

AWA Holding Sustainability report 2018

Introduction

This sustainability report comprises all companies within AWA Holding even though the new rules only apply to AWA Sweden AB (below called AWA). We have divided the report into separate areas and presented the policies, result from the policies, valued the potential risks and how these risks are managed in each area. Due to the kind of business we operate in, we have come to the conclusion that the risks are low or very low and have therefore not defined any result indicators – for the time being. However, we are aware of potential risks in the separate areas and support each other in being observant and proactive by encouraging an open and ongoing dialogue.

All areas defined by the annual accounts act (Årsredovisningslagen) has been included in the separate sections including environment (separate section), social conditions, personnel and human rights (in the section social and human rights) and counteracting corruption (in section responsible business).

Our company and business

AWA is a leading IP consultancy firm with presence in both Europe and Asia. AWA was founded in 1897 and has 16 offices across Sweden, Denmark, Germany and China. In 2018, we reported Net sales of €68,5 million.

We provide a full-service package, offering prosecution, litigation, legal advice and strategic services in all IP disciplines. Our clients are innovation-intensive companies, ranging from start-ups to owners of the world's best-known brands and patent portfolios. We help them to turn their ideas and innovations into business opportunities.

Our core values and mission

AWAs business is built on a foundation with three core values and a mission, running as a silver thread through our sustainability and corporate responsibility efforts.

AWAs core values – *courage, openness and passion* – form the basis for how we act every day, both towards each other and in the world around. They guide us through dealings, discussions and decisions.

Our mission – or core purpose – serves as a beacon to us, defining the ultimate meaning of why we do what we do every day: *Our expertise in Intellectual Property supports the companies of today in building the prosperity of tomorrow*. In other words, our business is characterised by a long-term goal, a major objective and high ambition.

Our sustainability and corporate responsibility

Our sustainability and corporate responsibility work is a matter of openness, trustworthiness and attractiveness. It is about taking responsibility for our interaction and involvement with clients and

partners, the environment, our employees and society in general. As a leading consultancy firm, we want to be associated with a strong brand but also to set a good example in these matters.

AWA takes pride in shouldering its corporate responsibility and prioritising sustainability for a better future. We think long-term in everything we do and make it our business to play an active part in creating a more sustainable tomorrow.

Environmental

AWAs business should be managed and operated in an efficient, responsible and sustainable manner. This includes making efforts to continuously decrease our negative environmental impact and meet at least the legal requirements. Our *Environmental policy* shows us the way in these efforts.

Environmental policy

AWA has a responsibility for the resources we use and for the impact we have on the environment, both of which we always strive to minimize. Since we provide B2B services and not products, our environmental impact is minor and our efforts are focused on our offices and on our travel. There must be a sustainable consistency in how and what we buy, use, discard and recycle.

The basis for AWAs environmental work is that our business should be managed and operated in an efficient, responsible and sustainable manner. We should always set ourselves the challenge of making continuous improvements. We make every effort to minimise our negative environmental impact and meet at least the relevant legal requirements, rules and regulations. This must be done without adversely affecting client relations. In our day-to-day work this means:

Purchases and partners

We choose modern, efficient and environmentally friendly materials, facilities and technologies in our purchases and investments, balancing both environmental and financial aspects. When selecting and making agreements with suppliers and partners, we assess the environmental as well as the social and ethical aspects.

Environmentally friendly offices

Our head office is located in what is known as a Green Building, and when we lease new office premises, we strive to choose premises that are environmentally rated and certified. We try to bring about an increase in renewable energy and technologies that produce low emissions of carbon dioxide and other pollutants.

At our offices we also use recycled paper and continuously reduce the printing of documents. More and more of our work is performed electronically. We sort, recycle and handle our waste in the best way possible. We minimise our use of disposable articles.

An increasing larger amount of our work is performed electronically. A few examples of this are Palette, our electronic invoicing system, and iManage, our cloud solution for sharing documents.

Transport

We reduce our atmospheric emissions by, whenever possible, choosing transport with renewable energy or low emissions. All our office premises are located centrally and close to public transport, which encourages both employees and clients to travel by environment-friendly alternatives. Moreover, we have decreased our business travel thanks to information technology for all employees and video conference equipment at all offices, like Skype and LifeSize.

The entire company and business are involved

We try to motivate our employees to be environmentally responsible by providing information and encouraging employee commitment. It is important to us to regard environmental and sustainability aspects as an integral part of our business. These matters are subjected to annual strategic discussions involving AWAs top management.

How we live it – environment

All the above activities are not only part of a policy but also an actual description of what we do already in our daily business – even if we have not started measuring our activities and the progress we make. Due to the kind of business we operate in, we have come to the conclusion that the risks are low or very low and have therefore not defined any result indicators – for the time being.

Social and human rights

AWA strives to be a good employer and a good actor in the “glocal” society. We respect and abide by The United Nation’s “The Universal Declaration of Human Rights” and all 30 articles in it. We take care of our employees, offer them fair conditions and encourage an open dialogue. We support and educate our managers in being alert and proactive regarding human rights in daily life.

We share our knowledge and expertise with the world around us in various non-profit ways. We give financial support to a couple of carefully chosen organisations that work with issues in line with AWAs core values, mission and business idea.

Within the social and human field, we have three defined policies – *Work environment policy*, *Equality policy* and *Citizenship policy*.

Work environment policy

Well-rounded individuals working together in harmony with each other do better business. In order to be profitable, the company needs employees who have a balance in their lives.

The company strives to create a work environment in which wellbeing is seen as natural and everyone manages health risks with awareness.

Each employee is responsible for his or her own health and has a joint responsibility for a good work environment.

The senior management shall support and develop a good work environment, which also helps to increase the company’s appeal as an employer. Responsibility for both the psychosocial and the physical work environment rests with the managers.

The company shall take preventive measures to reduce sickness absence and work injuries.

Victimisation

All employees of the company are entitled to be treated fairly, with respect shown for their dignity and their person. All employees and managers are responsible for treating their colleagues in this way.

The company does not accept victimisation, i.e. repeated reprehensible or negative actions directed at individual employees in an intimidating manner that may result in the employee being isolated from his or her co-workers.

By victimisation we mean psychological violence, social rejection, bullying, sexual harassment, harassment connected with ethnic origin, age, religion or other faith, disability or sexual orientation, and other forms of harassment or actions that contravene the company’s common values or general principles of honourable or moral behaviour. By sexual harassment we mean any unwelcome gender-

based behaviour or unwelcome conduct of a sexual nature that violates the employee's dignity at the workplace.

Alcohol and drug abuse

Our approach involves "showing concern" and "stepping in". As fellow human beings, we have a responsibility to help and support fellow workers who are abusers.

We shall take steps to assist those who abuse drugs or alcohol in ridding themselves of their addiction. This requires them to change their lifestyle. Speak to – not about – the person who has a problem. Help the abuser to gain an insight into and to want to do something about his or her situation.

The company strives to bring about greater openness in matters concerning alcohol and drugs. It is the duty of a manager who is responsible for the work environment to be on the look-out for potential signs of addiction and to help employees rid themselves of their abuse by promptly taking the appropriate measures.

Equality policy

One of AWAs most important success factors involves making the most of and developing the skills of its workforce. Work on promoting equality shall be a natural and integral part of all our activities. This applies to workplaces and services of all kinds as well as to management functions.

Conditions, rights and development opportunities at the company shall be identical for male and female employees. Terms of employment and opportunities for personal development shall not be determined by a person's sex or origin. A workplace in which equality rules is attractive to both clients and employees. Our aim is to:

Actively ensure that working conditions are suited to all employees.

By this we mean that our working conditions shall be designed to suit both men and women. This concerns the working environment from the perspective of equality and includes technology, job content and work organisation.

Make it easier for all employees to balance work and parenthood.

By this we mean making things easier for parents, e.g. through flexible working hours and by arranging meetings as far as possible during the normal working day. It is particularly important that both women and men are given every opportunity to take parental leave and/or to have time off to look after their children.

Prevent and put a stop to harassment.

One natural way of approaching this is not to allow employees to be exposed to any behaviour, images or written material that can be regarded as an invasion of their personal integrity, such as sexual harassment.

Give all employees an opportunity for personal development and training.

By this we mean affording all employees an equal opportunity to develop in the context of their knowledge, willingness and ability. In addition, the range of training measures available shall reflect an equality perspective.

Promote a gender balance when it comes to recruitment.

By this we mean achieving a more equal distribution of women and men in various kinds of work and within different categories of employees, as well as ensuring at all times that vacant positions are as far as possible sought by and offered to both women and men.

Provide all employees with equal pay and conditions for equal performance when the work done is identical or of equal value and is of comparable difficulty.

By this we mean ensuring that no employee faces salary discrimination.

How we live it – work environment and equality

To ensure the quality of our work environment activities, we have a Work Environment Committee carrying out annual follow-ups on the work environment. Since 2018 we have a partnership with Great Place to Work. With their framework we will be able to work with the cultural influence on the work environment in an even more structured way.

The work with equality and diversity are described, measured and followed up in AWAs “Equality & Diversity Plan 2018–2020”.

Citizenship policy

AWAs citizenship and responsibility as a company and major provider of IP services are shown through various forms of engagement in the outside world. We support a variety of organisations and projects – local, regional, national or international – which have a goal and purpose in line with core values, core purpose and business idea.

AWA should offer both financial assistance and skills support. We should strive after long-term, corporate cooperation to obtain the best effect for all partners involved.

The **financial assistance** may involve sponsorship of a research project, a partnership with a charity organisation or a comparable form of collaboration.

The **skills support** is about sharing our knowledge and expertise in various non-profit ways. Another term for this work is *pro bono*.

Sometimes our commitment will be a mixture of financial and skills support. These kinds of commitment are two-way processes and should benefit both parties.

How we live it – citizenship

We consider the risks with our citizenship low or very low and have therefore not defined any result indicators – for the time being.

Financial assistance

For a couple of years now AWA has been supporting the organisations *SOS Children's Villages*, *Team Rynkeby* och *Médecins Sans Frontières*. The reasons for choosing these are that 1) they are international and well-known which means that our employees and clients are familiar with them, 2) they are supporting people in need but indirectly also entrepreneurship, R&D and innovations, which are cornerstones for our clients, and 3) they share core values and mission with us: to show courage, openness and passion, and to help building the prosperity of tomorrow.

We are proud to be able to give financial assistance to these admirable organisations and hope that both our employees and our clients feel that they are part of this important support.

SOS Children's Villages

AWA is a sponsor to SOS Children's Villages since 2012. The organisation works according to UN's Sustainable development goals, <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>, and as their partner we support goals no 1, 4 and 16: *No poverty, Equality education and Peace, justice and strong institutions*.

Team Rynkeby

AWA is a gold sponsor of Team Rynkeby since 2012, an organisation supporting leading child cancer charities in Denmark, Finland, Norway, Sweden, the Faroe Islands and Iceland.

Médecins Sans Frontières

Since 2015 AWA has been a Corporate Supporter of Médecins Sans Frontières, an international, independent, medical humanitarian organisation delivering emergency aid to people affected by armed conflict, epidemics, natural disasters and exclusion from healthcare.

How we live it – skills support

AWA also works closely with a number of universities, business incubators, research villages, business partners and venture capital organisations. Our work with sponsorship and partnership sometimes combines financial support with consulting time, whereas in other collaborations we provide skills support in various non-profit ways (*pro bono*), such as consulting, lectures, internship and jury participation.

One example is AWAs partnership in GEN-PEP, which is a royal initiative to encourage children and young people in Sweden to exercise more and eat healthy. AWA supports the organisation with all trademark related matters. A partnership example is Green Tech Challenge where AWA contributes with expert knowledge within IP. Another example is Venture Cup, where AWA participates in the different juries and gives IP advice.

Responsible business

We do business every day – domestic and international, minor and major, internal and external. In all cases it is essential that our clients, suppliers, partners, owners and other stakeholders are able to rely on our doing business in a professional, honest and ethical way. We should always be able to account for our actions.

Our responsible business is regulated by two policies, which we use on a daily basis: *Anti-bribery and corruption policy* and *Conflict of Interest policy*. From May 2018 we will comply to the GDPR (General Data Protection Regulation) in all areas of our business handling personal data.

Anti-bribery and corruption policy

AWAs attitude towards ethical business is clear. We condemn bribes, corruption, fraud and misappropriation. We require transparency, integrity and honesty in all aspects of our business.

All employees at AWA must comply with existing laws and agreements, internal policies and regulations. However, we can never guarantee that our suppliers or other partners conduct according to the same ethical principles.

Gifts and bribes

AWA and its employees are forbidden to give or receive gifts in order to secure assignments, influence authorities or otherwise provide benefits for AWA or the individuals concerned. By gifts we mean presents, payments, personal benefits or remuneration. Gifts may only be accepted if they are of limited value and follow normal industry practice on each market. The relevant team manager should be informed about gifts received from suppliers or partners.

AWAs employees must make a clear distinction between corporate and private interests and avoid possible conflicts. We never accept gifts that may give rise to conflicts of this kind. No gifts may be offered or accepted if they are contrary to existing laws. Bribery is prohibited by law, which means that all forms of compensation outside of contracted services to agents, suppliers, authorities and partners are prohibited.

How we live it – anti-bribery and corruption

If any irregularities should come to our knowledge, we will immediately take the necessary measures. Every employee who encounters possible violations of existing laws or our policy should immediately report them to the relevant team manager. If the manager is involved in the situation or has conflicting interests in one way or another, the situation should be reported to the CEO. Violations lead to disciplinary action, which may include dismissal. However, we consider the risks low or very low and have therefore not defined any result indicators – for the time being.