

# Sustainability report

As an international company with 2,400 employees, production in eight countries and sales in more than 100 countries, Alimak Group affects society in many ways. With Alimak Group's leading position in the industry follows a great responsibility to contribute to a more sustainable development of the construction and industrial sectors worldwide.

Alimak Group's long experience, in 2018, the Group celebrates its 70-year anniversary, of supplying quality products backed up by extensive after sales support, enables the company to provide exactly what the clients demand; i.e. safety, quality and reliability.

In 2017, the company finalised two major acquisitions. The integration of these has a strong base in the fact that the acquired companies share the same values as Alimak Group.

Part of the integration process consists of examining and evaluating how the acquired companies conduct their business today. By using the concept Best of Four, best practices are identified and implemented to the benefit of the whole organisation. The energy created by the present momentum in the organisation, provides the company with a unique opportunity to implement new methods, goals and practices aimed at resulting in even safer and more efficient solutions to the challenges of tomorrow.

## **SAFER AND MORE EFFICIENT SITES**

Alimak Group's definition of sustainability is above all based on contributing to creating safe, reliable and efficient sites for customers. Hundreds of thousands of construction and industrial workers come in contact with Alimak Group's products every year and every time this happens, they should be able trust that safety has been prioritised during production and installation.

Industrial processes and construction projects in all markets, not least in the developing countries, are becoming increasingly complex and customers demand more extensive safety arrangements and increased efficiency combined with a high degree of cost control. In addition to this, stricter regulations concerning health and safety are now applied globally.

## **Safety**

Alimak Group contributes to a safer and more reliable work environment for all those employed by the companies' customers within the construction and industrial sector by supplying quality tested vertical transport solutions. In many developing countries, where simpler and less safe equipment often has been used to move people and goods vertically, the company's products and solutions make a major change for the better.

Local regulations often require regular inspections by certified staff, something which Alimak Group offers as part of its After Sales services.

## **Efficiency**

Hoists and platforms play an important part of construction and industrial projects in the strive to follow tight schedules. Alimak Group's products are known for their high quality and reliability. Their design and technical solutions also contribute to fewer transportation hold-ups and thus better efficiency.

Through smart solutions, the company's hoists and platforms enable property developers to work in smaller spaces, or to lift entire room modules in a construction project. This promotes efficiency in the entire construction process and optimises land use. For industrial customers, service lifts provide access to vital systems and components. BMU units placed on, or in, high-rise buildings and constructions provide safe and efficient access for facade maintenance. Information and training, safety controls, energy efficiency, service and maintenance, as well recycling, are also offered as part of the business model.

## **Life cycle**

Alimak Group's solutions are often subject to great stress caused by heat, cold, vibrations and particles,

**The acquisition of Avanti Wind Systems diversified Alimak Group's product portfolio into renewable energy.**



such as sand, dust or dirt and heavy lifts. Despite all this, the equipment must perform – day after day, year after year. Alimak Group's products are of high quality and last for a long time, something that promotes the productivity of the customers while reducing their environmental impact as they use fewer resources. The After Sales operations, including service, repairs, spare parts and renovation, contribute to ensuring, or even extending, the expected life cycle of the equipment.

### **ALIMAK GROUP'S IMPACT ON HEALTH AND THE ENVIRONMENT**

In many countries, the Alimak name is synonym with construction hoists. The fact that the brand has lent its name to a whole products category is, of course, something to be proud of – but it also brings certain obligations.

#### **The environment and quality**

Alimak Group's biggest impact on the environment derives from production and assembly. The Group works actively in order to reduce the environmental footprint of the company, with focus on supply and production.

All of the twelve production facilities within Alimak Group are quality certified according to ISO 9001. Work is currently under way to expand the certification to ISO 9001:2015 during 2018 and 2019.

During the year, a project was conducted aimed at defining the new and extended Group's most relevant non-financial key indicators. Measuring of these has been initiated and goals will be set in 2018.

Examples of identified key indicators include:

- CO<sub>2</sub> emissions;
- number of employees, suppliers and distributors

that have agreed to the Code of Conduct of the Group;

- energy and water consumption of the production facilities;
- waste generation as well as disposal and recycling of this.

#### **Work environment**

Alimak Group's impact on society is also about offering a good work environment for its 2,400 employees at the factories, on sites, in the field and at the offices. In 2017, the acquired companies contributed with ten new production plants in a further six countries.

Work condition regulations differ greatly between different countries, which also means great variations between experience in measuring and controlling work conditions around the globe consistently. Alimak Group is currently educating and training its employees in order to fulfil the demands that the company has set.

Alimak Group's systematic work to improve the work environment is mainly focused on prevention and fast rehabilitation in order to avoid long sick leaves and permanent ill health.

Every legal entity has a designated person in charge of health and safety. Tasks include ensuring that there are routines and tools to collect and address as many safety observations as possible. A regular recording of these types of observations was commenced at the end of the year and they are expected to result in a reduced number of incidents over time.

Many of Alimak Group's employees perform tasks on site at the customer's premises, in work environments that Alimak Group cannot control. Some customers might have a lower level of security consciousness than the standards adhered to by Alimak Group. The



**All employees always carry relevant safety equipment and they are also safety trained for the tasks that they perform, including work at height, first aid, evacuation and fire protection.**

company meets these challenges through training, demands, visualising the risks as well as dealing with these risks.

All employees always carry relevant safety equipment and they are also safety trained for the tasks that they perform, including work at height, first aid, evacuation and fire protection. Great efforts are made on project coordination with the customer and risk analysis together with co-workers and the customer.

### **Transports**

Alimak Group manufactures and assembles its products in eight countries and distributes these to more than 100 countries. Mostly, there are local, or regional, spare part centers in order for the company to be able to offer fast service as well as minimising environmental impact through avoiding unnecessary transports. Alimak Group always prefers “green” and environmental friendly transports whenever this is possible.

### **CODE OF CONDUCT**

Alimak Group’s business and operations are governed by the Code of Conduct, which is based on UN Global Compact’s principles for human rights, work conditions, the environment, business ethics and anti corruption. The Code applies to all employees, members of the Board of Directors, distributors and suppliers. It has played a central role in the work during 2017 to ensure that the whole group, including external partners, shares the same values. During the year, Alimak Group has rolled out a global training campaign regarding the Code aimed at the whole group, including the acquired companies. The entire Code, as well as the training campaign, is available at the Group’s intranet in English as well as a number of other languages.

### **COOPERATION WITH STAKEHOLDERS**

Alimak Group strives for close dialogue and cooperation with its different stakeholders. The dialogue with these should be honest, transparent and based on facts. It forms the basis of the company’s sustainability work and what is prioritised in order to increase value creation, reduce environmental impact and contribute to improved social development in all different parts of the supply chain.

#### **Customers**

Alimak Group strives to offer safe products of high quality together with services that create value for the customer. Alimak Group should always act in an ethical way in business contexts and follow the company’s guidelines for conducting ethical business.

#### **Employees**

Alimak Group’s employees are key 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. Alimak Group’s activities should be conducted with respect for human rights, health and safety in line with its Code of Conduct.

#### **Capital market**

Alimak Group strives to be an attractive investment for shareholders and work actively to achieve long-term, responsible and sustainable development of the shareholder value. Events that affect the company are communicated simultaneously and transparently to shareholders and the market.

#### **Suppliers and distributors**

Alimak Group should be a reliable partner and strive for long-term business relations. The company expects suppliers and sub suppliers to adhere to international

standards for human rights, work conditions and relevant laws and regulations concerning the environment, anti-corruption, export control and sanctions according to the company's Code of Conduct.

**Society**

Alimak Group contributes to economic development locally through creating direct and indirect job oppor-

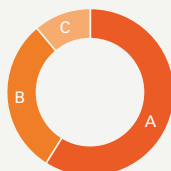
tunities, as well paying taxes and social contributions in the markets where the company operates. The company should operate in a long-term and responsible way and according to local legislation in the countries where it operates and based on the Code of Conduct.

**Sustainability data for the doubled Group<sup>1</sup>**

	2017	2016	2015
Power consumption, electricity (not district heating), MWh	8,640 <sup>3</sup>	7,819	6,837
CO <sub>2</sub> emissions, tonnes	6,602 <sup>3</sup>	9,272 <sup>4</sup>	6,759 <sup>4</sup>
Water consumption (estimated), m <sup>3</sup>	15,689 <sup>3</sup>	12,430	8,258
Solvent emissions (estimated), tonnes	29.01 <sup>2</sup>	29.03	25.77
Wood residue, tonnes	311.2 <sup>3</sup>	247.5	170.8
Corrugated cardboard, tonnes	15.5 <sup>3</sup>	14.9	14
Combustible waste, tonnes	104.2 <sup>2</sup>	59.3	55.4
Office paper, tonnes	9.1 <sup>2</sup>	18.2	4.5
Number of incidents (more than one day's absence)	15 <sup>2</sup>	10	14

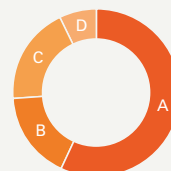
**Purchasing, by geographical region, %**

- A) Europe, 59
- B) APAC, 30
- C) Americas, 11



**Purchasing categories, %**

- A) Steel and steel related, 57
- B) Cables and other components, 17
- C) Electronics, 19
- D) Drive units, 7



1) 2016 and 2015 data only for the Group prior to the acquisitions, 2) Only Alimak Hek  
3) Only Alimak Hek and parts of the acquisitions, 4) Previous years recalculated

## Four sustainability focus areas

# 1.

### Safe, efficient and reliable solutions

Alimak Group focuses on continuously improving the safety, efficiency, ease-of-use and service life of its products. The company leads technology development in the industry and its global presence enables faster and more efficient services to customers across the globe.

Through the acquisitions of Facade Access Group and Avanti, Alimak Group almost doubled its technical capacity, strengthened its competence base and extended its geographical footprint. The technical development centres were connected in 2017 through a global network.

In 2017, Alimak Group launched several new hoists and platform products adapted for the Asian market. Several record-breaking facade maintenance products were also launched, increasing their future competitiveness and application areas. In the wind segment, several new tools and solutions were launched, aimed at supporting safer and simpler installations and a higher degree of efficiency.

#### ACTIVITIES IN 2017

- Expansion of the product portfolio with the first industrial hoist directed at Chinese and South East Asian markets and a high-speed unit for future markets.
- Adoption of a traction unit programme for the Industrial Equipment business area.
- Charlotte Brogren recruited as CTO of Alimak Group.

#### ACTIVITIES IN 2018

- Full operation of the global organisation driving innovation.
- Investments in new technology, improving reliability and safety for customers.

# 2.

### Resource efficient production

Alimak Group focuses on reducing the environmental impact from its production in the long term, mainly through ensuring efficient and responsible use of raw material, energy, water and chemicals as well as minimising emissions and waste. All of the twelve production facilities are quality certified according to ISO 9001. Work is currently under way to expand the certification to ISO 9001:2015, ISO 14001 and OHSAS 18001 during 2018 and 2019.

In recent years the production facilities have invested in a number of resource saving measures. These include the introduction of new laser cutting equipment, timer controlled ovens in the paint shop, switching to low energy bulbs and several other measures resulting in reduced energy consumption.

#### ACTIVITIES IN 2017

- All production facilities appointed a person responsible for health and safety.
- A power survey at the Skellefteå plant was finalised, resulting in a number of measures aimed at reducing energy consumption, including switching to low energy bulbs and time controlled engine preheaters.

#### ACTIVITIES IN 2018

- Strong focus on ensuring good working conditions and improving internal communication.
- A new paint system will be evaluated, aimed at reducing the consumption of solvents in the long term.

## 3.

### Responsible and efficient purchasing and logistics solutions

Alimak Group requires that all suppliers and their subcontracted suppliers comply with the Group's Code of Conduct, other policies and demands. The Code of Conduct is included in all new and renewed agreements with suppliers. Measures to ensure compliance also include training and visiting suppliers.

Alimak Group has an extensive global presence, which means that efficient logistics is crucial for reducing the number of transports of products and spare parts as well as trips made by representatives of Alimak Group's sales and service organisation. The aim is to minimize both direct and indirect emissions of greenhouse gases from transports and trips. Alimak Group chooses "green" transports whenever possible, by for example replacing transports of goods by sea from China with train.

#### ACTIVITIES IN 2017

- In 2017, 80 per cent of Avanti's, Manntech's and CoxGomy's suppliers signed the Code of Conduct. All previous suppliers of the Group have already signed the Code.
- Processes were established to regularly evaluate suppliers of direct material and their compliance to local laws and regulations related to the environment, health and safety.

#### ACTIVITIES IN 2018

- All suppliers are expected to sign the Code of Conduct by the year-end 2018.
- Training sessions will be held for the company's key suppliers. These will include information about Alimak Group, its values and expectations.

## 4.

### Employees and business ethics

Alimak Group operates in more than 100 countries and through the acquisition of Manntech, CoxGomy and Avanti, the number of employees increased from some 1,200 to 2,400. The Code of Conduct has been instrumental in ensuring that everyone in the company understands and shares Alimak Group's values when it comes to business ethics. All employees, including management, have taken part in a web based training programme.

Alimak Group's whistle-blower 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 compliance responsible of the company is in charge of ensuring that these issues are dealt with. Reports are made at every Board meeting.

#### ACTIVITIES IN 2017

- Key indicators of health and safety were defined and these started to be measured. Information is collected and distributed via the intranet.
- Approximately 70 per cent of Alimak Group's distributors have signed the Code of Conduct. The goal is for 100 per cent to have signed in 2018.
- The whistle-blower system was developed and placed externally for increased confidentiality.

#### ACTIVITIES IN 2018

- All production units with a ISO 9001:2008 certificate will be certified according to ISO 9001:2015 and OHSAS 18001.