

Corporate Social Responsibility at the Rimaster Group

2018



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Introduction

CSR – Corporate Social Responsibility – means to us in the Rimaster Group that we as a company, with operations at several geographical places, each with its own culture, laws and social patterns, take a larger responsibility in our society than just what we do in our manufacturing units. Our responsibility is wider than that and includes financial, environmental, social and ethical aspects that we need to consider and take responsibility for in order to be a well-accepted company in our surrounding society. These issues are also important to consider and to focus in order to ensure long term stability and positive development of the Rimaster Group.

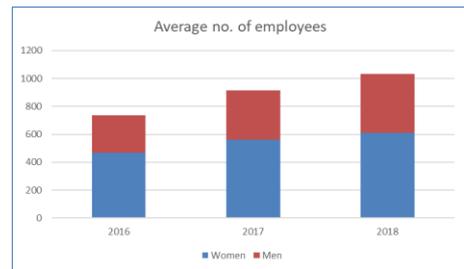
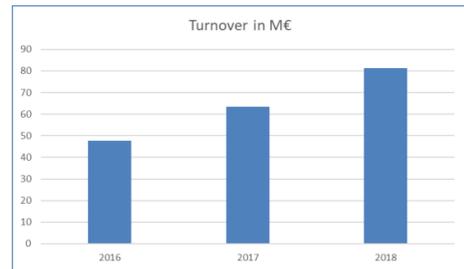
The purpose with this report is to give a summary of what we do in the areas of financial, environmental, social and ethical responsibility, how we link our work to internationally well-known and accepted guidelines and how we define our roadmap through our company policies.

In the report, we discuss and show progress and results for the last three years.

General about the Rimaster Group

The Rimaster Group started in 1982 in Rimforsa, Sweden, and has evolved to a global company with operations in 7 countries and with more than 1 000 employees in 10 companies.

We offer total solutions of electrical systems and cabins for special vehicles and industrial systems, from development to delivery of complete serial systems within eight business areas.



Wiring Harnesses



Control Panels



Electrical Cabinets



Battery Cables



Development



Cabins



Electronics

Mechanics

Our production units are equipped to handle small series as well as continuous production of products of varying complexity – always focusing on cost-effectiveness, quality and the environment. We have earned the trust of a number of the world's leading manufacturers of special vehicles and industry automation. Our operations are global, but always stay close to our customers.



Today, our customers' end-products are found within:

Special vehicles

- Material handling
- Mining
- Forestry & agriculture
- Road & construction

Industrial systems

- Automation & control systems
- Charging applications
- Communications systems
- Renewable energy

Having a vision to be an innovative partner who offers our customers proximity and simplicity in a global, developing industry, we constantly focus on the three keywords reflecting our core values.

Simplicity

We offer flexible and adaptable solutions that meet our customers' requirements and which are based on robust processes and well-established business models.



Proximity

We strive towards close cooperation with our customers. We offer a single point of contact and maintain a close dialog in order to understand our customers' needs where we conduct regular strategy meetings in order to promote long-term relationships.



Global operation

We follow our customers in their global expansion. We are a systems supplier who is able to transfer processes, products and support local development.



Our three keywords and core values underpin our ambition to provide our customers with an outstanding partner in the development, manufacturing and delivery of the services we provide – Rimaster's Total Solution.



Corporate Social Responsibility at Rimaster

Corporate Social Responsibility (CSR) at Rimaster starts with our values and principles of doing business. We have selected to align our strategies and operations with UN Global Compact's ten principles of human rights, labour, environment and anti-corruption in order to conduct responsible business wherever we are in the world. Closely linked to these ten principles are United Nation's seventeen Sustainable Development Goals (SDGs) where we are actively contributing to nine.

CSR may also be looked upon in four dimensions:

Financial responsibility – We must run our business in a profitable way to ensure a financially, long-term, stable company to fulfil our responsibility not only towards owners and shareholders, but also towards employees and other stakeholders.

Environmental responsibility – The Rimaster Group is, by nature, a fairly environmentally friendly company regarding the type of production we have. Nevertheless, we must constantly focus on minimizing our environmental foot-print, especially when it comes to energy use and contribution towards a circular economy.

Social responsibility – We mostly operate our family-owned business in small towns or villages, thus usually playing a fairly important role in those societies. It is therefore important that we contribute not only by ensuring a safe work place, but also helping the local society when it comes to issues such as younger people's role in the society and local initiatives to prevent unemployment.

Ethical responsibility – Being a company with operations at several places around the world, all with different cultures, laws and social patterns, it is important for us to have a clear set-up within the company on how we see on issues such as human rights, freedom of association, forced and child labour, discrimination, environmental friendliness and corruption. Of equal importance is to communicate our stand-point towards our suppliers and other stakeholders, in order to ensure that we take our ethical responsibility as far as we are able to.

Our continued efforts within CSR are important parts of our daily life as well as being integrated in our yearly strategy process where policies, targets and achievements are reviewed and updated.

Social, environmental, financial and ethical responsibility are key factors for us today as well as for the future to ensure that Rimaster will continue to create value for customers, suppliers, employees, partners and society, thus setting the stage for long-term success.

United Nations Global Compact's 10 principles and what we do

The ten principles of UN Global Compact are the base in our Code of Conduct which all employees are introduced to when starting at Rimaster. Our Code of Conduct is also reflected to our suppliers as a part of our supplier contracts and regular supplier assessments.

Violations towards our Code of Conduct may be reported directly to any management position within the group or, if so preferred, as a [whistleblower](#) issue.

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Our policy, assessment, targets and results

Rimaster's firm position is that we support, respect and follow all laws of human rights in the countries where we are operating.

We target to have no reports related to the abuse of human rights related to our operations.

During the past three years, we have had zero reports indicating abuse of human rights.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Our policy, assessment, targets and results

In our Code of Conduct we clearly state that:

- As local or relevant laws allows, all employees are free to form, join or not to join unions and have the right to collective bargaining.
- No form of forced or compulsory labour is tolerated by Rimaster and all employees have the right to leave their employment according to contracts or local laws.
- Rimaster is not involved in any form of child labour or other forms of exploitations of children. No one is employed below the completion of compulsory school or under the age of 15. No one under the age of 18 is employed for hazardous work within Rimaster.
- Discrimination is not tolerated at Rimaster, nor is harassment such as physical, psychological abuse or intimidation in any form.

To further guarantee Rimaster's standpoint when it comes to the safety, well-being, competence development etc. for our employees we have our HR Policy and Work Environment Policy, both found in the end of this report.

We target to have no reports indicating that our position related to labour is violated.

During the past three years, we have had zero reports indicating violations in this matter.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Our policy, assessment, targets and results

We have a precautionary approach towards environmental challenges which means that we favor environmentally friendly alternatives when available. Also, innovative developments in products and services that offer environmental and social benefits are given priority in our operations.

What we do, what targets we have and the results we have achieved so far are further described in the section "Results and other facts".

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Our policy, assessment, targets and results

Our standpoint is clear and firm: Rimaster's reputation of honesty, integrity and responsibility must be upheld and any involvement in bribery, extortion or corruption is not tolerated in any form.

We target to have no reports indicating corruption related to our business.

During the past three years, we have had zero reports indicating violations in this matter.

United Nations 17 Sustainable Development Goals and what we do

The Sustainable Development Goals (SDGs) are a collection of seventeen global goals set by the United Nations General Assembly.



At Rimaster, we are actively contributing to nine of these goals.



We care about the health and well-being of our employees. We do this by working for a safe and pleasant work environment. We regularly perform safety inspections at all sites and resolve identified problems. The personal's well-being at the workplace is encouraged by different types of personal activities and by having a company culture where mutual respect is central.



We care that our employees develop as individuals, both through internal and external training, as we strongly believe that by developing individuals, Rimaster also develops. We also have active partnerships with universities and research institutes that allow us access to expert knowledge, new research and innovations.



Our Code of Conduct is based on the ten principles of UN Global Compact and we make no distinction between individuals based on gender, ethnicity or sexual orientation. Gender equality is a matter of course for us!



We are constantly working to streamline the energy consumption of our production facilities, thereby protecting the environment and making Rimaster a more competitive business partner. Measurements are continuously carried out and results are reported, both to see the effect of performed actions and to discuss new initiatives.



Decent working conditions are prerequisite for us and the principles of UN Global Compact regarding human rights and labour are all part of our Code of Conduct. At all times, we strive to comply with current laws and regulations in

the countries we operate. We constantly watch for changes and implement necessary changes in our operations as soon as possible.



We are constantly working to limit our environmental impact by always using approved materials and chemicals in our production. To minimize our travelling between our sites we extensively use video facilities for internal meetings.



Our way of contributing to circular economy is mainly by recycling. Thus, we recycle as many fractions as the local waste management system is able to collect.



Our most important climate action is to control, and where possible, reduce our energy consumption. This is an area where we constantly work to improve ourselves. Also, to reduce CO₂ emission is an area where we contribute by selecting vehicles and transportations which favor lower emissions. We also strive towards a minimum of travelling and instead use video conferencing.

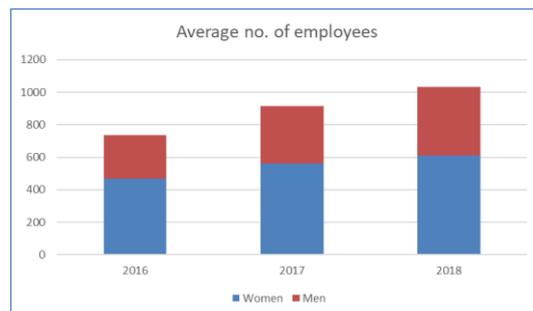
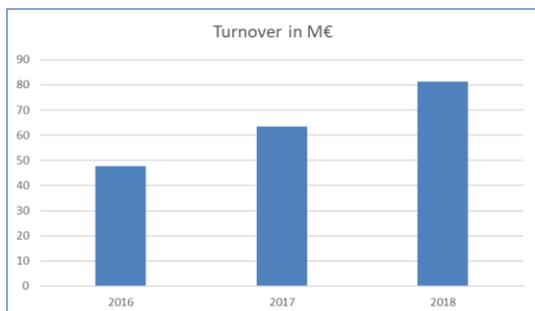


Our Code of Conduct prohibits corruption and bribery in all forms. This applies to both Rimaster employees and our partners. We have a whistleblower function where our employees have the opportunity to report anonymously all possible violations of our Code of Conduct.

Results and other facts

Turnover and number of employees

The Rimaster Group have grown rapidly during the recent years and during 2018 we became more than 1 000 employees in average and had a turnover of approx. 81 MEUR.



ISO 9001 certification

All our production units are certified towards ISO 9001:2015 and undergo third party audit every year. The certification is a guarantee for our work with continuous improvements of our methods and processes toward clear targets related to key factors for our customers, such as delivery performance and quality.



ISO 14001 certification

All our production units are certified towards ISO 14001:2015 and undergo third party audits every year. The certification is a guarantee for the work we do to continuously lower our environmental foot-print. Based on our production, we have identified energy consumption and CO₂ emission as the two most important areas for improvements.



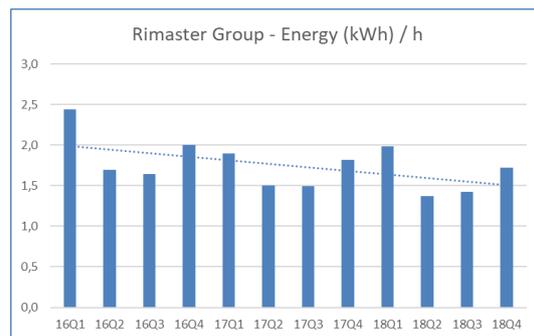
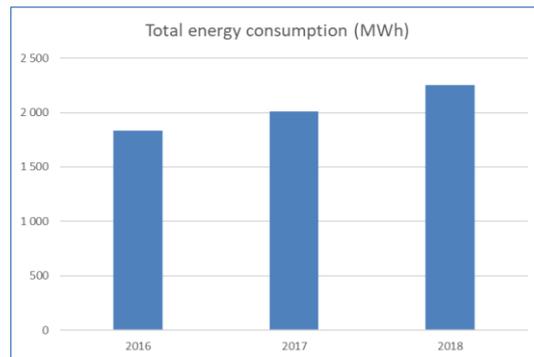
Energy consumption

We keep track on our energy consumption on all our sites and measure it as total energy consumption and as energy consumed per working hour.

During the last couple of years, we have seen a slight increase of the total energy consumption even if several actions have been taken to reduce the consumption. The increase is closely linked to our growth and it is clear that the energy consumed per working hour is going down at all sites due to actions taken as well as a larger number of employees using more or less the same facilities.

Main initiatives taken during the last couple of years to reduce our energy consumption are:

- All equipment used for heat distribution and ventilation within our facilities in Sweden have been reviewed and modified.
- LED lighting has replaced old light sources at many of our sites, dramatically reducing the necessary energy for lighting.
- The gates in Horn for incoming and outgoing goods have been made more energy efficient using an air-lock, preventing energy loss.
- Modern, energy efficient engine pre-heaters have been installed in Söderhamn.
- Energy mapping has been performed in all European sites, giving us a good baseline for continued improvements.



Green energy

For our Swedish units we are using 100 % renewable energy coming from renewable sources such as wind, water, sun and biofuel. This means that the emission of CO₂ and nuclear waste linked to the energy we use is zero.



Social responsibility

Firstly, the employees at Rimaster are crucial to ensure our competitive advantage, both today and in the future, and it is important to care not only about the working environment once at work, but also to take a social responsibility towards our employees outside working hours. Examples of initiatives are:

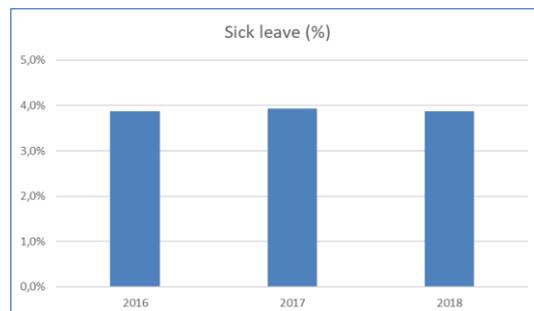
- Financial contribution from the company's side to different types of physical activities.
- Support towards employees in need of rehabilitation, to ensure a swift recovery and return to work.
- Arrangement of yearly get-together parties, such as Christmas and summer parties.

Secondly, we contribute to the integration of young people and immigrants to a future employment in the Swedish industry. Younger people in the need of work experience are taken in as trainees and in Rimforsa we have integrated immigrants into real work, thus helping in preventing a demoralizing unemployment.

Thirdly, being a family owned company with main manufacturing units mostly in smaller towns or villages, it is important for us to be an integral part of the society around us. We do this by supporting local sports clubs, preferably focusing on kids and younger people.

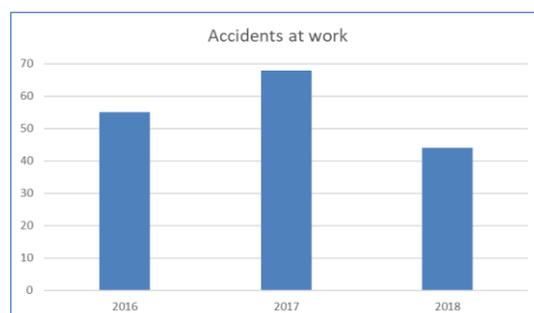
Illness

A healthy and sustainable work environment is essential to keep sick-leave due to working conditions to a minimum. The guiding principles in our Work Environment Policy are therefore of vital importance at all our sites. However, illness do occur why we keep track on the level and work continuously with actions that prevent sick-leave due to working conditions.



Accidents at work

Our Work Environment Policy is central in achieving a safe work environment for all our employees. To follow rules and regulations, take personal responsibility in the daily operations and to report and eliminate identified risks at safety inspections are key elements. Due to the nature of what we produce they are dominated by minor squeezing accidents involving hand or fingers. Even if the number of accidents has gone down, we continue our work to find ways of eliminating all types of accidents.



Recycling

Being a company that is in the middle of a supply chain, our best efforts in supporting a circular economy where waste should be regarded as raw material rather than waste, is to recycle as much as possible. Therefore, we recycle everything where the local society has the infrastructure to receive it. Some examples are:

- **Copper, steel and aluminum** – All waste from cable harness manufacturing and sheet metal production is collected, sold back to recycling companies and used again as raw material in the production of new metal-based products.
- **Paper, including cardboard** – All paper and cardboard left over in our production is recycled and used again when producing new card board.
- **Electronics** – All electronics equipment, such as PCs, screens, printers, toners and batteries, are either returned to the manufacturer as part of their recycling programme or recycled as electronics or batteries.
- **Plastic** – All plastic waste from our production is recycled and used again.

Whistleblower

It is important that Rimaster work and act in accordance with applicable laws and in line with our own Code of Conduct and policies. In case anybody, independent if this person is employed by Rimaster or not, disclose any wrongdoing made by Rimaster, this can be reported anonymously as a whistleblowing issue. How reporting is done and how it will be handled is described in our document regarding [Whistleblowing](#).

Our policies

Code of conduct

When we perform our duties and when we represent Rimaster, it is vital that each and every one of us acts in an economically, socially and ethically responsible way. This is the only way to ensure a positive and sustainable financial and social development and it is the only way to ensure long term trust among customers, suppliers and the society around us.

Our Code of Conduct is based on the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption. A fundamental minimum requirement is that we comply with the laws and regulations of each country in which we operate.

Human rights: Rimaster support, respects and follows all laws of human rights in the countries where we are operating.

Labour: As local or relevant laws allows, all employees are free to form, join or not to join unions and have the right to collective bargaining.

No form of forced or compulsory labour is tolerated by Rimaster and all employees have the right to leave their employment according to contracts or local laws.

Rimaster is not involved in any form of child labour or other forms of exploitations of children. No one is employed below the completion of compulsory school or under the age of 15. No one under the age of 18 is employed for hazardous work within Rimaster.

Discrimination is not tolerated at Rimaster, nor is harassment such as physical, psychological abuse or intimidation in any form.

Environment: Rimaster has a precautionary approach towards environmental challenges which means that we favor environmentally friendly alternatives when available.

Also, innovative developments in products and services that offer environmental and social benefits are given priority within Rimaster.

Anti-corruption: Rimaster's reputation of honesty, integrity and responsibility must be upheld and any involvement in bribery, extortion or corruption is not tolerated in any form.

Quality policy

A high quality in all our operations creates increased competitiveness and financial advantages for our customers.

All products and services supplied by us shall exceed our customer's expectations and requirements.

A focus on quality is a priority for all our employees.

We work with continuous improvements to create simplicity in order to reach or exceed our quality targets.

We shall always work with our operations management system in such a way that it brings continuous improvements of the system itself, as well as of the organization in general.

Environmental policy

Rimaster shall actively contribute to a development of a sustainable management of our global resources.

Environmental consideration is a natural and integrated part of the business process, thus also constantly present in all our operations.

We shall constantly strive to further enhance our ability to minimize any environmental strain stemming from our operations.

From this follows:

- We shall always follow and adapt to any legal regulations that have an impact on our operations.
- All employees have a responsibility to minimizing the negative effect our operations might have on the environment.
- Recycling is a natural part of our processes.
- We shall strive to minimize our consumption of energy, raw material and packaging materials.

HR policy

The collective and individual competences in the organization are crucial to ensure Rimaster's competitive advantage, both today and in the future. The human resources are thus an important condition for Rimaster's effectiveness and ability to develop.

The best utilization of Rimaster's human resources can be achieved when:

- The employees engage in, and contribute to reaching, the company's goals.
- The employees have the opportunity to develop their competences so that they can perform their work in a satisfactory manner.
- The company encourage and support knowledge exchange between Rimaster's units.
- The company and the employees work close together to develop a good working environment.
- The company work actively with external partners to increase learning in the organization.

Work environment policy

It is important for Rimaster that all employees are comfortable at work and that the work environment is healthy and sustainable. The work environment must be safe, both in terms of physical and psychosocial conditions, and provide equal opportunities for collaboration, social interaction, and development.

A work environment characterized by open attitude and keen awareness, where leaders and managers open up a dialogue on common goals and visions, is a precondition for a positive organizational development in Rimaster.

A healthy and sustainable work environment can be achieved when:

- All employees follow the regulations, rules and common practice in the field of working environment.
- All employees take a personal responsibility in the daily operations for a safe and secure work environment.
- All employees assess possible risks as early as possible in regular inspections (“protective rounds”), emergency preparedness and risk analysis. Identified risks are addressed by the local safety committee and management group.
- The company work proactively, determined and as active as possible with employees in need of rehabilitation, to ensure a swift recovery and return to work.