Sustainability notes

- With the aim of being an industry leader in sustainability, we adapted our strategy and sustainability agenda during the year to the market's rapidly growing demands for more product-specific data, in line with the European Platform on Life Cycle Assessment on environmental impact.
- The main focus of the year was the preparations for complying with the new EU Corporate Sustainability Reporting Directive (CSRD).
- We are continuing to reduce our climate impact in line with and partly exceeding our science-based climate targets.

A thorough materiality assessment identifies what the most material sustainability matters are for us, to act on to contribute to global sustainable development and ensure that our operations remain sustainable over time. We compile these matters in the focus areas that form the basis of our strategy and sustainability agenda.

INNOVATIONS FOR A SUSTAINABLE LIFESTYLE

CIRCULAR MATERIALS AND FLOWS

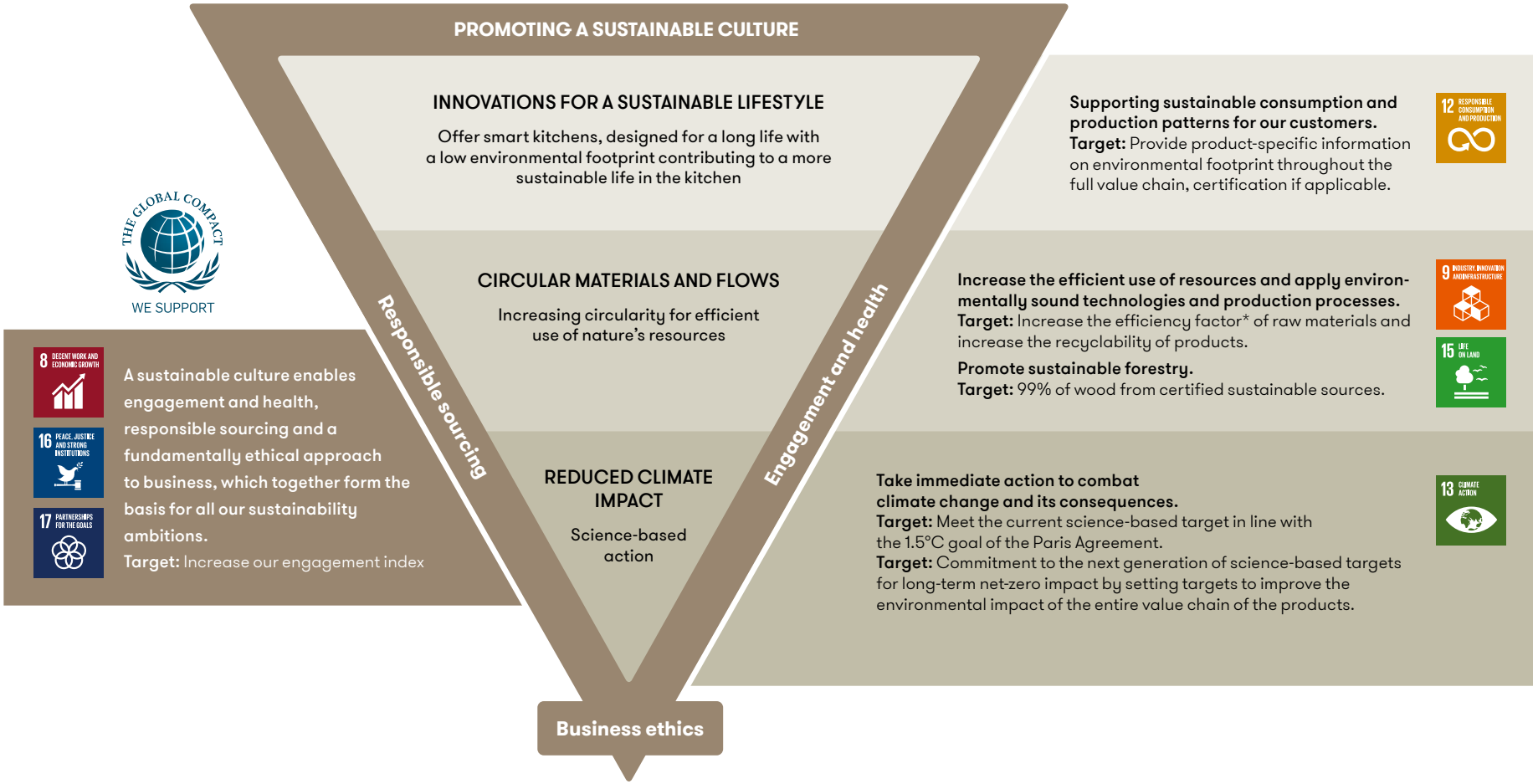
REDUCED CLIMATE IMPACT

PROMOTING A SUSTAINABLE CULTURE

A sustainability strategy that contributes to the UN Sustainable Development Goals

and our sustainability agenda comprising Group targets by 2025

Sustainable development is central to our business strategy of "Tomorrow Together" and our ambition of being a an industry leader in design and sustainability. To achieve this, we have designed a sustainability strategy based on our most important matters that will also contribute to the UN Sustainable Development Goals. The strategy is accompained by our sustainability agenda comprising Group targets for 2025, which further specify what we have identified as critical in order to be an industry leader.



* Reduce the amount of input materials in relation to waste generated, increase the share of recycled input materials, increase the share of reused or recycled waste.

Strategic analysis 2023

Nobia falls into the category of companies that under the EU timetable is to report for 2024 in accordance with the European Sustainability Reporting Standard (ESRS) and to show how we meet the requirements of the new CSRD. At the time of publication of this Annual Report, it was still unclear when the CSRD will be implemented into Swedish law. Full preparations for reporting are ongoing. The scope of the CSRD is extensive and will eventually have a major impact at most levels and for most functions in a company. However, all the details and interpretations of the ESRS have not yet been fully defined. Accordingly, in this year's report we are continuing to follow the Global Reporting Initiative (GRI) standard, but have added some disclosures even now to provide more complete information to aid comparisons in the future when the ESRS are fully implemented.

Preparations ahead of more comprehensive reporting required in the future commenced in 2023. This process is based on a double materiality assessment, meaning both how Nobia's value chain affects people and the environment and how the various sustainability matters affect Nobia as a company. The methodology largely follows the GRI framework but makes a clearer distinction between our impact and how we could be impacted. For Nobia, this means that we can start from our existing priorities based on the degree of severity and likelihood of impacts, and by clearly distinguishing the risks and opportunities of the financial perspective. As part of the process of adapting to the requirements in the ESRS, we thus use previous mappings and models and add the sustainability matters listed in the ESRS to include all required aspects. The mapping was completed at the strategic level in 2023, and the full reporting data is scheduled to be completed at the start of 2024 once the details of all of the standards have been published.

Summary of the strategic assessment

The mapping shows that the materiality assessment behind Nobia's strategy and sustainability agenda remains relevant.

At the topic level, the main matters for the environment that are most material are climate change, biodiversity and ecosystems as well as resource use and circular economy. However, Nobia's ability to influence biodiversity is covered by its work on reducing climate impact and resource use by striving to increase resource efficiency throughout the value chain and only purchasing wood from sustainable forestry. The other topics, pollution and water and marine resources have lower materiality but are important for us at local level for control and complying with permits and is information of increasing relevance for some corporate customers.

Overall, the assessment strengthens the strategic decision to change data flows and processes to enhance our ability to perform life cycle assessments of the environmental impact of the products throughout the value chain. This is required for developing product-specific environmental product declarations and ensuring that formulating future scientific climate targets is clearly linked to the full environmental impact of the products.

In terms of social matters, the impact on our own staff and workers in the value chain are the top priorities in the double materiality assessment and are already a high priority in our strategy. For Nobia, our customers and everyone who uses our kitchens are naturally our most important stakeholders, but given the way that ESRS S4 Consumers and end-users is formulated, surprisingly few of the detailed disclosure requirements are relevant. The same applies to ESRS S3 Affected communities.

The entire standard on governance matters is highly material to us, but it is primarily the fundamental transparency requirements for governance related to all parts of the CSRD that will require increased documentation and traceability in general, which in the long term is likely to have the greatest impact on the way that most companies work.

Innovations for a sustainable lifestyle

The kitchen is the heart of most homes. We spend much of our time there and, depending on the choices we make, the kitchen is where individuals generate much of their sustainability impact. For this reason, it is important for us to **promote sustainable consumption** through innovations for a sustainable lifestyle, both in our own way of working on innovative solutions and partnerships and also by communicating with and educating our customers. By prioritizing quality and **product safety,** we take responsibility for ensuring that the products we offer are safe and have a long service life. This is a requirement for our credibility and survival, and an obvious commitment to our customers and for sustainable development.

Management approach and results

We want to support our customers through the entire kitchen journey, from the original idea to a more sustainable life in their new kitchen. Therefore sustainability is an integral part of our design strategy and product development process.

Focus on life cycle assessments

As a manufacturing kitchen company, achieving our ambitious sustainability targets at company level is simply not enough. It is also becoming increasingly important to provide our customers with data on the specific value chain of each product and the sustainability impact over its life cycle. This is needed in order to support customers in choosing and planning more sustainable kitchens, but also as a basis for corporate customers' sustainability reporting and monitoring legal requirements and their own targets.

Similarly, in our own systematic innovation activities, we need to take into account the environmental and climate impact of products regardless of where in the value chain the impact occurs. Standards for life cycle assessments at product level and the conditions for true comparability are continuing to be developed, particularly in the EU. For this reason, a life cycle assessment by product is a key focus area and a development area for us.

During the year, we carried out a project involving life cycle assessments of products from our Nordic production facilities and produced three environmental product declarations (EPDs) that are published on the EPDhub platform. These EPDs reflect an average for our Nordic range of painted fronts, cabinets and proprietary worktops.

Our Dutch brand, Bribus, also published an EPD during the year that summarises the life cycle assessment of the environmental footprint of a small typical kitchen comprising cabinets and fronts. The EPD was published on the MRPI platform. The life cycle assessment for the Dutch typical kitchen is part of a research project that Nobia is participating in to develop a circular kitchen, for more information refer to page 95.

Harmonisation focusing on best solution

We have now reached the final phase of our Nordic range programme – an extensive programme to harmonise our cabinets, fixtures and design elements in the Nordic market. These efforts will result in a strong, shared basic portfolio that will create a platform for more efficient product development with high innovative potential and a focus on sustainability. The programme brings together the best of past experience and know-how from across the operations, which results in resource-efficient design and component choices for our strict quality and sustainability requirements.

One example where harmonisation has generated sustainability advantages is the development of shared methods and a shift from MDF-based (Medium Density Fibreboard) details such as gables and skirting boards to MFC-based (Melamine Faced Chipboard) instead. MFC as a material has a significantly lower carbon footprint, weighs less and is easier to handle, which has positive sustainability effects in many respects. The shift from MDF to MFC is estimated to halve GHG emissions in the raw material alone, plus transportation, handling, etc.

Eco-labelled products

Products that are eco-labelled, i.e. verified and approved based on the strict requirements set by credible third parties, are valuable in helping our customers make good choices for the environment and for us to ensure continuous improvements and compliance with the precautionary approach.We launched our first Nordic Swan eco-labelled products back in 1996 through our Marbodal brand and we are continuously refining our eco-labelled range. This eco-label means that we can ensure a healthy indoor environment, environmentally sustainable choices of materials, including responsible wood procurement, and resource-efficient production.

100%
of new launches of laminated worktops are Nordic Swan eco-labelled

To increase the supply of new Nordic swan eco-labelled products in our range, we have a target of at least 90% of frontals and laminated worktops launched in the Nordic region between 2021 and 2025 to be eco-labelled. Launches of new products were limited during the year due to the preparations for the new factory in Jönköping and harmonising the range through Nordic Range, but we expanded Nordic swan eco-labelled products to more brands in the Nordic region. 50% (93) of new launches of frontals and 100% of laminated worktops were Nordic swan eco-labelled. The reason for the lower share of new launches of Nordic swan eco-labelled frontals was that the number of new launches for the year was very limited and due to the exemption granted for frontals produced in Finland and Denmark. Future production at the new factory in Jönköping has been adapted from the very beginning to the strict requirements of the most recent version 5.0 of the Nordic swan eco-label. Production in Jönköping will therefore be entirely water based. A total of 79% of all frontals and 100% of all laminated worktops launched between 2021 and 2023 hold the Nordic Swan eco-label. In Sweden and Norway, where the largest share of our range is eco-labelled, 50% (50) of the sales value came from Nordic Swan eco-labelled products in 2023.

For our market in the UK, where the Nordic Swan cannot be applied since it is an eco-label for the Nordic region, we are continuing to combine our own certified environmental management systems with having 100% sustainable wood certified cabinets and doors. For further explanation of FSC® and PEFC™ certification, see page 95.

No marketing incidents were reported during the year.

More energy-efficient appliances

Over the lifetime of a kitchen, it is mainly appliances that impact the climate through their energy consumption. Therefore, in cooperation with our suppliers, we have an ongoing shift of our product range towards even more energy efficient appliances in order to help our customers reduce their climate footprint.

The share of sales for the year in products with better energy classes for the product categories of refrigerators/freezers increased significantly to 45% (31). An EU-based update of the energy reading scale has led to a broader range of products in better energy classes, which is also reflected in our share of sales. A corresponding update in the stove/oven product categories has not yet taken place. Here, we have retained a 93% (93) in sales value in the better classes. For definitions, see page 104.

45%

of the sales value of refrigerators/freezers were in a better energy class.

Product safety

Product safety, ergonomics and quality are central to all our product development. Before a new product enters the production phase, systematic product risk assessments and tests are carried out both in-house and by accredited testing institutions in line with EU standards. In the UK, all our cabinets and doors are instead tested under the Furniture Industry Research Association's (FIRA) furniture requirements. During the year, Nobia had no product safety-related incidents that led to any legal proceedings.

SDGs

Through our work, we primarily contribute to fulfilling the following targets of the UN Sustainable Development Goals:

8.4 Improve resource efficiency in consumption and production.
12.2 Achieve the sustainable management and efficient use of natural resources.
12.4 Achieve the environmentally sound management of chemicals and all wastes.
12.8 Promote universal understanding of sustainable lifestyles.

Target

- New target: By 2025, Nobia will provide customers with product-specific information about the environmental impact throughout the value chain, in line with the European standard (Product Environmental Footprint), to promote sustainable consumption.

Result

- Life cycle assessments carried out to publish three average Environmental Product Declarations (EPDs), for a cabinet, a painted frontal and a worktop produced in any of the Nordic production facilities, respective one Dutch example kitchen EPD.

- **Life Cycle Assessment (LCA):** A method for calculating the environmental footprint of a product or service throughout its value chain from extracting the raw material to waste management. The LCA takes into account all emissions and use of resources arising at various stages of the life cycle.
- **Product Environmental Footprint (PEF):** The EU has produced guidelines for measuring the environmental performance of a product or service based on an LCA, which is referred to as a PEF. The PEF aims to harmonise and standardise how environmental impacts are communicated and compared between different products and services in the European market.
- **Environmental Product Declaration (EPD):** An environmental product declaration that summarises and reports on the environmental footprint of a product or service according to an LCA. An EPD can be used to communicate environmental information to customers, suppliers and other stakeholders. An independent third party verifies that the EPD complies with the specified standard for calculations.

Circular materials and flows

We believe it is our responsibility to gain maximum value from our resources. The **sustainable use of resources** enables us to ensure both long-term financial profitability and environmental benefit for customers. Developing circular business models is part of this, as is striving to have renewable and recycled materials in our inflows, while at the same time promoting biodiversity in the choice of purchased resources and minimising our production waste. **Clean flows of materials** are important for us to enable future circularity and ensure the impact of our products on the indoor environment, for example, by minimising the use of problematic chemicals.

Management approach and results

It is crucial for us to be able to use our resources as efficiently and sustainably as possible. By measuring and monitoring, we strive to use our materials efficiently without compromising on financial value or quality. We continuously endeavour to identify new solutions for how our materials and products can be used over and over.

Research into kitchens in a circular economy

During the year, our Dutch brand Bribus used technical solutions to develop a new kitchen product that makes it easy to assemble and disassemble the kitchen and easily transport it and reuse it at another location. The circular kitchen, a kitchen for life, is part of our project to establish principles and prototypes with the ambition of developing a kitchen that is as circular as possible both in terms of the choice of materials and use over time. The project is part of a multi-year collaboration with Chalmers University of Technology in Sweden. The best materials and design have been determined using life cycle studies in order to maximise the circularity in kitchens and the value chain. The project, which is scheduled for completion in 2024, also included new business models to stimulate sustainability and circularity.

Efficiency reduces waste

Our production entails an inflow of primarily wood and wood fibre board, but also cabinet details for installation, painting, packaging materials, etc. Production waste mainly arises in the form of residual wood from sawing and residual paint from surface treatment. We address various parts of the production process with our dedicated efficiency program at the same time as we work on cultural changes to retain the processes that have already led to reduced waste. For example, we adjusted the sawing pattern alignment at our production facility in Ølgod, Denmark, which resulted in increased material efficiency and savings during the year. A major project focusing on the production lines that currently generate the most waste will begin at Ølgod in early 2024.

Waste turned into new products

We also work with outside parties to circulate flows of resources from our own production waste into new products through reuse and recycling. We have made financial gains in our UK operations by selling wood waste directly back to industry as new materials rather than handling it as waste. 54% (60) of our total wood waste from production went into new products in 2023, while the remainder was used for energy recovery. The decrease from last year was mainly due to lower total volumes in the UK where the share of recycling is the highest.

Waste from other production materials can also be recycled. For example, waste from composite sinks was previously sent to landfill. This waste is now reused for new products under a partnership with a manufacturer of building materials.

We also aim to increase our own purchases of products that use recycled materials. An average of 46% of our incoming board material is recycled wood in the form of by-products and recycled material.

54%
of our wood waste was used in new products. The remainder went to energy recovery.

Extended product life

During the year, we continued to pursue our circular offering RE:NEW, which was introduced in 2021 and has to date been established in the Swedish, Danish and Norwegian markets. RE:NEW offers customers solutions to update their existing kitchens and give them new life, for example, with new doors and handles. Replacing cabinet doors rather than the entire cabinet framework saves both energy and materials, and customers have shown widespread interest. 21% of all meetings with customers in 2023 at our Norwegian brand Sigdal were meetings to discuss replacing cabinet doors. The corresponding figure for such meetings at our Swedish brand Marbodal was 12% and for our Danish brand Invita 11%.

In the RE:USE concept, Marbodal's collaboration with Blocket, a website for selling second-hand products, has performed well, from 15 to 44 adverts per month from 2022 to 2023. We also encourage existing customers to care for their current kitchen, for example, by painting over any scratches and cleaning surfaces to make them last longer.

46%
of our board material comprises recycled wood

In the UK, our project to increase the circularity of the make the value chain has continued under the Magnet Retail brand. Before buying a new Magnet kitchen, customers are offered a free valuation of their old kitchen and the option of selling it via our partnership with UK company Rehome. If the kitchen is too worn to be resold, the customer is instead offered the option of collection of the old kitchen and recycling of the materials. The project was launched last year and has now been expanded to ten stores.

More sustainable materials choices

Our most important raw material is wood, and it is critically important to us that the wood we use comes from sustainable sources. Most of the wood that we purchase has third-party certification from FSC® (Forest Stewardship Council®) FSC® -C100100 or PEFC™ (Programme for the Endorsement of Forest Certification™). The year's share of purchased third-party certified wood fell slightly, from 96% to 91%, as one of our suppliers went bankrupt and the equivalent wood was not available. We plan to regain our higher percentage next year. In order to ensure the traceability of the wood we purchase, we have a thorough purchase process and suppliers go through our review for responsible sourcing. Read more on page 101. Information from all of our suppliers of direct material relating to raw wood materials, wood products or products containing wood is collected and processed on an annual basis.

We are also taking action to increase circularity and reduce the climate impact from other materials such as plastic. At our UK operations, we initiated a collaboration between different internal functions such as manufacturing, R&D and marketing to increase the level of recycled plastic in packaging and phase out polystyrene. For certain product groups, the majority of plastic is already recycled, such as all plinth feet for our Magnet brand in the UK.

We strive towards cleaner flows of materials. As part of these efforts, we work systematically and preventively according to the EU and UK REACH regulations and with certifications, such as the Nordic Swan eco-label that sets strict requirements on applying the precautionary approach.

Emissions of formaldehyde occur naturally in wood, at low levels, but are also linked to binding agents, for example, in wood-based boards. Nobia uses only board materials that are well within the limits according to industry recommendations (E1), and today we offer products with lower amounts of formaldehyde (such as half E1) in several markets.

The choice of paint used for surface treatment also affects the chemical content of the products. For example, water-based paint results in significantly lower VOC emissions (Volatile Organic Compound) than acid-based paint. Our total emissions of VOC reduced from 265 tonnes to 189 tonnes during the year. We also reduced the VOC per 100 laquered details to 4,4 kg (4,9).

Environmental data

	2021	2022	2023
Wood consumption, thous. of m^3	382	331	273
Recycled wood in board material, %	40	39	46
Share of wood from certified sources [1], %	96	96	91
VOC emissions, tonnes	298	265	189

1) FSC® or PEFC™

Waste converted into new material, tonnes

	2021	2022	2023
Waste wood	25,634	23,644	17,355
Other	3,324	2,166	2,238
Total	**28,958**	**25,810**	**19,593**
Non-hazardous waste converted into new material			
for reuse	9,009	7,314	5,882
for recycling	19,730	18,414	13,633
Hazardous waste converted into new material			
for reuse	24	19	27
for recycling	196	63	52

Waste for disposal, tonnes

	2021	2022	2023
Waste wood	15,569	15,867	15,077
Other	2,305	2,821	2,500
Total	**17,874**	**18,688**	**17,578**
Non-hazardous waste for disposal			
for incineration with energy recovery, internally	2,057	2,260	2,110
for incineration with energy recovery	15,130	15,970	15,040
for landfill	140	36	18
Hazardous waste for disposal			
for incineration with energy recovery	547	421	409

Our new factory

The process of completing our new production factory in Jönköping. The factory is located in one of Jönköping's industrial estates. Some of the natural value of the land and the animal life in the immediate surroundings may be disrupted by the construction of the factory via more transportation, noise and lighting. No new IUCN Red List species, in relation to the 2022 Annual Report, were impacted during the year.

Together with Jönköping municipality, Nobia has prepared an ecological restoration plan for the loss of natural values, which includes planting replacement trees and restoring marshlands. The area is adjacent to a recreation area and we have made several active choices to cause as little visual impact as possible once construction is completed. In consultation with the municipality, we have created a green path running throughout the entire factory area that preserves old oak trees. The risk impact of the operations on the neighbouring area is deemed to be small based on the completed environmental impact description. No reporting to the authorities was requested during the year.

SDGs

Through our work, we primarily contribute to fulfilling the following targets of the UN Sustainable Development Goals:

8.4 Improve resource efficiency in consumption and production.
9.4 Increase the efficient use of resources and apply environmentally sound technologies and production processes.
12.5 Substantially reduce waste generation.
15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests.
17.17 Encourage effective partnerships.

Target

- At least 99% (based on volume) of all wood will originate from FSC® or PEFC™ certified sources, and the remainder from suppliers screened and approved for sustainability, by 2025.
- New target: Increase the efficiency factor (reduce the amount of input materials in relation to waste generated, increase the share of recycled input materials, increase the share of reused or recycled waste for raw materials) and the recyclability of the products.

Result

- 91% (96) of Nobia's total timber and wood materials originated from a certified source. The remaining wood, 9%, came from suppliers audited and approved for sustainability. The lower result for the year was due to the bankruptcy of an existing wood supplier that led to an unplanned change of supplier.

Reduced climate impact

Alongside the rest of the world, we are facing one of the greatest challenges of our time – handling and reducing climate change that is impacting our world. We generate **GHG emissions** in our own production and transportation by using energy and fuel, but primarily indirectly though suppliers' climate impact and the future use of our products. Holistic and smart solutions focusing on **energy efficiency,** phasing out fossil fuels and optimisation are essential for producing more out of less and at the same time reduce impact on the climate. Energy efficiency for future use of the kitchen is also essential to reduce customers' climate footprint.

Management approach and results

Greenhouse gases are emitted from our manufacturing and transportation, but also indirectly from but via our suppliers and customers. We work locally though environmental and energy management systems to reduce our impact, and also centrally by focusing on, for example, the value chain to strengthen and develop climate activities and reduce the impact.

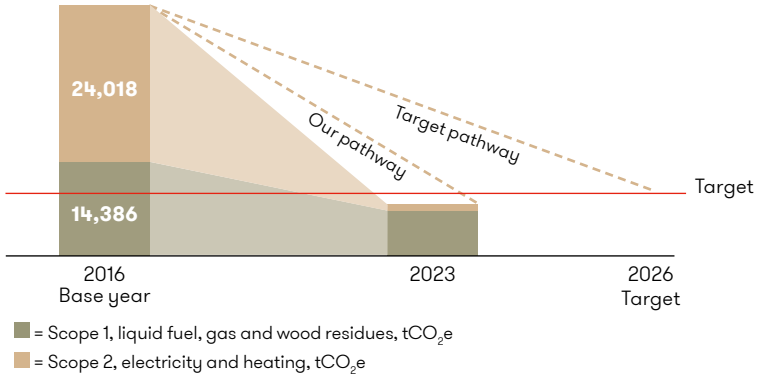
Science-based climate targets

Nobia has adopted science-based climate targets in line with the Paris Agreement, which are approved by the Science Based Targets initiative (SBTi). Our climate targets comprise both our own operations and our value chain. Our own consumption and emissions are followed up on a quarterly basis, and our production units have individual targets that jointly guide us towards our Group-wide climate targets. Since 2016, which is the base year for our climate target, we have reduced our energy consumption and transitioned to become more renewable. At the end of the year, we had reduced our Scope 1 and Scope 2 emissions by 79% (77), which continues to exceed our high target of 72% by 2026.

Our Scope 3 target for the value chain outside our direct control includes that 70% of our suppliers based on their GHG emissions are to have adopted science-based climate targets by 2025. In 2023, we achieved a total of 61% (59) of suppliers. We continued to engage in dialogue with several important suppliers about expanding climate

Science-based climate targets in line with the Paris Agreement – limiting global warming to 1.5°C

Scope 1 and 2



Target for Scope 1 and 2: 72%

We will reduce GHG emissions from operations and own transportation by 72% by 2026 (base year 2016).

Result 2023:

79%

Scope 3

Our main categories of GHG emission are illustrated above. In total we have emissions in 11 out of 15 categories in the GHG protocol, which altogether include our scope 3 accounting.

Target for Scope 3: 70%

Based on climate impact from our suppliers in the categories of purchased goods and product usage, 70% of the suppliers will have adopted science-based targets by 2025.

Result 2023:

61%

efforts, with a focus on encouraging more companies to adopt science-based climate targets, thereby reducing their climate impact in the value chain. Of our 300 largest direct material suppliers, 27 said that they have set science-based climate targets (of these, 18 suppliers are included in our target fulfilment calculation). A further 25 suppliers said they have targets under development.

At the same time as we endeavour to maintain and achieve our current and partly exceeded targets, we are preparing our future commitments in order to continue to ensure that we are in line with the recommendations of the scientific community. We are preparing net zero targets and we want these targets to have a clear link to the environmental footprint of products throughout the value chain. In doing so, we can create strategic governance internally that includes both the direct and indirect impact and clearly report back to our customers how our efforts reduce the overall environmental footprint of the products they buy from us.

Transition to lower emissions

We have 100% renewable electricity in our production and in our own stores. Further initiatives were undertaken during the year to both continue the transition and enhance the efficiency of our energy consumption of electricity and heating at our production facilities. For example, we switched from fossil gas to air heating at one of our sites in Denmark.

At the end of the year, 77% (76) of our total heat consumption in production and in own stores was renewable. This corresponds to a total share of 90% (89) of renewable electricity and heat. Lower production volumes also contributed to reducing transportation of goods, both from the company and those outsourced.

Environmental focus in the value chain

The largest part of Nobia's total GHG emissions derives from our value chain (Scope 3) in the form of the extraction and manufacture of direct materials and products, transportation and the use of our products. GHG emissions in the value chain are complex and we use several different approaches to measure and reduce them, such as measuring the environmental footprint of our products. To evaluate fossil dependence in our supply chain, we also mapped the degree of use of fossil-based energy for manufacturing among our most important suppliers of direct materials. Of the suppliers included in the program, about two-thirds stated that they use at least 70% renewable energy for electricity and heating.

We have initiated a project to shift the offerings in our appliance portfolio to more energy efficient products as part of our effort to offer energy efficient sustainable kitchen solutions to our customers.
Read more on page 94.

Climate-related risks and opportunities

We have linked our business and sustainability strategy to a comprehensive analysis of future global warming scenarios. The data from this analysis remains valid and forms the basis of our continuing strategic activities. Additional information is available on the TCFD page reference index on page 38.

GHG emissions, tCO_2e	2021	2022	2023
Scope 1	9,978	8,287	7,108
Scope 2, marked-based	780	640	816
Biogenic emissions	4,948	5,502	5,051
Scope 2, locally based	9,635	9,834	9,033
Scope 3, upstream	220,339	243,379	211,264
Scope 3, downstream	125,197	242,169	209,917

Intensity of climate impact, purchased energy, g/kWh	2021	2022	2023
CO_2e intensity, electricity	0	0	1[1]
CO_2e intensity, heating	71	54	51

1) Nobia has 100% renewable electricity in its own production plant and own stores. 0.52 g CO_2e/kWh electricity corresponds to the electricity used for externally charging our plug-in vehicles.

Target

- In line with our science-based climate target approved at the 1.5°C level, we will reduce our GHG emissions from our operations and own transportation (Scope 1 and 2) by 72% by 2026 (base year 2016).
- 70% of impact* from the suppliers with the highest climate impact are to be encompassed by the science-based climate target by 2025.

* based on life cycle data for supplier production and our customers' use of the products.

Result

- We exceeded our target and achieved a 79% reduction in Scope 1 and 2 compared with the 2016 base year.
- 61% of the climate impact of scope 3, categories 1 and 11, was covered during the year by the commitments on science-based climate targets from our suppliers.

Intensity of climate impact, financial transition, kg/SEK m	2021	2022	2023
CO_2e intensity, Scope 1 & 2	784	598	592
CO_2e intensity, Scope 3	25,187	32,524	31,495

Energy consumption		2021	2022	2023
Total renewable[1]	**GWh**	**119**	**120**	**116**
Biogas	GWh	5	4	0
Wood	GWh	12	14	11
Electricity	GWh	73	75	72
District heating	GWh	29	27	34
Total non-renewable[1]	**GWh**	**44**	**37**	**33**
Natural gas	GWh	15	12	10
Oil	GWh	4	1	1
Diesel	GWh	20	17	13
Petrol	GWh	3	3	4
LPG	GWh	1	1	1
Electricity	GWh	0	0	0
District heating	GWh	2	1	2
Other renewables	%	73	77	78

1) Including electricity, heating and own transportation.

Relative energy consumption, MWh/SEK m	2021	2022	2023
Total energy per sales[1]	11.9	10.5	11.2

1) Including all energy from electricity, heating and own transportation.

SDGs

Through our work we primarily contribute to fulfilling the following targets of the Sustainable Development Goals:

13.1 Strengthen resilience and adaptive capacity to climate-related disasters.

13.3 Build knowledge and capacity to meet climate change.

Promoting a sustainable culture: *Engagement and health*

It is through our employees that we can make a difference and truly succeed. Recruiting new talent and also retaining the talent we already have requires a work environment in which people feel committed, safe and seen. **Engagement and skills development** are prerequisites for driving change and remaining a healthy organisation in the long term. **Occupational health and safety** are central; all employees must feel safe and secure at work. **Equality and a diversity** of perspectives, experience and skills are crucial to attracting and retaining employees as well as Nobia's long-term development.

Management approach and results

Leveraging the size of the Group to strengthen local competitiveness is a cornerstone of our Tomorrow Together strategy and can also be applied to People & Culture. For example, local HR issues and occupational health and safety matters are continuously handled in local management systems. Centrally, Group-wide initiatives and programs such as digital transformation, leadership and employee surveys help to ensure that we achieve our common strategy.

Embody our values

2023 was another turbulent year in the world in many ways and the uncertainty it has brought to our market has affected Nobia in terms of lower demand for our products. We have had to prioritise and adapt our organisation to such lower demand, which also meant that we unfortunately have had to make valuable colleagues redundant, which is highly regrettable. At the same time, these decisions were necessary to pursue our Tomorrow Together strategy and we can report good progress in all our major initiatives. In an uncertain world, we believe it is vital to uphold our strategy and to live according to our values of Care, Deliver and Inspire.

Shared ambition boosts employee performance

Ensuring that the company has skilled and constantly developing employees is a key objective for us, especially in such a transformative period that Nobia is currently experiencing. Therefore, we have continued to further develop our teams who are dedicated to the mission of strengthening the company's human capital across the entire business. The teams customise business-specific introduction and training modules and workshops based on the employee life cycle from job application and throughout the various phases of employment. Together they aim to integrate and create a sense of community through all parts of the organisation and promote the development of our people. The teams also play an important role in equipping our managers and leaders across the organisation with the necessary tools and methods required for promoting a culture that focuses on exceptional performance according to our values and frameworks.

Introduction of the People Review

We introduced a new Group-wide process call People Review in 2023, which represents an important component in ensuring Nobia's ability to meet its strategic objectives as described in the Tomorrow Together strategy and in our business targets. The Nobia People Review aims to map and ensure a high level of performance and continuous skills development for individuals, the team and departments at Nobia and to promote engagement care and motivation among employees. This takes place through constructive feedback and personal development plans and ensures business continuity by establishing a robust succession channel, identifying key people and roles that are critical to the success of the organisation. During the year, we also started to develop digital training courses in such areas as sustainability.

Another milestone in 2023 was the re-launch of our Nobia Leadership framework that received positive feedback from the business. Nobia Leadership stands for Authenticity and Articulation. It emphasises and is based on the four pillars of Proactive, Performance, People and Personal leadership, which drive agendas, deliver results, foster strong teams and demonstrate passion and trust.

You say, we hear,

together we act initiative based on employee survey in Nobia UK

Employee engagement and continuous improvement

Our employee survey continues to be an important tool for understanding and following up on as well as nurturing employee engagment across the organisation. These surveys are supplemented with our daily dialogue with teams and ensure regular focus on important topics. Group-wide actions based on input from our employees have been illustrated in various ways, such as the "You say, we hear, together we act" initiative in the UK, which was very popular and produced tangible results for the operations. The employee survey remains a cornerstone of our daily dialogue to promote a culture of openness, sensitivity and continuous improvement.

The engagement index for 2023 was 65 (65) on a scale from 0 to 100, with a response rate of 78% (75). The result is below benchmark and we see scope for improvement. It is not uncommon to have a lower score at a time when companies are going through major changes and transformations. We will retain out target of an engagement index of 75 for 2024. Action plans were initiated throughout the business during the year and for 2024, we aim to increase the number of agreed action plans that our teams create since a great deal of team development stems from the conversations and dialogues that take place. The highest scores in the employee survey were in the areas of non-discrimination, ability to prioritise, and matching our employees' roles to their strengths. Focus moving forward will be on continuous improvement, communication, cooperation and well-being.

During the year, we also used our employee survey tool for pulse measurements in parts of our organisation. These allow us to maintain even more relevant dialogues in our teams. Going forward, we plan to enable our teams to use the tool for their own situations and needs while maintaining a Group-wide standard that improves comparability over time.

Safer and more secure workplaces

Safety remains our top priority through daily incident monitoring and thorough investigations followed by decisive action. Regular meetings are held with central and local safety committees, which involve managers, engineers and safety managers, to focus on examining safety controls and incidents. The aim of such cooperation is to prevent accidents for being repeated. Monthly reviews by management using a production scorecard ensure a comprehensive picture of workplace accidents and preventive measures. This scorecard looks at various strategically important aspects, including safety in the workplace.

Risk assessments are an important part of our safety approach and are carried out annually with continuous employee training given to maintain high standards. Each unit undergoes detailed analyses and updates with central and local security committees. These committees play an important role in risk assessments and highlight relevant occupational health and safety issues. They also implement initiatives in line with the zero work-related accidents and injuries vision.

Analysis for prevention

We have a vision of zero work-related injuries and accidents. The work environment at all Nobia workplaces is governed by Group-wide HR policies and local occupational health and safety policies. Overall work environmental responsibility rests with the President, who then delegates responsibility to the line managers in accordance with procedures in each respective country. All employees have a personal responsibility to contribute to a safe workplace, to act in a safe manner and to react to deficiencies and risky behaviour. Both managers and employees are continually trained in health and safety. Occupational health care is offered to all employees at all units, but varies in scope between different countries. All production units have local management systems that encompass all of the employees with more detailed health and safety procedures.

The local management systems comprise a framework to promote continuous improvements and include physical and psycho-social health, as well as safety. The management systems also provide guidance in compliance with legislation and requirements, as well as processes for working proactively to minimise the risk of occupational accidents and ill health by assessing and preventing risks.

During the year, preventive measures were implemented across our production sites such as documented safety training for forklifts, digitalised safety rounds, risk assessments for machines and forklifts, dust and chemical measurements, safe behaviour sessions and improved reporting of "near misses" for better analysis.

The local quality, health, safety and environment function focused on well-defined roles and responsibilities in the entire organisation. Strategic safety campaigns such as "safety first" have produced positive results. Concerted efforts and a continuous focus on reducing accidents at work have led to a two-thirds reduction at one of our sites over the past five years.

Work-related injuries	2021	2022	2023
No. of work-related injuries[1]	70	57	52
Frequency of occupational injuries[2]	12.9	10.6	12.0
No. of serious work-related injuries[3]	0	0	0
Thousands of hours worked	**5,421**	**5,402**	**4,340**

1) work-related injury with at least eight hours' sickness absence
2) per million hours worked
3) work-related injury resulting in death or in an injury from which the employee is unable to or not expected to recover completely to their pre-injury health status within six months

The new Jönköping factory and our people

Progress is continuing for our new, state-of-the-art production plant being built in Jönköping, which has gained additional employees during the year. The factory is considered to be business critical to our Tomorrow Together strategy and is a key strategic initiative for Nobia's future success. At the same time, it is still impacting our people and there are both advantages and disadvantages at the individual level. In parallel with the construction of the facility in Jönköping, we are planning the closure of our site in Tidaholm. This may mean that jobs will disappear for those who cannot or do not want to transfer to the Jönköping factory. Relocating a production plant is a huge undertaking and the reactions from our employees such as feelings of uncertainty about the future and stress are taken very seriously. We are making every effort to follow and meet our employees' needs for communication and continuous information. Even though we face challenges, we can nevertheless see many positive changes at the individual level, such a better working conditions, new exciting job opportunities, skills development and modernised equipment.

Business potential for increasing equality and diversity

Our commitment to fostering a workplace that is free from harassment and discrimination resulted in positive change during the year. In our engagement survey, the statement of "I work in an environment that is free from harassment and discrimination" topped the list of what is considered to be the strengths of the company and can be seen as proof of our commitment to this issue. Our aim is to integrate diversity, equity and inclusion considerations into our existing framework and training initiatives. For example, to increase inclusion we refined our onboarding processes.

The launch of a company-wide tone of voice highlights our endeavour to have one voice and increase the focus on more inclusive language both internally and externally. We have also recruited people with specialist skills and interest in these issues, which strategically ensures that we continue to develop and promote an inclusive and fair work environment at Nobia.

Gender distribution, % women/men	2021	2022	2023
Total	28/72	30/70	27/73
Board of Directors	60/40	33/67	29/71
Executive Committee	22/78	22/78	25/75
Managerial roles	33/67	25/75	35/65

SDGs

Through our work we primarily contribute to fulfilling the following targets of the Sustainable Development Goals:

8.8 Protect labour rights and promote safe working environments for all.

12.8 Promote universal understanding of sustainable lifestyles.

Our employees

On 31 December 2023, Nobia had 5,315 employees in eight countries. 54% of all employees work in administration and sales and 46% in production and logistics. Most are permanent employees. Only approximately 1% is temporary; they are located in Sweden, the Netherlands and the UK. Our employees are covered by collective agreements in each of these countries except the UK where labour terms are governed by law. All of the countries are represented on the European Work Council (EWC), a European information and consultation council.

Target

- We will increase our engagement index to at least 75.

Result

- This year's index resulted in a score of 65, which cannot be seen to be unusual in a company with as much change as Nobia is currently experiencing. However, we are continuing to work to raise the index over the next few years.

Promoting a sustainable culture: *Responsible sourcing*

Much of our sustainability impact occurs indirectly in the value chain. By undertaking structured activities, we can help ensure that supply chains protect vulnerable employees and reduce environmental and financial risks. **Responsible sourcing** in order to minimise risks, promote a sustainable supply chain and form good relationships with our suppliers is crucial to our ability to develop and offer attractive products to our customers.

Management approach and results

98% of Nobia's direct material purchases originate from suppliers in Europe and the remainder come from Asia. To govern this complex environment, we have a framework of policies and processes that state how we are to work with and help our suppliers to develop in terms of sustainability, and thereby support our aim of upholding business ethics and respect for human rights and the environment. Through our Code of Conduct and our programme for responsible sourcing, we work to contribute to sustainable development in our value chain.

Compliance with our Supplier Code of Conduct

Our Supplier Code of Conduct is based on the principles of Nobia's Code of Conduct, including the principles of the UN Global Compact on human rights, labour, the environment and anti-corruption. The Supplier Code of Conduct is part of the sourcing process and our standard agreement template refers to the Code. The Code regulates and governs Nobia's expectations and requirements of its business partners, including labour, human rights, business ethics and the environment. The Code applies to our suppliers and their employees as well as to subcontractors, and Nobia expects the content of the Code to be communicated to all relevant parties in a language that they understand. Just as for Nobia's own employees, an anonymous communication channel is available for our suppliers' employees to report conduct that breaches the Code. The Supplier Code of Conduct is one of the requirements in our risk assessment of suppliers, which is a key part of the responsible sourcing programme, and any risks identified lead to additional monitoring of the supplier.

We want to contribute to sustainable global supply chains by preventing risks and negative impact on people and the environment. We take a particularly serious view of forced labour. The greatest risk of forced labour, also known as modern slavery, related to our operations is deemed to exist in our supply chain. Preventing all forms of modern slavery is an important part of our responsibility, and we report our work and results annually in accordance with modern slavery statements, which are published on our website.

Programmes for responsible sourcing

To identify and manage risks in our supply chain, we have a programme that covers risk analysis, review and evaluation and contains an anonymous channel for reporting violations of our Supplier Code of Conduct. Nobia's risk assessment programme and follow-up cover approximately 300 significant suppliers, corresponding to 98% of our total cost for direct materials. The programme builds on such parameters as country of production, production process, product type and materials, as well as the supplier's preparedness, for example, in the form of applicable management system. Based on these factors risk is weighed against preparedness and we assess the risk of violations of legal frameworks and Nobia's Supplier Code of Conduct. The risk assessment is the basis for decisions on audits at the supplier. Physical supplier audits are intended to verify, manage and ameliorate any deviations and to identify areas for improvement. 13 new suppliers were added to the programme during the year, and all of them were approved based on an initial review.

During the year, we further developed our programme to obtain more details on the degree of development and maturity of our suppliers. Greater insight into the sustainability ambitions and driving forces of our suppliers enables us to design a selection system that benefits companies with high ethical standards.

98%
of our suppliers of direct materials are included in our audit programme, based on cost.

We focused on flows of materials, such as wood and stone, in these development activities, as well as the impact from suppliers related to transportation and the use of fossil and renewable energy. Read more on page 98.

Active environmental dialogues

In addition to preventive risk management, we work in continuous dialogue with our suppliers in order to reduce environmental impact in the supply chain. This also takes place as a natural consequence of Nobia requesting life cycle data from our purchases of materials and products. We also monitor those suppliers who have committed to or have already established a science-based climate target. Read more on page 98.

Programs for responsible sourcing, number	2021	2022	2023
Significant suppliers	288	289	288
Sustainability-screened suppliers	287	266	288
Suppliers approved after review	274	259	278
Suppliers with audit requirements	13	7	10
Suppliers approved after audit	8	6	0
Suppliers not approved after audit (in current programmes)	2	0	0
Suppliers awaiting audit (in current programmes)	3	1	10

The process of approving suppliers is continuous. The information in the table shows the status of Nobia's supplier programme at the end of each year.

SDGs

Through our work we primarily contribute to fulfilling the following targets of the Sustainable Development Goals:

8.8 Protect labour rights and promote safe working environments for all.
12.8 Promote universal understanding of sustainable lifestyles.
12.12 Achieve sustainable management and efficient use of natural resources.
17.16 Revitalize the global partnership for sustainable development.

Target

- We will ensure that all our suppliers in our responsible sourcing programme are screened and approved according to the principles of the Nobia Supplier Code of Conduct.

Result

- At the end of the year, 278 out of 288 suppliers were approved after initial screening. The remaining 10 suppliers are part of our audit programme for the year ahead.

Promoting a sustainable culture: *Business ethics*

Good **business ethics** are essential to ensuring long-term relationships and to be a credible business partner. It is material for a company such as Nobia, with sales to both consumers and corporate customers, to safeguard its brand and to contribute to both the stable development of society and our own profitability over time by combating all forms of corruption. We achieve this by applying robust procedures for compliance with our Code of Conduct.

Management approach and results

With our Code of Conduct, we want to create responsible and healthy business activities for the long term. Our commitment means that we support and respect international conventions on human rights, work actively to ensure employee well-being and promote diversity and equality.

Our Code of Conduct

Nobia's Code of Conduct for employees and partners serves as a framework that clarifies both the guidelines that Nobia employees must follow and our expectations concerning their judgement and sense of responsibility. It serves as a valuable resource to and assist employees and others to make informed and ethically sound decisions. The Code is based on due diligence, meaning a reasonable level of care for the individual in the choices they make. We encourage all of our internal and external stakeholders to report any suspected deviations from the Code either to us directly or via the anonymous whistle-blower system. The Code is available on our intranet and in all the languages spoken by employees of the Group, and also on our website for external stakeholders. Nobia's Board of Directors decides on the content of the Code of Conduct.

The Code of Conduct provides references to relevant requirements from Nobia, such as policies, practices and procedures to ensure compliance and reporting of suspected deviations. The Code is based on many international ethical guidelines, such as the UN Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Respect for human rights is a core element of the Code of Conduct, with special emphasis on the following rights: freedom of association and the right to collective bargaining, no forced labour, child labour or discrimination including that related to employment and occupation, and occupational health and safety.

The Code is regularly revised to identify whether any updates are required. All employees, managers and consultants are to complete an online course so as to increase their awareness of important subjects such as how we protect our environment, how we interact with each other and how we increase our IT security. The course includes situations and opportunities for insight on workplace situations presented in text and film. At year-end, 69% of our employees had completed the course. It is vital to Nobia that all employees comply with the Code and thus have sufficient knowledge about it. Therefore, in 2024, we will strengthen the monitoring of training in order to reach our target of 100% of employees having received training.

Anti-corruption

Nobia stands against all forms of corruption. Our anti-corruption framework includes our Code of Conduct and Supplier Code of Conduct and is incorporated into our governing documents. Nobia performs self-evaluations every year in all business units. These evaluations include a number of questions on internal control including corruption risks assessments. When reviewing the 2023 evaluations, nothing has emerged that would indicate an increased risk of corruption, and no incidents occurred.

Anonymous whistle-blower channel

To ensure compliance with the Code of Conduct, employees are encouraged to report conduct that breaches our Code using internal channels or the anonymous communication channel "Speak Up." This channel is available to all employees via our intranet and to stakeholders on the website. 117 internal cases were reported during the year, of which seven related to alleged discrimination and harassment. 36 of these cases were reported via SpeakUp. The reported cases and other questions relating to the principles of the Code of Conduct were addressed and presented to the Board's Audit Committee.

Long-term value creation

Nobia generates value for our customers and other stakeholders through the development and manufacturing of kitchen products and the sale and distribution of complete kitchen solutions to end customers. The economic value generated primarily consists of sales of products. The economic value generated is then distributed among suppliers, employees, society, lenders and owners. Distributed economic value is equivalent to generated economic value. The largest share of our distributed economic value pertains to payments to suppliers for products and services that we purchase.

Direct economic value generated and distributed, SEK m	2021	2022	2023
Net sales	13,719	14,929	13,373
Operating expenses	8,951	10,479	9,416
Employee wages and benefits	2,899	3,299	3,161
Social security contributions and pensions	604	692	628
Taxes to state and municipality	201	32	-26
Interest to lenders	41	51	198
Dividends to shareholders	338	421	0
Economic value retained	685	–45	–4

SDGs

Through our work we primarily contribute to fulfilling the following targets of the Sustainable Development Goals:

8.8 Protect labour rights and promote safe working environments for all.
16.5 Substantially reduce corruption and bribery in all their forms.
17.16 Revitalize the global partnership for sustainable development.

Target

- 100% of our employees are to have received training in Nobia's Code of Conduct.

Result

- At year-end, 69% of all employees had completed the course. We are continuing our training activities according to plan to achieve the target of 100% even though we are aware that staff turnover will result in this never perpetually being at 100%.

Governance and partnerships

Framework for sustainability topics
Sustainability is integrated throughout all of our operations and our commitment have been implemented in the Group's overall frameworks and processes. Nobia's framework for sustainability topics includes internal and external guidelines and regulations, the sustainability agenda including Group targets, processes, data collection, monitoring and reporting. Fulfilment of these targets and compliance with both the sustainability agenda and sustainability policies are monitored at Group level.

This framework handles the Group's overall sustainability topics, including materiality and risk analyses and data collection. The sustainability framework is an important part of our business development to help fulfil the sustainability ambition of our business strategy.

Governance and organisation
A central sustainability function is in place at Group level, responsible for strategic sustainability activities. Nobia's sustainability agenda is part of our business strategy and aims to drive our sustainability initiatives forwards in line with our commitments. Roles and reporting channels are continuously adjusted according to the Group's progress on its strategy.

The President receives regular status reports from the Group Director Sustainability, and sustainability is a standing item on the Board's agenda.

Each production unit has employees who coordinate responsibility for environmental and sustainability management. The product development and sourcing units have specialist functions that drive efforts with, for example, product safety, eco-labelling and supplier audits.

Sustainability-related procedures and processes, for example, in design and product development, sourcing and manufacturing, as well as managing product labelling and certification, are integrated into the systems and processes of each function. For instance, systematic product risk assessments are carried out as part of the product development process and regulatory compliance takes place within the framework of the local quality, environmental and work environment management systems. There are specialists in the commercial operation who coordinate sustainability-related customer demands and proactively support our brands' sustainability efforts.

Our commitments
Nobia's commitments and recognition of global initiatives and partnerships lay the foundation for our sustainability initiatives. These include: The UN Global Compact, OECD guidelines, the Paris Agreement and the UN Guiding Principles on Business and Human Rights. Our external commitments and recognitions support Nobia's sustainability-related policies, processes and guidelines.

Nobia's Code of Conduct – Our Group-wide Code of Conduct outlines our public overall commitment to conduct ourselves correctly and defines the company's expectations regarding ethics and compliance with Nobia's commitments for everyone working at Nobia. Our Supplier Code of Conduct is based on the principles stipulated in Nobia's Code of Conduct and regulates and governs our supplier requirements. Read more about our Code of Conduct on page 102 and our Supplier Code of Conduct on page 101.

Environmental and Climate Policy – Nobia's Group-wide Environmental and Climate Policy is based on our Code of Conduct and reflects our strategy and our aims throughout the value chain. The policy is based on the precautionary approach and forms the basis of local initiatives and projects. Our Group Director Sustainability, together with senior managers, is responsible for the implementation of and compliance with the policy.

People and Culture policy – Nobia's Group-wide People and Culture policy aims to provide clear guidance on the company's culture and employment at Nobia. The Code provides a framework for our employees on related issues such as occupational health and safety, equality and diversity and anti-corruption. Our EVP People & Culture, together with senior managers, is responsible for the implementation of and compliance with the policy.

Other governing documents include, for example, our Group-wide wood policy, our tax policy and our Modern Slavery Statement.

Certified units
The operations at our production plants have quality, environmental, energy and occupational health and safety certifications according to the summary below.

Nobia's sales units in Sweden and Denmark are certified according to quality and environmental standards, and according to work environment standards for Denmark. Our Magnet stores in the UK are certified under energy standards, and the installation and service function has quality certification.

Standard	Unit
ISO 9001 Quality	Bjerringbro, Darlington, Dinxperlo, Freistadt, Grays, Halifax, Leeds, Morley, Tidaholm, Wels, Ølgod
ISO 14001 Environmental management	Bjerringbro, Darlington, Dinxperlo, Farsö, Freistadt, Grays, Halifax, Leeds, Morley, Nastola, Tidaholm, Wels, Ølgod
ISO 50001 Energy	Darlington, Grays, Halifax, Leeds, Morley
ISO 45001 Occupational health and safety	Darlington, Grays, Halifax, Leeds, Morley, Nastola
VCA[1]	Dinxperlo

1) VCA is a Dutch standard for certified management systems for occupational health and safety and the environment.

Strategic memberships and partner projects
The following is a list of the main organisations of which Nobia is a member and/or partner

- Blocket (partnership with our brand Marbodal for reselling used Marbodal kitchens)
- British Safety Council (keeps us updated on occupational health and safety)
- Chalmers University of Technology, Gothenburg (projects on circular kitchens)
- IVL Swedish Environmental Research Institute (partner of our EPD project)
- Möbelfakta's Criteria Council (set and update kitchen and furniture criteria, Möbelfakta-labelling)
- Science Based Target initiative (part of our commitment to follow the Paris Agreement by having a science based climate target)
- Swedish Standard Institute (SIS) (participate in the kitchen and furniture standardisation committee)
- Swedish Federation of Wood and Furniture Industry (TMF) (information and updates from our trade association)
- Taskforce on Nature-related Financial Disclosures (TNFD) (membership that provides input for our future CSRD reporting)
- Rehome (partnership with our brand Magnet Retail for reselling old kitchens)
- UN Global Compact (supporting their 10 principles, leveraging their combined know-how in this area)
- WGSN (update and insight into trends and development)

Global Compact
Nobia is a member of the UN Global Compact, which means that we have committed to support the ten principles on human rights, labour, the environment and anti-corruption, and contribute to the Sustainable Development Goals. These principles are integrated into our strategy, corporate culture and daily operations. For additional information on how we meet the principles, refer to our page index on page 112.

About our sustainability reporting

Report premises
This Sustainability Report has been prepared in accordance with the GRI Standards 2021. The mapping of material matters also took into account the principles of the CSRD. The Sustainability Report encompasses all principles of the UN Global Compact and explains Nobia's sustainability impact, the Group's work to reduce this impact in relation to the SDGs in the 2030 Agenda as well as results.

Nobia has published GRI-based Sustainability Reports since 2012. This report refers to the 2023 calendar year and was published in April 2024. The Sustainability Report has not been subject to review or audit by an external party, beyond the auditor's statutory statement that a sustainability report has been prepared. Preparations are being made ahead of an external audit and for reporting in accordance with the EU Corporate Sustainability Reporting Directive (CSDR) and the European Sustainability Reporting Standards (ESRS) in the future. For reporting according to the EU Taxonomy Regulation, refer to pages 113–116.

Scope
The Sustainability Report encompasses the same units and operations as the financial statements, Note 17. Specific boundaries for each material topic are presented on pages 93–102. The content of the Sustainability Report and the sustainability topics presented are based on the most recent materiality assessment and summarise the sustainability initiatives for 2023. Environmental data such as energy, climate impact and waste is based on operations in our production facilities and own stores, and on activities and products in the value chain to the greatest extent possible. Data on working hours and accidents at work cover all employees at our production sites but not local sales organisations.

Changes to the Report
When data per unit was collected, minor deviations were discovered and adjusted for previous years. For our Scope 3 target, the calculation was adjusted since the volume for one market was unavailable and 49% target fulfilment is instead 59% for 2022.

A strategic decision was made to change a previous target formulation about sustainable products to an internal scorecard to the following: provide product-specific information about the environmental footprint throughout the value chain by 2025.

Calculations
Energy Conversion factors for fuel come from the Swedish Environmental Protection Agency and Swedenergy; there are no national deviations: Oil 9,950 kWh/m^3, fossil gas 11 kWh/m^3, biogas 10.1 kWh/m^3, biomass 4.8 kWh/kg, diesel 9,800 kWh/m^3, petrol 9,106 kWh/m^3, biogas 13.6 kWh/kg.

Our target of transferring to more energy-efficient appliances is based on sales data from our three largest suppliers of products sold via Nobia but directly from the appliance suppliers to the stores in the Nordic region and the UK. In the product categories of stoves/ovens, the A++, A+, A energy ratings are considered to be "better energy rating classes." In refrigerators/freezers, A-E energy ratings are considered to be "better energy rating classes".

GHG emissions Calculations of climate impact from energy consumption and transportation were based on the guidelines of the GHG Protocol's Corporate Accounting and Reporting, and they encompass all greenhouse gases converted to carbon dioxide equivalents, CO_2e. We apply an operational control strategy. Calculations on internal sustainability data are based on actual data from meters and invoices as far as possible. Information for electricity, heating, business travel and goods transport is based on supplier-specific information. The conversion factors for energy consumption and GHG emissions were localised to our various markets. This means that there are several different factors for some types of energy, depending on where they are used. Data comes from the Swedish Environmental Protection Agency and Swedenergy, and the local equivalents in other countries.

Conversion factors for carbon emissions have been updated for 2023. Some factors have led to lower emissions compared with last year, especially for petrol, since the Group factor is based on Swedish data that was affected by the reduction obligation during the year.

- Oil: 2.69 tCO_2e/m^3 (for Austria 2.67 tCO_2e/m^3, for the UK 2.76 tCO_2e/m^3)
- Fossil gas 2.2 $kgCO_2e/m^3$ (for the Netherlands 1.79 tCO_2e/m^3, for the UK 2.01 tCO_2e/m^3)
- Biogas 0 tCO_2/m^3,
- Biomass (wood): 0.008 $kgCO_2e/kg$ (for the UK 0.015 $kgCO_2e/kWh$).
- Diesel 2.51 tCO_2/m^3 (for Austria 2.67 tCO_2e/m^3, for the Netherlands 2.47 tCO_2e/m^3, for the UK 2.51 gCO_2e/m^3),
- Petrol: 2.30 tCO_2/m^3, (for the Netherlands 2.14 tCO_2e/m^3, for the UK 2.19 tCO_2e/m^3),
- Natural gas for vehicles: 2.9 $kgCO_2e/kg$ (for the Netherlands 2.3 $kgCO_2e/kg$, for the UK 0.21 $kgCO_2e/kWh$),
- HVO 20: 1.98 $kgCO_2/m^3$

Electric company cars can also be charged at Nobia's sites where the percentage of renewable electricity is 100% and also outside Nobia's plants. The total percentage of renewable electricity for charging passenger cars is therefore estimated at 50%.

Calculation of Scope 3 emissions is based on a hybrid approach, with actual values when available, otherwise on generic data. We continually work to improve data quality by replacing secondary data with primary data.

VOC emissions The calculation is based on the difference between the amount of paint used and paint for waste management. The calculated VOC emissions may differ between years in relation to use of paint and volume of surface-treated materials since waste collection is unevenly distributed over the calendar year.

The contact person for information in the Sustainability Report:
Anna Hamnö Wickman, *Group Director Sustainability*
E-mail: anna.wickman@nobia.com

Materiality assessment

Identifying and prioritising impacts
Our sustainability efforts are intended to capitalise on opportunities, limit our negative impact where it is the greatest and minimise our risks. Impact analyses and strategic assessments in consultation with our stakeholders form the basis of our annual materiality assessments. This process enables us to identify any changes that we need to address in our sustainability work. See also below, Dialogue with our stakeholders

Our value chain has been mapped and assessed in terms of activities, business relationships and human and environmental impacts. This analysis was supplemented with GRI's list of disclosures and the ESRS list of sustainability matters and stakeholder engagement and business intelligence to ensure as complete an analysis as possible of all potential sustainability matters that can be reported on.

Input from workshops from various functions in Nobia's operations, such as product development, sourcing, marketing and people & culture has been supplemented with regularly collected data for materials and energy consumption, and waste from existing local analyses. This means that the functions' combined know-how of specific parts of the operations, including the expectations of external stakeholders, could be collected. HR issues were based on discussion with trade unions and input from internal processes for employees from the start to the end of their employment.

Nobia's central sustainability function together with the relevant operating function has assessed the degree of impact and potential impacts for each identified activity and business relationship. Any negative impact that can be linked to each activity has been assessed based on severity, meaning an overall assessment of its scale, scope, and irremediable character. For cases in which impacts were potential, the level of likelihood of occurrence was also assessed.

Based on a gross list of identified actual and potential impacts with a one to three-year horizon, meaning within Nobia's current strategy period, priority was given to the material matters that have been assessed with a factor of medium to high. A high overall impact factor is thus assigned to an activity that has a wide scope, large scale or for which the harm is of an irremediable character. A medium impact factor may have a slightly lower factor for one of the parameters. If a potential impact has been identified and is deemed to be above medium, then this is also prioritised. A final list of material matters is compared with other similar operations for confirmation.

The assessment performed and that forms the basis of the 2023 reporting also provides an indication for next year's work on finalising the data for the annual report according to the CSRD regulations from 2025.

The assessment showed that no new material sustainability matters had emerged. However, during the year, we noted rising interest primarily from our B2B customer for more specific product information, such as life cycle assessments for the products' environmental footprint throughout the value chain in the form of published EPDs.
We view this as a step in the right direction to facilitate sustainable choices for customers, which also enables a more systematic approach to both direct and indirect impacts and thus provides a suitable benchmark for assessing and comparing the true sustainability impacts of various action.

Dialogue with our stakeholders
Understanding and listening to the external environment and reflecting upon what we learn is key to identifying our impact and the risk of impacts, as well as understanding future expectations of how we will meet challenges and the opportunities we are presented with. We aim to identify and confirm various issues in our regular local and central dialogues, and also want to cooperate and exert an influence in order to reinforce our sustainability initiatives throughout the value chain.
Our stakeholders are players who affect and are affected by Nobia's operations. Information from stakeholder dialogues is regularly addressed and incorporated into our continual strategic activities. These dialogues also provide data for our materiality assessment. Internal functions participating in the process have good insight into how stakeholders assess and prioritise various issues.
In connection with the preparations for the new CSRD, we are also reviewing our stakeholder engagement and how we use this to collect valuable information for our continuous and strategic sustainability activities. During the year, we saw rising interest in more product-specific sustainability data in the form of EPDs or detailed customer reports for corporate customers containing information for their life cycle assessments or target fulfilment. A summary by stakeholder group is provided below.

Employees

Expectations and our aims for engagement Our employees want to be proud of working at a responsible and sustainable company. We convey how we work with sustainability, what we are doing and how employees are involved, and gather opinions and expectations of how employees want Nobia to be run more sustainably.

Format Annual engagement surveys, anonymous channel, performance appraisals, regular dialogue, local occupational health and safety management systems.

Customers

Expectations and our aims for engagement it is primarily professional customers that have express requirements related to sustainability. Through dialogue, we regularly collate demands, requirements and expectations on us as a supplier and for our products. An in-depth survey of expectations for our Local Jewel Brands in the Nordic market was carried out during the year. Strong customer demand for product specific sustainability information and EPDs has been taken into account in the change of strategy to focus more on life cycle assessments at the specific product level.

Format Regular meetings, focus meetings, surveys.

Suppliers

Expectations and our aims for engagement When we meet with our suppliers, we seek to emphasise the sustainability topics that we prioritise so that they, in turn, can meet the requirements and expectations that we present related to range, product information, etc, and also to identify synergies and opportunities for partnerships. During the year, we continued to analyse our suppliers' environmental work and climate targets, made efforts to engage with suppliers to set science-based climate targets and discussed product-related environmental data.

Format Regular meetings, evaluations in supplier platform.

Owners and investors

Expectations and our aims for engagement Our owners and investors expect Nobia to act responsibly and transparently and to make continuous improvements in profitability, the environment, health and safety, etc. Through dialogue and reporting, we present our work and assure that owners and investors are satisfied with our current and future performance. We received a few questions related to the TNFD and our dependence on wood as a natural resource during the year. We did not receive any direct inquiries relating to data through CDP.

Format Regular dialogue, reporting.

Authorities and society

Expectations and our aims for engagement We are subject to direct expectation based on new sustainability legislation and social initiatives introduced by both the EU and at national and local levels.

Format Participates in public debate, responds to consultation requests, mainly through industry collaborations and networks.

Academia and organisations

Expectations and our aims for engagement We are following research in relevant areas and partner with universities and organisations to ensure that we base our work on collective knowledge and that it is developed in line with the latest research.

Format Projects, networks.

	Positive and negative impacts	Risks	Opportunities	Our method
Design and product development	The choice of design and production method is crucial for a physical product, such as the sustainability impact of the kitchen throughout its life cycle.	Primarily transition risks that may require changes to adapt the product offering to new regulatory requirements and changing demand.	Offer solutions that directly reduce the sustainability impact over the product's life cycle and indirectly facilitate a sustainable lifestyle for the user.	Systematic approach to innovation, based on analysis of impacts throughout the life cycle of products.
Sourcing	The choice of suppliers and products can have both positive and negative sustainability impacts in the upstream value chain for the manufacturing and sales of our kitchens. The environment is impacted by the use of resources, waste and emissions and people are affected by access to jobs, labour conditions and effects of retail in society as a whole.	Physical risks that may affect supply chain logistics and access to specific raw materials. Transition risks such as price impact if demands or requirements related to specific value chains are changed. Brand risks from non-compliance with labour law, human rights, environmental requirements and anti-corruption in the supply chain.	Have a positive impact on the sustainability performance of suppliers and subcontractors	Centralised sourcing for key purchasing categories allows for sufficient volumes to adequately define requirements for and control suppliers. Nobia's supplier risk assessment program and audits in accordance with Nobia's Supplier Code of Conduct and added commitments to prevent forced labour and policy to ensure responsible sourcing of raw wood materials.
Manufacturing	The way production is organised and carried out has an impact on the environment through the use of resources, waste and emissions. It also impacts people and society by providing jobs and income, and may have a major impact on the health, safety and well-being of employees.	Physical risks in the event of accidents. Transitional risks if a production facility is forced to relocate or undergo extensive conversions in order to handle the effects of climate change, for example, due to increased risk of flooding.	Measures to increase resource efficiency, improve the working environment and promote health and well-being.	In-depth due diligence when planning new production facilities and reviews of existing facilities. Systematic environmental, occupational health and safety and quality activities in each production facility.
Sales	The sales stage impacts the environment and people depending on how it is structured. Shops provide jobs, enable direct contact with customers and can have many positive effects on the local community but require electricity and energy for heating, customer travel and goods transportation.	Transition risks if customer movement or demand patterns change. Brand risks if business ethics in customer relationships are not maintained.	Many opportunities to market and sell sustainable solutions, by offering and promoting sustainable product choices to customers and planning for sustainable lifestyles in the kitchen.	Regular reviews of the structure of the sales stage and geographic footprint. Training in Nobia's Code of Conduct, product certifications and development of life cycle-based product data to provide guidance on sustainable choices. Development of new business models and partnerships to facilitate a sustainable lifestyle in the kitchen for customers.

Impacts, risks and approaches in our value chain
The table below lists our actual and potential impacts based on the phases of our value chain and our approaches to minimise them. Refer also to page 108 for the correlation between the material matters and GRI reporting disclosures. The risk section of this year's report includes information on Nobia's overall risk management process, as well as assessment of the financial climate-related risks and opportunities based on TCFD reporting, see pages 38–44.

	Positive and negative impacts	Risks	Opportunities	Our method
Transportation	The distance that goods and finished products are transported and the means of transport have a major impact on GHG emissions and also effect other types of environmental impact and social factors.	Physical risks linked to accidents or obstacles to access. Transition risks linked to climate-related taxes, fuel prices and changes in occupational health and safety regulations.	Opportunity to plan for reduced transport needs, set requirements for climate-efficient means of transport and conditions for a healthy working environment.	Location of new factory for optimal geographic position for logistics, with future access to rail logistics. Supplier risk assessment program and audits in accordance with Nobia's Supplier Code of Conduct.
Use	Human health can be affected when the product is used by the design and content of the products. Kitchen furnishings have a very low direct environmental footprint when used, although the choices customers make in terms of appliances and, to a certain extent, lighting could affect their future energy use and thus their climate impact.	Physical risks resulting in brand risk if the products contain harmful substances or otherwise pose a danger when used. Transition risks if customer preferences were to suddenly change or if laws change.	The products offered are manufactured by strictly applying the prudence concept. Advice on sustainable choices when planning kitchens with customers.	Product certifications for strict application of the prudence concept and a sound margin over future stricter legal requirements. Make product information available to enable customers to make sustainable choices.
End use	Kitchen furnishings that reach the end of their life cycle have a sustainability impact mainly by impacting the climate and losing natural resources if they are thrown away without being reused or recycled to the maximum extent possible.	Transition risks if laws or demand change.	Extend the lifespan of products and make it possible to renew the look and feel of the kitchen without replacing every item of kitchen furniture. Facilitate future reuse and recycling with the choice of design and materials.	Harmonising dimensions and design of the products (Nordic range) means that these elements can be renewed, supplemented or replaced in the future. Business models and partnerships make it possible to renew kitchens instead of discarding functioning kitchen cabinet structures and promote resale in the second-hand market. Initiatives to develop circular kitchen solutions that facilitate disassembly and reassembly.

Strategic focus areas and our material topics

All of our material topics based on our strategic focus areas are listed below. The topics are linked to the relevant GRI disclosures that regulate the information we report on how we work to minimise our impact. Refer also to the GRI Index on pages 109–112 for further information.

Focus area	Material topics	Disclosure	Indicators
 Innovations for a sustainable lifestyle	**Promoting sustainable consumption**	**GRI 417** Marketing and labelling	Product information, certification
	Product safety	**GRI 416** Customer Health and Safety	Product safety
 Circular materials and flows	**Sustainable use of resources**	**GRI 301** Materials	Volume of materials and percentage of recycled input materials
		GRI 304 Biodiversity	Protected habitats and IUCN Red List species
		GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	VOC emissions
	Cleaner material flows	**GRI 306** Waste	Amounts of waste
 Reduced climate impact	**Energy efficiency**	**GRI 302** Energy	Energy consumption and intensity
	GHG emissions	**GRI 305** Emissions	Scope 1, 2 and 3 GHG emissions
 Promoting a sustainable culture	**Occupational health and safety**	**GRI 403** Occupational Health and Safety	Prevention and work-related accidents
	Engagement and skills development	**GRI 404** Training and Education	Career development and learning
	Equal opportunity and diversity	**GRI 405** Diversity and Equal Opportunity	Gender distribution
		GRI 406 Non-discrimination	Training and incidents
	Responsible sourcing	**GRI 308** Supplier Environmental Assessment	Screened suppliers
		GRI 409 Forced or Compulsory Labour	Screened suppliers
		GRI 414 Supplier Social Assessment	Screened suppliers
	Business ethics	**GRI 205** Anti-corruption	Training and incidents

GRI Index

Application of standards	Nobia has reported in accordance with GRI Standards for the 1 January 2023–31 December 2023 period
Applied GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No Sector Standards available

GRI Universal Standards 2021

				Deviation		
GRI Standard	**Disclosure**	**Name of disclosure**	**Page reference**	**Deviation from requirement**	**Reason**	**Explanation**
General disclosures						
The organisation and its reporting practices						
GRI 2: General disclosures 2021	2-1	Organisational details	3, 30, 35			
GRI 2: General disclosures 2021	2-2	Entities included in the organisation's sustainability reporting	19, 104			
GRI 2: General disclosures 2021	2-3	Reporting period, frequency and contact point	104			
GRI 2: General disclosures 2021	2-4	Restatements of information	104			
GRI 2: General disclosures 2021	2-5	External assurance	89			
Activities and workers						
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships	11, 19, 105–107			
GRI 2: General disclosures 2021	2-7	Employees	67	Not specified by different types of employment	Information incomplete	Group-wide HR system being developed
GRI 2: General disclosures 2021	2-8	Workers who are not employees		Not reported	Information incomplete	No data on franchisee employees available
Governance						
GRI 2: General disclosures 2021	2-9	Governance structure and composition	23, 25, 27–28			
GRI 2: General disclosures 2021	2-10	Nomination and selection of the highest governance body	22			
GRI 2: General disclosures 2021	2-11	Chair of the highest governance body	23, 25			
GRI 2: General disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	23			
GRI 2: General disclosures 2021	2-13	Delegation of responsibility for managing impacts	23			
GRI 2: General disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	23, 25, 103			
GRI 2: General disclosures 2021	2-15	Conflicts of interest	22			
GRI 2: General disclosures 2021	2-16	Communication of critical concerns	24			
GRI 2: General disclosures 2021	2-17	Collective knowledge of the highest governance body	23, 27, 28			
GRI 2: General disclosures 2021	2-18	Evaluation of the performance of the highest governance body	23			
GRI 2: General disclosures 2021	2-19	Remuneration policies	24			
GRI 2: General disclosures 2021	2-20	Process to determine remuneration	35–36			
GRI 2: General disclosures 2021	2-21	Annual total compensation ratio	64	Average employee salary not available	Information incomplete	Group-wide HR system being developed

				Deviation		
GRI Standard	**Disclosure**	**Name of disclosure**	**Page reference**	**Deviation from requirement**	**Reason**	**Explanation**
Strategy, policies and practices						
GRI 2: General disclosures 2021	2-22	Statement on sustainable development strategy	5–6			
GRI 2: General disclosures 2021	2-23	Policy commitments	102–103			
GRI 2: General disclosures 2021	2-24	Embedding policy commitments	93–103			
GRI 2: General disclosures 2021	2-25	Processes to remediate negative impacts	93–103			
GRI 2: General disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	102			
GRI 2: General disclosures 2021	2-27	Compliance with laws and regulations	102			
GRI 2: General disclosures 2021	2-28	Membership associations	102			
Stakeholder engagement						
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement	105			
GRI 2: General disclosures 2021	2-30	Collective bargaining agreements	100			
MATERIAL TOPICS						
GRI 3: Material topics 2021	3-1	Process to determine material topics	105–107			
GRI 3: Material topics 2021	3-2	List of material topics	108			
Economic performance						
GRI 3: Material topics 2021	3-3	Management of material topics, 201	30–37			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	102			
Anti-corruption						
GRI 3: Material topics 2021	3-3	Management of material topics, 205	102			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	102			
	205-2	Communication and training about anti-corruption policies and procedures	102	Not broken down by category	Information incomplete	
	205-3	Confirmed incidents of corruption and actions taken	102			
Materials 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 301	95–96			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	96	Only wood	Information incomplete	Wood is our primary material
	301-2	Recycled input materials used	96			
Energy 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 302	97–98			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	98			
	302-3	Energy intensity	98			
Biodiversity 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 304	96			
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	96			
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	96			

				Deviation		
GRI Standard	**Disclosure**	**Name of disclosure**	**Page reference**	**Deviation from requirement**	**Reason**	**Explanation**
Emissions 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 305	97–98			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	97–98			
	305-2	Energy indirect (Scope 2) GHG emissions	97–98			
	305-3	Other indirect (Scope 3) GHG emissions	97–98			
	305-4	GHG emissions intensity	98			
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	96	Only VOC emissions	Other emissions are not applicable	Other emissions are not deemed to be material
Waste 2020						
GRI 3: Material topics 2021	3-3	Management of material topics, 306	95–96			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	96			
	306-2	Management of significant waste-related impacts	96			
	306-3	Waste generated	96			
	306-4	Waste diverted from disposal	96			
	306-5	Waste directed to disposal	96			
Supplier Environmental Assessment 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 308	101			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	101			
	308-2	Negative environmental impacts in the supply chain and actions taken	101	The impact on the environment and people has been combined	Information incomplete	Combined process
Occupational Health and Safety 2018						
GRI 3: Material topics 2021	3-3	Management of material topics, 403	99–100			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	99–100			
	403-2	Hazard identification, risk assessment, and incident investigation	99–100			
	403-3	Occupational health services	99–100			
	403-4	Worker participation, consultation, and communication on occupational health and safety	99–100			
	403-5	Worker training on occupational health and safety	99–100			
	403-6	Promotion of worker health	99–100			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	99–100			
	403-8	Workers covered by an occupational health and safety management system	99–100			
	403-9	Work-related injuries	100			
Training and Education 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 404	99			
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	99	Not broken down by gender or category	Information incomplete	Group-wide HR system being developed

GRI Standard	Disclosure	Name of disclosure	Page reference	Deviation		
				Deviation from requirement	Reason	Explanation
Diversity and equal opportunity 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 405	100			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	100			
Non-discrimination 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 406	100			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	102			
Forced or Compulsory Labour 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 409	101–102			
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	101			
Supplier Social Assessment 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 414	101			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	101			
	414-2	Negative social impacts in the supply chain and actions taken	101	The impact on people and the environment has been combined	Information incomplete	Combined process
Customer Health and Safety 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 416	94			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	94			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	93			
Marketing and Labelling 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 417	93–94			
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	93–94			
	417-2	Incidents of non-compliance concerning product and service information and labelling	93			

UN Global Compact

Mapping in relation to Global Compact		Page
Human rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	99–102
Principle 2	make sure that they are not complicit in human rights abuses.	99–102
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	99–102
Principle 4	the elimination of all forms of forced and compulsory labour;	101–102
Principle 5	the effective abolition of child labour; and	101–102
Principle 6	the elimination of discrimination in respect of employment and occupation.	101–102

Mapping in relation to Global Compact		Page
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges;	93–98, 101–102
Principle 8	undertake initiatives to promote greater environmental responsibility: and	93–98, 101–102
Principle 9	encourage the development and diffusion of environmentally friendly technologies.	93–98. 101–102
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	101–102

EU Taxonomy Report

Nobia's taxonomy report is prepared in accordance with the EU regulatory framework for taxonomy. The purpose of these regulations is to direct investments towards sustainable projects and activities in line with the EU action plan on sustainable finance. An account is provided below of our Group's turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the 2023 reporting year, the total and the proportion attributable to taxonomy-eligible economic activities in accordance with Article 8 of the Taxonomy Regulation.

Definitions
A taxonomy-eligible economic activity is an economic activity that is described in the delegated acts adopted pursuant to the Taxonomy Regulation, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

A taxonomy-aligned economic activity is an activity this is aligned with the technical screening criteria laid down in the delegated acts and is carried out in accordance with the minimum safeguards regarding human rights and consumer rights, anti-corruption and bribery, tax and fair competition. To comply with the technical screening criteria, an economic activity must make a substantial contribution to one or more environmental objectives and should do no significant harm to any of the other environmental objectives.

A taxonomy-non-eligible economic activity is thus not eligible under the EU taxonomy since the economic activity is not included in the delegated acts adopted pursuant to the Taxonomy Regulation.

Taxonomy-eligible economic activities
None of Nobia's turnover for 2023 is taxonomy-eligible. The taxonomy-eligible economic activities pertain to the environmental objective of climate change mitigation and the related activities for buildings that are included in the environmental objective of circular economy. The taxonomy-eligible economic activities are 7.1 Construction of new buildings, 7.2 Renovation of existing buildings, 7.3 Installation, maintenance and repair of energy efficiency equipment, 7.7 Acquisition and ownership of buildings, 6.5 Transport by motorbikes, passenger cars and light commercial vehicles and 6.6 Freight transport services by road. We do not conduct our own activities in, for example, restoration or sale of second-hand goods under environmental objective Circular economy, and instead in this respect we refer to our cooperation with external players, see page 95. CapEx for activity 7.3 Installation, maintenance and repair of energy efficiency equipment can probably be considered to be taxonomy-aligned, but are reported here as taxonomy-non-aligned since we were unable to verify against the clarifications of the "do no significant harm" (DNSH) criteria and the updated Annex C as they were issued during the year.

Taxonomy-aligned economic activities
The construction of Nobia's new factory in Jönköping, Sweden, means that Nobia has the economic activity of construction of new buildings. The Swedish Construction Federation and the Swedish Property Federation have prepared Swedish interpretation criteria for the first and second environmental objectives of the Taxonomy as regards the construction and renovation of existing buildings and the acquisition and ownership of buildings. These criteria were being prepared ahead of reporting in 2022 and were not completed until 2023 which is reason that after having studied the criteria we can now include this activity as taxonomy-aligned for 2023. This new factory is being constructed in accordance with strict environmental requirements and the building will hold BREEAM certification at the Excellent level. The primary energy requirements of the building will meet the requirements for construction of buildings by a healthy margin, in line with the Taxonomy objective of making a substantial contribution to climate change mitigation. Measurements of compressed air and climate calculations are being carried out during the project, which enables complete climate calculations for all components and the entire life span of the building on completion. All criteria for doing no significant harm to any of the other environmental objectives and the minimum safeguards under the Taxonomy are addressed in the project, and verified in connection with verifications for BREEAM certification.

In addition to complying with Swedish law and having sound procedures for self-monitoring in place, a detailed logbook has been kept for the project and Byggvarubedömningen's criteria have been applied in the selection of materials. A few necessary deviations have been made from Byggvarubedömningen's criteria, which are deemed to be in line with the EU taxonomy requirements. All water installations are more economical than the Taxonomy's technical screening criteria prescribe, and an environmental impact assessment and vulnerability assessment for climate change were carried out before the start of the project and supplemented with a BREEAM assessment that has confirmed that the measures performed are appropriate and meet the Taxonomy's requirements. The building is a factory building that offers excellent flexibility for the future, designed to be resource efficient and possible to dismantle. The Swedish Construction Federation's Resource and waste guidelines for constructions from 2023 have been met and the level of sorting for recycling materials is far above 70%.

KPI related to turnover
Nobia's turnover does not currently have any taxonomy-eligible economic activities as described in the delegated acts. Net turnover is taken from the Consolidated income statement line Net sales.

KPI related to CapEx
The KPI related to CapEx is defined as taxonomy-eligible CapEx (numerator) divided by our total CapEx (denominator). Total CapEx comprises tangible, intangible fixed assets and assets of use acquired during the fiscal year before amortisation/depreciation and repayment. Goodwill is not included in CapEx since it is not classified as an intangible asset in accordance with IAS 38. Our total CapEx can be reconciled against our consolidated financial statements in Notes 13–15.

KPI related to OpEx
The KPI related to OpEx is defined as taxonomy-eligible OpEx (numerator) divided by our total OpEx (denominator). OpEx includes all other direct costs related to the fixed asset such as service and maintenance. Costs for operating the factories such as raw materials, personnel costs, electricity and heating are not included.

When calculating CapEx and OpEx, we identified relevant purchases and activities and the related economic activities in the delegated acts. By doing so, we have ensured that no CapEx or OpEx are included more than once.

Nuclear and fossil gas related activities

Row		
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Turnover[1)]

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities	Code	Turnover	Proportion of turnover, year 2023	*Climate change mitigation*	*Climate change adaptation*	*Water*	*Pollution*	*Circular economy*	*Biodiversity*	*Climate change mitigation*	*Climate change adaptation*	*Water*	*Pollution*	*Circular economy*	*Biodiversity*	*Minimum safeguards*	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	Category transitional activity
Text		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable (taxonomy-aligned) activities (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		–
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		–	–	–	–	–	–	–	–								–		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		–	–	–	–	–	–	–	–								–		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities		13,373	100%																
TOTAL		13,373	**100%**																

1) Proportion of net turnover from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2023.

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

If applicable:

	PROPORTION OF TURNOVER/TOTAL TURNOVER	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	N/A	N/A
CCA	N/A	N/A
WTR	N/A	N/A
CE	N/A	N/A
PPC	N/A	N/A
BIO	N/A	N/A

CapEx[2)]

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	CapEx	Proportion of CapEx, year 2023	*Climate change mitigation*	*Climate change adaptation*	*Water*	*Pollution*	*Circular economy*	*Biodiversity*	*Climate change mitigation*	*Climate change adaptation*	*Water*	*Pollution*	*Circular economy*	*Biodiversity*	*Minimum safeguards*	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	Category transitional activity
Text		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Construction of new buildings	**CCM 7.1** / CE 3.1	1,251	55%	Y	N/EL	N/EL	N/EL	–	N/EL	–	Y	Y	Y	Y	Y	Y	–	–	–
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,251**	**55%**	**55%**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		–
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	15	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Freight transport services by road	CCM 6.6	11	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5%		
Construction of new buildings	CCM 7.1	–	–	–	–	–	–	–	–								53%		
Renovation of existing buildings	CCM 7.2 / CE 3.2	181	8%	EL	N/EL	N/EL	N/EL	EL	N/EL								21%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	423	19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								17%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**633**	**28%**	**28%**	**–**	**–**	**–**	**–**	**–**								**42%**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**1,884**	**83%**	**83%**	**–**	**–**	**–**	**–**	**–**								**95%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		391	17%																
TOTAL		2,275	**100%**																

2) Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2023.

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

If applicable:

	PERCENTAGE OF CAPEX/TOTAL CAPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	55%	83%
CCA	N/A	N/A
WTR	N/A	N/A
CE	N/A	55%
PPC	N/A	N/A
BIO	N/A	N/A

OpEx[3)]

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	OpEx	Proportion of OpEx, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	Category transitional activity
Text		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which Enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		–
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	24	15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Freight transport services by road	CCM 6.6	22	13%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Renovation of existing buildings	CCM 7.2 / CE 3.2	39	24%	EL	N/EL	N/EL	N/EL	EL	N/EL								95%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**85**	**52%**	–	–	–	–	–	–								**95%**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**85**	**52%**	–	–	–	–	–	–								**95%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		80	48%																
TOTAL		165	**100%**																

3) Proportion of OpEx from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2023.

PERCENTAGE OF OPEX/TOTAL OPEX		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	52%
CCA	%	%
WTR	%	%
CE	%	24%
PPC	%	%
BIO	%	%

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective