

# GRI Appendix

NIBE Group 2016

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# General Standard Disclosures

## Strategy and analysis

*G4-1 - Statement from the most senior decision maker of the organisation*

*Reference AR 6, 7 »*

*G4-2 - Description of key impacts, risks, and opportunities*

*Reference AR 8-15, 24, 25, 70, 71 »*

## Organisational profile

*G4-3 - Name of the organisation*

**NIBE Industrier AB**

*G4-4 - Primary brands, products and services*

*Reference AR 8-11, 36, 37, 44, 45, 50 »*

**Web Reference [www.nibe.com/nibe-group/our-products](http://www.nibe.com/nibe-group/our-products)**

The company has a tradition going back many years of manufacturing products for both household and commercial use, and is a leader in the manufacture of products for indoor climate comfort, heating and applications for energy efficiency. Entrepreneurship and a passion for doing business, investments in product development and corporate acquisitions have led to significant expansion of the Group, which now has sales exceeding SEK 15 billion.

*G4-5 - Location of the headquarters*

NIBE is a Swedish company with its roots in the southern province of Småland and head office in Markaryd.

*G4-6 - Number of countries where the organisation operates*

*Reference AR 1-5 »*

**Web Reference [www.nibe.com/nibe-group](http://www.nibe.com/nibe-group)**

NIBE is present on the five continents. The Groups own companies exist in Australia, Austria, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Italy, Malaysia, Mexico, Netherlands, Norway, Poland, Russia, Spain, Sweden, Switzerland, UK and USA.

Vietnam has been added to the countries during 2016, and will be included in the GRI-report full year 2017.

*G4-7 - Nature of ownership and legal form*

*Reference AR 31-33, 87-89, 94 »*

NIBE is listed on the NASDAQ OMX Stockholm Exchange, Large Cap list, with a secondary listing on the SIX Swiss Exchange.

NIBE's 2016 Annual Report covers trademarks, ownership, changes in structure and size, geographical market presence, and a detailed account of financial results and key figures.

*G4-8 - Markets served*

*Reference AR 1-5 »*

NIBE is an international Group within heating technology and energy efficiency with sales in Europe, North America, Asia, Australia and Africa.

The Group consists of three business areas covering different product segments directed towards several industries:

1. NIBE Climate Solutions provides sustainable energy solutions for indoor comfort through a wide range of products for heating, cooling, ventilation, heat recovery and hot water heating for houses, apartment blocks and other large buildings, including commercial real estate.
2. NIBE Element provides components and solutions for measurement, control and heating designed for producers and users of industrial and consumer products.
3. NIBE Stoves offers stoves and chimney systems for different types of houses and commercial buildings.

*G4-9 - Scale of the reporting organisation*

NIBE Group had on average 11,900 employees during 2016. Group sales in 2016 totaled 15.4 million with an operating margin of 12.9%. NIBE Climate Solutions accounted for 62% of sales, NIBE Element 27% and NIBE Stoves for the remaining 11%.

*G4-10 - Total workforce by region*

Reference AR 77 »

Employees	2016	2015	2014	2013	2012
Average no. per year	11 869	10 545	9 726	8 983	8 006
Europe	60%	65%	69%	71%	*
Asia and Australia	8%	9%	9%	10%	*
North Amerika	31%	26%	22%	19%	*
Blue collar	69%	70%	69%	*	*
White collar	31%	30%	31%	*	*
Men	62%	61%	64%	*	*
Women	38%	39%	36%	36%	32%

\*No data

*G4-11 - Percentage of employees covered by collective bargaining agreements*

49%

*G4-12 - Describe the organisation's supply chain*

The supply chain consists of approximately 3,500 suppliers of direct material. The highest purchase volumes come from suppliers in Europe and North America. The product categories that represent most value are metals and electronics. Many of our suppliers are long term suppliers where we have a close relationship, often developing components and parts for our products together. The procurement of direct material is to some extent centralised, whereas indirect material purchasing is made entirely locally.

*G4-13 - Significant changes during the reporting period*

During 2016 NIBE Group acquired ten companies adding approximately four billion SEK to the annual turnover. These acquisitions affected the reporting of financial data for 2016, but will not affect the non-financial reporting until the first full year in the group after acquisition.

Two new companies were included in the non-financial reporting during 2016: Termorad in Poland and Backer Marathon in Texas, USA. Together they represent 0.6% of the total turnover 2016.

*G4-14 - Explanation of the precautionary approach*

NIBE applies a precautionary approach in connection to any changes in products or in the production processes. Risk assessments are made before changes are carried out. It includes changes in input material, product design, manufacturing process, logistics and before constructing or changing buildings. The product life cycle is taken into account when carrying risk assessments.

*G4-15 - Externally developed economic, environmental and social principles*

NIBE is a signee of Global Compact since 2014 and are committed to support the Agenda 2030. NIBE also reports according to CDP and give financial support to organisations like Hand-in-Hand and SOS Children's Villages. The individual companies within NIBE Group are members of a number of industry associations and initiatives on national level.

*G4-16 - Membership of associations and advocacy organisations*

NIBE has chosen to actively participate in a number of industry organisations and standard organisations, on national, EU and international level. The participation is decided by the need of the particular business area and/or product group. The objective is to advocate NIBE's interests, contribute with expertise and opinions as well as to keep informed of the current development. We have chosen not to disclose the list of memberships.

## Material aspects and boundaries

*G4-17 - Operational structure of the organisation*

Web Reference [www.nibe.com/nibe-group](http://www.nibe.com/nibe-group)

*G4-18 - Process for defining report content*

Reference AR 24-25 »

**Step 1: Identification**

Relevant topics have been identified by looking at the different types of impact that occur in each step of our value chain. We have considered our products, market and supply chain, as well as our vision and mission in view of what needs to be improved in order to support sustainable development. We have considered the impact outside the organisation and in the interfaces between the organisation and external parties, combined with what topics and concerns our stakeholders historically have raised. This gave us a gross list of possibly material topics that needed prioritisation.

**Step 2: Prioritisation**

We used the list of identified topics as a basis for our stakeholder dialogue and for our internal discussions. All the topics were rated from the most important to the least important. From the list of rated topics, we have chosen to focus on the top 15-20 ones that have been considered as most important both by our external and by our group management team.

**Step 3: Validation**

We have analysed the outcome of step 1 and 2, and found that the prioritised topics represent a balanced combination that includes several angles of our economic, environmental and social responsibility. These topics might change over time, as our business develops and stakeholder demands changes.

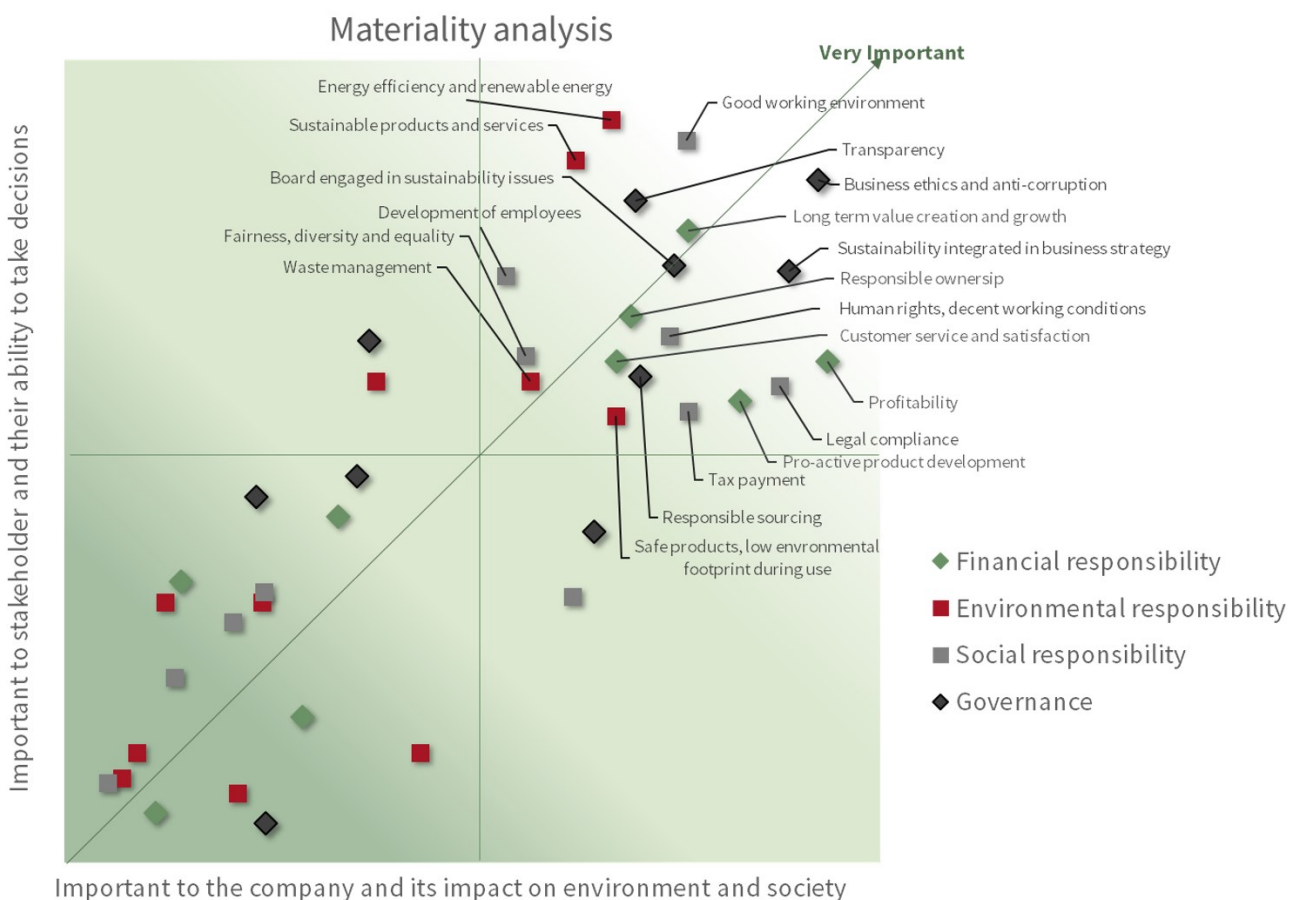
*G4-19 - List all the material aspects identified*

*Reference AR 24 »*

## Materiality analysis

NIBE's working group for sustainability issues together with Group management carried out a materiality analysis based on the areas that are regarded as most relevant to the company's operational focus and geographical presence as well as international initiatives such as the Global Compact and Agenda 2030 (SDG). The assessment also included business environment requirements, global trends, standards (GRI, ISO 14001 and CDP), the Company's expected future growth, with the concomitant risks and opportunities, and the outcome of the dialogue with stakeholders.

The top priority aspects are summarised in the diagram below.



If we compare NIBE's current work in the areas identified as priorities in the materiality analysis, it sits well with the choices and priorities made by NIBE to date:

- NIBE's products support the transition to sustainable cities and infrastructure. The product range is largely based on energy efficiency enhancement and renewable energy and is therefore in line with climate-adapted products as a business strategy.
- NIBE invests in energy efficiency enhancement and renewables in its own operations and has measurable targets for this.
- The decision to sign the Global Compact reinforced NIBE's previously communicated values to respect human rights and take responsibility for the natural environment, working environment and ethical business methods.
- NIBE has an accident rate target to create a safe working environment.
- NIBE has responded to the need to train its staff. In the last two years, we have implemented extensive training initiatives in ethical business and anti-corruption, primarily for those who have external contacts.

In line with its operational priorities and where it was considered possible to exert influence, NIBE has chosen to prioritise six of the seventeen goals included in Agenda 2030:  
See Annual report page 25.

In working on the materiality analysis, we identified many areas, in addition to those in which we already work, which require further work.

- A policy for anti-discrimination, diversity and gender equality will be drawn up. The work of subsidiaries will be evaluated against the policy and national legislation in connection with site visits.
- The focus on sustainability in the governance process will be increased by sustainability issues being communicated to the Group Board of Directors to a greater degree. Our annual GRI report will be signed by the Board of Directors, and sustainability will be integrated in our financial reporting.

The working environment will be an agenda item at subsidiaries' board meetings at least twice a year, with accidents and actions being reported. All companies with more than 15 employees and an accident rate of more than 10 accidents per million hours worked will be required to prepare a written action plan for how they will achieve the target of an accident rate lower than 6 before the end of 2018. The plan will be evaluated and approved by the Group's working group for sustainability issues, the 'Sustainability Council'. (See page 101 of the Corporate Governance Report ).

In 2017, there will be a review of existing targets and ratios, based on the achievement of targets in 2016.

*G4-20 - Report the Aspect Boundary of each material aspect.*

Concerning limiting and reporting of environmental impact during the manufacturing and distribution phases of our products, we have included our production facilities (see table with production companies). Sales offices are included only in the reporting of energy use and carbon dioxide emissions (see list of sales offices included).

Concerning healthy and safe work environment, all companies within the NIBE Group, production and sales offices alike, report injuries and sick leave. The aspect is material primarily within the organisation (see complete list of companies in Annual report, page 88, 89).

For Aspect Boundary within the organisation and other aspect boundaries, see each aspect.

*G4-21 - The Aspect Boundary outside the organisation*

See each aspect.

*G4-22 - Explanation of the effect of any re-statements*

No significant re-statements

*G4-23 - Significant changes from previous reporting periods in the Scope and Aspect Boundaries*

No significant changes

## Stakeholder Engagement

*G4-24 - List of stakeholder groups engaged by the organisation*

We have included the following in the stakeholder groups whose opinions are of greatest importance to the Company and/ or are affected most by the Company's profit: shareholders, B2B customers in various sectors, end customers and installers, employees, suppliers, analysis institutes and other representatives of the financial sector and public authorities (supervisory and local).

*G4-25 - Basis for identification and selection of stakeholders*

We used an assessment method where we viewed each stakeholder group according to their power, legitimacy and urgency (Mitchel et al 1997). From the assessment we could identify our key stakeholder, their presumed interests in the company, and a channel to engage with them.

*G4-26 - Approaches to stakeholder engagement*

Analysts and representatives from the financial sector often approach the company via interviews and questionnaires. We have studied the content and what subjects are included in the questions they ask us, and from that we have drawn conclusions about what they find material. We always respond to these kind of requests which could be annually or biannually. We have also asked a number of people from that group to respond to a questionnaire in 2016.

Employees are approached via surveys and the conclusions we can draw from various grievance mechanisms and the suggestions that comes in through internal channels.

The results of the qualitative surveys were used to create a simple questionnaire with identified sustainability aspects in six different areas: finance, products, environment, working environment, governance and society. The questionnaire was completed online by around 200 individuals. We were not able to cover all stakeholder groups in 2016 and still have relatively limited statistical data from the quantitative surveys. However, it was possible to compile a sufficient quantity of data during the year to create a representative basis for our materiality analysis.

We see this as an ongoing process in which the data will be improved from year to year as we gather more facts. The frequency is not yet established since this year was the first time we used a questionnaire for the stakeholder dialogue.

*G4-27 - Key topics and concerns*

The top ten most important topics raised through our stakeholder engagement were:

- Energy efficiency and renewable energy
- Healthy and safe work environment
- Sustainable products and services
- Business ethics and anti-corruption
- Long term value creation and growth
- Transparency
- A board that is engaged in sustainability issues
- Climate adapted products
- Employee development
- Fairness, diversity and equality

For our response to these topics, see each indicator.

## Report profile

*G4-28 - Reporting period*

Full year 2016

*G4-29 - Date of most recent previous report*

April 2015

*G4-30 - Reporting cycle*

Annually

*G4-31 - Contact point for questions regarding the report or its contents*

sustainability@nibe.se

*G4-32 - GRI Content Index*

In Accordance G4 - Core



## Reporting companies

Production companies included in the reporting in 2016:

The report includes all companies (see Annual Report p. 88, 89) concerning financial data and employee statistics.

Concerning environmental impact, like material use, waste and effluents, 44 (42) production companies are included as listed below.

Country	Company	Location
Denmark	Danothem Electric	Rödovre
	Eltwin	Rissov
	JEVI	Vejle
	KVM-Genvex	Haderslev
	METRO Therm	Helsingø
	SAN Electro Heat	Graested
Finland	Akvaterm	Kokkola
	Kaukora	Turkku
	Loval	Loviisa
	Meyer Vastus	Onnikylä
Italy	Backer Fer	San Agostino
China	Backer Heating Technologies	Shenzhen
	Backer-Springfield	Dongguang
Malaysia	Askoma SDN BHD	Johor Bahru
Mexico	Backer Alpe	Monterrey och Toluca
	Backer EHP	Nuevo Laredo
	Springfield Wire de Mexico	Nuevo Laredo
Netherlands	Sinus Jevi Electric Heating	Medemblik
Norway	Höiax	Fredrikstad
	Norske Backer	Kongsvinger
Poland	Backer OBR	Pyrzyce
	Eltwin	Szczecin
	NIBE-Biawar	Bialystok
	Northstar Poland	Trzcianka
	Termorad*	Radom
Russia	Evan, JSC	Nizhny Novogorod
Switzerland	Askoma	Butsberg
	Backer ELC	Teufenthal
	Schulthess Maschinen	Wolfhausen
Spain	Backer-Facsa	Aiguafreda
UK	Gazco	Exeter
	Heatrod Elements	Manchester
Sweden	Backer BHV	Sösåå
	Backer BHV Calesco	Kolbäck
	NIBE AB	Markaryd
Czechia	Backer Elektro	Hlinsko
	Backer Eltop	Miretice
	DZ Dražice - strojírna	Nad Jizerou
Germany	ait-deutschland	Kasendorf
USA	Backer Marathon*	Del Rio, Texas
	Enertech Global LLC	Greenville, Illinois
	WaterFurnace International	Fort Wayne, Indiana
Austria	KNV Energietechnik	Schörfling am Attersee

\*These companies have been added since the previous reporting period. Together they comprise approximately 0.6% of total sales.



Concerning energy use, 25 sales companies are also included:

ABK AS	NIBE Systemtechnik GmbH
AIT Schweiz AG	NIBE Energietechnik B.V.
Backer Calesco France Sarl	NIBE Energy Systems France SARL
Backer EHP, Inc.	NIBE Energy Systems Ltd
Backer Heating Technologies Inc.	NIBE Energy Systems OY
Backer Wolff GmbH	NIBE Foyers France S.A.S.
Backer-Wilson Elements Pty Ltd	Nordpeis AS
Hyper Engineering Pty Ltd	Schulthess Maschinen GmbH
KKT chillers, Inc.	Stovax Limited
Lotus Heating Systems A/S	TermaTech A/S
Lund & Sørensen A/S	Varde Ovne A/S
METRO Therm AB	Völund Varmeteknik A/S
Motron A/S	

## Assurance

*G4-33 - Policy and current practice with regard to seeking external assurance for the report*

We are currently not seeking external assurance for this report.

## Governance and Ethics

*Aspect: Governance*

*G4-34 - Governance structure of the organisation*

*Reference AR 100 »*

Web Reference [www.nibe.com/nibe-group](http://www.nibe.com/nibe-group)

Management of the Group's sustainability work

NIBE's Board of Directors bears the ultimate responsibility for ensuring that risks are managed and sustainability work meets the requirements of public authorities, shareholders and other company stakeholders.

The Group's working group for sustainability reports to the Sustainability Council, which consists of the working group, the Managing Director, the CFO and the business area managers.

A large proportion of the work is governed by national legislation, for example environmental legislation and labour law, but we are also under an obligation to comply with regional and international law and voluntary undertakings such as the Global Compact.

The management of each company is responsible for local operational sustainability work and for compliance with Group guidelines. These managers report to the business area managers in each area.

The Group's working group for sustainability regularly visits the companies in the Group to monitor compliance with common policies and guidelines. The working group is also responsible for the work at a strategic level and reports on sustainability issues to the Boards of Directors at Group and business area level.

*Aspect: Ethics and Integrity*

*G4-56 - Internally developed statements of mission or values and principles*

*Reference AR 16,17 »*

We have expressed our code of conduct in three folders titled Our Values, Our Business Principles and Our working methods. The content is aligned with the ten principles of the Global Compact. The folders are available in fourteen languages on our website and on the NIBE intranet. All companies are provided with the printed version and the content is part of the induction training. When a new company enters the Group, the management is obliged to communicate the code of conduct to all employees. The implementation is evaluated by the working group for sustainability issues in connection with regular company visits.

*G4-57 - The internal and external mechanisms for seeking advice on ethical and lawful behavior*

Advice on ethical and lawful behaviour is mainly taken care of within the line organisation. Managers have the responsibility to seek advice when their knowledge or mandate is not sufficient. When especially delicate or difficult matters occur, access to expertise is granted through channels both within and outside the organisation.

*G4-58 - The internal and external mechanisms for reporting concerns about unethical or unlawful behavior*

All individuals within or outside the organisation are authorised to report any concern about unethical or unlawful behaviour. Employees are encouraged to report this through the line management, but if that is not possible, they are encouraged to use the whistleblowing function. The whistleblowing function is a shared external resource used by all companies within NIBE Group and the procedure how to use the function is communicated to all employees. Information about how to report is also available on our intranet. We usually receive one or two reports each year and these are handled according to the nature of the case.

## Specific Standard Disclosures

### Economic Performance

*DMA - Generic Disclosures on Management Approach*

*Reference AR 3 »*

NIBE's overall goal is to combine strong and sustained growth with good profitability in order to create long term value. Strong profitability is considered as the basic condition for our long term success. All three business areas have the target of an operating profit of at least 10% of sales per year.

Profitability and value creation is important for the company itself, our employees and our freedom to act, but it is also important for our shareholders, our suppliers and others who depend on our business to continue their own business.

*G4-EC1 - Direct economic value generated and distributed*

*Reference AR 13, 76, 77, 85 »*

Created value per stakeholder group 2016		
Stakeholder Group	Financial value	MSEK
Customers	Sales	15 348
Suppliers	Payments	9 261
Enterprise	Investments	5 156
Employees	Salaries and social security	3 801
Public sector	Tax	360
Shareholders	Dividend	369
Lenders	Interest	111

*G4-EC2 - Risks and opportunities due to climate change*

*Reference AR 11, 70, 71 »*

Extreme weather conditions in the form of storms, flooding and extreme heat or cold represent a risk of damage to property and entail an increased risk of damage to the environment in the form of spills, unplanned discharges and leakage. They also create a risk that production will be interrupted and ability to supply will fall. Risks of damage and loss can be minimised using risk analyses and preventive measures and by being prepared. NIBE has global insurance cover for major losses caused by natural disasters.

We see business opportunities as many of our products contribute to the transition to a less carbon intense society.

*G4-EC3 - Coverage of the organisation's defined benefit plan obligations*

*Reference AR 76, 77, 91, 92 »*

### Environmental Performance

#### Materials

*DMA - Generic Disclosures on Management Approach*

The use of materials is an important aspect within the organisation, especially for our producing companies. It is also important outside the organisation as we need to secure our products from hazardous substances and conflict minerals. It means that we have to start from the sourcing process to be able to fulfill our customers demands on product safety and legal compliance.

Minimising use of materials and care for natural resources starts in our product development. Minimising the use of materials in our products, lowers not only costs for material and transportation, but also waste generation.

We have increased our total use of material, but if we compare it with sales, the material intensity is lower than it used to be.

*G4-EN1 - Materials used by weight or volume*

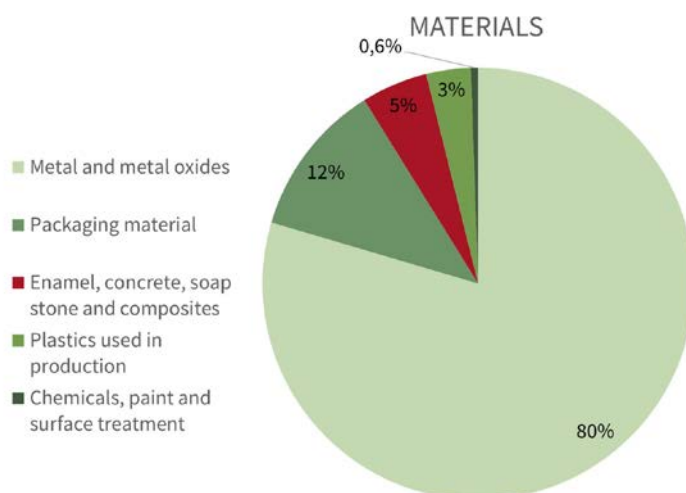
Metals such as iron, steel, copper and brass along with magnesium oxide represent 80% (76%) of our total inputs. Other inputs are stone, concrete, enamel, plastic, composite components and chemicals such as dye and glue.

In 2016, 9,580 (10,900) tonnes of packaging material were used, consisting of wood, board, plastic and steel.

Refrigerants used to fill our products amounted to 139 tonnes.

Material, tonnes	2016	2015	2014	2013	2012
Direct materials	73 150	68 270	67 780	61 230	56 360
Metals and metal oxides	65 830	65 080	64 950	64 920	61 120
Enamel, concrete, stone	4 110	2 810	4 140	3 030	4 150
Plastics	2 750	2 590	2 360	2 210	2 050
Additives	460	418	430	403	294
Water based paint and glue	60	68	67	152	116
Solvent based paint and glue	220	180	203	121	38
Powder based paint	180	170	160	130	140
Packaging materials	9 580	10 390	9 370	6 440	5 040
Plastics	320	340	310	260	260
Wood	6 645	6 580	5 900	3 920	2 890
Cardboard	2 462	3 330	3 080	2 240	1 880
Other	153	130	80	14	16
Combined components	1 375	1 374	1 379	*	*

\* No data available



G4-EN2 - Percentage of materials used that are recycled input materials

Not reported.

We do not have complete data to report the percentage recycled input material of all our materials today. We have however started to gather information on our main materials and aim to be able to report this in the future.

## Energy

DMA - Energy

Reference AR 8-11 »

Energy use is a very important aspect within the organisation both concerning lowering the usage and shifting to renewable energy. Energy is also the backbone in our business strategy, as our core business is to provide the market with sustainable energy solutions. Our aim is to provide the market with products and services that increase energy efficiency and lower carbon emissions.

The approach is to work internally with our own energy use and to develop products that can support a transition to a low carbon society and less climate impact.

One of our targets is to have at least 55% of our turnover from product that are LCE classified according to FTSE's LCE-index\*.

\*<https://www.ftserussell.com/index-series/index-spotlights/green-revenues>

G4-EN3 - Energy consumption within the organisation

Reference AR 23 »

Our total energy consumption, direct and indirect (excluding transportation), was 169\* (157) GWh. Of this, 3.1 (2.5) GWh consists of electricity, heat and cooling we generated from solar and wind power and heat pumps.

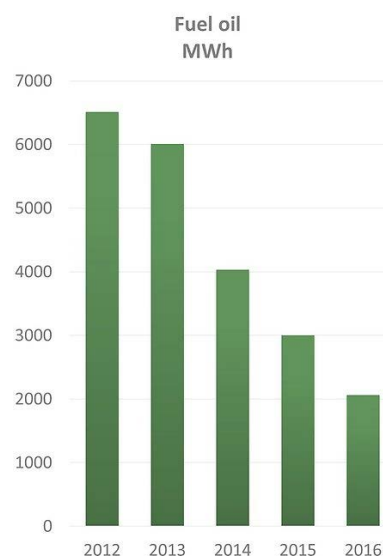
Our indirect energy consumption, i.e. purchased electricity and district heating, amounted to 112 (102) GWh. Of this, 105 (96) GWh was electricity consumption. Almost all our purchased electricity comes from renewable sources.

We have started to measure emissions from transportation and now we have comparable data for our own vehicle fleet for consumption of diesel and petrol. The consumption of petrol was 3.2 GWh and diesel 20.3 GWh. This is an increase on the previous year of 10% for petrol and 11% for diesel.

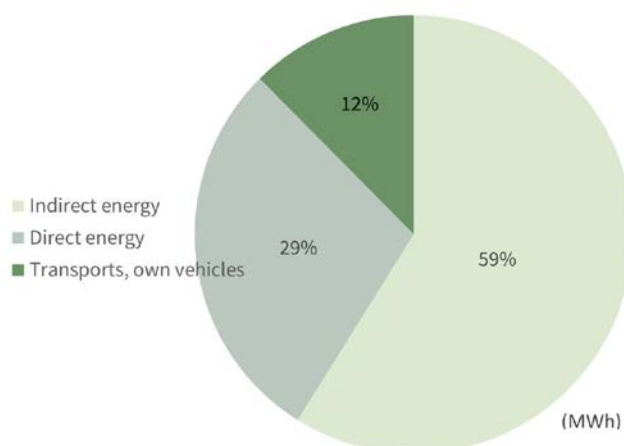
Energy use, MWh	2016	2015	2014	2013	2012
Energy use <sup>1</sup>	169 000	157 000	153 000	141 000	128 000
Direct energy	50 800	49 300	51 100	52 200	47 100
Fuel oil	2 060	3 070	4 030	6 010	6 510
LPG/propane	10 210	10 260	11 400	10 930	10 340
CNG	140	130	160	*	*
Natural gas	38 510	35 950	35 700	35 240	30 270
Pellets	3 320	3 410	3 180	290	1 580
% Renewable direct energy	6%	6%	6%	1%	3%
Self-produced energy	3 100	2 500	1 700	*	*
Electricity from sun and wind	30	20	10	*	*
Heat from sun and heat pumps	2 820	2 310	1 720	*	*
Cooling from heat pumps	210	200	0	*	*
Indirect energy	111 700	101 600	97 200	88 500	79 600
Electricity	104 700	95 950	91 970	83 140	74 350
District heating	6 970	5 610	5 220	5 380	5 200
% Renewable energy of total use	66%	65%	63%	59%	59%

<sup>1</sup>Excluding self-produced energy

\*Data is unavailable



PERCENTAGE OF TOTAL ENERGY USE



\*Some late corrections have been made due to discovered mistakes in the reporting. The previously reported figure was 167.

G4-EN4 - Energy consumption outside of the organization

Reference AR 11, 70, 71 »

We do not have enough reliable data to be able to report energy use outside our organisation.

G4-EN5 - Energy intensity

Even though our total energy use has increased due to increased production, the intensity is lower due to the increased sales.

*G4-EN6 - Reduction of energy consumption**Reference AR 76, 77, 91, 92 »*

Our target is to reduce our energy intensity by 30% compared to 2013 before end of 2020. This corresponds to a reduction from 14 MWh per SEK million in sales in 2013 to <10 MWh per SEK million in sales in 2020. Consumption of energy has fallen to 10.0 (11.7) MWh per SEK million, which means that we have already achieved our target for 2020. A new target will therefore be established in 2017.

Energy audits were carried out at 5 (4) plants in 2016. We will carry out a further five energy audits in 2017.

Our target is to phase out fuel oil burning from all our own properties and replace it with heat pumps or other fossil free technology. During the last three years the consumption of fuel oil has decreased by 66%.

*G4-EN7 - Reductions in energy requirements of products and services**Reference AR 40 »***Product examples:***Heat-pumps*

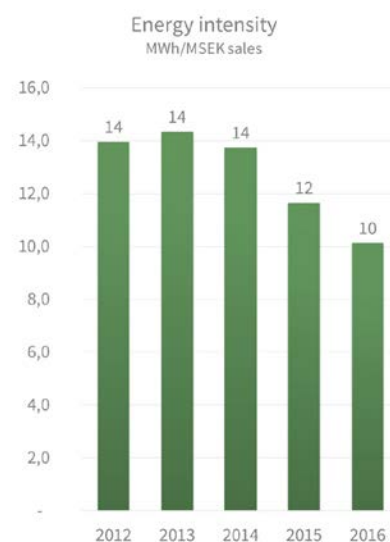
A ground-source heat pump can save up to 80% compared with a situation in which the building was heated with direct-acting electricity. Both economical and environmentally friendly.

*Inverters*

Electric motors in equipment such as for example pumps, compressors and fans normally operate at a fixed speed. Inverters can reduce energy use in electric motors by matching motor speed to the changing load and system requirements. Compared to other ways of controlling partial loads, frequency inverters can in some applications, reach up to 50 % in energy savings.

*Wood burning stoves*

Our modern stoves has far lower wood consumption and emissions into the environment than older stoves. A test carried out in 2016 by Swedish Energy Agency showed that wood consumption can be reduced by around 20% and emissions into the environment halved or reduced by up to 85%. In the test, modern stoves were compared with two older stoves from the 1980s and 1990s. Most of the modern stoves tested have an efficiency of 75-80%, while the older stoves in the test are at 59-66%.



## Water

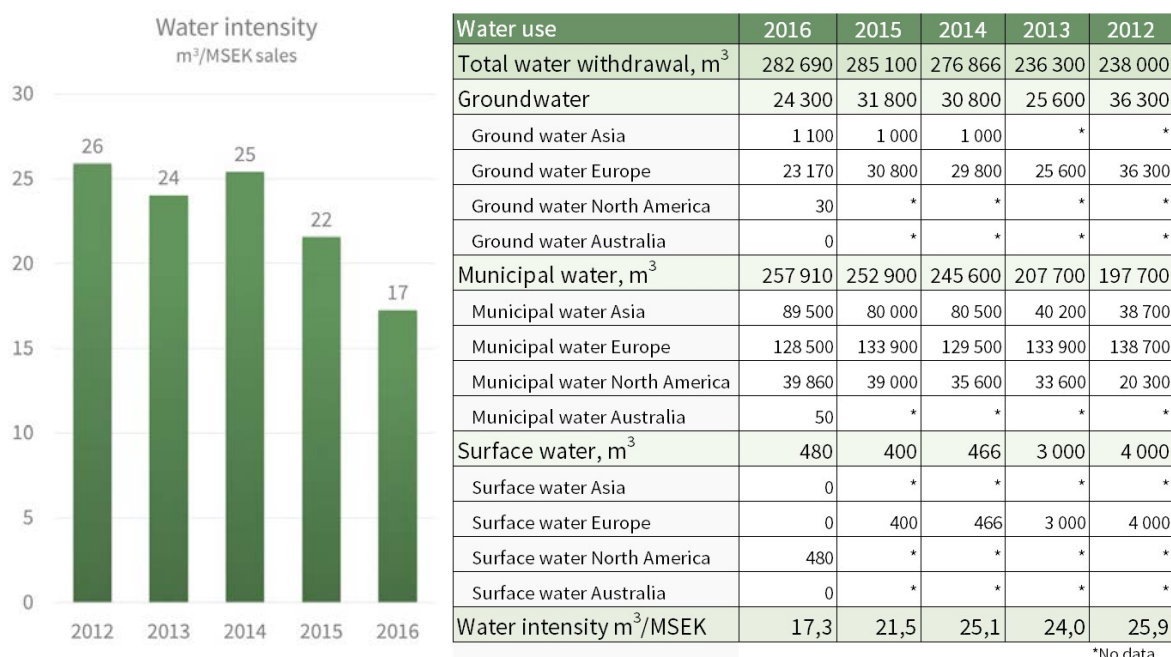
### DMA - Generic Disclosures on Management Approach

We know that water scarcity is a global problem that is increasing. Today we use relatively small quantities of water and our production sites are located where there is access to water. However, the circumstances can change, and that is why we want to monitor our water use.

### G4-EN8 - Water use by source

The main source of our used water, more than 90%, is municipal water. The water volumes are taken from invoices or from flow metres at source.

One site (NIBE Biawar in Poland) is using a substantial quantity of ground water, more than 90% of the total amount of ground water used in the Group.



### G4-EN9 - Water sources significantly affected by withdrawal of water

There are no identified water sources that are being significantly affected.

### G4-EN10 - Percentage of total volume recycled

Much of the water is used as cooling water that is recirculated for a long time in a closed system. We lack sufficiently reliable methods to compile data for the time being.

Process water is also recirculated to a large extent. We have not yet found a reliable way of calculating and reporting that.

## Emissions

### DMA - Emissions

#### Reference AR 23 »

Emissions to air consists of GHG, NO<sub>x</sub>, SO<sub>x</sub> and VOC. Tracking and minimising GHG emissions is important for all companies within NIBE Group, both production and sales companies. Besides generating GHG emissions from energy use, we also use refrigerant in our products and in own installations, which generate some diffuse emissions of refrigerants to the atmosphere. These losses are calculated based on need for refilling and the climate depleting potential is calculated as CO<sub>2</sub> equivalents according to GHG protocol.

Transportation is an area where we are developing the reporting of GHG emissions. Today we can track and report the GHG emissions from our own vehicles. We are beginning to get data for purchased transportation and business travels but do not have enough accurate data to be able to report it yet.



Depending on the type of production process other types emissions can be more or less material, but since some of the companies have air emissions as a significant environmental aspect, we regard it as important for the whole NIBE Group and as something that we should work to minimise.

We have an indirect targets to reduce our GHG emission intensity. The target is expressed in terms of reducing energy use by 30% from 2013 to 2020 (measured as MWh/SEK million in sales). We have reached that target already in 2016. Targets will be reviewed during 2017.

All our use of electricity is bought with a "green certificate", which means that it is generated from renewable sources (GoO, Guarantee of Origin).

We also aim to minimise the carbon footprint in our supply chain, as well as during the whole lifecycle of our products. We do not have sufficient data to able to report this today.

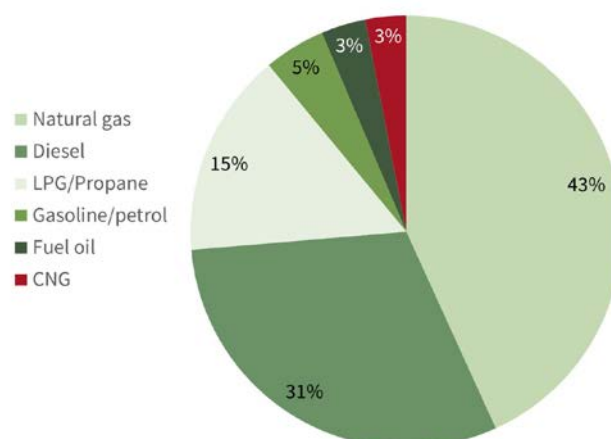
#### G4-EN15 - Direct GHG emissions

In 2016, carbon dioxide emissions from energy use in our own production plants, purchased electricity and heat amounted to 12,100 (10,900) tonnes. Natural gas, LPG and oil used in production processes stood for 88% or 10,700 tonnes. As from 2015, the Company has increased the purchase of electricity with a certificate of origin from renewable sources, which accounts for the big reduction in CO2 emissions between 2014 and 2015.

In addition to direct emissions, there are emissions from use of diesel and petrol in our own vehicles, which amount to 5,800 tonnes, an increase of 600 tonnes on the previous year. Our ambition is to gradually switch to vehicles fuelled by renewable energy.

GHG from direct energy, tonnes	2016	2015	2014	2013
CNG	500	500	500	0
Fuel oil	600	800	1 100	1 600
LPG/Propane	2 500	2 500	2 800	2 500
Natural gas	7 100	6 800	6 600	6 500
<b>Total direct GHG emissions</b>	<b>10 700</b>	<b>10 600</b>	<b>11 000</b>	<b>10 600</b>

#### DIRECT GHG EMISSIONS



#### G4-EN16 - Indirect GHG emissions

GHG from indirect energy, tonnes	2016	2015	2014	2013
Purchased electricity	1 200	200	10 400	5 800
Purchased district heating	1 400	1 200	1 100	1 100
Purchased steam	0	0	100	100
<b>Total indirect GHG, updated figures*</b>	<b>2 600</b>	<b>1 400</b>	<b>11 600</b>	<b>7 000</b>
<b>Total GHG, updated figures*</b>	<b>13 300</b>	<b>11 900</b>	<b>22 500</b>	<b>17 600</b>
<b>Previously reported indirect GHG emissions*</b>		<b>10 900</b>	<b>26 300</b>	<b>22 100</b>
<b>Difference*</b>		<b>-1 000</b>	<b>3 800</b>	<b>4 500</b>

\* Figures have been updated according to actual number of purchased green certificates with guarantee of origin, which were not completely taken into account previously.

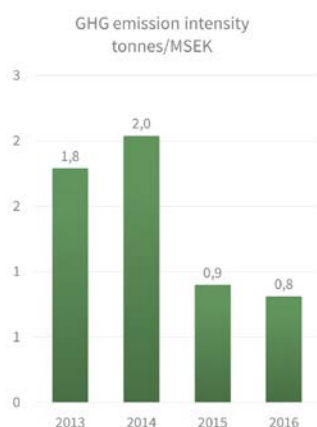
#### G4-EN17 - Other indirect GHG emissions

No other indirect GHG emissions are reported.

#### G4-EN18 - GHG emissions intensity

GHG emission intensity	2016	2015	2014	2013
tonnes/MSEK*	0,8	0,9	2,0	1,8

\* calculated on direct and indirect emissions, excluding transportation and refrigerants.



**G4-EN19 - Reduction of GHG emissions** The foremost reduction is due to the purchasing of green electricity certificates with guarantee of renewable origin (GoO).

*G4-EN20 - Emissions of ozone-depleting substances*

No use of ozone depleting substances has been reported.

*G4-EN21 - NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions*

This aspect is mainly important for one of our production sites; Northstar Poland Sp. z.o.o. that reports 63% of our NO<sub>x</sub> emissions and 93% of our SO<sub>x</sub> emissions. Even so, we ask all our production sites to report their air emissions so we can see changes over time and monitor whether we use the best available technology.

Emissions to air, tonnes	2016	2015	2014	2013	2012
VOC	7 230	5 530	4 930	*	*
Dust	10	10	10	*	*
NO <sub>x</sub>	240	200	*	*	*
SO <sub>x</sub>	20	20	*	*	*

\* No data available

## Effluents & Waste

*DMA - Generic Disclosures on Management Approach*  
Reference AR 13 »

Waste is an important aspect for all our production companies and there are ongoing efforts to minimise waste generation as well as recycling more. In 2016, we recycled 85% (75%) of our waste, 11% (8%) of which as energy recovery by means of incineration. A total of 17,390 (18,050) tonnes of waste were generated, 760 (1,680) tonnes of which were hazardous waste.

We sent 1,220 (1,360) tonnes to external landfill, which represents 7% of the total waste volume. This consists, for example, of process waste, which may contain contents of heavy metals that are too high for recycling or materials that cannot be incinerated, such as stone ceramics and composites.

**G4-EN22 - Water discharge**

Water discharge is considered material for a few of our production companies\* from a monitoring perspective. We have chosen to ask all production companies to report their water discharge to be able to see trends and act if there would be negative changes. We are attempting to get more reliable data on water discharge.

\*Backer Elektro CZ a.s., DZ Dražice - strojírna s.r.o., Backer OBR Sp z.o.o., Backer EHP (Wiegand S.A. de C.V.)

Water discharge	2016	2015	2014	2013	2012
Wastewater volume, m <sup>3</sup>	145 500	*	*	*	*
Metals, tonnes	6	*	*	*	*
Oxygen absorbents, tonnes	27	144	215	*	*
Nutrients, tonnes	13	2	1	*	*

\* No data available

*G4-EN23 - Waste by type and disposal method*

Reference AR 23 »

Waste, tonnes	2016	2015	2014	2013	2012
Total waste	17 390	16 800	15 470	14 230	13 340
Whereof hazardous waste	760	1 647	1 623	1 261	1 400
External recycling	12 280	10 907	10 331	9 431	8 717
Energy recovery	1 820	1 660	1 290	1 277	1 363
Incineration	460	272	487	451	362
Internal deposit	240	7	120	*	*
External deposit	1 220	1 361	976	936	612
Other	610	940	640	880	890

\*No data



G4-EN24 - Number and volume of significant spills

No significant spills were reported during 2016

## Compliance

DMA - Generic Disclosures on Management Approach

Legal compliance is considered one of the most important aspects as we cannot operate otherwise. All our production facilities shall have environmental management systems in place, and if there are more than 10 employees, the system shall be certified according to ISO 14001. The systematic approach and regular monitoring of environmental performance supports compliance and makes it possible to comply to environmental legislation.

G4-EN29 - Monetary value of significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations

No fines or non-monetary sanctions for non-compliances were reported in 2016.

## Supplier environmental assessment

DMA - Generic Disclosures on Management Approach

We expect from our suppliers that they follow the same principles concerning precaution and environmental responsibility as we do, and therefore we also evaluate suppliers on their environmental performance. We still need to increase the number of environmental evaluations and work is ongoing to introduce new tools to support the purchasing departments to carry out evaluations in a less time consuming but still effective manner.

G4-EN32 - Percentage of new suppliers that were screened using environmental criteria

Of our new suppliers, 12%\* were evaluated on environmental performance. That is an increase compared to 2015 of two percentage points.

\*Percentage is calculated on suppliers of both indirect and direct material.

G4-EN33 - Significant actual and potential negative environmental impacts in the supply chain and actions taken

Outcome of evaluations are not reported to Group and action plans are agreed upon between the local purchasing organisation and the supplier. We have no aggregated data to report at this point.

## Environmental grievance mechanisms

*DMA - Generic Disclosures on Management Approach*

Environmental grievance mechanisms are part of our environmental responsibility and our stakeholder dialogue. We take all complaints seriously and strive to prevent reoccurrence of any event that might have caused a complaint. Evaluation of the effectiveness of the grievance mechanism is made locally within the frame of each company's environmental management system. Complaints are also reported at Group level. Should there be an unreasonable quantity of complaints, or repeated complaint on the same issue, there would be cause for an investigation and a site visit from Group sustainability.

*G4-EN34 - Total number of grievances about environmental impacts*

- There were two complaints registered through our grievance mechanisms in 2016: The authorities complained about high noise levels to one of our Polish companies. Noise levels were too high both during night and day. Investigations identified filter and compressor room as main sources. Investments were made and the noise was successfully lowered. However, there is still a small exceeding of the nighttime limit and a specialist is engaged to identify the source of that noise. Work is still ongoing.
- A neighbour (private person) complained about noise to one of our Danish companies. The complaint was due to high noise levels during night time from the exhauster. A noise reductor was installed inside the exhaust pipe. The authorities made control measurements and the result was satisfactory. There has been no complaints from neighbours after that.

## Social performance

### Employment

*DMA - Generic Disclosures on Management Approach*

*Reference AR 26 »*

We monitor the employee turnover rate as it is an important KPI for employee satisfaction. In some countries the KPI also indicates access to the workforce as there can be significant seasonal differences in the turnover rate. We strive to find ways to retain employees on a regular long term basis in countries where the tradition and culture is mainly for short term employment, as this enhances productivity and minimises loss of competent employees.

*G4-LA1 - Total number and rates of new employee hires and employee turnover*

The employee turnover\* was 6.6% (7.1%).

\*Employee turnover is calculated based on permanent employees who voluntarily end their employment. Due to different calculation criteria, with temporary employees being included in the figures reported for some plants in Mexico and China, these plants have not been included in the statistics. A new joint method for calculating employee turnover will be prepared in 2017.

*DMA - Generic Disclosures on Management Approach*

*Reference AR 26 »*

Health and safety is one of the most important aspects, ranked very high in our materiality analysis both internally and by our external stakeholders. Our safety performance has a direct impact on our overall performance as a company, our productivity, stability and ability to create trust as employer, supplier and asset.

We expect all companies in the Group to live up to our shared principles and we regularly monitor working conditions in our own operations to ensure they meet our standards. Site visits are conducted at which the management is asked to present how they have implemented the Group's values and how they work on the areas included in the agenda. Any need for improvement or nonconformities established at a site visit, along with proposals for measures, are reported to the management of each company and to both the respective business area management and Group management. The business area managers are also responsible for following up on the measures with the various companies in each business area.

Nonconformities in 2016 primarily concerning deficiencies in the physical working environment and lack of maintenance of machinery and buildings.

There were no cases of child labour, forced labour or any breach of other principles relating to labour law.

*G4-LA5 - Percentage of total workforce represented in health and safety committees*

87%

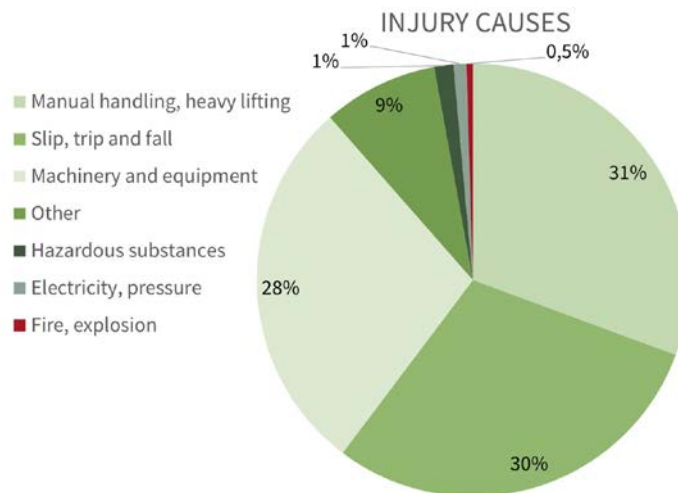
(The 87% is based on the workforce in 43 of 83 companies that have responded. These 43 companies represent 80% of the total workforce.)

*G4-LA6 - Type of injury and rates of injury*

We work hard to improve the working environment at all our plants to create a safe workplace and reduce ill-health. Our goal is to achieve workplaces where no accidents occur. The partial target is to have an accident rate of fewer than 6 accidents for every million hours worked by the end of 2018.

In recent years, we have intensified our focus on accident reporting. This has resulted in more companies improving their reporting of incidents and accidents. In 2016, 62 companies reported accidents to the Group, compared with 40 companies in 2015. The effect of the increase in reporting is that the accident figures have a visibly negative trend initially before the effects of the measures taken are seen. The lost time injury frequency per million hours worked was 10.1 (8.5) and sick leave was 3.8% (4.2%).

There have been no work-related fatalities.



### Training and education

*DMA - Generic Disclosures on Management Approach*

Reference AR 26 »

Our operations are knowledge-intensive and subject to constant development, which means that employees need to continuously make use of the opportunity to develop their skills. Competence development is important for all companies within NIBE Group in order to secure efficiency and competitiveness.

*G4-LA9 - Average hours of training per year*

A total of 190,000 (212,000) hours of training were conducted in various areas in 2016. This is equivalent to approximately 16 (20) hours of training per employee.

Human resources management within NIBE is decentralised with local HR units identifying training and development gaps and opportunities for the local employee population. We are not able to report training hours by gender and employee category at present.

*G4-LA11 - Percentage of employees receiving regular performance reviews*

In 2016 the reported total percentage of employees receiving documented performance and career development reviews was 60% (57%).

We have no data to report by gender and by employee category. At this moment we cannot break down these data into gender and employee categories.

### Diversity and equal opportunity

DMA - Generic Disclosures on Management Approach Diversity and equal opportunity are part of NIBE's core values and our commitment to respect human rights. That commitment applies to all levels and all companies within the NIBE Group. In an international group, you learn to respect cultural and social differences, and above all you learn that people have more in common than they have differences. Regardless of language, ethnicity, gender, age or background, everyone wants to be respected and have the same opportunities without any form of discrimination. We strive to work in a way that guarantees tolerance to differences and gives everyone the same opportunities for development, training and careers.

We have recently started to gather information about the Boards of Directors within the Group and today we can report statistics, even if the data is not complete.

*G4-LA12 - Composition of governance bodies and other indicators of diversity*

Reference AR 104 »

The Board of Directors for NIBE Group consists of four men and two women. Their ages are between 56 and 65, with an average of 61.2. All are of Swedish nationality. The three business areas have informal boards of directors at BA level and formal boards at the different company levels, as some of the subsidiaries also have subsidiaries.

Employees	2016	2015	2014	2013	2012
Average no. per year	11 869	10 545	9 726	8 983	8 006
Europe	60%	65%	69%	71%	*
Asia and Australia	8%	9%	9%	10%	*
North Amerika	31%	26%	22%	19%	*
Blue collar	69%	70%	69%	*	*
White collar	31%	30%	31%	*	*
Men	62%	61%	64%	*	*
Women	38%	39%	36%	36%	32%

\*No data

Boards of Directors	NIBE Group	Climate Solutions	Element	Stoves
Number of members	6	11	7	10
Number of women	2	1	1	1
Number of nationalities	1	4	2	3
The youngest member	56	47	50	38
The oldest member	65	76	65	65

## Equal remuneration for women and men

*DMA - Generic Disclosures on Management Approach*

Equal salary for equal job between men and women is a basic part of non-discriminative practices. According to our increased focus on fairness and equality, we include equal remuneration, according to our policy, as a topic for discussion in connection with company visits.

*G4-LA13 - Ratio of remuneration of women to men*

We have limited access to statistics and cannot submit data at present.

## Supplier assessment for labour practices

*DMA - Generic Disclosures on Management Approach*

Our supply chain is global, and legislation, culture and tradition can affect labour practices in different directions. We strive to find business partners that share our values concerning human rights, labour standards and health and safety. Labour practices assessment is part of our new evaluation system and is to be made before on-boarding of new suppliers of direct material. We have started to roll out new procedures and tools to the companies within the NIBE Group, but as the procurement organisation to a large extent is decentralised, it will take some years before this will be fully implemented. For existing suppliers we are planning assessment according to the same procedures and criteria as we use for new suppliers.

*G4-LA14 - Percentage of new suppliers that were screened using labour practices criteria*

16% (percentage is calculated on suppliers of both indirect and direct material)

## Labour practices grievance mechanisms

DMA - Generic Disclosures on Management ApproachAs responsible employers, all companies within NIBE Group must provide means and channels to report concerns and grievances and to handle these fairly. Besides local systems and procedures, NIBE also provides a common whistle blowing system that all employees can use anonymously.

*G4-LA16 - Direct economic value generated and distributed*

No grievances about labour practices were reported in 2016.



# Human rights

## Non-Discrimination

*DMA - Generic Disclosures on Management Approach*

In an international group, you realise that respecting cultural and social differences is essential in order to be able to co-operate, and above all you learn that people have more similarities than differences. Regardless of language, ethnicity, gender, age or background, everyone wants to be respected and have the same opportunities without any form of discrimination.

We will strengthen our focus on non-discrimination further by issuing a policy for anti-discrimination, diversity and gender equality. The work of subsidiaries will be evaluated in connection with site visits against the policy and national legislation.

*G4-HR3 - Total number of incidents of discrimination and corrective actions taken.*

No cases of discrimination were reported in 2016.

## Freedom of association and collective bargaining

*DMA - Generic Disclosures on Management Approach*

Freedom of association and collective bargaining are human rights and every responsible employer must provide the right conditions to ensure that workers' rights and concerns are being handled correctly.

*G4-HR4 - Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights*

Some of our companies are located in countries where legislation restricts unions from working independently. In these cases we make sure that there are internal procedures and control systems that ensure well-functioning grievance mechanisms and constructive dialogue with workers' representatives. In all cases, the national labour standard legislation is the minimum level concerning employment terms and working conditions. We encourage our suppliers to apply the same principles concerning workers' rights and labour standards as we do ourselves.

## Child labour

*DMA - Generic Disclosures on Management Approach*

Harmful child labour deprives children of their childhood, education and well-being and must be abolished. We do not accept child labour in our premises and we do not choose to do business with any company, supplier or customer if it comes to our knowledge that they allow child labour.

*G4-HR5 - Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour*

Our own operations have no risk for child labour. We regularly visit our operations world wide to make sure that legislation is followed and that labour standards comply with internationally accepted standards.

Concerning our suppliers, we have not identified any significant risk for child labour. Assessing our suppliers from a human rights point of view is an ongoing process.

## Forced or compulsory labour

*DMA - Generic Disclosures on Management Approach*

Forced labour is a crime and must be abolished. We do not accept forced labour in our premises and we do not choose to do business with any company, supplier or customer if it comes to our knowledge that they allow forced labour.

*G4-HR6 - Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour*

Our own operations have no risk for forced labour. We regularly visit our operations world wide to make sure that legislation is followed and that labour standards comply with internationally accepted standards. Concerning our suppliers, we have not identified any significant risk for forced labour. Assessing our suppliers from a human rights point of view is an ongoing process.

## Supplier human rights assessment

DMA - Generic Disclosures on Management Approach Our supply chain is global and, to not be complicit in human rights abuses, we must know where the risks are and how to mitigate those risks. Human rights assessment is part of our new evaluation system and is to be made before on-boarding of new suppliers of direct material. We have started to roll out new procedures and tools to the companies within the NIBE Group, but as the



procurement organisation to a large extent is decentralised, it will take some years before this will be fully implemented. For existing suppliers we are planning assessment according to the same procedures and criteria as we use for new suppliers.

*G4-HR10 - Percentage of new suppliers that were screened using human rights criteria*

3% in 2016. Percentage is calculated on suppliers of both direct and indirect material.

## Society

### Anti-corruption

*DMA - Generic Disclosures on Management Approach*

*Reference AR 27 »*

In our values we clearly state that we "must be honest in our business dealings, comply with applicable legislation and have zero tolerance to bribery and corruption". Corruption is a risk that could ruin our reputation and destroy our business. Corruption is a threat to democracy and stability in society. Every responsible company must shun all forms of corruption. We therefore educate our employees on how to act and demand that our business partners apply the same zero tolerance towards corruption as we do.

*G4-SO3 - Total number and percentage of operations assessed for risks related to corruption and the significant risks identified*

Corruption risks have been assessed locally. There is no aggregated data about corruption risks at Group level. NIBE has adopted a risk management tool to help its businesses manage their compliance risks. The next step is to launch systematic risk assessments to determine preventive measures in order to minimise corruption risks. That will give us access to statistics at Group level. We will also encourage improved incident reporting to further increase awareness of the risks.

*G4-SO4 - Communication and training on anti-corruption policies and procedures*

By the end of 2016, 3,100 employees had completed our business and anti-corruption training. The training is now a mandatory part of the induction training for all employees exposed to corruption risks in any form.

Employees exposed to risks related to corruption or other unethical business behaviour are trained how to handle situations that might occur. They are also informed of their responsibility to seek advice and to report any situation that might occur.

The training programme is mandatory for every NIBE employee in every part of the organisation that has external contacts with suppliers, customers, authorities or other third parties. One part of the programme is an e-learning module where employees can train their behaviour in reality-based cases and get immediate feedback. One goal of the programme is to create awareness of the serious effects of unethical business behaviour - for the individual, the company and society.

*G4-SO5 - Confirmed incidents of corruption and actions taken*

No incidents related to corruption were reported during 2016.

### Anti-competitive behavior

*DMA - Generic Disclosures on Management Approach*

In our values we clearly state that we "must be honest in our business dealings [and] comply with applicable legislation". If a situation of a complex nature should occur in connection with a business transaction with risks connected to anti-competitive behaviour, we seek advice from legal advisors specialised in this subject to make sure we make the correct decisions.

*G4-SO7 - Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes*

No legal actions for anti-competitive behaviour occurred during 2016.

There was however an investigation made by the Swedish Competition Authority in connection with the acquisition of a majority in British-owned Enertech Group. The acquisition was approved both by Swedish in February 2017 and previously by German authorities.

The agreement between NIBE Industrier AB (publ) (NIBE) and LSB Industries (LSB) on the sale and transfer of Climate Control Group (CCG) to NIBE was cleared by the U.S. Federal Trade Commission during 2016 in accordance with the United States' Hart-Scott-Rodino Antitrust Improvements Act.

## Compliance

*DMA - Generic Disclosures on Management Approach*

In our values we clearly state that we "must be honest in our business dealings [and] comply with applicable legislation".

*G4-SO8 - Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations*

There were no significant fines or non-monetary sanctions for legal non-compliance during 2016.

## Supplier assessment for impacts on society

*DMA - Generic Disclosures on Management Approach*

Our supply chain is global and consists of well over 10,000 suppliers whereof 3,500 direct material suppliers, which makes it a great challenge to be fully aware of the impact on society. We have however started to roll out new procedures and tools to the companies within the NIBE Group, to increase knowledge about our indirect impact. As the procurement organisation to a large extent is decentralised, it will take some years before this will be fully implemented. For existing suppliers we are planning assessment according to the same procedures and criteria as we use for new suppliers.

*G4-SO9 - Percentage of new suppliers that were screened using criteria for impacts on society*

7% (percentage calculated on new suppliers of both direct and indirect material)

## Product responsibility

### Product and service labeling

*DMA - Generic Disclosures on Management Approach*

Our product development and sourcing teams work according to a number of EU directives, such as Ecodesign, REACH and RoHs. We continuously strive to reduce the amount of material in the products and to phase out substances that appear on restriction lists. Besides legal demands according to a number of directives, we also have specific requirements from customers.

*G4-PR4 - Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling*

No incidents were reported during 2016.

*G4-PR5 - Results of surveys measuring customer satisfaction*

Surveys were conducted locally in 2016. There is no aggregated data available at Group level. Generally we have received high marks in our surveys with a grade of at least 5 on a 7-grade scale, where availability via telephone is getting the lowest marks.

### Market communications

*DMA - Generic Disclosures on Management Approach*

Market communication shall be honest and correct. As we state in Our Values: "NIBEs communication is straight, honest and follows applicable legislation, regulations and standards.

*G4-PR6 - Sale of banned or disputed products*

We do not sell banned or disputed products.

*G4-PR7 - Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications*

No incident of non-compliance concerning marketing communications has been reported during 2016.

### Customer privacy

*DMA - Generic Disclosures on Management Approach*

Our Values state: "All employees must respect the applicable regulations regarding confidentiality of information that is owned by the company and our business partners."

*G4-PR8 - Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data*

No substantiated complaints were registered in 2016.

## Compliance

*DMA - Generic Disclosures on Management Approach*

Our business is based on compliance with applicable legislation as well as good business ethics. We want to proactively ensure that laws and regulations are followed concerning the provision and use of our products and services to not risk any legal actions towards us due to non-compliance.

*G4-PR9 - Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services*

No fines were reported during 2016.