

Corporate social responsibility

Business model & Nissens Cooling Solutions' approach to sustainability

This report constitutes the company's statutory reporting cf. § 99a according to the Danish companies act.

Nissens Cooling Solutions is specialized in the development and production of customized cooling solutions for a number of application areas for customers in two sub-segments; Wind and Industrial applications.

The wind business delivers cooling systems and modules to the wind industry, whereas the industry business is focused on cooling solutions for special vehicles and industrial applications such as construction equipment, agricultural machines and special equipment.

Being a global production company, the Nissens Cooling Solutions Group is committed to offering a contribution to a limitation of the Group's environmental and climate footprint, just as it is the Group's obligation to consider the health and safety standards applicable for its employees.

The reported measures in this report contain data for 12 months ranging from January 1st 2023 to December 31st 2023 and is the third set of reported figures for the company on a stand-alone basis. Nissens Cooling Solutions will continue to adhere to UN Global Compact and will continue to develop the focus and initiatives linked to social responsibility and sustainability.

Human rights

Nissens Cooling Solutions is committed to supporting and respecting the internationally proclaimed human rights. In the future, the Company continues its efforts within the area

| Area | Risk | Actions in 2023 | Results 2023 |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Code of Conduct | Adverse human rights, negative environmental impact, and corruption issues in own organizations and external supply chain. | We continue to specify our expectations to our employees across Nissens Cooling Solutions' global organization and to our suppliers in our Code of Conduct. As part of hiring new employees they are all presented to our Code of Conduct and sign that they have read and understood the content. | All of Nissens Cooling Solutions' employees are made acquainted with the Code of Conduct, and a large number of our suppliers receive our Code of Conduct in the course of formalizing our business interaction. |
| Data privacy | Not handling personal and sensitive personal data and information in compliance with legal regulations and internal guidelines. | We have set-up initiatives and procedures to further strengthen our processes on management of sensitive personal data and information. | Our target for 2023 was to secure that all managerial staff at top three levels at Nissens Cooling Solutions receive and sign our Data Privacy Policy and procedures to secure compliance. This target is reached. No event of breach of data privacy has been recorded in 2023. |

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Social & Labor Conditions

The experience, competence and well-being of Nissens Cooling Solutions' employees are vital elements in our ability to develop the business and succeed with our strategic plans and objectives. Across the Nissens Cooling Solutions Group, there is a commitment to supporting a safe and healthy work environment, the risk management of work-related accidents and injuries is a focus area. In the future, the Company expects to continue our efforts within the area.

| Area | Risk | Actions in 2023 | Results 2023 |
|------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employee development & satisfaction | Fluctuating employee turnover levels. | In 2023 the workers committee (SU) has established sub-committees working on employee turn-over, closer monitoring of absence and planning of competence development, also supported by competence-base salary-adjustments. | These initiatives are still on early stages but will continue during 2024. |
| Employee safety, health and well-being | Employees getting injured at work. | Our health and safety focus is supported by regular, ongoing measurement and follow-up on e.g. the development of injury rates. | For 2023, our LTIR (Lost Time Injury Rate) on blue-collar & white-collar employees in China, Slovakia, the Czech Republic and Denmark combined is 0,9/ 200.000 WH. |
| | High sickness absence impacting negatively on daily operations and planned outputs. | We measure and follow up on our sickness absence on both blue-collar and white-collar employees on a monthly basis and take necessary actions to support our employees and limit as well as prevent absence due to sickness. | Weighted average for our short-term sickness absence rate for blue-collar and white-collar employees measured across our main sites in 2023 was 2.7% compared to a level of 3.1% in 2022. |
| Diversity in other managerial positions | Risk of discriminating based on gender, race, religion, ethnicity when hiring new employees. | In our policy on gender and cultural diversity, we have defined a target of a minimum share of female managers on all management levels. | End of 2023, the female representation in Nissens Cooling Solutions' Group Management amounts to 24%. |

Gender balance

It is outlined in Nissens Cooling Solutions' policy on gender and cultural diversity that we work to ensure that regardless of gender, race, and religion, all employees must be treated equally, in order to ensure that everyone has equal opportunities for employment.

Board of Directors 31-12-2023

| | |
|----------------------------------------|------|
| – Total members | 5 |
| – Share of underrepresented gender (%) | 20 |
| – Target (%) | 40 |
| – Target year | 2026 |

Leadership positions 31-12-2023

| | |
|----------------------------------------|------|
| – Total members | 25 |
| – Share of underrepresented gender (%) | 24 |
| – Target (%) | 40 |
| – Target year | 2026 |

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Climate

Nissens Cooling Solutions strives to minimize the risk of having an unnecessary detrimental impact on the climate through the optimization of our energy consumption and a reduction of the Group's CO2 emissions. The Group's ambition and approach are outlined in its environmental and energy policies. This applies to all of Nissens Cooling Solutions' locations and define the work within environment and climate in Nissens Cooling Solutions' production sites.

A large effort is being given to purchase of renewable energy certificates (RECs) or similar, bringing down the emissions from purchased electricity.

In addition Nissens Cooling Solutions has carried out climate accounting for scope 1 and 2 for 2021 and 2022 and has created a scope 1 and 2 reduction road map, showing a 42% reduction towards 2030 (compliant to Science Based Targets).

In the future, the Company expects to continue our efforts within the area.

| Area | Risk | Actions in 2023 | Results 2023 |
|-------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Energy consumption | Limitation of energy consumption impact. | In 2023, we have investigated the ability to fully replace gas with electricity in our brazing furnaces. | Test results have proved that gas can be fully avoided in our batch CAB furnaces. So far it is implemented on one furnace to see the long term wear and tear effect. |
| CO₂ emissions – scope 1 and 2 | Limitation of climate impact through production optimization. | In 2023, we have replaced gas with electricity and finalized climate accounting scope 1 & 2 and created a reduction road map. | Gas replaced by electricity in one furnace. As electricity is CO ₂ e neutral utilizing green certificates this is giving reductions in our scope 1. Climate accounting shows a 46% drop in scope 1 & 2 emission from 2020 to 2022 (Marked based – reduction mainly driven by green certificates). |

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Environment

Nissens Cooling Solutions strives to minimize the environmental footprint of our production through a continuous focus on resource optimization throughout the Group's production facilities. The environmental management system is certified according to ISO14001 standards, and the Group is working in a structured manner with our environmental awareness and sustainability for years. In the future, the Company expects to continue our efforts within the area.

| Area | Risk | Actions in 2023 | Results 2023 |
|--------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Waste | Excessive waste through production. | We continuously work with optimizing our process waste. We have strengthened focus on NTI (New Technology Introduction) with a clear objective to reduce material consumption. Consequently the waste will be reduced as well. | Building on known cooler technologies we have successfully downgauged the tube plate material with 34%. Overall this give a material reduction on cooler level on ca. 15%. The "down-gauge" technology is being implemented in both new designs as well as in cost outs in existing designs, and the solution is expected to really kick-off during 2024. |

Anti-corruption

The Nissens Cooling Solutions Group is committed to upholding a high degree of business ethics in all the markets in which the Group operates, and Nissens Cooling Solutions works against corruption in all of its forms. The Group's expectations regarding anti-corruption are specified in a Code of Conduct, which all of Nissens Cooling Solutions' employees must comply with. In the future, the Company will continue our efforts within the area.

| Area | Risk | Actions in 2023 | Results 2023 |
|-------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corruption | Employees engaging in activities of corruption. | Our Code of Conduct is distributed to our employees during their onboarding in the company. Whistleblower access is available for named or anonymous reporting of breaches of laws and regulations as well as non-compliances with Nissens Cooling Solutions' policies. | We have not identified any non-compliance or breaches with our Code of Conduct in the reporting year. No reports on incidents nor confirmed incidents are registered in our whistleblower system in 2023. |