



23.6.2021

ESG Report

**Iiwari Tracking Solutions Oy
Environmental Social Governance Report 2021**

Table of contents

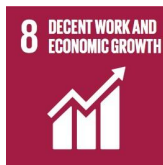
UN Sustainable Development Goals	3
Greetings from the CEO	3
We are Iiwari	5
Our Values	5
Leadership and Management	5
ENVIRONMENTAL	6
OUR APPROACH	6
OUR HARDWARE	6
PROCUREMENT DECISIONS	6
PRODUCT LIABILITY	7
SOCIAL	8
OUR APPROACH	8
PERSONNEL	8
DIVERSITY	10
OCCUPATIONAL WELL-BEING	10
OCCUPATIONAL HEALTH AND SAFETY	11
CORPORATE RESPONSIBILITY	11
IIWARI & KAMK	12
GOVERNANCE	13
OUR APPROACH	13
BOARD OF DIRECTORS	13
DATA SECURITY	14
HUMAN RESOURCES MANAGEMENT AND LABOR LAW	15
IIWARI'S ANTI-CORRUPTION POLICY	15
FINANCIAL AND LEGAL CARE	15
REPORTING PRINCIPLES AND GRI CONTENT	16

UN Sustainable Development Goals

We are committed to complying with the following UN Sustainable Development Goals:



We are an equal workplace. Each employee is precious.



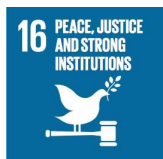
We promote sustainable economic growth and provide respectable jobs.



With our technology, it is possible to build a better society.



We strive for sustainability in production methods.



Our operations are transparent. We want to promote peace through our actions.

Greetings from the CEO

Despite the pandemic that has destabilised the world, for us the past year has been a year of growth, development and success. Our personnel has doubled over the past year. We have gained new fantastic people in our team and through them great expertise and experience. We have managed to develop our current technology to the point where it is time to stabilize and gradually move towards new innovations.

Sales of the first commercial product started in August 2020. We delivered the first domestic and international commercial installations during the autumn and managed to define the first important customer industries of our product. The crisis in society also forced us to rethink our customer delivery process completely in order to make it easier to install remotely and support partners. The crisis has actually been a very good thing for us in the sense that we have developed a system that is scalable.

Systematic sales and marketing work started at the beginning of August 2020. In principle, COVID-19 forced us to change old working practices, and now we have found ways to present deep technology simply and successfully.

Our first patent related to UWB positioning was granted in November 2020, which later also expanded into a US patent. Our IPR portfolio is currently growing and our goal is to get 2-4 new patents per year.

Our rapid development is neither a coincidence nor good luck. It is the result of competent and dedicated personnel and fair and professional management. Our team's greatest strength is seamless and strong cooperation. We are a dedicated expert company where everyone does their own work to the best of their ability while helping others succeed.

According to forecasts, the value of the indoor positioning business will be EUR 45 billion in 2025, we will take this into account when planning our targets for the coming years. We challenge ourselves, but we stay within limits that are realistic. We're not looking for more or less than being the best in our industry.

In order to achieve our goals, we will continue to work passionately. We still want to improve our quality, reliability and we are boldly looking abroad for more. Our goal is to build partnerships to support our business and large companies as our customers.

We want to implement ESG-standards as an integral part of our everyday operations. One of our values is reliability. Responsible business is built around trust. Our goal is to build credibility through actions.

With our technology, it is possible to create a more responsible world. We can help companies reduce their transport costs and streamline their production processes. We can help improve safety at work in all kinds of working environments and we can help to take better care of the disadvantaged in society, such as children and the elderly.

We are a strong player that contributes to creating a more sustainable world. This ESG report reflects our commitment to working for the environment, individuals and society.

In Vuokatti, June 2021

Ville Kolehmainen
Chief Executive Officer



We are liwari

We are a Finnish indoor positioning technology company. With our technology it is possible to create safer and more efficient operating environments. Our technology is based on UWB positioning. In our vision we are a pioneer and a leading provider in this industry. Indoor positioning as a product and service is growing fast globally. We are focusing currently on retail, healthcare and the manufacturing industry. Setting a location for everything.

Our Values

Our values are based on what kind of company we want to be and how we want to operate:

Appreciating Diversity

A diverse team is strong. We value and respect each other's differences.

Reliability in all we do

Reliability is the way liwari works. A reliable company also provides quality and reliable services and is honest and open to both colleagues and customers.

Aiming for Excellence

liwari's driving force is to be a technological pioneer and always aim for the best possible outcome for the customer. It requires innovation, creativity, open-mindedness and a lot of good insights.

Building a Safer Society

Responsibility is visible at the individual level, at the family unit level, as a company and socially. liwari's services help build a safer society.

Leadership and Management

Management and leadership in Iiwari are guided by strategy, commonly agreed goals, vision, values and the direction of the future. Customer management is guided by value promises, financial management is guided by the CFO in cooperation with an accounting firm. The business is managed by a management team: CEO, Sales Director, Chief Operating Officer and Marketing Manager.

ENVIRONMENTAL



OUR APPROACH

In our orders, we strive for environmental friendliness and require our suppliers ISO 9001 and ISO 14001 standards to ensure quality and responsibility. All components of our products are either reusable or fully recyclable.

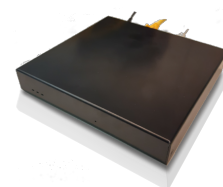
OUR HARDWARE



Master Base Station & Base Station



Tag



Gateway

PROCUREMENT DECISIONS

Iiwari orders most of its mechanics' plastic components from KL Mechanics in Finland. Metal parts and some plastic parts come from Huayi GROUP in China. Molded plastic covers come from Singapore Fabritech. Components are ordered from large component manufacturers such as Digikey and Farnell.

When considering the purchase of components, suppliers have been put out to tender. The environmental aspect has also been taken into account in the tendering process. For example, large plastic parts are ordered from Finland to reduce transport costs and thus be more environmentally friendly.

We require ISO 9001 and ISO 14001 standards from our suppliers. Huayi and KL Mechanics have both these standards. Contract manufacturer Jotel also has an ISO 9001 standard. Iiwari sees ISO 14001 as a good starting point for assessing the environmental friendliness of suppliers.

Future:

In the future, Iiwari hopes that as the company grows into a significant customer for suppliers, it will be possible to demand a better environmental policy from us as well. Furthermore, it may be possible to place increasing emphasis on environmental values in competitive tendering in the future.

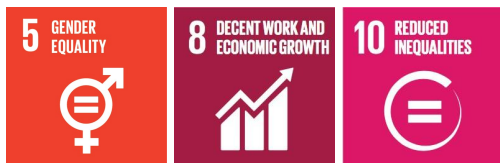
PRODUCT LIABILITY

The recycling of Iiwari's products has been carefully considered. One and the most likely option is that, especially for CloudTags, the customer would return the products to Iiwari. Iiwari could then disassemble the tag and reuse its circuit board. Batteries and plastics would be recycled according to the Finnish Waste Act. Circuit boards are reusable. Batteries and accumulators are recycled goods.

Future:

Approval measurements for Iiwari's products are ongoing and Iiwari will receive CE markings for its products during 2021. Iiwari may try to use more environmentally friendly materials, such as wood composite instead of plastic. Limiting factor in the use of parts is that their price can be many times higher than the current ones.

SOCIAL

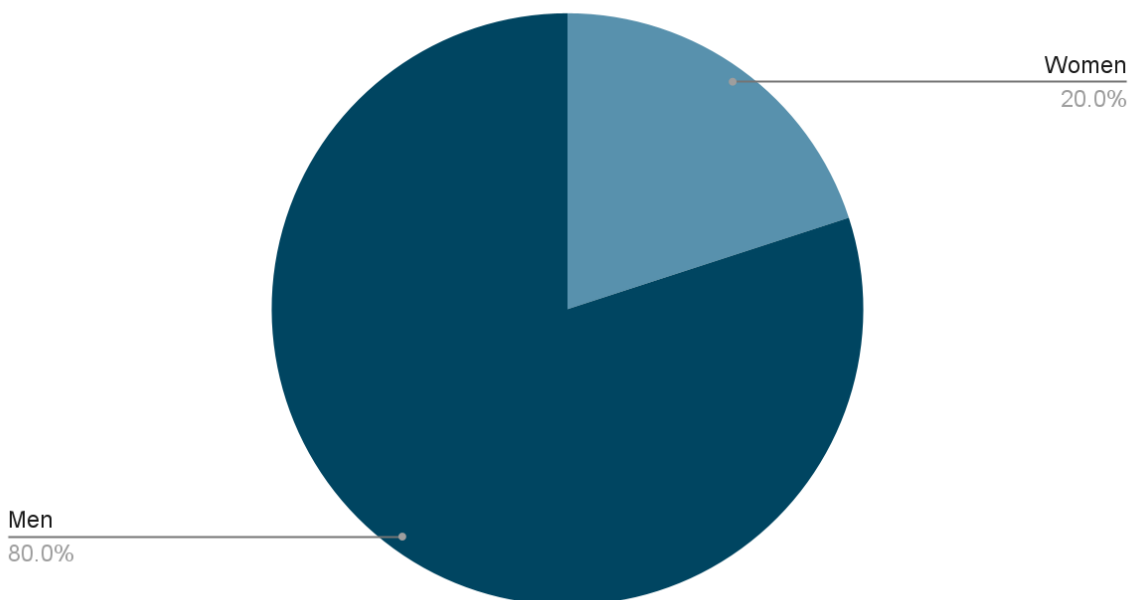


OUR APPROACH

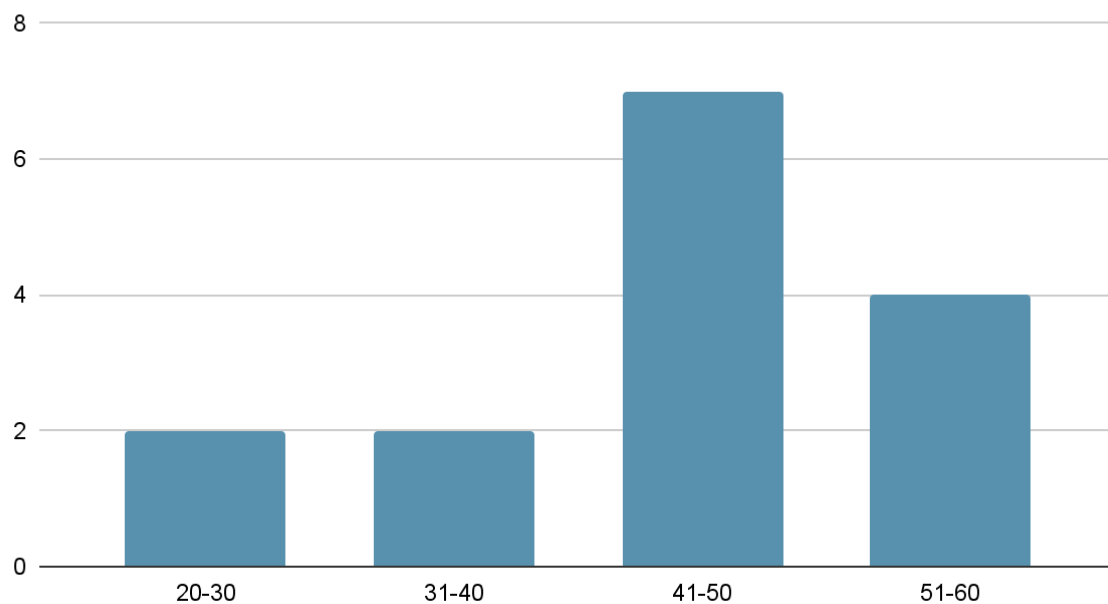
In Iiwari, the well-being at work, safety and working conditions of personnel are important issues. Iiwari's personnel are central to the success of the company. Satisfied and dedicated personnel bring about world-changing technology.

PERSONNEL

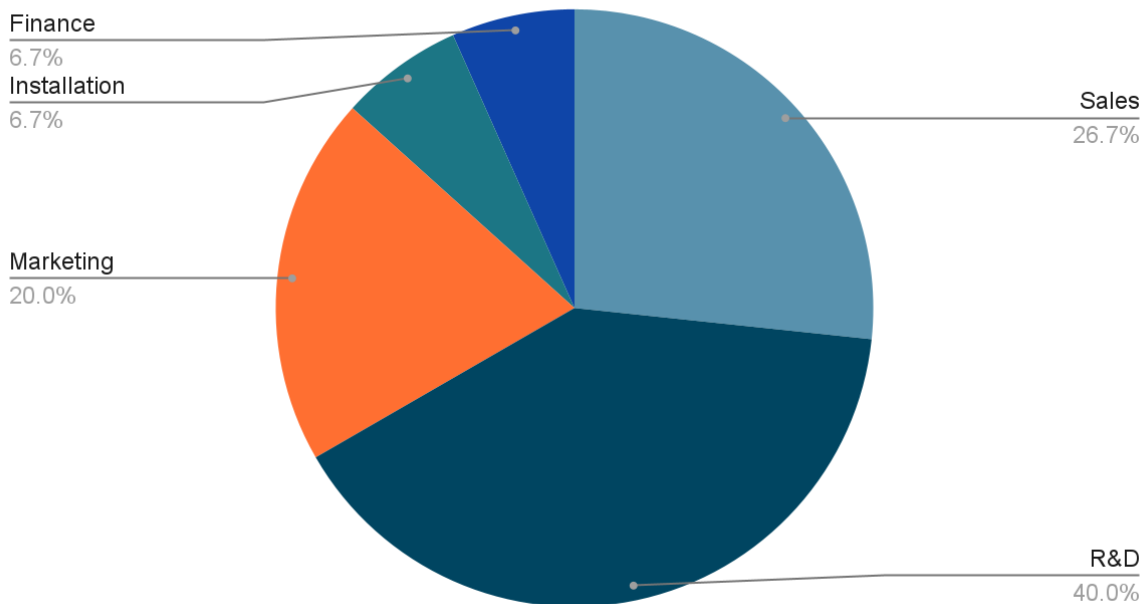
Personnel



Personnel age range



Work areas



DIVERSITY

There are people from different backgrounds in our work community. Women and men, experts from different fields, of different ages and of different nationalities. One of our values is the appreciation of diversity. We respect everyone in our work community in the same way. We value the expertise, experience and insights of our colleagues. Sometimes we disagree, yet we make it a strength. Everyone has an equal chance of influencing.

We want our work community to be diverse - hopefully, in the future when the company grows, it will become even more diverse. We know that with a diverse team, we will achieve better productivity and therefore better profitability.

OCCUPATIONAL WELL-BEING

In Iiwari the well-being of the personnel is taken care of in many different ways. Examples include occupational health care, ergonomics, the Digital Health Program and lunch and sports benefits. Also development discussions with personnel are held regularly. Personnel meets remotely in weekly meetings. In addition, development/recreation days are arranged approximately four times a year in Vuokatti, giving the staff the opportunity to meet each other. Communication always seeks openness and honest discussion.

In Iiwari, the personnel regularly respond to a well-being survey aimed at identifying issues related to staff motivation, work community dynamics and the general working environment. The latest survey was carried out at the end of May 2021. The survey had multiple choice questions as well as a free speech section. The aim of the survey is to find out how things are at the moment and what could be improved in the future.

Occupational health care for personnel is provided by Medika in Vuokatti. However, employees have spread all over Finland, so Medika has an agreement with The Mehiläinen Medical Centre. Iiwari's personnel have the opportunity to manage their occupational health issues at all Mehiläinen offices. The health of Iiwari's personnel is also taken care of through the Digital health program.

Future:

Personnel will be offered the opportunity to use professional guidance as part of a well-being programme at work.

OCCUPATIONAL HEALTH AND SAFETY

A safe working environment is a significant factor in the well-being of our personnel. In Iiwari, the greatest occupational safety risks are related to the work of installation teams during onsite installation. A lot of time has been spent thinking about occupational safety to make all personnel feel safe at work.

During installation, the foreman is responsible for the occupational safety of the personnel. The foreman is also responsible for the occupational safety of subcontractors as their main contractor. In general, however, occupational safety is the responsibility of the employer.

During installation, the installers rise to a height of five metres to the ceiling limit with a lift. The greatest occupational safety risks are related to the fall of the installer or goods from the lift. However, these risks have been taken into account. Installers have a fall prevention package at their disposal. This means that the person carrying out the installation has a fall protection that includes a vest, from which the outgoing cord slows down the fall if it were to happen. In addition, all members of the installation team always have statutory equipment at their disposal, such as a work helmet and goggles. If installation is carried out at a time when customers or personnel are present, the installation site is isolated with booms to protect the health of outsiders.

Personnel have statutory insurance policies. Workplace surveys have been carried out in Iiwari through occupational health. Installers are trained for work tasks in accordance with written and oral instructions. The risk assessment and preventive actions are taken care of in every installation. A clear target has been set for occupational health and safety: To avoid accidents!

Future: In all activities, safety is a priority. We keep our expertise in safety up-to-date. If we find new ways to improve occupational safety, we will do so immediately.

CORPORATE RESPONSIBILITY

Iiwari's physical office is situated in Vuokatti. Therefore, Iiwari has a social impact mainly in the local region of Kainuu in Finland.

Iiwari strives to use local people as hourly workers. However, with internationalisation, partners will also be acquired elsewhere. In addition, Iiwari has a manufacturing contract with a local Elektroval electronics manufacturer. Iiwari has also utilised the expertise of local advertising agencies such as Mainoslähde.

liwari wants to support children and young people. We have therefore financially supported local hockey juniors. Since 2019, liwari has also collaborated with ICT students at Kajaani University of Applied Sciences. Students get real-life data from co-operation and see what working with data is like. For liwari, collaboration is valuable as students study data closely - in the best case scenario, they can make significant discoveries for liwari.

Future:

In the future, cooperation will also expand to the gaming industry in Kajaani University of Applied Sciences.

IIWARI & KAMK



What: Since 2019, liwari has been cooperating with ICT students at Kajaani University of Applied Sciences.

How: Indoor positioning data has been utilized in data engineer studies in first-year studies and second-year studies in machine learning. Students receive data from two positioning systems. With the help of data produced by liwari, students practice visualizing data and understanding data in general, for example.

Future: liwari's positioning system will be installed on the premises of Kajaani University of Applied School. In addition, students will be offered exercise assignments on the liwari side, which it is hoped will also provide liwari with relevant information on the functionality of the technology. liwari also hopes to offer students internships and summer jobs in the future. The cooperation will be extended to the game development competition with students in the gaming industry in autumn 2021.

“Students have received live life data for student projects where information related to the movements of shopping carts and baskets has been excavated from the data. We hope that cooperation will continue--.”

Jaakko Vanhala

Senior lecturer, School of Engineering

GOVERNANCE



OUR APPROACH

The Board of Iiwari has formed into its current one through funding rounds. The Board's greatest strength is its versatile expertise and extensive networks both domestically and internationally. The Board of Directors meets every six weeks and if necessary, more frequently.

BOARD OF DIRECTORS

Iiwari's Board of Directors consists of five ordinary members and an "advisor" who attends the meetings. The Chairman of the Board is a British-American businessman Austen Mulinder. Furthermore, there is Jussi Sainiemi representing investor Voima Ventures and Tomi Saastamoinen representing investor Takoa Invest. Jukka Kämäräinen, a founder and CTO of Iiwari, represents the company's employees on the Board of Directors. The fifth member of the Board is Iiwari's founder and CEO Ville Kolehmainen. As an advisor in meetings there is an angel investor Esa Kinnunen.

Chairman of the Board Austen Mulinder has been on Iiwari's Board of Directors since 2019 and as Chairman since summer 2020. Mulinder has extensive experience in various boards. Even today, he is a member (or strategic advisor) of the Board of Directors of nine different companies, four of which as a chairman. He brings extensive international experience, iron-fisted experience in IT, networks, partner relationships and real business acquaintance to the board of directors.

Jussi Sainiemi is a representative of Voima Ventures in the Board of directors. Sainiemi has a certificate of Approved Board member certificate provided by the chamber of commerce. Sainiemi's strengths in Iiwari's board are strategic thinking

and sparring. Sainiemi is the person whose opinion is always asked about the matter.

Tomi Saastamoinen is a representative of Takoa Invest in the Board of directors. Saastamoinen is a Master of Economics and a board professional who is currently a member of the Board of Directors of eight different companies.

Jukka Kämäräinen is a founder and the CTO. The seed of the entire company is in the technology developed by Jukka together with Janne Väre from their time in VTT.

Ville Kolehmainen also is a founder and Iiwari's CEO. He is a teacher turned serial technology entrepreneur with a coaching approach. He is collecting a team which can make the vision of the company real.

Esa Kinnunen (advisor) has certified board member and certified Chairman of the Board certificates.

Future:

Our goal for the next five years is for our board to be more diverse when it comes to gender, citizenship and age.

DATA SECURITY

We take information security issues seriously and this issue must be at an excellent level. We work all the time to make ourselves even better.

In general, all virtual and physical services and other critical networks, software and hardware are well (or very well) protected at the corporate level (or higher level). However, there is always room for improvement and ways of strengthening things, of course. Information security issues must be "seen", as proposed in the ESG framework, as part of the company's value pledge.

Within Iiwari, security issues are organized by the following means: Google's G-suite service, forced two-factor authentication, shared drive, version control, self-hosted Gitlab, encryption usage, backup processes and – routines, and many other means. Iiwari does not collect, manage, or store customer data. Our positioning data is completely anonymous and is not associated with a specific person, but with mass. This is why DPIA or GDPR in relation to customers and partners does not involve risk.

The data produced by Iiwari is stored in Finland. The process of backups is different, but even there the data remains within Finland's borders. Some servers and services are used in other countries depending on usage, case and needs.

Future:

Although Iiwari's information security issues are always on a good footing, there is always room for improvement. Security issues affect all parties involved in the business. Information security requires constant vigilance and awareness to enable the best and continuous implicit/trust. Data security is everyone's business. Everyone can make a difference and contribute to improving the overall situation. For this reason, clear information security managers will be appointed to the company and a code of conduct related to information security will be compiled for all employees.

HUMAN RESOURCES MANAGEMENT AND LABOR LAW

A good working community is partly safeguarded by functional human resources management. In Iiwari, human resources management matters have not been centralised, at least for the time being, for an individual, but these matters are handled jointly by the CEO, the COO and the CFO.

Contracts of employment are based on legislation. For example, matters related to fixed-term employment, payment of wages, non-discrimination, dismissal and holiday periods are defined in employment contracts and shareholders' agreements. Employment contracts also include a confidentiality requirement. In Iiwari, there is total working time and, in the case of overtime, the practice of not paying for them unless otherwise agreed.

Future:

As the company grows, human resources management is targeted at one person.

IIWARI'S ANTI-CORRUPTION POLICY

Iiwari's Anti-Corruption policy ensures that Iiwari's employees and business partners comply with all anti-corruption laws and regulations in their activities and contribute to anti-corruption activities through their own actions.

FINANCIAL AND LEGAL CARE

The company's legal affairs are handled on a case-by-case basis by an external lawyer from the law firm Lukander Ruohola HTO Oy. The audit firm KPMG and the accounting firm FactaCount ensure that the financial statements give a true and correct picture of the performance and financial position of the operations.

REPORTING PRINCIPLES AND GRI CONTENT

This report provides basic information about Iiwari Tracking Solutions' environmental, human, and social activities. The report has been built on using the basic scope of GRI standards. Content of the report in relation to GRI standards are presented below.

The key themes of the report are environmental responsibility, taking care of personnel, societal impact and ethical & responsible business.

GRI standards	Content of the standard	Response	Pages
102		Greetings from the CEO	3
102		Iiwari's Introduction	5
102		Our Values	5
103	Leadership	Leadership and Management; Board of Directors	5; 13
204	Procurement Practises	Procurement Decisions	6
205	Anti-Corruption	Anti-Corruption Policy	15
301	Materials	Product Liability	7
306	Waste	Product Liability	7
308	Supplier Environmental Assessment	Procurement Decisions	6
401	Employment	Personnel	8
402	Labor Management Relations	Human Resources Management and Labor Law	15
403	Occupational health and safety	Work Well-being; Occupational Health and Safety	10; 11

405	Diversity and Equal Opportunity	Diversity; Board of Directors	10; 13
410	Security Practises	Occupational Health and Safety	11
418	Customer Privacy	Data Security	14