

12th January 2022

Inwido's Communication on Progress 2021

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 together with our Whistleblower policy. 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 get brought to light and dealt with accordingly. In 2021, a new whistleblower platform, WhistleB, was launched. As of 2021, two incidents have been reported and resolved until 2021 Q3, which are the latest available result to date.

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 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.

Related to Health and Safety, each business unit reports and follows up on incidents and the like daily. For 2021-09 LTM, Inwido has managed to lower its overall accident levels to 14.1 per 1M working hours compared to 15.7 one year earlier. Increased focus coupled with safety walks and identification of all potential risk areas through reporting of "near misses" have facilitated the decrease. The work is high on the agenda and measures are being taken to secure a safe workplace. The KPI has during 2021 also been introduced as one of three sustainability KPIs in connection with the refinancing of bank loans.

Sick leave is another KPI that Inwido monitors and works actively with. Inwido's target is a 2% short-term sick leave (1-14 days) and an overall target of 3%. The trend was positive in lowering the overall levels up until the Covid-19 outbreak. In light of the pandemic, the entire Group has taken necessary precautions and adjusted to local restrictions. The level was up-going until end of 2020, a trend that has been going down since then. The overall sick leave at 2021-09 LTM was 5.4%.

Also, in 2021 the work with internal training, management audit, e-learning modules and the employee satisfaction survey have continued. The employee satisfaction survey that is conducted at each entity and at specific levels within each entity is at a high level of 74%, meaning the leadership- and trust index for the Inwido Group, unchanged from the survey in 2020.

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 several areas including, energy, waste, air emissions CO₂. Our products, meaning windows and doors, are improving the energy efficiency in people's homes.

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%. In 2020, Inwido communicated its long-term sustainability ambition **to reduce its carbon footprint by 50% by 2030 and be carbon neutral by 2050**. In 2021, Inwido went a step further and also committed to the Science Based Targets. In 2022, Inwido will start to develop its targets and get a more complete picture of its Scope 3 emissions.

The 2021 results will be concluded in Q1 2022. However, the results for 2020 compared to 2019 showed a decline in one of our main KPIs, being CO₂e per unit of output. CO₂e decreased by 7,1% in comparable figures, compared to our target of a decrease by 5%.

Energy consumption with data available for 2021-09 LTM shows a decline of 2.8% in terms of unit of output, wings, compared to the same period last year.

Apart from focusing on the immediate operations of Inwido and its carbon footprint, measures have also been taken in 2021 to look at the environmental benefits from Inwido's main offering, namely windows and doors. The EU Taxonomy is central in this regard and through the technical screening criteria, windows and doors are defined and Inwido has set out a target that by 2030, the sales related to windows and doors within the given u-value levels of 1.0 and 1.2 respectively should account for 75% of total windows and doors sale.

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 continuously being trained in this through a specific 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.