



Nederman

Sustainability 2015

A leading environmental technology company that puts the customer first

Nederman has a strong global presence in its sales and production. Sales are managed via the company's own sales companies and distributors in over 50 countries. The main focus for sales is Europe and North America, but Nederman is also active in several growth markets. Production takes place on five continents. Sales in 2015 amounted to SEK 3.2 billion.

We filter, clean and recycle. Nederman is a world-leading environmental technology company. With our products we filter and clean air in demanding industrial environments. This creates safe and healthy working environments while ensuring that the production environment is efficient and product quality remains high. This interaction between health, the environment and efficiency is what we mean by eco-efficiency. Metal fabrication, fibre-based production, process industry operations and the auto industry aftermarket are some of the places where Nederman's products make a clear difference, all over the world, every day.

Eco-efficiency means creating both ecological and economic efficiency. Economic efficiency means improving the efficiency of production, boosting product quality and minimising environmental fees. Ecological efficiency is about improving the environment and safety through more efficient use of materials, lower energy consumption and reduced emissions. It's also

about strengthening our customer's brand and creating safer, more attractive workplaces.

Swift development. Over the past ten years Nederman has developed from being a company with a relatively small product range into a comprehensive environmental technology business. We aim to continually develop Nederman by adding new skills and solutions, expanding our geographic presence and - above all - helping our customers to develop their business both economically and ecologically.

Employees. At the end of 2015 Nederman had 1,916 employees (1,902). The average number of employees during the year was 1,833 (1,803), of whom 20% were women and 80% men. In geographic terms the company has most employees in Europe (Nordic countries 18%, other European countries 35%, North America 28%, rest of the world 19%).

OUR VALUES



Profitable customer focus



Respect for the environment and each other



Courage and initiative



The CEO's address

Sustainability issues shall be integrated in strategy

Sustainability has always been the core of Nederman's business operations. We have been a global, leading, environmental technology company for many years and we clean, filter and recycle in demanding industrial environments. Our technology and know-how creates an offering to our customers which we call eco-efficiency. Eco-efficiency means that we help our customers to limit their environmental impact and improve the working environment as well as making business operations more effective and thereby more profitable.

In recent years, Nederman has continually strengthened its sustainability work in several key areas. Examples of this are our Code of Conduct which was launched within the Group in 2014, Nederman Operations System which controls how our production plants run and report, our comprehensive human resources development and our environmental objectives.

TIME FOR THE NEXT STAGE OF OUR DEVELOPMENT

It has become increasingly evident in recent years that the importance and major impact of sustainability issues in companies and organizations across the globe entails opportunities for Nederman to further boost its positions. In order to succeed in this, we have initiated long-term strategic efforts with the objective of making sustainability issues, with their challenges and opportunities, an integral part of the Group's business strategy. In 2015, we took a number of steps towards this goal and this work will be continued in 2016. When our updated strategy is ready and implemented, Nederman will have strengthened its position in relation to customers, partners and our environment.

SUSTAINABILITY AND PROFITABILITY

Fundamentally, there is no contradiction between sustainability and profitability. They often go hand-in-hand. This applies for both Nederman and our customers. At Nederman, we therefore work continually to improve our own business operations within key areas. Three areas are currently the focus of our own environmental work: more energy-efficient operations, transport with lower carbon dioxide emissions, and the reuse of waste spillage in production. We monitor all this through quarterly

reporting. This also affects our development work in which we analyze the product from an environmental perspective already in the design phase and this analysis includes materials, energy consumption and toxicity. It is fundamentally a question of doing everything right from the very beginning. Every quality deficiency, every revision and every extra transport journey has a negative impact on the environment somewhere in the value chain. Therefore in 2014, we introduced Nederman Operations System by which we control our daily business operations and strive to continually improve safety, quality, ability to deliver, the environment and cost-effectiveness in our production plants.

SYSTEMATIC HUMAN CAPITAL DEVELOPMENT

Being able to attract and retain talented employees is crucial for Nederman's success. The HR department is working therefore to develop the Group's overall skills and expertise with the aim of looking after talented employees, offering attractive career opportunities and strengthening Group corporate management.

NEDERMAN WILL CONTINUE TO GROW

What ultimately drives us is the ambition to continue to grow Nederman into an even more successful company. In order to succeed in this, we are striving continually to improve the way in which we run our business operations, while further strengthening our customer offering.

Sven Kristensson

President and CEO



Strategy and development

Integrated sustainability shall make Nederman stronger

Nederman's business operations with solutions to improve the working environment and limit emissions is deeply rooted in the ambition to make the world better and safer. It is therefore quite natural for the Group to take a further step now and integrate its work on sustainability in the business strategy.

WHY SHOULD SUSTAINABILITY ISSUES BE INTEGRATED IN BUSINESS STRATEGY?

Few social issues have the same impact as sustainability issues. This creates major opportunities for Nederman. Many of the Group's customers, who are made up primarily of major international companies operating in a wide range of different industries, conduct sound sustainability work themselves. Nederman's ambition is to build trusting relationships with these companies by providing solutions that make customers' sustainability work better and more cost-effective. To achieve this, Nederman must be credible in its own sustainability efforts by making it an integral part of its strategy and its daily activities.

FOUR GLOBAL DRIVING FORCES

There are four overarching global forces to which we have to relate: climate change makes demands on, for example, energy efficiency and renewable energy sources, and can also lead to severe economic hardship; growth-limiting factors include the finite supply of raw materials and limited areas for forestry and

agriculture; demographic changes include an aging population, accelerating urbanization and a growing middle class; the connected world will probably mean that consumer power could increase and that ethical issues will become more important for companies.

WHERE IS NEDERMAN TODAY?

It is important to establish a systematic approach in order to be able to orient ourselves in this complex landscape of issues that are important for Nederman's continued development. Nederman works according to a model with six different steps designed to give the Group a good picture of what the surrounding landscape looks like, what is important for the Group's development and where the goal is that sustainability issues are integrated into the overall strategy. These six steps are:

1. Analysis of market trends and sustainability trends
2. Charting of which issues are relevant for Nederman
3. Analysis of the importance and significance of the issues

2012

- Environmental data from all manufacturing units starts to be gathered in a systematic manner.
- Common processes in regard to environmental and quality work.
- A first, preliminary version of Nederman's Code of Conduct is drawn up.
- Formulation of Nederman's values.
- A global management system is designed.

2013

- Evaluation of Nederman's business operations in relation to the UN's Global Compact.
- Strengthened governance and monitoring of sustainability work and improved guidelines on anti-corruption issues.
- Skills and knowledge development at management level.
- Code of Conduct for suppliers.
- First publication of Nederman's sustainability work.
- Monthly internal communication of Nederman's sustainability work.

2014

- Internal launch of the Code of Conduct.
- Nederman Operations System, a common system for all manufacturing units.
- Policies in regard to corruption, cartel formation and fraud.
- Evaluation of the sustainability performance of Nederman's suppliers.
- Employee survey focusing on satisfaction, accidents and absenteeism.
- Second sustainability publication.

4. Interviews of stakeholders
5. Analysis of the value chain
6. Integrated reporting

At the end of 2015, Nederman had carried out the first four steps. The overall trends and issues were identified and analyzed, and their relevance and significance for Nederman were analyzed from four different perspectives:

- Corporate governance, brand, economy and finance
- Environmental impact
- Personnel and operations
- Products and production

FUTURE STEPS

The next step for Nederman is to carry out analysis of the Group's value chain. In specific terms, this means that the entire chain - product development / raw materials / manufacturing /

distribution / use / recycling - is reviewed in order to determine in which areas Nederman's operations have an impact and how Nederman can create value. This work will be carried out in 2016.

When the analysis of the value chain is finished, the work to integrate sustainability into business strategy will pass into a more concrete phase, which includes the development of business plans in various parts of the Company, definition of central and local indicators and the development of a clear brand identity. When all the work is completed sometime in 2018/2019, the ambition is that Nederman will be a company which, by having integrated sustainability in its strategy, is the obvious choice for the Company's stakeholders.

2015

- Training in supplier audits in regard to sustainability.
- Training in anti-corruption work.
- Preparation for the EU statutory sustainability reporting which will be introduced in 2017.
- Work to integrate sustainability in Nederman's business strategy.
- Integrating Nederman's sales organizations in the Group's sustainability work.
- Communication and implementation.
- Third publication of Nederman's sustainability work.

2016

- Integration of sustainability in business strategies at both corporate management and divisional level.
- Transition to ISO9001:2015 and ISO14001:2015.
- Identification of goals for the EU statutory sustainability reporting for 2015.
- Continued training in supplier audits in regard to sustainability.
- Continued training in anti-corruption work.
- Fourth publication of Nederman's sustainability work.

Nederman's Code of Conduct and values

The Code is an integral part of business operations

As a leading provider of environmental technology, Nederman has helped to reduce the environmental impact of industrial production, created safe and clean working environments, and boosted production efficiency for more than 70 years. Today, the Company is more focused than ever on developing its positive contribution to sustainable development. Nederman's Code of Conduct is an integral part of this work and can be viewed as a concentrate of the Company's policies and other governance documents. All new employees are educated about the Code of Conduct.

Nederman's business operations are characterized by honesty and integrity, and the way we do business must always comply with applicable laws and regulations. Nederman shall also be responsive to the various stakeholders of the Company and use their views and opinions to ensure that the business develops in a sustainable and successful manner. Nederman has strict policies against corruption and it is the responsibility of all employees to ensure that these are adhered to and that all legislation in this area is complied with. In 2015, 76 per cent of all managers and purchasers were educated on issues concerning corruption, fraud and cartel formation. Just as important as the way in which Nederman conducts its business operations, is that the Group's suppliers live up to the same demands. By requiring that Nederman's suppliers live up to the requirements of the Code of Conduct, this maximizes Nederman's influence throughout the value chain.

Nederman has also initiated efforts to ensure that the Group's distributors are working in accordance with the Code of Conduct. This work has come furthest in the EMEA region where 47 of the 48 distributors have signed Nederman's Code of Conduct. A similar initiative is currently planned with distributors in the Americas.

Nederman develops and manufactures products and solutions that help to reduce environmental impact, improve working environments and boost production efficiency. The Company's own business operations shall always be conducted so that environmental impact is minimized, work environments are safe and effective, while the company's economic development is reinforced. All the Group's manufacturing facilities have been certified according to ISO14001:2015 in regard to environmental management and according to ISO 9001:2015 in regard to quality assurance.

People are the key to all Nederman's business operations. This applies in particular to health and environmental issues. Equally important are issues concerning how Nederman's employees are treated and how they can develop within the Company. Nederman's starting point for all its HR work is therefore that everyone who works in the Nederman Group shall have the same opportunities based on skills and knowledge, experience and achievements. Gender, ethnicity, religion, age, disability, sexual orientation, nationality, political opinions, affiliation or social background shall not play any role for determining which opportunities an individual has for developing within the Company.

Firm measures against corruption

- Nederman shall work to prevent corruption. We will not tolerate that bribes are offered, requested, financed or accepted. This also applies to the behavior of our business partners.
- We are all responsible for taking action if we suspect something is not right.
- Neither explicit nor implicit approval of questionable activities that conflict with the Code of Conduct will be tolerated.

Continually improved environmental work

- We strive to run our own activities in a long-term sustainable and eco-efficient way in regard to both environmental considerations and economy.
- We strive for continuous development and improvement of environmental, safety and working environmental aspects of all our activities and products.
- All the Group's manufacturing companies are certified according to ISO 14001:2015 for environmental management and ISO 9001:2015 in regard to quality management systems.
- We undergo regular internal and external audits according to a fixed schedule.



In 2014, Nederman launched a training program on the Company's Code of Conduct. The training program is mandatory for all employees and is available as e-learning or classroom instruction.

Equal opportunities for all employees

- All employees shall be treated with respect.
- Discrimination, physical or verbal harassment or any kind of assault will not be tolerated.
- Nederman guarantees basic rights for its employees on a global level in regard to equality, remuneration and working hours.
- There are appropriate procedures in place to protect employees' health and safety.
- Child labor is forbidden.

Nederman shall do business decently

- We use fair and accepted methods for the way we conduct our business, marketing and advertising.
- We do not employ false or misleading advertising or advertising that illegally discredits or criticizes the products of other manufacturers.
- We use our expertise to help customers and business partners to carry on sustainable activities that create both business benefits and value for the environment and society.
- Nederman's Code of Conduct applies for all our business partners.
- It is our ambition that all suppliers shall follow our Code of Conduct.

Nederman's environmental work

Common principles in all plants

In 2014, Nederman Operations System, a common system for all manufacturing units, was established. Nederman Operations System was introduced in the EMEA region and APAC region in 2014 and during 2015 the system has also been implemented at the manufacturing units in the Americas. In that all facilities work according to the same principles and are measured in the same way, it is possible to evaluate the business operations, set clear goals and learn from each other, not least in terms of safety, quality, efficiency and minimized environmental impact.

SYSTEMATIC ENVIRONMENTAL WORK

Energy consumption, waste recycling and carbon dioxide emissions from transport are at the center of this environmental work. Each quarter, all plants report their energy consumption in production, their total energy consumption, and the proportion of waste that is recycled. Statistics of carbon dioxide emissions from incoming and outgoing transport are compiled once a year. The quality of the reporting of energy consumption and waste recycling is good, while the quality of reporting of carbon dioxide emissions from transport is less reliable. The reason for this is that small transport companies, unlike major companies, have difficulties in providing data, or the data is not always reliable. This data is therefore used more to indicate trends than as an accurate description of reality. Each plant is also responsible for developing its own environmental goals.

PRODUCT QUALITY

Nederman's products and solutions and what they contribute is obviously the focus of the manufacturing units. Operations management is therefore working continuously to improve product quality, and also to develop new products and solutions. In regard to product quality, there are both global goals that apply to all manufacturing units and local goals for the individual plants. The outcome of these targets is measured and continuously reported.

Operations management works continuously to develop internal customer satisfaction, i.e. how satisfied the Group's sales companies are. Therefore, the sales companies regularly evaluate how they see parameters such as delivery time, delivery performance, product quality, complaint handling etc. In total, the evaluation consists of 18 questions and the results are consolidated and monitored at management level.

As regards external customers, each division, i.e. the Americas, EMEA and APAC regions, is responsible for developing these relations. This involves, among other things, that thorough evaluations are made after all major projects.

PRODUCT DEVELOPMENT

All new development projects within Nederman employ a so-called MET analysis in order to minimize the environmental impact of the product. MET stands for Materials - Energy - Toxicity and the analysis means that the new product is screened efficiently. The MET analyses are carried out repeatedly during a development project to ensure that the finished product lives up to the environmental performance to which Nederman aspires.





Nederman's personnel Dedicated employees create great value

Nederman's values - profitable customer focus, respect for the environment and each other as well as courage and ability to act - form the basis for all personnel work within the Group. The overall objective is, by means of structured work, to create commitment for the Company, which leads to satisfied customers and good profitability.

The basic elements of Nederman's personnel work consist of issues related to health and safety, equal rights, non-discriminatory working conditions, equitable and market-oriented remuneration and continuous professional development to ensure that employees have the knowledge and the skills that their work requires.

NEDERMAN'S WORKING ENVIRONMENT INITIATIVES

Safety and the working environment are central in all manufacturing plants. Any incidents and accidents are monitored daily and continuous improvements are striven for in a structured manner. In addition to the factory working environments, most other employees work in office environments where the risk of physical injury is low. A third and more challenging working environment is the one that the Company's service engineers encounter during maintenance and installation at the premises of the Group's customers. The working environment conditions for

this type of work can vary considerably, while also being hard for Nederman to control. The Group is currently putting great focus on this issue, including in the United States and Australia, to see how safety in their daily work can be improved for the Company's service engineers and installation engineers.

EQUAL RIGHTS

That all employees have equal rights is one of the pillars of Nederman's Code of Conduct and the Company is working continually to ensure that all employees have sound knowledge of the Company's position on these issues. (Read more about Nederman's Code of Conduct on pages 8-9.)

DEVELOPMENT OF EXPERTISE AND TRANSFER OF KNOWLEDGE

Nederman's HR department works continuously to establish and maintain an effective logical plan for the Group's personnel work



Morning meetings are a central part of Nederman Operations System. The focus of these meetings is safety, quality, order status and material flows. All employees can take part in these meetings, which aim to create a common vision and commitment.

with the aim of developing the collective expertise, looking after talents, offering attractive career opportunities and strengthening the Group's corporate management team.

In 2015, Nederman implemented several different training programs aimed at strengthening the Company's competitiveness. Nederman Training Centre has developed training programs in various areas of expertise for the employees. Parts of the range of courses offered are also available for selected external distributors. The courses have 1 500 active users and include four compulsory courses, which include Nederman's Code of Conduct and a global company introduction training course. Other areas of focus in 2015 included various types of training courses in value-based sales and training in project management.

In 2015, Nederman also continued to strengthen its position as a knowledge leader in regard to hazardous dust. Within a range of different industries, there is a great risk of the formation of hazardous dust, which can lead to serious accidents. In 2014, Nederman conducted training and certification of external experts in the field. These experts will assist clients worldwide to minimize the risk of this type of accident. In 2015, this knowledge was disseminated to other levels within the organization.

A structured transfer of knowledge was carried out in several areas in 2015 with the aim of ensuring that knowledge is transferred effectively from experienced staff to younger employees, that knowledge is transferred between Nederman's different regions, and that the knowledge in acquired companies is disseminated within the whole Group in a reliable manner. One example is the training course on oil mist which was developed following the acquisition of Filtac.

Work to develop Nederman's managers also continued in 2015. The aim of these courses is to increase managers' ability to work constructively on change and communication. Leadership training was conducted during the year, including in the Nordic countries, Germany, the UK, Australia and China.

DEDICATION

Having dedicated employees who continually develop the Company is an overarching ambition for Nederman. The foundation for this work is the Company's values. In 2014, Nederman conducted an employee survey on a pilot study scale. The concept was further developed in 2015 and the survey conducted during the year covered 753 persons who took part voluntarily. The survey contains a number of issues in key areas. The overall result is an ESI (Employee Satisfaction Index) of 68, which is a clear improvement over the pilot study where the corresponding ESI was 64. Efforts to measure employee attitudes to Nederman will continue in 2016.

IMPROVED SAFETY

Nederman is working continually to create a safe and secure environment in which the business and the employees are given opportunities to develop without the constraints of physical danger or that the business is affected by interruptions due to criminal or other undesirable activities. To strengthen the Company's safety and security, a new safety policy, instructions on information security, a public safety manual and a manual for IT security were adopted in 2015.



Nederman's personnel

Interview with Bobo Gu, Plant Manager in Suzhou, China

Nederman operates in many different countries. This interview with Bobo Gu, the Plant Manager at Nederman Manufacturing Suzhou, China, provides an insight into how Nederman's operations and values have an international impact.

Tell us about your journey with Nederman

Since I started working at Nederman in 2008, I have been privileged to see many parts of the business operations. I worked in purchasing for 18 months. In 2009, I was appointed production manager at our plant in Shanghai which is focused primarily on manufacturing our standard product range. I was relocated to Suzhou in 2014 where I am now responsible for production, customer service and quality assurance. In total, I am responsible for 56 people in my organization. Each day has its challenges and I really appreciate the team work that allows us to solve the various problems we encounter.

What do you like most about working at Nederman?

Openness! At Nederman, everyone can talk openly with everyone else. That's something I put great value on. Everyone can take part in discussions and contribute their views and knowledge. Another thing that is very important to me is that at Nederman we are making our contribution to both good working environments and a good environment in general.

What motivates you to work well in your job?

Two things: learning and team work, which are both equally important. By team I don't only mean the organization in Suzhou but the entire chain from sales/marketing to service. Together, we build a profitable customer focus.



Bobo Gu, Plant Manager in Suzhou, China

Is it important for you to work at a company that is growing and which is financially strong?

Yes, this is very important. Nederman need to grow continuously in order to build the resources so that we can continue to develop the Company.

Nederman is a global leader in eco-efficient products. How important is this for you?

This is not only important for me, it is important for the whole team in Suzhou and awareness of how our products help to make the world a better place is very high. In addition, this places considerable demands on us as a supplier, which is also good.

Nederman is imposing increasing demands on its own production in terms of energy efficiency and recycling. How does this affect you?

I think this is good because it means that we are constantly becoming more efficient in our own operations and how we choose the means of transport. Moreover, it reminds us that we work on fundamental sustainability principles.

Nederman is also becoming increasingly strict in its work with suppliers. How does this affect you in your role as plant manager?

We work with our suppliers to ensure that they operate in line with Nederman's Code of Conduct. This is not always so easy. Major international suppliers rarely entail problems, but it is

more difficult with smaller, local manufacturers. We are planning therefore to focus on the larger suppliers.

What is most important for engaging and motivating your employees?

As for the workers, there is a clear difference in the younger generations. They are not exclusively focused on money, but also want to evolve and find a balance between their work and personal life. White-collar employees are very focused on being able to develop so that the Company also can develop.

What would you say is the most important for Nederman to be able to continue to contribute to a good sustainability performance over the next five years?

The most important is that we continue to be a global leader. A market leader always has an edge. At the same time it is important that we have the ability to really deliver what customers want. Ensuring that ability is something that we constantly need to work with. We also see how the legislation is being tightened in many countries. This is something we can use as leverage to become an even better company.

Nederman's suppliers

Meticulous work with suppliers strengthens market position

Suppliers represent a significant part of Nederman's value chain. Nederman is therefore very careful in its selection of suppliers in terms of both quality and environmental performance, and social responsibility. The ambition is that all suppliers must live up to Nederman's Code of Conduct and this work has already come a long way.

The basis for all sustainability work that Nederman carries on is the Company's endeavor through its actions to contribute to a sustainable world. This is the real core of the Company's business operations. But there are also a number of commercial reasons to engage in structured and ambitious dialogue with suppliers.

RISK MANAGEMENT

Nederman is working systematically to establish a base of reliable suppliers who can supply components and materials at the right price, at the right time with the right quality. In this way, the Company ensures that its own delivery capability matches its customers' requirements. By also making demands on suppliers' sustainability work, the risk is mitigated that the Nederman's brand will be negatively affected.

LIMITED ENVIRONMENTAL IMPACT

A large part of the materials and components in Nederman's products is manufactured by the Company's subcontractors. By imposing demands on their environmental performance, Nederman can have a positive impact on the entire value chain. A well-balanced selection of suppliers is also important for Nederman's logistics solutions where the Company aims to continuously reduce carbon dioxide emissions from transport.

CLEAR CUSTOMER REQUIREMENT

Many of Nederman's customers, particularly large international companies, have the requirement that Nederman takes responsibility for the entire value chain in order to be able to deliver its products. Systematic work with suppliers is crucial in these cases for the ability to do business.

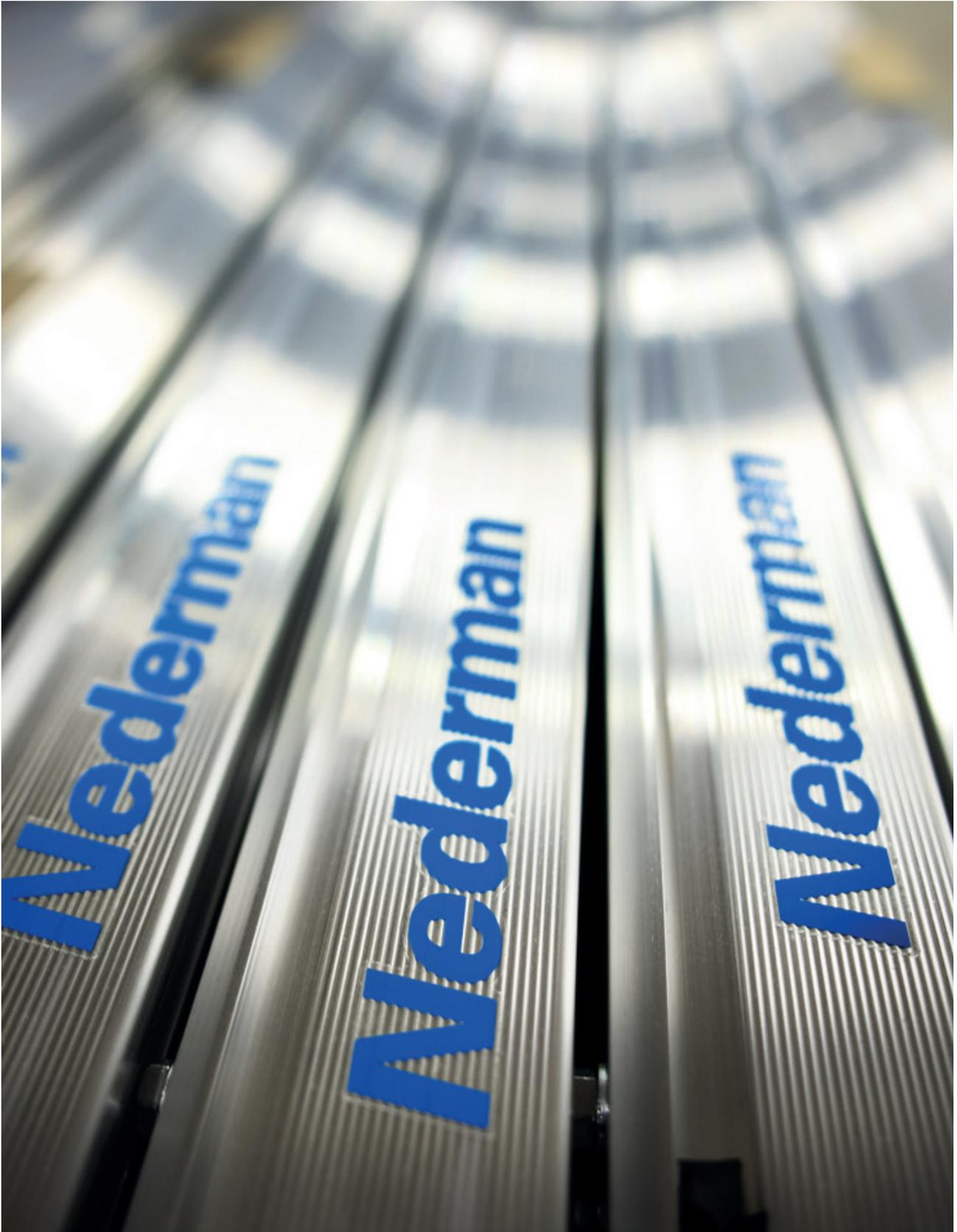
EXTERNAL STAKEHOLDERS

There are a number of external stakeholders who are deeply involved in sustainability issues, including several major sustainability funds that invest solely in companies that can demonstrate that they carry on successful sustainability work. The number of potential investors is therefore determined to a certain degree by how successfully Nederman is in its sustainability efforts and its sustainability reporting.

HOW DOES NEDERMAN WORK WITH ITS SUPPLIERS?

Nederman's Code of Conduct is an integral part of the business agreement for new suppliers. If required, Nederman also asks its suppliers, both new and old, to conduct a self-assessment in order to identify any shortcomings and problems.

In line with Nederman's regionalization of increasing shares of production and purchasing, the need increases to develop cooperation with its suppliers to ensure that Nederman's values and standards are fully incorporated throughout the value chain. Nederman has therefore developed a system for evaluating how well suppliers work in accordance with the Company's Code of Conduct. Implementation of this system was started in 2015. 50 employees participated during the year in training courses in planning, implementing and following up these evaluations.





The core of Nederman's offering

Reconciling ecological and economic efficiency

The core of Nederman's offering is about reconciling ecological and economic efficiency. To learn more about how we work with sustainability when developing our products we interviewed Marie Nilsson, Industrial Designer at Nederman.

How do you take environmental focus into account when developing products?

"It's actually one of our main focus areas and it's not just about the environment it's also about increasing our competitiveness. We think it is important that our products fulfil real user needs and deliver true value to be sustainable" says Marie Nilsson, Industrial Designer at Nederman, and continues, "During the product development process we continuously assess the products environmental impact. By optimized functionality and smart design we strive to minimize the products impact during its life-cycle, from raw material, manufacturing, distribution, use, maintenance to recycling."

Is this a new way of working?

"We have actually done this for many years now, but of course for every project we improve our way of working", says Marie Nilsson. Companies in a wide range of industries are being helped to achieve more eco-efficient production thanks to Nederman's wide range of industrial air filtering solutions. Nederman is constantly striving to improve its operations with regard to sustainability.

Do you have an example of a product where the environmental approach you talked about has been used?

"The new FilterBox is an exciting example of this. We succeeded in creating improved energy efficiency, reduced amount of material and much more," says Marie.

Improved sustainability in three important areas

The 3rd generation of the FilterBox was introduced some years ago and has been well received on the market. The FilterBox

capture airborne particles and filter them out resulting in a cleaner and safer work environment. The Nederman development team has created a product that is improved when it comes to:

1. Energy efficiency

A lot of effort has been put into designing the product to have highest possible performance with minimal power use. The FilterBox has energy saving functionality like automatic start/stop, and the fan are fulfilling the Eco Design directive.

2. Resource optimization

The new product has 27% lower weight as a consequence of less material used and the number of components has been reduced radically, from 115 to 16 compared with previous version.

3. Smart functions

The modern software is designed to allow service personnel to remotely troubleshoot, serve, set and update the product. This has resulted in a significant reduction in the amount of travel required for servicing purposes, so reducing carbon dioxide emissions.

What comes next?

"From a competition standpoint, we try not to reveal what we do but environmental concerns and eco-efficient production are key and an important competitive advantage in the battle for customers" says Marie Nilsson and heads off to the next meeting to talk about future improvements.

Nederman's sustainability goals and results for 2015

Well-defined goals in five areas

Five key areas are the focus of Nederman's sustainability work: customers, products and solutions, environmental impact, responsibility, and people. In each area, the Company has well-defined objectives, and clear priorities are set for each year for what shall be achieved within each area in order get closer to the overall goal.

NEDERMAN AND THE ENVIRONMENT

Nederman's aim is to reduce energy consumption in relation to sales by 20 per cent by 2020 (compared to 2013). At the same time the company is working actively to limit carbon dioxide emissions from transport. Here too, the goal is to reduce emissions by 20 per cent by 2020. As for the waste generated in production, the target is that 95 per cent will go to recovery by 2020.

NEDERMAN AND ITS CUSTOMERS

Satisfied customers are a necessity for Nederman to be able to continue to develop its business. To get an accurate picture of how customers view Nederman in respect to basic issues such as the quality of products and services, the Company conducts structured surveys to measure customer satisfaction.

NEDERMAN'S PRODUCTS AND SOLUTIONS

The Company's various products and solutions help to reduce customers' environmental impact while making working conditions better and increasing production efficiency. It is extremely important in this context that the products and solutions live up to customer expectations. Nederman therefore continuously monitors quality deficiency costs and strives to minimize them. In regard to developing new products, Nederman's work follows global development processes. A product's environmental impact is evaluated regularly - from idea to finished product - so that adjustments can be made to minimize environmental impact.

NEDERMAN AND ITS PEOPLE

It is the Company's employees who account for the substantial expertise in the area of environmental technology that the company possesses, and it is the employees who support the Company's values. Nederman is therefore working constantly to measure how employees see the Company, and how dedicated they are. At the same time, Nederman strives to provide safe and healthy working environments for all employees and to create an environment that enables key employees feel a strong commitment and desire to develop in line with the Company.

ACTING RESPONSIBLY

Acting in a responsible and correct manner is absolutely fundamental for Nederman, and the Company takes issues such as corruption and bribery extremely seriously. The Company's ambition is therefore to educate all employees about Nederman's Code of Conduct with the objective of having no infringements of its anti-corruption policy. Nederman also expects the equivalent from the Group's suppliers and distributors.

Energy consumption

-20%

Reduced energy consumption in production by 20% until 2020 compared with 2013.

Carbon dioxide emissions

-20%

Reduced emissions of carbon dioxide from freight transport by 20% until 2020 compared with 2013.

Sustainability targets

Recycling

95%

Achieve 95% recycling of waste from production by 2020.

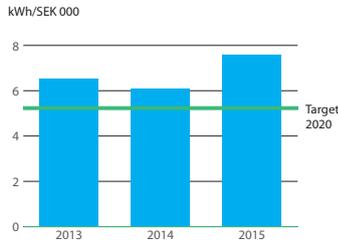
Code of Conduct

100%

Nederman's ambition is to have 100% of suppliers dedicated to our code of conduct.

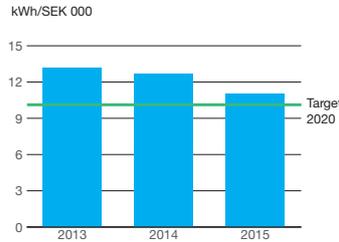
Summary of sustainability information

Energy consumption in production in relation to sales (kWh/SEK 000)



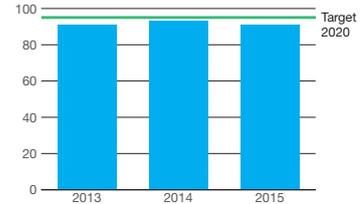
The numbers for 2015 include acquired companies and changes in the production structure.

Total energy consumption in relation to sales (kWh/SEK 000)



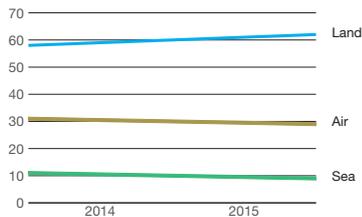
The numbers for 2015 include acquired companies and changes in the production structure.

Recycling of waste in production, %



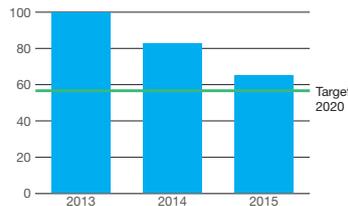
The numbers for 2015 include acquired companies and changes in the production structure.

CO2 emissions from transport shown per type of transport*

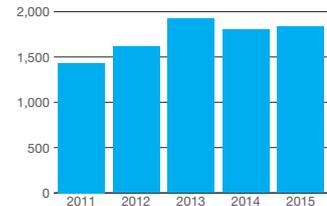


* The figures for CO2 emissions from transport are partly based on estimates made within Nederman.

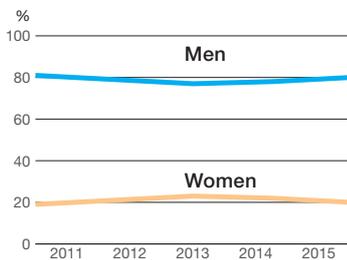
Quality deficiency costs in production in relation to the 2013 level, in %



Average number of employees



Gender distribution, %



Nederman's work to develop relations with the employees

In 2015, 753 employees took part in an employee survey.

The number of accidents per employee was 0.014. Absence due to illness amounted to 2.32 per cent. 96.3 per cent of the employees who are part of the Group's talent pool remained with the Company.

Nederman's work to reinforce the Group's corporate responsibility

In 2015, leadership training was conducted for managers in the Nordic countries, Germany, the UK and China. There were no reports of violations of the Group's anti-corruption policy during the year.

86 per cent of the total purchase cost was related to suppliers who have signed Nederman's Code of Conduct.

Nederman's sales model is separated into three segments so as to deliver solutions to customer problems as effectively as possible.

Product sales



Nederman has a broad range of standard products that solve common problems relating to smoke, gas, dust, material recycling, working environment and efficient production. The product range covers filter systems, fans, extraction solutions, material separation, etc. Product sales mostly take place through distributors and retailers and do not include any form of consultation, installation, start-up or similar from Nederman.

Share of Group's total sales turnover

39%

SEK 1,240 million

Solutions



Configured Solutions mostly comprise individual products in Nederman's range that are combined in small or medium-sized systems to solve complex assignments. Examples include solutions for welding and processing of wood or composites. Business involving Configured Solutions also includes detailed feasibility studies of the customer's business and needs, planning and system design as well as installation, start-up and training. Nederman's own sales team carry out sales in this area.

Share of Group's total sales turnover

44%

SEK 1,396 million



Engineered Solutions include larger systems and involve a large measure of customisation to solve a specific problem for the customer. The component parts of an Engineered Solutions project are wholly or partly developed specifically for the individual project. Components from other suppliers may be included. Examples include solutions for foundries, energy production and metal production. Business involving Engineered Solutions also includes detailed feasibility studies of the customer's business and needs, planning and system design as well as installation, start-up and training. Nederman's own sales team carry out sales in this area.

Service and aftermarket



Service is an integrated part of Nederman's offer to customers and a focus area for growth. Carrying out more service for customers makes Nederman less sensitive to turbulence in the business cycle while a developed service organization helps to strengthen relationships with customers. By offering qualified service with high availability Nederman helps customers to secure continuous operation without expensive downtime in production. In addition to technical service this area also includes service contracts, spare parts and consumables.

Share of Group's total sales turnover

17%

SEK 562 million

Nederman

Nederman Holding AB (publ.)

P.O. Box 602, SE-252 28, Helsingborg, Sweden

Visiting address: Sydhamngatan 2

Tel: +46 42 18 87 00

www.nedermangroup.com