

# Sustainability

**A sustainable business**  
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# A sustainable business

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As highlighted in the New Heights programme, sustainability will be one of Alimak Group's fundamental enablers and cross through all strategic initiatives and thereby be a vital part of the DNA – both for the Group, and fully integrated into each division's strategy.

In a world that is growing and becoming ever more global, megacities are created – driven by population growth and urbanisation. These growing communities need infrastructure, housing and renewable energy. Alimak Group's access solutions enable the development of this in an efficient way, but most importantly through higher safety via vertical access automation at the customer's facilities. Sustainable operations as well as a focus on relationships are necessary to achieve this. The Group's major focus on the service business is a vital part in creating a more sustainable society as the offering of upgrades and refurbishment extends the solutions' lifetime.

The Group is also exposed to risks in the sustainability area, for example, risks concerning environmental issues, climate change, health & safety, respect for human rights, bribery and corruption. These risks are described in the Risks and risk management chapter of this document.

## STAKEHOLDERS

The main focus for 2020 was a full retake of the stakeholder dialogue and materiality analysis. Alimak Group aims for close dialogue and collaboration with its various stakeholders. The dialogue is based on honesty, transparency and facts. It forms the basis for the Group's sustainability work and what is prioritised in order to increase value creation, reduce environmental impact and contribute to improved social development. Stakeholders include customers, employees, investors, suppliers and distributors and society as a whole.

## Material aspects analysis



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The retake of the stakeholder dialogue started with a desktop analysis to identify all relevant aspects throughout the Group's value chain. Based on the value chain, impacts from an environmental, economic and social perspective were identified. The second step included evaluation and ranking of the identified aspects by both internal and external stakeholders through surveys and in-depth interviews to prioritise the importance of the aspects before being confirmed by Alimak Group's leadership team.

The materiality analysis defined several aspects that form the basis for the Group's new sustainability strategy and framework. The outcome of the materiality analysis is also used as input for the Group's strategy work within the divisions.

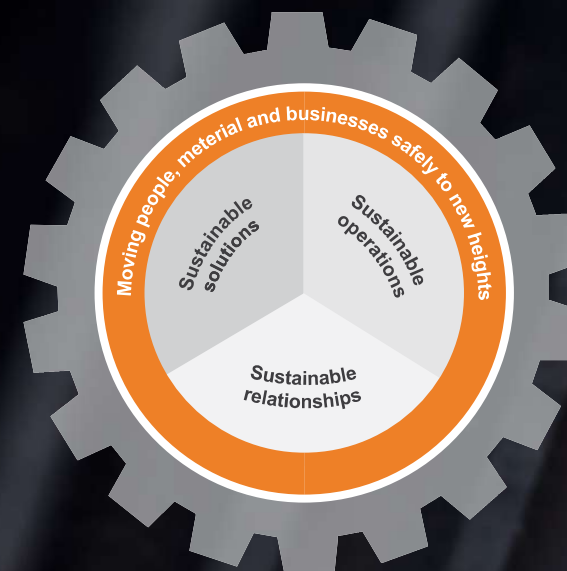
## ABOUT THIS REPORT

This and the following pages make up the Group's statutory Sustainability report in accordance with the Swedish Annual Accounts Act (ÅRL).

Alimak Group is a signatory to the UN Global Compact, an initiative aiming to make human rights, fair labour standards, environmental responsibility and anti-corruption core parts of the participating companies' operations. These pages also constitute Alimak Group's Communication on Progress.

## UPDATED FRAMEWORK

Based on the outcome of the stakeholder dialogue and materiality analysis, Alimak Group has updated its framework for sustainability focus areas and how it ties in with the whole business to reach the vision of "Moving people, material and businesses safely to new heights". The three new focus areas include Sustainable solutions, Sustainable operations and Sustainable relationships, presented here, and will form the basis for the selection of new KPIs and targets during 2021.





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Through its products and services, Alimak Group helps customers increase safety and reduce their climate impact. The solutions create access to renewable energy parks, improved logistics at construction sites and better working conditions within the industries building the infrastructure of the future.

Urbanisation, growth of new megacities and the global need for larger wind parks require new, innovative and safe solutions for access and work at high heights. The Group's long experience of supplying quality products backed up by extensive after-market support enables the building, operation and maintenance of future sustainable cities, communities and industrial applications in a safe and more sustainable way, meeting the demands of these global trends.

## PROMOTING END-USER SAFETY

Alimak Group contributes to a safer working environment for those working in the construction and industrial sectors, by offering not only quality-tested access solutions but also continuous services providing operational assistance and advice on proper use of the equipment. Alimak Group is committed to improving the safety, efficiency, ease-of-use and service life of its products via structured quality control systems and processes deployed in engineering and manufacturing. One example is case studies from interesting and challenging installations that are produced and distributed among existing and potential customers. These demonstrate best-in-class solutions and facilitate contact between customers to disseminate knowledge of improved and safe solutions.

As a further example, operational feedback, obtained through the service activities, is taken into account in both the development of new solutions and in upgrading or



A CoxGomyl BMU at work at the ICC Tower in Hong Kong.

improving existing installations. The Group also offers refurbishment and upgrades for older equipment. In many developing countries, where simpler, manual and less safe equipment often has been used to move people and goods vertically, the Group's products and solutions can make a major change for the better.

Alimak Group follows up every industry-related incident, regardless of manufacturer or cause, to ensure that experience and lessons learned are incorporated into the operational procedures and new solutions. Local regulations often require regular inspections by certified staff, something Alimak Group offers as part of its service offering. Alimak Group also actively contributes to higher standards by participating in several industry associations to set standards for safer equipment and their usage. Product safety measures include design risk assessment, DFMEA (Design Failure Mode & Effect Analysis), compliance with different product standards and regulations, external certifications by third parties, product documentation for final users and product training for users, installers and service personnel.

## PRODUCT QUALITY AND LONG LIFETIMES

Alimak Group's solutions are often used in environments subject to great stress caused by heat, cold, vibration and particles, such as sand, dust or salt. Despite all this, the equipment must perform safely – day after day, year after year. Alimak Group's quality products are designed for





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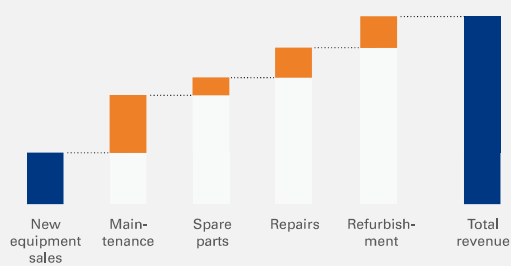
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### Lifecycle of the industrial elevator

New equipment sales can generate potential after-market revenue of up to three times the value of the original selling price. Graph for illustration purposes only, based in an industrial elevator.



long service, which reduces their environmental impact and promotes the customers' productivity, helping them consume less resources over time. The Group's strong service delivery operations, including service, repairs, spare parts and refurbishments, help guarantee and extend the expected lifetime of the original equipment. Going forward, the concept of circularity will form a crucial part of the Group's strategy.

### ENERGY AND RESOURCE EFFICIENCY

In its Environmental Policy, Alimak Group considers environmental protection to be a priority in terms of reducing the impact caused by business activity throughout the product lifecycle. A lifecycle assessment of construction hoists shows that the vast majority of Alimak Group's CO<sub>2</sub>

impact stems from the solution's operation at customer sites. The Group addresses this through constant product innovation including research into product optimisation from a weight perspective. Reduced product weight means reductions in the customer's operational costs as well as their environmental impact. Continuous R&D efforts are put into more energy-efficient solutions as well as the use of new materials. The Group participates in several research and collaboration contexts that look at how new materials, e.g. composites, can make a difference in the future. Two examples of this are the triple helix concepts Smart Build as well as Lighter. The latter is an innovation platform driven by key players in the automotive and aeronautics sector to develop lightweight material structures with high performance.

Alimak Group also offers construction customers a selection of solutions for rent or second hand purchase as an alternative to investing in new products, thus further extending a solution's lifetime and reducing the need for using new resources.

### DIGITALISATION AND PRODUCT ADAPTATIONS

Some product groups are built around modular systems, which means that the equipment can be adapted to customer-specific needs, yet still be based on relatively standardised and known components. This provides the opportunity to deliver solutions based on more efficient manufacturing and controlled handling of components with reduced environmental impact. Product development takes place at the production units, where sustainability is a key development area in the design of new products, for example in the selection of materials or design aimed

at ensuring longevity through maintenance and after-market support via parts that can be exchanged or upgraded. Final assembly and testing of solutions are to a large degree performed in-house, but are subjected to strict processes for site testing that are also in place to ensure safety and quality regardless of location and installation.

Since the 2019 acquisition of Dataline i Borås AB, a long-time supplier of control systems, the Group has increased its investments into taking the next step in the digitalisation of the Group's products and solutions. Dataline creates electronics that enable Alimak Group's products to be run in an optimal and safe way. The electronics also enable the collection of important data on usage and the status of the machines. As an example, all BMUs sold from early 2021 and onwards have remote monitoring capabilities built in. This provides a safer work environment for the employees of the Group's customers and builds a strong base for future after-market business when looking at the full ecosystem in which the Group's solutions are used. The COVID-19 pandemic also seems to have resulted in an accelerated acceptance by customers for remote support when possible.



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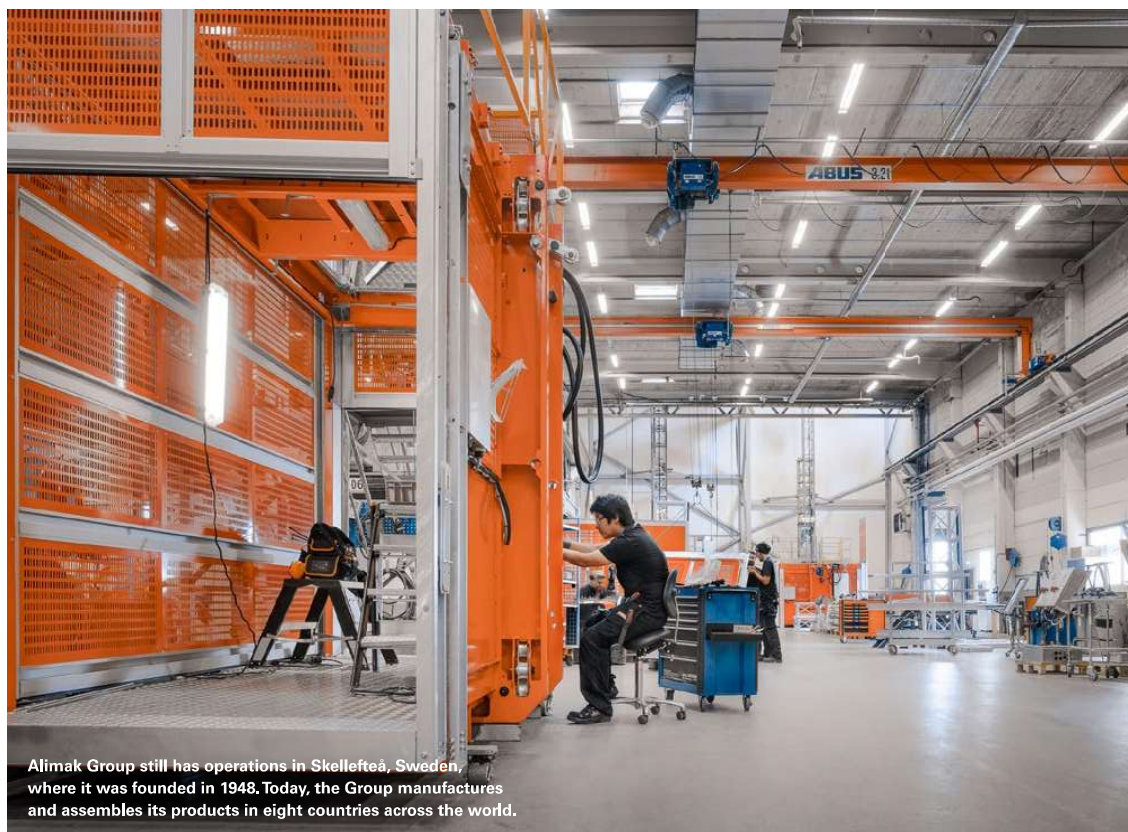
Having sustainable operations is a core part of delivering world-leading access solutions. Alimak Group reduces the climate impact of its own operations and promotes a safe workplace.



Alimak Group's business covers the whole value chain. Research and development is integrated with marketing, sales and production, maximising customer benefit. The Group manufactures and assembles its products in eight countries across the world and distributes them to more than 100 countries through its own sales and service network and distributors.

Alimak Group is committed to the environment in which it carries out its activities and aims to minimise the negative impact they cause. The manufacturing processes includes elements such as welding, cutting, machining and treatments such as galvanising and painting of key components like masts, cradles, frames, elevator cages, platform structures and drives. A number of these activities result in waste such as excess materials and involve the use of pollutants and different chemicals. Alimak Group is working actively to reduce its environmental footprint.

In 2020, Alimak Group joined a research programme in the area of resource efficiency, REES – Resource Efficient and Effective Solutions, funded by the Research foundation MISTRA. The four-year programme is led by Linköping University with the involvement of several other leading universities in the area of sustainability. The aim of the programme is to create and advance solutions, methods and knowledge about resource efficiency and circular economy – combining theory and practical examples from the industry. In total thirteen companies are participating in the programme including for example ABB, Epiroc, Volvo and Stena.



Alimak Group still has operations in Skellefteå, Sweden, where it was founded in 1948. Today, the Group manufactures and assembles its products in eight countries across the world.



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## HEALTH AND SAFETY

Safety is a system aspect which impacts all of Alimak Group's processes – from sales and design to the interaction with end users. The Group is committed to strengthening the health and safety culture at work and making sure that employees acquire habits that ensure safe behaviour at work. The main objective is to promote safety as an attitude. Every legal entity has a designated person in charge of health and safety and coordination of activities is carried out with suppliers, customers and contractors to prevent risks and accidents.

Alimak Group requires that employees must have the necessary training to respond satisfactorily to current and future challenges so these needs are identified annually, in order to be able to plan the formative action and ensure maximum effectiveness for each course or training programme.

Training plans are defined in the annual performance appraisals of employees: these aim to

- ensure acquisition of the necessary skills in the workplace,
- or increase effectiveness as part of the Group's philosophy of continuous improvement,
- or keep the knowledge and skills required in the sector updated.

Further measures that are in place include a prevention management system based on ISO 45001 in all relevant units as well as generally introduced internal audits, Safety Walks and Safety Observations to detect opportunities for improvement. All the measures that have been implemented have resulted in a steady decline in the accident rates of the organisation but the work to drive these



The three new focus areas; Sustainable solutions, Sustainable operations and Sustainable relationships, will form the basis for the selection of new KPIs and targets during 2021.

## Sustainability data

	2020	2019	2018 <sup>1</sup>
Energy Consumption (not district heating), MWh/Revenue in MSEK <sup>1</sup>	2,60	2,88	3,10
CO <sub>2</sub> emissions, tonnes/Revenue in MSEK <sup>1</sup>	1,24	1,61	2,06
Water Consumption (estimated), m <sup>3</sup> /Revenue in MSEK <sup>1</sup>	3,86	3,59	4,32
Office paper consumed, kg/Revenue in MSEK	2,88	3,36	2,53
Number of accidents recorded with lost time (LTI & FTI), all sites	24	44	49
Total Recordable Injury Frequency Rate (TRIFR), all sites	5,02	16,34	18,33

<sup>1)</sup> Production and assembly facilities



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numbers down never stops. In 2020, 24 (44) occupational incidents resulting in lost time occurred. During the year, several actions have been implemented to increase the safety awareness of employees such as additional safety audits of critical sites, newly introduced safety campaigns and training in preventive tools like Safety Observations.

The Group's work environment focus is on preventive measures and rapid rehabilitation, in order to avoid long periods of sick leave. Each and every reported incident is followed up and actions are taken to eliminate the root cause of the incident.

#### ENVIRONMENTAL IMPACT

Alimak Group is actively working on reducing the environmental impact of its production and assembly, mainly through ensuring efficient and responsible use of raw materials, energy, water and chemicals, as well as minimising emissions and waste coming from production. The Group's production and assembly plants are certified under the ISO14001 standard, to ensure proper environmental management in all areas of the organisation as well as with stakeholders. In the production and assembly facilities, daily work to lower impact via the implementation of energy-saving technologies continues, and when investments in production equipment are made. Power savings and reduced use of consumables are always part of the evaluation and LEAN projects are implemented to improve and optimise the processes. Authorised waste managers are used for hazardous and non-hazardous waste.

In 2020, the Group's CO<sub>2</sub> emissions dropped by 37 per cent compared to 2019. While a large part of this comes from reduced activity following the COVID-19 pandemic, revenue only dropped 18 per cent and additional emission

saving initiatives have been ongoing. Examples of these include some of the factories moving to renewable energy, actions to avoid unnecessary airfreights for delivery of products and increased efficiency in the manufacturing process.

#### RESPONSIBLE PROCUREMENT

Proximity to the customer, punctual deliveries and high-quality services are important elements of Alimak-Group's offering and are essential in creating long-term customer relationships. Having suppliers that can support this vision is vital and relevant KPIs addressing delivery accuracy, completeness and other supplier performance metrics are monitored. Alimak Group aims to be a reliable business partner, strives for long-term business relationships, and uses commercial framework agreements with key suppliers for all critical components.

The largest purchasing category is steel and steel related materials, representing 38 per cent of total purchasing volume in 2020. The majority, 67 per cent, of purchases are made from Europe.

#### GREEN TRANSPORTATION

For transport and travel, the aim is to minimise both direct and indirect emissions of greenhouse gases. Alimak Group chooses "green" transport, strives for sea transport over air and uses combined transports whenever possible. The shipping method is often determined by the customer's request, but to the greatest extent possible, equipment is shipped from the factories by the most ecofriendly way of transportation and local resources are used for installation and service. For spare parts, local or regional stock centres ensure fast service as well as minimised environmental impact.

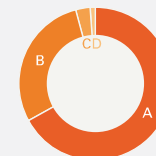
#### Purchasing, by geographical region %

A) Europe, 67

B) APAC, 29

C) Americas, 3

D) ROW, 1



#### Purchasing categories %

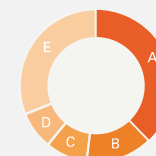
A) Steel and steel related, 38

B) Electronics, 14

C) Drive units, 9

D) Cables and other components, 8

E) Other, 31





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Alimak Group has customers in more than 100 countries, served by approximately 2,000 employees. The Group conducts its business in a responsible manner, promoting an inclusive and engaging workplace, and expects business partners to do the same.

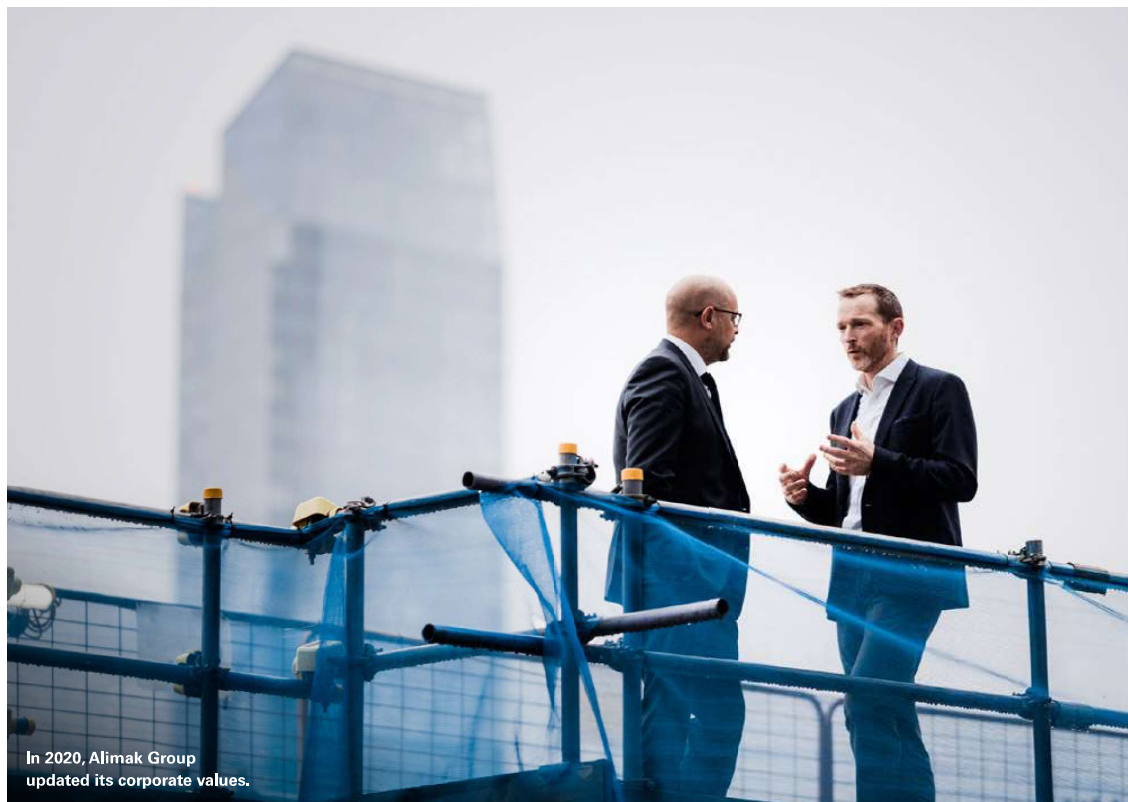


Alimak Group's employees are vital to the success of the Group. The goal is to be an attractive employer and the ambition is to attract, develop and retain qualified and motivated employees in a professional and attractive work environment. An environment where all activities should be conducted with respect for human rights, health and safety in line with the Code of Conduct. Alimak Group strictly complies with the legal labour framework of all the countries where it operates and implements labour practices that allow sustainable economic growth.

At the end of 2020, 55 per cent of the Group's approximately 2,000 employees were based in Europe, some 35 per cent in the Asia and Pacific region and a further 10 per cent in North, Central and South America. The Group also has more than 120 distributors across the world and approximately 900 suppliers. The Group is active across the world, with the level of gender equality and diversity varying between countries.

## CORPORATE VALUES

Alimak Group's corporate values were updated during 2020 to reflect the new organisation following the launch of the New Heights programme, to support and strengthen the new organisational structure. These new values include Take ownership, Move Fast, Challenge the limits and Be Inclusive. The values are the core guiding principles for employees in day-to-day decision making and behaviour and will be emphasised during 2021.



In 2020, Alimak Group updated its corporate values.



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## MAKING PEOPLE & CULTURE A STRATEGIC AREA

As part of the New Heights programme, Alimak Group launched the intention to add a Chief People & Culture Officer to the Group Leadership Team to secure excellence in employee development and ensure a high-performance company culture that lives up to the core values. The position will be filled by Annika Haaker in 2021. This addition came as a result of the new customer-centric organisation where roles were redefined with clear responsibilities, accountability and a mandate to act to give employees a better chance of blossoming within the Group.

## EMPHASIS ON EQUAL OPPORTUNITY

Alimak Group is, within each entity, working to ensure equal employment opportunities for all qualified individuals, without distinction or discrimination due to race, religion, colour, sex, national origin, disability, age or any other status protected under applicable laws.

The proportion of women in the Group at the end of the year was 15 per cent. The proportion of women in the global Leadership Team was 20 per cent. The proportion in the Board of Directors was 33 per cent, or 43 per cent for Directors elected by the Annual General Meeting. The proportion of women in both the Board and Leadership Team has increased since 2019. Alimak Group's Employee and Recruitment Policy emphasises equal opportunity and diversity. It is also an important part of one of the new corporate values "Be inclusive." As stated in the Code of Conduct, Alimak Group will not accept any form of discrimination, harassment, retaliation, violence, abusive language or bullying behaviour.

## EMPLOYEE SATISFACTION

Vital elements for the retention and development of existing personnel are a good work environment, room for personal development and strong leadership. The Group's second company-wide employee survey was conducted during autumn 2020. The survey was distributed to over 2,200 employees, across more than 20 countries and in 7 languages. All employees had the opportunity to participate and the total response rate was over 70 per cent. The 2020 survey showed that more than 70 per cent of all employees are satisfied or very satisfied with their jobs and the working climate; this is an improvement of about 3 percentage points compared to 2019.

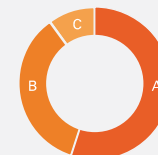
At a Group level, 2020 showed improvements across all areas of the survey, specifically in positive responses relating to Equality and Fair treatment, interaction and leadership with Direct Managers and an improved understanding of the Organisation, Roles and the Strategy. The key areas for improvement relate to development in terms of job related training, education and professional growth, and finding ways to improve communication at both the Group and local levels, including opportunities for collaboration across departments and divisions.

## COMPLIANCE IS KEY

Alimak Group's Code of Conduct is based on the UN Global Compact's principles as well as on international and national legislation, international norms and conventions including the OECD Guidelines for Multinational Enterprises. At the end of 2020, 96 per cent of the Group's employees had completed the Code of Conduct training, which is available in the main languages spoken by the

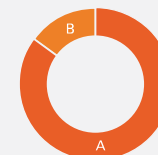
### Employees by region %

A) Europe, 55  
B) APAC, 35  
C) Americas, 10  
D) ROW, 0



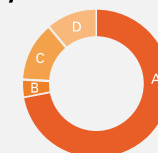
### Employees by gender %

A) Men, 85  
B) Women, 15



### Employees by work category %

A) Production and services, 72  
B) R&D, 4  
C) Sales, 13  
D) Administration, 11





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### *The safety of employees was the Group's top priority following the outbreak of COVID-19.*

Group's employees. The decrease of two percentage points compared to 2019 stems primarily from a small acquisition finalised in September 2020 where the employees are scheduled to do the training as soon as possible. Alimak Group requires that all suppliers, distributors and third party sales channels comply with the Code of Conduct and other Group policies and requirements. The Code of Conduct is included in all new and renewed agreements with third-party sales channels and many larger distributors have their own defined policies that meet or sometimes exceed the requirements defined by Alimak Group.

For suppliers, the Code of Conduct is included as standard in all purchase orders placed. Alimak Group buys from more than 900 main suppliers. The number of suppliers and the varying business cultures between countries is a challenge when it comes to assuring quality, reliability and compliance. Some of the supplier countries are generally known to have issues related to corruption, human rights violations or environmental problems and where this is the case the Group uses more stringent evaluation and control procedures to ensure compliance.

Further information on Alimak Group's Corporate Governance work and policies is available on pages 54–65 in this document.

#### **SAFETY FIRST DURING COVID-19**

The safety of employees was Alimak Group's top priority following the outbreak of COVID-19. Measures for each site and office were adapted to local regulations and recommendations with the result that several of the manufacturing and assembly facilities were closed for parts of the first and second quarter. The Group also utilised governmental support, where possible, favouring furloughing over layoffs.

Following the Group's digitalisation push over the past few years, the digital infrastructure was already in place to quickly move employees into working remotely through the help of collaboration tools, file sharing and external VPN solutions.

Further, Alimak Group utilised the sharing of experiences, learnings and resources between countries to adapt in the best possible way. The sites in China helped factories in Spain source PPE when this was hard to come by in Europe. Creative solutions were also applied to support local communities, especially the critical healthcare sector. One such example is the Avanti unit in Spain, where employees in the warehouse made PPE helmets with face protection that were sent to a local hospital in Zaragoza after learning they were running short of PPE equipment. After contacting several suppliers without success, the team came up with the unusual, but highly appreciated, application of spare helmets that were held in storage and

a plastic sheet that is usually used for laminated guides. Before assembly started, the team checked with the doctors if it would be comfortable enough and were told that any help at all would be interesting. The Group's response to the pandemic was also included as a topic in the 2020 employee survey, with an aggregated score of 5.73 out of 7 when combining the answers to the seven related questions – including how well the Group managed to take appropriate actions, provide support and direction as well as find meaningful ways to stay in touch on both the global and local levels.



# Managing sustainability

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Sustainability, and the key factor of safety, is high on the agenda for Alimak Group. The management structure for the area runs through the whole organisation – from individual countries up to the Board of Directors.

With a global footprint comes global responsibility, and Alimak Group complies with laws and regulations in all territories where business is conducted.

Sustainability is a part of the day-to-day work of operations, with health and safety being constantly monitored and reported upon by the units to the Leadership Team. Rules for operational escalation and interaction related to any incidents that occur have been defined.

Responsibility for the sustainability function resides inside the Group with the CTO where the development of management and reporting systems, KPIs and also monitoring and auditing are handled and acted upon.

Health and safety related KPIs such as TRIFR, safety observations and LTIs are reported on a monthly basis while other sustainability KPIs are reported upon at least quarterly by all Group units. Trends and developments in the area of sustainability are also monitored by the Audit Committee on behalf of the Board.

Alimak Group's Code of Conduct is the main instrument of control for the sustainability area. The Code is based on the UN Global Compact's principles for human rights, work conditions, the environment, business ethics and anticorruption as well as on the Group's core values, international and national legislation, international norms and conventions including the OECD Guidelines for Multinational Enterprises. Alimak Group has a formalised pro-

cedure for implementation of the Code for employees, suppliers and distributors based on Group Policies for relevant areas such as HR and Quality, where the more detailed requirements are defined. The Group provides a Code of Conduct e-learning and it is the local Country Managers' responsibility to make sure that all employees within the country receive proper and regular training in the Alimak Group Code of Conduct. This is followed up on a quarterly basis.

## WHISTLEBLOWER SYSTEM

Alimak Group's whistleblower system enables customers, suppliers and employees to anonymously sound the alarm on any deviations from Alimak Group's Code of Conduct and business ethics guidelines. The whistleblower form and function is described in more detail on the Group's website and is processed externally for increased confidentiality and security.

Regardless of the reporting channel, all reports of potential violations of the guidelines that are made in good faith are investigated swiftly, fairly and comprehensively, with the appropriate internal and/or external assistance.

The compliance officer of the Group is in charge of ensuring that these issues are handled correctly. Reports are made at Board Meetings and also to the Audit Committee.

## Topics covered by the Code of Conduct

- Legal requirements
- Freedom of association and collective agreements
- Prohibition of discrimination
- Salaries and compensation
- Working hours
- Health and safety in the workplace
- Housing conditions
- Prohibition of child labour
- Terms of employment
- Prohibition of forced labour and disciplinary measures
- Environmental protection and environmental work
- Business ethics



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The Board of Directors and the President & CEO hereby declare the Sustainability Report for the 2020 financial year. The Sustainability Report describes Alimak Group's sustainability efforts and has been prepared in accordance with the Swedish Annual Accounts Act's (ÅRL) demands on sustainability reporting, chapter 6, § 11.

Stockholm, March 17, 2021

**Johan Hjertonsson**  
Chairman of the Board

**Petra Einarsson**  
Board member

**Christina Hallin**  
Board member

**Tomas Carlsson**  
Board member

**Helena Nordman-Knutson**  
Board member

**Sven Törnkvist**  
Board member

**Örjan Fredriksson**  
Board member & Employee representative

**Greger Larsson**  
Board member & Employee representative

**Ole Kristian Jødahl**  
President & CEO, Board member



## Auditor's report on the statutory sustainability statement

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THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

To the general meeting of the shareholders of Alimak Group AB (publ),  
corporate identity number 556714—1857

### ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2020 on pages 27-38 and that it has been prepared in accordance with the Annual Accounts Act.

### THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12. The auditor's opinion regarding the statutory sustainability statement.

This means that our examination of the sustainability statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

### OPINIONS

A statutory sustainability statement has been prepared.

Stockholm, March 17, 2021  
Ernst & Young AB

**Henrik Jonzén**  
Authorized Public Accountant