

ECO LOG GROUP

Sustainability Report 2021





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About this report

This is Eco Log Group AB's (referred to as Eco Log in the remainder of the report) sustainability report that applies to the 2021 financial year. It has been drawn up in accordance with the provisions in Chapter 6 of the Swedish Annual Accounts Act. Eco Log's Board of Directors has ultimate responsibility for Eco Log's sustainability reporting as well as the focus areas specified in the sustainability report. The purpose of the report is to provide Eco Log's stakeholders with a transparent picture of the company's sustainability work.

Here at Eco Log, we have a considerable responsibility towards our customers, employees, owners, and other stakeholders to minimize our negative impact on the outside world. It is therefore important for the company to work actively on sustainability issues. In this report, we describe the work we are doing to promote sustainable development, what our priorities are and some of the challenges we face. We also present the risks we see and how we are working to prevent them.

As a company, Eco Log will endeavor to ensure that our products have as little negative impact on the Earth's resources as possible. Sustainability must therefore permeate our entire organization and be part of all our decision-making processes. Here at Eco Log, sustainability is therefore our guiding principle in everything we do, from product development to the finished machine in the forest. It is precisely this that we want to communicate to our stakeholders in this report, to provide greater insight and understanding of how we choose to work with sustainability issues.

Gremo AB, Gremo Maskinservice AB and SP Maskiner i Ljungby AB were acquired at the end of 2020. These companies were previously included in the Weland Group's sustainability reporting. Work is ongoing to incorporate the sustainability reporting for the new subsidiaries into Eco Log Group's sustainability reporting, but this has not yet been standardized in line with the Eco Log Group's processes and guidelines. Where deviations occur from the Group's processes and guidelines, this is clarified by an asterisk* and a note at the end of the relevant section of the report.



A few words from the CEO



The climate and sustainable development are now everyone's concern and have never been more important or more highly prioritized than they are at present. As a player in the forestry sector, Eco Log obviously also has a responsibility to minimize the negative impact that our machines have, both on the forest where they are used, as well as on the environment in general through various parts of the manufacturing process and within our factories in Ljungby and Söderhamn.

It feels positive that one of the UN's global milestones for resolving the climate crisis focuses specifically on promoting sustainable forestry, an objective that places demands not only on us as a forestry machine supplier, but also on our customers who work in the forest and use it on a daily basis. We have a great deal of respect for those who practice the profession, a profession that, in addition to the skills required to work with the machines, also demands a high level of knowledge to run a profitable company and to live up to the demands currently stipulated within the forestry sector.

During 2021, Eco Log's factory in Söderhamn has switched to 100 per cent renewable electricity, with all the electricity now being supplied from hydroelectric power. This changeover has been carried out gradually and it feels like a natural step in the right direction now that, in respect of electricity consumption, we have managed to reduce our carbon dioxide emissions from the operations in Söderhamn by no less than 65%.

Another area where we can see a positive trend is the new harvester head series, which has been introduced onto the market in 2021 thanks to the merger with SP Maskiner AB. This has not only made Eco Log a complete supplier with an even broader range but has also generated competitive harvester heads with very low energy consumption thanks to the fact that they are designed in accordance with SP's tried and tested low-friction concept.

In summary, sustainability is a continuous process that affects all parts of our organization, our machines, and our customers in various ways. This is important work, where we all must strive constantly to become even better and where together we always have to do a little bit more.

Niklas Jonsson, CEO



” We have a great deal of respect for the forest contractors who practice the profession, a profession that, in addition to the skills required to work with the machines, also demands a high level of knowledge to run a profitable company and to live up to the demands currently stipulated within the forestry sector.

Eco Log – a growing player focusing on the forest

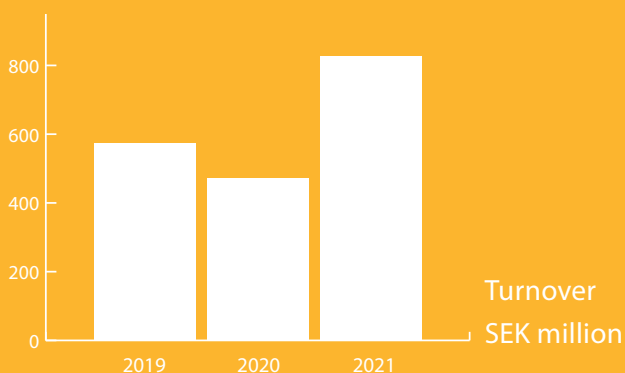
Eco Log designs, manufactures, and sells machinery for the modern forestry industry. Our harvesters, forwarders, harvester heads and aftermarket services provide opportunities for the sustainable utilization of one of our most important renewable resources – the forest. For us, the forest is close to our heart. It is the foundation of our business and a constant source of inspiration.

Eco Log is extremely important for many different stakeholders. The company creates shareholder value by producing and selling harvesters, forwarders, harvester heads and aftermarket services. The service agreements and other services provide customers with support throughout the service life of the products. Eco Log creates jobs, contributes to regional development, offers business opportunities for suppliers, and delivers products that make it possible for customers to be competitive on their respective domestic markets. The products that Eco Log designs, manufactures, and sells for CTL-based forestry (Cut-to-Length) contribute to the efficiency of the customer's value chain. They help to deliver sustainable forestry and are consequently an important part of a forestry industry that is sustainable in the long term.

For several years, Eco Log has had an explicit goal of achieving growth. Turnover for 2021 reached a record high of SEK 827 million, despite continued challenges in terms of adapting operations to the conditions entailed by the coronavirus pandemic. We are proud to be an up-and-coming company. At the same time, we are humble in the face of the responsibility we have for all those who depend on our operation and products, in addition to our contribution to a sustainable forestry industry for the future.

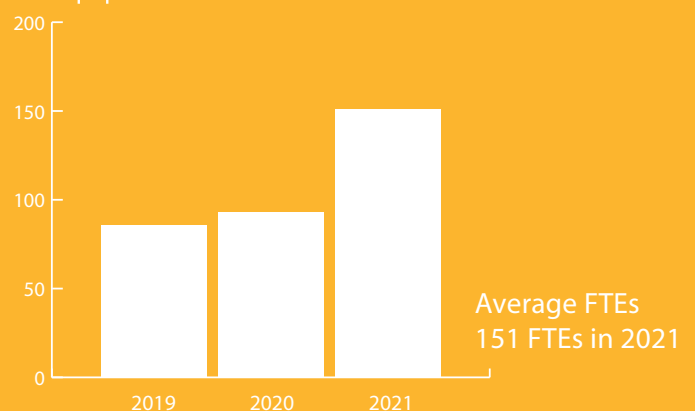
TURNOVER

SEK 827 million



EMPLOYEES

approx. 190*



* Including hired personnel from staffing agencies

FACTORY IN M2

18,260

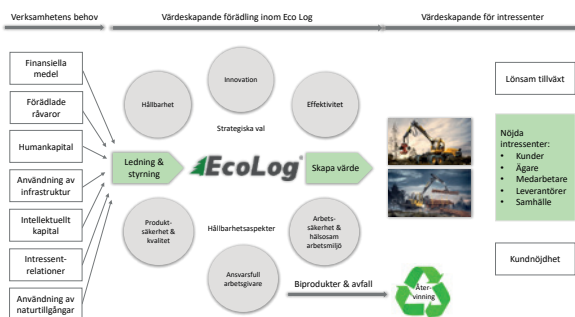
HARVEST
ASSEMBLY



Eco Log's sustainability work

A sustainable and responsible organization

For us at Eco Log, sustainability and being a responsible company go hand in hand and mean that all aspects of sustainability must be respected. Business ethics and integrity, compliance with laws and tax regulations, environmental considerations, labor law, human rights and, not least, the sustainability aspects that our stakeholders have prioritized along with us are therefore essential components in conducting sustainability work.



The sustainability aspects that have been identified as most important and which form the basis for Eco Log's focus in its sustainability work are:

- Product Safety and Quality
- A safe and healthy working environment
- A responsible employer.

Together they provide us with a solid foundation for long-term, sustainable operations, as well as the conditions to develop in a responsible manner and build trust among our stakeholders and the outside world. The three prioritized areas are all described in detail in this report and cover all of Eco Log's employees, to ensure that the sustainability work permeates the entire organization and its decision-making processes.

Sustainable forestry

The natural resources that Eco Log uses in its operations air, water and, of course, the forest – a renewable resource and one of the fundamental reasons for Eco Log's existence.

Through its Global Sustainable Development Goals, the UN is carrying out work in 170 countries aimed at achieving four major changes by 2030, including resolving the climate crisis. To achieve this, two of the goals are:

15.2 Promote sustainable forestry, halt deforestation, and restore degraded forests.

12.2 Sustainable management and efficient use of natural resources

We have a responsibility to contribute to the global goals and have as little negative impact on the planet's resources as possible. The forestry machines that constitute the heart of our business



are

at



have a daily impact on the environment, which is why our commitment and our contribution to sustainable forestry are of the utmost importance. As a result, the design, manufacture, and operation of our machines are crucial in our work and our contribution to a sustainable environment.

Eco Log manufactures forestry machines for work according to the Cut-to-Length method, an approach that requires a small number of machines in the forest compared to other logging methods, thereby generating less emissions and having a lower negative environmental impact. Thanks to Eco Log's pendulum arms, the machines have unique off-road properties that allow them to move about effortlessly in all types of terrain, without causing unnecessary damage to the forest or the ground. The harvesters' ground pressure can be constantly optimized and minimized by raising or lowering the machine, so that the weight is optimally distributed over the surface. The harvesters' ability to get around, combined with their powerful crane, allows them to lift the timber to the heavier forwarders so that these can avoid driving on sensitive terrain. All of Eco Log's machines are equipped with fuel-efficient engines specially designed to satisfy the forestry industry's tough requirements as regards emissions standards.

In 2020, Eco Log was merged with Gremo AB, thereby adding three new, smaller forwarders to the product range. Standout features of the new forwarders include great mobility and low ground pressure for minimal impact on standing forest even in extremely sensitive terrain.

Through innovation and the development of our machines, we ceaselessly strive to promote a sustainable and long-term approach to forestry. In this way, our sustainability work permeates both Eco Log as an organization and the products we sell, and we link this to goals 12.2 and 15.2 as above.

Product safety and quality

Products and services

Forwarders and harvesters for modern forestry represent the core of Eco Log's product range. The range of machines currently comprises seven harvester models and six forwarder models in various sizes and with varying capacities and designs to match the wide range of purposes and tasks found in the forestry industry. The machine models are designed to handle everything from initial thinning to final felling, as well as to be able to work effectively in demanding environments such as sensitive terrain, steep slopes, or hilly and rocky terrain.

During 2021, a series of harvester heads has been developed and launched as a result of the merger with SP Maskiner. The harvester head series initially consists of three models, all of which have been designed in accordance with the tried and tested low-friction concept from SP and equipped with Eco Log's patented Eco Log Saw Control system. The new series of harvester heads has made Eco Log a complete supplier of efficient forestry machines for productive and profitable forestry. At the same time, SP Maskiner sells harvester heads for both harvesters and excavators the world over, where more than forty years of experience and development have resulted in high-performance heads that are distinguished by their unique combination of the highest productivity, optimal fuel consumption, low maintenance costs and reliable measurement.

Eco Log's machines have a variety of options and accessories that allow customization according to the customers' specific needs, as well as spare parts to make repairs, servicing, and ongoing maintenance possible.



Productive
&
reliable



High quality
harvester heads
from SP Machines

Eco Log also offers competitive servicing and spare parts agreements for the product range, ensuring cost-effective ownership for the customer throughout the machine's service life.

Taken together, Eco Log's products and services provide strong, reliable, and highly productive forestry machines with favorable service conditions and ownership that offers good overall economy.

Risks and safety

Harvesting forest in the demanding environments in which Eco Log's customers work presents several challenges, and often means that the operators find themselves alone far out in the forest, with no potential to access help quickly if something unexpected should occur. For example, the weather conditions and the terrain can result in an increased risk of falling and slipping when the operator is climbing into or out of the machine during saw chain replacements or other service work. There are also risks that need to be taken into consideration for people in the vicinity of the machines, requiring knowledge about safety on the part of anyone working in and around the machines.

To minimize injuries and accidents as far as possible, the safety aspect of the design of the machines is therefore of the utmost importance. Examples of aspects that have been taken into consideration in the manufacture of the machines include handles for safe entry, decals to clarify potential safety risks, as well as safe and easy access to various parts during servicing work. Eco Log is constantly working to improve and develop safety for those who use the machines daily, not only through their design but also in the form of safety regulations, documentation, and training.

In addition to operator safety, there are also challenges relating to the environment, including the need to avoid oil spills, damage caused by ground pressure and forest fires caused by sparks. Eco Log's forestry machines have a number of properties that provide the conditions for both safe and environmentally sustainable forestry. You can read more about this in the next chapter, which looks at Eco Log's value-creating customer offer.

Value-creating customer offer

Thanks to the unique pendulum arm solution, the operator of an Eco Log harvester can retain full control of the work situation at all times. The harvester can be leveled and adjusted relative to ground surface conditions by raising, lowering, and tilting the machine, which means that the operator can always enjoy an optimal working position with a high degree of stability, superior ground clearance and accessibility in all types of terrain. By distributing the ground pressure evenly over the surface, as little damage as possible is caused to the ground. At the same time, the risk of sparks and friction can be minimized by raising the machine and driving over any obstacles.

The powerful harvester crane means that the machine always operates with a high level of productivity, even when extended to full reach. This allows the harvester to move the trees to the heavier forwarder, which can then avoid driving on sensitive terrain. Eco Log's segment of smaller forwarders offers machines that work with low ground pressure and minimal impact on standing forest even in extremely sensitive terrain.

In addition to the pendulum arms and powerful crane, there are several aspects that help Eco Log operators to achieve high production levels. The high degree of serviceability minimizes machine downtime, and the engines are distinguished by their operational reliability, fuel efficiency and environmental friendliness in the form of low emissions levels. Alongside favorable servicing and spare parts agreements, Eco Log offers its customers the prerequisites for sustainable forestry with an advantageous total cost of ownership and high productivity.

Feedback from 2021 and a brief look ahead

No serious incidents or accidents involving Eco Log's machines have occurred out with the customer during 2021. No serious damage to property or environmental incidents have been reported in 2021 either.

During 2022, the focus is continuing to be placed in part on Eco Log's training concept, Eco Log Academy, which aims to increase knowledge internally, externally, and at various levels. By developing and offering training in various areas, the concept fulfils several purposes:

- Internal training of all employees in order to improve product knowledge and broaden expertise across the organization to reduce the vulnerability associated with staff attrition.
- Training in Eco Log's Code of Conduct was carried out in 2021, which will contribute in the long term to a sustainable organization with shared values and respect for ethics and human rights.
- Operator training provides the conditions for increased productivity, higher safety at work and forestry that is sustainable in the long term.
- Technical machine training provides customers with increased potential to perform basic servicing and maintenance themselves, resulting in reduced service costs and a longer service life for the machines.
- Training for dealers and service providers improves their knowledge of Eco Log's products and services, thereby ensuring higher quality service close to end customers.

We are continuing to develop Eco Log Now, a web portal for easy processing of spare part orders, service information, etc. Eco Log Now will be an important tool for Eco Log customers/users, as well as for dealers and service providers who are supplied with documentation and information to conduct effective operations as representatives of Eco Log.



Eco Log offers its customers the prerequisites for low-impact and sustainable forestry with an advantageous total cost of ownership and high productivity.

Community and employees

Our employees and the world around us

At the end of 2021, Eco Log had 192 employees including personnel hired from staffing agencies. Our employees are our greatest asset when it comes to being able to run a successful business. Through their expertise and commitment, they ensure that our customers get what they want at the right time, in the right quality and as part of a trusting customer relationship. As a result, Eco Log will be able to offer a good working environment, a high level of safety, good development opportunities and fair employment conditions – in short, be an attractive and responsible employer. “Safety at work and a healthy working environment” and being a “Responsible employer” have therefore been prioritized as two of the three areas of focus for the sustainability work within the organization. Our policies and Code of Conduct are part of Eco Log’s work aimed at ensuring our responsibility as an employer. All our employees are covered by collective bargaining agreements.

Eco Log’s involvement in the community at a local level takes place in part through ongoing collaborations with high schools and universities to support students with internships and the potential to complete degree programs.





Risks in the field of human resources & how these are managed

The working environment is an area where our employees are exposed to risks basis. Occupational injuries and work-related repetitive strain injuries can, in addition to causing suffering for the individual, result in costs, generate understaffing, delayed deliveries and, in the long term, negatively affect the company's reputation. This in turn can make it difficult for the company to attract skilled employees, as well as causing internal dissatisfaction due to an inadequate working environment. If the company has problems regarding its attractiveness, this could result in it being difficult to recruit the right employees, as well as leading to a high turnover of personnel.

Skills are another risk area, and if individuals with the right skills who are currently part of our workforce choose not to remain and new skilled employees cannot be recruited, the company's intellectual capital will be weakened. Skills shortages could result from the company having difficulties in terms of its attractiveness. However, they could also be due to societal factors where, from time to time, it may be unpopular to attend upper-level secondary and higher education courses relating to the forestry industry. The consequences of this could include longer production times and quality problems due to a shortage of skills. Ultimately, this could result in customer satisfaction being adversely affected.

Within Eco Log, we can also see risks in relation to excessive absence due to sickness. We have therefore decided that one of the most important metrics for us to follow up is healthy attendance, which stood at 96.68%* in 2021. A rising average age among employees also constitutes a risk. However, Eco Log is currently expanding and taking on new employees, and as a result is rejuvenating its workforce.

96.68%
Healthy attendance*

* Refers only to Eco Log Sweden AB.

Another risk is that employee commitment is not as high as it could be. The results of this can manifest themselves in the same way as the risks associated with skills problems, i.e. higher production costs and quality problems that negatively affect customer satisfaction. To support the management of the risks within our sustainability work, and as a complement to our Code of Conduct, we have the following policies:

- *Working environment policy, which describes what we as an employer are doing to ensure that the workplace is safe and healthy, as well as what rights our employees have in order not to be at risk of injury or other ill health.*
- *Policy to combat harassment and discrimination, which sets out our stance in relation to everyone being of equal value. The document includes an action plan on how to report harassment, infringements, and discrimination.*
- *Equal opportunities plan, which establishes that Eco Log will work in a targeted manner to promote equal rights and opportunities for all, regardless of gender, ethnicity, and religion, age and disability. Eco Log will work to ensure that everyone has the same rights regarding training and wage development, as well as being treated with respect.*

First and foremost, leadership is crucial when it comes to managing all these risks in relation to human resources. Here at Eco Log, we have a straight and transparent line organization, supported by simple and clear job descriptions. We value “blue sky thinking” and consider that we maintain a good level of communication and dialogue between the management and all our employees. We also work with skills matrices to consistently focus on individual and organizational development. We operate salary systems in which expertise and performance, as well as commitment and responsibility, are highly valued, which in turn leads to high levels of motivation and job satisfaction. All our employees also receive regular feedback individually through performance reviews and collectively through the company’s internal communication channels. In order to further strengthen our activities in this area, the next sections describe our work regarding the sustainability aspects Safety at work and a healthy working environment and Responsible employer.

Focus area – Safety at work and a healthy working environment

A safe and healthy working environment is one of the cornerstones of Eco Log's operations. As an employee, contractor, or partner, you are entitled to not be affected by ill health or otherwise come to harm as a result of your work. Through good working conditions and a good working environment, we create job satisfaction and security. This, in turn, leads to a high level of commitment as well as individual and collective well-being and development among all those who work for Eco Log.



During 2021, Eco Log's Code of Conduct was implemented in full throughout the Group. This clarifies the company's values, as well as setting out each employee's obligations and entitlements regarding how we act and treat our colleagues, customers, and other stakeholders and, jointly, contribute to each other's positive working environment and work climate. We do not accept any form of discrimination, and we act robustly to deal with any incidents and forms of behavior that violate Eco Log's policies and guidelines. We also advocate diversity in our operations, and our working environment should be characterized by openness where all individuals are treated equally and with respect.

Eco Log's working environment organization is constantly working to improve and develop the working environment and safety at work, and we are convinced that all accidents and all ill health can be prevented. Therefore, a significant portion of our activities relating to the working environment are proactive. Set out below is a selection of the initiatives we implemented in 2021.

- Management of and preventive measures resulting from reported incidents/observed risks in the case management system. The target for 2021 was 60 observed risks, with the actual number being 106 reported issues, 84 of which had been dealt with by the end of the year.*
- 13 safety tours and 4 coronavirus prevention tours were conducted at the workshop and service center.*
- Further development of general health and safety rules for employees and contractors.
- The safety committee held four meetings and actively implemented measures to improve occupational safety.
- Coronavirus prevention in the shape of, for instance, limited numbers in conference rooms and breakrooms, remote/home working, hand sanitizer dispensers, guidelines, and recommendations.

Monitoring and continually evaluating healthy attendance has been prioritized by management in order, at an early stage, to pick up on any signs of sick leave that might be related to the working environment. The target for 2021 was for healthy attendance to exceed 97%. Despite Covid-19, the outcome was 96.68%** . The well-being of our employees is naturally an important element when creating the conditions for long-term success. In order to promote good health, supportive activities/functions such as occupational health care and wellness allowances are offered. We collaborate with external partners who offer medical advice immediately when an employee reports sick, as well as professional following-up of sick leave if the employee so wishes**.

* Refers only to Eco Log Sweden AB and Eco Log Försäljning AB.

** Refers only to Eco Log Sweden AB.

Focus on our customers' working environment

Day-to-day life for Eco Log's customers consists of long days in the forest, where production must continue regardless of weather conditions. For this reason, the operator environment is of the utmost importance when it comes to creating good working conditions. This is an area that Eco Log has prioritized highly in the development and design of our machines. In our contacts with our customers, the operator environment is a factor that is often highlighted as one of Eco Log's strengths.

A number of factors contribute to a good environment for the operator:

- Good visibility of the work area
- Modern, ergonomic seats
- Cab and floor damping to counter vibrations
- Easy and convenient entry and good access route
- Good lighting of the work area
- The cab has been equipped with a number of details that provide added value for the operator, such as food canister heaters, good charging options and a user-friendly climate system.

In addition to the cab's operator environment, Eco Log's machines have been designed to ensure high serviceability that simplifies the day-to-day lives of the operators, since they are often a long way from the nearest service center and must be able to perform basic service operations themselves out in the forest.



Focus area – Responsible employer

The work on the “Responsible employer” focus area is conducted according to the prioritization of Eco Log’s stakeholders. This area feels even more relevant today, as Eco Log had an average of 151 employees (FTEs) at the end of 2021. The perception is that the company is characterized by positive ambition and the drive to continue to grow and develop. This also makes Eco Log one of Söderhamn municipality’s largest private employers and a significant player as an employer in Ljungby (SP Maskiner). Eco Log is consequently an important player on the local and regional labor market. Eco Log’s position and commitment in and for society is therefore important, as is being a responsible employer, as many people in the local area are dependent on Eco Log conducting operations that are sustainable in the long term. As an employer, it is also of the utmost importance for Eco Log to be responsible for creating an equal workplace where all employees are treated with respect.

Within these areas of focus, the code of conduct that was implemented in 2021 is also of great importance. However, the work will continue in 2022 to ensure that everyone understands and realizes the importance of complying with the company’s core values. The Code of Conduct also includes a whistle-blower function, which aims to ensure that all staff feel comfortable and confident in reporting any forms of behavior or incidents that violate fundamental human rights and thereby Eco Log’s values.

In addition to employees, Eco Log is also of great significance to many stakeholders. To carry out long-term operations with secure employment, the needs and priorities of all stakeholders therefore need to be considered and satisfied as far as possible.



Being a responsible employer covers several different areas, including:

- create shareholder value by producing and selling harvesters, forwarders, harvester heads and aftermarket services.
- supply services such as service agreements and spare parts agreements that provide customers with beneficial ownership throughout the service life of the products.

- comply with laws, regulations and tax rules and employ good business ethics.
- offer business opportunities to suppliers and support local businesses.
- supply high-quality products that enable customers to operate competitively in their domestic markets.

Environment

Eco Log's environmental footprint

Not having an adverse impact on the environment is a strong driving force for Eco Log. Environmental impact is a factor that is taken into consideration in all the decisions we make, and everyone at Eco Log does their bit by minimizing the environmental impact of their own work. This applies both to the environmental footprint our products create during their life cycle, as well as the footprint we make by building forestry machines in our factory in Söderhamn, building harvester heads in our factory in Ljungby and supplying aftermarket services from all our operations in Söderhamn, Ljungby and Ätran.

Our forestry machines have been designed so that customers can get the most out of their forestry machine. Thanks to the properties of the machines and engines with low fuel consumption, we create the conditions for minimizing the environmental footprint and conducting forestry that is sustainable in the long term.

The environmental aspects we must consider are transport, energy use in our premises, water consumption, waste management and the handling of chemicals. This also relates to material logistics from suppliers and distribution to customers. Eco Log takes its environmental footprint seriously and has carried out an ambitious environmental assessment to determine our actual environmental impact and which improvement measures are feasible. This initiative was launched in 2019 and will continue in 2022, with the aim of fully integrating the new subsidiaries SP Maskiner, Gremo and Gremo Maskinservice into Eco Log Group's sustainability work.

Greenhouse Gas Protocol (GHG)

The Greenhouse Gas Protocol (GHG) is a framework that sets a global standard for measuring emissions. The protocol has been drawn up by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and is the most commonly used standard for the reporting of emissions. The GHG Protocol is measured in the form of three key figures: Scope 1, Scope 2 and Scope 3, which are reported in the form of carbon dioxide equivalents (CO₂eq).

Scope 1 includes all direct emissions from operations, i.e. the burning of fossil fuels or emissions from owned or leased vehicles. For Eco Log, this relates primarily to diesel consumption when commissioning forest machines in our own factory as well as fuel consumption during travel on behalf of Eco Log.

Scope 2 includes all indirect emissions from operations, which for Eco Log is limited to in-house energy consumption in our own premises.

Scope 3 includes all other emissions generated by the business. Since it is almost impossible in practice to account for the life cycles of all products, we have chosen to limit Scope 3 to covering carbon dioxide equivalents arising from waste and associated transport, as well as shipments of goods from suppliers and shipments of finished products to customers.

However, we note that Scope 3 also covers the CO₂ footprint from the entire value chain, both upstream as well as downstream, i.e., everything our suppliers must do to create the materials and products we need for

our operations as well as our customers' use of our products throughout the product's life cycle. Eco Log's current intention is to have control over this, but we also realize that we do not at present have the resources to produce relevant facts.

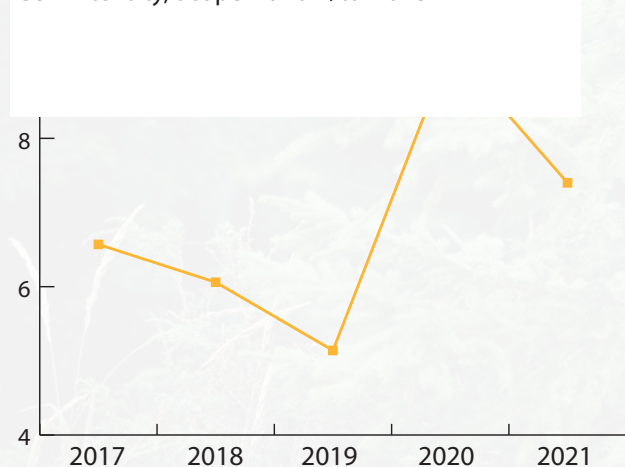
Environmental footprint in carbon dioxide equivalents

Eco Log's activities expressed as carbon dioxide equivalents in accordance with the GHG Protocol are summarized in the table below:

	2019	2020	2021	Average for 3 years	Three-year trend %
Turnover, EUR millions	54.8	46.5	81.5	60.9	33.83
Carbon footprint, Scope 1+2, metric tons CO ₂ eq	282	427.7	603.0	437.6	37.80
CO ₂ intensity, metric tons CO ₂ eq/EUR million	5.14	9.21	7.40	7.2	2.04
Electricity consumption, kWh/m ²	78	56.1	101.6	78.6	29.35
Heating consumption, kWh/m ²	166	117.2	137	140.1	-2.21
Carbon footprint, electricity, metric tons CO ₂ eq	120.2	296.5	432.4	283.0	52.77
Carbon footprint, heating, metric tons CO ₂ eq	132.4	115.1	134.5	127.3	5.62
Water consumption, m ³ /prod. machine	9.11	14.05	11.96	11.7	2.16
CO ₂ intensity, Scope 1 and 2/turnover, 3 years average, metric tons/EUR million	5.92	6.80	7.25	6.66	8.87

Sales have increased by 75.5% between 2020 and 2021. This is thanks to the acquisitions of SP Maskiner and Gremo, combined with organic growth. The climate footprint in absolute numbers, i.e. Scope

CO₂ intensity, Scope 1 and 2/turnover



1+2, increased due to the acquired companies' energy mix in their own operations. Work is currently under way in 2022 to adapt the entire Group's operations to the previously stated goal of transitioning to a 100% renewable energy supply.

If we set carbon dioxide equivalents in relation to the company's turnover, we can see that the trend in carbon intensity (Scope 1+2/turnover) has decreased significantly compared to the previous year.

To present the GHG Protocol's Scope 3 in line with the previously described definition, we measure the carbon dioxide equivalents in this regard in relation to the number of forestry machines produced, but only based on transport to customers and transport from suppliers. The key figures for this are presented below in the section Environmental aspects – Transport.

Environmental aspects

Chemicals

A chemical management system has been introduced, including safety data sheets and risk assessments for all chemicals. Several audits have been conducted to ensure that the list of chemicals is correct. A process-based working method has been implemented to ensure that the chemical list is always kept up to date. Eco Log has ascertained that 159 different chemicals are used in the business, which is a reduction compared to 2020. The work to reduce the number of chemicals as well as to replace environmental pollutants with greener alternatives will now continue in 2022.

Energy

The properties in Söderhamn are heated with district heating that comes from 100% renewable raw materials. Eco Log has reviewed its electricity contracts and uses only 100% renewable electricity in Söderhamn as of 2021. In 2022, the energy mix for other subsidiaries will be reviewed and redirected towards 100% renewable energy sources for the entire Group. Key figures include the reporting of the environmental footprint from in-house energy consumption in Scope 1+2 of the GHG Protocol.

Waste

In 2021, Eco Log generated 301 metric tons of waste, of which 72 tons was hazardous waste. The recycling rate stood at 59%.

Transport

For incoming goods, Eco Log uses responsible suppliers that offer sustainable and efficient logistics solutions. They are well aware of their environmental impact and are working actively to minimize their environmental footprint. For outbound shipments, our goal is to choose freight forwarders that can offer us flexibility yet also understand the impact of transport on the environment. We now see a risk that some of our freight forwarders may not have come that far with their sustainability work. As a result, we are aiming to use smaller micro-enterprises to transport our machines in connection with sales. Despite some difficulties with input data, Eco Log has now managed to determine its environmental footprint in the form of carbon dioxide equivalents in accordance with the key figures below.

Shipments to customers: 2.12 metric tons* CO₂eq/delivered forestry machine

Shipments from suppliers: 1.29 metric tons* CO₂eq/produced forestry machine

These key figures will be monitored moving forward to enable us to influence the environmental footprint from transport.

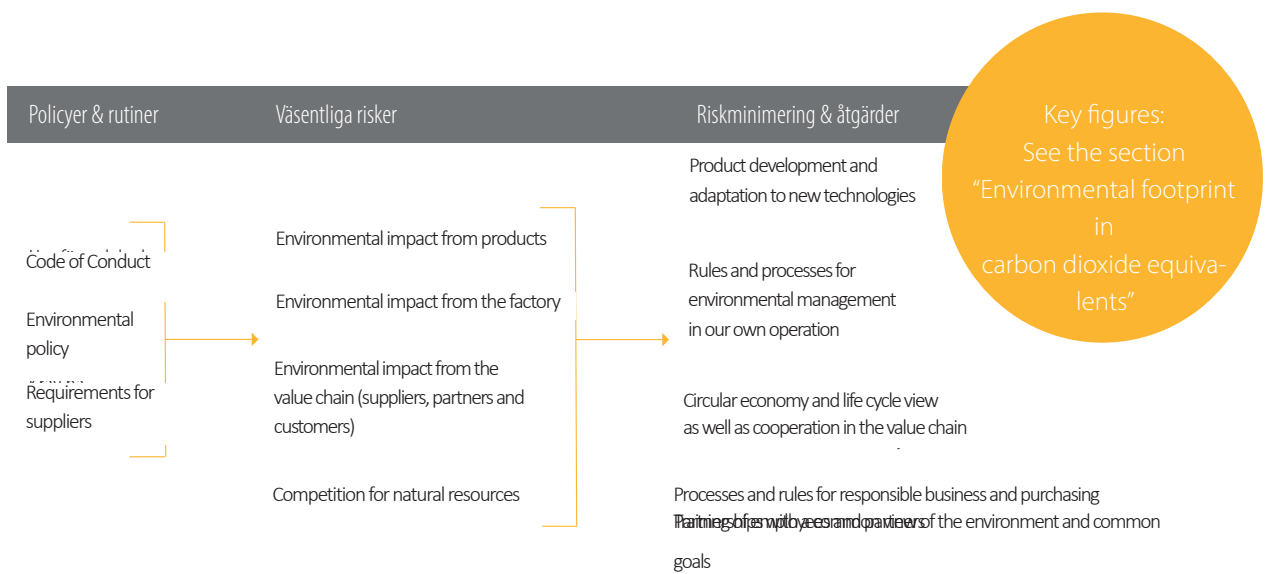
** Transport is based solely on input from Eco Log Sweden AB and Eco Log Försäljning AB.*

Water and sewage

Eco Log’s water consumption and discharges into water mainly come from washing our products. Discharges to the sewage system take place through a water treatment plant at Eco Log, where a self-regulation program is followed to avoid the release of unwanted pollutants.

Environmental risks

Eco Log’s environmental risks and how these are managed are summarized in the risk matrix below.



Anti-corruption

Position

Eco Log has zero tolerance for all forms of corruption. Eco Log is guided by the Business Code established and managed by the Swedish Anti-Corruption Institute (IMM).

Corruption risks and how these are managed

Working in an international environment in the forest machinery sector means that many contacts are handled both nationally and internationally. This in turn imposes high demands regarding business morals and ethics, where there is a risk of the company's representatives finding themselves in situations where the offering or accepting of bribes could arise. This applies both in contacts with suppliers as well as in the sales process. In a complex international business environment, there is also a risk of situations arising where the company and its representatives unwittingly participate in corrupt business arrangements, where Eco Log is merely a pawn in the game with no insight or knowledge about the wider scope.

Eco Log's sales take place primarily through dealers. In accordance with the Business Code, these dealers hold a position as partners. In such business conditions, there is a risk that incriminating history and other relevant information will not come to Eco Log's attention. Furthermore, the local corruption level where the partner operates geographically may pose a risk of Eco Log's zero tolerance being challenged. Any involvement in corrupt business arrangements can, of course, lead to the company being subjected to legal action, which is costly and jeopardizes the company's reputation.

Eco Log's actions regarding privileges for its own staff, customers and other stakeholders also constitute a risk that needs to be managed. Privileges are available in the form of company cars, wellness allowances, etc. However, these must never be unduly large or be used for the wrong purpose. Another risk that challenges Eco Log's zero tolerance for corruption is cronyism. When recruiting new staff and contracting consultants, there is always a risk of cronyism taking precedence over business value and common sense.

In order to counter all forms of corruption, Eco Log has implemented the following measures:

- Eco Log's Code of Conduct underlines the company's zero tolerance for corruption and clarifies both the entitlements and obligations that everyone within the organization must follow.
- Within the sales process, which mostly takes place through dealers, they are considered to be partners in accordance with IMM's recommendations. The dealers therefore undergo an evaluation before any agreement is entered into and are subsequently reviewed on an ongoing basis. The evaluation is based on their historical dealings and the level of the checks is based on a risk assessment, considering circumstances such as the size of the transaction or the anticipated sales volume as well as the level of corruption in the relevant geographical area.
- A survey of the supply chain is available and is kept constantly updated. This survey includes a risk assessment in respect of corruption.
- Eco Log's suppliers are continually assessed and evaluated. If the supplier's policy or actions regarding anti-corruption are inadequate, the supplier is requested to implement the necessary measures and revise the relevant policies to Eco Log's satisfaction. If this is not done, Eco Log reserves the right to stop using the relevant supplier's services.
- All managers and representatives of the company's marketing and sales organization and our purchasing organization receive ongoing information and training in business ethics.
- Business ethics are a standing item on the agenda at the company's management meetings.
- Policies for corporate entertainment, gifts, external offers, company cars and sponsorship regulate how privileges may and should be handled within Eco Log vis-à-vis both internal and external stakeholders. Through our policy on gifts and external offers, for example, employees undertake to live up to our demands for good business ethics and zero tolerance for all forms of corruption.
- Cronyism in connection with the recruitment of new staff and when contracting consultants is managed by following the standardized processes for recruitment and purchasing that Eco Log employs in accordance with its process-based business system.

In all the above cases, Eco Log follows the recommendations from the Swedish Anti-Corruption Institute.

Follow-up of 2021

In 2021, Eco Log has been involved in one corruption-related case, relating to an improper business relationship with a supplier.

Human rights

Position

Eco Log supports and respects the principles set out in the UN Universal Declaration of Human Rights, and recognizes the fundamental rights in the workplace as defined by the International Labor Organization (ILO). These include the freedom of association, the right to enter into collective agreements, the abolition of forced labor and equal opportunities for/equal treatment of employees.

Eco Log's Code of Conduct also describes the company's values regarding fundamental human rights and working conditions, where all employees are entitled to feel respected in the workplace regardless of their gender, age, sexual orientation, ethnicity, or religion. The Code of Conduct describes the entitlements and obligations that all of Eco Log's employees must abide by in order to create a workplace where the fundamental values are respected and complied with.

Risks and how these are managed

There is a risk that someone in the value chain from supplier to end customer will not accept and act in accordance with Eco Log's stance on human rights. This could damage Eco Log's reputation and lead to business agreements being breached. The latter could result in substantial costs, delays in customer deliveries and potentially also involve Eco Log in legal disputes, which could be costly and harm the company's reputation.

For this reason, Eco Log conducts regular assessments where e.g. the suppliers' codes of conduct are evaluated along with other parameters. If a supplier's code of conduct fails to respect human rights or otherwise acts contrary to Eco Log's values, the supplier is asked to revise its code of conduct and to establish the necessary policies to Eco Log's satisfaction. If this is not done, Eco Log reserves the right to stop using the relevant supplier's services.

Furthermore, there is also a risk that employees in our own organization will act contrary to the values described in Eco Log's Code of Conduct. In the event of a violation of human rights, the necessary measures must be implemented to ensure that this does not happen again. Using Eco Log's whistle-blower function, which is described in the Code of Conduct,

all employees should feel confident about what to do if they notice unethical actions that are in violation of Eco Log's fundamental values.

Follow-up of 2021

During 2021, Eco Log has not needed to act in any cases related to deviations from the company's stance on human rights.



