



2021 **ALLGON**<sup>TM</sup>  
SUSTAINABILITY REPORT

# A global player in industrial radio control

The Allgon Group, with its subsidiaries Åkerströms and Tele Radio, has the important mission of creating a safe and user-friendly working environment for industrial customers. We achieve this through our unique industrial radio control solutions that streamline both production and logistics. It is important to us that we can constantly evolve to meet increasing demands for certification, ergonomics and ease of use. We remain committed to becoming a global market leader in industrial radio control, which we achieve by providing the safest and most reliable solutions.

The purpose of this Sustainability Report is to describe the past year from a sustainability perspective.





## Our work on sustainability

Our sustainability reporting is based on seven improvement areas that we established in 2021. The Sustainability Report is published separately but also forms part of Allgon's Annual Report. Our sustainability reports are available on [allgon.se](http://allgon.se) and cover the activities of the parent company Allgon AB and all subsidiaries up to and including 31 December each financial year.

### Sustainability management

Sustainability is a priority within the Group and is embedded at the highest level. Sustainability issues are a focus for the Board of Directors and are included in strategic decisions. Ultimate responsibility for the Group's strategic work on sustainability lies with Allgon's Group management and Board of Directors. Operational responsibility for producing the report lies with the Group ESG and Sustainability Manager. Sustainability is seen as part of business and is driven individually by each subsidiary.

Sustainability management within each subsidiary is monitored by the subsidiary's ESG and Sustainability Manager. As a minimum, the subsidiaries must comply with Allgon's sustainability guidelines. Allgon's ESG and Sustainability Manager is responsible for monitoring the progress of the work of each subsidiary and for keeping the Board abreast of developments. Allgon's sustainability team represents the two companies within the group with their respective ESG and Sustainability Managers. Defining sustainability is crucial for sustainability man-

agement, for developing an effective strategy and also laying the foundations of Allgon's sustainability work.

In 2022, Allgon will identify in more detail specific aspects of sustainability and sustainability-related risks in the value chain in all sustainability areas that are likely to have a significant impact on the environment, people and the economy in relation to services and/or products provided by Allgon. These aspects will be identified within each subsidiary; the methodology used for this will be the same within each subsidiary and will be driven by each subsidiary's ESG and Sustainability Manager. Aspects will be based on the industry and geography in which the company operates and on the company's entire value chain (including supply chain). This analysis of aspects of sustainability will form the basis of further work in identified areas of risk and will be presented as part of the Sustainability Report for 2022.

Each subsidiary also monitors compliance with policies and updates procedures, processes and/or company-specific policies individually. It is of the utmost im-

portance to Allgon that all business is conducted with the greatest possible openness, honesty and sense of responsibility. Allgon therefore has a whistle-blowing system in place by which everyone is encouraged to report irregularities in line with the company's Code of Conduct, policies and guidelines. The whistle-blowing system includes an external portal for all employees of Allgon companies to submit reports (regardless of their employment status). The system can also be used by customers, suppliers and other stakeholders. Allgon seeks to create a business environment in which whistle-blowers feel safe to report irregularities. No breaches were reported in 2021.

### The Sustainable Development Goals and our stakeholders

Allgon's sustainability work is based on the UN Sustainable Development Goals (SDGs) and the materiality and impact assessment that underpins the work. To identify the areas that are important for us to report on, we con-

ducted a survey during 2021 in the form of a web-based stakeholder dialogue. Our stakeholders comprised customers, employees, the Board of Directors and suppliers, with employees constituting approximately 60% of respondents and customers approximately 33%.

Figure 1.1 shows the stakeholders' ranking of impact areas and our prioritisation of environmental, social and economic impacts. It is pleasing to see that the response rate for stakeholders has increased by 35% compared to the 2019 stakeholder dialogue. The areas that stakeholders felt were of greatest importance have been scored more highly and highlighted on the Y-axis. The stakeholders' overall ranking is a weighted result, with the different stakeholder groups affecting the final result equally. Allgon's sustainability team then prioritised the options on the basis of social, environmental and economic impact on the X-axis. This made it clear which areas should be addressed first and with what priority and scope.



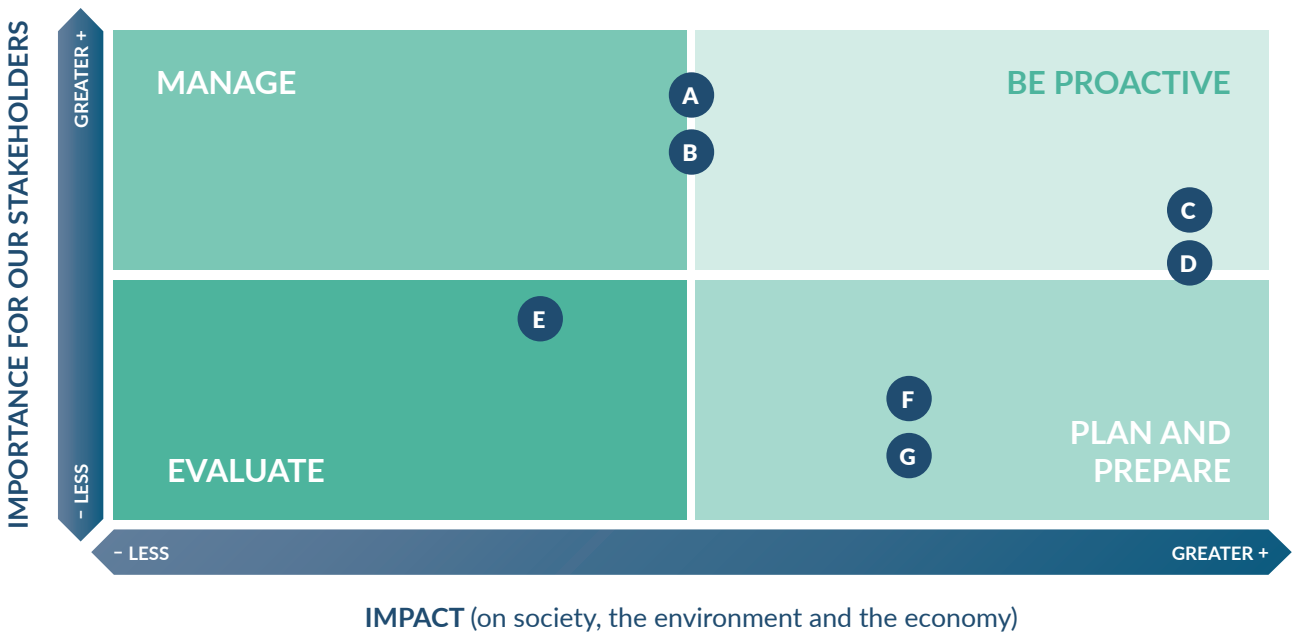
## OUR PRIORITY AREAS FOR ACTION

- A** Ensure the health and safety of employees – so that all employees have a healthier working environment.
- B** Promote better working conditions – improving working conditions for employees.
- C** Climate impact and adaptation – shifting the companies' activity towards a more sustainable position.
- D** Increased control in the value chain – choosing or developing partnerships with subcontractors to pursue sustainable development.
- E** Harness renewable energy – increasing the Group's use of renewable energy.
- F** Community engagement and social responsibility – for greater participation in society at the local level.
- G** Raw materials for sustainable transition – reducing the Group's dependence on non-sustainable materials.

In 2015, world leaders agreed on 17 impact areas and goals for social, economic and environmental sustainability within the framework of Agenda 2030. The SDGs strike a balance between the three dimensions of sustainable development: the economic, the social and the environmental. For more information about the SDGs, please visit <https://sdgs.un.org/goals>.

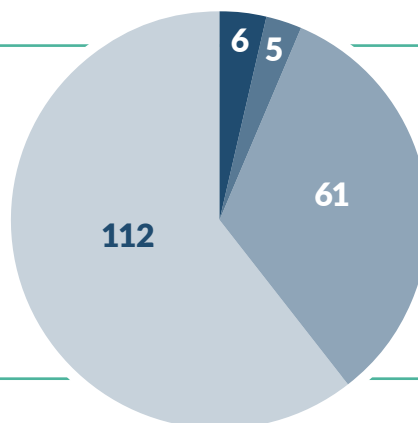
In line with the outcomes of our stakeholder dialogue, we have selected a number of priority areas that can be linked to at least seven of the UN's main goals. The SDGs, together with the Group's impact assessment, form the basis of our work on sustainability and guide us in identifying the sustainability aspects of our activities. They also show how we can create long-term value and respond to the expectations placed on the Group in respect of sustainability. The impact assessment has been driven by the Allgon sustainability team.

### 1.1 IMPACT ASSESSMENT



### 1.2 DISTRIBUTION OF STAKEHOLDERS

- Board members 6
- Suppliers 5
- Customers 61
- Employees 112





# Reporting progress towards the SDGs

## Good Health and Well-Being



The work environment and working conditions are high priorities for stakeholders. It is felt that the health and well-being of employees is essential in enabling everyone to reach their full potential. For us, this means developing a sustainable workplace that promotes psychosocial health and a good workplace climate.

## Affordable and Clean Energy



Access to sustainable energy is essential if we are to address many of the challenges we face today. In the stakeholder dialogue, the use of renewable energy is ranked fifth out of seven. For us, this means using sustainable energy wherever possible, and reducing the negative impact on climate of energy use in both the short and long term. It also means efficient use of the energy produced.

## Decent Work and Economic Growth



The work environment and working conditions are high priorities for stakeholders. We help achieve this goal in two ways. Firstly, through technological innovation and application upgrades: industrial radio control is increasing safety in many workplaces, which is something we are proud of. We will continue to help to safeguard the customer's working environment.

Secondly, we will ensure a good working environment and good working conditions within the company.

## Reduced Inequalities



Action on the working environment and working conditions includes reducing inequalities at the global level. This is essential for the good health of employees and to enable us to create a tolerant working environment free from discrimination, offensive behaviour and harassment. An equal society is based on the principle of equal rights and opportunities for all. All employees must have equal rights, opportunities and obligations regardless of gender, ethnicity, religion or other belief, sexual orientation or disability. A Group-wide gender equality policy is in place that clarifies the Group's approach to gender equality and equality issues. To see the full gender equality policy, please visit [allgon.se](http://allgon.se)

## Sustainable Consumption and Production



We have identified three areas that fall under UN SDG 12 (Sustainable Consumption and Production). These are climate adaptation, increased control of the value chain and the transition to more sustainable raw materials. Our aim is to manufacture products that have a long lifespan, thereby contributing to more responsible consumer behaviour. We also seek to design products from climate-smart materials to achieve a circular life cycle, and to optimise the use of natural

resources. We also specify requirements in respect of various aspects of the value chain, in particular environmental aspects. This enables us to engage and encourage stakeholders to contribute to sustainable development.

### Climate Action



Climate change is a real threat to the whole of civilisation, and greenhouse gas emissions are continuing to rise. We are working to gain an understanding of the environmental impact of our business,

particularly in terms of carbon emissions. We are also seeking to identify all sources of emissions arising due to the existence of the business, for example by using the Greenhouse Gas Protocol. In addition, we are actively working on an ongoing basis on measures that help reduce emissions and environmental impact. Allgon is a Group whose subsidiaries all manufacture physical products within the Industrial Radio Control business area. Manufacturing has a direct impact on the earth's

resources. Reducing carbon dioxide emissions is felt to be hugely important but also a challenge. We operate in a global market in which air freight is often the most efficient shipping method.

### Peace, Justice and Strong Institutions



Our Code of Conduct includes guidelines on business ethics to ensure that neither we nor our companies engage in bribery or corruption, that we abide by contracts we enter into and that we do not use our

position for personal gain. The purpose of the guidelines is to inform and govern how employees within the Group should act in business contexts to ensure that we practise good business ethics. To see the full Code of Conduct, please visit [allgon.se](http://allgon.se). Action points related to peace and justice will not be addressed in this year's Sustainability Report.



## REPORTING AND ACTIVITIES IN IMPACT AREAS

### A Ensure the safety and health of employees – so that all employees have a healthier working environment



The Group has more offices than manufacturing sites, and there is greater risk of serious workplace accidents at the company's manufacturing sites. Both Tele Radio and Åkerströms use incident reporting systems for monitoring and managing potential risks and accidents. Workplace safety is a key aspect of the Allgon Code of Conduct. It goes without saying that we should ensure the health and safety of our employees. We do this by actively seeking to identify and eliminate risks in processes and workplaces.

The impact area is directly linked to SDG 8, *Decent Work and Economic Growth*, and specifically to Target 8.8, *Protect labour rights and promote safe and secure working environments for all workers*.

Previous measures related to the working environment include conducting employee surveys at least once a year. Both Åkerströms and Tele Radio conducted employee surveys in 2021.

There are further action points around putting workplace safety on the agenda internally. Here, our aim is to encourage employees to report potential risks in the company's working environment. Such items are handled within the company in question. This includes reporting

actual accidents and incidents that result in the individual being unable to work on the following working day.

We will be training employees who work with electrical components in electrical safety, specifically those who work with 230 volt currents.

#### Key figures

- **Number of reported incidents per year** Incident report  
An identified potential risk in the working environment.

INCIDENTS 2021	Number	Comments
Tele Radio	2	All linked to COVID-19
Åkerströms	10	Variety of major and minor identified risks
<b>TOTAL</b>	<b>12</b>	

- **Number of accidents per year**  
Accident: An accident or event that resulted in the individual being unable to return to their work.

ACCIDENTS 2021	Number
Tele Radio	0
Åkerströms	0
<b>TOTAL</b>	<b>0</b>





## B Promote better working conditions

### - improving working conditions for employees



Working conditions within the Group are in general considered to be good. Previous measures relating to working conditions include the implementation of a Group-wide Code of Conduct and Equality and Diversity Policy, and also a whistle-blowing system. In addition, employee surveys are conducted by each company at least once a year. We seek to achieve favourable working conditions so

as to promote psychosocial health in the workplace but also to combat inequities at the global level.

The impact area has a direct link to SDG 3, *Good Health and Well-Being*, Target 3.4, *Promote mental health and well-being*, and Goal 10, *Reduced Inequalities*, Target 10.3, *Ensure equal opportunities and reduce inequalities of outcome*.

We will continue to evaluate employee surveys in order to identify areas for improvement. It is also important that we listen to our employees to ensure that the right changes are made to meet their needs and preferences.

One action point is to define a shared index that can be used in each employee survey. The aim is to monitor trends and compare ourselves with other companies in terms of employee satisfaction. This could involve the use of Net Promoter Score.

We will also monitor gender distribution within the different categories of employees to seek to achieve the most equal gender distribution possible. We also have a long-standing objective to achieve a 60/40 gender balance on the Board. The gender balance of the Board of Directors as at the end of December 2021 was 30/70 (women/men). Gender distribution figures are presented as follows: Tele Radio including all its subsidiaries; Åkerströms; Allgon AB including its Board of Directors and management team, and finally Allgon Communication (Tianjin) Ltd, which is part of Allgon Supply.



### Key figures:

- ESI (Employee Satisfaction Index)  
To be presented in the Sustainability Report for 2022.
- Gender distribution by category of employee

DIVERSITY, ÅKERSTRÖMS		
Employee categories	Men	Women
Management team	4	1
Managers	0	0
Employees	35	10
<b>TOTAL</b>	<b>39</b>	<b>11</b>

DIVERSITY, TELE RADIO		
Employee categories	Men	Women
Management team	5	0
Managers	27	0
Employees	162	105
<b>TOTAL</b>	<b>194</b>	<b>105</b>

DIVERSITY, ALLGON AB		
Employee categories	Men	Women
Board of Directors	4	2
Management team	2	1
<b>TOTAL</b>	<b>6</b>	<b>3</b>

DIVERSITY, ALLGON COMMUNICATION (TIANJIN) LTD.		
Employee categories	Men	Women
Managers	1	0
Employees	6	7
<b>TOTAL</b>	<b>7</b>	<b>7</b>

## C Climate impact and adaptation

– shifting companies' activity towards a more sustainable position



Climate change is a real threat to our very existence and we are now in the midst of a climate crisis. The responsibility that businesses have has become clearer in recent years, and work on climate impact is more important for individuals, regions and companies. It is of the utmost importance that we adapt and develop our business processes and activities to reduce negative environmental impact. We want to contribute in every way we can to the sustainable transition that is needed.

Previous activity has focused on identifying the biggest source of carbon dioxide emissions. This has shown that transport and the production of raw materials are the Group's biggest source of carbon emissions. In 2022, we aim to put a figure on our actual emissions. It is important for us to measure emissions to ensure that activity linked to reducing negative climate impact actually has an impact.

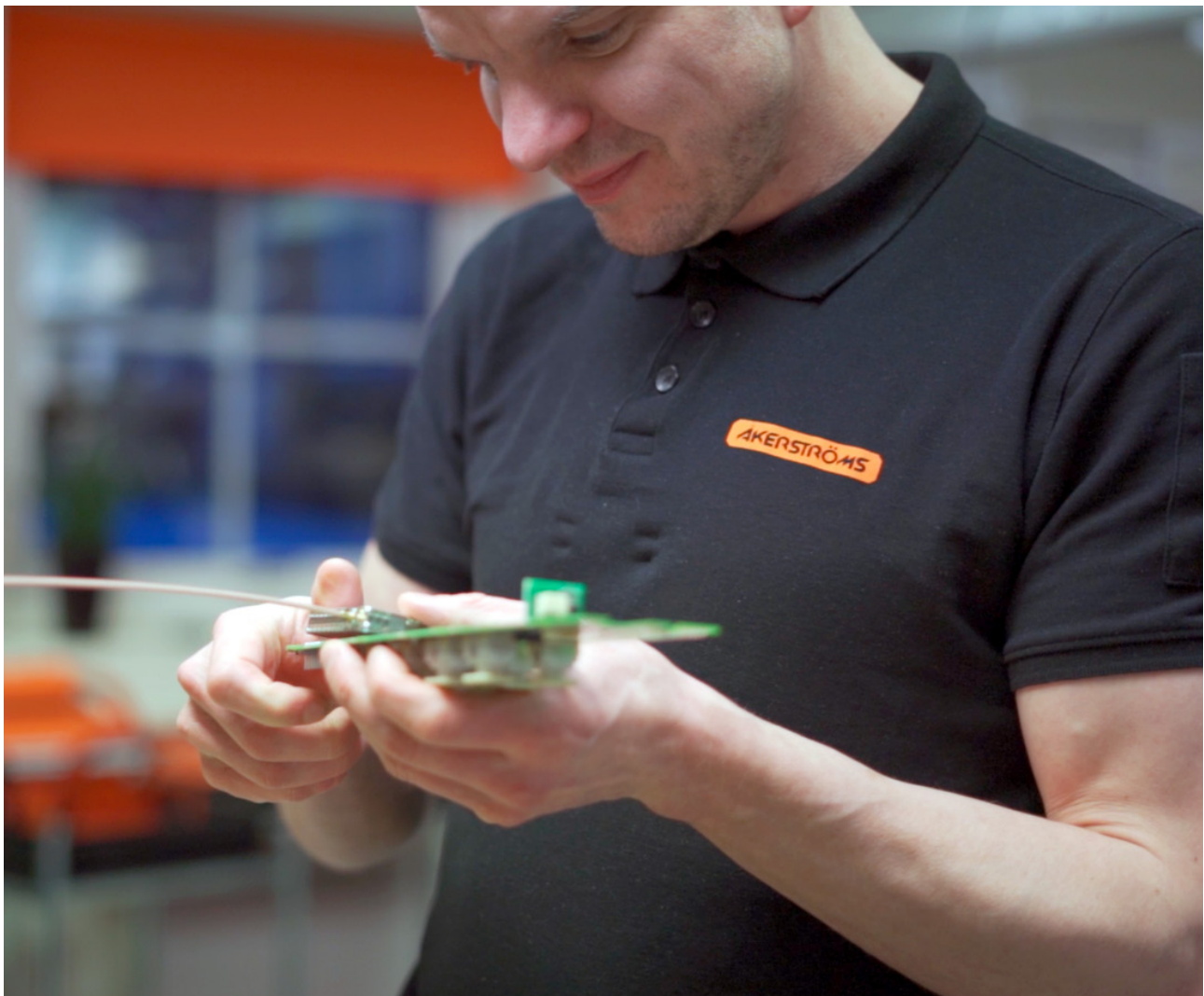
The impact area has a direct link to SDG 13, *Climate Action*.

Activities involve surveying, identifying and measuring our carbon dioxide equivalent emissions across the value chain. Calculations and categorisation of emissions will be in line with the international standard (the Greenhouse Gas Protocol). We also aim to establish a baseline for Allgon's emissions and then work on existing long-term climate impact targets. Another measure is phasing out traditional light bulbs and replacing them with LEDs so as to reduce our energy consumption.

### Key figures:

- CO<sub>2</sub> emissions

The baseline for 2022 is to be presented in the Sustainability Report for 2022.



## D Increased control in the value chain

– choosing or developing partnerships with subcontractors to pursue sustainable development.



Specifying requirements for increased sustainability in respect of ethics, human rights and, not least, environmental considerations means we can influence and engage subcontractors throughout the value chain.



To prepare for these requirements, we need a specific code of conduct for suppliers. A *Supplier Code of Conduct* should include ethical, human rights

and general environmental requirements. It may also include environmental requirements relating to product development, such as selection of materials. By specifying requirements from the beginning to the end of the value chain, we can help reduce negative environmental impacts and inequalities.

The activity has a direct impact on SDGs 10, *Reduced*

*Inequalities*, and 12, *Sustainable Consumption and Production* – more specifically, Targets 10.2, *Promote social, economic and political inclusion*, 10.3, *Ensure equal opportunities and reduce inequalities of outcome*, 12.2, *Achieve the sustainable management and efficient use of natural resources* and 12.6, *Encourage companies to adopt sustainable practices and sustainability reporting*.

### Key figures:

- **Number of Suppliers who have signed the Code of Conduct.** To be presented in the Sustainability Report for 2022 at the earliest.
- **Number of revisions to the Code of Conduct for Suppliers based on compliance.** To be presented in the Sustainability Report for 2023 at the earliest.

## E Harness renewable energy

– increasing the Group's use of renewable energy



The use of renewable energy is a key activity, but the situation varies depending on geographical location. In 2019, all subsidiaries were asked to switch to renewable electricity. Åkerströms and seven of

Tele Radio's 23 subsidiaries use 100% renewable electricity. By 2022, we want all energy to come from renewable sources, i.e. renewable heating and cooling as well. We also want to explore options for having our own solar panels on our sites. As the Group consists of 24 sites, conditions for this differ. The business itself will need to invest in the property or make demands of property owners depending on the situation at each individual site.

In 2021, one of Åkerström's buildings was converted from oil-fired heating to geothermal heating, a change leading to a more sustainable source of energy for the property.

The activities are directly linked to SDG 7, *Affordable and Clean Energy*, more specifically Target 7.2, *Increase substantially the share of renewable energy in the global energy mix*.

### Key figures:

- **Percentage of sites powered entirely by renewable energy.** This will be reported on in 2022 and presented in the Sustainability Report for 2022.

## F Community engagement and social responsibility

– for greater participation in society at the local level



We seek to contribute to long-term social sustainability and engage with our companies' local communities. It is important to us that we contribute to the development of a sustainable society. We do this mainly by sharing our knowledge and through collaboration.



The companies currently offer internships, degree projects and similar activities to local schools, universities

and other institutions wherever possible. To ensure internships are worthwhile for students, we are aiming to introduce an internship monitoring index, not least to ensure that the Group will be responsive to suggestions of areas for improvement that will help interns during their time with us.

We recognise the need to uphold a Corporate Social Responsibility (CSR) policy, which includes sponsorship policies and also guidelines and approaches that contribute to an inclusive and sustainable society that is free from discrimination.

By engaging young people in schools, we contribute to SDG 8, *Decent Work and Economic Growth*, and more specifically to Targets 8.6, *Substantially reduce the proportion of youth not in employment, education or training* and 8.B, *Develop and operationalize a global strategy for youth employment*

By developing a CSR policy, we can influence SDG 10, *Reduced Inequalities*, and Targets 10.2, *Promote universal social, economic and political inclusion* and 10.3, *Ensure equal opportunities and reduce inequalities of outcome*.

### Key figures:

- Internship monitoring index
- Number of interns who have gone on to find employment
- Number of signed CSR policies

All to be presented in the Sustainability Report for 2022.

## G Raw materials for sustainable transition

– reducing the Group's dependence on non-sustainable materials



In 2019, we set a target of 100% recycled packaging materials by 2022, and work to replace our existing packaging materials is well underway. We will report on progress towards this goal at the end of the year.

We are also taking a major step forward on the transition of raw materials, shifting the focus from packaging to our products. During 2022, we will be analysing the current materials in our products. The aim is to identify which materials have the potential to be modified so that we can produce a more climate-smart product. We will also be looking at materials that are recyclable, where a more

circular life cycle can be achieved. Potential changes to materials will involve materials with a lower carbon footprint, recyclability and materials from renewable sources.

The activity contributes to SDG 12, *Responsible Consumption and Production*, more specifically Target 12.2, *Achieve the sustainable management and efficient use of natural resources*.

### Key figures:

- Percentage of potentially substitutable materials in products Figure to be presented in the Sustainability Report for 2022.





## CONCLUDING WORDS

It is essential for Allgon to work with sustainability and to involve our stakeholders in this work. We are constantly seeking to improve, and now, with our current twelve activities, grouped into the seven areas for action, we look

forward to making further progress in 2022. Outcomes and related key figures will be presented in the next Sustainability Report.

# ALLGON™

Allgon AB Datavägen 21 | 436 32 Askim  
Phone +46 31 748 54 60 | [info@allgon.se](mailto:info@allgon.se)

Ola Samelius, Executive president Allgon AB, CEO Tele Radio AB | Phone 070 884 69 01 | [ola.samelius@allgon.se](mailto:ola.samelius@allgon.se)

Jesper Ribbe, CTO Allgon AB, COO Tele Radio AB | Phone 031 748 54 60 | [jesper.ribbe@allgon.se](mailto:jesper.ribbe@allgon.se)

Joakim Berlin, CFO Allgon AB, CFO Tele Radio AB | Phone 070 573 30 92 | [joakim.berlin@allgon.se](mailto:joakim.berlin@allgon.se)

[allgon.se](http://allgon.se) | [teleradio.com](http://teleradio.com) | [akerstroms.se](http://akerstroms.se)