



Communication on Progress

Sensitivity: Public

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Lumera Communication on Progress coverage period

December 2021-December 2022

1. About Lumera Group

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

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

With its 300 employees today, Lumera administrates over 14 million insurance policies, with a net value of over 1 500 billion SEK and ca 50% coverage of the Swedish Life and Pensions Market. Furthermore, with our presence in Norway we are able to expand our operations on the Norwegian market, with a team with high level of local domain knowledge. As we believe Artificial Intelligence (AI) has a big role to play in the future of the L&P sector, we have during 2022 acquired AI-London as enabler for solutions where there are large volumes of data and complex rules.

Lumera has its headquarters in Stockholm, Sweden, a smaller office in Umeå (in the north of Sweden) and wholly owned subsidiaries in Oslo, Norway and London, UK, as well as development site in Hanoi Vietnam.

2. Our approach to the ten principles

We joined the UN Nations Global Compact in December of 2020 as a signatory member of the UN Global Compact Swedish network. Our UK office is a member of the UN Global Compact as subsidiary through the UK network and included in this Communication on Progress (CoP) reporting. Our subsidiary in Norway and our development site in Hanoi Vietnam do not have their own memberships but are covered by our Code of Conduct, follow the basic principles set forth by UN Global Compact and are covered by our CoP reporting. Our approach to the ten principles is clear, documented and communicated. 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. All employees are asked to sign off our Code of Conduct, and we conduct training with practical examples every year to highlight the importance of following the code.

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 include the principles of human rights, derived from the *Universal Declaration on Human Rights*.

Our Sustainability and HR-policies further help us 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 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 possible human rights issues, are done frequently by the supplier.

In addition, we have placed a requirement to our supplier of electronic equipment that all purchased computers shall be TCO-certified. TCO-certified is the world's most comprehensive sustainability certification for IT products. Criteria in TCO-certified drive social and environmental sustainability throughout the IT product life cycle and compliance is independently verified, both pre and post certification.

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 Sustainability and HR-policies further help us following the principles of labor rights.

We have also defined the following specific and measurable goals for our Swedish Operations for 2022.

- Reduce long-term sick periods compared to the previous year.
- A minimum of 80% utilization of the wellness allowance
- Have at least 34% female employees.

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. We offer all employees in Sweden 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, as well as a health insurance.

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.

We have during 2022 implemented a Whistle blower system where our employees can report incidents anonymously in all our offices besides our site in Hanoi, as anonymous reporting is prohibited by law in Vietnam.

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 systems for ISO14001 and ISO26000 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), where the choice is available.

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 and energy efficient electronic equipment to support our operations. Our business traveling, and our use of electricity, district heating and cooling is CO₂ compensated. For the calculated emissions for 2022 we plan to use The Gold Standard for offsetting.

In addition, all our electronic equipment is purchased from a vendor that shows responsibility and transparency throughout the manufacturing chain. Saving the environment is another reason (besides the considerations for human- and labor rights) why we purchase TCO-certified laptops, and in this way show responsibility for the impact of energy efficiency and hazardous substances, besides 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. During the on-going shortage of energy supply, we have changed the operating hours for alarms and office lighting with the purpose to adapt to the 10% decrease of electricity use, as suggested by the EU-commission. In addition, we have encouraged behavior change in electricity consumption, both in our office space and outside.

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

In Sweden 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 or show that they have their own in place.

An external audit for Social Responsibility according to ISO26000 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. There are two active labor associations in our workplace in Sweden, and our other offices are welcome to engage in labor associations. 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 follow the labor laws in all markets where we operate. We have had zero incidents connected to human- or labor rights during the reporting period. The sustainability reports from our suppliers is an important source of relevant information, and the one from our vendor for electronic equipment show that they carry out risk analysis and factory inspections on regular basis. The factory inspections consider use of hazardous materials, working hours, child labor, freedom of association etc. and found deviations are reported.

We measure the health and wellbeing of our employees, and during the past year the utilization of wellness subsidies has been around 70% and the last measurement from September 2022 shows that the percentage of employees on sick leave was 2,6%, including long-term sick leaves.

The share of female managers at Lumera is 38%, 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 eco-labeled consumer products in our offices, and follow the ISO14001 management system for Environment, and our external verification of ISO26000 for Social Responsibility takes environmental aspects into calculation.

Over 30% of our laptops are now TCO-certified thanks to our new policy.

We reuse and recycle worn-out electronic equipment. Still functioning laptops and mobile phones are sold to the employees for an administrative fee, as they are still good for other purposes for instance a home environment. During 2022 over 50 used laptops were delivered for reuse to our employees. Furthermore, we were able to deliver 25 used laptops for a voluntary initiative “Starthjälpen” for Ukraine. Non-functioning equipment is either returned to the supplier within their take back program 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.