



# Committed to a more sustainable future

THERMIA SUSTAINABILITY REPORT 2023



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## A few words from our CEO

It is with great joy and pride that I welcome you to our 2023 sustainability report. As a leading heat pump manufacturer, this past year has presented us with both significant challenges and remarkable progress. At Thermia, we strive to be not only a leading player in heat pump technology, but also a dependable pioneer in sustainability practices. Our journey towards a more sustainable future has never been more important, and I would like to share with you a few reflections on our efforts and our vision for the future.

**IN 1923, THERMIA WAS FOUNDED** with a vision to be "ahead of its time, beyond its time" – innovation and manufacturing that would be ahead of the challenges of the day. Today, as we celebrate 100 years of successful operations, we reflect not only on our history but also on the significant role we play in shaping a sustainable future.

**Our journey to sustainability is rooted in our belief that every innovation, every product, and every decision should be guided by respect for the environment and a commitment to social responsibility.**

We do not see this as a challenge, but rather as a duty to our customers, society, and future generations.

We are proud that our heat pumps not only provide comfort and cost-effective heating, but also reduce our customers' climate impact.

Helping communities transition to sustainable fossil-free heating is not just a business strategy for us; it is our duty.

We believe in the power of innovative solutions to drive sustainable development. Our R&D center is focused on exceeding today's standards by offering smarter, more energy-efficient, and environmentally friendly heating solutions.

By investing in innovation, we strive to set the standard for future sustainable technology.

Our 100th anniversary celebration marks not only an impressive history, but also a strong commitment to the future. We are proud of our progress towards a sustainable manufacturing industry and look forward to continuing to be a driving force for positive change in the years to come. With a forward-looking vision, commitment, and accountability, we stand poised to embark on the next 100 years of sustainable excellence.

A thank you to our amazing employees, partners, and customers for sharing our vision and for being a part of this journey. Together, we are shaping a future where every energy source is sustainable and every action counts.



**Magnus Glavmo**  
Managing Director, Chief Operational Officer

# About the report

**IN A WORLD WHERE GLOBAL CHALLENGES** like climate change, resource depletion, and social inequality demand immediate and conscious action, we face a collective responsibility to redefine the way we do business. This sustainability report reflects not only on our company's progress over the past year, but also on our commitment to a sustainable and responsible future.

Guided by principles of environmental stewardship, equity, and fiscal responsibility, we strive to make a positive impact on both society and the environment. In this document, we share our progress, challenges, and future goals in order to promote transparency and encourage a constructive dialogue about our sustainability work.

Our belief is that sustainability is a journey, not a destination. By collaborating with our stakeholders, innovatively using resources, and constantly developing our methods, we strive to be a driving force for positive change. We invite you to join us on this journey as we strive to inspire a sustainable future.



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**Our belief is that sustainability is a journey, not a destination.**

# Heat pumps

## – a key component of sustainable heating

Harnessing naturally occurring heat with minimal energy input, heat pumps deliver an efficient and resource-effective solution for heating homes, commercial buildings, and industrial facilities.

### Reduced carbon emissions

One of the most prominent benefits of heat pumps is their ability to reduce carbon emissions compared to traditional heating methods. By utilizing ambient air, water, or ground as an energy source, heat pumps reduce the need for fossil fuels and the associated emissions. This makes them a key component in the transition to a carbon-neutral energy sector.

### Energy efficiency

Heat pumps' contribution to sustainability is further underscored by their remarkable energy efficiency. By producing multiple units of heat energy for each unit of electrical energy consumed, heat pumps are a cost-effective and resource-efficient solution for heating. This characteristic not only promotes economic sustainability but also mitigates the need for excessive energy consumption. According to the European Heat Pump Association, the annual deployment of heat pumps in the European Union translates to an impressive reduction of 916 million tons of CO<sub>2</sub> emissions.

In summary, heat pumps are a critical component for promoting sustainability within the heating sector. By reducing carbon dioxide emissions, increasing energy efficiency, and integrating renewable energy sources, heat pumps can be seen as a central part of strategies to achieve sustainable climate goals.



# Sustainable development and production

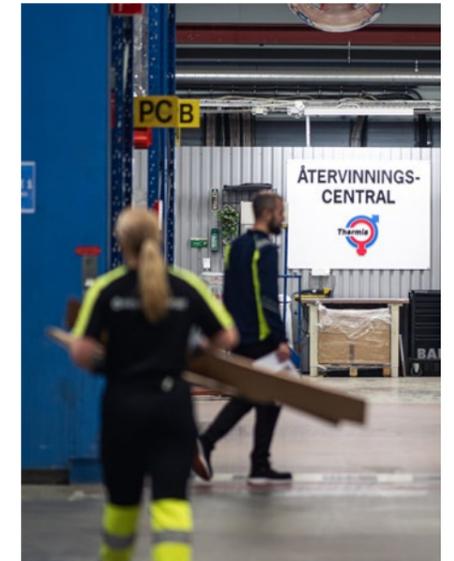
At Thermia, we are constantly striving to integrate sustainability principles into our operations, and a central part of our work focuses on the circular economy of materials and waste management.

Through our waste management initiatives, we are actively contributing to meeting several of the Sustainable Development Goals.

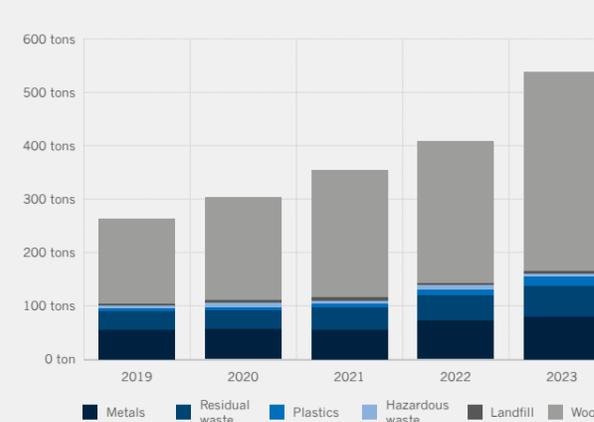
One of our key goals is to minimize waste in our production and promote reuse and recycling. In line with SDG 12: Responsible Consumption and Production, we strive for a circular economy where material recycling is a fundamental principle.

### Recycling center and 100% recyclable packaging

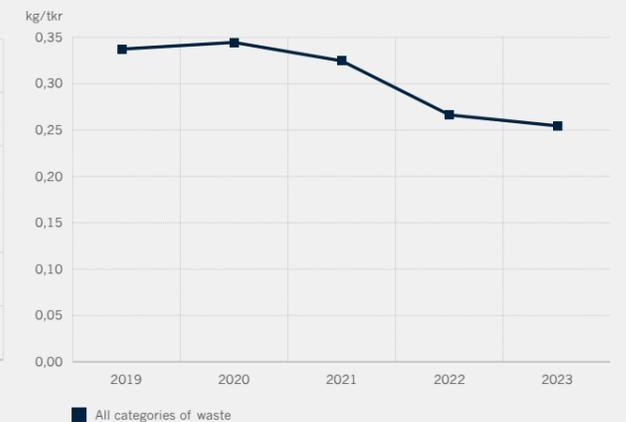
The majority of our waste stems from packaging used for purchased components. To address this, we have established a recycling center where all materials can be sorted. We have implemented clear procedures and training to involve our employees in this initiative. We envision a future where all packaging used is 100% recyclable. We have introduced several initiatives this year in collaboration with our suppliers to achieve our goal. Through this work, we strive to reduce our impact on the environment and contribute to SDG 12.



WASTE FROM OPERATIONS



WASTE IN RELATION TO TURNOVER



### Reducing wood waste and increasing reuse

A sizable portion of the waste that we recycle and send to Stena Recycling AB is wood waste. To reduce this waste and promote sustainable wood use, we have begun working with our suppliers to increase the share of recyclable wood waste. This initiative contributes to SDG 12 by promoting responsible consumption and production.

### Circular wood pallet flow

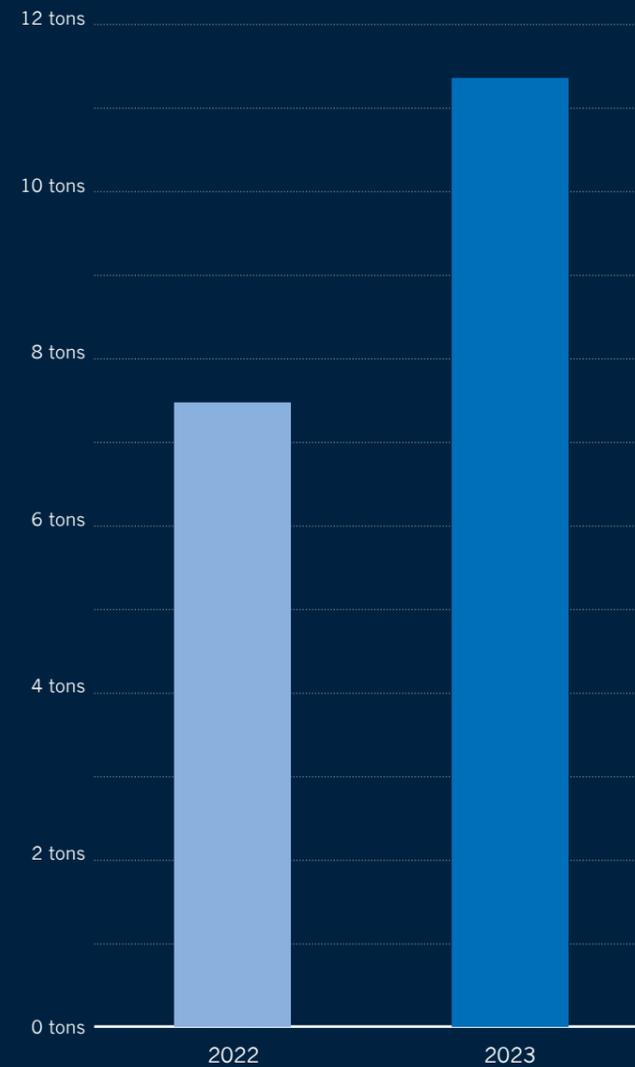
We also have a partnership with an external party to collect and reuse wood. This creates a circular flow for a significant portion of the wood that comes to us in the form of pallets and pallet collars. Through this partnership, we strive to increase the share of pallets and pallet collars for reuse, thereby reducing waste and promoting the sustainable use of natural resources, which in turn contributes to SDG 12.

At Thermia, we are committed to continuing our journey towards a more sustainable and circular business, and we look forward to sharing further progress and results with our stakeholders and society.

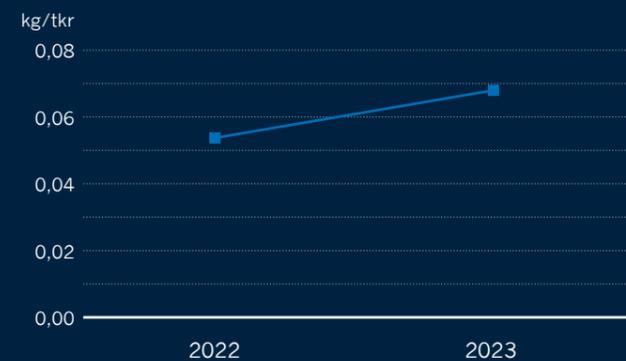
### Waste sorting to promote recycling

With our company's growth and rising employee headcount, we incorporated recycling into our dining and kitchenette facilities in 2023. This initiative promotes the recycling of materials and food packaging. In collaboration with Stena Recycling, we have implemented four new recycling streams to effectively separate waste and maximize recycling. Through this initiative, we aim to reduce our ecological footprint and contribute to SDGs 12 and 13 by promoting a circular economy and handling waste in a sustainable way.

### RETURNED/REUSED WOOD WASTE\*



### RETURNED/REUSED WOOD WASTE IN RELATION TO TURNOVER \*



\*Measurements started in 2022

### Optimization of material use

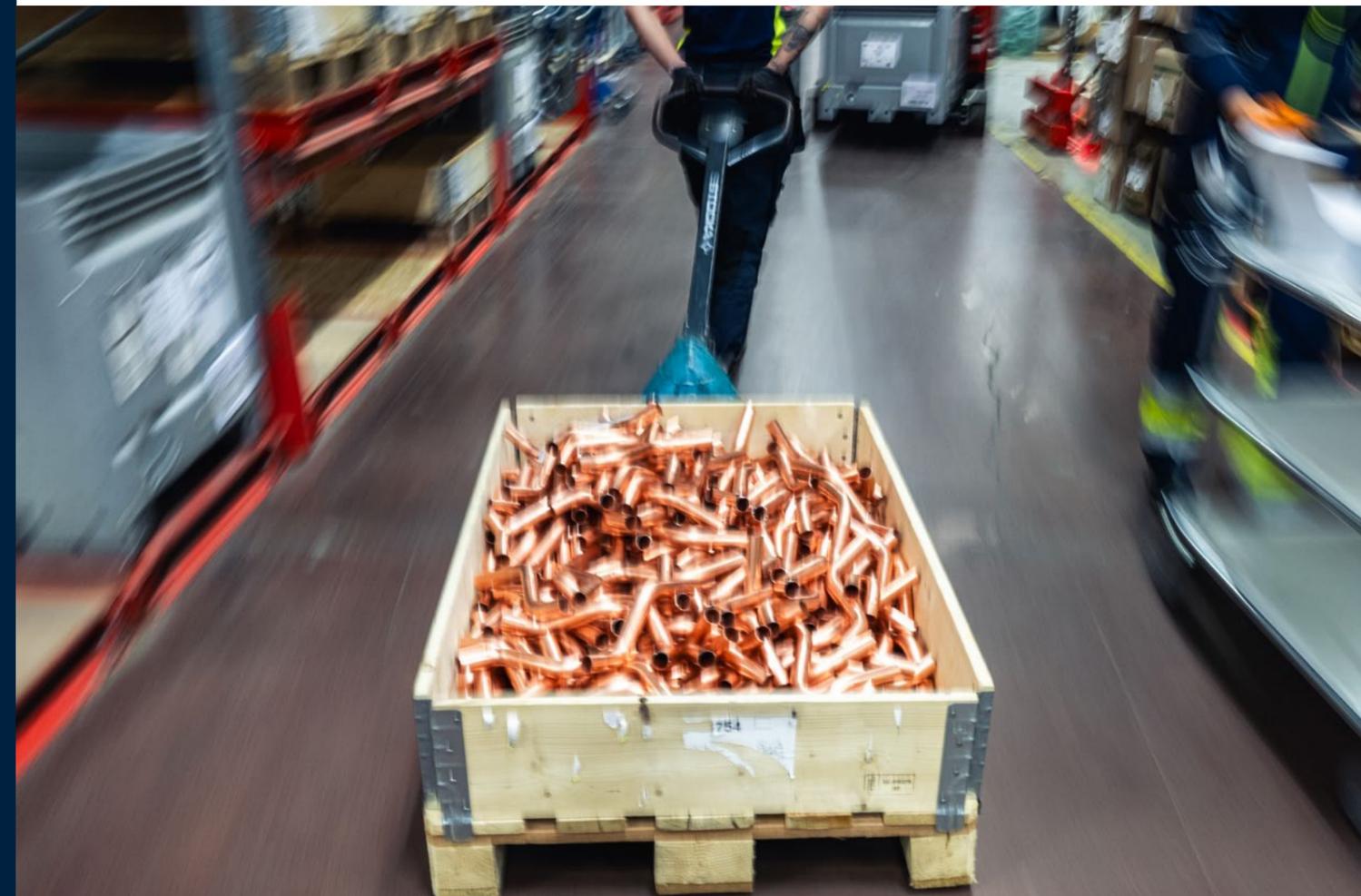
Our production includes an in-house copper tube bending operation. To reduce waste and optimize our use of materials, we have invested in new equipment in 2022. Unfortunately, the results to date have not shown the desired reduction due to technical difficulties. We have identified and are continuously working to address these technical challenges in order to achieve our goals. We hope to see the desired results in 2024 and are committed to reaching our targets and reducing waste over time.

### Circular component flow

In our previous report, we highlighted our progress towards a more circular economy through the launch of projects to evaluate and plan for increased circularity. The purpose of these projects was to identify opportunities within our resource use where circular processes could be implemented. An evaluation of components for potential reuse was also conducted based on extensive quality and performance testing.

Throughout the past year, we have successfully realized our key objectives for 2023. Our circular economy efforts have led to the successful reintroduction of components into our production as planned. By identifying and implementing these measures, we have not only minimized waste and resource use, but also strengthened our commitment to sustainability.

**Our circular economy efforts have led to the successful reintroduction of components into our production as planned.**



# Supplier collaboration

At Thermia, we believe that sustainability is a shared endeavor. We understand that our sustainability efforts cannot be stronger than our weakest link. To ensure a sustainable supply chain and meet global goals, specifically SDG 12: Sustainable Consumption and Production, we have implemented several initiatives in collaboration with our suppliers to drive joint improvements.

## Cross-functional sustainability team

We already have an environmental council that focuses on strategic, comprehensive sustainability work. In 2023, a cross-functional operational sustainability team was also established with the mandate to integrate sustainability principles into our company's operations across multiple departments. The team is actively working to identify packaging improvement areas in collaboration with our suppliers. Through this initiative, we strive to reduce our environmental impact and contribute to SDG 12 through more responsible consumption and production.

## Use of packaging

We are working with our suppliers to find more environmentally friendly solutions. As a concrete step, we are making greater use of industrial packaging, which is made possible by handling spare parts packaging in-house. By reducing the use of unnecessary packaging, we strive for a more efficient and sustainable production chain, keeping in line with SDG 12.

## Reduction of packaging containing chemicals

We are taking an active step to reduce our climate impact by replacing packaging and packaging items consisting of mixed materials and binders (adhesives). It increases recycling opportunities, reduces chemical inputs, and promotes more Responsible consumption and production in line with SDG 12.

## Implementation of an ESG system for suppliers

In 2023, we introduced and registered most of our direct material suppliers in our ESG system, Integrity Next. The system helps us evaluate suppliers and identify areas where we can support them in their improvement efforts. We are actively working with our supplier base to increase the percentage of "green" sections per supplier and connect remaining suppliers to the system. By involving our suppliers in our sustainability work, we strengthen our commitment to several of the global goals and promote a common pursuit of a more sustainable future.



## THERMIA'S SUPPLIER ASSESSMENT CATEGORIES



Anti-Bribery and  
Anti-Corruption



Supply Chain  
Responsibility



Extended Company  
Information



Conflict of  
Interest



Energy  
Management



Environmental  
Protection



Conflict  
Minerals



REACH



Diversity, Equity  
and Inclusion



Business  
Continuity



Human Rights  
and Labor



Carbon  
Footprint



Health and  
Safety



Quality  
Management



RoHS

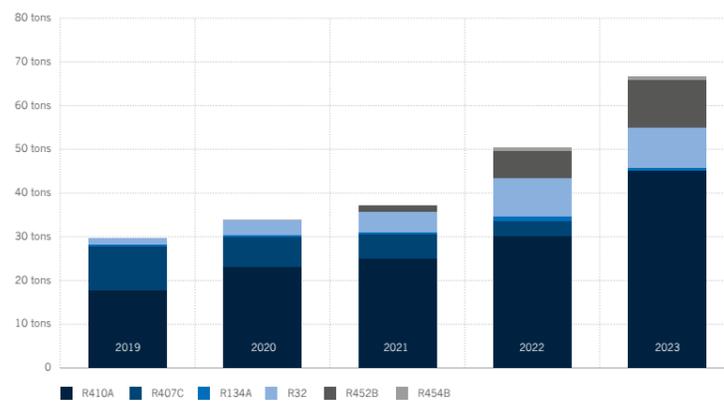
# Emissions and chemical products

At Thermia, we are committed to incorporating sustainability principles into all aspects of our business. Our overarching goal is to contribute to achieving the Sustainable Development Goals, specifically SDG 7: Affordable and Clean Energy. We achieve this by offering the most energy efficient heat pumps on the market as part of our value proposition. Through continuous investments in research and development, we strive to introduce innovative solutions and technologies to constantly improve our products.

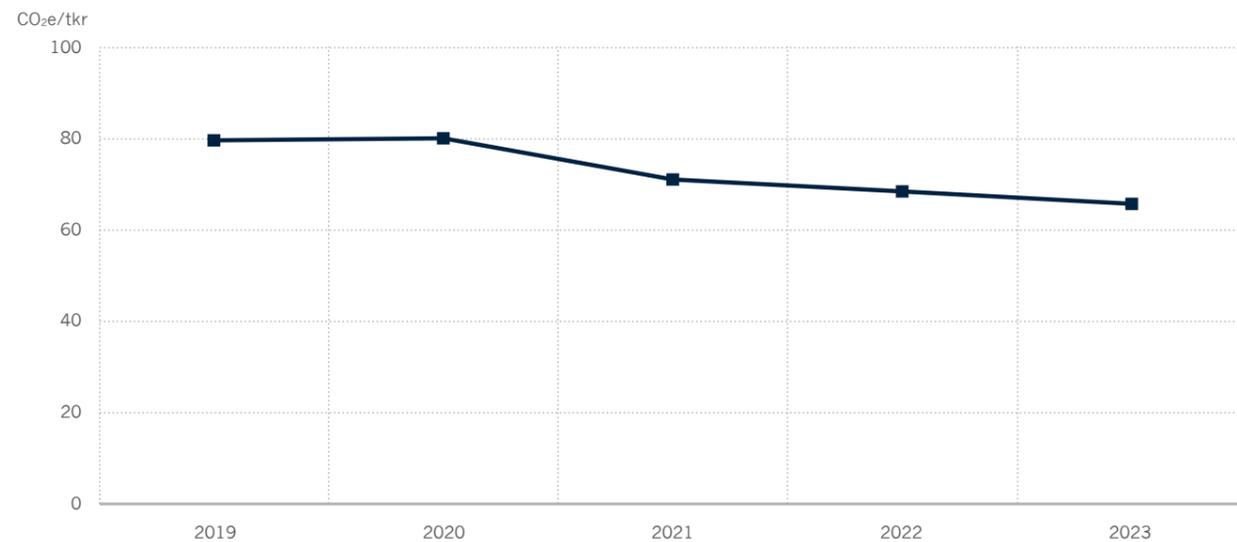
## Refrigerant

The use of refrigerants is regulated by the F-gas Regulation. In 2023, our product development has been focused on implementing natural refrigerants with lower Global Warming Potential (GWP) in our products to reduce our impact on climate and environment, in line with SDG 13. By switching to R452B refrigerant, we were able to reduce refrigerant global warming potential in our product portfolio.

OVERALL REFRIGERANT CONSUMPTION



POTENTIAL CLIMATE IMPACT IN RELATION TO TURNOVER\*



## Education and training

Our commitment extends to education and training, whereby we prioritize increasing knowledge and awareness of proper refrigerant handling. At Thermia, we invest in training and certifying our retailers so that they can provide our customers with high quality end-to-end solutions. Across the country, we have trained more than 200 retailers, which allows for high-quality advice when it comes to finding optimal solutions, as well as handling and installing our heat pumps in a safe manner.

Our ambition is to ensure that our products are handled safely and correctly even at the end of their life cycle to minimize emissions and environmental impact. By doing so, we actively contribute to a sustainable energy future and promote the responsible use and management of resources.

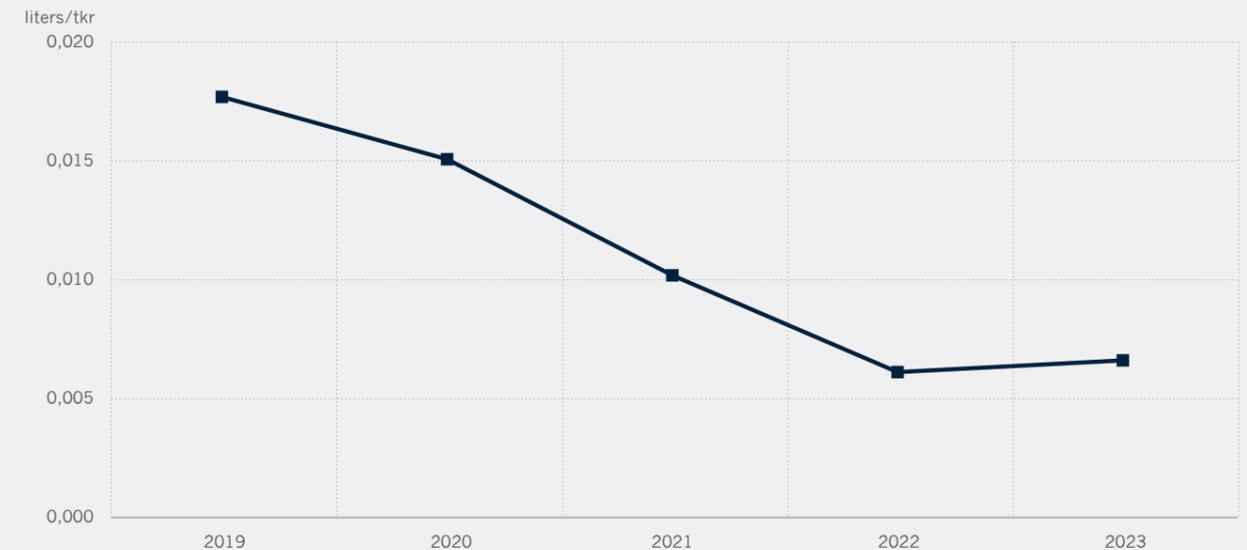


# Water consumption

At Thermia, we strive to deliver products of the highest quality to our customers. Therefore, each and every heat pump is thoroughly tested before being packaged and delivered to the end customer.

Water use primarily supports tap water testing and facility cooling. Our company's remaining water consumption is due to ordinary sanitation for staff. Implemented in 2023, our premises now benefit from a water-independent cooling system. As a result, in 2024 we will be able to witness a reduction in water consumption.

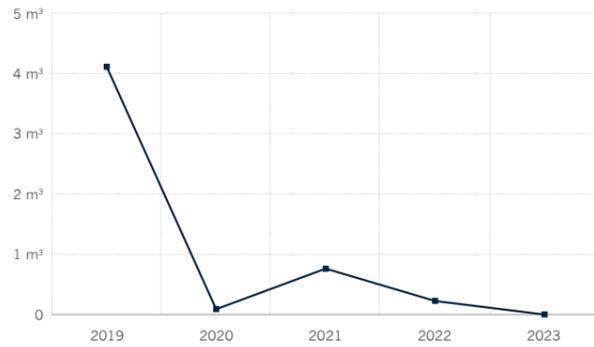
WATER CONSUMPTION IN RELATION TO TURNOVER



# Energy consumption

At Thermia, we are constantly striving to improve our energy efficiency and actively contribute to global goals for a sustainable energy future.

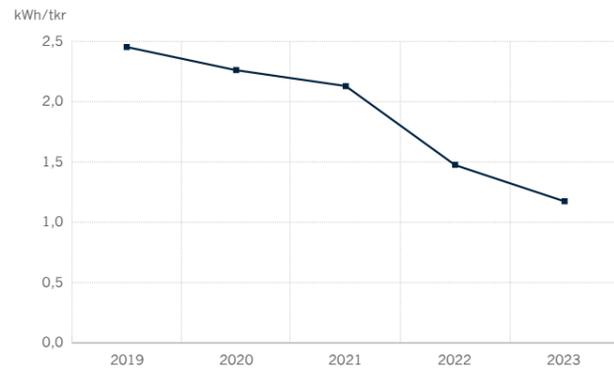
OVERALL OIL CONSUMPTION



## Oil

A long-term goal of ours is to move away from oil combustion for energy consumption purposes. In 2023, we achieved complete cessation of oil utilization as an energy source.

ELECTRICITY CONSUMPTION IN  
RELATION TO TURNOVER



## Green electricity

Our primary energy source is electricity, and we are proud to have a "green" agreement with our electricity provider for electricity from fossil-free sources. This reflects our commitment to supporting sustainable energy sources and minimizing our climate impact.



## Energy audits

Central to our strategy are regular energy audits, whose findings translate into concretely actionable energy plans. These audits are conducted by independent third parties and are an integral part of our commitment to sustainability.

In 2023, we successfully completed the outstanding measures of our previous energy plan drafted in 2021. At the same time, we made the decision to initiate a collaboration with an external party to install smart meters in our properties. The initiative aims to accurately map energy consumption and develop improvement proposals to further increase our energy efficiency.

## Usage of excess heat

In our pursuit of sustainability and environmental responsibility, we are actively integrating measures to reduce our electricity consumption. A major step in this direction is our efficient management of excess heat generated during our testing processes. By returning this excess heat to the system, we achieve significant energy efficiency gains and contribute to economic benefits.

This action results in a more consistent temperature in our test rigs, which in turn has positive effects on our energy consumption patterns. The reduced variation in temperature reduces the need to constantly adjust and regulate heat, which leads to reduced electricity consumption.



Our ecospace is a nice outdoor area where our employees can relax and enjoy a natural environment.

# Biodiversity

At Thermia, we strive to integrate sustainability principles into all aspects of our business, including our employees' work environment. Over the past year, we have successfully initiated and implemented an ecospace project in our courtyard. It not only fosters biodiversity but also creates a pleasant space for our employees.

## Ecospace

Plants and nature's own shapes dominate this space, creating a natural and peaceful atmosphere. Plants and nature's own shapes dominate this space, creating a natural and peaceful atmosphere. By keeping existing elements, such as hills and trees in the yard, we have integrated these into the design of our ecospace the eco-space, thereby creating a harmonious combination of natural and human-caused elements.

In furtherance of biodiversity, we have established a diverse selection of year-round flowering plants and implemented a wildflower meadow on underutilized soil, thereby optimizing resource utilization and concurrently supporting pollinator populations. Our ecospace is a nice outdoor area where our employees can relax and enjoy a natural environment. In addition, native berry plants and herbs have been planted for both insects and employees to enjoy.

In addition, we arranged for a variety of habitats and types of environments to be present. In our ecospace, we created a sand bed, added dead wood, and created a pond – treasured havens for birds and insects. Signs with brief descriptions of different biodiversity objectives were placed for educational purposes to increase knowledge and understanding of pollinators' needs.

Our ecospace is a nice outdoor area where our employees can relax and enjoy a natural environment. This initiative not only contributes to creating a green oasis for our employees, but also to promoting their health and well-being. Through such projects, we aim to contribute positively to both the local environment and global Sustainable Development Goals.

# Responsibility

In a world where consumer choices have a significant impact on the health and social well-being of the planet, we see responsible sales as a key element in our sustainability strategy. Our products and services are not only part of our business but also powerful influences on society and the environment. Therefore, we strive to develop and promote responsible sales practices that benefit all stakeholders and contribute to sustainable consumption.

## Commitment to sustainable consumption

At Thermia, we believe a key advantage lies in our exclusive distribution network of certified dealers. It is through this network of dealers that we assure quality to our end customers and ensure that property owners obtain the greatest possible value from their investment. This objective is realized by outfitting each property with installations that maximize achievable energy savings, thereby minimizing their environmental footprint.

Certification mandates that retailers complete the training courses our company dictates. Over 200 retailers possess the necessary skills to act as energy advisors. The specially developed HPC2 calculation program is used as a decision-making tool, providing retailers with relevant energy calculations for specific properties. For us, selling responsibly is not only about the products we offer, but also about supporting our customers' own sustainability journeys. By providing information, guides, and tools, we strive to educate and inspire our customers to make informed decisions in their businesses. We also encourage recycling and responsible use to reduce waste and maximize positive impact. It is important to us that our heat pumps perform at their best. However, for our customers to choose a proper installer is equally important. Our certified resellers ensure that end customers receive the best overall solution.

## Product lifecycle management

We are committed to minimizing our impact throughout the entire product lifecycle. By investing in sustainable materials, energy-efficient production processes and innovative packaging options, we strive to create products that are not only sustainable per se but also encourage a sustainable mindset among our stakeholders. This is consistent with SDG 12: *Responsible Consumption and Production* of the 2030 Agenda.

Thermia operates systematically to ensure that our company meets both internal and external requirements. Our company is certified according to both *ISO 9001:2015* and *ISO 14001:2015*, both of which are managed and followed up by means of an integrated management system. This helps create favorable conditions for continuous evaluation and improvement. An annual ISO audit was conducted in 2023 and no major deviations were observed. By virtue of certification under *ISO 14001:2015*, we ensure that any governance decision made is rooted in an ESG perspective, which sets the stage for our daily work to comply with the requirements set forth in the standard. Within our company, this standard serves as a tool for identifying key activities relevant to circular production practices. By leveraging this standard, we pursue the enhancement of our environmental performance. This has led to greater demands on our suppliers to operate sustainably through ongoing assessments.

Other goals have been set within the framework of *ISO 14001:2015* regarding waste management, water usage and reuse of materials. In addition, we were issued several product certificates, such as the HP Keymark.

## Continuous assessment and improvement

As a manufacturing industry, we always strive for continuous improvement. Regular assessments allow us to identify and address challenges and opportunities. We welcome open dialog with our stakeholders and our society to ensure that our sales practices are of the highest possible standard and continuously contribute to a sustainable and inclusive future for all. By prioritizing responsible sales, we commit not only to the success of our business but also to a sustainable and inclusive future for everyone.




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# Business ethics

– a cornerstone of our sustainability vision

We see business ethics as an invaluable guide in our mission to create a positive impact on society and the environment in line with the goals of the 2030 Agenda.

Our commitment to operating with integrity and ethics permeates our entire organization and is a central pillar of our sustainability strategy.

By maintaining high ethical standards as part of our corporate identity, we aspire to be role models for others. In maintaining high ethical standards, we aim not only to meet but also to exceed the requirements of society and legislation in order to promote a sustainable and equitable world.

Our business is driven by a strong commitment to sustainable development at a social, environmental, economic, and societal level. This engagement strategy extends not only to our internal actions, but also to our relationships with suppliers, within the framework of which compliance with our Code of Conduct is required.

Within the framework of this code, our suppliers commit to respect children's rights to education and development and to protect them from economic exploitation. It also clearly states that discrimination is not acceptable and that a level playing field should be provided regardless of gender, ethnicity, religion, age, nationality, or sexual orientation.



In addition, our Code of Conduct aims to ensure a suitable work environment for our suppliers' employees and compliance with current legislation on working conditions. Suppliers are also committed to providing their employees with the opportunity to engage in trade union activities in order to encourage a sustainable workplace.

Furthermore, Thermia's suppliers undertake to refrain from covert payments of commissions in the form of cash, gifts of significant value, services, dinners, entertainment, travel, or similar benefits to any of Thermia's employees or their family.

This includes payments, both direct and through third parties, aimed at conditioning employees to perform or refrain from a particular action, or to benefit a given supplier. By following these guidelines, we aim at ensuring responsible and sustainable business practices throughout our supplier network.

Respect for human rights is an integral part of the 2030 Agenda. We are committed to ensuring fair and inclusive working conditions for all employees and individuals involved in our supply and distribution chain. We therefore work actively to prevent discrimination, child labor and other human rights violations.



## Continuous development and assessment

Business ethics is a dynamic part of our business. By continuously assessing and developing our ethical policies and practices, we strive to be at the forefront of business ethics and adapt to changing circumstances and expectations in the wider world. Thermia regularly conducts on-site audits at selected suppliers to ensure compliance with environmental requirements, quality requirements and Code of Conduct. In addition, a review is carried out to ensure compliance with applicable legislation. At Thermia, we place high demands on our business to contribute to a better world and expect our suppliers to share these same values.

By maintaining high ethical standards as part of our corporate identity, we aspire to be role models for others.

# Management's responsibilities

– promoting sustainability at management level

Thermia's management team plays a key role in shaping and promoting our organization's sustainability strategy. By adopting a proactive and responsible approach, our management team strives to be role models in the field of sustainable business and to inspire positive change throughout the organization.

At Thermia, we believe sustainability to be not only an integral part of our business but also a key to long-term success and a positive contribution to society and the environment.

By defining clear and ambitious sustainability goals and integrating them into our overall business strategy, we aim to create a holistic sustainability vision that permeates all aspects of our business.

## Resource allocation and investments

Our management team plays a key role in making decisions on resource allocation and investments, in line with the 2030 Agenda's goal of sustainable resource use. We endeavor to invest in sustainable initiatives and technologies that both promote business success and help us reduce

our impact on the environment. By prioritizing long-term, sustainable investments, we aim to create value not only for our company but also for society and the planet.

## Open communication and transparency

Our management team is committed to creating a culture of open and transparent communication, most notably in relation to sustainability issues. By reporting regularly on our achievements, challenges, and results, we aim to build trust with our stakeholders and society. We are open to dialogue and take it as an opportunity to learn and improve our performance.

## Continuous assessment and adaptation

Sustainability is a dynamic journey that requires continuous assessment and adaptation. Our management team is committed to regularly reviewing and assessing our sustainability goals and initiatives to ensure their relevance and effectiveness. Through flexibility and responsiveness, we aim to be on the cutting edge of sustainability practices and innovation.

By leading with responsibility, integrity, and a strong sustainability vision, Thermia's management team pledges to champion a sustainable future and to inspire the entire organization to promote sustainability in all instances.



Thermia's management, from left to right: 1. Henrik Mossberg (Quality Manager) 2. Erik Nilsson (Supply Chain Manager) 3. Rickard Karlsson (Customer Service Manager) 4. Mathias Axelsson Löfvenholm (Purchasing Manager) 5. Lars Gyllander (Vice President for Sales & Marketing) 6. Magnus Larsson (R&D Manager) 7. Peter Särnblad (CHRO) 8. Maria Fogelberg (CFO) 9. Patrik Olsson (Product Portfolio Manager) 10. Magnus Glavmo (MD, CEO)



**We encourage a culture in which employees feel free to report potential risks and contribute to the continuous improvement of working conditions.**

# Work environment and employees

– a safe, inclusive and sustainable workplace

We consider our employees to be our most valuable asset and believe that a healthy and sustainable work environment not only benefits our employees but is also at the heart of our overall sustainability strategy. We strive to create a workplace in which our employees can thrive, feel respected and be inspired to perform at their best. Our dedication to a healthy work environment and well-being permeates all areas of our business.

As part of Thermia's commitment to sustainability, it is of utmost importance to identify and manage any risks that may affect our company's employees. We are constantly working towards preventing incidents and accidents by applying a proactive working methodology.

Our focus on identifying and managing risks related to employee safety and well-being directly endorses the 2030 Agenda's goal of promoting good health and well-being for everyone.

By implementing a proactive work methodology and upholding a safety committee, consisting of union and management representatives, Thermia guarantees compliance with guidelines and regular safety inspections.

Thermia's assigned managers conduct daily retrospective incident management for continuous follow-up. In addition, our occupational health and safety manager is responsible for analyzing weekly incidents and presenting monthly statistics for the whole company, thereby providing a holistic approach to understanding occupational health and safety performance and enabling further action to be taken.

At the first quarterly meeting of the safety committee, annual statistics, including sick leave statistics, are reviewed, enabling a deeper understanding of our company's health and safety performance. This holistic review supports the goals of the 2030 Agenda by promoting a healthy and safe work environment.

Thermia integrates proactive work through risk analysis, OHS (Occupational Health and Safety) and regular safety audits to ensure compliance with standards at each workstation. In addition, assessment and training in collaboration with Previa provide a third-party perspective on our processes.

To involve employees in the process, regular 1-2-1 meetings and employee surveys are conducted to collect feedback on the work environment. This feedback is valuable and strengthens our commitment to creating a safe and healthy work environment for all our employees. Through these efforts, Thermia actively strives to be a pioneer in sustainable work environment and risk management.

Thermia is dedicated to being a pioneer in sustainable work environment and risk management. Through rigorous safety standards and continuous training, we strive to create a work environment where every individual can perform their job without risking ill health or accidents. More to the point, we encourage a culture in which employees feel free to report potential risks and contribute to the continuous improvement of working conditions.

## Work-life balance

We consider work-life balance to be crucial to our employees' well-being, in line with the 2030 Agenda's SDG 11: Sustainable Cities and Communities. Where duties allow, we promote flexible working hours and remote work opportunities. By supporting initiatives that promote mental and physical health, we aim to create a working environment where our employees can achieve a healthy balance and thrive both in and out of the workplace.

## Employee empowerment

We believe in employee empowerment as a key to a dynamic and engaged work culture. By encouraging participation, listening to our employees' ideas and involving them in decision-making processes, we work to create a workplace where every individual feels valued and empowered to influence their working life.

By prioritizing occupational health and safety and employee well-being as an integral part of our sustainability strategy, we strive to be a responsible employer and a pioneer in creating a workplace where each individual can thrive and flourish on their own terms.

# Gender distribution

## Workforce equality – promoting diversity and inclusion

We believe that gender equality is not only a fundamental right but also a strategic and morally important matter when it comes to building a sustainable organization, which can be linked to the 2030 Agenda's Gender Equality goal.

Within our workforce, we strive for an equal and fair gender distribution, and we believe that diverse perspectives are crucial to our success and our ability to solve complex challenges.

### Equality in recruitment

We are committed to creating a workforce where gender is not an obstacle to success, supporting the 2030 Agenda's principles on inclusive workplaces. By implementing equality principles in our recruitment processes, we aim to ensure that every candidate is assessed on their skills, experience, and capabilities, regardless of gender.

### Equality in positions and decisions

We are committed to creating a workplace where all genders have equal opportunities to progress and influence decisions, supporting the Agenda 2030's gender equality goal and the participation of women in decision-making processes.



By monitoring and promoting equality in all our management positions and decision-making bodies, we aim to overcome any barriers that may limit the participation and influence of women within the organization. Furthermore, we take an active role in supporting female leadership development and creating a work culture that supports women's professional growth. We still have a long way to go in this area and will focus even more on balancing gender balance in leadership positions in the coming years.

### Equality in pay and benefits

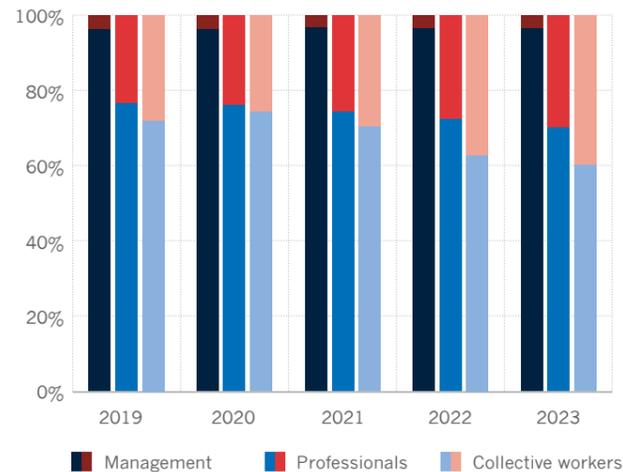
We are committed to creating a fair and equal compensation structure for all our employees, regardless of gender. By regularly conducting salary reviews and analyzing potential pay gaps, we aim to eliminate gender gaps in terms of pay and benefits. We believe in creating a work culture that has fairness and equality as its fundamental principles.

### Continuous evaluation and improvement

We consider gender equality as an ongoing process and are actively engaged in continuous assessment and improvement. We do this by monitoring our gender equality practices, taking into account our employees' feedback and adapting our strategies as needed.

By actively pursuing an equal workforce, we strive not only to meet diversity and inclusion standards but also to build an organization that is resilient, sustainable and at the forefront of social change.

GENDER DISTRIBUTION



# Employee requirements

Our employees are the heart and soul of our organization, and their commitment and actions are key to realizing our sustainability vision. To promote a sustainable work environment and maximize our positive impact on society and the environment, we have established clear requirements for our employees to comply with. These requirements not only aim to meet statutory standards but also aim to inspire a cultural shift towards sustainable and responsible work practices.

### Ethical conduct and integrity

We expect all our employees to act with a high degree of integrity and ethics in all professional contexts. This means avoiding conflicts of interest, maintaining confidentiality, and acting in a fair and responsible manner towards colleagues, customers, and other stakeholders. These aspects are key elements of our onboarding process and are clearly articulated in established policies. This ties in with *SDG 3: Good Health and Well-Being*.

### Sustainability awareness

Our employees are expected to be aware of and committed to our sustainability strategy and objectives. By understanding and supporting our initiatives, we strive to create a work culture where each individual takes responsibility for promoting sustainability in their daily work and decisions. Throughout the year, our sustainability goals and ongoing outcomes are regularly communicated to our employees during staff briefings.

### Diversity and inclusion

We value diversity and inclusion as crucial to the success and sustainability of our organization, underpinning the 2030 Agenda's *SDG 10: Reduced Inequalities*. Our employees are expected to create and maintain a work environment that respects and promotes diversity. By valuing different perspectives and experiences, we strive to create a dynamic and innovative organization.

### Personal development responsibility

We encourage our employees to pursue personal and professional development, underpinning the 2030 Agenda's

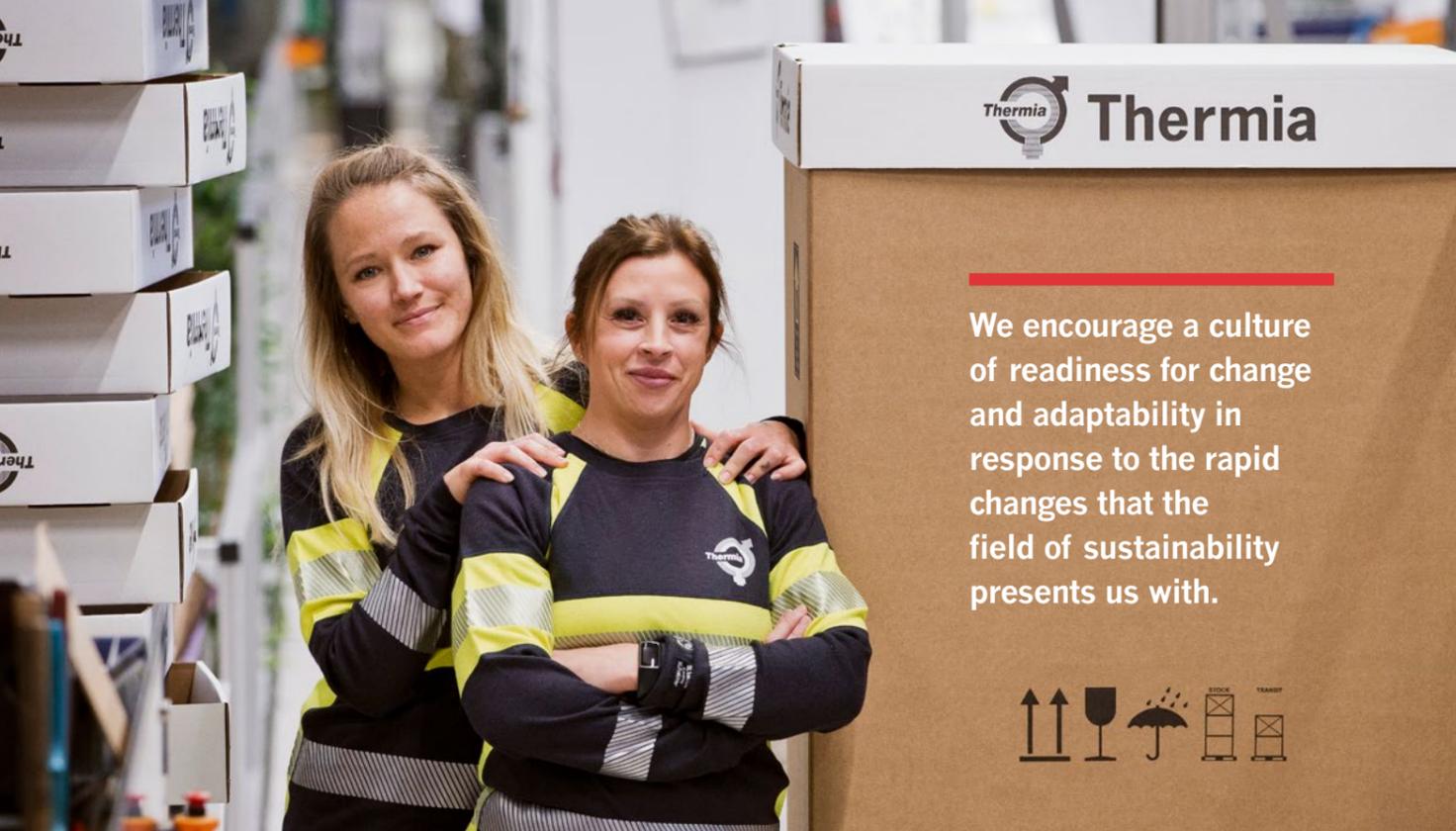


*SDG 4: Quality Education*. By offering education and training opportunities, we strive to develop a workforce that is equipped to meet the challenges of the future and continuously contribute to sustainable operations. As a result, our management has decided to carry out in 2024 the largest ever training initiative in Thermia's history for both collective workers and professionals.

### Social engagement

By supporting volunteering and community projects, we aim to be a positive force outside the workplace and to inspire others to do the same. Among other things, Thermia has during the year supported the newly formed organization Arvika Värme in its fantastic work.

By setting the above requirements for our employees, we aim to build a strong corporate culture that promotes sustainability, responsibility, and collaboration. We believe that our employees are key to achieving and exceeding our sustainability goals, and we are committed to supporting and inspiring them on their journey towards a sustainable future. By embedding these requirements in our work culture, we aim not only to comply with the SDGs but also to actively contribute to their achievement, thereby creating a workplace and society that promotes a sustainable and inclusive future for all.



We encourage a culture of readiness for change and adaptability in response to the rapid changes that the field of sustainability presents us with.



# Thermia's engagement with the local community

At Thermia, we believe that sustainable business goes far beyond mere financial success and extends to an active role in supporting and strengthening our local community. A key element of our sustainability strategy is our engagement with local sports clubs, with the aim of promoting good health, fellowship, and social inclusion.

Over the years, we have established long-term partnerships with several local sports clubs. Through financial support, provision of equipment and volunteer work on the part of our employees, we strive to be a reliable partner for these associations.



We have a high regard for the role of sports clubs as a place of inclusion and diversity. Through our engagement, we seek to support associations in being accessible to everyone and to provide a platform where differences are respected and celebrated, thus aligning with *SDG 5* and *SDG 10: Gender Equality and Reducing Inequalities*.

Throughout the year we have, among other things, sponsored a local ice hockey cup for children and strengthened our collaboration with voluntary organizations that provide assistance to the most vulnerable members of society. We are open and transparent about our engagement with local sports clubs. Our reporting includes detailed information on supported projects and initiatives, financial contributions, as well as voluntary work on the part of our employees. We strive to be an active partner in promoting a sustainable future and bringing about positive change in our local community.



## Promoting new skills

Facing up to the complex challenges of sustainability calls for continued growth and constant upskilling within our organization. By fostering the acquisition of new know-how and supporting continuous learning, we aim to create a work environment suited to today's needs and equipped to meet tomorrow's challenges

We offer our employees ongoing training and development in order to strengthen their ability to deal with complex sustainability issues. By providing resources and opportunities for upskilling and further training, we promote a culture based on lifelong learning and empower our employees to be at the cutting edge of sustainability practices.

### Sustainability-oriented leadership development

We believe in cultivating sustainability-conscious leaders who can guide and inspire their teams towards sustainability goals. In offering specialized leadership programs, we aim to create a generation of leaders who are aware of sustainability-related challenges and equipped to drive change at all levels of our organization.

### Innovation and creativity

In making room for experimentation, we encourage a culture of innovation and creativity, and by supporting initiatives that promote fresh ideas and solutions, we aim to build an organization where new skills flourish and innovative approaches are encouraged. We consider shared knowledge

to be powerful. Promoting collaboration and knowledge sharing within and outside our organization, we aim to create an environment where employees can benefit from each other's knowledge and experience. Furthermore, we support networking and partnerships as a means of maximizing our organization's ability to learn and grow.

### Encouraging readiness for change

We encourage a culture of readiness for change and adaptability in response to the rapid changes that the field of sustainability presents us with. By fostering an environment where employees are open to new ways of thinking and processes of change, we aim to create an organization that is equipped to face the future and succeed.

Our emphasis on new skills not only helps to reinvigorate our organization, but also to position us as agile and prominent in the field of sustainability. We believe that our steady focus on skills development is going to strengthen our ability to be innovative, efficient, and successful in achieving our sustainability goals.



WE AT THERMIA WOULD LIKE TO THANK OUR PARTNERS  
AND EMPLOYEES FOR THEIR SUPPORT AND ENGAGEMENT  
THROUGHOUT OUR SUSTAINABILITY JOURNEY

## Thermia AB

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## About this Sustainability Report

This report concerns Thermia AB,  
org. no. 556269-6483

**PHOTOS** Øyvind Lund, Peter Nilsson

Thermia AB's management team  
endorsed this Sustainability Report  
upon approval of the annual report.



## Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Thermia AB, corporate identity number 556269-6483.

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### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### Opinion

A statutory sustainability report has been prepared.

Karlstad, the day that appears on our electronic signature

Öhrlings PricewaterhouseCoopers AB

Erik Nilsson  
Authorised Public Accountant

# Deltagare

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**ÖHRLINGS PRICEWATERHOUSECOOPERS AB** 556029-6740 Sverige

***Signerat med Svenskt BankID***

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***2024-03-27 13:05:41 UTC***

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Namn returnerat från Svenskt BankID: ERIK NILSSON

Datum

Erik Nilsson

Partner

Leveranskanal: E-post