



We care about a more sustainable future

THERMIA'S SUSTAINABILITY REPORT 2025



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A few words from our CEO

Clear progress in Thermia's sustainability work

Although environmental and sustainability issues have been overshadowed by other global events, Thermia has made significant advances in 2025. As CEO, I am delighted and proud to share them in this year's Sustainability Report.

Environmental and sustainability issues have received less and less attention in the global debate in recent years due to increased tensions, crises and conflicts. We are seeing progress in the transition from fossil fuels to renewable energy, but the pace of this transition is not as rapid as research indicates it needs to be. Fossil fuel prices remain low, and gas is Europe's primary source of heating.

The COP30 climate conference in Brazil could have been a turning point – but unfortunately it ended with no clear plan for phasing out fossil fuels.

However, this does not alter our responsibility or our firm conviction. At Thermia, we are continuing to do our utmost through innovation, improvements within our own operations and a desire to drive positive social development. Looking back on 2025, I can see clear progress in our work, and much of what is contained in this report makes me proud as CEO.

As a manufacturer of heat pumps, I know just how much potential this technology has. Getting out nearly six times as much energy as you put in is both fascinating and impressive. Heat pumps harness solar energy stored in the air, ground and water, and as a result the EU has identified them as a key technology in the transition to a fossil-free society.

If you read last year's report, you will recall that 2024 was a challenging year for Thermia, as the pace of the climate transition slowed sharply and we had to adapt quickly to falling demand for heat pumps. 2025 has been a step in the right direction – with planned growth, stability and a sense of calm within the organisation. We have placed a strong emphasis on our corporate culture – during our joint Thermia Day, for example, we discussed the working environment, culture, opportunities and challenges. It was a fantastic day filled with both laughter and serious discussions, and it gave us a real boost.

Another area we have focused on heavily in 2025 is our adaptation to the new F-Gas Regulation. The stricter regulation is resulting in a transition to refrigerants with a lower climate impact, which you can read more about on page 14. This work will continue throughout 2026.

During 2025, we have also continued to demonstrate that we are a company that cares about the community in which we operate. One successful initiative this year was the "Arvikabössan" digital donation box, launched as part of the Swedish charity fundraiser Musikhjälpen, which took place in the Värmland region. In total, Arvikabössan raised SEK 215,010 through 691 donations. The people of Arvika came together and demonstrated fantastic enthusiasm! The donation box was among the top 25 in the country, helping Musikhjälpen to break the record by raising SEK 74 million.

We are now setting our sights on 2026. Here at Thermia, we are continuing to do our bit, through our six long-term sustainability goals aimed at reducing our environmental and climate impact as well as improving employee well-being by 2030. Read more about these goals in the report.

Thank you for joining us on our journey!



Magnus Glavmo
CEO

About the Report

Our initiatives and results in 2025

This sustainability report for Thermia AB covers the 2025 financial year and aims to provide a transparent and comprehensive overview of our sustainability work.

Thermia AB, a leading player in the heat pump industry has its head office in Arvika, Värmland. We develop and manufacture heat pumps for heating, hot water and cooling for all types of properties, and supply them through carefully selected installers. Our vision is to be the most innovative and successful heat pump supplier.

Thermia was founded in 1923 and now operates through companies in Sweden, Denmark, Norway and Finland, with a total of approximately 350 employees. In 2025, Thermia achieved sales of approximately SEK 1.5 billion. Thermia has been owned by the German group Stiebel Eltron since 2018.

This report has been prepared in accordance with the Swedish Annual Accounts Act, and has been audited by an external auditor, confirming that Thermia AB meets the applicable requirements for sustainability reporting. We will not be subject to the CSRD Directive until the 2027 financial year. However, we have carried out a materiality assessment in line with the CSRD and ESRS standards.





Heat pumps and the climate

Heat pumps play a key role in the energy transition

Climate change is one of the greatest challenges of our time. It affects all parts of society, not least the energy sector, which accounts for more than 75 percent of the EU's total greenhouse gas emissions. In order for Europe to achieve its goal of becoming the first climate-neutral continent by 2050, a comprehensive and rapid energy transition is required.

Heat pumps play a key role in this transition. Around half of all energy used in Europe goes towards heating and cooling buildings. Despite the fact that we are in the middle of a climate crisis, more than 70 percent of this energy comes from fossil fuels, primarily gas and oil. There is therefore significant potential to rapidly reduce these emissions by switching to fossil-free heating solutions.

Heat pumps extract renewable energy from their surroundings by harnessing the sun's energy stored in rocks, soil, water and air. The energy they draw from the environment is then converted into heating or cooling in our homes. A heat pump can therefore deliver 3–6 times as much energy as it consumes itself. In other words, it is an efficient heating solution that utilises renewable energy sources and can also be scaled up quickly, as the technology is already available on the market.

EU has therefore launched a number of initiatives to promote the development of the heat pump market, including REPowerEU. According to the European Heat Pump Association (EHPA), a further 60 million heat pumps need to be installed by 2030 compared with 2021 in order to meet the targets set by these initiatives. According to the EHPA, this would make it possible to avoid 112 million tonnes of CO₂e each year.

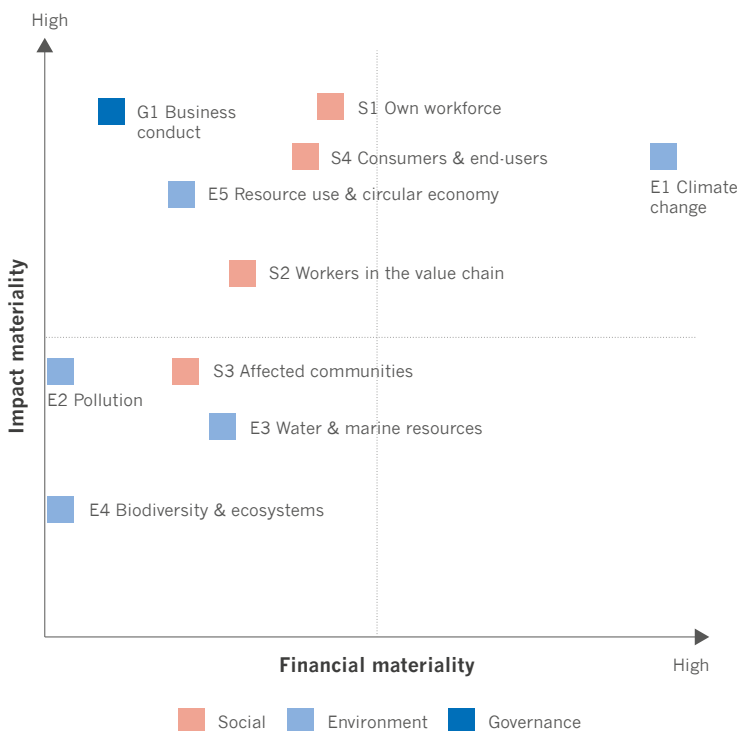
For Thermia, this has meant that we have taken on an increasingly important role in the transition, where our heat pumps can make a tangible contribution to the goal of a climate-neutral Europe – and with our new production facility that opened in 2024, we are well equipped to face the future.



Sustainability at Thermia

How Thermia works with sustainability

Sustainable development covers a wide range of areas – from waste management and climate change to gender equality and working conditions throughout the value chain. At Thermia, we therefore work with a range of sustainability issues in order to reduce our negative impact and increase our positive impact on people and the environment.



Materiality assessment

To ensure that Thermia focuses on the correct sustainability issues, we carried out a double materiality assessment in 2024 in accordance with the European Sustainability Reporting Standards (ESRS). The purpose of the assessment is to identify our most significant sustainability issues. A double materiality assessment identifies and assesses the impact on the environment and people, as well as sustainability-related financial risks and opportunities. The general outcome of the assessment is presented in the matrix to the left, where our material sustainability issues are categorised according to the themes set out in the ESRS.

We have a total of six material sustainability topics that have a significant positive or negative impact on people or the environment (impact materiality), and/or significant risks and opportunities that affect the company's financial performance (financial materiality). Only the topic E1 Climate Change has "double" materiality, meaning that it is material from both an impact and a financial perspective.



During 2025, we have not identified or assessed any other sustainability issues as being material. The double materiality assessment conducted in 2024 remains relevant and forms the basis for our long-term sustainability goals and focus areas.

Description of the method

The double materiality assessment was carried out in accordance with the methodology set out in the ESRS standards. For example, we mapped out our stakeholders and conducted around 30 workshops with participants from various departments representing different stakeholders. Each workshop was based on a topic from the ESRS, in which we identified and assessed financial risks and opportunities, as well as our impact on people and the environment. In a final step, the results were collated and our material sustainability issues were determined.

Our long-term sustainability targets

Based on the double materiality assessment, we identified three long-term objectives under the topics E1 Climate change and E5 Resource use & circular economy, as well as three long-term objectives under S1 Own workforce. Other material topics are monitored and evaluated on an ongoing basis. The monitoring of the long-term objectives is reported in the relevant sections of the Sustainability Report.

Thermia's priority sustainability goals



By 2030, Thermia aims to reduce the environmental and climate impact of its operations and improve employee well-being compared with 2023 in the following target areas:

Own operations

Halve the climate impact from our own operations

Production

Reduce the amount of CO₂e for the products by 10%, excluding the use phase

The use phase

Reduce the energy consumption of newly installed products by 10%

Health & Safety

Halve the total number of sick days

Discriminatory treatment

No cases of discriminatory treatment reported to HR

Diversity & Inclusion

All employees should give full marks for ethics and equality in the employee survey



Environmental

Climate

How we're working to reduce our climate footprint

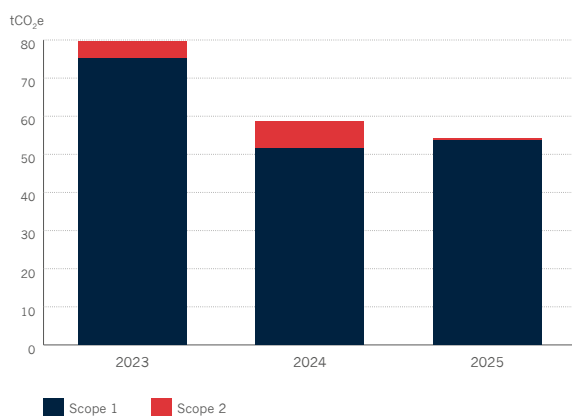
As a manufacturer of heat pumps, we have an important role to play in the transition to fossil-free heating solutions. However, we are also aware that our operations and products have an impact on the climate. That's why we are working to reduce our climate footprint here at Thermia.

Emissions from operations



Our goal is to halve the climate impact of our own operations by 2030 compared with 2023. This covers all direct emissions (Scope 1) and indirect emissions (Scope 2), in accordance with the Greenhouse Gas Protocol. This means that we calculate all emissions arising directly from our own operations – such as emissions from company cars or refrigerant leaks in production – as well as all indirect emissions from purchased energy, such as the electricity for our premises.

GREENHOUSE GAS EMISSIONS



This chart shows the trend regarding Scope 1 and Scope 2 greenhouse gas emissions from 2023 to 2025.

As the chart shows, emissions have fallen since 2023. This is mainly due to reduced refrigerant leaks during production and a switch to refrigerants with lower GWP values (read more about this on page 14). Our efforts to reduce these emissions and improve data quality will continue in 2026. Scope 2 emissions have also fallen, primarily as a result of the phasing out of external warehouses.

Please note that these figures are provisional and will be verified in 2026 by an external auditor. Following verification, we will draw up an action plan to ensure that we meet the target by 2030.

Emissions in the value chain

Although our primary focus is on our own operations, we have taken the initiative during the year to reduce greenhouse gas emissions across the entire value chain (Scope 3). For example, we have sent out a survey to all employees to identify how Thermia can encourage sustainable travel habits to and from work. The results of this survey provided a number of valuable insights and suggestions, which we are now in the process of implementing. For example, secure bicycle storage, a carpooling group and charging points for electric vehicles are also available at our external warehouse. We currently have a total of 58 charging points at our production facility.

The products' climate footprint

A heat pump's climate footprint is influenced by a number of factors – from the choice of materials and components to how these are sourced, manufactured and transported. As well as the design and manufacturing phases, the use phase and final disposal also have an impact on the product's climate footprint. In addition, the choice of refrigerant is relevant (see page 14 for more information).



In 2025, we decided to revise our sustainability target of reducing CO₂e emissions for our products by 10%, as a large proportion of our product portfolio will be replaced in 2026 as a result of the F-Gas Regulation. We will therefore not be reporting the status of this target this year.



Resource-efficient and circular production

Measures to reduce our environmental impact in production

For many years, Thermia has been actively working to reduce the environmental impact of its production. Through resource efficiency, recycling of materials and circular material flows, we are striving to create a modern and circular production system.

Waste and chemical management, recycling of materials and energy consumption are among the cornerstones of our ISO 14001-certified environmental management system. These are areas where we continually measure and monitor established targets and benchmarks in order to reduce our environmental impact in the coming year.

One of our objectives in 2025 was to reduce the amount of copper waste and waste that is classified as combustible. We didn't quite manage to meet our targets, but we did succeed in reducing both copper waste and combustible waste compared with the previous year.

Waste recycling

A key requirement for circular production is that resources remain within the cycle for as long as possible. For this

reason, we have been working for many years to reduce the amount of waste sent for energy recovery. During energy recovery, waste is incinerated and converted into energy, which means that resources are removed from the cycle. With materials recycling, the waste generated by our operations becomes a resource for another operation, thereby reducing the need to extract natural resources.

In 2025, 53 percent of our waste was sent for energy recovery, 45 percent for materials recycling and 2 percent to landfill. We primarily send packaging materials from the purchase of materials and components for energy recovery, while electronic waste, metals and corrugated cardboard are largely recycled.

Circular packaging

The majority of the waste generated during production comprises packaging materials from purchased goods. To handle this, we have a recycling centre where all materials are sorted in accordance with established procedures, and all staff have been trained in waste management. Our vision is for all packaging material that is used to be 100 percent recyclable. To achieve this, we work closely with our suppliers.

Together with our sheet metal suppliers in Töcksfors and Torsby, we have already been reusing custom-made steel and plastic load carriers. During 2025, we have also introduced a scheme for reusing plastic crates in collaboration with another local supplier. These solutions strengthen our partnerships with local suppliers and contribute to circular flows of load carriers.

We also require that our suppliers' packaging should be easy to separate, and that EUR pallets should be used wherever possible to promote reuse and reduce resource consumption. We are also working to replace individual packages with larger industrial packaging, which will ultimately reduce the amount of waste generated by our operations.

Recycled materials

Our products are mainly made of metals such as steel, copper and brass – materials with a high degree of recycling. This means that the materials can be recycled when the products reach the end of their life cycle. The availability of recycled materials also enables us to increase the proportion of recycled content in our own products.

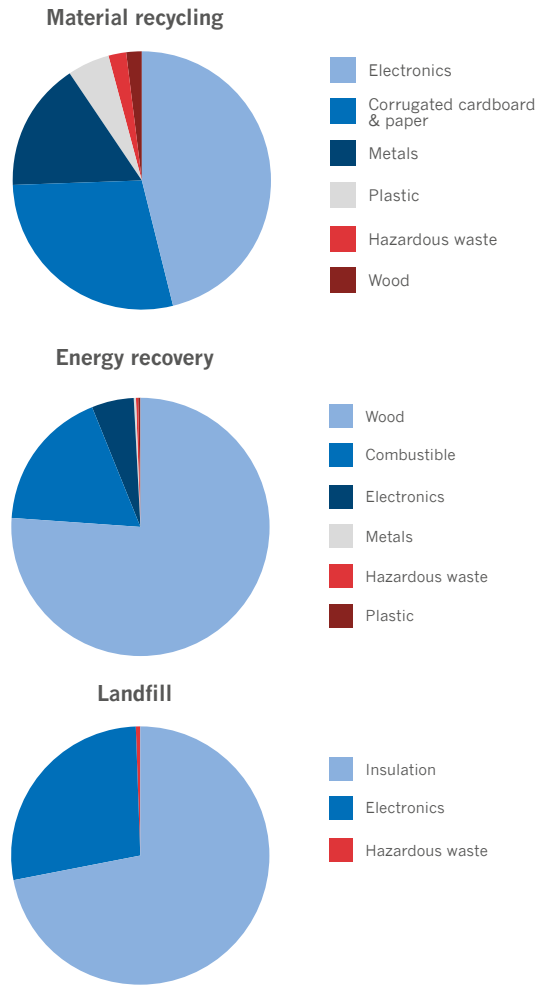
Thermia's research and development centre has historically focused on maximising the utilisation of materials in our products through resource-efficient designs. As sustainability demands increase, however, it is becoming increasingly important to select materials that support a more resource-efficient and circular value chain. In this respect, there are significant opportunities to reduce the climate footprint of our products. Over the course of the year, for example, we have been working to source 100 percent recycled copper pipes for our production.

Reuse

We focus on reuse in order to extend the lifespan of products and components, thereby reducing resource consumption. When products are returned due to minor faults or damage in transit, we try to repair them rather than scrapping them. In the first instance, we return the repaired products to our warehouse. If this is not possible, we donate them to charitable organisations, which also generates social value. If a product is too damaged to be repaired, we salvage any working components wherever possible. In 2025, we reused more than 70 products.

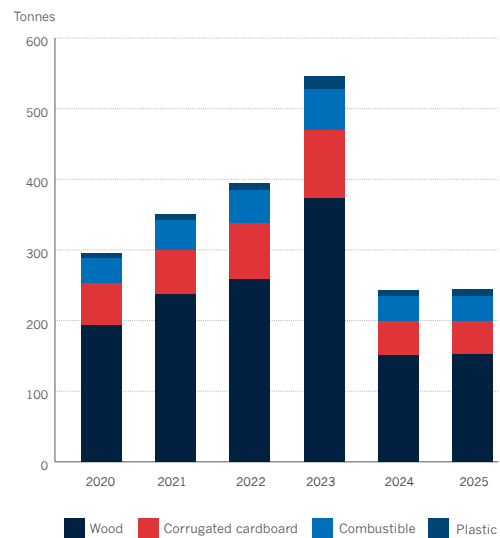
Our maintenance department also reuses parts and components from our machines, which reduces the need for new purchases while ensuring that we make full use of their technical service life.

WASTE FROM OUR OPERATIONS



The above charts show the recycling methods for each waste fraction in 2025.

PACKAGING MATERIALS AS WASTE



The chart shows the volume of packaging waste by category between 2020 and 2025. The increase in 2023 is due to higher production volumes.



Energy

Efficient products and reduced consumption in the factory

Energy is an issue we are constantly working on at Thermia. This includes both making our products as energy-efficient as possible, as well as reducing energy consumption at our own production facility.

Energy-efficient products

Heat pumps are designed to deliver more heat than the energy they themselves consume. They usually supply 3–6 times more energy. Their level of efficiency depends on a number of different factors, such as the type of heat pump and building, temperature, system sizing and maintenance. However, you can get an indication by looking at a heat pump's SCOP value.

SCOP, which stands for the seasonal coefficient of performance, indicates the heat pump's efficiency over the course of a whole year, taking into account variations in temperature. If a heat pump has a seasonal coefficient of performance of four, this means that it can produce four times as much heat energy as the electricity it consumes.

Energy efficiency is a key parameter in the development of new products. We always aim to achieve the highest possible SCOP value for the market and segment the product is designed for. During the year, we launched our first ground-source heat pump, the Calibra RXT. It comes in two sizes, with SCOP values of 5.46 and 5.58 respectively, for Nordic climatic conditions with underfloor heating set to 35°C. This is a step towards maintaining high energy performance (energy class A+++) for the new generation of propane heat pumps.



In 2025, we revised the calculation method for the sustainability target of reducing energy consumption in newly installed products by 10%, and we will replace the calculation method in 2026. As a result, no status report is submitted for this target this year.

Energy consumption

For many years, we have focused on energy consumption at our production facility, with the aim of reducing both costs and environmental impact. For example, we use heat pumps that we manufacture ourselves for heating, which both improves our self-sufficiency and reduces the cost of purchased electricity. The electricity we purchase for our production also comes from fossil-free sources.

Every three years, we also carry out an energy audit of our production facility, as we are subject to The Act (2014:266) on Energy Audits in Large Enterprises. The most recent audit was carried out in December 2024, and throughout the year we have been working on the proposed measures identified at that time.

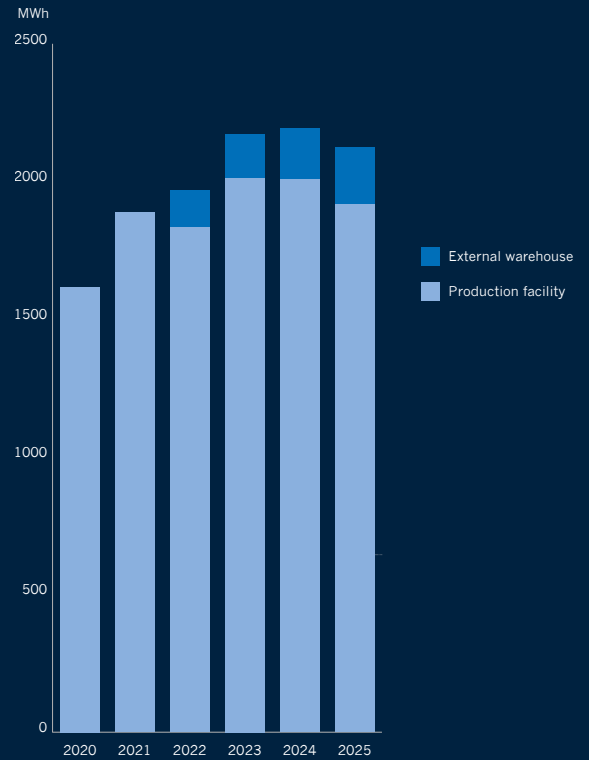
This work has included installing high-speed doors at the goods reception area to reduce heat loss, as well as optimising the ventilation. We have also introduced shutdown procedures ahead of the industrial holiday period, which reduced electricity consumption by 17 percent compared with the same period in the previous year. We have also established an energy saving team, comprising selected key personnel who continuously monitor our energy efficiency efforts.

All in all, this has meant that, in 2025, we managed to achieve our target of reducing electricity consumption compared with the previous year.

The Calibra RXT represents a step towards maintaining high energy efficiency in the new generation of propane heat pumps.

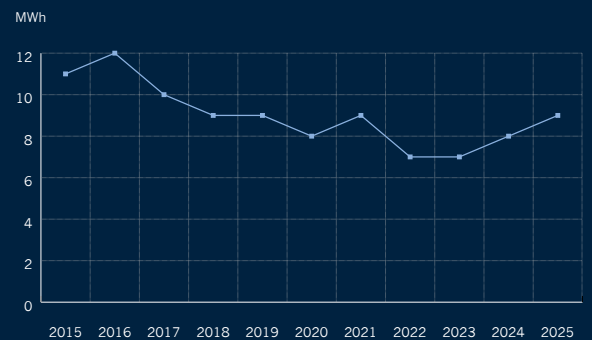


ELECTRICITY CONSUMPTION



The chart shows electricity consumption at our production facility between 2020 and 2025. The increase from 2022 is due to the inclusion of an external warehouse in the statistics, while the increase from 2023 is due to the expansion of the production hall.

ELECTRICITY CONSUMPTION PER EMPLOYEE



The graph shows the number of MWh per employee (including external workforce) between 2015 and 2025. The average for industries in the electronic goods sector (SNI 26–28) stood at 21 MWh per employee in 2024.

Refrigerants

Thermia switching to natural refrigerants

Refrigerants are essential for the operation of a heat pump. They make it possible to convert renewable energy into heat in our homes. Historically, however, they have had a significant impact on the climate. Thermia is now taking significant steps towards increasing the use of natural refrigerants with a significantly lower climate footprint.

The term ‘refrigerants’ is the collective name for various substances used for example in heat pumps to convert energy into heat. Synthetic fluorinated gases, known as F-gases, have primarily been used. Historically speaking, this has been the downside of heat pumps from a climate perspective, as many F-gases have a high GWP* (Global Warming Potential) and therefore a significant climate impact when released into the atmosphere. Because even though the gases are circulating in a hermetically sealed system, there is always a risk of a leak at some point during its life cycle.

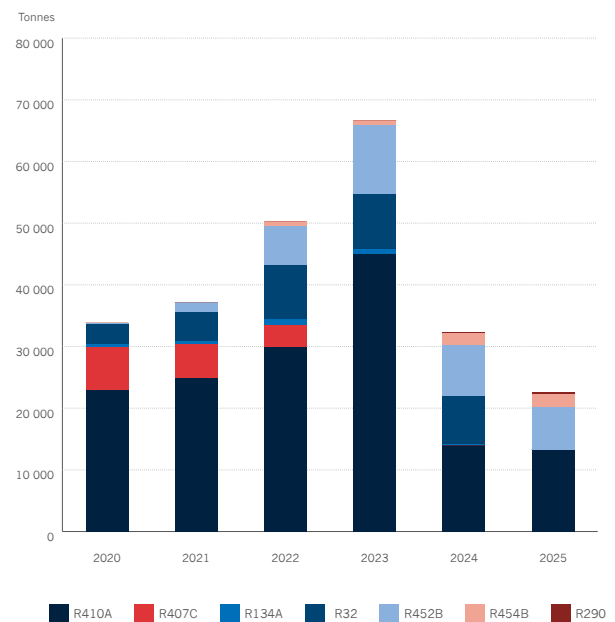
To reduce its environmental impact, the EU’s new F-Gas Regulation has imposed new and stricter requirements on the industry ahead of 2027. This is driving the shift towards natural refrigerants that occur naturally in the environment and have a much lower GWP compared with F-gases. The challenge is that the natural refrigerants may have a lower heat transfer capacity, which can affect the heat pump’s energy efficiency.

Within our organisation, we are therefore conducting extensive research and development work to ensure we meet the new requirements by 1 January 2027. We have made progress in several important areas during the year. This includes the launch of the Calibra RXT, which uses the natural refrigerant propane (R290) and boasts the same high energy efficiency rating as its predecessor. We have also implemented safety adaptations in our production processes for the handling of propane, which is a flammable gas.

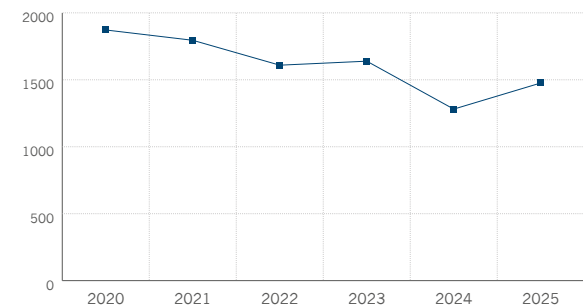
The transition from F-gases to natural refrigerants is a major and important step for Thermia. For several years, we have worked proactively to remain at the forefront of heat pumps using refrigerants with a low GWP. We therefore welcome the industry’s transition to refrigerants with an even lower environmental impact.

* GWP is a metric that indicates how much a particular greenhouse gas affects the climate compared to 1 kg of carbon dioxide. Propane has a GWP of 0.02 and therefore has a significantly lower climate impact than carbon dioxide.

TOTAL REFRIGERANT CONSUMPTION

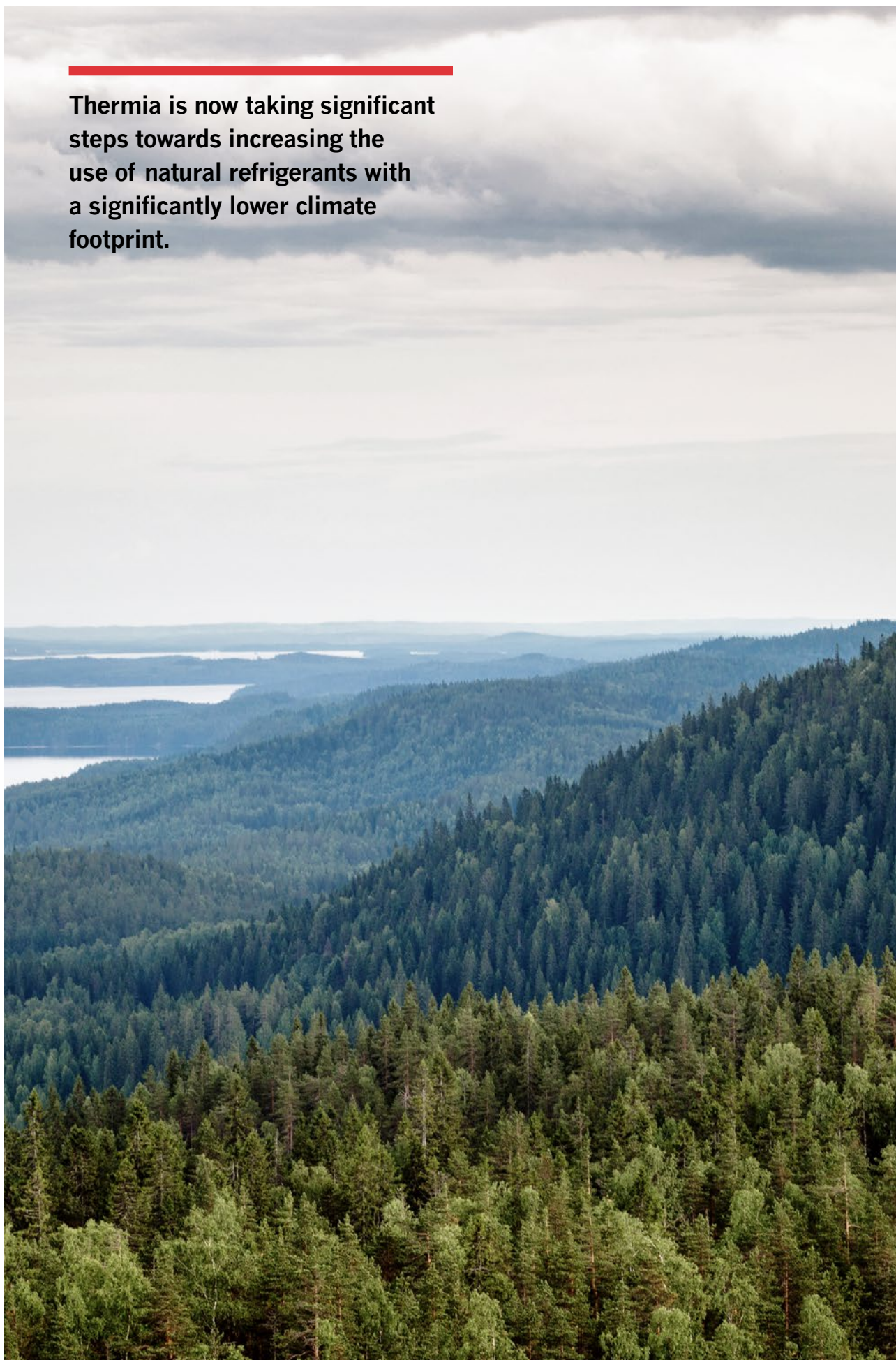


AVERAGE GWP OF REFRIGERANT CONSUMED



The graph shows the trend in the average GWP factor for total refrigerant consumption in production between 2020 and 2025.

Thermia is now taking significant steps towards increasing the use of natural refrigerants with a significantly lower climate footprint.





Social

Employees

Strong focus on staff well-being and development

Thermia wants to be an attractive and inclusive employer, free from discrimination and harassment. A diverse workforce strengthens our competitiveness and contributes to our success.

Thermia is one of the largest private employers in West Värmland. Our employees are the core of our business – and our most important asset. For this reason, everyone should be happy and be able to have their voice heard. This is reflected in the initiatives we have implemented during the year.

Gender equality and diversity

Thermia firmly believes that diversity and gender equality help the company to grow. We therefore work actively on these issues. One example of this is our involvement in Arvika Pride, where we took part in the pride parade in Arvika and worked with the project group in the run-up to Pride Week. We also posted a Pride video on social media to show that Thermia believes in the equal value of all people and the right to love whomever you choose.


Our recruitment policy ensures that recruitment decisions are based on objective criteria, and where candidates have equivalent qualifications, preference is given to the under-represented gender. At present, the gender breakdown is 67 percent men and 33 percent women, and we are monitoring developments closely to achieve an even balance – particularly in senior roles, where we currently face the greatest challenge. The table shows the gender breakdown

among managers, white-collar employees and blue-collar employees. The figures refer to permanent and fixed-term employees – not consultants. The aim is to gradually achieve a more balanced representation.

The company also has an equality policy to ensure that our operation provides a discrimination-free and attractive working environment. In the employee survey, we also monitor our employees' experiences of the working environment in relation to issues such as respect, jargon and attitudes, as well as victimisation and discrimination.

DISCRIMINATORY TREATMENT



 Our HR department did not receive any reports of discriminatory treatment in 2025, and we hope to maintain this trend through until 2030 so that we can achieve our long-term sustainability objective in this area.

DISTRIBUTION BETWEEN WOMEN AND MEN

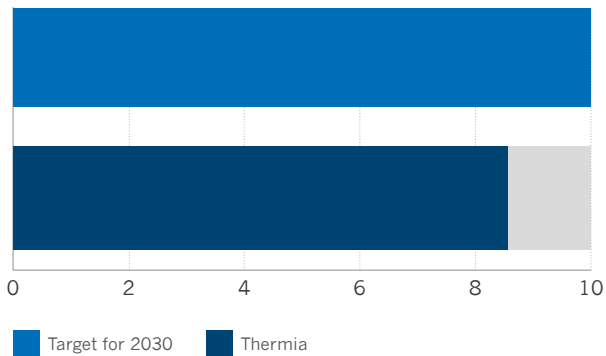
POSITION	2023		2024		2025	
	Women, %	Men, %	Women, %	Men, %	Women, %	Men, %
Managers	9	91	9	91	11.5	88.5
White-collar employees	30	70	30	70	29	71
Blue-collar employees	40	60	40	60	39.5	60.5



DIVERSITY & INCLUSION



Our goal is for all employees to give full marks for ethics and equality in the employee survey by 2030. In 2025, we achieved a score of 8.58. Employees can give scores ranging from 1–10.



Overall assessment based on three statements: "At our workplace, we treat all employees with respect", "My workplace is free from offensive or derogatory language, images, jokes, etc., for example regarding gender, ethnicity, sexuality, disabilities, religion, gender identity and age", and "Over the past year, I have not felt subjected to offensive treatment or discrimination in my workplace"

Work-life balance

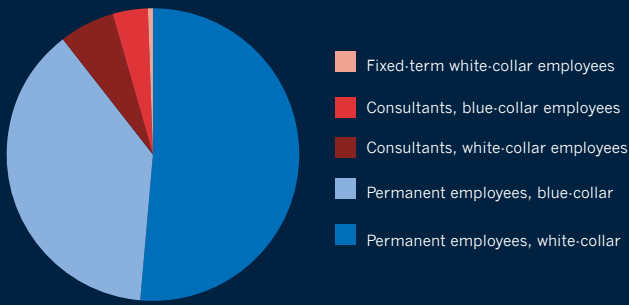
A good work-life balance is essential for well-being and performance. That's why we offer flexible working arrangements, including the option of remote working in consultation with your manager for roles where this is suitable. We also have an office in Karlstad, which can be used by staff based in other locations. The company has clear policies regarding both flexible working arrangements and the Karlstad office.

Health and safety

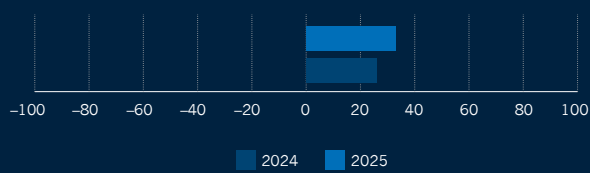
Health and safety is a top priority. We work preventively through regular safety inspections and an active health and safety committee, and we encourage everyone to report any risks. Statistics on near misses and sick leaves are analysed to prevent accidents and ill health. In December, a working group was also established to review how we work, cooperate, streamline and improve our efforts in respect of health and safety. The company also works closely with health and safety representatives and trade unions on matters relating to safety and the working environment.

A large number of improvements have been made in production over the course of the year, with the aim of enhancing ergonomics and the psychosocial working environment for our staff. For example, we have increased the use of lifting aids and conducted an ergonomics assessment with an external physiotherapist regarding one of our production lines.

FORM OF EMPLOYMENT 2025



EMPLOYEE SURVEY



The eNPS measures the likelihood of our employees recommending Thermia to friends and acquaintances, on a scale from -100 to +100. A score of above 0 is considered good, above 20 very good and above 50 extremely good.

Fair conditions

Thermia is committed to ensuring fair conditions for our employees, of course, and strives to offer secure, long-term employment, with the majority of our staff being on permanent contracts. At the same time, we use consultants to help us manage fluctuations in demand. Salaries and other forms of remuneration are in line with legislation, collective agreements and market rates. We have begun work on a new system during the year, which will be introduced in 2026 to comply with EU's forthcoming Pay Transparency Directive.

Employee survey

Thermia conducts regular employee surveys to measure job satisfaction and engagement among our staff. The 2025 Employee Net Promoter Score (eNPS) achieved an average of 33 – a clear improvement on 2024, when we scored 26. This shows that our efforts are paying off and that we have a high level of job satisfaction and engagement within the company.

REPORTED INCIDENTS	2023	2024	2025
Work-related injuries resulting in sickness absence	4	4	3
Other work-related injuries	58	27	42
Near misses	217	117	143
Risk observations	70	170	258

SICKNESS ABSENCE (short-term and long-term)	2023	2024	2025
Blue-collar employees	8.6%	6.6%	6.9%
White-collar employees	3.4%	2.0%	1.7%
TOTAL	5.8%	4.1%	4.0%

We have also introduced a new system, Andon, which enables our assemblers to raise the alarm and get help quickly. A dedicated Andon resource is dispatched to the site when a production anomaly occurs and works to resolve the issue quickly.

In addition to this, we are committed to promoting good health – with a wellness allowance of SEK 3,300 per employee per year, as well as free exercise sessions outside working hours several times a week, such as yoga and strength training.

Sickness absence

One of our long-term sustainability goals is to halve sickness absence by 2030 compared with 2023, and so it is pleasing to note that we are continuing to move in the right direction. The overall rate of sickness absence in 2025 stood at 4.0 percent, compared with 5.8 percent in 2023. This positive trend is the result of good cooperation between managers, trade union representatives, HR and each and every individual.

The Well-being group

Thermia's Well-being group was established in 2023 with the aim of fostering a sense of community and well-being among Thermia's employees. The group has been very active since then, organising activities both during and outside of working hours. Thermia regards the well-being activities as an important part of social sustainability – they contribute to a healthy working environment, reduce stress and boost motivation. Creating a work place where people feel happy and healthy is a key part of our sustainability work.

Examples of activities during the year:

- **Spring market in the courtyard** – Local organisations sold handi-crafts and food products
- **Coach trips to sporting events** – the Cross-Country Skiing World Cup at Holmenkollen, an ice hockey evening at Löfbergs Arena and Allsvenskan football at Stora Valla
- **Competitions and exercise** – Padel evening and Hyrox competi-tion
- **Visits from organisations** – the Swedish Breast Cancer Associa-tion, the Swedish Prostate Cancer Association and the Swedish Diabetes Association
- **Creativity and enjoyment** – Two popular pottery-making eve-nings and a wine tasting at Café Elis at the Rackstad Museum

It's clear that these activities are greatly appreciated. The arrange-ments, which required registration, were attended by a total of 220 people!

The Well-being group will continue its work in 2026 as well. The group meets a few times each month to brainstorm new ideas for activities for our staff.

"We're really trying to offer a wide range of activities, and the aim is to ensure there's something for everyone. Continuing this work is so rewarding and inspirational, when we see and hear just how much our colleagues appreciate it. A big shout-out to everyone who gets involved and is so passionate about improving well-being at Thermia," says Tilda Westerberg, the person responsible for convening the well-being group.



Information and communication

Well-informed employees lead to a better understanding and greater commitment. To keep all employees informed and involved, we arrange monthly staff meetings. We have also launched an internal Thermia app that makes it easy for all employees – regardless of their role – to access company news and important information.

In the past, reaching staff who do not work at a computer has been a challenge. Thanks to the app, this information gap has narrowed. To date, 157 employees have downloaded the app.

We are advocates of two-way communication, so you have the opportunity to put questions to management at our staff meetings. The app also offers various ways to make your voice heard.

In addition, we bring all the company's managers together every quarter for a meeting to share experiences and discuss current issues.

Employee development

In order for the company to succeed in achieving its ambitious goals and commitments, staff need to undergo continuous training and professional development. In 2025, for example, there has been a strong focus on training production staff in the handling of flammable substances, such as the refrigerant propane. During the year, 45 managers, supervisors and technicians, as well as 36 assemblers, gained a deeper understanding of flammable goods and how to handle them safely.

Thermia Day

A day focusing on culture and values

In September, we organised Thermia Day for all employees – an afternoon dedicated to enhancing our corporate culture and achieving a deeper understanding of our values.

“A really good day – meaningful and insightful,” was one of the many positive comments from our staff.

On 19 September, around 250 employees gathered at Thermia’s new production facility for Thermia Day. We had set up a stage for the day, and put together a programme focusing on culture, the working environment and our core values.

The initiative was being conducted against the background of the cultural efforts undertaken by the management team in 2023 and 2024. Among other things, the event spelt out what our core values – Responsibility, Commitment and Go-ahead spirit – mean in practice through various scenarios and examples of behaviour. In early 2025, we also conducted an employee survey regarding corporate culture, which provided a clear picture of how our employees perceive our culture, collaboration and working environment.

The results demonstrated that our corporate culture is characterised by a strong sense of community and job satisfaction. There were also challenges, however. Above all, these related to compliance with our core values and the perception of “us and them”. The programme for Thermia Day was therefore designed to address precisely these areas. The aim was both to enhance what is working well and to encourage reflection on matters that need improvement.

During the day, a number of videos were shown in which employees talked about their day-to-day lives and what it’s like to work at Thermia. Suppliers and dealers shared their views on working with us and what makes Thermia unique. Local residents in Arvika spoke about the company’s importance to the town. The videos were interspersed with interviews and panel discussions featuring colleagues from various parts of the organisation, who explored in greater depth the topics of culture, the working environment, core values and the sense of “us and them”.

The audience participated actively throughout the day via Mentimeter polls, through which they were able to share their input and reflections. The day also included entertainment in various forms.

Another highlight was a visit by cross-country skiing star and Vasaloppet winner Alvar Myhlback (Vasaloppet is an iconic long-distance ski race in Sweden). He joined the event via a video link, speaking about his journey, his goals and how his collaboration with Thermia has been a key part of his development and success.

Thermia Day served as a springboard for further cultural initiatives. It reinforced our understanding of our values and demonstrated that the entire organisation has an important role to play and a responsibility to create the working environment and culture that we want to characterise Thermia.



Customers

Creating value for our customers

We strive to build long-term relationships with our dealers and end customers by supplying products and services that meet high standards regarding quality, safety and sustainability.

Customer satisfaction

A good heating solution involves more than just technology. For individual homeowners, it is crucial that the heat pump system provides heating and hot water in a reliable and energy-efficient manner, and that the installation is backed by warranties, service packages and secure ownership over time. For our dealers, access to information and technical support is essential in order to install and service our products to the highest possible standard.

We work closely with our dealers to ensure a high level of customer satisfaction throughout the value chain. All dealers receive training in respect of the sizing, installation and troubleshooting of our heat pumps at the Thermia Academy or locally across Sweden. This ensures that the installations maintain a high and consistent standard, which in turn contributes to optimal operation and secure ownership for the end customer.

Combined with our security package – which provides a comprehensive warranty and insurance cover for the first six years, with the option to extend – the end customer receives a complete solution. This solution also creates value for our dealers, in the form of happier end customers, fewer complaints and access to reliable support.

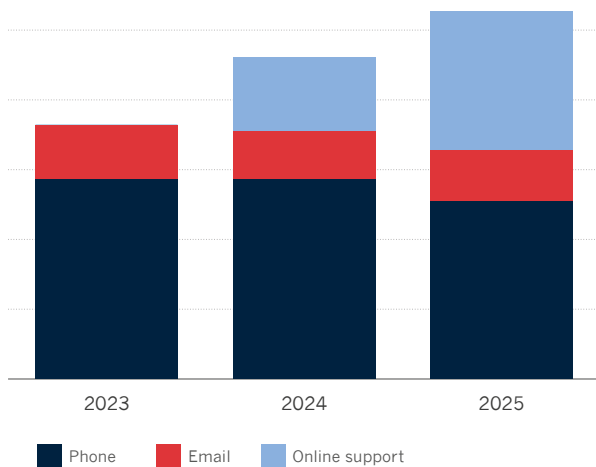
This is confirmed by our latest NPS survey*, in which we achieved scores above 50 for both end customers and dealers, demonstrating strong and stable customer loyalty and confirming that close collaboration with our dealers creates value for all parties.

*NPS stands for Net Promoter Score and measures the likelihood of our customers recommending Thermia to friends and acquaintances, on a scale from -100 to +100. A score of above 0 is considered good, above 20 very good and above 50 extremely good.





DEVELOPMENT OF CONTACT CHANNELS



The chart shows the trend regarding the channels through which dealers contact Thermia's technical service since the introduction of E-support.

Digitalisation and accessibility

Digitalisation is a key part of our efforts to improve the accessibility of information and thereby contribute to the safer and more efficient operation of our products. During the year, for example, we have further developed our E-support service, which was launched in March 2024.

E-support is a digital troubleshooting service that enables installers to log into the service when an alarm is triggered, to read about the alarm and to follow an alarm-specific troubleshooting guide. The guides also contain links to relevant spare parts in our spare parts shop. This enables installers to

take immediate action – 24 hours a day – without having to rely on Thermia's opening hours.

This initiative has resulted in:

- **Improved access** to information and support for our installers
- **Shorter response times** at customer support and faster troubleshooting
- **Improved reliability** of our heat pumps, which contributes to the safety and comfort of end customers

Thermia Online

Thermia Online is our digital service for the remote control and monitoring of heat pumps. Using real-time data about the system's status, operations can be optimised and alarms dealt with remotely, thereby improving operational reliability and reducing false alarms. In 2025, we have taken a number of steps to improve our digital offering to our end customers, and will continue to develop this area going forward.

For example, we have introduced smart control based on spot prices, which means that the heat pump automatically adjusts its electricity consumption to times when electricity prices are lower, thereby helping to reduce electricity costs and contribute to a more balanced electricity grid.

We have also introduced OTA (Over-The-Air) updates, which allow the heat pump's software to be updated directly via the internet. This provides end customers with access to new features and improved reliability, without the need for on-site service visits.

Local community

Thermia's contribution to social development

Thermia is convinced that businesses can also contribute to positive social development. We are therefore striving to use our voice to develop and strengthen our community.

Sponsorship

Part of taking responsibility for our local community involves supporting sports clubs and other organisations. Sport is an important part of the community, and taking part in sport promotes inclusion, diversity and a healthy lifestyle for children, young people and adults. That's why we sponsor a number of clubs by providing both financial support and equipment.

Examples from 2025 include our sponsorship of Arvika's alpine skiing club, to whom we provided an air-to-water heat pump and a water heater, and Valfjället's alpine skiing club, to whom we provided an air-to-air heat pump.

We also helped to organise the Thermia Cup at Arvika Ice Rink. In November 2025, eight teams from seven clubs took part, with a total of 70 players.

Musikhjälpen

When the Musikhjälpen charity event was held in Värmland in December 2025, we launched the Arvikabössan initiative, through which we ourselves donated SEK 30,000 to the fund-raising campaign for children's right to education.

By encouraging businesses, associations and private individuals in Arvika to get involved, we generated a high level of commitment within the municipality. A total of SEK 215,010 was raised through 691 donations, and the Arvikabössan was among the top 25 in the country – clear evidence of the warmth and solidarity that exists in Arvika.

CEO nominated for prestigious award

During the year, our CEO, Magnus Glavmo, was nominated for the 2025 Swedish Chamber of Commerce Award in recognition of our long-term commitment to society. The citation highlighted his and Thermia's work as being about more than just business: "As CEO of Thermia, Magnus demonstrates that leadership is about more than just figures. He has championed Arvika Emergency Hospital, stood up for equality and built a corporate culture in which values carry just as much weight as financial results. Magnus is a role model for the values-driven leadership of the future – courageous, compassionate and inspirational."

Although the award eventually went to Sola Air, the nomination served as confirmation that Thermia and its leadership are making a difference for Värmland.



Thermia sponsored Arvika's alpine skiing club with a heat pump and a water heater.





Responsible business

Sustainable supply chains

Collaboration with suppliers is a crucial factor

Responsible and close collaboration with our suppliers is crucial to Thermia's ability to supply high-quality products while at the same time reducing our negative impact on people and the environment throughout the value chain.

We work with both local and international suppliers, which provides us with flexibility and resilience in the supply chain. However, an international network of suppliers also entails a considerable responsibility, as differences in legislation, culture and business practices can pose risks to workers, local communities and the environment.

Examples of risks range from environmental pollution to child labour and forced labour, poor working environment, unsafe working conditions, bribery and corruption. Through clear requirements, systematic monitoring and ongoing dialogue with our suppliers, we strive to prevent and minimise these risks.

Our Code of Conduct

Thermia's Supplier Code of Conduct is a key tool when it comes to preventing and minimising risks in the value chain. It is based on international agreements such as the UN Universal Declaration of Human Rights, the Children's Rights and Business Principles, the OECD Guidelines, the UN Global Compact, as well as the conventions and recommendations of the International Labour Organization (ILO).

The Code of Conduct specifies requirements in areas such as human rights, working conditions, environmental responsibility and business ethics. All suppliers must comply with the Code – it is a fundamental requirement for supplying Thermia and a key part of our procurement policy.

Today, around 80 percent of our suppliers of direct materials have signed our Code of Conduct or have their own equivalent code of conduct. There is room for improvement here, and our ambition is to reach a figure of at least 90 percent.

Supplier and risk management process

Thermia uses the IntegrityNext risk management platform to systematically assess risk levels among our suppliers. The assessment begins with an analysis of country risk and sector risk. If this indicates the presence of ESG-related risks (environmental, social or governance), a supplementary questionnaire is sent to the supplier.

- **Green** – low risk
 - **Yellow** – medium risk
 - **Red** – high risk
- Based on the overall risk profile, each supplier is classified into one of three levels.

Classification helps us to prioritise the monitoring and management of the biggest risks, and provides a basis for ongoing dialogue and our supplier strategy.



Qualification of new suppliers

All new suppliers of materials and components for our products undergo an onboarding process which includes, for example, signing our Code of Conduct, risk assessments and supplier audits.

These audits complement the digital assessment and focus on quality assurance and compliance with our requirements in the areas of health and safety, the environment and business ethics. If we identify any serious shortcomings, the onboarding process will be halted and we will proceed with another supplier. Minor shortcomings must be rectified before the supplier can be approved.

Once a supplier has been approved, it is included in our audit plan and is subsequently audited every five years. In 2025, we approved two new suppliers and carried out 15 audits.

Supplier Information Meetings

A close and regular exchange of information is a key part of our long-term partnership with our suppliers. In 2025, we held two Supplier Information Meetings, during which we shared information about the heat pump market, production forecasts and other relevant activities. This year, we also presented our view of sustainable supply chains and provided information about our planned sustainability initiatives for 2026. A total of 60 suppliers took part.

These meetings strengthen our relationships, enhance our suppliers' understanding of our requirements and provide a platform for dialogue – something that is crucial in our efforts to develop sustainable supply chains.

Responsible and close collaboration with our suppliers is crucial to Thermia's ability to supply high-quality products while at the same time reducing our negative impact on people and the environment throughout the value chain.



Business ethics and governance

Ensuring ethics, transparency and compliance

Thermia has zero tolerance for corruption, irregularities and inappropriate behaviour in business. We work continuously to ensure that all our employees and partners comply with internal and external guidelines and laws.

Acting responsibly is essential to maintaining the trust of customers, suppliers and other stakeholders. To ensure high standards of business ethics, Thermia adheres to a number of international agreements, including the UN Universal Declaration of Human Rights, the UN Global Compact, the UN Convention on the Rights of the Child and the ILO's core conventions.

We also have a comprehensive framework of internal guidelines and policies that guide all employees in their day-to-day work. In addition, we have a management system that is certified in accordance with ISO 14001 and ISO 9001.

Selection of internal guidelines and policies

- Health and safety
- Environment
- Quality
- Fire safety
- Purchasing
- Equal treatment
- Recruitment
- Corporate hospitality
- Gifts
- Travel
- Alcohol and drugs
- Staff
- Information security
- Personal data

These governance documents provide a clear framework for how we run our business and for what is expected of both staff and managers. The previous section provides a more detailed description of our Supplier Code of Conduct and how we ensure high standards of business ethics throughout the supply chain.

Employee Code of Conduct

Thermia's owner, Stiebel Eltron, also has a code of conduct that applies to all employees in the Group. This code emphasises the importance of acting ethically, lawfully and responsibly in our day-to-day work, as well as respecting human rights and refraining from all forms of corruption and undue benefits. The code of conduct also highlights principles such as fair competition, transparency, zero tolerance of discrimination and a safe working environment.

The Group also runs a standard compliance training programme, which all employees are required to attend once a year and which forms part of the induction process for new recruits.

These guidelines form the basis of our internal governance and ensure that business ethics and accountability are a natural part of the corporate culture within Thermia and the Stiebel Eltron Group.

Whistleblowing function

The Group has a whistleblowing function in place for identifying and managing serious misconduct. All employees, suppliers and other individuals covered by the whistleblower legislation, including the EU Whistleblower Protection Directive and the Swedish Whistleblower Act, can anonymously report suspected misconduct that contravenes laws, internal rules or policies. The whistleblower is protected under the Whistleblowing Act and must not be subjected to reprisals. All reports are treated confidentially, investigated by an independent party and followed up in accordance with the Group's established procedures.

This function is available via the Group's international website. In 2025, no complaints were received regarding Thermia.





We at Thermia would like to thank our partners and employees for their commitment and support in our sustainability journey

Thermia AB

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About the Sustainability Report

The report concerns Thermia AB, org. no. 556269-6483

PHOTOS Øyvind Lund, Peter Nilsson

Thermia AB's management team has endorsed this Sustainability Report upon approval of the Annual Report.