



Sustainability targets and outcomes 2019

Sustainable development and production are natural elements of Nederman’s business activities. Although the greatest environmental impact stems from our customers when they use our air filtration solutions during extended operations, it is essential that we can show tangible progress in our own business.

The internal collection of data is mandatory for all production units and is primarily carried out through quarterly reports and reviews. An important part of this work is also to explain openly Nederman’s results within the central sustainability areas.

In 2019, we revised our sustainability strategy and expanded the targets and key figures.

Outcome in 2019 in the area of Compliance

Area	Outcome 2019	Targets and main governance
Anti-Corruption & Anti-Fraud	<p>All employees must undergo training in anti-corruption and anti-fraud every two years (the next training is planned in 2020).</p> <p>Supplementary internal controls are carried out to assess business processes and policies in order to ensure that our business activities are conducted according to the guidelines.</p> <p>In 2019, no cases (0), were reported of material breaches of regulations and conditions resulting in legal consequences or fines.</p>	<p>Zero tolerance applies to all type of bribery, corruption, cartel and other criminal behavior.</p> <p>Knowledge about relevant Group policies and the Code of Conduct is a requirement that is ensured through recurring training sessions for all employees.</p>

Code of Conduct	<p>All employees must undergo training in our Code of Conduct. By the end of 2019, 84% of the Group's employees had completed the training.</p> <p>This training initiative continued in 2019, in order to raise the lowest level for ourselves and to bring in new employees.</p>	<p>Nederman's Code of Conduct summarises the policies related to social conditions, employees, respect for human rights and countering corruption. It is a requirement for all employees and business partners to comply with the Nederman's Code of Conduct.</p> <p>In line with this target, new employees underwent training sessions during the year.</p>
Code of Conduct for suppliers	<p>By the end of 2019, the proportion of suppliers that have signed Nederman's Code of Conduct for Suppliers was 93 % (compared with 86 % in 2018).</p> <p>Suppliers' compliance with this requirement is checked through audits and other measures. Some 56 (50) supplier audits were carried out in 2019.</p> <p>During the year, Nederman's Code of Conduct has been evaluated and strengthened.</p>	<p>Work only with suppliers that ascribe to the applicable sections of Nederman's Code of Conduct for Suppliers (100 % in 2020).</p> <p>Securing that suppliers live up to this requirement is done by audits, both internal and external, as well as supplier audits.</p>
Compliance (in general, incl. environmental compliance)	<p>Zero (0) cases of significant violations of laws and permits, including environmental compliance, that have led to legal sanctions were reported in 2019.</p> <p>No unforeseen emissions (0) occurred during the year.</p>	<p>Ensure good governance in terms of general compliance to prevent legal sanctions or fines.</p> <p>Nederman's success relies upon its ability to conduct legitimate business in compliance with applicable laws. Local governance in accordance with the Code of Conduct and local legislation. Local compliance evaluations are regularly followed up in order to identify risk of breaches and report accordingly to Group Compliance officer.</p>
Whistleblower cases	<p>Nederman has an internal process for reporting suspected violations of the Code of Conduct.</p> <p>In 2019, few reports of suspected breaches of the Code of Conduct</p>	<p>The Group's whistleblower system was revised and reinforced during the year, enabling every employee, customer, partner and</p>

	were received. Each report is carefully reviewed in order to identify any possible non-compliance and is followed by relevant and proportionate measures.	supplier to report suspicions of legal or judicial violations.
Discrimination	Refer to above, Whistleblower cases.	Zero tolerance applies to discrimination (reported and reviewed cases). Local governance in accordance with the Code of Conduct. Reported cases are dealt with at central level.
Freedom of association	No units have been deemed to be at serious risk of violating the right of association. However, there are certain legal limitations to the right of association in China.	The right to freedom of association, trade union representation or other personnel representation as well as collective bargaining in accordance with the Code of Conduct.
Human rights, child labor and forced labor	Zero breaches (0) were reported in 2019.	Zero tolerance applies to child labor and forced labor, which is also seen as an area of particular importance in the supplier reviews and/or audits.
Innovation, incl. environmental studies of products and solutions	Nederman's products and solutions are used continuously for many years. Nederman is therefore working actively to develop products and solutions that are as effective as possible and that provide a competitive total cost of ownership over the life of the product.	The target is that products having reached their maximum life represent the start of something new by way of components that can be recycled.
Management systems	At the end of 2019, all production units were certified according to ISO 9001 except one (total 15 of 16, including acquisitions), and 13 of 16 units were certified according to ISO 14001. Furthermore, the parent company and a sales company were certified according to ISO 9001 and ISO 14001.	The target is that all manufacturing units, and the mother company, will have an ISO 9001 and ISO 14001-certified management system. Acquired companies are to be certified within a two-year period. Yet another sales company and its related manufacturing

	<p>The certification means that the Group's quality and environmental work must be continuously improved and that the outcome must be reported annually.</p> <p>All processes were assessed and modified in 2019 based on the new organization. Over the past year, shared performance measures for all divisions were updated with the relevant methods and ownership in order to measure and assess process performance, ensure reliable results, share best practice and identify improvement needs.</p>	<p>operations and warehouse will undergo certification in 2020. The remaining production units are working on achieving certification.</p> <p>Areas which currently are the focus of the Nederman's internal environmental work are products and their life cycle, transport, suppliers and manufacturing including energy, and waste and emissions. Nederman also focuses on ensuring that the requirements are met, processes are evaluated and leadership is developed in order to engage, lead change and promote improvement.</p>
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The Clean Air Company

Our promise - contributing to a sustainable future

Clean air is a cornerstone of sustainable production. Our customers want to boost profitability by making their operations as efficient as possible. They want to meet high environmental standards and keep employees safe from fumes and dust. Nederman can help them on all counts. That's how we create value.

The Clean Air Company - Vision 2025

Nederman celebrated its 75th anniversary in 2019. From the very beginning, the business idea was clean air. Today, the environment and sustainability are more relevant than ever and the demands are increasing to contribute actively to more efficient production and reduced emissions in industry. The next generation of solutions for clean industrial airflows is under development. Nederman is at the forefront of this development.