



2023

ALLGON[®]

SUSTAINABILITY REPORT



SCANIA

WARNING!
Rotating shaft

PORTAL



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From the CEO

Allgon's guiding principles include being able to help make our customers' workplaces safer and more efficient. We continue to believe in being close to our customers, and developing products that meet their specific needs, something we have successfully done for many years.

Allgon retained this conviction in 2023, as it further strengthened its position in the global market as a leading provider of secure wireless control and machine communication solutions. By continually focusing on innovation and reliability, we have set the standard for the industry, and now aim to become the obvious choice for customers for whom safety and quality are a priority.

Financial strength and preparation

Allgon experienced impressive financial growth this year, with an increase in net sales of SEK 91 million to SEK 707.9 (616.7) million, gross profit of SEK 540.1 (475.7) million, and an operating margin of 15.3 (15.5) per cent. These figures are proof not only of our strong market position, but also of our endless capacity to generate value for our owners. With this success as a foundation, we are determined to continue developing and improving our business. By sticking to the strategy that has brought us this far, and constantly striving for innovation and excellence, we look forward to building on our current success and ensuring an even brighter future for Allgon and all our stakeholders.

Allgon's market

The industry's increasing demands for safety, ergonomics and cost-effectiveness are driving our market forward, and Allgon's strength lies in this trend. With the rapid advance of Industry 4.0 and increased automation, our advanced wireless control and machine communication solutions are finding their place, as integral parts of complex industrial environments. Our ability to work with our customers to implement these solutions as critical components of their systems deepens our long-term customer relationships and strengthens our position as a partner that is hard to replace. Our success has its source in our robust customer base of leading global industrial players and extensive network of installed systems. To ensure continued growth and development, we are purposefully investing in new technologies and product innovation, while optimising our purchasing and logistics processes. It is through this approach based on innovation, quality assurance and a global reach that Allgon can create considerable value and open up to new growth opportunities, driving us forward with an unflagging momentum.

Development of the organisation

Our growth strategy has resulted in us now having an impressive workforce of 400 people, and a presence in 23 countries, reinforced by the addition of our 26th sales company, in Denmark. We plan to keep up this rate of expansion, and we intend to launch a further two subsidiaries in 2024 to meet the growing needs of the market. As 2023 comes to a close, I also feel proud of the transformation that the Allgon Group has undergone. Our journey has taken us from being several independent entities to becoming a united and strong parent company, a journey that has required courage, vision and tireless commitment from every member of our organisation.

On 1 June 2023, we took a significant step forward when our subsidiaries Åkerströms and Tele Radio integrated their research & development (R&D), product management, sustainability, quality and product compliance departments into the Allgon Group. This was a strategic move to strengthen our innovation capacity and ensure that sustainability and quality are at the heart of everything we do.

We also continued to build on our common ground in 2023, as production, warehousing, IT, purchasing, product quality, technical support, HR and finance staff all came together under the Allgon umbrella. Through these measures, we have not only streamlined our processes and improved our operational efficiency but have also fostered a culture of cooperation and innovation across company boundaries. Our corporate expertise has also been widened by our new CFO, who has corporate acquisition experience from his time at companies such as Consilium, and our new COO, who has experience working for large companies such as SKF and General Electrics Additive.

It is important to emphasise that our well-known brands, Åkerströms and Tele Radio, remain strong and independent companies, despite these internal changes. We are confident that this strategic decision to maintain their brand identities, while integrating our technical and administrative strengths into their management, will continue to serve our customers and partners well.

Through this transformation journey, we have laid solid foundations for the future and created a platform for continued growth and innovation.

Challenges and opportunities

Although we have struggled with disruptions to the component chain, we have been able to minimise their impact and position ourselves well for the future. We have achieved significant progress in the development of our product portfolio by introducing a single technology platform for Tele Radio and Åkerströms. Besides adding a whole new level of technology, this development will allow products that have existed in different markets and with different designs to benefit from synergies. These synergies mean not only cost reductions but also simplifications for our staff working on these products. Our ambition is to have the shared technology platform ready for launching towards the end of 2024, with the gradual introduction of additional products and functionalities planned for 2025.



At a time when economic forecasts suggest a possible recession, we have proactively managed our inventory strategy to ensure that we are equipped to navigate potential downturns. By reducing our inventory, we have not only improved our cost-efficiency, but also increased our flexibility, which is crucial for quickly adapting to changing market conditions.

Sustainability in action

Our commitment to sustainability has never been stronger. Close collaboration with our main shareholder, Bure Equity, and the progress that we have made in key areas such as energy consumption and the reduction of greenhouse gas emissions, are central to our work. Our contributions to the World Wildlife Fund and support for innovative projects like the “Tecnico Solar Boat” demonstrate our commitment to not only being an industry leader, but also making a positive contribution to the world around us. A major focus for 2024 will be integrating sustainability even more effectively into the Group and improving the impact of our efforts. One example is that the company will reduce its use of air transport by 10% during the coming year to reduce our carbon footprint.

Outlook

Our goals going forward are clear. We are well placed to continue our growth by taking more market share, establishing more subsidiaries and looking at acquisition opportunities in 2024. By dividing our manufacturing between China and Vietnam, we are improving our cost structure and reducing the impact of geopolitical risks, bringing us closer to our goal of market leadership by 2027.

To conclude, thank you to each and every one of you – our dedicated employees, our loyal customers and our supportive shareholders. Your trust and support make our success possible. With a solid plan and a clear focus, I look forward to continuing our journey together, building on the strong foundations that we have laid.

Ola Samelius
CEO

ALLGON®

OUR VISION

We establish an industrial workspace that prioritises the safety, health and well-being of users.

OUR MISSION

We provide the safest and most reliable solutions for wireless controls and machine communication.

OUR BUSINESS CONCEPT

We use industrial radio control solutions to create a safe, user-friendly working environment for our industry customers. In doing so, we make their production processes and logistics more cost-effective. We are developing our offering using advanced technology to meet our customers' increasing needs in terms of certification, ergonomics and user-friendliness.



Our story

Since the innovative creation of 'The All Angle Antenna' by Torbjörn & Veronica Cramner in 1947, Allgon has established itself as a pioneering force in wireless communication. Through decades of growth and development, we have expanded our operations globally and solidified our legacy in wireless technology. Our ambition is to not only be a forerunner in the industry but to define the future of industrial remote technology and machine communication.

In our quest to become the leading company in remote technology by 2027, we are bolstering our global presence through our subsidiaries and creating a foundation for international success. We are committed to transforming industrial workplaces by prioritizing the safety, health, and well-being of users. By offering the safest and most reliable solutions for wireless control and machine communication, we set the standard for secure communication solutions.

Allgon's commitment to close relationships means that we are always accessible to our customers, no matter where they are. Our drive for innovation and quality reflects our pursuit to maximize customer value, which is at the core of our success and growth. We are proud of our values: partnership, safety, and curiosity – and our driving forces: efficiency, entrepreneurship, and innovation that together form the core of Allgon's identity.

With our sights firmly set on the future, Allgon is ready to welcome a new era of opportunities and success. We understand the importance of building global, strong, and long-term relationships with our partners – and we look forward to sharing our continued journey with you.





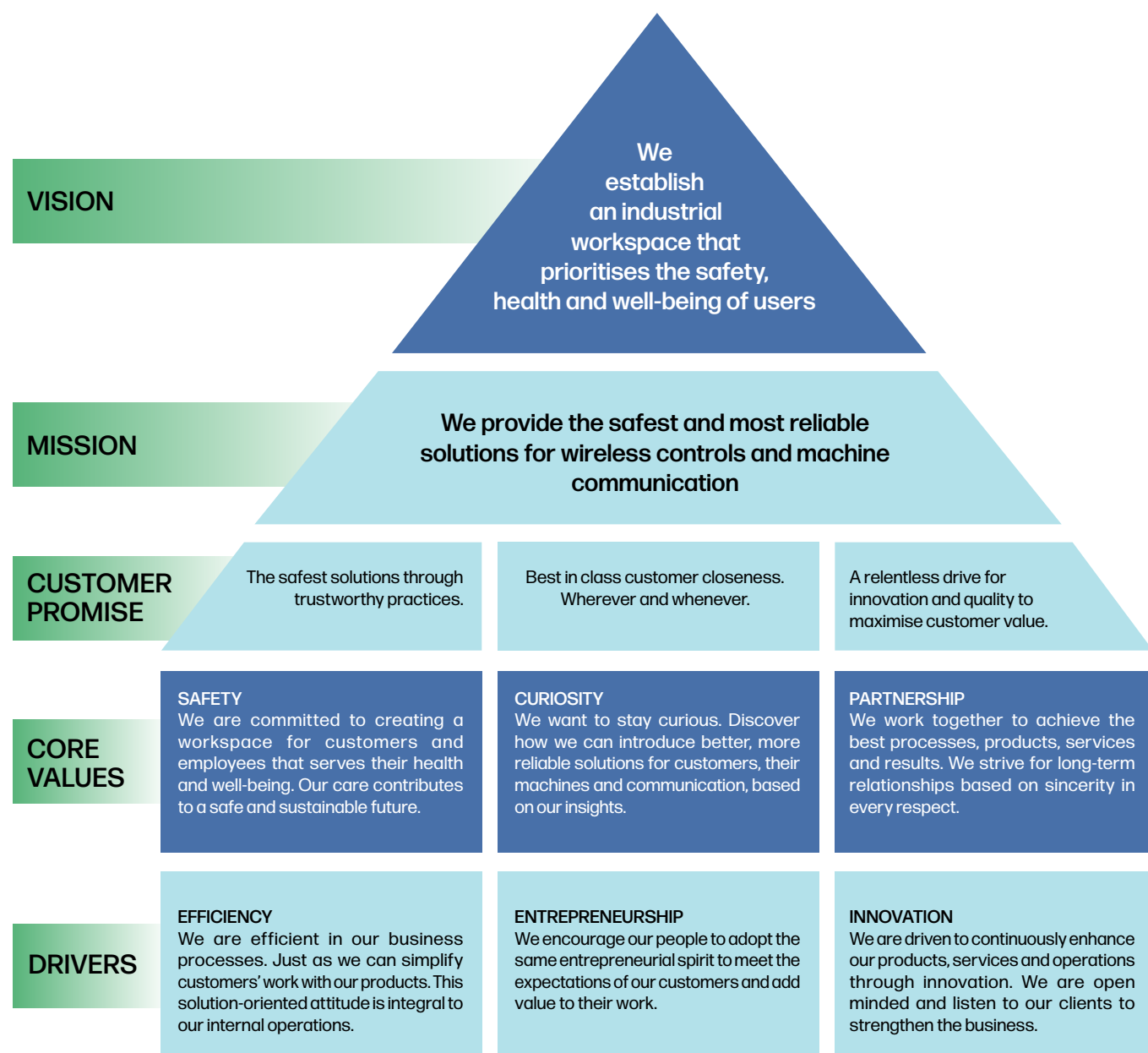
Strategic overview

Allgon's strategy for success is to be at the forefront of the market for safe and reliable wireless control systems for industrial environments. Our vision is to design workplaces that are focused on the safety and well-being of users. Our mission is to provide reliable solutions that facilitate communication between people and machines.

Our customer promise is to consistently deliver superior solutions based on responsible practices. Our core values include a strong safety culture, a proactive approach to efficiency and a passion for innovation. We encourage our staff to be innovative, curious and take the initiative, to enhance their work and our customers' experience.

By working in partnership, we aim to optimise our processes, products and services and establish lasting relationships based on honesty. Our constant quest for improvement and quality ensures that we constantly reinvent ourselves and contribute to our customers' success.

With this strategy as a guide, Allgon is working to create a sustainable and successful future, for both our customers and ourselves.



Our companies

Allgon operates mainly through the companies Tele Radio and Åkerströms. Wireless control systems are primarily sold to industrial customers through the companies' various brands. The companies operate in a global market and are represented on every continent.

The control systems are used to control applications such as industrial cranes, doors and gates, and marine and mobile applications. The companies' products can be found in every

sector of society, including manufacturing, transport, mining and agriculture. Wireless control puts ergonomics and safety first, as controlling a machine remotely is safer and more efficient than being tied to a fixed control panel or wired control system. Authorisation control is another area covered by the business, with a software system that ensures that only trained personnel can operate equipment. The system, which can be managed via a web interface both locally and in the cloud, allows careful control of who is allowed to activate the application, where and when.



Tele Radio offers a diversified product portfolio of radio control systems for various applications, including the T20 & T60, Panther, Tiger and TEQ systems.

The T20 & T60 systems are excellent for controlling simple objects, such as garage doors, lifts and winches, offering reliability at an affordable price. These systems support multiple transmitters and receivers that work together, allowing flexible control of different devices with a range of around 200 metres.

The Panther system stands out for its ease of use and adaptability, especially for standard applications such as overhead cranes. It operates on the 2.4 GHz frequency for uninterrupted use and includes built-in safety features for increased reliability. One transmitter can handle up to four separate cranes, facilitating coordinated control in multi-user environments.

Tiger represents the ultimate in safety for complex applications, with SIL3 and PLe certification for work in harsh environments. This system offers advanced feedback features and customisable user applications, making it ideal for demanding lifting and transport tasks.

The TEQ waist transmitters – PrimaTEQ, VersaTEQ and SupraTEQ – meet the need for high safety and ergonomics standards in advanced environments. These transmitters are available in two versions: Basic Line and Custom Line, to meet specific user requirements for applications such as hydraulics, mobility and industrial machinery.

Tele Radio's product lines together constitute a comprehensive suite of radio control solutions, from simple to advanced systems, all designed to offer increased flexibility, safety and efficiency for industrial and mobile applications.





Åkerströms offers integrated radio control and authorisation control solutions for various industrial and mobile applications, combined within three main areas: Sesam, Remotus and Access_Ctrl.

Sesam is their flexible and user-friendly product family designed for non-safety critical applications, such as the opening and closing of industrial doors, garage doors, barriers and gates, and the controlling of fans, floodlights, various machines, winches for quad bikes and boats, and tail lifts. This system offers endless possibilities for use for a wide range of applications thanks to its robustness and flexibility.

Remotus is their line of safe and robust products and solutions for radio control of both industrial and mobile safety critical applications. From simple to advanced turnkey solutions, Åkerströms has the expertise and experience needed to handle complex customisations. This means that multiple systems can be combined to efficiently control the most advanced and demanding processes, ensuring that all operational needs are met in line with the highest safety standards.

Access_Ctrl, their connected services business area, complements Åkerströms' robust and safe radio control products, with a focus on authorisation control, daily monitoring and production data logging. The services are designed to offer increased control and safety in industrial environments, where it is important to maintain a high level of safety by ensuring that

only authorised personnel have access to critical systems and processes.

Together, Sesam, Remotus and Access_Ctrl form a comprehensive portfolio of solutions that offer increased flexibility, safety and control to meet the specific needs of a wide range of industrial and mobile applications



Sustainability Report

The purpose of this Sustainability Report is to describe the sustainability developments over the past year. The Sustainability Report relates to the calendar and financial year 2023 and is published together with the Annual Report in accordance with Chapter 6 of the Swedish Annual Accounts Act. The 2023 Sustainability Report is based on the prioritised areas for action and related activities published in the 2022 Sustainability Report, together with the other relevant happenings in the sustainability field. Allgon's Sustainability Reports are available on Allgons website and cover the Group and all its subsidiaries.

Sustainability Governance

Sustainability management

Sustainability is a priority within the Group and is embedded at the highest level. Sustainability issues are also included in Allgon's Environmental Policy and Code of Conduct. The Group management and Board of Directors are ultimately responsible for our strategic sustainability work. The Allgon Group is owned by Bure Equity, which sets requirements and expectations for the development of our sustainability work. Learn more about this in "The role of our owners".

Operational responsibility for producing the report lies with the Manager of the Group's Sustainability, Quality and Product Compliance team, which reports directly to the Chief Executive Officer (CEO), but in regards sustainability reporting also reports to the Chief Financial Officer (CFO), who is a member of Allgon's Group management.

In addition to the formal roles and responsibilities, cross-functional collaboration takes place through a Sustainability team whose participants are from Group HR, Purchasing and Finance, and from the Sustainability, Quality and Product Compliance team. The long-term goal is for members from the subsidiaries to also participate.

All the manufacturing subsidiaries within the Group are ISO 9001 certified, and majority of the European subsidiaries are, or plan to become, certified. As regards other management systems, ISO 14001 and 9001 certification is planned for more subsidiaries. Tele Radio Turkey in particular plans to obtain ISO 9001, ISO 14001 and ISO 45001 certification in 2024.

Strategy

Growing awareness and rising expectations mean new demands from customers and society. Sustainability is a business opportunity and competitive advantage. Allgon's sustainability strategy, known as the ESG agenda, was presented and adopted by the Board of Directors and Group management in 2022. ESG stands for Environmental, Social and Governance. The ESG strategy is our plan and framework for achieving our vision of Allgon breathing sustainability. It includes initiatives to reduce our carbon footprint, increase the commitment to sustainability within the Group and better incorporate sustainability within our processes, as well as establishing KPIs.

Allgon is subject to the Corporate Sustainability Reporting Directive (CSRD), and will start reporting in accordance with the European Sustainability Reporting Standards (ESRS) in 2026 (for 2025). The CSRD introduces stricter requirements for sustainability reporting, which will be raised to the same level as for financial reporting. A major focus in 2024 will be implementing the CSRD and scale-up sustainability within the organisation. The emissions component of the ESG agenda will be reviewed and adapted in 2024 so that the transition plan is

in line with the requirements to be introduced with the CSRD.

The role of our owners

The Allgon Group is owned by Bure Equity, a long-term owner that is driving progress with sustainability.

Bure works actively through its representation on boards to ensure that responsible ownership and responsible investment policies are established for each company and that business takes place responsibly and ethically.

Responsible ownership and investment include matters relating to social, environmental and ethical responsibility. Bure's responsible ownership and investment policy is based on its core values, the ten principles of the UN Global Compact, and laws and regulations adopted by Sweden and the European Union. Bure includes sustainability issues in its investment analyses of, and decisions on, portfolio companies.

Allgon is continuously assessed in line with this framework to ensure progress in the sustainability field.

In 2023, sustainability data were collected for Bure, for governance, KPI and monitoring purposes. Data were collected in the following areas: energy consumption, greenhouse gas emissions, corruption incidents, diversity and anti-corruption training and communication.

Sustainability areas and risks

Human rights

The Allgon Group is dependent on multiple tiers of suppliers and subcontractors from different parts of the world. This is considered to pose the greatest risk of exposure to human rights violations. Allgon's Supplier Code of Conduct sets out the requirements made of our suppliers in terms of human rights. Suppliers must uphold and adhere to internationally recognised human rights standards, and ensure that they are not complicit in human rights abuses. Suppliers must not engage in, or benefit from, any form of modern slavery or child labour.

Suppliers are also continually and systematically monitored and assessed. Based on the Supplier Code of Conduct that has been developed, Allgon is entitled to require that suppliers and/or subcontractors take steps to rectify breaches within a reasonable time, and to terminate contracts if breaches cannot be rectified.

Social issues

The Group's work on social issues, such as health, gender equality and diversity, and contributing to the local community.

The ability to attract and retain qualified employees is crucial for Allgon and its business. Allgon is particularly dependent on senior executives and key members of staff. Successfully attracting and retaining skilled and dedicated employees has a positive impact on the business and its financial results. This is achieved by promoting development opportunities for managers and other employees and by offering skills development. Examples include leadership training, leadership meetings and participation in various technical committees and other networks.

Promoting employee wellness is important to Allgon and as an example we sponsor various races in order to support sustainable employment. Allgon's headquarters and several of its subsidiaries offer wellness programmes and regular health checks.

With regard to the physical working environment, the aim is to achieve our vision of zero work-related accidents. This relies on raising awareness and actively addressing the issues involved. In 2024, the focus will be on the health and safety of employees at our production sites.

The work on gender equality and diversity within the Group is intended to create a tolerant working environment free from



discrimination, harassment or offensive behaviour. Increased gender equality, diversity and inclusion are key factors in gaining different perspectives, increasing innovation, and ensuring equal opportunities and greater well-being. Not taking action on gender equality and diversity may lead to a loss of expertise and so affect the company's performance.

Gender balance is an important issue in the technology sector and Allgon is no exception. To address this, we have set long-term goals for the achieving of a more even gender balance within the Group. We aim to create a more inclusive working environment through strategic measures and awareness. For example, during the recruitment process, we endeavour to actively identify and promote candidates from the underrepresented group to teams with a gender imbalance. Job advertisements are designed to appeal to various target groups. We believe that greater gender equality increases the range of perspectives available and leads to more innovation.

Since 2019, Allgon has had a Group-wide gender equality and diversity policy.

During the year, Allgon donated to charitable causes including the World Wildlife Fund. Allgon is also actively working to support innovation and in 2023 Tele Radio Spain led a sponsorship-based project together with "Tecnico Solar Boat". The project assignment was to design and build a semi-autonomous solar-powered boat able to compete in international competitions. The team took second place in Njord Challenge, the international competition for students held in Norway.

Since 2024, employees have also been to apply for a grant for an association that they are actively involved with. Allgon wants to support associations so that more people are able to engage in active pursuits in their free time, contributing to better public health and engagement.

The prevention of corruption

Allgon has zero tolerance for corruption of any kind. The company's management is committed to upholding the highest standards of professional and ethical behaviour. Allgon's reputation is important for its business. The Group's business relies on consumers and other business partners associating the Group with positive values and high quality.

Allgon is a global player with a complex value chain made up of many different players. Instances of corruption risk damaging confidence in Allgon as a company, possibly resulting in a loss of reputation, which may negatively affect Allgon's business in a number of ways, such as by losing customers, employees and investors.

It is extremely important to Allgon that every area of the business is run with the highest sense of responsibility, openness and honesty. This is set out in our Code of Conduct, which all new are informed of and must sign when they are hired. Allgon has had a whistleblowing system for some time, which all employees are encouraged to use to report irregularities in line with the company's Code of Conduct, policies and guidelines. The whistleblowing system's external portal is available for reporting purposes to all Allgon company employees (regardless of their employment status). Customers, suppliers and other stakeholders can also use the system. Allgon strives to maintain a business climate where whistleblowers feel that they can report irregularities safely and without fear. The whistleblowing system covers every kind of irregularity, not just corruption.

No irregularities were reported in 2023.

The environment

In keeping with Allgon's environmental policy, we will continuously improve our environmental and sustainability performance, prevent pollution, and as a minimum comply with all the relevant environmental laws and guidelines.



Allgon takes responsibility for meeting environmental challenges in its internal operations as well as in every part of the value chain. We are working towards the achievement of the United Nations (UN) Sustainable Development Goals, the targets set by the 2030 Agenda for Sustainable Development and the Paris Agreement's aim of keeping global warming below 1.5 degrees. Climate change brings both physical and transition risks. Buildings and facilities may be destroyed by natural disasters, for example, and climate targets, technological advances or political decisions can put pressure on organisations to change.

The Allgon Group is dependent on suppliers and subcontractors from different parts of the world, and this is where the effects of climate change are expected to be greatest. Among other things, there may be sharp fluctuations in prices and an uncertain supply of raw materials, goods and services. Transport costs may also be affected as the sector goes through its transition.

Transition risks include, but are not limited to, adverse impacts that may affect the business as a result of climate change and our ability to adapt to it. The climate transition requires structural changes that impose new and greater demands on strategies, business models, revenue streams and the governance of the organisation as a whole.

The regulations on the chemicals contained in products are continuing to increase both in the EU and globally. Allgon has a good overview of the risks associated with the chemicals in its products. We work continuously to monitor suppliers, for example by continually retrieving data relating to constituent materials from global databases in which component suppliers enter data regarding their products. During the year, random sampling laboratory checks were also carried out by laboratories to verify the content of products. The chemical requirements that we set are intended to ensure that we as a minimum comply with current legislation such as REACH, POPs and RoHS¹. We avoid substances on the candidate list, and other substances that we know will be regulated in the near future, as far as possible. We are members of the Research Institutes of Sweden AB's (RISE) Chemicals Group, which disseminates the latest research on chemical and environmental issues to member companies in the textile and electronics industries. If one or more of the Group's products are found to be harmful or to contain restricted substances there is not only a risk of non-compliance, but also of damage to the Group's environmental profile, regardless of whether the failure is due to the Group or of one of its production partners.

Allgon was not subject to any fines or penalties for environmental offences in 2023.












1. REACH (Registration, Evaluation, Authorisation and restriction of Chemicals) Regulation (EC) No 1907/2006. The regulation also applies to goods.

POPs stands for Persistent Organic Pollutants. These are pollutants that are harmful at low concentrations, are difficult to break down and are also dispersed far from the point of release. In the EU, these substances are regulated by POPs Regulation (EU) No 2019/1021.

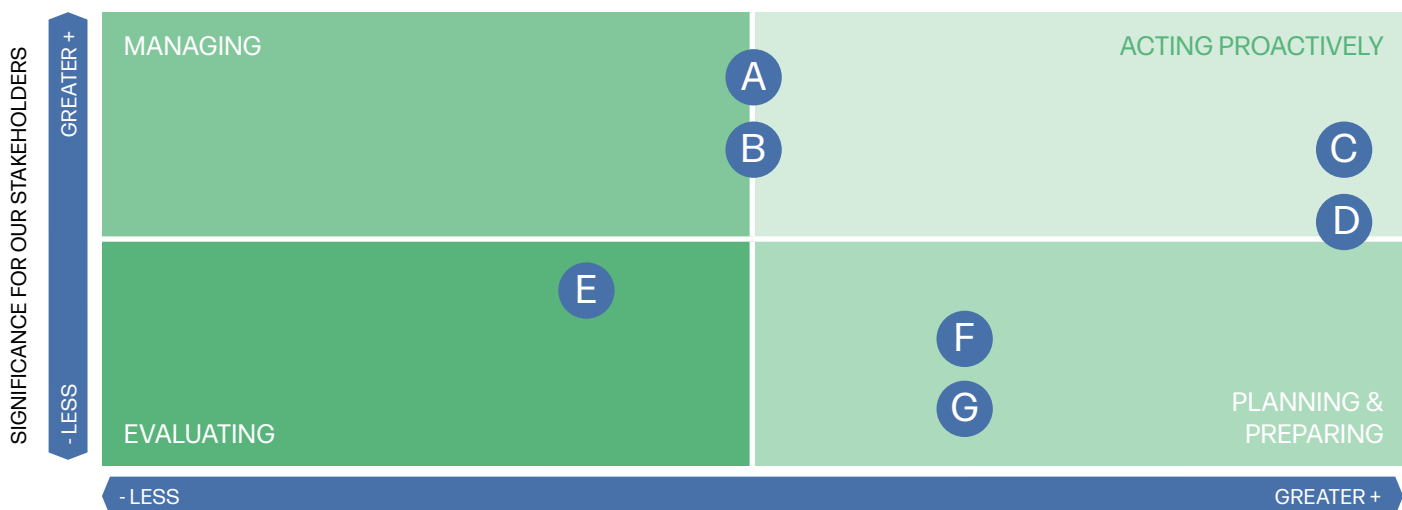
RoHS (2011/65/EU and its amendments) stands for Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment.



Table of key issues, goals and results

Material issues	Links to the UN SDGs	Goals for 2023-2024	Results for 2023								
A Ensure the health and safety of employees, for a healthier working environment for all employees		100% of incidents are followed up and addressed Work-related accidents: 0	100% (40) of incidents were addressed and followed up Work-related accidents: 0								
B Promote better working conditions; improving working conditions for employees	 	Employee engagement - an above-average eNPS Group-wide eNPS (long-term goal) Temperature of the organisation (2024 onwards) at least 7.6 Gender equality - full data in Table 1 Gender distribution by employee category	Employee engagement - eNPS: 11 Gender equality Percentage gender distribution (male/female) by employee category: <table border="1"><tr><td>Allgon's Board of Directors</td><td>67/33</td></tr><tr><td>Group management</td><td>100/0</td></tr><tr><td>Managers</td><td>80/20</td></tr><tr><td>Employees</td><td>63/37</td></tr></table>	Allgon's Board of Directors	67/33	Group management	100/0	Managers	80/20	Employees	63/37
Allgon's Board of Directors	67/33										
Group management	100/0										
Managers	80/20										
Employees	63/37										
C Climate impact and adaptation; shifting the companies' activity towards a more sustainable position.		Reporting on Allgon's Scope 1, 2 and 3 impact categories (parts of them) Reduction of emissions in line with research (long-term goal) 10% reduction in air transport (2024 onwards)	Climate impact of greenhouse gas emissions, tonnes of CO2e*: <table border="1"><tr><td>Scope 1</td><td>164.6</td></tr><tr><td>Scope 2 location based</td><td>219.0</td></tr><tr><td>Scope 3</td><td>38,277.7</td></tr><tr><td>Total</td><td>38,661.2</td></tr></table> * Complete data in Table 2	Scope 1	164.6	Scope 2 location based	219.0	Scope 3	38,277.7	Total	38,661.2
Scope 1	164.6										
Scope 2 location based	219.0										
Scope 3	38,277.7										
Total	38,661.2										
D Increased control in the value chain; choosing or developing partnerships with subcontractors to pursue sustainable development	  	Number of Allgon HQ suppliers who have adopted Allgon's Code of Conduct (100%)	Gothenburg site: 75% (37 out of 49 suppliers in total) Dalarna site: 24% (32 key suppliers out of 136 suppliers)								
E Harness renewable energy; increasing the Group's use of fossil fuel-free energy sources		To use 70% renewable electricity, 100% renewable electricity long term	68.5%								
F Community engagement and social responsibility, for greater participation in society at the local level	 	Increasing collaboration with technical and vocational colleges	Collaboration with a School of Information Technology (Gothenburg, Sweden)								
G Raw materials for a sustainable transition - reducing the Group's dependence on non-sustainable materials		One LCA (Life Cycle Analysis) per year	Work in progress								

Impact assessment



Our priority areas for action

The UN Sustainable Development Goals and the Group's impact assessment, together with the ESG Agenda, form the basis of our sustainability work. The impact assessment is based on the stakeholder dialogue held in 2021. The stakeholder dialogue will be updated in 2024.

The priority areas that emerged from the impact assessment are summarised below.

- A** - Ensure the health and safety of employees, for a healthier working environment for all employees.
- 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 and fossil fuel-free energy sources.
- F** - Community engagement and social responsibility – for greater participation in society at the local level.
- G** - Raw materials for a sustainable transition – reducing the Group's dependence on non-sustainable materials.

Two areas have been selected for active management C: Climate impact and adaptation – shifting the companies' activity towards a more sustainable position and D: Increased control in the value chain – choosing or developing partnerships with subcontractors to pursue sustainable development. These two areas are considered to have the greatest social, environmental and economic impact

Below is a presentation of the activities and results for areas for action A to G. See the tables on page 16 for the key figures in each area.

A - Ensure the health and safety of employees, for a healthier working environment for all employees

Ensure the health and safety of employees, for a healthier working environment for all employees, is strongly linked to SDG 8. The following definitions were used in 2023 to report incidents and accidents.

Incident: An identified potential risk in the working environment that could have resulted in an accident. This may refer to an event that could have caused harm, but no one was injured or became ill. It may also refer to an event that caused injury or illness, but the individual was able to carry on working (such as cuts, etc., which can be dealt with through first aid). If situations such as the one described above cause more serious injuries, they count as accidents.

Accident: This refers to an occurrence where the employee is unable to perform the usual work. This means at least one day of sick leave.

The number of incidents and accidents in 2023 is presented from a Group perspective and therefore includes the total incidents and accidents. In 2023, the number of incidents reported increased from 13 in 2022 to 40, mainly due to increased awareness.

B - Promote better working conditions; improving working conditions for employees

Promoting better working conditions and improving them are directly linked to SDGs 3 and 10.

Allgon has chosen to use an Employee Net Promoter Score (eNPS) question as a key figure for reporting on employee engagement. The eNPS is obtained through a question that measures the likelihood of an employee being willing to recommend their organisation as a place to work. This is a commonly asked question and a way for organisations to measure employee satisfaction. A good eNPS is between 0 and 20, and a score above 20 is considered to be high. Allgon belongs to the tech industry, whose average eNPS is 12.4. The eNPS was measured at Allgon's headquarters including Tele Radio Export, Tele Radio Sweden and Åkerströms. The pulse survey method was used. Pulse surveys provide regular feedback and Allgon can gain a picture of what is happening within the organisation every week. In 2023, the eNPS was below the average value, as the new working methods and organisation are still being introduced.

From 2024, the organisation will measure and monitor the organisation's temperature, with the aim of understanding employees' well-being and engagement. By identifying trends in nine different areas relating to leadership, engagement and work situation, early signals can be picked up and action taken to create a healthy and productive workplace. The goal from 2024 onwards will be a temperature of at least 7.6, which is the benchmark for all sectors.

Healthy attendance will also be measured and monitored this year. Healthy attendance refers to when employees are present in the workplace and this workplace is healthy and safe. Healthy attendance is crucial for companies as it affects productivity, reduces costs and improves the working environment. Safeguarding employees' health makes the company more attractive and successful. Data for this key figure will be collected and goals set from this baseline.

Gender distribution is one of the many components of Allgon's diversity efforts, and we are working to ensure that the Group reflects society at large. Gender distribution is therefore used as a key figure. The gender distribution is reported from a Group perspective, whereby the subsidiaries' local management teams are reported as managers.

Table 1. Gender distribution by employee category for Allgon
Percentage gender distribution, men and women

Employee category*	Results for 2022	Goals for 2023 and 2024	Results for 2023
Allgon's Board of Directors	67/33	60/40	67/33
Group management	100/0	80/20	100/0
Managers	84/16	80/20	80/20
Employees	63/37	60/40	63/37

*Consultants are included in the above figures when an employment-like relationship exists.

The long-term goal is for the gender distribution to be 50/50.

C - Climate impact and adaptation; shifting the companies' activity towards a more sustainable position

Reducing its climate and environmental impact is a priority sustainability area for Allgon, and the adapting of its operations, mainly to reduce greenhouse gas emissions, contributes to the achievement of SDG 13.

Allgon has therefore been working to reduce its transport carbon footprint and the proportion of goods transported by air for quite some time. It has mainly achieved this by refining its forecasts and improving its ability to plan transport, thereby reducing the



proportion of goods that it transports by air. In 2024 and 2025, we will continue to pursue our transport efforts and increase the percentage of freight transported by boat by 20%. Goods transported by air will decrease by 10%. 94 tonnes were transported by air and 53 tonnes by sea from our production units in Asia in 2023.

We will also constantly raise the environmental awareness of all our employees and give them the tools necessary to maintain their engagement and participation. During the year, Allgon also worked on strategic skills development in the sustainability and environmental fields. The management team took part in workshops on sustainability, strategy and the CSRD. Staff and management employed by Allgon, the subsidiaries' managers and the employees of three subsidiaries were offered basic online training in sustainability and the environment. The training programme is continuing and the aim is for 100% of Allgon's employees to have taken part by 2024.

In 2022, work was carried out to determine Allgon's first CO₂e baseline. Establishing a solid baseline is an important step in understanding what parts of the business produce which emissions, and managing them based on the greatest impact and possibility of affecting the flow. We found that there were methodological improvements that we wanted to make in 2023.

There are two ways of calculating greenhouse gas emissions: either through activity data or through spend data. In 2022, spend data were used, but in 2023 only activity data were used instead. Activity data are preferable as the calculations are based on actual activity within the business. The disadvantage of activity data is that they may be incomplete due to not all the data being available.

The purchased goods and services category had a large impact on Scope 3 in 2022, but steps needed to be taken to gain a better overview and improve data quality. In 2023, efforts were therefore made to improve standards in the purchased goods and services category by obtaining specific activity data for each type of material from our producing subsidiaries and our largest subcontractor. This meant that the purchased goods and services category increased in size and became the largest category under Scope 3. The greatest impact is mainly from circuit boards and

components. Calculations for circuit boards were based on emission factors for mobile phones, which should be seen as the worst case scenario.

The same categories as for purchased goods and services are used for the calculations for the end-of-life treatment of sold products category. This category was covered in the 2022 Sustainability Report.

Allgon's greenhouse gas emissions are reported below in accordance with the Greenhouse Gas Protocol (GHG). Scope 1 under the GHG Protocol covers emissions from the Group's own activities (direct), such as the combustion of fuel, including by vehicles owned or controlled by the organisation. Scope 2 includes emissions (indirect) from purchased electricity, steam, heating and cooling. Scope 3 covers other indirect emissions, from purchased materials, product use, waste management, business travel, etc., in other words from sources that the organisation does not own or control.

Table 2, Greenhouse gas emissions, tonnes of CO₂e

	Results for 2022 (tonne CO ₂ e)	Results for 2023 (tonne CO ₂ e)	Change
Scope 1	207.1	164.6	-42.6
Scope 2 Location based	162.0	219.0	57.0
Scope 3*	7,314.9	38,277.7	30,962.8
Total	7,684.0	38,661.2	30,977.2

**The data for 2023 are not comprehensive for Scope 3 emissions and are missing the category: Scope 3 - use of sold products. Some extrapolations have been made from Scope 3 data in the downstream transport category and Scope 2 purchased electricity data.*

D - Increased control in the value chain; choosing or developing partnerships with subcontractors to pursue sustainable development

We believe that we can contribute to the achievement of SDGs 10, 12 and 16 through increased monitoring of the value chain from a sustainability perspective. In 2022, the upgraded Group-wide Supplier Code of Conduct was introduced. This contains guidelines on legal compliance, human rights, employee rights, ethics, workplace safety, environmental factors and the reporting

of breaches. To see the Supplier Code of Conduct in full, please visit Allgon's website.

The current Supplier Code of Conduct is the responsibility of the Group's Chief Operating Officer (COO), who is a member of Allgon's Group management. Operational responsibility for getting suppliers to sign the Code of Conduct lies with the purchasing manager and/or supply chain manager of each subsidiary.

In 2023, 75% (a total of 37 out of 49 suppliers) of the suppliers that deliver goods to Allgon's headquarters in Gothenburg signed the Code of Conduct. 32 out of the 136 suppliers to our site in Dalarna have signed the code of conduct. These 32 suppliers are strategically important key suppliers. The goal for 2024 is to have all of the suppliers to Allgon's headquarters sign the Code of Conduct. More tiers of the supply chain will also be included in this work in 2024.

E - Harness renewable energy; increasing the Group's use of fossil fuel-free energy sources

Using renewable energy sources is a key activity for the reduction of emissions, particularly for Scope 2, but also for Scope 3 (according to the GHG Protocol), which covers Allgon's suppliers. Here we can directly contribute to SDG 7. See the table of results and goals for 2023 on page 16.

F - Community engagement and social responsibility, for greater participation in society at the local level

Allgon wishes to contribute to long-term social sustainability by promoting youth employment and traineeships, thus contributing to SDGs 8 and 10.

We are focusing on connecting with universities and attracting students, in order to support young people entering the labour market and showcase our industry. This is also a way of maintaining a reliable supply of expertise. We do this by offering internships and summer jobs.

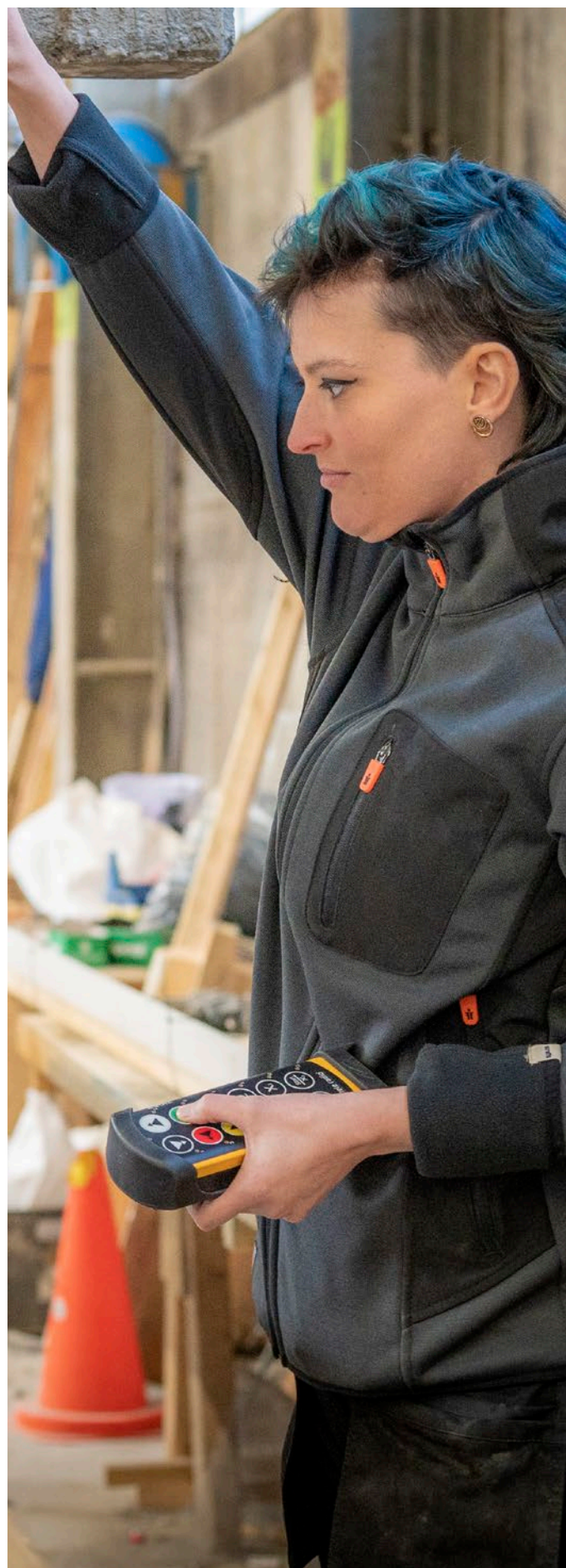
In 2022, we reported the number of interns and the iNPS, which stands for the internship Net Promoter Score. In 2023, we had too little data regarding the iNPS for the measurement to be reliable. We will not continue to collect quantitative data in this area. There will be initiatives in this area of action, however, such as expanding collaboration with technical and vocational colleges.

G - Raw materials for a sustainable transition; reducing the Group's dependence on non-sustainable materials

Switching to more sustainable raw materials and reducing the Group's dependence on non-sustainable materials contributes to SDG 12.

All electronics have a large environmental footprint due to their constituent materials (metals, plastics and rare-earth elements), but the production of these materials also involves many complex steps. By offering robust products and extending their lifespan, the impact of production and constituent materials can be diluted throughout the lifecycle. Long-lasting electronic products mean that customers need to buy fewer new products. Åkerströms, Allgon's subsidiary in Dalarna, Sweden, offers services to keep the products in use for many years and maximise their useful lives. In 2023, we began working on Life-Cycle Analyses (LCAs). LCAs are a way of calculating the environmental impact of products throughout their life cycles – from the extraction of natural resources until the products are no longer in use and need to be disposed of. Increased awareness of environmental and sustainability issues has led to greater demand for climate declarations and LCA calculations. Expertise in this area was enhanced in 2023 by training staff in several departments, including purchasing and R&D.

From 2024 onwards, we will produce one product LCA a year. Based on LCAs we can identify the input materials and where in the life cycle we have the most impact. This will provide strategic knowledge for product development.



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