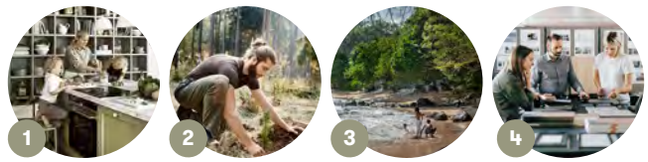
Our sustainability agenda

- Sustainability is a matter of course for our operations. With our relevant sustainability agenda, we can ensure that our sustainability activities are sufficiently forward-looking and support our overall strategy.
- It is important for us to integrate sustainability into our strategic initiatives and into our day-to-day operations by striking the optimal balance between central governance and local empowerment.
- Some of the activities we worked on during the year were further developing the circular business models concept and the successful efficiency enhancement programme for raw materials in production. We also reduced our GHG emissions further and thus exceeded our science-based climate target. Now we will continue our efforts.

We have four strategic focus areas for our sustainability agenda. We want to leverage the opportunities available to us by developing and promoting innovations for a sustainable lifestyle, circular materials and flows, a reduced climate impact and a sustainable culture. In addition, we carry out important systematic sustainability activities locally and centrally to ensure compliance and minimise risks.



Innovations for a sustainable lifestyle | **Circular materials and flows** | **Reduced climate impact** | **Promoting a sustainable culture**

A focus on materiality across the value chain

Our sustainability efforts are intended to capitalise on opportunities, limit our negative impact where it is the greatest and minimise our risks. Our previous materiality analysis was extensively updated during the year in a bid to link it even more clearly to the actual and potential impact of the operations on the economy, environment and people, including human rights. Read more on page 104–106.

Our material topics help us define and govern the direction of our strategic activities in the four focus areas. These are also the disclosure areas for our reporting: promote sustainable consumption, product safety, sustainable use of resources (including biodiversity), cleaner flows of materials, lower GHG emissions, energy efficiency, engagement and skills development, occupational health and safety, equality and diversity (including anti-discrimination), responsible sourcing and business ethics (including anti-corruption).

The following pages describe how we approach these topics and the results of this year's work. Refer also to page 106 for the correlation between the material topics and GRI reporting disclosures.

DESIGN AND PRODUCT DEVELOPMENT

In this phase, we make decisions that impact the sustainable choice of raw materials, production processes and circular solutions. Given the right conditions in the form of insight, expertise and collaborations, opportunities are available here for alternative materials and solutions that could lead to a lower impact across the value chain.

SOURCING

In sourcing, we select which suppliers we will work together with and which of their products we will use. Our responsible sourcing programme aims to minimising risk and promote a more sustainable supply chain.

MANUFACTURING

We manufacture and assemble our kitchen and bathroom cabinets and worktops at our production facilities. By systematically working on occupational health and safety, resource efficiency, environment and climate, we endeavour to achieve maximum efficiency and quality, while at the same time reducing our negative impact and minimising risks.

SALES

Sales take place in own stores, through franchises and retailers, and through direct B2B meetings. With our customers meetings, we want to help customers from inspiration to installation.

TRANSPORTATION

Most of our transportation of goods takes place with a limited number of external hauliers established in all of our markets. These partnerships provide scope for jointly striving towards more effective transportation and lower emissions.

USE OF SOLD PRODUCTS

Our kitchens are made to last many years together with the consumer. With our product range, support and inspiration, we want to help customers during this time to reduce their own impact in the kitchen by using solutions that help them live more sustainably.

END OF LIFE

When it is time to replace your old kitchen with a new one, the old kitchen can be regarded as waste or as a resource. There are opportunities here to provide customers with circular solutions to keep the old kitchen in the material cycle.

1 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 most people have the greatest effect on sustainability. 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 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.

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.

Scorecards and principles provide proper guidance

When it comes to new products, a sustainability perspective must be included starting from the design stage and accompany the product to the next stage in the form of development and industrialisation. We previously produced a scorecard to serve as both support for optimisation and early decision-making and an evaluation model for internally classifying the sustainability performance of products based on established sustainability principles. The overall principles are broken down to specific criteria for each product category, for example, related to recycled material, water savings, etcetera.

To date, the scorecard has proven to be best applied when large parts of the product have already been developed and particularly for evaluating the sustainability performance of the product. We will thus further develop the scorecard and related processes so that they can provide more support for optimisation at earlier stages of the decision-making process.

Harmonisation creates efficiency

An extensive programme to harmonise our cabinets, fixtures and design elements is under way in the Nordic region. 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 requirements. Nobia's sustainability principles guide this work and new product solutions are developed wherever possible under the framework of the programme.

One example is updating the product range for waste management to improve the volume of sorting fractions, usefulness and encourage more people to sort their food waste. These changes also make it easier for project customers to deliver kitchens that live up to their environmental certifications and add points to, for example, BREEAM's standards on operational waste management.

92%

of products newly introduced to the Nordic market were Nordic Swan eco-labelled.

Eco-labelled products

Products that are eco-labelled, i.e. verified and approved based on scientific environmental requirements, 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 with the Nordic Swan criteria implemented as early as the design and product development phase we are continuing to refine 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. 92% (75) of our products that were newly introduced to the Nordic market during the year were Nordic Swan eco-labelled products. In Sweden and Norway, where the largest share of our range is eco-labelled, 50% (44) of the sales value came from Nordic Swan eco-labelled products in 2022. We now have one common Swan licence for the Nordic markets, which makes it easier to enhance the efficiency of our processes.

For our markets in UK and the Netherlands, 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% certified cabinets and doors, refer to page 92 for more information about FSC® and PEFC™ certification.

There were two instances of marketing non-compliance with voluntary product information guidelines during the year, both of which were addressed and corrected. One was a marketing brochure where it was unclear which products were Nordic Swan labelled, and the design of a product label with FSC® labelling.

Environmental product declarations

Our early participation in an industry initiative to develop environmental product declarations (EPD) revealed that customer requirements vary between the different markets. At the same time, there is great demand and need for EPDs, and solutions must be tailored to each operation. For this reason, we produced two EPDs for our Finnish brand Novart during the year and further declarations are in progress.

More energy-efficient appliances

Over the lifetime of a kitchen, it is mainly appliances that impact the climate through their energy consumption. Therefore, in close cooperation with our suppliers, we have initiated a shift of our product range towards even more energy efficient appliances in order to help our customers reduce their climate footprint. The sales value of stoves/ovens with higher energy ratings increased slightly during the year from 90% to 93% and for refrigerators/freezers from 29% to 31%.

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.

UN Sustainable Development Goals and principles

The activities reported above meet the following Global Compact principles: 1, 7, 8, 9. 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.
12.8 Promote universal understanding of sustainable lifestyles.

2 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

The efficient and sustainable use of resources is crucial to our sustainability efforts. By measuring and monitoring, we strive to use our materials efficiently without reducing the financial value or quality of the products. We know that this presents major opportunities for us, our suppliers and our customers. Based on continuous monitoring, we identify new solutions for how our materials and products can be used over and over.

Our kitchens live on

We continuously evaluate new ways of doing business and partnerships to make the entire value chain more circular. One example is our Rehome initiative that is now being tested in our UK market under the Magnet Retail brand. Customers are offered a free valuation of their old kitchen and the option of selling it to the second-hand market via our partnership with UK company Used Kitchen Exchange (being renamed Rehome), or – if the furnishings are too worn – help with dismantling the kitchen and optimal recycling of the materials. This lends new life to working kitchen fittings, our customers have more money to spend on their new kitchen and help dismantling the old one, and we are able to have a serious influence on the resource efficiency of our value chain, all while making it easier for the customer to choose us specifically as their supplier. The concept was launched on a small scale as a pilot and is planned to be expanded to more stores for further development.

During the year, we also continued our circular offering RE:NEW in the Swedish market and also rolled out the concept for launch in our markets in Denmark and Norway. RE:NEW offers customers solutions to update their kitchens and give them new life, for example, with new doors and handles. Replacing cabinet doors rather than the entire cabinet framework saves energy and materials, and customers have shown widespread interest. In Sweden, we also introduced a partnership with the second-hand website Blocket under the RE:USE concept.

We also incorporated the innovative company Superfront into our Group during the year to offer our customers the option of giving their kitchens a facelift without having to tear out the old cabinet frames even if the original kitchen is not from any of our brands. Superfront offers frontals, handles and more to renew and extend the lives of existing cabinets.

60 years
estimated service life of our project-based circular kitchens

University partnerships

We continued our project to develop kitchen prototypes based on circular criteria together with Chalmers University of Technology in Sweden during the year. The best materials and design are determined using life cycle studies in order to maximise the circularity in kitchens and the value chain. The project also includes new business models to stimulate sustainability and circularity. Kitchens are designed with expected lifetimes of up to 60 years.

During the year, Nobia also participated in a study carried out by Delft University of Technology in the Netherlands. The subject was the circular economy and reducing and eliminating waste by maintaining the value of products and materials in circular flows. The study measured various aspects such as the conditions for different ways of dismantling cabinets. The most important insights from the study were incorporated into the development of our range and will be included in production at our new production facility in Jönköping, Sweden.

Efforts to reduce waste

Our production entails an inflow of primarily wood and wood fibre board, but also cabinet details for installation, painting and packaging materials. Production waste mainly arises in the form of residual wood from sawing and residual paint from surface treatment. There is also a certain amount of other waste, mainly in the form of input packaging materials.

39%
of our board material comprises recycled wood

We continued to pursue our efficiency programme for raw materials such as wood boards and paint during the year. Some of the projects that generated the best results were carried out in our largest painting line at our plant in Denmark, where we saved materials by standardising the painting process during the year. A safer process has also provided better quality and also improved the return on paint consumption by 35%. At our plant in Denmark, which manufactures worktops, we also worked to reduce the amount of residual boards that become waste. Under the project, we increased material returns by 3–4% and reduced direct wood waste by 140 tonnes that would otherwise have been treated as waste.

New lease of life for wood

Most of our incoming wood consists of board material. An average of 39% of this material is recycled wood in the form of by-products and recycled material. We also work with outside parties to circulate our own production waste into new products through reuse and recycling. We have made financial gains in our UK operation by selling wood waste directly back to industry rather than managing it as waste. 60% (62) of our wood waste went into new products in 2022, while the remainder was used for energy recovery.

Other production materials can also be recycled. Our production facility in Austria now returns residual edging strips back to the supplier who recycles the material as part of their production process. These strips featuring recycled materials are then partly used in our production in the Netherlands.

More sustainable materials choices

Since wood is our most important raw material, it is critically important to us that the wood we use comes from sustainable sources and that the raw wood materials are used in a resource efficient manner. Most of the wood that we purchase now has third-party certification from FSC® (Forest Stewardship Council®) FSC® -C100100 or PEFC™ (Programme for the Endorsement of Forest Certification™). 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. 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. During the year, we introduced a handle made of recycled ocean plastic and replaced all handles made of virgin fossil-based plastic.

We strive towards cleaner flows of materials. As part of these efforts, we work systematically and preventively according to the EU, and now UK, REACH regulations and 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. We relate our VOC emissions from surface treatments to the number of doors that are lacquered. In 2022, these emissions amounted to 4.9 kg (4.9) VOC per 100 lacquered details.

Environmental data

	2020	2021	2022
Wood consumption, thous. of m^3	374	382	331
Recycled wood in board material, %	37	40	39
Share of wood from certified sources[1], %	97	96	96
VOC emissions, tonnes	262	298	265

1) FSC® or PEFC™

Waste diverted from disposal, tonnes

	2020	2021	2022
Waste wood	29,527	25,634	23,644
Other	3,074	3,324	2,166
Total	**32,601**	**28,958**	**25,810**
Non-hazardous waste diverted from disposal			
for reuse	8,667	9,009	7,314
for recycling	23,934	19,730	18,414
Hazardous waste diverted from disposal			
for reuse	0	24	19
for recycling	0	196	63

Waste for disposal, tonnes

	2020	2021	2022
Waste wood	13,751	15,569	15,867
Other	2,769	2,305	2,821
Total	**16,520**	**17,874**	**18,688**
Non-hazardous waste for disposal			
for incineration with energy recovery, internally	3,093	2,057	2,260
for incineration with energy recovery	12,429	15,130	15,970
for landfill	310	140	36
Hazardous waste for disposal			
for incineration with energy recovery	688	547	421

UN Sustainable Development Goals and principles

The activities reported above meet the following Global Compact principles: 2, 7, 8, 9. 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.
12.5 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.

3 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 value chain by using energy and fuel, mainly for production and transportation but primarily indirectly though suppliers' climate impact and future use of our products. Holistic and smart solutions focusing on energy efficiency and optimisation are essential for producing more out of less. **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.

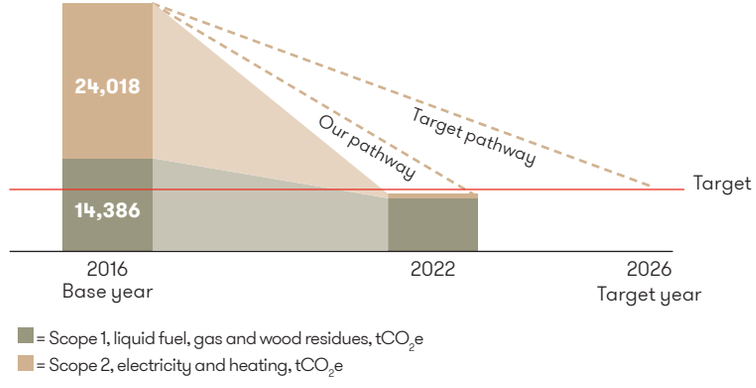
Our own consumption and emissions are followed up on a quarterly basis, and our production units have individual targets that jointly guide us towards our Group-wide climate targets. Since 2016, which is the base year for our climate target, we have transitioned our energy consumption to be more renewable, and at year-end we had achieved a 77% (72) reduction.

Of our target for the value chain outside our direct control – that 70% of our suppliers based on their greenhouse gas emissions are to have adopted science-based climate target by 2025 – we have currently achieved a score of 49% (52) of suppliers. The percentage decline was due to suppliers who have a science-based climate target also have a lower total climate impact.

Science-based climate targets in line with the Paris Agreement

– limiting global warming to 1.5 degrees

Scope 1 and 2



Target scope 1 and 2

↓72%

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

Result 2022: 77%

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 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 2022: 49%

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.

Conversion to renewable energy
We have 100% renewable electricity in our production and in our own stores. The process of transitioning to more effective and fossil-free heating is under way. At the end of the year, 76% (69) of our total heat consumption in production and in own stores was renewable. This corresponds to a total share of 89% (85) of renewable electricity and heat.

Focus on energy efficiency and lower emissions
Many initiatives were undertaken during the year to enhance the efficiency of energy consumption of both electricity and heating at our production facilities. As example, leakage from heat exchanger and incorrect installation of air compressor were discovered at some sites, resulting in energy savings. In the UK, all production units have ISO 50000 energy management system certification, including monitoring and continuous improvements. Furthermore, production planning is optimised to create situations in which high-energy machinery can be switched off.

Total heating consumption in the production facilities and own stores declined more than 10% during the year, most of which in non-fossil types of energy such as fossil gas. The reduction led to a 22% decrease in GHG intensity per kWh consumed. Emissions from own transportation of goods declined during the year after making efficiency enhancements and changing to external transporters. The net gain (Scope 1 and 3) for transportation emissions was a total of just over 300 tonnes CO_2e.

An 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. The major change in Scope 3 emissions for the year was primarily from capital expenditure related to our new factory including such items as construction and machinery.

During the year, we engaged in dialogue with several important suppliers about expanding climate efforts, with a focus on encouraging more companies to adopt science-based climate targets, thereby reducing their climate impact in the value chain. To evaluate fossil dependence in our supply chain, we also analysed the degree of use of fossil-based energy for manufacturing among our most important suppliers of direct materials. 44% of the suppliers who said that their fossil dependence was more than 30% stated that they have established improvement targets to reduce emissions.

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 91.

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 (Task Force on Climate-related Financial Disclosures) website. See page 38 for references.

GHG emissions, tonnes of CO2e, thousands	2020	2021	2022
Scope 1	10,227	9,978	8,287
Scope 2, marked-based	641	780	640
Biogenic emissions	6,907	4,948	5,502
Scope 2, locally based	13,586	9,635	6,493
Scope 3, upstream	245,094	220,339	359,911
Scope 3, downstream	127,761	125,197	98,439

Intensity of climate impact, purchased energy, g/kWh	2020	2021	2022
CO_2e intensity, electricity	0	0	0
CO_2e intensity, heating	64	71	54

Intensity of climate impact, financial transition, kg/SEK m	2020	2021	2022
CO_2e intensity, Scope 1 &2	853	784	598
CO_2e intensity, Scope 3	29,186	25,187	30,702

Energy consumption		2020	2021	2022
Total renewable[1]	**GWh**	**126**	**119**	**120**
Biogas	GWh	3	5	**4**
Wood	GWh	18	12	14
Electricity	GWh	80	73	75
District heating	GWh	25	29	27
Total non-renewable[1]	**GWh**	**43**	**44**	**37**
Natural gas	GWh	14	15	12
Oil	GWh	1	4	1
Diesel	GWh	23	20	17
Petrol	GWh	2	3	3
LPG	GWh	1	1	1
Electricity	GWh	0	0	0
District heating	GWh	2	2	1
Other renewables	%	75	73	77

1) Including electricity, heat and own transportation

Relative energy consumption, MWh/SEK m	2020	2021	2022
Total energy per sales[1]	13.3	11.9	10.5

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

UN Sustainable Development Goals and principles
The activities reported above meet the following Global Compact principles: 7, 8, 9. 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

4 Promoting a sustainable culture: *People engagement*

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

HR matters and occupational health and safety are continuously managed at the local level under each management system. Group-wide efforts are conducted centrally, such as our far-reaching transformation process that includes training and employee surveys, etc. as support.

Starting from our strategy

Our employees stated that "meaningfulness" was one of the most important issues in the annual employee survey. We interpret this as meaning that Nobia's efforts to highlight our shared purpose and values have generated effects. To concentrate more on our overall ambition and purpose (Designing kitchens for life), the focus this year was on our strategy (Tomorrow together) and on implementing it in everything we do throughout the operations, particularly in overarching business plans that involved many employees.

Skills development promotes success

Since we are seeing greater competition in the labour market, we devoted extra efforts during the year to attracting and recruiting the right resources and to onboarding of new employees to ensure efficiency and engagement. For example, a Global Head of Talent Acquisition was appointed and we pooled all of our recruitment resources into one global team to create efficient and shared processes across the company and to ensure successful and relevant recruitment.

Nobia's goal and development process for employees is an integral part of our work approach, which creates shared responsibility for our corporate objectives and ensures valuable contributions by all employees. This process also contributes to planning and following up on learning and development for every employee, in both their current role and their future career ambitions. In order to deliver on our strategy, we introduced a more forward-looking and transparent method for determining and following up on individual goals based on quarterly check-ins. This approach increases clarity, the frequency of feedback and commitment among our employees. We also ensure that we have regular progress appraisals between employees and managers and within teams.

Performance development and learning

All Nobia employees are encouraged to have regular appraisals with their immediate managers. The annual performance cycle usually starts with a longer review to discuss goals, ambitions and learning. We then set quarterly targets and link these to overall goals, learning and development, and discuss the employee's work environment. The process for the entire year is to review the set targets every quarter and adjust them as necessary.

10
percentage points is our target for increasing the scope in our commitment index next year

Based on available data and input from the organisation, the majority of salaried employees had completed the annual initial appraisal during the year. We currently have limited data from our employees in the production facilities, but we encourage continuous dialogue about meeting targets, learning and occupational work and safety at these sites as well. The aim is to be able to more closely follow the entire process for all employees as part of a learning performance and value-based culture, including at team level where relevant.

Employee survey basis for local action plans

Our employee survey is an important tool for understanding and following up on employee commitment across the organisation. This year we introduced a new partner for our employee survey. This has allowed us to be even more information-based in how we promote employee commitment and also created greater scope for flexibility in our surveys, for example, with short and relevant "pulse" surveys that we will carry out next year. With this new tool, we will also be able to carry out more tailored surveys, for example, evaluating how sustainability is incorporated into our culture, the need for specific measures and so on.

These help us supplement our daily employee and team dialogues and ensure that we regularly address the most important subjects and collate quality data from our teams.

The commitment index for 2022 was 65 on a scale from 0 to 100, with a response rate of 75. The result was below benchmark, which is not unusual for a company undergoing major change. Furthermore, the result is not comparable with last year's survey since we changed the measurement method. Our 2023 target for the commitment index is a score of 75 percent. Action plans have been initiated throughout the business and the number of such plans will be reported every month to the Executive Committee to raise awareness and commitment.

The employee survey resulted in a good score for work/life balance and the ability to prioritise, and we interpret this as meaning that our focus on work-related stress generated a certain effect during the year.

Safer and more secure workplaces

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. 8 of 14 of these are third-party certified.

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.

Analysis for prevention
Safety is always highest on the agenda through daily monitoring of incidents and accidents, and is followed by investigation and action when applicable. Central and local safety committees, comprising local managers, engineers and safety officers, meet regularly to review the results of safety checks and incidents, and to take action to prevent similar accidents from ever happening again. Workplace accidents and activities to prevent them are monitored by senior management on a monthly basis using our scorecard for production. This scorecard is an internal tool that covers several strategically important questions, such as workplace accidents.

These risk assessments are conducted at least annually at all units, with the employees who carry out the assessments receiving continuous training to ensure high quality. Risk assessments are analysed and updated per unit. The central and local safety committees are usually included in risk assessments and they are responsible for highlighting relevant health and safety matters and implementing activities that promote the vision of zero work-related accidents and injuries.

Work-related injuries	2020	2021	2022
No. of work-related injuries[1]	58	70	57
Frequency of occupational injuries[2]	10.4	12.9	10.6
No. of serious work-related injuries[3]	0	0	0
Thousands of hours worked	5,567	5,421	5,402

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

Business potential for increasing equality and diversity
We need high ambitions in the areas of diversity, equality and inclusion if we are to develop and succeed as a company. Through our Code of Conduct and our equality and diversity policy, we clarify Nobia's position and views on equality and diversity as a right and also as a resource for the company's development. Training in the Code of Conduct was arranged during the year, which included situational exercises and teaching examples, such as relevant equality issues in the work place. Read more about our Code of Conduct on page 99. Eleven incidents of discrimination and harassments related to racism, gender and age were reported during the year. All cases were handled and closed after dialogue, preparing and implementing action plans.

A new recruitment process was introduced during the year that includes more objective test methods to use early in the recruitment processes. The method was rolled out in most of the Nordic markets and in the UK during the year, and the results were successful. To more clearly define a joint approach to diversity, equality and inclusions, we brought together senior managers and specialists in People & Culture and communication worldwide at a workshop on these topics during the year, and discussed how we can and should apply them. We intend to further specify and monitor these issues in 2023.

During the year, we also enhanced our know-how in the area of Compensation & Benefits to promote a global working structure and benchmark, and to ensure that we use the same framework in the company to pay competitive and fair salaries in all of our markets.

Gender distribution, % women/men	2020	2021	2022
Total	28/72	28/72	30/70
Board of Directors	50/50	50/50	30/70
Executive Committee	25/75	22/78	25/75
Managerial roles	29/71	33/67	24/76

UN Sustainable Development Goals and principles
The activities reported above primarily meet the following Global Compact principles: 1-3. 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 2022, Nobia had 6,123 employees in eight countries. 53% of all employees work in administration and sales and 47% 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.

4 Promoting a sustainable culture: *Responsible sourcing*

Much of the sustainability impact that a company like Nobia has arises indirectly through the supply chain. 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

Of our suppliers of direct material, 99% are from Europe and the remainder 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 will 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 principles on business ethics 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. Besides the precautionary approach, the Code includes several aspects of human rights, such as freedom of association, the right to collective bargaining, no forced labour or child labour, and compliance with a high standard of occupational health and safety. 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, 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. The greatest risk of 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 99% 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. 12 new suppliers were added to the programme during the year, and all of them were approved based on an initial review.

99%

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

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. The programme has also been developed to better include indirect suppliers of materials and services. The next step after analysing the subcontractors of critical suppliers is to include them in this programme.

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. One example is establishing a science-based climate target, but we also seek out other areas for working together on a shared agenda, such as circular solutions. Read more on pages 90–94.

Programs for responsible sourcing, number	2020	2021	2022
Significant suppliers	287	288	289
Sustainability-screened suppliers	285	287	266
Suppliers approved after review	257	274	259
Suppliers with audit requirements	28	13	7
Suppliers approved after audit	6	8	6
Suppliers not approved after audit (in current programmes)	0	2	0
Suppliers awaiting audit (in current programmes)	22	3	1

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.

UN Sustainable Development Goals and principles

The activities reported above meet the following Global Compact principles: 1–10. 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.

4 Promoting a sustainable culture: *Business ethics*

A high level of **business ethics** is essential for all companies in order to ensure long-term relationships with both customers and the authorities, and to serve as a credible business partner. It is very important for a company such as Nobia, with sales to both consumers and corporate customers, to safeguard its brand and to contribute to 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, 79% of employees had completed the course.

79%
of our employees completed the training course in our Code of Conduct during the year.

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 such as giving and accepting bribes. When reviewing the 2022 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. 43 internal cases were reported during the year, of which eleven related to alleged discrimination and harassment, see page 96. Seven 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

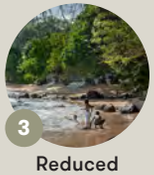
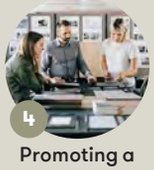
Nobia generates value for our customers and other stakeholders through the development and manufacturing of kitchen products and the sale and distribution of complete kitchen solutions to end customers. The economic value generated primarily consists of sales of products. The economic value generated 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	2020	2021	2022
Net sales	12,741	13,719	14,929
Operating expenses	8,633	8,951	10,479
Employee wages and benefits	2,769	2,899	3,299
Social security contributions and pensions	588	604	692
Taxes to state and municipality	100	201	32
Interest to lenders	24	41	51
Dividends to shareholders	0	338	421
Economic value reatained	627	685	-45

UN Sustainable Development Goals and principles

The activities reported above meet the following Global Compact principles: 1-10. 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.

Results and achievements according to plan

Area	Strategic objectives	Status	Results and progress
 1 **Innovations for a sustainable lifestyle**	100% of new kitchen products are to be designed for a more sustainable life in the kitchen by 2025.		Sustainability is an integrated part of the design and product development process, and we are now focusing on optimising sustainability and product information from concept all the way to product launch.
	A minimum of 90% of doors and tabletops launched in the Nordic region between 2021 and 2025 are to be eco-labelled.		According to plan. 92% (75) of new products launched during the year in the Nordic region had the Nordic Swan eco-label.
	We will shift our offering of refrigerators/freezers and stoves/ovens to higher energy rating categories by 2024.		According to plan. 93% (90) of our sales of stoves/ovens were in the higher energy rating categories (A and above). The result for refrigerators/freezers was 31% (29) (E and above).
 2 **Circular materials and flows**	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.		According to plan. 96% (96) of Nobia's total timber and wood materials originated from a certified source. The remaining wood, 4%, came from suppliers audited and approved for sustainability.
	100% of the virgin plastic in knobs and handles is to be replaced by a more sustainable alternative by 2023.		The target was met. 100% of knobs and handles made from virgin plastic were replaced by 100% recycled ocean plastic.
	We will initiate partnerships and collaborations to extend the lifetime of our materials and products.		According to plan. During the year, we initiated several circular partnerships such as with Used Exchanged Kitchen in the UK and Blocket in Sweden for recycling old kitchens, and with our edging strip supplier in Austria for recycling materials.
 3 **Reduced climate impact**	In line with our science-based climate target approved at the 1.5°C level, reduce CO_2 emissions from manufacturing and own transports (Scope 1 and 2) by 72% by 2026 (base year 2016)...		The target was met ahead of time. At the end of 2022 we had achieved a 77% (72) reduction compared with 2016, and we are continuing our efforts to reduce our CO_2 emissions, primarily in production and transports.
	...and 70% of emissions* from the suppliers with the highest climate impact are also 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		According to plan. Dialogues have been held with the largest appliance suppliers as well as our wood suppliers to encourage them to adopt scientific climate targets. At year-end, 49% (52) of the suppliers, based on emissions, had adopted their own scientific climate targets. The percentage reduction is due to the suppliers who have scientific climate targets also having a lower overall climate impact.
 4 **Promoting a sustainable culture**	Skills development in sustainability such as training courses, support and tools are to be available for all employees in all markets by 2023.		Initiatives and support continued to be implemented during the year to ensure that our employees are able to help meet our sustainability targets. Initiatives at the production level take place in specific training projects and in the day-to-day operations. The next step is to ensure that know-how about our products is included from design and product development all the way to marketing and customer communication.
	We will include critical subcontractors in our risk assessment by 2023.		The first stage of the analysis has been completed. The next step is to directly include the subcontractors of critical suppliers in our programme.

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, sustainability agenda, processes, data collection, monitoring and reporting. Fulfilment of these targets and compliance with both the sustainability agenda and sustainability policies are systematically monitored through our internal sustainability management system at Group level.

This management system handles the Group's overall sustainability topics, including materiality and risk analyses and data collection. The sustainability management system and our sustainability framework are an important part of our business development to help fulfil the sustainability ambition in 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 and which focus areas in the sustainability agenda require the most expertise and resources.

The President receives monthly status reports from the Group Director Sustainability, and sustainability topics are a regularly recurring 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 have served as the basis for Nobia's sustainability policies, such as our environmental and climate policy, modern slavery statement and our wood policy. Our Group-wide tax policy and our anti-corruption policy are other important governing documents. In addition, Nobia's Code of Conduct provides guidance and direction to our employees and partners concerning issues of human rights, anti-corruption, etc. 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 99 and our Supplier Code of Conduct on page 98. Our Codes and policies are available on our website under Sustainability governance.

Our 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. Nobia's Board of Directors decides on the content of the Environmental and Climate Policy and our Group Director Sustainability, together with senior managers, is responsible for the implementation of and compliance with the policy.

Certified units
Our production facilities hold management system certification in quality, environment, energy and occupational health and safety. The 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	Bjerringbro, Darlington, Dewsbury, Dinxperlo, Freistadt, Grays, Halifax, Leeds, Morley, Tidaholm, Wels, Ølgod
ISO 14001	Bjerringbro, Darlington, Dewsbury, Dinxperlo, Farsö, Freistadt, Grays, Halifax, Leeds, Morley, Nastola, Tidaholm, Wels, Ølgod
ISO 50001	Darlington, Dewsbury, Grays, Halifax, Leeds, Morley
ISO 45001	Darlington, Dewsbury, 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.

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 the challenges we face. 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 analysis. Internal functions participating in the process have good insight into how stakeholders assess and prioritise various issues, which supports our analysis. We conduct a survey of all of our stakeholders every other year as a supplement to the continual dialogues so that we can check how they prioritise various sustainability-related topics.

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 old Marbodal kitchens)
- British Safety Council (keeps us updated on occupational health and safety issues)
- Chalmers University of Technology, Gothenburg (projects on circular kitchens)
- Cradlenet (update on circular business models.)
- 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)
- Used Kitchen Exchange (partnership with our brand Magnet Retail for reselling old kitchens)
- WGSN (update and insight into trends and development)

Stakeholders	Expectations and our aims for engagement	Format
Employees	Our employees want to be proud of working at a responsible and sustainable company. For this reason, we strive to convey how we work with sustainability, what we are doing and how employees are involved, and gather opinions and expectations of how employees want us to work.	Regular dialogue, performance appraisals, annual surveys, anonymous channel, local occupational health and safety management systems
Customers	Primarily professional customers have express requirements related to sustainability. Through dialogue, we regularly collate demands, requirements and expectations on us as a supplier and for our products.	Regular meetings, focus meetings, surveys
Suppliers	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.	Regular meetings, self-evaluations
Owners and investors	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 activities.	Regular dialogue, reporting
Academia and organisations	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.	Projects, networking

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. These principles are integrated into our strategy, corporate culture and daily operations. For additional information on how we meet the principles, refer to pages 91–99.

Principles:
1. Businesses should support and respect the protection of internationally proclaimed human rights
2. Make sure that they are not complicit in human rights abuses
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. The elimination of all forms of forced and compulsory labour
5. The effective abolition of child labour
6. The elimination of discrimination in respect of employment and occupation
7. Businesses should support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies
10. Businesses should work against corruption in all its forms, including extortion and bribery

About our sustainability reporting

Report premises
This Sustainability Report has been prepared in accordance with the GRI Standards 2021. 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 and results. Nobia has published GRI-based Sustainability Reports since 2012. This report refers to the 2022 calendar year and was published in April 2023. 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 page 111–114.

Scope
The Sustainability Report encompasses the same units and operations as the financial statements. Specific boundaries for each material topic are presented on pages 91-99. The content of the Sustainability Report and the sustainability topics presented are based on the most recent materiality analysis and summarise the sustainability initiatives of the past year. 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 extent possible.

Changes to the Report
Superfront's operations and our new office in Vilnius were added and have been included in the Group's Sustainability Report since the start of 2022. When data per unit was collected, minor deviations were discovered and adjusted for previous years, primarily concerning waste and refrigerants. The data for calculating the percentage of women and men in managerial roles was expanded from 50 to 750 people and does now include all employees with management responsibility.

We updated the data used for our climate calculations with local emissions factors during the year. Updated emissions factors were applied for both 2021 and 2022 to provide better comparability. Since local emissions factors in our markets generally lead to slightly lower emissions per fuel, this means that we reported slightly higher fulfilment of our science-based climate target for 2021, which was presented in last year's report.

The transition from partly own goods transportation to now only purchasing good transportation in the UK resulted in a reallocation of emissions from Scope 1 to Scope 3.

An update of the climate impact of our appliances and thus changed basis for Scope 3 category 1 and 11 meant that the percentage of suppliers with science-based climate targets based on GHG emissions was adjusted slightly for 2021, from 56% to 52%.

Calculations
Energy and 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 CO_2 emissions for 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 $kgCO_2e/m^3$, for the UK 2.01 $kgCO_2e/m^3$), biogas:0 $kgCO_2/m^3$, diesel: 2.51 tCO_2/m^3 (for Austria 2.67 tCO_2e/m^3, for the Netherlands 2.47 tCO_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 $kgCO_2e/kWh$), biomass (wood): 0.008 $kgCO_2e/kg$ (for the UK 0.015 $kgCO_2e/kWh$). Electric company cars can also be charged outside Nobia's plants, and the share of renewable electricity is thus estimated at 50%. Energy amounts: oil 9,951 kWh/m^3, fossil gas 11 kWh/m^3, biogas 9.8 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. 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. Our target of transferring to more energy-efficient appliances is based on data from our two largest suppliers of products sold in transit and directly in the Nordic region and the UK. In stoves/ovens, the A++, A+, A energy ratings are considered to be higher energy rating categories. In refrigerators/freezers, A-E energy ratings are considered to be higher energy rating categories.

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.

Hazardous waste: Detailed data on the method for managing hazardous waste is not available for before 2021. Hazardous waste before 2021 was recognised under the item incineration.

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

Materiality analysis

The process of deciding on material sustainability topics
We carry out an annual analysis and update our material topics every year to constantly identify changes that we need to relate to. This year's extensive update of Nobia's previous materiality analysis is based on GRI's updated Universal Standards 2021 and helps to clarify the actual and potential impact that our operations could have on the environment, people and economy. An analysis of how sustainability affects Nobia as a company, meaning its finances, known as a double materiality analysis, has been initiated and is included in the section on risk and climate-related risk based on TCFD reporting, refer to pages 43–44.

Identifying impact
Based on previously identified material topics, we started this year's analysis from the value chain to map and assess activities, business relationships and impact on the environment, people and economy in each step of the value chain. This analysis was supplemented with GRI's list of disclosures and dialogues with stakeholders to ensure as complete an analysis as possible of all potential sustainability topics that can be reported on. The process of collating information and engaging in dialogues with stakeholders took place in workshop format with various functions in Nobia's operations, such as product development, sourcing, marketing and people & culture. This means that the functions' combined know-how of specific parts of the operations, including the expectations of external stakeholders, could be collected. We also gained insight by regularly collecting data on materials and energy consumption, waste, etc. from existing local analyses from each production plant, which are part of each plant's local environment and occupational health and safety management systems. For HR issues, we talked with trade unions and added input from internal processes for employees from the start to the end of their employment.

Assessment of impact
Based on the results of the analysis, Nobia's central sustainability function has assessed the degree of impact and potential impacts for each identified activity and business relationship, based on the new GRI Universal Standards 2021. Any negative impact that can be linked to each activity has been ranked based on degree of severity, meaning its scale, scope, and irremediable character. If the impact is potential, we assessed the level of likelihood in addition to the severity.

Prioritising impact
Based on a gross list of identified actual and potential impacts with a one to three-year horizon, meaning within Nobia's strategy period, priority has been given to the material topics that have been assigned 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 topics is compared with other similar operations for confirmation.

Results of the materiality analysis
The analysis showed that previously identified topics are still relevant and material. Biodiversity was added since it was identified in the impact analysis related to the construction of the new factory in Jönköping, Sweden. The materiality analysis also showed that additional topics such as preventing forced labour and anti-discrimination are already included in our work and these GRI disclosures have thus been added to the GRI Index, see page 106.

Identification of value chain impact

	DESIGN AND PRODUCT DEVELOPMENT	SOURCING	MANUFACTURING	SALES	TRANSPORTATION	USE OF SOLD PRODUCTS	END OF LIFE
Activity and/or business relationship:	Choice of products, materials and solutions	Purchases of direct and indirect goods and services	Manufacturing, surface treatment, installation	Via own stores, franchises, retailers, B2B, B2C	Purchased and own transportation of goods	Kitchen lifetime with consumers	When it is time to replace with a new kitchen
Main impact:							
Environment	Potential impact from various product solutions	Manufacturing, suppliers' use of materials and energy	Energy, GHG emissions, materials consumption, waste generation	Energy and GHG emissions from premises and travel	Energy and GHG emissions	Energy, GHG emissions from appliances and lighting	Waste generation, materials consumption
People	Potential impact and risk regarding health, safety, engagement, inclusion, equality						
		Occupational health and safety and human rights in supply chain			Occupational health and safety and human rights in supply chain	Health and safety at the consumption stage	
Economy	Direct economic impact, risk of corruption						

Analysis of impact on the environment, people and economy

A summary of the sustainability impact we have identified from the analysis, which formed the basis of our assessment of our material topics, is presented below.

General impact

Profitable operations: As for all companies in a free market, our profitability and financial performance are vital to our company. By ensuring that the business remains profitable over time, Nobia can contribute by paying salaries to employees, tax to society, paying suppliers and converting profit into development as well as providing many households with functional and sustainable kitchens.

Employees: As a manufacturing and sales company, our employees work in a wide range of functions, from product development and manufacturing to IT development, marketing and sales. The impact on Nobia's employees and others who visit the company's workplaces was analysed based on both the value chain and also the life cycle that applies to all employees – from an external person applying to the company, via recruitment, training, development and finally the person leaving the company. Besides our own employees, other people work with and for Nobia, such as consultants, temporary workers and franchisees.

Major informative changes are being made at the company, for example, how we are organised, our work processes and production methods, so that we can successfully and methodically adapt to a meet an exciting future ahead. These changes affect the entire operations as we shift towards a more harmonised way of working, particularly during a transformation period. We are confident in the future with everything that is happening, but naturally we have respect for how it impacts our employees in the short term, as the new meets the old. This creates the need for a communicative and learning organisation in all markets and departments and at all levels. Work-related injuries and accidents and the social environment linked to stress, dissatisfaction and also concern for the future are various examples of potential negative impacts and risks for our employees and their surroundings that should be considered. We also see the need to take advantage of opportunities to work actively towards having a diverse and inclusive workforce with equal opportunity, that is also aligned with our values and strengthens our competitiveness.

Impact along our value chain

Design and product development: Everything begins with design and product development. This is where we make decisions that influence the extent of the impact that our products and their related process will have. We have opportunities here – today and tomorrow – to choose alternative materials and solutions that could lead to a lower impact across the value chain. We also see the possibility to identify information gaps among end-consumers about the actual impact of products and ensuring that the know-how obtained at this first stage also follows the product the entire way to sale and the customer.

Sourcing: Our largest flow of purchased materials and services comprises our direct materials, most of which come from European suppliers and often have a lower expected risk of impact on people and the environment but higher volumes. Subcontractors of these suppliers of direct materials are becoming increasingly complex and thus are associated with a slightly higher risk. Our indirect purchases are more complex due to the higher number of often smaller players in varying industries. The largest risk when purchasing services is mainly social improprieties such as unhealthy work conditions or illegal employment. We can influence this by carefully selecting the suppliers that we choose to work together with and by auditing and monitoring to set demands for improvements.

Manufacturing: Our manufacturing takes place at about ten production facilities and involves both production and assembly. The environmental impact of manufacturing is related to inflows and outflows of materials, energy and emissions, and their related impact and volumes. The manufacturing process includes materials, particularly wood boards but also metal and plastic components, paint for surface treatment and packaging materials. Waste is mainly generated from sawing, and wood waste is by far the largest waste item. Surface treatment involves water, UV and solvent-based painting. Emissions of volatile organic compounds (VOCs) arise in the surface treatment process, mainly from solvent-based painting. The impact of VOCs is primarily local and permits for each production plant limit emission levels. Social impact arises in the form of work-related injuries as well as stress to varying extents.

Sales: Our customers are represented among both the consumer and professional markets. Sales take place in own stores, through franchises and retailers, and through direct B2B meetings. The environmental impact mainly arises through electricity and heating consumption as well as business travel. Kitchen installation is offered and brokered via our sales teams.

Transportation: Most of our transportation of goods takes place with external hauliers. A small number of plants supplement this with their own transportation. Our transportation of goods is arranged with a limited number of hauliers established in all of our markets. These partnerships with external hauliers provide scope for jointly striving towards more effective transportation and lower GHG emissions. There is an elevated risk of work-related injuries when loading and unloading goods.

Use of sold products: A cabinet, as a product, has a minimal environmental impact during its actual service life. Other products such as lighting, taps and appliances have a larger impact for the customer in the form of water and energy consumption. With our entire product range, we have the indirect opportunity to inspire customers to reduce their own impact in the kitchen by using solutions that help them live more sustainably in the kitchen, for example, less food waste or effective waste management. The most important factor is that our products are safe to use for their entire service lives.

End of life: When it is time for the consumer to replace their old kitchen with a new kitchen, there are opportunities to provide customers with circular solutions to keep the old kitchen in the material cycle. When consumers get rid of appliances, there is a risk that they may not be disposed of probably and end up being traded illegally unless we ensure that customers are well-informed about this risk.

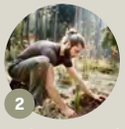
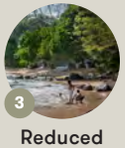
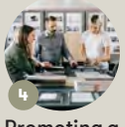
Construction of new factory

Our new large factory is currently being built on the outskirts of Jönköping, Sweden. With this project, we want to be a pioneer and show that it is possible to construct a brand new factory with minimal climate impact. This is why we decided that construction was to meet the requirements of the European certification systems for a sustainable built environment (BREEAM), with the aim of attaining the Excellent level. The construction process sets strict environmental performance requirements, such as energy efficiency, water and waste and also the environmental impact on the local area. The production facility is being built on a 123,000 m^2 property with a construction area of 263,000 m^2 in one of the largest industrial estates in Jönköping. Our investigation revealed at an early stage that the industrial estate is surrounded by meadows and pastures with a certain level of natural value. Swamp and forest areas are also found close by and contain some IUCN Red List plant and animal species, and parts of this area are protected as nature reserves. 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.

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.

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 page 107–110 for further information.

Focus area	Material topics	Disclosure	Indicators
 1 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
 2 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
 3 Reduced climate impact	**Energy efficiency**	GRI 302 Energy	Energy consumption and intensity
	GHG emissions	GRI 305 Emissions	Scope 1, 2 and 3 GHG emissions
 4 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 2022–31 December 2022 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, 31, 35			
GRI 2: General disclosures 2021	2-2	Entities included in the organisation's sustainability reporting	20, 103			
GRI 2: General disclosures 2021	2-3	Reporting period, frequency and contact point	103			
GRI 2: General disclosures 2021	2-4	Restatements of information	103			
GRI 2: General disclosures 2021	2-5	External assurance	88			
Activities and workers						
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships	12, 20, 90, 104, 105			
GRI 2: General disclosures 2021	2-7	Employees	68	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 franchi-see employees available
Governance						
GRI 2: General disclosures 2021	2-9	Governance structure and composition	24, 26, 28–29			
GRI 2: General disclosures 2021	2-10	Nomination and selection of the highest governance body	23			
GRI 2: General disclosures 2021	2-11	Chair of the highest governance body	24, 26			
GRI 2: General disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	24			
GRI 2: General disclosures 2021	2-13	Delegation of responsibility for managing impacts	24			
GRI 2: General disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	24, 26, 101			
GRI 2: General disclosures 2021	2-15	Conflicts of interest	23			
GRI 2: General disclosures 2021	2-16	Communication of critical concerns	25			
GRI 2: General disclosures 2021	2-17	Collective knowledge of the highest governance body	24, 28, 29			
GRI 2: General disclosures 2021	2-18	Evaluation of the performance of the highest governance body	24			
GRI 2: General disclosures 2021	2-19	Remuneration policies	25			
GRI 2: General disclosures 2021	2-20	Process to determine remuneration	36–37			
GRI 2: General disclosures 2021	2-21	Annual total compensation ratio	65	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	99, 101			
GRI 2: General disclosures 2021	2-24	Embedding policy commitments	91–99, 101			
GRI 2: General disclosures 2021	2-25	Processes to remediate negative impacts	98, 99, 101			
GRI 2: General disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	99			
GRI 2: General disclosures 2021	2-27	Compliance with laws and regulations	42			
GRI 2: General disclosures 2021	2-28	Membership associations	102			
Stakeholder engagement						
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement	102			
GRI 2: General disclosures 2021	2-30	Collective bargaining agreements	97			
MATERIAL TOPICS						
GRI 3: Material topics 2021	3-1	Process to determine material topics	104–105			
GRI 3: Material topics 2021	3-2	List of material topics	106			
Economic performance						
GRI 3: Material topics 2021	3-3	Management of material topics, 201	31–37			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	99			
Anti-corruption						
GRI 3: Material topics 2021	3-3	Management of material topics, 205	99			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	99			
	205-2	Communication and training about anti-corruption policies and procedures	99	Not broken down by category	Information incomplete	
	205-3	Confirmed incidents of corruption and actions taken	99			
Materials 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 301	92			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	93	Only wood	Information incomplete	Wood is our primary material
	301-2	Recycled input materials used	93			
Energy 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 302	94–95			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	95			
	302-3	Energy intensity	95			
Biodiversity 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 304	101, 105			
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	105			
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	105			

				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	94–95			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	95			
	305-2	Energy indirect (Scope 2) GHG emissions	95			
	305-3	Other indirect (Scope 3) GHG emissions	95			
	305-4	GHG emissions intensity	95			
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	93	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	92–93			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	92–93			
	306-2	Management of significant waste-related impacts	92–93			
	306-3	Waste generated	93			
	306-4	Waste diverted from disposal	93			
	306-5	Waste directed to disposal	93			
Supplier Environmental Assessment 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 308	98			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	98			
	308-2	Negative environmental impacts in the supply chain and actions taken	98	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	96–97			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	96–97			
	403-2	Hazard identification, risk assessment, and incident investigation	96–97			
	403-3	Occupational health services	96–97			
	403-4	Worker participation, consultation, and communication on occupational health and safety	96–97			
	403-5	Worker training on occupational health and safety	96–97			
	403-6	Promotion of worker health	96–97			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	96–97			
	403-8	Workers covered by an occupational health and safety management system	96–97			
	403-9	Work-related injuries	97			

				Deviation		
GRI Standard	**Disclosure**	**Name of disclosure**	**Page reference**	**Deviation from requirement**	**Reason**	**Explanation**
Training and Education 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 404	96			
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	96	Not broken down by gender or category	Information incomplete	Group-wide HR system being developed
Diversity and equal opportunity 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 405	97			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	97			
Non-discrimination 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 406	97			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	97			
Forced or Compulsory Labour 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 409	98			
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	98			
Supplier Social Assessment 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 414	98			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	98			
	414-2	Negative social impacts in the supply chain and actions taken	98	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	91			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	91			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	91			
Marketing and Labelling 2016						
GRI 3: Material topics 2021	3-3	Management of material topics, 417	91			
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	91			
	417-2	Incidents of non-compliance concerning product and service information and labelling	91			

EU Taxonomy Report

Nobia's Taxonomy Report has been prepared in accordance with the EU taxonomy regulations. 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 2022 reporting year, the total and the proportion attributable to taxonomy-eligible economic activities, for the first two environmental objectives (climate change mitigation and climate change adaptation) 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
The EU taxonomy lists the activities that are currently eligible under the regulations. For Nobia, most of our operations are not yet eligible under the regulations. The accounting requirements for the definitions of taxonomy-eligible OpEx and CapEx were clarified after reporting in 2021, which means that Nobia can now report certain CapEx and OpEx eligible under the taxonomy criteria since our suppliers' economic activities are subject to the criteria. When the criteria for the four other environmental objectives are released, it is probable that more of the operations' activities will be taxonomy-eligible. For 2022, Nobia's economic activities pertaining to construction of new buildings, renovation of existing buildings, acquisition and ownership of buildings, and ownership/lease of transport vehicles are eligible under the criteria for the first two environmental objectives of the taxonomy.

Taxonomy-aligned economic activities
None of Nobia's suppliers in the economic activities subject to the taxonomy criteria could be verified as being completely taxonomy-aligned. Regarding the construction of new buildings, Nobia is currently constructing a new factory in Sweden. This new factory is being constructed in accordance with strict environmental requirements and the building will hold BREEAM certification at the Excellent level. The building meets the basic criteria for construction of buildings in line with the taxonomy's environmental objective to mitigate climate change by a healthy margin, and the relevant issues for doing no significant harm to any of the other environmental objectives and the minimum taxonomy requirements are addressed to varying extents in the project. Since the taxonomy's technical criteria had not been completely established when the construction project commenced and since the process of clarifying interpretations of how taxonomy-aligned activities are to be verified, we have decided to report 0% taxonomy-aligned activities in the table.

KPI related to turnover
Nobia's turnover does not currently have any taxonomy-eligible economic activities as described in the delegated acts.

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 and intangible fixed assets 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. The data for total OpEx has not currently been specified according to the taxonomy's definitions which is why OpEx, except for taxonomy-eligible OpEx, is estimated to correspond to the same proportion as the total CapEx.

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.

Turnover[1)]

Economic activities	Code/ codes	Absolute turnover	Proportion of turnover	Criteria for substantial contribution						Criteria for Do No Significant Harm (DNSH)						Minimum safe guards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity)	Category (transi-tional activity)
				Climate change mitigation	*Climate change adaptation*	*Water and marine resources*	*Circular economy*	*Pollution*	*Biodiversity and ecosystems*	*Climate change mitigation*	*Climate change adaptation*	*Water and marine resources*	*Circular economy*	*Pollution*	*Biodiversity and ecosystems*					
		SEK m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable (taxonomy-aligned) activities																				
Turnover of environmentally sustainable (taxonomy-aligned) activities (A.1)																				
A.2 Taxonomy-eligible activities but that are not environmentally sustainable (taxonomy-non-aligned)																				
Turnover of taxonomy-eligible activities but that are not environmentally sustainable (taxonomy-non-aligned) (A.2)																				
Total (A.1 + A.2)																				
A. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of taxonomy-non-eligible activities (B)		14,929	100%																	
Total (A + B)		14,929	100%																	

[1)] Proportion of turnover from products or services associated with taxonomy-aligned economic activities – disclosure covering year N

CapEx[2)]

Economic activities	Code/ codes	Absolute CapEx	Proportion of CapEx	Criteria for substantial contribution						Criteria for Do No Significant Harm (DNSH)						Minimum safe guards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity)	Category (transi-tional activity)
				Climate change mitigation	*Climate change adaptation*	*Water and marine resources*	*Circular economy*	*Pollution*	*Biodiversity and ecosystems*	*Climate change mitigation*	*Climate change adaptation*	*Water and marine resources*	*Circular economy*	*Pollution*	*Biodiversity and ecosystems*					
		SEK m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable (taxonomy-aligned) activities																				
CapEx of environmentally sustainable (taxonomy-aligned) activities (A.1)																				
A.2 Taxonomy-eligible activities but that are not environmentally sustainable (taxonomy-non-aligned)																				
Construction of new buildings	7.1	1,152	53%																	
Renovation of existing buildings	7.2	456	21%																	
Acquisition and ownership of buildings	7.7	370	17%																	
Freight transport services by road	6.6	106	5%																	
CapEx for taxonomy-eligible activities but that are not environmentally sustainable (taxonomy-non-aligned) (A.2)		2,084	95%																	
Total (A.1 + A.2)		2,084	95%																	
A. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of taxonomy-non-eligible activities (B)		109	5%																	
Total (A + B)		2,193	100%																	

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

OpEx[3)]

Economic activities	Code/ codes	Absolute OpEx	Proportion of OpEx	Criteria for substantial contribution						Criteria for Do No Significant Harm (DNSH)						Minimum safe guards	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Category (enabling activity)	Category (transi-tional activity)
				Climate change mitigation	*Climate change adaptation*	*Water and marine resources*	*Circular economy*	*Pollution*	*Biodiversity and ecosystems*	*Climate change mitigation*	*Climate change adaptation*	*Water and marine resources*	*Circular economy*	*Pollution*	*Biodiversity and ecosystems*					
		SEK m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable (taxonomy-aligned) activities																				
OpEx of environmentally sustainable (taxonomy-aligned) activities (A.1)																				
A.2. Taxonomy-eligible activities but that are not environmentally sustainable (taxonomy-non-aligned)																				
Construction of new buildings	7.1	1	0%																	
Renovation of existing buildings	7.2	466	95%																	
OpEx for taxonomy-eligible activities but that are not environmentally sustainable (taxonomy-non-aligned) (A.2)		467	95%																	
Total (A.1 + A.2)		467	95%																	
A. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of taxonomy-non-eligible activities (B)		23	5%																	
Total (A + B)		490	100%																	

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