

# Sustainability Report 2021









# Sustainable transition through technological advances

## Our vision: Rototilt® on every excavator

Equipping an excavator with products from Rototilt improves the efficiency of the machine by up to 25 percent. And sometimes even more. A more efficient machine means lower fuel consumption, which reduces the environmental impact.

## Sustainable business development

Our development as an international Group is continuing. Processes and organisational structures have been developed on the basis of these new challenges and conditions. A cohesive Group with the motto "Local but Global" is important in order for users to feel confident in their investment in our products. On a global level, we are developing Vindeln as a skills centre to support our subsidiaries, which in turn operate on their local market. A good economy is a prerequisite for continued strong development, with investments in efficient manufacturing, expertise and international market development.

## Strategic skills provision

We collaborate with universities, colleges, upper secondary schools and local primary schools in Vindeln to inspire commitment, continued studies and research among students and teachers.

We also want to spark interest in our sector and the career opportunities we offer.

## Community

We are a part of our community, collaborating with, advising and supporting various initiatives and associations. Over the years, we have also supported orphanages and school projects in other countries.

## Our workplace

The results of the annual employee survey help us in our ongoing work of being an attractive employer. We want to build a pleasant workplace where individuals are committed and feel involved. People's equal value and assuming responsibility for reducing our environmental impact are part of our corporate culture, and are also reflected in the heart that can be seen in our logo. Our day-to-day operations are characterised by continuous work on sustainable development and constant improvements, both environmentally and socially. We make active choices to demonstrate our commitment to sustainability. Examples of this include the fact that our premises are heated using pellets made from raw materials taken from northern Sweden's forests, as well as the fact that we have switched to eco-labelled electricity. Production and office workplaces have a special shielded electrical environment and low-radiation computer screens.

## Our suppliers

Our suppliers are an important part of our overall setup, and the way we do business should be characterised by professionalism, ethics and morality, as well as being free from corruption.

## Systematic work

Our aim is to influence the entire chain, from our sub-contractors all the way to our users. We work actively with supplier development through surveys, clear requirements and goals. Our goal is for the sustainability work to permeate our entire operation and for all employees to feel involved. We have long been carrying out systematic work in relation to the environment,

the working environment and quality. We are certified according to ISO 14001, ISO 45001 and ISO 9001.

## Important events

We are a growing company and are constantly working on process development to ensure world class products. During 2021, a development project was completed in Vindeln that resulted in an entirely new factory with a new test laboratory, new assembly, new paint shop and more machining tools, all in accordance with the adopted expansion plan. This expansion is a result of our continued global expansion and increased demand for our products. Over the past year, we have followed the same strategy as in previous years, with Vindeln being our hub and our heart. Our aim is to continue to develop, and part of this involves conducting an annual employee survey. Our confidence index remains above the industry average for manufacturing companies.



Anders Jonsson, CEO  
Rototilt Group AB





# 1. The company Rototilt

## Our business

Rototilt Group AB is a Swedish family-owned business based in Vindeln, around 50 km northwest of Umeå in Västerbotten County. We are a technology company and work mainly with the design, manufacture, sale and support of tiltrotator systems under our own brand, Rototilt®. The product portfolio includes tiltrotators, control systems, machine couplers and work tools such as buckets, grapples and rippers.

The tiltrotator, which is our main product, is mounted at the tip of the excavator boom. Together with the control system, the user can rotate and tilt various types of coupled work tools. Through smart features, such as programmable functions, safety locks and system integration, we are able to streamline the excavator to create a versatile tool carrier that makes the day-to-day work of machine operators easier.

Product development and the manufacturing of our tiltrotators, machine couplers, control systems and many work tools take place in Vindeln. We gather knowledge, experience and resources in our unique research and testing facility, where we continually test and evaluate new technical ideas. Our development department works to optimise materials and designs in order to maximise productivity and product service life. Sales, service, support and spare parts are supplied by our subsidiaries as well as agencies and importers.

## Our market

Our products are sold on the construction machinery markets in countries such as Sweden, Denmark, Finland, Norway, Iceland, France, the UK, Germany, BeNeLux, Canada, the USA, Australia and New Zealand – some 40 countries in total. Our customers include manufacturers of construction machinery, OEMs (Original Equipment Manufacturers) and dealer OEDs (Original Equipment Distributors).

## Our offer

We improve the efficiency of excavators and meet our customers' increased demands for flexibility and efficiency by offering tiltrotator systems on an international market. By offering our smart product solutions, we meet our users' high demands for quality, function and overall economy.

## Our values

Sustainable development is something we cherish. Our work in relation to quality, the working environment and the environment is based on long-term, sustainable perspectives regarding commitment, a systematic approach and the participation of everyone. The promise that we strive to deliver every day, both to external and internal stakeholders, is based on our four cornerstones: Precision, Commitment, Added value and Professionalism. The guiding principles when it comes to our working methods are Right from Me, Continuous Improvements and Long-term Approach. One foundation for our all work is applicable legislation and requirements regarding e.g. business ethics and other normative factors.

## Our workplace

Rototilt is a company that believes in the future, that wants to grow and develop. We want to be a workplace that makes use of people's potential and where diversity and equality are strengths that contribute to wellbeing, efficiency and profitability. We are a workplace that promotes openness, participation and development. All of this is possible when we do it together.



**For me, it is important to have an employer that has clear, good values and that shares my personal values and opinions regarding sustainability. I'm happy to have found this at Rototilt."**

Sandra Olofsson, Marketing Coordinator, Rototilt

ACTIVITIES WITHIN HR  
AND THE WORKING  
ENVIRONMENT



NEW GOALS FOR  
THE ENVIRONMENT  
AND SOCIETY

## 2. The year in short

Rototilt is ending the year with good levels of profitability and growth, and we are still enjoying success in respect of our own climate impact in relation to our growth. We have also continued to work with previously identified issues during the year, mainly within HR, the working environment and the environment. Through renewed stakeholder dialogues, we have identified key issues for our stakeholders, including:

- Activities within HR and the working environment in order to achieve our goals of an increased confidence index and a high attendance rate.
- New goals for the environment and society, where our aim is to reduce the impact of our freight transport and streamline our overall energy use.

	2021	2020-2021
Number of employees, FTE	207	+4.5%
<b>Environmental responsibility</b>		
Electricity consumption, MWh/metr. tonne prod.	0.59	-24%
Climate impact, scope 1+2, Rototilt Group AB Sweden, kg CO <sub>2</sub> e/metr. tonne prod.	15.6	-29%
Climate impact, transport, kg CO <sub>2</sub> e/metr. tonne prod. (only shipments ordered by Rototilt)	448	+20%*
Water consumption, m <sup>3</sup> /metr. tonne prod.	0.6	-33%
Hazardous waste, kg/metr. tonne prod.	34	-45%
Proportion of suppliers with environmental certification, %	74	-1%
<b>Social responsibility</b>		
Employee survey (confidence index), %	75	+4%
Attendance rate, %	97	0%
Work-related accidents, number	10	+1
Proportion of women of all employees, %	23	+4%
Proportion of employees undergoing standardised introductory training, %	100	
Proportion of buyers receiving training regarding the risk of corruption in the supply chain, %	100	

*\*High proportion of air transport due to Covid-19 and its spillover effects.*







# 3. Sustainability management

## Sustainability management

Rototilt's Board of Directors has overall responsibility for the company's sustainability work. The CEO has the operational responsibility, which is promoted and coordinated by the Head of Quality, the Environment and the Working Environment (KAM), but which is implemented by managers in the various parts of the business. The company's management team is responsible for overall strategies, goals and actions as well as following-up. The basic principle for the work is to act preventively as far as possible and to apply the precautionary principle. All employees have their own responsibility to contribute actively to the sustainability work.

## Following-up and reporting

Sustainability information in respect of personal safety, environmental and property damage, as well as the reporting of other sustainability-related data, take place in the company's system in accordance with predetermined methods and guidelines. Rototilt has a management system for quality, the environment and the working environment that describes the working method – ranging from policies and guidelines to procedures and instructions for work. The management system is certified in accordance with ISO 9001, ISO 14001 and ISO 45001, and satisfies the stipulated requirements and regulations.



## Guidelines and policies

Rototilt aims to conduct business in accordance with good business practice and high ethical standards in all the company's relations with stakeholders. The work is based on our business policy for quality, the environment and the working environment. The expectations we place on our suppliers are articulated through our supplier policy. Based on this, we assess the suppliers' environmental work, respect for human rights, work in relation to anti-corruption and delivery reliability. We carry out new supplier assessments annually and follow up the suppliers' responses.

Here at Rototilt, it is important for us to agree on a common approach, regardless of where in our organisation people work and what they are working with. Our aim is to motivate all employees to develop and to lead by example. Mutual respect between employees at all levels of the company is fundamental for this.

Through personal commitment, accountability, open communication and constructive feedback, we can help to create clarity, participation and good results. Sustainable development is crucial. We therefore have to think about how our actions affect our colleagues, business partners, customers, suppliers and society at large.

## Laws and regulations

We conduct an ongoing dialogue with the authorities under whose permits and regulations we operate, such as the municipal environmental and construction office and the Swedish Tax Agency. Changes to laws and regulations are also followed up through procedures for updating the law and annual monitoring of legislative compliance. Changes to the law that impact on our business are reviewed and communicated to the relevant functions within the organisation.

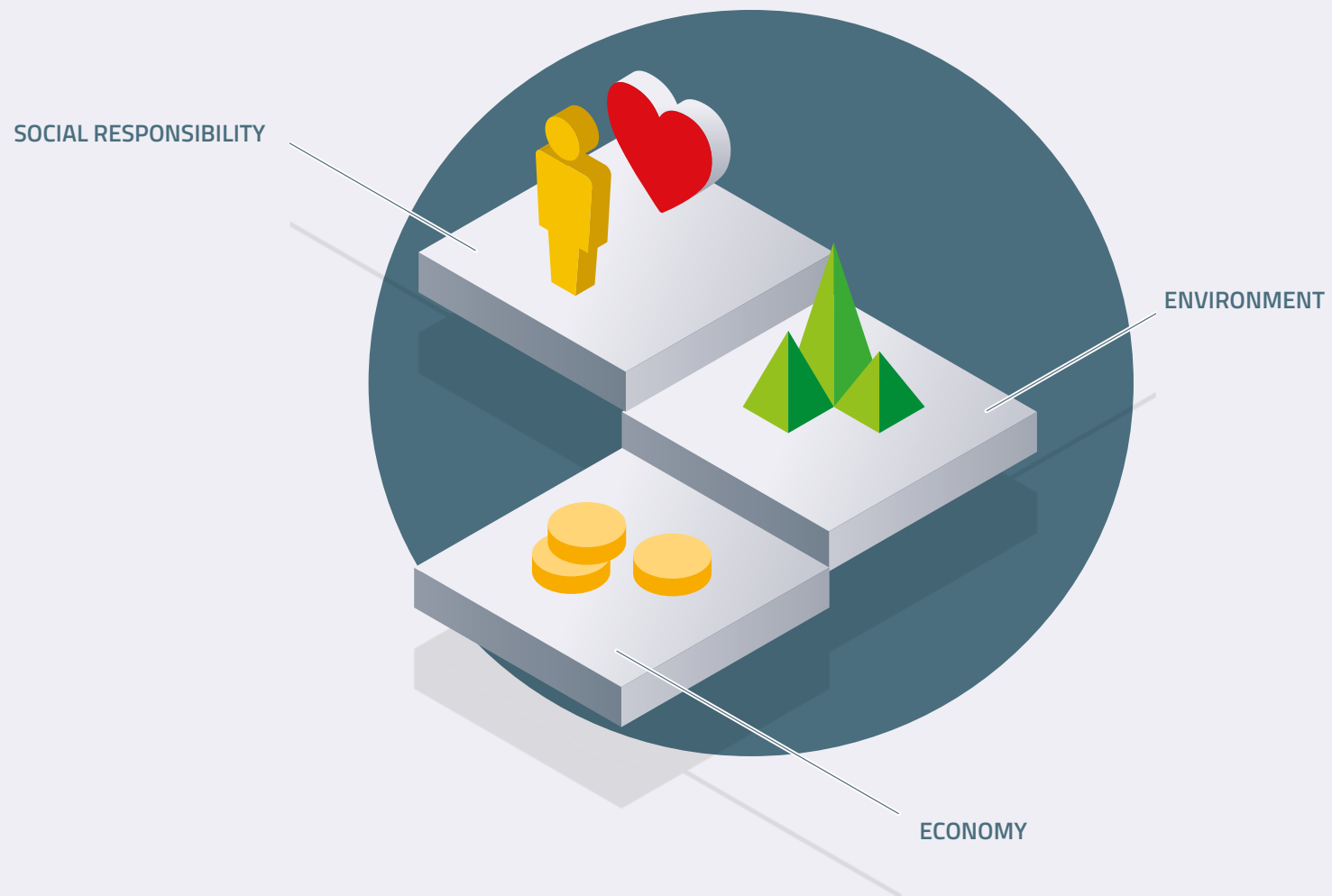


Figure 3 – Sustainability aspects



# Sustainability aspects

## Economy

Our business principles must be characterised by integrity and the acceptance of responsibility. Rototilt must be a stable financial partner for customers and business partners, but also contribute value to our owners and be a secure employer for our employees. A strong financial position provides the opportunity for continued operational and business development, which is a prerequisite for a business that is sustainable in the long term. Through the business system and the company's other analysis tools, we follow up our work and our results. The CEO is responsible for the financial results. The business creates financial value that is distributed among various stakeholders. These include customers, suppliers, employees, owners, creditors and society.

## Environment

Our products, with the tiltrotator at the forefront, help to improve the efficiency of excavators and consequently the consumption of fuel. Our operations should utilise energy and raw materials in an efficient manner, minimising the generation of waste.

As a company, we want to contribute to sustainable social development by improving the environmental performance of our products, processes and transport operations. We endeavour to select the best alternatives from an environmental perspective, in order to prevent risks associated with pollution, emissions and negative environmental impact. We conduct licensed operations in accordance with the Swedish Environmental Code. Permits are issued for continued and expanded production. The main operations in the manufacturing process are cutting machining, painting and assembly.

The environmental impact consists primarily of freight transport, business travel, energy consumption, waste and hazardous waste. We reduce the effects of our environmental impact by working with alternative shipping methods, introducing energy efficiency measures, responsible waste management, co-packing and stackable packaging.

The objectives laid down by the company's management team and legislation in the field of the environment are continually assessed and monitored in the management system for quality, the environment and the working environment.

## Social responsibility

Rototilt's values should be of assistance in both large and small decisions, and are a common representation of how our business should be conducted, regardless of where in the organisation, in which country or on what market we are operating. Together with our policies, process descriptions and procedures, they form the framework within which the business should be run.

The aim is to create a healthy, safe and progressive workplace for our employees. We achieve this by shaping the working environment from a holistic perspective in the long term, and by adapting it to our employees' various needs and circumstances. We focus on preventive measures in order to avoid accidents and ill health. We never compromise on the safety of our employees, visitors or customers.



**Sustainability footprint is an ecodriven path for next generations."**

Olof Fridolfsson, Strategic Buyer, Rototilt



**Figure 4A – Materiality chart**

This sustainability report describes how we work with the issues that have been deemed essential, on the basis that they are important both for us and for our stakeholders.

### Key issues for our stakeholders

- Health and safety of staff
- Customer satisfaction
- Job satisfaction
- Preventing human rights violations
- End-use security
- Anti-corruption work
- Work to combat fraud and money laundering

### Figure 4B – Key issues for our stakeholders

Our stakeholders help us to identify risks and opportunities, so that we can create long-term and sustainable value. The dialogues form the basis for prioritising issues to work on from a sustainability perspective, in both the short and the long term. New issues are identified on an ongoing basis, with goals and following-up being carried out in our management system.



## 4. Our key sustainability issues

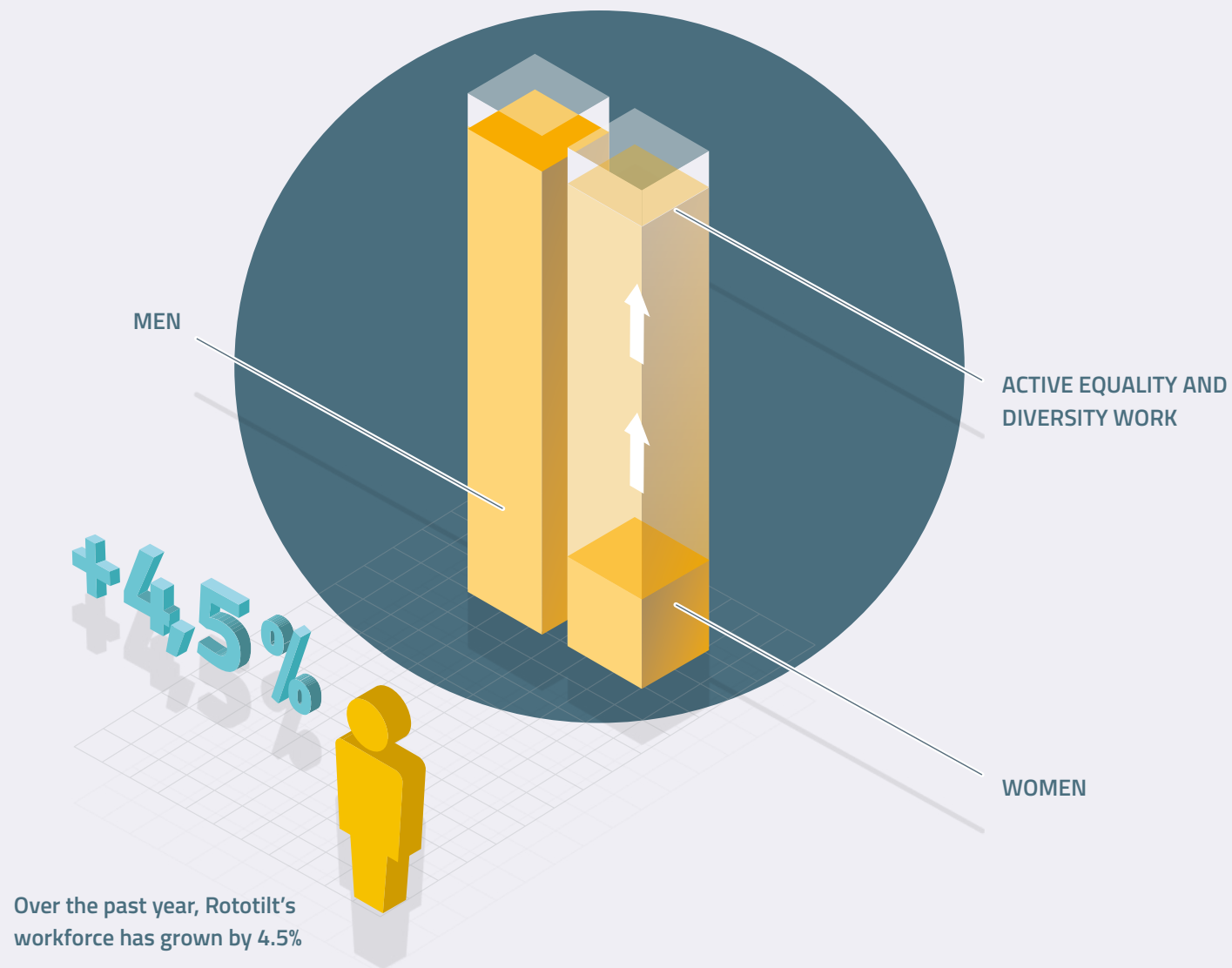
The 2020 stakeholder survey and subsequent analysis work have formed the basis for the continued development work during 2021. The survey was conducted in the form of a questionnaire that was sent out to representatives of selected stakeholder groups, with the aim of mapping important sustainability issues from the perspective of both stakeholders and the company. The stakeholders' priorities form the basis of our materiality analysis.

Documentation from customer surveys, customer service feedback, supplier assessments, market research, inspection reports and the handling of complaints have also contributed to the mapping process. Furthermore, Rototilt conducted an ongoing dialogue with various stakeholders during the year.

The materiality analysis is used as a strategic foundation prior to the management making decisions on which key sustainability issues Rototilt should focus on.

Key issue	Highlighted by stakeholder	Explanation of the key issue and its boundaries
Job satisfaction	Employees within the Rototilt Group, suppliers, politicians, dealers/importers	We measure the confidence index annually among our employees. We do this to ensure that we are an attractive employer. External networks, lectures, systematic collaboration with schools, labour market fairs, study visits and internships are some of the strategic activities that have been carried out to promote Rototilt as a future workplace.
Customer satisfaction	Employees within the Rototilt Group, suppliers, politicians, dealers/importers	Customer satisfaction is measured e.g. in terms of quality, complaints and delivery reliability. Risks associated with dissatisfied customers are measured and monitored regularly. Measurements are performed in relation to both dealers and end customers.
Health and safety of staff	Employees within the Rototilt Group, suppliers, politicians, dealers/importers	We have a direct impact on, and a statutory responsibility for, our employees' working environment, both in the production process and in our offices. This applies in both the physical and the psychosocial working environment. We work continuously to identify risks and act preventively. We have procedures, a crisis management team, individuals trained in first aid and defibrillators in place in order that we are able to act quickly and minimise subsequent injuries in the event of an accident, etc.
Preventing human rights violations	Employees within the Rototilt Group, suppliers, politicians, dealers/importers	Risks that may arise in our supply chain occur all the way through to raw material production. To ensure that our suppliers act ethically and responsibly towards their employees, we carry out supplier assessments.
End-use security	Employees within the Rototilt Group, suppliers, politicians, dealers/importers	By performing risk assessments and CE marking, we try to minimise the occurrence of accidents and ill health during the use of our products. Incidents associated with our products are measured and monitored regularly.
Anti-corruption work	Employees within the Rototilt Group, suppliers, politicians, dealers/importers	Anti-corruption work is regulated by means of compliance with our anti-corruption policy. Corruption incidents are followed up and addressed in accordance with guidelines from the policy and internal procedures.
Work to combat fraud and money laundering	Employees within the Rototilt Group, suppliers, politicians, dealers/importers	To make our employees aware of the risk of fraud, new employees are introduced to our information security policy and IT user policy.

\* A stakeholder is a person, group or organisation that has a direct or indirect interest in our business.





## 5. Rototilt – a more attractive employer

Skills provision is both a long-term sustainability issue and important for our growth. For this reason, we devote a considerable amount of time and effort to both attracting and retaining talented and committed employees.

Internally, we work in a targeted manner in a predefined process alongside the organisation Great Place to Work, where the external certification generates credibility and development potential for our work.

In the various countries and departments where we operate, we analyse and compile the results of the survey, which are then discussed with the employees in order to best decide on which activities to pursue to maintain and develop the business.

A significant proportion of this work is also carried out in our daily conversations, weekly meetings, department meetings, performance appraisals, salary interviews and other elements that jointly make up our day-to-day interactions. Mutual trust is the starting point for the way we behave towards and with each other as colleagues and co-workers.

Externally, we work to exert influence and debate matters relating to housing opportunities, infrastructure and commuting, since the town of Vindeln only has 2,500 inhabitants and almost half of our employees commute from other municipalities.

We also work actively and in various ways with our Employer Branding activities, as we want to be visible in different contexts and in different arenas. We sponsor elite teams such as A3 Basket and Björklöven, as well as conducting broad-based sponsorship for smaller associations. We give lectures in various contexts and participate in labour market fairs, various projects and

school collaborations at different levels, for a wide range of specialisations and ages. All with the aim of showing who we are and demonstrating our belief in the future.

Over the past year, Rototilt's workforce has grown by 9 percent (from Dec 2020 to Dec 2021). All of our employees are covered by collective agreements.

### Expertise

We conduct systematic activities in respect of Employer Branding, and are working consciously and in a targeted manner to be an attractive employer. Through collaborations with secondary schools in the county, we are attempting to increase interest in technical education and to market Rototilt as a future employer.

As far as possible, we try to offer internships and accept study visits from various educational institutions, as we

view this as a great opportunity for both the individual and the company to get to know each other. There are also a number of examples of internships being converted into employment at Rototilt. For us, it is important to maintain a close dialogue and collaboration with schools and society, as well as the rest of the business sector, in order for the company to be able to grow sustainably and in the long term.

Continuous skills development is key for our employees, departments and for the company. We are growing strongly as a company, which means that the willingness and commitment of our employees are absolutely crucial. Companies, managers and employees have a shared responsibility in our work aimed at retaining and further developing our talented employees. New challenges and opportunities for employees are opening up in line with the company's growth, and the process for each employee's development is safeguarded annually through staff appraisals, development plans and continuous following-up.

### Working environment and safety

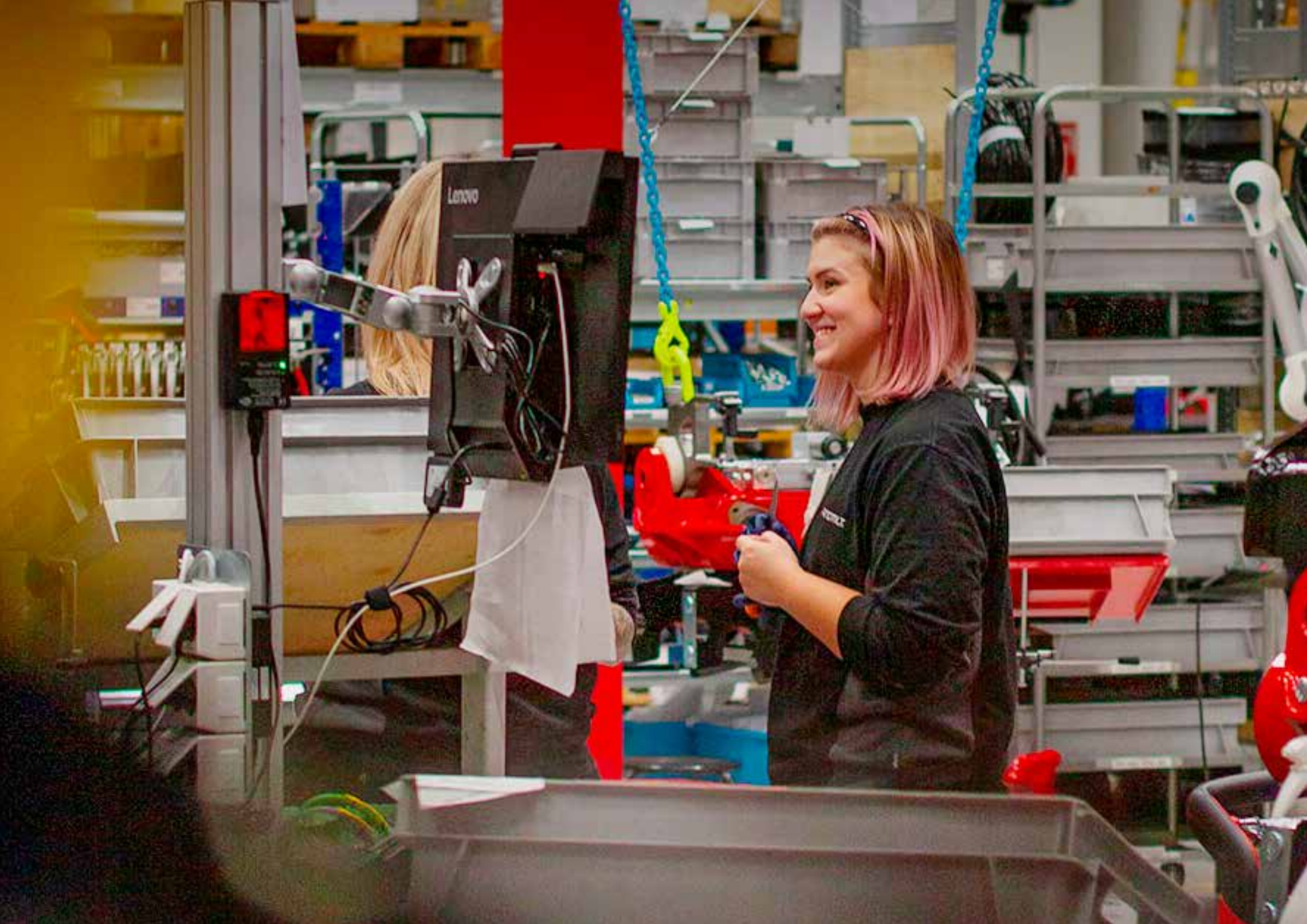
We aim to be a healthy, safe and stimulating workplace for our employees. We achieve this by shaping the working environment from a holistic perspective in the long term, and by adapting it to our employees' various needs and circumstances.

We never compromise on the safety of our employees, visitors or customers. We work actively to highlight and encourage the reporting of both accidents and near-accidents, in order that we can avert and proactively prevent them.



**Sustainability is an important part of our identity – for us as a company, for our employees and for jobseekers. Nowadays, we are expected to meet growth targets and act sustainably. Our values are of assistance in this respect, as are our core values of precision, commitment and added value, as well as our new core value of professionalism. This is also all part of our overall goal of being a Great Place to Work."**

Peter Strömberg, Group HR Manager, Rototilt





In all, 50 incidents were reported in 2021, split between 40 near-accidents and 10 accidents. 44 have been rectified and 6 are partially rectified. Nobody requested absence from work.

The working environment constitutes a natural element of our daily work, where reviews, ongoing improvements and compliance with laws and other requirements should be performed as a matter of course.

### Equality and diversity work

We know that equality pays for itself. It provides improved efficiency, different experiences and approaches, a better working environment, wellbeing and consequently a more attractive company.

Gender equality is an important component of our strategic work for future skills provision, and something that is measured and followed up carefully. Through our collaborations with schools and by offering internships and study visits, our aim is to promote interest in technology, regardless of gender, age or background. Gender equality and diversity work are also integrated into our work on our values and corporate culture.

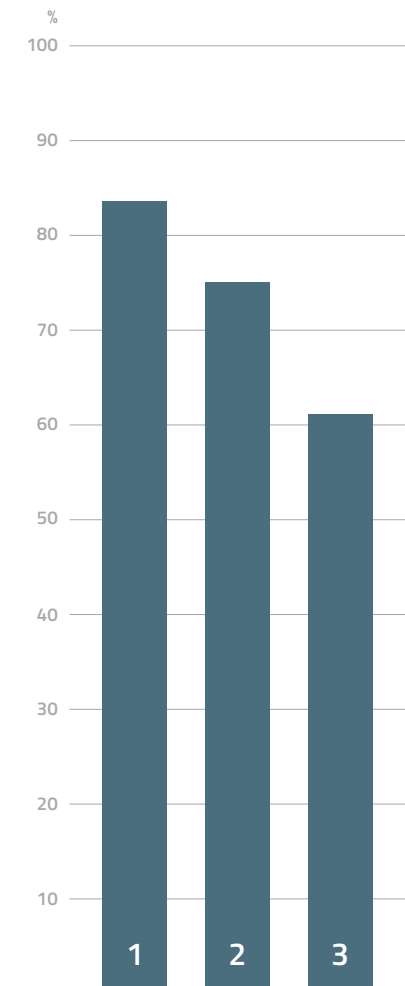
Our aim is to motivate all employees to develop and to lead by example. Mutual respect between employees at all levels of the company is fundamental. Everyone has the opportunity and the responsibility to contribute to positive development in all areas, large and small. Personal commitment, accountability, open communication and constructive feedback all help to create clarity, participation and good results.

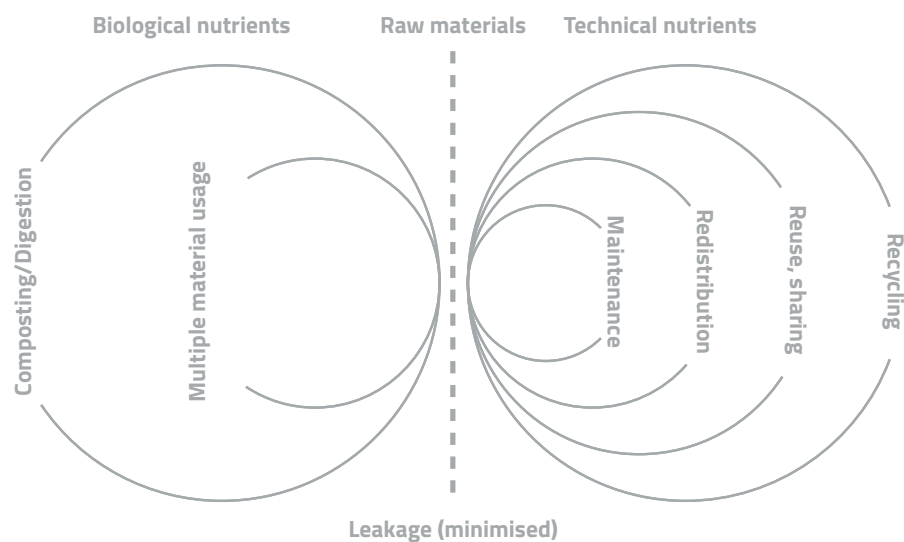
Confidence index according to employee survey, 2021.

1. *Rototilt 2021*

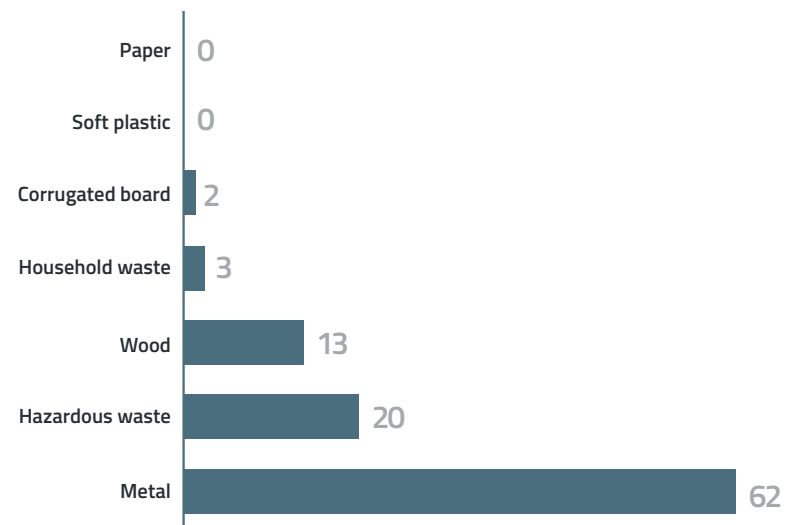
2. *The Swedish labour market*

3. *Production & Manufacturing*

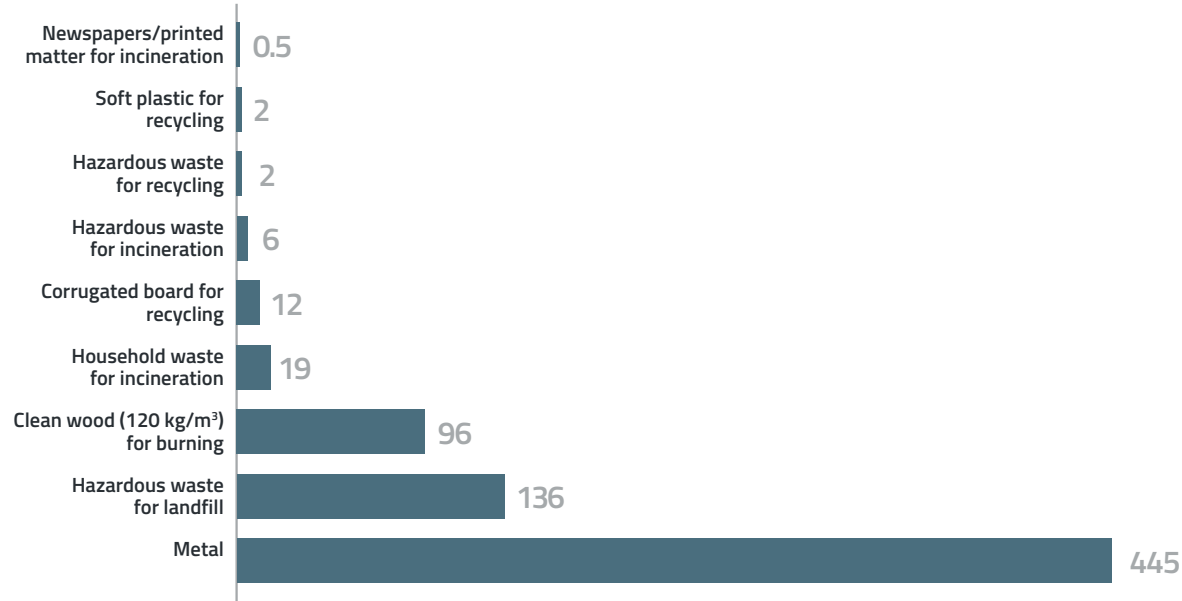




**Figure 6A** – In a circular economy, it is important to close the cycles and to separate biological and technical nutrients. We do this, for example, by recycling metal waste and paper, as well as by recycling household waste to produce energy.



**Figure 6B** – Our waste divided into fractions by material type, %



**Figure 6C** – Our waste divided by treatment method, metric tonnes



## 6. Impact on the environment

Our operations have an impact on the climate in relation to production and transport. When a user equips their excavator with our tiltrotator and other products, however, this creates opportunities for them to reduce their environmental impact through fewer movements and smarter use of the machine. The more efficient working method that is made possible thanks to our products contributes directly to a reduction in fuel consumption.

Our production operations drive our impact on various ecosystems through displacement by means of physical methods (e.g. mining and quarrying), as well as emissions into air, water and ground throughout our entire value chain. We are striving to reduce the negative impact that occurs as a result of our products, both locally here in Vindeln and around the world.

### Materials

The issue of the origins of the materials used in our production operation has been raised by our stakeholders. Important issues include traceability, control of conflict minerals, the phasing out of hazardous chemicals and the proportion of goods that come from recycled raw materials. We also consider these to be important issues, and are therefore trying to:

- Reduce the environmental impact of virgin material mining.
- Reduce the climate impact from the production of goods.
- Encourage the use of recycled materials.
- Contribute to a circular economy.
- Avoid working conditions that we consider to be unacceptable upstream in our value chain.

### Water

We take all our water from the municipal drinking water network. The municipality is the stakeholder that has an interest in our water consumption. In 2021, we used 2,688 m<sup>3</sup> of water. The majority of this was used for the washing of processed goods in our production operations. We do not treat any grey water ourselves or discharge it into the stormwater network, rather it goes to waste management for treatment.

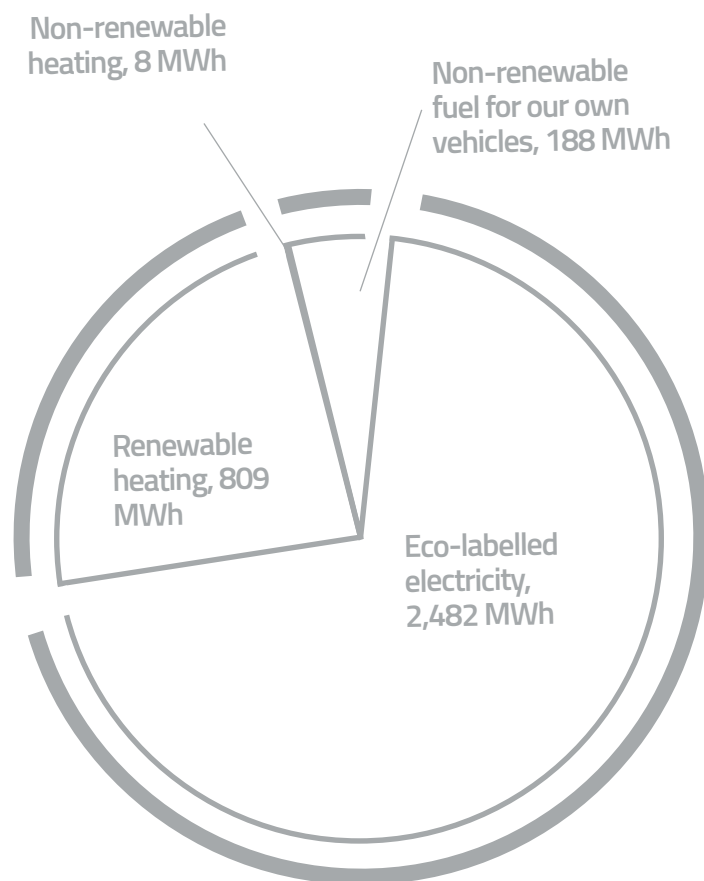
### Waste

In a circular economy, it is important to view waste as someone else's resource. We strive to recycle as much as possible in accordance with the EU's waste hierarchy, thereby helping to ensure that materials continue to circulate and become raw materials for the next product's life cycle.

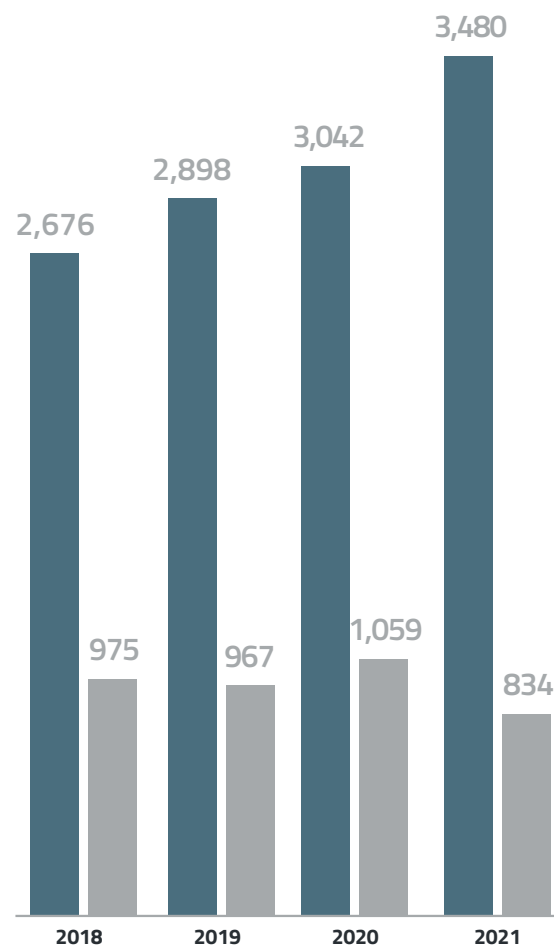
Metal is an example of a technical material that can be recycled. Metal waste from our manufacturing process is our largest waste fraction, and this material is now 100 percent recycled.

Process water is our second largest waste category (136 metric tonnes) and is sorted as hazardous waste and treated. The recycling company decides how the hazardous waste is to be handled, and this handling is then followed up through our management system. This year, the treatment has taken place in the form of evaporation and incineration with energy recovery.

There is also a small fraction of other hazardous waste, which has been either incinerated to recover energy (5.5 metric tonnes) or recycled (2 metric tonnes). We use few biological materials in our business – mainly the cardboard from which our packaging is made. Cardboard, wood, newspapers, printed matter and soft plastic materials are recycled. Our household waste is incinerated to recover energy.



**Figure 1 – Distribution of energy consumption**



**Figure 2 – Total energy consumption over time**

■ MWh total energy consumption  
 ■ KWh energy consumption per metric tonne produced



**Figure 3 – Electricity consumption**

■ KWh electricity consumption per metric tonne produced

### Energy consumption

In 2021, we succeeded in implementing a number of significant measures, such as extending the use of LEDs. The new hydraulic system for test labs and storage rooms has been developed to incorporate energy recovery, which means that the entire building is energy-self-sufficient as regards heating. In 2021, we used a total of 3,480 MWh of energy, made up of 2,482 MWh of eco-labelled electricity, 809 MWh of district heating and 188 MWh of non-renewable fuel for company-owned vehicles.

The reported total energy consumption increased during the year, mainly because production levels have increased. We believe that the use of electricity in our plant is the most important energy consumption for us to follow up and reduce, as it accounts for the majority of our energy usage (71 percent). We are experiencing strong growth and are therefore using different performance measures to monitor our usage of electrical power.

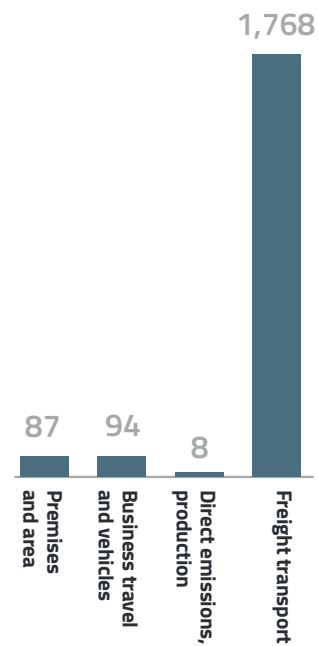
### Climate impact

The climate issue is raised by many stakeholders as being an important issue for us. Since 2017, our plant in Vindeln has been using solely eco-labelled electricity derived from hydro and wind power. We use district heating from a local network, with 99 percent renewable energy in the form of pellets (heating oil is used when starting up the boiler). This means that emissions from our production process, now calculated in scope 1+2, are relatively low (65 metric tonnes of CO<sub>2</sub>e).

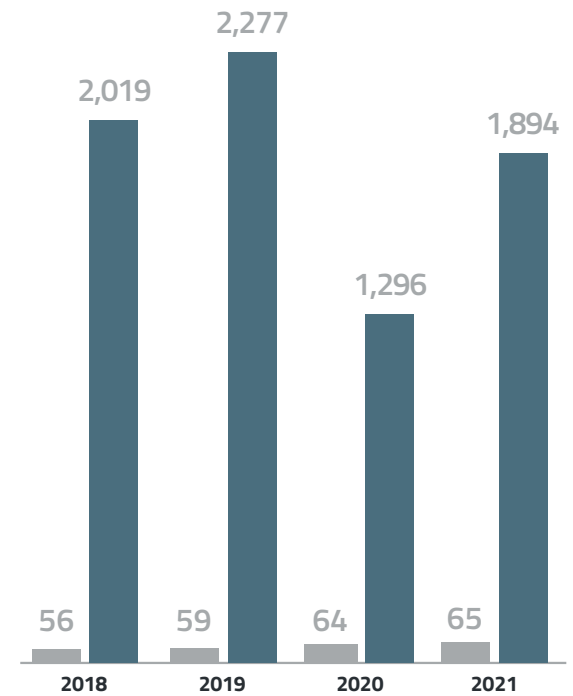
We have therefore started looking outside our factory in order to further reduce our impact and optimise long-distance transport operations on the global market in which we operate.



**Figure 1** – Environmental aspects during the life cycle of the product



**Figure 2** – Climate impact from a life cycle perspective, metric tonnes of CO<sub>2</sub>e



**Figure 3** – Climate impact per scope, metric tonnes of CO<sub>2</sub>e

Scope 1+2  
 Scope 3



### Methodology

The calculation for 2021 has been performed in accordance with Green House Gas Protocol's scope 2 market-based approach update. RFI factor 2 is calculated for air freight, which since 2016 has increased the reported emissions in scope 3. The RFI factor is one way of accepting responsibility for the climate impact of aviation, as emissions that occur at high altitude have a greater effect on the climate than those that occur at the ground level. It is also a way for us to demonstrate that we take full responsibility for the climate impact of our air freight. RFI factor 2 is already being used for business travel by air. The climate impact of each metric tonne produced is divided into the following areas from the products' life cycle perspective:

#### Premises and area

- Energy consumption through electricity, heating and fuel consumption
- Water consumption
- Hazardous waste for treatment
- Consumption of office supplies

#### Business travel and vehicles

- Business travel by air, rail and employees' own vehicles
- Business travel using company-owned vehicles

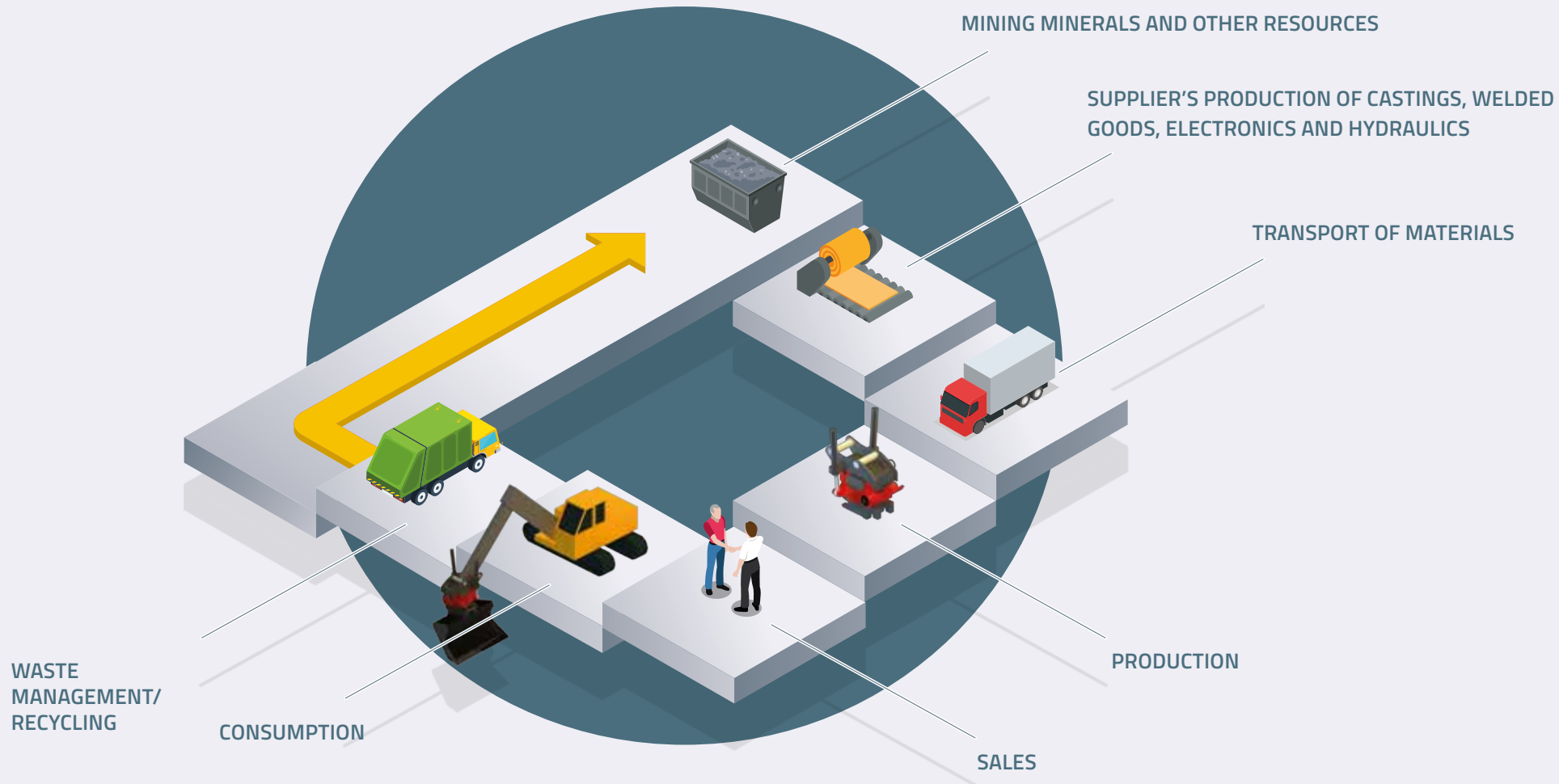
### Direct emissions, production

- Emissions of VOCs from premises to the air

### Freight transport

- Inbound and outbound transport of goods by road, sea, air and rail.

Our total climate impact for the Swedish company during the year stood at 1,959 metric tonnes of CO<sub>2</sub>e or 470 kg of CO<sub>2</sub>e/metric tonne produced. This is a decrease of 6.7 kg per metric tonne produced since 2020, which can be explained by a significant increase in freight transport by sea and an increase in air freight.



## 7. Responsibility towards society

Here at Rototilt, we feel a great sense of responsibility towards society. Our hub is located in Vindeln, although we are an international company with subsidiaries in Finland, Norway, Germany, Canada, France and the UK. Our customers can be found all around the world. Our geographical location in the interior of northern Sweden therefore represents both an opportunity and a challenge. In addition to finding employees with the right skills, we are very dependent on a good infrastructure. It has to be easy to get to and from the workplace, to receive deliveries and to send finished products to our customers. Since our business is international, this means that our social responsibility extends far beyond Sweden's borders.

### Value chain

A value chain perspective helps us identify our significant impact on society and the environment, as well as allowing us to create value for our stakeholders.

### Suppliers

Our main supplier categories in terms of quantity and volume include castings, welded goods, electronics and hydraulics. Our supplier base is mainly located in Sweden, followed by Europe. In total, we have around 200 suppliers. As the company develops, our customers and suppliers are operating on an increasingly large geographic market, which in turn is making shipping an increasingly important issue – both in terms of environmental impact and costs. This includes working with activities in order to identify and select environmentally friendly and more cost-effective transport operations, for example by means of transport taking place vertically to a greater extent, such as air to road, road to rail and rail to sea where this is practically feasible. In recent years, we have managed to reduce our air freight by 50 percent in this way.

One area that we have previously mapped, and that will be an area of focus going forward, involves evaluating to a greater extent where we should locate points of purchase for certain goods and services. This also drives synergies from a sustainability perspective and promotes alternative manufacturing methods. A tangible example that is already in progress entails starting to replace printed material such as installation instructions with digital handbooks and instructions, in order to

minimise paper consumption as well as printing costs. Another example involves trying to retain processing where the largest proportion of raw materials is found, or choosing suppliers that can handle several aspects to a greater extent. Examples of these include foundries and trying to keep finishing together in order to minimise transport and lead times.

Another increasingly important issue for us will be to review how, together with our suppliers, we can contribute to recycling. Examples include returning packaging or materials that become detached during processing to the supplier for reuse. Good examples of this include the collaboration with one of our largest machining suppliers, to whom we return metal residue so that they can cast further new parts for us, or where we reuse the packaging in which the products are delivered to us.

When qualifying suppliers, we impose requirements whereby they must comply with our supplier policy. This includes approaches to issues relating to quality, the environment, the working environment and corruption. We train ourselves and keep ourselves up-to-date with rules and requirements, in order to maintain a high level of quality in our work with the various suppliers. The following-up of our suppliers is based both on how well they develop and maintain their quality and environmental management systems, as well as the measurement of delivery precision and delivery quality.

All in all, we consider that the activities presented above increase our customer satisfaction by helping us to keep our customer promises, as well as doing so from a long-term sustainability perspective.

### Customers

Customer satisfaction was highlighted as an important issue during the stakeholder dialogue. We measure customer satisfaction annually. Based on the results of the customer satisfaction survey, we have also established targets for delivery reliability, level of service and complaints. These targets are followed up in the quality management system. The safety of our customers is important to us. Installation instructions, instructions for use and assembly instructions are included in deliveries







of new products and spare parts in order to inform our customers about requirements relating to installation, use and repair. We design and manufacture our products in accordance with the Machinery Directive and apply CE marking. We also affix certain warning labels directly on the products in the case of particular risks. No incidents relating to deficiencies in installations or mark-ups were reported during the year.

### **The local community**

Vindeln is an important part of our continued success and growth. This is where we have our head office and production facility, although we have the world as our working environment. We are therefore involved in the local community in many different ways. For example, we support various local initiatives and sports associations, as well as working to put Vindeln on the map in various national and international contexts.

One important initiative is the systematic work alongside schools and the rest of the business community. We follow a shared annual schedule, including practical training, lectures, study visits and, last but not least, Vindeln Business Week. This is a trade fair at which we present products and explain about future professional opportunities and educational approaches.

We believe it is important, both for the region and for Vindeln, to show off the potential that exists to run an international company with high-tech expertise in the interior of northern Sweden. Our aim is to help people

find quality jobs in an area with a high quality of life, as we will need to continue recruiting in the years to come.

We are part of the community and the community is part of us. We therefore try to explain and show what we do, what we stand for and how we can be a positive force for the development of society. In order to succeed, we need a society that functions well and that offers attractive living environments and functional infrastructure.

Important collaboration and dialogue partners include local politicians and decision-makers, as well as education providers, all of whom have different roles that are important in order for us to continue to develop together with the communities around us.

# Information for the GRI table

GRI-ID	Information	Information for GRI-ID
102-1	Name of the organisation	Rototilt Group AB
102-2	Main brands, products and services	Page 5
102-3	Organisation's head office	Vindeln
102-4	Countries where the organisation operates	Page 5
102-5	Ownership	Rototilt Invest AB, 100%
102-6	Market presence	Page 5
102-7	Organisation's size	i. 207 (average number of employees in 2021) ii. 1 production facility iii. SEK 689,815 thousand, sales iv. SEK 535,229 thousand, balance sheet total v. From a competition perspective, we do not report the actual sales volume
102-8	Employees, number and other information	Page 15
102-9	Value chain	Page 25
102-10	Significant changes to the organisation and its value chain during the accounting period	Expansion of machine capacity and subsidiaries
102-11	Application of the precautionary principle	Rototilt applies the precautionary principle in accordance with the regulations contained in Swedish and EU legislation
102-12	External economic, environmental or social initiatives and principles to which the organisation has subscribed.	Page 27
102-13	Membership of organisations and networks	Maskinleverantörerna, Movex/M3 Användarförening, Styrelseakademin Norr, Företagarna, Dataföreningen Digital Destination Sverige, Confederation of Swedish Enterprise, Association of Swedish Engineering Industries
102-14	Statement from the CEO	Page 3
102-16	Fundamental values, principles and standards of conduct	Page 3
102-18	Structure for the management of sustainability work	a. Board of Directors -> CEO -> Management team b. Board of Directors -> CEO -> Management team
102-40	Reporting of stakeholders	Page 13
102-41	Number of employees in relation to collective agreements	100% of Rototilt's employees are covered by collective agreements

GRI-ID	Information	Information for GRI-ID
102-42	Identification and selection of stakeholders	Page 13
102-43	Forms of engagement with stakeholders	Page 13
102-44	Key issues for stakeholders and their management	Page 13
102-45	Organisational units included in the consolidated financial statements	a. Subsidiaries included in the consolidated financial statements are Rototilt A/S (Norway), Rototilt OY (Finland), Rototilt GmbH (Germany), Rototilt Inc (Canada), Rototilt SAS (France) and Rototilt Ltd (UK) b. These subsidiaries are not included in the sustainability report
102-46	Process for defining the content and boundaries of accounting	Page 3
102-47	Identified material information	Page 13
102-48	Comments on changes in previously reported information	Not relevant
102-49	Significant changes in respect of scope and boundaries	Not relevant
102-50	Accounting period	01.01.2021 – 31.12.2021
102-51	Date of publication of the previous sustainability report	02.07.2021
102-52	Reporting cycle	Once per year in connection with the annual report
102-53	Contact person for the sustainability report	Quality and Environment Manager
102-54	Description of level of reporting according to GRI Standards	Core
102-55	GRI Index	Pages 28-30
102-56	External verification of the sustainability report	Rototilt's external auditors are PWC, who will check that a sustainability report has been prepared. Other than this, no third-party review of the content will be carried out
103-1	Explanation of material information and its boundaries	Page 13
103-2	Description of the management's sustainability management and constituent components	Page 9
103-3	Evaluation of the management's sustainability management	Page 9
202-2	Proportion of employees in the management team who come from the local community	100%
205-1	Parts of the business that have been evaluated according to the risk of corruption, and identified risks	Page 25

GRI-ID	Information	Information for GRI-ID
301-2	Recycled material in the production process	Page 19
302-1	Energy consumption within the organisation	a. 188 MWh diesel for company-owned vehicles and heating oil for starting up pellet boiler b. 3,291 MWh electricity from wind and hydro power, as well as heating by means of pellet combustion c.i. 2,482 MWh electricity consumption c.ii. 809 MWh district heating consumption e. 3,480 MWh total energy consumption
302-4	Reduction of energy consumption	Total energy consumption decreased by 21% per metric tonne produced
303-1	Water consumption per source	2,688 cubic metres
303-3	Treatment and return of water	Page 19
305-1	Direct greenhouse gas emissions (Scope 1)	57.2 tonnes
305-2	Indirect greenhouse gas emissions from energy consumption (Scope 2)	7.85 metric tonnes
305-3	Other indirect greenhouse gas emissions (Scope 3)	1,894 metric tonnes
305-7	Emissions of NOx, SO2 and other significant air pollutants	We released 804 kg of VOCs from the paint shop in 2021
306-1	Emissions to sewers by quality	Page 19
306-2	Amount of waste by category and treatment method	Page 18
308-1	Percentage of suppliers who have undergone environmental assessment	100%
401-1	New recruits	The number of employees has increased by 4.5%
403-2	Type and extent of injuries, work-related illnesses and work-related accidents, as well as sick leave	Page 15
404-1	Average number of training hours per employee per year	Page 15
404-3	Proportion of employees who have completed regular development and career development discussions	Page 15
414-2	Proportion of new suppliers who have been assessed in respect of social criteria	100%
417-1	Requirements for product and service information and labelling	Page 27
417-2	Incidents related to deficiencies in product and service information and labelling	Page 27



Thank you for your interest!

Is there anything you are wondering about or would you like to know more about the nature of our sustainability work?

Contact our Quality and Environment Manager  
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