



# ANNUAL SUSTAINABILITY REPORT: 2019



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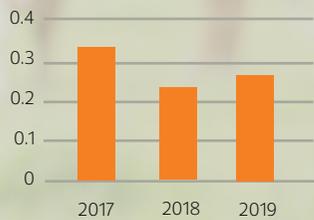
About Ålö

# KPI's

## MAKING A DIFFERENCE

In our journey to become a truly sustainable company, we work with specific measures and projects related to our impact throughout the entire value chain in order to improve our way of conducting business. Here is an overview.

### REDUCING CARBON FOOTPRINT



CO2 (grams) per freighted ton kilometre has been reduced by 18% compared to 2017. Compared to 2018, we see an increase by 17%. This increase is predominantly explained by changes in our production footprint.

### ENERGY CONSUMPTION



Energy consumption (kWh/net sales) within operations was reduced by 12% year on year, predominantly driven by the move of production to more energy efficient production facilities.

### A SAFE AND HEALTHY WORKPLACE



Number of accidents has decreased by 16% year on year through continuous proactive measures to prevent accidents.

### WATER CONSUMPTION



Water consumption (m³/net sales) within operations has been reduced by 17% year on year, predominantly explained by optimisation of our paint lines.

### REPAIR COST



Repair cost is the cost that incurs for the repair or replacement of the products sold. Repair costs have been reduced year on year from 1.3% of net sales to 1.2% of net sales through continuous improvements.



# Letter to Stakeholders

## WORKING SMARTER

It goes without saying that we as a company bear responsibility to our employees, customers, shareholders and other stakeholders. For more than 70 years, we have worked side-by-side with our customers to create effective and smart solutions for farming. Our passion is and has always been to increase the productivity and work environment for the end-users, to make them more sustainable. For us sustainability is more than just a buzzword. We are always working with sustainability in mind. It forms the basis on which our long-term success is built. It is a prerequisite for being around for 70 more years. It is the way we make sure that we contribute to future viability for the company and for society.

What does sustainability mean for us and how do we achieve our goals within this important topic?

## OUR SUSTAINABILITY STRATEGY

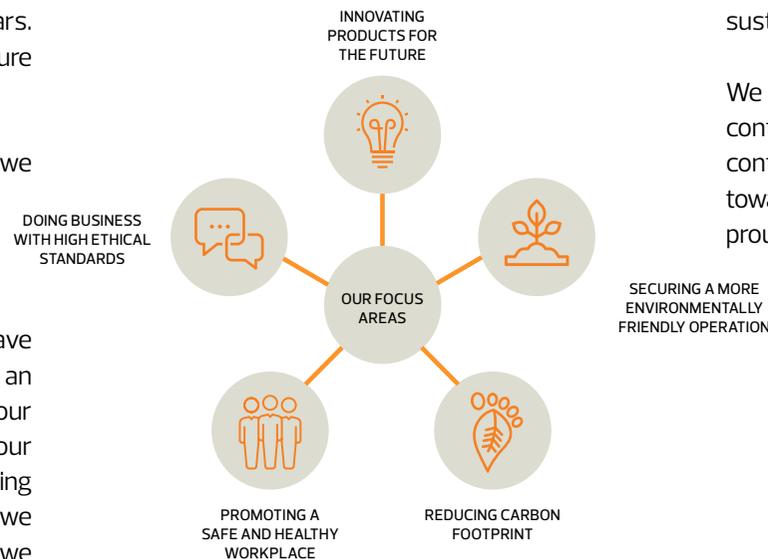
We have a distinct goal: we as a company always have to work on becoming more sustainable. We have an obligation to act responsibly over the long term. It is our responsibility as a company to strengthen the trust of our stakeholders by creating sustainable values and dealing proactively with the impact of our actions. This way we can create value for our company and the society. If we want to have a sustainable business we have to pursue not only economic, but also environmental and social goals.

It is important that not only we, but also the companies we do business with, act in a sustainable way.

We have worked with specific measures and projects on our impact throughout the entire value chain in order to improve our way of conducting our business. One example is that we have a goal; "with a minimum of waste in every step". With that target, we have started our journey towards reducing waste of resources within our value chain.

## OUR STAKEHOLDERS

In 2019 we continued working on the focus areas that are crucial to our development and growth:



We focus on working with product innovation to secure environmentally friendly operations. We continued reducing our carbon footprint and promoting safe and healthy workspaces. Equally important for the sustainable

success of our company is that we are doing business with high ethical standards and are committed to human rights. We seek to understand our end-users business, mindset and needs to be able to provide them with flexible solutions adapted to modern demands. Our choices of material shall reflect the link between sustainability and business, therefore we are constantly working on our focus areas that we developed together with expertise from members of our Sustainability Group, along with expertise within Ålö.

We will face the new challenges ahead and we will continue working on fully incorporating the strategic aspects of sustainability within our core business.

We would like to thank all of our stakeholders for contributing with input to our work! Your engagement will continue to motivate us to take further and braver steps toward becoming a more sustainable company. We are proud to present this year's sustainability report.

Niklas Åström  
CEO



# The Ålö Journey of Smart Farming

- 1947** The first Swedish front loader is designed by Karl-Ragnar Åström.
- 1949** Small-scale serial production begins and Ålö is founded. The name is derived from the two founders, Karl-Ragnar Åström and Alf Löfgren.
- 1958** The world's first drive-in front loader, Quicke, is presented.
- 1959** Export starts.
- 1960s** The competition gets tougher. Ålö decides to concentrate only on front loaders and associated implements with a clear focus on export sales.
- 1966** Competitor Modigs Verkstäder is acquired. The brand name Modig was used in Sweden until end of the seventies.
- 1967** Export sales exceeds domestic sales for the first time.
- 1980s** Weak tractor sales on the home market, continued focus on export markets.
- 1986** Ålö signs an OEM agreement with Valmet Tractor (Valtra).

- 1990s** Production trebles. By the end of this decade, Ålö becomes the world leading manufacturer of front loaders with associated implements.
- 1992** The French company Agroma is acquired.
- 1993** Balticgruppen becomes the new main owner of Ålö.
- 1998** Ålö signs an OEM agreement with Massey Ferguson to supply loaders in Europe, Africa and Middle East (EAME).
- 1999** Ålö acquires loader producer Veto (DK) as well as UK based importer Lawrence Edwards.
- 2000** Swedish loader producer Trima is acquired, giving access to a strong brand and a production facility.
- 2002** London-based 3i becomes the principal owner of Ålö.
- 2003** A completely new production strategy is drawn up. An extensive investment program starts based on the new strategy.



**2004** Construction of the new production facility in Brännland starts. New paint shop and welding line is built. Presentation of the new generation of front loaders, Quicke Dimension & Trima Plus. New markets established in Poland, Hungary, Bulgaria and South Africa. Sales and Production reach all-time high.

**2005** The most modern front loader production facility in the world officially opens in Brännland.

**2006** Ålö signs an OEM agreement with Case New Holland North America.

**2009** Ålö celebrates 60 years. American Bush Hog production facility is acquired and Alo Tennessee is formed. The new LCS valve control system is introduced.

**2010** Ålö starts up a new production facility in Ningbo, China.



**2011** The private equity company Altor becomes the new principal owner of Ålö.

**2013** Ålö changes strategy for implements and starts branding the implements Original Implements™.

**2014** Launch of the front loader series Versa-X.

**2016** Ålö acquires loader and implement manufacturing from Vreten (SE). Ålö invests in new welding technology and automation. The investment is the biggest robot investment outside the automotive industry in 2016.

**2017** The world's first digital front loader, The Quicke Q-series, is launched, setting a new benchmark in the loader industry. A full line of implements for Telehandlers and Wheel loaders is added to the product portfolio.

**2018** Launch of XL implements. Ålö also receives the ISO-certification 14001 for Ålö AB.

**2019** Opening of a new plant in Simpsonville, SC (USA). Launch of the next generation of buckets including a bolt on hooks system. Launch of a new compact loader family with related implements. JOST, a leading global producer and supplier of safety-critical systems for the commercial vehicle industry, becomes the new principal owner of Ålö.

# Ålö World

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## Sales Companies:

Scandinavia, UK, France  
Germany, North America,  
Poland and Australia

## Production in Sweden:

Loaders

## Production in China:

Implements, Loaders,  
Subframes

## Production in USA:

Subframes, Backhoes

## Production in France:

Subframes

# Core Values

Today, Ålö is one of the world's leading suppliers in the agricultural machinery industry. We have been developing and manufacturing top-quality front loaders and implements under the brand Quicke® since 1949.

Ålö's values are based on the belief, that our people make the difference. We believe that when we act in accordance with our values, we create a sustainable future for everyone. Our combined knowledge, capabilities, motivation and attitude is the foundation of our business. Together with innovation and continuous improvement, we create profitable growth and become a responsible and sustainable business partner in the communities where we operate. The core values we adhere to at Ålö are:

## COOPERATION

Alone we are strong, together we are stronger! At Ålö we take pride in having a good working relationship with each other and our customers.

## PARTICIPATION

We all feel involved in the work to reach our targets and understand our part of reaching the company targets. Therefore, it is vital that we communicate and recognise each other's efforts.

## RESPONSIBILITY

We can, we want and we take responsibility for each other, our work, our customers and the community in which we operate.



### RESULTS 2019

- Reorganisations within identified areas to achieve a more efficient organisation
- Startup of the lean journey within operations

### ACTIVITIES 2020

- Launch of E-Learning within Code of Conduct.
- Conduct activities throughout the company, both for leaders and employees, focusing on strengthening collaboration, accountability and innovation.

# One Ålö One Team

Our surrounding world is constantly changing, and as a company we need to ensure that we change too. By continuously adapting the way we do business, foreseeing changes on the market and incorporating our values even further in our ways of working, we will create the basis for a high-performing culture.

In order to ensure a stable foundation for Ålö, and with our competitiveness in focus, we have had a focus on our organisational structure during the past year. It is important that our business can quickly adapt to external factors and to our customers' needs. Our ambition is to find a sustainable way of operating. In line with this we have initiated the lean journey to find more lean ways of working, with our Brännland factory in Sweden as the pilot plant.

Since we launched our One Team program 2018, our journey to becoming "One Team" continues. This includes working on revitalising our culture and building stronger collaboration, accountability and innovation. Our priorities on working with our culture in combination working with lean processes will lead to enhanced well-being and togetherness among our employees as well as lead to a stronger performance for Ålö.

# Future Outlooks

Our approach to sustainability is to be proactive and in tune with global changes. Our ambition is to help solve one of the world's most critical needs – a more sustainable food system with improved food production, storage and access to market. At the same time, we have to respect the challenges ahead.

An increasing global population naturally increases food demand. By 2030, the demand for food will be 60 % higher than in 2012. Globalised markets create a new commercial reality – the emergence of global markets for standardised consumer products on a previously unimagined scale of magnitude. For example, the global meat consumption is expected to increase by four times by 2020 as compared to 2010.

These factors have a direct impact on the agricultural business worldwide, and therefore also on our business strategy. Fortunately, technology brings major opportunities for us to keep providing solutions for effective and smarter farming. Through product innovation we work closely with our industry partners in empowering farmers all over the world to find solutions to the challenges ahead, where technology and digitalisation yield sustainable productivity increase. Combined with constantly improving our way of conducting business, we will stay ahead.

## ÅLÖ'S RELATION TO THE 2030 AGENDA DEVELOPMENT GOALS

We remain committed to do our part to feed a growing population. By providing effective and smart solutions for farmers we contribute to rural development, which in a wider perspective will lead to economic, environmental and social development of these areas.

The development of today's industrial societies has brought issues that damages our ecosystem. With the adoption of the United Nation's Sustainable Development Goals we have embarked on a journey towards sustainability where all countries and all sectors are expected to contribute. The United Nations sustainable development goal to end hunger by 2030 states:

- Agriculture is still the single largest industry in the world, providing a living for 40 % of today's global population. It is the largest source of income for poor rural households. The food and agriculture sector offer key solutions for development, and is central for the elimination of hunger and poverty.
- If done right, agriculture, forestry and fisheries can generate a good income level and provide food for all while supporting people-centered rural development and protecting the environment.



**United Nations sustainable development 2030 goal 2:**  
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

# Creating Value and Understanding our Impact

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Sustainable development can mean a lot of different things. At Ålö it means that we produce high quality products as viably and efficiently as possible, without compromising the capacity of future generations. To be able to do that, we need to understand what our customers need if they are to manage a sustainable agricultural business.

With a growing population, the agriculture and the food production sector needs to be more sustainable on a global scale. We believe that by focusing on enhancing processes, and at the same time reducing waste, we create better value for our end-users and society as a whole. Through the potential that digitalisation brings, our aim is to help farmers save time and enhance their efficiency. We call it “work smarter, not harder”. We are creating value by simplifying our end-users work environment and efficiency.

## STAKEHOLDER ANALYSIS

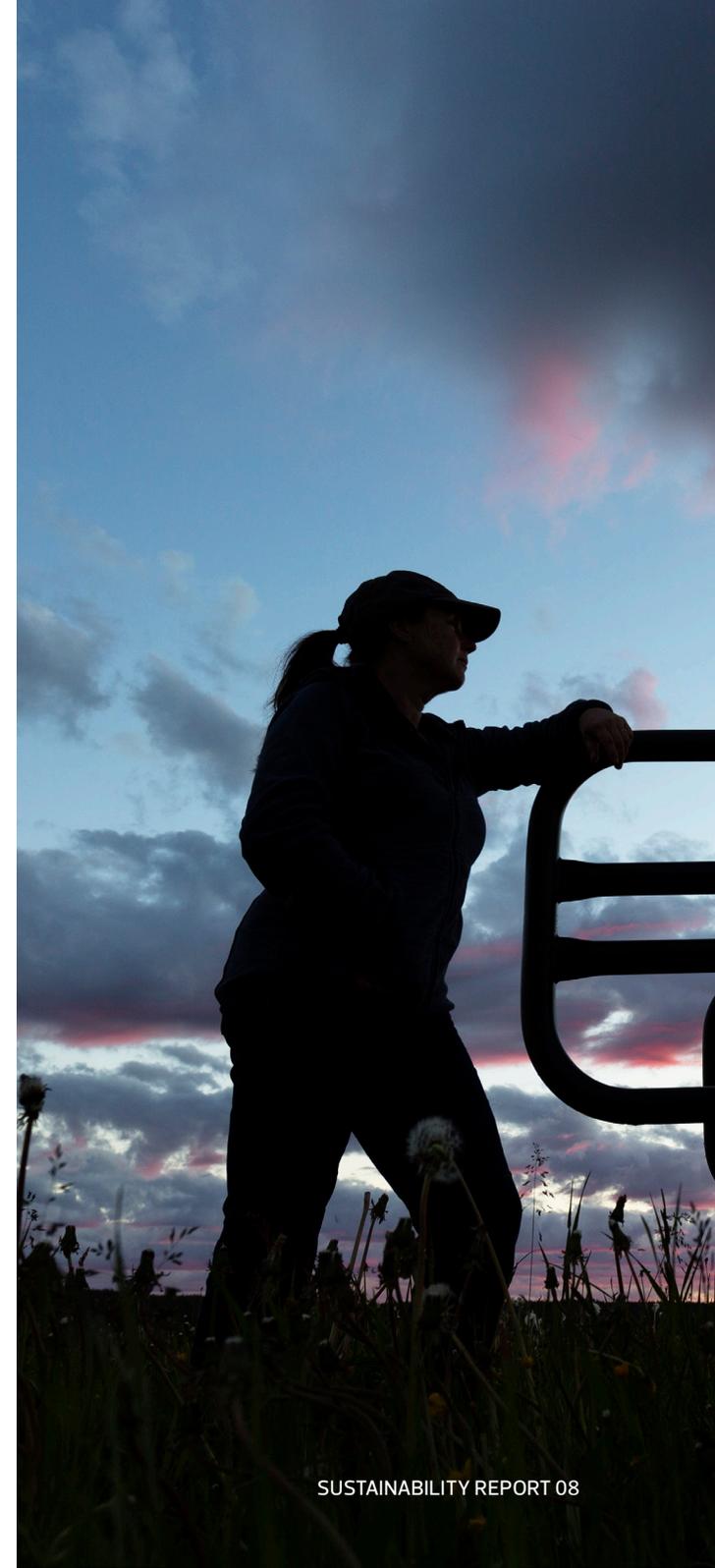
In order to make our sustainability work relevant, we originate from our core business and focus on related material aspects. Our ambition is to create added value for our stakeholders. Our vision – “The Customer’s First Choice” – means that we need to fully grasp what affects

our stakeholders and their businesses, from the outside as well as from within.

The analysis of what is considered most important for Ålö in our sustainability work was carried out by the Sustainability Group through a three step process.

1. We identified sixteen aspects.
2. We conducted a survey asking Ålö’s stakeholders to rank the aspects based on importance.
3. Our Sustainability Group prioritised and classified the aspects in relation to Ålö’s long term vision and strategic ambitions. These aspects, that are essential for the entire organisation and for our external stakeholders are the basis for our five focus areas, as they are described in this report.

The survey was answered by 84 people. The respondents were our end-users, dealers, suppliers, employees and community members.



### Customers

- **End-users:** End-users in the markets where we are active.
- **Dealers:** This group included representatives from our biggest dealers in Sweden, The United Kingdom and North America.

**Suppliers:** This group included representatives from our most important suppliers.

**Employees:** 40 employees from our company were randomly selected to answer the survey.

**Community:** This group included regional politicians, representatives from the universities and from the Swedish Public Employment Service.

**Shareholders:** Survey sent by our owner Altor to our Board, to identify what our Board members find most important for Ålö to focus on.

*“Machines on a farm operate under tough conditions, but I’ve always known I can trust my Quicke front loader”*

Lars Andersson, Farmer

*“Ålö offers a work environment that enhances my skills and qualities”*

Emma Larsson, Sales Support Parts at Ålö



# Result of Stakeholder Survey

What is Ålö's most important contribution to sustainability?

**80 %** of our Suppliers say:

Ålö's corporate actions – How we act and take responsibility for the society and the environment, to make our operations more sustainable

**54 %** of our Customers say:

Ålö's offering – How our products enable our customers to become more sustainable

What are the most important Environmental issues to you as a stakeholder in Ålö's sustainability performance?

**54 %** of our Employees say:

Resource efficiency (water, energy)

**43 %** of our Customers say:

Innovation of products that promote a sustainable environment through a more efficient usage of natural resources

What are the most important Social issues to you as a stakeholder in Ålö's sustainability performance?

**75 %** of our Suppliers say:

Safe and healthy work environment

What are the most important Social issues to you as a stakeholder in Ålö's sustainability performance?

**67 %** of our Community and our Employees say:

Safe and healthy work environment

What are the most important issues to you as a stakeholder in Ålö's sustainability performance?

**91 %** of our Customers say:

Customer Satisfaction

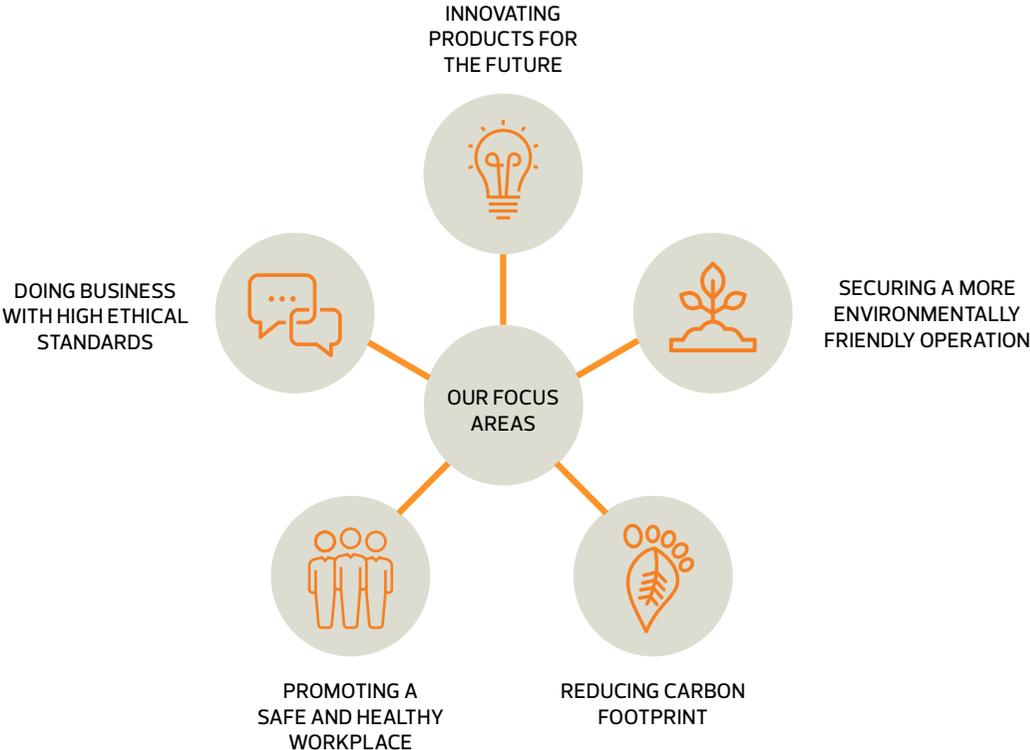
**67 %** of our Community says:

Ethical Business Practices

# THE ÅLÖ SUSTAINABILITY AGENDA

We strongly believe that respecting and following international policies on human rights and fundamental work principles are essential for every company. Our stand is manifested in our policies; Code of Conduct, our Employee and Supplier Policy and our Environmental, Social, and Corporate Governance Policy. We continuously work to improve our footprint in the communities where we operate, creating fair employment opportunities for people, in terms of long-term business commitment and growth opportunities. Choosing and rewarding responsible partners locally is another important step, partners who share our values and are willing to work transparently with us to improve their social and environmental performance.

Originating from our overall strategy, combined with our analysis we have narrowed our sustainability scope to five focus areas that we have assessed as essential for our customers, other stakeholders and profits. These are:



# International Policies

We work according to:

- The UN declaration of Human rights
- The UN declaration of the Rights of the Child
- ILO's Declaration on Fundamental Principles and Rights at Work
- UN Global Compact
- The OECD Guidelines for Multinational Enterprises

These are translated into our own Code of Conduct, our Employee and Supplier Policy and our Environmental, Social, and Corporate Governance Policy. We are continuously working on incorporating these into every day operation and business via our processes and routines.





# Innovating Products for the Future

Securing food supply and producing more with less, is one of the big challenges for our end-users. Efficient agriculture is crucial, and farmers need digitally savvy business partners. Ålö provides solutions to meet these challenges; high quality innovations for greater productivity.

When innovating new products, we strive to meet our end-user's needs and at the same time reduce waste by making products last longer. For example, we focus and track product repair costs, which we believe our end-users will gain from. We also work with end-user satisfaction through dialogue and surveys, where we examine how and if farmers experience that our products contribute to sustainable smart farming.

We believe our products are more than tools. It is an entire system designed to get the maximum output to farming. It is part of our growing involvement in a greater movement. Where big data reveals underlying patterns, helping us develop new equipment to make farming more smart and efficient. Today, we enable digital screens and smart sensor technology to our offering. Tomorrow, all Quicke products will be able to communicate with each

other and help manual processes become automated.

A good example of our new products which support smart farming is Q-Companion. The Q-companion is a driver support system that keeps track of how the loader is used, and reminds the user when it is time to perform maintenance on the product, further ensuring its extended durability. This is a feature that saves resources for the end-users as well as the planet. While helping our end-users to improve productivity by preventing issues caused by standstill, the product also contributes by reducing quality related material waste. We are humbled by the feedback we received in our survey to dealers, where eight out of ten had the opinion that Ålö develops and produce products that can contribute to a more sustainable farming.

*"Ålö's heritage and craftsmanship paves way for a sustainable and reliable product"*

Kjell Lindgren, Customer and Farmer



## LAUNCHED IN 2019

### Compact Loaders

A new generation of our smallest loader, the compact loader, was launched together with related implements. The new generation compact loader includes five sizes and all sizes are now available with or without parallel linkages.

### Bucket Facelift

A new bucket generation was launched. New bucket families were added and existing buckets were updated. Buckets are now available with Bolt on Hooks which enable late configuration to meet the customer needs regardless of machine. The Bolt on Hooks system also enable re-configuration of buckets if the customer changes to a machine with another hook standard.

### Quadrogrip TS

During 2019 our new Quadrogrip TS was launched. The Quadrogrip TS is an implement designed for handling bales, especially square bales.

### Tractor Integrations

In order to mount a front loader to a tractor, a product adaptation is required containing three different model specific kit's. Mechanical adaptation (subframe), hydraulic adaptation (hydraulic kit) and electrical adaptation (hose set). During 2019 we launched about 200 new tractor integrations.





# Securing an Environmentally Friendly Operation

## ENVIRONMENTAL POLICY:

We contribute to a healthy environment and a sustainable society by:

- Preventing adverse environmental impact by taking into account environmental considerations during decisions.
- Reducing the environmental impact of our facilities, transport, services and products.
- Taking safety, health and environment into account when we develop new products and services.
- Continuously improving and communicating our environmental management system and its performance.
- Complying with laws, agreements and requirements to fulfill compliance obligations.

## WIN-WIN

Ålö is depending on an ecosystem in balance. We can contribute to good environmental performance through an increased focus on sustainability in the R & D process, our production process, transports, sourcing and utilisation of our products.

We work to gain win-win situations for both the environment and Ålö when we set new goals to reduce our environmental impact. We focus on continuous environmental improvements through innovation for the end-user, energy efficiency, water aspects, reduced emissions and efficient use of resources. We therefore measure our energy and water consumption in percent of net sales in our manufacturing units.

## ACTIVITIES 2019

During 2019 we have continued to secure an environmentally friendly operation by using the concept of continuous improvements optimizing utilization of our plants. Additionally, we have completed focused activities to reduce our environmental impact on a global level. Improvement activities span across many areas from small things like optimizing employee e-bike charging stations to large projects like moving production of products to new energy efficient production facilities. These kind of initiatives drives cultural change, putting mind and focus of all employees on improving environmental performance.

## RESULTS 2019

Overall the water and energy consumption relative to sales in our four plants was reduced by 20% year on year.



## ACTIVITIES 2020

We will continue to monitor and control our environmental performance in accordance with ISO14001:2015 using our environmental management system to drive change for the better of our company, our co-workers, customers and society as a whole.

Encouraging the systematic approach and a high standard for the environmental work we will continue our strive to secure an environmentally friendly operation.



# Reducing our Carbon Footprint

At Ålö we believe that a low-carbon economy is underway and is accelerating globally. During 2019 our focus has been to reduce our impact on climate change mainly through energy efficiency in our supply chain. Since transport has a high climate impact and is an important part of our value chain, it is important for us to continuously take actions to reduce carbon emissions generated by our transports. CO2 emission per freighted ton kilometre on our main transport lanes is our way to measure that the actions we take give effect, but also to provide a basis for further improvements.

## ACTIVITIES 2019

During 2018 we conducted an Order To Delivery (O2D) improvement program in our European supply chain. The aim with the program was to improve our delivery performance towards our customers in terms of delivery precision and lead-time. Apart from increased customer service, this also led to reduced waste in the supply chain by reducing the need of express deliveries and reduced number of incomplete shipments. During 2019 we have maintained a low level of air shipments. For inbound freight to our factory in Umeå, Sweden we have started to consolidate shipments from our suppliers and use

more environmentally friendly rail transport from the Southern part of Sweden to Umeå.

## RESULTS 2019

In 2019, we see an increase of 17% of CO2 per freighted ton kilometer. This is predominantly explained by changes in our production footprint. However, the outcome in 2019 has decreased by 18% compared to 2017.

## ACTIVITIES 2020

We will continue our work with increasing the fill-rate in the transports on our main transport lanes.





# Promoting a Safe and Healthy Workspace

Ålö is a reliable and responsible company and we work with a systematic approach to achieve an excellent organisational, social and physical work environment. It is an integrated part of how we conduct business, support our people and operate throughout our value chain. We are performing regular and thorough risk assessments, to prevent accidents and work-related illness, and are continuously encouraging all employees to report all recordable and non-recordable accidents. We conduct training to eliminate the risk of accidents and work-related illness. The impact of these actions are tracked by following up short and long term sick leave. Any increase in numbers is followed by appropriate activities.

Our Code of Conduct describes our standard of professional conduct and what every employee is expected to respect and follow. Our whistleblower service WhistleB also ensures there is a secure way of reporting any malpractice or serious unethical behavior identified, which are then handled according to our procedures.

Our leadership model Leadership@Ålö defines areas of responsibility and focus on specific leadership behaviors and capabilities. One area is "Preconditions and work environment" which highlights the importance of putting safety first.

With our new system TIA, Ålö has taken further steps to emphasise the importance of a safe and healthy workplace. In the TIA system we gather information and manage work environment issues. In TIA we can report work injuries and accidents as well as manage risk assessments and safety and work environment checks. The system enables us to work in a structured and systematic way, and contribute to a safer and healthier workplace.

## RESULTS 2019

- Launch of TIA in Sweden
- Training of new leaders in Leadership@Ålö
- An updated version of our Code of Conduct was launched.

## ACTIVITIES 2020

During 2020 we will educate all leaders, production engineers and safety representatives in how to work with to achieve a good work environment (BAM). The training will improve our ability to work systematically and have a proactive approach to ensure a safe and healthy workplace.



# Doing Business with High Ethical Standards

*"We seek business partners whose policies regarding ethical, social, and environmental issues are consistent with our own and we make them aware of our commitments and expectations."*

Yenny Fredriksson, EVP Strategic Sourcing

Ålö is committed to fair and ethical business practices. Our success is based on trustworthy relationships with partners and stakeholders. At the start of a business relationship all major suppliers are expected to sign our Ålö Supplier Code of Conduct – which includes minimum requirements on social and environmental responsibilities as well as business ethics. Business partners are selected and evaluated impartially on the basis of objective factors including quality, delivery, cost and reliability, as well as their commitment to environmental and social performance and continuous improvement. At Ålö, we work against corruption in all forms and we do not make any business decisions based on personal interests. The

Ålö Group complies with applicable laws and regulations in each country regarding bribery, fraud, money laundering and tax evasion.

## RESULTS 2019

- Supplier Code of Conduct (edition 2.0) distributed globally and signed by all major or key suppliers.
- An audit report template for Supplier Code of Conduct was launched in 2019, focusing on environment, health and safety and business ethics. Supplier audits have started.

## ACTIVITIES 2020

Perform audits on randomly selected suppliers and their work to improve their work regarding ethical, social and environmental issues.

*"In order to maintain our strong market position, it is imperative that we act professionally, honestly and ethically in all situations."*

Niklas Åström, President and CEO in Ålö Ethical Guidelines

# Opportunities and Threats

## OPPORTUNITIES

Our most important opportunities in the sustainability area are connected to Ålö's core business. With our products, we are a part of making the farmers more efficient in their everyday lives, thus contributing to a more sustainable society. This year we are particularly proud of sustainability opportunities in our manufacturing and value chain, mainly through Ålö being certified according to ISO 14001.

Environmental opportunities in our own production that we particularly want to mention are:

- Digitalisation
- Water recycling
- Reduction of air-freight and reduced CO2 emission per freighted ton
- New processes that improve material utilisation and reduction of chemical, energy and water consumption.

## THREATS

The environmental and social impact in our value chain includes major sustainability challenges for Ålö. We have implemented a systematic risk management framework into our operations to identify and mitigate our strategic and operative environmental risks.

Our environmental risk assessment highlights that our prime focus is water. In many parts of the world the availability of water is scarce, and as contamination of water may happen through our production, control and follow-ups are conducted at each of our sites as part of our continuous improvements.

All units are responsible for identifying, analysing, addressing and monitoring risks. When detecting any major risk, it is resolved accordingly. The senior management and the Board are responsible for annual follow-ups.

# Sustainability Group

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The Sustainability Group is a cross-functional group with the responsibility to review and revise decisions with an implication on sustainability. The group led by EVP HR Susanne Sarin is, together with the top management, responsible for our work within environmental, social and economic aspects. The Sustainability Group reports to and is fully accountable to the group management. Meetings are held approximately four times per year.

## ABOUT THIS REPORT

The report describes Ålö's actions and the resulting outcomes from 2019 that are considered to be material to the business. The indicators are reported to the fullest extent possible depending on data availability.

In accordance with the Swedish Annual Accounts Act chapter 6, §11, Ålö AB has chosen to present the statutory sustainability report as a report separated from the Annual Report. The required information in accordance with the Annual Accounts Act chapter 6, §12, constitutes part of the Board of Director's report and is incorporated in this document. This report has been submitted to the auditor at the same time as the Annual Report. For further information, see the Annual Report.

The scope of the report covers Ålö Group, and all operations in the markets where our company is present unless otherwise noted.

The report was prepared with inspiration from the Global Reporting Initiative G4 Guidelines Core option.

## EXTERNAL ASSURANCE

This sustainability report has been reviewed by an assurance provider to ensure that we meet information requirements of Sweden's legislation on sustainability reporting.

## ABOUT ÅLÖ

### Ålö HQ:

Östra Strandgatan 26, 903 39 Umeå, Sweden

### Products & Brands:

Ålö is developing and manufacturing top-quality front loaders and implements under the brand Quicke® since 1949.

### Org number:

556081-0482

### Operating in:

USA, Canada, China, Australia, France, Germany, Poland, UK, Sweden, Norway and Denmark.

Ålö is one of the world's largest suppliers for loaders in the agricultural machinery industry. With sales companies in 10 countries, factories in 4 countries and customers in more than 50 countries, Ålö, with its brand Quicke, is the partner of choice for agricultural clients. It accounts for 30

per cent of the world market of loaders in the segment for tractors with engines above 50hp. Its sales for loaders and implements amounted to a total value of SEK 2.1bn in 2019. The company is part of JOST, a leading global producer and supplier of safety-critical systems to the commercial vehicle industry with the core brands JOST, ROCKINGER, TRIDEC, Edbro and Quicke. JOST employs more than 3,500 members of staff worldwide and has been listed on the Frankfurt Stock Exchange since 20 July 2017.

### Accounting period: 2019-01-01 – 2019-12-31

The Ålö Group employed 669 people on average in 2019.

### Contacts:

Mattias Byström, CFO  
mattias.bystrom@alo.se

[alo.se](http://alo.se) / [quicke.se](http://quicke.se)

**Quicke**  
WORK SMARTER. NOT HARDER.

This is the translation of the auditor's report in Swedish

# The auditor's report on the statutory sustainability report

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To the general meeting of Ålö AB, corporate identity number 556081-0482

## **Engagement and responsibility**

The board of directors are responsible for ensuring the statutory sustainability report has been prepared in accordance with the annual accounts act.

## **The scope of the audit**

Our examination of the statutory sustainability report has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's report on the statutory sustainability report. This means that our examination of the statutory sustainability report 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.

## **Opinion**

A statutory sustainability report has been prepared.

Stockholm May 15, 2020  
Ernst & Young AB

Erik Sandström  
Authorized Public Accountant

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