Group Sustainable Product Policy

"As a global group of companies, it is important for Systemair to have a set of common ethical business practices and standards. Systemair's code of conduct is based on trust, loyalty, honesty, good faith and co-operation.

Systemair strives to lessen the environmental and climate impact of its business. New technology, product development and new findings will be evaluated to improve both our operations and products. Systemair follows the applicable laws and regulations concerning its operations and products to ensure environmental compliance."

Systemair's Code of Conduct

We have to take care of the only planet we have. Awareness and understanding of the importance of taking responsibility of environmental and climate aspects have rapidly increased. Several of our products and solutions perform a valuable job in reducing the energy demand from buildings and by that avoiding greenhouse gas emissions. Our own operations have to aspire to this positive impact. As a global enterprise we take responsibility for our environmental and climate impact throughout the entire value chain. The contents of this policy set out the principles and requirements to ensure that Systemair is a successful, sustainable and an environmentally sound company. This policy is also part of our commitment to the UN Global Compact and the three principles on environmental aspects.

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Introduction and contents

The building sector is where Systemair's products and solutions play an important part in mitigating climate change and our own operations have to be managed in a responsible way for a value chain that strives for a better tomorrow. This policy exists to set out group-wide requirements and guidance on Products design, through their life cycle to ensure conscious decisions being made through concept design, product development, sound environmental business practice including energy usage and emissions from operations. Failure to comply with this policy can have serious consequences for Systemair.

Systemair is a member and supports the UN Global Compact's 10 Principles on human rights, labor, environment and anti-corruption. This policy covers the environmental aspects.

The contents of this policy are:

- Introduction and contents
- Scope of policy
- General principles and specific requirements

- Roles and responsibilities
- Risk management
- Communication and education
- Reporting
- References

The English version of this policy shall prevail should there be any discrepancies between other translated versions.

Scope of policy

This policy applies to all Systemair group companies and all employees that develop, produce or otherwise put products on the market.

General principles and specific requirements

The building sector represents 40% of the total CO_2 per year and Systemair want to provide the most energy-efficient product solutions improving indoor air quality with preferred choice in sustainable products for providing good Indoor Air Quality to keep people and buildings safe and sound.

Below Systemair design principles for circularity in our products are described. An estimated 80% of a product's environmental impact[1] is determined at the design and development

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[1] Reference [1]

stage. Systemair is transitioning the product life cycle management process to support and strengthen product circularity considerations.

Systemair has a long history of providing energy efficient products to our customers and we will continue to strive to improve energy efficiency during operation and strengthening the circular design of our products. The transition is done in an agile manner by first shifting to more recycled materials in new projects but without changing the specifications. In a next step, we change the specification when possible, to be able to design in even more non-virgin materials.

Systemair believe that a prerequisite for transitioning long-term to a circular economy, is to include design for maintenance, repair, replacement, refurbishment, reuse, modularization and to prolong the life-time as well as designing for disassembly and embrace the view that there is no waste but only opportunity to reuse.

Systemair strives to design and develop its products to, when applicable, conform with the technical screening criteria for sustainable economic activities according to the EU Taxonomy. This usually concerns the technical screening criteria specified under the economic activity 3.5. Manufacture of energy efficiency equipment for building in Annex 1.

One key factor will be to partner along the value chain to reach our targets and we will work together with suppliers and partners to improve the circularity and sustainability as a joint effort.

Designing for circularity will not compromise on the following topics:

- Product safety
- Product features and user-friendliness
- Product performance
- Product related social aspects

Product life cycle approach

Systemair supports standardized and transparent ways to support customers in comparing the various products on the market. At Systemair we believe that developing and using one framework widely will benefit our customers as opposed to any national specific frameworks.

We like to look at the product life cycle and we use the LCA methodology to get objective data confirming that our transition into circular product design and development progresses as expected. We strive to design in positive circular effects to be harvested in all stages or the total life cycle by the different stakeholders.
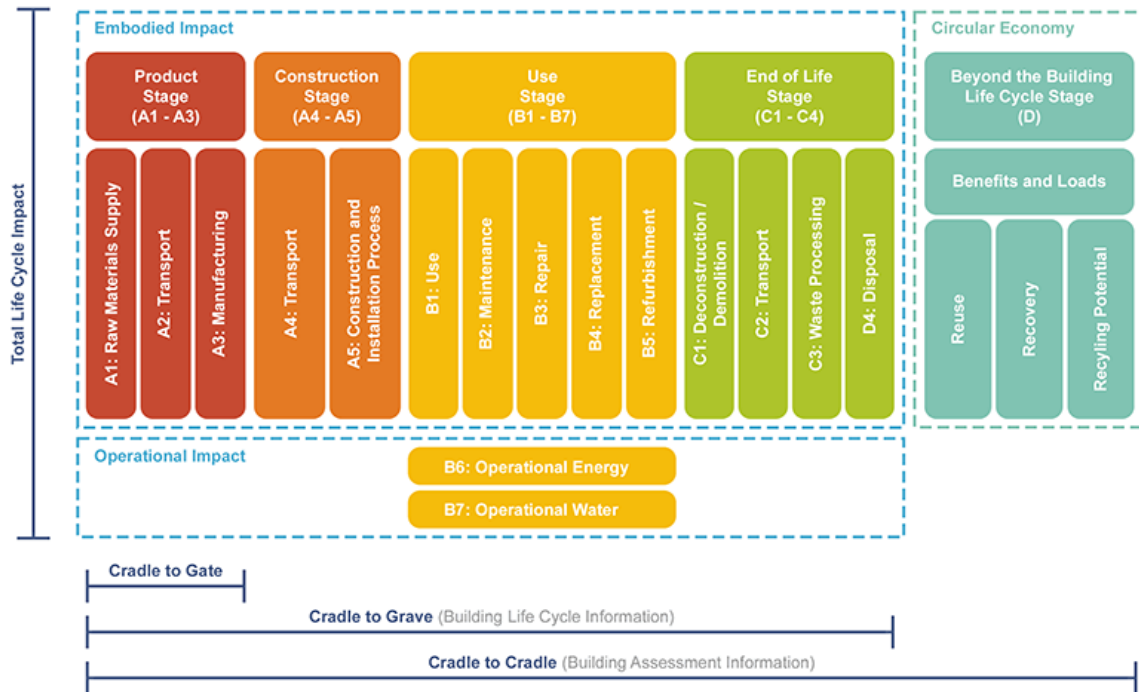
Systemair is enhancing the product life cycle process in line with the below process design parameters.

Design for Material sourcing
- Reduce weight and volume of product
- Increase use of recycled materials to replace virgin materials
- Increase use of renewable materials
- Use materials with lower embodied energy and/or water.
- Eliminate hazardous substances in materials used

Design for Manufacture
- Reduce energy consumption
- Reduce process waste
- Use internally recovered or recycled materials from process waste
- Reduce number of parts
- Reduce environmental impact

Design for Transport and Distribution
- Minimize product size and weight
- Optimize shape and volume for maximum packaging density
- Increase use of recycled materials in packaging
- Eliminate hazardous substances in packaging

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Design for Use (including maintenance, repair, replacement, refurbishment, reuse, modularization)

- Energy efficient
- Increase access to spare parts
- Maximize ease of installation and commissioning
- Maximize ease of maintenance
- Maximize of reuse and disassembly
- Maximize ease of materials recycling

Design for End of Life

- Avoid design aspects hindering materials recycling
- Reduce amount of residual waste generated

Common to all steps above is that hazardous substances must be eliminated, energy and water consumption should be managed carefully. Harvesting the environmental benefit of recycling only happens when recycled materials replaces virgin at a lower environmental cost.

Roles and responsibilities

This policy is approved by the VP Global Supply Chain, member of Group Management. It is revised at least once per year to ensure an up-to-date policy in line with internal and external stakeholders' requirements and expectations. Group Technical Director is responsible for developing and revising the policy.

All employees have a personal responsibility to adhere to this policy. Local Management has extra responsibility to promote this policy and create necessary conditions to follow and monitor compliance.

Risk management

Systemair manages risks on a continuous basis with a larger assessment carried out annually. Systemair's overall risk management process is built on four steps: identification, assessment, mitigation and monitoring. Systemair is a global enterprise, and the risk of violation depends on multiple aspects such as country of operations.

Systemair are looking at and mitigating risks to secure our ability to provide compliant products according to customer expectations at the right time and in the right geographical locations, as part of the overall risk management process.

Communication and education

This policy is available on Systemair's Global Management System and should be read by all who have access to it. If any uncertainties arise after reading, this should be brought up with the individual's immediate manager.

Systemair is stepwise implementing a circular approach into our product life cycle maintenance processes. Local Systemair companies must carry out regular trainings for employees on the contents of this policy to improve awareness and knowledge on the topics. New employees should always be trained when they start.

Reporting

Systemair gathers information in three ways: Annual and quarterly reporting (GRI criteria), internal communication and if necessary, a whistleblower function. Communication is based on one of our core values Trust and the importance of employees reporting and escalating possible irregularities when made aware.

With the annual and quarterly reporting relevant indicators are gathered to give information on progress and provide a transparent view of status for stakeholders.

Sustainable products KPIs should be reported quarterly by Group Technical Director.

References

[1] Designing for the Circular Economy, Edited by Martin Charter, ISBN:978-1-138-08101-7

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