

Sustainability report

“Sustainability is crucial to Inission’s long-term business. Being responsible and innovative by improving ourselves daily will create opportunities for good business with efficient production and environmentally friendly products. This is not something we can do on our own. We believe in collaboration. We support and cooperate with the UN Global Compact for Sustainable Development.”

- Fredrik Berghel, President and Group CEO



Inission’s sustainability work is integral to our business operations throughout the organization. We are a total supplier of tailored manufacturing services and products in the field of advanced industrial electronics and mechanics. Our services cover the entire product life-cycle, from development and design to industrialization, volume production and aftermarket services. Inission has operations in Sweden, Norway, Finland, Esto-

nia, Italy, USA, and Tunisia with about 900 employees. Inission’s offer is divided into two business areas, one of which is contract manufacturing of electronics and mechanics under the brand name of Inission and the other is power electronics and systems under the Enedo brand. Read more about our business model and business areas on page 5. In our role as a manufacturer, we collaborate with both our customers and suppliers to

contribute to sustainable development. Inission’s Code of Conduct sets out what we require of ourselves, our suppliers, and business partners to succeed. We take responsibility by including all three perspectives: environment, social, and economic sustainability. Operations take place in our facilities, and we take responsibility by working actively with social issues, streamlining our processes, and acting ethically in our business.

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We regularly work with our larger suppliers based on the Code of Conduct. Our purchasing categories are components, electromechanical components, mechanics, PCBs, cabling, and indirect materials. Most of our electronic components are purchased by distributors who, in turn, buy directly from the manufacturer. Inission's centralized purchasing organization complements our local purchasing functions and works more on strategic issues, including sustainability.

Inission is part of our society on a broader level, and we see a clear trend among customers, suppliers, and employees that interest in sustainability issues is increasing. Inission has always had high ambitions within sustainability and is well equipped to further focus on these questions. We simply think that it is important. In 2022, objectives, activities, and reporting have been established within Inission based on the major sustainability project carried out in 2021. A part of this work has been training for

key personnel in several sustainability areas: the global goals, the UN Global Compact's Ten Principles, Inission's four sustainability goals and direction, and the GHG protocol Scope 1 & 2. A film has also been produced to train new employees on the Code of Conduct. A whistleblower policy and related reporting tools have been implemented for the Group companies in 2022*.

SUSTAINABILITY GOALS AND OUTCOMES* 2022

Customer satisfaction

Goal: 100%

Why: Inission's mission is to have the most satisfied customers, which is a prerequisite for new business and growth.

Outcome: 97% (96%)

Health attendance

Goal: 97.5%

Why: A high health attendance indicates a sound working environment that does not negatively affect the health of our employees. Inission has set a high goal for our employees to thrive at work.

Outcome: 95.1% (95.8%)

Employee engagement

Goal: 70%

Why: It's all about people, and ultimately they are our most important resource. We want to be a good employer where everyone thrives, develops, and grows.

Outcome: 71% (71%)

Environment**

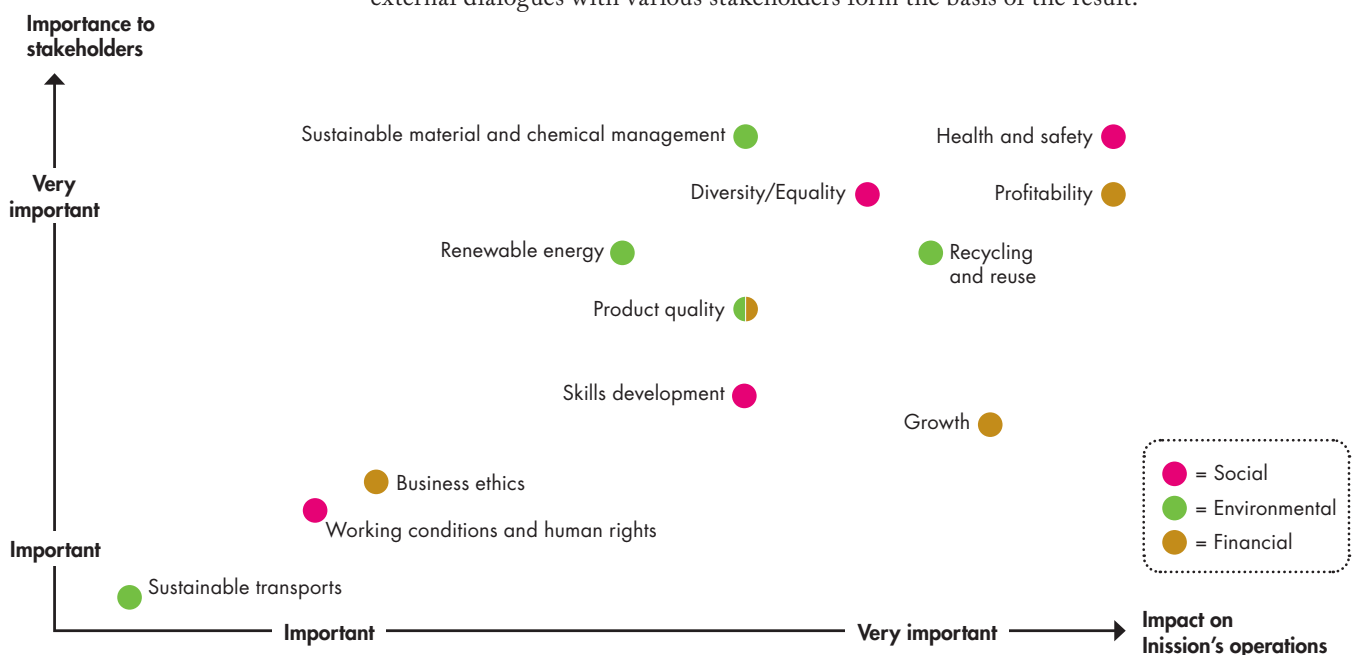
Goal: 2.12 CO₂ tonne/MSEK

Why: The climate is changing and we need to act. Inission sees it as a given to reduce the CO₂ emissions caused by its activities. Our ambition is to become carbon neutral by 2025.

Outcome: 1.73 CO₂ tonne/MSEK (2.36 CO₂ tonne/MSEK)

MATERIALITY ANALYSIS

As part of this work, Inission has carried out a materiality analysis where internal and external dialogues with various stakeholders form the basis of the result.



* Refers to companies that were part of the Group during the first half of the year (i.e., excl. Enedo)

** According to GHG Protocol, Scope 1 & 2

Global goals

Based on Inission's materiality analysis, four of the global goals have been linked to Inission's sustainability work. Here Inission has the greatest opportunity to contribute to achieving the goals from a global perspective.



DEFINITION

Gender equality between women and men is a prerequisite for sustainable and peaceful progress. Gender equality is about the fair distribution of power, influence, and resources.

Promote durable, inclusive, and sustainable economic growth, and full and productive employment with decent working conditions for all

Build resilient infrastructure, work towards inclusive and sustainable industrialization, and promote innovation.

Ensure sustainable consumption and production patterns.

INISSION'S WORK ON THE GOALS

Inission's Code of Conduct and Diversity Policy clearly state that every employee should be treated respectfully and fairly regardless of gender, age, ethnicity, religion, disability, or sexual orientation. These issues are followed up in the yearly employee survey. The work towards an equal distribution of female and male managers and employees is central for Inission.

Sustainable growth and stable profit performance are important to Inission and are reflected in the financial targets. All Inission employees should have a safe, non-discriminatory, and stimulating workplace. The Company applies a market-based and fair pay structure.

A sustainable and competitive industry is crucial for Inission's operations. By working in a structured manner on constant improvements, we develop new solutions that are smarter and more sustainable. We annually award the Inission Innovation Award to promote innovations and entrepreneurs who contribute to society.

Inission continuously implements measures to minimize the environmental impact of the operations following our environmental policy. The Company continuously promotes responsible consumption by managing and monitoring the purchase of goods and services. We conduct audits to monitor suppliers' compliance with the Code of Conduct.

Inission is since 2021 a Signatory member of the UN Global Compact. As a Signatory member, we have committed to follow and work with the Ten Principles in human rights, labor law, environment, and anti-corruption.

The work is conducted following applicable laws and regulations, and based on this, Group-wide policies are also set. Inission sets targets for its activities and measures and follows up according to these targets. In our Business Plan, which is drawn up per production unit, targets and activities are defined. The Business Plan is revised annually and followed up at all levels according to the established structure. In line with our decentralized business model, our production units are free to supplement with stricter requirements than the existing Group-wide policies.

Social sustainability

Inission has several tools to maintain and improve social conditions and human rights. The basis is our values, which guide us in making the right decisions. The work on the core values is ongoing, and to further increase the understanding of our values, we are working on our Code of Conduct, which can be downloaded from the website.

The most significant risks related to social sustainability include freedom of association, discrimination, working conditions, and conflict minerals.

All production units have an employee handbook and related personnel policy that regulates, among other things, gender equality, working conditions, information and consultation with employees, trade union rights, harassment, health, and safety. All incidents are reported according to a standardized working method, followed by measures to maintain safety in Inission's factories.

All production units conduct annual employee surveys and performance reviews. According to the annual Group-wide employee survey, the level of employee engagement in 2022 amounted to 71%* (71%).

Risks in the supply chain are managed within the framework of the Procurement Manual and Inission's Conflict Minerals Policy. The Conflict Minerals Policy can be found on the website, www.inission.se. Our larger suppliers are regularly audited for human rights and compliance with our Code of Conduct.

The employees are Inission's most important resource, and through the Inission Academy we harness the potential of our employees. During the year, we have conducted several training courses in economics, purchasing, Inspirit (Lean), and our values Precision, Attitude, Flexibility, and Trust. We have also followed up on the much-

appreciated leadership program together with Chefsakademin.

We also want to be an attractive employer. The Inission Academy and the collaboration with Chefsakademin aim to ensure Inission's access to skills. This is done by developing the skills of our employees and strengthening Inission's employer brand. We also work actively to train the future workforce by offering internships for vocational and secondary school students and thesis work for college and university students.

A drug policy should be in place in all production units.

PRINCIPLES 1–6 OF THE UN GLOBAL COMPACT'S TEN PRINCIPLES

1. Support and respect internationally proclaimed human rights in the sphere of corporate influence
2. Ensure that their own companies are not involved in human rights abuses
3. Uphold freedom of association and recognition of the right to collective bargaining
4. Eliminate all forms of forced labor
5. Abolish child labor
6. Eliminate discrimination in respect of employment and occupation

WORK ON THE PRINCIPLES

Inission's Code of Conduct addresses all the UN Global Compact's Ten Principles. The Code of Conduct is available on the website: www.inission.se

All employees have the right to collective bargaining, and to form and join trade unions as set out in the Code of Conduct. There are collective agreements for most of the production units.

Through the Procurement Manual, Inission encourages existing and new business partners and suppliers to join or support the UN Global Compact by communicating the importance of these issues.

Inission's Conflict Minerals Policy addresses our approach to conflict minerals and how we work with suppliers to avoid them. The conflict minerals policy is available on the website:

www.inission.se

OUTCOME

In 2022, Inission produced a film that trains new employees on the Code of Conduct.

Training in social sustainability, the Ten Principles and Inission's sustainability goals and direction has been conducted for key personnel.

A Group-wide employee survey was conducted during the year, where questions about discrimination were included to ensure that it does not occur.

During the year, we have supplemented the local purchasing functions with a more centralized purchasing organization that works more with strategic issues, including sustainability.

* Refers to companies that were part of the Group during the first half of the year (i.e., excl. Enedo)

Environmental sustainability

Following our Environmental Policy, Inission shall systematically and continuously reduce its environmental impact. We set targets and measure and monitor these parameters to continuously reduce our impact.

The most significant risk in environmental sustainability is not meeting the demands and expectations of legislators, customers, and other stakeholders. It is clear to us that demands for sustainability are increasing, and many stakeholders have more far-reaching demands than what is legislated.

Inission's goal is for all production facilities to be certified according to

ISO 14001. The work shall be conducted with relevant environmental permits and licenses. With ISO 14001, we have a comprehensive tool for continuous improvement. The system stipulates both internal and external controls.

For our work with suppliers, we have a Procurement Manual that covers, among other things, transportation and how we minimize the environmental impact following our environmental policy. The Procurement Manual encourages our suppliers and business partners to join the UN Global Compact. We follow a precautionary principle by avoiding materials and methods

related to potential environmental and health risks when other options are available. With the major sustainability project of 2021 as a basis, Inission established a structure for measuring carbon dioxide emissions according to GHG Scope 1 & 2 in 2022. Key personnel have been trained on the GHG protocol and Inission's impact, targets, and direction in the field. The results of the measurement are monitored and reported annually.

We shall comply with rules and legislation and continuously work on improvements to reduce or prevent our environmental impact from design to delivery.

PRINCIPLES 7-9 OF THE GLOBAL COMPACT'S TEN PRINCIPLES

7. Support the precautionary principle with regard to environmental risks
8. Take initiatives to promote greater environmental awareness
9. Encourage the development of environmentally friendly technologies

WORK ON THE PRINCIPLES

Inission's Code of Conduct addresses all the UN Global Compact's Ten Principles. The Code of Conduct is available on the website: www.inission.se

Efforts are continuously being made to improve Inission's environmental work in recycling, energy consumption, waste, and raw material consumption in compliance with Inission's environmental policy. The environmental policy is available on the website: www.inission.se

The production units are certified to ISO 14001 or are working to become so.

A database is used to identify RoHS, Reach, and conflict minerals in components

OUTCOME

Following Inission's environmental policy, new machinery has been installed in 2022. This contributes to a more environmentally friendly process through better use of raw materials, less tin slag, and lower energy consumption.

Several of our factories have improved their process for recycling production waste.

Additional factories have entered into renewable electricity contracts.

A project is underway to increase the electronic scrap recycling rate in one of our factories, together with a leading player in the recycling industry.

Key personnel have been trained in environmental sustainability, the Ten Principles, Inission's sustainability goals and direction, and the GHG Protocol Scope 1 & 2.

Economic sustainability

Our mission is to have the most satisfied customers, and we have, therefore, set our customer satisfaction target at 100%. This means that all our key customers should answer yes to whether they are satisfied with Inission as a supplier. The results are reported annually.

A prerequisite for satisfied customers is that we show and offer uniquely good performance, but also that our customers have confidence in us.

The most significant risk in economic sustainability is corruption. Inission does not tolerate any form of corruption;

bribes, extortion, bribery, or other attempts to create advantages, e.g., through payments, gifts of greater value, entertainment, services, donations, or other transfers of value. We monitor our suppliers and regularly conduct audits and reviews of our larger suppliers.

PRINCIPLE 10 OF THE UN GLOBAL COMPACT'S TEN PRINCIPLES

10. Work against corruption in all its forms, including extortion and bribery

WORK ON THE PRINCIPLES

Inission's Code of Conduct addresses all the UN Global Compact's Ten Principles. The Code of Conduct is available on the website: www.inission.se

Active efforts to ensure compliance with Inission's Code of Conduct are ongoing.

Inission's whistleblower policy and reporting tools ensure that issues can be reported anonymously. The whistleblower policy is available on the website: www.inission.com

OUTCOME

A Group-wide whistleblower policy was developed in 2022. A web-based reporting channel has also been implemented to facilitate reporting of suspected violations of our Code of Conduct, which is available to Inission's employees and other stakeholders. The reporting channel is maintained by an external party and is designed to guarantee anonymity, in line with new EU legislation.

One whistleblower case was reported in 2022, which did not lead to further action.

Key personnel have been trained in economic sustainability, anti-corruption, the Ten Principles, and Inission's sustainability goals and direction.

Activities in 2023

Inission's sustainability work in 2022 has largely involved implementing and establishing objectives, activities, and reporting based on previously implemented sustainability projects. The UN Global Compact and the Ten Principles have been integrated into operations. Work will continue through 2023 to ensure compliance and improvement.

Integrating Enedo into the Group's sustainability work will commence in early 2023. The ambition is to include Enedo in the presentation of our four sustainability goals and outcomes in the next Annual Report.

In 2022, Group entities have reported carbon emissions through the GHG

protocol within Scope 1 & 2. In 2023, a project will be carried out to implement a reduction plan and monitoring structure for carbon dioxide emissions within each Group company. Our ambition is to become carbon neutral by 2025.

We will continue to develop our employees through our Inission Academy training platform. In early 2023, we completed digital training, and more in finance, leadership, project management, and Inspirit (Lean) are scheduled for this year. Inission Academy is continuously developed and is a highly appreciated training platform for both employees and the Company.

SUSTAINABILITY GOALS 2023

Inission has four sustainability goals central to the business, which are reported annually. Below are the goals set for 2023.

- **Customer satisfaction** – 100%
- **Employee engagement** – 75%
- **Health attendance** – 97.5%
- **Environment** – 1.5 CO₂ tonne/MSEK

Inission's policies, guidelines, and manuals for sustainability work

- **Code of conduct**
- **Whistleblower policy**
- **Quality and environmental policy**
- **Personnel policy**
- **Equal opportunities policy**
- **GDPR¹-policy**
- **Drug policy**
- **Procurement Manual**
- **Conflict minerals², RoHS³ and Reach⁴**

¹) GDPR (General Data Protection Regulation)

²) Conflict minerals (Minerals that are extracted from Democratic Republic of Congo and nine neighboring countries, where money from the exploitation used by local warlords and groups to fund ongoing conflicts)

³) RoHS (Restriction of Hazardous Substance)

⁴) REACH (Registration, Evaluation, Authorisation and restriction of Chemicals)