

GRI APPENDIX

2017



2018-04-16

- 102-1 This appendix is a part of the NIBE Industrier AB (publ) Annual Report for full year 2017 and has been prepared in accordance with the GRI Standards: Core option.
This is a printout version of a web publication found on www.nibe.com/xxxxx
- 102-54 If there would be differences between the content of this paper and the web version, the web version is considered correct.
- 102-56 We are not seeking external assurance for this report.
- 102-53 Contact: sustainability@nibe.com

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GRI APPENDIX 2017

THIS APPENDIX IS PART OF THE NIBE GROUP ANNUAL REPORTING FOR FULL YEAR 2017

102 General disclosures		
1	Organizational profile	
102-1	Name of the organization	NIBE Industrier AB
102-2	Activities, brands, products, and services	<p>The company manufacture products for indoor climate, heating, cooling and hot water. The company also produces applications for energy efficiency for both household and commercial use as well as components for infrastructure and wind energy. Business area Stoves produces wood and gas burning stoves and fireplaces, as well as electric fireplaces.</p> <p>The Group does not manufacture products that are under ban in any countries or markets. There are however, different legal or customer driven requirements that needs to be followed for individual markets.</p> <p>A general discussion about particle emission and air quality in cities to some extent touch upon the use of wood burning stoves.</p> <p>See www.nibe.com for more fully descriptions of brands, products and services.</p>
102-3	Location of headquarters	NIBE is a Swedish company with its roots in the southern province of Småland and head office in Markaryd.
102-4	Location of operations	NIBE is present in 21 countries in Europe, North America, Asia and Australia. For detailed info on locations see Annual report page 96-98
102-5	Ownership and legal form	<p>NIBE is listed on the NASDAQ OMX Stockholm Exchange, Large Cap list, with a secondary listing on the SIX Swiss Exchange.</p> <p>NIBE's 2017 Annual Report covers trademarks, ownership, changes in structure and size, geographical market presence, and a detailed account of financial results and key figures.</p>
102-6	Markets served	<p>NIBE is an international Group in heating technology and energy efficiency with sales in Europe, North America, Asia, Australia and other markets.</p> <p>The Group consists of three business areas covering different product segments directed towards several industries:</p> <ol style="list-style-type: none"> 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, fireplaces and chimney systems for different types of houses and commercial buildings. <p>End customers exist in a wide range from households to large building complexes, industries and manufacturers of for example cars or household appliances, construction companies and infrastructure applications.</p>

102-7

Scale of the organization

During 2017 the average number of employees (headcount) was 14,300 (11,900) in 21 countries in Europe, North America, Asia and Australia.

Region	Number of employees (percentage)
Europe	56%
North America	37%
Asia incl Australia	7%

Group sales in 2017 totaled 19,009 (15,348) million with an operating margin of 12,3 (12.9) percent. NIBE Climate Solutions accounted for 62 (62) percent of sales, NIBE Element 26 (27) percent and NIBE Stoves for the remaining 12(11) percent.

This report includes 54 (44) production units and 28 (25) sales units see below table. Companies acquired during 2017 are not included. For details about assets, capitalization, shareholders and total number of operations, please see Annual report.

Country	Company
Australia	Backer-Wilson Elements Pty Ltd Fireplace Products Australia Pty Ltd
Austria	Hyper Engineering Pty Ltd KNV Energietechnik GmbH Schulthess Maschinen GmbH
Canada	FPI Fireplace Products International Ltd
China	Backer Heating Technologies (Shenzhen) Co. LTD Backer-Springfield Dongguan Co. Ltd. Lund & Sorensen Electric Heating Equipm. Accessory (Tianjin) Co. Ltd
Czech republic	Backer Elektro CZ a.s. Backer Eltop s.r.o. DZ Dražice - strojírna s.r.o.
Denmark	Danothem Electric A/S Eltwin A/S JEVI A/S KVM-Genvex A/S Lotus Heating Systems A/S Lund & Sörensens A/S METRO Therm A/S Motron A/S SAN Electro Heat A/S TermaTech A/S Varde Ovne A/S Völund Varmeteknik A/S
Finland	Kaukora Oy Loval Oy Meyer vastus AB, Oy NIBE Energy Systems OY
France	Backer Calesco France Sarl NIBE Energy Systems France SARL NIBE Foyers France S.A.S.
Germany	ait-deutschland GmbH Backer Wolff GmbH NIBE Systemtechnik GmbH
Italy	ATE-Electronics S.r.l.

		Backer Fer S.r.l.
		Backer REBA Div. Resistors
	Malaysia	Askoma SDN BHD
	Mexico	Backer Alpe Monterrey
		Backer Alpe Toluca
		Backer EHP (Wiegand S.A. de C.V.)
		Springfield Wire de Mexico SA de CV
	Netherlands	NIBE Energietechnik B.V.
		Sinus Jevi Electric Heating B.V.
	Norway	ABK AS
		Höiax AS
		Nordpeis AS
		Norske Backer AS
	Poland	Backer OBR Sp z.o.o.
		Eltwin Sp. z.o.o.
		NIBE-Biawar Sp. z.o.o.
		Northstar Poland Sp. z.o.o.
		Termorad Sp. z.o.o.
	Russia	Evan, JSC
	Spain	Backer-Facsa, S.L.
	Sweden	Air-Site AB
		Backer BHV AB
		Calesco
		METRO Therm AB
		NIBE AB
	Switzerland	AIT Schweiz AG
		Askoma AG
		Backer ELC AG
		Schulthess Maschinen AG
	UK	Gazco Limited
		Heatrod Elements Ltd
		NIBE Energy Systems Ltd
		Stovax Limited
	USA	Backer EHP, Inc.
		Backer Heating Technologies Inc.
		Backer Hotwatt Inc
		Backer Marathon Inc
		ClimaCool Corp.
		ClimateCraft Inc.
		ClimateMaster Inc.
		Enertech Global LLC
		Fireplace products U.S. Inc.
		Heatron Inc
		International Environmental Corp.
		KKT chillers, Inc.
		Omni Control Technology Inc.
		WaterFurnace International Inc

<p>102-8</p>	<p>Information on employees and other workers</p>	<p>The number of employees as full time equivalents (FTE) was in total 12 248 (13,100) by the end of 2017.</p> <table border="1" data-bbox="544 277 1449 524"> <thead> <tr> <th>FTE</th> <th colspan="2">Permanently employed</th> <th colspan="2">Temporary employed</th> </tr> <tr> <th>Region</th> <th>Men</th> <th>Women</th> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>3544</td> <td>2079</td> <td>265</td> <td>166</td> </tr> <tr> <td>North America</td> <td>2810</td> <td>1933</td> <td>179</td> <td>102</td> </tr> <tr> <td>Asia</td> <td>589</td> <td>447</td> <td>11</td> <td>1</td> </tr> <tr> <td>Australia</td> <td>13</td> <td>10</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	FTE	Permanently employed		Temporary employed		Region	Men	Women	Men	Women	Europe	3544	2079	265	166	North America	2810	1933	179	102	Asia	589	447	11	1	Australia	13	10	0	0
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Australia	13	10	0	0																												
<p>102-9</p>	<p>Supply chain</p>	<p>The supply chain consists of approximately 6,000 (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.</p> <p>With many suppliers NIBE work closely and long-term, often developing components and parts for our products together. The procurement of direct material is to some extent centralized, and indirect material purchasing is made entirely locally.</p> <table border="1" data-bbox="544 719 1369 931"> <thead> <tr> <th>Region</th> <th>Purchased value per region, SEK</th> </tr> </thead> <tbody> <tr> <td>Europe</td> <td>5 468 399 030</td> </tr> <tr> <td>Asia and Oceania</td> <td>1 327 825 032</td> </tr> <tr> <td>Northern America</td> <td>2 319 162 535</td> </tr> <tr> <td>Latin America and the Caribbean</td> <td>77 222 592</td> </tr> </tbody> </table>	Region	Purchased value per region, SEK	Europe	5 468 399 030	Asia and Oceania	1 327 825 032	Northern America	2 319 162 535	Latin America and the Caribbean	77 222 592																				
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<p>102-10</p>	<p>Significant changes to the organization and its supply chain</p>	<p>In 2017 NIBE Group acquired 7 (10) companies. These acquisitions affected the reporting of financial data for 2017, but will not affect the non-financial reporting until the first full year in the Group after acquisition.</p> <p>These companies have been added since previous reporting period:</p> <ul style="list-style-type: none"> Air-Site AB ATE-Electronics S.r.l Backer Hotwatt Inc Climate Control Group Fireplace Products Australia Pty Ltd Fireplace Products US Inc FPI Fireplace Products International Ltd Heatron Inc Omni Control Technology Inc <p>The manufacturing operation of Akvaterm in Finland was moved to the Kaukora plant. There are no other significant changes.</p> <p>The number of reported Suppliers have changed due to revised reporting standard. NIBE now report suppliers in two categories: Direct and Indirect suppliers. Another reason for change is the number of new companies entering the Group during 2016.</p>																														
<p>102-11</p>	<p>Precautionary Principle or approach</p>	<p>NIBE applies a precautionary approach in connection to any changes in products or in the production processes. Before implementing changes, that could have negative environmental or safety impact, the management are required to carry out preventative risk assessments.</p> <p>All production companies within NIBE Group, with more than 10 employees, are to be certified according to ISO 14001. Requirement for newly acquired companies are to be certified within two full years after acquisition. Systematic risk assessments and a precautionary approach is a mandatory part of ISO 14001.</p>																														

102-12	External initiatives	<p>NIBE signed Global Compact in 2014 and committed in 2016 to six of the 17 sustainable development goals in Agenda 2030. NIBE also reports according to CDP and gives financial support to organizations like Hand-in-Hand and SOS Children's Villages.</p> <p>The individual companies within NIBE Group are free to choose local initiatives to support, within the framework of our values and business principles.</p>
102-13	Membership of associations	<p>NIBE has actively chosen to participate in a number of industry organizations and standard organizations, on national, EU and international level. The objective is to advocate NIBE's interests, contribute with expertise and opinions as well as to keep informed of the current development. Each business area decides where to participate and to which extent based on the strategic needs for their industry and product categories. This means there is no such membership on Group level.</p>
2 Strategy		
102-14	Statement from senior decision maker	See Annual Report 2017 page 8-9, 40, 48, 56
102-15	Key impacts, risks, and opportunities	See Annual Report 2017 page 45, 52, 59, 78-79
3 Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	<p>NIBE has expressed the code of conduct in three folders titled Our Values, Our Business Principles and Our Working Methods. The NIBE Group management originally developed the content based on a long tradition of honest and upright business behavior. The content of the folders reflect the spirit of integrity that is the core of the NIBE culture and the ten principles of the Global Compact. The CEO has delegated the responsibility to update and publish the folders to the CSO. The Sustainability Council¹ approves changes in the content before release.</p> <p>The folders are available in sixteen languages on our website and on the NIBE intranet. All companies receive the printed version in the local language. The content are to be part of the introduction.</p> <p>When a new company enters the Group, the management is obliged to communicate and implement the Code of Conduct in the organization. All employees receive a printed copy in the local language. The Sustainability team evaluates the implementation in connection with regular company visits.</p> <p>NIBE Code of Conduct is available for external parties and stakeholders on the website nibe.com. NIBE ask suppliers to sign a Supplier Code of Conduct, which is a summary of applicable principles in Our Values and Our Business Principles.</p>
102-17	Mechanisms for advice and concerns about ethics	<p>Managers have the responsibility to seek advice on ethical and lawful behavior according to escalation procedures, 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 organization.</p> <p>According to the Whistleblowing policy, all individuals within the organization have authorization to report any concern about unethical or unlawful behavior. The policy is available for download on our intranet. The policy contains a statement of non-retaliation.</p> <p>Employees are primarily encouraged to report through the line management, but if that is not possible, they are informed how to use the whistleblowing function. The whistleblowing function is a shared external resource used by all companies within NIBE Group. It is available to all employees, who receive information how to use the function and is to be a part of the introduction. The function makes it possible to report anonymously from anywhere, at any time and in their own language. An external party handles all reports confidentially and according to best practice.</p> <p>During 2017, we received two reports, which were referred to the Group's department for whistleblowing in 2017.</p> <p>One was classed as an HR matter and managed according to the standard procedures. The other matter was investigated and concluded within the whistleblowing system.</p>

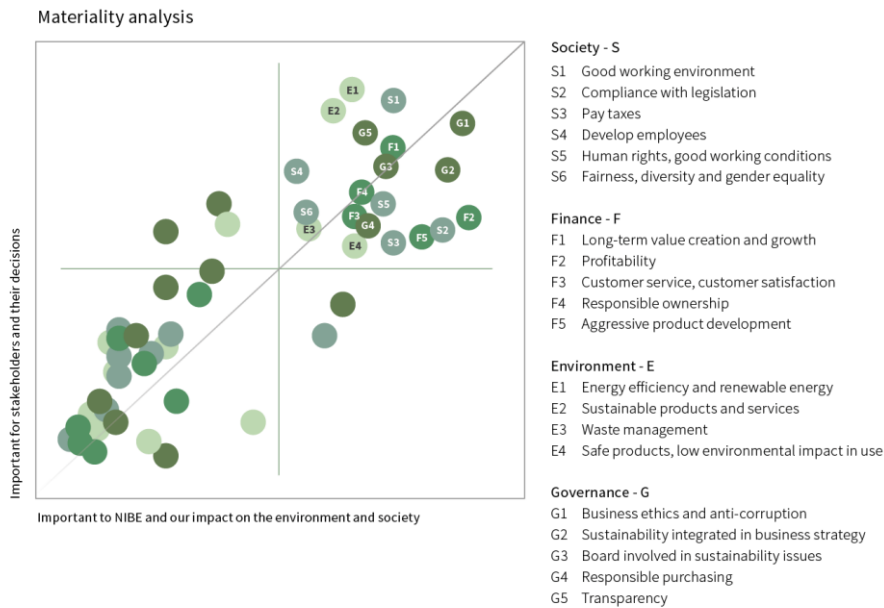
¹ CEO, CFO, BA directors and CSO (Chief Sustainable Officer)

4	Governance	
102-18	Governance structure	<p>All operations follow national legislation, for example financial, environmental and labor legislation, where we are located. We are also under an obligation to comply with regional and international law, as well as voluntary undertakings such as the Global Compact.</p> <p>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.</p> <p>The CEO reports to the Board of Directors.</p> <p>The Group's CSO reports to the Sustainability Council, with CEO as chairperson and CFO and the business area managers as members. The Sustainability Team is responsible for effectuating the strategic sustainability work and CEO reports on sustainability issues to the Boards of Directors at Group and business area levels.</p> <p>The management of each company within the Group is responsible for local operational sustainability work and for compliance with Group guidelines. The managers of the individual company report to the business area manager.</p> <p>The Sustainability team regularly visits the companies in the Group to monitor compliance with our Code of Conduct, common policies and guidelines.</p>
<pre> graph TD Board[Board] --> CEO[CEO] Board --> CFO[CFO] Board --> BAdirectors[BA-directors] Board --> CSO[CSO Sustainability team] SustainabilityAdvisoryGroup[Sustainability Advisory Group] -.-> CEO BAdirectors --> LocalBoards[Local Boards] CSO --> LocalSustainability[Local Sustainability/EHSQ co-ordinators] </pre>		

5	Stakeholder engagement	
102-40	List of stakeholder groups	NIBE has 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).
102-41	Collective bargaining agreements	Collective bargaining agreements cover 55 (49) percent of the employees.
102-42	Identifying and selecting stakeholders	NIBE 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 stakeholders, their presumed interests in the company, and a channel to engage with them.
102-43	Approach to stakeholder engagement	<p>Primarily the stakeholder's dialogue is the natural contacts with customers, employees and representatives for other groups.</p> <p>Analysts, banks, funds, research institutes and universities often approach the company via interviews and questionnaires. NIBE has studied the subjects that are included in the questions they ask us, and included those in the list of material topics.</p> <p>During 2016, NIBE carried out a structured dialogue with a selection from most stakeholder groups. Besides sending out a questionnaire to approximately 300 selected responders, we also made interviews and gathered data from written sources like analysts' reports.</p> <p>During 2017, NIBE collected and documented additional information in connection with naturally occurring contacts with different stakeholders. There are no visible changes regarding stakeholder views on the company.</p>

102-44 Key topics and concerns raised

The top most important topics raised through our stakeholder engagement are:



6 Reporting practices

102-45 Operational structure of the organization

See Annual report page 96-98, or go to <https://www.nibe.com/nibe-group.html> to see the list of companies included in the financial reporting.
Acquisitions made during 2017 are not included in the sustainability reporting.

102-46 Process for defining report content and Topic Boundaries and explain how the Reporting Principles have been implemented

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 be improved in order to support sustainable development. We have considered the impact outside the organization and in the interfaces between the organization 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 prioritization.

Step 2: Prioritization
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 analyzed the outcome of step 1 and 2, and found that the prioritized 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.

102-47	List of material topics	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. See Annual Report page 34.
102-48	Restatements of information	No significant re-statements.
102-49	Changes in reporting	Miscalculation in Energy efficiency value for 2016. Reported 10 actual value should be 11.2.
102-50	Reporting period	Full year 2017
102-51	Date of most recent report	April 2017
102-52	Reporting cycle	Annually
102-53	Contact point	sustainability@nibe.com
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI Content Index	
102-56	External assurance	NIBE are currently not seeking external assurance for this report.

103 Management Approach

103-1 NIBE signed Global Compact in 2014. The UNGC ten principles, Our Code of Conduct, consisting of Our Values and Our Business Principles, guide us in all our actions. NIBE is also committed to the SDGs and have selected to focus on six of the goals. Besides the Code of Conduct, NIBE Group has a number of written policies within most of the areas below. The Sustainability Council is responsible for the content and revision of these policies and they cover all entities within the organization.

103-2

103-3 Below is general information about NIBE management approach concerning identified material topics; Why they are important, and where or to whom. NIBE have also briefly explained how the work with these topics and what mechanisms are in place to evaluate the management approach. In some cases, there are references to other places in this report or to the Annual report.

Besides own internal evaluations of the effectiveness of the management approach we follow our results in the reports from analysts, banks, funds and other organizations,

For more details concerning topic explanations, boundaries and management approaches see each separate disclosure.

Material topics: S1 Good working environment, S5 Human rights and decent labor conditions

These two topics are material within the organization and within the supply chain.

It is NIBE responsibility to make sure that all our employees are safe at work, that there are decent working conditions and that we show respect towards human rights at all times. It is also our responsibility to evaluate and choose the suppliers according to the same principles.

NIBE has a target to reduce the number of injuries and monitor wages and other employment terms on a regular basis. Employees and other workers can report grievances through local channels and via the global whistleblowing system, where reporting can be anonymous. NIBE also have a target to monitor supplier performance via self-assessment questionnaires and/or supplier visits. See Annual Report page 30.

Material topics: S4 Develop employees, S6 Fairness, diversity and equal treatment

The topics are material mainly within the organization. NIBE need to develop our employees to stay competitive both as producer of technically advanced products and as employer. Our employees expect to be treated with respect and have equal opportunity. Diversity and equal treatment is a part of our leadership philosophy and our values. Employees or other workers can report grievances through local channels and via our global whistleblowing system. Reporting can be anonymous. See Annual report page 30

Material topics: S2 Legal compliance, G1 Business ethics and anti-corruption, S3 Tax payments, G5 Transparency

These topics are important both within the organization, but also in all dealings with external parties, such as suppliers, customers, authorities, local community and other stakeholder groups.

Together these topics express the essence of Our Business Principles and forms the very foundation for our license to operate. Failing to act responsibly and with integrity within these areas would severely damage our stakeholders trust in the company. It is our responsibility to pay taxes to the societies where we operate.

NIBE must transparently disclose performance, also when not doing as well as expected. All companies are required to report incidents concerning unethical business behavior of any sort into NIBE incident reporting system. Cases of internal unethical business behavior can be reported anonymous through NIBE whistleblowing system.

Once a year all companies do their own risk assessment and report this in NIBE common risk management system. The Board of Directors analyzes the result once a year and takes decisions based on this. See Annual report pages 29-32, 78-79

Material topic: G3 Board of Directors engaging in sustainability issues

The Board of Directors has approved NIBE Group long-term sustainability strategy and action plans. NIBE Group companies present their sustainability risks yearly in the Boards strategy meeting and potential action plans are decided.

NIBE Group has an integrated Annual report and the sustainability reporting is therefore approved together with the financial reporting.

Material topics: F2 Profitability, F1 Long-term value creation and growth

These topics are crucial for the organization and for other stakeholders such as owners, employees, suppliers and other business partners. NIBE has monthly follow up on targets for profitability and growth and publicly report results quarterly. Long-term value creation is part of the discussions on strategy meetings and board meetings.

Material topic: F4 Responsible ownership

Our Business Principles are deeply rooted in eight basic ideas that constitute the foundation of all our operations and create the conditions for our continued success.

Our Values are an important part of our management philosophy and our corporate culture and emphasize that we want to act as a responsible company in relation to the people near us, our external stakeholders and the environment. Our Values are firmly rooted in our long and proud tradition of responsible entrepreneurship. See Annual report page 18

Material topics: G2 Sustainability as part of business strategy, F5 Proactive product development, E1 Energy efficiency and renewable energy, E2 Sustainable products and services, E4 Safe products with low environmental impact during use, F3 Customer service and customer satisfaction

All these topics are material for our core business, our competitiveness and our ability to serve our customers. Our vision is "world-class solutions in sustainable energy". To live according to that vision we do all we can to adapt our product portfolio to climate change and develop our products according to demands, for example, the eco-design, REACH and RoHS directives, as well as low carbon economy criteria. We develop products that are energy efficient and primarily based on renewable energy.

NIBE closely monitor market changes, the result of customer surveys and complaint concerning our products. We also set aside funds and resources for research and development.

Customers can file complaint via the responsible sales channel. Procedures to manage customer complaints are well established and proven to be effective. See Annual report pages 29

Grievance mechanisms are part of our responsibility and our stakeholder dialogue. NIBE take all complaints seriously and strive to prevent reoccurrence of event that might have caused a complaint.

Evaluation of the effectiveness of the grievance mechanism is done locally within the framework of each company's management system. Complaints are also reported at Group level. Should there be an unreasonable quantity of complaints, or repeated complaints about the same issue, there would be cause for an investigation and a site visit from the relevant Group function. All operations have local grievance mechanisms where employees, neighbors, customers or other stakeholders can contact a responsible person that will file their complaint and make sure it is handled correctly. See Annual report page 29

Material topics: E3 Waste management, E1 Energy efficiency and renewable energy

Environmental issues are primarily relevant for our production companies even though sales companies are also included in our reporting of energy and waste. The purpose is to reduce negative environmental impact from our own activities. NIBE has targets to reduce waste to external deposit and to increase recycling. We also have a target to reduce energy consumption and to phase out all fossil oil burning from our own buildings.

A large part of our environmental impact comes from waste generation. Consequently, recycling is a very important matter. A new target has been set, increasing the proportion of recycling from the current value of 78% of the total volume of waste in the Group to 80%. Consequently, the volume of waste to landfill, currently 9% of the total volume of waste, can be reduced further.

The greatest challenge to succeeding in increasing recycling and reducing waste to landfill is in countries that do not yet have systems and infrastructure for sorting waste. In such cases, we make every effort to create our own solutions, while also influencing society to assume greater responsibility for its waste management.

Material topic: G4 Responsible purchasing

NIBE suppliers are required to follow the same business principles as we do. We realize that we have risks in some parts of our supply chain and must do what we can to promote decent working conditions, environmental protection and ethical business behavior.

NIBE long-term goal is that all companies within the Group shall use our common evaluation system to assess and approve their suppliers of direct material according to our Supplier Code of Conduct. The short-term goal is to assess all new suppliers before on boarding.

See Annual report page 29.

Economy

201 Economic Performance		
103	Generic Disclosures on Management Approach	See Annual report for details concerning our management approach within the economic area, including 201-1, 2, 3 and 4.
201-1	Direct economic value generated and distributed	See Annual report page 13
201-2	Financial implications and other risks and opportunities due to climate change	<p>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 could also lead to stop in production and lowered delivery capacity.</p> <p>Risks of damage and loss can be minimized using NIBE 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.</p>
201-3	Defined benefit plan obligations and other retirement plans	See Annual report page 99.
201-4	Financial assistance received from government	Not reported.
202 Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not reported.
202-2	Proportion of senior management hired from the local community	Not reported.
203 Indirect economic impacts		
203-1	Infrastructure investments and services supported	Not reported.
203-2	Significant indirect economic impacts	See Annual report page 13, 31.
204 Procurement practices		
204-1	Proportion of spending on local suppliers	The proportion spent on local suppliers is 7 percent of total spend.

205 Anti-corruption		
103	Generic Disclosures on Management Approach concerning anti-corruption	<p>"We must comply with applicable legislation, and have zero tolerance for bribery and corruption. We must also communicate honestly" is the essence of NIBE Sound Business ethics.</p> <p>Our Values is available at http://www.nibe.com</p> <p>NIBE has a Group policy on gifts, where employees get practical guidance concerning giving or accepting gifts, hospitality and other benefits. The policy is available on the intranet and the implementation is checked in connection to site visits.</p> <p>Incidents and/or grievances are reported to Business area manager or anonymously through our Whistleblowing system, provided by a third party.</p>
205-1	Operations assessed for risks related to corruption	<p>NIBE has adopted a risk management tool to help its businesses manage their compliance risks. All companies within the Group use this tool to assess their risks.</p> <p>NIBE has identified risk exposure for our sales and purchasing departments, and in B2B projects.</p>
205-2	Communication and training on anti-corruption policies and procedures	<p>We provide a Group wide ethical business and anti-corruption e-learning. It is case based with realistic situations, where the attendant must take decisions how to act. It is effective as it involves the participant who gets immediate feedback.</p> <p>3,755 (3,100) employees have completed our training at least once. The training is mandatory for all employees exposed to corruption risks in any form.</p> <p>Besides the factual knowledge of legislation and how to act in certain situations, one goal of the program is to create awareness of the serious effects of unethical business behavior - for the individual, the company and society. Employees are also informed of their responsibility to seek advice and to report any situation that might occur.</p>
205-3	Confirmed incidents of corruption and actions taken	No incidents reported during 2017.
206 Anti-competitive behavior		
103	Generic Disclosures on Management Approach concerning anti-competitive behavior	If a situation of a complex nature should occur in connection with a business transaction with risks connected to anti-competitive behavior, we seek advice from legal advisors specialized in this subject to make sure we make the correct decisions.
206-1	Total number of legal actions for anti-competitive behavior	No legal actions for anti-competitive behavior occurred during 2017.

Environment

301 Materials														
103	Explanation of the material topic and its Boundary The management approach and its components	<p>The use of materials is an important topic within the organization, especially for our producing companies. It is also important outside the organization, as we work with 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 fulfil our customers' demands for product safety and legal compliance.</p> <p>Minimizing use of materials and care for natural resources starts in our product development. Minimizing the use of materials in our products lowers not only costs for material and transportation, but also waste generation.</p> <p>NIBE has increased its total use of material, but if we compare it with sales, the material intensity is lower than it used to be.</p>												
301-1	Materials used by weight or volume	<p>Metals such as iron, steel, copper and brass represent 73 (73) percent of our total inputs. Other inputs are stone, concrete, enamel, plastic, composite components and chemicals such as dye and glue.</p> <p>In 2017, 16 496 (9 580) tons of packaging material were used, consisting of wood, board, plastic and steel.</p> <p>Refrigerants used to fill our products amounted to 368,6 (139) tons. The increase in refrigerants is due to newly acquired companies' consumption and a slightly different reporting method.</p> <div data-bbox="544 880 1516 1435" style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p style="text-align: center;">Overview of major materials % of total use</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Overview of major materials % of total use</caption> <thead> <tr> <th>Material Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Metal</td> <td>73%</td> </tr> <tr> <td>Enamel, concrete, soap stone</td> <td>12%</td> </tr> <tr> <td>Packaging material</td> <td>11%</td> </tr> <tr> <td>Plastics</td> <td>3%</td> </tr> <tr> <td>Paint glue etc.</td> <td>1%</td> </tr> </tbody> </table> </div>	Material Category	Percentage	Metal	73%	Enamel, concrete, soap stone	12%	Packaging material	11%	Plastics	3%	Paint glue etc.	1%
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Plastics	3%													
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301-2	Recycled input materials used	Not reported.												
301-3	Reclaimed products and their packaging materials	Not reported.												

302 Energy														
103	Explanation of the material topic and its Boundary The management approach and its components	<p>Energy use is a very important topic within the organization concerning both 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.</p> <p>The approach is to work internally with our own energy use and to develop products that can support a transition to a low carbon economy and less climate impact. NIBE targets are to reduce energy intensity by 30% within our own operations and to minimize the use of oil to heat our properties by 2020(baseline 2013). Another target is to have at least 55% of our sales from products that are LCE classified according to FTSE's LCE²-index.</p>												
302-1	Energy consumption within the organization	<p>NIBE total energy consumption, direct and indirect (excluding transportation), was 218,9 (167) GWh. Of this, 5,0 (3,1) GWh consists of electricity, heat and cooling we generated from solar and wind power and heat pumps.</p> <p>Our indirect energy consumption, i.e. purchased electricity and district heating, amounted to 143,7 (112) GWh. Of this, 135,8 (105) 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 2,0 (3,2) GWh and diesel 19,7 (20,3) GWh.</p>												
302-2	Energy consumption outside of the organization	Not reported.												
302-3	Energy intensity	<p>NIBE target is to reduce our energy intensity by 30% compared to 2013 before end of 2020.</p> <table border="1"> <caption>Energy intensity MWh/Mkr sales</caption> <thead> <tr> <th>Year</th> <th>Energy intensity (MWh/Mkr sales)</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>14.5</td> </tr> <tr> <td>2014</td> <td>14.0</td> </tr> <tr> <td>2015</td> <td>12.0</td> </tr> <tr> <td>2016</td> <td>11.5</td> </tr> <tr> <td>2017</td> <td>11.5</td> </tr> </tbody> </table>	Year	Energy intensity (MWh/Mkr sales)	2013	14.5	2014	14.0	2015	12.0	2016	11.5	2017	11.5
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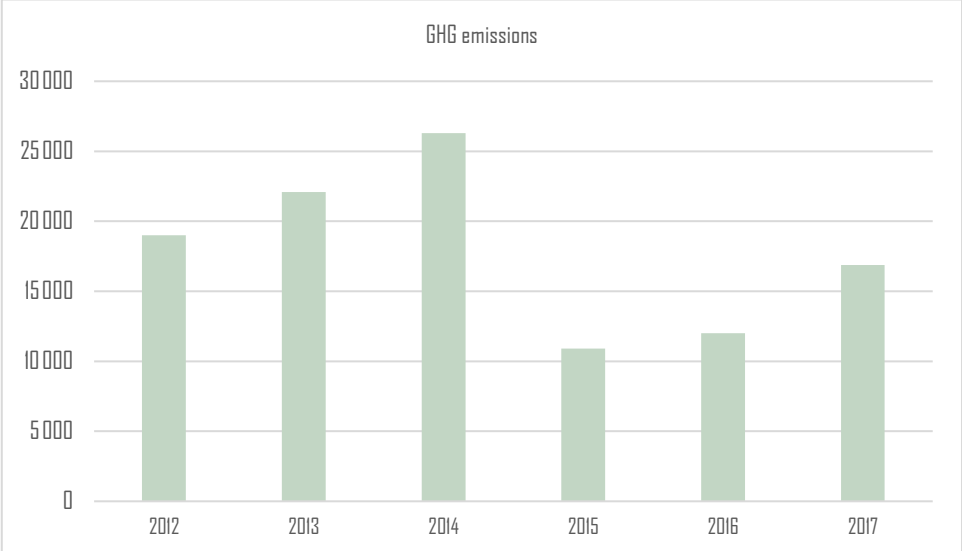

² FTSE LCE ICS™ (Financial Times Stock Exchange-Low Carbon Economy Industrial Classification System) is a quantitative model, developed for investors to be able to evaluate companies based on their ability to adapt to a low carbon economy. The LCE data model measures the green revenues of 13,400 public companies, representing 98.5% of total global market capitalization. FTSE Russell's Green Revenues framework, based on the LCE data model, allows users to track revenues from goods, products and services that help the world to adapt to, mitigate or remediate the impact of climate change, resource depletion or environmental erosion.

302-4	Reduction of energy consumption	<p>30 percent corresponds to a reduction from 14 MWh per SEK million in sales in 2013 to 10 MWh per SEK million in sales 2020. Consumption of purchased energy has remained 11,3 (11,2) MWh per MSEK total sales during 2017.</p> <p>Performed energy audits on production unit's equals 74 percent.</p> <p>NIBE target to phase out fuel oil burning from all our own properties and replace it with heat pumps or other fossil free technology has progressed. For 2017 year reporting, six companies where the Group own the building are still using light fuel oil, fully or as a compliment.</p>
302-5	Reductions in energy requirements of products and services	<p>Product examples:</p> <p>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.</p> <p>Wood burning stoves: Our modern stoves have far lower wood consumption and emissions into the environment than older stoves. A test carried out in 2016 by the 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%. Most of the modern stoves tested have an efficiency of 75-80%, while the older stoves in the test are at 59-66%.</p> <p>Eco-design directive is affecting end customer products. NIBE products have been upgraded to fulfill the eco-design directive or been obsolete.</p>

303 Water use

103	Generic Disclosures on Management Approach	<p>NIBE 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.</p>																												
303-1	Water withdrawal	<p>The main source of our used water, more than 90%, is municipal water. Water volumes are summarized from invoices or from flow meters at source.</p> <table border="1" data-bbox="547 1339 1481 1653"> <thead> <tr> <th>Water withdrawal, cubic meters</th> <th>Europe</th> <th>North America</th> <th>Asia and Australia</th> </tr> </thead> <tbody> <tr> <td>Municipal water</td> <td>132 686</td> <td>109 431</td> <td>90 962</td> </tr> <tr> <td>Surface water</td> <td>657</td> <td>0</td> <td>0</td> </tr> <tr> <td>Collected rainwater</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Ground water</td> <td>22 571</td> <td>0</td> <td>1 000</td> </tr> <tr> <td>Waste water from another organization</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total per region</td> <td>155 914</td> <td>109 431</td> <td>91 962</td> </tr> </tbody> </table> <p>The total water withdrawal was 357 307m³ during 2017.</p>	Water withdrawal, cubic meters	Europe	North America	Asia and Australia	Municipal water	132 686	109 431	90 962	Surface water	657	0	0	Collected rainwater	0	0	0	Ground water	22 571	0	1 000	Waste water from another organization	0	0	0	Total per region	155 914	109 431	91 962
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		<p>Water withdrawal by source</p> <ul style="list-style-type: none"> 93,2% Surface water 6,4% Ground water 0,4% Municipal water 	<p>Water use m³/MSEK sales</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water use (m³/MSEK sales)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>25,00</td> </tr> <tr> <td>2015</td> <td>22,00</td> </tr> <tr> <td>2016</td> <td>21,00</td> </tr> <tr> <td>2017</td> <td>20,00</td> </tr> </tbody> </table>	Year	Water use (m ³ /MSEK sales)	2014	25,00	2015	22,00	2016	21,00	2017	20,00
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<p>303-2</p>	<p>Water sources significantly affected by withdrawal of water</p>	<p>No water sources are significantly affected.</p>											
<p>303-3</p>	<p>Percentage of total volume recycled</p>	<p>The water is mostly used as cooling water that is recirculated for a long time in a closed system. Process water is also recirculated largely.</p> <p>Work is ongoing to be able to calculate the recycled volumes. The result for 2017 is 14 percent recycled water. 6 out of 90 companies have reported recycled water (7%)</p>											
<p>305 Emissions</p>													
<p>103</p>	<p>Generic Disclosures on Management Approach</p>	<p>NIBE atmospheric emissions consist of GHG, NO_x, SO_x and VOC.</p> <p>Besides generating GHG emissions from energy use, we also use refrigerants in our products and our own installations, which generate some diffuse emissions of refrigerants to the atmosphere.</p> <p>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 travel but do not have enough accurate data to be able to report it yet.</p> <p>Depending on the type of production process, other types of emissions can be more or less material, but since some of the companies have atmospheric emissions as a significant environmental topic, we regard it as important for the whole NIBE Group and something that we should work to minimize.</p> <p>NIBE has an indirect target to reduce our GHG emission intensity. The target is expressed in terms of reducing energy use by 30% from 2013 to 2020 less than 10 MWh/MSEK total sales.</p> <p>NIBE buy GoO:s that cover all purchased electricity, which means that it is generated from renewable sources. We have a target to phase out all fossil oil burning from our own facilities.</p> <p>Our reported carbon emissions are calculated based on GHG protocol emission factors.</p>											
<p>305-1</p>	<p>Direct GHG emissions (Scope 1)</p>	<p>In 2017, carbon dioxide emissions from energy use in our own production plants generated 90 (88) percent of our total GHG emissions, or 16,900 (12,100) tons.</p>											

		 <p>The total emissions from diesel and petrol amount to 5,300 (5,800) tons, a decrease of 500 tons on the previous year. Our ambition is to gradually switch to vehicles fueled by renewable energy.</p>
<p>305-2</p>	<p>Indirect GHG emissions (Scope 2)</p>	<p>Purchased electricity is to 100 percent covered by GoO's. Purchased heat and cooling amounted to 1614 tons.</p>
<p>305-3</p>	<p>Other indirect GHG emissions (Scope 3)</p>	<p>The reported GHG emissions from business travel was 2,102 tons. 24 companies out of 90 has been able to report GHG emissions from business travels (27%) The reported GHG emissions from purchased transportation for incoming goods was 7,371 tons and from purchased transportation for outgoing goods was 17,819 tons.</p>
<p>305-4</p>	<p>GHG emissions intensity</p>	
<p>305-5</p>	<p>Reduction of GHG emissions</p>	<p>The foremost reduction is due to the purchasing of green electricity certificates with guarantee of renewable origin.</p>
<p>305-6</p>	<p>Emissions of ozone-depleting substances</p>	<p>Not reported.</p>

305-7

NO_x, SO_x, and other significant air emissions

Not all operations have measurable air emissions, but all report what they measure. For NO_x and SO_x no data was available for 2014.



306 Effluents and Waste

103

Effluents and Waste

Waste is an important topic for all our production companies and there are ongoing efforts to minimize waste generation as well as recycling more.

306-1

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 take action against negative changes. We are attempting to get data that are more reliable on water discharge.

The total discharge to water, all regions was 300 266 cubic meters during 2017.

Water discharge, cubic meter	Europe	North America	Asia and Australia	TOTAL
To municipal water treatment plant	144 797	39 902	60 595	245 294
To an adjacent water body	7204	0	46 000	53 204
To external treatment	1268	0	500	1768
To another organization for reuse	0	0	0	0
Total per region	153 269	39 902	107 095	300 266

The total discharged amount of all metals to water was 8,9 kg during 2017.

Metal discharges to water, kg	Europe	North America	Asia and Australia	TOTAL
Aluminum	0	0	0	0
Copper	0,062	3,86	0	3,921
Zinc	0,555	2,505	0	3,06
Cadmium	0,013	0,012	0	0,024
Lead	0,2	0,022	0	0,223
Mercury	0	0,002	0	0,002
Chromium	0,061	0,012	0	0,073
Nickel	0,111	0,016	0	0,127
Other metals	1,49	0,01	0	1,502

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306-2	Waste by type and disposal method	<p>In 2017, we recycled 85 percent (85) of our waste, 11percent (11) of which as energy recovery by means of incineration. A total of 17 390 (18 050) tons of waste were generated, 760 (1 680) tons of which were hazardous waste.</p> <p>We sent 1 220 (1 360) tons to external landfill, which represents 7 percent 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 can not be incinerated, such as stone ceramics and composites.</p> <table border="1"> <thead> <tr> <th>Non-hazardous waste, kg</th> <th>Europe</th> <th>North America</th> <th>Asia and Australia</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Reuse</td> <td>8314</td> <td>183639</td> <td>0</td> <td>191953</td> </tr> <tr> <td>Recycling</td> <td>16178009</td> <td>5867226</td> <td>65000</td> <td>22110235</td> </tr> <tr> <td>Recovery</td> <td>276145</td> <td>0</td> <td>0</td> <td>281045</td> </tr> <tr> <td>Energy recovery</td> <td>1716563</td> <td>78200</td> <td>20000</td> <td>1925473</td> </tr> <tr> <td>Incineration</td> <td>357665</td> <td>0</td> <td>0</td> <td>357665</td> </tr> <tr> <td>Landfill</td> <td>1017542</td> <td>1344881</td> <td>285878</td> <td>2648301</td> </tr> <tr> <td>On-site storage</td> <td>3100</td> <td>20485</td> <td>0</td> <td>23585</td> </tr> <tr> <td>Other destination, please specify</td> <td>122713</td> <td>25124</td> <td>55590</td> <td>203427</td> </tr> <tr> <td>Total</td> <td>19680051</td> <td>7519555</td> <td>426468</td> <td>28070941</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Hazardous waste, kg</th> <th>Europe</th> <th>North America</th> <th>Asia and Australia</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Reuse</td> <td>5</td> <td>0</td> <td>0</td> <td>5</td> </tr> <tr> <td>Recycling</td> <td>36190</td> <td>20462</td> <td>217044</td> <td>273696</td> </tr> <tr> <td>Recovery</td> <td>12119</td> <td>0</td> <td>0</td> <td>12119</td> </tr> <tr> <td>Energy recovery</td> <td>20969</td> <td>19461</td> <td>10101</td> <td>50531</td> </tr> <tr> <td>Incineration</td> <td>120780</td> <td>384436</td> <td>41318</td> <td>546534</td> </tr> <tr> <td>Landfill</td> <td>73197</td> <td>27216</td> <td>26701</td> <td>127114</td> </tr> <tr> <td>On-site storage</td> <td>3001</td> <td>569</td> <td>0</td> <td>3570</td> </tr> <tr> <td>Other destination, please specify</td> <td>388508</td> <td>43020</td> <td>1960</td> <td>433488</td> </tr> <tr> <td>Total</td> <td>654769</td> <td>495164</td> <td>297124</td> <td>1464618</td> </tr> </tbody> </table> <p>Waste categories % of total</p> <ul style="list-style-type: none"> Recycling: 78% Landfill: 9% Energy recovery: 7% Incineration: 3% Other: 2% Reuse: 1% 	Non-hazardous waste, kg	Europe	North America	Asia and Australia	TOTAL	Reuse	8314	183639	0	191953	Recycling	16178009	5867226	65000	22110235	Recovery	276145	0	0	281045	Energy recovery	1716563	78200	20000	1925473	Incineration	357665	0	0	357665	Landfill	1017542	1344881	285878	2648301	On-site storage	3100	20485	0	23585	Other destination, please specify	122713	25124	55590	203427	Total	19680051	7519555	426468	28070941	Hazardous waste, kg	Europe	North America	Asia and Australia	TOTAL	Reuse	5	0	0	5	Recycling	36190	20462	217044	273696	Recovery	12119	0	0	12119	Energy recovery	20969	19461	10101	50531	Incineration	120780	384436	41318	546534	Landfill	73197	27216	26701	127114	On-site storage	3001	569	0	3570	Other destination, please specify	388508	43020	1960	433488	Total	654769	495164	297124	1464618
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307 Environmental compliance

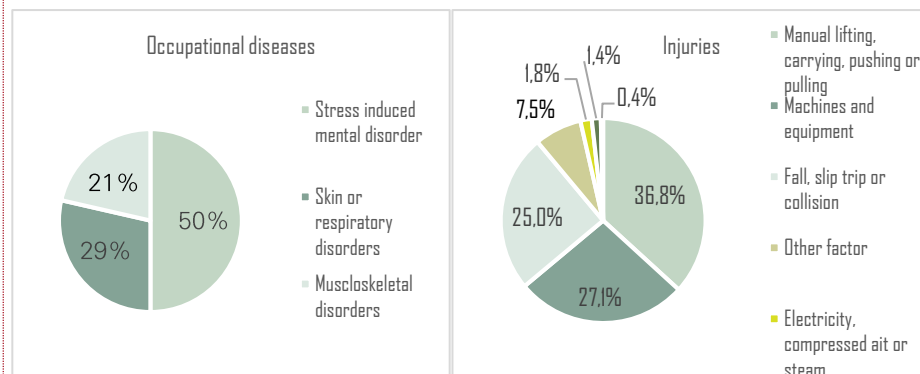
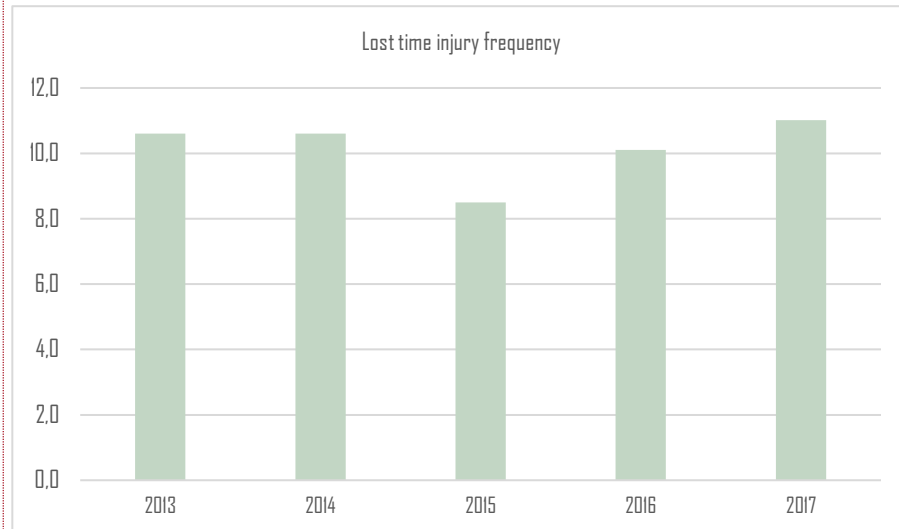
103	Generic Disclosures on Management Approach	<p>Legal compliance is considered one of the most important topics, as NIBE cannot operate otherwise. All our production facilities shall have environmental management systems in place, and if there are more than 10 employees, the system shall be certified according to ISO 14001. The systematic approach, control systems and regular monitoring of environmental performance makes it possible to be proactive and comply with environmental legislation.</p> <p>Environmental grievance mechanisms are part of NIBE 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 done locally within the framework of each company's environmental management system. Complaints are also reported at Group level. Should there be an unreasonable quantity of complaints, or repeated complaints about the same issue, there would be cause for an investigation and a site visit from Group sustainability. All operations have local grievance mechanisms where neighbors can contact a responsible person that will file their complaint and make sure it is handled correctly.</p>
307-1	Non-compliance with environmental laws and regulations	<p>In 2017, two incidences of environmental limits being exceeded were reported and measures were taken.</p>

308 Environmental supplier assessments

103	Generic Disclosures on Management Approach	<p>NIBE expect the suppliers to follow the same principles concerning precaution and environmental responsibility as we do, and therefore we evaluate suppliers on their environmental performance. We still need to increase the number of environmental evaluations and work is ongoing to introduce our common tool to support the purchasing departments to carry out evaluations in a less time consuming but still effective manner. NIBE target is that all sites will use the new tool by 2020 and that 100 percent of our new suppliers of direct materials are evaluated accordingly before onboarding.</p>
308-1	Percentage of new suppliers that were screened using environmental criteria	<p>Of our new suppliers of direct material, 26 (12) percent were evaluated on environmental performance. That is a large increase compared to 2016.</p>
308-2	Significant actual and potential negative environmental impacts in the supply chain and actions taken	<p>Not reported.</p>

Social

401 Employment		
103	Generic Disclosures on Management Approach	NIBE monitor the employee turnover rate. In some countries, the KPI 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 minimizes loss of competent employees.
401-1	New employee hires and employee turnover	Employee turnover is calculated based on permanent employees who voluntarily end their employment. The employee turnover rate for 2017 was 6,7 percent. Employee turnover is calculated based on permanent employees who voluntarily end their employment. The 6,7 percent figure is based on just over 100 NIBE companies worldwide. As in 2015 and 2016, plants in Mexico and China have not been included in the statistics as the traditionally high level of mobility in these countries deviates considerably from that in other countries. Employee turnover is 46 percent
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not reported.
401-3	Parental leave	Not reported.
402 Labor/management relations		
402-1	Minimum notice periods regarding operational changes	Not reported.
403 Occupational health and safety		
103	Generic Disclosures on Management Approach	Health and safety is one of our most important topics, ranked very high in our materiality analysis both internally and by our external stakeholders. Safety performance has a direct impact on NIBE overall performance as a Group, productivity, stability and ability to create trust as employer, supplier and asset. NIBE work hard to improve the working environment at all plants to create a safe workplace. The ultimate 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 2020. NIBE expect all companies in the Group to live up to NIBE shared policies and regularly monitor working conditions in own operations to ensure they meet standards. During site visits the management present how they have implemented the Group's values, how they work within the areas of health and safety to reach the goal of zero accidents. Nonconformities in 2017 primarily concerned deficiencies in the physical working environment and lack of maintenance of machinery and buildings. There were no cases of child labor, forced labor or any breach of other principles relating to labor law.
403-1	Workers representation health and safety committees	Work of health and safety committees represent 87 (87) percent of the workforce.
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	For NIBE employees the lost time injury frequency per million hours worked was 11 (10.1) and sick leave was 3.6 (3.8) percent. Including contractors, the lost time injury frequency was 11,2. There have been no work-related fatalities. During 2017 there were 292 recordable injuries and 51 high potential incidents for direct employees. Companies with more than 15 employees and an accident frequency of more than 10 accidents per million hours worked must draw up a written action plan for how they will achieve the Group target.



Number of lost days due to occupational disease was 838 days.

403-3	Workers with high risk of diseases	Not reported.
403-4	H&S safety topics covered in formal agreements with trade unions	Not reported.

404 Training and education

103	Generic Disclosures on Management Approach	NIBE 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. NIBE has a decentralized human resources management, with local HR units identifying training and development gaps and opportunities for the local employee population.
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404-1	Average hours of training per year per employee	A total of 250 200 (190 000) hours of training were conducted in various areas in 2017. This is equivalent to approximately 18 (16) hours of training per employee.
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Number of training hours	Europe	North America	Asia and Australia
Number of training hours, male production employees	35 922	62 727	2 291
Number of training hours, female production employees	20 015	74 257	2 390
Number of training hours, male administrative employees	23 631	13 681	426
Number of training hours, female administrative employees	8 408	5 561	304
Total per region	87 976	156 226	5 411

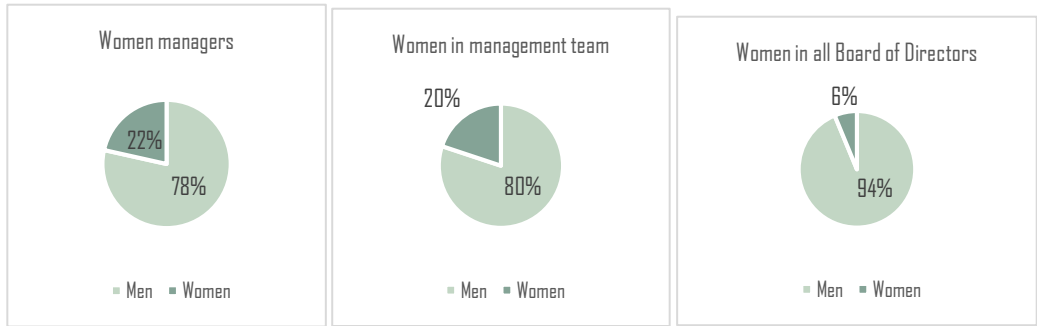
404-2	Programs for upgrading employee skills and transition assistance programs	Not reported.																								
404-3	Percentage of employees receiving regular performance and career development reviews	<p>In 2017 the reported total percentage of employees receiving documented performance and career development reviews was 69 (60) percent.</p> <table border="1" data-bbox="454 448 1340 638"> <thead> <tr> <th>Number of career reviews</th> <th>Europe</th> <th>North America</th> <th>Asia and Australia</th> </tr> </thead> <tbody> <tr> <td>Number of career reviews, male production employees</td> <td>2469</td> <td>1 401</td> <td>176</td> </tr> <tr> <td>Number of career reviews, female production employees</td> <td>755</td> <td>1 179</td> <td>107</td> </tr> <tr> <td>Number of career reviews, male administrative employees</td> <td>1 801</td> <td>661</td> <td>132</td> </tr> <tr> <td>Number of career reviews, female administrative employees</td> <td>597</td> <td>392</td> <td>97</td> </tr> <tr> <td>Total per region</td> <td>5622</td> <td>36 33</td> <td>512</td> </tr> </tbody> </table>	Number of career reviews	Europe	North America	Asia and Australia	Number of career reviews, male production employees	2469	1 401	176	Number of career reviews, female production employees	755	1 179	107	Number of career reviews, male administrative employees	1 801	661	132	Number of career reviews, female administrative employees	597	392	97	Total per region	5622	36 33	512
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405 Diversity and equal opportunity

103	Generic Disclosures on Management Approach	<p>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. Regardless of language, ethnicity, gender, age or background, everyone deserves respect and 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.</p> <p>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.</p> <p>A new Diversity and Equal treatment policy was published in the Group during 2017. All companies will implement this policy during 2018.</p>
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405-1	Composition of governance bodies and other indicators of diversity	<p>The Board of Directors for NIBE Group consists of four men and two women. Their ages are between 57 and 66, with an average of 62.2. All are of Swedish nationality.</p> <p>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.</p>
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Gender equality, number	Europe	North America	Asia and Australia	Group
Women in managerial position	83	95	37	215
Women in local management teams	51	55	15	121
Women in Boards of directors	9	6	0	15



Age distribution, number of employees	Europe	North America	Asia and Australia	Group
Management team members age over 50	150	93	10	252
Management team members age 30-50	158	115	50	253
Management team members age under 30	7	9	1	17
Board members age over 50	111	94	5	210
Board members age 30-50	72	9	3	84
Board members age under 30	0	0	0	0
Number of employees age over 50	2100	1197	60	3357
Number of employees age 30-50	3911	2586	774	7271
Number of employees age under 30	1307	1174	276	2757

		<p>Age distribution employees</p> <ul style="list-style-type: none"> <Age 50: 21% Age 30-50: 54% >Age 30: 25% 	<p>Age distribution Management team</p> <ul style="list-style-type: none"> <Age 50: 3% Age 30-50: 54% >Age 30: 43% 	<p>Age distribution Boards</p> <ul style="list-style-type: none"> <Age 50: 0% Age 30-50: 71% >Age 30: 29%
405-2	Ration of basic salary and remuneration of men to women	Not reported.		
406 Non-discrimination				
103	Generic Disclosures on Management Approach	In an international group, you realize that respecting cultural and social differences is essential in order to be able to co-operate. Regardless of language, ethnicity, gender, age or background, everyone wants to be respected and have the same opportunities without any form of discrimination. NIBE 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.		
406-1	Total number of incidents of discrimination and corrective actions taken	In 2017, there was 1 (o) report of an incident involving discrimination. Corrective actions followed the HR policy.		
407 Freedom of association and collective bargaining				
103	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.		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Some of NIBE 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 labor standard legislation is the minimum level concerning employment terms and working conditions. NIBE encourage the suppliers to apply the same principles concerning workers' rights and labor standards.		
408 Child labor				
103	Generic Disclosures on Management Approach	Harmful child labor deprives children of their childhood, education and well-being and must be abolished. NIBE do not accept child labor in our premises and do not choose to do business with any company, supplier or customer if it comes to our knowledge that they allow child labor.		
408-1	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken	NIBE own operations have no risk for child labor. NIBE periodically visit operations worldwide to make sure that legislation is followed and that labor standards comply with internationally accepted standards. Concerning the suppliers, it has not been identified any significant risk for child labor. Assessing the suppliers from a human rights point of view is an ongoing process.		

409 Forced or compulsory labor		
103	Generic Disclosures on Management Approach	NIBE do not accept forced labor in our premises and do not continue business with a company if it comes to our knowledge that they allow forced labor.
409-1	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken	NIBE own operations have no risk for forced labor. We periodically visit the operations worldwide to make sure that legislation is followed and that labor standards comply with internationally accepted standards. Concerning the suppliers, it has not been identified any significant risk for forced labor. Assessing the suppliers from a human rights point of view is an ongoing process.
410 Security practices		
103	Generic Disclosures on Management Approach	NIBE do not have employed armed security personnel. NIBE employees working with security receive training in Our Values, including human right in connection to introduction training.
410-1	Security personnel trained in human rights policies or procedures	Not reported.
411 Rights of indigenous people		
103	Generic Disclosures on Management Approach	NIBE Our Values states: <ul style="list-style-type: none"> • We value and develop diversity among our employees. • We do not give any one special treatment regarding their employment or duties.
411-1	Incidents of violations involving rights of indigenous peoples	Not reported.
412 Human rights assessments		
103	Generic Disclosures on Management Approach	As part of the annual risk assessments including sustainability risks, all companies within the NIBE Group are also obliged to go through their human rights risks and make an evaluation.
412-1	Operations that have been subject to human rights reviews or impact assessments	Not reported.
412-2	Employee training on human rights policies or procedures	In 2017, 4754 employees received training in human rights policies and 10860 hours were devoted to training on human rights policies.

412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not reported.
413 Local communities		
103	Generic Disclosures on Management Approach	All companies have a responsibility to act according to Our Values and Principles as good citizens in the communities where we are present. NIBE do not collect specific information on local engagement and impact assessments. We do however follow reports through grievance mechanisms and information about potential impact on local communities that might come as a result of our annual risk assessments.
413-1	Operations with local community engagement, impact assessments, and development programs	Many of NIBE companies are major employers in the local communities in which they operate. Each company has great freedom, within the framework of Our Values, to decide how it wants to contribute to the development of its community. In 2017, local initiatives relating to culture, sport, health and young people were sponsored to the tune of SEK 2,3 million (1,8 million).
413-2	Operations with significant actual and potential negative impacts on local communities	Not reported
414 Supplier assessment		
103	Generic Disclosures on Management Approach	Human rights assessment is part of NIBE new evaluation system and is to be made before on boarding of new suppliers. NIBE have started to roll out new procedures and tools to the companies within the NIBE Group, but as the procurement organization largely is decentralized, it will take some years before this will be fully implemented. For existing suppliers NIBE are planning assessment according to the same procedures and criteria as used for new suppliers.
414-1	New suppliers that were screened using social criteria	New suppliers that were screened against social criteria in 2017 were 23 (7) percent.
414-2	Negative social impacts in the supply chain and actions taken	We have not registered any negative social impacts during 2017.
415 Public policy		
103	Generic Disclosures on Management Approach	NIBE policy is that we do not give contributions to any political part or organization. Our Values states: <ul style="list-style-type: none"> • We do not contribute to or involve ourselves with political parties, politicians or political organizations.
415-1	Monetary value	o (o) SEK

416 Customer Health and Safety		
103	Generic Disclosures on Management Approach	<p>NIBE product development and sourcing teams work according to a number of directives and legal requirements. Besides legal demands according to a number of directives, NIBE also have specific requirements from customers. At NIBE the products' function, quality, safety and environmental characteristics are the most important conditions for the Group's continued development.</p> <p>Our Values states:</p> <ul style="list-style-type: none"> • We strive to make our products contribute to sustainable development when they are used by the customer – energy efficiency, eco-design and lifecycle thinking are important keywords for us. • Our products must fulfil agreements and legal norms and standards regarding health and safety during use. • We have relevant and clear information about safe and environmentally adapted installation, use, maintenance, storage and final disposal. • We ensure that the customer gets fast responses to product questions and requests for information.
416-1	Assessment of the health and safety impacts of product and service categories	The directives and legal requirements or customer requirements are tested to international or local standards, internal at NIBE or at third party during the development phase and in manufacturing.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not reported.
417 Marketing and labelling		
103	Generic Disclosures on Management Approach	<p>NIBE follow national and regional legislation, and see it as a competitive advantage to give correct and sufficient information about our products.</p> <p>NIBE market communication must be reliable and based on facts at all times.</p>
417-1	Requirements for product and service information and labeling	<p>NIBE follow directives, national and regional legislation and customer requirements.</p> <p>NIBE are required to keep track on:</p> <ol style="list-style-type: none"> 1. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling: <ol style="list-style-type: none"> 1. The sourcing of components of the product or service; 2. Content, particularly with regard to substances that might produce an environmental or social impact; 3. Safe use of the product or service; 4. Disposal of the product and environmental or social impacts; 5. Other, such as test standards. 2. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.
417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents reported during 2017.
417-3	Incidents of non-compliance concerning marketing communications	No incidents reported during 2017.

418 Customer privacy		
103	Generic Disclosures on Management Approach	<p>NIBE have clear internal procedures how to protect customer privacy and how to secure data. There are policies how to work in order to not reveal sensitive data to non-authorized parties. NIBE follow data protection legislation, GDPR, and have a systematic approach towards preventing data theft, hacker attacks and other attempts to compromise our IT-systems.</p> <p>Our Business principles state:</p> <ul style="list-style-type: none"> • Our customers must always have full confidence in our company, products and employees • We must be a safe and constructive partner
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No incidents reported during 2017.
419 Socioeconomic Compliance		
103	Generic Disclosures on Management Approach	<p>It is essential for the company's good reputation to comply with all legislation and voluntary commitments.</p> <p>Our Values states:</p> <p>We have a zero tolerance approach to breaches of key areas of the Code of Conduct. This applies, for example, to compliance with the application of human rights and issues such as bribery, corruption and competition law. In the other areas, we work systematically and purposefully with continuous improvements.</p>
419-1	Non-compliance with laws and regulations in the social and economic area	No incidents reported during 2017.