitly stated in the Code of Conduct and reads: "Inwido has a zero-tolerance policy on bribery and corruption. This applies to all the Company's business dealings and transactions in all the countries in which the Company or its subsidiaries and business partners operate".

All employees are being trained in this through the earlier mentioned e-learning module on Code of Conduct.

From a risk perspective, specific risk assessments are completed which outlines the risks with potential corruption situations. The whistleblower process is also a tool to report and follow up on any potential risks for corruption

Internal checks are done through the internal controls carried out by Group Finance in connection to the audit board and the external auditors. Our accounts are subject to statutory external audits. The statutory external audits in connection with the internal controls and the reporting of any incidents through our monthly KPI reporting are used as our main methods of identifying activities related to bribery or corruption behavior. There has been no such incident reported in the period.