



Communication on Progress

Sensitivity: Public

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Lumera Communication on Progress coverage period

December 2020-December 2021

1. Lumera Group

Lumera was founded in 2003 to fill a need for a standardized insurance policy administration system in its home market Sweden.

With its 250 employees today, Lumera administrates over 12 million insurance policies with a net value of over 900 billion SEK and a 50% coverage of the Swedish Life and Pensions Market.

Digital transformation, cloud technology, domain knowledge and long-term relationships with our customers and business partners are key factors for our planned European expansion.

Lumera has its headquarters in Stockholm, Sweden, a smaller office in Umeå (in the north of Sweden) and a wholly-owned subsidiary in Oslo, Norway.

2. Our approach to the ten principles

We joined the UN Nations Global Compact in December as a signatory member of the UN Global Compact Swedish network. Our subsidiary in Norway does not have its own membership yet, but is covered by our Code of Conduct and follows the basic principles. That said, there are parts in this report that apply to Sweden only. Our approach to the ten principles is clear, documented and communicated to our stakeholders. We consider our employees, customers, partners, employee- and employer organizations to be our most important stakeholders, though our owners, authorities, interbranch organizations, suppliers and end-clients are also important stakeholders.

Our *Code of Conduct* has been adopted by our Board of Directors and applies to everyone at Lumera Group – employees, managers, officers, and members of the Board of Directors.

Our Code of Conduct implies that Lumera and its employees shall act as responsible participants within the company's area of operation in building a sustainable society. Therefore, Lumera encourages and expects that its suppliers, agents, consultants, and other business partners adhere to these principles within their sphere of influence. These principles also apply when assessing current and potential partners.

2.1 Human Rights

2.1.1 Assessment, policy and goals

Our *Code of Conduct* has been set forth to emphasize the basic principles that guide Lumera's operations which includes the principles of human rights, derived from the *Universal Declaration on Human Rights*.

Our policies for social responsibility and equal opportunity give further guidance in following the principles of human rights.

Our management system for ISO2600 Social Responsibility gives more detailed instructions on following these principles, and our externally verified and published self-declaration provides transparency in following these principles.

Additionally, in connection to our work with Agenda 2030, we have chosen to prioritize and set goals for SDG 8, Decent Work and Economic Growth in support of human rights.

2.1.2 Implementation

Our employees are trained in sustainability - of which human rights is an essential part - as we believe in showing responsibility for human rights throughout the entire value chain. Our purchases for electronic equipment are done via a supplier with a clear and transparent ESG strategy. Factory inspections, including human rights factors, are done frequently by the supplier and the results are published.

Our *Code of Conduct* is published on our intranet which is accessible to all employees and details the following:

- Freedom of association
- Freedom of expression and right to privacy
- Prohibition of forced labor
- Child labor prevention

2.2 Labor

2.2.1 Assessment, policy and goals

Our *Code of Conduct* has been set forth to emphasize the basic principles that guide Lumera's operations and include the principles of labor rights, derived from the *International Labour Organization's Declaration on Fundamental Principles and Rights at Work*.

Our policies for social responsibility, work environment and harassment/victimization as well our handbook for work environment, are governing documents in our management system for health and safety at work.

Our management system follows the ISO 45001 standard for health and safety at work.

2.2.2 Implementation

Our *Code of Conduct* is published on our intranet which is accessible to all employees and details the following regarding labor rights:

- Fair employment conditions
- Fair, safe and healthy working conditions
- Equal opportunity

■ Drugs and alcohol

Detailed information about benefits, working hours and absence, skills development, and other rules and regulations applicable for all employees are published on our intranet.

We believe in diversity, inclusion, and equality, and focus on creating a diverse workplace. Our recruitment process is based on talent and skills, with equal opportunities regardless of ethnicity, religion, gender, sexual orientation, disability, age or similar.

The health and safety of our employees is a high priority for us. During the pandemic, we have used digital initiatives across the company to make social distancing a bit easier; various wellness and mindfulness programs have been carried out across the entire company and in smaller groups.

We offer all employees a yearly wellness benefit and one hour a week for fitness/health care activities during working hours.

Furthermore, Lumera offers counseling for both work-related and private matters, anonymously and free of charge.

We strive to maintain a completely drug-free working environment. A key component to a sound personnel policy, and a secure and healthy working environment, is to prevent alcohol and drug abuse. Drugs and alcohol in working life cause a loss of valuable personnel resources and increased costs for diminished production capacity and is therefore not accepted. Lumera will support those affected with actions aimed toward rehabilitation and the successful entry back to work.

2.3 Environment

2.3.1 Assessment, policy and goals

Our Code of Conduct has been set forth to emphasize the basic principles that guide Lumera's operations and include the principles of protecting the environment, derived from The *Rio Declaration on Environment and Development*.

Our sustainability policy and our management system for ISO 14001 contain the governing documents for our work toward preserving the environment.

Additionally, in connection to our work with Agenda 2030, we have chosen to prioritize and set goals for SDG 7, Affordable and Clean Energy and SDG 12, Responsible Consumption and Production.

2.3.2 Implementation

Lumera aims to protect the environment and to take measures to conserve resources and energy in all its operations. All Lumera employees are aware of the importance of these measures and strive to make the most environmentally sound choices whenever possible.

We use only renewable energy in our operations (mainly hydro-, solar and wind power).

As our business idea is to digitalize, the Life and Pension industry, that itself is an important contribution to sustainable development. However, we like to run our daily operations in a similar manner and thus travel only when necessary and use modern technology to support our operations. Our business traveling is CO2 compensated. In addition, all our electronic equipment is purchased from a vendor that shows

responsibility and transparency throughout the manufacturing chain. We only purchase TCO-certified laptops, and in this way show responsibility for the impact of energy efficiency, hazardous substances, and socially responsible manufacturing.

It is equally important to pay attention to the electricity use in our offices. Low energy lighting, and automatic and sensor-based light switches are examples that have been successful for us.

Finally, all our consumer products are eco-labeled according to our list of established and reliable labels.

2.4 Anti-corruption

2.4.1 Assessment, policy and goals

Our Code of Conduct has been set forth to emphasize the basic principles that guide Lumera's operations and include the principles of anti-corruption, derived from the *United Nations Convention against Corruption*.

Lumera is committed to conducting business with high integrity. Lumera has zero-tolerance to any form of bribery, corruption, and financial irregularity, and is committed to fighting corruption, including bribery and extortion, negligent financing of criminal activities and/or unethical practices.

2.4.2 Implementation

We have agreed to follow the basic principles for business ethics set forth by our employer organization Almega for IT and Telecom.

Our staff has been instructed to conduct business with high integrity and to not offer nor accept gifts that will improperly influence business decisions.

We have detailed instructions in place for our purchases.

Purchases are proceeded by a fair procurement process and a purchase decision must be approved before ordering. Additionally, our suppliers must adhere to our Supplier Code of Conduct.

An external audit for Social Responsibility according to ISO 26000 is done annually and covers aspects of anti-corruption.

3. Measurement of outcomes

3.1 Human Rights and Labor

We take freedom of association for granted and run two active labor associations in our workplace. All major changes regarding the organization, salary policies, new recruits for management positions, acquisitions, etc are negotiated with representatives of the labor associations. During this reporting period so far, 25 meetings between company management and/or Human Resources and the representatives from the labor associations were held.

We have studied the forthcoming EU directive on Human Rights Due Diligence and included information therein in our training materials for employees. We follow the laws for the labor market and have had no incidents connected with human rights or labor laws.

We measure the health and wellbeing of our employees, and during the past years the utilization of wellness subsidies has been around 70% and the last measurement from September 2021 shows that the percentage of employees on sick leave was 2,4%.

The share of female managers at Lumera is 40%, while at the board level female representation is 29%.

3.2 Environment

The use of electricity per person in our Stockholm office premises is now half of what it was in 2015.

We use only eco-labeled products and have certified our ISO 14001 management system for Environment by an external party.

29% of our laptops are now TCO-certified thanks to our new policy. The goal for 2021 is to reach 50%.

We recycle worn-out electronic equipment. Still functioning laptops and mobile phones are sold to the employees for a symbolic fee, as they are still good for other purposes. Non-functioning equipment is either returned to the supplier or recycled correctly as hazardous materials.

3.3 Anti-corruption

Our internal and external audits do not show any irregular or unlawful conduct that would suggest that corrupt activities have taken place. Our internal reporting system does not show any incidents, and we have not been involved in any legal proceedings connected to corruption or money laundering.