

Group Environmental, Energy & Emissions Policy

“As a global company, 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. Most 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.

Roland Kasper, President Systemair Group



Introduction and contents

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 contributes to a better tomorrow. This policy exists to set out group-wide requirements and guidance on 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:

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- Roles and responsibilities
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- Reporting

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 for all Systemair's employees. This policy is mainly relevant for companies with manufacturing operations, sales companies can only adhere to the requirements that are applicable to their business.

General principles and specific requirements

Managing environmental and climate related issues are part of Systemair's sustainability framework. The following sections describe key areas for Systemair companies to work with in a responsible way. In addition to the specific parts described in this policy Systemair's overall code of conduct contains the following non-negotiable codes:

- Systemair follows the applicable laws and regulations concerning its operations and products to ensure environmental compliance
- Systemair has a precautionary approach to environmental issues and makes sure to evaluate the impact of business decisions (Principle 7 of the UN Global Compact)
- Systemair is aware of the environmental and climate impact its operations have and make sure to integrate and evaluate relevant aspects in business planning and decision making (Principle 8 of the UN Global Compact)
- Systemair selects environmentally sound technologies to minimize waste, emissions and pollution (Principle 9 of the UN Global Compact)

Environmental issues

Environmental management system, ISO 14001

Working with environmental issues in a systematic and structured way is important to ensure sound environmental business operations.

All Systemair's manufacturing companies must ensure a robust environmental management system, where implementing ISO 14001 is the ultimate objective. ISO 14001 is the international standard that specifies requirements for an effective environmental management system.

Material efficiency and circularity

Increasing material efficiency in products and manufacturing processes play a key role in achieving important environmental and climate targets. Material efficiency concerns using less material overall and primarily virgin material in manufacturing. Material efficiency is therefore related to circularity where the overall objective is to extend and optimize the use of resources and reduce greenhouse gas emissions.

All Systemair companies have to strive for an increased material efficiency and improved circularity. This requires monitoring of relevant metrics to understand proportion of renewable, recycled, recyclable and reusable materials.

Waste management

Waste includes all types of material waste that originates from our operations mainly being metal, plastic, paper/cardboard and hazardous waste.

All Systemair companies must work to reduce waste sent to landfill or incineration. All waste should firsthand be reused in Systemair's or partners' processes when possible, and secondly recycled or utilized in other recovery options.

All Systemair companies must ensure that both the physical and administrative processes are in place for waste management. Continuous monitoring and analyses at regular intervals should be carried out on waste to reduce and improve.

Hazardous waste

All Systemair companies must strive to reduce hazardous waste. Health and safety is top priority and responsible management of hazardous waste is mandatory, including compliance with local laws. Materials resulting in hazardous waste should be monitored, measured and replaced with more sustainable alternatives when possible.

Chemical management

All Systemair companies must manage chemicals in a responsible way and ensure that there is zero discharge of hazardous pollutants. The management of chemicals must include processes that ensure proper compliance with both health and safety of employees and environmental aspects. Use of harmful chemicals should be challenged and replaced with more sustainable alternatives when possible.

Water management

Systemair is a global enterprise with manufacturing sites in several geographical areas, where conditions for water management strongly vary. Systemair operates so called discrete manufacturing and therefore has limited water use in its manufacturing processes.

All Systemair companies located in areas with a medium to high water stress level must engage in a greater societal responsibility where water usage is limited and alternative water sources such as storing, and cleaning rainwater are utilized. All Systemair companies must monitor water consumption and withdrawal from municipal or own water sources.

Local environmental compliance

All Systemair companies must follow and comply with local laws and regulations in each country that it operates. Each subsidiary has the responsibility to find, interpret, implement and comply with local laws and regulations.

Protecting biodiversity

All Systemair companies must ensure that their operations do not harm the local biodiversity and by that protect the local nature, natural habitats and its ecosystems. Local initiatives to preserve biodiversity are encouraged, such as placing beehives.

All new establishments or expansion of property must include a risk assessment of environmental and biodiversity impact.

Energy usage and emissions from operations

Energy-efficient operations

Improving energy efficiency in operations is one of Systemair's key focus areas in its sustainability framework and strategy. Improving energy efficiency can give several benefits such as reduced greenhouse gas emissions, lowered costs, reduced pressure on local electricity grid and increased value of assets and property if the reduction is linked to an investment.

All Systemair companies must monitor energy consumption and continuously analyse how to reduce, optimize and improve.

Greenhouse gas emissions from operations

Systemair takes responsibility in limiting global warming. All Systemair companies must engage actively in lowering their greenhouse gas emissions. Reducing use of energy from fossil sources is a key priority, both in own operations and in the supply chain overall.

Greenhouse gas emissions are divided into three Scopes according to the Greenhouse Gas Protocol. Scope 1 includes all emissions from Systemair's owned assets including leased vehicles, the largest source being natural gas for heating or utilized in production processes. Scope 2 includes all emissions from generating electricity or district heating for Systemair's use, these emissions can strongly vary depending on fuel source for generating electricity or heat.

All Systemair companies must monitor emissions in Scopes 1 and 2 to understand necessary actions to lower greenhouse gas emissions. All Systemair companies must set a local emission reduction target.

Scope 3 emissions are not covered in this policy. Systemair is in the process of mapping these to set targets and plans to reduce Scope 3 emissions. For Systemair's purchased transport a separate internal [policy](#) exists that includes guidelines for emissions.

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 Sustainability 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 consists of 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.

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 individuals immediate manager.

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.

Through Systemair's whistleblower function employees and partners can provide information while being guaranteed total anonymity. All reports are received and investigated by an external company. Cases can be reported via Systemair's website or Intranet. Cases are reported to Systemair's whistleblowing committee.