

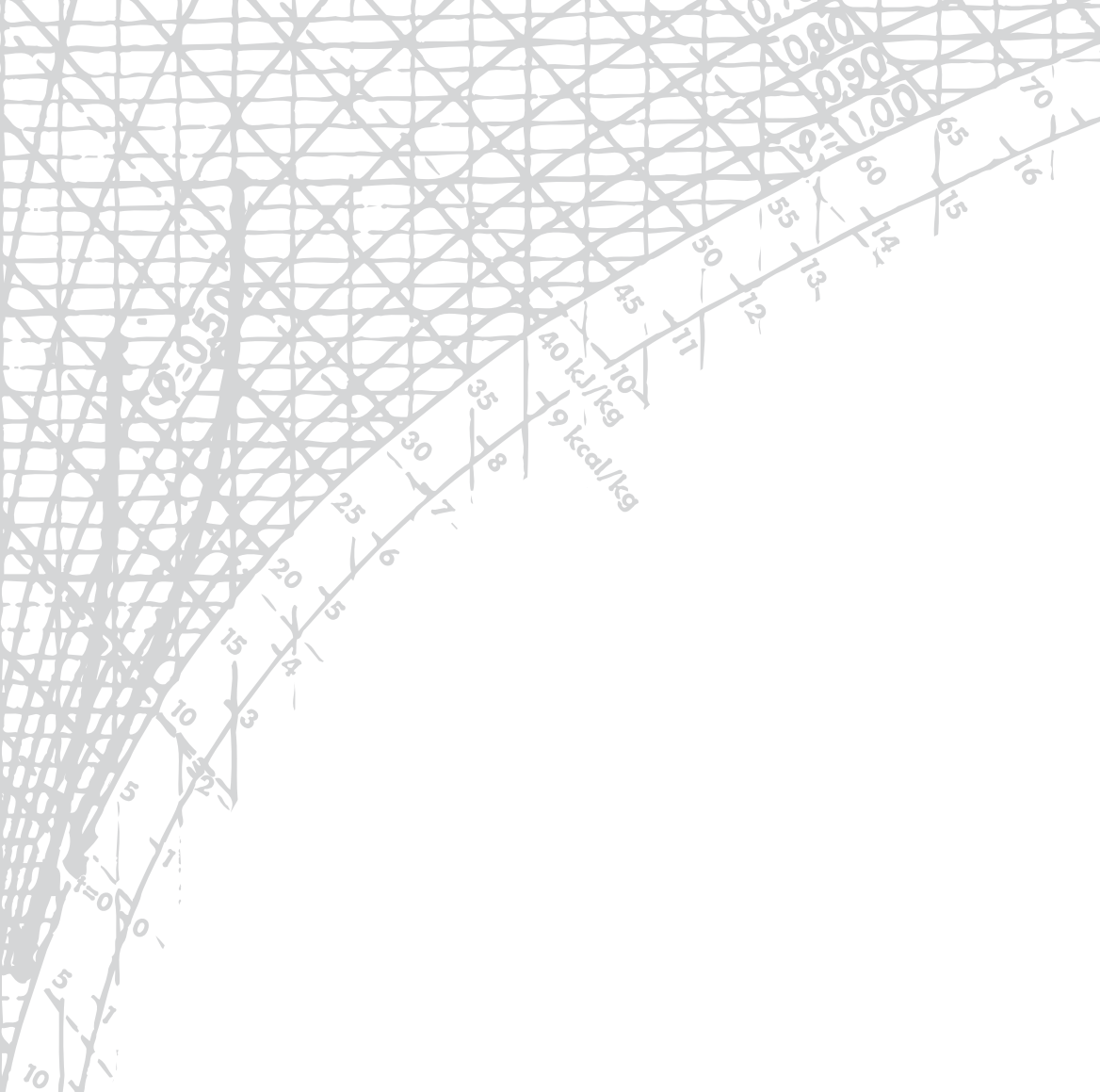


2022 SUSTAINABILITY REPORT

For a
sustainable
future.

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About **IV Produkt**

Since 1969 we have been working towards a sustainable future. We develop and manufacture air handling units that save energy and create good indoor climates for thousands of schools, workplaces, hospitals, block of flats and other buildings around Europe.

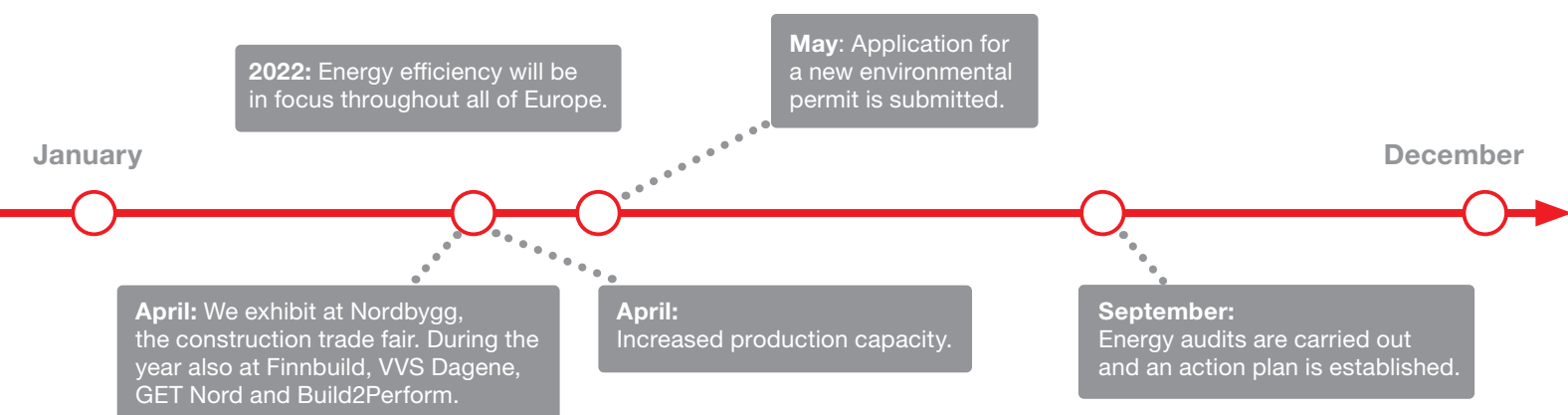
With headquarters, production and owners in Växjö, Sweden, the business is characterised by long-term visions and short decision paths.

Our long experience has given us invaluable insights that, in combination with innovative thinking and proven methods, drive development forward. With us, you will be met by dedicated employees who are happy to share their knowledge with you. We are continuing to grow and we have big plans for the future!

Summary of our 2022

- Completed energy audit with action plan
- 35 new employees
- Application for a new environmental permit to expand production

Significant events for IV Produkt



1

SUSTAINABILITY AT IV PRODUKT



The ventilation industry can contribute to global sustainable development through energy savings and reduced environmental impact.

What we create

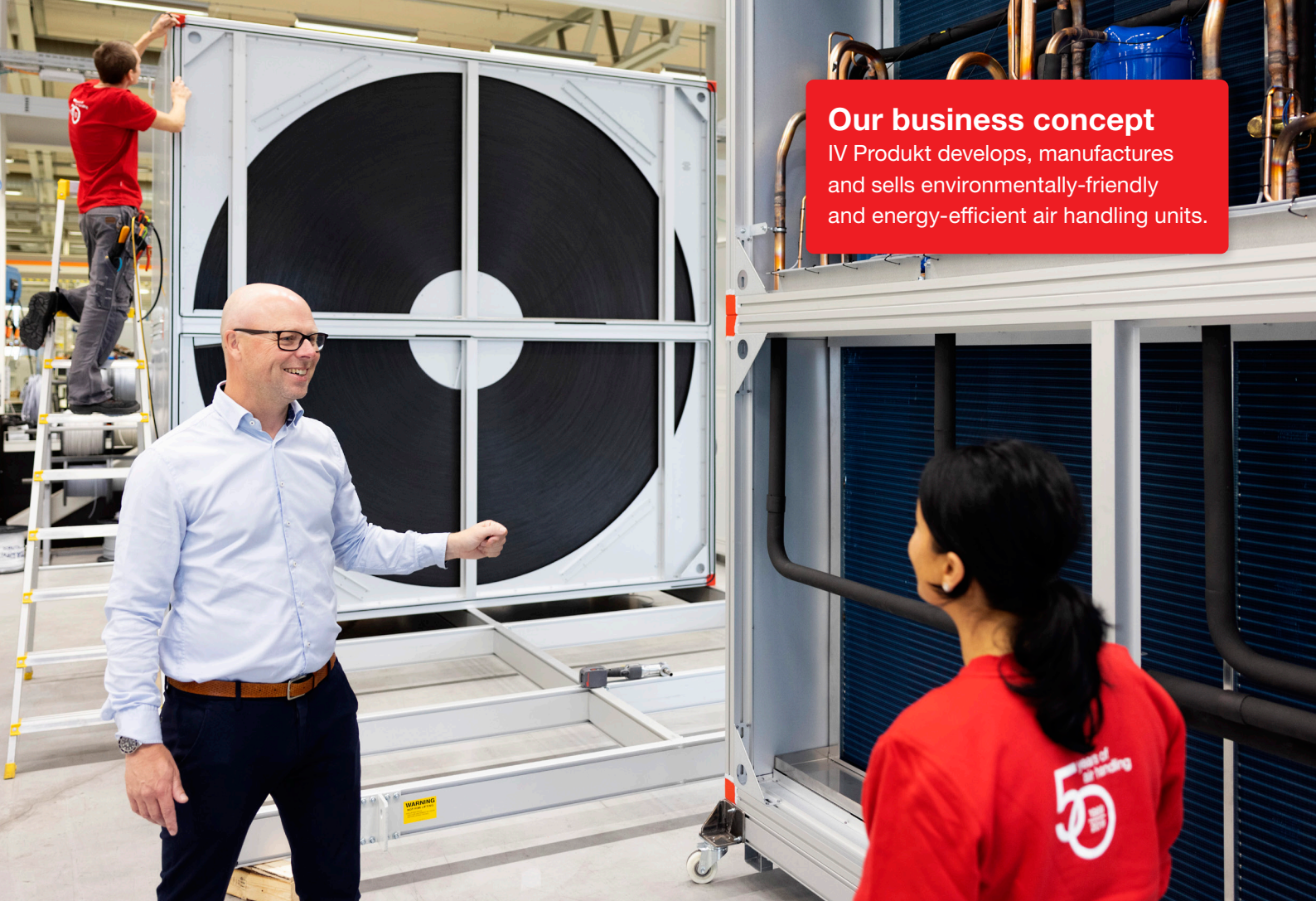
IV Produkt is a privately-owned company based in Växjö in the Swedish county of Småland that develops and manufactures innovative solutions for air handling. We have been doing this since 1969.

We are market leaders in the development and production of air handling units. This position was achieved by having the highest rate of development in our industry. At IV Produkt we have extensive experience in energy efficiency and a strong focus on life cycle cost (LCC). Over the past year, the need for energy efficiency has increased

even more and this features in several conversations with our stakeholders.

The ventilation industry can contribute to global sustainable development through energy savings and reduced environmental impact. At the same time, it contributes to a better indoor climate and better health for people.

The air handling units shall provide our customers with the lowest overall cost of purchasing, operation, service and recycling. We do this by optimising the life cycle cost of our products, which contributes to reduced operating costs and increased property value.



Our business concept

IV Produkt develops, manufactures and sells environmentally-friendly and energy-efficient air handling units.

The way we are

We are determined to make a difference. This is evident in both the **Business Concept** and in **The way we are**, which forms the basis for how we work and act.

innovative

We dare to think in new ways and always strive to improve our products and processes. By finding our own unique solutions we lead instead of following the evolution.

trustworthy

You can rely on us. Whether you are a customer, colleague or supplier, IV Produkt always stands for reliability.

long-term

IV Produkt is unlike any other company. Since the owners are in the midst of the business it is characterised by long-term decisions. This ensures that we are successful not only today but also a strong player for the future.

caring

At IV Produkt we care about each other and our environment. Thanks to our products, we contribute to a more sustainable world by saving the earth's resources.

value-adding

At IV Produkt we create value. Through sustainable and energy-efficient products, we create high-value solutions that make a difference to our customers and our community.

dedicated

At IV Produkt we set high standards for ourselves and want to exceed expectations in everything we do. We value responsibility and by sharing knowledge, we grow together.



How we **work**

Long-term partnerships with customers and suppliers are important to us. It provides the opportunity to sharpen the requirements when developing new products and manufacturing methods. With a wide range and long combined experience, we can find solutions that meet the needs of the market.

The owner's strong presence in the daily operations provides short decision paths, always with the company's best interests in focus.

Our air handling units are tested and certified by Eurovent Certification, which provides an additional sense of security for our customers. Our business system is certified according to **ISO standards 9001 and 14001**, which are an obvious part of quality and environmental work.

Spreading knowledge

Since we always strive to be the best in the plant room, major investments have been made in IV Produkt Innovation Center and IV Produkt Competence Center where we share experiences and share competence.

Employee value

People are the most important resource at IV Produkt. We create value through our employees' "way of thinking" and their common desire to develop the business. It is therefore of great importance that our employees have the absolute best conditions to be able

to perform their work in a committed and safe manner. The company is in a strong growth phase and being an employer that attracts and retains good skills is a matter of course. Active efforts are being made to secure the position as an attractive employer, which we see the results of in employee and health surveys, low sickness rates, staff turnover and new recruitment.

Well-considered choices

- The investments have been carried out with the environment in mind, both in the choice of building materials and installations.
- The premises are heated with district heating produced from residual products from the forest that would otherwise have been wasted.
- At IV Produkt all electronic equipment is powered by climate-smart electricity.
- Other areas where we can control our environmental impact include our efforts to maximise the utilisation rate of raw materials, minimise the number of chemicals and have a well-developed source sorting system.



THE GLOBAL GOALS

For Sustainable Development

The UN's Sustainable Development Goals

To achieve the 17 global goals for sustainable development – Agenda 2030 – we must take greater responsibility for the world we leave for future generations. It will require both commitment and major future investments. The ventilation industry can contribute to achieving the following three goals, for example:

3. Good health and well-being

Indoor climate is of great importance for our health.

7. Affordable and clean energy

Energy-efficient ventilation with the best recycling methods provides major savings, which means that climate-smart energy lasts longer.

13. Climate action

By improving energy efficiency and thinking long-term, we can reduce global emissions.

3 GOOD HEALTH AND WELL-BEING



7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



Business ethics and anti-corruption

The fact that IV Produkt is a reliable company is a crucial factor for us to be able to continue selling our products. We have therefore chosen to take this issue into account at all stages of the business including by taking a clear distance from harmful interactions.

Regarding issues related to business ethics and anti-corruption, there are of course risks as we have staff both in Sweden and in the rest of Europe. To minimise the risks, there are guidelines for how we should be and act towards each other, including a code of conduct in which we have taken a stand.

Procedures and follow-up

We have internal procedures for how external representation should be handled and reported. In addition, gifts or activities of a representative nature must always be approved by the immediate manager, and arranged by the CEO.

We monitor and ensure appropriate representation in our business relationships. Deviations from the Code of Conduct and procedures are reported to the immediate manager or management team.

Since the introduction of the Code of Conduct we have not had any reported cases of nonconformities. It is with the help of our procedures, Code of Conduct and, not least, the way we are that we ensure our reliability.

Although we have not received any reports of deviations, it is important to be forward-looking. We continuously review how working methods and procedures can be adapted based on society's conditions.

Whistleblowing policy

IV Produkt strives to have an open business climate, high business ethics and healthy employees. Our employees, customers and suppliers are our most important sources of insight into any shortcomings and they have the opportunity to anonymously report via our **whistleblowing policy**. No such notifications were received in 2022.



Code of Conduct

All representative activities and actions shall serve a clear business purpose and be transparently reviewed. The Code of Conduct states that we clearly distance ourselves from actions that may be perceived as aimed at unduly influencing a business decision.

2

ENVIRONMENT



Summary of the environmental policy

- Actively work on environmental issues
- Reduce environmental disturbances
- Regularly review and improve
- Make decisions with the environment and health in mind
- Fast handling of environmental matters
- Minimise the impact of products throughout their life cycle

Environmental policy for sustainable development

IV Produkt has had an environmental policy for several years. It serves as a guide in the improvement work of the business.

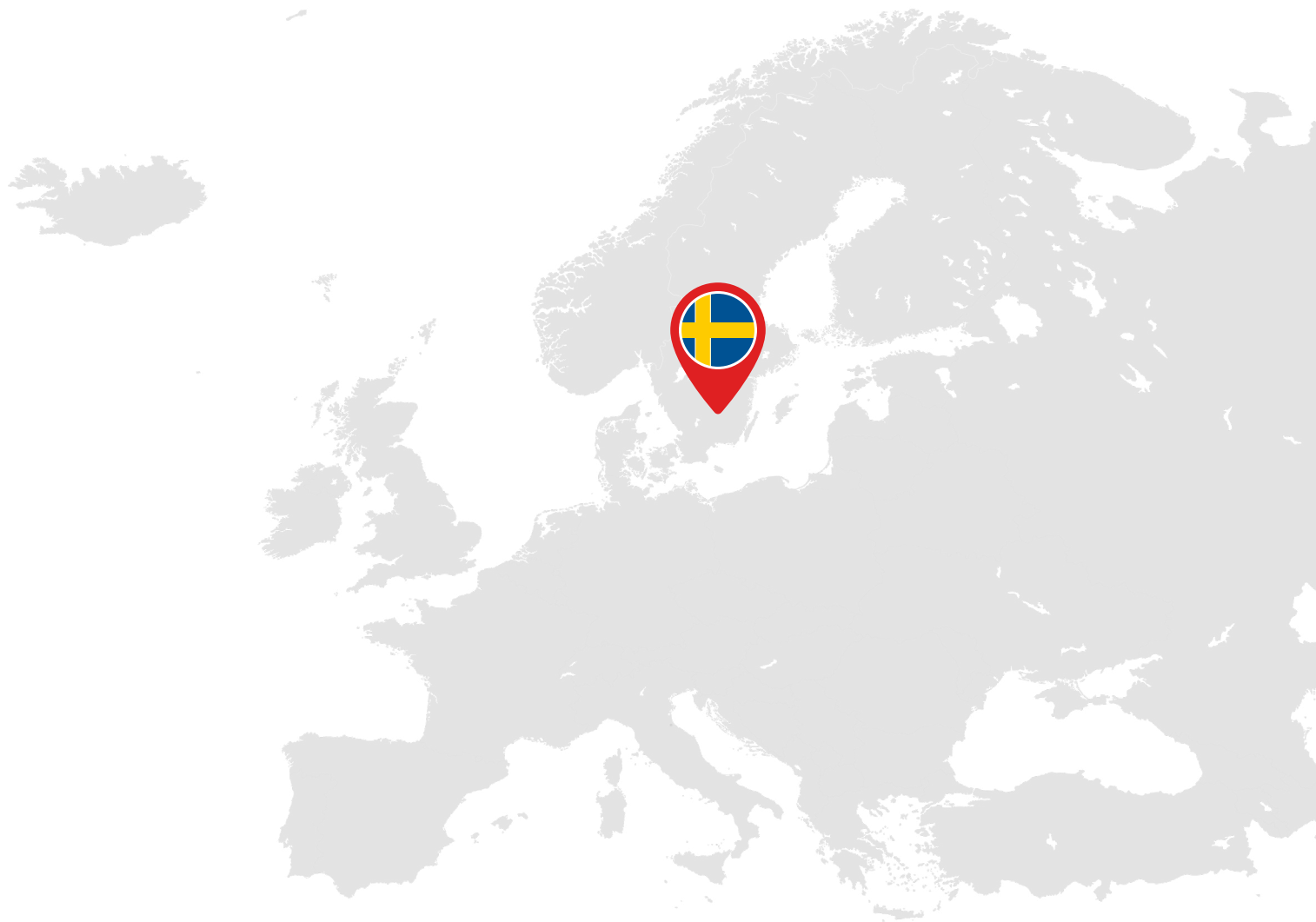
IV Produkt shall, in all their operations, strive for a good development of the indoor and outdoor environment so that the environmental and health burden is minimised. In doing so, great emphasis will be placed on material selection and production methods. The products manufactured must actively contribute to sustainable ecological development. In order to establish and follow up overall and detailed environmental objectives, IV Produkt shall:

- **Actively work on environmental issues** in all business activities. Through the information discourse and training of employees, the individual's responsibility for the environment will be developed. Suggestions for improvement shall be encouraged.
- **Work to reduce environmental disturbances** from operations and products, including by increasing the utilisation rate of raw materials and energy and reducing the amount of waste.
- **Create a better environment** and health conditions than stated in current legislation, government rules, permits and conditions.

This shall be done by regularly reviewing the activities from the point of view of environmental protection. The results of these reviews shall, where possible, be measured and form the basis for improvements in processes, products, material selection, organisation and procedures.

- **Prior to decisions on investments**, new construction and renovations or other changes in operations, discuss and consider environmental and health issues, risks and consequences.
- **Quickly handle all environmental matters.** All stakeholders must be well informed about the environmental impact of the business. The company shall promote an open dialogue and maintain knowledge regarding environmental protection easily accessible.
- **Strive to ensure that the goods the company produces** are constantly developed so that the impact on the environment and health is minimised throughout the life cycle.

In order to live up to this policy, the company must have good knowledge of the nature and extent of the risks associated with the business and the measures that may be needed.



Our **environmental work**

Training in environmental issues is carried out on an ongoing basis. Management reviews the environmental management system for updates, targets and policies as necessary.

IV Produkt has chosen to concentrate its environmental work based on two aspects.

External impact

Covers environmental product liability in the long run, i.e. how the finished products affect the environment throughout the life cycle.

Internal impact

Includes environmental impact through our operations. The internal environmental work is developed every year and we are constantly taking steps forward to reduce the ecological impact. Here we focus on the environmental impact from upstream and from the factory itself. It is important to lead by example and show the way for how we can make a big difference with relatively small means. What is also important is the individual's understanding and knowledge of their impact on the entirety and how they themselves can make progress.

Climate impact

To further strengthen our environmental work, a project was initiated in 2021/2022 to determine our climate impact and look at the opportunities to become climate neutral.

This has been achieved through calculations of Carbon Footprint according to the ISO 14044 standard for life cycle assessments and the GHG protocol's accounting principles with three different Scopes, which for IV Produkt are:

- **Scope 1** – Direct emissions of fuels for self-owned vehicles, 116 tonnes CO₂e (102 tonnes in 2021)
- **Scope 2** – Consumption of purchased energy, 198 tonnes CO₂e (211 tonnes in 2021)
- **Scope 3** – Emissions from purchased goods, production emissions in Scope 1 and 2, transport to and from IV Produkt, waste, business travel and emissions during use of sold products

We are working on action plans to reduce emissions from Scope 1 and 2 and to map emissions from Scope 3.



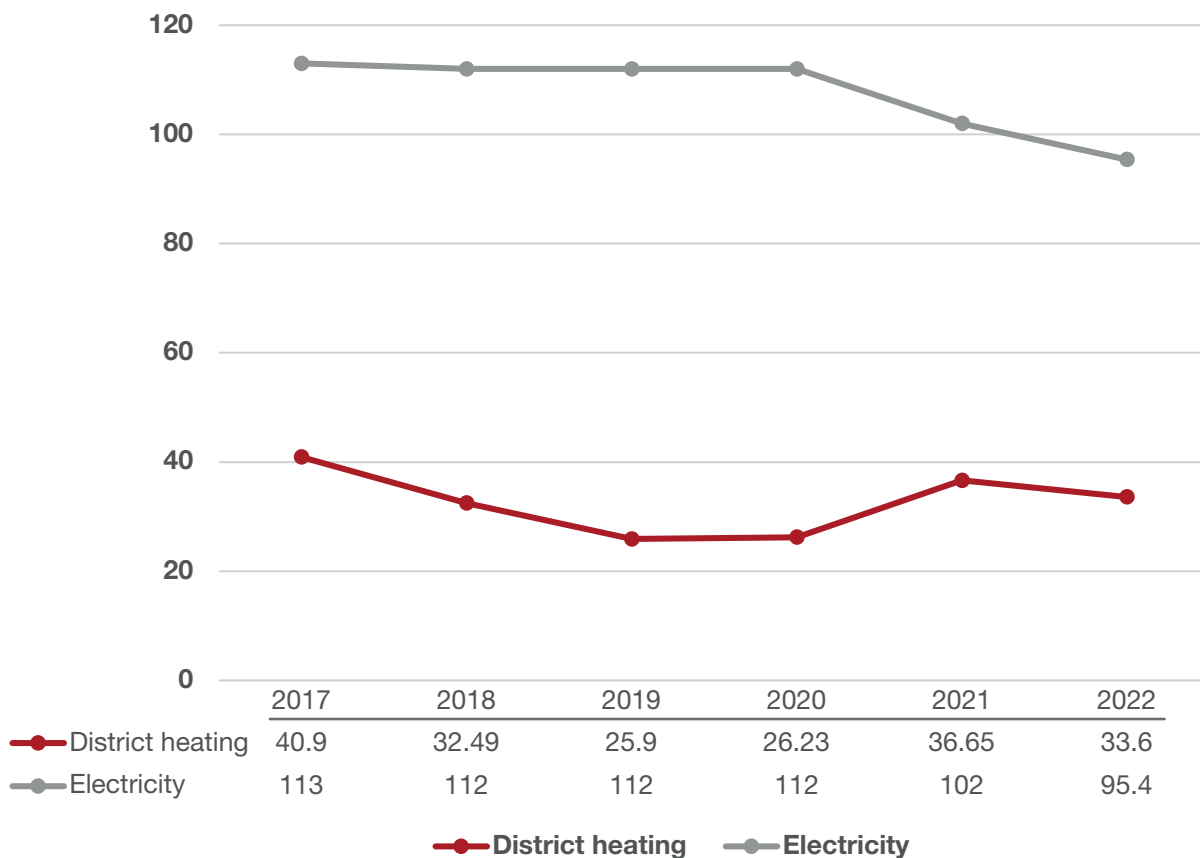
Energy use

A lot is happening at IV Produkt and we continue to grow. Therefore, it is extra important that we monitor our energy use every year and find measures to reduce consumption.

In 2022, a basic **energy audit** was carried out, which resulted in several energy efficiency measures and plans.

We were able to reduce electricity consumption by 6 % and district heat consumption by 8 %. With the help of the energy audit, our ambition is to continue to reduce our use of energy sources.

Energy use in kWh/m³

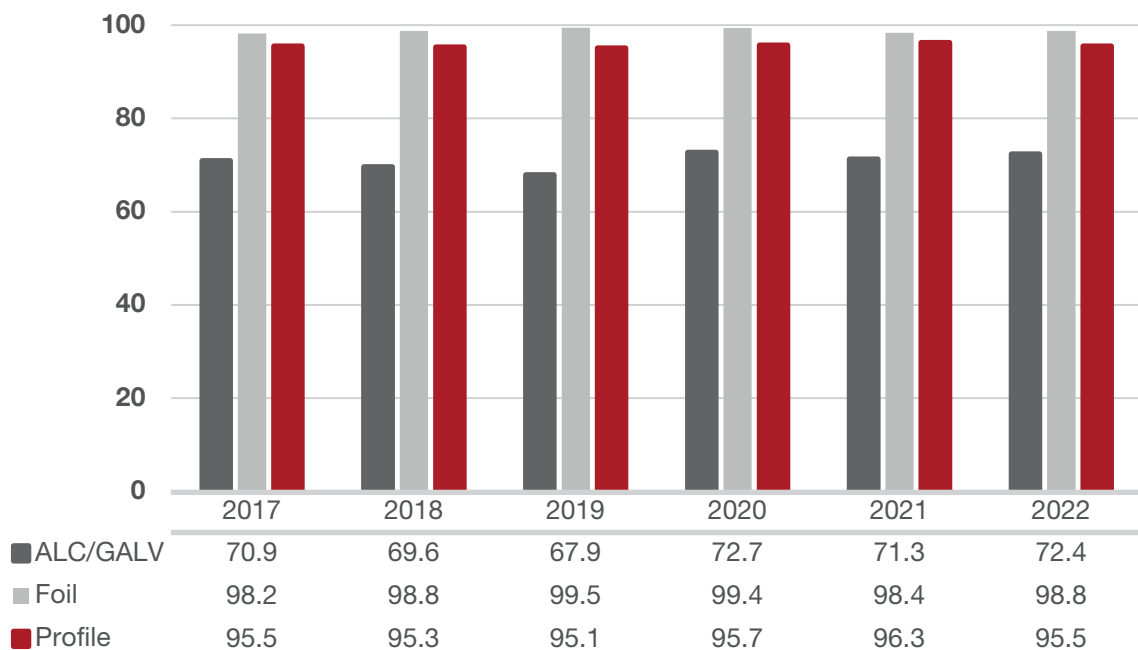


Utilisation of raw materials

Optimal use of the raw materials purchased not only provides environmental savings but also financial gain.

The graph below shows the development of three important material types for the business: galvanised Aluzinc sheet metal, aluminium foil and aluminium profiles. The goal is to maintain a positive outcome for all types of materials.

Utilisation rate in percentage



In 2022, AL-Profiles and AL-foil have remained at a steady level compared to previous years, while GALV/ALC has risen by about one percentage point.

Handling of chemicals



Minimising the use of chemicals and handling them correctly is important at IV Produkt, which introduced ISO 14001 in 1997.

Since then, we choose the most environmentally and health-friendly option and try to find substitution products for chemicals. The number of environmentally harmful chemicals that can be replaced by other less hazardous substances has consequently decreased.

All chemicals to be used are carefully reviewed in an internal chemicals inspection and undergo risk analyses. To facilitate management and control, a digital system is used.

When working with chemicals, the environmental impact should be taken into account, but of course also health aspects for those who handle them. Therefore, information and communication with those affected is crucial for good and safe handling.



Risk management procedures

The areas we have assessed as most risky are fire, chemical emissions and the production of heat pumps and cooling pumps.

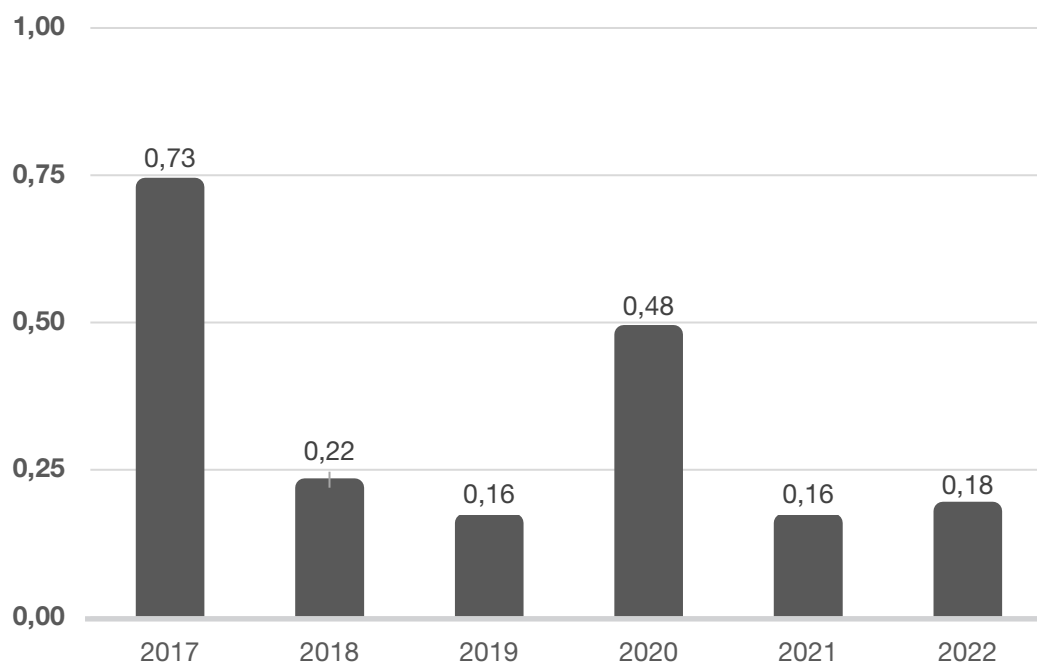
- Systematic fire protection work is ongoing.
- Training in preventive fire protection work and extinguishing takes place annually.
- There are also procedures for handling chemical emissions, ranging from the obligation to report to how we internally handle this, and there is also equipment to use if necessary.
- Risks in the production of heat and cooling pumps are managed through continuous training and established procedures for how to minimise leaks and mishaps.
- In the event of incidents, there are procedures for handling these.



Sorting at source

IV Produkt has for many years had a well-developed system for source sorting. This has led to a reduction in the share of landfill in the total amount of residual waste from 0.49 % to 0.18 % in the period 2012–2022. At the same time, in collaboration with suppliers, we have developed a variety of reusable packaging materials and started return systems for different types of packaging.

Landfill in percent





Legal requirements and certification

IV Produkt works to achieve and exceed the requirements of the **Swedish National Board of Housing, Building and Planning's building regulations**.

According to the statutory requirements, our products **are CE marked**. This provides basic safety for users and installers in terms of health and safety.

The products have been Eurovent certified for many years which means that an independent international industry association checks and verifies that the technical data and performance we report are correct. This means that customers and other stakeholders can feel confident in the products' promised function and quality.

3

PEOPLE



We believe it is important to attract children and young people to a future profession in the technology industry at an early age.

Our community involvement

An important part of IV Produkt's dissemination of knowledge is collaboration with schools, universities and other educational institutions.

We collaborate with Epic – Innovation & Technology Centre, an economic association run and owned by the largest technology companies in the Växjö region. Together we hope to increase interest in a professional career in the technology industry.

We also collaborate in other industry-specific networks so that we can jointly help each other with issues linked to, for example, the long-term work with skills supply.

Suffering from mental illness

During the year, we have collaborated with a daily activity within the municipality of Växjö called 'Parketten'. Parketten's activities are aimed at adults with mental illness. The participants have helped us with various tasks, which in turn have facilitated the work of our production staff.

Collaboration with schools

The upper secondary schools Teknikum and Kungsmadsskolan in Växjö have interns in our production every year. Together with Linnaeus University, we have a collaboration where we participate in education, student projects, and career fairs.

Traineeships and job opportunities

Our strong growth leads to more jobs at our head office in Växjö, at our other sales offices in Sweden and subsidiaries in Norway, Germany and the UK.

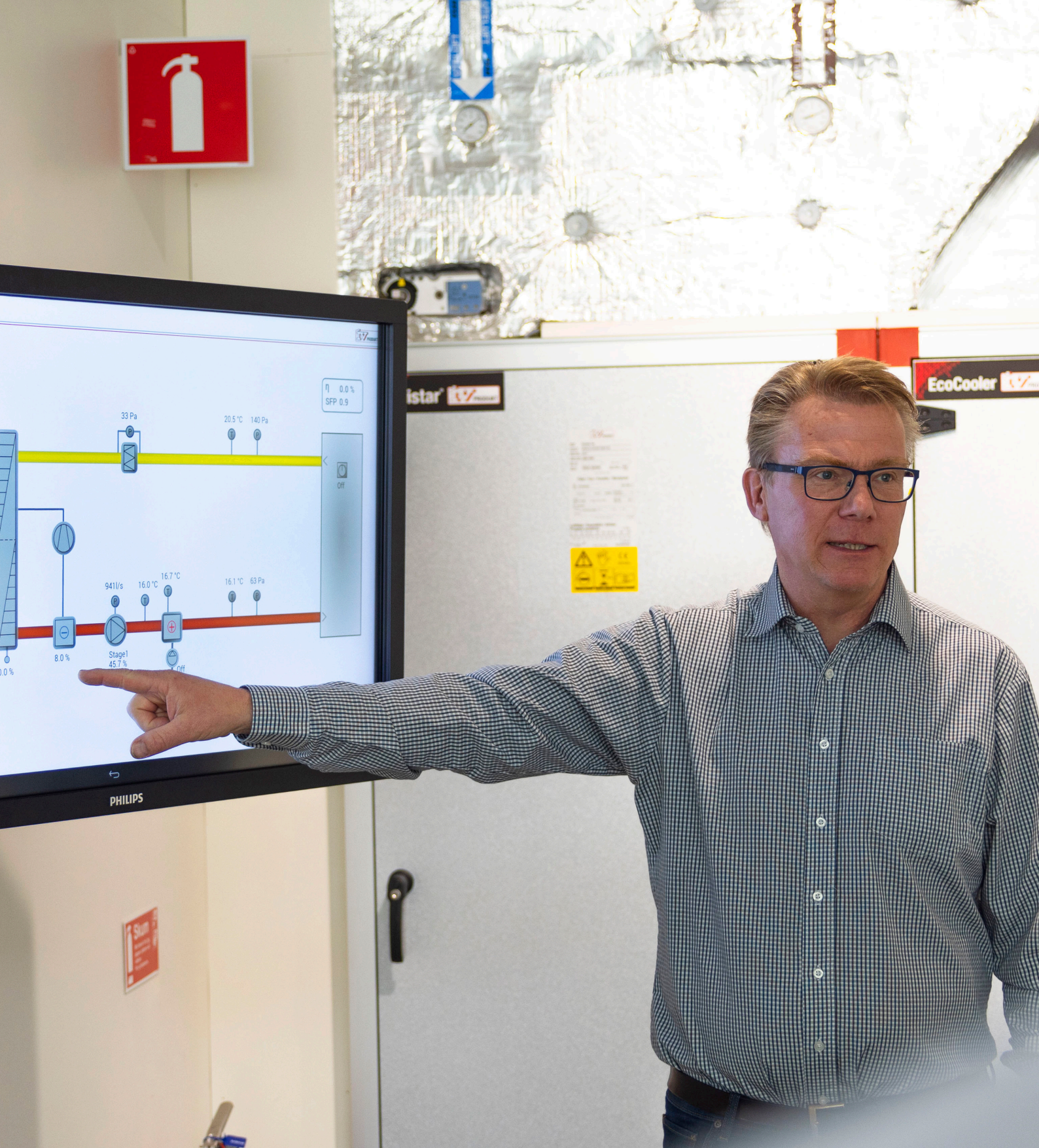
Through collaboration with various educational institutions, we contribute with the dissemination of knowledge and enable students to gain an insight into working life through, for example, internships. By offering internships, we hope to increase the supply of skills in our industry and our company.



Every year, we receive interns from the internship program Tekniskprången, which is a program aimed at students who have studied science or technology programs and are thinking about a future as an engineer.

Arouse children's curiosity

We believe it is important to attract children and young people to a future profession in the technology industry at an early age. Therefore, we will develop our cooperation with schools in the coming years, and then already at primary school levels. Awakening children's curiosity early on can pave the way for an interest in the long run.



Personal meetings and knowledge exchange

Thanks to the easing of restrictions from the Public Health Agency of Sweden in 2022, many face-to-face meetings could take place during the year. This enabled a larger increase compared to previous years in terms of customer visits, training and study visits on site in Växjö.

Study visits	5 • 55 participants
Training	17 • 103 participants
Customer visits	48 • 344 participants

Our people

In order to remain at the forefront of development and innovation, it is crucial that employees have the right skills and that they thrive at IV Produkt.

We have identified **well-being, commitment and work-life balance** as three important factors to work with. Follow-up takes place via employee appraisals and, if necessary, via our HR system.

In order to maintain the commitment of the staff in a growing company, we try to create a safe workplace with good development opportunities. Many of our employees participate in skills development **courses and training**, both internally and externally. We care about **internal recruitment routes**, which is an important inspiration for the staff who see the opportunity to grow with us.

Regular **employee appraisals** are a good opportunity for employees to develop and follow up a personal action plan together with their immediate manager.

Preventive work

Regular safety rounds, risk analyses and collaboration groups are activities that ensure a good working environment. Close and active cooperation with **occupational health services** helps to ensure the quality of work environment management. During the year, cooperation with the **Health and Safety representatives** was increased.

Since many of the employees in production have a physically demanding job, we have in recent years expanded the business-related work to prevent possible injuries. This includes, among other things, ergonomics training and focus groups where occupational health services direct efforts to the staff based on the specific needs of different work groups.



New reporting tool

During the year, we implemented an **internal reporting tool** for, among other things, incident and occupational injury reports, in order to facilitate internal management, but also to identify risk elements and reduce the incidence of occupational injuries. With the new way of reporting, we also hope to be able to highlight improvement potentials much earlier and then also be able to discuss these in various collaboration groups both in the direct working group, but also in other operational contexts.

Office work

For office staff, the focus is on the social and organisational work environment, also in collaboration with occupational health care. In connection with the introduction, all new employees receive a briefing with an **ergonomist** at their workplace to ensure good working postures and correct aids that minimise the risk of work-related musculoskeletal injuries.

Respectful treatment

An obvious part of our values is that all employees should be treated with respect and consideration. This is a prerequisite for them to thrive and feel engaged. Consequently, no form of victimisation is accepted.

Our aim is to draw notice to this as early as possible. Among other things, we address the issue in development talks and accommodate it in connection with safety rounds. The results of this are compiled annually and measures are taken on an ongoing basis.

We train employees in managerial positions on the obligations to prevent and address victimisation. Trade union site representatives, health and safety representatives and union representatives on the safety committee are offered to participate in training concerning victimisation.

All employees must be treated with respect and consideration.



Key figures in the HR area

By calculating key figures, we can see development and change over time and gain a basic understanding of employees' and the company's well-being.

Growing number of employees

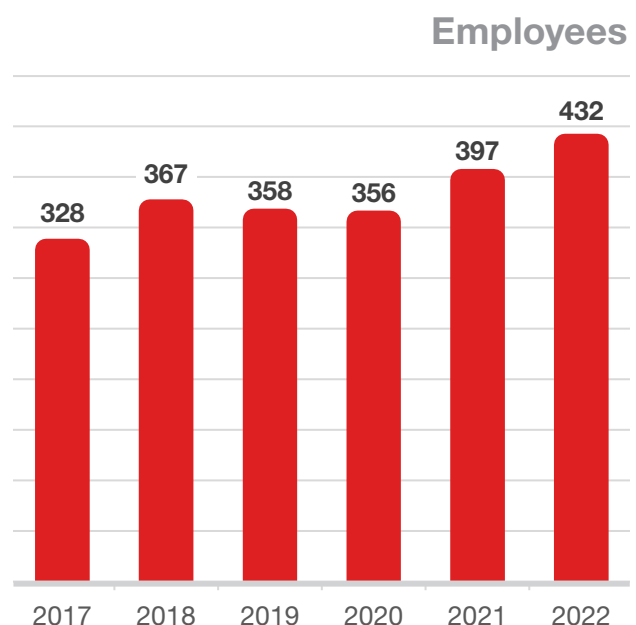
– IV Produkt is experiencing strong growth and consequently a high development rate and over the last 10 years (2012–2022) **has increased the number of employees by 82 %**.

– **Staff turnover** for permanent staff was 3 % in 2022.

– According to the latest report of the Occupational Register from 2017, 15 % **women were employed in metalwork**. Of the 296 employees employed in production at IV Produkt 16 are women, which means 5.4 % (as of 2022-12-31).

– The overall **employment rate** for IV Produkt as of 2022-12-31 is 96.06 % which shows that most people work full-time.

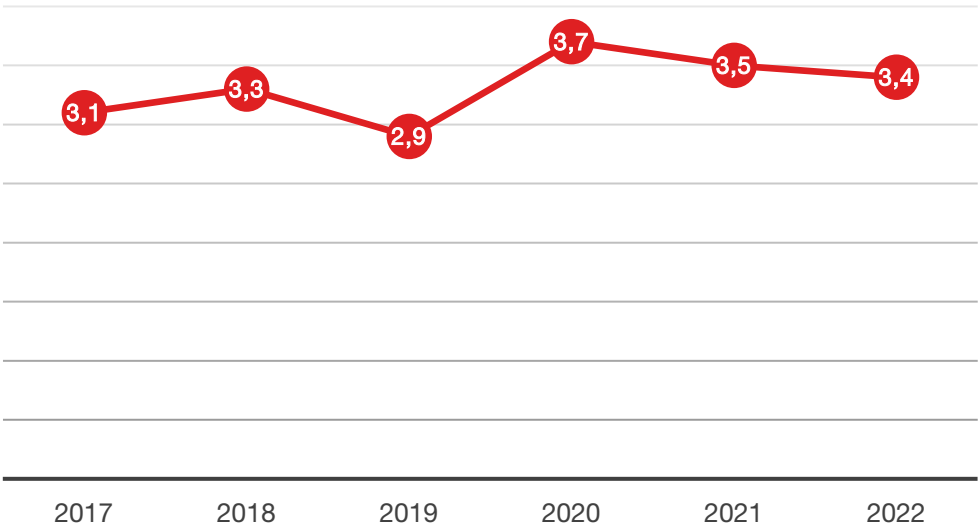
– At the end of 2022, **17 people were working part-time** out of a total of **432 employees**.



Sick leave at an even level

Sick leave has been at an even level since 2016 and the distribution between men and women has been equal during these years.

Sick leave in percent



IV Produkt's footprint

Major steps have been taken to make the business more sustainable and we are proud of that, but we want to do more. We are convinced that sustainable development will be in focus for a long time to come. This means that we will continue to make major investments and improvements to our products in the future to save the Earth's resources.

We are thinking on the long-term here at IV Produkt.



You are welcome
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Luftbehandling med LCC i fokus