



AQ M-Tech Sustainability Report 2023



Time period: 2023-01-01 – 2023-12-31



AQ M-Tech AB

1. Executive Summary

We at AQ M-Tech AB are proud to present our sustainability report for the business year 2023. We recognize our responsibility as an industrial company to act in a sustainable and responsible manner towards society and the environment. In the face of escalation climate changes, we need to take initiatives that combat the global warming and to reduce our CO2 emissions. This report highlights our progress, goals, and commitments to reduce our impact and promote sustainable development. With our sustainability commitment we are committed to integrating sustainability into everything we do, from our product development to our day-to-day operations. This report outlines our efforts to address CO2 emissions and our work to achieve our ambitious carbon reduction targets.

AQ M-Tech is a part of AQ Group (publ. listed) company. AQ M-Tech is 100% owned by our mother company AQ Group.

2. Introduction

• **Company overview:**

AQ M-Tech is an industrial company specializing in develop, manufacture, and assemble electromechanical components and systems to demanding industrial customers. Our organization consists of 128 employees, and we are in two separate factories in Uppsala. One on Bolandsgatan 10 and one on Stålgatan 8. Both facilities are rented and controlled by our landlords that also works to improve the sustainability. We are a subsidiary to AQ Group, a global supplier to demanding industrial customers.

• **Market overview:**

Our sales in the market are 80% local in Sweden and 20% are located globally.

3. Sustainability strategy and governance

• **Vision and mission:**

Our vision is to be an ever-growing partner to our customer with high demands and to be a natural choice for them.

• **Stakeholder:**

Our mother company is listed and is yearly presenting a sustainability report and reports to UN Global Compact. Our customers have a high sustainability requirement and push us to make a yearly Ecovadis assessment. We are also a member in "Svenskt Näringsliv" and have signed a collective agreement that secures good working agreements to our employees.



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4. Environmental performance

- **CO2 and energy targets:**

We have established clear and measurable CO2 reduction targets in alignment with our commitment to combat climate change. We have also established clear and measurable energy reduction targets to reduce our impact on energy in our production. These targets are integral to our sustainability strategy.

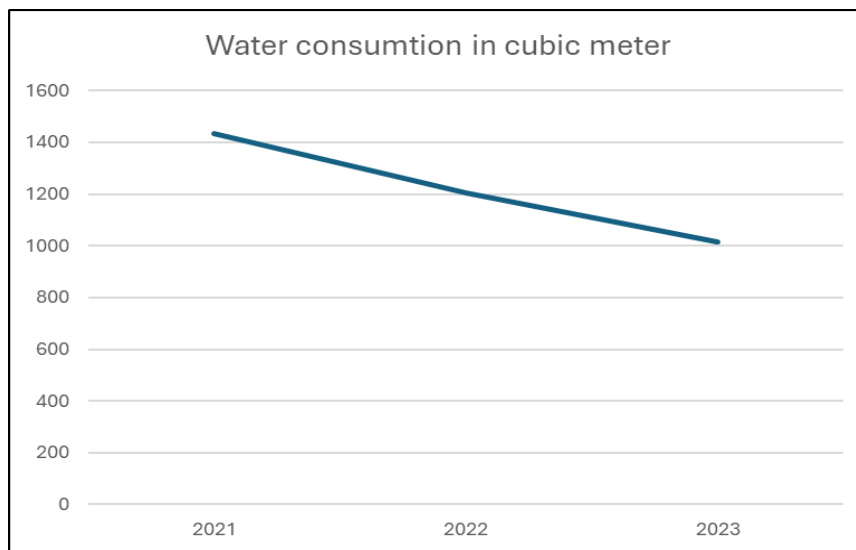
- **Suppliers:**

We work together with our suppliers, and we are performing a yearly assessment on our suppliers, ISO14001 certified suppliers are preferred. Our suppliers are the area that affects our CO2 emissions the most and we have started a project to be able to calculate our Scope 3 emissions. Our business system "Monitor ERP" have launched a module "Sustainability", and with this we will be able to calculate the Scope 3 emissions and to be able to take actions to reduce the Scope 3 emissions. The project for Scope 3 calculation will go on during 2024 and we will be able to report the Scope 3 emissions for business year 2025.

One of our biggest impacts in upstream Scope 3 is sourcing of stainless steel. We have actively chosen suppliers in this area like SSAB and Outokumpo, both companies strive to manufacture steel with low emissions and low carbon footprint. These suppliers help us to reduce our Scope 3 emissions and are also striving to manufacture steel with zero emissions.

- **Water:**

The organization is not a large water consumer, still we have installed equipment that reduces the water consumption in our machining department. These installations are also contributing to better work conditions since the use of biocides are eliminated and the air is prevented from oil mist.





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- **Renewable energy:**

We report on the share of renewable energy sources in our energy mix, and we have a policy that states we shall only use electricity from fossil fuel free energy sources. This reflects our commitment to transitioning to cleaner energy alternatives.

Our landlord purchases district heat from Vattenfall Uppsala. Vattenfall Uppsala has invested in a new plant, Carpe Futurum, that will reduce the CO2 emissions with 200 000 tons/year. This helps us to purchase a more sustainable heat to our factories. The renewable and reused energy from the heat produced in Vattenfall Uppsala is 94,9%. [Fjärrvärme i Uppsala | Vattenfall](#)



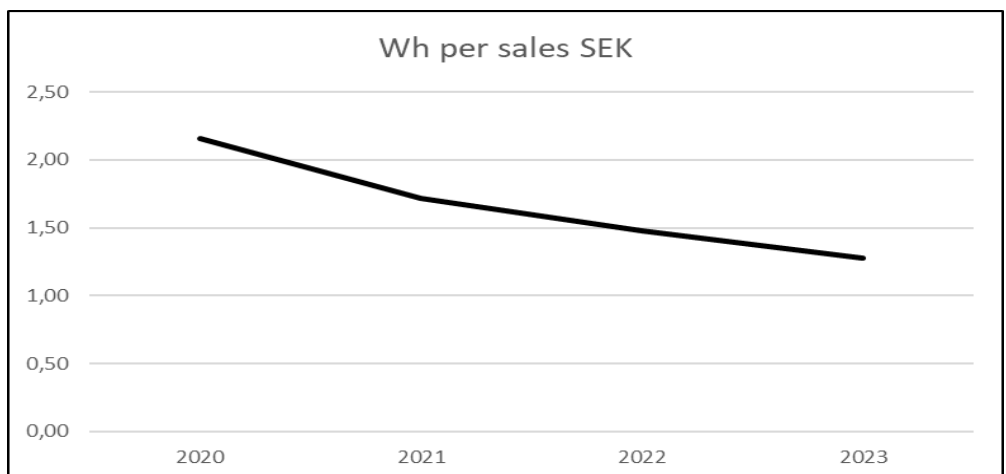
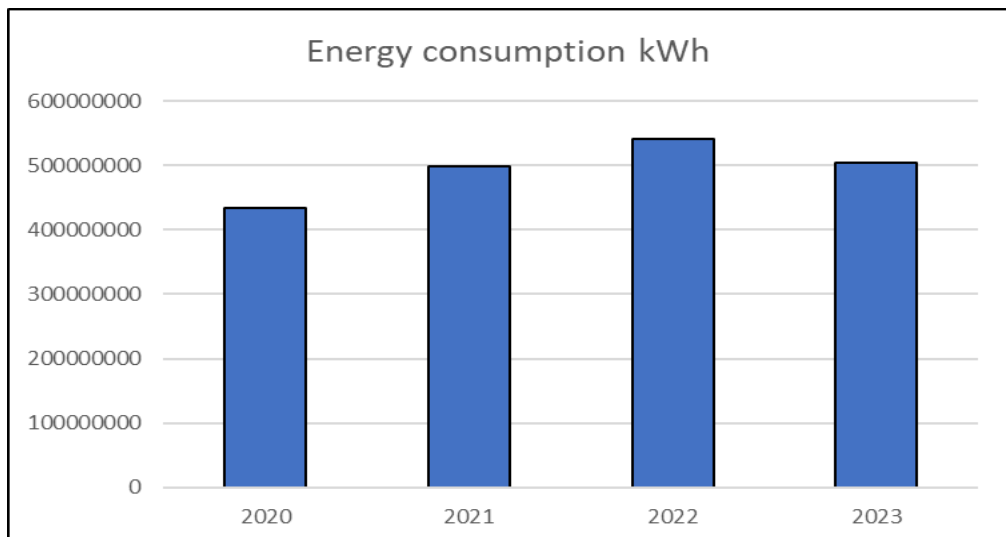


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• Energy consumption:

Our energy consumption data highlights areas for efficiency improvements and guides our efforts to optimize resource utilization. We measure our energy consumption to sold SEK and we have a target to reduce this every year with improved manufacturing processes and better energy management in our facility and in our production. The improvements come from better production planning and switch to LED lightning, reuse of our heat generated from machines in our production. The people in our organization have also a higher energy awareness which leads to, for example turn off lights and machines when not in use.

During the year we have installed shaded films on our windows that reduces the need of cooling during the summer. These shaded windows have improved our working conditions inside the factories and reduced need of fans and cooling. This action has reduced energy need for our plants during 2023.





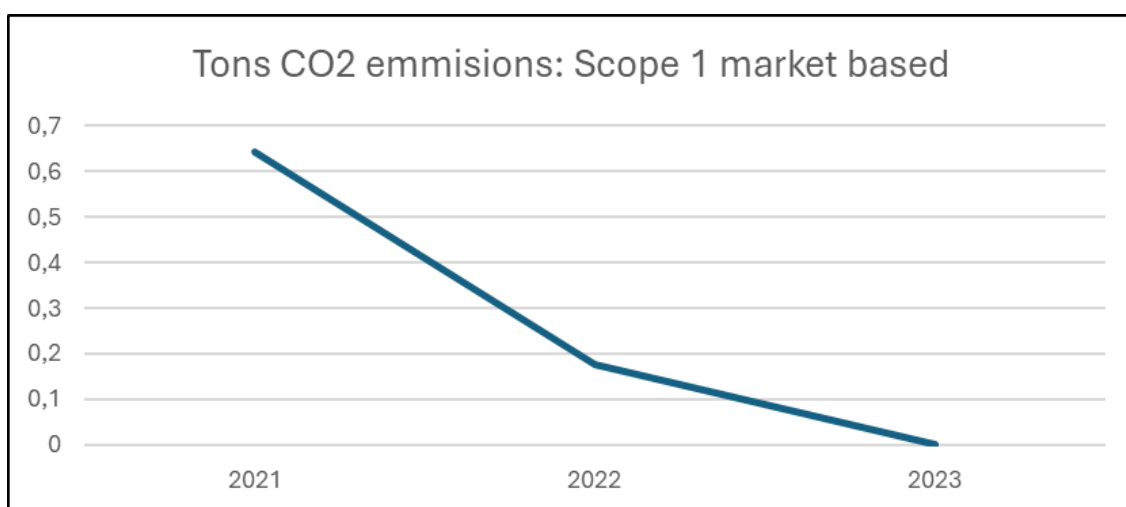
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- **CO2 emissions:**

We have tracked and reported our CO2 emissions according to the Greenhouse Gas Protocol Initiative (GHG) Scope 1 and Scope 2 and we are presenting the market-based figures.

- **Scope 1:**

We have a policy to only buy or rent electric cars, The CO2 emissions are reduced to 0 Ton CO2 for the EV's in Scope 1 when we are calculating according to market-based method. We do not use other processes that release CO2 in our production like gas



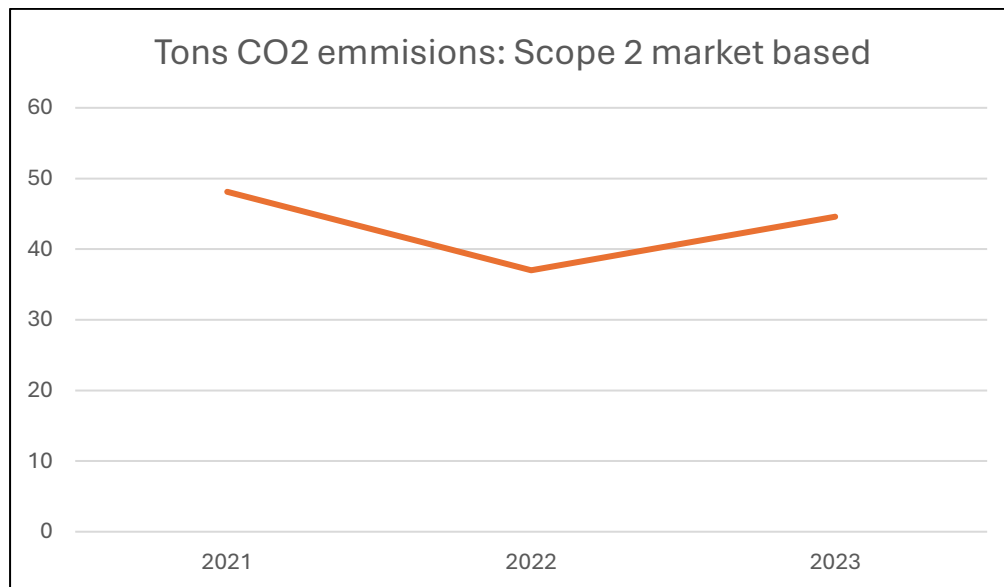


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• Scope 2

Our facilities are heated with electricity and district heating. The district heating is sourced thru our landlord that supplies us with premises that are heated. The figures are calculated according to the landlord which are using market-based calculation method. The electricity sourced for our production is sourced from our supplier with certified fossil free green energy.

Since we are only buying electricity to our production that are CO2 free, our own contribution of CO2 is zero according to marked-based method. We are presenting marked-based figures.





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• Waste disposal:

We continue to work with our waste management strategy. By reusing and recycling materials in our production and promoting circular economic principles, we strive to reduce the amount of waste even more in the future.

During the year 2023 we have introduced a new fraction in our canteen to separate the biowaste from combustible waste.

We will introduce and finalize more fractions during 2024, new fractions will be plastic packaging and paper packaging.



• Packaging material:

We are working to reduce the need of plastic and polystyrene packaging material in our outgoing goods.

Some customers have specific packaging material that we are not able to change without the customers' acceptance.

For all packaging that we are free to change from plastic to paper we have invested and introduced a paper shredder machine in our logistics department. This machine has reduced the need of plastics with 100% of the parts that we are able to choose different.





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5. Social responsibility

• Core values:

In AQ Group we have our core values that are presented and lived by our organization. It's a strength for AQ to have clear and well documented core values.

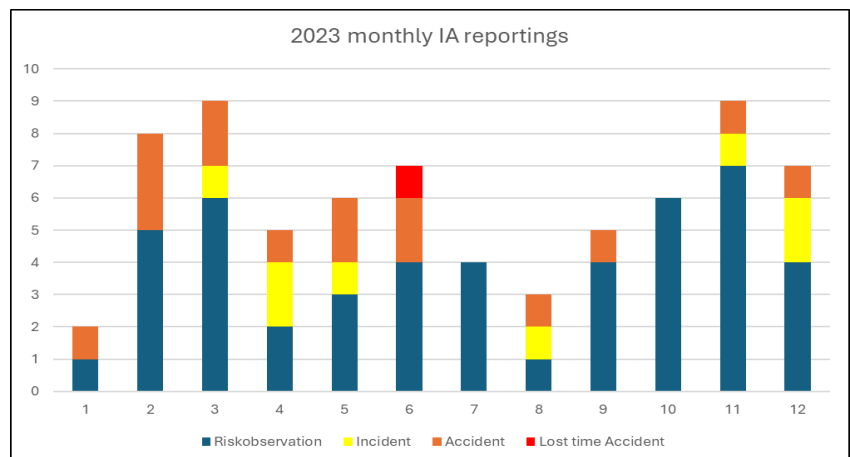
For download of our core values, use link: [AQ Group - Core Values](#)



• Safety:

Our goal is to reach zero work-related accidents and create a workplace where health and safety is the highest priority. To monitor this, we use the IA-system, and we are reporting risk observations, accidents, injuries, injuries-causing sick leave.

During the year we had 12 accidents and 1 accident-causing sick leave.



• Employee:

All employees have information about the development in the company and are aware of our goals and work together to reach them. Employees has been internally educated and new staff are trained in our management systems ISO9001 and ISO14001. All our employees, 128 persons, are covered with collective agreements and are insured for damage and accidents and has a pension provision according to the collective agreement. We have an agreed occupational health care for all staff.



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- **Political and religion:**

We are neutral in religion and politics. Neither the name AQ M-Tech nor its assets are used to promote political parties or religious organizations.

- **Human rights and diversity:**

We support and respect the protection of internationally proclaimed human rights within our areas of interests and we follow up regularly that the organization is not part in any violation against human rights. Diversity is a strength. AQ Group hires and treats its employees in a manner that does not discriminate regarding sex, transgender identity or expression, ethnicity, color, religion or other belief, disability, sexual orientation, age, political opinion, social origin, HIV/AIDS status, trade union membership.

6. Economic performance

- **Economics:**

AQ M-Tech is a part of AQ Group AB (publ.) and we refer to AQ Group economic reports. The reports can be found on AQ Group webpage: [Financial information \(aqgroup.com\)](http://aqgroup.com)

7. Product sustainability

- **Production methods:**

- CNC milling and turning machines
- Laser cutting
- TIG welding, Orbital welding
- Press breaks
- Assembly

We are constantly working to reduce the use of energy in our production and improve the production methods. Some of these actions taken can be found under chapter 4.

- **Quality:**

We are constantly working to deliver quality in our production. With less non conformances we are reducing to need for extra freights and the need to produce new products which also helps to cut waste and scrap. This is our DNA, and we will continue our journey to deliver 100% product quality.

- **Eco-friendly material selection:**

As we are an OEM manufacturer, we are not able to change material our self's, but we are always challenging our customers to change material, design etc. to reduce the cost but also to reduce the CO2 footprint on the final product. We are mainly working in stainless steel that can be recycled unlimited during its life cycle. For other parts we are working in plastics, and we work together with our customers to reduce the use of plastic with changed production methods. When we start our production, we are always aiming to choose the material causing less waste when produced.



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8. Stakeholder engagement

- **Governance:**

Our senior leadership actively oversees and supports our sustainability initiatives, with regular updates provided to the board of directors. Employees working for AQ have received training in AQ's Code of conduct.

- **Annual self-assessment:**

There are global goals for all areas where we work with sustainability, and these goals are monitored regularly through the AQ Group Self-Assessment. Results, both positive and negative, gives power and energy to our development for a sustainable business now and in the future.

- **Whistleblower:**

We have a whistleblower function in AQ that can handle report of violation of the AQ code of conduct.

- **Stakeholder engagement:**

We engage with stakeholders, including customers, suppliers, employees, and local communities, to gather insights and feedback, enhancing our sustainability approach.

9. Performance indicators and targets

- **Growth, profit, fun:**

AQ Group has a goal of being in a long-term relationship with our customers and want to be a preferred supplier and to grow together with our customers. Our long-term goal is to have a double-digit yearly growth in each company and to reduce our CO2 emissions with 4% per year/turnover.

To be able to deliver on these goals we need to have fun at work. It is fun to cut waste and to reduce the need of extra materials in the production process from ax to bread. It is fun to work together with our customers to find new production methods, new setups and less material in the products. When we cut waste, improves our production, uses less energy it will also create profit in the end.

It is fun to improve the world bit by bit by producing parts and systems that will produce medicals and healthcare for people in sickness and need and to prevent diseases.

- **Carbon reduction strategy:**

We have adopted a comprehensive strategy that focuses on energy efficiency, renewable energy adoption, process optimization, and sustainable transportation to reduce our carbon footprint.



10. Outlook and commitments

- **Future:**

Our roadmap includes project start of Scope 3 measurements during 2024, improved partnership with our suppliers and customers to better understand the focus areas to continued efforts to advance sustainability and exceed our CO2 reduction goals. We have identified our biggest CO2 impacts in Scope 3 measurements upstream as purchasing of material and goods. In downstream the biggest impact is use of the products we are producing. To be able to calculate both upstream and downstream we need to extend our partnership with our suppliers and customers to get the data that we need.

- **Combustible waste:**

For year 2024 we will start to measure the combustible waste we create and set goals for reducing the combustible waste. We will need to separate more of our waste in new fractions to reduce the combustible waste. For example, wood, plastic and paper packaging materials.

- **Stainless steel:**

Our biggest customer has started a project to change the stainless-steel material to thinner sheets. To be able to do that we need to work together to find new methods like tape in the cabinets. We are also eager to see if we can be a pioneer to weld and manufacture a pharma cabinet in CO2 free stainless steel when available.

- **Our own products:**

A new project has started with our biggest customer to reduce the use of plastic material. For our product Air Sensor, the plastic consumption will be decreased with 91% due to change of method in production from machined parts to injection molded parts. This project will go live during 2025/2026 and will significantly improve our plastic reduction with approximately 1800 kg polypropylene/year: CO2 equivalents 3510 kg/year.

- **Carbon reduction goal:**

Reduce CO2 emissions by 44%/turnover until 2034 compared to the base year of 2024. This goal is a AQ Group goal and was presented during our MD conference in May 2024.



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11. Conclusion

AQ M-Tech remains dedicated to sustainable industrial practices, and this Sustainability Report showcases our ongoing commitment to addressing CO2 emissions and contributing to a greener future. By improving our productivity and efficiency, we can achieve long-term profitability and create value for our stakeholders. We are excited to continue our journey towards a more sustainable and responsible future where AQ M-Tech AB continues to contribute to sustainability and adheres to our commitment create a better world for current and future generations. For inquiries or further information, please contact:

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