



# ESG-sustainability report

This sustainability report covers all of Climecon's operations  
for the calendar year of 2024.





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# Climecon – the Responsible Partner for Ventilation

Good indoor air does not spring up on its own. At Climecon, we know how to create a good indoor climate and how to implement it in practice. We are a forerunner in our field, creating responsible, human-centric solutions that take into account the well-being of people, buildings, and the environment. A good indoor climate belongs to all of us. Design is about a lot more than appearance.

Our ventilation products combine a stylish design with ease of use during the product's lifecycle. We create product design in collaboration with professionals in design and architecture and our own product development engineers. Simplicity, high-quality, and high-end Nordic design that is meant to last for generations to come is at the core of our solutions. The technology, components, and materials of our products are carefully selected and durable. Our products are easy to install and maintain and have precision control. Years of experience and research knowledge combined with our present-day product development expertise are our guarantee for technical superiority.

We are particularly proud of our Finnish origin. We want to maintain our expertise, the uncompromising quality of our work, and the manufacture of our products in Finnish hands. We offer an inspiring work community and platform for development, where mutual trust is visible to our customers as an extremely good attitude and spirit of getting things done.

Moreover, domesticity is a responsible choice because, with close supplier relationships, we can influence the climate impacts arising from our operations and ensure fair working conditions in our value chain. The domestic content of our products is over 85%. Responsibility is reflected in our values and affects our everyday operations. We support actors working for the environment and strive to promote environmental well-being and social responsibility through various measures. For us, responsibility means concrete actions.



General information	
i. the undertaking's legal form;	Private limited liability undertaking
ii. NACE sector classification code(s);	C28.1 - Manufacture of general-purpose machinery
iii. size of the balance sheet (in Euro);	6M€
iv. turnover (in Euro);	13 224 000€
v. number of employees in headcount or full-time equivalents;	61
vi. country of primary operations and location of significant asset(s)	Finland
vii. geolocation of sites owned, leased, or managed.	Helsinki HQ Lämmittäjänkatu 4A, 00880 Helsinki, Finland  Kausala production site Hallitie 6, 47400 Kausala, Finland  Pihtipudas production site Rupontie 8, 44800 Pihtipudas, Finland

## Climecon in Brief

Climecon is a ventilation product manufacturer based in Finland. Climecon provides indoor and outdoor ventilation solutions for buildings such as business and public premises, residences, professional kitchens, educational institutions, production sites, and hotels. The products are mainly sold business to business in Finland, Europe, and the Middle East. Customer distribution includes direct sales and selling through wholesale intermediaries. Typically, our customers work in HVAC design, wholesale, architecture, or as contractors. Typically, our customers work in HVAC design, wholesale, architecture or as contractor.

### ABOUT THIS ANNUAL SUSTAINABILITY REPORT

Our sustainability work is based on our values, strategy, and commitment to the UN Sustainable Development Goals. We publish a sustainability report annually so our partners can transparently monitor our progress on sustainable development themes. The report covers environmental and social sustainability and good governance practices.

This sustainability report covers year 2024 and follows the European Union's European Financial Reporting Advisory Group's (EFRAG) Voluntary Sustainability Reporting Standard for Non-listed SMEs (VSME), including a basic module and a comprehensive module (OPTION B: Basic Module and Comprehensive Module). We report on all topics of the standard, and the report covers all of Climecon's operations. The sustainability report has been compiled by our Sustainability Specialist in cooperation with the Board of Directors.

# CEO's Statement

The year 2024 became the first year with an average temperature clearly exceeding 1.5°C above the pre-industrial level, which is an early sign of getting perilously close to exceeding the long-term limit - a threshold set by the Paris Agreement to significantly reduce the risks and impacts of climate change. Multiple global records were broken for greenhouse gas levels and for both air temperature and sea surface temperature, contributing to extreme weather events, including floods, heatwaves, and wildfires. With the impacts of climate change alarmingly present, each of us must consider our options for slowing down climate change.

The real estate and construction sector accounts for approximately one-third of Finland's emissions. As such, industry players have both the opportunity and responsibility to promote sustainability in the sector. That is why we at Climecon are committed to sustainable growth and responsible business development. We want to report transparently on our progress in the themes of environmental and social sustainability and good governance, as they are central to our long-term success.

During the previous year, we have taken significant steps to reduce our carbon footprint and environmental impact. For example, we have reduced our waste generation and energy consumption, trained our employees on sustainability topics, and conducted our first EcoVadis survey. We published a Climate Roadmap to support our purposeful climate work.

Moreover, in 2024, we committed to the Science Based Targets initiative (SBTi), which supports the Paris Climate Agreement's global goal of halving greenhouse gas emissions by 2030 and reaching net zero by 2050. Climecon has set a target to reduce emissions from our own operations (Scope 1) and purchase energy (Scope 2) by 42% by 2030 compared to 2023. We will also set a target for reducing emissions from the value chain (scope 3).

We want our business to grow sustainably. For us, this means acting in the common interest, which is reflected in our caring, inclusive, and inspiring approach. As a result, Climecon has low staff turnover, a low accident frequency rate, and excellent employee satisfaction. Every Climeconian has a role to play in our success, and everyone's contribution is meaningful. We strive to develop the capabilities of our staff and maintain



meaningful work. The safety, health, and well-being of our personnel are of utmost importance to us, and our vision is to have zero work-related accidents.

Good governance is the foundation of trust and transparency, and we remain committed to the highest ethical principles. We have strengthened our risk management processes and deepened our collaboration with stakeholders to ensure that our governance practices are aligned with our long-term vision. In 2024, Climecon's sales and profitability were at a good level despite the challenges of the operating environment. The comparable operating profit of EUR 13.2 million in 2024 is a good achievement in a market that continues to be difficult. Climecon has a strong balance sheet that enables investments for growth even in the current economic climate.

I am proud that we have decided to make a difference in the green transition. Going forward, our most important focus is to continue to build a modern company with a dedicated organisation that can apply the right expertise to develop our sustainable offering. Activities during the year include large investments in manufacturing to ensure Lean principles, close collaboration with key suppliers to accelerate supply chain sustainability, and production of precise environmental data of our products. Moreover, we will proceed with the set steps of the Climate Roadmap. I am confident that with continued dedication, the support of our partners, and the trust of our stakeholders, we will rise to meet these challenges. Together, we will create a more sustainable future.

Sincerely,  
Tommi Uksila, CEO & Owner





# Sustainability highlights in 2024

## **WE PUBLISHED A CLIMATE ROADMAP**

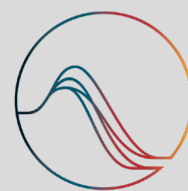
We published a Climate Roadmap to support our purposeful climate work. The roadmap gives the guidelines so that we can reduce our climate impacts and thus create an even more sustainable future.

## **WE HELD EMPLOYEE SUSTAINABILITY TRAININGS**

Two sustainability trainings took place in 2024. The training held for the manufacturing staff was practical and consisted of themes that consider the environmental impact of manufacturing. The office employees received training that was a deep dive into climate change as a phenomenon, opportunities of influence, and current and upcoming legislation.

## **We joined the Science Based Targets initiative**

Climecon joins the Science Based Targets initiative and commits to emission reduction targets to mitigate climate change.



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## We received the EcoVadis bronze medal

Climecon has been awarded the bronze medal of the EcoVadis sustainability rating system, with points 62/100. With the score, Climecon is positioned in the top 25% of companies assessed.



### WE ENHANCED OUR WASTE MANAGEMENT

We took steps to enhance our waste management system in order to increase recycling rate and reduce landfilling.

### WE CONDUCTED A SUPPLIER SUSTAINABILITY SURVEY

We conducted the first supplier survey on sustainability topics to map out our supply chain's current stage.

### WE PUBLISHED A CODE OF CONDUCT

We adopted a Supplier Code of Conduct to set expectations and standards for Climecon's partners regarding ethical behaviour, legal compliance, and business principles.

### WE PUBLISHED MORE ENVIRONMENTAL PRODUCT DECLARATIONS

Close to 50% of the 2024 turnover was generated from EPD-declared products. Our goal is to have all products' lifecycles analysed by the end of 2025.

## High scores on employee and customer satisfaction

### EMPLOYEE SATISFACTION

Climecon received an average score of 4.72/6 from its employees, which is slightly better than the previous year (4.67/6).

### CUSTOMER SATISFACTION

Over 94% of our customers would recommend Climecon.





# Climecon Purpose and Strategy

The pinnacle of Climecon's strategy is also our very purpose: we want to be the most responsible partner in indoor ventilation and keep a clear focus on human-centric ventilation in all our R&D and other development projects. Our mission is to offer our customers high-quality, energy-efficient, and sustainable ventilation products made in Finland. The energy efficiency and sustainability of products are proved by data and robust testing. We are close to our customers, and we can be reached within 24 hours through various channels. Climecon is a reliable partner that delivers the right products at the right time.

## Our values are reflected in our sustainability work

### INTEGRITY

We want to be a responsible forerunner for the entire industry by producing new information, innovative solutions, and new kinds of services with an uncompromising attitude. We don't leave our customers alone, but we do the work with high quality until the end. What we promise, we keep.

### CARING

Caring is about taking care of customers, employees, partners, and the environment. With responsible choices, we produce a sustainable tomorrow.

### COURAGE

Courage leads to innovations and the development of new, more sustainable solutions. Climecon's courage stems from trust in our own expertise and ironclad professionalism. We are driven forward by ambition and the courage to take a pioneering position.



# Climecon's Sustainability Strategy

For us, sustainability means competitiveness. We want to contribute to making a more sustainable society. Therefore, sustainable business development is a crucial element of Climecon's business strategy and has been included in all focus areas. Nonetheless, we have created a specific sustainability strategy to tackle the chosen focus areas in detail. Our sustainable development strategy specifies Climecon's most important sustainability topics, our overarching goals, and what we will focus on in our work to achieve the set goals. Goals are formulated with the time horizons 2025, 2027, and 2030. Measurable interim goals and KPIs have been developed for each area.

## **SUSTAINABLE PROCUREMENT**

- Responsible Sourcing
- Supply chain management
- Risk management and resilience

## **SAFETY AND SECURITY**

- Product Safety & Quality
- Occupational Health & Safety
- Labour and human rights

## **SUSTAINABLE BUSINESS DEVELOPMENT**

- Operational excellence and innovation
- Economic performance

## **REDUCTION OF ENVIRONMENTAL IMPACTS**

- Environmental data
- Climate impact reduction
- Energy conservation
- Circular innovation and design

## **RESPONSIBLE EMPLOYER**

- Employee well-being
- Encouraging culture
- Training and education
- Diversity, equity, and inclusion



# Our sustainability goals are aligned with the UN 2030 Agenda

	SDG Topic	Most relevant targets to Climecon	Climecon's contribution	KPIs
E N V I R O N M E N T	Sustainable solutions			
	11 Sustainable cities and communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	We promote the construction of sustainable cities and zero-energy buildings by increasing energy-efficient and low-carbon ventilation solutions. We calculate the carbon footprint of all our products, which makes it as easy as possible for developers to conduct an environmental impact assessment for a construction project.	Environmental impacts of our products  Energy intensity of our products  Energy efficiency of our products  Number of EPD calculated products
	12 Responsible consumption and production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	We manufacture our products to be durable and flexible. Flexibility means that our products adapt to changes in conditions and properties without having to make major rearrangements of ductwork.  We are constantly looking for lower-carbon material alternatives and circular economy solutions that support sustainable product development.	Recycled material content of products
	Sustainable operations			
	7 Clean and affordable energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix  7.3 By 2030, double the global rate of improvement in energy efficiency	We will transition into using only renewable energy. We increase our energy self-sufficiency from renewable sources.  We are developing our manufacturing processes to reduce our energy consumption and decrease the energy intensity of our products.	Share of renewable electricity  Energy consumption and energy intensity of our products
	9 Industry, innovation, and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	We are actively working to reduce greenhouse gas emissions and decrease the amount of waste materials resulting from our operations.	Emissions  Steel waste rate

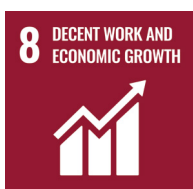


S O C I A L	SDG Topic	Most relevant targets to Climecon	Climecon's contribution	KPIs
	12 Responsible consumption and production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources  12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse  12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	We have revamped our waste management and are constantly monitoring waste volumes, recovery, and recycling rates. We intend to minimise waste materials by investing in technology.	Recycling rate  Steel waste rate
	13 Climate action	13.3 Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning	We will reduce our operational emissions by 42% in Scope 1 and 2 from the base year 2023 by 2030.  We are committed to educating our employees on climate change and encouraging them to make climate-friendly choices.	Emissions and carbon intensity
	Responsible employer			
	8 Decent work and economic growth	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms  8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Climecon ensures labour rights and occupational safety and manages human rights risks in our operations.  We have a zero vision for work-related illnesses, and as such, we focus on accident prevention.	Supplier risk assessment results  Accidents and near-miss reports
	10 Reduced inequalities	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and action in this regard	We are committed to promoting diversity and providing equal opportunities, including recruitment and career development.	Diversity metrics such as gender balance  Pay gap assessment
	Sustainable procurement			
	8 Decent work and economic growth	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms  8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	We have zero tolerance for child/forced labour in the supply chain.  We are committed to ensuring labour rights, occupational safety, and managing human rights risks in our partner network.  We conduct regular supplier audits on quality, environment, health, and safety topics.	Number of ISO9001 and ISO14001 certified suppliers  Number of suppliers committed to Code of Conduct  Number of supplier audits per year





G O V E R N A N C E	SDG Topic	Most relevant targets to Climecon	Climecon's contribution	KPIs
	Responsible growth			
	8 Decent work and economic growth	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	Climecon has a positive economic impact on societies through direct employment and tax payments, as well as the supply chain. We promote sustainable economic growth by favouring local, reputable companies in our supply chain.	Production and distribution of economic added value
	16 Peace, justice and strong institutions	16.5 Substantially reduce corruption and bribery in all their forms	Ensuring compliance with anti-corruption and anti-bribery guidelines	Percentage of employees who have completed the ethics training
	17 Partnership for the goals	17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	We actively participate in the societal discussion on sustainable development in the construction sector. We work closely with universities, research institutes and local R&D partners to develop new knowledge and increase the overall sustainability of our sector.	Number of projects performed with stakeholders





# Sustainability-related Certifications and Labels

## ISO9001:2015 and ISO14001:2015 Certificates

Climecon has had a third-party certified quality management system (ISO 9001:2015) and environmental management system (ISO 14001:2015) for over a decade. The latest renewal of the certificates was in 2023. ISO 9001 is a globally recognized standard for quality management. It helps organisations to improve their performance, meet customer expectations, and demonstrate their commitment to quality. Implementing ISO 9001 means Climecon has effective processes in place and trained personnel to deliver high-quality products and services.

ISO 14001 is an international environmental management system standard that helps organisations improve their environmental protection activities. By adhering to this standard, Climecon has ensured proactive measures to minimise its environmental footprint, comply with relevant legal requirements, and achieve environmental objectives.

### KEY FLAG AND DESIGN FROM FINLAND LABELS

Finnish Work is an independent association that awards Key Flag and Design From Finland labels, which are recognitions for Finnish products and design. To gain these labels, the company needs to prove that it has invested in Finnish production and design. The domestic content must be at least 50 percent of the cost price, which takes into account costs related to the service, such as personnel costs, subcontracting, and material procurement. Climecon's domesticity rate is over 85%; thus, Climecon products have both of these labels.







# Sustainability-related Initiatives and Ratings

## Climecon Commits to Science-Based Targets

The validation confirms that Climecon's climate strategy supports the transition to a sustainable economy and limits global warming to 1.5 degrees in accordance with the Paris Climate Agreement and the latest climate science.

By 2030, we will reduce all of the company's direct emissions (Scope 1) and emissions resulting from the production of purchased energy (Scope 2) by 42% compared to 2023. In addition, we will set a public goal to reduce emissions in the value chain (Scope 3). We will reduce Climecon's value chain emissions by 30% by 2030 compared to 2023. Read more about our advancements in Climecon's Emissions in 2024.

## EcoVadis Sustainability Rating System

Climecon has been awarded the bronze medal of the EcoVadis sustainability rating system, with points 62/100. EcoVadis evaluates 21 sustainable development criteria in four categories: environment, labour and human rights, ethical business principles, and responsible procurement. We are ranked in the top 25 % and got excellent points regarding environmental responsibility. With the EcoVadis assessment, we develop and direct sustainability actions where needed. The tool also offers a way to compare your performance with other players in the industry.

EcoVadis is the world's largest producer of corporate sustainability evaluations, having evaluated the sustainability work of more than 130,000 companies from more than 220 industries and 180 countries. EcoVadis' evaluation criteria are based on the world's leading standards guiding sustainable development, such as the GRI index, UNGC, and ISO 26000.



# Climecon's Emissions in 2024

## The Scope, Methodology, and Relevant Changes from the Previous Year

Climate science has developed enormously since we carried out our first carbon accounting in 2020. Moreover, our own calculation accuracy has improved. This is why there is some variability in different emission categories throughout the years. In addition, for example, global changes have affected our emissions in the previous years, as many emission categories were previously, until 2023, determined on a cost basis. Now, the calculation is largely carried out on a mass basis, so, for example, fluctuations in the cost of materials do not affect the emission data. When comparing the years 2023 and 2024, there have not been significant changes in calculation methods. Some emission categories were deemed insignificant in 2023; thus, these categories are not accounted for in 2024. The years 2020-2022 and 2023-2024 should not be compared directly, but the calculations still give an estimate of the development of emissions. Total emissions decreased by 9% in 2024 compared to 2023.

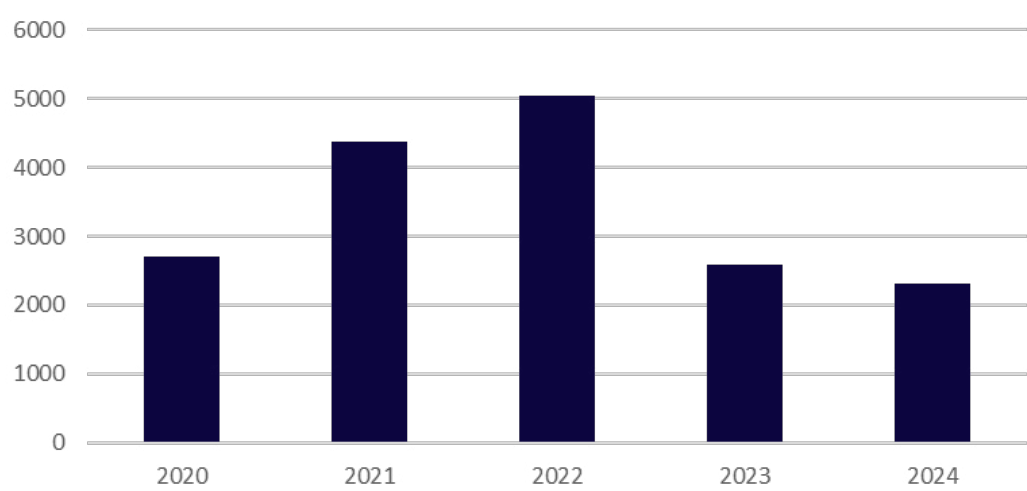
Climecon calculates greenhouse gas emissions in accordance with the Greenhouse Gas Protocol, and the accounting includes all relevant scopes and categories. The GHG project is conducted in collaboration with a consulting third party to ensure integrity and that the latest changes in carbon accounting are taken into account. Climecon applies operational control and includes all relevant scopes and categories.



**THE FOLLOWING EMISSION CATEGORIES ARE CALCULATED FOR 2024:**

- **Scope 1** includes emissions over which Climecon has direct control. This comprises emissions from company cars, business and service vehicles, work machinery, refrigerant leaks, and heating with oil, gas, or pellets.
- **Scope 2** includes indirect emissions from purchased district heating, district cooling, and electricity.
- **Scope 3** includes indirect emissions resulting from Climecon's value chain. The 2024 report includes indirect emissions from all relevant categories, including categories 1 to 7 and categories 9, 10, and 12. Other categories are deemed irrelevant or not applicable. See materiality analysis for further information.

**GHG EMISSIONS 2020-2024 (tCO<sub>2</sub>e)**



## Materiality Analysis

Climecon has been calculating its company-level carbon footprint since 2020, including Scope 3 emissions. However, it is clear that GHG calculations have taken a huge leap in the past years, which is why Climecon needed to reassess the emissions of the entire value chain that are significant for the company. The Scope 3 materiality analysis was conducted in 2024 and is an important part of achieving Climecon's climate goals, as climate impacts that are not identified cannot be managed. By understanding the indirect emissions caused by business operations more broadly, Climecon has the opportunity to actively influence the generation of emissions and look for alternative suppliers or materials that are better aligned with the company's climate goals.

The materiality analysis was also used to predict compliance with the emission reporting requirements of the EU's Corporate Sustainability Reporting Directive (CSRD). Although we are not required to report due to our size and legal form, we want to ensure that our partners receive the necessary sustainability information for their own reporting and decision-making as easily and reliably as possible.

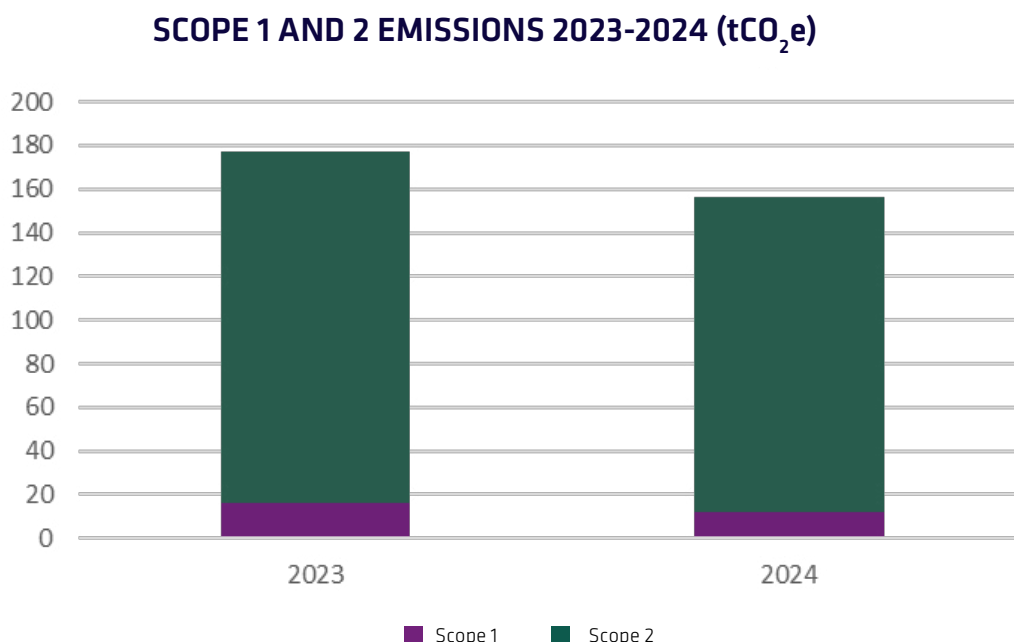
Scope 3 materiality analysis was conducted in spring 2024, and possible changes in operations were assessed again in 2025 to ensure that the calculation is as comprehensive as possible. The impacts of categories 10 through 12 were deemed minimal and too imprecise due to assumptions on user variability. Moreover, categories 8 and 13 through 15 are not applicable.

Scope 3 Emissions source	Relevance	Justifications for Scope 3 materiality and other considerations
<b>Ca 1: Purchased goods and services</b>	Relevant	Cleaning and maintenance are not included, but these are estimated to be very minimal.
Raw materials		
Packaging materials		
Ancillary materials		
Subcontracted products		
<b>Ca 2: Capital goods</b>	Disclosed and reported when applicable	To be monitored annually. If major investments are made, it is recommended to review them.
<b>Ca 3: Fuel- and energy-related activities</b>	Relevant	The category has been included in previous emissions reporting. Included in compensation. In addition, it is useful to monitor the emission impact from the perspective of the emission development of energy use. It should be noted that "green electricity is not completely emission-free".
Fuels, own energy production		
Purchased energy		
<b>Ca 4: Upstream transportation and distribution</b>	Relevant	The category should be included in the assessment. Climecon has the opportunity to influence these emissions. In addition, the category is necessary for the collection of EPD input data.
Raw materials		
Packaging materials		
Ancillary materials		Accounted in Category 1
<b>Ca 5: Waste generated in operations</b>	Relevant	The category has also been included in previous emissions reporting and compensation.
<b>Ca 6: Business travel</b>	Relevant	The category has also been included in previous emissions reporting and compensation. Climecon has a significant chance to impact these emissions.
<b>Ca 7: Employee commuting</b>	Relevant	The category has also been included in previous emissions reporting and compensation.
<b>Ca 8: Upstream leased assets</b>	Not applicable	No leased assets.
<b>Ca 9: Downstream transportation and distribution</b>	Relevant	The category has also been included in previous emissions reporting and compensation.
<b>Ca 10: Processing of sold products</b>	Not relevant	Difficult to determine and based on assumptions. Also it is very marginal from an emissions perspective
<b>Ca 11: Use of sold products</b>	Not relevant	Difficult to determine and based on assumptions and user actions. In the EPD, emissions during use are excluded from the assessment, as many of the devices do not use energy, meaning the impacts are small. On the other hand, interesting information for emission monitoring and industry development. Possibly, information is to be reported separately.
<b>Ca 12: End-of-life treatment of sold products</b>	Not relevant	Difficult to determine and based on assumptions and user actions. EOL is already in the EPD. On the other hand, interesting information for emission monitoring and industry development. Possibly, information is to be reported separately.
<b>Ca 13: Downstream leased assets</b>	Not applicable	No leased assets.
<b>Ca 14: Franchises</b>	Not applicable	No franchising.
<b>Ca 15: Investments</b>	Not applicable	No outside investments.

# Climecon's Scope 1 and 2 Emissions

Climecon's direct emissions from owned or controlled sources (Scope 1) comprises emissions from company cars, business and service vehicles, work machinery, refrigerant leaks and heating with oil, gas or pellets. Scope 1 includes emissions that the company can directly influence and that the company can most easily control. Emissions occur on-site as a result of the company's own operations. For example, direct emissions from its own energy production and from properties owned and managed by the company and vehicles fall into this category. In Climecon's case, Scope 1 is relatively small, as the company does not have its own company fleet or use refrigerants. In 2024 Scope 1 emissions were 12 tCO<sub>2</sub>e. As such, the decrease is 25% from the previous year.

Scope 2 includes indirect emissions related to purchased energy, such as electricity, heat, steam or cooling. All electricity purchased by Climecon is renewable, which impacts significantly Scope 2 emissions. However, our district heat provider in Kausala changed their energy mix drastically from renewable to non-renewable fuels in 2023, which caused emissions to increase. The emissions of Scope 2, nevertheless, decreased by 10% compared to 2023. Since then, we have changed to a renewable option, which should decrease the emissions in 2025.

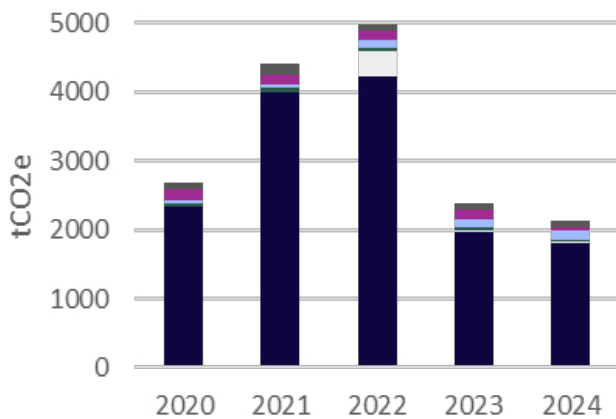


## Scope 3 Emissions

Value chain emissions, or Scope 3, include all indirect emissions that occur in a company's value chain. Emission sources are divided into two sub-categories within the category: upstream and downstream. Upstream emissions are formulated before the product is sold to the customer and downstream emissions happen after the company has sold the product. Therefore, some of the downstream categories are harder to assess. Climecon's climate work encompasses the entire value chain, excluding those categories deemed insignificant or too imprecise in materiality assessment, with goals and measures for significant areas regarding our impact and ability to make a difference. In total, Scope 3 emissions have decreased by 10%, which translates to 244 tCO<sub>2</sub>e, in 2024 compared to previous year.

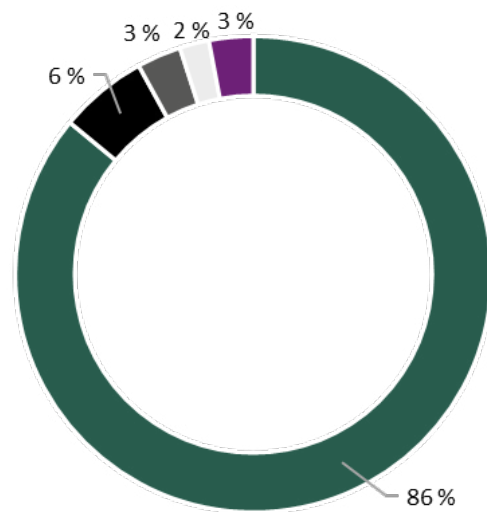


## SCOPE 3 EMISSIONS 2024



- Employee travel and commuting
- Waste management
- Upstream an downstream transportation
- Fuel production
- Fixed assets
- Purchased goods and services

## SCOPE 3 EMISSIONS BY LARGEST CATEGORIES



- Purchased goods and services
- Upstream an downstream transportation
- Waste management
- Employee travel and commuting
- Other

In terms of our whole value chain, a significant part of the environmental impact comes from the raw materials we use. Emissions from goods and service purchases decreased significantly in 2023 and again in 2024. This is partially due to enhanced accounting techniques, but also result of successful production planning. The reduction from 2023 is 150 tCO<sub>2</sub>e, which accounts for 8%.

The second largest emission category is waste treatment. We have taken measures in waste treatment to reduce emissions from waste, such as improving recycling and decreasing material waste. Thus, the emissions from waste management have decreased by 53%. See more information in the section Environmental Work in Our Own Operations.

Emissions resulting from downstream transportation have decreased by 36.4 tCO<sub>2</sub>e, which accounts for 46%. This is due to shorter distribution distances and more sustainable fleet of our logistic partner. However, upstream logistics emissions have increased 40.3 tCO<sub>2</sub>e due longer distance in raw material transportation. In the previous year, an assumption of raw material origins were made while in 2024 the calculation is based on accurate locations. In accordance with the Climate Roadmap, we will transition to carbon-neutral transportation when possible.

# Advancements in GHG Reduction

Climecon joined the Science Based Targets initiative in 2024 and is committed to emission reduction targets to mitigate climate change. In line with the commitment, we will reduce all direct emissions (Scope 1) and emissions from purchased energy production (Scope 2) by **42% by 2030 compared to 2023**. Climecon's direct emissions have decreased by 25% and purchased energy by 10% from 2023, which means we are on track. We have also pledged to reduce our value chain emissions by **30% by 2030 compared to 2023**. Last year, Scope 3 emissions decreased by 10%.

## Carbon Intensity

A better business year almost automatically means more emissions, and vice versa. This is why it is essential to compare the absolute carbon footprint with the so-called carbon intensity, i.e. by dividing emissions per million of turnover or production volume. When carbon intensity remains on a downward trend, we are on the right track. In 2024, Climecon's carbon intensity figure was 175 kgCO<sub>2</sub>/M€. In 2023, the equivalent number was 190 kgCO<sub>2</sub>/M€. This means that our emissions relative to turnover have decreased by 8%.

## Carbon Compensation

Climecon's primary way to mitigate climate change is to reduce its environmental impacts. We have formerly compensated emissions that we have not been able to avoid through climate action. The compensation has covered Scope 1 and 2, and Scope 3 partially. This has included employee commuting, business travel, transportation, waste handling, and fuel and energy-related activities. In 2025, however, we have decided to invest the budget used for compensation into sustainability actions that help us to avoid and remove these emissions in the first place. activities in Scope 3. In 2025, we have decided to invest the budget used for compensation into sustainability actions that help us to avoid and remove these emissions in the first place.

## Carbon Handprint

The European Union has set targets to reduce emissions and energy consumption in construction and buildings. The sustainable development of construction is guided, among other things, by the Energy Performance of Buildings Directive (EPBD), which aims for zero-energy buildings in 2050. A zero-energy building is one that does not consume non-renewable energy, and at least part of the building's energy needs must be covered by energy produced on site. In addition, the total energy consumption of buildings must be reduced significantly.

The importance of building engineering in a building's energy consumption is significant, as 40-60% of the energy consumption during the use of a building is due to building engineering solutions. Although the building's equipment currently works technically, they consume a significant amount of excess energy. Therefore, by optimising ventilation correctly, for example, the European Union's energy efficiency requirements can be achieved.

## Energy Savings from ventilation

Demand-based ventilation saves significantly on energy consumption. MyAir for ventilation in apartment buildings and OptiDemand for professional kitchens are intelligent ventilation systems that increase the efficiency and balance ventilation according to need. OptiDemand can reduce the energy consumption of kitchen ventilation by at least 50%. With MyAir, the corresponding energy saving from ventilation waste heating is 30%.





# Environmental Factors in Our Operations

## Energy Consumption

Climecon's purchased electricity is certified wind power. The heating is district heating of mainly renewable sources, but is not certified, except for Helsinki Office. The only non-renewable fuels were used in a warehouse, which has since moved locations (October 2024). Since then, no non-renewable fuels have been used.

Kausala production site's electricity consumption decreased by 25% in 2023 compared to the previous year, which is a significant decrease. Energy reduction was made possible by streamlining production processes. In 2023 total purchased electricity consumption was 573 MWh, while in 2024 it was 521 MWh, which means we have reduced our energy consumption by further 9% of the total consumption.

In 2021, a solar plant was built in Kausala production site. The plant generates between 63 and 65 MWh of electricity per year. In 2024, the solar energy generation was 63 MWh, which corresponded to 18,4% of total electricity use in Kausala.

While total district heating consumption has dropped by 101 MWh from 2023 consumption, the district heat provider of Kausala production site increased the share of fossil fuels in 2023. This means that the emissions in Scope 2 increased significantly from year 2022. Since then, we have swapped to renewable district heating, which will lower the Scope 2 emissions in 2025.



	Renewable	Non-renewable	Total
Electricity	457 MWh	64 MWh	521 MWh
Self-generated solar electricity	63 MWh		63 MWh
Heating	146 MWh	365 MWh	511 MWh
Total	1095 MWh		

## Water Use

Climecon's water withdrawal is moderate, as the production processes do not consume significant amounts of water. The most water consuming process is powder coating in Kausala. The water consumption of powder coating is approximately 40-50% of all water withdrawal in Kausala production site.

Climecon operates solely in Finland, which is not a water scarce country. Climecon does not purchase components from areas of high water-stress.

Site	Water withdrawal (m3)
Helsinki	62
Kausala	1956
Pihtipudas	93

## Other Pollutions of Air

Carbon dioxide is the most well-known greenhouse gas emission, but certainly not the only one. Carbon dioxide equivalent is used as an emission factor, a coefficient which allows to convert other greenhouse gas emissions into one measurement. However, the emission factor does not take into account the significant negative impacts on human health of other pollutants. As such, we have calculated other pollutants from Climecon's operations. Although fabricated steel product manufacturing is not considered energy-intensive industry, Climecon has calculated the impacts of Scope 2.

Some of the most common anthropogenic sources include power generation, transportation, industrial activities, agriculture, solvent use, oil and gas production, waste burning and construction. Sources of other air pollutants for Climecon include fossil fuels, burning of gas, electricity generation from biomass incineration, transport, and waste treatment.

Emitted Pollutants	2024 (tons emitted)	Emission factor in CO2
CO2	144.5	
Nitrogen oxides (NOx)	0.006	298 kg
Methane (CH4)	0.32	25 kg
CO2 biogenic	0.12	

# Substances of Concern

Climecon products are 100% compliant with the REACH and RoHS regulations and do not contain substances of high concern or restricted substances. The products delivered by us do not contain tin, tantalum, tungsten or gold, and ores used do not originate from conflict-affected or high-risk areas.

## Biodiversity

Climecon owns Kausala production site and is leasing Pihtipudas production site and Helsinki office. Neither of the production sites are located in a biodiversity-sensitive areas. The total use of land is disclosed below.

Total use of land	6100 m2
Total sealed area	6100 m2
Total nature-oriented area on-site	0 m2
Total nature-oriented area off-site	0 m2

## Resource Use

Climecon provides ventilation solutions for myriad of buildings, such as business and public premises, residences, professional kitchens, educational institutions, production sites, and hotels. Most of the production materials we use are stainless and galvanised steel, aluminium and plastic. Of these four materials, galvanised steel is the most common for air diffusers, whereas commercial kitchen hoods mainly use stainless steel. The most significant quantities of aluminium are used in supply and exhaust grilles. The amount of plastics used is comparably small, but plastic parts can be found in nozzles, electronic parts, and seals. We use wood, plastic and cardboard for product packaging.

Our value chain is highly domestic. All our key suppliers and approximately 85% of all materials used are from Finland. Close value chain relationships means that we have a better grasp of our operations' social impact and enables us to take action in any non-confirming situations. The table below describes key materials used. This data covers all our production units.

Material used	Amount (t)
Stainless steel	119.8
Galvanized steel	303.2
Aluminium	0.8
Plastic	6.6
Chemicals	85,3
Packaging materials	55,2

# Waste Management

In 2024 there was a rather large decrease of emissions resulting from waste. This is due to decreased amount of hazardous waste, improved recycling, and change of waste operator, which has affected the data quality positively. Currently, we are able to obtain accurate and unified data from all our manufacturing sites. Nevertheless, waste data cannot thus be compared to previous years, since the data quality has formerly been lower.

Climecon monitors the volume of waste and sorting rate. Waste statistics on the sorting rate for material recycling are obtained from waste operators. Data is reported for the total volume of waste and for the fractions of mixed, wood, carton, hazardous, LDPE plastic, and plastic packaging waste. The sorting rate in manufacturing sites in 2024 varied between 10 and 20% and waste utilisation rate was 100%. In Climecon warehouse the sorting rate was 6% and utilisation rate was 11% due to large quantities of hazardous waste from used active carbon pellets, that we take back from our customers. We are actively investigating possibilities in how the used pellets can be utilised in a circular design.

	Kausala	Pihtipudas	Warehouse
Total annual generation of waste, non-hazardous	10.2 t	5,2 t	6,2 t
Total annual generation of waste, hazardous	0.3 t	0 t	52,4 t
Recycling rate	12%	10%	6%
Utilisation rate	100%	100%	11%

# Circular Economy Principles

As a Finnish manufacturer of high-quality ventilation products, Climecon is committed to building a circular economy through agile innovation and responsible manufacturing. Circularity is not just about recycling — it's about rethinking the way we design, produce, and use materials. In this shift, agility becomes essential.

## STEEL IS A DURABLE MATERIAL THAT CAN BE RECYCLED TIME AND TIME AGAIN

Climecon products are designed to last. Steel is the primary material in our product range and plays a central role in our sustainability strategy. We aim to maximise recycled content in the steel we source and ensure that all steel waste generated in manufacturing is recycled. Steel's inherent recyclability makes it a strong fit for circular economy goals, especially when paired with agile systems that can adapt to material innovations and end-of-life considerations.

## LOW-CARBON MATERIALS SUPPORTING CIRCULAR ECONOMY

We continuously seek and implement material alternatives that reduce our environmental impact and support circularity. One notable advancement is the replacement of plastic parts in our air terminal devices with biocomposite materials. The carbon dioxide emissions of the new biocomposite plastic are approximately 90% lower than those of conventional plastics, reducing the overall climate impact of our products.



## **AGILE PRODUCT DEVELOPMENT AND CIRCULAR THINKING**

At Climecon, agility is integrated into our product development process. It enables us to respond swiftly to changing environmental requirements, adopt emerging sustainable materials, and innovate continuously. We view agility as a strategic tool to create long-term value — not only for our business but for our customers, communities, and the planet.

To enable longer material circulation and reduce the need for new resources, we focus on modular product design. Our ventilation solutions are engineered to be adaptable and reusable across different customer sites and use cases. This modularity not only extends the lifecycle of individual components but also aligns with principles of circular use and maintenance.

## **RESOURCE EFFICIENCY IN MANUFACTURING**

Operational excellence is a key enabler of circularity. We invest in smart equipment that minimises production waste and enables high-precision manufacturing. Alongside technology, our teams receive ongoing training aimed at improving material efficiency and waste reduction throughout all stages of production. This combination of skilled personnel and modern processes supports our goal of continuous improvement in resource management.



# Social Sustainability

The secret to the Climecon spirit and success is built upon its skilled employees and strong sense of belonging — we are one with our employees, customers and environment. Our success depends on the expertise that Climeconians embody in combining business knowledge and engineering skills in creating industry leading technology and continuous innovation. We always do what we promise, without forgetting to keep a twinkle in our eyes.

Caring for our employees is reflected in our culture and values. Climecon is a people-oriented employer that values skills and commitment. We aim to long-term employment contracts where employee health and well-being are a priority. The company strives for low staff turnover and high attraction and retention power by focusing on investing in and developing its staff.

## Climecon values

### INTEGRITY

We are committed to integrity, responsibility and ethics. We ensure that our rights and those of our partners' employees are respected.

### CARING

We emphasize a humane, communal and responsible way of working. An intermediary company invests in the well-being of its employees by offering good working conditions, flexible work arrangements and the necessary support.

### COURAGE

Courage enables change. It takes courage to talk about even difficult topics openly and transparently. An open dialogue increases trust and commitment between Climecon and its employees, and thus improves well-being at work and equality.

# General Workforce Characteristics

	2024	2023	2022	2021	2020
Number of employees	61	74	70	63	65
Employee turnover rate	8 %	13,6 %	16,8 %	13,9 %	18,5 %
Age distribution					
18-29	14,1 %	13,5 %	11,4 %	12,7 %	24,6 %
30-39	23,4 %	29,7 %	32,9 %	30,1 %	18,5 %
40-49	29,7 %	24,2 %	27,1 %	28,6 %	27,7 %
over 50	32,8 %	32,4 %	28,6 %	28,6 %	29,2 %
Duration of Employment					
Under 2 years	23,4 %	40,5 %	34,3 %	23,8 %	26,1 %
2 to 5 years	28,1 %	14,9 %	20 %	27 %	23,1 %
5 to 10 years	12,5 %	16,2 %	11,4 %	9,5 %	12,3 %
over 10 years	34,4 %	28,4 %	34,3 %	39,7 %	38,5 %
Gender distribution					
Women	29,5 %	27 %	27 %	30 %	29 %
Men	70,5 %	73 %	73 %	70 %	71 %
Hours worked (h)	119 558,50	115 790	113 351,5	109 511,5	106 682,5
Health, safety and well-being					
Number of minor work-related accident	1	3	4	6	3
Total recordable incident frequency (TRIFR)	8,4	25,9	35,5	54,8	28,1
Number of serious work-related accidents	0	0	0	0	0

According to VSME standard, the undertaking shall disclose an answer to the following questions:

Specified question by EFRAG	Yes/No	Specified question by EFRAG	Yes/No
Does the undertaking have a code of conduct or human rights policy for its own workforce?	YES	Does the undertaking have confirmed incidents in its own workforce related to:	
If yes, does this cover:		child labour	NO
child labour	YES	forced labour	NO
forced labour	YES	human trafficking	NO
human trafficking	YES	discrimination	NO
discrimination	YES	other?	NO
accident prevention	YES	Is the undertaking aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users?	NO
Does the undertaking have a complaints-handling mechanism for its own workforce?			



# Safety, Health and Well-being

The safety, health and well-being of our personnel are of utmost importance to us, and our vision is to have zero work-related accidents. Our workforce in manufacturing sites are in daily contact with heavy machinery, which has potentially high inherent health and safety risks. We continuously strive to prevent and reduce the risk of injuries, monitor and analyse near misses and accidents at work. We develop occupational health and safety topics in cooperation with personnel, supervisors, occupational health care partner, and the occupational health and safety committee. The occupational health and safety manager is responsible for daily operations and development of safety procedures. We strive to ensure that our employees remain fit for work and that we can address challenges at an early stage.

In 2024, we developed and applied an electronic deviation form that helps with monitoring possible health and safety risks, and work related accidents, among product quality observations. Since the launch, we have identified various risks that have been prevented in advance.

We have arranged occupational health care for all Climecon employees. In addition, our employees have extensive leisure insurance, which creates security in the event of an accident. The health, safety and well-being of employees are taken into account in the work environment. Climecon employees are offered ergonomic workspaces as well as high-quality equipment and first aid equipment. Climecon production employees are offered occupational safety training, in addition to which the entire Climecon staff participates in first aid training at regular basis.

A safe work environment also includes organisational and social aspects. Climecon has zero tolerance of all types of bullying, discrimination and abuse. Our occupational health and safety work aims to create safe, effective workflows that do not cause any ill health or accidents. This is a prerequisite for both profitable and efficient operations and sustainable employment.

## Work-related Incidents

During 2024, a total of 1 work-related accident resulting in sick leave were reported. This would correspond to 5 accidents per million hours worked, compared to an industry average of 45 in Finland. The number of injuries resulting in more than 14 days' sick leave was 0. No serious accidents that resulted in fatalities or lasting harm occurred during the year. Total recordable incident frequency rate in 2024 was 8.4.

Climecon Oy strives to ensure the safety of its employees by providing sufficient instructions for various situations. Each employee receives occupational safety instructions before commencing work and the employees working in manufacturing receive regular safety training.

### **BY DEFINING THE INSTRUCTIONS, CLIMECON AIMS TO:**

- Eliminate health and safety risks
- Guide employees to pay attention to the dangers caused by work and commuting
- Encourage employees to take care of themselves and their ability to work in the long term
- Ensure that we act in accordance with laws, regulations and agreements

When an accident occurs, we always review the facts surrounding the accident. We look at the causes of the accident, how the accident could have been prevented, and we take action to ensure that we avoid similar accidents in the future.

#### **CLIMECON IDENTIFIES, MEASURES AND CONTROLS RISKS WITH THE FOLLOWING TOOLS AND METHODS:**

- Workplace inspections
- Reporting accidents and hazardous situations
- Risk assessment
- Ergonomic assessment
- Regular annual discussion with employees
- Country-specific risk assessment
- Monitoring of sick leave and working time balances

## **Employee Satisfaction Survey**

An annual survey of employee well-being was conducted, in which employees assessed the meaningfulness of their work, the functionality of the workplace, and the actions of their supervisors. Climecon received an average score of 4.72/6 from its employees, which is slightly better than the previous year (4.67/6). The actions of immediate supervisors (5.09/6), the goal-oriented nature of their work (5.06/6), work ability (4.91/6), and the content of their own work (4.75/6) were rated particularly good.

## **Employee Competence Development and Education**

We provide our employees with training and development opportunities to strengthen our business expertise and enable our employees to grow professionally. We actively encourage our employees to participate in professional, technical and safety training, as they support our sustainable growth. In 2024, 8000€ was used in education and training, and the budget for 2025 has been increased.

Two-way dialogue with the workforce is a regular feature. Each employee participates in two performance reviews annually, which assess work success, job satisfaction and short- and long-term goals. We encourage our employees to express their career aspirations, because, as a mid-size company, we can influence their career prospects.

Sustainability springs from our everyday processes. This means that each Climeconian has an important role in succeeding in our goals. As such, two sustainability trainings took place in 2024, one for manufacturing personnel and one for office employees. The content of these trainings varied, as different employees benefit from diverse information in their work. The training held for the manufacturing staff was practical and consisted of themes that consider the environmental impact of the manufacturing. The office employees received a training that was a deep dive into climate change as a phenomenon, opportunities of influence, and current and upcoming legislation.

# Equal Opportunities

Climecon's goal is to be an attractive employer and one of the best workplaces in the industry in Finland. We have set a goal to always choose the most competent person to any position. In 2024, gender distribution in Climecon was 29.5% of women and 70.5% of men in total. In administration and management, the distribution is 20.7% of women and 79.3% of men.

Climecon's focus is on finding talented employees regardless of gender, age, or any other characteristic. Different genders are encouraged to apply for positions where the gender distribution is unbalanced. Qualification requirements and selection criteria set are effectively equal for everyone, regardless of gender, gender identity or sexual orientation. Among equal job applicants, a representative of the gender that is a minority in the workplace or position is always selected for the position.

Climecon creates equal opportunities for career advancement for all genders. All employees are encouraged to apply for more demanding tasks and new areas of responsibility if the tasks are unevenly distributed by gender. Everyone, regardless of gender and task, is provided with opportunities to develop themselves and advance their careers.

## Grievance Mechanisms

Climecon does not accept discrimination, harassment or any kind of inappropriate treatment. The company invests in the well-being of its employees and strives to be a mentally and physically safe workplace in all its operations. We take all grievances at Climecon seriously and with absolute confidence and all reports are investigated without disclosing any information of the reporters. We make every effort to ensure that aggrieved parties feel at ease to raise concerns without the fear of retaliations. We aim to prompt 100% resolution rate in all grievance cases.

We introduced a Whistleblower channel in accordance with the EU's Whistleblowing Directive in 2023. The channel is an anonymous platform through which employees and external stakeholders can report any concerns or suspicions. The Whistleblower scheme can be accessed via our external website, and the occupational safety committee is responsible for the communication and directing the non-compliances to correct Board Members. No reports were received through the channel in 2024, nor through other channels. The channel is accessible in our external website and is available in Finnish and English.



# Customer and End-users

In our industry, customer and end-user are often times different, as ventilation systems are designed by experts into variety of buildings with different users. Therefore, we offer a range of design tools that enable our HVAC designers' seamless working, taking into account sufficient air flow, noise pollution levels, and correct sizing.

End-user health and safety are key aspects to our business. With advanced ventilation solutions, we create a healthy indoor climate where all users have optimal working and living conditions. We ensure our products contribute to improved indoor air quality by effectively removing pollutants, allergens, and excess moisture. This is confirmed by robust product testing.

In 2024, zero safety-related complaints was made about our products, and no serious harm was caused. There were no recalls of our products in 2024. The total number of complaints for products was approximately 0.2 per M€ of sales value.

According to customer survey conducted in 2024, over 94% of our customers would recommend Climecon, which is an increase of 0.5% from the previous year. Our customers considered quality and technical functionality, domesticity and price to be the most important selection criteria. Our customers have been particularly satisfied with our sales staff, technical support and product information.

The survey also identified trends that will affect the construction industry. Climate change and energy efficiency were by far the most important topics, and many of our major customers have set ambitious sustainability goals. Therefore, our mission is to help our customers in achieving their goals by ensuring reliable information about carbon footprint of our products is available, and that our products aid energy savings.



## Good Governance

Climecon's governance is focused on building long-term value through strong internal management and a strong corporate culture. Effective corporate governance enhances decision-making and strengthens our ability to grow the business. By ensuring a clear division of roles and responsibilities between management and oversight bodies, along with a commitment to transparency, we foster an environment for active and responsible ownership. By adhering to these principles, we strengthen long-term trust of our partners and stakeholders.

Climecon is committed to conduct business with integrity, complying with ethical standards, national and international laws and regulations. We follow good accounting practices in our operations. We monitor the efficiency of our financial operations using key figures, and we analyse the selected KPIs regularly by the Board of Directors and the sales team. The KPIs and the company's financial circumstances are also communicated to the personnel regularly in meetings held every other month.

## The Board of Directors

Climecon's Board of Directors is actively involved at operational level. The members of the Board work in all of Climecon's most important functions, which is why all aspects of the business are covered in the decision-making body. The Board meets once a month to discuss financial performance of the company, industry trends, human resources, and product and process development.

In terms of sustainability, the Board's task is to promote the advancement of the topical issues raised in the sustainability strategy and monitor the progress of the strategy through KPIs. Sustainability work is led by Climecon's Sustainability Specialist, who reports on the progress of the projects to the Board.

# Climecon's Board of Directors



Tommi Uksila  
CEO

Susanne Nyman  
CMO

Ville Wallendahr  
DIRECTOR | PROFESSIONAL  
KITCHENS

Teppo Soini  
PRODUCTION  
DIRECTOR

Mikko Erikson  
DIRECTOR | GAS PHASED  
AIR FILTRATION

Pekka Huhtela  
DIRECTOR | AIR TERMINAL  
DEVICES

Esa Huuskonen  
DIRECTOR | SELECTION  
PROGRAMS

## Risk Management

Our purpose is to identify, assess, manage and monitor material risks. The aim of risk management is to ensure business continuity and efficient operations. The risks assessed include both financial and performance risks, competition, customer expectations and requirements, and ESG risks. The risk process is carried out annually and aims to identify, evaluate and manage the Board's highest-ranked risks. The effectiveness and efficiency of risk management is assessed annually as part of the Board review.



# Climate Risks and Opportunities

Climate change presents both considerable risks and opportunities, that need to be taken into account in Climecon's business strategy. Risks related to sustainability and the impact of our operation for people and the environment are mainly found in the categories of market requirements, compliance and operational risks.

The risks recognised are both transitional and physical climate risks. Transition risks are those associated with the pace and extent at which an organisation manages and adapts to climate change. Transitioning requires policy and legal, technology and market changes to address mitigation and adaptation requirements related to climate change, which presents both a major risk and opportunity to Climecon – an opportunity arising from ability to meet the needs of changing market demand for energy efficient products with reduced environmental impacts – and a risk associated with the regulation increasing need for resources.

Physical climate risks are divided into acute and chronic risks. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events. Chronic physical risks refer to longer-term shifts in climate patterns, such as sustained higher temperatures. Acute physical risks are less imminent to Climecon as we operate in Finland, where extreme weather events, such as heat waves, floods or hurricanes, have not been occurring. However, in the long-term, chronic physical risks may become more frequent. Therefore, physical climate risks are assessed regularly.

We discovered a multitude of climate risks that may impact Climecon's operations. The risks are divided by time horizon, magnitude, and location in the value chain. Risks associated with Climecon's operations can be found below.

Risk	Time horizon	Location in the value chain	Magnitude	Description	Primary response to the risk
<b>Transitional Climate Risks</b>					
Changing customer behaviour	Medium to long-term	Downstream value chain (distributors or customers)	High impact	Stakeholders want to ensure their supply chain operators' values are in line with theirs. If green transition is not taken into account in the business operations and product development, it may decrease the interest of stakeholders.	More ambitious environmental commitments  Develop new products/ services
Changes to national and international legislation	Short to medium-term	Direct operations (our own operations)	High impact	The national and international legislation are putting emphasis on environmental impacts, energy consumption, and environmental data. This has an impact on investors and stakeholders' purchase decision, as they want to ensure the products are compliant with laws.	Introduce/strengthen environmental incentives  Greater compliance with regulatory requirements
<b>Physical Climate Risks</b>					
Increased cost of raw materials	Medium-term	Upstream value chain (suppliers)	Medium impact	The cost of raw materials may change due to a multitude of reasons, for example the scarcity, changes in legislation, and geopolitical instability. Scarcity may also push us to find more sustainable material options.	Increase supplier diversification  Increased use of sustainably sourced materials

Risk	Time horizon	Location in the value chain	Magnitude	Description	Primary response to the risk
Heat stress	Long-term	Direct operations (our own operations)	Low impact	Sustained higher temperatures may impact Climecon's employees health and reduce productivity.	Modernisation of production sites

On the other hand, efforts to mitigate and adapt to climate change also produce myriad of opportunities for Climecon. For example, resource efficiency, rigorous waste management, and investing in energy self-sufficiency may decrease operational costs. Moreover, brands known for sustainability often emerge as leaders in their industries, setting standards and influencing market trends. As such, by investing in the development of sustainable product schemes and committing to sustainability in business operations, Climecon is able to enhance its brand value, which may lead to stronger competitive advantage, improved market shares, and new market entries.

## Climecon-wide Policies, Initiatives, and Guidelines

Climecon follows a set of policies, initiatives, and guidelines designed to enhance efficiency across the entire business. These frameworks guide our efforts to minimize negative impacts while maximizing positive contributions to people and the environment, in order to contribute to a more sustainable economy.

The Board adopts overarching policies that outline key principles and strategic direction, while more detailed guidelines expand on specific areas. The CEO, Board, and designated Climecon teams are responsible for implementing these governing documents. All employees are informed of these policies, which are reviewed and updated as necessary.

Document	Document owner
<b>Policies</b>	
Supplier Code of Conduct	CEO
Code of Ethics	CEO
Information Security Policy	CEO
Procurement Policy	CEO
Quality and Environmental Policy	Quality Manager & Sustainability Specialist
<b>Initiatives</b>	
SBTi	Sustainability Specialist
<b>Guidelines</b>	
Climate Roadmap	Sustainability Specialist



# Practices – Application of Governing Documents in Operations and Decision-making

## Environmental Policy

We are committed to operating in accordance with the UN Sustainable Development Goals. This is evidenced by the company's commitment to the Science Based Targets initiative. By 2030, we will reduce all direct emissions (Scope 1) and emissions from purchased energy production (Scope 2) by 42% compared to 2023. In addition, we will set a public target for reducing emissions from the value chain (Scope 3), according to which we will reduce emissions from Climecon's value chain by 30% by 2030 compared to 2023.

We are constantly looking for ways to improve our operations to save natural resources and reduce the environmental impact of the production, distribution, use and waste management of our products. This is why we take sustainable principles into account in the product development and manufacturing, procurement and cooperation arrangements.

We develop our products so that our customers' environmental goals are met. We offer our customers product solutions that reduce environmental impacts during use, are long-lasting, and whose reuse after use would be environmentally friendly. Environmental information related to the products is easily accessible to the customer. We design our products towards compliance with needs and optimised energy use.



We develop and streamline our operations so that the use of energy, raw materials and supplies in production is efficient and environmentally friendly. We sort the waste generated into separate containers by waste type according to the instructions. In addition, we take circular economy thinking into account in our design so that we strive to utilise recycled materials in the manufacture of products.

In our operations, we comply with legislation and regulations, and monitor their development. We take into account the expectations and requirements of customers and the surrounding society in our operations.

Management and personnel are committed to the SBTi goals and the continuous development of solutions that increase environmental well-being. We continuously monitor the development of environmental impacts and react to changes. We regularly assess the performance of our environmental management system and compare it with the set targets. In order to implement continuous development, we follow an environmental program. The goals defined in it are reviewed regularly as part of the company's strategic plan. The goals are derived from the environmental objectives, which we focus on annually in our operations.

## Climate Roadmap

Climate Roadmap was introduced as the first step of purposeful climate work. We have defined a set of clear environmental actions that will help us reduce our climate impact. Climecon's goal is not only to continue as a carbon-neutral company in terms of its own operations; we want to find out how we can improve the sustainability of our supply chain and reduce unnecessary emissions beyond our operations.

With the help of Climate Roadmap, Climecon has been able to reduce its energy expenditure of its operations, increase recycling rate, and increase value chain dialogue. Moreover, efforts in order to lower emission from raw materials and switching to fossil free logistics have been taken. The goals are described in more detail in Climecon's Climate Roadmap.

## Our Way of Working

Climecon's vision is to be a responsible trendsetter in human-centric ventilation. With Climecon's spirit, courage, uncompromising attitude, and caring, we manufacture the world's best indoor air solutions in Finland. We take the well-being of people, buildings and the environment into account in our indoor air design. Our tested, high-quality products and competent service are the foundation on which we build effective cooperation with our customers and partners.

The quality policy provides general guidelines for quality management, the aim of which is to ensure the success of our vision, as well as that the company's operations comply with current legislation, official regulations, general industry practices and ethical principles. Climecon's Board of Directors creates operating conditions that ensure circumstances that meet the requirements of this quality policy. We are committed to continuously developing our products, operations and quality management system. Successful quality work is reflected in the achievement of KPI goals, for example, in delivery reliability, brand awareness and customer satisfaction.

To achieve comprehensive quality performance, Board requires a commitment to quality from both itself and every Climecon employee. The company’s management is obliged to take immediate and sufficient measures to rectify incorrect operating methods or defects in any function or work performance. The CEO is responsible for implementing the quality policy in the company’s Board of Directors and operations.

# Code of Ethics

Climecon is built on a strong foundation of values and moral principles. The way we act and the choices we make as individuals and as a company define us and are a concrete manifestation of our ethical principles.

Climecon is committed to conducting business in accordance with the highest standards of ethics, integrity and responsibility. Our ethical guidelines support responsible decision-making. Climecon’s Code of Ethics complement the applicable legislation and inform our way of operating. The ethical guidelines are complemented by other internal policies and guidelines. We conduct our business ethically and strive to be a positive actor in communities and society. Every employee of Climecon is committed to complying with the ethical guidelines for business operations and we are each responsible for adhering to good business practices.

## Our ethical principles are tied to our values

### CARING

- We emphasise a human-centered, communal and responsible way of operating.
- A caring company invests in the well-being of its employees by offering good working conditions, flexible work arrangements and the necessary support.
- Our tested high-quality products and competent service are the foundation on which we build effective cooperation with our customers and partners.
- We take the environment into account in the development and manufacturing.

### COURAGE

- Courage enables change and means talking openly and transparently about even difficult topics.
- Open dialogue increases trust and commitment between Climecon and its employees, and thus improves well-being at work and equality.
- Our expertise and long experience also give us the courage to develop even further.

### UNCOMPROMISING ATTITUDE

- We are committed to honesty and ethical behavior. We ensure that the rights of our employees and those of our partners are respected.
- Uncompromising means not giving up, even when it is difficult. We strive for better solutions for a comfortable, safe, and healthy indoor environment. We make human-centered ventilation solutions.

The Code of Ethics covers all themes related to the industry we work in. These topics include human rights issues, product quality and safety, ethical marketing and fair competition, processing and protection of personal data, corruption and anti-bribery, and fair and safe workplace.

## Deviation Form

Safety and quality are the upmost priority in Climecon's operations. Therefore, we introduced an electronic deviation form to ensure actions are taken, when any safety hazards or product quality flaws are detected. By doing this, we take any safety precautions and measures before accidents happen. Deviation form also helps in detecting quality non-conformities early in the production process, which reduces the generation of waste materials.

## The Board Review

The board review is part of the Board of Directors' annual activities, and through it the company ensures the functionality of the quality and environmental management systems, suitability with the quality and environmental policy and changes in operating circumstances. In addition to risks, the Board review includes assessment of quality, efficiency and results of operations, as well as the management and efficiency of environmental and occupational health and safety issues. These results are compared with the objectives and the necessary development actions are determined for those areas where improvement opportunities are identified. The Quality Manager and Sustainability Specialist facilitate the board review.

## On-site Audit Results

We want to ensure excellent quality on our products and processes. Thus, we conduct several internal and external audits annually related to our products and accredited environmental (ISO14001) and quality (ISO9001) certificates. In 2024, five internal and two external on-site audits were conducted at our locations. In our 2024 external audits, we received no non-conformities, which reflects on our ambitious and enhanced quality management system. We have improved the efficiency of our quality management system. We have moved to conducting an internal audit of all operations once a year, which gives us the opportunity to implement quality improvement measures in a faster cycle.





# Sustainable Procurement

We are a manufacturing company, so the most significant environmental impacts come from the materials we purchase. That is why it is of paramount importance to plan climate actions to reduce emissions in our value chain. The domestic content of our products is over 85% and the majority of our suppliers and other partners are domestic. We have chosen reputable Finnish companies as our partners, because we want to support Finnish work and growth. Furthermore, close value chain relationships means that we have a better grasp of our operations social impact and enables us to take action in any non-confirming situations. We evaluate supplier performance annually. This includes both new and existing suppliers, with product quality, reliability, and sustainability perspectives assessed. In the future, we will strengthen our cooperation with suppliers who act as responsible trendsetters in their own industry.

## Supplier Sustainability Survey

Dialogue is an important element in enabling sustainable business development. In 2024, we carried out our first sustainability survey to map out the current state of our value chain. All our key suppliers answered the survey. 79% of respondents tell that over 50% of their products are manufactured in Finland, and vast majority report that the raw materials come from Finland and Europe. This is also largely seen as a way to control supply chain sustainability. Most suppliers (68%) report having set environmental goals, which mainly target reduction of waste, emissions and energy expenditure, increase of waste recycling, and increase of circular economy in production. The survey results show that the majority of respondent companies have started their path in sustainability, especially in order to minimise environmental impacts.

# Supplier Code of Conduct

Our Supplier Code of Conduct forms the framework for all our suppliers and sets out standards of behaviour. It covers topics relating to legal compliance and disclosure, human rights issues, business ethics, and environmental matters. The aim is to commit our partners to ethical principles and sustainable development. Our goal is that all our suppliers will have signed the Code of Conduct by 2026. Our Code of Conduct has been approved by the Chief Executive Officer.

## Collaborations and Memberships

Collaboration with customers, suppliers, industry players and other stakeholders is crucial for developing operations and business in a sustainable direction. As such, Climecon forms an important part of a number of networks in Finland.

- Finnish Building Services Industries and Trade (Talteka)
- Vastuu Group's Reliable Partner 2.0
- Growth Collective
- Suomalainen työ ry
- The HVAC Association of Finland (SuLVI)

Among business-related memberships, Climecon is an active supporter of John Nurminen Foundation and Keep the Archipelago Tidy Association, which protect Baltic Sea marine life and Finnish inland waterways.

# Sustainability KPIs Reviewed Annually

Sustainability KPI	2024	2023	2022	Goal
General				
Total net sales	13.2M€	13.5M€	15.5M€	18M€ in 2028
Sustainability Data				
EPD coverage	48% of revenue formed from EPD calculated products	26% of revenue formed from EPD calculated products	29% of revenue formed from EPD calculated products	100% of revenue by the end of 2025
EcoVadis rating and points	Bronze medal, 62/100	N/A	N/A	Silver medal in 2025
Carbon & Energy Efficiency				
Scope 1, 2 & 3 GHG Emissions in absolute terms (tons CO <sub>2</sub> e/year)	2342.6 tCO <sub>2</sub> e	2577.9 tCO <sub>2</sub> e	5039 tCO <sub>2</sub> e	Maximum 1782 tCO <sub>2</sub> e in 2030
Climate impact, tonnes of CO <sub>2</sub> e /M€ sales (Scopes 1, 2 and 3)	175 tCO <sub>2</sub> e/M€	190 tCO <sub>2</sub> e/M€	325 tCO <sub>2</sub> e/M€	Lower than previous year
Climate impact, tonnes of CO <sub>2</sub> e, Scope 1	12 tCO <sub>2</sub> e	16 tCO <sub>2</sub> e	5 tCO <sub>2</sub> e	Maximum 9 tCO <sub>2</sub> e in 2030
Climate impact, tonnes of CO <sub>2</sub> e, Scope 2	144.5 tCO <sub>2</sub> e	161.4 tCO <sub>2</sub> e	32 tCO <sub>2</sub> e	Maximum 93 tCO <sub>2</sub> e in 2030
Climate impact, tonnes of CO <sub>2</sub> e, Scope 3	2186.1 tCO <sub>2</sub> e	2400.5 tCO <sub>2</sub> e	5001 tCO <sub>2</sub> e	Maximum 1680 tCO <sub>2</sub> e in 2030
Direct energy consumption, electricity, MWh	521 MWh	573 MWh	587 MWh	Lower than the previous year
Direct energy consumption, heating MWh	420 MWh	596 MWh	511 MWh	Lower than the previous year
Renewable Energy Usage (% of total energy)	58%	65%	92.5%	100% in 2025
Self-generated electricity	63 MWh	65 MWh	63 MWh	
Waste Management & Circular Economy				
Total volume of non-hazardous waste, tonnes	21.6 t	156.9 t	135.6 t	Lower than the previous year
Hazardous waste, tonnes	52.7 t	100.9 t	101.7 t	Lower than the previous year
Waste sorting rate, total, %	7%	N/A	N/A	
Material Efficiency				
Material Waste Reduction	23.8%	23.3%	27.2%	20% steel waste rate
Responsible sourcing				
Supplier Sustainability Compliance (% of suppliers with EPDs & LCA data)	71%	42%	N/A	
Suppliers that have adopted Climecon's Code of Conduct	55%	N/A	N/A	100%



Sustainability KPI	2024	2023	2022	Goal
Employee well-being				
Staff turnover, %	8%	13.6%	16.8%	< 10%
Proportion of employees with collective agreements	100%	100%	100%	100%
Proportion of employees trained in sustainability	100%	0%	0%	100%
Employee satisfaction	4.72/6	4.67/6	N/A	> 4.5/6
Workplace Safety & Well-Being				
Total recordable injury frequency rate (TRIFR)	8.4	25.9	35.5	Zero vision
Employee Safety Training Participation	100%	100%	100%	100% of employees trained
Sick Leave Rate (% of Workdays Lost)	4.3%	7%	5.9%	< 4%

N/A = Measurement data not available or not applicable



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“We ensure that our actions today  
build a responsible future.”

Emma Piha  
Sustainability Specialist