





Our sustainability initiatives

The global challenges society is facing require responsible leadership and systematic work. The business sector has an important role to play. That is why we are working actively to integrate sustainability in our daily work; we see it as a precondition for long-term profitable and responsible business. Our sustainability initiatives are based on the understanding that every link in the chain is important, from supplier to employee to customer.

VALUE CHAIN

Nobia's operations include everything from product development and production to sales to the end consumer. By implementing our sustainability strategy, we are aiming to have sustainability issues permeate innovation and design as well as choice of materials and manufacturing.

Product development

Choice of materials, design and functionality can create solutions that have a far-reaching, positive impact on people and the environment, for example, by extending the service life of a product, increasing resource efficiency, preventing waste and facilitating a more sustainable lifestyle. This is why sustainability is a focus area in product development, which means that environmental and social issues are included as early as in the design phase.

Sourcing

Our suppliers are found in various markets, and can impact both people and the environment where they operate. We monitor and audit the work of our suppliers on social, environmental and ethical issues for the purpose of reducing risk and promoting a more sustainable supply chain.

Waste and recycling

Waste, for example in the form of waste wood and packaging, occurs both in our own manufacturing and at the customer. We endeavour to minimise waste and to find recycling solutions. Waste wood from production is used as an energy source or for new material.

Manufacturing

The health and safety of our employees is our highest priority. There are procedures and routines in place for continually improving our results in these areas. In our manufacturing we follow goal-driven Lean initiatives, which includes systematic health, safety and environmental initiatives to prevent workplace accidents, reduce energy consumption and use of raw materials, and reduce emissions and waste. Of our 14 production facilities, 11 have an environmental management system that is third-party certified.

Use

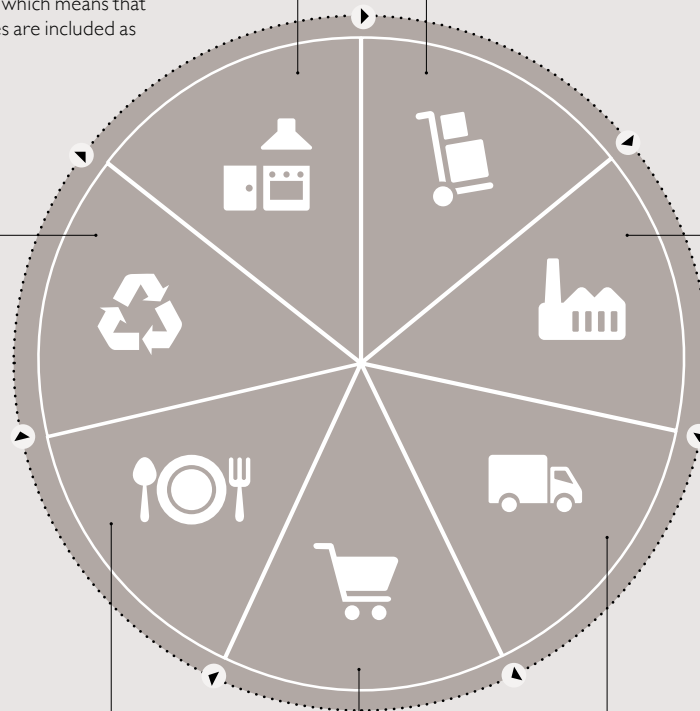
With our kitchen solutions, we can enable our customers to live more sustainably. In-house and third-party testing ensures that our products are safe for people and the environment. Our range includes Nordic Swan eco-labelled products, which are assessed according to how they impact the environment throughout their service life from raw materials to waste.

Sales

We have a great deal of experience in designing kitchens, and we help the customer the entire way from inspiration to installation in order to provide a sustainable kitchen solution for both future and immediate needs. To ensure best practices, Nobia's employees are trained in our Code of Conduct.

Transportation

Goods transports make up the largest part of our CO₂ emissions. Efficient distribution along the entire goods flow, from supplier to customer, is important for minimising environmental impact from transport. Studies and analyses of the transport flow are being carried out in close collaboration with our carriers in order to find new and optimal solutions.



SUSTAINABLE ADVANCES IN 2018

During the year, we continued to integrate important sustainability issues into our value chain and made important advances in concept and product development as well as in production and the supply chain. We have also focused on skills development to increase and broaden knowledge about sustainability. Some of the most important activities, results and awards from the year are listed below.

ACTIVITIES

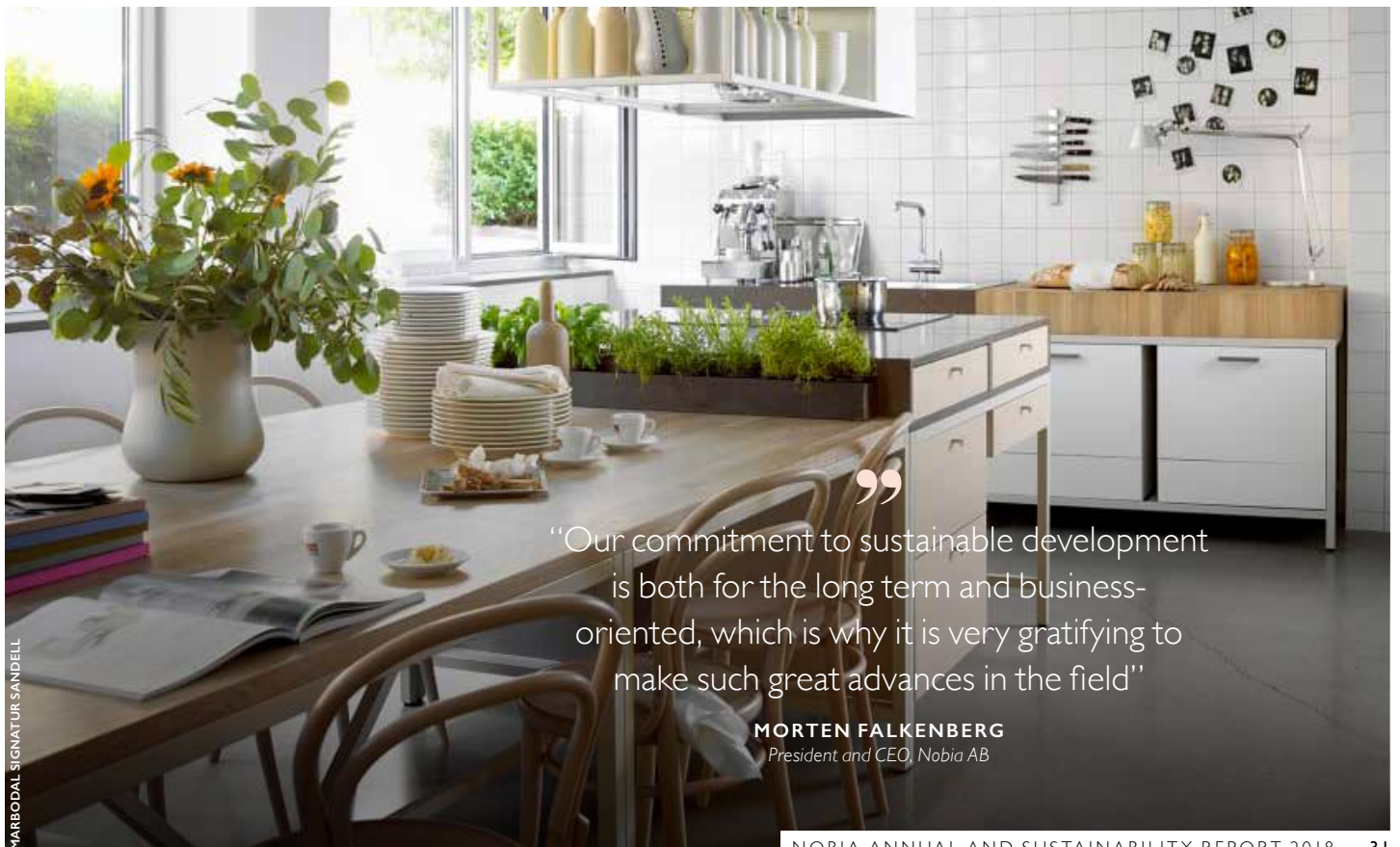
- ▶ Switching from energy recovery to material recycling of waste wood in several facilities
- ▶ Group-wide projects to reduce waste wood in production
- ▶ Two concept kitchens with a focus on minimising waste, and circular flows
- ▶ Switching one of our largest supplier's transport flow from vehicles to trains
- ▶ Internal sustainability training initiatives

RESULTS

- ▶ 92 per cent of Nobia's total wood and wood materials originated from a certified source
- ▶ 70 per cent of the UK's wood and wood materials originated from FSC® (Forest Stewardship Council® FSC®-C100100) or PEFC™ (Programme for the Endorsement of Forest Certification™) certified wood, with full chain of custody through to the end consumer
- ▶ 45 per cent of sales in Sweden and Norway consisted of Nordic Swan eco-labelled products
- ▶ 50 per cent of all our wood waste went to manufacturing new products
- ▶ Slightly more than 300 suppliers in the supplier review programme

AWARDS

- ▶ Nobia ranked among the top five in the Consumer Goods category of the 2018 Hållbar bolag (Sustainable Businesses) survey
- ▶ Nobia was graded C+, Prime in sustainability in the ISS-oekom corporate rating
- ▶ Nobia's score in CDP Forest increased from D to -B
- ▶ Our production facilities in the UK received the British Safety Council's Sword of Honour award
- ▶ Our production units in Darlington, Halifax, Morley and Dewsbury were granted entry into the Furniture Industry Sustainability Programme (FISP)



“Our commitment to sustainable development is both for the long term and business-oriented, which is why it is very gratifying to make such great advances in the field”

MORTEN FALKENBERG
President and CEO, Nobia AB

STRATEGIC FOCUS AREAS

Our sustainability strategy is our medium- to long-term itinerary, constituting a support for our business plan and vision. It links our core operations with our ambitions to promote the UN Sustainable Development Goals.

The strategy is built on four long-term focus areas that reflect the impact of our operations and constitute the areas with opportunities for improvement. The focus areas also work together with our other strategic initiatives concerning resource efficiency and employee well-being.

UN GLOBAL COMPACT PRINCIPLES

The UN's Global Compact initiative is based on commitments by businesses to work on sustainability issues by introducing the ten principles of the Global Compact: human rights (principles 1, 2), labour (principles 3, 4, 5, 6), environment (principles 7, 8, 9) and anti-corruption (principle 10). Read more at www.unglobalcompact.org

THE SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals aim at eliminating extreme poverty, reducing inequality and injustice in the world, promoting peace and justice and solving the climate crisis by 2030. Read more at www.un.org

SUSTAINABLE INNOVATIONS

VISION: We develop kitchen solutions that support people, the planet, and our operations through continuously improving the environmental and social performance for our products and processes. In addition, we enable our customers to live more sustainably in the kitchen.

GOAL 2020: We have implemented a sustainability scorecard to evaluate the sustainability performance of our new kitchen products as regards choice of materials, design, and functionality.

RESULTS 2018: According to plan.

COMMENTS: The development of the sustainability scorecard has taken longer than estimated but was finished at the end of 2018. Everyone concerned has been trained and implementation has been initiated.

UN GLOBAL COMPACT PRINCIPLES: 1, 7, 8, 9

UN SUSTAINABLE DEVELOPMENT GOALS



REDUCE CO₂ EMISSIONS

VISION: We promote a value chain with low CO₂ emissions by reducing CO₂ emissions from our products and processes. Through a twofold energy strategy, we focus on energy efficiency and the transition to renewable sources of energy.

GOAL 2020: 100 per cent renewable electricity in all our production facilities in all markets.

RESULTS 2018: Achieved.

COMMENTS: Now that we have already reached our goal for 2020 of 100 per cent renewable electricity, we will produce new climate goals, focusing on transport and heating.

UN GLOBAL COMPACT PRINCIPLES: 7, 8, 9

UN SUSTAINABLE DEVELOPMENT GOALS



TIMBER FROM SUSTAINABLE SOURCES

VISION: We contribute to the elimination of deforestation, reducing greenhouse gas emissions as well as protecting biodiversity and people's livelihood by promoting sustainable and responsible forestry and the provision of timber from sustainable sources.

GOAL 2020: 100 per cent wood from sustainable sources such as forests certified under acknowledged forest standards, recycled wood or wood from our suppliers who have been audited and approved for sustainability.

RESULTS 2018: According to plan.

COMMENTS: 92 per cent of Nobia's total wood and wood materials originate from a certified source. In addition, 70 per cent of all the UK's purchased wood and wood materials originate from FSC® or PEFC™ responsible sources, with full traceability all the way to the customer.

UN GLOBAL COMPACT PRINCIPLES: 2, 7, 8, 9

UN SUSTAINABLE DEVELOPMENT GOALS



RESOURCE EFFICIENCY

VISION: Efficiency is one of the linchpins of Nobia's business strategy. We endeavour to promote enduring, sustainable growth by economising on resources and continually searching for new circular cycles that promote more efficient use of resources and minimising the amount of byproducts that cannot be re-used.

TREND IN 2018: During the year, we initiated a Group-wide Lean project to reduce waste wood from sawing. The project will continue in 2019. In addition, through a local improvement project, we were able to recycle approximately 300 litres of water and UV paint per day, which is estimated to equal a savings of 15–20 per cent.

UN GLOBAL COMPACT PRINCIPLES: 7, 8, 9

UN SUSTAINABLE DEVELOPMENT GOALS



RESPONSIBLE SOURCING

VISION: We build relationships with suppliers who are working successfully on sustainability. By promoting responsibility and transparency in our supply chain, we are contributing to a more sustainable future.

GOAL 2020: We have guaranteed a new programme for suppliers that includes risk analysis, an audit programme, and a channel for reporting violations of our Code of Conduct for Suppliers. We aim to work further down the supplier chain.

RESULTS 2018: According to plan.

COMMENTS: During the year, we implemented a new programme for supplier reviews which includes over 300 suppliers.

UN GLOBAL COMPACT PRINCIPLES: 1, 2, 4, 5, 7, 8, 10

UN SUSTAINABLE DEVELOPMENT GOALS



EMPLOYEE WELL-BEING

VISION: The safety of our employees is our highest priority. The company is able to retain and recruit competent employees by offering a safe and secure workplace that offers opportunities for career and skills development. Nobia's vision is zero workplace accidents and zero work-related injuries.

TREND IN 2018: Despite a positive trend in several production facilities, the total number of accidents increased during the year. The increase was equivalent to 15.19 workplace accidents per million hours worked. Most of the accidents occurred while lifting or because of slipping, but resulted in no permanent injuries. We are further developing our safety programme, and expect to reverse this development in 2019.

UN GLOBAL COMPACT PRINCIPLES: 1, 2, 3, 6, 7, 10

UN SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABLE INNOVATIONS

Under our brands, we offer kitchens that last for many years. This long-term perspective requires remaining on the leading edge, developing products that meet both today's and tomorrow's needs. Sustainability is thus a central theme in our product development, in everything from concept development and innovation to tests and quality requirements.

DEVELOPMENT OF SUSTAINABLE CONCEPT KITCHENS

During the year, we developed two concept kitchens with a focus on minimising waste and on circularity: the Waste-Free Kitchen and the Circular Kitchen. The Waste-Free Kitchen concept was launched during the year, and products from the concept will be available under several of our brands. The Circular Kitchen is a concept developed in partnership with our Bribus brand and institutions such as the Delft University of Technology. The concept focuses on aspects such as long service life, as well as repairable and replaceable parts.

SUSTAINABILITY EVALUATION SCORECARD FOR PRODUCTS

In 2017, we initiated a partnership among the functions for product development, sourcing and sustainability for the purpose of developing and implementing a sustainability scorecard for our new products. The scorecard makes it possible to evaluate products based on several different criteria as regards materials, design, supplier and function. Every area is graded separately using a points system; all together, they provide a total assessment of the product's sustainability performance. In materials, both core and surface materials are assessed; in design, the product is assessed based on both use and possibility of recycling. Development of the scorecard is completed, and everyone concerned has been trained in using the tool. The implementation phase will continue in 2019.

INCREASED INTEREST IN CERTIFICATION AND PRODUCT LABELLING

Nobia has extensive experience in working with eco-labelled products. Under our Marbodol brand, we were the first kitchen brand in Sweden with a Nordic Swan eco-labelled range – in 1996. Today, we offer Nordic Swan eco-labelled products, as well as products that meet eco-building standards such as BREEAM (BRE Environmental Assessment Method) and Nordic Swan eco-labelled build-

ings. We are seeing tremendous – and increasing – market interest in sustainability certification and product labelling. In Sweden and Norway, 45 per cent of sales came from Nordic Swan eco-labelled products in 2018. As a response to market demand, we will additionally introduce Nordic Swan eco-labelled laminated worktops into the Nordic market during 2019.

Furthermore, we offer products that meet local labelling standards in our various markets: the M1 classification in Finland, Dansk inomhusklimat in Denmark, and Byggarbetssäkerhetsprodukter in Sweden. In the UK, all our cabinets and doors are approved under the Furniture Industry Research Association (FIRA) requirements for safety, ergonomics and sustainability.

To further reinforce our work on sustainability-related certifications and product labelling, we developed a new procedure during the year for certifications and product labelling in our product development process.

CONTINUED FOCUS ON PRODUCT SAFETY

Product safety is a linchpin in our work, and ergonomics is taken into consideration in all our product development. Before a new product enters the production phase, relevant tests are carried out both in-house and by accredited testing institutions in line with EU standards. In our product development process, we conduct systematic product risk assessments, known as Failure Mode and Effect Analysis (FMEA), for all new internally developed products. Under FMEA, risks related to product safety are classified and analysed. Our products also meet several different requirements for standards and labelling in our various markets.

During the year, Nobia had no product safety incidents that led to insurance cases or legal proceedings.

UN SUSTAINABLE DEVELOPMENT GOALS



The kitchen includes a cabinet door manufactured from 100 per cent recycled PET foil and recycled wood.

Sustainability is a focus area in our product development. The Waste-Free Kitchen is one of our latest concept kitchens, with a focus on using less material and using greater amounts of recycled material, and to facilitate waste recycling for kitchen users. The kitchen includes a cab-

inet door manufactured from 100 per cent recycled PET foil and recycled wood, smart storage of food for longer sustainability, and 'cradle-to-cradle' certified handles designed and manufactured to be part of a cycle, to be re-used and not generate waste.



KRISTIAN RIDEFELT
Head of Product Management & Innovation

TIMBER FROM SUSTAINABLE SOURCES

Wood is the main component of our products. Wood is renewable, recyclable and strong. Being a sustainable choice, however, requires that it comes from responsible forestry so that we can preserve long-lasting forests.

TIMBER FROM SUSTAINABLE SOURCES

For us, timber from sustainable forestry means wood from forests that are certified for sustainable forestry, recycled wood or wood from suppliers audited and approved for sustainability. Wood and trade in wood are strictly regulated through the EU Timber Regulation. To ensure compliance, we gather information on traceability for the wood and wood materials we purchase.

Our suppliers of wood and wood products are mainly based in Europe. Only a small amount of wood is purchased from countries such as Indonesia and Brazil. All our suppliers of wood and wood products must comply with Nobia's policies and requirements regarding sustainable forestry. There must, for example, be information on the source; that it is not wood from intact natural forests, high conservation value forests, or plantations in tropical and sub-tropical regions; and that it is not wood from tropical trees except those that are certified.

In addition, we endeavour to increase the share of wood from responsible sources. In 2018, we worked actively with our suppliers of wood and wood materials to increase the share of wood from sustainable forestry through proactive dialogues and by integrating certification requirements into our procurements. 92 per cent of Nobia's wood and wood products purchased in 2018 came from certified sustainable sources. Additionally, 70 per cent of the wood purchased in the UK was FSC® or PEFC™ certified, with full traceability certification all the way to the customer.

CIRCULAR FLOWS AND MORE SUSTAINABLE CHOICE OF MATERIALS

The largest part of our incoming wood is board material and MDF. Approximately 30 per cent of this material consists of recycled wood such as waste wood from manufacturing, but also recycled furniture, pallets and packaging materials that meet the requirements in applicable directives and systems for inspection. Similarly, we want our waste wood from production to be recycled into new products. At the production facility in Ølgod, Denmark, we converted from internal energy recovery

of waste wood to material recycling. Some of our facilities in the UK changed to send wood to recycling instead of incineration. These conversions have resulted in 50 percent material recycling of byproducts from production.

In 2017, we began a project in partnership with Swerea-IVF concerning how used textiles can be reused as future materials in kitchens. This project intensified during the year, and we are now working on reviewing the possibility of developing parts for our kitchens with the new, innovative material.

Another example of new, more sustainable choices of materials comes from our Bribus brand, which offers kitchen products consisting of Balanceboard, an FSC® certified chipboard with compressed granules from annual crops such as grass, linseed or remnants of cornstalks. Moreover, the products are lighter, which yields climate advantages during transport.

NOBIA COLLABORATES ON RESPONSIBLE FORESTRY

Nobia is a member of the Global Forest and Trade Network (GFTN) in the UK. GFTN is a part of the World Wide Fund for Nature (WWF) and an association of companies and organisations that have committed to pursuing or supporting responsible forest management. GFTN works to coordinate national and regional initiatives in order to increase responsible forest management and its members undertake to increase sourcing of wood and wood products from sustainable sources and to disassociate themselves from forest products that are illegal or originate from controversial sources.

Nobia reports to CDP Forest and raised its results markedly during the year, from D to B-.

UN SUSTAINABLE DEVELOPMENT GOALS



” Material recycling is a crucial part of the switch to a more sustainable society. During the year, we switched from burning our own waste wood to recycling it. This means that 100 per cent of our waste wood from the plant in Ølgod now goes back to our suppliers for production of new chipboard.



**MICHAEL
ROSENDAHL JENSEN**
Head of Production,
Nobia Denmark

REDUCE CO₂ EMISSIONS

We are working steadily to reduce our direct emissions from production and transport; at the same time, we want our products to make it possible for our customers to live more climate-smart at home.

RENEWABLE ENERGY AND EFFICIENT ENERGY USE

Based on our sustainability strategy we have worked on reducing climate impact from our production by transitioning to renewable electricity in all our production units. As a next step in our carbon footprint work we improved our processes during the year to measure and follow up our transport-related emissions in order to develop new climate reduction targets.

In production, we are working on both enhancing energy efficiency and reducing CO₂ intensity by choosing optimised energy sources for every production facility. Today, we use renewable energy at all our facilities in all our markets. During the year, we optimised energy consumption at the production facility in Ølgod, Denmark by switching from in-house heating from waste wood to purchasing renewable district heating. Waste wood from production will now instead be recycled into new material.

ENERGY MANAGEMENT SYSTEMS

In the UK, three of our five production facilities are certified under ISO 50001, Energy management, which means that energy consumption is systematically measured and monitored to reduce energy, costs and CO₂ emissions. Certification of the remaining two facilities is planned for 2019.

During the year, a new boiler for biomass was installed at the production facility in Halifax. The capacity of the boiler in the Darlington facility was further improved. These measures have led to the use of internally renewable waste wood as a source of energy, instead of fossil energy.

Moreover, three of the five facilities have switched to LED lighting, which has reduced energy consumption by approximately 60 per cent. At the same time, lighting intensity and quality have markedly improved, which has benefited the work environment. The ambition is to attain 100 per cent LED lighting by 2020.

SHARE OF RENEWABLE ENERGY:

100%
Electricity

84%
Heating

OPTIMISATION OF TRANSPORTATION

Approximately 80 per cent of our total CO₂ emissions comes from transportation. The climate impact from transportation is therefore one of our greatest challenges in sustainability, but this also contains major opportunities. During the year we had a slight decrease of CO₂ emissions from purchased transport. Restructuring in production and logistics will be a large part of future value creation in Nobia, where we are also endeavouring to reduce our climate footprint from transportation.

Transportation from our production facilities to customers takes place through distributors, or alternately with our own fleet depending on the market. Distribution to customers is a complex operation requiring balance between customers' wishes, costs and the environmental impact that producing efficient transport solutions entails.

As a step in improving control over our flow of incoming materials, we took over transportation to our production facilities in the UK from one of our high-volume suppliers. At the same time, we switched from pure road freight to intermodal transport by train from Italy to the Netherlands, which has been calculated to save approximately 230 tonnes of CO₂ per year. Emissions from incoming transportation are not included in our CO₂ emissions as currently reported but constitute a considerable portion of our indirect CO₂ emissions. The current switch will therefore be evaluated with the possibility of similarly switching more incoming transportation, from vehicles to intermodal solutions.

Nobia reports to CDP Climate and received a grade of C in the 2018 report, which is the same as the preceding year.

UN SUSTAINABLE DEVELOPMENT GOALS



“Through improved oversight and control over our outgoing transports, we increase the possibility of co-ordination, efficiency enhancement and optimising routes, and also for better fuel and modes of transport.

We are reviewing how we can reduce both costs and the environmental impact from transportation. Through ongoing improvement projects, we are investigating the possibility of optimising our transport planning system by implementing new shared software and improving

transport planning procedures and skills. Through improved oversight and control over our outgoing transportation, we increase the possibility of co-ordination, efficiency enhancement and optimising routes, and also for better fuel and modes of transport.”



JASON PALMER
Director of Transport Sourcing

RESPONSIBLE SOURCING

A sustainable supply chain and good relations with our suppliers are crucial for offering attractive products to our customers. That is why we are continually working on creating transparent and efficient partnerships with responsible suppliers. Our Supplier Code of Conduct regulates and governs Nobia's requirements for suppliers as regards working conditions, human rights, business ethics, environmental performance, and so on.

SUPPLY CHAIN

We have about 650 suppliers (560) in our supply chain, the majority of which are based in Europe. The core components of the products, such as chipboard, MDF, paint, hinges, drawer units, edging and worktops, are supplied by European companies. More than 90 per cent of the wood, which is the primary material in our products, is also purchased from European suppliers. Nobia has several suppliers of appliances for different customer segments and its ambition is to always be in a position to supply products from the leading appliance companies. Product categories manufactured in Asia include screws, some interior fittings and LED lighting. These products are purchased principally via European wholesalers based on detailed product specifications that include EU requirements and local regulations.

PROGRAMME FOR RESPONSIBLE SOURCING

Centralised sourcing provides Nobia with the opportunity to apply a structured work method in terms of setting requirements, and monitoring and developing suppliers' work. Purchased materials and components are carefully specified and suppliers are risk assessed, inspected and evaluated in accordance with our guidelines on the environment, work environment, human rights, business ethics and quality. Respect for human rights, with a starting point in the UN's guidelines for companies and human rights as well as local labour legislation, is an important part of our work and is reflected in both our internal guidelines and processes as well as in our requirements for and monitoring of suppliers.

In 2018 we took a big step forward in our work to include all relevant suppliers in the new responsible sourcing programme. The programme is built on our Supplier Code of Conduct and includes risk analysis, review, audit and an anonymous channel for reporting violations of the Supplier Code of Conduct. Our new programme, which covers approximately 300 suppliers, is equivalent to 99 per cent of total supplier costs. Using a digital platform, suppliers of direct material are audited as regards human rights, working conditions, the environment, quality and anti-corruption. Nobia's risk analysis and supplier audit contains an extensive screening of the suppli-

er's accreditations and certificates, as well as compliance with legal requirements and Nobia's requirements. The tool is built on an algorithm, so as to make the assessment more objective. Decisions on audits are taken based on the review and prioritisation. Deviations during the audit are assigned points and monitored. The work on monitoring is governed by the degree of severity of the deviations.

Our primary risk in sourcing can be linked to any such deviations from our Code of Conduct, especially in countries with weaker implementations of legislation. In order to promote the reduction of sustainability risks even further down the supply chain – among our suppliers' suppliers – we impose requirements on our suppliers that are also to be communicated to their relevant subcontractors. Information gathering at this level is sometimes difficult, as not all suppliers wish to share information about the underlying links. We see this as a valuable step, however; since this way we can go further in our risk analysis to where it has the most effect.

Of 309 (48) suppliers reviewed, 88 per cent had undergone a complete initial review during the year. Based on our stringent assessment criteria, 27 per cent of these suppliers were judged to be in need of further assessment. This could for example be a supplier operating in a country with higher risks, with none or few sustainability certificates or accreditations. Since a great deal of work was put in during the year on all suppliers undergoing the initial review, only a small number of in-depth audits – 13 (20) – were conducted. All new suppliers covered by the program were included in the initial review.

The team working on supplier evaluations is collaborating with purchasers and the sustainability function. The work includes risk assessments, evaluations and physical supplier audits covering topics such as human rights, health and safety, labour conditions, the environment, business ethics and quality.

UN SUSTAINABLE DEVELOPMENT GOALS



As the risks are sometimes greater further along the supplier chain, we also want to reach out to our subcontractors.

Implementing our digital supplier programme was an extensive amount of work in which all first-tier suppliers were reviewed first-hand. As the risks are sometimes greater further along the sup-

plier chain, we also want to reach out to our subcontractors, that is why we chose to also demand similar information about our suppliers' suppliers.



TONY BROCKLEHURST
Senior Quality Assurance Manager, responsible for Nobia's supplier audit programme

RESOURCE EFFICIENCY

At every step of the value chain, we strive to find resource- and energy-efficient solutions that help us, our business partners, and our customers to reduce our climate and environmental impact, and to act in a more sustainable manner. Our Group-wide environmental and climate policy governs our environmental and climate initiatives, and is supplemented with local environmental management systems and environmental targets.

FROM CENTRAL TO LOCAL WORK

Starting from our Group-wide sustainability strategy as well as our environmental and climate policy, goals and priorities are set at the central and local levels. Our environmental initiatives are integrated into the operations of the respective production facilities; in total, 11 of 14 production facilities are certified under the ISO 14001 standard for environmental management. Our environmental responsibility means always complying with environmental legislation in the markets where we operate, and striving to reduce the environmental impact in our operations through increasing resource efficiency, optimising transport and limiting the use of hazardous chemicals. Furthermore, we endeavour to develop products that meet strict requirements for low environmental and climate impact and, through our products, inspiring people to a more resource-efficient, healthier, and more sustainable life in the kitchen. No business unit in Nobia was sentenced or paid fines for environmental crimes in 2018.

RESOURCE-SMART MANAGEMENT

We endeavour to optimise the use of materials, increase the share of waste that can be reused or recycled, and reduce the amount of waste to landfill. During the year, the transition from energy recovery to material recovery took place in several production facilities. This resulted in 50 percent of waste wood to material recycling in 2018. Read more about our work on a circular economy on page 35. One of the most significant waste streams in our production are sawing waste. Continuous efforts are being made in production to optimise the flows and reduce waste using a Lean-based programme called the Nobia Lean System (NLS). Resources can be used more efficiently through

WASTE WOOD TO MATERIAL RECYCLING:

50%

optimised processes, and energy, emissions and costs can thus be reduced. In 2018, nearly 200 improvement projects (95) were in progress as part of our NLS initiatives. The projects initiated include projects involving all production units so as to measure material efficiency and reduce wood waste from our sawing. The project will continue in 2019.

EMISSIONS OF SOLVENTS

Emissions from solvents are a key issue in Nobia's environmental work. Solvents are mainly used in surface treatment and when cleaning painting facilities. From having decreased over several years in a row, total emissions of volatile organic compounds from solvents increased by 21 per cent (-1) in 2018. The increase is due to such factors as increased sales of painted cabinet doors; an increase in sales of darker colours, which requires an extra step in the painting process; and reworking of products at one of our facilities.

Initiatives to reduce the use of solvents include replacing them with water-based and UV-tempered surface coatings and reducing the number of changeovers in production equipment, which both reduces the amount of cleaning required and raises productivity. In one project at our production facility in Nastola, Finland, the opportunity of increasing the share of water-based paints is being evaluated, which would reduce solvent emissions considerably. The total share of water-based and UV-tempered paints in the group in 2018 was 51 per cent (54).

UN SUSTAINABLE DEVELOPMENT GOALS



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In total, the switch is estimated to yield an annual paint conservation of 15–20 per cent.

During the year, we began a paint recycling project in Tidaholm after a Lean course. The paints are used in surface treatments of objects such as cabinet doors. The improvement, which was implemented in the autumn, made it possible to recycle approximately 300 litres of water and UV paint per day, result-

ing in paint consumption decreased by 7 per cent over the year. In total, the switch is estimated to yield an annual paint conservation of 15–20 per cent. Our project has resulted in both reduced environmental impact in the form of decreased paint consumption and waste, and in reduced costs.



ANNA KELLETT,
Surface treatment operator

EMPLOYEE WELL-BEING

Employees are Nobia's chief asset. Attracting, engaging, and developing our employees is a crucial success factor for our operations. That is why we work purposefully towards creating a safe, secure work environment where our employees' engagement is utilised and creates, together with good management, a company to be proud of.

SAFE AND SECURE WORK ENVIRONMENT

The safety of our employees is our highest priority. All units have systematic health and safety work in which every workplace accident is analysed, and measures are taken to prevent a similar accident from happening again. Safety is always highest on the agenda through daily monitoring of incidents and accidents. Both managers and employees are continually trained in health and safety. Moreover, seven of our 14 production facilities are OHSAS 18001 certified.

Despite a positive trend in several production units, the number of total working accidents increased in 2018. During the year, 92 (75) workplace-related accidents occurred that resulted in at least eight hours of sickness absence. This corresponded to 15.19 workplace accidents (13.04) per million hours worked. Most of the accidents occurred while lifting or because of slipping in production operations, but resulted in no permanent injuries. The trend in the total number of accidents is not satisfactory. During the year, we had a high level of capacity utilization. We are further developing our safety programme, and expect to reverse this development in 2019.

During 2018, we implemented a new scorecard for production. This scorecard is an internal tool that covers several strategically important questions, including workplace accidents. Workplace accidents and activities to prevent them are monitored by senior management on a monthly basis using the scorecard. In our Nordic operations, new routines and processes have also been introduced for both monitoring and escalating workplace accidents.

A PERMANENT LABOUR FORCE

Nobia's employees are primarily permanent. Only approximately two per cent of our employees are temporary; they are located in Sweden, the Netherlands and the UK. The workforce can be divided up into employees working in production and logistics, and those working in administration and sales. Nobia principally has employees in seven European countries; all of our employees are covered by collective agreements in each of these countries except the UK. Our employees are represented

on the European Work Council (EWC), a European information and consultation council.

EMPLOYEE COMMITMENT IS CRUCIAL

Our employees getting on well in the work, displaying commitment and all working towards the same goals and vision are crucial for our success. MyVoice is Nobia's annual employee survey with questions concerning management, team efficiency, stress and discrimination. During the year, a Pulse survey – a less comprehensive version of the employee survey – is also conducted to more frequently measure and monitor trends around commitment. The surveys form the basis for creating active work around commitment; based on their results, local action plans supporting our shared goals are worked out. The year's commitment index from MyVoice stood at 78 (77), with a response rate of 81 per cent (85).

PROGRAMME FOR STRONGER LEADERSHIP

Leadership is an important cornerstone in our business strategy; its purpose is to lead our operations and to motivate and involve all employees to work towards shared visions and goals that are set high. In many cases, employee engagement is a reflection of involved and competent managers, something that was also noted in our employee survey. That is why, in the previous year, we launched the Excellent Leadership programme to provide all managers in the organisation the opportunity to develop and strengthen their leadership qualities. The programme has been implemented in all countries and to date covers 280 managers; a total of 550 managers are planned to go through the programme as part of the current initiative. The programme provides managers with the knowledge and tools to develop, and is run in part through virtual workshops.

SUSTAINABILITY SKILLS INITIATIVES

During the year, we continued to invest in sustainability courses. A custom course for Nobia in sustainable development was held for the product development and sourcing divisions, and for our sustainability ambassadors and Group management. The entire

90%

of employees to date have undergone training in the Code of Conduct.

78

The year's commitment index increased to 78 (77).

550

managers will conduct the Excellent Leadership programme.

product development organisation has also been trained in assessing products for sustainability.

DEVELOPING ON THE JOB

In our routine skills development, we are investing a greater amount in e-learning as a tool for producing customised courses more efficiently, for example products and markets, that can be adapted to a service or region.

Internship programmes are being run in several of our countries to attract and develop promising students. Every year, students are brought in to an internship programme for wood-workers at our production facility in Austria. The three-year programme interweaves school with practical work in production. The practical work entails different jobs, and the students switch divisions every six months. After completing the programme, the students are guaranteed employment; the programme is thus an important recruitment channel for our operations in Austria.

Nobia's production facility in Tidaholm took part in a project together with Tidaholm Municipality whose purpose was to provide jobs for newly arrived refugees, thereby easing the path into working life. Over the last year, Nobia has employed several newly arrived refugees at its facility in Tidaholm.

EQUALITY AND DIVERSITY

We are convinced that the different perspectives that arise through focusing on equality and diversity promotes the ability to understand and act on both customers' and employees' needs. Diversity and equality can also strengthen Nobia's competitive advantages and support our objective of being a good citizen and an attractive employer.

Nobia's Code of Conduct maintains that no employee should be discriminated against due to age, ethnicity, social or national origin, skin colour, gender, sexual orientation, gender identity or expression, religion, political views or disability.

Discrimination issues are also an important focus area in our Code of Conduct training. Equality and diversity are an integral part of our recruitment process, succession planning and leadership development. We aim to work on creating an inclusive

business culture in all parts of our operations, where people can make use of their full potential.

The Board of Directors consists of nine members, including the CEO. Of the regular members of the Board, 44 per cent are women and 56 per cent men. In the management group, the division between women and men is 9 per cent and 91 per cent, respectively. Out of some 100 senior executives and senior managers, 24 per cent (23) are women and 76 per cent (77) men.

THE CODE OF CONDUCT

Nobia's Code of Conduct is based on principles of environmental, social and economic sustainability. It indicates the minimum level of acceptable behaviour for all employees and collaborating partners. To ensure compliance with the Code of Conduct, employees are encouraged to report any conduct that breaches the Code via internal channels or alternately SpeakUp, the anonymous communication channel.

The Code is implemented through repeated workshops and e-learning, as well as in daily work. All management groups have held workshops on the Code; to date, approximately 90 per cent of all employees have undergone the training. 32 cases (59) were reported in 2018, of which 14 (14) were via SpeakUp. The reported cases and other issues relating to the principles in the Code of Conduct have been handled and reported to the Board's Audit Committee.

Anti-corruption and bribes are strictly controlled through the Code of Conduct. Nobia conducts annual self-evaluations, reviewed by external auditors, in all its business units. The evaluations include a large number of questions dealing with internal control. Some of these questions concern risks of corruption in the sales and sourcing organisations, for example, the giving and taking of bribes. In reviewing of the evaluations for 2018, nothing emerged that indicated any corruption. See also page 93-94 and 105.

UN SUSTAINABLE DEVELOPMENT GOALS



” It is the culmination of nine years of hard work, and is a real team effort.

Region UK received the prestigious Sword of Honour award during the year. The award demonstrates excellence in the management of health and safety risks at work, from the shop-floor to the board-room. It is the culmination of nine years of

hard work, and is a real team effort. Everyone in Production & Logistics, together with all support staff, were involved. While I am very proud of our performance, I see we still have work to do.



JOANNE BROOKES-WRIGHT,
Head of Health, Safety and Environment at Region UK

SUSTAINABILITY

Sustainability is an important component of our operations. The focus and direction of our sustainability efforts are determined by our impact, the possibilities available to us and demands from our surroundings. Our strategic focus areas are product development, choice of materials, climate impact and suppliers. These areas establish the framework of our sustainability strategy – read more about this on pages 32-33.

STAKEHOLDER DIALOGUE

Understanding the expectations of key stakeholders is crucial for being able to meet current and future customer needs. Nobia's stakeholders are identified based on the groups impacted by our operations and the groups that impact our operations. Stakeholder dialogues provide us with information about the economic, environmental and social issues that are priorities for our stakeholder groups. We meet with our stakeholders in various forums during the year. A systematic stakeholder dialogue is also conducted annually in order to jointly identify material sustainability topics that create the basis for our materiality analysis. The results from the various dialogues were analysed and weighted against Nobia's economic, environmental and social impact throughout the value chain. Priority issues for our stakeholders are presented in the table below.

OUR MAIN STAKEHOLDERS AND COMMUNICATION CHANNELS

(A) Shareholders and investors: Meetings, annual and quarterly reports, press releases, website, annual survey. **(B) Employee representatives:** European Works Council, annual survey. **(C) Civil society, professional associations and academia:** Meetings, surveys and rankings, annual survey. **(D) Customers:** Meetings, focus groups, social media, annual survey. **(E) Suppliers:** Ongoing dialogue in the purchase process, supplier risk assessment, audits, Speak Up (anonymous reporting channel), annual survey. **(F) Employees:** Continuous dialogue and meetings, employee surveys, training courses, appraisals, Speak Up, annual survey.

OUR MATERIAL TOPICS

Our process of defining material topics sets the relevant economic, environmental and social aspects that are to be prioritised in our work and to report on. In this process, we consider our impact on people, the environment and economy in the value chain, identified risks and opportunities, input from stakeholder dialogues, and the positive and negative impact that these topics could have on our operations. These material topics form the basis of what we measure, monitor and report on in this report, and what forms the basis of our sustainability strategy and our improvement targets. Read more about our sustainability strategy on pages 32-33.

The materiality analysis diagram shows the priority of our material topics. The materiality analysis is updated and validated every year by the central sustainability function in consultation with other parts of Group management. There are no major differences in material topics compared with the preceding year, although some designations have changed slightly.

MATERIAL SUSTAINABILITY TOPICS

Material topic	Boundary	Stakeholder example
1 Reduced climate impact	Manufacturing, transportation to customers	A, D, E, F
2 Circular solutions	Product development, sourcing, manufacturing	A, D, E
3 Respect for human rights	Own operations, suppliers	A, D, F
4 Responsible sourcing	Suppliers	A, B, C, D
5 Health and safety	Manufacturing	A, B, D, E, F
6 Equality and diversity	Own operations	C, F
7 Chemicals and emissions of solvents	Manufacturing	A, D, E, F
8 Eco-labelled products and product information	Manufacturing, sales	D
9 Resource efficiency	Manufacturing	D, E
10 Water	Manufacturing	A, E
11 Employee commitment	Own operations	E, F
12 Social commitment/Philanthropy	Local society	C
13 Career development	Own operations	F
14 Anti-corruption	Own operations	A, B, D
15 Product safety	Customers	A, D, E
16 Regulatory compliance	Own operations	A, C, D

SUSTAINABILITY RISKS

By continually analysing the trends and drivers that affect our industry, our customers' industries and our operating environment – as well as in dialogue with our stakeholders – we identify sustainability-related risks and opportunities. Some of the significant sustainability risks for us are listed below. Read more about how we manage these risks on pages 29-40.

Sustainable innovations: Nobia's customers either require or will require responsible production processes and materials from sustainable sources. This could entail business-related risks for Nobia of not working to meet existing and anticipated customer requirements.

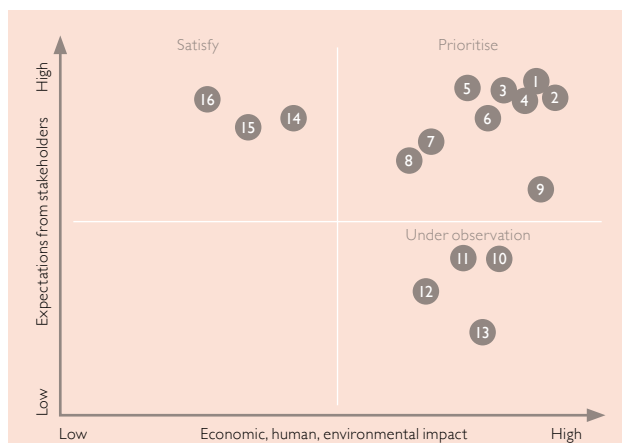
Timber from sustainable sources: Wood is the main component of our products. Rapid changes to our environment, and increasingly intensive forestry places new demands on how nature should be conserved. The use of wood from sources that are involved in forest-related conflicts, or wood that comes from illegal felling, would entail major risks for people, the environment, and our credibility.

Carbon emissions and resource efficiency: The risks of damage to forests increases with a warmer climate. Since wood is the main component of our products, this result in long-term risks regarding materials supply.

Responsible sourcing: Our supplier chain extends across different markets, and entails numerous relationships. This brings the risk of deficient supervision of, for example, working conditions at our subcontractors.

Employee well-being: Workplace accidents or serious environmental incidents at Nobia's work sites could have a significant impact on our employees, the local environment, and our brand.

Business ethics and transparency: Nobia is active in many markets, and has a broad employee base. This entails a risk of employees in Nobia not acting in accordance with the Code of Conduct.



MATERIALITY ANALYSIS

Prioritised material topics are the focus of our sustainability strategy and work and comprise the main part of this sustainability report. The topics presented in the diagram under "Satisfy" are part of our systematic efforts and included in our processes and procedures. Topics listed as "Under observation" are areas that are deemed to have a significant social, environmental or economic impact and thus are addressed by our internal processes.

GOVERNANCE AND RESPONSIBILITIES

Sustainability is an integrated part of our operations and is pursued at various levels, from the Board's approval of Group-wide policies and principles to operational reviews, risk assessment and goal-oriented work in our business units. Sustainability should permeate our entire business and all our employees have a responsibility to contribute to our sustainability agenda. Our engagement and commitment have been implemented in frameworks and work processes.

At Group level, we have a central sustainability function responsible for strategic sustainability led by our Head of Sustainability. The Head of Sustainability is a member of the team for the product, sourcing and manufacturing management team and the sustainability topics are part of the agenda of team meetings. The President receives monthly sustainability reports. Sustainability topics are also a regular recurring item on the Board's agenda.

Each production unit has employees whose main work duties involve sustainability. The product development and sourcing units have specialist functions that drive efforts with, for example, product safety, eco-labelling and supplier audits. Sustainability is prepared and coordinated in our Group-wide sustainability forum, where central and local functions meet continuously to discuss sustainability topics. The responsibility for implementation rests with the line organisation.

Proposals for strategic focus areas are prepared together with local and central units, which Group management subsequently approves. The Group-wide sustainability strategy and our policy framework govern and guide the work. We monitor compliance with and results of our sustainability framework both annually and on a continual basis. Through our annual reporting, we monitor and communicate the results of our commitments to social, environmental and economic sustainability. We also continuously monitor compliance through our management system and reporting of rules violations.

FRAMEWORKS

Internal and external commitments form the basis of how we regulate and govern the direction of, and processes in, our sustainability work. All internal frameworks are revised annual and integrated through policy commitments in local and central processes.

External commitments

- Sustainability strategy
- Code of Conduct
- Supplier Code of Conduct
- Environment and climate policy
- Policy for sustainable forestry
- Modern Slavery Statement
- Nobia's Financial & Accounting Manual

External commitments

- UN Sustainable Development Goals
- UN Global Compact initiative
- Sustainability reporting according to Global Reporting Initiative (GRI)
- Global Forest and Trade Network, UK
- CDP Climate change
- CDP Forestry

Our Code of Conduct

Nobia's Code of Conduct is based on the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. The Code of Conduct sets fundamental guidelines for our sustainability activities.

Our Supplier Code of Conduct regulates and governs Nobia's requirements for suppliers about working conditions, human rights, business ethics, environmental performance, and so on. Our suppliers in turn are required to pass on these expectations to their suppliers to ensure compliance throughout the entire supplier chain. Compliance with the Code of Conduct is a requirement in our supplier assessment process.

FROM FRAMEWORKS TO RESULTS

The sustainability strategy supports our overall purpose and, based on its strategic focus areas and objective, outlines the direction for the Group-wide and local sustainability efforts. Our policy framework further develops our standpoint and describes how we are to act to live up to our values in the areas of the environment, social issues and anti-corruption:

Environment

Our Group-wide environmental and climate policy means always complying with environmental legislation in the markets where we operate, and striving to integrate environmental and climate-change considerations through the value chain. The environmental and climate policy governs our environmental initiatives, and is supplemented with local environmental management systems and environmental targets. With our policy on sustainable forestry and our Supplier Code of Conduct, we are laying the platform for our wood suppliers to contribute to our targets for environmental consideration and sustainable forestry. We measure and monitor the environmental and climate impact of our own operations and of our purchase transportation services, refer to pages 36, 38 and our supplier audits on page 37.

Social

Our framework for social issues and human rights encompasses Nobia's Code of Conduct, our policy on modern slavery and our Supplier Code of Conduct and aims to create responsible and sound business operations for the long term. Our commitment means that we support and respect international conventions on human rights, work actively on employee well-being and promote diversity and equality. Using our tool for supplier evaluations, we evaluate and monitor such issues as compliance with human rights. Speak Up is our anonymous communication channel for reporting suspected violations of our Code of Conduct. Read more on pages 37, 39 and 40.

Anti-corruption

Our anti-corruption framework incorporates our Group-wide Code of Conduct, our Supplier Code of Conduct and our internal control guidelines. Anti-corruption is a mainstay of our Code of Conduct. Nobia conducts annual self-assessments, which are reviewed by external auditors, in all its business units based on a large number of issues related to internal control. Some of these issues concern the risk of corruption in the sales and sourcing organisations. These self-assessments also include reporting criminal activities including environmental crime. Monitoring also takes place via Speak Up, our anonymous communication channel for reporting suspected violations of our Code of Conduct. Read more on pages 37, 40 and 93.

STRATEGIC MEMBERSHIPS AND PARTNER PROJECTS:

- SVN (Social Venture Network) Sweden
- Swerea IVF circular pilot project
- TMF (Swedish Federation of Wood and Furniture Industry) Technical Committee
- TMF (Swedish Federation of Wood and Furniture Industry) Sustainability Group
- BSI (British Standards Institute)
- Besmä, Innovation cluster together with the Swedish Energy Agency and TMF
- Västra Götaland Network, quality and environment skills exchange
- SIS (Swedish Standard Institute) Furniture Standardisation Committee

CERTIFICATIONS

Our production facilities hold management system certification in quality, environment, energy and occupational health and safety. Among our market companies, Nobia Svenska Kök has ISO quality and environmental certification.

Country	Unit	Standard
Denmark	Bjerringbro	ISO 9001, ISO 14001, OHSAS 18001
	Farsø	ISO 14001
	Ølgod	ISO 9001, ISO 14001, OHSAS 18001
Finland	Nastola	ISO 14001, OHSAS 18001
Netherlands	Dinxperlo	-
Norway	Eggedal	-
UK	Darlington	ISO 9001, ISO 14001, ISO 50001, OHSAS 18001
	Dewsbury	ISO 9001, ISO 14001, OHSAS 18001
	Grays	-
	Halifax	ISO 9001, ISO 14001, ISO 50001, OHSAS 18001
	Morley	ISO 9001, ISO 14001, ISO 50001, OHSAS 18001
Sweden	Tidaholm	ISO 9001, ISO 14001
Austria	Freistadt	ISO 9001, ISO 14001
	Wels	ISO 9001, ISO 14001

SUSTAINABILITY DATA

	Unit	2016	2017	2018
Direct economic value generated and distributed				
Net sales	SEK m	12,648	12,744	13,209
Operating costs	SEK m	8,315	8,362	8,823
Employee wages and benefits	SEK m	2,381	2,382	2,544
Payments to government	SEK m	528	530	591
Community investments	SEK m	230	248	261
Payments to lenders	SEK m	17	7	11
Payments to providers of capital	SEK m	421	505	1180
Economic value retained	SEK m	756	710	-201
Materials				
	thousands			
Wood consumption	of m ³	424	419	417
Energy consumption				
Total energy consumption	GWh	209	184	178
Non-renewable fuel	GWh	51	46	47
Renewable fuel	GWh	94	77	53
Electricity and heating purchased	GWh	85	83	88
Heating sold	GWh	20	23	11
Energy intensity, electricity and heating	kWh/cabinet	31	28	26
Significant air emissions¹⁾				
	thousands of tonnes CO ₂ e			
Scope 1		12.3	11.3	11.7
Scope 2, market-based	thousands of tonnes CO ₂ e	n.a.	0.1	0.3
Scope 3	thousands of tonnes CO ₂ e	18.1	20.0	19.8
Biogenic emissions	thousands of tonnes CO ₂ e	0.7	0.7	0.4
Scope 2, local-based	thousands of tonnes CO ₂ e	14.3	12.5	9.8
CO ₂ intensity, electricity and heating	kg CO ₂ e/cabinet	2.8	0.5	0.5
CO ₂ intensity, goods transport	kg CO ₂ e/cabinet	4.2	4.5	4.6
VOC ²⁾	tonnes	253	252	305
VOC intensity per lacquered details	kg VOC/100 details	4.3	4.0	4.8
Waste				
	thousands of tonnes			
Total waste (excl. hazardous waste)		33.2	35.4	42.0
Waste for recycling	thousands of tonnes	2.2	2.6	21.8
Waste for incineration	thousands of tonnes	28.7	32.3	19.8
Waste for landfill	thousands of tonnes	2.3	0.5	0.5
Hazardous waste	thousands of tonnes	0.6	0.5	0.6
Employees				
<i>Number of employees</i>				
Women	number	1,824	1,717	1,629
Men	number	4,621	4,370	4,452
Administration, sales	number	3,406	3,159	3,069
Production, logistics	number	3,039	2,928	3,012
Type of injury and rates of injury ³⁾	number	91	75	92
Commitment index		75	77	78
Suppliers				
Supplier audits	number	32	20	13

1) CO₂ emission factors have been updated for all years reported

2) Volatile organic compounds

3) Work accidents with at least eight hours' sickness absence

ABOUT THIS REPORT

Report premises

This sustainability report has been prepared in accordance with the Core level of the GRI Standards. This year's report is a transition from GRI G4 to GRI Standards and the changes in the standard were analysed and updated. The sustainability report encompasses all principles of the UN Global Compact and describes the sustainability topics of interest to Nobia's stakeholders. Nobia has published GRI-based sustainability reports since 2012. This report refers to the 2018 calendar year. The sustainability report has not been subject to review or audit by an external party, other than legal requirements.

Scope

The report encompasses the entire Group. Specific boundaries for each material topic are presented on page 104. The content of the Sustainability Report and the sustainability topics presented summarise the sustainability initiatives of the past year and are based on an internal materiality analysis. Environmental data is based on operations in our production units and transportation. Sustainability-related data for the kitchen company Bribus, which was acquired in July 2018, is included from 1 July 2018.

Changes to the report

The acquisition of Bribus impacts data for the second half of 2018, excluding data on workplace accidents.

We worked to improve the quality of the data during the year by developing the process for data collection and updated and harmonised conversion factors. The updated calculation methods primarily resulted in a substantial decline in carbon emissions from the combustion of wood, which also means that we can now report lower total carbon emissions.

Updated conversion factors for climate data in Scope 1 for carbon emissions and energy, and separate reporting of biogenic emissions (emissions from wood incineration) have been used. Correspondingly, energy and climate data for all years included in this year's report have been updated for comparability. Deviations in previously reported emission data for volatile organic compounds have been corrected for all years included in this year's report for comparability.

Calculations

Calculations of carbon emissions from energy consumption and transportation were based on the guidelines of the Greenhouse Gas Protocol. Updated conversion factors for energy consumption and carbon emissions were based on the most recently updated data from the Swedish Environmental Protection Agency and Swedenergy. Calculations on internal sustainability data are based on actual data from meters and invoices as far as possible. Information for electricity, heating, business travel and goods transport is based on supplier-specific information. For further information and data on climate calculations refer to Nobia's CDP Climate Investor Response 2018. During the year, we started to apply a Group-wide definition for cabinets in the sustainability report. This definition is based on externally supplied cabinets.

The contact person for information in the Sustainability Report is Amanda Jackson, Head of Sustainability, e-mail: amanda.jackson@nobias.com

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in Nobia AB (publ), corporate identity number 556528-2752.

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2018-01-01–2018-12-31 on pages 104-106 and that it has been prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12. The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm, April 5, 2018
Deloitte AB, Daniel de Paula, Authorized Public Accountant

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