



UN Global Compact COP

Statement by the CEO

NIBE Industrier AB (NIBE) is a Swedish company, with its roots in the southern province of Småland, which has a long-standing tradition of manufacturing products for both household, industry, residential and commercial use.

Our vision is to create world-class solutions in sustainable energy. We offer the market high quality, innovative energy-efficient products and system solutions. Our achievements are largely attributable to our corporate culture, which is based on an entrepreneurial spirit and a passion for business, where sound profitability, continuous growth and long-term value creation are the key factors for success.

I am pleased to confirm NIBE's support of the United Nations Global Compact in the areas of human rights, labour rights, environmental protection and anti-corruption.

Our Sustainability Program reflects the ten Principles of the United Nations Global Compact. We have identified our prioritized sustainability issues and follow our performance on these issues systematically. We communicate sustainability performance on a yearly basis and follow the sustainability reporting standard set by GRI.

In the Communication on Progress we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy and daily operations. We also commit to share this information with our customers, employees, suppliers and other stakeholders.

Attached you can find a description of actions taken by NIBE to improve the integration of the Global Compact and its principles into our business for a more sustainable future. There is also a link to our Annual report for 2019.

Gerteric Lindquist

CEO, NIBE Industrier AB

2020-09-28

NIBE has decided not to publish public documents with signatures.

Annual Report 2019:

<https://www.nibe.com/investors/pm-news-reports/2020---news-reports/2020-04-14-annual-report-2019>

GRI Index page 128-134 in the annual report.

DESCRIPTION OF ACTIONS

Human Rights

Follow up of the implementation of our policy for Health and Safety and the policy for Diversity and Equal treatment continued during 2019.

In 2019, 5 117 employees received training in human rights policies and 10 446 hours were devoted to training on human rights policies.

NIBE has a whistle-blower function through which all Group employees can confidentially report suspicions of serious deviations from NIBE's values, business principles and applicable legislation without risking retaliation. To ensure the anonymity of the whistleblower and the proper, secure handling of submissions, whistleblower cases go directly to an external recipient who also leads the investigation of the case.

The whistle-blowing policy is available in all local languages where we operate and implemented in our businesses.

As a part of the annual risk assessments, all companies within NIBE Group are obligated to go through their human rights risks and make an evaluation.

NIBE visit operations worldwide periodically performing audits to make sure that working conditions, diversity and equal treatment meet our requirements and that legislation regarding human rights are followed. During 2019 approximately 30% of the companies where visited.

NIBE are supporting the organization Hand in Hand who are focusing on health, children and schooling. Hand in hand are offering girls the possibility to go to school and training women in entrepreneurship and finance to be able to start their own companies and support them self and their families.

Labour

NIBE do not accept child labour or forced labour in our premises and do not choose to do business with any company, suppliers or customers if it comes to our knowledge that they allow this kind of labour.

NIBEs own operations have no risk for child- or forced labour. NIBE visit operations worldwide periodically to make sure that legislation is followed and that the labour standards comply with internationally accepted standards.

Suppliers are evaluated from a labour rights point of view and no significant risks for child labour and forced labour has been identified.

In 2019, we received no reports of child labour, forced labour or other serious violations of labour law principles.

Environment

NIBE are working to introduce certified quality and environmental management systems for all our production units with more than 10 employees. Acquired production units have a time frame of two full calendar years before certification must be completed. Five new certificates were obtained in 2019. 90% of the companies are certified according to ISO 9001 and 83% according to ISO 14001.

NIBE has produced a Chemical policy in 2019 that will be implemented during 2020.

NIBE works to secure our products from hazardous substances and conflict minerals. This means that we need to start from the sourcing process to be able to fulfil our customer's demands for product safety and legal compliance.

NIBE strives to minimize the use of materials and care for natural resources. Minimizing the use of materials in our products lowers not only costs for material and transportation, but also waste generation.

NIBE has started to measure emissions from transportation to be able to present comparable data of our own vehicle fleet for consumption of diesel and petrol.

NIBEs target is to reduce our energy intensity by 30% compared to 2013 before 2020. By 2019 NIBE has reached a 30% decrease.

NIBE have been performing energy audits on production units and will continue with ongoing energy audits to continuously decline our energy use.

NIBE are measuring water consumptions and strives to be able to recycle more water volumes.

NIBE buy GoO:s that cover all purchased electricity, which means that it is generated from renewable sources. NIBE have a target to phase out all fossil oil burning from our own facilities.

NIBE expect our suppliers to follow the same principles concerning environmental responsibility as we do. Of our new suppliers of direct material, 42% were evaluated on environmental performance in 2019.

Anti-Corruption

Our values and business principles entails zero tolerance for all forms of corruption. This is clearly communicated in all contracts with suppliers and other business partners.

NIBE provide a Group wide ethical business and anti-corruption e-learning. The anti-corruption training is mandatory for all employees exposed to corruption risk at any form and is preformed regularly.

In addition to the mandatory training in anti-corruption, NIBE encourage our employees to be vigilant, to ask for advice in situations in which they feel uncertain and to report all incidents in which they have been subject to any form of attempt bribery or any other unethical conduct.

NIBE has adopted a risk management tool to help its business manage their compliance risks. All companies within the NIBE Group use the tool to assess their risks.

No incidents on violations of the anti-corruption principle has been reported for 2019.

We expect our Suppliers to have an anti-corruption policy that states zero tolerance towards bribery and other forms of corruption, and that they demand the same from their suppliers and other business partners.

MEASUREMENT OF OUTCOMES

Information about employees

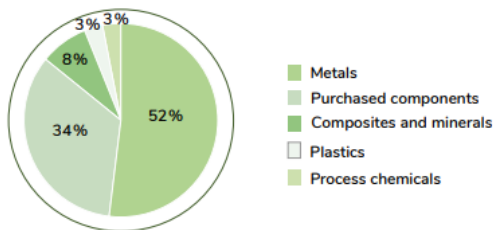
	Summary of ratios	2019
	<i>Average number of employees</i>	17 000
	<i>Nordic countries</i>	19%
	<i>Europe</i>	36%
	<i>Asia</i>	9.9%
	<i>North America</i>	35%
	<i>Other countries</i>	0.1%
	<i>Percentage of women</i>	38%
	<i>Percentage of men</i>	62%
	<i>Percentage of graduates</i>	14%
	<i>Hour of training/employee</i>	16
	<i>Percentage of employees who are covered by collective agreements</i>	43%
	<i>Percentage of employees who are represented by safety committees</i>	88%
	<i>Average age</i>	43
	<i>Average period of employment, years</i>	8.0
	<i>Accident rate, no. per million hours worked (LTIF)</i>	9.3
	<i>Sickness absence</i>	3.8%

Age distribution of employees:

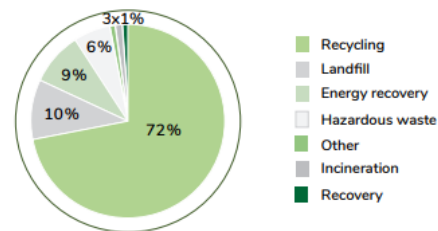
2019	
<30	21 %
30 – 50	51 %
>50	28 %

Environmental data

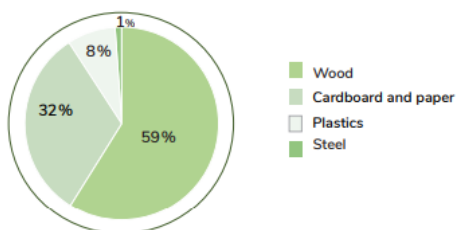
To be able to participate in and contribute to a globally sustainable society for future generations, we work systematically with our significant environmental aspects. The use of input materials, chemicals, packaging materials, water and waste generation are the areas we have identified. By optimising the use of materials in our manufacturing processes we also to reduce waste and emissions, contributing to reduce our environmental impact.



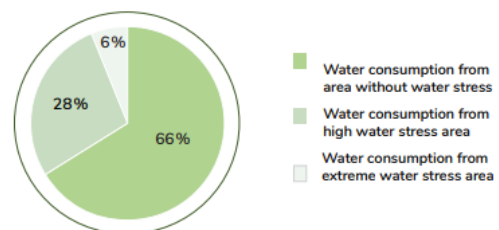
Overview of major materials % of total use



Waste categories in % of total use



Packaging material in % of total use



Water consumption in % of total use

For more key indicators and information, see Annual report 2019 for NIBE Industrier AB.