



SUSTAINABILITY REPORT 2023



SUSTAINABILITY REPORT

Nordic Climate Group

The parent company in the group is Perfect Climate Holding Europe AB, organization number 559364-1565. All references to 'the year' refer to the financial year 2023-01-01 – 2023-12-31, unless otherwise stated. The report also includes the following group companies:

/// Artic Kulde AS /// BLM Kyl & Storkök AB /// Buskerud Kulde AS
/// Buus Ice A/S /// Buus Kølleteknik A/S /// Deltastyr AB /// EK-Kyl
AB /// Entreprenadteknik Stockholm AB /// EPTEC Energi AS /// ER
Kylinstallation AB /// Frys- & Kylservice i Östersund AB /// Grenholms
Kylservice AB /// GS Kylservice AB /// Industrikyla i Skara AB
/// Karlstad Kylkonsult AB /// Klimat-Reglering Peter Nilsson AB ///
Klimatpartner i Sverige AB /// Kronobergs Kylteknik AB /// Kyl-Bergman
Lennart AB /// Kylanläggningar i Norrköping AB /// Kylbolaget
Väst AB /// KylClimat Tech KCT AB /// Kyl-Effekt AB /// Kylgruppen
AB /// Kylmekano i Karlstad AB /// Kylmästarna i Stockholm AB ///
Kyltjänst i Eskilstuna AB /// Labkyl AB /// Lennart Nilsson El & Kyl-
service AB /// LL:s Kylteknik i Kristianstad AB /// Multi Kulde Vest
AS /// MV-Jäähdytys Oy /// NKI-Kyl AB /// Nordkøl ApS /// P. Dahl-
mans Kylteknik AB /// Polar-Jäähdytys Oy /// Polo Kylteknik AB ///
PTG FrioNordica AS /// PTG Helgeland AS /// PTG Kuldeteknisk AS
/// PTG Multi Kulde AS /// PTG Rørvik Kulde AS /// PTG Vest AS ///
PVN Kølleteknik ApS /// SA-AL Kølleteknik ApS /// Saltsjö Ventilation
AB /// Sami Oy /// SLS Kyla Värme Energi AB /// Svebro Kylindustri
AB /// Tempra AS /// Termo Kyl i Sydsverige AB /// Tim Kyla AB ///
TR Kyl AB /// Viking Kulde AS /// Wester Kylteknik AB /// Winntech
AS /// Ørbæk Kølleteknik ApS ///



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CEO STATEMENT

Nordic Climate Group was established in 2021 and is the Nordic region's largest group in refrigeration and heating installation services, helping our customers achieve maximum energy efficiency and minimal climate impact. Our rapid growth with establishments in Sweden, Norway, Denmark and Finland means that at the end of the 2023 financial year, the Group will comprise more than 60 operating subsidiaries with 90 local establishments. Continued growth is part of the plan for Nordic Climate Group.

Nordic Climate Group consistently endeavors to provide customers with sustainable solutions characterized by high energy efficiency. This commitment aligns with the rising market demand for sustainable alternatives, driven by various factors, including:

- Political mandates, exemplified by the recent adoption of the F-gas Regulation within the EU, which forces the replacement of systems utilizing environmentally harmful synthetic refrigerants.
- The growing emphasis among property owners on energy efficiency and heat recovery, spurred by escalating energy costs.
- Increasing demand from investors, financial institutions, and consumers to minimize companies' carbon footprint and embrace environmentally responsible practices.

On the 11th of March 2024, the F-gas Regulation entered into force in the EU. It sets far-reaching requirements for the phasing out of climate-impacting synthetic refrigerants and further drives a transition to natural refrigerants. Concurrently, EU regulation under the REACH Regulation is expected to enter into force in 2025 with the aim of reducing the use of PFAS in substances and products. This directive will further hasten the transition from synthetic to natural refrigerants. The transition will impact both new installations and the replacement of existing cooling and heating systems. The effort to meet EU climate goals through this transition will be intensified and sustained for the foreseeable future.

At Nordic Climate Group, our approach prioritizes offering customers alternatives using natural refrigerants, even if they initially requests a solution with synthetic refrigerants. As a group of companies, we are at the forefront of expertise in installations with natural refrigerants. We are dedicated to keeping all employees up to date on modern and climate-friendly technology solutions to ensure we provide customers with accurate advice.



We are committed to delivering sustainable installations, defined by their long lifespan, maximum energy efficiency and minimal climate impact, achieved through the use of natural refrigerants. As a group, we also uphold significant social responsibility, ensuring a tangible focus on the well-being of those involved in installation delivery, including their working conditions and opportunities for further education. Additionally, Nordic Climate Group places great importance on our choices of materials and the production conditions within the value chains in which we operate.

Our ambition is to achieve clear and measurable progress in sustainability, exemplified by our decision to join the Science Based Target initiative (SBTi) in 2024. Nordic Climate Group's commitment to sustainability, embodied in our brand promise "For a better climate", is evident in the daily installation and service work conducted by our employees at customer sites, as well as in the Group's focus on skills development and strategic initiatives.

Fredrik Gren
CEO, Nordic Climate Group





2

THIS IS NORDIC CLIMATE GROUP

Nordic Climate Group is a group of companies comprising approximately 1500 employees in Sweden, Norway, Finland and Denmark. Rooted in dedicated local entrepreneurs, our collective aim is to provide cutting-edge solutions in cooling, heating, and energy-efficient installations. We aspire to be a prominent role model in sustainable climate solutions. Operating with a unified ambition, the Group encompasses every aspect – from conceptualization and design to installation, maintenance, and service.

Through a strong commitment and well-thought-out technical energy solutions, Nordic Climate Group with all its subsidiaries drive development in the industry, thereby fostering a green transition and ensuring a sustainable climate for the future. As the parent company, Nordic Climate Group AB, actively cultivates and advances the Nordic Climate Group and its subsidiary brands.

With over 60 operating companies and 90 local establishments spread across Sweden, Norway, Finland, and Denmark, Nordic Climate Group holds a significant position in the Nordic region and beyond, where our installations are prevalent. As the Nordic region and the world witness tangible shifts to address rising emissions and fluctuating energy markets, Nordic Climate Group is proactively championing environmentally friendly alternatives. We

strive every day to implement modern and sustainable solutions, placing us at the forefront of addressing these crucial issues.

Nordic Climate Group is always the principal owner of the subsidiaries and in this way it is ensured that sustainability is integrated into the daily work of identifying, evaluating, building and driving sustainability efforts in the subsidiaries. Together with the companies, its partners and customers, Nordic Climate Group can innovate new solutions to address present sustainability challenges, a strategic imperative for long-term profitability and returns. The demand for innovative technology and new climate and environmentally friendly solutions is growing rapidly and companies with sustainable business models have the potential to strengthen their position, increase profitability and find new business opportunities.



CORE VALUES

We are guided by three core values that express our principles and beliefs.



Knowledge

Our continuous engagement and curiosity about global affairs helps us position us as industry leaders that drives technological and environmental progress. Crucially, we champion and accelerate the transition to sustainable refrigerants.



Inspiration

By promoting knowledge sharing, facilitating the exchange of experiences, and organizing in-house training initiatives, we nurture excellence within our workforce and drive company growth. This forms the cornerstone of our role as a value-adding partner to our customers.



Participation

The strength of our combined offering is rooted in the support of our subsidiary brands by our dedicated employees, suppliers, and customers. Through active participation, collaboration, and knowledge sharing, we improve our shared processes. This collective effort enables us to grow faster than the market and tackle larger projects with increased in-house skills.



GUIDING PRINCIPLES

Nordic Climate Group aims to be a company...

Business

... committed to being a value-added partner for our customers;

... driven by the ambition to outpace market growth and tackle larger projects with enhanced in-house expertise;

... built upon locally resilient companies with strong customer relationships and brand recognition.

Cooperation

... promoting close collaboration and comprehensive knowledge sharing;

... enhancing and streamlining our core processes.

Technology

... that champions and accelerates the transition to sustainable refrigerants;

... known for its leadership in both technology and environmental stewardship;

... renowned for providing high quality training and staff development within the industry.



3

FOR A BETTER CLIMATE – Nordic Climate Group’s sustainability efforts

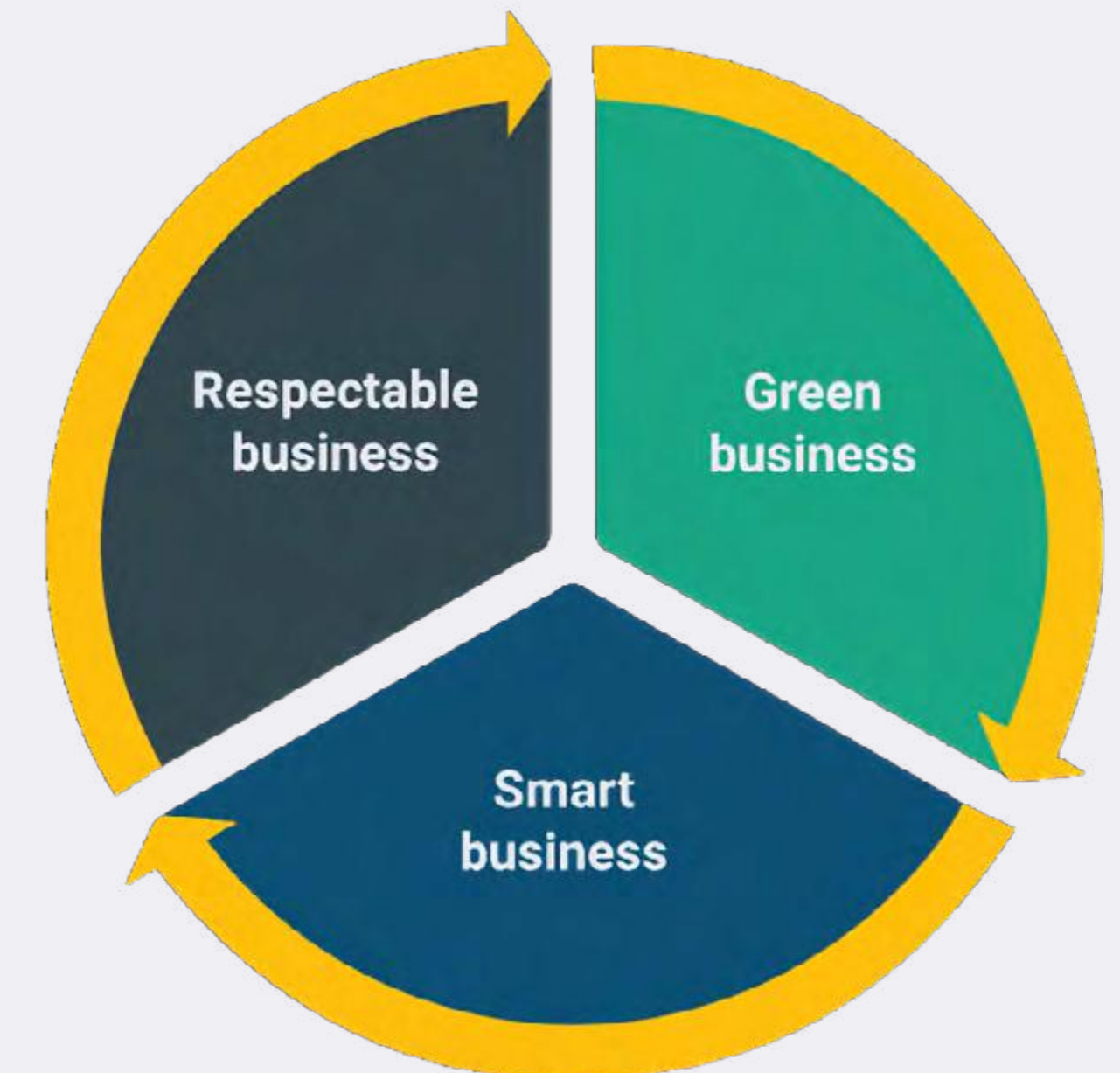
Sustainability is a top priority throughout the Group, spanning from the boardroom to the daily activities of every employee at our customers’ locations. Our sustainability efforts are guided by Gro Harlem Brundtland’s timeless definition from 1987, which defines sustainable development as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Nordic Climate Group’s primary objective in its sustainability endeavors is to leverage modern technology and ensure the adoption of optimal solutions for our customers, leading to reduced emissions and enhanced societal benefits. Concurrently, as a group of companies, we are committed to minimize our own emissions. By prioritizing renewable energy sources, implementing heat storage, enhancing efficiency, and cutting down on energy consumption, significant progress can be achieved. Improved energy efficiency not only reduces the reliance on fossil-based heating during peak times but also allows for the redirection of heating to off-peak periods, while waste heat can replace the combustion of fuels. Through these initiatives, Nordic Climate Group generates value for our owners, customers, and society as a whole.

Furthermore, it is imperative for Nordic Climate Group to guarantee the delivery of our installations and solutions by a skilled and well-informed workforce, using products and components sourced from suppliers and value chains that adhere to our established policies. Nordic Climate Group’s policy package serves as our compass in conducting business as a reliable and reputable partner.

Knowledge of local markets is the starting point and an important success factor for Nordic Climate Group. With a large number of employees also being Nordic Climate Group shareholders local part-owners who are active in the subsidiaries, we maintain proximity to our customers, enabling us to operate in a manner aligned with their expectations of sustainable business practices.

Nordic Climate Group encapsulates its sustainability efforts under the banner “2030 – For a Better Climate,” focusing on three key sustainability pillars: Green Business, Smart Business, and Respectable Business.









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FOCUS AREAS AND MATERIALITY ANALYSIS

In 2022, Nordic Climate Group adopted a comprehensive approach to sustainability, delineating four focal areas and nine sustainability aspects across the three aforementioned categories (Green Business, Smart Business, and Respectable Business). This collaborative effort involved Nordic Climate Group's management team, board, the owner group Altor, and other private owners, shedding light on crucial sustainability concerns within the business model. We looked at everything from material procurement to the evolution of internal operational practices and service provisions for customers. Our initiatives were informed and guided by both national and EU legislation and best practices.





Category	Focus area	Sustainability aspect	Goal (indicative)	Agenda 2030
Green business	Eco-efficiency	Improved business models Optimized products	Purchased natural refrigerants should increase by 15% annually until f-gas is banned. Signing of service agreements should increase by 15% annually. 100% Newly signed service agreements with energy optimization as a service.	 
Smart business	Green logistics The workplace of the future	Transportation and packaging Product development Diversity and equality Attractive employer	Emissions from own vehicles in the Nordic Climate Group shall decrease by 5% per year per driven kilometer. 100% Of new supplier contracts shall be assessed regarding climate impact. In order to develop climate-smart solutions, the Nordic Climate Group shall annually engage in development projects linked to academia, development centers, or similar.	  
Respectable business	We do things right	Product safety Supplier monitoring Business ethics	Supplier code of conduct shall be signed by 100% of the suppliers. Employee code of conduct shall be signed by 100% upon new employment. Handling of 100% of reports in the whistleblower system within 3 months.	



Nordic climate group's most important stakeholders

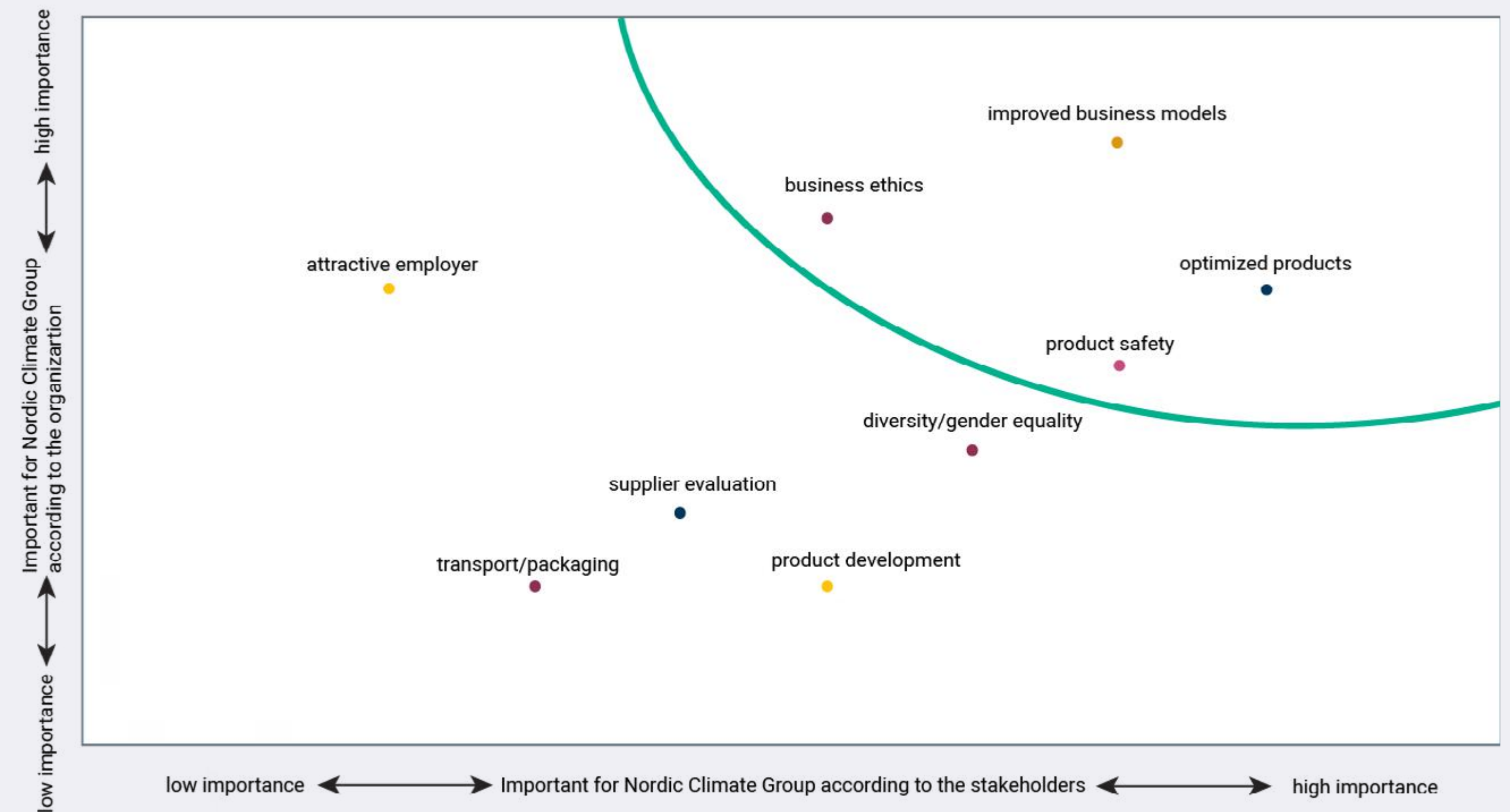


To validate our priorities, we conducted an internal and external stakeholder dialogue through surveys. Stakeholders included customers, representatives from society, suppliers, and Nordic Climate Group employees, with a total of 31 respondents. Each respondent graded sustainability questions based on their importance. Additionally, respondents ranked the nine sustainability aspects to determine the most relevant areas to focus on.

The outcome of the survey reinforced our decisions and provided valuable insights into Nordic Climate Group's future sustainability efforts. All nine sustainability aspects received ratings between 7.5-10 points in the first part of the survey, indicating strong support for the chosen questions. The most significant areas, according to both stakeholders and Nordic Climate Group, were: i) improved business models; ii) functionally optimized products (operation and maintenance); iii) ethical and responsible business practices; and iv) product safety and compliance with social regulations.

These four questions emerged as the most crucial among the nine. The largest gap between stakeholder views and Nordic Climate Group's views was observed regarding attractiveness as an employer and skills development, with Nordic Climate Group ranking these areas significantly higher than stakeholders. Conversely, stakeholders placed greater importance on supplier follow-up compared to Nordic Climate Group. Ad-

ditional comments in the free-text section of the survey emphasized keywords such as systematic, collaboration, and long-term planning. The results will be continuously reviewed alongside Nordic Climate Group's management team to align with ownership requirements and future targets/KPIs for the 2024 sustainability report.





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POLICIES, GOVERNANCE OF SUSTAINABILITY EFFORTS AND RELEVANT PROCESSES

Nordic Climate Group’s CEO, in collaboration with the Group Management, holds overall responsibility for sustainability efforts. The day-to-day operational responsibilities are overseen by the Sustainability Manager, supported by a Sustainability Council comprising representatives from the Group’s diverse business sectors. This council convenes three to six times annually to address and advance strategic sustainability initiatives.

The sustainability priorities outlined in this report are deemed applicable to all companies within the Group. Moreover, subsidiaries within the Group have the option to address additional stakeholders and priorities identified as pertinent to their individual operations. The CEO of each subsidiary is accountable for integrating and adhering to sustainability matters within the company’s operations. Nordic Climate Group provides assistance and resources to facilitate this endeavor, including training and process support. Depending

on business needs and regulatory requirements, subsidiaries may also opt to implement additional company-specific measures independently, as dictated by authorities or industry associations.

An important initial objective was to establish formal governing documents to streamline the Group’s efforts on sustainability matters. Starting from 2023, Nordic Climate Group has been working with relevant policies, which have been progressively implemented at the Group, country,

and company levels. Since autumn 2023, these policies have been accessible on the Group’s international website, www.nordicclimategroup.com. The table below offers a summary of how Nordic Climate Group’s policies address various sustainability areas. The necessity for policies and their content is reviewed and updated continuously.

In addition to aligning with the Group’s policies, Nordic Climate Group’s business objectives increasingly incorporate sustainability perspectives, taking into account the requirements of owner companies and international regulations. Sustainability plays a central role in Nordic Climate Group’s assessment of business opportunities and acquisitions.

Policy documents	Human rights	Employees and working conditions	Anti-corruption	Environment
NCG - Environmental Policy				✓
NCG - Trade Compliance Policy	✓			
NCG - Anti Bribery and Corruption Policy			✓	
NCG - Whistleblowing Policy		✓	✓	
NCG - Competition Policy			✓	
NCG - Data Protection Policy	✓	✓		

Risks

The primary sustainability risks in the short to medium term stem from ongoing international crises. Factors such as conflict and war disrupt supply chains, potentially causing delays and cost escalations. Additionally, fluctuating energy prices, coupled with the global shift towards renewable energy sources, influence customer decision-making. Economic downturns and elevated interest rates further impact financing opportunities for our customer base, potentially resulting in deferred decisions.

Other significant risks demanding preventative measures include various types of cyber threats, workplace accidents, and occupational health issues. Given our predominantly Nordic operations and robust work environment legislation, the risk of severe workplace misconduct, such as labor or child exploitation, is deemed low. However, we maintain ambitious goals to mitigate occupation-

al injuries through well-defined procedures, training initiatives, and a strong emphasis on safety in managerial responsibilities.

Nordic Climate Group, operating through its subsidiaries across various locations in Sweden and abroad, engages in activities related to cooling, heating, energy-efficient installations, and related service work. As an integral aspect of our operations, we handle refrigerants and other chemicals in certain instances.

Within the scope of the subsidiaries' operations, some waste transportation exists that require permits or notifications. Our operations also impact the external environment, primarily through emissions to the air and noise from transportation to and from customers' facilities.





6

GREEN BUSINESS

– Products and initiatives that contribute

Nordic Climate Group is dedicated to minimizing both climate and environmental impacts in our own operations and those of our customers. The climate and environmental perspective are integral to all key decisions, and crucial aspects are consistently monitored in our subsidiaries' activities. One significant area of focus is the selection of refrigerants. In 2023, extensive efforts were made at the EU level to update the F-gas Regulation with the clear goal of phasing out the most environmentally harmful refrigerants. The adopted proposal, effective since March 11, 2024, mandates a faster phase-out than the previous regulation. A critical provision limits the volume of F-gases allowed on the market in 2027 to what is necessary for existing plants during service work, severely restricting new refrigeration system installations. Additionally, revisions to the REACH Regulation expected in 2024 may impact the use of PFAS, a common substance in synthetic refrigerants which may have harmful effects on human health and the environment. These regulatory changes accelerate the shift from synthetic to natural refrigerants, necessitating comprehensive customer guidance to identify sustainable long-term solutions that align with their replacement needs and sustainability initiatives.

Natural refrigerants, including ammonia, carbon dioxide, and propane, offer excellent alternatives to synthetic ones, albeit with the need to replace mechanical equipment. These natural refrigerants have very low Global Warming Potential (GWP) values and are free from PFAS, resulting in significantly reduced impact on both climate and the environment compared to their synthetic counterparts.

Other examples of relevant environmental considerations within the subsidiaries, not encompassed by the Group's overarching sustainability objectives, may include resource efficiency and waste management. Many of the subsidiaries outlined in this report adhere to fundamental principles outlined in ISO systems. Across the group, several companies maintain one or more ISO certifications, notably 9001, 14001, 17020, and 45001, with ISO 14001 being the most prevalent.

Improved business models and optimized products

Our primary contribution to the broader society and the green transition hinges on our utilization of natural refrigerants and the energy optimization achieved through our installations. Enhanced business models and optimized products are the key sustainability aspects highly prioritized by both Nordic Climate Group and its stakeholders. These aspects also encompass how Nordic Climate Group assists its customers in enhancing their sustainability efforts, encompassing both business models and the products/installations we provide. To enhance consultation during service assignments, refrigeration technicians are offered training in customer advisory skills. Furthermore, Nordic Climate Group is currently undertaking new strategic efforts across various segments of its market. This includes exploring business models where refrigeration delivery is offered as a service and/or engaging in discussions with customers regarding project financing, leveraging the energy savings achieved by our installations. This approach allows us to pioneer industry development while delivering added value to our customers. By coordinating the planning of infrastructure for heating, cooling, and electricity supply, we can optimize the utilization of both heating and cooling, leading to energy savings in multiple areas. The significance of utilizing the heat generated by cooling processes is substantial and anticipated to grow.



Reference projects

Mathem, Labkyl, and local scouts have joined forces to reuse an older CO₂ unit on Vässarö in Roslagen, Sweden, facilitating efficient and sustainable cooling and heating. The previously unused unit, sourced from Mathem's former warehouse, will undergo servicing and upgrading by Labkyl to meet the latest standards, thereby enabling sustainable technology for the Scouts' operations on Vässarö. This resource reuse initiative offers substantial environmental advantages by minimizing the need for new manufacturing and lowering carbon dioxide emissions.



El & Kylservice completed a comprehensive contract to assist the Housing Association (Brf) Designationen on Södermalm in Stockholm, Sweden, in cutting its energy expenses by half. Through the installation of a CO2 heat pump, the association reclaimed energy equivalent to that consumed by 75 Swedish standard houses annually, utilizing the DLE (Delta Lift Energy) concept proposed by El & Kylservice in partnership with Labkyl, a subsidiary of Nordic Climate Group. This initiative has resulted in substantial energy savings and environmental advantages for the property, garnering significant interest among members of the Property Owners' Association.

Kylgruppen is enhancing the energy efficiency of the cooling and heating systems at Skåvsjöholm conference and meeting facility, in Sweden, through the implementation of the DLE concept. This involves transitioning to CO2 heat pumps to reduce climate impact and maximize energy efficiency. By harnessing lake heat through a 1400-meter long lake loop, a sustainable and cost-effective solution is provided. The project is anticipated to not only enhance the environmental profile of the facility but also facilitate additional environmental certifications such as "Sustainable building in operation (Miljöbyggnad iDrift)" and LEED (Leadership in Energy and Environmental Design), a US certification system that enables international comparison of environmental performance.

Kyltjänst in Eskilstuna has successfully implemented the Energy Probe system in cold and freezer rooms on behalf of Municipality of Eskilstuna Real Estate Company, Kfast, located in Sweden. This initiative has resulted in a remarkable 30% reduction in costs. By aligning the operation and monitoring of the cooling system with the temperature of the stored food rather than the surrounding air, the frequency of cooling cycles has been significantly reduced. This not only extends the life of compressors by 50% but also reduces energy consumption and the need for servicing, leading to fewer emergency cooling alarms and call-outs. Per Andersson, CEO of Kyltjänst in Eskilstuna, confirms these benefits. Eskilstuna Municipality views this as a successful and cost-effective measure, with plans to implement it as a standard practice across all municipal kitchens in the future.



Kylmästarna, Labkyl och Kylvärdstjänst in Eskilstuna, in collaboration, successfully implemented the Energy Probe system at Vår Gård in Saltsjöbaden (a conference facility), located in Sweden. This initiative is projected to yield annual energy cost savings of just over SEK 1 million. By utilizing the DLE concept, a F-gas and PFAS-free energy solution, Vår Gård aims to become fossil-free, thereby reducing its CO₂ emissions by 185,000 kg. Furthermore, these installations are expected to lead to reduced service and maintenance costs, along with a significant increase in energy efficiency.

In Norway, the implementation of efficient technology by Perfect Temperature Group AS (PTG) and SLS Kyla Värme Energi AB is making significant strides in reducing Finnmark Hospital's carbon footprint. By prioritizing seawater and natural refrigerants for the energy systems, these solutions not only integrate environmentally friendly technology but also significantly decrease the clinic's energy consumption. This endeavor aligns with the Norwegian state's (Northern Norway Regional Health Authority) objective of reducing CO₂ emissions by 40 percent as per the EU's F-gas Regulation. PTG's commitment to pioneering sustainable climate and refrigeration technology solutions underscores its dedication to assisting customers in transitioning to eco-friendly alternatives.

In Denmark, Danfoss, in collaboration with SA-AL Køleteknik, has constructed a cutting-edge supermarket with a primary emphasis on energy efficiency and groundbreaking technology. This includes the incorporation of solar panels and electric vehicle charging stations. The partnership has yielded a sophisticated facility featuring top-of-the-line cooling and heating technology. SA-AL Køleteknik takes pride in its role as a supplier and in the successful collaboration with all stakeholders. Notably, the cooling system in the new supermarket operates on carbon dioxide (CO₂), a natural refrigerant that contributes to reducing the overall climate impact.



Climate report

Climate change will undoubtedly impact society as a whole, affecting various ecosystems and sectors. To ensure long-term competitiveness, Nordic Climate Group remains steadfast in its commitment to addressing climate challenges by contributing to sustainable solutions. The climate report outlines the Group's climate impact, adhering to the GHG Protocol, an internationally recognized standard for calculating corporate greenhouse gas emissions.

Nordic Climate Group actively seeks to acquire companies that align with our vision for a more climate-friendly society. In 2023, we measured emissions across our Nordic Climate Group subsidiaries, encompassing the scope 1, 2, and 3 categories. Further details are provided in the table below. Looking ahead to 2024, we are committed to joining the Science Based Targets initiative to ensure that our emission reduction efforts are rooted in scientific rigor.



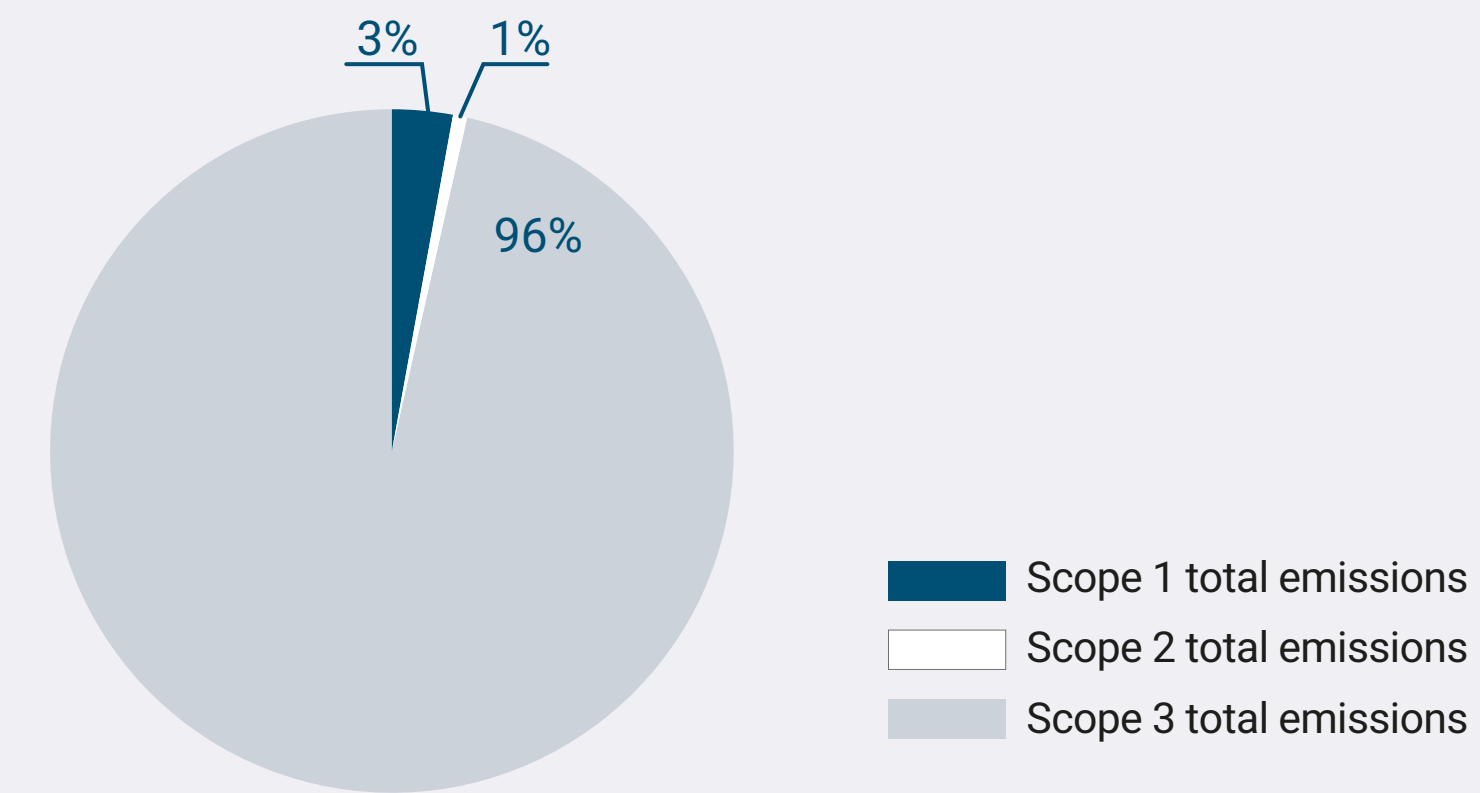


SCOPES AND CATEGORIES

2023 EMISSIONS (TCO2E)

SCOPES AND CATEGORIES		2023 EMISSIONS (TCO2E)
Scope 1 emissions		
Total scope		4 159
Scope 2 emissions		
Total scope 2		972
Upstream scope 3 emissions		
Category 1: Purchased goods and services*		136 353
Category 2: Capital goods		1 575
Category 3: Fuel- and energy-related activities		1 199
Category 4: Upstream transportation and distribution		319
Category 5: Waste generated in operations**		N/A
Category 6: Business travel		605
Category 7: Employee commuting***		<5 %
Category 8: Upstream leased assets		N/A
Downstream scope 3 emissions		
Category 9: Downstream transportation and distribution		N/A
Category 10: Processing of sold products		N/A
Category 11: Use of sold products****		N/A
Category 12: End- of - life treatment of sold products****		N/A
Category 13: Downstream leased assets		N/A
Category 14: Franchises		N/A
Category 15: Investments		N/A
Total emissions all scopes		
Scope 1 total emissions		4 159
Scope 2 total emissions		972
Scope 3 total emissions		140 051
Overall total emissions		145 182

Total emissions all scopes, 2023



The overall approach has been to gather as much actual data as possible. Where no data has been acquired, we have used best effort estimates.

*Regarding 3.1, estimated tCO2e, including refrigerant emissions calculated based on their respective Global Warming Potential (GWP), best effort estimates have been used.

**According to the GHG Protocol for Category 5 the following methods may be used to calculate waste.

1. Supplier-specific method, which involves collecting waste-specific scope 1 and scope 2 emissions data directly from waste treatment companies (e.g., for incineration, recovery for recycling).
2. Waste-type-specific method, which involves using emission factors for specific waste types and waste treatment methods.
3. Average-data method, which involves estimating emissions based on total waste going to each disposal method (e.g., landfill) and average emission factors for each disposal method.

Nordic Climate Group relies on spend data when calculating waste, which the GHG Protocol does not accommodate.

*** Below 5 % of emissions and can be excluded per GHG guidelines.

**** This data is being captured through a separate project delivered with the help of consultants during 2024 and will be included in baseline and targets submitted to the SBTI during 2024.

What are natural refrigerants?

The use of natural refrigerants has a long history dating back to the late 19th century. In essence, natural refrigerants offer a significantly more environmentally friendly alternative to traditional ones due to their lower Global Warming Potential (GWP) values. GWP quantifies a gas's contribution to the greenhouse effect and global warming.

Additional benefits include decreased energy consumption and reduced wear and tear on facilities, leading to an extended operational lifespan. Utilizing natural refrigerants also ensures expedited, straightforward, and cost-effective installations, thanks to the availability of pre-fabricated, standardized, and approved units in the market.





7

SMART BUSINESS

– What's good for the world is good for us

Nordic Climate Group firmly believes that advancing smart solutions for the world aligns with the company's profitability. For instance, we maintain ongoing collaborations with our suppliers to pinpoint areas for enhancement, spanning from packaging and transportation to delivery. By fostering improvements in these areas, we not only enhance our own operations but also foster mutual benefits and optimize logistics solutions for long-term sustainability.

In our focus area of smart business, we place significant emphasis on the sustainability of our employees as a group. At Nordic Climate Group, we recognize that our workforce constitutes our most valuable asset, and our success hinges on maintaining a steadfast commitment to fostering an environment where employees encounter safe and good conditions for work, growth, and chosen career advancement. To achieve this objective, we place importance on initiatives aimed at enhancing gender equality, fostering diversity, ensuring safety, promoting occupational health, and providing relevant training opportunities. We are steadfast in our commitment to upholding the fundamental rights and freedoms of all individuals, and we expect the same level of dedication from our companies and partners.

To measure and enhance employee satisfaction and engagement, we conduct annual performance appraisals. Through these measures, we aim to continuously monitor and improve the overall well-being and fulfillment of our workforce.

At Nordic Climate Group, employees are recruited and promoted solely based on their qualifications for the job. Discrimination on any grounds such as sex or gender identity, ethnicity, disability, sexual identity, age, religion, or any other belief is strictly prohibited. We are committed to fostering a diverse and inclusive workplace where all individuals are valued and treated with respect and dignity. Our recruitment and promotion processes are designed to ensure fairness and equal opportunities for all candidates, regardless of their background or personal characteristics. Discriminatory behavior or practices are not tolerated in any form within our organization.





8

PROMOTING EQUALITY, ENHANCING WORK ENVIRONMENT, AND ENSURING HEALTH AND SAFETY

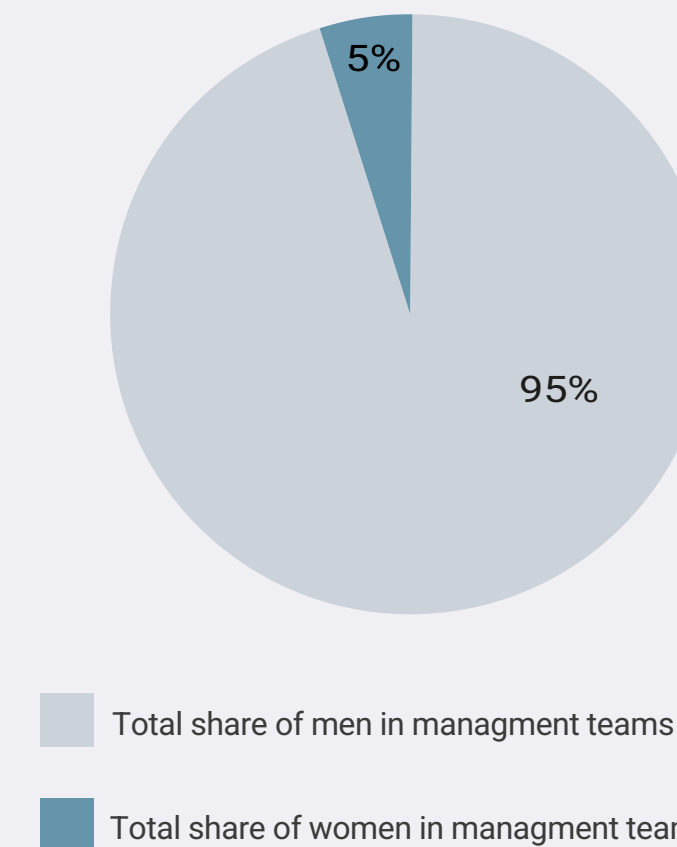
Among the over 60 companies covered in this report, there are a total of four women serving in management positions, with only one company having a female CEO. Overall, women comprise 5% of Nordic Climate Group's management teams.

Women constitutes 8% of the companies' total workforce (117 out of 1458), of whom 13 work as technicians or skilled workers and 104 work as white-collar workers. The proportion of women in the companies is too low, especially when it comes to professional groups such as technicians, assemblers and engineers, and it is an important focus area for Nordic Climate Group to actively seek and engage more women in this industry.

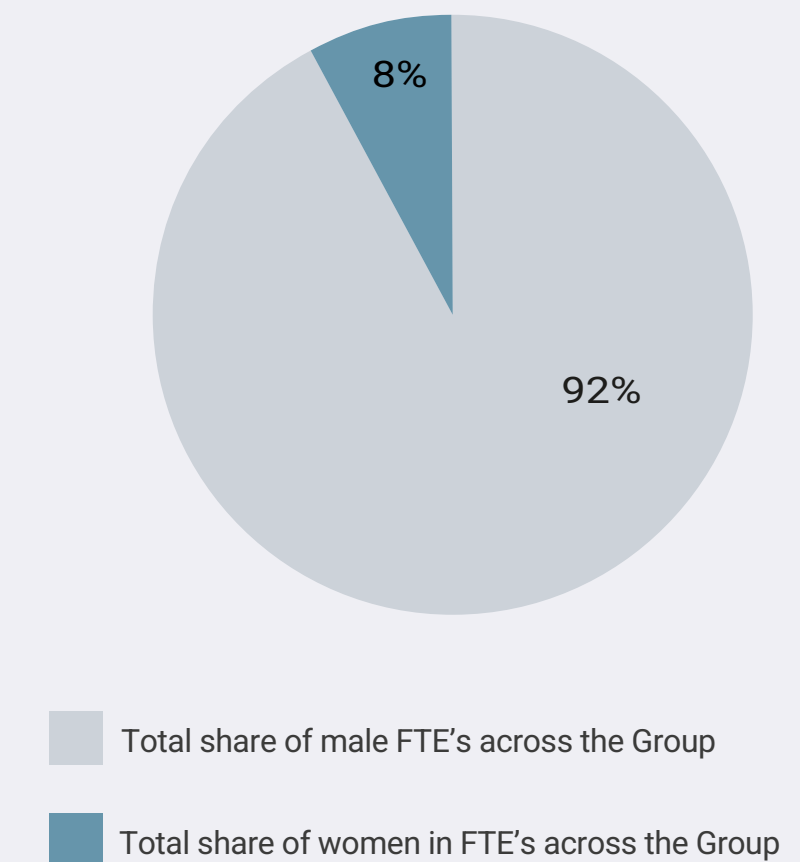
In the past year, the Nordic Climate Group appointed six new CEOs, two of whom were women.

As part of our systematic approach to occupational health and safety management, we conduct annual employee surveys to assess results and implement preventive and improvement measures based on the feedback received.

Gender diversity in management teams across the Group, 2023



Gender diversity amongst employees across the Group, 2023



Health and safety

Nordic Climate Group prioritizes a good and safe working environment from an ergonomic, physical and social perspective. Our subsidiaries comply with all relevant national health and safety laws as well as all regulations resulting from agreements and collective agreements. It is the CEOs of the subsidiaries who are responsible for ensuring that employees comply with applicable regulations in their area.

In terms of safety performance, there were 89 work-related injuries without absence reported during the year. Additionally, there were 11 incidents resulting in sick leave due to serious work-related injuries, including stress-related issues. All workplace accidents are reported to respective Work Environment Authority and followed up in order to minimise the risk of similar accidents happening again. There were no fatalities attributable to occupational accidents or diseases during the reporting period.

In 2023, a total of 485 work-related sick leave days were reported, inclusive of stress-related absences. This equates to approximately 0.3 days of sick leave per person on average. Nordic Climate Group is actively reviewing and monitoring this issue to ensure the well-being of its employees.



9

MANAGING COMPETENCE DEVELOPMENT

Nordic Climate Group operates within a rapidly expanding industry where the green transition is paramount in the countries where we conduct business. As an employer, we face significant demands, particularly regarding the need for our employees to remain knowledgeable about the latest technology advancements and stay up to date with new laws and regulations. This is especially critical during the shift from synthetic to natural refrigerants, which necessitates innovative technical solutions tailored to the unique requirements of each industry.

In the refrigeration industry, there is a noticeable shortage of qualified refrigeration technicians, prompting us to adopt a proactive recruitment strategy. In the past year, we have implemented several successful initiatives within the Group, attracting employees from related industries. Our emphasis has been on identifying individuals with the requisite interest and dedication, then providing them with internal training programs that blend hands-on experience with theoretical learning.

By prioritizing the development of our employees' skills, we ensure a sustainable and competent workforce for the future. Across the Group, we offer a variety of technical training programs tailored for both novice and seasoned technicians, along with other forms of training that bolster our companies' sustainability efforts, such as leadership and business acumen training. Our objective is to cultivate an organization that not only possesses the requisite expertise but also leads the business in a sustainable manner. Many of these courses are offered through our in-house educational initiatives, collectively known as the Nordic Climate Group Academy. We leverage the extensive knowledge within our companies, and over the past year, we have fostered cross-border collaboration to facilitate knowledge exchange, share best practices, and elevate our internal expertise.

Examples of training offered in NCG-Academy are:

- Basic refrigeration technology
- In-depth refrigeration technology
- CO2
- Handling of flammable refrigerants
- Pressure testing with gas
- Risk assessment of refrigeration installations
- Refrigeration technology with an electrical focus
- Soldering testing
- Project Management Training
- Leadership for CEOs
- Human Resource Management and Leadership
- Business Acumen
- Work environment for managers and leaders

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RESPECTABLE BUSINESS

–Our credibility is our most important asset

For Nordic Climate Group, upholding principles of openness, transparency, and competitiveness forms the cornerstone of our commercial endeavors, and we maintain a zero-tolerance stance towards bribery and corruption.

Our policy framework, established and adopted in the fall of 2023, encompasses a Code of Conduct, inclusive of an anti-corruption policy, which applies universally across the entire Group and is overseen by the Board of Directors. This solidifies our firm commitment to combatting corruption in all its manifestations and outlines our protocols concerning benefits, gifts, and entertainment. In this regard, we heavily lean on the recommendations outlined by the Swedish Anti-Corruption Institute (IMM), which are deemed applicable for listed companies in the Business Code.

In addition to the Code of Conduct, employment contracts, consultancy agreements, and performance evaluations serve as vital instruments in ensuring ethical business practices. The comprehensive policy package is accessible on Nordic Climate Group's international website: nordicclimategroup.com.



The CEO and the Board of Directors, both at the Group level and within subsidiaries, bear the ultimate responsibility for ensuring compliance with regulations. This responsibility extends to all employees and other stakeholders as outlined in our policy package. The Board of Directors of Nordic Climate Group 's parent company holds a distinct managerial role in ensuring proactive and preventive measures are in place to uphold ethical business practices throughout the Group.

Nordic Climate Group is unwavering in its support for human rights and labor laws, as demanded in legislation and international practices. Freedom of association is a fundamental principle embraced by Nordic Climate Group and is expected to be upheld by all our subsidiaries, suppliers, and partners.

Nordic Climate Group unequivocally condemns all forms of child labor, forced labor, and human trafficking. Such practices are not only morally reprehensible but also illegal in the countries where Nordic Climate Group operates. To enforce our ethical standards, Nordic Climate Group has established a Code of Conduct for suppliers, enabling us to demand adherence to our business ethics requirements.

Important international conventions affecting the work of the Nordic Climate Group

- ▶ 1948 UNIVERSAL DECLARATION OF HUMAN RIGHTS (UDHR);
- ▶ UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS;
- ▶ EFFECTIVE ABOLITION OF LABOR (ILO CONVENTION 138 AND 182);
- ▶ ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR (ILO CONVENTION 29 AND 105);
- ▶ ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT (ILO CONVENTION 100 AND 111);
- ▶ FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING (ILO CONVENTION 87 AND 98);
- ▶ RIO DECLARATION, AGENDA 21;
- ▶ UNITED NATIONS GLOBAL COMPACT.



Product Safety & Compliance

Nordic Climate Group acknowledges the EU's F-gas Regulation, which mandates operators handling F-gas to maintain records. We maintain a proactive approach to monitoring developments in relevant laws and regulations, ensuring compliance in accordance with applicable requirements. In instances where certifications and/or training mandates are prescribed at the national level, Nordic Climate Group will adhere to them diligently.



Whistleblower system

Nordic Climate Group places significant importance on fostering an environment where reporting misconduct is encouraged. To this end, we have implemented a whistleblower system within the Group since 2022. This system enables individuals to report events, conditions, or situations without fear of facing negative consequences themselves. Reports can be made even if managers, the management team, board of directors, or other key personnel are involved. All reports are handled by an external and independent party, ensuring anonymity for the whistleblower, and individuals have the option to provide contact information at their discretion.

From Nordic Climate Group's corporate standpoint, the capability to identify and address irregularities allows us to address incidents before they escalate, becoming more challenging and costly to rectify. The whistleblower system facilitates reporting on various issues, including bribery or corruption, fraud, forgery, theft, accounting irregularities, conflicts of interest, serious security vulnerabilities, money laundering, environmental crimes, or workplace harassment.

In 2023, no cases were received that fall into any of the following categories; financial crime, significant shortcomings in safety at work, significant violations of environmental rules and pollution of the environment, severe forms of discrimination and harassment.

SUSTAINABILITY
REPORT 2023

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