FläktGroup®

2025.04 R0

Sustainability Statement 2024

Contents

Trevor Young
CEO, FläktGroup

We are proud to present our 2024 Sustainability Statement,

the first report aligned with the European Sustainability Reporting Standards (ESRS) as we proactively prepare for the Corporate Sustainability Reporting Directive (CSRD). This marks a major milestone in our sustainability journey, underscoring our dedication to transparency, accountability, and continuous improvement.

Throughout 2024, we have intensified our efforts to embed sustainability into our core strategy while continuing to drive innovation in our solutions. We also published our first Environmental Product Declarations (EPDs) and remain dedicated to providing sustainability related data to support our clients in making informed decisions. Our global teams have worked tirelessly to develop and implement initiatives that not only enhance operational efficiency but also create long-term value for our customers, employees, and partners. Collaboration remains at the heart of our approach, and we continue to engage with stakeholders to drive progress in the HVAC sector.

Sustainability is not just a goal but an ongoing transformation. As we look ahead, we remain committed to further integrating ESG principles into every aspect of our business through our sustainability focus areas: operations, supply chain, solutions and own employees.

We invite you to explore this report to learn more about our work, progress, challenges, and ambitions.

Follow FläktGroup's sustainability journey on our LinkedIn Group:
linkedin.com/company/363311

> ESRS content index

The content index lists the specific disclosure requirements addressed within this sustainability statement. Following our double materiality assessment conducted in 2024, we omit standards E2, E3, E4, and S3 from this report based on the set materiality threshold. Although FläktGroup will officially fall under the scope of the Corporate Sustainability Reporting Directive (CSRD) starting from the financial year 2025, we have proactively integrated the structure and reporting content from the European Sustainability Reporting Standards (ESRS) where feasible. During 2025, we continue our work on aligning our processes with CSRD requirements, ensuring complete compliance in the forthcoming reporting period.

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> ## General disclosures

We are the Air Technology experts

For more than 100 years FläktGroup has delivered engineered solutions that improve air quality and safety for people around the world.

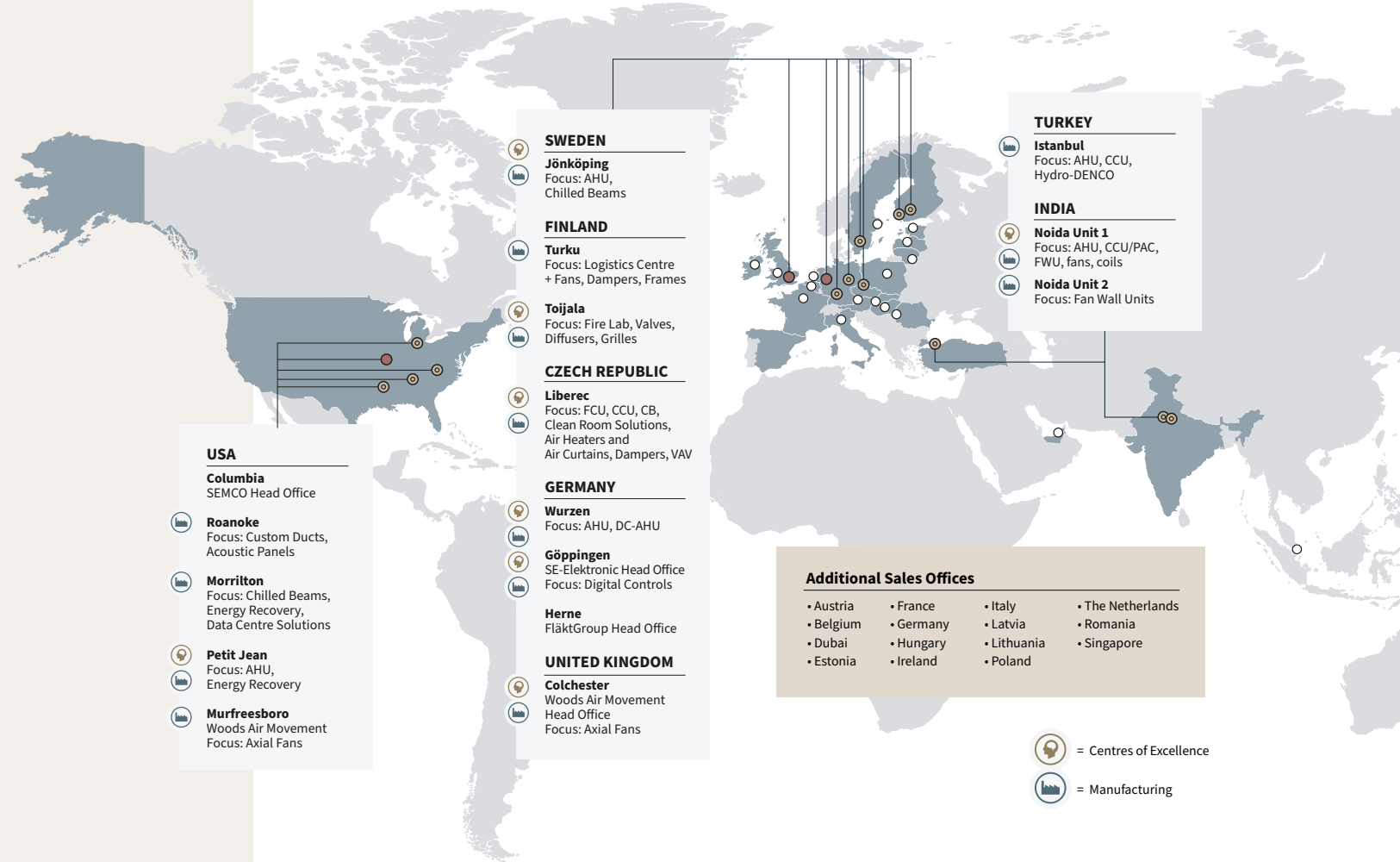**~€730m**
FläktGroup turnover

65
Countries worldwide

~3,300
Talented employees

14
Factories

8
Centres of excellence

SWEDEN
Jönköping
Focus: AHU,
Chilled Beams

FINLAND
Turku
Focus: Logistics Centre
+ Fans, Dampers, Frames

Toijala
Focus: Fire Lab, Valves,
Diffusers, Grilles

CZECH REPUBLIC
Liberec
Focus: FCU, CCU, CB,
Clean Room Solutions,
Air Heaters and
Air Curtains, Dampers, VAV

GERMANY
Wurzen
Focus: AHU, DC-AHU

Göppingen
SE-Elektronic Head Office
Focus: Digital Controls

Herne
FläktGroup Head Office

UNITED KINGDOM
Colchester
Woods Air Movement
Head Office
Focus: Axial Fans

TURKEY
Istanbul
Focus: AHU, CCU,
Hydro-DENCO

INDIA
Noida Unit 1
Focus: AHU, CCU/PAC,
FWU, fans, coils

Noida Unit 2
Focus: Fan Wall Units

USA
Columbia
SEMCO Head Office

Roanoke
Focus: Custom Ducts,
Acoustic Panels

Morrilton
Focus: Chilled Beams,
Energy Recovery,
Data Centre Solutions

Petit Jean
Focus: AHU,
Energy Recovery

Murfreesboro
Woods Air Movement
Focus: Axial Fans

Additional Sales Offices

• Austria	• France	• Italy	• The Netherlands
• Belgium	• Germany	• Latvia	• Romania
• Dubai	• Hungary	• Lithuania	• Singapore
• Estonia	• Ireland	• Poland	

= Centres of Excellence

= Manufacturing

Basis for preparation

BP-1: General basis

This statement presents sustainability information for all entities within FläktGroup Holding GmbH, prepared on a consolidated basis. The scope of group consolidation aligns with the financial statement, with no subsidiaries exempted, if not stated otherwise. The statement provides information on material impacts, risks, and opportunities across our own operations as well as both upstream and downstream value chains. All relevant information is included, with no omissions related to intellectual property, know-how, or innovation outcomes.

Due to local legal restrictions, we do not report on work-related ill health, as this data is unavailable at the group level.

BP-2: Disclosures in relation to specific circumstances

This statement adheres to the short-, medium- and long-term time horizons set out in ESRS 1, section 6.4, with no deviations. Where estimations are applied, they are disclosed in the accounting principles alongside relevant reporting. As the first sustainability statement structured in accordance with the ESRS

framework, no changes in preparation or presentation exist, no prior-period errors exist, and no additional information is included from other legislation or reporting frameworks.

This sustainability statement has been approved by the Executive Team and the Shareholder Committee (equivalent to Board of Directors).

Reporting standards

This statement follows the structure of the European Sustainability Reporting Standards (ESRS), despite FläktGroup formally falling under the scope of the Corporate Sustainability Reporting Directive (CSRD) only from the financial year 2025.

FläktGroup remains committed to the United Nations Global Compact, and this report also serves as a means to communicate our progress in relation to the Ten Principles of UN Global Compact.

Reporting period

The reporting period covered in this statement spans from January 1 to December 31, 2024, aligning with our financial reporting period.

Scope of estimations

Scope 1 and 2 emissions are determined using activity-based data. For Scope 3 categories, significant estimations are employed. Currently, emissions from purchased goods and services are estimated based on spend, and a substantial portion (56%) of transportation emissions is also estimated based on spend data. Our largest emission source is the use of sold products, calculated with the assumption of a 65% airflow rate, 12 hours of use per day, 5 days a week, over an expected lifespan of 20-25 years. We are committed to refining these assumptions and aim to gather more specific data in the future.

SBM-1

Strategy, business model and value chain

FläktGroup delivers solutions for indoor climate comfort, high performance, and safety across a wide range of customer industries. In addition to air-based technologies, our portfolio encompasses also specialised liquid cooling solutions for data centres and IT environments. We offer comprehensive installation, maintenance, retrofit, and remote controlling services. FläktEdge building management system enables connecting and controlling all our devices to optimise performance, cost, while minimising the impact on the environment.

FläktGroup is owned by the private equity firm Triton and was established in 2016 through the merger of FläktWoods and DencoHappel. However, our heritage dates back all the way to 1909. We operate 14 manufacturing sites across Europe, the US, and India, complemented by contract manufacturing for select product lines. Continuous investment in R&D fuels our innovation pipeline, ensuring a structured roadmap for new product launches.

Focus on core business

As part of FläktGroup's strategy to focus on its core business, during 2024 FläktGroup discontinued offering ducts, fittings, silencers and residential air handling units as part of the FläktGroup portfolio in Europe. This affected our manufacturing sites in Järna, Turku and Warsaw from which Järna site moved under the ownership of the buyer effective from 30 December 2024. At the same time, FläktGroup's production related to ducts and fittings in Turku was transferred to the buyer, and Warsaw site operations were seized. Other operations continue in Turku normally. FläktGroup divested its Swedish residential air handling unit (AHU) business to a different buyer effective from 30 December 2024, and discontinued the Finnish residential AHU business line.

> General disclosures

Changes 2024

FläktGroup is committed to bringing innovative, best-in-class technologies to market, with environmental considerations as a key value driver.
In 2024, we launched many new solutions that are designed to enhance energy efficiency, while the introduction of R32 refrigerant offers a more environmentally friendly alternative with a lower Global Warming Potential (GWP) compared to many conventional options. R32 has a GWP value of 675, which meets the EU Taxonomy criteria for refrigerants used in i.a. data centre cooling system.

New products launched

- Hydro-DENCO, which are Computer Room Air Handlers (CRAH) for cooling server rooms, medium size to hyper scale data centres, UPS or other technical rooms that have year-round air-cooling requirements

- FGAC/ FGAH –AH/ BH chillers and heat pumps with R32 refrigerant (GWP 675)

- ISYteq controls for fan coil units, which improves energy efficiency through optimised operation of the product

- UltraSafe, which combines air volume control, fire damper, sound attenuator, and fire testing into one product, thus saving space, time and cost

- FläktEdge, which offers improved energy efficiency through proper demand control ventilation

- ReCooler Regular, an air handling unit which offers an integrated DX cooling and high energy recovery

- Liquid-DENCO

Liquid-DENCO
– coolant distribution unit

In 2024, FläktGroup introduced a new Liquid-DENCO CDU, a solution offering exceptional cooling efficiency to the demands of modern data centres. The product will be brought to market during 2025.

Liquid-DENCO can bring **60% better energy efficiency** compared to other solutions used in similar settings*

Real-time monitoring and automated adjustments

Automated secondary circuit filling

Multi-stage filtration with alerts

Hot-swappable pumps

Precise thermal management for accurate parametrisation at full and partial loads with controllability simulations and tests

Advanced leak detection

Automatic pump takeover

Hassle-free deployment, enabling quick setup and integration into existing or new infrastructure

*Based on Energy Efficiency Ratio (EER) that is often used to compare the energy efficiency of different cooling units under standard conditions. Calculation is a comparison between Liquid-DENCO and Aria-DENCO products.

Sustainability in strategy

Sustainability is embedded at the core of our business strategy and guides every aspect of our operations. We are committed to integrating ESG practices at every stage, from product design and manufacturing to enhancing client performance.

Our purpose	**Our vision**	**Our values**
We care for your air while protecting the environment.	We are the leaders in air technology, delivering best-in-class, innovative and energy-efficient solutions to ensure comfort, safety and performance for our customers whilst reducing their carbon footprint.	Ambition Entrepreneurship Accountability Teamwork

FläktFuture transformation strategy sets the ambition to be the industry leader in sustainability
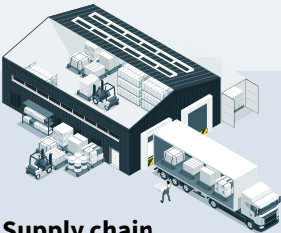
FläktFuture »

Long-term targets	Profitable growth & cash generation		Great company positioned for future success	
Workstreams	**Accelerate operations**		**Scale profitable segments**	**Tech & sustainability leader**
	Drive operational excellence Lean sales & group functions Improve working capital		Grow global key accounts Grow services Grow FläktGroup SEMCO	Industry leader in sustainability Industry leader in technology
	Attractive place to work			

FläktGroup's ESG focus areas

As stated in our FläktFuture Strategy, our ambition is to be the industry leader in sustainability.
We achieve this by rigorous and multi-functional work around four focus areas and three cross-cutting topic areas.

FläktGroup sustainability focus areas	Supply chain	Operations	Solutions	Workforce
	Ensuring ethical and sustainable supply chain management	Minimising our environmental footprint in production and operations	Energy-efficient products and services for emissions reduction	Empowering and nurturing workforce wellbeing and safety
Key targets	• 100% supplier code of conduct signature rate for large suppliers	• Reduce emissions, water consumption and waste	• NPS >40 • 0.5 % warranty cost calculated as a % of sales • Service 20% of the turnover • Environmental Product Declaration (EPD) on 95% of the products by revenue	• >80% engagement rate • 5–8% attrition rate • Incident-free organisation

Cross-cutting topics

Supporting local initiatives & collaboration
In line with our value of entrepreneurship, we run local Green Champions groups, which bring forward and implement local sustainability initiatives.

Ensuring ethics and compliance

Reporting and communicating on plans and progress transparently
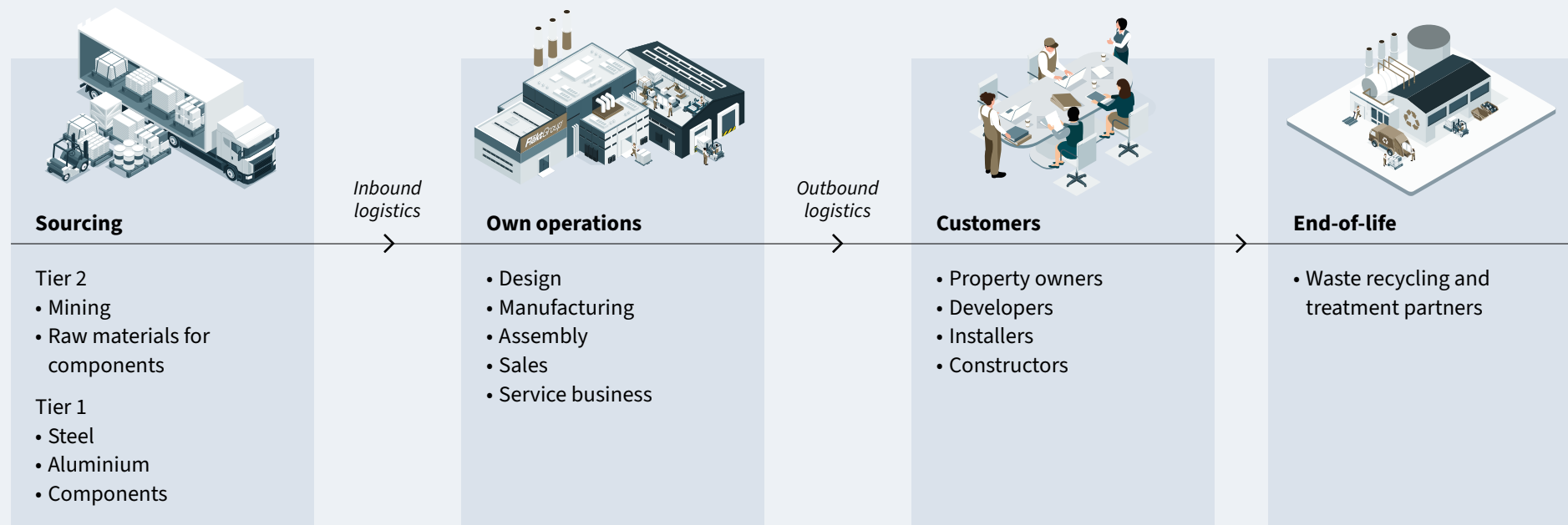
❯ General disclosures

Value chain

As a manufacturing company, our operations rely on critical inputs such as raw materials, primarily steel and aluminium, as well as key components like fans and motors.

To strengthen business resilience and reduce supply chain risks, we conduct thorough risk assessments on critical components, mitigating dependencies on single suppliers while exploring more sustainable alternatives, such as materials with recycled content.

We have manufacturing across 14 production sites worldwide, along with a smaller assembly site in Italy. Additionally, we operate eight Centres of Excellence focused on product research and development. Our global presence is further reinforced by more than 60 sales units across Europe, the US, and Asia.

We serve diverse range of customers such as property owners and developers, installers and constructors and are actively refining our sales approach to promote solutions over standalone technologies.

Inbound logistics

Outbound logistics

Sourcing

Tier 2
• Mining
• Raw materials for components

Tier 1
• Steel
• Aluminium
• Components

Own operations

• Design
• Manufacturing
• Assembly
• Sales
• Service business

Customers

• Property owners
• Developers
• Installers
• Constructors

End-of-life

• Waste recycling and treatment partners

Material impacts, risks and opportunities along the value chain

	Sourcing →	Our Operations →	Customers →	End of Life
Environment		Emissions		
	Supply chain risks regarding availability and price with key dependencies on suppliers, materials, and certain parts			
		Product design and lifecycle management	Product energy efficiency and lifecycle performance	
		Resource use in production	Opportunities for more sustainable products through digital and remote services	
		Business opportunities due to changing climate	High energy prices drive business	
		Opportunities to grow service business with increased demand of circular solutions	Rising customer expectations and regulation for sustainability are driving demand for sustainable solutions	
		Investing in new technologies adapting to changing climate can require costs		
Social		Health, safety and wellbeing impacts like incidents and accidents		
		Maintaining and improving health, safety and wellbeing		
		Freedom of association		
		Workforce training and competence development	Risk of product malfunction resulting in customer health risks, reputational damage, and possible liabilities	
		Employee data protection	Improving indoor environmental quality	
		Testing and certification for products to ensure reliable product information and safety		
		Health, safety and wellbeing risks on productivity and retention		
Governance		Protection of whistleblowers		
	Human rights impacts in the supply chain	Costs due to regulation compliance		
	Environmental impacts from raw material extraction	Advancing sustainability agenda in industry associations		

Our key customer segments

Data centres

Gigafactories

Pharmaceuticals and life-sciences

Hotels

Offices

Industry

Car parks

Food and beverage

Product portfolio

Full suite of products for optimal, energy-efficient indoor climate and application performance

Air Handling

- Air Handling Units (AHU) modular, commercial, compact
- Industrial and light commercial AHUs
- Energy recovery wheels

Air Movement

- Ventilation fans (duct fans, radial fans, roof fans, centrifugal fans)
- Fire safety fans
- Car park fans

Air Distribution

- Dampers
- Air valves
- Variable air volume systems (VAV)
- Grilles, diffusers & louvres

Room Products
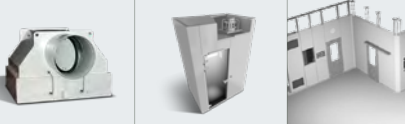
- Air heaters & curtains
- Chilled beams
- Fan coils & cassettes
- Other room units

Building Management

- Building management systems and controls

Air Filtration

- Filter media & frames
- Dust collectors/ duct air filters
- Electrostatic precipitators
- Air intake systems
- Filter control systems
- Clean room solutions

Services

- Consultancy
- Installation & commissioning
- Retrofit
- Spare parts & repairs
- Rental
- Monitoring & health check

Others

- Heat pump systems and chillers
- Condensing units
- VRF / DX and other air conditioning

GOV-1, GOV-2, GOV-3

Governance

Roles and Responsibilities
FläktGroup's leadership structure consists of an Executive Team with eight permanent and two interim members, and a Shareholder Committee (equivalent to Board of Directors) with three external members.

Sustainability oversight is led by the Chief Transformation Officer, who also manages the ESG function. However, every Executive Team member plays a crucial role in driving ESG initiatives within their respective areas of responsibility. Sustainability updates are provided to the Chief Transformation Officer on a weekly basis, and the full Executive Team receives regular progress reports. Additionally, sustainability matters are formally included in the Shareholder Committee meeting agenda twice a year.
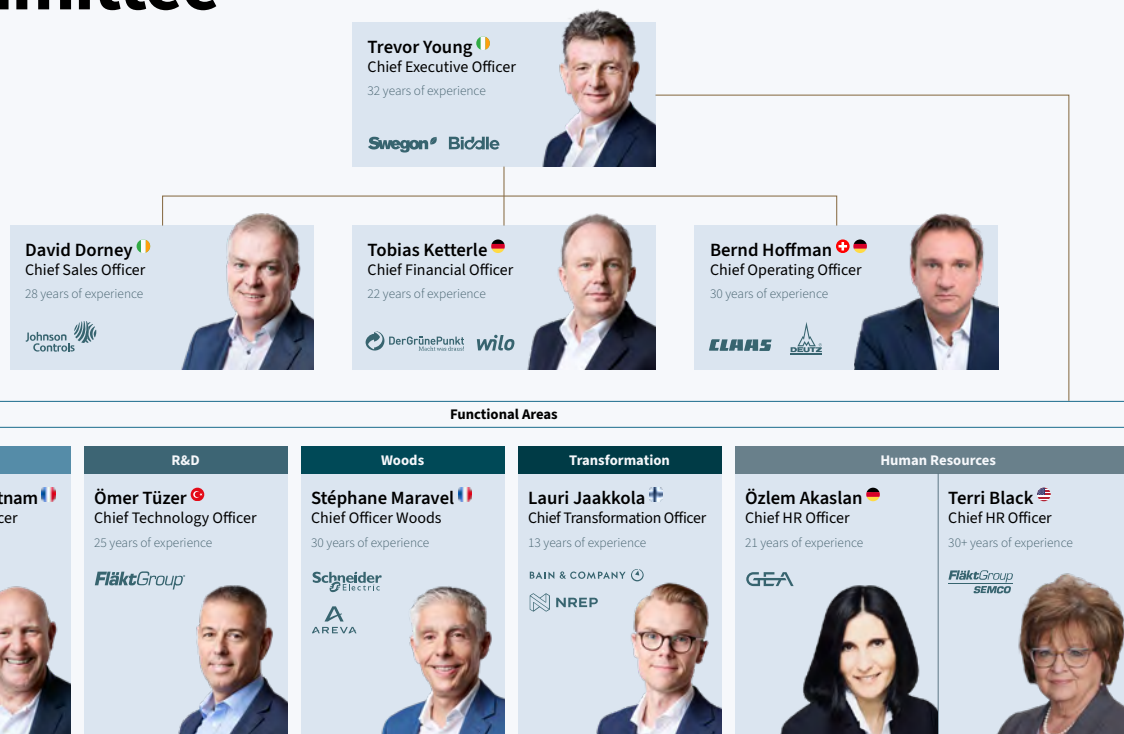
The Executive Team, together with the Shareholder Committee, is responsible for approving the annual ESG Action Plan, Sustainability Statement, and ESG Targets.

A more detailed overview of the operational ESG governance structure can be found in chapter 'Management of material sustainability impacts, risks and opportunities'.

Role	Responsibility in exercising oversight and management of material sustainability impacts, risks and opportunities
Shareholder Committee	Has collective oversight of sustainability, including approval of the annual ESG Action Plan
Chief Executive Officer	Ensures the integrity of ESG disclosures and impact, risk and opportunity management
Chief Financial Officer	Leads the financial organisation, integrating ESG into internal audit practices, financial resource allocation, and the management of impacts, risks, and opportunities. Oversees the future integration of financial and sustainability reporting
Chief Transformation Officer	Holds formal oversight of ESG activities across the group and leads the ESG function
Chief Operations Officer	Oversees the environmental, health, safety, and quality (EHSQ) organisation, including ISO certification processes
Chief Sales Officer	Leads the product management organisation, responsible for Environmental Product Declarations (EPD)
Chief Services Officer	Heads FläktGroup's service solutions, supporting the circular economy by enhancing energy efficiency, reducing emissions, and extending product lifespan through maintenance and retrofitting
Chief Technology Officer	Leads the R&D organisation, ensuring sustainability is embedded in every stage of innovation, product design, and new product introduction
Chief Officer Woods	Leader of Woods Air Movement, integrating sustainability into its design and operations
Chief Human Resources Officer (interim)	Oversees strategic HR initiatives, including employee wellbeing and skill development

Executive Team and Shareholder Committee

Trevor Young 🇮🇪
Chief Executive Officer
32 years of experience
Swegon / Biddle

David Dorney 🇮🇪
Chief Sales Officer
28 years of experience
Johnson Controls

Tobias Ketterle 🇩🇪
Chief Financial Officer
22 years of experience
DerGrünePunkt · wilo

Bernd Hoffman 🇨🇭🇩🇪
Chief Operating Officer
30 years of experience
CLAAS · DEUTZ

Functional Areas

Services	R&D	Woods	Transformation	Human Resources	

Sébastien Leichtnam 🇫🇷
Chief Services Officer
28 years of experience
Munters · Tetra Pak

Ömer Tüzer 🇹🇷
Chief Technology Officer
25 years of experience
FläktGroup

Stéphane Maravel 🇫🇷
Chief Officer Woods
30 years of experience
Schneider Electric · AREVA

Lauri Jaakkola 🇫🇮
Chief Transformation Officer
13 years of experience
BAIN & COMPANY · NREP

Özlem Akaslan 🇩🇪
Chief HR Officer
21 years of experience
GEA

Terri Black 🇺🇸
Chief HR Officer
30+ years of experience
FläktGroup SEMCO

Executive Team has eight permanent and two interim members. The role of Chief Human Resources Officer is shared on an interim basis by two individuals: Terri Black and Özlem Akaslan. Shareholder Committee (equivalent to Board of Directors) has three members, all of whom are affiliated with FläktGroup's owner Triton Partners. As a result, there are currently no independent Board members.

At present, there are no employee or worker representatives within the Executive Team or Shareholder Committee.

Shareholder Committee Members

→ **Hubertus M. Mühlhäuser**
Chairman of the Shareholder Committee

→ **Michael Gahleitner**
Member of the Shareholder Committee

→ **Ilkka Tuominen**
Member of the Shareholder Committee

Skills and access to sustainability expertise

FläktGroup's global leadership team brings a diverse range of skills and experience from both within and beyond the HVAC industry.

As a portfolio company of Triton Partners, a leading European mid-market sector specialist investor with an impact-driven investment strategy, FläktGroup benefits from Triton's extensive ESG expertise and support. Additionally, FläktGroup is required to report on its ESG progress to Triton on a quarterly basis.

Executive Team and other group leaders receive regular training on sustainability topics, delivered through dedicated sessions and as part of management calls. At present, sustainability-related performance is not integrated into leadership incentive schemes.

Metric	Performance 2024
n. of executive team members *Includes Interim members*	10
(n. of non-executive Shareholder Committee members)	3
% of Women, Executive Team *Includes Interim members*	20
% of Women, Shareholder Committee members	0
n. of nationalities represented, Executive Team *includes interim members*	7

Management of material sustainability impacts, risks and opportunities

FläktGroup structures its sustainability efforts around four key focus areas and three cross-cutting topics. Various internal stakeholders contribute to these focus areas, guided by a structured action plan approved by the Executive Team and the Shareholder Committee.

The overall coordination of sustainability initiatives is led by the ESG Manager, who is also responsible for consolidating the Sustainability Statement.

The operational sustainability governance structure by function is outlined below and serves as a complement to the leadership framework detailed earlier in this report. EQHS is led by the Director of Global Operations & Quality who is also responsible for operational EHS management across the group. This role is supported by EHS staff at site, as well as a recently appointed Global H&S Manager based in the UK to support group H&S management.

FläktGroup has an integrated management system covering environmental, quality, and health & safety aspects across its manufacturing sites. The majority of operations are certified under ISO standards. While our US sites are not formally ISO-certified due to local practices, they remain fully aligned with the company's management system. Colchester site will seek for ISO 45001 certification during 2025.

ISO Certifications held by Production Sites

	ISO 9001	ISO 14001	ISO 45001	ISO 50001
Dilovasi, Turkey	✔	-	-	-
Liberec, Czech Republic	✔	✔	-	-
Ożarów Poland*	✔	-	-	-
Jönköping, Sweden	✔	✔	✔	-
Wurzen, Germany	✔	✔	-	✔
Noida 1, India	✔	✔	✔	-
Noida 2, India	✔	✔	✔	-
Göppingen, Germany	✔	-	-	✔
Morrilton, US	-	-	-	-
PJ Morrilton, US	-	-	-	-
Roanoke, US	-	-	-	-
Murfreesboro, US	✔	✔	-	-
Colchester, UK	✔	✔	-	-
Turku, Finland	✔	✔	-	-
Toijala, Finland	✔	✔	-	-

Operations to be seized during 2025

Group ESG			
OPERATIONS	**SUPPLY CHAIN**	**SOLUTIONS**	**WORKFORCE**
• Environment, Quality, Health & Safety (EQHS)	• Procurement	• R&D • Technology and design • Product management • Service	• HR

Supporting local initiatives & collaboration
• Green champions volunteer network

Ensuring ethics and compliance
• Legal and compliance

Reporting and communicating on plans and progress transparently
• Group marketing and communication
• Internal audit

❯ General disclosures

GOV-4

Sustainability due diligence

	Core elements of due diligence	Paragraph in the sustainability statement
a	Embedding due diligence in governance, strategy and business model	General disclosures, environmental, social, governance information
b	Engaging with affected stakeholders in all key steps of the due diligence	General disclosures, social, governance
c	Identifying and assessing adverse impacts	General disclosures, environment, social
d	Taking actions to address those adverse impacts	Environment, social, governance
e	Tracking the effectiveness of these efforts and communicating	Environment, social

GOV-5

Risk management and internal controls over sustainability reporting

FläktGroup is committed to implementing robust internal controls over sustainability reporting across all levels of the organisation. At the site level, the local EHS organisation is responsible for reviewing data before submission to group systems. For energy and emissions data, an external platform provider is utilised, enabling partially automated control over the reported figures. Additionally, the Group ESG function oversees data quality through analytical methods, including period-over-period comparisons and anomaly detection.

One of the key risks identified in sustainability reporting is the reliance on manual processes. To mitigate this, FläktGroup is working to reduce manual data handling by implementing more efficient systems and applying the four-eyes principle, ensuring clear roles for data provision and validation.

In 2025, we plan to integrate sustainability reporting into internal audit processes, preparing for external assurance from the financial year 2025 onward.

> General disclosures

SBM-2

Interests and views of stakeholders

FläktGroup recognises the importance of engaging with a broad range of stakeholders to ensure long-term success. Therefore, stakeholder views and expectations have been a key driver in embedding sustainability into our strategy and business model.

For example, an increasing number of customers require high-quality data on product emissions to support their own sustainability goals. In response, we have intensified our efforts on Environmental Product Declarations (EPDs) and set a performance target of 95% coverage by 2026. Additionally, as demand for more sustainable solutions grows, we have launched a strategic project to develop metrics to measure product sustainability.

As part of our double materiality assessment, we conducted interviews with a range of key stakeholders, including our owner, Executive Team, customers, and suppliers, ensuring that their views are considered when defining the material impacts, risks and opportunities.

Stakeholder engagement

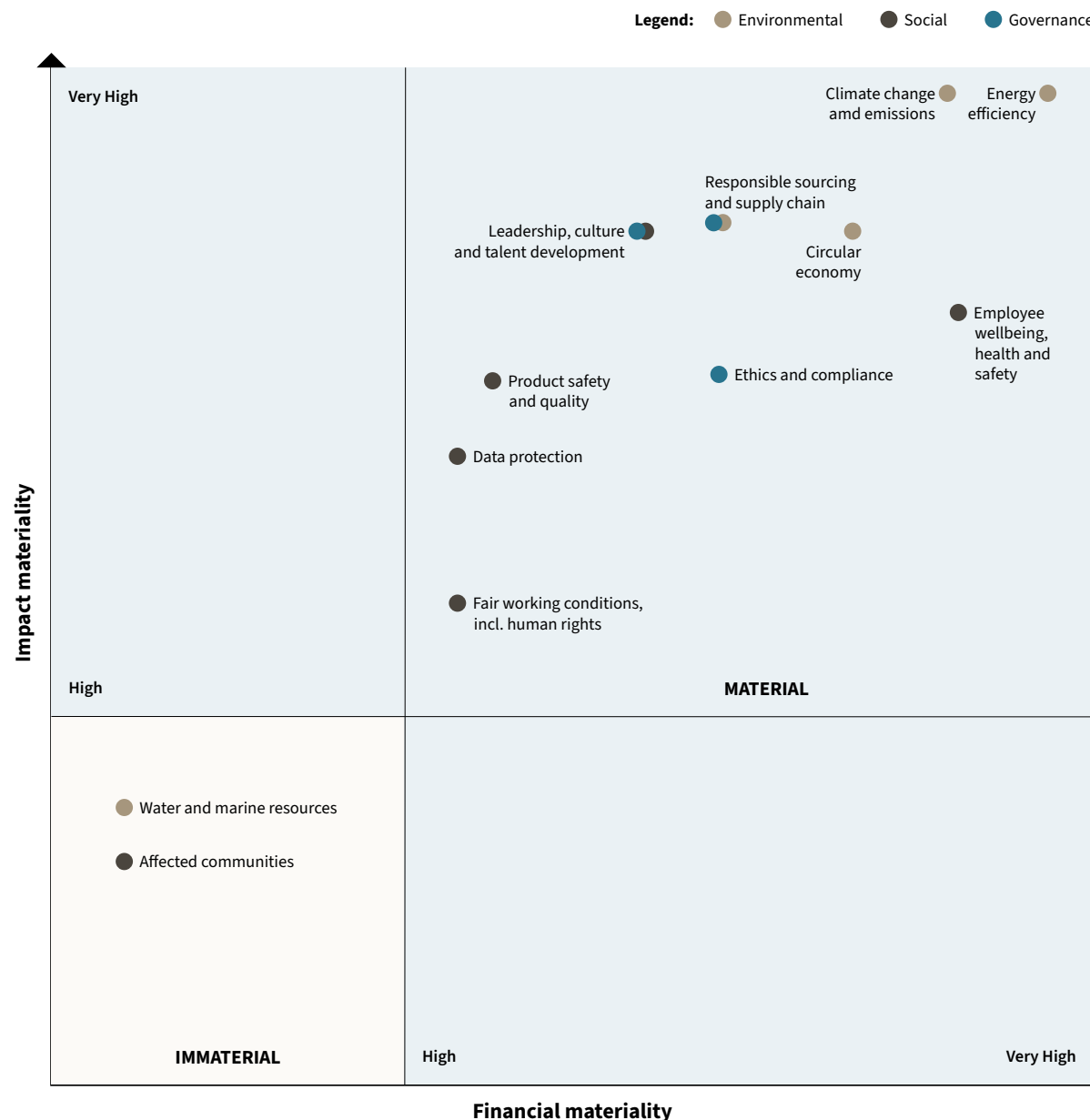| Stakeholder Group	Description	Examples of stakeholder engagement
Customers	Our client-facing professionals engage with customers daily, gathering first-hand insights into their needs. We also conduct additional surveys to better understand customer perceptions and address concerns, particularly related to product quality, through direct feedback or claims.	NPS, surveys and interviews
Suppliers	With thousands of suppliers across different regions, we aim to be a reliable and fair partner while advancing our strategy for more transparent and sustainable supply chains.	Direct communication with sourcing managers
Owner	FläktGroup is part of Triton's portfolio, and Triton's investors have high expectations regarding the ESG performance of its portfolio companies.	Quarterly and annual reporting, regular meetings between Triton's and FläktGroup's ESG teams
Local communities	Many of our manufacturing sites are located within or near local communities, and in some cases, we are a significant employer in the region of operation. We aim to be considerate by minimising environmental impacts, such as noise, from our operations and remain open for receiving any concerns regarding the operations.	Local contacts available for any concerns community members want to raise
Industry associations	We are an active member of Eurovent, a global HVAC industry association, as well as many local associations, participating in various working groups focused on driving sustainability within the industry.	Working groups
Research institutions	We engage in research projects, such as GRACE, to foster societal impact and contribute to the generation of new knowledge. We also employ master's thesis students and run apprenticeship programs to strengthen the connection between education and industry.	Workshops, meetings
Employees	We gather feedback from our employees to shape our work and strategy, ensuring we are the best possible employer who supports career and individual development. This input is gathered through formal channels and informal communication across all locations.	Engagement survey, questionnaires
Authorities	We operate with the highest integrity, adhering to all applicable laws and regulations. In case of any breaches, we promptly inform authorities and are prepared to collaborate on remediation actions.	Audits, regular reporting

> General disclosures

SBM-3

Double materiality assessment

Based on the Double Materiality Assessment (DMA), we identified 14 material topics, briefly described in the following section. The material topics further include 26 material impacts, risks and opportunities which are described in further detail under each relevant standard.

Our most material impacts relate to emissions produced in our own operations and along the value chain. Offering products with high energy efficiency is the single biggest opportunity and FläktGroup is strategically positioned in the market with its solutions, a competitive advantage that is further strengthened by the increasingly stringent regulations around sustainable building practices and real estate development.

Legend: ● Environmental   ● Social   ● Governance

Double materiality assessment matrix with axes "Impact materiality" (vertical) and "Financial materiality" (horizontal). Plotted topics:

- Climate change amd emissions (Environmental, Very High)
- Energy efficiency (Environmental, Very High)
- Responsible sourcing and supply chain
- Leadership, culture and talent development
- Circular economy (Environmental)
- Employee wellbeing, health and safety (Social)
- Product safety and quality (Social)
- Ethics and compliance (Governance)
- Data protection (Social)
- Fair working conditions, incl. human rights (Social)
- Water and marine resources (Environmental, Immaterial)
- Affected communities (Social, Immaterial)

Quadrant labels: Very High, High, MATERIAL, IMMATERIAL, High, Very High

General disclosures

List of material topics

FläktGroup focus area	Material topic	Summary description	Location in the report
Operations	Climate change and emissions	Scope 1, 2 and 3 emissions.	Climate change
Supply chain	Business resilience (E)	Driven by climate change risks in the supply chain.	Business conduct
	Responsible sourcing and supply chain	There is a potential negative impact related to the lack of transparency in the supply chain, especially in relation to complex materials with a long supply chain. The potential environmental and human rights impacts concentrate in the beginning of the supply chain.	Business conduct
	Fair working conditions, incl. human rights	Includes potential human rights violations in the upstream value chain, especially linked to risk country and risk material contexts. FläktGroup's own employees have been guaranteed the freedom of association in all significant locations.	Business conduct
Products and services	Energy efficiency	Handprint delivered through FläktGroup's portfolio contributing to energy efficiencies and increasing the lifecycle performance of the air treatment systems delivered.	Climate change
	Business resilience (G)	Driven by the potential investments in new technologies required to respond to regulatory and stakeholder requirements and advancement of sustainability agenda in the industry associations.	Business conduct
	Product safety and quality	Product safety and quality materiality is very high due to the positive impacts provided to indoor environmental quality with high-quality and reliable air handling systems that improve indoor environmental quality.	Consumers and end-users
	Circular economy	Impacts driven by the significant resource use needed for own products, but also due to the ability to provide high-quality and long-lasting products as well as capabilities to retrofit old products, improve product performance and services to optimise the product lifecycle.	Circular economy
Workforce	Employee wellbeing, health & safety	Actual and potential impact on employee wellbeing, health and safety. Physical risks are present especially in production facilities, and mental health of employees applies to the entire workforce.	Own workforce
	Data protection	Data protection is found to be a material topic focusing on the protection employee privacy through data protection policies and related practices to prevent any breaches from taking place.	Business conduct
	Leadership, culture and talent development	Actual and potential positive impact through workforce training and competence development. Competency assessment and development, selection of leaders, and values are important factors enabling these positive impacts.	Own workforce
Cross-cutting topic	Ensuring ethics and compliance	Ethics and compliance materiality is very high due to FläktGroup's focus on ensuring ethical business conduct in its value chain and ensuring the protection of whistleblowers. Negative impacts and risks are related to the suboptimal supply chain transparency and potential related difficulties to respond to increasing stakeholder expectations.	Business conduct

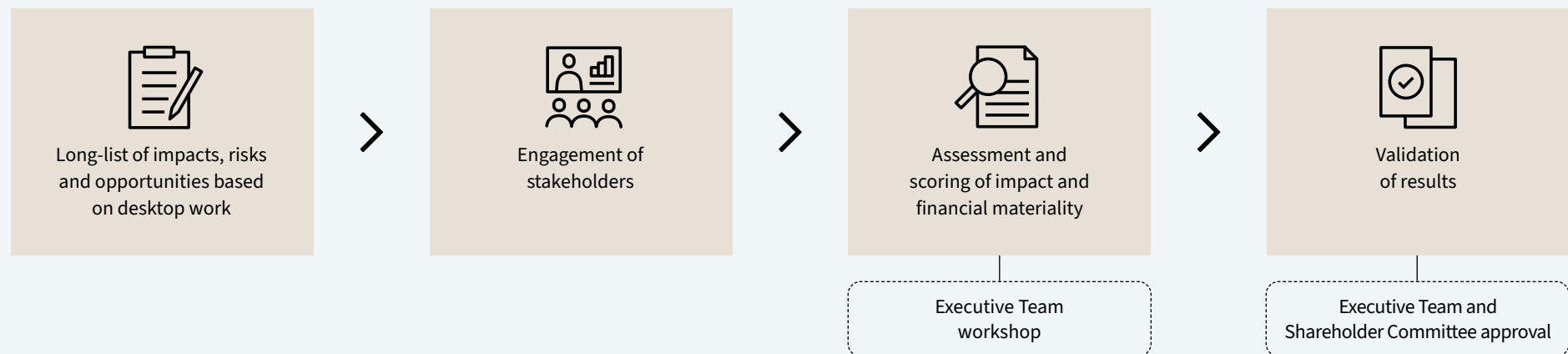**IRO-1, IRO-2**

Double materiality assessment process

FläktGroup's Double Materiality Assessment (DMA) was conducted in summer 2024 with the support of an external consultant. The assessment began with a material review, mapping the company's activities and value chain. A preliminary evaluation of materiality drivers was carried out in alignment with European Sustainability Reporting Standards' (ESRS) topics, sub-topics, and sub-sub-topics. Industry-specific topics were also assessed using frameworks such as ISSB standards.

In the second phase, we engaged selected stakeholders to gain deeper insights into the impacts, risks, and opportunities. A total of 14 interviews were conducted with stakeholders, including management members, the owner, suppliers, and customers. Based on the insights gathered, a preliminary scoring was carried out and reviewed by the management team in a live workshop. Impacts were scored based on scale, scope and remediability (scales 0–5) while financial risks and opportunities based on the primary financial effect (such as cost or revenue effect) and size of financial impact (measured as EBITDA effect). All impacts, risks and opportunities were scored also based on the likelihood and in the case of an actual IRO, the likelihood was scored as 5 (the highest value).

The final DMA was approved by the Executive Team and the Shareholder Committee during Q4 2024. Materiality threshold was set based on a combination of impact and likelihood.

DMA Process

Long-list of impacts, risks and opportunities based on desktop work	>	Engagement of stakeholders	>	Assessment and scoring of impact and financial materiality	>	Validation of results
				Executive Team workshop		Executive Team and Shareholder Committee approval

⟩ General disclosures

MDR-P

Policy overview

FläktGroup policies

Policy name	Material topic	Material topics covered	Availability
Code of conduct	The Global CoC ensures ethical conduct by prohibiting corruption, promoting fair competition, and enforcing compliance with laws. It upholds fair working conditions, product safety, and environmental responsibility while protecting company and customer data. Employees must report violations without fear of retaliation, reinforcing accountability.	• Data protection • Ethics and compliance	Public
Anti-trust policy	The anti-trust policy ensures compliance with competition laws by prohibiting anti-competitive practices like price-fixing, market allocation, and misuse of market power. Employees must avoid unauthorized information sharing and report violations, with whistleblower protections in place. Non-compliance can lead to disciplinary or legal consequences, reinforcing the company's commitment to fair competition.	• Ethics and compliance	Internal
Whistleblowing guidelines	The whistleblowing policy ensures transparency and ethical conduct by providing a confidential channel for reporting serious misconduct, including financial crimes, discrimination, and safety violations. Reports can be made anonymously, and whistleblowers are protected from retaliation. Investigations follow strict confidentiality, and personal data is handled in compliance with legal regulations.	• Ethics and compliance	Internal
Export control policy	The policy ensures compliance with export control regulations across all corporate operations, covering statutory obligations beyond military and dual-use goods. It establishes uniform standards and processes for implementing national export controls, aligning them with international law and continuously optimising them.	• Ethics and compliance	Internal
Supplier code of conduct	The supplier code of conduct outlines ethical standards for suppliers, emphasising compliance with laws, fair labour practices, environmental responsibility, and safe working conditions. It promotes transparency, integrity, and respect for human rights, ensuring suppliers align with the company's values and contribute to sustainable and responsible business practices.	• Climate change and emissions • Responsible sourcing and supply chain • Business resilience • Fair working conditions, incl. human rights	Sent to suppliers
Intercompany claims policy	The policy outlines the structured process for managing product-related claims across the company's operations, ensuring accountability and efficiency in addressing defects, warranty issues, and quality concerns. It defines roles and responsibilities across sales units, service teams, manufacturers, and third-party suppliers, emphasising clear communication, timely resolution, and root cause analysis. The policy also establishes compliance measures, risk assessments, and escalation procedures to maintain high product quality and minimise operational disruptions.	• Product quality and safety	Internal

All policies apply to all employees and entities in which FläktGroup exercises control. Supplier Code of Conduct extends the requirements further to the value chain.
CEO and CFO hold the most senior level in organisation for being accountable for implementation of policy.

General disclosures

MDR-P
Policy overview

FläktGroup policies

Policy name	Key content	Material topics covered	Availability
ESG policy	The ESG policy outlines our commitment to environmental sustainability, social responsibility, and strong governance practices. It focuses on reducing environmental impact, promoting diversity and inclusion, ensuring ethical business conduct, and creating long-term value for stakeholders while contributing to societal wellbeing and supporting sustainable growth. Our policy builds upon material sustainability topic and complements other policies published.	• Climate change and emissions • Responsible sourcing and supply chain • Fair working conditions, incl. human rights • Energy efficiency • Product safety and quality • Circular economy • Employee wellbeing, health & safety • Leadership, culture and talent development • Workforce training and competence development • Ethics and compliance	Public
Diversity, equity and inclusion policy	The diversity, equity, and inclusion (DEI) policy commits to fostering a workplace that values diversity, ensures equitable opportunities, and promotes an inclusive culture. It emphasises respect for all individuals, supports equal access to opportunities, and strives to create an environment where everyone feels valued and empowered.	• Employee wellbeing, health & safety • Leadership, culture and talent development	Internal
Learning and development policy	The learning and development policy focuses on providing employees with opportunities for continuous growth through training, education, and skill development. It aims to enhance individual performance, support career advancement, and foster a culture of learning, ensuring employees have the tools and resources to succeed in their roles.	• Leadership, culture and talent development • Workforce training and competence development	Internal
Integrated management system policy	IMS policy outlines our commitment to Quality, Health, Safety and Environmental excellence by laying down key principles around management of those topics. The policy covers both own operations and the products.	• Climate change and emissions • Energy efficiency • Product safety and quality • Circular economy • Employee wellbeing, health & safety	Internal
Cyber security policy	The cyber security policy outlines measures to protect the organisation's digital assets, data, and infrastructure from cyber threats. It emphasises secure practices, compliance with regulations, employee awareness, and incident response, ensuring the integrity, confidentiality, and availability of information and maintaining a safe digital environment for all stakeholders.	• Data protection	Internal

All policies apply to all employees and entities in which FläktGroup exercises control. Supplier Code of Conduct extends the requirements further to the value chain.
CEO and CFO hold the most senior level in organisation for being accountable for implementation of policy.

Environment

> Environment

E1

Climate change

Material topics covered in the section

Topic	IRO Title	IRO description	IRO management	Value chain location			Time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Climate change and emissions	Emissions ●	FläktGroup's Scope 1 and 2 emissions are largely (85%) driven by direct heating and electricity consumption at production facilities. Scope 3 emissions primarily stem from the production of key materials (steel, aluminium), use of products, and upstream and downstream transportation.	At the beginning of 2025, FläktGroup has implemented new group wide emission inventory and management platform to improve the quality of coverage of it emission inventory. On production sites, energy efficiency efforts are implemented to strive for constant reduction in energy use.	✔	✔	✔	✔	✔	✔
	Rising customer expectations and regulation for sustainability are driving demand for sustainable solutions ▲	Increasing customer expectations and stricter regulations are driving demand for energy-efficient solutions, especially in critical sectors like data centres. This presents growth opportunities for FläktGroup in energy-efficient solutions and lifecycle services. Stricter building standards and ESG requirements, particularly in Europe, further support business expansion. High energy efficiency remains a key factor, enabling customers to achieve certifications, access green funding, and reduce costs amid rising energy prices.	FläktGroup focuses on integrating sustainability consideration in the research and development processes, developing energy-efficient solutions that meet regulatory and customer demands. We are also enhancing data transparency by improving sustainability metrics, including lifecycle assessments and EPDs, to provide clear insights on products and services sustainability.			✔	✔	✔	✔
	Business opportunities due to changing climate ▲	Climate change increases the need for efficient air treatment and cooling technology systems, due to the rising average temperatures and increases in extreme weather conditions.	FläktGroup actively addresses the growing demand for efficient air treatment and cooling solutions driven by climate change by continuing to invest in product innovation and growth, serving our clients globally.		✔			✔	✔

● Positive Impact   ● Negative Impact   ▲ Opportunity   ▲ Risk

⟩ Environment

E1 Climate change

Material topics covered in the section

Topic	IRO title	IRO description	IRO management	Value chain location			Time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Business resilience	Investing in new technologies adapting to changing climate can require costs ▲	Investing in new technologies and infrastructure to adapt to climate change can require substantial upfront costs. These investments are necessary to mitigate long-term risks but can strain financial resources in the short term. Furthermore, there is a significant opportunity cost if companies fail to adapt to upcoming regulations and leverage new technologies.	FläktGroup aims to balance investments in new technologies and infrastructure to adapt to climate change while managing financial sustainability. We prioritise strategic cost planning and market research to ensure efficient resource allocation and long-term value.		✔		✔	✔	✔
	Supply chain risks regarding availability and price with key dependencies on suppliers, materials, and certain parts ▲	The high demand for critical materials, driven by climate change, is increasing competition for resources, potentially leading to shortages and price hikes. Dependencies on key suppliers pose significant risks to business operations if these suppliers halt production. The electrical and electronic equipment industry is particularly vulnerable due to rising global demand.	FläktGroup proactively manages supply chain risks by integrating supplier risk assessments and considerations into procurement processes. As demand for critical materials rises, we focus on diversifying suppliers, securing stable sourcing, and monitoring market trends to mitigate potential shortages and price volatility.	✔	✔		✔	✔	

● Positive Impact   ● Negative Impact   ▲ Opportunity   ▲ Risk

> Environment

E1 Climate change

Material topics covered in the section

Topic	IRO title	IRO description	IRO management	Value chain location			Time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Energy efficiency	Product energy efficiency and lifecycle performance ●	FläktGroup continuously develops its high performing and energy efficient products and offers retrofits and maintenance services to maintain performance throughout the lifecycle, thus positively contributing to the energy and emission saving of built environments.	• We continuously enhance the energy efficiency of our products through design and innovation. Additionally, we are committed to expanding our service business and increasing our focus on end-client and specifications stage, ensuring that energy efficiency and serviceability are integrated into the decision making already during the planning phase.			✔	✔	✔	✔
	Opportunities for more sustainable products through digital and remote services ▲	Digital and remote services enable FläktGroup to optimise performance for energy efficiency, reduce need to physical visits, improve response time, and ensure securing of right conditions.	• We have introduced FläktEdge, an advanced control system designed to monitor and optimise HVAC system performance within buildings. Additionally, we are increasing the share of products with built-in controls, enhancing efficiency, reliability, and overall performance.			✔	✔	✔	✔
	High energy prices drive business ▲	High energy prices increase the demand for energy-efficient solutions, as businesses and consumers look for ways to reduce their energy consumption and costs.				✔	✔	✔	✔
	Sustainable products with high energy efficiency delivered to customers ▲	FläktGroup prioritises energy-efficient products and solutions to help customers reduce their carbon footprints, enhancing market positioning and customer satisfaction. Aligning with regulatory demands and sustainability trends presents a growth opportunity. In the electrical and electronic equipment sector, cost-effective, energy-efficient solutions drive revenue, market share, and brand value. Energy efficiency remains the top customer demand, making it essential for FläktGroup to offer ventilation products that minimise energy waste to stay competitive.				✔	✔	✔	✔

● Positive Impact   ● Negative Impact   ▲ Opportunity   ▲ Risk

Environment

E1-1 Transition plan for climate change mitigation

FläktGroup has expanded its emission reporting scope to align with financial reporting and began calculating its Scope 3 emissions in Q1 2025. The company will continue to develop its transition plan throughout 2025, and as such, the plan is not available for inclusion in this report.

E1 SBM-3 Climate-related risks

The 2024 double materiality assessment (DMA) identified one material climate change-related transition risk: the increasing investment pressures associated with adopting new technologies and infrastructure to address climate change, which is already well addressed by FläktGroup as environmental considerations play a key part in the design, innovation and product development processes. On the contrary, many climate change opportunities were identified in the DMA related to the growing need of environmentally sustainable products. FläktGroup has strategically positioned itself to compete primary by quality than the price and has set the ambition to be the leader when it comes to offering solutions that are energy efficient and have minimal impact on the environment through embodied carbon.

FläktGroup plans to conduct a more comprehensive climate resilience analysis in 2025 and will report on the findings in the FY2025 report.

E1-4 Targets

FläktGroup has not yet set quantitative, time-bound targets for climate change mitigation and adaptation. Target-setting work is scheduled for Q2 2025, following the implementation of the new emission accounting system in Q1.

E1-2 Policies related to climate change mitigation and adaptation

FläktGroup describes its policies as well as their key content (including in relation to climate change) in the section Policy Overview.

Our policies address climate change mitigation, climate change adaptation, energy efficiency, renewable energy deployment as well as other environmental considerations with commitment to decrease negative impact while increasing the resource efficiency.

Policies related to climate change are:
• Code of Conduct
• Supplier Code of Conduct
• ESG Policy
• Integrated Management System Policy (IMS Policy)

Our Supplier Code of Conduct (SCoC) sets clear expectations for suppliers to comply with environmental laws, regulations, and permits while encouraging proactive measures to minimise climate impact. Suppliers are also expected to monitor and reduce emissions across the value chain. Our Integrated Management System (IMS) Policy serves as the foundation of our QHSE organisation's work, emphasising the prevention of environmental pollution and the reduction of energy consumption, waste, and emissions.

Additionally, our ESG Policy outlines our most comprehensive commitments to addressing climate change. It acknowledges the critical role of natural ecosystems and states our commitment to reducing both our own and our clients' energy consumption through innovative solutions. FläktGroup is also committed to conducting life cycle assessments of our products and actively reducing embedded carbon by integrating circular economy principles into our design and production processes.
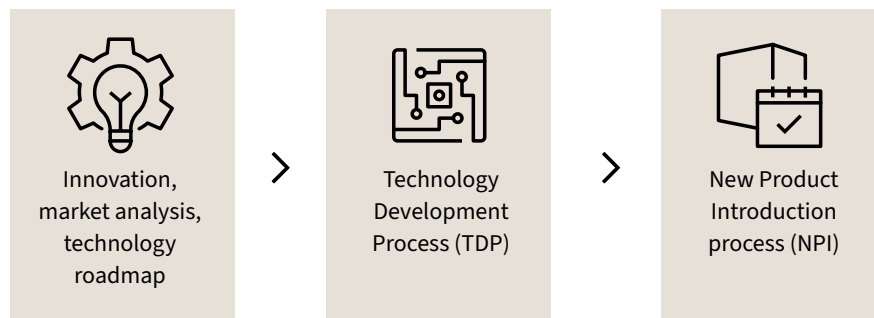
› Environment

E1-3 Actions and resources

FläktGroup production sites have been actively working to reduce their environmental impacts in line with our policy commitments. Targeting yearly reduction of energy use, the production sites implement local initiatives to drive energy efficiency. For example, numerous sites have switched, or are in the process of switching, to LED lighting to save energy, and ongoing projects focus on packaging redesigns to reduce emissions.

In 2024, FläktGroup launched the Green Champions Network, a group of local volunteers who drive site-level ESG initiatives and work to implement the group's sustainability targets. In 2024, the Green Champions focused on key themes such as waste recycling and energy reduction initiatives. Local teams also proposed numerous initiative ideas, which will be reviewed by the executive team after Q1 2025 and prioritised based on cost-impact assessments.

Efforts of ~60 Green Chamption volunteers span across all geographies, including both production and sales offices.

In 2025, FläktGroup has partnered with an external platform and service provider to account for all emission scopes, including all relevant categories within Scope 3. This work will be further developed by setting climate targets and creating reduction plans during 2025.

Environmental aspects are systematically considered from the innovation stage to the new product launch

Innovation, market analysis, technology roadmap

>

Technology Development Process (TDP)

>

New Product Introduction process (NPI)

Sustainability considerations are embedded in every stage of FläktGroup's innovation, design, and new product introduction processes and include considerations such as energy efficiency and health promotion.

During the new product introduction phase, the research and development team assesses the product's environmental aspects, such as the raw material recycling rate, as part of the toll-gate process. Potential suppliers are also evaluated on their ESG performance and their compliance with environmental regulations.

Currently, FläktGroup is working on developing a framework to better measure and present product-related sustainability information, with the target for implementation set for 2025.

> Environment

E1-3 Actions and resources

Examples of climate action on production sites in 2024

Jönköping, Sweden

- Converting 6000 pc of light tubes to LED, saving a total of 270 kW
- Optimization and better use planning of powder coating area, saving 4000kW/day
- Timing the use of air compressors to save energy (use total of 4% of all electricity)

Turku & Toijala, Finland

- Replacement of lights to LED gradually when old light breaks down
- Environmental training for employees
- Assessment on the use of thinner steel in production (expected saving up to 20%)

Colchester, UK

- Product LCA considered during the procurement process
- Carries out forklift audit and battery survey
- Replacement of end-of-life appliances to more energy efficient alternatives

Wurzen, Germany

- Change of lighting to LED
- Switch to steam heating system to reduce oil consumption
- Replacement of older windows to improve insulation for energy efficiency

Liberec, Czech Republic

- Replacement of lights in four buildings to LED
- Replacement of two machinery increasing energy efficiency
- Renewal of vehicle fleet, with some replacement to hybrid cars

E1-3 Actions and resources

Green Champions Volunteer Network to drive cultural change beyond the production

60 volunteers globally

84 ideas submitted

We recognise the importance of fostering a culture of sustainability at all levels of our organisation. To drive this strategic cultural shift, in 2024 FläktGroup established the Green Champions Network, which brings together local volunteers who identify and drive sustainability-focused initiatives forward.

In 2025, the network will continue its efforts, advancing local initiatives while also having the opportunity to apply for funding for larger projects. Proposals requiring additional funding will be reviewed quarterly by the executive team.

Case study: Ireland's Green Champions Network successfully implements multiple sustainability initiatives

Although 2024 marked the first year of FläktGroup's Green Champions Network, many teams made significant progress in driving local sustainability initiatives. The sales office in Ireland stood out as one of the prime examples, successfully executing all proposed initiatives throughout the year. The Ireland team's commitment to sustainability showcases how local engagement can drive meaningful environmental impact across FläktGroup.

Communal bike scheme

Two second-hand communal bikes were introduced to reduce short-distance travel during the day, such as trips to lunch.

Improved recycling

Five recycling bins were placed in the main office areas to enable better waste separation on-site.

Smart plugs for energy efficiency

Smart plugs were installed to cut off energy use during nights and weekends, reducing unnecessary consumption.

Electric vehicle charging stations

Three EV charging stations were installed to support and encourage the transition to electric vehicles.

Environment

E1-5 Energy consumption and mix

Energy consumption and mix	2024
1. Fuel consumption from coal and coal products (MWh)	4 368
2. Fuel consumption from crude oil and petroleum products (MWh)	9 113
3. Fuel consumption from natural gas (MWh)	27 657
4. Fuel consumption from other fossil sources (MWh)	2 082
5. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	32 792
6. **Total fossil energy consumption (MWh) (calculated as the sum of 1–5)**	76 012
Share of fossil sources in total energy consumption (%)	71.3%
7. Consumption from nuclear sources (MWh)	5 850
Share of consumption from nuclear sources in total energy consumption (%)	9.7%

Energy consumption and mix	2024
8. Fuel consumption from coal and coal products (MWh)	424
9. Fuel consumption from crude oil and petroleum products (MWh)	11 094
10. Fuel consumption from natural gas (MWh)	0
11. **Fuel consumption from other fossil sources (MWh)**	11 518
Share of renewable sources in total energy consumption (%)	19.0%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	93 380

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/ monetary unit)	127

Accounting principles

Energy intensity based on revenue

FläktGroup is a manufacturing company, which is classified as high climate impact sector according to NACE section C (as defined in Commission Delegated Regulation (EU) 2022/1288). Therefore energy intensity is calculated based on the whole group revenue.

> Environment

E1-6 Gross scopes 1, 2, 3 and total GHG emissions

Scope 1 GHG emissions	2024
Gross Scope 1 GHG emissions (tCO2eq)	2 564

Scope 2 GHG emissions	2024
Gross location-based Scope 2 GHG emissions (tCO2eq)	9 061
Gross market-based Scope 2 GHG emissions (tCO2eq)	12 209

Significant scope 3 GHG emissions	2024
Total Gross indirect (scope 3) GHG emissions (tCO2eq)	3 933 314
1. Purchased goods and services	199 952
2. Capital goods	0
3. Fuel and energy-related activities (not included in Scope 1 and 2)	2 936
4. Upstream transportation and distribution	6 830
5. Waste generated in operations	12 399
6. Business travel	1 330
7. Employee commuting	2 038
8. Upstream leased assets	0
9. Downstream leased assets	0
10. Processing of sold products	0

Significant scope 3 GHG emissions	2024
11. Use of sold products	3 707 830
12. End-of-life treatment of sold products	0
13. Downstream leased assets	0
14. Franchises	0
15. Investments	0
Total GHG emissions	
Total GHG emissions (location-based) (tCO2eq)	3 944 939
Total GHG emissions (market-based)(tCO2eq)	3 948 087

FläktGroup extended its emission accounting to cover the whole group and scope 3 categories in the beginning of 2025 for financial year 2024. Therefore, no prior year information or baseline is reported in this statement.

Accounting principles

FläktGroup's emissions calculation is based on GHG Protocol and carried out in Normative platform. Normative's calculation methodology is publicly available on the website: *normative.io/insight/normative-methodology*

E5

Resource use and ciruclar economy

Material topics covered in the section

Topic	IRO title	IRO description	IRO management	Value chain location			Time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Circular economy	Resource use in production ●	The largest categories of materials sourced are steel, aluminium and components. Mineral extraction often has substantial environmental and social impacts adversely affecting local communities, workers and ecosystems.	Resource efficiency is a key focus in our design, research, and development processes. We strive to minimise component use, enhancing product reliability while reducing material consumption. In production, we optimise resource use in i.a. metal cutting processes to minimise waste. We track scrap metal volumes and set annual reduction targets to drive continuous improvement.	✔	✔		✔	✔	✔
	Product design and lifecycle management ●	FläktGroup has a positive impact on circular economy through its solutions, including high performance products and services which support lifecycle extension through retrofits and spare parts.	FläktGroup designs long-lasting products with high performance and continues investing in the growth of its service business. FläktGroup also implements lifecycle assessments to ensure that our products not only meet current efficiency standards but also maintain their performance over extended periods, thereby reducing the frequency of replacements and associated waste.		✔		✔	✔	✔
	Opportunities to grow service business with increased demand of circular solutions ▲	Growth in the service business, especially in proactive maintenance and lifecycle benefits for customers, aiming for higher total level of group revenue from this segment.			✔	✔	✔	✔	✔

● Positive Impact   ● Negative Impact   ▲ Opportunity   ▲ Risk

E5

Resource use and circular economy

E5-1 Policies related to resource use and circular economy

We describe our policies in the Policy Overview section.

Circular economy is addressed especially as part of IMS and ESG Policies with commitments to implement waste reduction, recycling and reuse initiatives, proper handling of hazardous materials, assessment of circular practises in our solutions.

E5-2 Actions related to resource use and circular economy

Production sites have continued implementing processes to reduce on-site waste and scrap, including designing products and manufacturing processes to minimise metal cutting and drilling, which helps limit material waste.

In 2025, circularity will be integrated into the development of sustainability metrics for FläktGroup's product offerings. This initiative aims to provide clients and stakeholders with clearer insights into the sustainability performance of our products, allowing better data-driven decision making.

FläktGroup actively engages in industry collaboration and is a participant in the GRACE research project in Sweden as well as the Nordic Circularity Pilot Program. Both initiatives foster cooperation between companies to advance sustainability and circularity within the industry.

In 2024, we continued expanding our service business, directly supporting the circular economy by extending the lifespan of air technologies and enabling remote access and monitoring. Additionally, we have intensified efforts to calculate the life cycle emissions of our products, which are externally validated and published in Environmental Product Declarations (EPDs). All available EPDs can be accessed through EPD Hub.

EPD Hub

Environment

E5-3 Targets related to resource use and circular economy

We have established targets for our Environmental Product Declaration (EPD) coverage, as well as for the share of services within our total business. In 2025, we will conduct a further review of targets related to both resource inflows and resource outflows.

	Target	2024	Baseline (2023)
EPD portfolio coverage* (% of total revenue)	95% (target 2026)	2%	0%
Share of Service business (% of total revenue)	20	12	N/A

*Calculated based on products manufactured in EU, Turkey and UK (excludes India and US)

Our EPD target reflects our commitment to delivering best-in-class, energy-efficient technologies, while our service target supports our goal of advancing circularity. Progress on both targets remains on track. All EPDs published in 2024 were released in the second half of the year, primarily covering products manufactured in Sweden.

• To accelerate progress in relation to EPDs, dedicated resources have been assigned at each manufacturing plant to lead the calculations at their respective sites throughout 2025. Both targets are derived from financial data, developed with input from relevant internal stakeholders, and approved by the Executive Team. There are no changes to the targets or their calculation methodology from the previous reporting period.

List of products with a published Environmental Product Declaration (EPD) at the end of 2024

	Unit	Assessment scope	Thousand kgCO$_2$e
FläktGroup iQ STAR WEGA® II Chilled Beam	1 unit, 35kg	A1-A3	0.189
FläktGroup iQ STAR LYRA® II Chilled Beam	1 unit, 29kg	A1-A3	0.173
FläktGroup iQ STAR ORION® II Chilled Beam	1 unit, 23kg	A1-A3	0.128
FläktGroup iQ STAR NOVA® II Chilled Beam	1 unit, 36kg	A1-A3	0.187
FläktGroup Spiral Duct**	1 kg	A1-A3	0.002

**No longer part of FläktGroup product portfolio since beginning of 2025*

⟩ Environment

E5-4 Resource inflows

	2024
% of secondary reused or recycled material Data based on LCAs conducted on chilled beams in Sweden. No data yet available for FY2024 on other production locations.	15–20%

Steel and aluminium are our primary raw materials used in our products. A significant portion of our manufacturing process involves steel processing before reaching the assembly stage, where components such as fans and motors are integrated into the final product. Water is not used in our manufacturing processes, except for minimal amounts in the painting process at select locations.

Our packaging materials primarily consist of plastic wrapping, cardboard, and wood. As part of our forthcoming circular economy initiatives, we will conduct reviews to determine the best ways to integrate circularity principles into our packaging design.

E5-5 Resource outflows

All manufacturing sites monitor the amount of waste and scrap metal generated from production processes. We aim to minimise amount of scrap metal by designing products so that minimum metal cutting and drilling is required. Every design process (see page xx) also aims to minimise the number of components used, thus saving both resources and increasing durability of the product with minimum number of breakable parts. Scrap metal generated in operations is sent to recycling.

Case study: **Saving packaging plastic with smart design**

In 2024, our Green Champions volunteer team in Jönköping Sweden tested whether thinner wrapping plastic can be used in order to save in the amount of plastic used, without compromising on the requirements the packaging has in keeping the product safe from weather events.
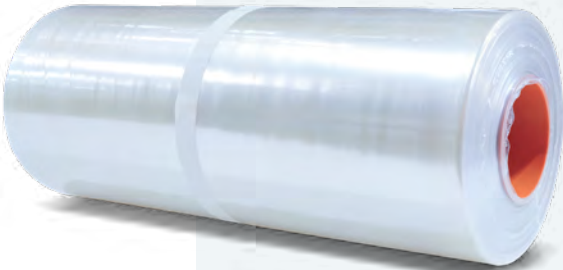
The result:
by switching to thinner plastic wrapping, the plant is now **saving 2 660 kg of plastic per year.**

> # Environment

E5-5 Resource outflows

Products and materials

We are committed to promoting circularity in all stages of our operations from design and operations to the use and end-of-life of our products. We are actively working on conducting life cycle assessments for our products, which in result also give better visibility of environmental impact of our products for target setting and process improvement.

Our product development and production is strongly guided by the European EcoDesign regulation, which lays the requirements for i.a. energy performance and product lifetime. While there is no yet standardised way to measure product repairability in the HVAC industry, serviceability of the technology is an integral consideration in all new product introduction processes.

Our technologies are also made to last. For example, for an Air Handling Unit, a typical expected lifetime is 20 years which can be further prolonged with good quality maintenance and retrofit. Also, the lifetime requirements are set in the product certification requirements, such as those provided by Eurovent.

Our products are in large parts made of steel and aluminium, both materials with good recyclability rates. Information on recyclability of product materials is assessed as part of the life cycle assessments conducted. For financial year 2024, information is available for chilled beams produced in Sweden.

FläktGroup
iQ STAR LYRA® II
chilled beam

Secondary material output:
98.5%

FläktGroup
iQ STAR NOVA® II
chilled beam

Secondary material output:
99.7%

> Environment

E5-5 Resource outflows

Waste

Generally, the production sites generate non-hazardous wastes including plastic and paper cuttings from production and household type of wastes. Hazardous wastes mainly include waste oils, waste paint containers, empty spray cans and cleaning cloths. Hazardous waste originates from e.g. painting process and cannot be reused or recycled, but is taken for disposal by specialised waste management companies. In 2025 we are working on collecting more granular data to meet the European Sustainability Reporting Standards' (ESRS) requirements to report waste handling methodologies. We are also extending the scope of reporting to cover the whole group.

Waste total (t)	4 740
Hazardous waste	161
Non-hazardous waste	4 579
Non-recycled waste (%)	4
Radioactive waste (t)	0

Scope of waste reporting covers the main manufacturing sites in Europe, Turkey and UK.
We will extend the data collection and reporting scope to cover the group activities during 2025.

Case study:

FläktGroup Service offering, CARE by FläktGroup, contributes to circular economy by offering a wide range of products saving resources and prolonging the product lifetime

Retrofit and Maintenance
- Reduces energy use and prolongs product's lifespan
- Lowers carbon emissions
- Saves resources by decreasing the need for new equipment

Remote Access
- Cuts travel
- Preventive monitoring

Control Systems
- Smart demand controlled ventilation
- Improved air quality

2 960 tons of CO_2
saved from retrofitting air technologies on 12 sites for one client

Case study:

Climate impact and comfort with FläktEdge

FläktEdge is a control system — the brain — for ventilation products in small to medium sized buildings with its value proposition built around social and environmental impact.

By connecting all ventilation products under one system, the system performance can be tracked and optimised, providing real time visibility and data on the indoor air, further delivering:

- Energy saving / Energy efficiency – Regulation driver, like EPBD

- Buildings ready for 'FIT for 55': Reduce greenhouse gas emissions 55% by 2030

Reduction of noise pollution

Up to 80% energy saved

Remote indoor air quality improvements

Social

> Social

S1

Our workforce

Material topics covered in the section

Topic	IRO title	IRO description	IRO management	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
				Value chain location			**Time horizon**		
Employee wellbeing, health and safety	Health, Safety and Wellbeing impacts like incidents and accidents ●	Regardless of the continuous effort to improve the health and safety management practices, there are annually unfortunate lost time injuries impacting workers' health and safety, impacting mostly production sites workers and service personnel working on client's site.	• FläktGroup has implemented an integrated management system across all our production sites, with EHS managers driving local initiatives and actions. • We actively monitor progress, provide ongoing training for our employees and leaders, and facilitate the global sharing of best practices as we work towards our mission of zero accidents. • We prioritise work-life balance, ensure safe working environments, and offer flexibility with remote work options. Our commitment to providing stable jobs fosters long-term growth and security for all employees. To ensure continuous improvement, we conduct an annual PULSE survey, collecting valuable feedback that helps us track progress, identify focus areas, and shape future action plans.		✔		✔	✔	✔
	Maintaining and improving health, safety and wellbeing ●	FläktGroup promotes employee wellbeing, safety, stability and mental health and this way can have a positive impact on individuals.			✔		✔	✔	✔
	Health, safety and wellbeing risks on productivity and retention ▲	Health and safety matters such as lost time injuries incur costs and can impact the production and client work.			✔		✔	✔	✔
Fair working conditions, incl. human rights	Freedom of association ●	Freedom of association in all significant locations and high numbers of employees are covered by collective bargaining agreements	Employees are guaranteed the freedom to join associations.		✔		✔	✔	✔
Data protection	Employee data protection ●	Breaches can have negative impact on individuals whose data might be leaked or distributed.	FläktGroup trains employees on data protection and cyber security risks annually and conducts risk assessments and audits on its own processes to minimise associated risks.		✔		✔	✔	✔
Leadership, culture and talent development	Workforce training and competence development ●	Training and competence development	FläktGroup provides an electronic learning platform that offers both mandatory and voluntary training on a diverse range of topics to all employees. Additionally, employees undergo an annual review and appraisal process, during which personal development plans are discussed and agreed upon.		✔		✔	✔	✔

● Positive Impact   ● Negative Impact   ▲ Opportunity   ▲ Risk

> Social

ESRS 2 SBM-2, ESRS 2 SBM-3

Strategy
All people in own workforce who could be materially impacted are included in the scope of this reporting.

At the end of 2024, FläktGroup employed approximately 3 300 full-time equivalent (FTE) employees across Europe, Asia, and the US. This included 1 131 blue-collar workers, comprising all employees directly involved in the manufacturing process, such as production line operatives, packers, and working team leaders. Additionally, FläktGroup employed 2 151 white-collar workers across various departments, including indirect production, finance, HR, sales, and service.

Contractors and external consultants are considered non-employees. By the end of 2024, FläktGroup had 301 FTEs classified as non-employees, which includes contractors and temporary agency workers filling short-term roles during peak seasons or covering long-term absences. External consultants, who provide specialised expertise for specific tasks or projects, are not included in this figure due to data unavailability.

The most severe identified material negative impacts in relation to health and safety result from individual incidents. The operations considered to be at greater risk for incidents are manufacturing and service work at the client site as these can include working at heights and with tools and machinery. No heightened risk has been identified in relation to specific group of people or geography. Neither material impacts have been identified arising from transition plans for reducing negative impacts on the environment and achieving a greener and climate neutral operations.

S1-1 Policies Related to Own Workforce
FläktGroup's commitment to addressing material impacts on its workforce is outlined in key policies, including:
- **IMS Policy**
- **Code of Conduct**
- **ESG Policy**
- **Diversity, Equity and Inclusion Policy**
- **Learning and Development Policy**
- **Whistleblowing Guideline**

These policies apply to all employees and are not restricted to specific groups.

The Code of Conduct and ESG Policy are aligned with international frameworks such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. They reinforce FläktGroup's commitment to respecting human and labour rights, with a strong focus on health, safety, and employee wellbeing. Specific topics addressed include trafficking in human beings, forced labour, and child labour. Commitment to health, safety, and accident prevention is particularly emphasised in the IMS Policy, and all FläktGroup production operations are covered under the company's health & safety management system.

FläktGroup holds a Diversity, Equity and Inclusion Policy as well as CoC driving elimination of discrimination, including harassment, and promoting equal opportunities and other ways to advance diversity. The policies explicitly cover discrimination based on race, ethnic origin, color, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction, social origin, and other forms of discrimination. These commitments apply to all employees without differentiating specific vulnerable groups.

Policy implementation is reinforced through ongoing leadership training and structured reporting channels for raising concerns. Additionally, HR leads strategic initiatives, such as developing apprenticeship programs to provide more opportunities for young professionals to gain industry experience.

In case of a suspected breach, employees can raise concerns through a whistleblowing channel, ensuring confidentiality and compliance with the Whistleblowing Guideline. Additionally, employee satisfaction is measured through PULSE surveys. Any possible breaches requiring remediation actions are handled on case-by-case basis.

Read more about the content of policies concerning own workforce in the policy overview section.

> Social

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

FläktGroup has several channels for engaging with people in its own workforce and collecting input for the decision-making. Some of the most structured approaches include:

Channel	Type of engagement	Frequency	Function and the most senior role with operational responsibility
Whistleblowing channel	Indirect (anonymous)	Constantly available	Chief Compliance Officer
PULSE survey	Direct	Yearly	Chief Human Resource Officer
Virtual coffee chats with Executive Team Members	Direct	Monthly	Global Marketing and Communications Director

Additionally, FläktGroup has locally employee representatives according to the local regulation, such as Workers Council in Germany. Local employee representatives are engaged especially in cases that there are structural changes to the organisation that can have an impact on employees. FläktGroup collects both lagging and leading indicators regarding health and safety, which are also a way to collect insight from the own workforce. These are reviewed by the Global Director of Quality, Health and Safety, Chief Operations Officer and the whole Executive Team on regular basis.

S1-3 Whistleblowing channel

FläktGroup operates an internal whistleblowing channel, accessible to all employees for reporting concerns related to ethics and compliance breaches. The channel is available at all times and is managed by an independent third party to ensure anonymity and safeguard whistleblowers. FläktGroup is committed to protecting individuals who report concerns, as outlined in the Whistleblowing Guideline.

Employees can access the whistleblowing channel through the company intranet. All concerns raised are assessed on a case-by-case basis, with appropriate remediation actions taken if needed. To maintain awareness, FläktGroup regularly communicates the availability of the channel to employees, reinforcing their right to report concerns safely and confidentially.

> Social

S1-4 Action HR

FläktGroup drives work related to material impact on its own workforce within its six strategic HR initiatives running from 2024 until 2026. All of the initiatives have the primary purpose of delivering positive impacts for the own workforce.

FläktGroup typically runs an annual employee PULSE survey, but due to deferral of 2024 survey to H1 2025, the most recent results are from 2023. 76% response rate was achieved in 2023 with 12 of 13 areas with improved scores. Based on the survey results, Local Action Plans were developed, reflecting also local jurisdictions. The effectiveness of actions taken is tracked with the action plan progress and following PULSE surveys. By the end of 2024, 85% of the action items were completed, with only 3% being overdue.

Resources allocated to driving the initiatives include 28 HR employees who work on different project streams.

Strategic HR initiative	Project objective(s)	Key actions in 2024
Employee wellbeing	• Global wellbeing framework • Cultivate engagement among employees, reduce sick days and absenteeism and increase performance and productivity • Reduce employee stress and create a work environment that leads to flourishing for both the employee and the employer	Ongoing actions in creating wellbeing policies, activities and employee benefits as well as awareness raising
Compensation	• Attract top talent • Retain key employees • Ensure equal pay	Compensation policy reviewed, prepared standardised job titles and job descriptions as well as job grading
Leadership excellence	• To clarify the expectation to be FläktGroup leader in transformation journey • Develop profile for FläktGroup leaders and develop potential • Establish metrics and evaluation frameworks	FläktGroup Leader Role Model introduced to the whole organisation, leader profile and level definition ongoing.
Skills development	• Ensure skills needed for the future strategy • Provide opportunities for learning and professional growth to all our employees • Become a learning company	Ongoing actions around creation of KPIs, skills matrix, communication and creation of performance management framework
Human resources excellence	To be the accelerators of HR function to drive FläktGroup's success	Two milestones reached in relation to HR branding and communication
Resourcing & onboarding	• Streamline and strengthen the resourcing & onboarding processes • Enhance the candidate and employee experience • Reduce time-to-hire & time-to-productivity • Strengthen the collaboration between HR & hiring departments	Onboarding materials created and shared within the organisation.

> Social

S1-4 Action health & safety

In 2024, FläktGroup restructured its health and safety communication framework, escalation procedures, and key policies to enhance workplace safety. All employees working in operations underwent retraining to ensure they were equipped with the latest process updates. A key milestone was the extension of Health and Safety management processes to the service organisation, as well as FläktGroup's sites in the US and India. Toward the end of the year, a dedicated health and safety working group was established in collaboration with the service organisation to further improve safety measures for employees working at client sites.

In line with established protocols, all sites conducted self-assessments in 2024, and internal audits were carried out at all operational sites by the EQHS Director. Safety walks are performed daily by factory employees and weekly by plant directors, in accordance with established procedures.

While significant progress has been made in reducing LTIs across FläktGroup's operations, there is an increasing focus on the severity of incidents, particularly measured by working days lost. In 2025, FläktGroup plans to track 12-month rolling values more systematically. Already in 2024, there has been a steady month-to-month improvement in the absence rate.

Further planned initiatives include the implementation of systematic monthly toolbox talks for all employees, a stronger focus on minor injury prevention, standardization of safety guidelines, and the continued empowerment of the Behaviour-Based Safety (BBS) program. Additionally, FläktGroup aims to expand and consolidate ISO certification coverage across the entire group by 2025.

Social

S1-5 Targets

FläktGroup is committed to becoming an incident-free organisation. To track progress, we measure Lost Time Injury Frequency Rate (LTIFR), with targets set annually. Additionally, we have two HR-related targets focused on employee engagement and wellbeing, all of which are short-term and apply to the financial year reported.

While our LTIFR remains slightly above the set target, it has shown improvement throughout FY2024 due to active efforts in safety management. We strive to provide a positive work environment for all employees and are pleased that our voluntary attrition rate remains on target. Based on the 2023 employee PULSE survey, we are also close to reaching our target for response rates. The next PULSE survey is scheduled for the first half of 2025.

Metric	Target	2024 performance
LTIFR *Based on one million working hours*	4.25	4.95
Voluntary attrition rate (%)	5-8	7
Employee engagement score (%) *Based on 2023 survey*	>80	76

All three targets are for own employees. No prior year data is presented as this is the first sustainability statement done in accordance with European Sustainability Reporting Standards (ESRS).

Accounting Principles

Voluntary attrition rate = Total voluntary leavers (yearly total) / average FTE of calendar year *100

Includes all own resignations of indirects (employees & non-employees)

Excludes: retirements, voluntary and involuntary redundancies, terminations, apprentice and working students

Employee engagement score is based on respondence rate to the engagement PULSE Survey and is calculated by external company who carries out the survey.

> Social

S1-6 Characteristics of the Undertaking's Employees

Number of employees by gender

Metric	Number of employees (FTE)*
Male	2 124
Female	586
Other	0
Not reported	573
Total employees	3 282

FläktGroup presents this number of employees as FTEs instead of head count due to availability of data and aim to report head count for FY2025.

Employee headcount in countries with at least 50 employees

Country	Number of employees headcount
Sweden	622
Germany	574
India	470
UK	446
Czech Republic	276
USA	253
Finland	204
Poland	194
Turkey	155
Austria	124
Ireland	64
Others	211

Employee headcount in countries with at least 50 employees

	2024				
	Female	Male	Other	Not disclosed	Total
Number of employees (FTE)	586	2 124	0	573	3 282
Number of permanent employees (FTE)	566	2 056	0	469	3091
Number of temporary employees (FTE - include apprentices and working students)	20	67	0	104	191
Number of non-guaranteed hours employees (FTE)	Not available	Not available	Not available	Not available	Not available
Number of full-time employees (head-count / FTE)	Not available	Not available	Not available	Not available	Not available
Number of part-time employees (head-count / FTE)	Not available	Not available	Not available	Not available	Not available

Accounting principles

FTE - A Full Time Equivalent (FTE) takes account of part-time work. However, overtime is not considered. Hence, the max. FTE is "1". A negative FTE is not allowed (e.g. - 0.5 FTE).

Long-term absenteeism (e.g., garden leave, long-term sickness, or parental leave) - During a long-term absence, an FTE is counted in the report for as long as they are still paid by FläktGroup (either fully or partly). The FTE is be reported "0" when not paid by FläktGroup anymore. Employees on garden leave shall be reported "0" for the relevant period.

Leavers - As soon as an end of a contractual status of an FTE becomes known, the reported FTE is put on "0".

❯ Social

S1-14 Health and safety metrics

Health and Safety is managed as an integral part of FläktGroup Execution System (FES), key pillar of FläktGroup's operations transformation. In 2023, We Go Home Safe program was established to run cultural and operational change in relation to health & safety practises. Currently FES covers all manufacturing sites across all geographies.

Majority of LTIs continue to be associated with operator's behaviour and each case is investigated and shared across all locations. Local HSE managers receive regular training on health & safety related topics and i.a. organise safety walks on sites. Health and safety is also part of internal audit programme, and three sites hold ISO 45001 health and safety management standard audited by an external party. Fourth site is expected to obtain 45001 during 2025.

Metric	2024
% of people covered by health & safety management system	100
Number of fatalities	0
Number of recordable work-related accidents	173
Lost Time Injury Frequency Rate *Based on 1 000 000 working hours*	4.92
Number of days lost to work-related injuries and work-related ill health	507

We Go Home Safe – safety is everyone's responsibility

WE GO HOME **SAFE!** *FläktGroup*

In the middle of 2023, the We Go Home Safe programme started in Operations after we recognised the need for a systematic approach to accident prevention. Since then, all EU sites launched their campaigns, retraining sessions, an open safety-first approach, and platforms to evaluate events and risk. Our goal is to create a strong safety culture focused on prevention rather than being reactive. We need Behaviour Based Safety (BBS).

What is behaviour-based safety?
Behaviour based safety focuses on identifying and eliminating hazardous behaviours. It operates on the principle that at-risk behaviours can be prevented before they lead to injuries (major or minor). In parallel, we look in detail at safety performance to identify where the focus needs to be, involving all employees to understand why or where the system fails.

Policy, rules and trainings · Best practices · Change mindset · Committee

> Social

S4

Consumers and end-users

Material topics covered in the section

Topic	IRO title	IRO description	IRO management	Value chain location			Time horizon		
				Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Product safety and quality	Improving indoor environmental quality ●	FläktGroup's products enhance indoor environmental quality by for example improving air circulation and reducing noise pollution and mitigating health risks associated with poor air quality.	We manufacture products that have maximal energy efficiency while providing optimal performance. Our monitor and control solution FläktEdge also monitors i.a. the concentration of CO2 in the indoor environment to provide for optimal comfort.			✔		✔	✔
	Testing and certification for products to ensure reliable product information and safety ●	The proper and safe functioning of electrical and electronic equipment is important because of the potential risks to customers, including electrical fires.	All products manufactured at our main sites are CE marked and before launching new products, we decide whether to subject the product to functional testing in government labouratories to ensure that we minimise the product risk when we market it. Some certifications and testing are mandatory for operating in the certain regions.			✔		✔	✔
	Risk of product malfunction resulting in customer health risks, reputational damage, and possible liability ▲	Potential of product malfunction resulting in customer health risks, reputational damage, and possible liability.				✔		✔	✔

● Positive Impact   ● Negative Impact   ▲ Opportunity   ▲ Risk

> Social

ESRS 2 SBM-2 Interests and Views of Stakeholders

Our applications serve both unmanned environments, such as data centres, and occupied spaces, including buildings and offices. In the latter, we recognise end-users as a key group of affected stakeholders and prioritise their health and wellbeing. Quality and safety assurance are particularly stringent in areas such as clean room HVAC solutions, which are designed to meet the highest hygiene standards required by the pharmaceutical and healthcare industries.

Fire safety is also a top priority across all our HVAC solutions, as improperly managed systems can contribute to fire spread. To mitigate such risks,

we integrate rigorous fire safety considerations into our product design. Across all solutions, the safety and wellbeing of consumers and end-users are central to our strategy, business model, and innovation efforts.

We do not produce products that are inherently harmful to people and/or increase risks for chronic disease nor provide services which can have potentially negative impact on their right to privacy, data protection or non-discrimination. Our product information and manuals are accessible to clients, together with our on-demand service operations. We don't sell or market to vulnerable groups such as children.

Case study:

FläktGroup's complete pharma application solution integrates health & safety considerations throughout the product range

WAREHOUSING
- Air curtains
- Unit heaters

UTILITIES
- Air Handling Units
- Chiller/Heat pump
- ATEX extract fans

LAB, QC, R&D
- Air Handling Units
- Integrated heating & cooling
- Fan coils
- Dampers (general/fire/smoke)

PRODUCTION & PACKAGING
- Clean room building elements
- HEPA filter diffusers
- Fan filter units
- Air showers
- Custom Air Handling Units (ATEX certified)
- Chiller/Heat pump
- Dampers (general/fire/smoke)
- VAV systems
- Valves/grilles/louvres

ADMIN & OFFICES
- Energy recovery solutions
- Chiller/Heat pump
- Close control units
- Chilled beams
- Air Handling Units

⟩ Social

Efficient filtration and waste reduction

Our clean room HVAC solutions incorporate HEPA (≥99.95% efficiency at 0.3 μm MPPS Most Penetrating Particle Size) and ULPA (≥99.9995% efficiency at 0.12 μm MPPS) filters, ensuring superior air purity while minimising airborne pollutants. These high-performance filters effectively remove particles, bacteria, and other contaminants, creating the necessary controlled environment for critical applications such as pharmaceutical production, operating theaters, and labouratory processes.
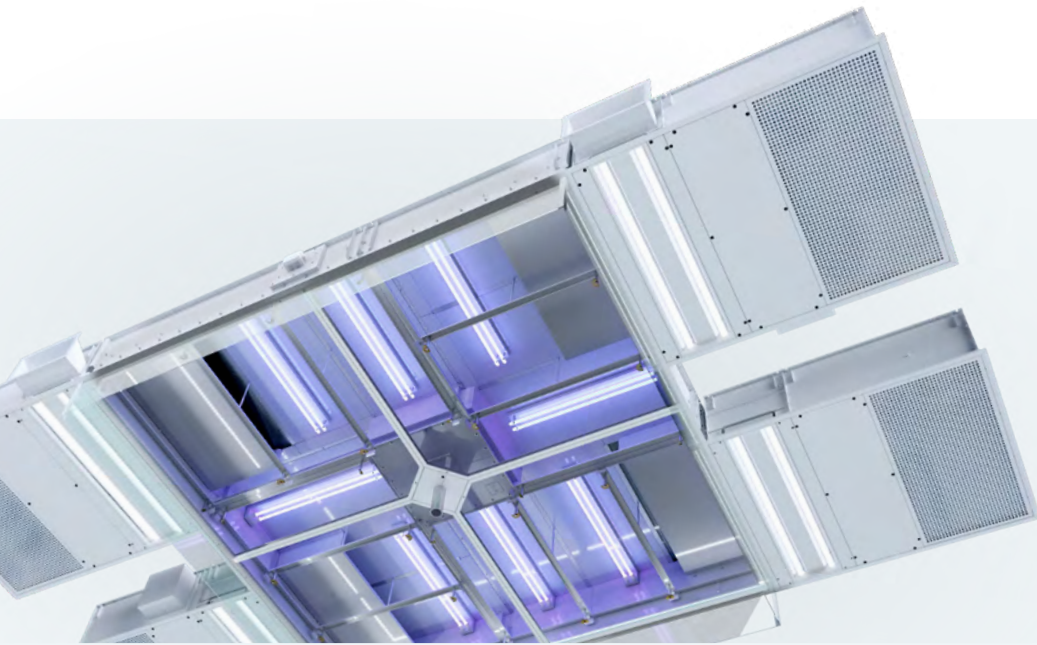
Operating theaters

Maintaining ultra-clean air in surgical environments is vital to preventing post-operative infections. Our laminar air flow (LAF) units equipped with HEPA and ULPA filters, ensure strict air quality control by directing a continuous, uniform flow of ultra-clean air over the surgical area. This significantly reduces airborne bacteria and particulate matter, creating a protective barrier around the patient and minimising the risk of contamination during procedures.

3D modelling

We utilise 3D modeling to create a detailed visual representation of the clean room before construction, allowing customers to see exactly how the space will look and function. This approach provides several sustainability benefits:

- Optimised Design and Better Decision-Making – by visualising the layout in advance, we can ensure efficient use of space, reduce material waste by seeing how different elements fit together before installation and avoid unnecessary modifications later in the process.

- Lifecycle Planning – a 3D model helps customers anticipate future modifications, ensuring that clean rooms are designed for longevity, adaptability, and minimal environmental impact over time.

- By integrating 3D modeling into our clean room solutions, we support smarter, more sustainable project planning, helping customers achieve both environmental and operational efficiency.

Clean room systems supporting sustainability:

- High-efficient filtration reducing airborne particulate used in laminar-air flow units in operating theaters.

- 3D clean room modelling ensure efficient use of space and visualise layout in advance to reduce unforeseen modifications and material waste.

- Use of long-lasting and high-quality materials, such as lacquered steel, stainless steel, mineral wool, and aluminium profiles, ensures long-term durability and high performance for decades.

❯ Social

S4-1 –Policies related to consumers and end-users

Our commitment to product safety and quality in demonstrated in our Code of Conduct and ESG Policy, both aligned with UN Guiding Principles on Business and Human Rights and other internationally recognised frameworks. In the ESG policy, we commit to ensuring compliance with applicable product certifications, including those related to safety of the product use. We also track and constantly aim to improve processes related to claims and quality control. Additionally, roles and responsibilities for claims handling and quality control are outlined in the Intercompany Claims Policy.

S4-5 – Targets and performance

Metric	Target	2024
Warranty cost (%) *Calculated as a % of sales*	0.5	0.27
NPS *Based on global customer account survey from December 2024*	>40	31

Both of the targets are linked to our ESG and IMS policy commitments to offer best-in-class, high-quality and safe products. The set targets are annual, so there is no longer-term time bound target. In regard to the warranty cost, our performance is well below the respective target. In line with our values, we have set an ambitious target for our client NPS. Current performance is below the target but shows a slight improvement from the prior year (2023: 25). All results above 20 are considered good, but we do strive to continue working on reaching the target level set.

> Social

S4-4 Action

FläktGroup is actively committed to driving a zero-failure approach in product quality and safety. These matters are managed by the Group EQHS organisation, led by the Global EQHS Director and ultimately overseen by the Chief Operations Officer. In the event of deviations, clients can submit product claims, which are handled by the relevant internal teams. Claims are tracked both locally at factories and at the group level, with regular updates provided to management. Claims related to product design are further assessed by the R&D organisation, which integrates insights into future development work.

Quality and safety considerations are deeply embedded in design and New Product Introduction (NPI) processes, ensuring compliance with applicable regulations and securing the necessary product certifications.

In 2024, quality deviations caused by failed units decreased by one-third. A significant portion of quality deviations stem from supplied components, and FläktGroup has initiated supplier collaboration programs to drive quality improvements. Additionally, the manufacturing site in Jönköping implemented a Dynamic Quality Control System, with plans to roll out similar systems across the group in 2025. To enhance customer experience, a new, client-centric claims management software was also introduced in 2024.

Looking ahead to 2025, FläktGroup will strengthen collaboration with suppliers and further enhance quality control measures across its operations. The company also plans to consolidate ISO certifications under a single certifying body and expand certification coverage across the entire group, including for ISO 9001 Quality Management System.

Governance

❯ Governance

GOV-1, GOV-2, GOV-3
Roles and responsibilities

Material topics covered in the section

Topic	IRO title		IRO description	IRO management	Value chain location			Time horizon		
					Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Ethics and compliance	Protection of whistleblowers	●	Breach of whistleblower's anonymity could have a significant negative impact on the individual.	FläktGroup has an internal whistleblowing system that allows employees to report any suspected or detected misconduct. The platform is managed by an external service provider to ensure anonymity.	✔	✔	✔	✔	✔	✔
	Costs due to regulatory compliance	▲	The need to comply with stringent environmental regulations can lead to increased costs related to upgrading equipment, implementing new technologies, increased reporting and conducting regular environmental audits.	We closely monitor regulatory updates and aim to plan and budget for essential costs in advance. Our focus is on efficient implementation by leveraging our global structure and expertise.		✔		✔	✔	✔
Business resilience	Advancing sustainability agenda in industry associations	●	FläktGroup's ambition is to be a positive force that develops the industry and has a beneficial impact on our society through stakeholder advocacy, which could help shape industry standards and regulations.	We are members of Eurovent, the HVAC industry association, and actively participate in its product and topic working groups. Additionally, we engage with local industry associations, particularly in the Nordics, where the sustainability agenda is on top priority.	✔	✔	✔	✔	✔	✔
Responsible sourcing and supply chain	Environmental impacts from raw material extraction and processing	●	There are many potential negative environmental impacts associated with the raw material extraction and production, such as those related to pollution, climate change and biodiversity.	We are committed to increasing transparency in our supply chains by enhancing our due diligence efforts. This involves assessing impacts, mitigating risks, and monitoring progress. In 2025, we will also implement EcoVadis for supplier due diligence.	✔			✔	✔	✔
Fair working conditions, incl. human rights	Human rights impacts in the supply chain	●	There are many potential human rights impacts associated with the raw material extraction and production, such as those related to health and safety, diversity and equality, and working conditions.		✔			✔	✔	✔

● Positive Impact   ● Negative Impact   ▲ Opportunity   ▲ Risk

› Governance

G1-1 Business conduct policies and corporate culture

Business conduct related matters are part of different policies, most importantly:

- **Code of Conduct**

- **Supplier Code of Conduct**; Outlines expectations towards suppliers to act according to relevant environmental regulations and expectations to monitor and reduce their environmental impact. We also require suppliers to commit to human and labour rights and standards in areas of health & safety, forced and child labour, freedom of association, employment conditions, discrimination, harassment and diversity.

- **Anti-Corruption Policy**

- **Whistleblowing Guideline;** outlines that in the case on non-anonymous whistleblowing, a person expressing concern will not be at risk of losing their job or suffering any form sanctions or personal disadvantages as a result.

- **Antitrust Policy**

- **Data Protection Policy**

- **Compliance Organisation Policy**

- **Export Control Policy**

- **ESG Policy;** Contains a chapter on "Sustainable sourcing" outlining FläktGroup's aim to promote responsible procurement and sourcing practices and process of conducting due diligence on the suppliers.

Group-wide oversight of compliance and business conduct is led by the Chief Compliance Officer, supported by FläktGroup Compliance and Export Control Officers, as well as Company Compliance Managers within each FläktGroup entity.

FläktGroup provides multiple channels for internal and external stakeholders to report concerns. Employees can raise issues directly or anonymously with their managers or HR. Additionally, a whistleblowing system operated by an independent third-party provider, Whistle B, ensures a secure and confidential reporting process. This encrypted, password-protected communication channel safeguards whistleblowers, ensuring that all messages are handled with strict confidentiality. FläktGroup's Whistleblowing Team, responsible for managing reports, consists of the Group CFO, Chief Human Resources Officer, Chief Compliance Officer, and Head of Group Internal Audit.

To uphold ethical business conduct, FläktGroup has implemented a dedicated Compliance Management System based on the principles of prevent, detect, and react. This system covers key business risks, including anti-bribery and corruption, fair competition, sanctions and embargoes, and data protection, with clear procedures for promptly, independently, and objectively investigating any incidents.

The functions most exposed to corruption and bribery risks are those directly involved in sourcing. FläktGroup conducts regular risk assessments to identify, mitigate, and manage these risks, with specialised committees overseeing this work.

› Governance

G1-2 Supplier relationship management

FläktGroup manages thousands of suppliers worldwide through its procurement organisation, ensuring both global reach and local responsiveness. In 2024, a new procurement leader was appointed to drive the next phase of development. Under this leadership, we aim to strengthen our procurement organisation by leveraging our scale to enhance business resilience while embedding sustainability considerations at every stage of supplier management, from onboarding to audits.

To support our due diligence efforts, we have initiated a closer collaboration with EcoVadis, which will help assess supplier-related risks, collect additional data through supplier questionnaires, and flag suppliers requiring further engagement. The EcoVadis platform will be implemented in phases throughout the financial year 2025.

Recognising the importance of transparency in the supply chain, we are working towards more granular supplier data, which is a critical requirement for both due diligence efforts and emissions calculations. In 2025, we will transition our transportation management to a new system, followed by a broader procurement system implementation that will incorporate reporting and due diligence requirements.

By the end of 2024, social and environmental criteria were primarily applied through local sourcing organisations, leading to variations in approach. For instance, in Sweden, supplier questionnaires are used to collect detailed data on aspects such as recycled material content and substances of concern. In 2025, we will develop a globally unified approach to supplier due diligence and integrate it into local sourcing processes, ensuring a consistent focus on key risks and opportunities. Additionally, we will conduct a human rights assessment in preparation for compliance with EU Taxonomy minimum social safeguards and the forthcoming due diligence directive.

Governance

GOV-1, G1-3 Anti-bribery and Anti-corruption

The main ethical and compliance principles of FlaktGroup are defined and laid down in our Code of Conduct. Those are:

- **Fair competition**
- **Anti corruption**
- **Conflicts of interest rules**
- **Sanctions and embargo / international trade**
- **Fair working conditions**
- **Loyal and transparent reporting**
- **Product safety and environment protection**
- **Data protection**
- **Duty to observe secrecy**

FläktGroup has a comprehensive Compliance Organisation Policy that defines roles and responsibilities related to preventing, detecting, and addressing allegations or incidents of corruption and bribery. The Compliance Organisation actively assesses risks in this area and is responsible for organizing mandatory training on company policies. Additionally, Internal Audit may conduct special audits upon request by the Chief Compliance Officer, and regular compliance and export control review meetings are held to ensure continuous oversight.

Breaches of compliance policies pose a significant risk of legal and financial penalties for the company, particularly if criminal or administrative offenses are committed against third parties, including customers, suppliers, competitors, or public interests such as market fairness. To mitigate these risks, FläktGroup has established regular risk assessments, independent internal reporting structures, and dedicated compliance roles with clear responsibilities and direct reporting lines to the Chief Compliance Officer.

Compliance Managers oversee due diligence processes under the Anti-Corruption Guideline, while Data Protection Officers ensure compliance with data privacy regulations. Export Control Managers are responsible for the screening process to meet regulatory requirements. To maintain objectivity and fairness, investigators handling compliance breaches operate independently from the management chain involved in the matter.
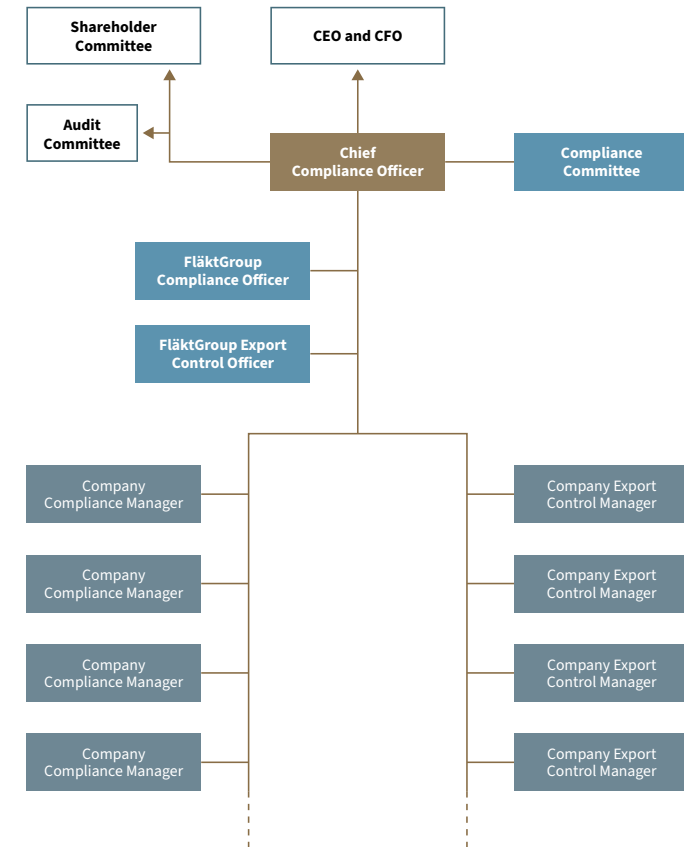
❯ Governance

G1-3 Anti-bribery and Anti-corruption

Process for reporting outcomes to the administrative, management and supervisory bodies

Regular compliance reports are submitted to the administrative, management and supervisory bodies as detailed below:

Report	Responsible	Recipient	Interval
CCO Report	Chief Compliance Officer	• CEO and CFO • Shareholder Committee • Audit Committee	1/month 2/year 1/year
Yearly Compliance Declaration	CEO and CFO	Chief Compliance Officer	1/year
Yearly Compliance Declaration	Local Management (Managing Director)	CEO and CFO	1/year
CCM Report	Company Compliance Manager	Chief Compliance Officer	1/year
CEM Report	Company Export Control Manager	Chief Compliance Officer	1/year

Additionally Chief Compliance Officer presents report about development of compliance management system and any material breaches:

• to the CEO and CFO: on a regular basis, at least once per month,

• to the Shareholder Committee: on a regular basis, at least twice per year

*Reported as an average value between January to December 2024. Value calculated as: Reported Payables (Trade Payables, less Supplier Advances) including VAT / Last 3 months purchases excluding VAT annualised (Purchases = materials, materials savings plans (adjusted for Change in Gross inventory, adjusted for the change in gross inventory in balance sheet), shipping and freight, other costs from further analysis excluding people costs, minus the IC purchases calculated separately)

**Based on the information received by the group on material cases which entities are required to report

Training

In accordance with FläktGroup policies, there is a mandatory annual Code of Conduct training for all employees, covering key areas of Business Conduct such and anti-corruption and bribery, ethics and fair competition. Additionally, there are mandatory training modules for all employees on cyber security, covering topics such as mobile security, messaging services, voice phishing, internet and online tools, falsified email addresses and MFA bombing. There are some year-to-year variations to the cyber security course structure focusing on the most actual topics.

	2024
% of people received Code of Conduct Training	78
% of people received cyber security training in the past two years	80

G1-4 Incidents of corruption or bribery

	2024	2023
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0
Fines for violation of anti-corruption and anti-bribery laws (EUR)	0	0

G1-6 Payment practices

FläktGroup's contractual payment terms depend on the legal entity and country of operations and typically range between 30 and 60 days. FläktGroup reports average time taken to pay an invoice as a Days Payable Outstanding (DPO) value.

	Interval
DPO*	57
Number of legal proceedings currently outstanding for late payments**	0

Datapoints deriving from other EU legislation

Disclosure requirement and related data point	Data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Section in the sustainability statement
ESRS 2 GOV-1	21 (d)	✔		✔		General disclosures
ESRS 2 GOV-1	21 (e)			✔		General disclosures
ESRS 2 GOV-4	30	✔				General disclosures
ESRS 2 SBM-1	40 (d) I	✔	✔	✔		Not material
ESRS 2 SBM-1	40 (d) ii	✔		✔		Not material
ESRS 2 SBM-1	40 (d) iii	✔		✔		Not material
ESRS 2 SBM-1	40 (d) iv			✔		Not material
ESRS E1-1	14				✔	E1 Climate Change
ESRS E1-1	16 (g)		✔	✔		Not material
ESRS E1-4	34	✔	✔	✔		E1 Climate Change
ESRS E1-5	38	✔				E1 Climate Change
ESRS E1-5	37	✔				E1 Climate Change
ESRS E1-5	40-43	✔				E1 Climate Change
ESRS E1-6	44	✔	✔	✔		E1 Climate Change
ESRS E1-6	53-55	✔	✔	✔		E1 Climate Change
ESRS E1-7	56				✔	E1 Climate Change
ESRS E1-9	66			✔		Not material
ESRS E1-9	66 (a), 66 (c)		✔			Not material
ESRS E1-9	67 (c)		✔			Not material
ESRS E1-9	69			✔		Not material

Disclosure requirement and related data point	Data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page/materiality
ESRS E2-4	28	✔				Not material
ESRS E3-1	9	✔				Not material
ESRS E3-1	13	✔				Not material
ESRS E3-1	14	✔				Not material
ESRS E3-4	28 (c)	✔				Not material
ESRS E3-4	29	✔				Not material
ESRS 2- SBM 3- E4	16 (a)	✔				Not material
ESRS 2-SMB 3 – E4	16 (b)	✔				Not material
ESRS 2-SMB 3 – E4	16 (c)	✔				Not material
ESRS E4-2	24 (b)	✔				Not material
ESRS E4-2	24 (c)	✔				Not material
ESRS E4-2	24 (d)	✔				Not material
ESRS E5-5	37 (d)	✔				E5 Circular Economy
ESRS E5-5	39	✔				E5 Circular Economy
ESRS 2- SBM3 - S1	14 (f)	✔				Not material
ESRS 2- SBM3 - S1	14 (g)	✔				Not material
ESRS S1-1	20	✔				S1 Social
ESRS S1-1	21			✔		S1 Social
ESRS S1-1	22	✔				Not material
ESRS S1-1	23	✔				S1 Social

Disclosure requirement and related data point	Data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page/materiality
ESRS S1-3	32 (c)	✔				S1 Social
ESRS S1-14	88 (b) (c)	✔		✔		S1 Social
ESRS S1-14	88 (e)	✔				S1 Social
ESRS S1-16	97 (a)	✔		✔		Not material
ESRS S1-17	103 (a)	✔				Not material
ESRS S1-17	104 (a)	✔				G1 Governance
ESRS 2- SBM3 – S2	11 (b)	✔				S1 Social
ESRS S2-1	18	✔				G1 Governance
ESRS S2-1	19	✔				General diclosures
ESRS S2-1	19			✔		General diclosures
ESRS S2-4	36	✔				G1 Governance
ESRS S3-1	16	✔				Not material
ESRS S3-1	17	✔		✔		Not material
ESRS S3-4	36	✔				Not material
ESRS S4-1	16	✔				S4 Consumers and End-users
ESRS S4-1	17	✔				Not material
ESRS S4-4	35	✔				Not material
ESRS G1-1	10 (b)	✔				Not material
ESRS G1-1	10 (d)	✔				G1 Governance
ESRS G1-4	24 (a)	✔		✔		G1 Governance
ESRS G1-4	24 (b)	✔				G1 Governance