

# Permobil + UN Global Compact

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Report on Progress in 2018

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As the new CEO of Permobil, I am pleased to reaffirm Permobil's support to the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

In our second annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into everything we do: our business strategy, operations and culture.

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

Yours sincerely,



Bengt Thorsson  
CEO Permobil AB  
Stockholm, January 30, 2019

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# 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, 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.

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These core values are codified in the broader policy document, Permobil's Code of Conduct approved by the board in 2016. The planned update and revision of the Core Values in 2018 (as noted in last year's Global Compact COP) has been postponed due to the leadership transition and will be done in 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.

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.

It covers the following areas:

- Compliance with the law
- Human rights
- Labour standards
- Anti-corruption and anti-trust
- Environment
- Integrity and intellectual property
- Safety and regulatory compliance
- Reporting and enforcement.

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 (see above).

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## 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. Operation teams reported: 123 accidents for 2018, this is equivalent to 18.2 accidents per 200 000 hours worked.

This is a difference of approximately 80 more accidents compared to the 2017 Global Compact COP but that report was for January to November 2017 and, moreover, did not include all production sites.

Permobil's staff are 32% female and 68% male. In executive management, 25% are female and three different nationalities are represented.

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

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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 (see above).

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 CO<sub>2</sub> emissions for 2016 and 2015. For those two years, extrapolated data has yielded a CO<sub>2</sub> emissions measure. In 2017, actual data was used supplemented with some estimated figures, where actual data was not available. For 2018, reporting improved further still with all Permobil sites providing actual data or information to base estimates. Permobil measures Scope 1 and 2 emissions according to the Greenhouse Gas Protocol.

### Permobil's CO<sub>2</sub>e emissions

	2015	2016	2017	2018
Total CO <sub>2</sub> e emissions, tonnes	7525	7814	9261	10252
Staff (as FTEs) at year-end	1300	1350	1600	1560
CO <sub>2</sub> e per FTE, tonnes	5.8	5.8	5.8	6.6
Total units delivered		470 000	540 000	574 000

The higher emissions can, partly, be explained by more sites being included this year compared to last year. Another reason for the large increase in emissions is that companies acquired by Permobil in 2017 would have only reported for part of 2017 but for the full 2018. Permobil has also produced more units in 2018; across all product segments Permobil delivered 34 000/6.3% more units than 2017.

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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