

Sunfab Hydraulics AB

Sustainability report 2021



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WORDS FROM CEO



Ever since the start in 1925, Sunfab has been a family business characterised by innovation, long-term development and social commitment. The fact that Sunfab acts for long-term financially sustainable business, that we take a social responsibility in society and that we work actively with environmental issues are the foundations of our business.

Our goal is to integrate sustainability work into the strategy and business model and let a sustainable value base permeate the company's culture and relationship with the outside world.

In 2020, a three-year sustainability plan was established and vital activities to drive the sustainability work were included analysing the current situation. This was performed by mapping Sunfab's value chain and its impact, calculations of greenhouse gas emissions and stakeholder dialogue to understand our stakeholders' demands on us regarding sustainability. Our prioritised sustainability areas based on the materiality analysis are:

- Electrification
- Innovation
- Health, safety and well-being
- Professional development
- Greenhouse gas emissions
- Ethics
- Packaging and waste



In the coming years, the goal is to integrate the prioritised areas of sustainability into daily operations and to link goals based on Agenda 2030. As a global actor in the hydraulics industry, we have an important role in contributing to the 17 Sustainable Development Goals and the UN Global Compact's ten principles of responsible business.

Marie Nilsson, CEO Sunfab Hydraulics AB

HIGHLIGHTS 2021



HEAD OFFICE & PRODUCTION

Hudiksvall, Sweden

VOLUME

Total units sold
49 052 pce

COWORKER

111 PCE
19 women | 92 men

OWNERS



Privately owned family company in the third generation

CORPORATE GOVERNANCE

Board: 7 men
Management team: 3 women | 6 men



RESULTS

Revenue: 263 MSEK
Balance Sheet Total: 238 MSEK



VISION

Together we create the future of hydraulics

LOCATION



The COVID-19 pandemic

During the year, the business has been characterised by the handling of the COVID-19 pandemic. Many of our employees have partly worked from home to reduce the risk of exposing themselves or others to infection.

Homework became the transition to working with digital solutions and meetings have now become a natural part of our daily work, which has decreased the need for business travels.

The year of breaking records

The year 2021 was a historic year for Sunfab. Sales and deliveries of our products have never before been higher.

Major investments

In order to increase growth, a long-term investment plan is being pursued to increase manufacturing capacity in the production.

Emission calculations

During the year, calculation of greenhouse gas emissions in scope 1 and scope 2 has begun.



Business model

Sunfab develops, manufactures and sells components to operate hydraulic equipment within the area of mobile hydraulics. Within the group there are subsidiaries in Germany, France, Great Britain, Spain, the USA and Malaysia that are 100% owned by Sunfab Hydraulics AB. The subsidiaries' activities include sales and logistics of Sunfabs products.

SUNFABS VALUE CHAIN



From supplier to customer

A mapping of our value chain to identify where we have our greatest impact and leverage has been carried out. In a first stage, we have chosen to focus on our direct suppliers, our own operations and our closest target customers, which is what is included in this sustainability report.

Close to suppliers

Sunfabs purchasing strategy has always been that the supplier base should be geographically as close as possible to our production. In principle all suppliers and subcontractors are located in the Nordics and northern Europe. The purpose of the strategy is to reduce transport and thus emissions but also short shipping times and reduce risks of shipping disruptions.

The main materials purchased are castings and forgings as well as accessories for our products. We have approximately 70 direct suppliers (suppliers of direct materials for our products) and a total of approximately 400 active suppliers. We assess that the possibility for us to impact our suppliers is medium.

Code of Conduct

In 2021, all our direct suppliers signed that they agree to and follow Sunfabs supplier code of conduct. The code of conduct is based on internationally recognised standards for human rights, labour law, the environment and anti-corruption.

Supplier assessment

When evaluating a new supplier, a supplier assessment is made based on the supplier's financial situation, organisation, price, certifications, HR, buildings, quality and environment, sustainability work and equipment/maintenance, as well as references.

Existing suppliers are evaluated based on the same criteria, but the assessment is supplemented with delivery precision outcomes, product quality, price trends and cooperation/support.

Each year, around 10 supplier audits are carried out by direct suppliers who have a major impact on Sunfabs business.

GLOBAL MARKET

SUNFAB DELIVERS TO OVER 60 COUNTRIES



Shipping

Inbound logistics, that is infringing of materials to the factory, is assessed as medium regarding our degree of impact. Regarding freight, we can influence the shipping method ourselves. The shipping cost for the transport of materials and contract items per manufactured unit is measured quarterly with the aim of reducing the long shipping distance of materials in order to reduce greenhouse gas emissions.

Our endeavour is to reduce the number of infractions of material, but an assessment of stock turnover and the risk of obsolete material must also be considered. The goal is to steer towards optimal order quantities intended for current manufacturing needs.

Sunfab delivers to customers in over 60 countries in the world, which means that the geographical spread is large. We offer products from our factory with a focus on further distribution, shipments are coordinated to the greatest extent possible and we have strategic warehouses in our subsidiaries to be able to offer smaller quantities with shorter shipping routes to customers from warehouses where we ourselves can transport in larger batches.

Most shipments within Europe are made by truck, while shipments to the rest of the world are made by sea and in some cases by air. Air transport is applied

only when there is a need for express delivery to a customer. We strive to avoid air transport due to both cost and environmental impact. Regarding outbound logistics with shipping to the end customers, we have a lower degree of impact as the majority of our customers decide the shipping method themselves.

Customers

As a supplier, we ensure that our customers receive products with high quality and carefully calculated materials, designed for a long and reliable lifetime. We therefore also provide a guarantee that the customer will feel that our products have good performance, live up to the requested function and are made for a long life without unnecessary repairs or consumables.

Our products, which are carefully calculated and manufactured with small tolerances, contribute to lower losses and higher efficiency when operating in the customer's application.

In our sales, we assess our customers based on their operations and that we can do business together that does not conflict with, for example, human rights, corruption, trade embargoes or violations of laws and regulations.

IT'S IMPORTANT TO UNDERSTAND OUR STAKEHOLDERS

Stakeholder dialogues

Understanding our stakeholders and their expectations of us is a central part of sustainability work. In autumn 2021, stakeholder dialogues were conducted with selected customers, suppliers, employees and owners. The stakeholders had to answer about thirty sustainability questions, which were divided into twelve areas:

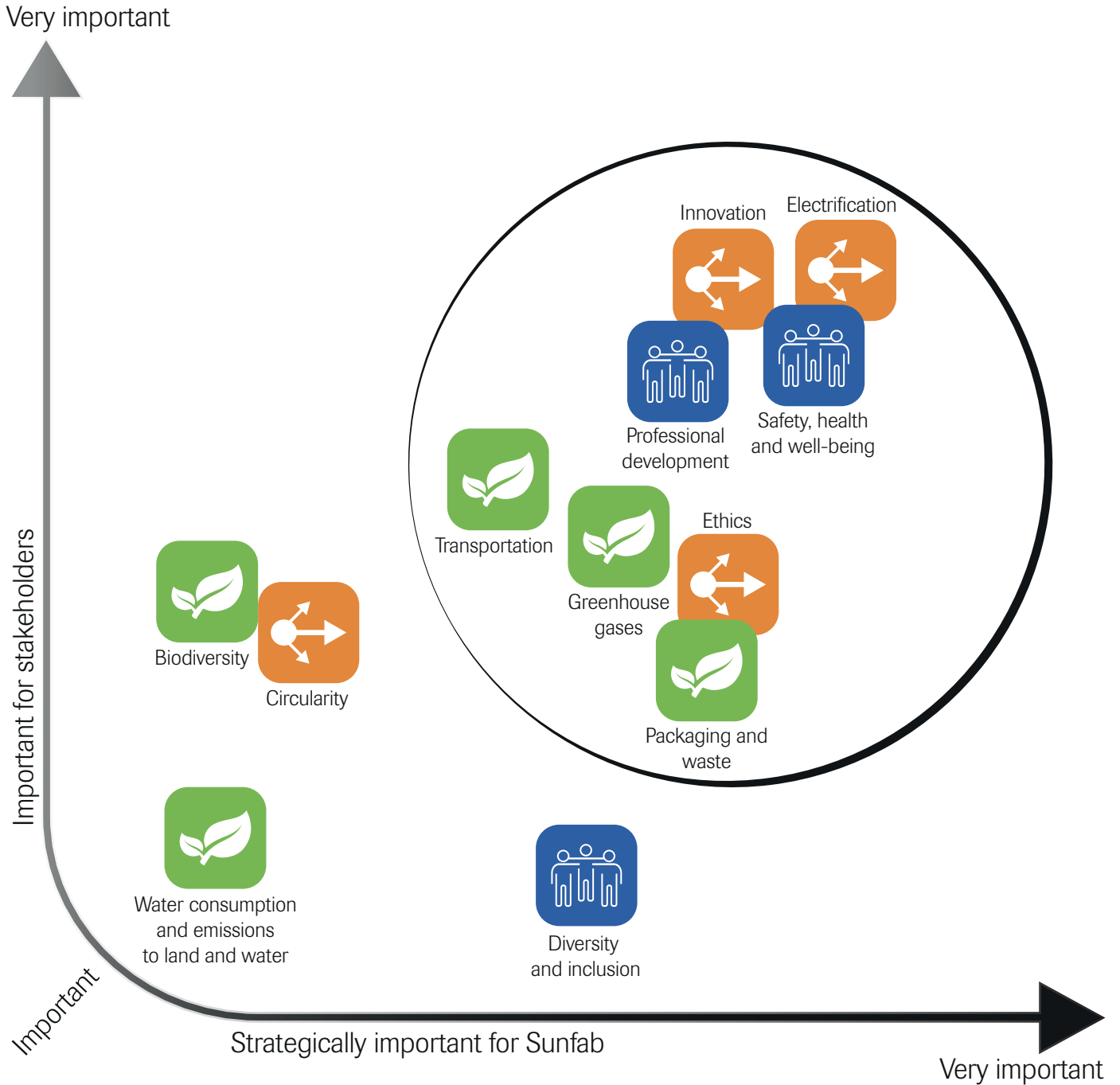
- Greenhouse gases
- Transportation
- Electrification
- Water consumption and emission to land and water
- Packaging and waste
- Biodiversity
- Ethics
- Safety, health and well-being
- Diversity and inclusion
- Circulation
- Innovation
- Professional development

The questions were adapted to each stakeholder group:

Stakeholder group	What do we want to know?	Dialogue and selection
Customers	What expectations do they have of us as a company?	Dialogue between a total of eleven customers and the responsible sales manager. We interviewed customers who represented the company in a good way and the sales managers themselves participated in the selection of customers.
Suppliers	Degree of maturity and how they work with sustainability.	Dialogue between a total of five suppliers and responsible purchaser. The purchaser participated in the selection of suppliers to find a selection that reflects the company's purchases.
Coworkers	How important is sustainability to them?	Survey for all employees in the Sunfab group. The response rate was 78%.
Owners	What expectations do they have of us as a company?	Dialogue between Sunfabs four main owners and sustainability coordinators as well as the manager of quality, environment and business development.

MATERIALITY MATRIX

WHICH AREAS SHOULD WE FOCUS ON IN THE FUTURE?



Strategically important for Sunfab and our stakeholders

The response from the stakeholder dialogues in combination with the company's strategically important areas is the basis of the materiality matrix. It shows how each area is ranked from important to very important for us and our stakeholders.

Essential area	Description
Electrification	The green conversion drives the technological shift regarding the electrification of, for example, commercial vehicles, which will also affect Sunfab's product offering, which needs to be adapted to the customers' new requirements and future needs.
Innovation	An innovation is something original and fundamentally new of importance that gains entry into a society. Sunfab wants to be a company where new innovative solutions, in any field, generate profitability, reduced environmental impact and social benefit. Creating innovation based on the perspective of sustainability (economy, environment, society) can be, for example, developing a circular economy (new business model), manufacturing methods, new material choices or new products.
Health, safety and well-being	The health and safety of employees always have the highest priority at Sunfab. Feeling job satisfaction, commitment and security is a prerequisite for every employee to be able to contribute to Sunfab's development and success in the best possible way.
Professional development	That our employees have the right quality and competence in everything we do creates satisfied customers and a constantly developing and profitable company.
Greenhouse gas emissions and transport	The climate challenges are big and a significant factor is greenhouse gas emissions.
Ethics	An inclusive work climate that is characterised by respect and everyone's equal value is the foundation of our business. We do not accept any form of discrimination or offensive special treatment. Our company and its representatives must always behave in a business-wise correct and professional manner in accordance with applicable legal requirements as well as high ethical guidelines.
Packaging and waste	In a circular economy, it is important to see waste as a resource for someone else. Our endeavour is to recycle as large a proportion of our waste as possible and in such a way that we can contribute to materials continuing to circulate and becoming raw material for someone else's product.

Objectives

Targets for each essential area will be set by 2022.



QUALITY AND ENVIRONMENT

ISO CERTIFICATIONS

Quality and environment policy

In our development, our production and sales of system components for the operation of hydraulic equipment within the field of mobile hydraulics, we will work actively to prevent faults and constantly improve our business together with customers and suppliers. Environmental aspects are a natural feature of all the decisions we make.

This means that:

- We work constantly to reduce and prevent deficiencies in quality in our products and services.
- We follow established methods, specifications and drawings in our work.
- We deliver products and services that fulfil our customers' expectations.
- We develop our knowledge to increase our competitiveness.
- We comply with applicable laws, regulations and requirements that are set for our business.
- We work constantly to improve our business.
- We strive to reduce our environmental impact.
- Accidents and ill health are to be prevented at our workplaces.
- Within our product development, we bear in mind environmental aspects in respect of the product's entire life cycle.
- All employees take part in creating and maintaining a good environment, which is achieved through daily, active environmental consideration, such as energy efficiency and sorting at source. In order to achieve this, everyone must receive the necessary information and training regarding environmental measures.
- We review the appropriateness of our quality and environment policy at least once a year.

ISO 9001 and ISO 14001

Our quality system is certified according to ISO 9001 since 1995. The environmental management system is certified according to ISO 14001 since 2011.

Sunfab runs a process oriented business. The processes are the basis for our quality management system, which also include our environmental management system.

The targets of the processes are linked to the overall targets of Sunfab in order to achieve satisfied customers.

GREENHOUSE GAS EMISSION

SUNFABS DIRECT AND

INDERECT EMISSIONS



Calculations of greenhouse gas emissions

As we sell products worldwide, greenhouse gas emissions and transport are ranked as two essential areas by our stakeholders. Most of our surveyed customers have no demands placed on us as a supplier regarding greenhouse gas calculations, while the majority of suppliers work actively on the issue and set demands on their own suppliers.

In 2021, greenhouse gas calculations for scope 1 (direct emissions from buildings, operations and owned/leased vehicles) and scope 2 (indirect emissions from purchased electricity and heat) have been made according to the GHG protocol.

Emission category		Sunfab Hydraulics AB Ton CO2e
Scope 1	Vehicle	13,2
	Oil boiler	9,6
Scope 2	Electricity consumption	3,1*
	Natural gas	14,5
Total scope 1 and 2		40,4

* according to market-based method

For business year 2022, a mapping of significant emissions in scope 3 (indirect emissions from the value chain) such as transport and business travel will be included.

A switch from fossil-powered company cars to electricity would result in a reduction in emissions in scope 1. In 2022, a new policy is planned for company cars where choice is limited to hybrid or electric cars.

Electricity consumption

In 2021, operations in Hudiksvall consumed 2,556,462 kWh of electricity produced by Fyrfasen Energi with 100% hydropower.

Measurement of electricity consumption at the subsidiaries in Germany and the USA has been done. For the subsidiaries where the employees have home offices, electricity consumption and heating for the home have not been included in the measurements.

In 2021, the subsidiary in Germany had an electricity consumption of 8720 kWh, where the electricity is produced with an unknown mix of renewable energy sources.

In 2021, the subsidiary in the USA had an electricity consumption of 9198 kWh, where 9% of the electricity is produced with an unknown mix of renewable energy sources. Although the electricity consumption is negligible in relation to the electricity consumption for the operations in Hudiksvall, it still generates a higher carbon dioxide emission because the electricity in Hudiksvall is 100% renewable.



HEATING

THE OIL BOILER WILL BE REPLACED IN 2022

A switch to electricity produced with a greater proportion of renewable energy would contribute to a substantial reduction of Sunfabs emissions in scope 2.

Geothermal heating with supplement

Sunfabs main heating solution for the facilities in Hudiksvall is geothermal heat pumps supplemented with an oil boiler for peak heating during cold periods when the heat pumps are not enough. An alternative to oil burning would contribute to a significant reduction of emissions in scope 1. An energy conversion from oil burning to an alternative heating system is planned to be implemented in 2022.

The subsidiaries in Germany and the USA bought natural gas in 2021 for heating their premises. In order to reduce emissions in scope 2, it is primarily these purchases of natural gas that need to be addressed.

Waste

The waste management at Sunfab with the sorting of waste into different fractions has been well established in the organisation for several years and routines are well maintained. The total waste in 2021 summed up to 536,539 kg. The diagram on the next page shows the distribution of the total waste.

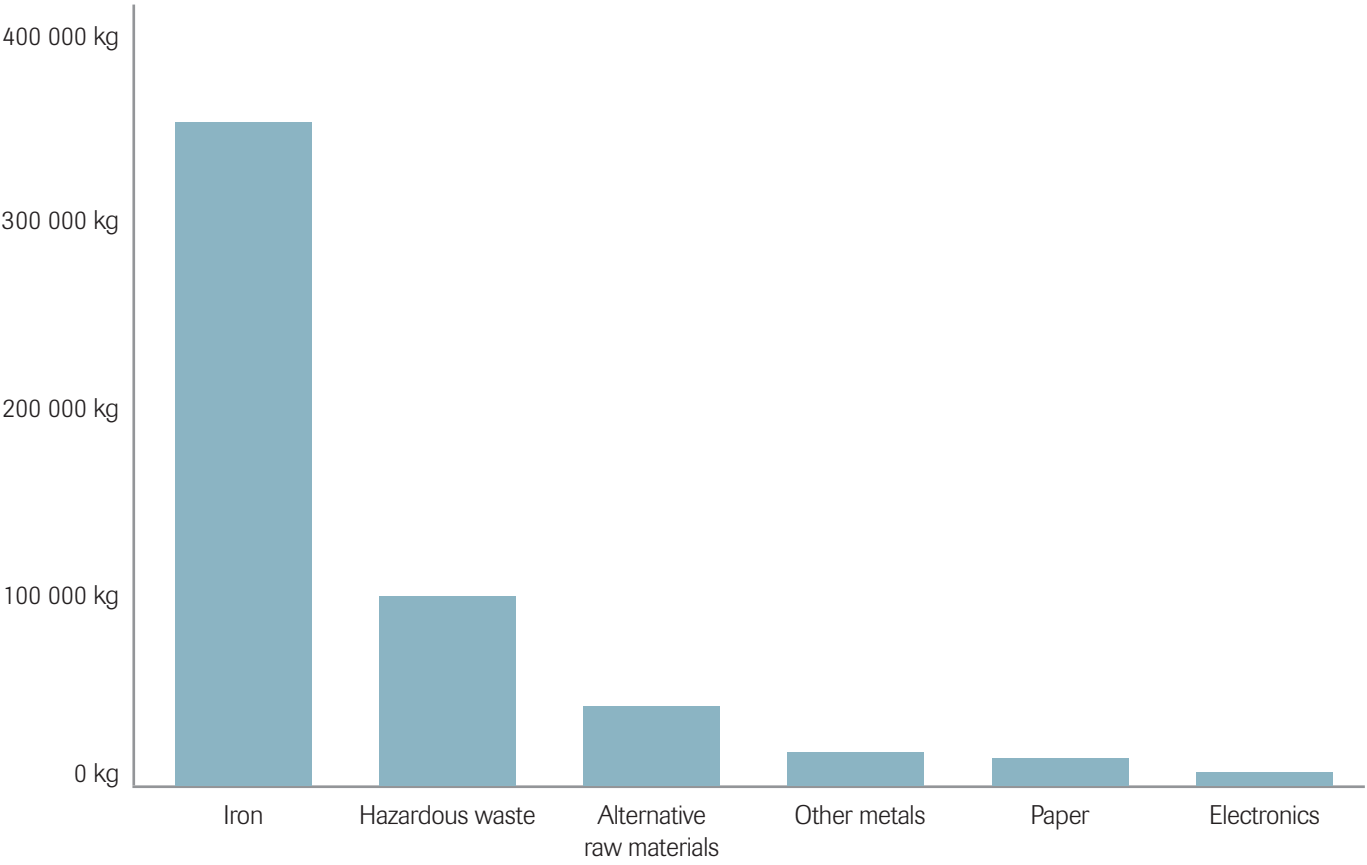
The amount of hazardous waste has been relatively constant in recent years and consists primarily of cut-

ting fluid. In our component manufacturing, we have several equipment for UV cleaning of cutting fluid, which has extended the service life of the cutting fluid. In order to improve the purification of cutting fluid, a decision has been made to invest in a central tank/filter system. This will enhance purification and increase service life of the liquid and will reduce the amount of waste for destruction.

External partners provide services such as collection and handling of waste, and report amounts to the Swedish Environmental Protection Agency.

Amount of total waste/manufactured unit and hazardous waste/manufactured unit is reported quarterly. The target for hazardous waste/manufactured unit was achieved for 2021, while the total waste/manufactured unit exceeded the target.

DISTRIBUTION OF SUNFABS TOTAL WASTE 2021



Packaging

Historically, there has not been much focus on the amount of packaging and choice of packaging material. Our pumps and motors are supplied with a plastic bag and packed in corrugated cardboard boxes. The purpose of the plastic bag is to reduce the risk of residual oil from testing leaking into the box and ruining it.

In 2021, reporting the amount of packaging placed on the Swedish market started in accordance with the Producer Responsibility Act.



CHEMICAL HANDLING

ACCORDING TO APPLICABLE LAWS AND REGULATIONS

Chemicals plan

Several chemical products are used in the manufacturing process. All chemical products are purchased, handled and stored in accordance with the laws and regulations that apply. This is ensured through Sunfabs plan for chemical products.

Sunfab also works actively to:

- Avoid products that can entail risks for people and the natural environment.
- To continuously work to substitute existing products with less harmful ones, if possible.
- To keep the number of chemical products at a reasonable level for the company and to avoid keeping an assortment where one or more products serve the same purpose.
- To continuously post chemical products with article number in the ERP system to simplify purchases and monitoring of consumption.
- Linking safety data sheets to the ERP system article numbers to make these available to all.

ENVIRONMENT

POLICIES, KPI AND ACTIVITIES



Policies	Description
Quality and environment policy	Our quality and environment policy states that we must actively work to prevent deficiencies and constantly improve our operations together with customers and suppliers, and that environmental aspects are a natural element in all decisions that are made.
Chemicals Plan	The purpose of the plan is to ensure that the purchase, handling and storage of chemical products comply with applicable laws and regulations. And that the constituent substances in the new chemical product are not a phase-out or risk-reduction substance.
Waste Plan	Sunfabs waste plan describes how waste should be managed, classified and disposed of.

KPI	What	Follow-up	Responsible
61,3 kWh/unit	Energy consumption/manufactured unit	Monthly	Manager of quality and environment
60 kr/unit	Shipping cost for materials and contract items	Quarterly	Purchasing manager
<410 kg/revenue	Reduce the proportion of hazardous waste	Quarterly	Environmental coordinator
<2070 kg/revenue	Reduce the proportion of total waste	Quarterly	Environmental coordinator

Activities for 2022:

- Calculate greenhouse gas emissions in scope 1, 2 and parts of scope 3
- Energy conversion from oil burning to alternative heating of the facilities in Hudiksvall
- Develop a new policy for company cars
- Commissioning of a new central tank/filter system for cutting fluid

HEALTH AND WELLNESS

FREE ACCESS TO SUNFABS GYM



Robert sees the workout hour as an excellent benefit

In my role as a purchaser, I sit or stand still a lot during my working day, and it can also be stressful at times. Then the workout hour is an excellent benefit for me to use. Partly

to keep the body going but also to reduce stress. I use the workout hour depending on what I feel I need. It can be a walk, a moment in the sauna or a gym session.

As I have two children every two weeks who so far cannot be alone at home, I sometimes find it difficult to find time for workout. Since Sunfab has a very nice gym, I usually use my workout hour there. It is close at hand, and I have everything I need. The gym has good sound and a TV where you can watch a movie or series while you are riding a spinning bike, for example, or stream a workout you want to do. It can also be a fun part of everyday life when I take the children with me to run an evening workout session!

Essential areas

Health, safety and wellbeing was rated as an essential area by all of our stakeholder groups. Every two years, a health examination is carried out for all employees where both physical and psychosocial health is checked. All employees are offered one hour of workout a week during working hours. This hour can, for example, be spent at Sunfab's own gym, which the employees have free access to.

Working environment

Our systematic safety management work helps to identify potential work environment risks that need to be addressed and to drive improvements in the area. Risk observations are carried out continuously and are part of the preventive safety work. Every morning during the daily planning and follow-up meeting, any incidents and accidents are reported. One of our KPI's is "number of days without accidents" and this is continuously monitored by the management team and safety representatives.

The absence from work due to illness is followed up quarterly. In 2021, the sick leave rate was 4.6%, compared to manufacturing industry in general in Sweden which was 3.9%. We run active preventive rehabilitation work together with well-documented rehabilitation plans for the employee in need.



PROFESSIONAL DEVELOPMENT

IMPORTANT FOR THE COMPANY'S FUTURE

Individual performance goals

Performance reviews are conducted every year between manager and employee. The purpose is to set and follow up on individual performance goals, feedback on demonstrated behaviour based on Sunfab's core values and competence development plan. During the conversation, it is also important that the employee gains an understanding of the company's overall goals and how to best contribute.

Professional development

Professional development is an area that was ranked highly from the employees' perspective in the stakeholder dialogue. It is also an important area for the company because the right competence is critical for the company's competitiveness. We therefore need to constantly develop the company's collective competence and be updated on the areas in which we operate.

A competence survey and competence analysis are carried out annually. The mapping is carried out per individual or group, and the level of competence is assessed based on a defined competence scale. The mapping is done by the responsible manager in collaboration with the respective employees.

The competence analysis involves identifying:

- Need for new competencies
- Increased/decreased need for existing competencies
- Need for an increased level of knowledge for existing competencies
- Single competences

Based on the competence analysis, competence gaps are identified and an action plan with activities is drawn up. The action plan is the basis for next year's training and recruitment needs. Evaluation to ensure that completed activities have given expected results is carried out once a year in connection with new competence mapping and analysis being carried out.

In 2021, an HRM system was introduced at Sunfab to facilitate the work with competence mapping and analysis.

EMPLOYEE SURVEY

VALUABLE FOR INTERNAL IMPROVEMENT WORK



Employee survey

Every three years, an employee survey is conducted to measure our employees' perception of leadership, communication, participation, goals, competence development and the organisational and social work environment. The survey is carried out by having all employees answer a questionnaire. The results from the employee survey are a valuable tool for management regarding internal improvements.

The latest employee survey was conducted in 2019, and it showed that Sunfab had an employee satisfaction index of 76 out of 100 (benchmarking was 70 for 2019). The areas of improvement we could deduce from the survey were:

- Being able to influence the workplace
- Motivation and feedback from managers
- Create a better collaboration
- Compliance with Sunfabs core values
- Opportunity to develop

However, the COVID-19 pandemic and its special circumstances have made it more difficult to work with the improvement areas, therefore we see the upcoming employee survey as a new chance to measure and identify improvement measures.

Responsibility

The company's HR and communications manager is responsible for personnel-related issues both for the head office and the subsidiaries. The HR and communications manager is also responsible for driving, developing and following up the work environment process together with other managers within the company.

How we work with risk management is described in a separate chapter.

Activities for 2022:

- Measure employee satisfaction index by conducting an employee survey
- Health examination
- Sustainability training for all employees



SOCIAL CONDITIONS AND PERSONNEL POLICIES, KPI AND ACTIVITIES

Policies	Description
Drug policy	Sunfabs drug policy states that it must be a drug-free workplace, free from alcohol, narcotics and other chemical addictive agents. It is the company management that is responsible for communicating the drug policy.
Personnel policy	The personnel policy states that Sunfab shall be an attractive workplace with good conditions for work and cooperation where everyone helps each other to develop the business in a positive way. This is to be achieved by living by our core values: Commitment, Respect and Professionalism.
Work environment policy	Sunfabs work environment policy describes what Sunfab wants to achieve with proactive work environment focus. The work environment policy is reviewed annually and revised if necessary. All managers/supervisors at Sunfab AB shall receive the competence, resources and authority to comply with the Work Environment Policy

KPI	What	Follow-up	Responsible
Nothing defined	Employee satisfaction index	Every Three years	CEO
100 %	Performance review	Quarterly	HR manager
Nothing defined	Reported incidents and accidents	Monthly	Production manager
Nothing defined	Number of days without accidents	Monthly	Production manager
Nothing defined	Degree of implementation of action plan, competence development	Quarterly	HR manager

SUNFABS CORE VALUES

RESPECT PROFESSIONALISM COMMITMENT



Code of conduct

The stakeholder dialogues have shown that ethics is an area that is ranked highly by our stakeholders, especially by our suppliers who want us to be clear about our sustainability requirements. Our supplier code of conduct clearly describes the ethical requirements we place on our suppliers. All direct suppliers have signed the code of conduct, an important goal for 2021.

The stakeholder dialogue shows that our customers and owners expect Sunfab to have a separate code of conduct for employees. This, we plan to develop in 2022.

Equality and non-discrimination

An inclusive work climate characterised by respect and everyone's equal value is important. We do not accept any form of discrimination or offensive special treatment. This is achieved by living by our core values:

- Respect
- Commitment
- Professionalism

Goals of gender equality work:

- Everyone to be treated equally in terms of recruitment, training, promotion and development at work.
- Everyone to be treated equally in terms of ethnicity, religion or other belief, disability or sexual orientation.

- Everyone with equal employment conditions shall have equal pay for work of equal value and with the same performance.
- Workplaces, working methods, work organisation and other working conditions are arranged in such a way that they are suitable for both women and men. The monitoring of compliance is done through regular work environment rounds. Deficiencies are rectified after follow-up by the head of the department when an issue has been identified.
- Employment must be compatible with parental responsibility.
- The workplace must be free from harassment.

Our equality plan also includes a policy against harassment and that advertising for new recruitment must be gender neutral.

Collective agreement

At Sunfab, there is a collective agreement that gives all employees basic security with good employment conditions. All employees have the right to join a union and negotiate collectively in accordance with local laws and regulations.

How we work with risk management is described in a separate chapter.

HUMAN RIGHTS POLICIES, KPI AND ACTIVITIES

Policies	Description
Equal Opportunities Plan	Sunfab works with gender equality and non-discrimination so that all employees have the same opportunities for information and development in their work. An equal distribution of women and men shall be sought and the workplace shall be free from harassment.

KPI	What	Follow-up	Responsible
100 %	Direct suppliers who signed supplier code of conduct	Quarterly	Purchasing manager

Activities for 2022:

- Create a code of conduct for employees

ANTI-CORRUPTION

POLICIES, KPI AND ACTIVITIES

Irregularities and bribes

Our company and its representatives shall always behave in a business-like and professional manner in accordance with applicable laws, regulations and our ethical guidelines. Sunfab must act in such a way that we can never risk being suspected of bribery or other irregularities.

It is in the interest of the company that all possible irregularities be reported and investigated promptly. In the event of suspicion of irregularity, this shall immediately be reported to the supervisor, or in the event of suspicion directed towards a board member, directly to the board.

Sunfab has a policy for irregularities and bribes, but also several internal regulations, routines and working methods that should, as far as possible, counteract the opportunities for fraudulent behaviour. For example:

- Instructions for attestation
- Payroll checks
- Always two people who make payments

How we work with risk management is described in a separate chapter.

Policies	Description
Policy irregularities and bribes	Our policy on irregularities and bribes describes how we should act in relation to bribery or other irregularities and how we manage currency risks.

KPI	What	Follow-up	Responsible
No KPI are available in this area.			

Activities for 2022:

- Create a whistleblower function

RISK MANAGEMENT

AN INTEGRAL PART OF

THE BUSINESS



Strategic and operational level

As we are certified according to ISO 9001 and 14001, risk management is integrated in the business and takes place at both a strategic and operational level, as well as within our projects. By defining processes and working methods as support for reaching set goals with as few disruptions as possible, we have built risk management into the daily work. These processes and working methods are continuously improved when new risks are identified and need to be managed. Everyone within the organisation is responsible for managing risks, but it is the CEO who is ultimately responsible.

Risks are handled in different ways depending on the area and situation. At an overall strategic level, the management team performs an external and internal analysis every year, which is then linked to a SWOT analysis, where strengths, weaknesses, opportunities and threats are identified and prioritised.

Extraordinary events, such as the COVID-19 pandemic are assessed separately when necessary and an action plan is drawn up. Examples of activities during the pandemic were work from home, digital meetings and that the company's management team had a daily reconciliation regarding the COVID-19 situation at the company, in the region (society) and possibly updated guidelines from the authorities.

Environmental aspects

Within environmental work, production engineers or responsible user perform a risk assessment of the chemicals handled in the business. The business is inspected four times a year by an environmental coordinator and an environmental engineer. An environmental investigation has identified the company's significant environmental aspects, whereby environmental targets for these have been defined and followed up regularly. According to our quality and environment policy, the environment must be considered in all decisions made.

Work environment

The company's systematic safety work includes various ways of managing risks, such as safety walks, performance review, and daily follow-up. The work is followed up at, among other things, the work environment meeting twice a year and the work environment committee four times a year. Examples of risk factors are noise, ergonomics and vibrations.

Economy

Our financial routines are largely based on controlling and minimising the company's financial risks. Our credit policy and procedures for accounts receivable describe how we act in relation to our customers from the financial aspect. Rules for certificates and payments are governed by an amount scale and approval by two people. Our policy on irregularities and bribes describes how we should act in relation to bribery or other irregularities and how we manage currency risks. When preparing the annual budget, sensitivity analyses are made with different scenarios and a plan for activities in the event of any deviations. Financial key figures such as incoming orders, invoicing and results are followed up monthly.

ABOUT THE SUSTAINABILITY REPORT



Sunfab Hydraulics AB (556056-9765) presents its first sustainability report which covers the business year 2021 from January 1 to December 31.

The sustainability report covers all units included in the consolidated accounts, except for the Spanish subsidiary Hidraulica Sunfab S.L.

Please contact Sunfabs sustainability coordinator Anna Sundin if you have questions about the report:

anna.s@sunfab.se