

Corporate social responsibility

Business model & Nissens Cooling Solutions' approach to sustainability

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

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

The reported measures in this report contain data for 12 months ranging from January 1st 2022 to December 31st 2022 and is the second set of reported figures for the company on a stand-alone basis. Nissens Cooling Solutions will continue to adhere to UN Global Compact and will continue to develop the focus and initiatives linked to social responsibility and sustainability.

Human rights

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

Area	Risk	Actions in 2022	Results 2022
Code of Conduct	Adverse human rights, negative environmental impact, and corruption issues in own organizations and external supply chain.	We continue to specify our expectations to our employees across Nissens Cooling Solutions' global organization and to our suppliers in our Code of Conduct. As part of hiring new employees they are all presented to our Code of Conduct and sign that they have read and understood the content.	All of Nissens Cooling Solutions' employees are made acquainted with the Code of Conduct, and a large number of our suppliers receive our Code of Conduct in the course of formalizing our business interaction.
Data privacy	Not handling personal and sensitive personal data and information in compliance with legal regulations and internal guidelines.	We have initiated a number of new initiatives and procedures to further strengthen our processes on management of sensitive personal data and information.	Our target for 2022 was to secure that all managerial staff at top three levels at Nissens Cooling Solutions receive and sign our Data Privacy Policy and procedures to secure compliance. This target is reached. No event of breach of data privacy has been recorded in 2022.

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Social & Labor Conditions

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

Area	Risk	Actions in 2022	Results 2022
Employee development & satisfaction	Fluctuating employee turnover levels.	To ensure organizational stability in our main production site, we have introduced a variety of initiatives, which have positively influenced the retention of existing employees.	Reasonably stable retention rates across Nissens Cooling Solutions' main production sites. Overall drivers for employee turnover are planned organizational restructurings or results of responsive ramp-ups and ramp-downs.
Employee safety, health and well-being	Employees getting injured at work.	Our health and safety focus is supported by regular, ongoing measurement and follow-up on e.g. the development of injury rates.	From January to December 2022, our LTIR (Lost Time Injury Rate) on blue-collar employees in Slovakia, the Czech Republic and Denmark combined is 2.3.
	High sickness absence impacting negatively on daily operations and planned outputs.	We measure and follow up on our sickness absence on both blue-collar and white-collar employees on a monthly basis and take necessary actions to support our employees and limit as well as prevent absence due to sickness.	Weighted average for our short-term sickness absence rate for blue-collar and white-collar employees measured across our main sites in 2022 was 3.1% compared to a level of 2.8% in 2021.
Diversity in other managerial positions	Risk of discriminating based on gender, race, religion, ethnicity when hiring new employees.	In our policy on gender and cultural diversity, we have defined a target of a minimum share of female managers on all management levels.	End of 2022, the female representation in Nissens Cooling Solutions' Group Management amounts to 28%.

Gender distribution at BoD and Management

Our board of directors currently consists of seven members, of which six are male and one is female. By December 14, 2022 a new female chairperson was appointed. It is outlined in Nissens Cooling Solutions' policy on gender and cultural diversity that we work to ensure that regardless of gender, race, and religion, all employees must be treated equally, in order to ensure that everyone has equal opportunities for employment.

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Climate

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

During 2022 Nissens Cooling Solutions has converted all electricity usage in the European factories into "Green" electricity, reducing the CO2(e) emission footprint for Scope 2 significantly.

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

Area	Risk	Actions in 2022	Results 2022
Energy consumption	Limitation of energy consumption impact.	In 2022, we have benefited from investments in new furnace technology. An old conveyer type furnace (continuously brazing) has been replaced by a new batch furnace, which is more efficient in terms of energy consumption.	Replacement of the old conveyer furnace to a new batch furnace has reduced stand still time energy consumption by a factor of 4.
CO2 emissions – scope 1 and 2	Limitation of climate impact through production optimization.	In 2022, we have continued our work with optimization of production processes and implementation of targets for carbon neutrality. On scope 1 we are running brazing trials without usage of gas completely. We expect to see the impact of it in 2023.	A full conversion towards "Green" electricity in all our European sites have reduced that part of scope 2 emissions to zero.

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Environment

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

Area	Risk	Actions in 2022	Results 2022
Waste	Excessive waste through production.	We continuously work with optimizing our process waste. By focusing more on NTI (New Technology Introduction), we have monitored the scrap-rate on 2 new product families AluXstream and BtF.	On the product families AluXstream and BtF we have seen a clear falling trend on the scrap-rates. On both cases the scrap-rate is significantly reduced to almost half over the year 2022.

Anti-corruption

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

Area	Risk	Actions in 2022	Results 2022
Corruption	Employees engaging in activities of corruption.	Our Code of Conduct is distributed to our employees during their onboarding in the Group.	We have not identified any non-compliance or breaches with our Code of Conduct in the reporting year.
		Whistleblower access is available for named or anonymous reporting of breaches of laws and regulations as well as non-compliances with Nissens Cooling Solutions' policies.	No reports on incidents nor confirmed incidents are registered in our whistleblower system in 2022.