



eltwin

SUSTAINABILITY REPORT

20

24

“2024 was a year of turbulence, challenge, and transformation for Eltwin Group. As we navigated global uncertainties, shifting market dynamics, and an ever-growing demand for sustainable solutions, Eltwin remained steadfast in its commitment to innovation, responsibility, and resilience.”

- Jens Ebbesen, CEO

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Introduction

As global environmental and social challenges continue to evolve, Eltwin Group remains dedicated to driving change through innovation, responsibility, and transparency. Sustainability is not just a goal. It is an integral part of how we do business and shape the future. By continuously seeking smarter solutions, we are committed to making a lasting, positive impact on both our industry and the planet.

Throughout Eltwin Group's history, we have been helping customers worldwide in optimizing their products with energy-efficient and cost-effective solutions. Eltwin's dedication to smart solutions that drive business growth, while positively impacting our planet, is in the DNA of all Eltwinners. With over 45 years of expertise in power electronics, our mission has always been to push technology forward and creating sustainable products that promote energy efficiency.

With strong partnerships, collaboration, and innovation, we can continue to make a difference. We want to secure a better future for both our company and the global community as well. Together with our stakeholders, we will continue to push the boundaries of what is possible, striving to create a more prosperous, equitable, and environmentally conscious world for generations to come.

We extend our gratitude to employees, customers, suppliers, investors and communities for their ongoing support and collaboration. Together, we have the power to drive positive change.

The 2024 Sustainability Report reflects data gathered from the entire Eltwin Group and serves as an overview of our efforts, achievements, and ongoing commitment to sustainability across our operations. You will find our environmental initiatives, social impact and governance practices. From addressing our carbon footprint and focusing more on supply chain resilience to further developing our management team and collaborating more closely across Eltwin's operations, we are dedicated to integrating sustainability into every aspect of our business.

We understand that sustainability is a journey, and we acknowledge the importance of continuous improvement.

Enjoy your reading.



Looking Back, Moving Forward

2024 was a year of turbulence, challenge, and transformation for Eltwin Group. As we navigated global uncertainties, shifting market dynamics, and an ever-growing demand for sustainable solutions, Eltwin remained steadfast in its commitment to innovation, responsibility, and resilience.

Reflecting on the past year, our journey was marked by both obstacles and opportunities. It was undoubtedly a difficult year, where we faced economic fluctuations, supply chain disruptions, and the need to make tough decisions. Unfortunately, we also had to say goodbye to a number of talented colleagues, which was one of the hardest moments for us as a company.

"Despite the challenging times, we continue to invest our time and resources in energy-efficient solutions because it remains a priority for us."



In addition to these internal challenges, the broader industry also faced significant hurdles. Our parent company, NIBE Industrier AB, experienced a tough year due to a decline in heat pump sales, which had ripple effects throughout the entire NIBE Group.

However, the unwavering support from NIBE has been invaluable, providing us with both stability and strategic guidance in a challenging market environment.

Despite the challenging times, we continue to invest our time and resources in energy-efficient solutions because it remains a priority for us. In 2024, we had the opportunity to deepen our existing partnerships and focus on strengthening supply chain resilience as a foundation for the future. Additionally, we dedicated efforts to sales training, with a particular emphasis on value focused selling, ensuring we continue to create meaningful solutions for our customers. We also worked actively to navigate the evolving ESG requirements and regulations. Altogether, these efforts have helped us prepare for the challenges and opportunities that lie ahead.

As we move into 2025, we remain focused on integrating more sustainable practices into our operations. In the coming year, we will continue to develop innovative solutions, strengthen our efforts within the circular economy, and align our work with our long-term 2030 strategy. 2025 will be an important year for refining our approach and setting realistic goals that support both our business and environmental responsibilities.

"2025 will be an important year for refining our approach and setting realistic goals that support both our business and environmental responsibilities."

The challenges of 2024 have strengthened our resolve, and as we step into 2025, we do so with optimism and ambition. The path ahead will require agility, collaboration, and a clear vision. We remain committed to creating a work culture where sustainability is an integral part of how we operate, one where employees, partners, and stakeholders work together to create lasting impact.



Jens Ebbesen
CEO, Eltwin Group



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(E)NVIROnMENTAL

Our Earth is the prerequisite for a shared prosperous future — now and in the generations to come. We aim to improve our positive environmental handprint by creating products for climate protection. And also, by reducing our negative environmental impact — our footprint.

GOALS

- A minimum of 60% of used materials must be recycled
- A maximum of 10% of total waste must be small combustible waste
- A maximum of 2% of total waste must be landfill

RESULTS

- 52.5% of used materials were recycled
- 27.3% of total waste was small combustible waste
- 0.4% of total waste was landfill

How will we win in the future?

We want to see waste as a beginning instead of an end. By analyzing our waste streams, we are uncovering new opportunities to recycle, reuse, and transform our waste into valuable resources. Together with awareness campaigns and continuous clarification of waste sorting, we expect to improve our waste volume.



GHG Carbon Footprint 2022 - 2024

In 2024, Eltwin Group took an important step forward in our climate reporting by including scope 3 emissions in our carbon footprint for the first time. This expansion reflects our commitment to transparency and a more holistic understanding of our climate impact.

We follow the methodology outlined in the Greenhouse Gas Protocol, which defines 15 distinct categories under scope 3. Of these, 8 relate to upstream activities and 7 to downstream activities. Throughout the year, we have worked to identify which of these categories are relevant to our operations. As a result of this effort, we identified emissions in 11 out of the 15 scope 3 categories.

For this reporting cycle, we have been able to include data from our upstream activities only. Mapping downstream emissions requires further investigation and collaboration with our stakeholders. We aim to include these downstream activities in our Sustainability Report 2025.

Moving forward, our carbon footprint will reflect a three-year period, as our scope 3 accounting and related data collection now date back to 2022. This approach will allow for a more consistent and meaningful view of our emissions over time.

Please note: As we transitioned to a new ERP system in 2024, data collection had to be done across two different systems. This resulted in a largely manual data-gathering and analysis process, which can naturally introduce a higher risk of inaccuracy. We are working on implementing a more automated and precise data solution. Additionally, 2024 was an unusual year with significantly lower production volumes, which may affect the comparability of emission data across years.

Scope 1

Includes direct emissions from sources owned or controlled by Eltwin Group.

Our scope 1 emissions primarily stem from the fuel consumption of our company vehicles in Denmark and Poland. Since our production is largely powered by electricity, the majority of emissions typically associated with on-site energy use are instead reported under scope 2.

Scope 2

Includes indirect emissions from purchased energy; electricity and district heating where we have operational control.

Our scope 2 emissions arise from the consumption of electricity and district heating across our operations.

Scope 2 location-based emissions are calculated by summing up the emissions from district heating and location-based electricity. District heating emissions are based on the kWh consumption and are calculated using emission factors from local production mixes or average IEA (International Energy Agency) statistics. Location-based electricity emissions are calculated by applying the appropriate electricity production mixes from IEA statistics.

Scope 2 market-based emissions are calculated differently. District heating emissions are the same as for the location-based method. With electricity, the whole Eltwin Group has renewable energy certificates. With these certificates we can guarantee the origin of our electricity and reduce our market-based CO₂ emissions. With the certificates it is certified that the electricity is produced exclusively by renewable sources with an emission factor of 0 gram CO₂e per kWh. If there is any electricity not covered by the certificates, the emission factor is based on the remaining residual mix from IEA.

Scope 3

Includes indirect emissions resulting from value chain activities.

In 2024, Eltwin Group included scope 3 emissions in our carbon footprint for the first time. This is an important milestone in broadening our climate impact reporting. The scope 3 emissions are a result of our upstream and downstream activities which are not controlled by us.

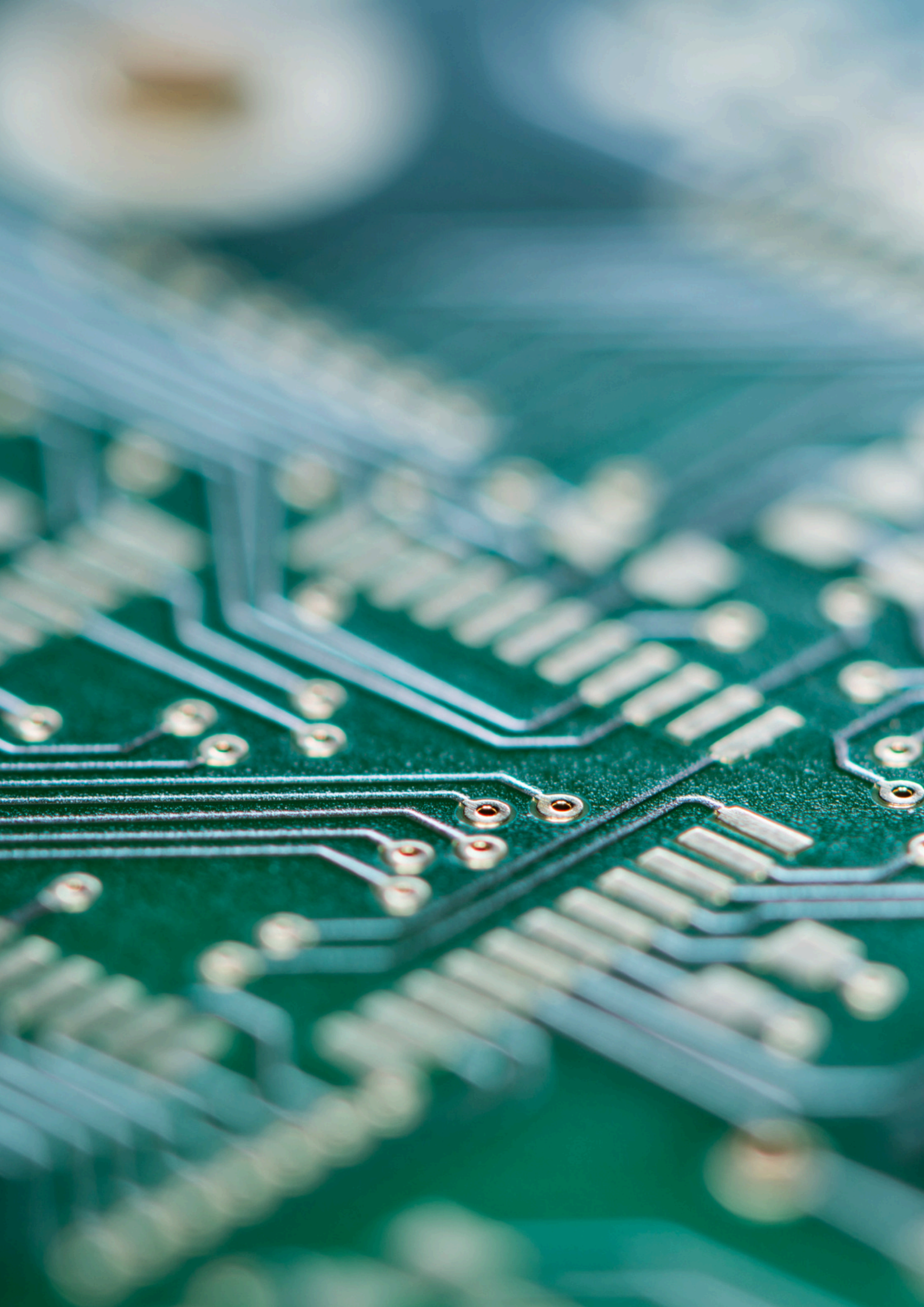
For this initial reporting year, we have focused on upstream activities, where we identified emissions in seven relevant categories. Below is an overview of the data:

- **Purchased goods and services:** Includes all materials related to the production of our products, as well as water consumption and various indirect purchases such as office supplies, cleaning services, and employee events.
- **Capital goods:** Covers emissions from the production of long-term equipment and investments.
- **Fuel- and energy-related activities:** Emissions associated with the production and delivery of the fuels and electricity we consume (not already included in scope 1 and 2).

- **Upstream transportation and distribution:** Based on actual CO2 data reported by our freight partners across air, maritime, and road transport.
- **Waste generated in operations:** Calculated using concrete volume and waste handling data provided by our waste management providers.
- **Business travel:** Includes emissions from business trips, based on travel activity data provided by our travel agency.
- **Employee commuting:** Estimated using responses from an internal employee commuting survey.

Downstream emissions are not yet included, as they require further investigation and coordination with partners. We plan to expand our scope 3 reporting to cover the following downstream categories: Downstream transportation and distribution, Processing of sold products, Use of sold products and End-of-life treatment of sold products. Including these categories over time will allow us to build a complete and more reliable overview of our value chain emissions.

Carbon Footprint	Unit	2022	2023	2024
<i>Total scope 1</i>	<i>tCO2e</i>	40.1	59.8	55.9
- Petrol	tCO2e	3.3	12.9	19.7
- Diesel	tCO2e	36.8	46.8	36
<i>Total scope 2 (location based)</i>	<i>tCO2e</i>	481.7	604.8	441.1
- District heating	tCO2e	92.7	146.8	108.6
- Electricity	tCO2e	389	458	332.5
<i>Total scope 2 (market based)</i>	<i>tCO2e</i>	92.7	146.8	124.7
Total scope 1 & 2 (location based)	tCO2e	521.8	664.6	497
Total scope 1 & 2 (market based)	tCO2e	132.8	206.6	180.6
Total scope 1	liters	16065	24794	23661,4
Total scope 2	MWh	1304.1	1488.1	1237.2
Total renewable energy (location based)	MWh	428.8	699.8	636.4
Total renewable energy share (location based)	%	29.1%	40.5%	43.5%
Total renewable energy (market based)	MWh	977.3	1310.6	1044.4
Total renewable energy share (market based)	%	66.4%	75.9%	71.4%
<i>Total scope 3</i>	<i>tCO2e</i>	7298.4	8444	5048.6
- Purchased goods and services	tCO2e	6671.1	7669.2	4210.2
- Capital goods	tCO2e	131.3	171.6	22
- Fuel- and energy-related activities	tCO2e	139.2	161.9	122
- Upstream transportation and distribution	tCO2e	112.3	78.8	436
- Waste generated in operations	tCO2e	61.1	99.2	35.8
- Business travel	tCO2e	9.4	40.1	41.8
- Employee commuting	tCO2e	174	223.3	180.9
Total scope 1, 2 & 3 (location based)	tCO2e	7820.2	9108.6	5545.6



EMC Solutions for Reliable Performance

EMC is short for Electro Magnetic Compatibility. Any electrical conductor exposes a magnetic field when a current flows. This magnetic field can induce a current in another nearby conductor, which can potentially be misread by the equipment and affect performance. It may even cause malfunctions and dangerous actions by the equipment.

To avoid this, different phenomena that often occur in the real world have been described. One is radiated immunity: the local radio broadcast antenna emits a signal, which a radio receives via its antenna. However, any other equipment that has a conductor, like supply cables or sensor cables, will also be exposed to the radio signal, and these cables will act as antennas. If the equipment or appliance is not immune to these radio signals, it may misread them as something it should react to, leading to a malfunction.

The performance of the equipment when exposed is described in a performance criterion. In the above example with a radio transmitter, the signal is always present. The radio stations are active day in and day out. Therefore, equipment must also be able to work correctly with such a signal present, hence performance criterion A.

Other disturbances occur only temporarily. A bouncing relay contact emits burst transients, but this occurs only when the contact is opening or closing, not when it is stable (on or off). If other equipment reacts to such transients, it must return to normal performance by itself when the transient has passed. This is criterion B.

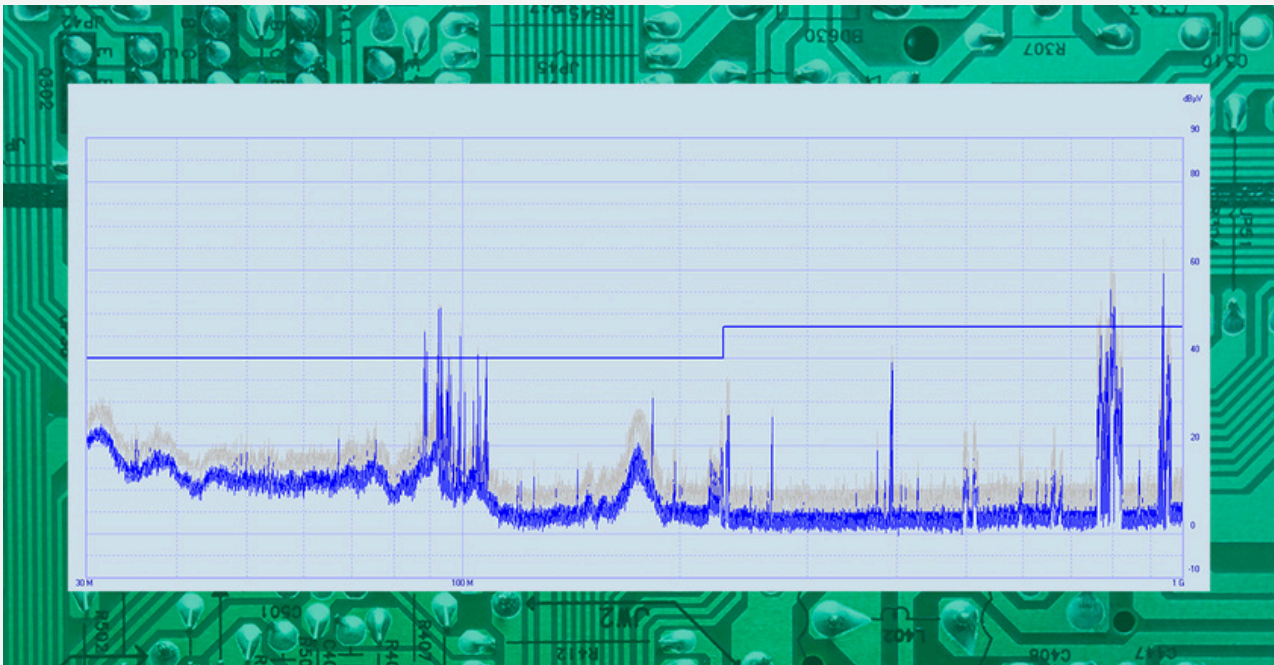
Just as importantly, the equipment must not expose other equipment to the same kind of transient if it has a relay inside. There is a margin between the allowed emissions from appliances and the immunity of the same appliances. However, this does not prevent disturbances if the appliances are not installed or used correctly. Many electricians have experienced faults in production equipment, finding everything connected correctly and working as intended when tested.



But when looking at the equipment with EMC eyes, potential improvements may be visible. Are all metal parts connected to ground? Screws and bearings are poor electrical connections, and a standard 1.5 mm² PE wire does not work at high frequencies. Metal parts must be interconnected with a wide strap, which should not be electrically connected via the mounting screw. The screw keeps the strap in place, but the electrical connection must be directly from the metal part to the strap; that is, no insulation in between (e.g., paint or foil).

This is not enough to provide a quality product, so Eltwin uses enhanced requirements to deliver quality products.

Enhanced requirements not only add amplitude to the known phenomena but also include other relevant phenomena while considering the required performance criteria. Ultimately, it is about understanding how the product is intended to be installed and used and what expectations users have regarding functionality, robustness, and lifespan.



Another often-seen mistake is the positioning of the EMC filter. If the cables or wires from the EMC filter are placed in the same cable tray or path as the cable to the filter, then high-frequency electrical noise will couple between the cables, and the filter will be bypassed, thus not functioning as intended.

When considering the requirements in the harmonized EN standards, these are minimum requirements to presume compliance with CE requirements.

At Eltwin, we work with EMC every day. We have invested in our own laboratory, and our staff is trained and participates in technology forums regularly. Our products are used across a range of applications, from household and industrial use to marine and automotive use.



82%



**Customers rank the importance
of sustainability**



Transforming Waste into Value

At Eltwin Hyper, we take small but meaningful steps toward smarter and more efficient solutions, learning and adapting along the way. Over the past few years, we have witnessed a remarkable increase in demand for our private label products, and this growth has inspired us to develop new solutions. By reducing waste, optimizing resources, and enhancing customer experiences, we are taking responsibility that aligns with our ambition to contribute to the green transition.

Smart Packaging for a Digital Age

One of Eltwin Hyper's latest initiatives is the integration of QR codes directly onto the product packaging. This modern approach replaces traditional paper-based instructions, providing customers with instant access to detailed product information via a simple scan. Not only does this enhance convenience, but it also significantly reduces paper consumption. Already, approx. 20% of the customers have embraced this digital transition. Additionally, we have optimized packaging by consolidating key warnings and product information into a single, easy-to-read section, making it simpler to manage while reducing unnecessary waste. These efforts alone have led to an impressive 22% reduction in Eltwin Hyper's paper-based materials across product packaging in 2024.



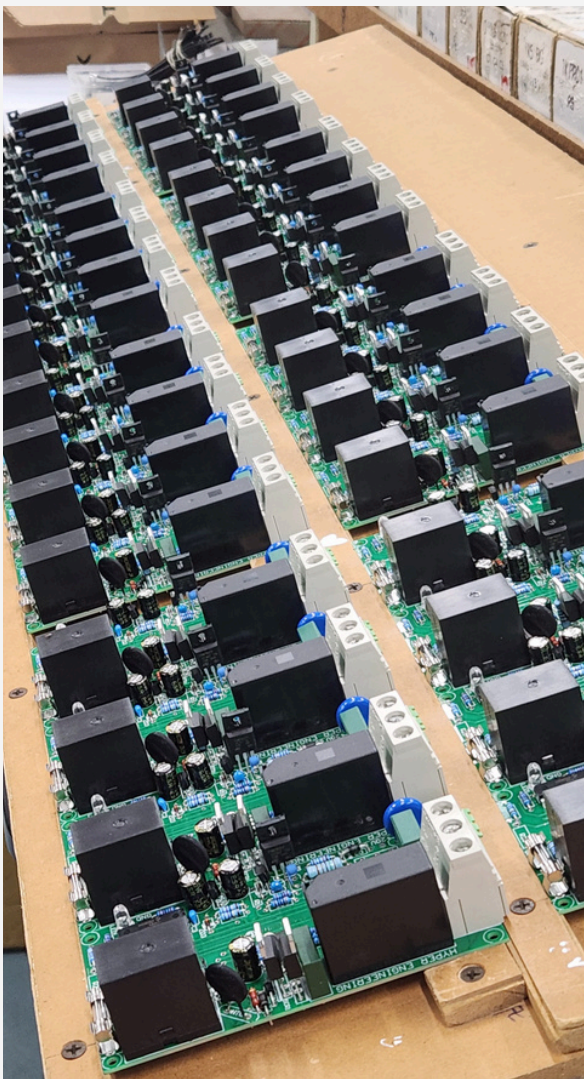
Waste Can Be a Resource

But the sustainability efforts don't stop at packaging. At Eltwin Hyper, we have made an investment in an in-house Solder Dross recovery machine. Solder Dross, a byproduct of the wave soldering process in electronics manufacturing, is traditionally lost each year, despite containing valuable solder metal. Now, thanks to our new recovery process, we are recovering 27% of usable solder that would otherwise be discarded - transforming waste into a resource. This initiative not only minimizes waste but also delivers significant cost savings.

Ensuring that our sustainability initiatives do not compromise quality is a top priority. Rigorous testing confirms that our new solder recovery process has no negative impact on product performance, allowing us to uphold the high standards our customers expect while meeting our environmental ambitions. This is a win-win scenario where efficiency, sustainability, and excellence go hand in hand.

Small Steps, Meaningful Change

At Eltwin Hyper, we believe that meaningful change comes from continuous improvements, not overnight transformations. By rethinking the way we design packaging, manage resources and reduce waste, we are gradually shaping a mindset we can bring with us in our business conduct and our approach to manufacturing. We know we don't have all the answers yet, but we believe that every small step helps us move in the right direction. By embracing innovation and making thoughtful adjustments, we contribute to long-term progress where we learn and evolve along the way.



Joining the UN Global Compact

In 2024, Eltwin embarked on the journey to become a participant of the United Nations Global Compact, a commitment that was officially realized in February 2025. As a subsidiary of NIBE Industrier AB, this milestone marks a significant step in our continuous pursuit of sustainable and responsible business practices. While NIBE has been a participant of the UN Global Compact since 2014, we have been an "indirect" participant through our affiliation. Now, as we officially join the initiative, we are eager to contribute more actively and take part in the UN Global Compact Network Denmark.

By joining the UN Global Compact, we align ourselves with a global initiative dedicated to upholding ten universal principles in the areas of human rights, labor, environment, and anti-corruption. This commitment provides us with valuable resources, guidance, and networking opportunities that will enhance our sustainability strategies and drive our positive impact on society and the environment.

"Joining the UN Global Compact is a natural step for Eltwin Group, as sustainability and responsible business practices are at the core of our values".

- Jens Ebbesen, CEO

A Commitment to Action and Continuous Improvement

Becoming a participant is not merely a symbolic gesture, it is a commitment to action. Throughout 2025 and beyond, we will engage with the opportunities and responsibilities that come with this affiliation. The ten principles of the UN Global Compact are closely aligned with Eltwin's existing efforts within sustainability and ESG. However, this membership will serve as a driver for further improvement, enhancing our expertise and placing additional focus on our sustainability initiatives.



We are part of **The UN Global Compact**

The world's largest corporate sustainability initiative, and Denmark's biggest network and learning environment for sustainability in the private sector



Global Compact
Network Denmark

As part of our commitment, we recognize the importance of accountability and transparency. While we do not submit our own Communication on Progress (CoP), we contribute relevant sustainability data to our parent company, NIBE Industrier AB, which includes our progress in their annual reporting. This ensures that our efforts are documented and publicly shared as part of a larger sustainability strategy.



Fostering Growth and Learning Through Collaboration

Our participation also grants us access to a global network of businesses and organizations striving towards a more sustainable future. Through collaboration and knowledge-sharing, we aim to strengthen our capabilities and contribute to meaningful, scalable solutions that address global challenges.

At Eltwin, we are dedicated to making the most of this opportunity. We recognize that sustainability is a continuous journey, and we are committed to evolving, learning, and improving. Joining the UN Global Compact is an important step forward, and we look ahead with ambition, ready to embrace this new chapter in our sustainability efforts.





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Engaging Internship
Experience

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Employee Satisfaction
Across Locations

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Two Years of Success
and Inspiration with
Eltwin Young

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We Can Easily Share
Sportswear

(S)OCIAL

We prioritize fair treatment, diversity, and respect for all employees and partners, rejecting harassment, discrimination, and labor violations. We support local communities and institutions, promote our products responsibly, and avoid political involvement.

Our Workplace and Wellbeing Policy fosters trust, pride, and unity, ensuring a positive and supportive work environment.

GOALS

- 95% employee attendance
- 2% of employees should be apprentices and interns

RESULTS

- 93.5% employee attendance
- 5.7% of employees are apprentices and interns



A Well-Structured and Engaging Internship Experience

At Eltwin, we believe in nurturing future talent by providing students with a well-structured and enriching internship experience. To ensure that every intern feels supported from the very start. In 2024, at our Danish headquarters, Jannie Kalmar Jensen and Camilla Østergaard Jensen took the initiative and the roles as internship coordinators, ensuring that our interns are guided and supported throughout their journey.

From recruitment to onboarding, task allocation, and continuous follow-up, our coordinators ensure that every intern integrates smoothly into Eltwin's dynamic environment. Drawing from past experiences, we have developed a structured roadmap, complete with introductory tasks designed to help interns quickly familiarize themselves with our systems and workflows.

Building Stronger Connections & Engaging Interns in Eltwin's Culture

Interns don't just get to know our work processes - they become part of the Eltwin community. Before their internships begin, we collaborate with different departments to brainstorm tasks and projects while also planning social activities to strengthen connections. An example of this is the supply chain department's active participation in our weekly CrossFit training, where interns joined alongside their colleagues.

"To ensure continuous learning and alignment between the interns' interests and Eltwin's opportunities, we hold regular competence meetings. Additionally, we conduct weekly check-ins to track progress on assignments and provide support, giving interns a sense of security by having designated contact persons".

- Jannie Kalmar, Continuous Improvement Specialist & Camilla Østergaard Jensen, Purchaser

Learning by Doing

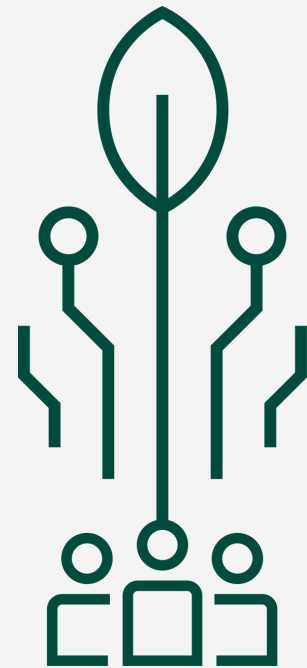
A key part of our internship philosophy is hands-on learning. Former interns have, for instance, developed ERP system cases, mirroring the tasks they encounter in their studies. This approach allows them to work on familiar challenges while gaining deep insights into Eltwin's work procedures. Additionally, structured assignments have been created to help them navigate our quality management system and intranet - initiatives that have received great feedback from both interns and employees.

Continuously Evolving for a Better Internship Experience

We are constantly exploring new ways to enhance the internship experience. Exciting initiatives are already in the pipeline, including team-building trips and mini-internships in different departments, allowing interns to explore various areas of expertise.

By engaging with students, we not only help them develop valuable skills but also position Eltwin as an attractive, forward-thinking workplace where talent and innovation thrive.

With Jannie and Camilla leading the way, we're proud to create an environment where interns feel supported, challenged, and inspired from day one!





Employees evaluate if their workplace is a good place to work



Employees rank their level of influence in their workplace to be appropriate



Employees rank their feeling of contributing to a greater purpose through their work



Employees rank their feeling of making progress in their work

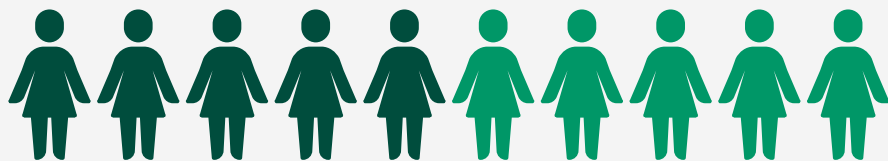


Employees rank their motivation to go to work



Employees rank their work-life balance

Women employed



52



Men employed



48



Women in managerial positions



15



Men in managerial positions



85



Measuring Employee Satisfaction Across Locations

Once a year, we conduct our employee satisfaction survey at each of our locations in Denmark, Poland, and Australia. This is an important part of our ongoing commitment to the well-being of our employees. This year, we measured employee satisfaction through a different survey called GAIS. This was carried out in collaboration with the Danish organization “Videncenter for God Arbejdslyst”. The survey is based on seven factors: Purpose, Mastery, Balance, Achievements, Leadership, Influence, and Colleagues, all of which contribute to employee satisfaction.



Focus on the Key Factors Influencing Employee Satisfaction

Focusing on job satisfaction is important to us, as it directly impacts our employees' engagement, motivation, creativity, and overall well-being. The results this year were very positive, reflecting a high level of well-being in the workplace. The overall job satisfaction score across Denmark, Poland, and Australia was 74. In Denmark and Australia, the score was 77, which is 4 points above the industry average.

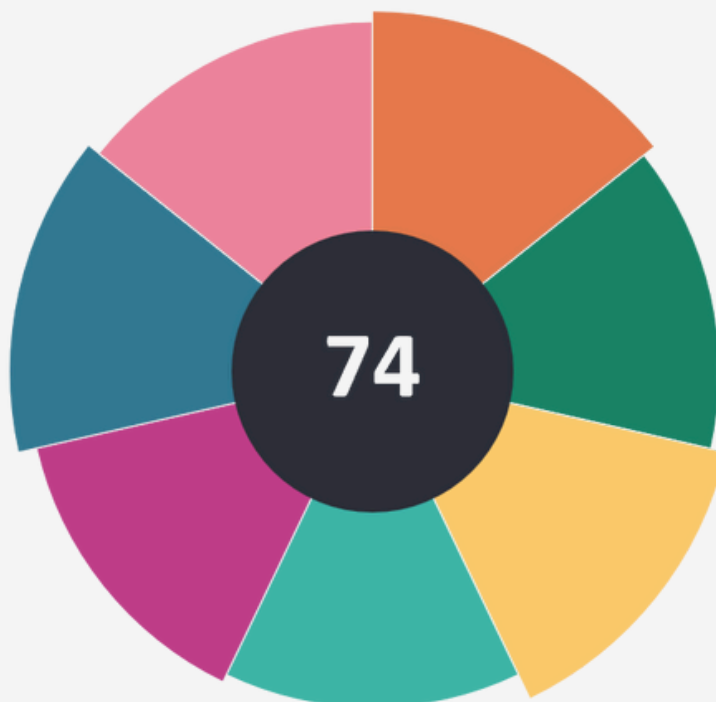
The employee satisfaction survey quantifies our well-being. These figures are presented in individual reports, allowing us to identify areas for improvement to enhance the well-being of each employee. The survey results provide inspiration, knowledge, and tools specifically selected for each employee, enabling them to take concrete steps to improve their job satisfaction.

We wanted to not only measure job satisfaction but to work further with the results both individually and collectively. In addition to the survey and report, we held workshops to delve deeper into the results and the seven factors influencing job satisfaction. Videncenter for God Arbejdslyst facilitated these workshops in our various departments, which led to many new insights. Jannie Kalmar, Continuous Improvement Specialist, elaborates:

“It was so valuable to work with the results from the survey in practice and get to know your colleagues’ perspectives on the different factors that impact job satisfaction”.

While each workshop emphasized different factors, one thing remains consistent across departments and at Eltwin in general: we place the utmost importance on the well-being of our employees and the employee satisfaction survey is just one of many steps we are taking in this matter.

Overall Job Satisfaction



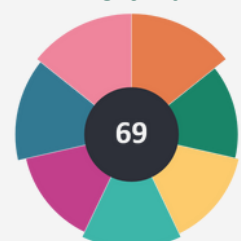
Australia



Denmark, Germany & US



Poland



Job Satisfaction

Influence



73

Mastery



74

Leadership



79

Balance

80



Purpose

76



Results

72



Colleagues

80





Employees rank how easy they find it to be a part of the social community at the workplace



Employees rank their overall job satisfaction

Production employees



Administrative employees



Two Years of Success and Inspiration with Eltwin Young

At Eltwin Group, sustainability is not just about reducing our environmental footprint—it is also about fostering a thriving, inclusive, and engaged workplace culture. As we celebrate two years of the successful Eltwin Young initiative, we take pride in the impact we have made, not only within our company but also as an inspiration to others.

One of the standout initiatives has been **Eltwin Young**, a community created by and for young employees under the age of 36. Established in 2022, Eltwin Young has rapidly grown into a vital part of our company culture, strengthening camaraderie and employer branding efforts. With events ranging from laser tag to stand-up comedy and adventure mini golf, the initiative has provided a fun and supportive space for young professionals to connect and thrive.



The success of Eltwin Young has not gone unnoticed in 2024. We are proud to have been featured in the book *Forkælede Unge - Fordomme og fakta om fremtidens arbejdsstyrke* (*Spoiled Youth - Prejudices and Facts about the Workforce of the Future*) which was published in 2024.

The book highlights how companies can better support young employees as they transition into the professional world, and Eltwin Young serves as a strong example of how a workplace can foster meaningful connections.



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In an interview for the book, our Marketing Manager, Malin Conradsen, and Head of People and Culture, Malene Darre, shared insights on how Eltwin Group prioritizes social integration for young employees. Research shows that 81% of young employees perform better when they feel a strong connection with their colleagues, and 50% state that workplace camaraderie is one of the most crucial factors in their working life.

We are delighted to contribute to this discussion and hope to inspire other companies to implement similar initiatives.

A special thank-you to Videntcenter for God Arbejdslyst and Studenterhus Aarhus for shedding light on the importance of community in the workplace and for giving us the opportunity to share our story. As we move forward, we remain committed to strengthening our workplace culture, ensuring that every *Eltwinner* feels valued and engaged.



263



Employees in the group

3,482



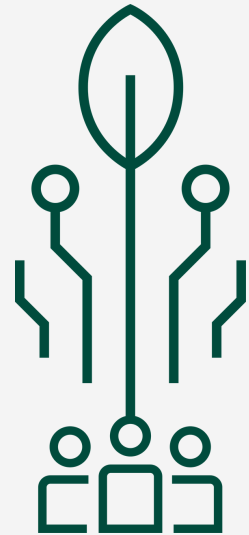
Training and education hours



We Can Easily Share Sportswear

At Eltwin, we take sustainability seriously – that also includes small actions that can make a big difference. In 2024, we proudly contributed to Grøn Bazar, an initiative that gives second-hand sportswear and equipment a new life among families in need.

Grøn Bazar is a collaboration between Jyske Bank, Aarhus Håndbold Fonden, and Aarhus Municipality's Department of Culture and Citizen Services. The initiative aims to enable more children and young people to participate in sports clubs, ensuring that financial constraints do not become a barrier. This is a cause that Eltwin fully supports.



Sharing Sportswear for a Greater Purpose

The campaign, We Can Easily Share Sportswear, was a great success – also internal at Eltwin. We encouraged employees to donate used sports clothing and equipment in good condition. Items such as sports clothes, running shoes, football boots and indoor sports shoes were collected to be passed on to new owners.

To facilitate donations, collection bags were placed in our reception area, allowing employees to drop off their contributions. The collected items were then delivered to Grøn Bazar and distributed free of charge at the event where all families in needs were welcome to gather what they may need.

Sustainability in Action

This initiative exemplifies how Eltwin integrates sustainability into our daily operations. Reusing sportswear is not just an environmental benefit—it also fosters community spirit by giving more children and young people the opportunity to engage in sports without financial concerns.

"We managed to gather no less than 23.67 kg of used sportswear, equal to about 300 kg CO₂e. We are proud to support Grøn Bazar and contribute to a circular economy where resources are maximized rather than wasted."

- Matilde Borg Grønlund, ESG & Sustainability Specialist

We managed to gather no less than 23.67 kg of used sportswear, equal to about 300 kg CO₂e. We are proud to support Grøn Bazar and contribute to a circular economy where resources are maximized rather than wasted.

Clothes that are no longer in use but still in perfectly good condition can make a real difference. By passing them along to others who need them, we help both families in need and our planet by avoiding the unnecessary production of additional sportswear.

This initiative reflects our commitment to making a tangible difference both for the environment and for local communities.

By taking responsibility together, we can drive positive change.



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(G)OVERNANCE

Our business is built on compliance with laws and strong ethics, emphasizing honesty, transparency, and trust while prohibiting bribery and conflicts of interest. Various policies, including Sustainability principles, Workplace and Wellbeing Policy, and Whistleblowing Policy, guide our operations.

We strive to exceed customer expectations to foster long-term partnerships and sustainable profitability.

Effective leadership entails vision, creativity, and the ability to inspire others to propel the organization forward.

GOALS

- 85% of our largest direct suppliers must be assessed in our supplier assessment platform
- 20% average year-on-year business growth
- 8.5/10 average score customer satisfaction

RESULTS

- 90% of our largest direct suppliers have been assessed in our supplier assessment platform
- -13% average year on year business growth during the past five years
- 6.8/10 average score customer satisfaction

How will we win in the future?

In 2025, we will enhance supplier collaboration, streamline processes, and focus on improving customer interactions through better communication and tailored solutions. By continuously refining our approach, we strive for gaining our growth back and stronger customer relationships.

Building a Unified Management Team

At Eltwin, we believe that good management is the key to happy and engaged employees. To further our commitment to well-being and improve employee engagement across all our teams, we made the strategic decision to invest in the development of our management team. We believe that by developing our managers, we can promote a supportive and inclusive work environment that will benefit the entire organization.

To achieve this, our management team embarked on an exciting management development program during the year 2024 with a focus on growth, self-awareness, and strong management. The training was conducted for managers in both Denmark and Poland, ensuring that our management team is united across geographical boundaries. A key component of the program was the use of the Insights test, a tool designed to provide deeper insights into each manager's preferences and areas for growth.

The program was facilitated by experienced business psychologist, Hanna El-Kholy from El-Kholy Consult, who brings extensive expertise in management and organizational development. With her guidance, our managers are gaining the skills and knowledge necessary to refine their management abilities, ways of communication and better understand how to drive success in a sustainable and impactful way. Additionally, recruitment specialist Allan Karsberg was involved in providing further support to ensure we maximize the potential of our management team and thus, strengthen our overall organizational culture.



Shared Learnings, Stronger Teams

Jeppe Høst Lassen, Head of Supply Chain, elaborates on the impact of the training: “While I’ve had management training externally in the past, undergoing this training alongside my colleagues has been significantly more impactful. It has given us a shared language and helped bring our roles as managers to the forefront. It has also brought us closer as a management team and build trust between us. This enables more open conversations about the challenges we face as managers, which in turn strengthens our teamwork and problem-solving.”

It’s easy to view management as something handled by specialists in addition to their other duties. But by investing in management development, we are highlighting the importance of treating management as its own role, that requires a separate skillset that needs to be developed. This allows us to help our employees achieve a bigger impact for our customers and improves the well-being in the workplace.

Malgorzata Kurowska, one of our participating managers in Poland, highlights the personal impact of the program: “The workshops were a valuable experience that allowed me to better understand myself as a leader and manage my team more effectively. I have gained practical tools for handling difficult situations, improving communication, and building a culture of trust. I also learned that it is important to define expectations. This helps avoid misunderstandings, and everyone knows where they stand. I pay more attention to matching tasks to employees' competencies and potential, which increases their engagement and sense of responsibility.”

"This enables more open conversations about the challenges we face as managers, which in turn strengthens our teamwork and problem-solving."

- Jeppe Høst Lassen, Head of Supply Chain

One Management Philosophy

By continuously focusing on management development across both Denmark and Poland, we aim to create a shared management philosophy that transcends borders and enables us to collaborate more effectively as one unified team. This initiative is not only about achieving business results but also about creating a culture that values well-being, honest communication, recognition and cooperation. Through ongoing training, we are working continuously to create a management style that motivates and supports our employees, involve them in decision-making processes and ensure everyone feels valued.

We are confident that the new insights and strategies gained from the development program will cultivate a supportive and inclusive workplace. Through continuous growth and development, we aim to build a management team that is even better equipped to guide Eltwin into the future.

Strengthening Collaboration Between Denmark and Poland

In 2024, Eltwin Group took significant steps to strengthen collaboration between our Danish headquarters and Polish production facility. By fostering closer ties across borders, we took an important step towards making sustainability, quality, and production engineering a shared effort. This improved partnership is built on better communication, knowledge sharing, and a unified approach.

Focused Effort on Sustainability

Until recently, Eltwin Group's sustainability initiatives were primarily driven from Denmark. However, we see great value in creating a closer professional relationship with our Polish team to ensure a broader impact. Our sustainability agenda also extends to our sites in Australia, the US, and Germany, but with our two largest production facilities in Poland and Denmark, it requires a focused effort to align our strategies. Contributing to the green transition requires shared understanding, commitment, and strong cross-border cooperation.

We appointed a sustainability lead at our Polish site, Emilia Szalewicz, to create a closer collaboration with our sustainability lead in Denmark, Matilde Borg Grønlund. Together they are working on embedding and aligning sustainability across all aspects of our operations. Their joint efforts ensure a cohesive and strategic approach, continuously integrating sustainability at the core of Eltwin Group.

" I think we can agree that this collaboration is going in the right direction. The coordination of the work is much better now than before."

- Jakub Rynkiewicz, Process Engineer

Structural Changes Encouraging Teamwork

Closer collaboration has made communication and knowledge-sharing key priorities. Over the past year, we have strengthened team connections to ensure seamless expertise exchange. Szymon Przybyl, who plays a central role in our quality collaboration, explains: "We are trying to fix the missing link, making sure production and quality teams work together more effectively".

Structural changes in 2024 have accelerated this process, opening new opportunities for integration. These changes have paved the way for a more integrated and resilient approach to quality and production by redefining roles and incorporating fresh perspectives. Strengthening cross-border teamwork and communication remains a key priority, ensuring continuous innovation, adaptability, and growth.

A Stronger Technical Collaboration

Working closer together has also improved technical cooperation. In continuation of the structural changes, we saw that there was a need for a Head of Production Engineering who could support our Head of Production. With the introduction of Head of Production Engineering, Mads Grunnet Askholt, a higher-level structure was established. This led to a more effective communication framework which has helped bridge gaps between the production engineering teams in Denmark and Poland.

Jakub Rynkiewicz, Process Engineer, explains: “Before Mads came in, there was no upper-level collaboration. It was more of a person-to-person connection. I think we can agree that this collaboration is going in the right direction. The coordination of the work is much better now than before”. While communication and improvements are evident, there is still room for growth as systems become fully operational.



"It's all about finding a balance and ensuring both sides feel equally involved."

- Mads Grunnet, Head of Production Engineering

Daniel Dera, Test Engineer, acknowledges this shift, highlighting how gaining more technical expertise has contributed to faster and more efficient project execution: "Since working with Mads and the Danish team, there's much better knowledge sharing between Poland and Denmark. This has been a great advantage for us". The improved collaboration has already proven its value, improving efficiency and knowledge sharing between teams. As systems continue to evolve, we expect that this foundation will support further alignment and innovation in the future.

Team Spirit and Future Prospects

Team-building initiatives have played a key role in strengthening cross-border collaboration. Head of Production Engineering, Mads, reflects: "I can see a difference from when we started until now. The teams are not afraid to speak up and collaborate". This growing openness is helping to break down barriers and foster a more integrated way of working. "It's all about finding a balance and ensuring both sides feel equally involved", he adds. With both teams now more engaged in strategic discussions, collaboration has become more structured and effective. As this partnership continues to evolve, it will play a crucial role in driving future success, innovation, and sustainability across Eltwin Group's sites.





Case Story

A Successful Partnership

It all began a few years ago when two NIBE Group sister companies, Eltwin and Argoclima, decided to join forces. What started as a supplier relationship quickly evolved into a true strategic partnership, where both companies contribute their expertise to enhance product quality and drive innovation.

Reflecting on this journey, Marco Di Giulio, R&D Manager at Argoclima, described the cooperation as “very positive,” though he acknowledged the early challenges. “Maybe it was a bit difficult at the start when the scope of our collaboration wasn’t clear. Both companies were developing their own drivers, and we had to find the best way to work together,” he explained. But once Argoclima recognized Eltwin as a valuable partner not just in manufacturing but also in research and development, the cooperation gained real momentum.

According to Marco Di Giulio, one of the key strengths of the partnership is Eltwin’s deep expertise in drives technology. Unlike previous suppliers, who merely manufactured boards, Eltwin brought in-depth knowledge of drives design, testing, and quality improvements. “What we found in Eltwin was not just a manufacturer, but a real technology partner. Eltwin’s experience and feedback have helped us refine our PCB design and overall product quality,” Marco Di Giulio emphasized.



This knowledge-sharing approach has led to significant improvements in Argoclima's heat pump drivers. "We are heat pump experts, but not necessarily experts in drives," Marco Di Giulio says. "Eltwin's input has allowed us to enhance our designs and ensure better performance."

While the cooperation has been highly beneficial, Marco Di Giulio also pointed out areas for improvement, particularly in communication and knowledge exchange. "I think there's no reason why we should keep our knowledge separate. The more we share, the better our products will be," he noted. He expressed a desire to deepen collaboration by integrating Eltwin even further into Argoclima's design process, particularly in PCB development.

Additionally, he highlighted the importance of in-person meetings to strengthen teamwork and accelerate problem-solving. "Meeting face-to-face has been crucial. When we sit together, things move faster. If our technical teams could meet more regularly, I believe we could achieve even better results."

Looking to the future, Marco Di Giulio envisions even greater cooperation. "Why not think about designing a common product together? Instead of just manufacturing our drivers, we could combine our strengths to create something entirely new for the market." This vision reflects a long-term ambition to not only refine existing products but to innovate jointly.

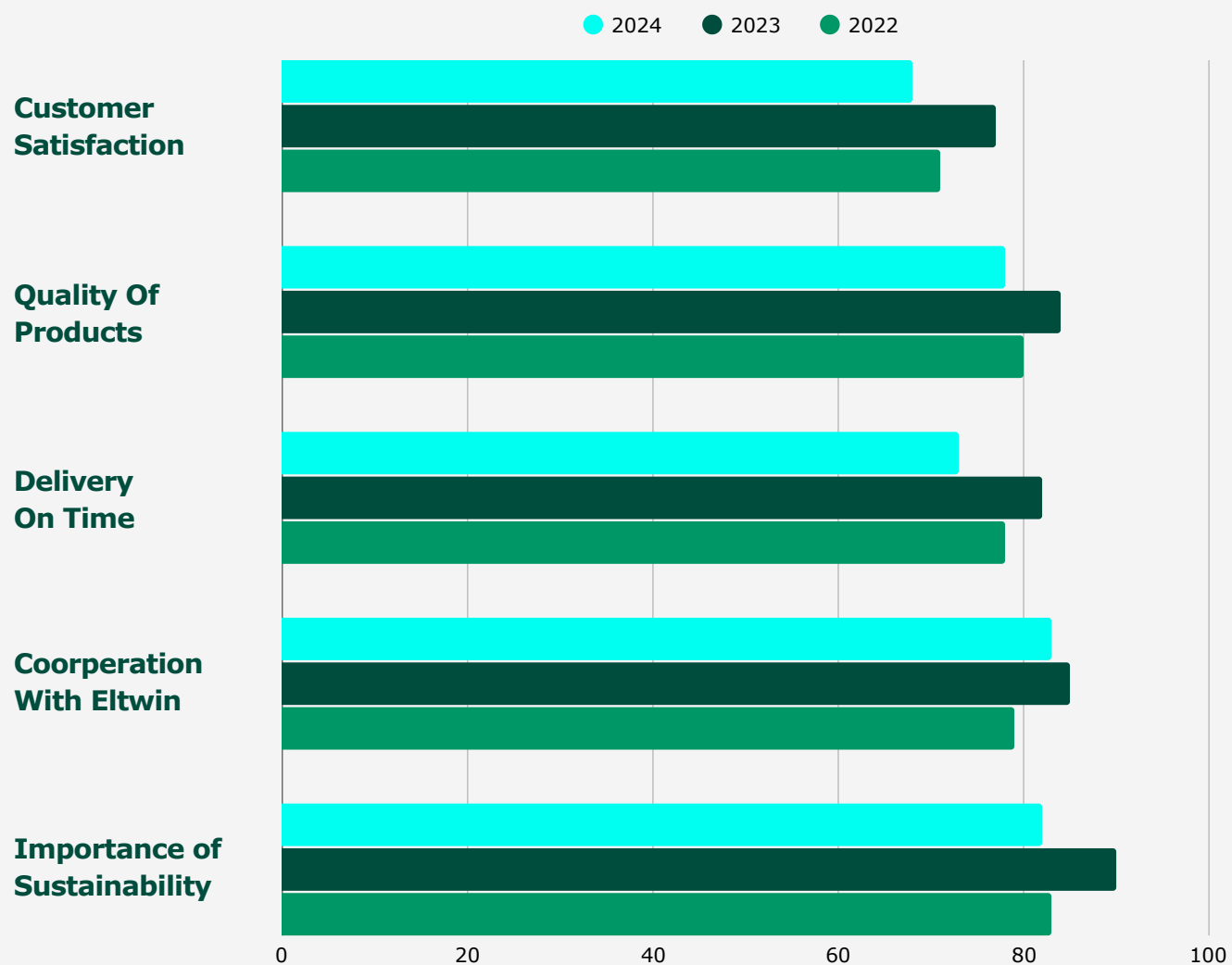
"What we found in Eltwin was not just a manufacturer, but a real technology partner. Eltwin's experience and feedback have helped us refine our PCB design and overall product quality."

- Marco Di Giulio, R&D Manager at Argoclima

As the collaboration between Eltwin and Argoclima continues to grow, both companies are committed to pushing the boundaries of efficiency, cost-effectiveness, and technological advancements. Marco Di Giulio summed it up best: "We are brothers in this experience. Our success is your success, and vice versa."

With a solid foundation of trust, shared knowledge, and a drive for continuous improvement, the future looks bright for Eltwin and Argoclima as we work together to shape the next generation of heat pump technology.

Customer Satisfaction





0 incidents of corruption



**Employees rank their trust
towards their immediate manager**



**Employees rank their options to
develop their skills**

let's win

A Commitment to Responsible Sourcing

At Eltwin, supplier assessments have historically been conducted with a primary focus on financial aspects. However, with the introduction of Worldfavor, our approach has significantly evolved to incorporate a broader range of evaluation criteria. This transition was initiated by our parent company, NIBE Industrier AB, emphasizing the need for a more holistic supplier assessment framework.

"Worldfavor has given us invaluable insights into our supply chain, enabling us to assess our suppliers not only based on financial aspects but also on sustainability, ethics, and quality. This tool helps us ensure that we work with responsible partners who align with Eltwin's values and long-term goals".

- Ulrik Petersen, Head of Purchasing

Implementation of Worldfavor

In the initial stages, we prioritized assessing Eltwin's largest direct suppliers based on financial significance. Our dedicated employee Rasmus Runge is responsible for entering supplier data into the Worldfavor system and gathering relevant information from suppliers to facilitate the evaluation process.

Worldfavor operates by first categorizing suppliers by geographical location, identifying whether they operate in high- or low-risk countries. This classification determines the level of scrutiny required. The assessment begins with a standard set of questions, which then adapt based on the supplier's region, industry, and business practices. This dynamic approach ensures a focused and relevant assessment.



The parameters considered in the assessment now extend beyond financial stability to include:

- **Environmental factors** – assessing sustainability efforts and environmental impact.
- **Social and ethical considerations** – ensuring compliance with labor laws, human rights standards, and ethical business conduct.
- **Quality assurance** – maintaining the highest standards in product and service quality.

Risk Assessment and Mitigation

Based on the supplier's responses, Worldfavor generates a final assessment that categorizes suppliers into three risk levels: low, medium, or high. If a supplier is deemed high-risk, it becomes Eltwin's responsibility to develop an action plan in collaboration with the supplier. This plan aims to mitigate risks and transition the supplier to a lower risk category through improved practices and compliance measures.



A Commitment to Responsible Sourcing

At Eltwin we have enhanced our supplier evaluation framework to align with modern standards of sustainability, ethics, and quality through Worldfavor. This structured and data-driven approach enables us to make informed decisions, foster stronger supplier relationships, and ensure responsible sourcing that aligns with our values.

Our purchasing department has set a goal to assess 85% of our largest direct suppliers in 2024. This target was successfully reached in the spring of 2024, with 90% of the largest direct suppliers evaluated. Moving forward, we plan to extend assessments to indirect and service suppliers. This marks the next step in Eltwin's commitment to comprehensive supplier assessments and continuous improvement.

Strengthening Supply Chains and Building Careers

Why Supply Chain Resilience Matters

In today's global landscape, supply chains face constant challenges - from political conflicts and trade restrictions to supply shortages and unpredictable market demands. For Eltwin, operating in a high-tech industry with strong customer expectations, supply chain resilience is not just a necessity, it's a strategic priority.

Resilience in a supply chain means being able to adapt and recover from disruptions while maintaining stability and efficiency. A recent bachelor's project, conducted in collaboration with Eltwin, highlighted how market fluctuations can create instability across the entire supply chain. By strengthening collaboration with both suppliers and customers through structured agreements and clear frameworks, companies can reduce bottlenecks, optimize material flow, and improve demand predictability - ensuring they remain competitive even in uncertain times.



Bridging Theory and Practice

The bachelor's project was led by Emilia Madsen, who has been on an inspiring journey at Eltwin. She joined us in March 2023 as a student assistant while studying Value Chain Management at VIA University College in Aarhus. In the winter of 2023, she completed an internship in our Supply Chain department, focusing on planning and analysis, before continuing as a student assistant.

Her deep interest in supply chain dynamics led to her bachelor's thesis on supply chain resilience, where she explored ways to strengthen Eltwin's ability to navigate disruptions while maintaining innovation and customer satisfaction.

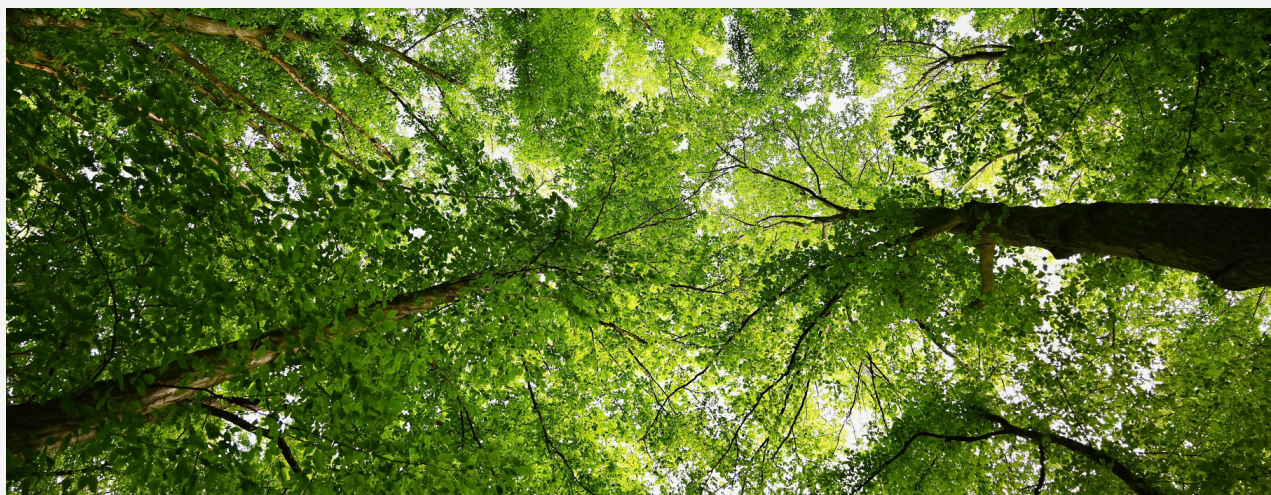
“My deep interest in supply chain dynamics inspired my bachelor's thesis on supply chain resilience, where I explored strategies to enhance Eltwin's ability to navigate disruptions while maintaining innovation and customer satisfaction”

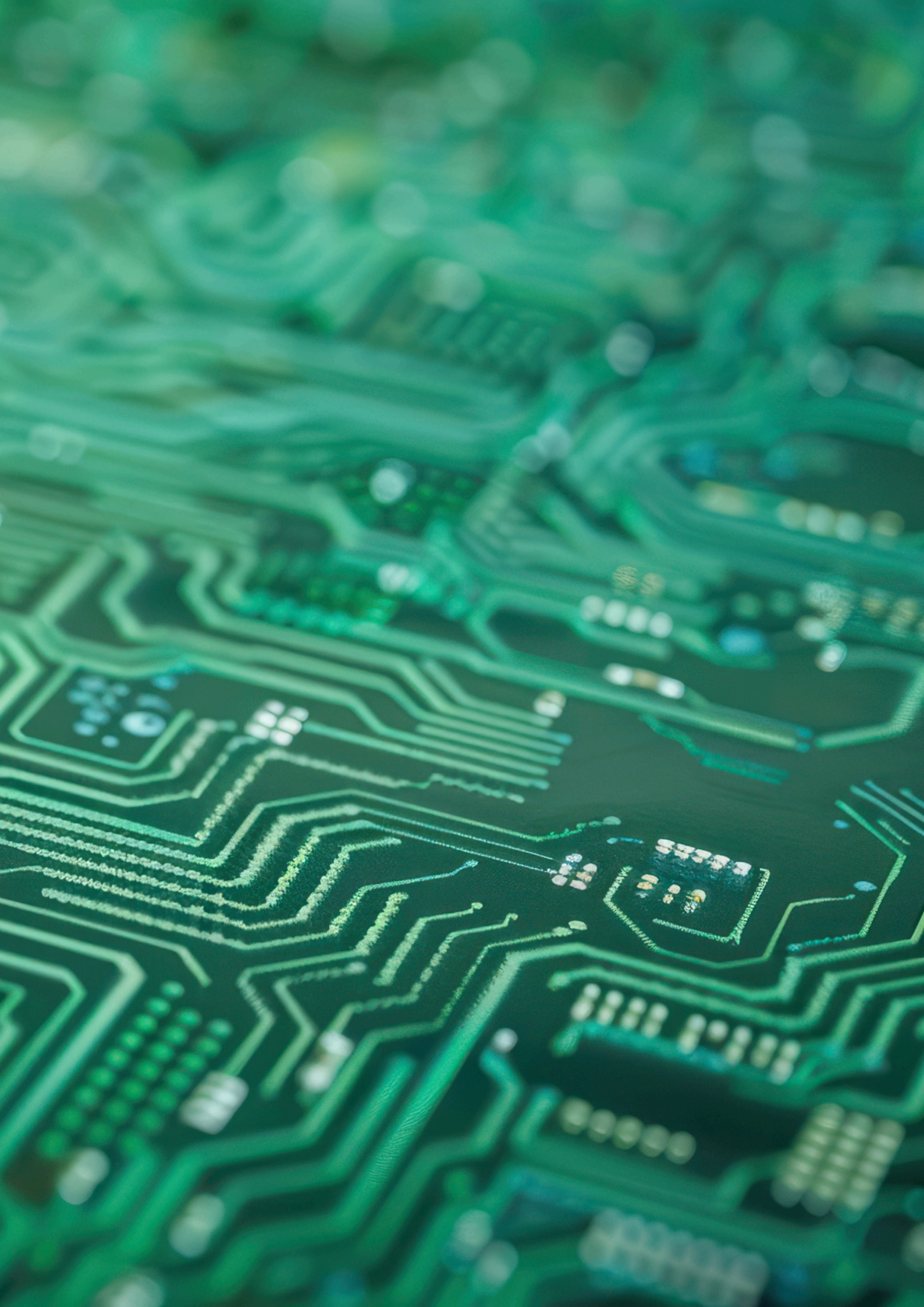
- Emilia Madsen, Internal Sales

A Career Built on Growth and Continuous Learning

After earning her degree in January 2025, Emilia transitioned into a full-time role that combines internal sales, production planning, and supply chain analysis. In this role, she manages customer relationships, optimizes planning, and continues to contribute to Eltwin's resilience strategy, helping us build a stronger, more adaptable supply chain for the future.

Emilia's journey is a testament to Eltwin's commitment to growth, collaboration, and continuous learning. We are proud to have her as part of our team and excited to see what the future holds!





ESG Key Figures

We are happy to present our ESG Key Figures which can also be found throughout the report. The key figures represent our progress, challenges, and aspirations, guiding stakeholders through our journey towards more responsible and resilient practices. Moreover, we present the key figures as indicators of transparency and accountability embodying our dedication to sustainability.

At Eltwin Group we are committed to the constant development within sustainability. Our ESG practices are evolving in line with developments within the area, and therefore, there may be ongoing changes to our ESG key figures.

ESG Key Figures				
(E)nvironmental	Unit	2022	2023	2024
Total scope 1	tCO2e	40.1	59.8	55.9
Total scope 2 (location based)	tCO2e	481.7	604.8	441.1
Total scope 2 (market based)	tCO2e	92.7	146.8	124.7
Total scope 1 & 2 (location based)	tCO2e	521.8	664.6	497
Total scope 1 & 2 (market based)	tCO2e	132.8	206.6	180.6
Total scope 3	tCO2e	7298.4	8444	5048.6
Total scope 1, 2 & 3	tCO2e	7820.2	9108.6	5545.6
Energy consumption	MWh	1472.5	1727.5	1462.5
Total renewable energy share (location based)	%	29.1%	40.5%	43.5%
Total renewable energy share (market based)	%	66.4%	75.9%	71.4%
Water consumption	m ³	2018	2326	1958
(S)ocial	Unit	2022	2023	2024
Employees in the group	quantity	299	403	263
Production employees	%	76%	76%	68%
Administrative employees	%	24%	24%	32%
Apprentices and interns	%	6.7%	4.7%	5.7%
Gender diversity (% women)	%	61%	61%	52%
Gender diversity in management team (% women)	%	17%	19%	15%
Employee attendance	%	92.7%	87.2%	93.52%
Employee turnover rate	%	14.53%	19.09%	51.95%
Work related injuries with absence	quantity	1	0	1
Training and education hours	hours	3661	9384	3482
(G)overnance	Unit	2022	2023	2024
Incidents of corruption	quantity	0	0	0
Whistleblowing and Anticorruption Policy	Yes/No	Yes	Yes	Yes
Human Rights Policy	Yes/No	Yes	Yes	Yes

eltwin

powering your impact

Eltwin Group

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