ABSORTECH

Communication on Progress
2020-2021

This is our Communication on Progress in implementing the Ten Principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.
Falkenberg, 16th of September 2020

Dear Stakeholders,

I am pleased to confirm that Absortech International 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 this third 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 stakeholder using our primary channels of communication.

Kind regards,

Rikard Kanmert
CEO
Absortech Group is in the process to get ISO 9001 and ISO 14001 certified by the end of 2020. All our activities, processes and quality systems elements are documented, and Human Right are considered in every step. A Absortech executive management group approved different guidelines to ensure that human rights are respected in our own operations and in our global supply chain.

Absortech Group has continued auditing the European suppliers, evaluating their efforts in quality, environment, and social responsibility, and ensuring the human rights principles are considered in their corporate policies and in their operations. The respect and compliance of Human Rights principals as every level is now an indispensable requirement in the selection of a supplier.

Next steps:
Along with the process of having ISO certification of our management system, manufacturing process and service, we will:

- Include the respect and protection of the Human Rights in our Social Responsibility Policy.
- Finalised all the audits of our European suppliers and broaden the process to all our suppliers worldwide.
- Implement the audits to supplier as a recurring process and part of our corporate policies.
As global company, we are committed to respecting labour rights and this thereby includes the principles set forth in the Core Labour Conventions of the ILO. We are therefore cautious not to infringe the rights of individuals and communities through our business activities and relationships. As human rights go beyond our own business activities, we put forward high standards for our suppliers in several aspects of labour rights such as, working conditions and non-discrimination policies.

**Activities 2020:**
Absortech Group is in the process to get ISO 9001 and ISO 14001 certified by the end of 2020. All our activities, processes and quality systems elements are documented, and Labour principles are considered in every step.

Absortech has implemented new processes. All companies, before becoming our suppliers, are checked exhaustively before being approved by the CEO. Besides, the new Employee Guidelines has been developed and apply to the workforce in Sweden.

**Next steps:**
Along with the process of having ISO certification of our management system, manufacturing process and service, we will:

- The principles related to Labour will be included in the Absortech’ new Social Responsibility Policy.
- Develop the Employee Guidelines for the workforce at the factory in China.
- Go beyond the compliance of the four principles, and implement processes to improve the work environment and involve the employees in the right development of the company.
At Absortech we are aware that our sustainability efforts go beyond our own activities and take a responsible approach throughout the entire supply chain. Absortech wish to design and develop products useful to society and act responsibly to all our stakeholders. Absortech take special responsibility to limit the company’s impact on climate and environment, achieve high resource efficiency, provide safe and healthy work conditions and build a resilient framework for sustainable sourcing throughout the value chain.

**Activities 2020**

Absortech Group is finalising the process to get certified ISO 9001 and ISO 14001. Environmental principles have been considered and captured at the documentation for ISO 14001, that specifies requirements for an effective environmental management system.

- Continuous research of new materials to decrease the environmental impact of our process.
- Development of a new range of AbsorGel® products with a minimised usage of PE.
- Include the existence of a corporate environmental policy in the audit to our suppliers.

**Next steps**

- Become ISO 14001 certified.
- Publish and share publicly our new Environmental Policy based on the UN Global Compact.
- Continue to innovate in our products to reduce their environmental impact.
- Apply changes in our manufacturing plants to reduce waste, improve the treatment of the waste, and reduce the energy and resources consumption.
- Passing the Absortech’s environmental standards to suppliers, subcontractors, and partners to influence them to reduce their environmental impact and comply with UN Global Compact Environmental principles.
- Include in our promotions the environmental responsibility and offer our customers a possibility to reduce their environmental impact in the moisture damage prevention solutions.

**Environmental principles**

| Principle 1 | Absortech support a precautionary approach to environmental challenges |
| Principle 2 | Absortech undertakes initiatives to promote greater environment responsibility |
| Principle 3 | Absortech encourage the development and diffusion of the environmentally friendly technologies assessment, policy and goals |
Absortech applies a zero-tolerance approach to corruption. The company is committed to conducting business in accordance with the highest ethical standards and prohibits all forms of bribery and corruption as a part of building a strong brand.

We are part of the societies where we operate, opportunities and challenges in the local communities are our challenges and opportunities. Our investments, credits, payments and supply chains also have a global impact. This entails both local and global responsibilities on our part. Our commitment is to always operate with transparency, trust and integrity. The Anti-Corruption policy guides our employees in their everyday work. The policy is enforced by management to ensure that bribery does not occur, and this includes guidelines for receipt of gifts and entertainment and to avoid facilitation payment. Absortech shall in a transparent manner communicate the results and ambitions of the work against corruption.

All Absortech holdings are audited by professional external auditors who reports to the groups head auditor and the CFO of Absortech. These audits are used as one of the methods to verify that no corruption has taken place.

Activities 2020
Absortech Group is in the process to get ISO 9001 and ISO 14001 certified. Anti-corruption principles have been considered in every step, to make sure they are respected in our own operations and in our global supply chain.

Continuous training among our organization members to operate with transparency, trust and integrity and to stop any attempt of bribery that they might notice or heard within the activities and responsibilities of their job.

Next steps:
- Anti-corruption principles are transverse principles needed to be included in all policies, specially in the Social Responsibility Policy.
- Continuous training among our organization members to work against extortion, bribery, and all other forms of corruption.