



We care about a more sustainable future

THERMIA SUSTAINABILITY REPORT 2024

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A few words from our CEO

2024 has been a challenging and eventful year for Thermia, but despite headwinds, we at Thermia have continued to fight for the green transition and achieved successes that we are proud of. My hope is that in a year's time, by working together, we will be able to see clearer progress towards a sustainable future.

We were recently reminded of the urgency of the climate transition. The storm in Spain, where the equivalent of a year's worth of rain fell in eight hours and was referred to as "the worst storm of the century", is a tragic reminder. Climate scientists agree that human impact is amplifying such extreme events.

You might think that humanity would be doing everything in its power to slow down climate change, bearing in mind that 2024 was the hottest year ever recorded and hundreds of people have died due to extreme weather.

But this is unfortunately not the case. Instead, 2024 has entailed a setback for the green transition in Europe.

The stagnant heat pump market in Europe – of which Thermia is a part – is one example.

A couple of years ago, the EU called on the major players in the heat pump industry to invest and expand.

Thermia has done its part. We have invested, expanded and employed staff. But the European heat pump market then stagnated, due to a lack of political courage on the part of the EU. This is a huge betrayal of the heat pump industry, of the climate targets and of our future generations.

The EU's lack of ambition when it comes to phasing out harmful fossil fuels and meeting its climate targets is worrying. Heat pumps are crucial to achieving the climate targets, but we can't afford to lose years. At the moment, the EU's target of 60 million heat pumps installed by 2030 is just a pipe dream. At the current rate, 45 million heat pumps will be installed by 2030. This means that the EU's target is at least five years behind schedule.

When demand fell during the year, we were forced to adapt at a record rate. This involved difficult decisions, including cost savings and changes to our workforce. However, we chose to approach the situation with heart and responsibility, in line with Thermia's values.

We retained temporary staff for as long as possible, and invested in our employees through skills development. As the situation became more critical, we introduced short-time work to save jobs. And when we finally couldn't go on any longer, we launched a unique and beneficial volunteer programme that helped our employees realise their dreams.

That's Thermia. We care and take responsibility – for our employees, our partners and our community.

Because our commitment also extends beyond the company. During the year, working alongside the rest of the business community and the local community, we made great strides to safeguard the emergency health care centre in West Värmland, creating security for Thermia, our employees and their families. This also strengthens Arvika's attractiveness and opportunities to develop as a city and municipality going forward.

We are now looking ahead to 2025 and the targets we have set for the coming years. By 2030, we will halve the climate impact from our ongoing operations and reduce the product's CO₂ footprint by 10 per cent. We also aim to halve sickness absence in order to create an even stronger and more sustainable organisation. These targets are ambitious, but we are ready to meet the challenges.

Sustainability is deeply rooted in our DNA. We are continuing to work for a better world, and with the help of our employees, customers and partners, we will jointly shape a future where every generation has the opportunity to enjoy a better life. Thank you for being a part of our journey.



Magnus Glavmo
Managing Director, Chief Operational Officer

About Thermia

Thermia is a leading player in the heat pump industry that has its head office in Arvika, Värmland. Its vision is to be the most innovative and successful heat pump supplier.

We develop and manufacture heat pumps for heating, hot water and cooling for all types of properties, and supply them through carefully selected installers. By means of our smart heating solutions, we offer people a higher yet at the same time sustainable standard of living.

Thermia was founded in 1923 by Per Anderson with the basic idea that *"The brands we release should not only be the best of their time, but also ahead of their time, above their time"*.

In 1973, Thermia produced Sweden's first heat pump with an integrated water heater, which was a milestone in the industry.

Thermia's values are formulated in our three values: Commitment, Go-ahead spirit and Responsibility. These words articulate what we stand for and what we believe in, they describe our culture and guide our day-to-day work. By always basing our actions on these values, we ensure that we are all continually striving towards the same objectives.

Today, the company operates through companies in Sweden, Denmark, Norway and Finland, with a total of approximately 350 employees. In 2024, Thermia achieved sales of approximately SEK 1.4 billion.

Thermia has been owned by the German group Stiebel Eltron since 2018.

We are certified in accordance with ISO 14001:2015.

About the report

This sustainability report for Thermia AB refers to the 2024 financial year and aims to provide a transparent and comprehensive picture of our work in the field of sustainability. With our sustainability report, we want to describe our business and the steps we need to take to continue developing Thermia in a sustainable direction. We share progress, results, challenges and future targets within our key environmental and social sustainability issues.

Thermia's belief is that sustainability is a journey, not a destination. By collaborating with our suppliers and customers, making innovative use of resources and constantly developing our methods, we are striving to be a driving force for positive change. We hope more people will want to join us!

This report has been prepared in accordance with the Swedish Annual Accounts Act to which Thermia AB is subject, and has been audited by an external auditor, confirming that we meet the stipulated requirements for sustainability reporting.





Heat pumps

– the sustainable energy solution of the future

The heat pump is a smart and sustainable product and is classified as a renewable energy source. By extracting solar energy from rock, land, water and air – where the heat from the sun’s rays is stored – a heat pump is able to deliver up to six times more energy than it consumes. This makes the heat pump an extremely resource-efficient solution that also significantly reduces carbon dioxide emissions.

Anyone who heats their house with a heat pump is making a great contribution to the environment. If you switch from direct-acting electricity, you can count on savings both for your wallet and for the environment, because heat pumps are so energy efficient.

The positive environmental impact is all the greater if a heat pump is used to replace a heating system powered by oil or gas, as is often the case down in Europe, which has not come as far as Sweden as regards the transition to renewable heat sources.

In order to succeed with the green transition and comply with international climate legislation, systems that are based on fossil fuels such as oil, coal and natural gas have to be phased out and replaced by systems based on renewable energy. Heat pumps are therefore an important part of the solution when it comes to achieving the ambitious climate targets.



Priority global objectives in Agenda 2030

Agenda 2030 is the UN's global action plan to promote sustainable development and ensure a sustainable future for future generations. Adopted in 2015 by the countries of the world, it sets out 17 global goals aimed at eradicating poverty, protecting the planet and ensuring peace and prosperity for all.

At Thermia, we view Agenda 2030 as a key part of our sustainability work. By focusing on the global goals that are closest to our core business and where we have the greatest potential to contribute, our aim is to be a driving force for positive change. Thermia has selected five global goals that are priorities for the company. We have added a number of measurable goals to these.

Priority goals

- Goal 3: Good health and well-being
- Goal 7: Affordable and clean energy
- Goal 8: Decent work and economic growth
- Goal 12: Responsible consumption and production
- Goal 13: Climate action

Affected goals

- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 9: Industry, innovation and infrastructure
- Goal 10: Reduced inequalities
- Goal 11: Sustainable cities and communities
- Goal 15: Life on land
- Goal 16: Peace, justice and strong institutions





Double materiality assessment

In line with the European Standard for Sustainability Reporting (ESRS), Thermia conducted a double materiality assessment in 2024. This assessment included some 30 workshops with employees from all right across the company. The outcome was five main areas of focus for our sustainability work.

As of 1 July 2024, the EU's new legislation, the Corporate Sustainability Reporting Directive (CSRD), aims to standardise sustainability reporting among companies across the EU. For Thermia, this means that we will start reporting in accordance with the ESRS standard in 2026, based on data from 2025. Important preparations began in 2024, however, including a double materiality assessment to identify and prioritise our most important sustainability issues.

The double materiality assessment weighs up two aspects:

- **Financial materiality** – How external sustainability factors affect the company financially.
- **Impact materiality** – How the company's operations affect people, the environment and society.

Thermia has surveyed our stakeholders and gathered extensive data during the work on the double materiality assessment. This was done through some 30 workshops, in which almost all departments participated. In addition, all

the members of the management team contributed actively, ensuring wide-ranging commitment and strategic establishment.

With the support of a points system developed by our owner, Stiebel Eltron, relevant topics within the ESRS standard were evaluated. The following topics were identified as most important for Thermia:

- Reduce environmental and climate impact (E1)
- Reduce resource waste (E5)
- Increase employee well-being (S1)
- Increase customer satisfaction (S4)
- Manage operational risks (G1).

For the first three topics, the company has defined focus areas, metrics and long-term goals. The other two will be

continuously monitored and evaluated.

The results of the double materiality assessment, including the targets and metrics, have been discussed and approved by the company's management team. This ensures that they align with the company's long-term strategy and ambitions.

Based on the double materiality assessment, we have set the following strategic goals for 2030:

- Halve the climate impact from current operations compared to 2023.
- Reduce the amount of CO₂e for the products by 10 per cent compared to 2023.
- Reduce the energy consumption of newly installed products by 10 per cent.
- Halve sickness absence compared to 2023.
- Zero tolerance for victimisation.

Halve the climate impact from current operations compared to 2023.

Carbon dioxide emissions

At Thermia, we are committed to reducing our climate impact and contributing to a fossil-free future. Our heat pumps play an important role in the transition to sustainable heating, as they significantly reduce carbon dioxide emissions compared to fossil alternatives. However, it is also important for us at Thermia to reduce our own carbon footprint in our operations.

Internally, we are actively working to optimise our operations at Thermia in order to reduce our own emissions (see the chart for emissions for 2024).

Our climate benefits also extend beyond our own operations, as each installed heat pump contributes to a significant environmental benefit throughout its life cycle. According to the European Heat Pump Association (EHPA), the 24 million heat pumps installed in Europe avoid emissions of 45 million tonnes of carbon dioxide each year. This means that our manufactured heat pumps, which have an estimated service life of approximately 20 years, are thereby contributing to a significant positive climate effect.

Here at Thermia, we are proud to be part of the green transition, and will continue to develop innovative, sustainable solutions for the future. And, of course, continue to work to reduce our own emissions.

DISTRIBUTION CO₂e EMISSIONS



Here at Thermia, we are proud to be part of the green transition, and will continue to develop innovative, sustainable solutions for the future.

Sustainable development and production

By investing in smarter production, we can reduce our impact and create a better future for all. A key part of our work focuses on the circular economy of the materials as well as waste management.

Thermia is working actively with waste management in order to contribute to the Sustainable Development Goals. Our focus is on reducing waste from production and promoting both reuse and recycling. In line with *Goal 12: Sustainable consumption and production*, we are striving to create a circular economy where recycling is a natural part of the process.

A positive example of change during the year is that, through cross-functional cooperation, we have succeeded in minimising individual packages for purchased materials and instead switched to industrial packaging. This has resulted in reduced waste in the form of plastic and cardboard packaging.

Recycling

The majority of our waste comes from packaging for purchased components. To manage this, we have a recycling centre where all materials can be separated at source. There are clear procedures in place, and all employees have received training. The company's vision is for all packaging that is used to be recyclable. To achieve this goal, we naturally involve and cooperate closely with our suppliers.

Together with our sheet metal suppliers in Töcksfors and Torsby, we also reuse custom-made steel and plastic load carriers. These are durable and have a long service life.

Reduced amount of steel

The materials in our products are mostly metals in the form of steel, brass and copper, which can largely be recycled at the end of the product's service life 20 years later. This is dealt with by our installers.

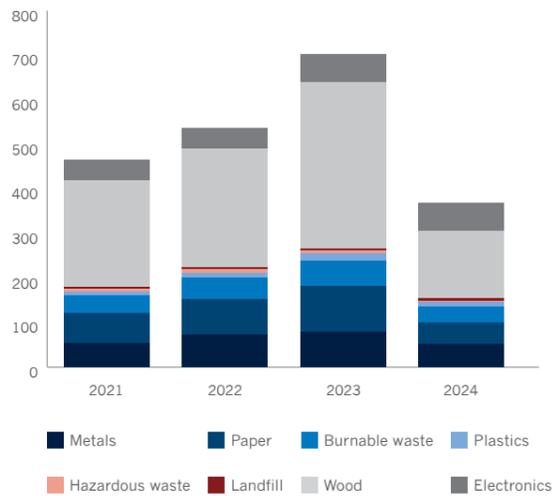
Thermia's Research and Development Centre is firmly committed to maximising the recycling of the materials in our products. This has resulted in us being able to reduce the amount of steel in our products, and thereby reduce the weight of our products. In addition to reducing our carbon footprint, it is also appreciated by our installers as it makes the pumps easier for them to install and recycle.

Wood waste and increased reuse

A significant proportion of the waste we recycle through Stena Recycling AB consists of wood waste. To reduce this and promote sustainable wood use, we are working with our suppliers to increase the proportion of wood that can be recycled.

We are also collaborating with an external partner to collect and reuse wood, which creates a circular cycle for a considerable proportion of the pallets and pallet collars that come to us. Through this cooperation, we are increasing the share of reuse of these materials, which reduces waste and promotes the sustainable use of natural resources.

WASTE FROM OPERATIONS



Electronics include scrapped whole heat pumps.

Technology recycling

With the rapid development of technology and increased consumption of electronic products, it is becoming increasingly important for these to be managed responsibly and sustainably.

One example from our business is the reuse of old mobile phones as loan phones. This means that we always have working loan phones available, without having to buy new ones every time someone with a temporary position needs a phone – a solution that is both economical and environmentally friendly. The same principle applies to our computers, which we use for as long as possible before they are replaced.

In order to streamline and safeguard the handling of technical equipment, Thermia has also recently introduced an Asset Tracking System. This system tracks and manages the company's equipment, which ensures that assets are used efficiently, are not lost, and that unnecessary costs are avoided.

New production building

In the summer of 2024, our new production building was commissioned. This building runs on 100 per cent fossil-free electricity and is heated by our own heat pumps. In the new building, we will continue to develop optimised and efficient production flows to manufacture heat pumps that benefit the climate. The new building, when it comes into service in earnest, will also provide a boost as regards the working environment for our employees, for example through improved lighting and ergonomic workstations. The building was constructed by local contractors.

In the new building, we will continue to develop optimised and efficient production flows to manufacture heat pumps that benefit the climate



Sustainable supply chain

Close cooperation with our suppliers is the key to a sustainable supply chain. This helps us minimise our shared environmental impact and ensure social responsibility. By working closely with suppliers who share our values, we can jointly promote ethical working conditions, reduce carbon emissions and improve the efficiency of resource utilisation.

Heat pump packaging

In 2024, Thermia began work to improve the packaging for our heat pumps. One result of this work, for example, is that wooden blocks, which serve as stacking support, will be replaced with a more sustainable solution made of corrugated cardboard in 2025. The company is constantly investigating new, environmentally friendly packaging materials in order to ensure that their packaging contributes to sustainable development and minimises environmental impact.

Recycled metal in thin sheet articles

During 2024, Thermia launched an initiative to demand that a certain proportion of the material used in our products should be recycled thin sheet metal. We have requested tenders and CO₂ equivalent reports from a number of suppliers in order to evaluate the climate impact of the materials. We have not yet decided whether this will be implemented in our production, but the company is monitoring developments.

We are also monitoring the development of fossil-free steel with considerable interest, which could become part of our production as availability increases. Both recycled and fossil-free steel help to reduce our environmental impact and support Agenda 2030's Goal 12 regarding sustainable consumption and production.

Workwear

A major procurement of workwear was also carried out during the year, and the decision was made to continue cooperating with Blåkläder, a leading player in the field of sustainability for workwear. Part of the procurement also went to the local company Workdesign in Arvika. We are proud to be partnering a local player that delivers both a high level of service and sustainable products.

Transport methods

During the year, Thermia has taken steps to reduce the climate impact of its transport operations. For example, a certain proportion of our transport runs on HVO fuel.

Together with one supplier, the company has analysed the cost and environmental impact of using lorry transport compared to multimodal transport, where lorries are combined with sea freight. Although multimodal transport



takes longer, it has significant economic and environmental benefits. It reduces carbon dioxide emissions by almost 80 per cent.

Supplier Information Meeting

Thermia arranges regular information meetings for our suppliers. These meetings help the suppliers to understand our monthly forecasts, as well as providing insights that strengthen their long-term planning. The meetings are attended by several of our representatives, who share information about the company's operations. The suppliers can also ask anonymous questions to get answers to their concerns. Going forward, we also view these meetings as a platform for further collaborating on various sustainability issues.

These information meetings are appreciated by our suppliers, creating the conditions for them to plan their stock levels and forecasts better.



Thermia's supplier assessment categories:



Anti-bribery and anti-corruption



Supply chain responsibility



Extended company information



Conflict of interest



Energy management



Environmental protection



Conflict minerals



Chemicals legislation (REACH)



Diversity, equality and inclusion



Business continuity



Human rights and working conditions



Carbon footprint



Health and safety



Quality management



Restriction of hazardous substances

Refrigerants

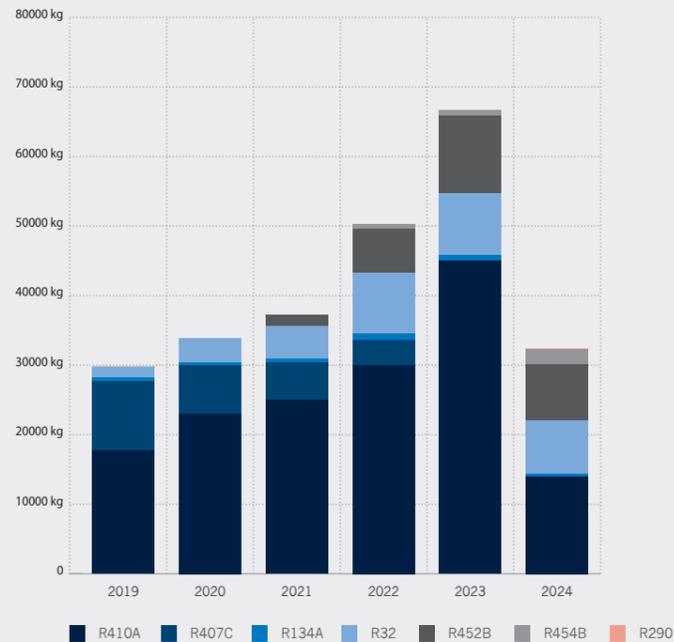
Thermia is constantly working to improve our products and reduce climate impact. In the coming years, a fundamental change will be implemented to introduce natural refrigerants with a lower Global Warming Potential (GWP) in our products.

In 2024, we started using the refrigerant R454B in our product portfolio, which has a GWP of 465. This is significantly lower than traditional refrigerants. The total amount of refrigerant also decreased in 2024 compared to 2023 due to decreased sales and production.

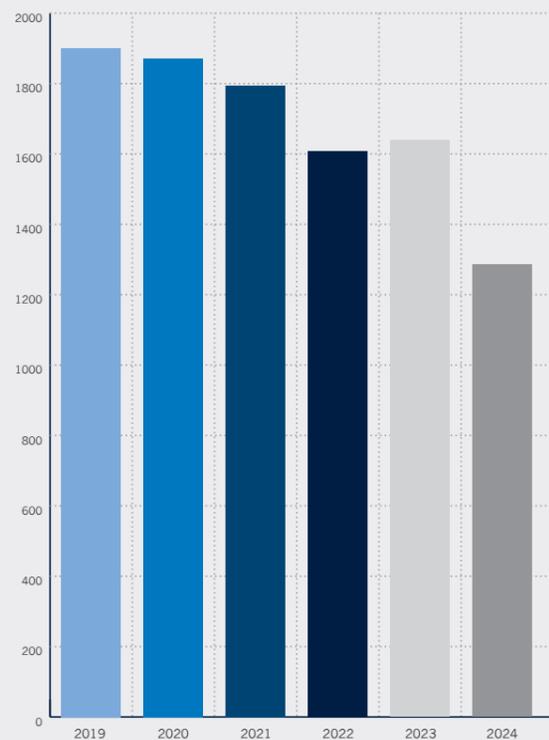
Refrigerants are regulated by the F-Gas Regulation, which places new, stricter requirements on the industry for 2027. To meet these requirements, Thermia is focusing on introducing refrigerants with a significantly lower GWP in our products. This work is an important part of our research and development activities, and is helping to reduce our climate impact, in line with Agenda 2030 and Goal 13 regarding combating climate change.



TOTAL AMOUNT OF REFRIGERANT



AVERAGE GWP FROM REFRIGERANT IN PRODUCED UNITS



Energy consumption

At Thermia, we are constantly striving to improve our energy efficiency and actively contribute towards global goals for a sustainable energy future.

Heating of premises

Thermia now only uses our own heat pumps for heating our premises. During the year, five new in-house Mega Eco XL property heat pumps were installed, and the oil boiler was also removed.

Green electricity

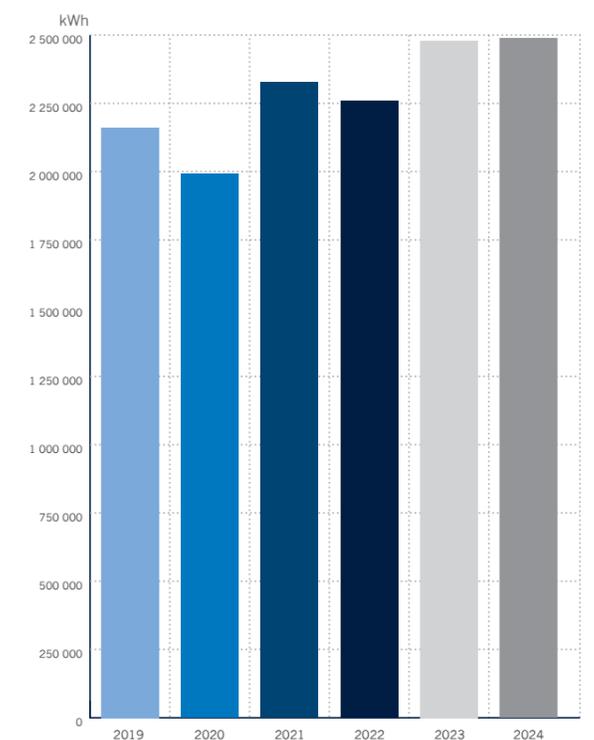
Our primary energy source is electricity, and we are proud to have a "green" agreement with our electricity supplier involving electricity from fossil-free sources. This reflects our commitment to supporting sustainable energy sources and minimising our climate impact.

The purchase of electricity increased in 2024 compared to 2023. This was a result of the construction of our new production hall, which was completed during the summer, as well as the fact that we have also purchased and put a neighbouring property into use.

Energy audit

In line with legal requirements, Thermia initiated an energy audit in 2024 to identify how energy is used in our operations and to pinpoint opportunities to reduce energy consumption. Working alongside a certified energy auditor, the company will develop proposals for improvements during 2025.

ELECTRICITY CONSUMPTION PER YEAR





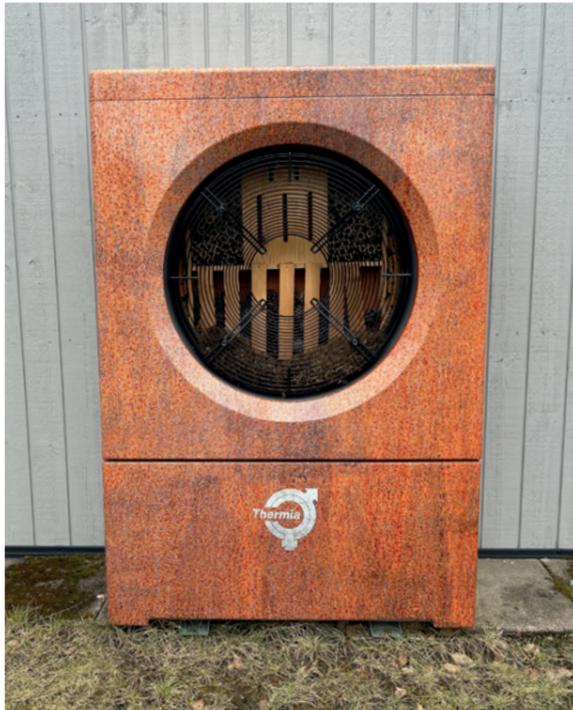
I am very proud of the ecospace, and hope it can inspire other companies to make efforts for biodiversity. If we want to have clean air, clean water and food security, we all have to contribute.

Ecospace

During 2023, Thermia’s factory courtyard was transformed into an ecospace, with the aim of benefiting pollinators and other important species. By putting in plants that flower from spring to autumn, creating breeding sites such as insect hotels and building a pond for birds and insects, we have created a place that is full of life. In addition to biodiversity, the ecospace is also a meeting place for our employees – perfect for lunch or a quiet break in a natural environment.

“I am very proud of the ecospace and hope it can inspire other companies to make efforts for biodiversity. If we want to have clean air, clean water and food security, we all have to contribute,” he said.

The new insect hotel, which had been built from an old Thermia outdoor heat pump, was also unveiled during the opening ceremony.



Promoting biodiversity through our eco garden

At Thermia, we have made great strides in recent years to contribute to biodiversity – at the same time as creating a green oasis for our employees. Our ecospace in our courtyard was inaugurated in 2024, combining sustainability and enjoyment in an environment that benefits both people and nature.

UN Sustainable Development Goals

The idea of the ecospace was born out of the company’s work on the UN Sustainable Development Goals, in particular Goal 15 on ecosystems and biodiversity. We wanted to combine a pleasant outdoor space with somewhere that contributes to a more sustainable society.

The ecospace is also more than just a beautiful place. We also want to educate our staff on issues relating to biodiversity, and have therefore erected signs that provide information about plants and their importance for ecosystems. We have also used sustainable materials and recycled existing resources, including creating a flower meadow with leftover soil.

Opening ceremony

After a topping-out ceremony with the various craftsmen and women in autumn 2023, the official opening ceremony with our employees took place in May 2024. During the day, Magnus Glavmo, CEO of Thermia, gave a speech underlining the importance of sustainable initiatives:



Thermia as an employer

Thermia strives to be an attractive and inclusive workplace, free from discrimination and harassment. We are convinced that a diverse workforce strengthens our competitiveness and contributes to the success of the company.

Our ambition is to create a workplace where employees are happy, develop and can contribute to the success of the company, while at the same time supporting a more sustainable future. This is also reflected in our initiatives for health and safety at work, gender equality and community engagement.

Gender equality and diversity

Thermia works actively to ensure an equal workplace where diversity is viewed as a strength. At present, the distribution within the company is 65 per cent men and 35 per cent women. We continually monitor the gender balance and work in a focused manner to achieve an equal distribution between women and men at all levels of the company. At present, the greatest imbalance in terms of distribution is found in leadership positions.

Work-life balance

We believe that a good work-life balance is crucial for our employees' well-being and performance. Thermia therefore offers a flexible workplace, where employees have the opportunity to work from home in certain roles. We have a clear flexible workplace policy, which describes whether, how and to what extent our employees can work from their own home. We also have a policy for how our office in Karlstad can be used.

Fair conditions

Thermia is committed to fairness and transparency as regards pay and working conditions. Remuneration at Thermia must be fair and sustainable, and must comply with local labour legislation, collective bargaining agreements and the local market.

We conduct annual salary surveys to ensure equal pay for equivalent tasks. This year's results showed no unreasonable differences.

In order to attract and retain a skilled workforce, Thermia also offers benefits such as wellness allowances, company training, leasing of staff bikes and cars, group insurance and well-being activities.

Health and safety

A safe and secure working environment is a prerequisite for success. Thermia works proactively to identify and mitigate risks through regular safety rounds and a safety committee that meets on an ongoing basis. We encourage all employees to report potential risks in order to continuously improve the work environment.

Statistics relating to near-accidents, sickness absence and incidents are analysed and used to develop measures that prevent accidents and ill health.

Concern for our employees

2024 has been a challenging year, with the company starting the year with excess staffing levels. However, the company chose to maintain these staffing levels during the spring in order to free up time for skills development. Short-time work was implemented in production later in the year, combined with a small salary deduction, in order to avoid layoffs.

When the company was eventually forced to make cutbacks, a voluntary programme was offered on favourable terms. This resulted in 46 people leaving the company voluntarily, with the result that the company did not have to make redundancies.

The company's focus during this year has consistently been on managing the changes with consideration and respect for our employees.

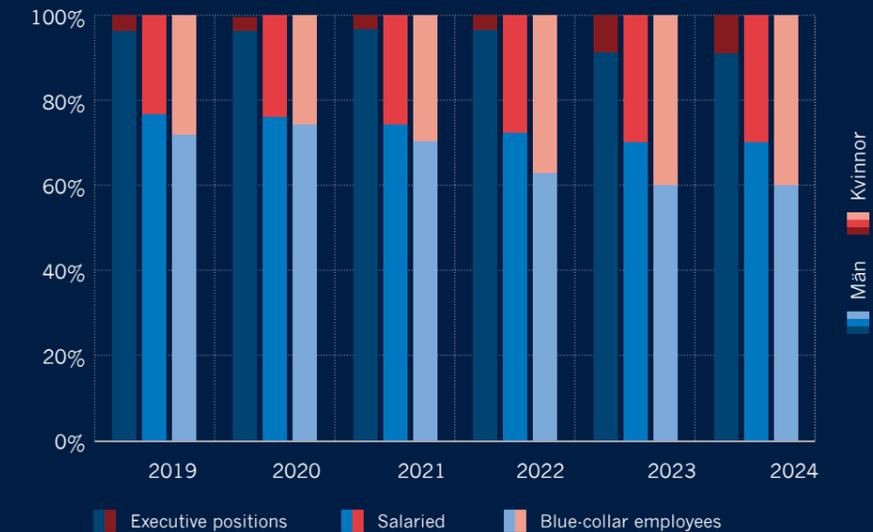
Well-being

At the end of 2023, Thermia launched a well-being group with the aim of creating greater community spirit and happiness in the workplace. The well-being group includes representatives from multiple departments and a total of 22 activities of various kinds were organised for our employees during 2024. For example, we arranged a bus trip to watch Swedish Hockey League ice hockey in Karlstad, a family day at the nearby slalom slope, as well as after-work events involving padel and pizza.

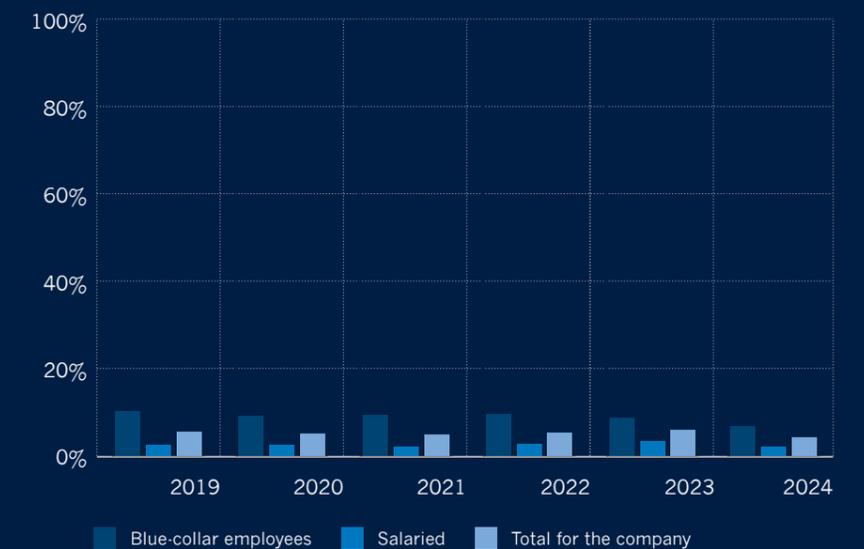
Employee survey

In order to measure employee satisfaction and engagement, Thermia regularly conducts employee surveys. The 2024 Employee Net Promoter Score (eNPS) achieved an average of 26, which is a very strong score and confirmation of our employees' engagement.

DISTRIBUTION BETWEEN WOMEN AND MEN



SICKNESS ABSENCE



Employee development

In order for Thermia to continue to develop and for our employees to feel that there are good development opportunities, it is crucial for us to invest in skills development.

Training and development opportunities are both vital for Thermia to succeed in its commitments. The company has therefore invested heavily in skills development during the year, strengthening both our employees and the company as a whole.

Training in production

During the spring of 2024, Thermia decided to retain excess staffing levels in production to create room for skills development. Over the course of several non-production days, employees received training in various areas. A sustainability day was organised, for example, where topics such as energy optimisation, social sustainability, sustainable production, reuse, sustainable lifestyles and separation at source were discussed.

On the agenda. These training courses not only strengthen the individual's skills, but also help Thermia to drive sustainable development forward.

Leadership programme

Another highlight of 2024 was the completion of our internal leadership programme. The programme, which was launched in autumn 2023 and lasted for about a year, has provided eleven employees from various departments with training in leadership and project management. The purpose is to develop and retain expertise within the company, as well as to create career opportunities for our employees. This initiative is an important part of Thermia's strategy to build a strong leadership structure and future-proof the organisation.

Active employeeship

During the year, we launched training in respect of active employeeship for our employees. The purpose of the training is to clarify what good employeeship and leadership mean at Thermia, and to underline everyone's responsibility for a positive social work environment. The training consisted of both practical advice and interactive exercises, which have helped the employees to develop a greater awareness of their roles and relationships in the workplace.



Regular 1-2-1 meetings

Employees and managers hold regular 1-2-1 meetings. These meetings provide an opportunity to discuss work situations, challenges, the work environment and individual development opportunities. At Thermia, we know that employee empowerment is the key to a dynamic and engaged workplace.

By encouraging participation, listening to our employees' ideas and involving them in decision-making processes, we are working to create a workplace where each individual feels valued and empowered to influence their work.

Personal development responsibility

We encourage our employees to pursue personal and professional development. By offering education and training opportunities, we aim to develop a workforce that is equipped to meet the challenges of the future and that consistently contributes to sustainable operations.



Thermia's commitment to the local community

Thermia has been an important part of the local community for over 100 years. We see ourselves not only as an employer, but also as a positive force that contributes to the development and strengthening of our society.

Thermia is one of the largest employers in Arvika municipality and a significant player in the local economy. However, our commitment goes beyond our role as an employer. During 2024, we have played an active role in several initiatives aimed at making Västvärmland an even better place to live.

Arvika's residents and other businesses and societies in West Värmland, resulted in the emergency health care centre being saved.

Support for the emergency hospital in Arvika

At the start of 2024, the emergency health care centre in Arvika was threatened with closure after a money-saving proposal from Region Värmland. For Thermia, having a local emergency hospital is extremely important, not only to ensure the safety of our employees, but also to maintain the region's attractiveness and the potential to recruit skilled workers.

Thermia Cup

In November 2024, Thermia arranged the popular Thermia Cup in Arvika's ice rink. The Cup attracted a total of 30 teams and 270 players from both Sweden and Norway, with participants from 16 clubs. The competition included both boys and girls born in 2013, and was a fantastic opportunity for young people to develop in the sport and form new friendships.

Sport

Thermia has a long tradition of supporting local sports clubs and other community organisations.

This includes:

Thermia played an active role in mobilisation public opinion:

- Published an opinion article signed by 17 business leaders in Västvärmland.
- Conducted social media campaigns to spread awareness.
- Our CEO participated in media discussions, gave a speech in Arvika Square during a demonstration and met politicians who were responsible for making decisions.

- **Financial support** for the operation and development of the clubs.

- **Equipment and resources** to facilitate operations.

- **Volunteering efforts by employees** who contribute their time and expertise.

These efforts, together with strong support from

We view sport as an important part of the community. Sports clubs promote inclusion, diversity and a healthy lifestyle, at the same time as contributing to a stronger and more cohesive society.

Business ethics and compliance

Thermia has zero tolerance for corruption, crime and inappropriate behaviour in business. We work continuously to ensure that all our employees and partners comply with our ethical guidelines and applicable laws.

Code of conduct and compliance

Thermia's owner, Stiebel Eltron, has a Code of Conduct that applies to all employees. The Code of Conduct, which is available on the intranet, stresses the importance of integrity, respect and responsibility in all business relationships. To ensure that these values permeate the business and that our employees act with a high level of integrity and good ethics, the following principles apply, among others:

- Avoid any conflict of interest.
- Maintain confidentiality and protect sensitive information.
- Act fairly and responsibly towards colleagues, customers and other stakeholders.
- Zero tolerance for bribery and corruption.
- Comply with safety regulations and report potential risks.

These principles are a central part of our induction process for new employees, and are reinforced through annual compliance training. Our requirements are also clearly articulated in internal policies.

Human rights

Thermia supports fundamental human rights and complies with international agreements such as:

- UN Declaration of Human Rights.
- UN Convention on the Rights of the Child.
- ILO Conventions on Rights at Work.

We ensure that our operations and suppliers respect these principles and act to promote human rights globally.

Whistleblowing procedure

The company has a whistleblowing function for reporting serious violations of regulations and the law. This system allows employees to report suspected violations of laws and internal policies anonymously. The company received no reports through this system in 2024, which may indicate a strong compliance culture within the organisation.



Code of conduct for suppliers

Thermia applies a separate code of conduct for suppliers to ensure sustainability and responsibility throughout the value chain. This code contains requirements regarding:

- Respect for the rights of children and protection against economic exploitation.
- No discrimination based on gender, ethnicity, religion, age, nationality or sexual orientation.
- Compliance with statutory working conditions and a safe working environment.
- The right to join a trade union and the right to collective bargaining.

Suppliers are audited regularly to ensure that they are complying with these guidelines and contributing to sustainable business practices.

Management responsibilities

– promoting sustainability at management level

The management at Thermia is ultimately responsible for shaping and driving the organisation's sustainability work and values. The ambition is to be a role model for sustainable entrepreneurship and to inspire both organisations and society to make positive changes.

Sustainability is a key part of Thermia's business model and core activities. It is not an isolated issue, rather an integral part of everything we do. The work of the management ensures that the sustainability perspective permeates the entire organisation and forms the basis for strategic decisions.

Clear objectives and following-up

In order to achieve progress in the field of sustainability, the management lays down clear goals and strategies, such as:

- Measuring performance using key performance indicators in various sustainability aspects.
- Regular following-up and reporting to ensure that the goals are being met.

Resource allocation and investments

Our management team plays a key role in making decisions on resource allocation and investments, in line with the 2030 Agenda's goal of sustainable resource use. We endeavour to invest in sustainable initiatives and technologies that both promote business success and help us reduce our impact on the environment. By prioritising long-term,

sustainable investments, we aim to create value not only for our company but also for society and the planet.

Engagement and communication

The management plays a key role in communicating the sustainability work. This is done continually, for example by following up with all employees regarding the progress of the company's goals. By showing commitment and leading by example, we can inspire the entire organisation to contribute to our sustainability goals.

Continuous improvement

The management regularly reviews and evaluates our sustainability goals, as we believe that sustainability is a dynamic journey that requires continuous evaluation and adaptation.

In addition, we encourage employees to take part in sustainability initiatives and to contribute ideas in order to improve our environmental and social impact.

Through these measures, Thermia's management is demonstrating its strong commitment to sustainability and responsibility, which is crucial to our long-term success and positive impact on society.



Thermia's management, from left to right: 1. Henrik Mossberg (Quality Manager) 2. Erik Nilsson (Supply Chain Manager) 3. Rickard Karlsson (Customer Service Manager) 4. Mathias Axelsson Löfvenholm (Purchasing Manager) 5. Lars Gyllander (Vice President for Sales & Marketing) 6. Magnus Larsson (R&D Manager) 7. Peter Särnblad (CHRO) 8. Maria Fogelberg (CFO) 9. Patrik Olsson (Product Portfolio Manager) 10. Magnus Glavmo (MD, Chief Operational Officer)



We at Thermia would like to thank our partners
and employees for their support and engagement
throughout our sustainability journey

Thermia AB

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About the Sustainability Report

The report concerns Thermia AB,
org. no. 556269-6483

PHOTOS Øyvind Lund, Peter Nilsson

Thermia AB's management team has
endorsed this Sustainability Report upon
approval of the Annual Report.



Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i Thermia AB, org.nr 556269-6483

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2024 och för att den är upprättad i enlighet med årsredovisningslagen i enlighet med den äldre lydelsen som gällde före den 1 juli 2024.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Uttalande

En hållbarhetsrapport har upprättats.

Karlstad den dag som framgår av vår elektroniska signatur
Öhrlings PricewaterhouseCoopers AB

Erik Nilsson
Auktoriserad revisor

Deltagare

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

Signerat med Svenskt BankID

2025-03-21 07:53:24 UTC

Undertecknare

Datum

Namn returnerat från Svenskt BankID: ERIK NILSSON

Erik Nilsson

Auktoriserad revisor

Leveranskanal: E-post