



2021

Sustainability Report

A word from the CEO



Christina Lindstedt
CEO, QleanAir

To our stakeholders,

People spend 80-90% of their time indoors, and the quality of the air we breathe is crucial to our physical and mental well-being, quality of life, and work ability. Therefore, we at QleanAir are passionate about creating healthy indoor environments of the highest quality. We have more than 30 years of experience in providing premium solutions that deliver clean indoor air.

In 2021, the COVID-19 pandemic continued to dominate our lives. The pandemic has contributed to an increased awareness of the importance of clean indoor air. As a result, there has been a strong growth in the air cleaner market in many places. During the early stages of the pandemic, we as a company had the opportunity to get involved and make a difference by protecting staff in particularly vulnerable contexts, such as intensive care units and schools. We continued doing so in 2021 and with an increasing awareness of the need for air cleaning, QleanAir will continue to be at the forefront of creating healthy environments. We, with our mission to protect people, products, and processes, will have an even more important role to play in the future. In 2021, we continued to increase our installed base of air cleaners and the amount of clean air we deliver. During the year, we delivered clean air with a volume corresponding to 58 billion cubic meters.

We are a reliable and long-term partner for our stakeholders by taking responsibility for our solutions and for our relationships with customers, suppliers, service partners, and employees. We have a sustainable business model where we take responsibility for delivering constant clean air to our customers. In addition, with our high-quality and sustainable air cleaning solutions, our products are able to serve our customers for a long time.

We strive to be transparent in our commitments to our various stakeholders. Our sustainability report describes how we work and where we have the greatest opportunity to influence. We are on a development journey where we need to continue working to identify goals and measure goal achievement for our organization from a sustainability perspective.

With our solutions, we protect people, products, and processes in more and more contexts, covering more than 25 countries around the world.

Stockholm, April 20 2022,

Christina Lindstedt, CEO, QleanAir



We are QleanAir Scandinavia

QleanAir's mission is to protect people from dangerous particles and gases, and achieve a cleaner indoor environment. For more than 30 years, QleanAir has been developing innovative air cleaning solutions that improve air quality in order to create healthy indoor environments for people, products, and processes.



Air Cleaners
Cabin Solutions
and Cleanrooms

With specialized expertise, high-quality products, market leading service, and Lifetime Performance Guarantee, we offer efficient and tailor-made solutions that deliver constant clean air. Our product portfolio consists of turnkey cleanrooms, stand-alone air cleaners, and cabin solutions that offer protection against passive smoking. With the help of our products, our customers can ensure that air quality in their workplaces is safe and healthy. In many operations, air quality is also critical for product durability and quality, as well as for process efficiency.

Since the very beginning, we have been using a circular business model, which is based on renting out our solutions to customers. Not only was it unprecedented at the start of our business, but the business model has also proven effective and successful throughout the years. Our solutions are rented out on long-term contracts, and on average they stay with the customer for six years. With highly satisfied customers, our contracts have an average extension or renewal rate of 75%. Prior to the extension or renewal period, the products would undergo a service process, in which we replace all essential components. This way, we prolong the useful life of the products without incurring unnecessary waste.

The Group has operations in Sweden, Germany, Japan, the USA, and nine more European countries, with its headquarters located in Stockholm, Sweden. We are currently the market leader in Europe and Japan in the field of Cabin Solutions.

The Group's sales in 2021 totaled SEK 450.6 million (SEK 493 million) currency adjusted a growth of -3,1%. As of 31 December 2021, we have installed 11,396 (9,551) units at the premises of more than 3,000 customers in over 25 countries worldwide, and we continue to grow constantly. This has resulted in us cleaning 58 (51) billion cubic meters of air as a company during the year. By the end of the year 2021 we were cleaning 7,486,422 m³ (5,910,516 m³) of air per hour, resulting in a 26.7% increase compared to previous year. This reflects our greatest contribution to society: higher volume of cleaned air year by year.

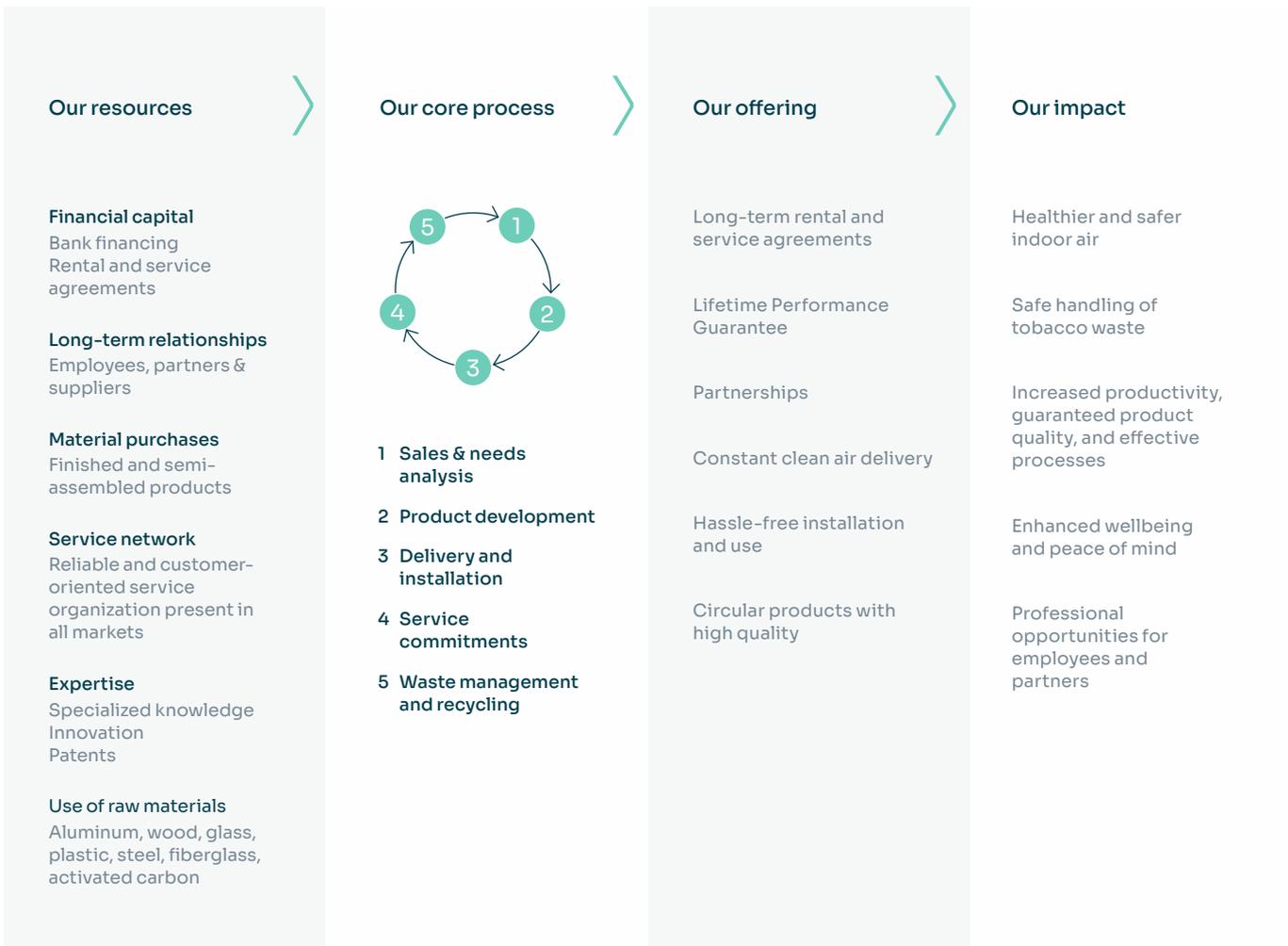
During 2021, we initiated a partnership with the recently founded Virus & Pandemic Foundation. The partnership is lead by Niklas Arnberg, a professor in virology. The aim is to contribute to the development of antiviral drugs and vaccines, and to increase awareness of social impact and other parameters such as air quality.



Our business model

At QleanAir, we carry out marketing, sales, and product development of our air cleaning systems. We work continuously with innovation and development to enable more efficient and environmentally friendly solutions. We have outsourced manufacturing, assembly, and logistics to carefully selected suppliers, and involved market and service partners who perform installation, service, maintenance, and some of our sales activities. With these collaborations, we offer our customers a comprehensive package with a local contact point and full-service offering.

Our values Care, Team Spirit, Perseverance, Lead, and Passion shall pervade everything we do. We at QleanAir strongly believe that reliable, long-term relationships are the key to successful collaborations. Therefore, we offer not only products, but also rental agreements with full-service commitments to guarantee a sustainable and positive impact of our products on air quality. The result of our operations is healthier work environments and more efficient production, with less dust and fewer harmful particles and gases. Through our Cabin Solutions, we make sure that people are not exposed to passive smoking, that tobacco waste is responsibly disposed of, and that our customers have HEPA-cleaned air around the clock.





Making a real difference through clean air

We know the difference that air quality can make to the overall health and effectiveness of people, products, and processes. We also understand the sense of security that comes when an individual knows they are breathing clean air. We therefore work every day to understand the needs of our customers and deliver unparalleled air cleaning solutions that allow us to make a real difference.

The freedom of clean air

The freedom of clean air is the promise that we deliver on to our customers.

The freedom of clean air means peace of mind, knowing that people, products, and processes are in the best possible indoor environment.

The freedom of clean air means that it is hassle-free, and that we guarantee the air quality over time. We tailor the solution to meet your needs.

Performing measurements and testing. Taking care of installation, service, upgrades, and compliance with regulations and future-proofing the solution. We deliver the freedom of clean air - so you can focus on what really matters.

Our Position

The specialist provider of premium clean air solutions.

Our Purpose

Making a real difference through clean air.

Our Promise

The freedom of clean air.



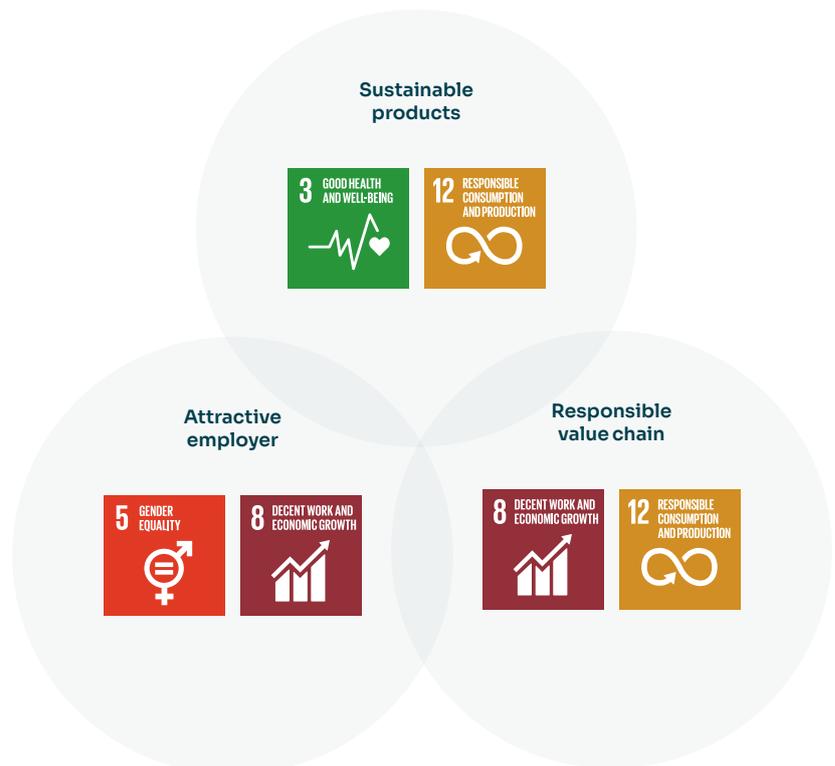
Towards a sustainable company

We at QleanAir want to contribute to sustainable development, assume responsibility to reduce negative environmental impact and increase positive impact on the people in our value chain.

We are using a model that is based on a materiality analysis, which is described in detail on page 10.

We continue to work purposefully to improve the user experience and quality of our products and service commitments. At the same time, it is important for us to be an attractive employer and to have responsible, long-term relationships with our suppliers and business partners. To clarify our commitments, we have categorized them as follows: Sustainable Products, Responsible Value Chain, and Attractive Employer.

Based on these three focus areas, we identified which of the 17 United Nation (UN) Sustainable Development Goals (SDGs) we influence, either positively and negatively, with our products and activities. The goals we identified as being most important to us, Goals 3 and 12, are the ones we can influence with our products. In addition, Goals 5, 8, and 12 can be influenced through our activities.

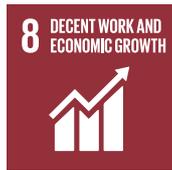




Goal 3
Good health and well-being



Goal 5
Gender equality



Goal 8
Decent work and economic growth



Goal 12
Sustainable consumption and production

Overall objectives

The quality of the air we breathe has a direct link to our health and ability to perform. Our air cleaners ensure a healthy work environment by protecting people from, for example, dust in logistics facilities and viruses in intensive care units. Our cabins handle the negative consequences of tobacco smoke and offer a healthy, safe, and cost-effective solution to protect the health of non-smokers. By capturing and filtering particles and gases, we protect people from harmful pollutants and contribute towards Goal 3: good health and well-being. Read more about this on pages 11-14.

In addition to protecting people and contributing to good health, we also contribute towards Goal 12. We ensure sustainable consumption and production patterns by protecting products and processes from harmful particles and gases with our air cleaners and cleanrooms.

By using air cleaners, producers can ensure the quality and shelf life of their products. Equipment will last longer with cleaner air, while consuming less energy.

We also work to streamline our own and our suppliers' resource consumption by, for example, refurbishing and reusing returned products, and implementing safe waste management. Read more about this on page 20.

By working to ensure a decent, equal work environment with good working conditions, we also contribute towards Goals 5 and 8, both in our own activities and at our suppliers' premises. Read more about this on pages 21-25.

Management systems and policy documents

The tools that are crucial for our sustainability work include our quality management system and environmental management system, based on ISO 9001 and ISO 14001 standards, respectively. We use these management systems for continuous monitoring and development, and to ensure that we deliver quality work with low environmental impact in all our business processes. In addition to management systems, we have a number of policies relating to Corporate Social Responsibility (CSR), Occupational Health & Safety (OHS) and travel and road safety, which are also used as key tools in our governance. Our suppliers and partners also sign up to our Code of Conduct (CoC), which stipulates their responsibilities for human rights, anti-corruption, and business ethics. To ensure that our employees know what is required and expected of them in their professional role, they are also required to sign the CoC.



Our stakeholders

For QleanAir, it is important that we continuously improve our understanding of our stakeholders, as their demands, expectations, and needs form the basis of our sustainability work. We have therefore mapped out the most important stakeholders that affect and are affected by our activities. Through a regular dialogue with them, we can form a better idea of which sustainability areas we should prioritize and communicate in the future.

The stakeholders most important to us and the issues identified as important in the dialogue are presented in the table below. In addition to the stakeholders with which we maintain a dialogue, we also have an impact on society, and society is an important silent stakeholder for QleanAir. Society's need for healthy environments and cleaned air is what we live and work for. By increasing the amount of cleaned air delivered, we contribute to improving people's health all over the world.

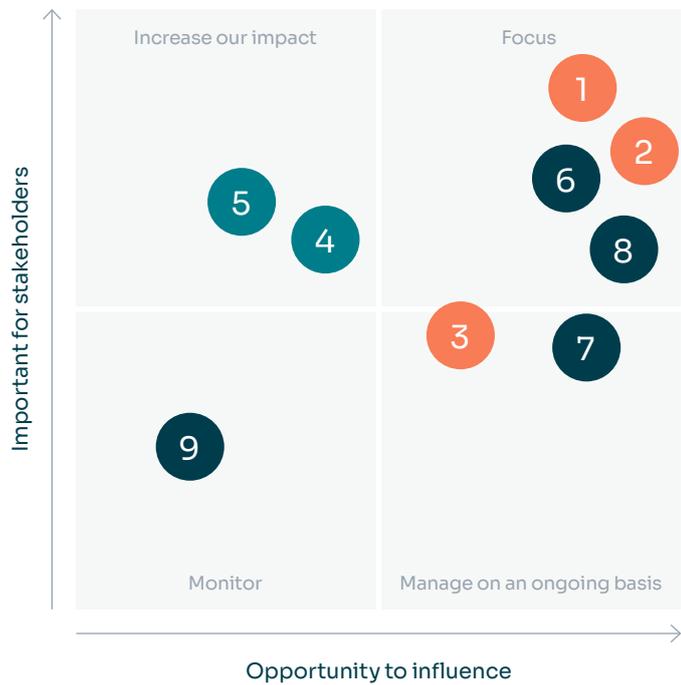
Our stakeholders

Stakeholder	Form of dialogue	Key issues
Customers	<ul style="list-style-type: none"> - Procurement meetings - Customer survey - Customer meetings - Training 	<ul style="list-style-type: none"> - Clean air - Price - Quality - Energy efficiency - Business ethics - Delivery times
Shareholders	<ul style="list-style-type: none"> - Shareholder meetings 	<ul style="list-style-type: none"> - Right to a possible dividend - Development in accordance with communicated goals - Equal treatment of shareholders - Healthy work environment for employees and customers - Sustainability governance, e.g. policies for the environment, occupational health & safety and business ethics
Capital market	<ul style="list-style-type: none"> - Reports - Forecasts - Conversations/dialogues - Presentations 	<ul style="list-style-type: none"> - Environmental trends - Financial outlook - New products - Regulatory compliance - Sustainable companies - environmentally, ethically, economically
Employees	<ul style="list-style-type: none"> - Performance reviews - Staff meetings - Intranet - Training courses 	<ul style="list-style-type: none"> - Developmental duties - Skills development - Good work environment - Opportunity for salary development - Business ethics - Opportunity to make a difference - Gender equality and diversity
Strategic suppliers & partners	<ul style="list-style-type: none"> - Contract signing - Ongoing contact - Training courses - Partner conferences - Supplier assessments - Annual audits - Working documentation, e.g. drawings, manuals - Training 	<ul style="list-style-type: none"> - Ability to pay - Long-term contracts - Stable finances - Forecasts of component purchase volumes - Reliability



Materiality analysis

In order for QleanAir to adopt a focused and strategic approach to sustainability, we have analyzed our most important sustainability areas. This has been mapped out by a project steering group consisting of the CEO, quality manager, finance manager, marketing manager, and external specialists. The analysis takes into account which areas we have the greatest opportunity to influence with our activities in relation to how important the issues are to our stakeholders. The result forms the basis of QleanAir’s sustainability framework going forward and has been divided into three strategic focus areas. The analysis was first conducted in 2019 and has been reviewed ahead of this year’s sustainability report. There have been no changes to the order of priority.¹



Sustainable products

- 1 Product quality
- 2 Design & innovation
- 3 Waste management and recycling

Responsible value chain

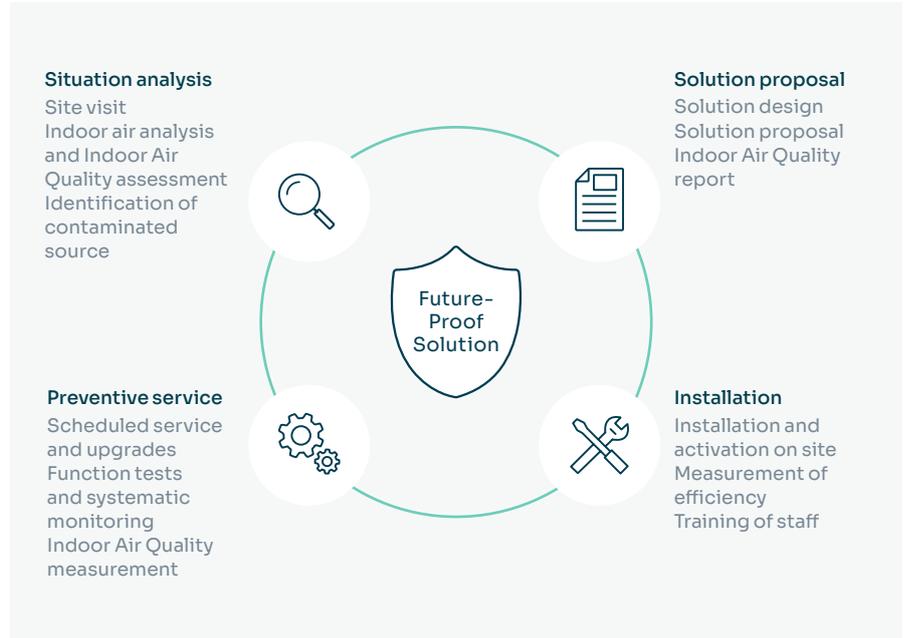
- 4 Product quality
- 5 Design & innovation

Attractive employer

- 6 Work environment & working conditions
- 7 Gender equality & diversity
- 8 Skills development
- 9 Emissions from passenger transport & energy consumption

1. We have not taken into account the dual materiality perspective.

Sustainable products



<1%

Goals

Fault reports during installation must not exceed 1%

We work systematically to further develop and improve our offering. All improvement work is prioritized based on impact on overall goals, which we strive towards by being a reliable partner and providing a full-service offering. Our full-service offering includes advice on product solution, capacity planning, pollution reduction consultancy, air quality testing and analysis, and long-term contracts with Lifetime Performance Guarantee. Our customers buy not just a product, but a partnership in which we constantly receive feedback, monitor our efforts, and improve our processes. In order to offer sustainable products, we aim for high product quality, long product lifetime, design and innovation, as well as responsible reuse, recycling, and waste management.

Product quality

We work purposefully to improve and develop our product quality. We maintain a regular dialogue with our customers in order to gain a greater understanding of their needs and how we can find solutions that contribute to their efficiency and well-being. Through our full-service offering, we continuously identify development opportunities around our products. For us, product quality also includes our products having a long lifespan and a significant positive impact on our customers' air quality. We evaluate the quality of our products by measuring their lifespan, air cleaning efficiency, and the number of customer complaints and fault reports.



58 billion m³/year 2021

We are aware that a large part of our indirect environmental impact takes place in the use phase, and one prioritized activity in the future will be to continuously map and measure the climate impact of products in the use phase.

To be able to further increase the lifespan of our products, we need to learn more about the product lifespan today. Our goal is to be able to follow the lifespan for each product category, but since our different product categories have been on the market for varying lengths of time, it is difficult to obtain complete figures. For example, we have some cabins that have had an average lifespan of eight years, while the majority of our air cleaners have not been on the market long enough and are still in use at our customers' premises. There are also examples of products with a lifespan of over 15 years.

To monitor how satisfied our customers are with our product quality, we measure the number of customer complaints. We are investigating this to be able to see patterns and respond quickly to identified problems. Our service-level agreement (SLA) response time for product fault reports is two working days, and we met this in 83% (87%) of cases in 2021.

- 1. Number of product-related customer complaints in relation to total installed base.
- 2. Number of delivery- and installation-related complaints in relation to total installations completed during the year.

Customer complaints

	2019	2020	2021
Fault reports about the product ¹	0.45%	0.30%	0.26%
Fault reports in connection with delivery and installation ²	2.00%	1.18%	1.29%





Design & innovation

We offer competitive technical solutions to retain our market position. The markets in our different product categories differ significantly, which means that the competitive situation varies within the different product categories. As important as it is to make sure that our products maintain high standards and good quality, it is equally crucial that we are creative and innovative in order for our products to better serve our customers. Our ability to innovate will determine our long-term success, and our innovations will support our customers in their development. In 2021, we have worked to integrate the new German norm for air cleaners from VDI (Verein Deutscher Ingenieure) into our product development. The norm strictly regulates for instance air cleaning performance, air turbulence, sound levels and end user handling. By living up to this norm and similar high standards, we ensure the best possible working environment for our customers. We also work continuously to develop new solutions and to use new technology such as IoT (Internet of Things). Connected products will bring opportunities for optimized use and thereby reduce our impact on the environment. We will be able to better anticipate service intervals, continue working with energy efficiency, and provide a higher level of remote support to our customers. As part of our innovation work, we also focus on developing solutions that are easy to assemble and service-friendly. In

addition, we work closely with our strategic suppliers to learn about the latest innovations in various technology areas, such as new filter media and filtration techniques.

Our development efforts are done through cooperation between our product managers and the product development department. They work continuously to improve existing products and to develop new ones. This gives us control over how the products are designed and produced, what materials are used, and what their composition looks like. We are aware that we can reduce our negative environmental impact through the materials we select, which is something that has become increasingly important in the development process. Moreover, we strive to reduce energy consumption and noise pollution by developing energy-efficient products with low noise level.

We have established a five-stage product development process that explains the typical workflow when a product goes from being a concept to its market launch. This helps us to work in a structured way with our product development, and ensure that our products are well thought-out and well-designed. Compliance issues are decentralized within QleanAir, as our product managers are responsible for identifying regulatory requirements and local customer needs during the product development process. During 2021, we invested in a digital tool to help us track the compliance status of our products.





Customer case study

Air cleaners safeguard working environment and product quality at Engelhardt

About Engelhardt

Founded in 1962, 60 employees, turnover approx. EUR 35m per year

Handles approximately 800 different ingredients and produces around 350 different tailored mixtures annually

Has one FS 70 and two FS 90 units installed



Engelhardt develops and produces dry ingredients and food. As they work with powder-based ingredients, air quality has been a challenge. Since they acquired air cleaners from QleanAir, the working environment has improved greatly, and the risk of product contamination has been eliminated.

»Thanks to the air cleaners, we don't have to wear a mask all the time«

Engelhardt is a privately owned Swedish food company that develops and manufactures ingredients and foods in powder form. Customers include food producers, bakeries and health food stores. High quality, food safety and sustainability are in focus. The packing room features three different product lines for filling

packages. The room is cleaned after each filling, only to be covered in dust again as soon as the airborne powder settles. Breathing in the dusty air is a challenge, so some employees wear face masks all the time. It has also been difficult to make optimal use of the product lines, as the products cannot be allowed to contaminate each other.



Visibly cleaner air

After a consultation with QleanAir, a test installation with a QleanAir FS 70 air cleaner was implemented. The air's particle content was measured before and after installation, and the result was impressive, says packaging manager Titoo Karim. "The degree of cleaning is 90%, and you can see with the naked eye how the air cleaners capture the particles." The test installation became permanent, and two QleanAir FS 90 units were also installed.

"It made a big difference to the air quality," Titoo says. "Now employees no longer need to wear face masks all day, and when we clean the room it stays clean. We can also work more efficiently in the packing room without the risk of product contamination, because the air quality is always good."

Mobility and the service structure offer great advantages

They are now considering bringing in more units for use in other areas. The fact that the air cleaners are mobile and can easily be moved to where they are needed is considered a great advantage. Engelhardt is also pleased with the service structure that ensures the solution's functionality. A service technician comes by every six months to change filters, measure particle content, and perform service. "It is a flexible and efficient solution that gives us value. We really recommend QleanAir", Titoo Karim concludes.



Customer case study

Rügenwalder Mühle strengthens employee safety with HEPA air cleaners

About Rügenwalder Mühle

Founded in 1834

820 employees

Headquarters: Bad Zwischenahn

70 QleanAir FS 30 HEPA



QleanAir supplied 70 FS 30 HEPA air cleaners to Rügenwalder Mühle during the COVID-19 pandemic. This guaranteed that the food manufacturer's high hygiene and safety standards for a safe working environment could continue to be met.

»Our employees really appreciate the extra protection.«

Rügenwalder Mühle Carl Müller GmbH & Co. KG is one of the best-known food brands in Germany and one of the largest employers in the region. The traditional family business has operated since 1834 and takes its responsibility for its employees very seriously. Due to the COVID-19 pandemic, it sought a way to reduce the aerosol load indoors, quickly settling on mobile air cleaners.

“Since the virus mainly spreads via aerosols, it quickly became clear to us that we had to make improvements in areas without HVAC. In practice, regular ventilation is not always possible, especially during the colder months,” says Marc Lüers, Head of HSE Management at Rügenwalder Mühle.

Customizable solutions from QleanAir tipped the scales

Internal research narrowed down the choices of mobile air cleaners and suppliers, and QleanAir was automatically shortlisted due to the mechanical HEPA filters offered. QleanAir’s proactive customer contact and customizable solutions that could be adapted to specific needs then proved to be the deciding factors.

For Rügenwalder Mühle, the right solution was the QleanAir FS 30 HEPA, whose silent but powerful operation is particularly suited to offices and classrooms. A total of 70 QleanAir FS 30 HEPA units were quickly installed in all office areas that were not ventilated via the HVAC system.

Additional protection for employees

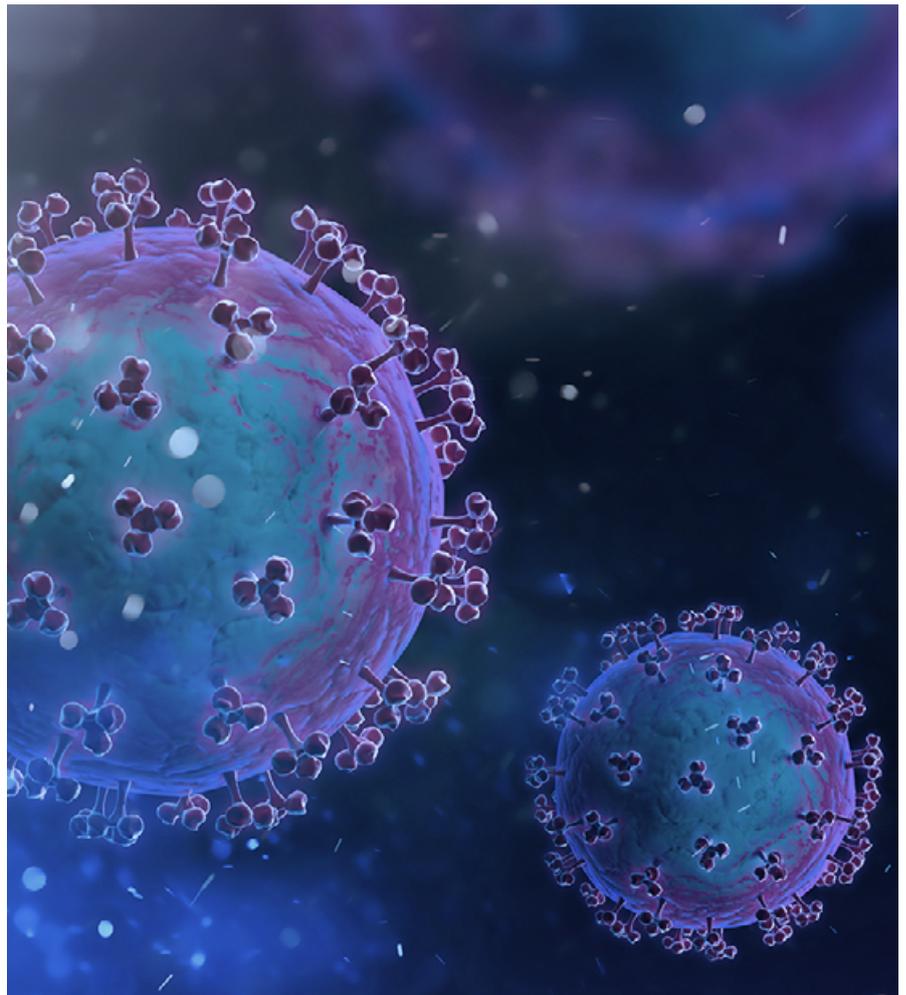
“Our employees really appreciate the additional protection. Purchasing such a large number of devices in a short time to ensure a safe working environment during a pandemic isn’t something that we do on a regular basis. Therefore, we do not hesitate in recommending QleanAir as a provider of air cleaning solutions. Cooperation has been collaborative and professional from the start,” states Mr. Lüers.

“We are very pleased that Rügenwalder Mühle believes in our solutions and is investing in additional employee protection. We generally find that our various solutions for air cleaning are playing an ever-increasing role in the food industry,” says Christian Dittmayer, Head of Sales Region North at QleanAir in Germany.



Collaboration

QleanAir is a partner of the recently-launched Virus and Pandemic Foundation



The Virus and Pandemic Foundation was established in January 2021 by 250 Swedish virus researchers, and QleanAir has been a partner from the start. The Pandemic Foundation wants to strengthen research and disseminate knowledge with the aim of combating virus-caused infections and pandemics in the future.



Niklas Arnberg, chairman of the Swedish Society for Virology

In close collaboration with the healthcare sector, QleanAir has worked preventively to reduce the amount of virus particles in the air by developing new air cleaning solutions. First working with the infection control unit at Danderyd, with a view to minimizing airborne infection in isolation wards. And most recently during the COVID-19 pandemic to protect the staff in the intensive care units at Karolinska University Hospital.

QleanAir has chosen to collaborate with the Pandemic Foundation to deepen its knowledge about viruses and to be able to develop even more efficient air cleaning solutions in the future. QleanAir also wants to provide virus researchers with relevant expert knowledge on how to clean air to reduce infection.

»The COVID-19 pandemic has created a focus on the fact that our society is not well-prepared for this type of pandemic. We want to contribute to the research so that we are better equipped for the future«

Henrik Fernsund, CMO at QleanAir

The COVID-19 pandemic has hit the world hard, but common colds are also a major burden on society. Common colds are estimated to cost Swedish society SEK 26.5 billion every year. Parents staying at home to care for sick children cost the Swedish Social Insurance Agency SEK 7 billion a year. A large proportion of these sicknesses is likely to be caused by viruses.

The Virus and Pandemic Foundation aims to strengthen Swedish virus research and counter virus-caused pandemics in the future. Behind the initiative is an independent and non-profit association - the Swedish Society for Virology. The association was established in 2009 and brings together more than 250 Swedish virus researchers to share knowledge in the field.

»The aim of the Virus and Pandemic Foundation is to strengthen Swedish research and, in the long run, contribute to the development of more antiviral drugs and vaccines. But the aim is also to increase the understanding of the social impact of viral infections and examine, for example, parameters such as air quality, a rather unexplored area«

Niklas Arnberg, chairman of the Swedish Society for Virology and professor of virology at Umeå University



It is possible to reuse an average of 80% of the material in an installation

Reuse and recycling

At present, our products consist of raw materials such as stainless steel, aluminum, wood, glass, plastic, steel, fiberglass, and activated carbon. One important factor that significantly reduces our own and our products' environmental impact is the ability to reuse the material from discarded products in the manufacturing of new products. In 2021, we started a pre-study looking at the possibility to recycle activated carbon from used carbon filters. When a product is returned, the local service depot restores the product to make it as good as new. The strategy is to create a completely circular system in which all materials can be restored and then reused in a new product. This way, the new product can be rented out to a new customer with the same high quality as a brand new product. By reusing a large proportion of our material, we can offer high-quality products while at the same time conserving natural resources and reducing our waste. It is possible to reuse an average of 80% of the material from an installation. Material that cannot be reused at present is sorted and recycled in accordance with our waste management instructions. Our service partners have a high level of responsibility for waste management, and they sign our "Waste handling instructions" every year. To be able to sort the material that cannot be reused, we at QleanAir have clear guidelines describing how we select and produce materials and products. It is important that the material can be either classified as waste for incineration or recycled.

Waste management

In addition to waste from our products, we also handle the disposal of ash and cigarette ends collected from our cabins. Two out of three cigarettes are thrown on the ground and cause pollution to water and soil. Cleaning up litter costs Swedish municipalities more than SEK 2 billion each year, where cigarette ends account for 62% of the litter in urban environments. In addition to thousands of harmful substances such as arsenic, lead, and cadmium, the cigarette ends also contain plastic that remains in nature for hundreds of years in the form of microplastics. To make sure that the cigarette ends in our cabins are handled responsibly, we have a patented odor-resistant and fireproof ash handling system (ASH), which is recommended by RISE (RISE Research Institutes of Sweden). The system removes the fire risk and all unpleasant odors from the cigarette ends, while having a built-in capacity control that helps create optimal safety and function. During the COVID-19 pandemic, the utilization rate of our cabins has been lower than normal mainly in Japan but also in Europe, due to total lock-downs, partly closures and remote working. This has resulted in a smaller amount of tobacco waste than what we handled before the pandemic. We adapted to the new situation in Japan and changed our service assignment. This way we saved about 40 tons of activated carbon and 1.9 tons of aluminium.

Waste management

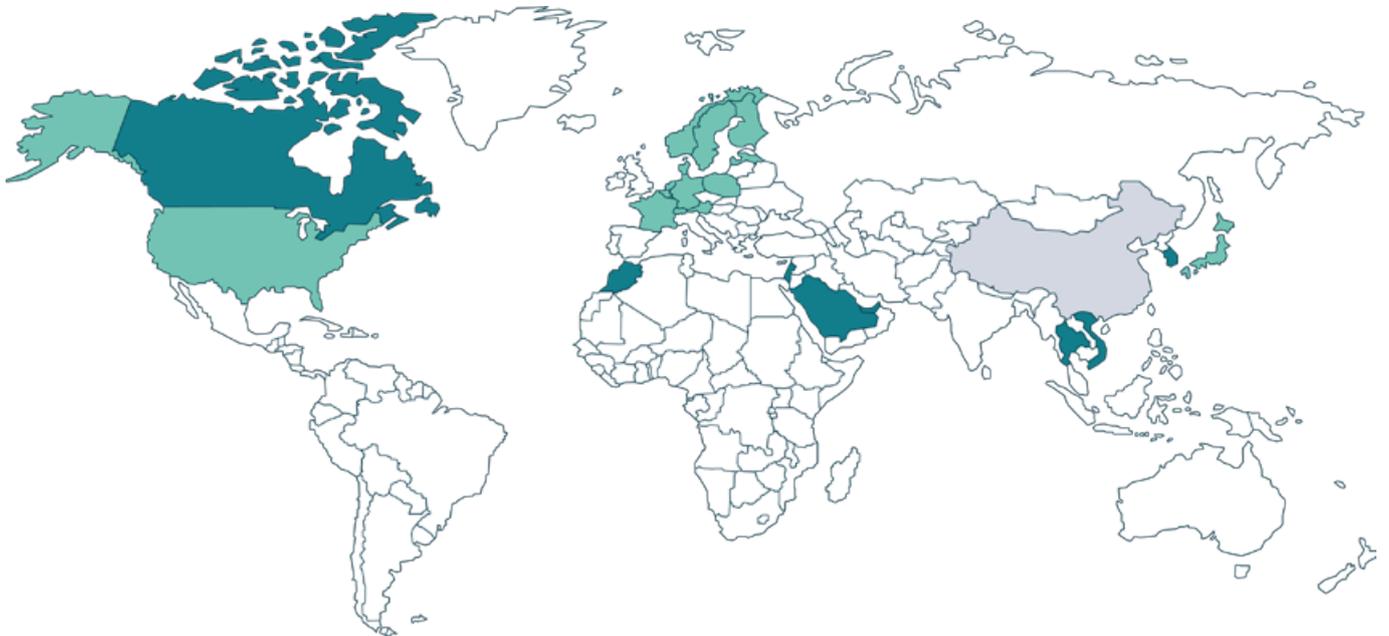
	2019	2020	2021
Handled tobacco waste ¹	2,282 m ³	2,220 m ³	1,990 m ³

1. Includes the entire group

Responsible value chain

QleanAir has a global business and value chain. With our business model, we partner with third-party suppliers for manufacturing, assembly and logistics, as well as installation, service and maintenance. This means that we are exposed to risks relating to our value chain. Our choice of business model means that we place great responsibility and trust on our partners and suppliers, and it is of the utmost importance that misunderstandings are eliminated and risks are minimized

in order to have a responsible value chain. We therefore sign agreements based on long-term cooperation with our suppliers. These contain clear instructions on what we as a customer expect and demand with regards to the environment, human rights, and anti-corruption. Of our total purchasing volume, we have about 10 strategic suppliers with whom we have direct partnerships in order to fulfill commitments to customers with high quality.



● QleanAir sales agents and/or marketing partners

● Distribution collaboration with third parties

● Pilot market



Environmental impact of the supply chain

At QleanAir, we have assessed logistics and transport to and from our suppliers and customers, and it has been identified as one of the biggest contributors to our environmental impact. Thus, we will prioritize this in our work towards environmental sustainability in the future. To try and reduce the negative environmental impact of the supply chain, we now make demands of our freight forwarders. These demands include, for example, that they must optimize their routes, choose environment-friendly vehicles, prioritize boats or trains over trucks and flights, and that they must have environmental certification in accordance with ISO 14001 or similar. We also make demands of airlines that transport our products that they must have a progressive approach to the environment and sustainability. As part of our sustainability strategy, we have chosen assembly centers close to our main markets to have a presence in every part of the world. This means that our strategic suppliers are not direct suppliers to us, but suppliers to our assembly centers. Although these centers have their own supplier evaluations, they need to ensure that our requirements and conditions are met.

We encourage our suppliers to assume responsibility for the development and use of green technology.

For some of our filter frames, we use a type of recycled plastic that is also being used in other products and industries. Examples include interior of refrigerators or other electronic devices, flower pots, and yogurt cups. As no virgin material is used for the extrusion of these frames, the CO₂ emissions from the process is correspondingly low.

To reduce the negative environmental impact of our supply chain, we need to continue to identify where the negative environmental impact comes from and how we can work to have a greater influence on our subcontractors.

Business ethics

We have identified the fact that the main risks of corruption and human rights violations are in our value chain. As this is beyond our direct control, we work to identify and reduce the risk of infringements in collaboration with our subcontractors. To manage these risks, we have developed a Code of Conduct that describes our expectations of ethical and sustainable behavior and approach. The Code supports the UN's international human rights

regulations and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and applies to all suppliers and partners who sign it in the context of entering into a contract. We review our Code of Conduct annually to determine whether it needs to be revised. Our Code of Conduct sets out guidelines and requirements for both our suppliers and their subcontractors regarding their impact on the environment, human rights, and anti-corruption.

To ensure compliance with our Code of Conduct, we work continuously with ongoing reviews, dialogues and supplier assessments. To determine whether a partner or supplier is capable of meeting our requirements, we conduct desktop analyses, have dialogues and visits by buyers and quality managers. In these, we assess aspects such as finance, management systems, production and delivery quality, service level, OHS guidelines, and sustainability work. To be able to respond quickly to reports of serious irregularities or misconduct within or outside the company, we have a whistleblower function. The aim is to have an open and secure channel with an independent company for anyone who suspects or discovers misconduct.



Code of Conduct

	2019	2020	2021
Signed by proportion of strategic suppliers	100%	100%	100%

Attractive employer

We have 108 employees at QleanAir, and it is important for us to be a responsible and attractive employer. We build long-term personal relationships with our employees and partners, offering secure employment and collaborations, a decent and equal work environment, and continuous skills development. We also know that it is important for all of our employees to make a difference with our solutions for the customers on a daily basis.



Goals
95% of our employees feel that we live up to our values

Occupational health & safety and working conditions

As a company with roots in Sweden, fundamental labor law issues such as the abolition of child labor, freedom of association and the elimination of forced labor are seen as hygiene factors. We are, however, aware of the challenges that exist, both locally and globally, with work-related illnesses. Occupational health and safety and good working conditions are therefore an important issue for us that we never take for granted. No employee should be exposed to risk of injury or illness because of deficiencies in the work environment, and we consider a good, pleasant work environment to be one of the prerequisites to be productive and competitive, and to have greater opportunities to recruit new, qualified employees.

Through our systematic work environment management, we work with ongoing reviews of the business with risk assessments and health and safety inspections. Our biggest physical occupational safety and health risk is road safety when driving a car on duty. We have therefore developed a road safety policy, which is communicated to all our employees through our business management system and the intranet. Psychosocial health and safety risks such as perceived stress are also something that we take as seriously as our physical risks. Our occupational health and safety policy stipulates that there must be an honest, open attitude at the workplace, and all employees must be given an opportunity to influence their own work situation. This is something that is followed up and documented in our performance reviews and annual health checks.



COVID-19 has resulted in an increased rate of remote working, and a number of measures have been taken to enable a good work environment outside the office for our employees. For employees that worked in the office, we used our own air cleaners and minimized staffing to prevent the spread of the virus.

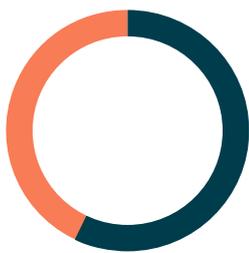
To enable us to quickly capture opportunities for improvement and possible irregularities, we hold frequent meetings with all employees, and there has been a strong focus during the year on the experience of working remotely. The purpose is to gain an insight into how our employees are feeling, and whether they have clarity about their roles and support from their managers. It has been particularly important for us to find a way to continuously follow up while we are working 100% remotely. The result is also followed

up with all managers, when we set a joint plan for action linked to specific development areas.

In the most recent health survey 2021, some employees reported a higher workload as well as less support from managers since remote working started. We are aware that the work situation has presented these challenges, and this is something we take very seriously and are taking actions on. We encourage all employees to take more everyday exercise in the form of walk-and-talks, varied working postures and physical activity. One important building block in our values is that we shall care about each other. We therefore regularly highlight health and well-being during our joint meetings. We also have one hour of paid keep-fit activity per week during working hours, and 80% of employees in the headquarters have participated.

Occupational health & safety

	2019	2020	2021
Staff turnover rate	21%	19%	17%
Attendance	96%	99%	99%



Men 57%
Women 43%

Men/Women at QleanAir Scandinavia 2021

Gender equality & diversity

Our organization is characterized by the belief that all employees have equal rights, opportunities, and obligations regardless of gender, transgender identity, ethnic origin, religion, disability, sexual orientation, or age. Since we have operations in several countries and customers all over the world, having diversity in our organization is crucial for us to be able to understand and communicate with our different markets. Eleven

different languages are spoken at our headquarters alone. We have an almost equal organization, with a gender balance of around 57% men and 43% women. We do, however, still have some way to go to achieve an equal board, management team, and sales organization. We therefore maintain a dialogue with our recruitment partners to look for female candidates. In 2021, we have encouraged female leadership throughout the organization in roles traditionally held by men, and will continue doing so in the future.

	2019	2020	2021
Gender distribution			
Men/Women at QleanAir Scandinavia (%)	62/38	56/44	57/43
Men/Women on board (%)	50/50	75/25	80/20
Men/Women in management team	100/0	80/20	60/40
CSR-policy			
Endorsed by proportion of employees	100%	100%	100%

Through our CSR policy, QleanAir condemns all forms of harassment and discrimination, including those protected by applicable laws and regulations. All employees have signed the policy. We have informed all employees of our whistle-blower function, to make everyone feel safe when reporting any misconduct. Instructions on how to proceed are described in our CSR policy, and cases are handled by our chairman.

Skills development

We operate in an industry that is dependent on specialist knowledge. It is therefore of the utmost relevance for us to be an employer that attracts talent and encourages them to stay with us for a long time. Being an attractive employer is about having good, clear leadership that strives to achieve continuous and stimulating development for our employees. We therefore work continuously to provide instruction and training for our employees to increase product knowledge, sales ability, and personal development.

To make sure that all employees and partners receive the same introductory training, everyone undergoes QleanAir Basic Training, in which we go through factors and aspects that play a major role in our reputation and organizational culture. Individual needs for skills development and requests from employees regarding courses they want to take are identified primarily in performance reviews, which feature an evaluation of completed training initiatives. During 2021, we have continued with digital trainings in order to maintain and increase the skill level within the company. In addition, an increased number of digital meetings within the whole organization have been important in increasing and maintaining the motivation and commitment of employees, as many other activities have been canceled because of the pandemic.

Emissions from passenger transport and energy consumption¹

In addition to transport to and from our suppliers, the survey of our environmental impact showed that our own energy consumption and emissions from passenger transport have a negative impact on the environment. Passenger transport includes both passenger transport within the organization and the distances our service partners have to drive when installing and servicing the products. Although the environmental impact of our service partners is not

our direct impact, we see this as something for which we need to assume responsibility. At QleanAir, we always explore the possibility of holding meetings digitally. In order to minimize emissions associated with unavoidable journeys, all company cars within QleanAir must be environmentally classified. Since transport from our service partners accounts for the majority of our emissions from passenger transport, we also work to optimize their service routes, choose eco cars and apply Eco Driving.

	Renewable	Non-renewable	Total kWh
Energy consumption in 2021 (kWh)			
Electricity	79,689	0	79,689
Heat	0	0	0
Cooling	0	0	0
Fuel ²	0	109,058	109,058
Total (kWh)	79,689	109,058	188,747

	2019	2020	2021
Energy consumption per year (kWh)			
Electricity, renewable	69,431	71,230	79,689
Fuel, non-renewable ²	99,279	81,419	109,058
Total (kWh)	168,710	152,649	188,747

	2019	2020	2021
Total emissions (tCO₂e)			
Greenhouse gas emissions (tCO₂)^{3,4}			
Scope 1	21.0	17.2	23.1
Scope 2 Electricity Location based	0.8	0.4	0.5
Scope 2 Electricity Market based	0.0	0.0	0.0
Scope 3.3 Fuel and energy related activities ⁵	6.1	5.0	6.7
Scope 3.9 Downstream transportation and distribution ⁶	375.3	321.2	325.3
Total (tCO₂e)⁷	402	343	355
Net revenue MSEK	220.7	226.5	211.6
Emission intensity (tCO₂e / million SEK)⁸	1.8	1.5	1.7

1. The calculations for 2019 and 2020 has been updated to align with the method for 2021.
2. The amount of energy for fuel has been estimated from a distance and the average fuel consumption for a passenger car.
3. Greenhouse gas emissions are calculated according to the GHG Protocol. Sources for emission factors are DEFRA, IEA, AIB and our energy supplier.
4. Emissions from 2019 and 2020 have been recalculated to align with the updated method.
5. Scope 3.3 contains "Upstream emissions of purchased fuels" and "Transmission and Distribution losses".
6. Scope 3.9 has been calculated on the basis of distance in kilometers and with an emission factor for an average van.
7. Total emissions reflect Scope 1, Scope 2 Market based and Scope 3.3 and 3.9.
8. The emission intensity is calculated with Scope 1, Scope 2 Market based and Scope 3.3 and 3.9.



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