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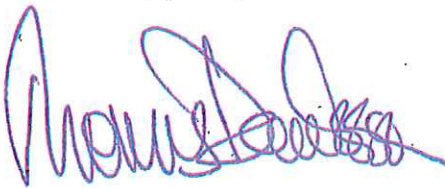
Statement of continued support

I am pleased to confirm that *Wackes AB* supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intention to advance those principles within our sphere of influence. We are committed to making the 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 goals of the United Nations, particularly the Sustainable Development Goals. *Wackes AB* will make a clear statement of this commitment to our stakeholders and the general public.

We believe that our support for the Global Compact will strengthen us as a company which will benefit our customers and employees. It also means that we put pressure on our suppliers to develop their business in accordance with the Global Compact. The result of this will be positive for the environment and will improve the conditions for a lot of people.

Since we have a quality/environmental management system which is certified according to SS EN ISO 9001:2015 and SS EN ISO 14001:2015 supporting The Global Compact is a natural part of our day-to-day operations. We have during the year recertified the complete system.

Sincerely yours,



Mr. Thomas Davidsson

CEO

Communication on Progress (COP), Wackes AB

Period covered by our Communication on Progress (COP) is;
From: 2020-02-28 To: 2021-02-25

Our COP for the last year is affecting the following principles;

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Actions taken

Our quality and environmental management systems which is certified according to SS-EN ISO 9001:2015 and SS-EN ISO 14001:2015 have been completely recertified during the year with a good result. We have also added our Finnish Branch in the system.

As a part of our quality and environmental management systems, we have adopted a code of conduct which covers principle 1 to 10 and more. Our suppliers shall sign this code of conduct as a proof of that they share our compliance concerns and commit to work towards constant improvements.

Amfori BSCI;

Since June 2017, Wackes AB has been a member of Amfori BSCI – Trade with purpose, former BSCI (Business Social Compliance Initiative). Amfori BSCI is the leading business association of global commerce that enables organisations to enhance human prosperity, use natural resources responsible and drive open trade globally.

Amfori BSCI is our tool to address and improve social compliance in our supply chain.

Our target for the coming year is to continue implementing the BSCI Code of Conduct in our Supply Chain and mapping Wackes Supply Chain from a social compliance and sustainability perspective.

Wackes Code of Conduct

The Wackes Code of Conduct for suppliers specifies the minimum requirements for supplier performance pertaining to human rights, labour rights, environmental management and anti-corruption. These requirements are applicable to Wackes suppliers as well as sub-suppliers. Link to the CoC:

<https://www.amfori.org/content/bsci-code-conduct>

Systems and activities

Vendors authorize Wackes and its principals to conduct scheduled and unscheduled inspections of Vendors facilities for the purpose of ensuring compliance with this Code of Conduct.

We use the external partner UL to do social audits, test products and to educate our staff in China. We can also do scheduled and unscheduled inspections of Vendors facilities ourselves. When violations are found, Wackes and the Vendor concerned will agree on a corrective action plan (B-17) that eliminates the problem in a timely manner.

Since January 2016 Wackes is a member of IPPAG Cooperative which has 60 members all over the world. Each member is market leader in their own country. IPPAG have in place strict sourcing and quality assurance procedures that support our Corporate Social Responsibility.

To ensure supplier management and compliance, as well as competitive pricing long term, we rely on our Preferred Supplier Network, which is a self-built network managed through our intranet. It covers corporate social responsibility and audits, accreditations, product quality, pricing, MOQ's, inspections & quality control procedures, delivery, spend, samples, complaints procedure, co-operation and service.

Scores are weighted according to our priorities. 68-93 points are an 'A' preferred supplier. 48-67 points are a 'B' preferred supplier. Less than 48 points are a 'C' preferred supplier.

There are several audits made of third party on the IPPAG intranet which we take part of when we choose suppliers. All IPPAG members are presumed to take part and upload their audits.

We are together controlling far more suppliers than we can do by ourselves. We also have a much better possibility to convince the suppliers to take needed corrective actions.

Environmental Requirements for Wackes' Suppliers

Wackes and the Environment

Wackes is a quality and environmental ISO 9001 and 14001 certified company and have been so since 2009. Emanating from this, we produced our own sustainability guidelines, giving directions on how to adapt to governmental requirements and summarizing our view on how we affect the environment.

Our ambition is that more of our suppliers shall have their environmental work scrutinized by third party expertise, such as ISO.

1. Environmental Requirements for Wackes Suppliers:

1.1 Non-negotiable

- The supplier must subscribe to the Wackes Code of Conduct.
- The supplier must meet the demands set in the General Requirements on Products According to European Regulations and Directives.
- The supplier must, when asked, declare the content in products delivered to Wackes, according to above.

These terms shall be communicated in print to the supplier at order placement.

1.2 We prefer

- That the supplier has an environmental policy in print.
- That the supplier has identified and documented major environmental issues concerning their activities.
- That the supplier has a program regarding environmental improvements, inclusive of goals and action plans.
- That the supplier is informed about, and respect, current environmental laws and regulations.
- That the supplier ensures that their staffs have sufficient, and documented, education about how to protect the environment.
- That the supplier minimizes its environmental impact by using boat, road and train transportation whenever possible.
- That the supplier use as fuel efficient means of transportation as possible (when working for Wackes).

- That the supplier is able to hand out information regarding the environmental aspects when shipping goods to Wackes. This includes means of transportation, packaging materials and production methods.
- That the supplier has a certified environmental program according to ISO 14001 or similar.

Environment

Except for what is mentioned in our code of conduct our commitment is to follow the principles below.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

As a part of our Environmental management system we also have an environmental policy.

Target: We shall minimize the effect on the environment coming from our business which means that we shall;

- Use electricity that is produced environmentally friendly.
- Prefer transport on sea before air transport for our import of goods.
- Measure the CO emissions from transports to our customers.
- Sort our waste for recycling and measure the volumes.

SUSTAINABLE DESIGN MANAGEMENT

Our developed methodology, Sustainable Design Management, is a model that supports our philosophy of products in marketing. It involves analysis, goal setting and action. The method leads to continuous improvements in product from a sustainability perspective. To measure the product range sustainability performance over time we implemented a sustainability analysis. Through this analysis, the range is developed, objectives defined, and concrete measures implemented. The model is based on different scoring parameters and visualize how things are changing in different areas over time.

The parameters Wackes can measure are:

- supplier performance
- origin
- material
- type of packaging
- packing method
- transport choices
- overall performance of the product
- overall performance of the product range

Need of Product



Measurement of outcomes

CO2 emission from transport of imported goods

CO2 emission summary for 2020 is 23 500 kg compared with 94 000 kg for 2019.

10 % of the emission came from air and 90 % came from sea-transport. During 2019 72 % of the emission came from air and 28 % from sea-transport.

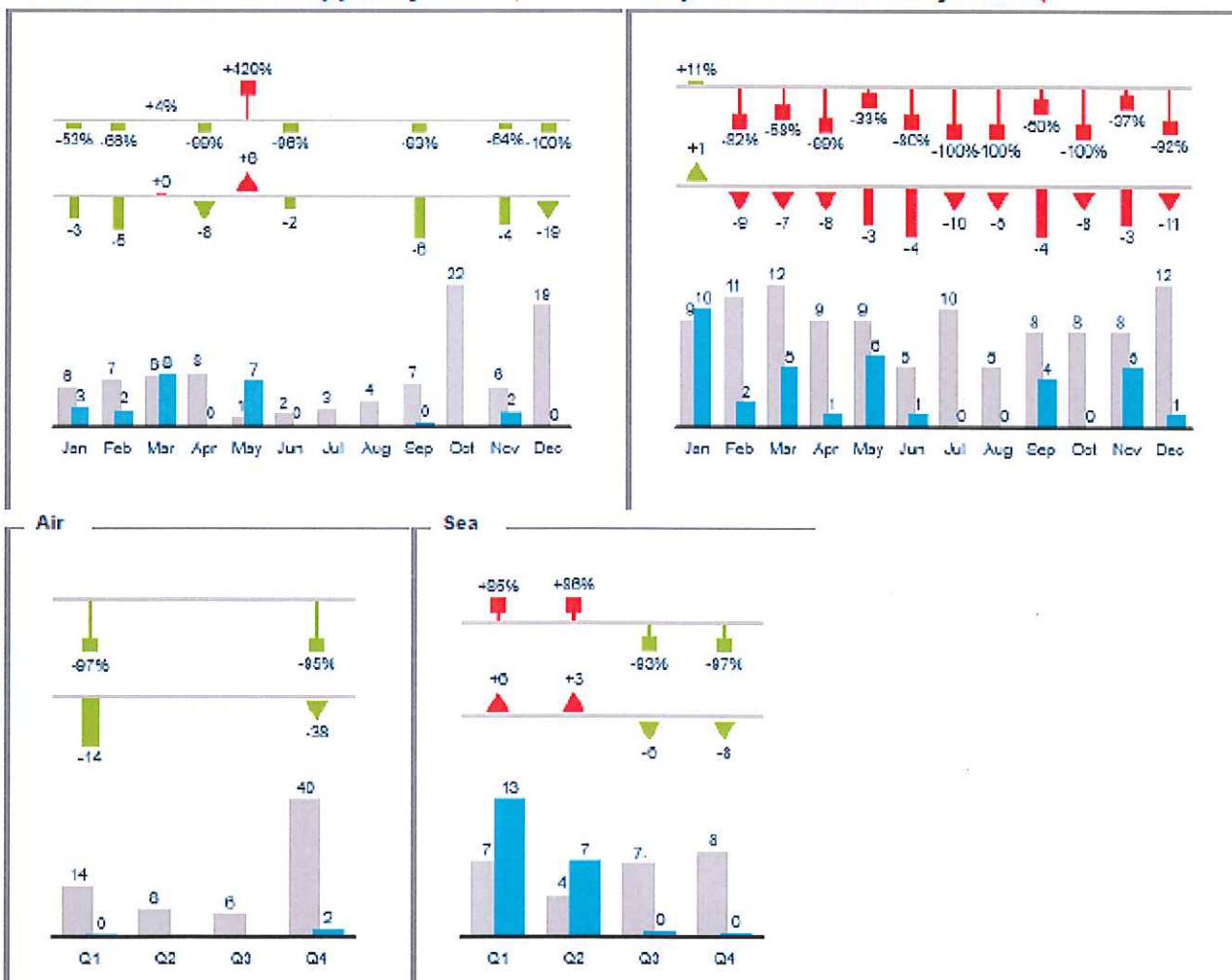
The large decrease for 2020 was mainly depending on the Corona situation and good planning which resulted in low usage of air transport.

We succeeded with the target for 2020 to substantially increase sea freight compared to air freight.

CO² Emission Summary (in '000 kgs) 01 Jan - 31 Dec 2019 vs 01 Jan - 31 Dec 2020

CO² Emissions tons dropped by 75% 

Shipments decreased by 67% 



CO2 emission from transport to customers

We have started to measure this from 2018.

For 2018 the CO2 emissions was 123.767 kg and our turnover was 118.939.000 SEK.

For 2019 the CO2 emissions was 115.262 kg and our turnover was 113.337.000 SEK.

For 2020 the CO2 emissions was 103.375 kg and our turnover was 107.028.000 SEK.