

Permobil + GLOBAL COMPACT 2019

During my first full year at Permobil it has been an exciting time within the company, not least in the area of sustainability and Permobil's support to the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

In 2019 we undertook a serious internal audit of sustainability related issues to better understand where the company is today and where do we want to go in the coming years. This audit and assessment will form the basis for our future strategies and plans in order to meet sustainability KPIs that will be set in 2020.

Yours sincerely,



Bengt Thorsson
CEO Permobil AB
Stockholm, January 30, 2020

In this third annual Communication on Progress, we describe our actions in relation to the Global Compact and its principles into our work.

We support public accountability and transparency, and therefore support this information being openly available and shared with our stakeholders and partners.

Introduction

Permobil has four core values that underpin everything we do, and we believe these core values also align directly with many of the UN Global Compact's ten principles

1. We take care of our Users, the Users take care of us

- *Permobil shall contribute to society by developing products promoting good health and enhancing the quality of life of its users.*
- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

2. We are in constant motion

- *Permobil shall grow and provide good jobs, a respectful workplace, that offers equal opportunities and promotes diversity.*
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 6: the elimination of discrimination in respect of employment and occupation.

3. We don't cheat to win, we do the right thing

- *Permobil is a trusted partner and corporate citizen that upholds good corporate governance and has zero tolerance for unethical behavior and corrupt practices.*
- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: make sure that they are not complicit in human rights abuses.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

4. We are all in it together

- *Permobil shall minimize its environmental impact through efficient use of resources, reduced emissions and use of chemicals and hazardous materials.*
- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: undertake initiatives to promote greater environmental responsibility.
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

These core values are codified in the broader policy document, Permobil's Code of Conduct first approved in 2016 and then revised and reaffirmed by the Board in May 2019.

New staff members are given a copy of the Code of Conduct and asked to sign receipt of it.

The easily accessible Code of Conduct covers these areas:

- Core values
- Employees
- Customers/Users
- Products and Confidentiality
- Business ethics
- Society and Environment.

In 2019 a Health and Safety policy was adopted and supported with internal training and awareness campaigns that also saw a drop in the workplace injuries (see Labour section below).

All Permobil's corporate policies – including on anti-corruption, whistleblowing and trade compliance – were reviewed in 2018. In March 2018, a code of conduct was introduced for Permobil's **suppliers**. A breach in the code of conduct may constitute a breach of contract and therefore be grounds for terminating the contract. All new contracts signed with direct and indirect material suppliers include the Supplier's Code of Conduct or at a minimum some of the mandatory clauses. The most strategic and critical of our direct material suppliers have signed our Supplier's Code of Conduct.

Human Rights

Permobil's Code of Conduct states that we will not tolerate any form of forced or involuntary labour. Child labour is prohibited, in accordance with the ILO framework for minimum age for admission to work.

Partially in response to human rights in the supply chain being identified in a risk analysis mapping, a new Suppliers Code of Conduct was adopted introduced in March 2018 to ensure compliance with our standards, inter alia, in relation to human rights.

Labour

Permobil is committed to its employees, viewing them as their single most important resource. The Permobil Code of Conduct clearly states that "We intentionally foster equality and inclusion of people from all geographies and cultures, regardless of sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, age or disability."

The Code of Conduct also includes our respect for freedom of association of our employees.

Permobil ensures compliance with all health and safety regulations in accordance with local standards and laws.

As a manufacturing company an important area with regards to our employees is workplace incidents and injuries. Central reporting of incidents has improved since the last COP report with information about accidents and incidents from all Permobil production sites now being collected centrally. Operational teams reported: 27 accidents for 2019, this is equivalent to 1.68 accidents per 200 000 hours worked.

This is a difference of approximately 100 less accidents compared to the 2018 Global Compact COP.

Permobil's staff are 36% female and 64% male. In executive management, 25% are female and four different nationalities are represented.

To report any known or suspected improper conduct or incident in relation to Permobil, employees have several channels available to them. In 2019 a new whistle blower reporting service was introduced to provide an opportunity to communicate suspected deviations from our Code of Conduct via a secure, external and anonymous service. All new staff are made fully aware of the policy and procedure.

Anti corruption

The Code of Conduct has a specific section on business ethics and one of our core values is *We do the right thing*.

Corruption and bribery were identified in a risk analysis mapping with stakeholders as a focus area for Permobil. Therefore, Permobil has a specific Anti-Corruption Policy. The Policy provides guidance to employees regarding anti-bribery laws around the world and the Permobil's procedure against making improper payments or inducements. Continuous implementation of the policy is supported through workshops and educational training.

Permobil complies with the Code of Business Conduct, issued by the Swedish Anti-Corruption Institute.

A new Supplier's Code of Conduct for Permobil was adopted in March 2018 and includes requirements on our suppliers in relation to human rights, anti-corruption, environment and quality.

To report any known or suspected improper conduct or incident, including relating to unethical business practices, employees have several channels including a secure email address and an external lawyer. This is outlined in our Whistleblower Procedure.

Environment

The Permobil Code of Conduct contains the commitment that we should work in an ecologically sustainable way.

In November 2017, Permobil began a retrospective assessment of its environmental impact and CO₂ emissions for 2016 and 2015. For those two years, extrapolated data has yielded a CO₂ emissions measure. Over 2017 and 2018, reporting improved with the use of actual data supplemented with estimates based on Permobil site information, where actual data was not available. Permobil measures Scope 1 and 2 emissions according to the Greenhouse Gas Protocol.

Permobil's CO₂e emissions

	2015	2016	2017	2018	2019
Total CO ₂ e emissions, tonnes	7525	7814	9261	10252	10628
Staff (as FTEs) at year-end	1300	1350	1600	1560	1620
CO ₂ e per FTE	5.8	5.8	5.8	6.6	6.6
Total units delivered				1 019 000	1 007 000

The higher emissions in 2018 and 2019 can, partly, be explained by more sites reporting compared to previously and companies acquired by Permobil in 2017 only reported for part of 2017 but for the full calendar year thereafter.

The Code of Conduct for Permobil's suppliers also includes a commitment that they make a commitment to protecting the environment.

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