



 **ETS NORD**

Sustainability Report

2025



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Letter from the CEO

ETS NORD AS is a rapidly developing technology company that creates healthy and sustainable indoor-climate solutions. We are committed to digitalising the entire value chain – from systems modelling, supply and manufacturing processes to logistics, commissioning and maintenance.

The year 2025 turned out to be a challenging and intensive working year for ETS NORD. Although the Nordic economy showed some signs of stabilisation and recovery during the year, we could not yet speak of rapid economic growth. In such an environment our focus was on continuity, responsible decisions and the creation of long-term value.

During the year we carried out several strategic initiatives launched in earlier years. The Swedish market proved promising in the second half of the year – demand there returned to growth and Sweden became ETS NORD's fastest-developing region. One of the key achievements of 2025 was the completion of the new Research & Test Centre (Research HUB) in Tallinn. We strengthened cooperation with designers and started implementing a new CRM system that improved the efficiency of our sales and client-management processes and increased transparency across the entire client journey. In the Finnish market, the share of RECAIR solutions in the air-handling-unit segment grew across an increasing number of projects, strengthening our position in the local construction market.

In 2025 the company continued its sustainability journey, reducing the company's CO₂ footprint and increasing the use of renewable energy. We have set an objective to raise the share of product sales covered by EPD certificates to 90%. Due to the scope of the project, its implementation continues in 2026.

Our experience proves that transparent and data-driven sustainability management is a responsible and effective business practice and a natural part of ETS NORD's business model. Every energy-efficient unit helps our clients avoid excessive energy consumption and carbon emissions during the product's expected lifetime of approximately 25 years.

The group's revenue reached almost EUR 75 million and our reporting-year average full-time equivalent (FTE) grew to 486 people in Finland, Estonia, Sweden and Dubai.

In 2026 our focus will be on several important commercial development directions. We aim to significantly grow the sales volumes of ventilation solutions for the catering and food industry, set up maintenance and after-sales in Estonia and Finland as stand-alone units, and increase their operational volumes. We also plan to launch the manufacturing of air-handling units (AHUs) in Tallinn in order to serve the Baltic and Swedish markets more efficiently. To increase the share of renewable energy and security of supply, we continue to develop solar-energy generation and set up a battery park for electricity storage, which help mitigate energy-price and supply-related risks and support uninterrupted manufacturing.

In the sustainability field, we plan to take steps towards systematisation in 2026. We will extend the implementation of energy-use measurement in the production process and increase the share of renewable energy usage. The double materiality assessment (DMA) conducted in 2025 provided us with a clear framework for further development. As a result, we identified 13 material sustainability topics. For each topic we have documented the

material impacts, risks, opportunities, targets and metrics.

On the operations side, we continue to optimise processes and to strengthen procurement terms. In administration and human resources, we focus on digitalisation and automation of activities, including the deployment of artificial intelligence. In product development, the focus in 2026 is on improving the silencer and diffuser product lines, based on the principles of energy efficiency, acoustics and ease of use.

We also pay separate attention to initiatives that significantly increase cost-efficiency and to the optimisation of transport and logistics. For 2026 we have set the objective of at least 10% sales growth and a better utilisation of the additional capacity created by previous investments.

2025 clearly confirmed that sustainability, economic resilience and technical competence are not separate objectives, but the foundational pillars of a unified, strong and future-proof company. With the support of these principles, ETS NORD continues to pursue responsible growth and to create long-term value for clients, employees and society.



Urmas Hiie
CEO, ETS NORD AS

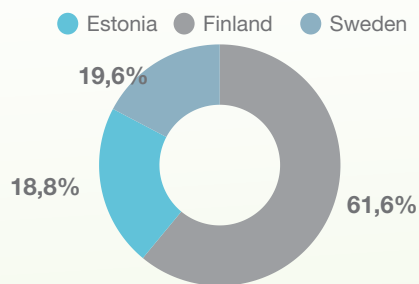
Who we are and what we offer

ETS NORD is one of the largest providers of integrated ventilation solutions in Northern Europe. The headquarters, R&D unit and largest manufacturing site of our rapidly developing production and technology company are located in Estonia. In addition, there are sales, manufacturing and logistics units in Finland and Sweden, and a representative office in the United Arab Emirates.

Revenue 2025:

74,9 million €

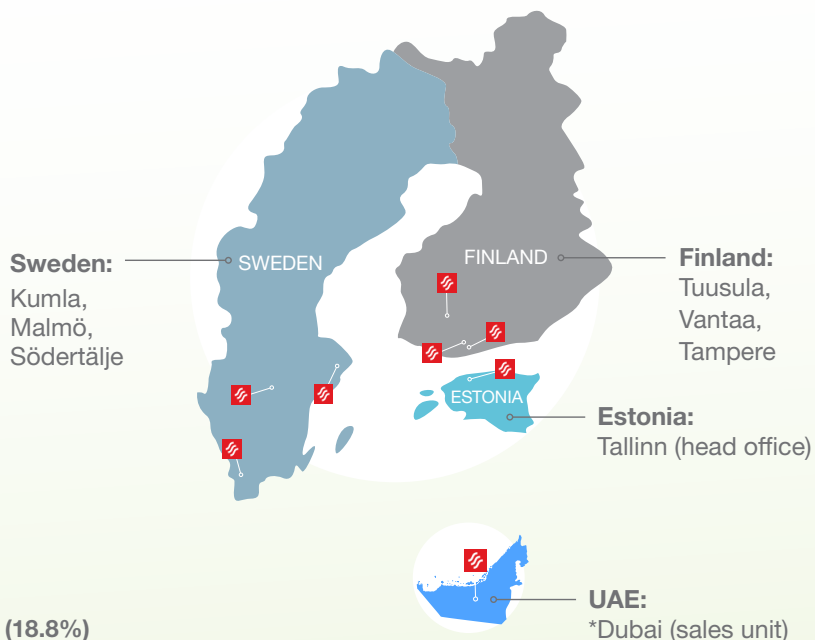
Revenue by market:



Estonia (incl. exports) EUR 14.1 million (18.8%)

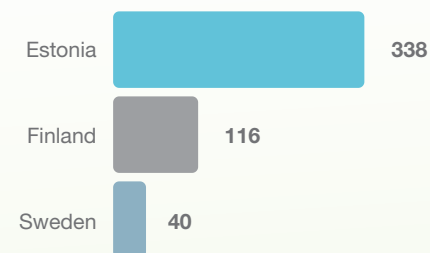
Finland EUR 46.1 million (61.6%)

Sweden EUR 14.7 million (19.6%)



Number of employees as at 31.12.2025:

494



* The Dubai unit is shown for information purposes only. Due to its small share, it is not included in the other indicators.

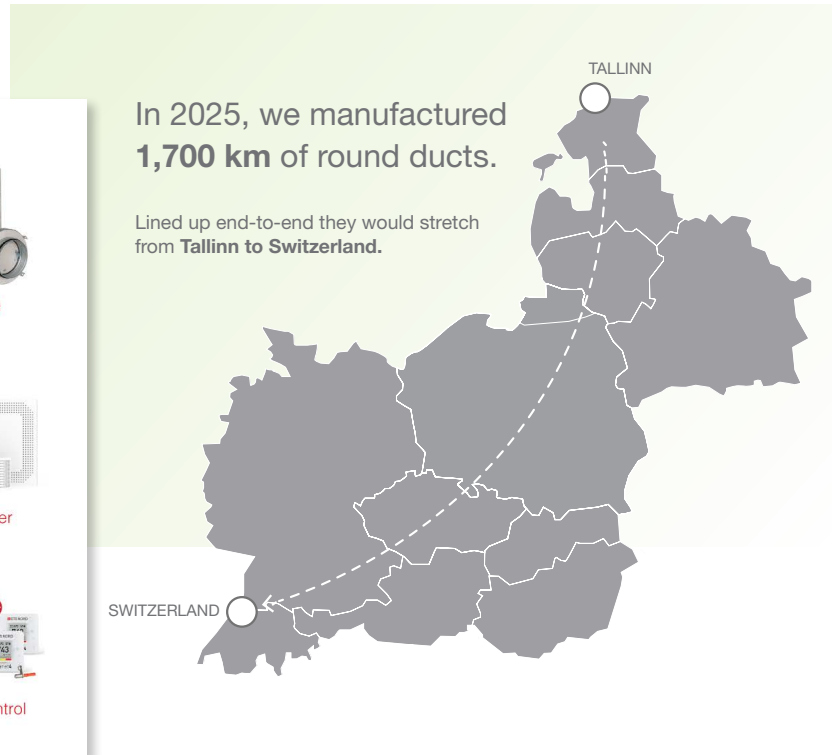
Our products

Our product portfolio is largely based on the company's own production (approximately 90%), which makes it possible to offer flexible and high-quality ventilation solutions both for standard needs and for special projects. To fulfill daily orders quickly, we keep around 3,000 standard products in stock, covering roughly 90% of clients' daily needs.

In addition, we produce 50,000 – 60,000 unique products annually, including canopies for professional kitchens and bespoke ventilation solutions. Our products are conveniently available in digital tools as well: around 112,800 SKUs are available in the webshop, and 315 products are available in the MagiCAD design environment, on the basis of which up to 19,000 products with different dimensions and configurations can be created.

Our heat-recovery ventilation units provide high-quality indoor climate, help save energy and thereby also reduce heating costs. In addition to conventional materials, we also use special materials in production, which make it possible to install our products in specific environments – for example in humid spas and swimming pools, as well as in restaurant kitchens with very high temperatures and fire risks.

We are an experienced and reliable partner throughout the entire project, from the planning phase to product installation and technical service.



General information

Basis for preparation of the report

(ESRS 2 BP-1, BP-2)

This Report has been prepared on the basis of the methodologies set out in the European Sustainability Reporting Standards (ESRS). ETS NORD is not a subject of mandatory, audited sustainability reporting, but prepares the Report voluntarily in order to present comparable and transparent information on the company's material impacts, risks and opportunities and on their management. For ETS NORD, it is important to act transparently and comparably and to be a company oriented towards sustainability and long-term value creation for all of its partners.

Scope of the report

(ESRS 2 BP-1)

The scope of the report covers ETS NORD's operations in Estonia, Finland and Sweden. The impact of the United Arab Emirates unit on the group's activities during the reporting period has been assessed as marginal and is therefore not included in this report. If the unit's volume of operations or impact grow in the future, the scope of the report will be reviewed and extended accordingly.





Our mission

We improve the living environment by creating the best indoor-climate solutions.



Our core values

Partnership

- Our strength lies in our dedicated team working towards a shared goal.
- We respect and trust each other.
- We acknowledge our colleagues' achievements and a job well done.
- We value diversity and care about our partners, colleagues, suppliers, clients and the community.

Responsibility

- We are committed to continuous learning and growth.
- We provide innovative and high-quality products and services.
- We are committed to always keeping our promises.
- We take full responsibility for our actions.

Sustainability

- We are committed to reducing our environmental impact.
- We are creating sustainable and energy-efficient solutions for our partners.
- We are systematically moving towards a circular economy by using recyclable materials and reusable components.
- Our solutions support adaptation to climate change by improving indoor air quality and living conditions.

Openness

- We are open to new ideas and possibilities.
- We are always ready to expand our knowledge.
- We encourage innovation and creativity

Environmental footprint of our products – EPD

An EPD (Environmental Product Declaration) provides a detailed overview of a product's environmental impacts, from the sourcing of raw materials through use to end-of-life waste management. In Scandinavia, EPDs are already widely used and they are also becoming increasingly important in Estonian tender procedures. For this reason we have calculated EPDs for a large share of our products.

By the end of 2025, approximately 75% of ETS NORD's sold products were covered by EPDs or carbon calculations. In 2025, we launched a process aimed at raising this figure to at least 90%. This means that transparent and reliable data on environmental impacts will be available for an even larger share of our products.

The availability of EPDs enables clients to make more environmentally conscious choices, supporting greener and more sustainable projects. They are also an important part of carbon calculations and help meet the requirements of various green building certifications (e.g. LEED and BREEAM).

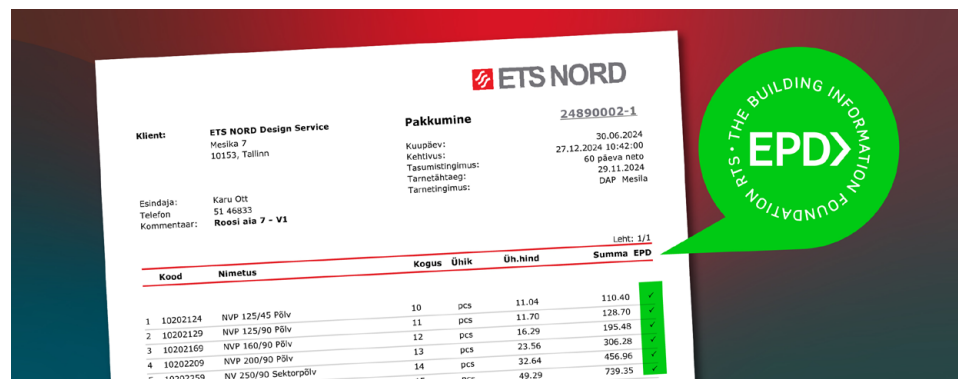
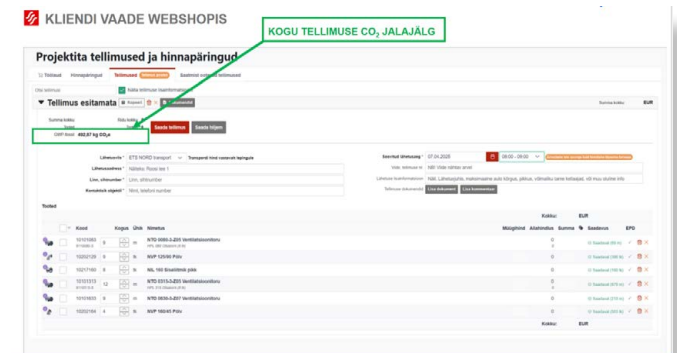
CO₂ footprint of products in our offers and orders

To ensure that our clients would not need to request EPD information separately or calculate the carbon footprint of the products purchased from us for each project, we have included EPD calculations in both, our quotations and orders.

A tick mark at the end of each line in these documents indicates that the product has an available EPD or a calculated carbon footprint. At the end of the document, the GWP-fossil (Global Warming

Potential) value for the entire project is shown. This gives the client a clear and quick overview of the potential impact of the ordered products on global warming.

Thanks to this, clients can assess the environmental impact of projects already at an early stage and make informed choices, preferring products with a lower carbon footprint.

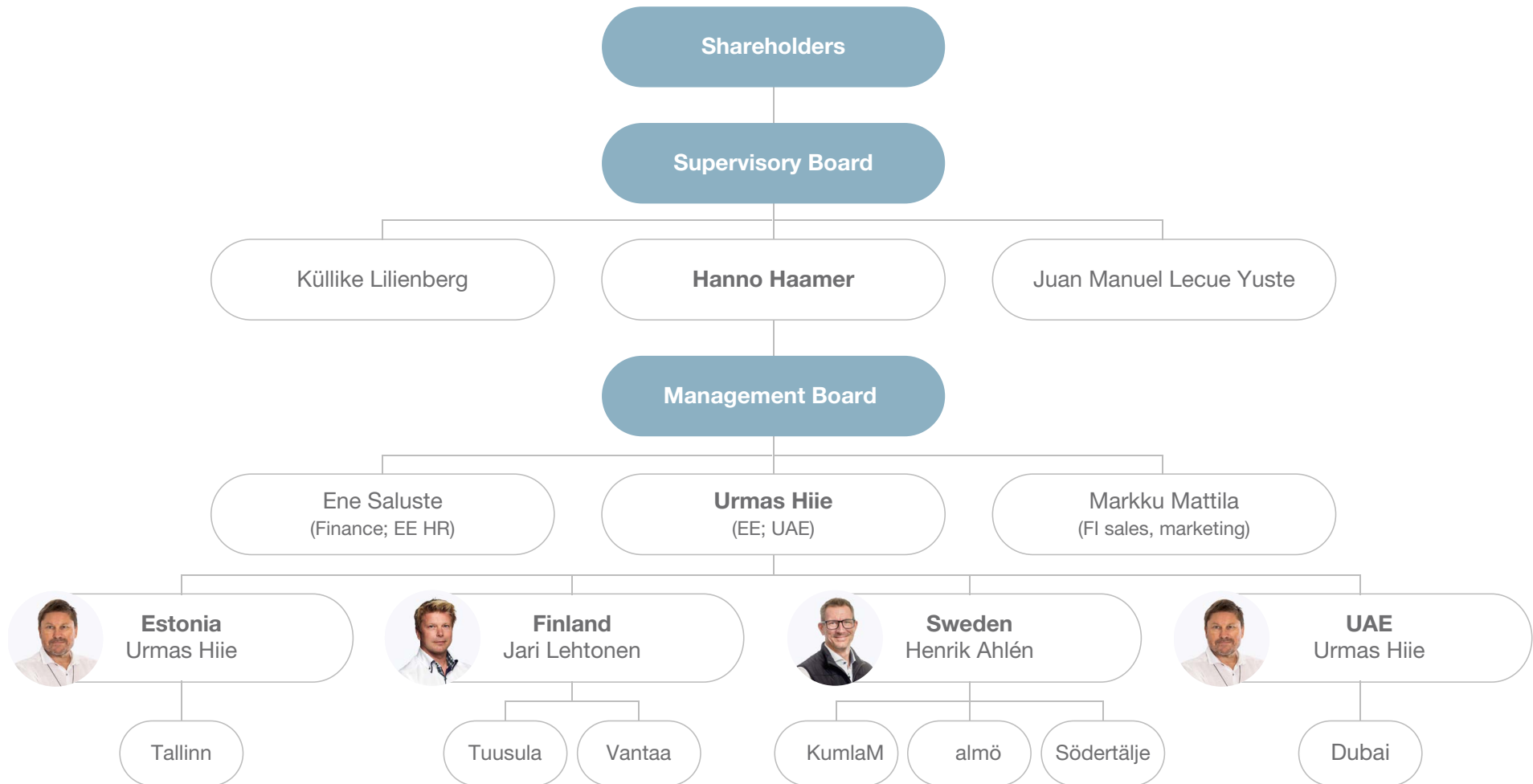


Client-centric and sustainable business practices

Economic and social metrics	2021	2022	2023	2024	2025
Revenue (thousand euros)	59 152	70 482	64 862	66 206	74 909
Revenue per employee (thousand euros)	151	163	139	137	154
Revenue growth, %	21	19	-8	2	13
Operating profit (thousand euros)	4 267	5 524	1 994	1 483	1869
Operating-profit margin, %	7	8	3	2	2
Sick-leave index* (% of working days)	10	8	8	7	7
Employee satisfaction (1-5 scale)*	4	4	4	4	4
Social tax (thousand euros)*	2 109	2 670	3 019	3 261	3690
Healthcare expenses (thousand euros)*	161	189	202	240	220
Work environment improvement costs (thousand euros)*	19	20	38	41	36
Client satisfaction index (on a scale of 1-5)*	-	4,6	-	4,6	-
Net Promoter Score (NPS)*	-	64	-	81	-

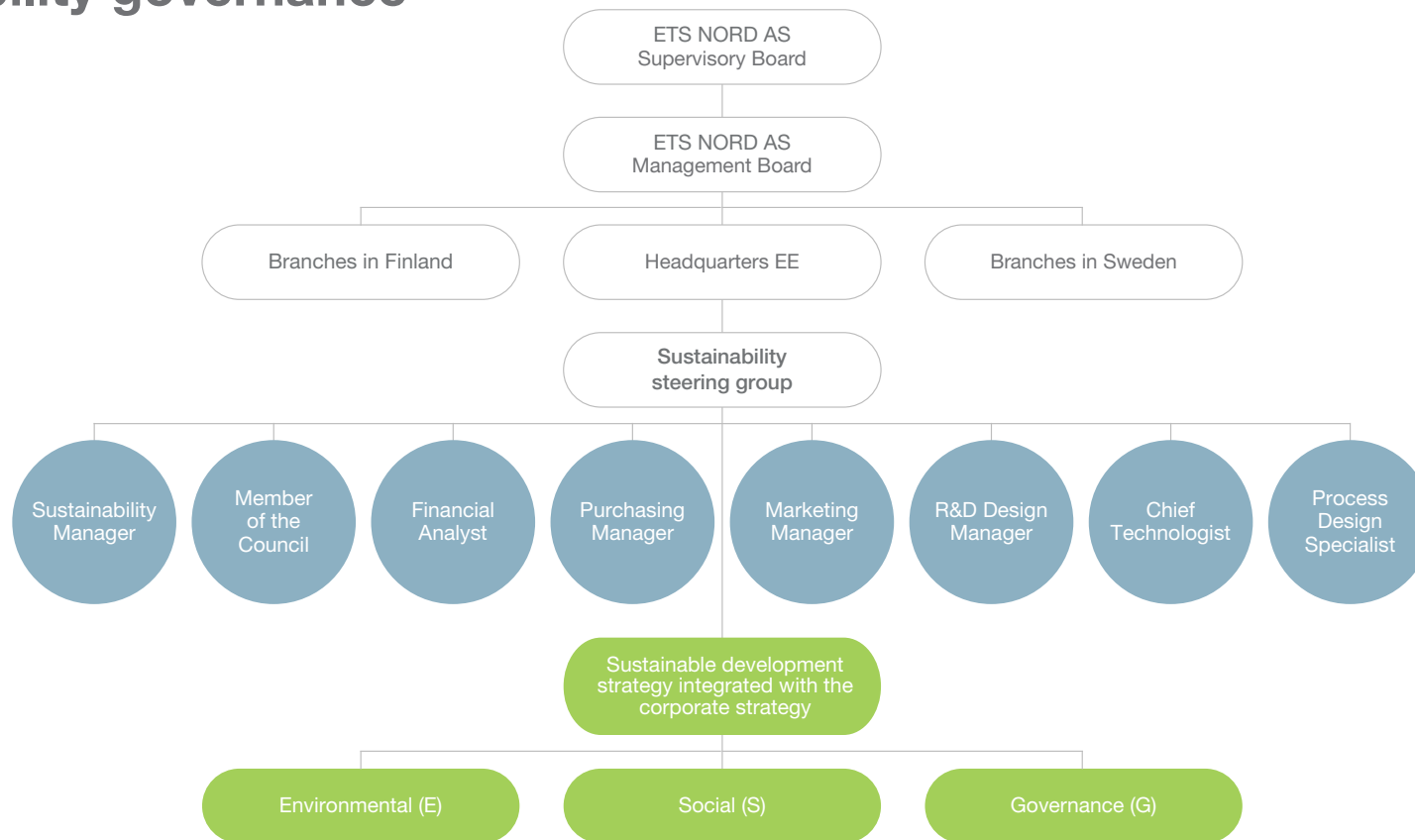
Management and supervisory bodies

(ESRS 2 GOV-1)



Sustainability governance

(ESRS 2 GOV-2)



Sustainability management is integrated into ETS NORD's overall governance and is coordinated by the **Sustainability Steering Group**, which supports the handling of sustainability topics across the entire organisation.

The Management Board and the Supervisory Board play a central role in the strategic management of sustainability. Sustainability-related topics are on the agenda of the Management and Supervisory Boards at least once a quarter, and at least once a year a comprehensive strategic review is carried out, during which the achievement of objectives is assessed, priorities are confirmed and, where necessary, the allocation of resources is adjusted.

Sustainability-related objectives and indicators are gradually integrated into day-to-day KPIs and the management of sustainability risks is part of the company's overall risk-management system (e.g. CO₂ indicators, waste quantities, occupational-safety and other indicators).

The Sustainability Manager is responsible for managing sustainability-related risks and for compliance with sustainability-reporting requirements. Day-to-day risk management is based on a separate risk-and-opportunity assessment table and the operational action plan that supports it.

Integration of sustainability performance into incentive schemes

(ESRS 2 GOV-3)

ETS NORD has not established any separate performance-related incentive schemes that are directly linked to the achievement of sustainability objectives. The fulfilment of sustainability-related objectives is treated as part of the ordinary managerial and due-diligence duty of those responsible in each area, and is integrated into day-to-day management practices and areas of responsibility.

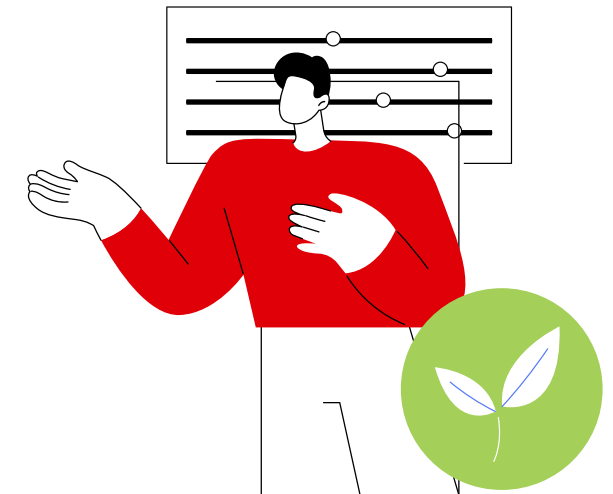
The company's remuneration system is based on a clear division of roles and

responsibilities and on the assumption that remuneration paid to employees is motivating, fair and corresponds to the responsibility associated with the position, including the fulfilment of sustainability-related objectives. The management assesses the achievement of sustainability objectives holistically, together with business and operational results, without separate financial incentive components.

Report on the fulfilment of the duty of care

(ESRS 2 GOV-4)

Core elements of due diligence	Sustainability Report chapter	See report page(s)
Integration of due diligence into governance, strategy and the business model	Sustainability governance	11
	Strategy	15-16
	Strategic objectives	17
	Business-conduct policy and corporate culture; prevention and detection of corruption and bribery	59-63
Involvement of affected stakeholders in all key stages of due diligence	Stakeholders' interests and views	18
	Description of the process for identifying and assessing material impacts, risks and opportunities	18
Identification and assessment of adverse impacts	Description of the process for identifying and assessing material impacts, risks and opportunities	19
	Material impacts, risks and opportunities	20; 22; 24; 30; 34; 40; 49; 52; 56; 59; 62; 64
Taking action to mitigate these adverse impacts	Policies-and-actions chapter under each topical standard	E1 - pp 22; 27 E2 - pp 31-32 E5 - pp 35; 38 S1 - pp 41; 48 S2 - pp 50-51 S3 - pp 54 S4 - pp 58 G1 - pp 60-67



Risk management and internal control of sustainability reporting

(ESRS 2 GOV-5)

The Sustainability Manager is responsible for managing sustainability-related risks and ensuring compliance with sustainability-reporting requirements. A strategic review of sustainability-related risks and opportunities takes place at least once a year at the level of the Management Board and the Supervisory Board, during which the achievement of objectives is assessed, priorities are set and, where necessary, the allocation of resources is adjusted, including across capital expenditure and operating costs.

Day-to-day management of sustainability risks is integrated into the company's overall risk-management system and is based on a separate sustainability risk-and-opportunity assessment table and on the operational action plan that supports it. These are used for systematic monitoring, mitigation and management of sustainability risks in day-to-day operations.



Business model and value chain

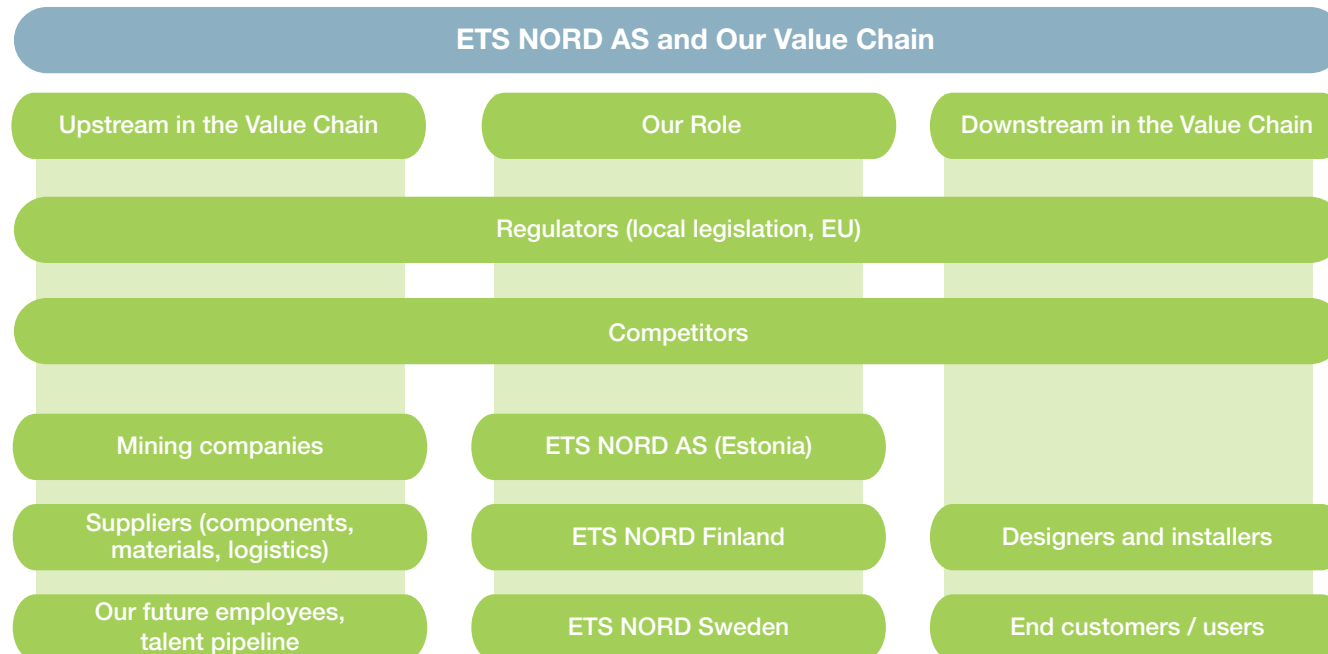
(ESRS 2 SBM-1)

Our business is centred on improving the indoor climate of buildings and supporting the lifecycle of products and projects, from design and supply through to technical support and maintenance and, where necessary, the end-of-life stage.

Our strength lies in our own manufacturing: the predominant share of the product portfolio is produced in-house. This provides flexibility and control over quality and enables us to develop solutions whose design incorporates energy-efficiency and sustainability considerations throughout. In this way we help clients to reduce the energy use of buildings and the related environmental load.

To scale the business model, we develop digital channels and user-friendly tools, including web channels, EDI integrations and service interfaces, in order to simplify product selection and to improve the availability of information throughout the entire ordering process.

Value chain. The Report covers ETS NORD's own activities and topics assessed as material in upstream and downstream stages of the value chain. Impacts, risks and opportunities related to the value chain have been assessed on the basis of the double-materiality principle and cover sourcing, supply and logistics stages as well as the use and end-of-life of products. In this way we ensure a comparable and transparent treatment of sustainability topics and create a basis for managing impacts, mitigating risks and realising opportunities throughout the entire value chain. The scope and main stages of the value chain are summarised in the diagram below and are specified in the IRO analysis of each topic (E/S/G).



The value chain includes:



Upstream parts of the value chain: extraction and production of steel and other materials, component manufacturers, transport and logistics partners



Our role: design, production, quality control, logistics and sales



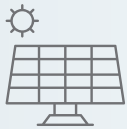
Downstream parts of the value chain: system designers, installers, end clients and building users, who benefit from improved indoor air quality and lower energy consumption

Strategy and business model resilience

(ESRS 2 SBM-3)

ETS NORD's sustainability strategy is based on long-term sustainability objectives and on reducing environmental impact. In addition, a location-based scenario analysis was carried out in 2025.

Strategic sustainability topics:



Energy-efficient and low-footprint manufacturing

Use of renewable energy in production, increasing energy efficiency in processes, and the development of energy-efficient solutions for clients.



Reducing environmental impact in the value chain

Engaging suppliers, improving packaging solutions, reducing waste generation and improving waste management.



Systematic measurement, management and reduction of climate impact

Scope 1, 2 and 3 GHG emissions across the entire value chain. Baseline year 2021.



People, skills and a strong corporate culture

Supporting employees' health, safety and well-being, developing skills, promoting diversity and equal treatment.



Resource efficiency and circular economy

Optimising material use, reducing production waste, increasing recycling and circular-economy-supportive and modular product design.



Transparent governance and ethical conduct

Strong management culture, anti-corruption principles and implementation of quality- and environmental-management systems (ISO 9001, ISO 14001).

The resilience of the business model to additional risks is assessed regularly through the double materiality assessment (DMA) and the analysis of risks and opportunities, taking into account EU regulations, changes in climate policy, trends in client demand and technological developments.

Sustainability principles

The three main objectives of ETS NORD's sustainable-development strategy are:

1

To ensure the sustainable profitability and responsible operating capability of ETS NORD.

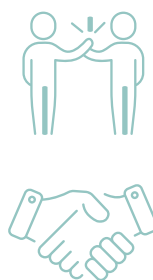
2

To develop and produce ventilation solutions that support buildings' energy efficiency and contribute to meeting the European Union's climate objectives.

3

To commit to reducing our environmental footprint and to creating a more sustainable future through innovation and the efficient use of resources.

Sustainability principles



- Client focus
- Client safety
- Responsible governance
- Employee well-being



- Environmental management
- Sustainable supply chain
- Greenhouse-gas footprint
- Social engagement
- Cyber security and data protection

Sustainability-related strategic targets

2026

- 90% of sold products have EPDs
- Automation of sustainability reporting data and creation of an annual reporting system
- Introduction of green-material opportunities
- Development of after-sales services to extend the lifetime of products

2027

- 95% of sold products have EPDs, incl the AHU series
- Crisis analysis and guidelines (incl climate-related emergencies)
- Optimisation of the footprint and EPD indicators of key products
- 20% reduction in energy consumption vs 2021 baseline year
- Increase of renewable energy share to 30%
- Creation of an emissions-reduction action plan up to 2035

2028

- 30% optimisation of EPDs
- Accreditation of the Research & Test Centre and expansion of the use of its services
- 100% of priority suppliers have signed the ETS NORD Supplier Code of Conduct

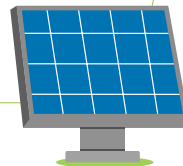
2030

- 70% reduction in the quantity of mixed waste compared with the 2021 baseline year

2050

Striving towards evidence-based climate neutrality and 100% circular economy

CO₂



Stakeholders' interests and views

(ESRS 2 SBM-2, IRO-1)

Stakeholder expectations were mapped through interviews with management and key employees, workshops, existing surveys (e.g. employee satisfaction) and regular feedback channels with clients and suppliers. We engaged stakeholders in order to map their expectations and to use the resulting input in the double materiality assessment (DMA) and in defining IROs, thereby ensuring that priority sustainability topics and management decisions were based on evidence-based feedback.

On the basis of ETS NORD's stakeholder mapping, occupational safety and equal treatment, environmental and human-rights risks arising from suppliers'

activities (including Scope 3 emissions) and the tightening of regulatory requirements emerged as material topics. At the same time, important opportunities arise through the development of energy-efficient products, the adoption of low-carbon materials, a transparent supply chain, support of the local community and, through a strong ESG profile, better access to capital and the trust of investors.

ETS NORD has mapped and engaged its key stakeholders in the materiality -assessment process.

Stakeholder analysis

Stakeholder	Why material	Engagement methods 2025	Key topics/ expectations	Connection to IROs
Employees (production, office, branches EE/FI/SE)	Largest indirect impact (Scope 3), risks to security of supply, reputation risks	Initial DMA assessment in spring; impact workshop 19.11.2025; risk workshop 21.11.2025; FI/SE workshop 26.03.2026; regular feedback	Safety, noise, work-life balance, pay gap, analysis, development opportunities	Occupational health and safety assessed as a high-materiality topic; pay-gap analysis raised to a 'medium-term' risk/opportunity. Creation of a more detailed near-miss reporting system.
Management and Supervisory Board	Responsible for strategy, IRO decisions and the approval of the transition plan	Pre-assessment in spring; 23.10.2025 financial-risk thresholds meeting; participation with decision-making rights in impact- and risk-workshops	Materiality thresholds, time horizons	Set the three levels of financial materiality; confirmed the high materiality of energy and climate risks; raised Scope 3 materials to a priority risk area.
Suppliers (materials, logistics)	Largest indirect impact (Scope 3), risks to security of supply, reputation risks	Supplier documentation (certificates, REACH, origin); requirement to sign the Supplier Code of Conduct; risk-based assessment (CO ₂ , origin, EPD)	CO ₂ footprint of production inputs, working conditions in mining, price stability, logistics capability	Scope 3 is the largest impact area; the use of low- CO ₂ steel was identified as a 'medium-term' opportunity.
Clients (designers, builders, end-users)	Measurable climate impacts and market expectations; direct impact on product safety and indoor-air quality	Open innovation (feedback from designers), laboratory tests and simulations	Energy efficiency, EPD/LCA data, ease of installation, product safety, CO ₂ calculator	Energy savings -> 'material positive impact'; tightening of ventilation-related standards -> 'business opportunity'; information quality -> risk if not addressed.
Workers in the value chain (indirect)	Human-rights and working-conditions risks associated with mining	Supplier certificates; exclusion of high-risk countries (focus on European suppliers)	Working conditions, safety, fair pay at the upstream end of the supply chain	Assessed as an indirect but 'material' topic - because the company cannot fully control mining-site working conditions, the importance of transparency and evidence increases.
Communities (Estonia, Finland, Sweden)	Local impact on employment, tax contribution, the environment	Cooperation with universities and professional associations; education and sports sponsorship; support for Ukraine	Employer role, stability, ethics, reducing environmental impact	Community impact assessed as 'medium', but its positive role strengthens other topics, e.g. employer brand.
Regulators (EU, national authorities, standards bodies)	Directly affect ETS NORD's business: EPBD, ETS2, CBAM, safety standards, noise and indoor-air standards	Monitoring of regulatory information, participation in discussions in professional associations, certification audits (ISO 9001/14001)	Quality of GHG reporting, indoor-air standards, product-standard compliance	Regulatory trend assessed as a 'medium-material' risk (CO ₂ price, energy-efficiency requirements).
Financial partners (banks, investors)	Financial-risk and access-to-capital criteria increasingly linked to ESG (taxonomy, risk assessment)	CFO participation in the DMA process; setting of materiality thresholds at the 23.10.2025 meeting	Financial risks	The category of impacts > EUR 500k is based on a three-year analysis of EBIT and total assets.

Methodology and process of the materiality assessment

(ESRS 2 IRO-1, IRO-2)

ETS NORD applies the principle of double materiality set out in the ESRS standards, under which we assess:

Time horizons used in the materiality assessment:

Short term: 1-2 years

Medium term: 3-4 years

Long term: 5+ years

Financial-materiality thresholds (three-year impact):

Immaterial: up to 100,000 €

Moderately material: 100,000 - 500,000 €

Material: above 500,000 €



These thresholds are in line with the magnitude of ETS NORD's 2022-2024 financial metrics (revenue, assets, three-year operating profit).

ETS NORD carried out the identification and assessment of material impacts, risks and opportunities (IROs) in accordance with the ESRS standards, based on the double-materiality principle. The process covered the analysis of the company's business processes, value chain, operating sites and stakeholders' expectations. In assessing impacts, the focus was on the scale, severity and irreversibility of the impact; for risks and opportunities, the magnitude of the financial impact and the likelihood of materialisation were assessed.

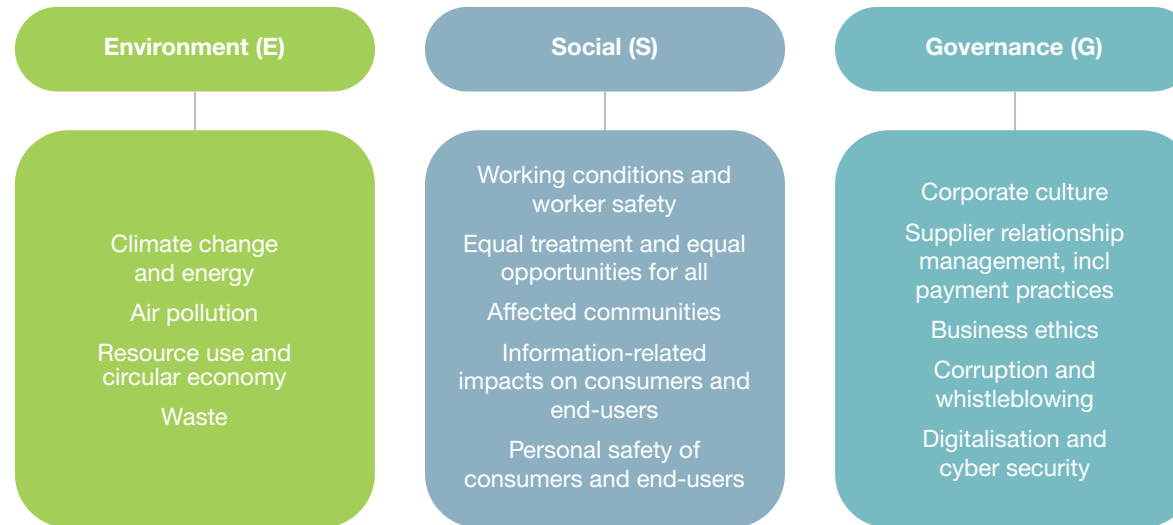
The assessment was carried out as workshops, involving management and in-house functional managers. The assessment took into account the size of the potential financial impact and the likelihood of materialisation in a medium-term horizon of up to five years. A risk or opportunity was identified as material if it had a significant impact on the company's strategic objectives, revenues or profitability and its likelihood of materialisation was at least moderate. The identified material IROs were validated by management and integrated into the company's strategy and risk management.

The ESG Tool (www.esgtool.eu) was used to perform the materiality assessment.

Aspects assessed as material

(ESRS 2 SBM-3, IRO-1)

As a result of the materiality analysis, the **following priority aspects are managed and measured on a day-to-day basis:**



The entire assessment process was documented through minutes and assessment tables and validated by company management. The results of the assessment form the basis for ETS NORD's sustainability strategy, risk management and reporting and are updated regularly in response to changing circumstances and stakeholder expectations.

During the reporting period we focused on three directions:

1

ESRS-based double materiality assessment and identification of priority topics

2

Preparation of an action plan to achieve the sustainability targets

3

Strengthening data-collection and data-management systems for ESG indicators

E1 Climate change and energy

Climate change is at the heart of ETS NORD's sustainability strategy. The company's core activity – developing and manufacturing energy-efficient ventilation solutions – positions ETS NORD on the opportunity side rather than the risk side of climate change. Climate warming, the tightening of indoor-climate requirements and the volatility of energy prices increase demand for ETS NORD's products, which enable buildings' energy use to be reduced.

E1 material impacts, risks and opportunities

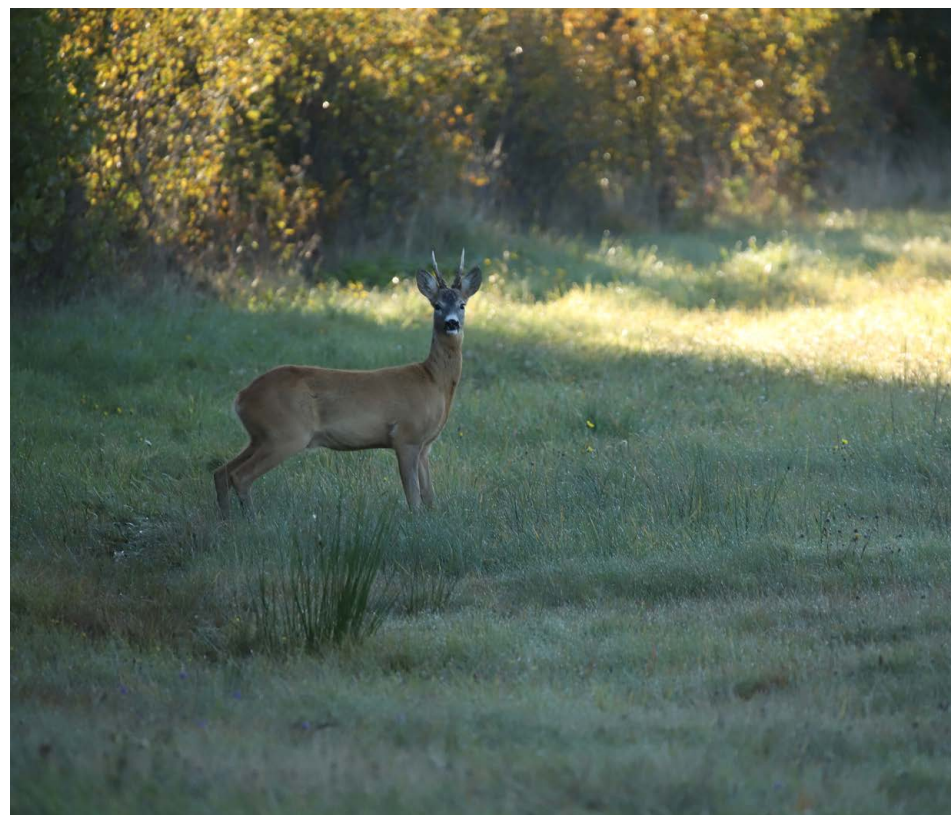
(ESRS 2 SBM-3, ESRS E1 IRO-1)

In ETS NORD's climate-change assessment, the company's energy-efficient ventilation products were identified as a material opportunity, helping to reduce buildings' energy use and CO₂ emissions. This creates the conditions for growing demand for these solutions and the impact was assessed as very material and as a long-term positive impact, supporting the growth of the company's revenue and profitability.

At the same time, the main risk is the company's own greenhouse-gas emissions and the tightening of climate policy: rising carbon taxes and energy prices may significantly increase the cost base, which makes the conscious management of the cost structure and the promotion of energy efficiency increasingly important in order to maintain competitiveness and to support sustainable growth.

This risk is material in the short to medium term (1–4 years), but it can be mitigated – ETS NORD foresees a long-term transition to renewable energy, which would also offer cost-saving opportunities in the future. The assessment also took into account physical climate risks (such as heatwaves, storms, power outages), but these have already been mapped during the scenario analysis and preparing for them is part of the company's risk management, helping to increase operational resilience to climate-change conditions.

In assessing climate-related impacts, risks and opportunities, the focus was primarily on greenhouse-gas (GHG) emissions, energy efficiency and the capacity to adapt to climate change. The ESG Tool platform was used, and the assessment criteria included the scale, severity, irreversibility and likelihood of materialisation of impacts. The assessment was carried out across three time horizons: short (1–2 years), medium (3–4 years) and long (5 years).



E1 Policies, actions, targets and metrics

(ESRS E1-1, E1-2, E1-3, E1-4)

The main climate-related business opportunity lies in energy-efficient ventilation solutions. Tightening energy-efficiency requirements (e.g. the EU Energy Performance of Buildings Directive (EPBD)) and increasing demand for low-carbon construction solutions strengthen the company's competitive advantage and support sales growth in the medium and long term. This has been assessed as material both in terms of financial impact (growing demand, market-share growth) and in terms of environmental impact (reducing CO₂ emissions from buildings).

In the medium and long term, the risk is the company's Scope 3 greenhouse-gas emissions, which account for 96.56% of the company's total greenhouse-gas emissions (Scope 3), creating a material long-term risk both under regulatory pressure and as client demands (preference for products with a lower carbon footprint) grow. This risk has been assessed as material both in financial-impact and in environmental-impact terms. The company's objective is to reduce its Scope 1 and Scope 2 emissions arising from its own operations by 2030 and to engage suppliers in reducing Scope 3 emissions.

GHG emissions and energy (baseline 2021)*

(ESRS E1-5, E1-6, E1-7)

GHG accounting methodology

ETS NORD's greenhouse-gas (GHG) emissions calculations are based on the methodology of the GHG Protocol Corporate Accounting and Reporting Standard. All emissions are expressed in CO₂ equivalent (t CO₂e), using the global-warming-potential values of the IPCC Sixth Assessment Report (AR6) over a 100-year time horizon (GWP100). In ETS NORD's operating profile, the main greenhouse gas is CO₂, whose GWP100 value is 1, so t CO₂e is essentially equivalent to t CO₂.

In 2025, 2021 was set as the baseline year for ETS NORD's GHG emissions, as the first year for which comparable and reliable data are available for all measured emission categories.

**Note on the baseline year: in the 2024 Sustainability Report, 2020 was used as the baseline year. In the present Report, the baseline year is 2021, as the company's measurement and data-collection system has been fully standardised since 2021. All 2021 comparison data have been recalculated (restated) in accordance with the requirements of the GHG Protocol Corporate Standard.*



Greenhouse-gas (GHG) emissions 2021–2025 (Scope 1–3, t CO₂e/year)

Emissions category (t CO ₂ e)	2021	2022	2023	2024	2025
Scope 1 – direct emissions					
Company vehicles	233,7	313,4	314,7	272,9	264,60
Use of welding gases	0,7	0,7	0,03	0,00	0,14
Scope 1 total	234,4	313,5	314,7	272,9	265
Scope 2 – indirect emissions from energy					
Purchased electricity	1 267,4	1 267,9	1 355,3	1 114,7	974,98
Purchased heat	701,3	667,3	621,8	709,7	723,62
Scope 2 total	1 968,7	1 935,2	1 977,1	1 824,4	1 699
Scope 3 – other indirect emissions in the value chain					
Fuel- and energy-related activities (not in Scope 1 and 2)	63,9	83,1	86,1	77,8	70,07
Purchased goods: production inputs	39 337,9	23 995,6	28 701,0	31 236,4	52 193,82
Purchased goods: other	98,6	77,8	75,0	74,4	59,07
Purchased services	3,6	3,9	3,7	3,9	4,07
Upstream transport	972,4	760,8	796,1	598,68	550,51
Downstream transport	1 044,0	1 143,5	1 221,1	1 266,4	1 480,53
Waste	65,8	68,2	106,6	87,9	72,17
Business travel	52,2	56,9	120,7	83,5	89,85
Employee commuting	575,6	610,6	630,4	679,5	593,30
Scope 3 total	42 213,9	26 799,5	31 740,7	34 190,17	55 113
Total GHG emissions (Scope 1+2+3)	44 417,0	29 048,2	34 032,5	36 287,4	57 077
Indexed (t CO ₂ e/t) change vs baseline 2021	100	54,9	69,9	71,9	101,5
Indexed Scope 1 and Scope 2 (t CO ₂ e/t) change vs baseline 2021	100	102,1	104	71,9	89,1
CO ₂ intensity (t/MEUR)	750,9	524,7	540,2	412,5	761,9

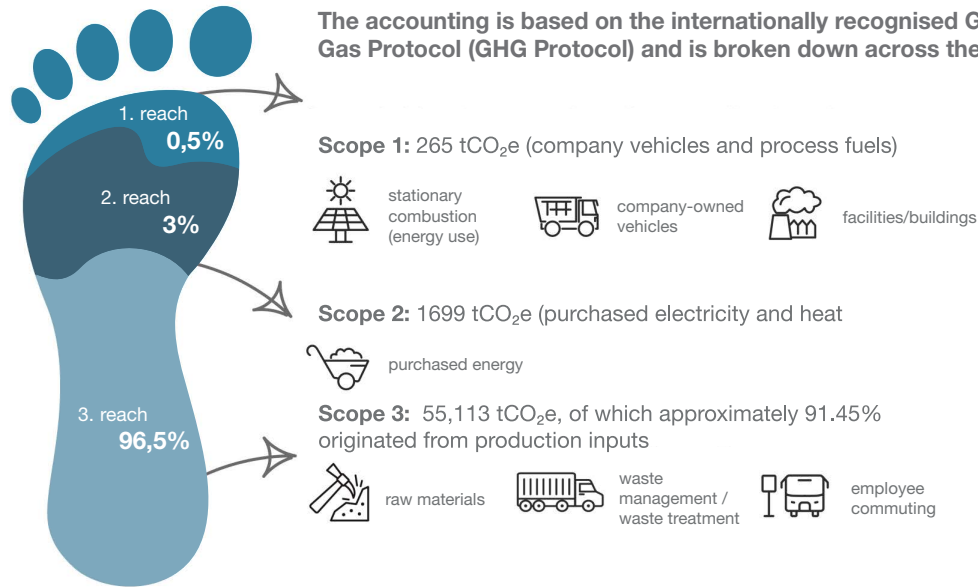
Source: ETS NORD GHG inventory (GHG Protocol methodology), group-level consolidated data (Tallinn, Vantaa, Tuusula, Tampere, Kumla, Malmö, Södertälje).

Notes: • All Scope emissions are presented using the location-based method. • Comparability across years: in 2021 and 2022 not all group units were included in the accounting; from 2023 the inventory covers the entire consolidation group.

Climate- and energy-related risks, impacts and opportunities

Aspect	Type of impact	Risk	Opportunity	Materiality (qualitative & financial)	Time horizon	Management and KPIs
Climate-change mitigation through ETS NORD products	Positive impact: ventilation solutions reduce buildings' energy use and CO ₂ emissions in the use phase	-	Opportunity: growing demand for energy-efficient systems in the Nordic countries and on developing markets	Impact: very material (large scale, long-term positive impact on the climate). Financial: material, as it grows revenue and margin	Medium-long (3–5+ years)	'Energy Efficiency' product portfolio, EPDs, sales-revenue and CO ₂ /kg output KPIs
Scope 1–2 emissions in own operations	Negative impact: company vehicles and purchased electricity/heat generate GHG emissions	Risk: rising carbon taxes and energy prices, possible weakening of competitive position if the transition is slow	Opportunity: solar-energy generation + battery storage, green electricity	Impact: material (lasting but manageable). Financial: medium materiality, depending on the pace of investment and energy prices	Short-medium (1–3 years)	Energy-consumption KPIs
Scope 3 emissions (materials, transport)	Negative impact: ~96.56% of the total footprint, particularly from production inputs (~91.45%)	Risk: CO ₂ footprint of raw materials influences client choices; regulatory pressure (e.g. EPD requirements)	Opportunity: green steel, low-emission logistics, supplier CO ₂ league table as a competitive advantage	Impact: very material (largest share of the footprint). Financial: material, as it affects both purchasing costs and the ability to sell	Medium-long	Scope 3 emissions calculation and monitoring
Climate-related business interruptions (storms, power outages)	Negative impact: infrastructure and IT disruptions that may halt manufacturing and delivery	Risk: lost sales, breach of delivery schedules, loss of client trust	Opportunity: improving security of supply (solar generation + battery storage, back-up connections) creates a competitive advantage	Impact: medium (moderate geographical risk). Financial: low-medium (depending on the event)	Short-medium	Security-of-supply solutions, process adaptation for outages, crisis plans

In 2025, ETS NORD's CO₂ intensity vs. revenue (t CO₂/EUR M) was 761.9 CO₂ equivalent (t CO₂e).



Three main strategic targets:

2030

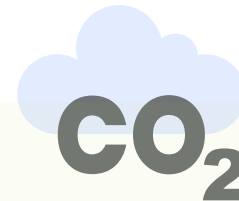
Reduce emissions from our operations (Scope 1–3) by 2030. Activities: expansion of the solar park, battery storage, reduction of mixed waste and packaging (Scope 3), reduction of energy consumption.

2029

By 2029, 100% of priority suppliers will have signed the Code of Conduct and a location-based climate-risk analysis will have been carried out for them.

2027

By 2027, 95% of our sold products will be covered by EPDs.



Data sources and calculation methods*

Scope 1 (direct emissions): fuel consumption is based on actual consumption data; emission factors are drawn from national data published by the IPCC and by the Estonian Environment Agency. Emissions are expressed in t CO₂e.

Scope 2 (purchased energy): calculated using the location-based method, using national electricity emission factors (Estonia, Finland, Sweden). Emissions are expressed in t CO₂e.

Scope 3 (indirect value-chain emissions): the main categories are purchased goods and services and transport and logistics. Scope 3 calculations are based on data submitted by suppliers, sector-average emission factors (e.g. Ecoinvent, EPD databases) and internal activity data. All values are expressed in t CO₂e.

Main measures to reduce emissions:

- Renewable energy at the main plants,
- Solar power (PV) + battery storage,
- Energy efficiency in production (compressors, LED, building automation).

Note on comparability: 2025 data cover the ETS NORD group as a whole (Estonia, Finland, Sweden). Earlier years' data are partly limited to the Estonian unit, so direct year-on-year comparisons should be interpreted with caution. Group-wide data collection has been fully implemented from 2025 onwards and future Reports will be fully comparable.



Solar energy production at ETS NORD



In 2025 the following work continued:

- Development of the new factory's solar park and battery storage
- Integration of additional energy metrics into Power BI (e.g. % of renewable energy, energy use per production line)
- Creation of an action plan to reduce emissions from our own operations (energy efficiency in manufacturing, use of renewable energy)



Solar energy production at ETS NORD's buildings totalled **368 MWh in 2025**, representing **14% of total energy consumption**.

Note on the solar-energy share: in 2025 solar energy was produced for 12 months, whereas in 2024 only for 6 months (May-December). Across Estonia, 2024 had more sunshine than 2025. According to the Estonian Environment Agency, the Estonian average in 2024 was 1,958 hours of sunshine and in 2025 it was 1,748 hours - a difference of 210 hours in favour of 2024.

Sources: www.ilmateenistus.ee/kliima/aastakokkuvotted/, www.ilmateenistus.ee/2025/03/ilmus-eesti-meteoroloogia-aastaraamat-2024-aasta-kohta



Climate- and energy-related policies, actions, targets and metrics

Policies	Actions 2026–2030	Targets	Metrics (KPIs)	Deadline	
<p>Reducing the company's negative environmental impact is an annual and measurable priority.</p> <p>We develop energy-efficient solutions for our partners and clients.</p>	Preparation and updating of EPDs and LCA analyses	2026: 90% of sales covered by EPDs	Share of products covered by EPDs (%)	2026–2030 in stages	
	Expanding EPD coverage	2027: 95% of sales covered by EPDs	Share of products covered by EPDs (%)		
	Increasing the share of energy generated by solar panels	2026–2030: solar-energy share growth 30%	Energy generated by solar panels (%)		
	Introduction of an EPD/ CO ₂ data-disclosure requirement for suppliers	2030: supplier EPD/ CO ₂ data mandatory	% of suppliers with EPD/ CO ₂ data		
	Company CO ₂ measurement	Optimisation of energy consumption	CO ₂ emissions per unit of revenue; Scope 1 and Scope 2 indicators		
	AHU revenue growth / increase AHU revenue by developing and selling energy-efficient air-handling units whose environmental impact is documented (e.g. EPD-covered) and which meet the growing demand for sustainable HVAC solutions.		2028: AHU revenue growth		AHU revenue growth (%)
					AHU revenue (EUR)
Share of AHU products covered by EPD (%)					

Location-based climate-risk analysis

(ESRS 2 IRO-1, ESRS E1 IRO-1)

In order to assess the capacity to adapt to climate change, a location-based scenario analysis was carried out, based on data from the IPCC and the World Bank Climate Knowledge Portal. The analysis covered the company's main operating sites in Estonia, Finland and Sweden.

Estonia, Tallinn (Peterburi tee 53): for the office, manufacturing unit and warehouse area a moderate water-stress level (20–40%) was identified for 2030–2050. The flood risk is low, but mitigation measures for stormwater management have already been implemented, including a 449 m³ buffer tank and the creation of green spaces.

Finland, Vantaa, Tuusula and Tampere units: high and recurring flood risks have been identified, particularly in the downstream areas of the Vantaa river basin. Official warnings issued in early 2026 confirm that floods are frequent and may threaten manufacturing and logistics operations. Planned CapEx measures (e.g. raising stormwater outflow and constructing tanks) are financially justified as they avoid recurring OpEx and supply disruptions.

In assessing financial materiality, the analysis examined how climate-related risks and opportunities may affect the company's financial performance. The assessment was carried out using the ESG Tool and the results were documented in Excel-based assessment tables. Financial impact was assessed in three categories: below €100,000 (not material), €100,000–500,000 (medium materiality) and above €500,000 (high priority). It was found that, for example, the deterioration of urban air quality increases demand for forced ventilation, which represents a material business opportunity for the company.

The entire assessment process was documented through minutes and assessment tables and was validated in March 2026 with the Finnish and Swedish units. The results of the assessment were approved by management and they form the basis for the company's climate-related strategic decisions and reporting.

Sweden, Malmö and Södertälje manufacturing units: high water-stress levels (40–80%) and sea-level rise risks have been identified. In the Malmö region, sea-level rise with a 100-year return period is projected at up to 2.41 m by 2100. Planned investments include water-recycling systems and the raising of critical technical systems, in order to ensure compliance with Swedish environmental standards and to avoid property damage.

Sweden, Kumla central warehouse: the flood risk is low, but the area is associated with PFAS contamination risk. For this reason water-saving technologies and green waste-management procurement have been planned to mitigate ecological vulnerability and reputational risks.



E2 Pollution (air, water, soil)

(ESRS E2)

The E2 chapter addresses ETS NORD's direct and indirect impacts on pollution, focusing primarily on aspects related to air pollution and the effect of the company's products on indoor-air quality. ETS NORD's manufacturing and support activities have limited and controlled sources of pollution (including limited use of chemicals and energy consumption), the environmental management of which is based on applicable requirements and internal procedures.

The use of chemicals at ETS NORD is managed through systematic monitoring and regular review, in order to assess usage volumes and to identify the most material environmental and occupational-safety risks associated with chemicals.

ETS NORD's contribution to the pollution topic lies primarily in improving indoor-air quality: the ventilation solutions offered by the company reduce concentrations of pollutants in buildings, including grease and smoke particles.

E2 – material impacts, risks and opportunities

(ESRS 2 SBM-3, ESRS E2 IRO-1)

For ETS NORD, the area of pollution (E2) is an opportunity rather than a risk. The direct pollution from the company's own activities is minimal – essentially domestic water is used and practically no air pollutants are emitted, so environmental risks are low and limited mainly to compliance with regulatory requirements (e.g. the ISO 14001 environmental-management system).

As a counterweight, the deterioration of outdoor-air quality and the growth in forced-ventilation requirements (e.g. new EU indoor-air standards) create a business opportunity for ETS NORD, as the company's ventilation solutions help to improve indoor-air quality and meet stricter requirements.

Policies therefore emphasise ETS NORD's role as an 'improver of indoor-air quality' (rather than as a polluter). The main activities in 2026–2027 are aimed

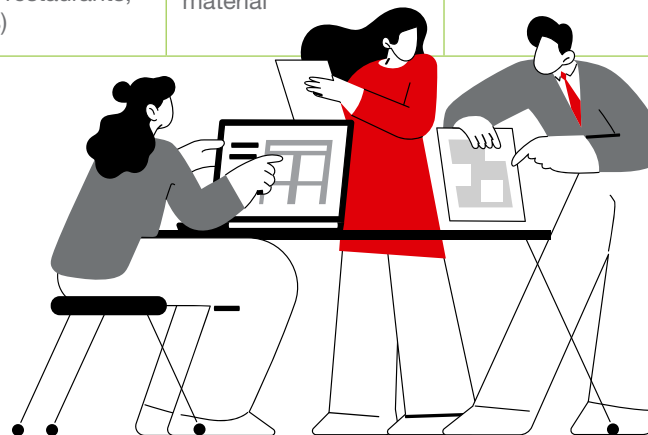


at exploiting this opportunity: more energy-efficient ventilation solutions are being developed; the ISO 14001 certificate will be renewed in 2027; the EPBD Directive and indoor-air-quality requirements are being implemented; and the product portfolio is being extended in the direction of cooling and air-conditioning systems (with the goal of entering the cooling-equipment market by 2026).

Strategic objectives include maintaining ISO 14001 certification and quantifying the air-purifying effect of the company's solutions. The achievement of these results is monitored through specific metrics: KPIs include continuous compliance with ISO 14001 requirements and the sales-growth indicators of ETS NORD's ventilation solutions.

Pollution-related impacts, risks and opportunities

Aspect	Type of impact	Risk	Opportunity	Materiality	Time horizon	Management
Direct pollution from production (air, water, soil)	Impact minimal – domestic water is used and air pollution is practically absent; the activity rather improves indoor-air quality at clients	Risk limited – regulatory requirements and ISO 14001 compliance	Opportunity: position the company as an 'improver of indoor-air quality'	Impact: not material negative; material positive (for the end-user). Financial: not material	Long	ISO 14001, regular assessment of environmental impacts, Research and Test Centre measurements
Problematic substances (chemicals, REACH)	Impact limited – hazardous substances are not used, or use is minimal and controlled	Risk: a REACH obligation may arise if a supplier changes or new processes are added; ongoing monitoring required	–	Impact: not material. Financial: not material	Short-medium	Supplier certificates, register of chemicals, regular audit
Emission of harmful compounds in end-clients' kitchens	Positive impact: ETS NORD's kitchen-ventilation solutions reduce grease particles in the air; better health	–	Opportunity: growing market demand for safe and certified kitchen solutions (e.g. premium restaurants, hospitals)	Impact: material positive. Financial: moderately material	Medium	Kitchen ventilation EPDs and tests, measurements at the Research & Test Centre, references to standards





E2 Policies, actions and metrics

(ESRS E2-1, E2-2, E2-3, E2-4, E2-5, E2-6)

The deterioration of air quality and the move to making forced ventilation compulsory create new market opportunities for ETS NORD. EPBD 2024/1275 requires Member States to set minimum requirements for the indoor environmental quality of indoor spaces (Indoor Air Quality, IAQ).

Forced ventilation is already mandatory in Denmark, Finland, Norway, Sweden (2025) and Belgium. Forced ventilation is becoming effectively mandatory in Germany, France, Italy, Spain, Poland and Estonia.

ETS NORD's manufacturing operations do not cause direct air or water pollution; most of the company's environmental impact relates to the production of raw materials in upstream stages of the value chain.

At the same time, the impact of ETS NORD's products is positive specifically in terms of indoor-air quality: ventilation and filter solutions help to reduce concentrations of indoor-air pollutants (including grease and smoke particles), especially in high-load kitchens and public buildings.

In 2025:

- Implementation of the ISO 14001 certified environmental-management system continued
 - It was confirmed that substances of very high concern under REACH are not in practice used in the company's operations, and supplier compliance and certificates are monitored
-

In order to identify pollution-related IROs, ETS NORD analysed its business activities and the upstream and downstream stages of the value chain. The assessment process drew on the expert knowledge of the company's employees on manufacturing processes, input and output quantities and environmental impacts. The environmental permits issued to the company and the related environmental impact assessments were also used as inputs.



Pollution-related policies, actions, targets and metrics

Policies	Actions 2026–2027	Targets	Metrics	Deadline
<p>The deterioration of air quality and the growing demand for forced ventilation create new market opportunities for us.</p> <p>Our solutions help to adapt to climate change and to improve the conditions for indoor living. Responsible management of chemicals and problematic substances (REACH).</p> <p>Minimise pollution risks arising from our own activities (air/water/soil) and keep the likelihood of incidents low.</p>	Consistent implementation of the ISO 14001 environmental-management system and undertaking the certification audit	2026: ISO 14001 certificate renewed; the number of material non-conformities identified in the audit is zero	Audit cycle – number of non-conformities in the audit	2026–2028
	Preparation and launch of the action plan to enter the cooling and air-conditioning segment	2026: Product manager is employed and action plan launched	<ul style="list-style-type: none"> Number of new solutions/portfolio elements (pcs); Cooling and air-conditioning revenue (EUR) 	
	Scaling the volume of Research & Test Centre activity	2028: The Research & Test Centre is trusted and recognised by clients in the indoor-climate field (recognition supported by volume and feedback).	<ul style="list-style-type: none"> Total number of tests (pcs/year); Number of client projects in which the lab was used (pcs); Client-satisfaction feedback (average score) 	
	Development of IAQ-measurement methodology and pilot measurements on selected solutions and projects	2026: IAQ-measurement principles and methodology is described and pilot measurements are carried out	<ul style="list-style-type: none"> Existence of the methodology; Number of IAQ measurements (pcs/year); Share of projects in which IAQ was measured (% of the selected target group) 	
	Systematic collection of REACH compliance certifications from suppliers and regular review of the chemical register	All material suppliers have submitted REACH compliance certifications and the company's operations do not use substances of very high concern under REACH	<ul style="list-style-type: none"> Share of suppliers with REACH compliance certification (%); Frequency of chemical-register review (times/year) 	
	Implementation of an environmental-incident prevention system and documentation of all incidents and their handling with corrective measures	Keep the number of environmental incidents to a minimum and address all incidents with corrective measures	<ul style="list-style-type: none"> Number of environmental incidents (pcs); Closure time of corrective measures (days) 	

E5 Resource use and circular economy

(ESRS E5)

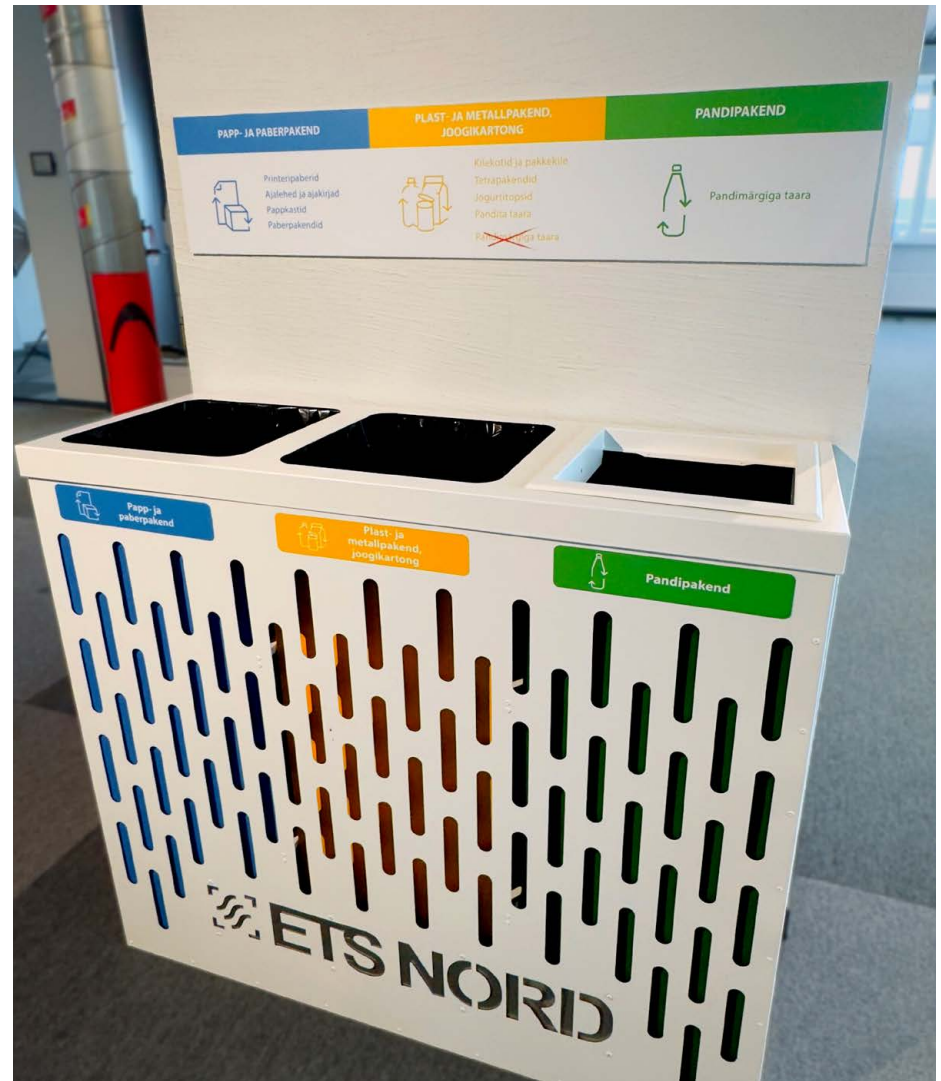
Resource use and circular economy is one of the core topics of ETS NORD's sustainability strategy and focuses on the management of material use, manufacturing scrap and waste streams. ETS NORD's focus is on extending the separate collection of waste, reducing the share of mixed waste and developing packaging solutions. Performance is monitored through the trends of waste types and quantities and hazardous waste.

E5 – material impacts, risks and opportunities

ETS NORD's analysis of material use shows that the main risks are linked to raw-material price fluctuations and to individual waste streams – particularly the limited recyclability potential of mixed waste. Although most production and packaging waste is already separately collected and recycled, in 2025, 24.5 tonnes of mixed waste was generated, which is a significant improvement area, as otherwise valuable material does not reach the recycling stream and this may increase future waste-management costs or regulatory obligations. Metal and wood scraps, which account for a significant share of ETS NORD's waste stream, leave the company directly for re-use with treatment partners.

There is thus an important opportunity to improve resource efficiency: reducing mixed waste raises the recycling rate – the company can save costs and meet stricter circular-economy requirements. These aspects have been assessed as having medium-to-material importance and they have an impact mainly in the short and medium term (1–4 year horizon). ETS NORD has set specific objectives to manage these risks and opportunities, for example to reduce the quantity of mixed waste by 70% by 2030.

Progress is monitored through specific KPIs: number of waste-sorting types, quantity of mixed waste per employee and quantity of hazardous waste.





Resource-use- and circular-economy-related impacts, risks and opportunities

Aspect	Type of impact	Risk	Opportunity	Materiality	Time horizon	Management
Material use and production scrap	<p>Negative impact: high share of mixed waste.</p> <p>Positive impact: modular solutions and use of scrap</p>	Risk: rising raw-material prices, low recycling rate	Opportunity: resource efficiency and waste sorting	<p>Impact: medium materiality (resource cost).</p> <p>Financial: medium</p>	Short-medium	Eco-design criteria, scrap KPI, production planning, partnerships
Mixed and Packaging Waste (2025)	Negative impact: Generation of mixed waste and biowaste	Risk: Continued share of mixed waste not directed to recycling	Opportunity: Reduction of mixed waste and increased reuse/recycling	<p>Impact: Medium (local waste-related impacts)</p> <p>Financial: Low to moderate materiality (waste management costs, potential taxes/fees)</p>	Short to medium term	<p>Separate waste collection; target to reduce mixed waste volume to:</p> <ul style="list-style-type: none"> • 70% - (2030) • 90% - (2050) <p>Assessment of waste partners' capabilities</p>



E5 Policies, actions and metrics

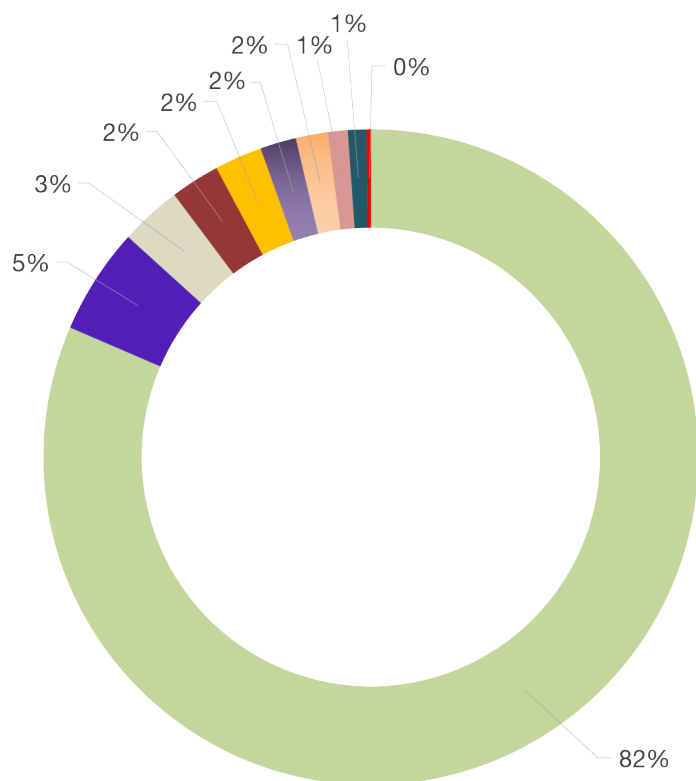
(ESRS E5-1, E5-2, E5-3, E5-4, E5-5, E5-6)

Measurable actions support the achievement of the circular-economy objectives, including the development of separate collection of production waste and cooperation with waste-management partners. Progress is assessed against clearly defined KPIs in order to reduce resource-use risks and to support the implementation of circular-economy principles.

The waste-management overview covers all waste arising from ETS NORD's operations. In 2025, around 1,375 tonnes of waste was generated in the Estonian unit, of which the volume of mixed waste was 24.5 tonnes.

Waste breakdown by type

(total mass 1,375 t)

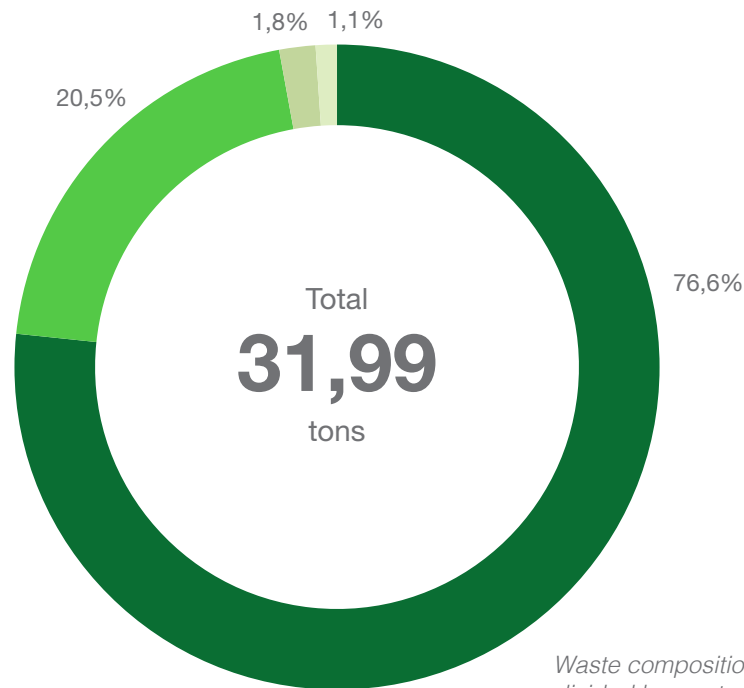


Galvanised steel (Steel 5)	1120,28 t	81,48%
Stainless steel (NiCr)	72,17 t	5,25%
Carbon steel (Steel 3)	41,79 t	3,04%
Wood waste	33,38 t	2,43%
Cardboard	32,25 t	2,35%
Mixed waste	24,52 t	1,78%
Copper waste	21,74 t	1,58%
Aluminium waste	13,45 t	0,98%
Plastic, film	12,51 t	0,91%
Other	2,91 t	0,21%

ETS NORD actively manages the reduction of mixed waste. In the Estonian manufacturing units, the sorting categories of waste have been mapped and progress in waste management is assessed through an increase in the number and share of waste types sorted. The objective is to reduce the quantity of mixed waste by 70% by 2030 compared with the 2021 baseline year and to continue the systematic reduction of the share of mixed waste, with the long-term goal of bringing it to a minimum by 2050.

As a 2025 example, we use the waste-accounting data of AS Eesti Keskkonnateenused, according to which the Estonian unit of ETS NORD generated approximately 32 tonnes of ordinary waste in total. These data primarily provide the basis for analysing the generation of mixed waste and for planning reduction measures.

Waste accounting by type (AS Eesti Keskkonnateenused)



Waste composition by weight – quantities in tonnes, divided by waste code.

■ Mixed waste Code 200301	24,52 t 76,6%
■ Biodegradable kitchen and canteen waste Code 200108	6,55 t 20,5%
■ Mixed packaging Code 150106	0,58 t 1,8%
■ Glass-packaging waste Code 150107	0,34 t 1,1%

From the resource-use and circular-economy perspective, the quantities of chemicals used in production are monitored, in order to maintain an overview of the main inputs and to create a comparison base for the better management of usage trends and the waste streams (including hazardous waste) related to them. Monitoring supports the conscious, justified use of chemicals based on production needs and helps to assess opportunities for applying safer alternatives with lower environmental impact, where these become technically suitable and economically justified.

In 2025, the chemicals purchased in the largest quantities were the multi-purpose adhesive and sealant Kiilto Masa (11,147.8 kg), powder paints (12,013.5 kg), Simson ISR 70-07 (3,780 l), Fermapor K31 two-component foam sealant (580 kg) and nitrogen (15,000 l). To obtain an overview of the use of hazardous chemicals and of the hazardous waste they generate, data are collected on an annual basis.

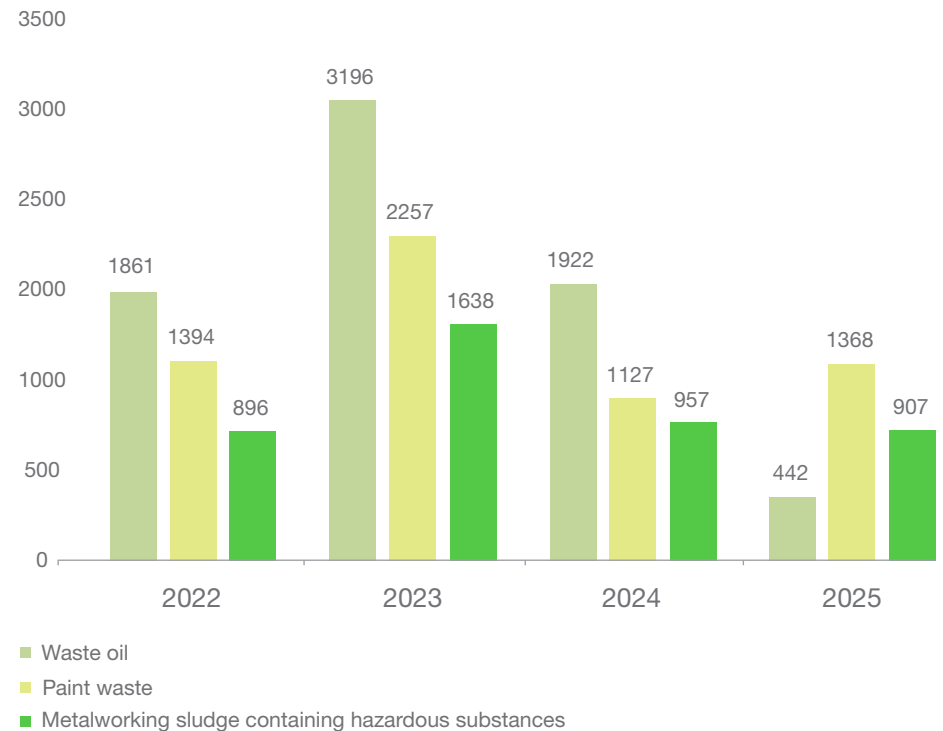
The chart on the right shows hazardous waste removed in 2022–2025, highlighting the three main hazardous waste types with the largest volumes.

To reduce the environmental impact associated with the use of nitrogen, the company has invested in a nitrogen generator that enables on-site production of nitrogen. Solar energy is used to produce nitrogen, helping to reduce the need for purchased gas and the associated energy costs and emissions.



In the packaging area, the recycling rate is measured in line with PPWR, ESPR and Digital Product Passport (DPP) requirements, with the long-term objective of switching to fully recyclable packaging materials by 2030. Achievement of the circular-economy objectives is supported by the adoption of green materials; progress is assessed through the use of EPD and LCA data.

Hazardous-waste removal 2022–2025



Notes on waste quantities: the figures in this Report are based on data from ETS NORD's waste-handling partner (Eesti Keskkonnateenuste AS). Some waste streams (e.g. packaging waste in certain units) may be collected by other handlers. In the next reporting period, data from all handlers will be consolidated into a single waste-accounting system, which will enable a complete overview and a more accurate calculation of waste shares.

The temporary increase in hazardous-waste quantities in 2023 is related to one-off events (decommissioning of equipment) and to the timing of inventory counts, which affects year-on-year comparability.



Resource-use- and circular-economy-related policies, actions, targets and metrics

Policies	Actions 2026–2030	Targets	Metrics	Deadline
<p>We move systematically towards the use of circular materials and reusable modular components.</p>	Number of waste-sorting types	2026: map the existing sorting types	<ul style="list-style-type: none"> Number of waste sorting types (pcs) – annual; Share of waste collected separately of total waste (%) – annual 	2026–2030 in stages
	Reduction of mixed waste	2030: 70% reduction in mixed waste vs. baseline year	<ul style="list-style-type: none"> Total mixed waste (t/year) – annual; Share of mixed waste of total waste (%) – annual 	
	Reduction of hazardous waste	2030: 15% reduction in the share of hazardous waste	<ul style="list-style-type: none"> Total hazardous waste (t/year) – annual; Share of hazardous waste of total waste (%) – annual; Number of hazardous-waste types (pcs) – annual 	
	Systematic monitoring of chemicals use	Ensure conscious and justified use of chemicals and create the conditions for the application of alternatives	<ul style="list-style-type: none"> Annual use of the most-used chemicals (kg/l) – annual; Frequency of the chemicals list review (times/year); Number of alternative assessments (pcs/year) – annual 	
	Increasing the recycling rate of packaging (compliance with PPWR, ESPR, DPP requirements)	2050: 100% recyclable packaging materials	<ul style="list-style-type: none"> Recycling rate of packaging (%) – annual; Quantity of packaging waste sent to recycling (t/year) – annual; Share of single-use packaging (%) or share of reusable solutions (%) – annual 	
	Adoption of green materials and first paying clients for green products	2026: Competitor EPD analysis	<ul style="list-style-type: none"> Number of EPDs analysed (pcs); Share of products containing green materials (% of selected product family / purchase volume) – annual; Revenue from products containing green materials (EUR) or number of paying clients (pcs) – annual; Number of EPD/LCA-data uses in the sales process (e.g. offers/orders, pcs or %) – annual 	

S1 Own workforce

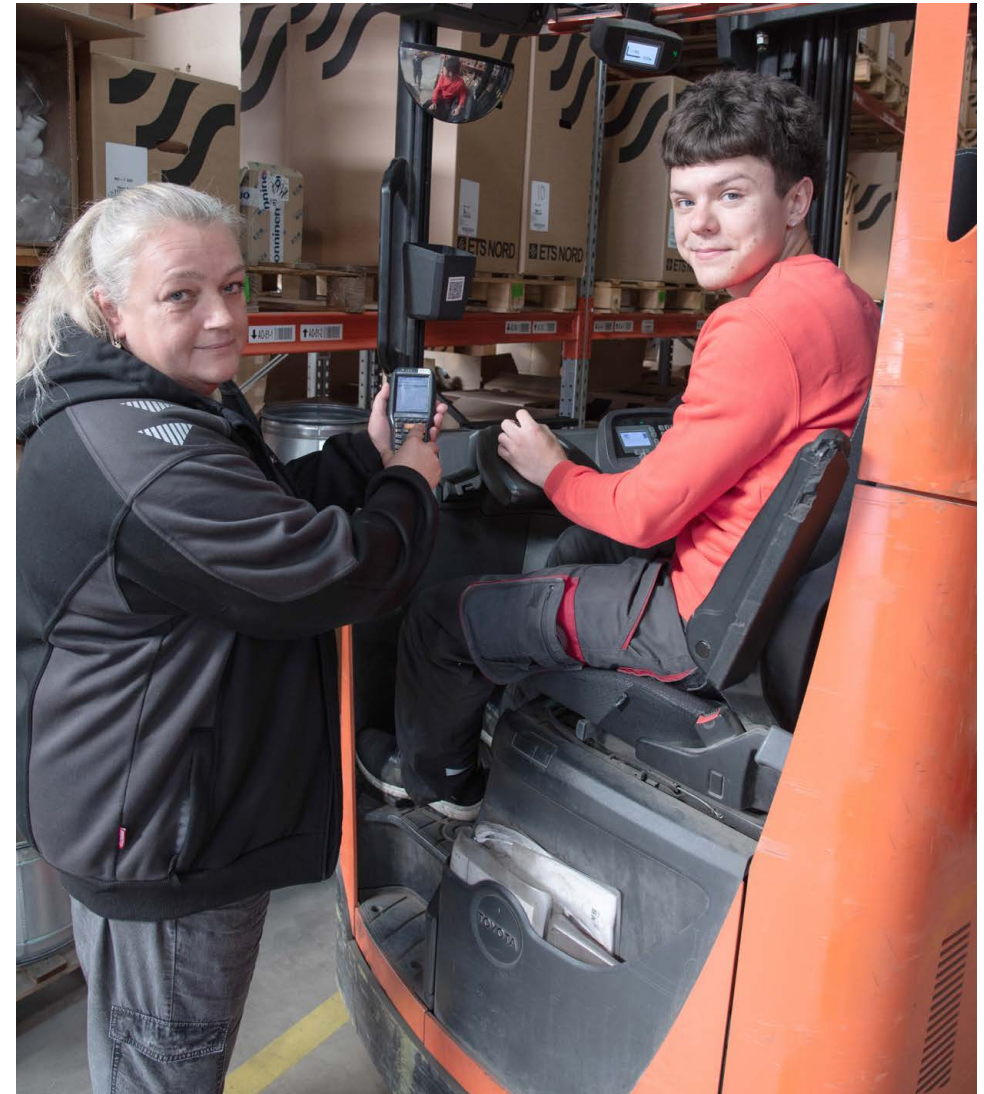
(ESRS S1)

Social responsibility is an important part of ETS NORD's strategy and covers the management of impacts, risks and opportunities relating to own employees, workers in the value chain, communities, consumers and end-users through policies, actions and metrics.

S1 – material impacts, risks and opportunities

(ESRS 2 SBM-3, ESRS S1 SBM-2, SBM-3)

ETS NORD's analysis of S1 topics shows that, in terms of employee development and skills, the medium-to-long-term risk is the ageing of skills and the loss of valuable employees if training does not cover future needs (impact and financial impact both medium); offset against this, continuous investment in employee training offers an opportunity to grow productivity and to improve work quality. To mitigate these risks and exploit these opportunities, ETS NORD has set specific objectives and KPIs in the own workforce area.





Own-workforce-related impacts, risks and opportunities

Aspect	Type of impact	Risk	Opportunity	Materiality	Time horizon	Management
Occupational health and safety (production)	<p>Negative impact: possible physical strain, noise, work accidents.</p> <p>Positive impact: systematic prevention, good working environment</p>	<p>Risk: accidents, health damage, labour shortage</p>	<p>Opportunity: maximum safety in the working environment</p>	<p>Impact: material (people's health).</p> <p>Financial: medium</p>	Medium	Near-miss registration, occupational-health analysis every 3 years, PPE, training
Diversity and equal treatment	<p>Positive impact: equal opportunities, intercultural cooperation</p>	<p>Risk: reputational damage, labour turnover</p>	<p>Opportunity: a strong inclusive culture, higher employee engagement</p>	<p>Impact: medium-material (social and reputational).</p> <p>Financial: medium (potential impact through employee turnover)</p>	Short	Zero tolerance of discrimination, pay-gap analysis 2026–2027, diversity principles
Employee development and skills	<p>Positive impact: growth of skills, higher productivity.</p> <p>Negative impact, risk: ageing of skills if training does not cover future needs (e.g. AI, digitalisation, knowledge of new technologies)</p>	<p>Risk: departure to competitors if development opportunities are scarce</p>	<p>Opportunity: productivity growth and better quality</p>	<p>Impact: medium. Financial: medium (training costs but also benefits)</p>	Long	Systematic mapping of employee development and skills and targeted development

S1 Policies, actions and metrics

(ESRS S1-1, S1-2, S1-3, S1-4, S1-5)

ETS NORD's HR strategy is based on the company's business strategy and supports the achievement of business objectives. The focus is on recruitment, remuneration, training, recognition and the development of management quality. Employee development is of central importance for the company, since it is competent and motivated employees who create innovation, productivity and client satisfaction.

The average full-time equivalent (FTE) in the 2025 reporting year was 486* employees in Estonia, Finland, Sweden and Dubai; in 2024 there were 455 employees and in 2023 there were 457. Working conditions are regulated by collective and individual employment contracts; applicable labour law is observed, working hours comply with the norms, and flexible work arrangements are made available where the nature of the position allows.

The Code of Ethics sets out clear values and principles for employees' human rights, diversity, inclusion and non-discrimination, which are followed in day-to-day management and HR policy. Recruitment and promotion decisions are

based on objective criteria such as education, skills and experience.

Collective agreements apply in the Finnish and Swedish units. In Estonia, good governance principles are applied, including regular review of remuneration in line with the economic situation and in connection with employees' individual performance or career changes.

Working conditions have been established at ETS NORD that help employees to achieve objectives.

Recruitment is handled by ETS NORD's professional HR team. For more complex positions a recruitment partner is used.

Several students have found internship places in the automation team of the R&D department and, after completing the internship, have continued working at ETS NORD. This approach supports the supply of qualified labour, knowledge transfer and the long-term HR strategy.

Employee engagement and satisfaction (ESRS S1-2)

Employee engagement and satisfaction assessments are part of the company's management of social sustainability and contribute to monitoring the employee experience, well-being and organisational sustainability.

In 2025 the relevant assessments were carried out in all of the group's operating countries: Estonia, Finland and Sweden.



In Estonia, 258 employees out of 345 took part in the employee engagement and satisfaction survey, corresponding to a response rate of 75%. According to the survey results, the average **employee-satisfaction score was 4.3** on a five-point scale. The employee Net Promoter Score (**eNPS**) **reached 96%**, indicating very high employee loyalty and identification with the organisation.



In Finland, 74 employees out of 115 took part in the survey, **achieving a 64% response rate**. The average **satisfaction score was 4.2** on a five-point scale and the **eNPS indicator was 45%**, reflecting an overall positive employee experience and a good level of engagement.



In Sweden, the employee engagement and satisfaction assessment was carried out for the **first time in 2025**. Due to the local organisation's development and smaller employee numbers, a methodology different from the usual survey was applied, based on individual 1:1 conversations. All employees participated in the assessment process, achieving a 100% participation rate. The number of employees during the engagement and satisfaction assessment was 39. The results of the qualitative conversations are used as a basis for developing further HR practices and the employee experience.



In conclusion:

Employee engagement and satisfaction surveys were conducted in 2025 in Estonia, Finland, and Sweden.



Diversity and equal treatment

ETS NORD values diversity and considers it important that people of different national and cultural backgrounds feel safe and included in the company.

ETS NORD:

- Does not tolerate discrimination, harassment or the use of aggressor symbols.
- Took a clear stance at the start of the war in Ukraine and offered support to the Ukrainian community and to people of various nationalities working at the company.
- Pay levels are determined according to job duties and responsibility.
- From 2026, a structured pay-gap analysis is planned and the corresponding report will be produced by 2027.

Strategic objective of remuneration and values

(ESRS S1-10)

The objective of ETS NORD Group's remuneration principles is to ensure internal fairness and market competitiveness, to support the achievement of the company's strategic objectives and to motivate high performance.

The aim of the remuneration system is to ensure that every employee receives fair pay in line with their contribution, responsibility and skills, regardless of gender or other personal characteristics. The company applies the principle of equal pay, which means that equal pay is paid both for equal work (the same tasks) and for work of equal value (different tasks but similar value to the organisation).

The remuneration system consists of a base salary and various benefits and allowances. In some units, the remuneration system also provides for performance-related pay (e.g. in sales), linked to the company's results and individual contribution.

To support the talent pipeline, the company offers internship opportunities in various departments. The company awards scholarships at least twice a year to students, in order to support the development of new ventilation and product-development engineers.



Occupational health and safety (ESRS S1-14)

Occupational health and safety is an important part of the company's sustainable activity. The objective is to create a safe working environment and to support the physical and mental well-being of employees.

Health checks prescribed by the occupational-health doctor are organised for employees in accordance with the applicable legislation. The company provides the personal protective equipment and workwear necessary for performing the work. To support employees' well-being, opportunities for the promotion of mental and physical health have been created, including consultations with a work psychologist and sports facilities.

In production, the documentation of risky situations (near-misses) is being rolled out, with the aim of mapping the risks present in work processes.

In 2025, the development of occupational safety continued within the integrated management system, which has taken into account the principles of the ISO 45001 occupational-health and safety standard.



Health- and well-being-related benefits (ESRS S1-11)

The employer offers to employees sports-related allowances and benefits, which differ by country and are applied in accordance with the conditions permitted by local legislation.



ETS NORD workforce statistics – as at the end of 2025



Average length of service:

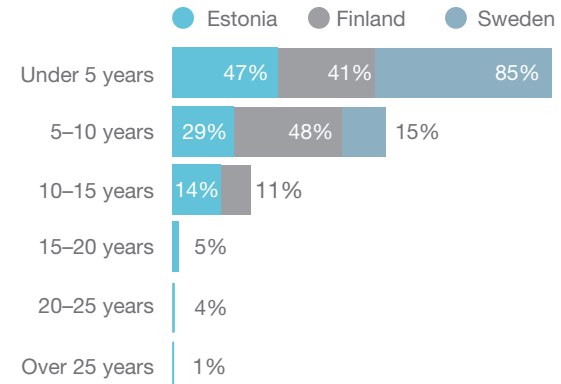
ESTONIA 6,9 years

FINLAND 5,7 years

SWEDEN 3,6 years



Length of service



Professional breakdown:

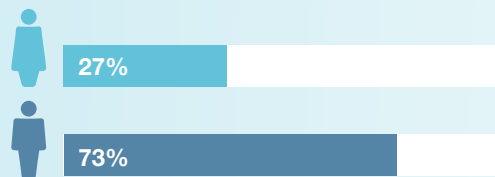


Labour turnover 2025:

	Voluntary turnover %	By agreement %
ESTONIA	4%	9%
FINLAND	13%	-
SWEDEN	13%	-



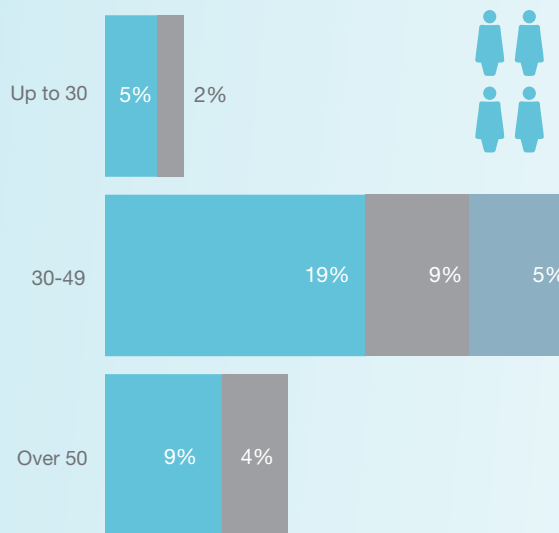
Gender breakdown



Employees	Women	Women %	Men	Men %
494	132	27%	362	73%

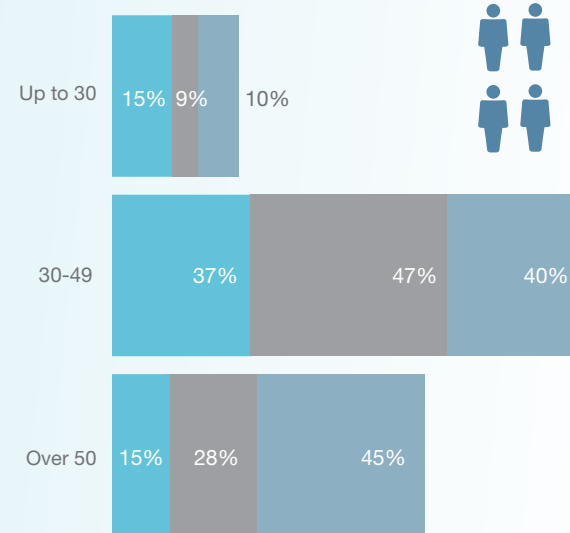
Age breakdown

Women:



Share of women by country: Estonia 33%, Finland 16%, Sweden 5%

Men:



Share of men by country: Estonia 67%, Finland 84%, Sweden 95%

Training and development

ETS NORD invests consistently in developing its employees' knowledge and skills, thereby supporting the organisation's long-term development. Employee development is supported through both internal and external training, based on job roles, development needs and the company's strategic objectives.

Internal training is delivered using in-house expertise, where employees with knowledge and experience in the relevant area share their knowledge with other employees, ensuring the continuous transfer of knowledge and supporting the application of consistent working principles in the organisation. As an additional supporting activity, the company runs language training to increase employees' engagement, job-related safety and ability to collaborate in a diverse and international working environment.

When job duties or areas of responsibility change, employees are provided with the training needed to perform the new tasks properly. Training is purchased on a need basis, based on pre-defined objectives and expected outcomes. This approach supports the development of employees' knowledge and competences and helps to ensure the availability of the know-how needed for the organisation to function. A structured onboarding programme and mentoring principles, applied throughout the company, support the onboarding of new employees.

Training statistics	EE	FI	SE
Total participants in trainings in 2025	160	47	9
Men	102	41	8
Women	58	6	1
Skilled workers	72	24	0
Managers (incl. unit and team leaders)	25	9	2
Specialists	63	14	7

Training costs	Cost per participant	Total
Estonia	349,69 €	55 951 €
Finland	477,45 €	22 440 €
Sweden	480,76 € 5202,78 SEK	4 326,83 € 46 825 SEK



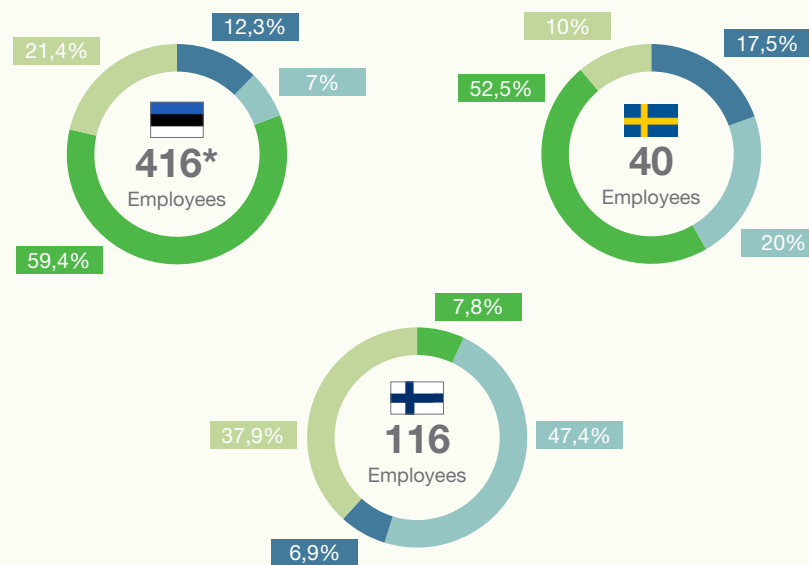
Total training sessions in 2025
(incl. free trainings)



Time spent in training per participant (academic hours)	Estonia	Finland	Sweden
Total	5008	362	180
Average per participant	31,3	7,7	20

Language trainings	Estonia: 8	Finland: 1 (11 participants)
2024-2025 period	5 (43 participants)	1
	Estonian	English
	English (2 groups)	
	Russian	
	Finnish	
2025	3 (8 participants)	-
	English	
	Estonian	
	Swedish	

Education level 2025	Estonia	Finland	Sweden
Basic education	51 12,3%	8 6,9%	7 17,5%
Vocational education	29 7%	55 47,4%	8 20%
Secondary education (incl. vocational secondary and specialised secondary)	247 59,4%	9 7,8%	21 52,5%
Higher education	89 21,4%	44 37,9%	4 10%
Headcount 01.01.2025 – 31.12.2025	416*	116	40



*Note on the headcount methodology: this Report uses 494 as the headcount, which corresponds to the position as at 31.12.2025 (132 women + 362 men). The average full-time equivalent (FTE) for the 2025 reporting year was 486. The education-level and training tables cover all persons who were employed by the company at any time during the year (including those who left during the year), so their total may exceed the 31.12 headcount.



Own-workforce-related policies, actions, targets and metrics

Policies	Actions 2026–2030	Targets	Metrics	Deadline
<p>Our strength lies in our team.</p> <p>We respect and trust each other. We recognise colleagues' achievements. We value diversity and care about our cooperation partners.</p>	Pay-gap analysis completed in 2026	2026: The company has a transparent and fair pay system	Pay-gap difference %	2026–2027
	Occupational safety prioritised; number of work accidents: 0	Number of work-related accidents 0	Number and rate of work-related accidents	
		Frequency of accidents per 100 employees	Frequency rate	
		LTIFR	LTIFR	
	Regular health checks; analysis of near-misses	100% of employees undergo health checks	% of employees with completed health check	
	Prohibition of discrimination and harassment	0 cases of discrimination and harassment	Number of discrimination cases	
	Need-based training + ethics	<ul style="list-style-type: none"> 2026: 100% completion of the Code of Ethics; Provision of need-based training 	<ul style="list-style-type: none"> Code-of-Ethics completion rate; Participation rate in need-based training 	
	Measurement of employee satisfaction and participant numbers every other year	Employee satisfaction (target value 4)	Satisfaction score	
Participants in the satisfaction survey 66%		% of participants		
Measurement of eNPS	2027: eNPS 70%	eNPS %		



S2 Workers in the value chain

ETS NORD's core activity and workforce are located in the Nordic countries and Estonia. At the same time, the company's value chain also includes activities outside these regions, particularly mining and processing of metals in third countries. For this reason it is important for the company to address the social and environmental impacts and the associated risks relating to workers in the

value chain. These topics were also thoroughly discussed in the impact workshop, including from the perspective of supplier and indirect-worker rights.

To manage ETS NORD's workers-in-the-value-chain (S2) topic area, the Supplier Code of Conduct (CoC), certificates and risk-based audits are used, and European suppliers are preferred.

S2 material impacts, risks and opportunities

(ESRS 2 SBM-3, ESRS S2 SBM-2, SBM-3)

ETS NORD's IRO analysis of working conditions in the value chain has identified a potential negative impact arising from the risk of labour- or human-rights violations at metal mines and sub-suppliers in early stages of the supply chain, where the company has no direct control. Such violations may result in reputational damage, supply disruptions and regulatory pressure. At the same time, the situation also presents an opportunity: cooperation with partners who follow higher labour- and human-rights standards strengthens ETS NORD's competitive advantage and credibility.

The impact was assessed as material from a human-rights perspective and the financial impact as medium-to-material, especially if suppliers need to be replaced or if supply disruptions occur. The time horizon is medium-to-long; management measures include the Supplier Code of Conduct, the requirement to hold certificates, risk-based audits and, where possible, preference for European suppliers.

Workers-in-the-value-chain impacts, risks and opportunities

Aspect	Type of impact	Risk	Opportunity	Materiality	Time horizon	Management
Working conditions of workers in metal mines and at sub-suppliers	Potential negative impact: if a supplier in the early stages of the supply chain violates labour or human rights. ETS NORD has no direct control over the activities of value-chain actors.	Risk: reputational damage, supply disruptions, regulatory pressure	Opportunity: selecting partners who follow higher standards and give ETS NORD a competitive advantage	Impact: material (human-rights perspective). Financial: medium-material (if suppliers must be replaced or delays occur)	Medium-long	Supplier Code of Conduct, certificates, risk-based audits, preference for European suppliers

S2 Policies, actions and metrics

(ESRS S2-1, S2-2, S2-3, S2-4, S2-5)

The policies and actions for 2026–2030 described in the value-chain table below focus on building a transparent and responsible supply chain: supplier-assessment criteria are updated, sustainability metrics are added, Supplier CoC sign-offs are collected, audits are carried out and criteria favouring green materials are applied.

The objectives include, among others, achieving 100% Supplier CoC sign-off

by priority suppliers by 2029 and carrying out a climate-risk analysis for key suppliers in 2026. Metrics include the share of audited suppliers, the CoC sign-off rate, the share of suppliers meeting sustainability criteria and the spread of the use of materials with a lower footprint.

The practical implementation of these policies and objectives is supported by activities to engage value-chain partners and to develop their competence.

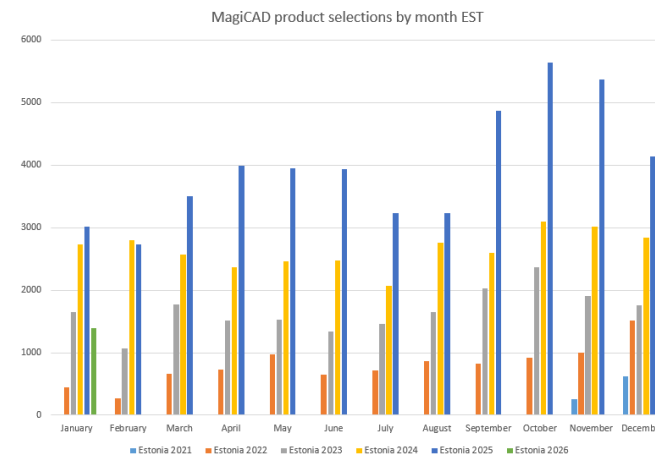
Engaging value-chain actors and developing competence

CRM-system implementation for managing cooperation: In 2025, ETS NORD started implementing a CRM (Client Relationship Management) system together with Fontakt AS. The needs of the sales, marketing and product-management units in Estonia, Finland and Sweden were mapped and the goal was set to improve the data-driven overview of partner activities and to support transparent and consistent cooperation across different markets.

Systematic engagement of cooperation partners in Estonia: ETS NORD consistently invests in raising the awareness and competence of cooperation partners. In 2025, 19 factory visits, seminars and product trainings were organised in Estonia for developers, architects, designers, main contractors, installers and technical consultants. Key activities included factory visits to Tallinn and to the RECAIR factory in Vantaa, Finland, the spring days and the autumn seminar for designers (around 100 participants), and the opening of the Research & Test Centre, which was attended by around 200 cooperation partners.

Developing competence and supporting future generations: In 2025, approximately 700 partner participations were registered in training sessions and events, including designers, installers, technical consultants, as well as vocational and university students. The average feedback rating for the training courses exceeded 9 out of 10 points, indicating the substantive and practical value of these activities and their role in shaping long-term, trust-based cooperative relationships.

Impact on design practice: According to MagiCAD data, the selection of ETS NORD products into projects grew significantly in 2025 both in Estonia and in Finland. In Estonia, product selection to projects increased by around 50% compared with the previous year (an average of 3,967 products per month) and in Finland by around 75% (an average of 3,305 products per month). This reflects the increased trust of cooperation partners in ETS NORD's solutions and the positive impact of training and systematic engagement on design decisions.





Value-chain-worker-related sustainability policies, objectives and metrics

Policies	Actions 2026–2030	Targets	Metrics	Deadline
<p>Ensure that all ETS NORD's material partners respect human rights and ethical working conditions.</p> <p>Build a transparent, responsible and sustainable supply chain.</p>	Updating supplier-assessment criteria	2026: supplier-assessment model updated and applied to all priority suppliers	% of suppliers meeting the criteria	2026 – 2029
	Collecting Supplier-CoC sign-offs	100% of priority (Tier-1) suppliers have signed the CoC by 2029	% of suppliers covered by CoC	
	Supplier monitoring and audits	2026: climate-risk analysis carried out for key (Tier-1) suppliers	% climate-risk analysis completed	
	Green Procurement Criteria (EPD, green material)	2030: at least 70% of the purchasing volume comes from suppliers who have EPDs or materials with a low CO ₂ footprint	% of purchasing volume covered by EPD/ green materials	
	Systematic management and increased transparency of value-chain relationships (CRM)	<ul style="list-style-type: none"> 2027: unified CRM solution in everyday use across all sales and marketing units; 2028: ≥ 90% of active cooperation projects managed through CRM; 2028: use of the project-opportunity pipeline ≥ 85% 	<ul style="list-style-type: none"> % of active CRM users; % of active projects managed in CRM; Number of project opportunities; Data completeness and quality indicators 	
	Developing cooperation partners' competence	<ul style="list-style-type: none"> At least 6–8 training sessions or events per year; At least 300 value-chain partners in training (annual); Average participant satisfaction ≥ 9.0/10 	<ul style="list-style-type: none"> Number of training sessions and events; Number of training participants by value-chain segment; Participants' feedback (average score) 	
	Improving the quality of project-based design decisions through cooperation with designers	<ul style="list-style-type: none"> 2026 Estonia: ETS NORD product-selection growth in projects ≥ 30%; 2029 Estonia: ETS NORD product-selection growth in projects ≥ 100%; 2026 Finland: ETS NORD product-selection growth in projects ≥ 50%; 2029 Finland: ETS NORD product-selection growth in projects ≥ 200% 	<ul style="list-style-type: none"> Number of training sessions and events; Number of training participants by value-chain segment; Participants' feedback (average score) 	

Memberships of professional associations and organisations



Estonian Association of Heating and Ventilation Engineers



Digital Construction Association



Green Tiger Foundation

SUOMALAISEN TYÖN LIITTO

Suomalaisen Työn Liitto



EESTI KAUBANDUS-TÖÖSTUSKODA

Estonian Chamber of Commerce and Industry



Estonian Association of HR Management (PARE)



Teknologiateollisuus ry



Aalto-yliopisto
Aalto-universitetet
Aalto University

Aalto-korkeakoulusäätiö sr



Estonian Employers' Confederation



Estonian Association of Construction Material Producers



Suomen LVI-liitto SuLVI



Svenski Näringsliv Service AB



Estonian Taxpayers' Association



Estonian Association for Development of In-house Training



Talotekninen teollisuus ja kauppa ry



Svenski Ventilation AB



S3 Policies, actions and metrics

(ESRS S3-1, S3-2, S3-3, S3-4, S3-5)

ETS NORD's policies, actions and metrics relating to affected communities focus primarily on supporting engineering education and the talent pipeline and on raising awareness in the field, given the role of engineering skills in ensuring the company's product development, the efficiency of manufacturing processes and long-term competitiveness.

This supports both the development of the local labour market and the company's long-term capacity to fulfil the role of a responsible employer. To support the development of young specialists, the company contributes to engineering-study scholarships and the creation of internship places in several areas (including production management, automation, IT and design), as well as to supporting educational institutions, student events and professional initiatives (e.g. BuildIT, conferences), to organising public seminars and to active participation in professional associations and cooperation networks.

In addition, philanthropy projects are carried out, focused on supporting education, communities and social welfare.

The impact and effectiveness of activities are assessed on the basis of the number of scholarships and interns, the number of ventilation devices installed for schools, the number of attendances at conferences and seminars, the number of philanthropy projects and the number of employees who took part in language training. These metrics are used to monitor the scope and impact of activities and to set further targets.

The 2025 data are used as the baseline for the affected-community-related metrics. During the reporting year, 6 engineering scholarships were awarded and for the third year in a row internship opportunities have been offered to students in production management, business management and digitalisation. Educational institutions were supported through the installation of ventilation equipment, the company participated in philanthropy projects (e.g. the Estonian Food Bank), attended professional conferences and seminars, and carried out activities supporting education and communities.

Affected-community-related policies, actions, targets and metrics

Policies	Actions 2026–2030	Targets	Metrics	Deadline
Contribution to education and the talent pipeline, the development of the field, and the local community	Awarding engineering-study scholarships and internship support in cooperation with higher-education and vocational institutions	2026: award at least 2 scholarships or internship grants Offer internship opportunities in at least one area each year	Number of scholarships per year Number of interns	2026–2030
	Philanthropy projects	Carry out at least 2 philanthropy projects directed at communities or education per year	Number of philanthropy projects	
	Public seminars, conferences (presentations)	Participate in or present at at least two professional seminars or conferences per year	Number of seminar/conference attendances	
	Participation in professional associations and cooperation networks	Active participation in cooperation networks and/or activities of professional associations	Number of associations/networks in which the company is represented	

S4 Clients and end-users

ETS NORD positions itself as the preferred provider of indoor-climate solutions in Europe, offering clients a user-friendly purchasing platform, access to high-quality information and convenient after-sales service. The objective of ETS NORD's supply chain is clear and unambiguous: deliver the right goods at the

right time to the right place. Digitalisation ensures the speed of order picking and delivery that clients expect from us. This creates a strong foundation for reliable deliveries and enables a rapid response to changing client needs.

97–98%

of orders are completed on time.

Stock availability is stable at

98–99%

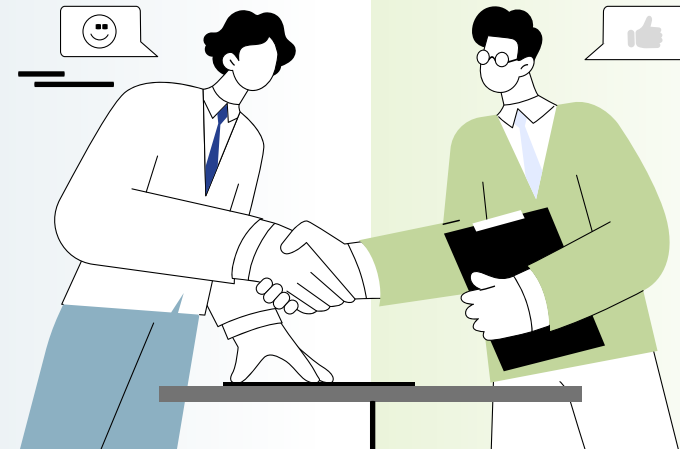


95%

of our Estonian clients are 'rather satisfied' or 'very satisfied' with our reliability of supply.

ETS NORD's Net Promoter Score (NPS) in Estonia is

81%





S4 material impacts, risks and opportunities

(ESRS 2 SBM-3, ESRS S4 SBM-2, SBM-3)

In the area of product safety and access to high-quality information, ETS NORD's impact is predominantly positive – the existence of EPDs and the availability of high-quality information through digital channels (e.g. webshop, 3D visualisations, user manuals). As an opportunity, the offering of CO₂ calculations and indicators is highlighted, strengthening client trust and supporting

sales growth. The impact was assessed as material, as it directly affects client safety and trust. Management measures include quality control, the inclusion of EPD/CO₂ information in offers, web-based tools and satisfaction surveys. The time horizon is medium, pointing to the need for continuous quality assurance and information updates.

Client- and end-user-related impacts, risks and opportunities

Aspect	Type of impact	Risk	Opportunity	Materiality	Time horizon	Management
Product safety, access to high-quality information	<p>Positive impact: product quality, EPDs, digital channels.</p> <p>Negative risk: recalls, misleading information</p>	Risk: recall, reputational damage	Opportunity: energy labelling, quality standards, CO ₂ calculators	<p>Impact: material (client safety and trust).</p> <p>Financial: medium, material, depends on the occurrence of a recall or sales growth</p>	Medium	Quality control, EPD/CO ₂ information in offers, web shop, 3D visualisations, user manuals, satisfaction surveys

In 2025 the number of claims increased by 58% compared with 2024. Growth was influenced by the automation of the claims-recording process that started in 2025, thanks to which claim registration time was reduced by 33% (15 min vs. 5 min), which simplified and enabled the more systematic and complete recording of cases. As a result, the number of claims per EUR million of revenue grew to 8 (it was 5 in 2024), which provides an improved and more reliable overview of quality-related problems and their trends. The development of the automation of the claims process continues in 2026.

At the same time, in 2025 the total cost associated with claims fell by 54.6%, indicating more effective handling of problems and a more targeted use of resources.

The share of claims in revenue fell by 30%, indicating that despite the rise in the number of cases, their impact on the company's economic performance has decreased.

We have started displaying EPD and GWP (CO₂ footprint) information both in offers and on orders, so that the environmental impact is transparently visible to the client at the point of the buying decision. Thanks to this, clients can compare solutions on the basis of objective figures and choose products and configurations with a lower footprint. This step supports more informed and environmentally friendly choices and contributes to the development of more sustainable construction and project-based footprint accounting.

Certificates and recognitions

At ETS NORD we ensure the highest quality of our ventilation products in order to offer clients reliable and long-lasting solutions.



Management-system certificates

Confirm that our management and processes meet quality and environmental requirements and support continuous development.



Cleanliness declaration

The M1 certificate confirms that the product meets the Finnish indoor-air cleanliness requirements and does not emit harmful substances.



UL certificate

The UL certificate confirms that the product has been tested for fire, electrical and other potential hazards and meets US and Canadian safety standards.



SASO certificate

Certificate for kitchen canopies in the United Arab Emirates.



HACCP food-safety certificate

The HACCP certificate ensures that risks to food safety are under control throughout the entire production process, from sourcing of raw materials to the finished product.



CE marking

The CE marking confirms that the product meets all safety, health and environmental requirements established by the European Union.



Fire-safety certificate

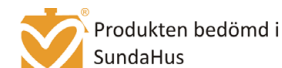
The PAVUS fire-testing laboratory's test report confirms that the product has passed fire-safety tests and meets the standards established by the European Union.

Type approvals

The aim and activity is the testing and assessment of products to confirm compliance with requirements. Certified products are approved for use in buildings, providing installers with assurance about product quality and safety.

Environmental declarations

EPDs and other environmental declarations provide a transparent overview of products' environmental impacts throughout the lifecycle.



S4 – Policies, actions and metrics

(ESRS S4-1, S4-2, S4-3, S4-4, S4-5)

On topics related to clients and end-users, ETS NORD operates on the principle that information about products and services is business-critical – the client must have access to a product's environmental-impact declaration (EPD), CO₂ information, webshop data, user and installation manuals, and the user's personal safety when installing and using the equipment must be ensured. According to the same policy, products are developed systematically on the basis of client feedback, enabling deficiencies to be identified and addressed quickly.

To implement this policy, two main action streams are planned for 2026–2030. First, EPD and CO₂ information will be added automatically to all offers trans-

mitted to clients; the objective is to achieve 100% coverage by 2026, monitored by the metric 'share of offers with EPD/CO₂ information (%)'. Second, the number of claims continues to be reduced, with a target of 10% per year; performance is measured both by the share of claims in revenue (%) and by the number of claims per EUR million of revenue. Both targets have a 2026 deadline and they directly support ETS NORD's broader objective of providing safe indoor-climate solutions that support a circular economy and energy efficiency throughout their lifecycle.

Client- and end-user-related policies, actions, targets and metrics

Policies	Actions 2026–2030	Targets	Metrics	Deadline
Information transfer is business-critical – EPD, CO ₂ , webshop, user manuals, installation manuals; all information is available to clients. We develop products based on client feedback. Clients' personal safety when installing or using our equipment.	Automatic inclusion of EPD and CO ₂ information in all offers sent to clients	2026: 100% of offers contain EPDs and CO ₂ information	Share of offers with EPD/CO ₂ information (%)	2026–2030
	Systematic recording and analysis of claims and the elimination of recurring quality problems	2026: 10% annual reduction in claim costs	Share of claims in revenue (%)	



G1 Governance

G1 Business ethics and anti-corruption

(ESRS G1)

ETS NORD strictly observes the principles of ethical business conduct and requires the same of all parties.

G1 – material impacts, risks and opportunities relating to business ethics and corruption

(ESRS S4-1, S4-2, S4-3, S4-4, S4-5)

In the area of ethical management and anti-corruption, ETS NORD's impact has been assessed as material, since transparent management and trust among stakeholders strengthen the company's reputation and credibility. The main risk relates to corruption and conflicts of interest, which may result in reputational damage, regulatory pressure and financial penalties. The opportunity is to strengthen the culture of ethics, achieve a competitive advantage and grow trust among partners and clients. The financial impact has been assessed as material, particularly in the long term. As management measures, ETS NORD applies a Code of Ethics, anti-corruption training, an anonymous whistleblowing system, supplier Code of Conduct and transparent internal communication.



Business-ethics- and corruption-related impacts, risks and opportunities

Aspect	Type of impact	Risk	Opportunity	Materiality	Time horizon	Management
Ethical management, anti-corruption	<p>Positive impact: transparent management, trust among stakeholders.</p> <p>Negative risk: corruption, conflict of interest</p>	Risk: reputational damage, regulatory pressure, penalties	Opportunity: culture of ethics, competitive advantage, trust	<p>Impact: material (reputation and credibility).</p> <p>Financial: material</p>	Long	Code of Ethics, training, whistleblowing system, supplier CoC, transparent communication

G1 Business ethics and corruption – policies, actions and metrics

(ESRS G1-1, G1-3, G1-4, G1-6)

ETS NORD's anti-corruption management policy is based on zero tolerance of unethical behaviour and on the application of the Code of Ethics to all employees. The focus is on clear guidance on gifts, conflicts of interest and fair competition. In 2025, the number of corruption cases at ETS NORD was 0 – during the reporting period no corruption case was identified or confirmed. This result confirms the company's zero tolerance of corruption and unethical behaviour and shows that the existing ethics and control measures functioned.

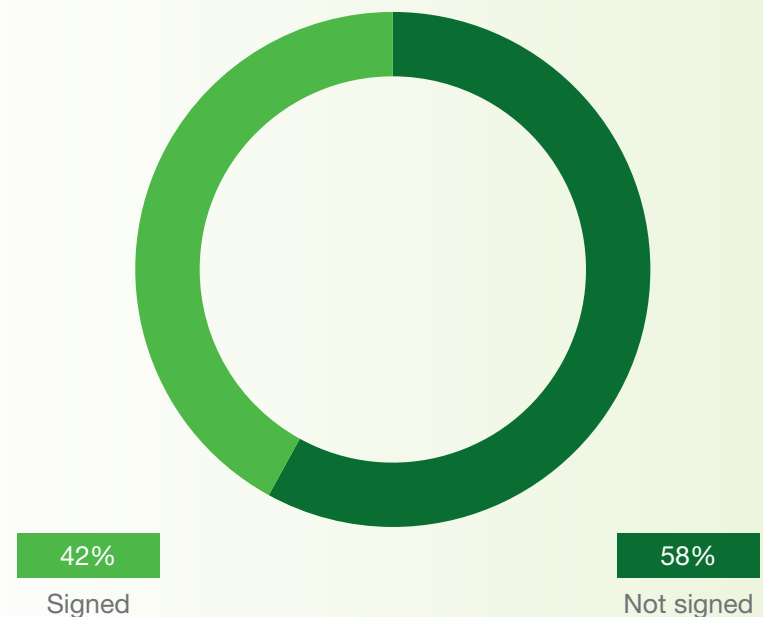
ETS NORD operates on the basis of high ethical standards set out in the company's Code of Ethics. The Code defines the principles for honest, responsible and law-abiding behaviour, including the avoidance of conflicts of interest, the prohibition of corruption and bribery, fair competition and transparent cooperation with clients, partners and the public sector. The Code applies to all ETS NORD employees and is part of the company's day-to-day management and control framework.

In addition, ETS NORD applies a Supplier Code of Conduct, which sets out minimum requirements for business ethics, legal compliance, human rights and anti-corruption behaviour throughout the supply chain. The company expects its cooperation partners to follow the principles of the Code and collects suppliers' confirmations to ensure compliance.

The application of the Code of Ethics and the Supplier Code of Conduct is used as a preventive measure to reduce possible ethical breaches and corruption risks. The effectiveness and scope of the Code are addressed as part of ETS NORD's business-ethics and compliance management, including training, internal monitoring and the application of corrective measures where necessary.

To ensure the systematic application of business-ethics principles across the organisation and the supply chain, the effectiveness of the application of the Supplier Code of Conduct is monitored by measuring the share of employees who completed Avocado training (%) and the share of suppliers who have signed the Supplier Code of Conduct (%).

Share of suppliers who have signed the Supplier CoC





The main future objectives are: keep the number of corruption cases at zero; implement a whistleblowing system by the end of 2026; and ensure that all (Tier-1) suppliers have signed the Code of Conduct (CoC) by 2028. In 2026 a client analysis will be carried out to identify sanctions and reputational risks. Metrics monitored include the number of corruption cases, the share of partners covered by the Code of Ethics, the percentage of employees who have completed the training and the number of claims about misleading information. These measures strengthen the company's credibility, mitigate reputational and regulatory risks and create a strong ethics culture.



Business-ethics- and corruption-related policies, actions, targets and metrics

Policies	Actions 2026–2028	Targets	Metrics	Deadline
Zero tolerance of corruption and unethical behaviour. Application of the Code of Ethics to all employees – guidance on gifts, conflicts of interest and fair competition.	Compliance with the Code of Ethics and internal-control reviews	0 corruption cases	Number of corruption cases	2026–2028
	Implementation of the whistleblowing system and employee communication	Whistleblowing system in operation in 2026	Number of tips per year	
	Consistent management of the supplier CoC sign-off process	100% of Tier-1 suppliers have signed the CoC	% of partners covered by CoC	
	Establishment and implementation of a client-due-diligence process to identify sanctions and reputational risks	Client-risk analysis completed in 2026	Number/share of clients analysed	



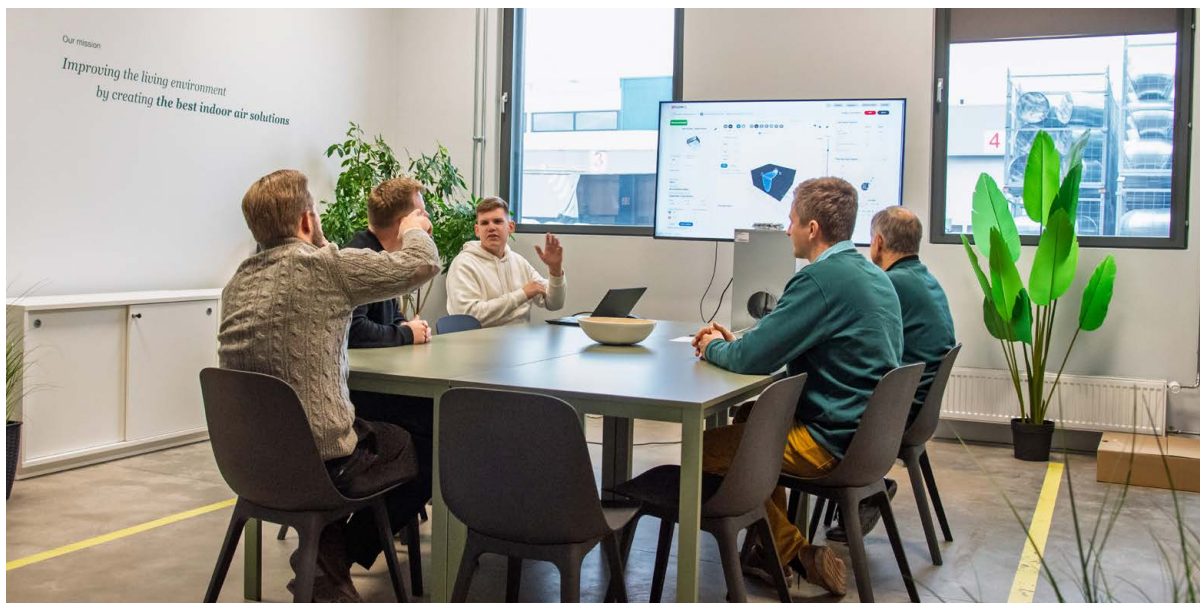
G1 Culture – material impacts, risks and opportunities

(ESRS 2 SBM-3, ESRS G1 IRO-1)

ETS NORD's organisational culture and values-based management have been assessed as material, since they support employee satisfaction, engagement and innovation and strengthen the company's credible reputation.

The main risks are linked to the disregard of values, low employee engagement and conflicts in the interpretation of values, which may damage the internal climate and reduce employee commitment. At the same time, the area offers material opportunities that are already being systematically applied: values-based management and culture programmes help increase employee motivation, strengthen the sense of team spirit and foster innovation.

As management measures, an official management handbook, regular employee-engagement and satisfaction surveys, and conscious and consistent communication of values are applied. This is a continuous process, the aim of which is to strengthen the company's culture and strategic resilience.



IROs of organisational culture and values management

Aspect	Type of impact	Risk	Opportunity	Materiality	Time horizon	Management
Organisational culture and values-based management	Positive impact: employee satisfaction, engagement, innovation, credible reputation	Disregard of values, low engagement, conflicts in interpretation of values	Values-based management, culture programmes, growth in employee commitment and innovation	Impact: material (employee satisfaction and company reputation). Financial: medium	Continuous	Management handbook, values-based training, monitoring of the culture index, engagement and satisfaction surveys, values communication

G1 Culture – policies, actions and metrics

(ESRS G1-1)

ETS NORD's culture and values-based management policy focuses on partnership, responsibility and openness, emphasising continuous learning, keeping promises and taking responsibility. The objective is the growth of employee satisfaction and of values awareness. The effectiveness of values-based management is assessed, among other things, through employee-engagement

and satisfaction surveys, the more detailed results of which are presented in the S1 chapter. Metrics include the culture index (employee satisfaction with values), training-participation rate and overall employee satisfaction (baseline value in 2023 was 3.87/5). This is a continuous activity aimed at strengthening the company's culture and stakeholder trust.

Culture- and values-related policies, actions, targets and metrics

Policies	Actions	Targets	Metrics	Deadline
<p>Values: partnership, responsibility, openness.</p> <p>We are committed to continuous learning and growth.</p> <p>We take full responsibility for our actions.</p> <p>We are committed to always keeping our promises.</p>	Values-based management (management handbook)	Growth in the employee-satisfaction index	Employee-satisfaction result (culture index)	Continuous
	Employee training in corporate culture, safety, management and ethics	Increase awareness of values and align values-based behaviour in the organisation	<ul style="list-style-type: none"> Share of employees who have completed the training (%); Assessment of values awareness 	
	Responsible behaviour towards clients and communities	Maintain trust and responsible relationships with stakeholders	Employee satisfaction (2023: 3.87/5 baseline)	





G1 Digitalisation, cyber security and data management

The data primarily in use at ETS NORD are automated and secured. Cyber security is a priority.

G1 Digitalisation – IRO analysis

In ETS NORD's digitalisation and cyber-security area, the impact has been assessed as material, since it supports the quality of ESG data, the efficiency of reporting and the reliability of data. The main risks are linked to data gaps, software malfunctions, cyber attacks and business interruptions, which may threaten business-critical processes and lead to material financial losses. At the same time, the area offers material opportunities: automation of ESG data (target 90% by 2027), strengthening cyber security, improving CO₂ data traceability and adopting AI in data management. As management measures, phishing tests, cyber audits, the designation of data owners and the development of a systematic data-management framework are applied. The time horizon is set at 2026–2028.

Culture- and values-related IROs (digitalisation)

Aspect	Type of impact	Risk	Opportunity	Materiality	Time horizon	Management
Digitalisation and cyber security	Positive impact: quality of ESG data, efficiency of reporting, data security, credibility	Data gaps, software malfunctions, cyber attacks, data loss, business interruptions	Automation of ESG data, digital passports, strengthening cyber security, traceability of CO ₂ data	Impact: material (reliability of reporting, business-critical processes); Financial: material	2026–2028	Automation of ESG data (90% by 2027), DPP for all new products by 2028, phishing tests, cyber audits, data owners, use of AI

G1 Digitalisation – policies, actions and metrics

ETS NORD's focus on digitalisation and data management in 2026–2028 is on data automation and the strengthening of cyber security. The main objectives are: by 2027 to achieve 90% automation of ESG and CO₂ data (including with the support of AI agents); to designate data owners and ensure cyber security; and to reduce emissions through the systematic deletion of digital waste.

Metrics include the share of automated data, the success rate of phishing tests and the results of cyber audits. These activities help to increase the accuracy and efficiency of reporting, to reduce manual workload and to strengthen the reliability and security of data.

G1 Cyber security: policies, actions and metrics

In 2025, ETS NORD made important investments in building the foundational cyber-security infrastructure. A separate IT department was established and the strategic management of cyber security was put in place, in line with the principles of good governance under ESRS G1.

To raise employees' awareness, regular cyber-security training was carried out and continuous phishing simulations were introduced, whose results are used as a basis for the continuous improvement of training programmes. A formal procedure for the management of IT incidents was established and the number of incidents and the effectiveness of response were taken as a KPI baseline for the current year.

In the area of network security and endpoint protection, a number of technical and organisational measures were implemented during the reporting period in line with the company's risk-assessment results. All workstations meet current security requirements and change management is carried out on the basis of a documented process.

The development of cyber security continues on a risk-based approach in the coming years – the scope of security controls will be expanded in line with the company's growth and the changing threat landscape. By 2027 the aim is to achieve a minimum level of cyber risk and to pass regular audits demonstrating the effectiveness of the implemented controls.

Links

If you understand how websites, links, and domain names work, you will avoid many threats on the web. Distinguishing domain names within links can be of critical importance to your organization's security.

Next >

Protocol Domain


<http://search.yourdomain.com/products>

Subdomain Path

Correct!

Exactly. HTTP is the protocol of this link. Well done!

Next >



Governance impacts and risk assessment

Governance impacts were identified in a workshop attended by company representatives and members of the management, where the company's governance structure, accountability chains and transparency and ethics mechanisms were mapped. The assessment also took into account existing governance documents, including the Code of Ethics, the Supplier Code of Conduct and internal-control and audit procedures.

The assessment of risks and opportunities was carried out at the level of business segments and covered all of the company's operating locations. The assessment took into account strategic objectives, market trends and regulatory developments, including European Union sustainability-reporting requirements and supplier ESG-compliance expectations. Particular focus was given to risks arising from the reliability of supplier data, compliance with the Code of Ethics and the auditability of ESG reporting.

The material IROs identified included, among others:

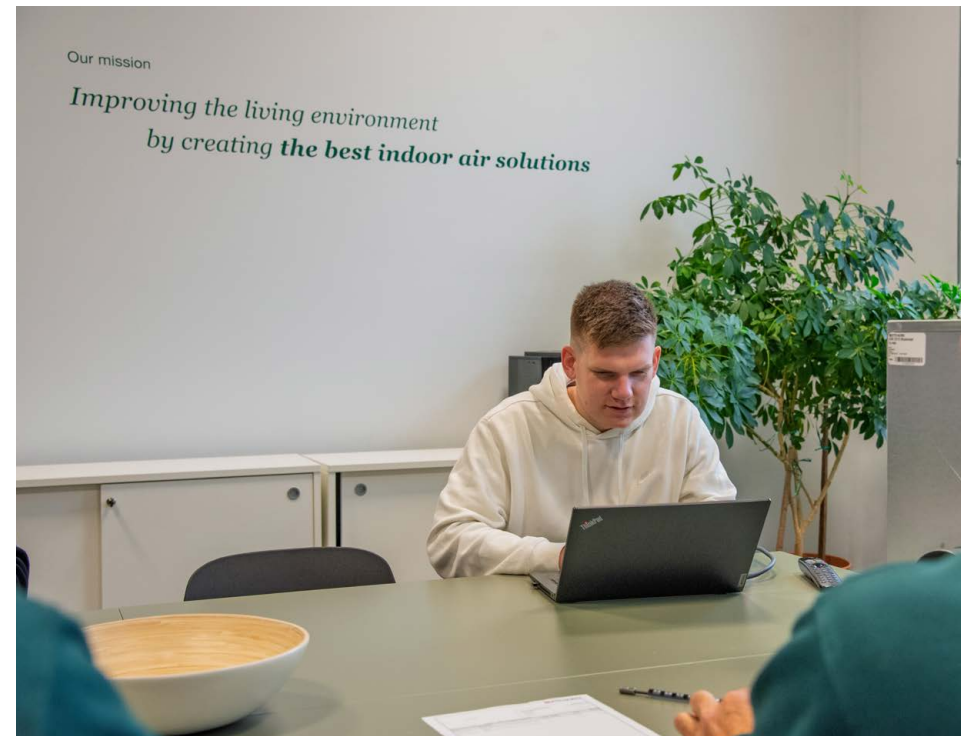
The risk to ESG data reliability that arises from the dependency of Scope 3 data on suppliers;

Reputational risk that may accompany unethical behaviour or non-transparent business practices;

Cyber-security risk associated with data leaks and IT-system disruptions that may affect production continuity and data integrity;

The opportunity to strengthen market position through transparent governance and methodologically comparable ESG reporting.

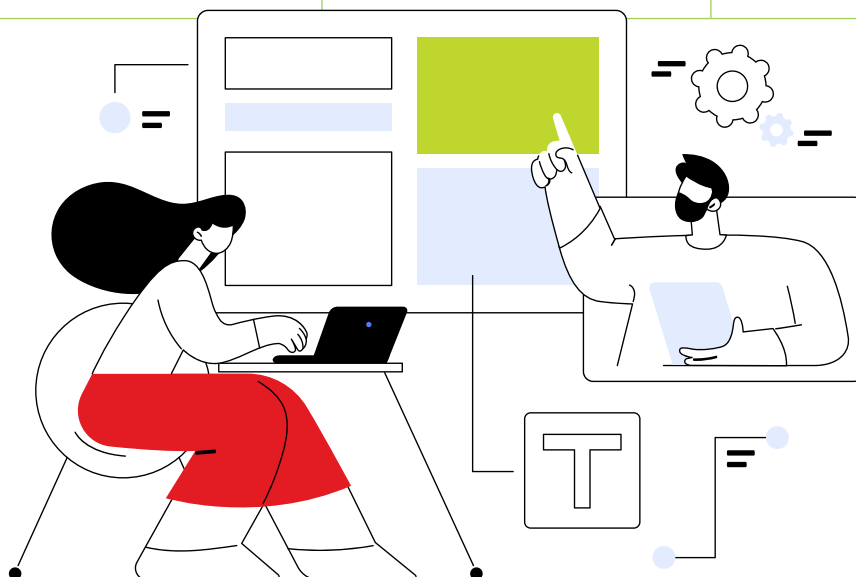
All identified and material IROs were validated by the company's management and integrated into ETS NORD's overall risk-management system. The results of the assessment form the basis for the company's sustainability strategy and also for preparing a report that meets the requirements of ESRS G1.





Digitalisation-related policies, actions, targets and metrics

Policies	Actions 2026–2028	Targets	Metrics	Deadline
Automation of data related to sustainability reporting. Data Governance: whistleblower submissions, packaging data, CO ₂ data, supplier EPDs, accounting data with ESG breakdown	Adoption of a digital platform and AI solutions for the automation of sustainability-reporting data	90% of ESG/CO₂ data automated by 2027	% of digitalised data	2026–2028
	Regular cyber-security training and phishing simulations	Increase in employees' cyber awareness	Phishing-test success rate (%)	
	Designation of data owners for all critical data sets	All material data sets have a designated owner responsible for them	Number of data sets without an owner	
	Regular audit of digital data volume and systematic deletion of unnecessary data	Reduction of unnecessary digital data volume and the related energy use of IT infrastructure	<ul style="list-style-type: none"> Volume of deleted data (GB/TB per year); Change in the share of inactive data (%) 	



Summary of priority topics

ETS NORD's 2025 ESG report clearly shows that the company has taken a direction towards strategic and measurable sustainability. As a result of the double materiality assessment, 13 priority topics have been defined, covering environmental, social and governance aspects.

The most important topics in terms of financial and impact materiality:

1

E1 Climate change and energy – the largest financial impact (Scope 3 ~96.56% of the footprint) and the largest positive impact (our products reduce buildings' energy consumption and clean indoor-space air).

3

S1 Own workforce – occupational safety, pay-gap analysis, diversity, training.

2

E5 Resource use and circular economy – reducing the volume of mixed waste and increasing recycling, with the objective of reducing the environmental and financial impacts of waste management by 2030.

4

G1 Business ethics and digitalisation – zero tolerance of corruption, ESG data management, cyber security.

Next steps

Short term (2026):

- Approve and publish 2025 quantitative indicators (CO₂, energy, waste, employees, accidents) in the ESRS structure
- Implementation of the whistleblowing system
- Pay-gap analysis
- Completion of the climate-risk analysis of key suppliers
- Green-material pilot project

Medium-term view (2026–2030):

- Link the results of the double materiality assessment with strategy, budget and investments
- 95% of sold products covered by EPDs
- 100% of priority suppliers signed the CoC
- 90% of ESG data automated

Long-term view (2050):

- 100% circular economy
- Full ESG digitalisation and transparency



Contacts and additional information

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