

# Invacare Norway Transparency Report 2023



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## 1. Introduction

Environmental, Social, and Corporate Governance (ESG) is a framework designed to be integrated into an organisation's strategy, to create enterprise value by expanding the organisational objectives including the identification, assessment and management of sustainability-related risks and opportunities in respect to all stakeholders (including, but not limited to, customers, suppliers, and employees) and the environment.

- ✓ Environmental aspect: focuses on preserving the natural world. Examples of topics addressed include climate change, greenhouse gas emissions, biodiversity loss, deforestation, pollution, energy efficiency and water management.
- ✓ Social aspect: focuses on people and relationships in line with human rights and labour practices. This includes working to support gender, diversity, equality, and inclusion movements in addition to enhancing customer satisfaction and employee engagement.
- ✓ Governance aspect: focuses on moving beyond how organisations have been typically governed in the past and to enhance corporate governance. Examples of specific topics include a board of directors, cybersecurity practices, management structure, executive compensation, preventing bribery, and corruption.



Invacare International GmbH (Invacare) commits to be / become an ESG compliant organization. In this report we describe the main aspect of our organisation and its context. The ESG Management System (“ESG System”) is mainly related to the following basic rules:

- ISO 14001:2015 - Environmental management systems - Requirements with guidance for use
- ISO 26000:2010 - Guidance on social responsibility
- ISO 45001:2018 - Occupational health and safety management systems - Requirements with guidance for use
- Other applicable standards, laws, and regulations

This report applies to all Invacare sites (Operation and Sales) in EMEA, and all Invacare personnel working on these sites. All stakeholders should understand the procedures ensuring that these are implemented locally. All personnel should be aware of the ESG System in place.

It is our plan to show evidence of compliance by 3<sup>rd</sup> party certifications especially for our manufacturing sites. Sales sites should show their commitment in satisfying the Intercompany Quality Agreements.

Norway sales have ISO 14001:2015

## 2. Organisational details

Invacare, is a European leader in the manufacture and distribution of innovative home and long-term care medical products that promote recovery and active lifestyles. Invacare employs approximately 1,400 associates and markets its products in more than 100 countries around the world.

Invacare manufactures and distributes a comprehensive range of personal assistance products to help our users enjoy a comfortable, safe, and active lifestyle. Our mission is embodied in our company motto to “Make Life’s Experiences Possible<sup>®</sup>” and to ensure that users are given the same freedom of choice and access to precision engineered products, as more able-bodied people.

We listen closely to the needs of our users and have continuously developed our range with superior design, performance, functionality, reliability, endurance, and safety. Where possible, we even provide our users with the option to personalise their devices, using an online visualizer so they never have to leave their home.

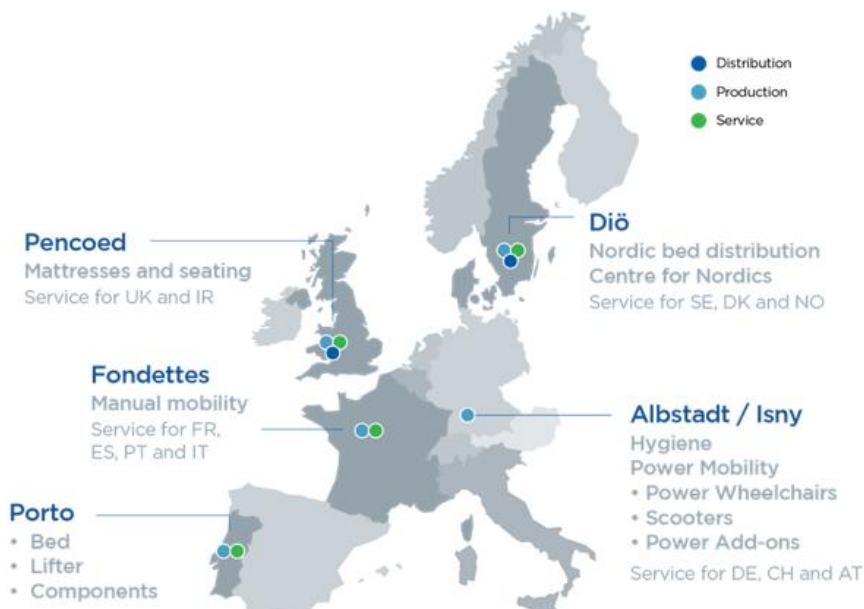
Invacare strives to comply with the requirements of legislation and standards for medical devices, environment, and social responsibility, posed to us in relation to: the design and development, manufacturing and distribution of hygiene products, beds, mattresses, seating, power add-ons for wheelchairs, patient lifters, and wheelchairs in the area of rehabilitation.

The scope described in the Quality Management System is applicable for ESG correspondingly.

### 3. Entities included in the organisation’s sustainability reporting

Invacare consists of various Operation and Sales sites in Europe, led by the EMEA headquarter in Aesch, Switzerland. Invacare is part of Invacare Holdings Corporation headquartered in Elyria, Ohio, USA.

#### Our Production Sites



#### Our Sales Sites



Sales entities are spread all over Europe. All Eastern Europe is supplied by one central sales entity.

For our manufacturing and distribution sites, depending on the functions of the site, the relevant internal and external issues are identified. Most relevant internal issues are:

- Supplier Chain
- Consumption of energy and other resources
- Use of hazardous materials
- Protection of land, air, and water
- Waste disposal
- Transport and delivery

Issues mainly concern development, sourcing, production and servicing processes. By having a Fair and Green approach we work to minimise the issues. By fair, we mean following human rights and labour standards. By green, work and design in an environmentally sustainable way.



The most relevant external issues are:

- Customer expectations
- Public expectations
- Legal or governmental requirements

Interested parties are mainly end users, dealers, public customers, governmental bodies, county management, municipalities, insurance funds and society in general. Our stakeholders expect full compliance.



Our Interested parties expect compliance and well-balanced evaluations and actions to mitigate all risks related to Governance, Environment and Social rights.

Relevant needs and expectations are reported to management and are reviewed during the quarterly Management Review.



## 4. Reporting period, frequency and contact point

This is the first report based on the Norwegian Transparency Act. Data in this report covers 2022 activities. The report will be published annually, or in the case of significant changes to the enterprise's risk assessments, the report will be re-published. For further information contact [aapenhetsloven@invacare.com](mailto:aapenhetsloven@invacare.com).

## 5. Restatements of information

No restatements in this report as it is the first report issued to the Norwegian Transparency Act.

## 6. Activities, Supply Chain

### Planning

From a full lifecycle perspective, environmental and social aspects of performed activities, products, services and their associated impacts that can be controlled or influenced are evaluated. Changes such as planned or new developments, new or modified activities, products, services, abnormal conditions and potential emergency situations are taken into consideration. Criteria for aspects with significant impact are defined and communicated to various levels and functions of the organisation.



New or updated applicable legislations or obligations are identified, evaluated and actions implemented if required. A register showing legal compliance is maintained at Invacare and locally.

Risks and opportunities are determined to give assurance that the ESG System can achieve its intended outcomes, to help prevent or reduce undesired effects and to achieve continual improvement. Potential emergency situations are determined and required plans are available. Main input for assessment is based on:

- Environmental and social aspects
- Compliance obligations
- Other issues and requirements according to the context of the organisation and needs or expectations of interested parties

If local risks and opportunities differ from the Invacare perspective, a local assessment needs to be performed. SWAT analysis is used as a tool for risk / opportunity identification.

	+ Positive Factors	- Negative Factors
Internal Factors	<b>Strengths</b>	<b>Weaknesses</b>
External Factors	<b>Opportunities</b>	<b>Threats</b>

Based on these assessments, objectives are regularly (at least yearly) established across functions at the Invacare level and locally. The objectives should be consistent with the ESG System, SMART and communicated to all concerned. Objectives are part of the Quality Plans within Invacare quality management system and are followed individually.



Social objectives should be focused on the Sustainable Development Goals "shared blueprint for peace and prosperity for people and the planet, now and into the future" of the United Nations (UN), which are intended to be achieved by 2030 (called Agenda 2030). A UN resolution identifies specific targets for each goal, along with indicators that are being used to measure progress towards each target.

## THE GLOBAL GOALS For Sustainable Development



### Resources & Awareness

The organisation regularly determines and provides the needed resources for the ESG System. People whose work affects the ESG performance and obligation compliance are competent based on appropriate education, training, or experience. They are aware of the ESG System, significant environmental responsibility, social aspects and potential impacts associated with their work. They are also aware of the effectiveness of their contributions and implications of not conforming with ESG requirements.

Among the various levels and functions, relevant information is communicated internally and externally as appropriate. Documented information is retained as evidence of the performed communications as controlled records.

### **Employment, labour rights and safety.**

Employees are introduced to policies, procedures and instructions as part of the induction period at the start of employment and change of positions in the organisation. Updates are communicated and trained as needed. Performance evaluations are conducted with employees based on local policies and education / training plans are individually developed.

Local legislation on workers' rights and safety are monitored and implemented in the organisation. Policies based on legislation, human rights and labour standards are established and communicated. Local Health and Safety Committees are conducting safety rounds as well as performing risk assessments on new or changed production processes. Deviations are reported, actioned, followed up and closed. Accidents and near incidents reported according to local legislation. Actions are taken to prevent and remove risk from reoccurring.

Anonymous reporting of abuse is possible through phone or mail, and communicated in the Whistleblower policy.

### **Operation / Supplier chain**

Relevant processes to meet environmental and social requirements are implemented. Outsourced processes are controlled and influenced. Consistent with the lifecycle perspective, requirements on products or services are addressed in these areas:

- Design and development
- Ethical Procurement
- For external providers
- Transport and delivery
- Maintenance and technical service
- End-of-life treatment and final disposal.

Supplier chain is identified (suppliers) and controlled suppliers are evaluated, risk assessed, selected and approved based on ability to produce according / to meet / our demands on specifications, environmental and social requirements. Means of controls are:

- Supplier audits
- Supplier risk assessments
- Supplier evaluations
- Code of conduct for suppliers
- Supplier quality agreement
- Supplier confirmation on compliance
- Production part approval process
- Complaint management and scar process.

Sub-suppliers are identified via our production part approval process and our code of conduct for suppliers is forwarded / replicated through our suppliers to the sub-suppliers as a part of our supplier quality agreement and code of conduct for suppliers.

Code of conduct for suppliers and supplier quality agreements cover the following areas.

### 1. Labour standards, Human rights

- No child labour
- Human trafficking and slavery
- Freely chosen employment
- Free association
- Regular employment
- Wages and benefits
- Work hours
- No discrimination
- Safe and hygienic work condition
- No harsh or inhumane treatment

### 2. Environmental standards

- Waste management
- Packing and paper use
- Conservation
- Energy use

### 3. Chemicals content directives

- Restriction of Hazardous Substances (RoHS) EU Directive.
- Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) EU Regulation.
- Substances of Very High Concern (SVHC)
- Conflict Minerals

### 4. Business integrity and ethics

- Business Behavior
- Integrity
- Fair Competition
- Supply Chain Security
- Privacy
- Business Continuity Plan
- Identification of Concerns

### 5. Anti-corruption

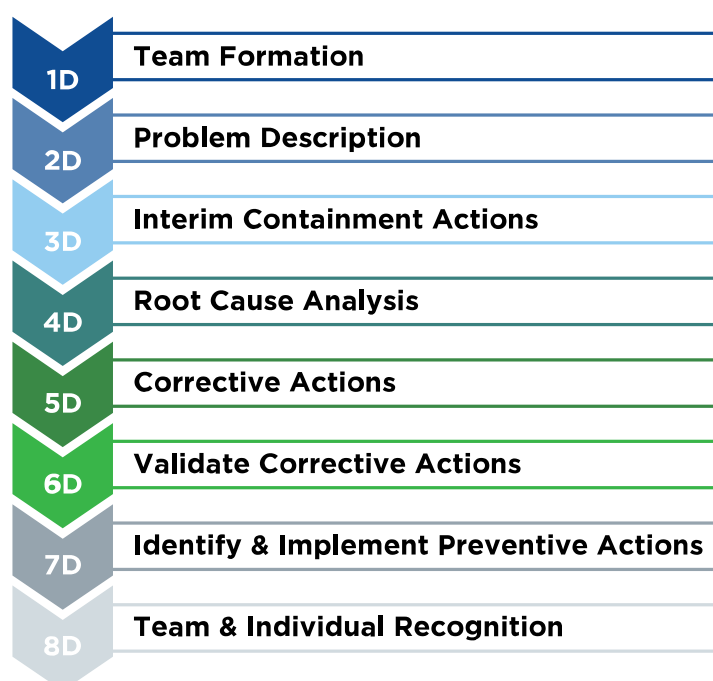
### 6. Gifts and entertainment

### 7. Continuous improvement

### 8. Complaints and deviations

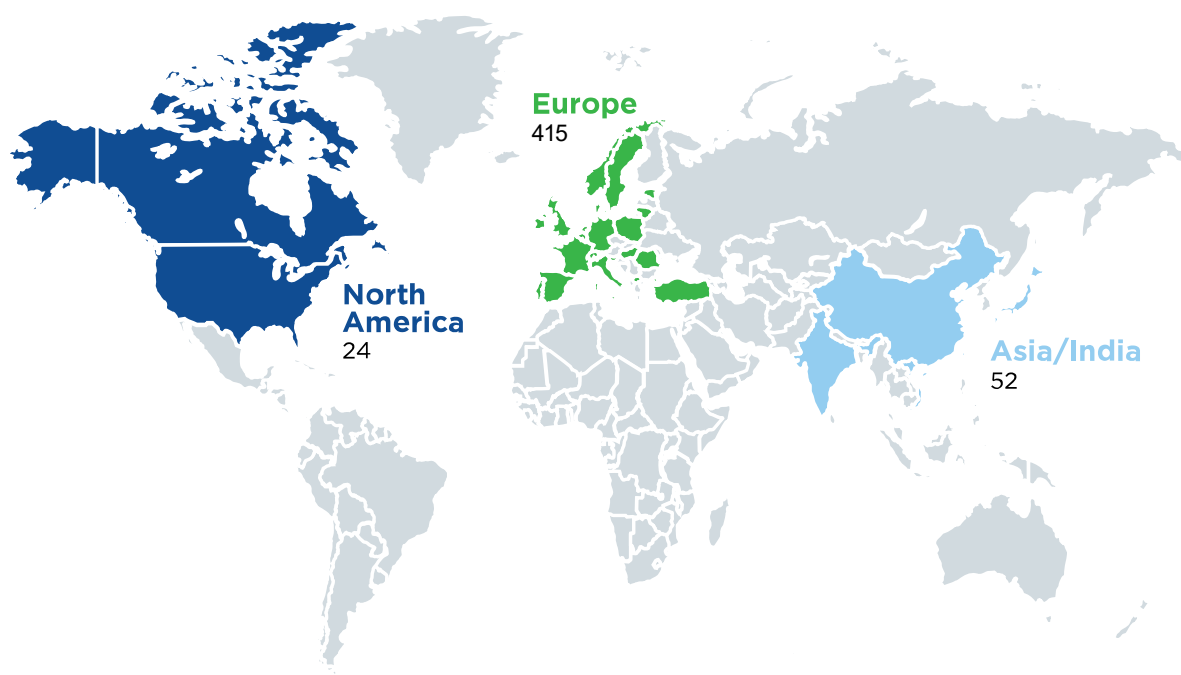
Suppliers are risk assessed based on supplier processes, ability to fulfill specifications, environment and risk of violations to human rights and labour standard. Input for risk evaluations comes from ITUC Global rights index, Worldwide Governance Indicators (WGI) World Risk Index amongst others. Risk assessments are performed as part of our supplier selection process. As we identify risk, the supplier needs to define mitigation actions. These actions are evaluated, and re-risk assessed to understand if actions fulfill our expectations. If not, we will not select the supplier. Risk assessments are also initiated based on our supplier evaluation, complaints situation, change of product portfolio or changes in supplier production processes or locations.

Supplier complaints and deviations can be identified in various ways, these include inspections, audits, production output and third-party communications. Deviations can also occur if the supplier has not met our demands in specifications, environmental or social requirements. In such cases, they can be handled in our complaints process and based on the 8D format:





Procurement comes from our Global Supply chain. Suppliers and sub-suppliers are mainly located in Europe, Asia and North America.



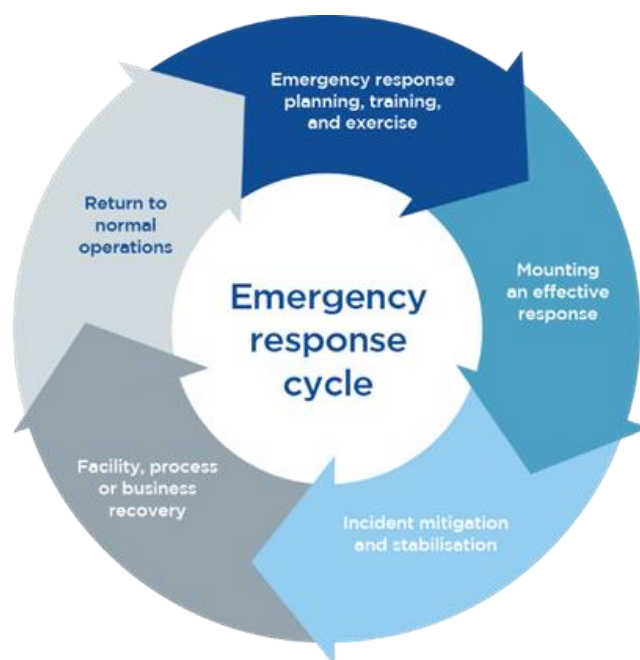
North America		Europe				Asia/India	
Canada	2	Belgium	2	Norway	22	India	2
USA	22	Denmark	32	Poland	3	China	30
		Estonia	1	Portugal	39	Hong Kong	3
		France	42	Slovenia	11	Taiwan	14
		Germany	135	Romania	1	Vietnam	2
		Hungary	1	Spain	3	Japan	1
		Ireland	1	Sweden	46		
		Italy	8	Switzerland	11		
		Lithuania	1	Turkey	2		
		Macedonia	1	United Kingdom	44		
		Netherlands	9				

Suppliers have been audited and no major or minor deviations have been found in concern to Human rights, labour standards or environmental violations. We have detected areas for improvements in the communication of information around accidents or incidents. Suppliers often publish lists which can be difficult to read and understand. We will work to establish informative material based on “Green Cross” concept. This concept will be distributed to our supply chain. 78% of our purchases come from suppliers who have signed our code of conduct for suppliers or our supplier quality agreement. Target for 2023 is to reach 85%.

## Emergency situations

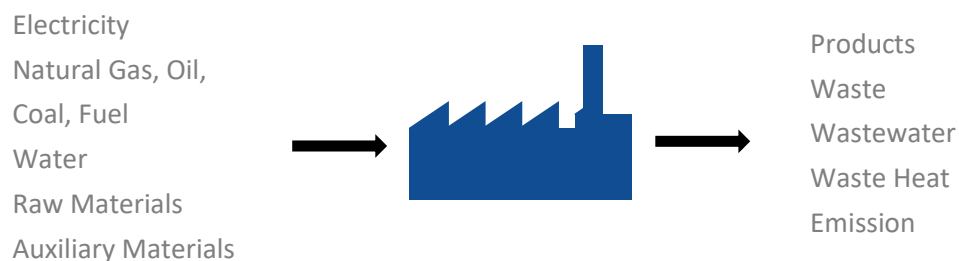
Processes are prepared to respond to potential emergency situations. Required information is documented and should be carried out as planned:

- Prepared to respond to planning actions to prevent or mitigate adverse environmental impacts from emergency
- Respond to actual emergency situations
- Take action to prevent or mitigate the consequences of emergency situations, appropriate to the magnitude of the emergency and the potential environmental impact
- Periodically test the planned response actions, where practical
- Periodically review and revise the process(es) and planned response actions, in particular after the occurrence of emergency situations or drill
- Provide relevant information and training related to emergency preparedness and response, as appropriate, to relevant interested parties, including persons working under its control.



## Performance

Relevant indicators showing environmental performance are identified, monitored, and evaluated. Used monitoring and measurement equipment is calibrated or verified if appropriate. Environmental performance information is internally and externally communicated.



Internal and Supplier Quality Audits are performed to confirm that the ESG System conforms to ISO 14001 / ISO 26000 / ISO 45001 as other internal requirements, and it is effectively maintained. A yearly Audit Program for Invacare is defined and executed as planned. ESG Audits can be performed integrated with other internal Audits, Supplier Quality Audits (e.g., Quality Audits) or process audits at suppliers. Audit Findings are followed until closure.

## 7. Governance and Leadership

During the regular Management Review the management teams reviews the effectiveness of the ESG System.

The Management Review includes:

- Changes in external and internal issues that are relevant to the ESG System
- Changes in the needs and expectations of interested parties, including compliance obligations
- Changes of significant environmental aspects
- Changes of risks and opportunities
- The extent to which environmental objectives have been achieved
- Information on environmental performance
- Adequacy of resources
- Relevant communications from interested parties, including complaints
- Opportunity for continual improvement

Invacare management considers the needs and expectations of interested parties, internal needs and expectations, laws, and regulations.

Management takes accountability for the effectiveness of the ESG System by:

- Ensuring that the ESG System is established, implemented, and maintained
- Ensuring that the ESG policy and objectives are compatible with the strategic direction and the context of the organisation
- Ensuring that the ESG System is effective, implemented processes are delivering their intended outcome and that according requirements are integrated in other business processes
- Promoting continuous improvement

Management ensures that the required resources are in place and, where applicable, relevant management roles are supported. They communicate the importance of an effective and conforming ESG System to all employees.

A Management Representative (recorded on ET-0106 Appointment) at the Invacare level and in all applicable sites is to be appointed. The Management Representative will be responsible for implementing and maintaining the ESG System.

Where applicable specific duties in relation to the ESG System are recorded in the relevant job-descriptions.

## 8. Improvements

During monitoring, audits or Management Reviews opportunities for improvement are identified and required actions are planned and followed until closure.

When environmental / social nonconformity is noticed, all required actions are taken to control responsibility to correct the situation and to deal with the consequences on the environment. If needed actions are implemented to eliminate the causes for the nonconformity, in order that it does not recur or occur elsewhere.

Over the year we will focus on workers safety during our onsite Supplier Quality and Process Audits. Based on findings we will issue findings addressed to the identified suppliers. We will set up activities to mitigate potential risks.