

An aerial photograph of a large, lush green forested island in the middle of a deep blue lake. A small white boat is visible on the water near the island. The water's surface is textured with ripples and some floating vegetation. The sky is not visible, focusing the viewer's attention on the natural landscape.

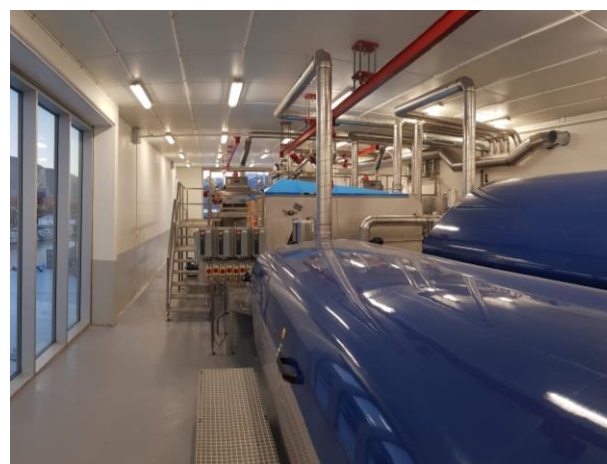
**NORDICWATER**

2020 SUSTAINABILITY REPORT



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# CEO letter – The Value of Sustainability Engineering

**NORDICWATER**



Nordic Water develops and supplies efficient and cost-effective water treatment solutions for municipal and industrial markets worldwide. We have sustainability at the core of our strategy so that our mission “Making water go around” is achievable, and this has been our mission since we started in 1961.

The value of our sustainability engineering consists of three specific parts. First, we have our “Sustainable Solutions”. This means that, as the business grows, Nordic Water remains committed to developing sustainable solutions that reduce our customers’ TCO by Product durability, Reduced footprint (required area of land), Lower energy use, Possibility to reuse wastewater and products, and Minimize chemical usage. By this, we ensure maximized up-time, purification, optimization and increased life-time for our customers’ installations.

Secondly, we have “The Nordic Water Way”. Our way of working promotes sustainable economics and responsible growth. We work to win and we go the extra mile to achieve satisfied customers, colleagues and business partners. Continuous improvement is our mindset, with high expectations on ourselves as well as others, to ensure that both Nordic Water’s and our customers’ goals are achieved. We operate in a fair and legal way throughout the value chain, and our common core values are “W.E.T.”, i.e. Winning spirit, Engagement and Teamwork.

Thirdly, Nordic Water’s strong ESG focus links to our value creation in four essential ways.

We increase top line growth by attracting customers through more valuable and sustainable products.

We reduce costs by reducing ESG risks, quality enhancement and lower energy consumption, as well as via earning subsidies and government support.

We achieve a productivity uplift by attracting talent and boosting employee motivation as we make a difference.

We have a better long-term allocation of capital through being a green investment.

Our sustainability goals, to become carbon neutral by 2024 and carbon positive by 2030, to be a preferred supplier contributing to the global water challenge, to be an attractive and preferred employer, measuring eNPS, and lastly, to optimize product quality and warranty, are not only set goals, but are continuously measured and followed up.

These goals are not only essential for delivering value today. These goals are the value of sustainability engineering for future generations.

Jonas Gunnarsson  
CEO/ Nordic Water Group

#makingwatergoaround



# About Nordic Water

Nordic Water develops and supplies efficient and cost-effective water treatment solutions for municipal and industrial markets worldwide.

Our water treatment solutions provide several environmental benefits:

- Product durability
- Reduced footprint (required area of land)
- Low energy use
- Possibility to reuse wastewater and products
- Minimum chemical usage



Sustainability at the core  
of our business strategy



Become carbon neutral by 2024, and carbon positive by 2030



Preferred supplier contributing to the global water challenge



Attractive and preferred employer measuring eNPS



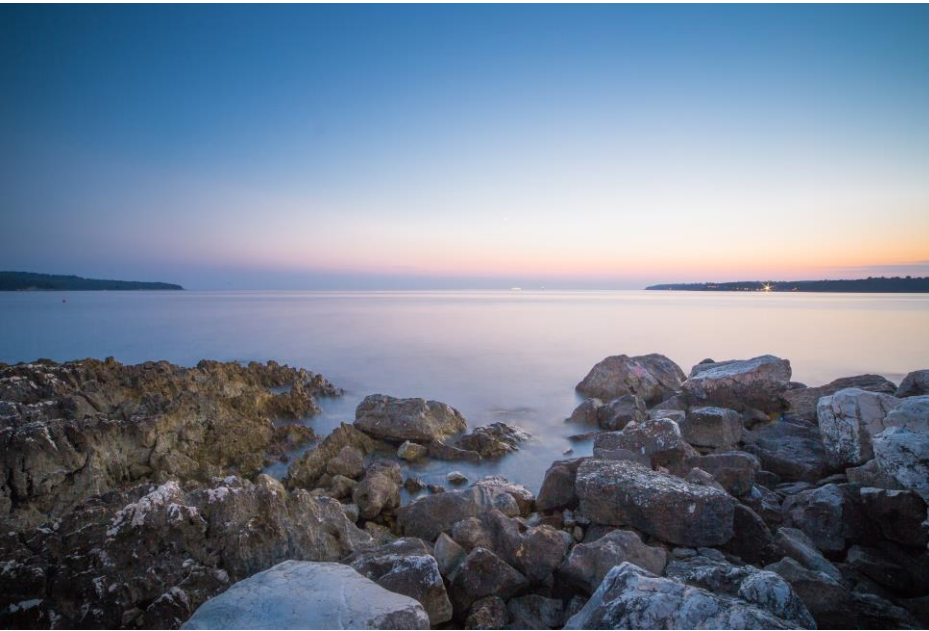
Optimized product quality / warranty





# About Nordic Water

**NORDICWATER**



## The Nordic Water way

In Nordic Water we work to win, which means we go the extra mile to achieve satisfied customers, colleagues and business partners. We have a mindset of continuous improvement, and we have high expectations on ourselves as well as others, to ensure that we achieve both ours and our customers' goals.

We are proud of the work we are doing and take full

responsibility for our commitments, our actions and our deliveries. We always act with enthusiasm and persistence to achieve results.

In Nordic Water we work together globally to find the best solutions. We treat every colleague, customer and business partner with respect and honesty. We appreciate each other and we work together to reach result.



## The Market

Population, urbanization, wealth and energy usage continue to grow, driving a continuous need for more clean water globally. Global water demand will increase 20 to 30% by 2050, to some 5.5-6 trillion m<sup>3</sup>. In 2050, at least 1 in 4 people will likely live in a country effected by chronic or recurring fresh water shortage. The \$95bn treatment equipment market is huge, including a range of products and is growing

every year.

The UN estimates that for every \$1 spent on sanitation, the estimated return to society is \$5.5.

As the key growth drivers of future demand, industrial and municipal markets are vast in technology and application. Nordic Water is positioned to capture this outsized technology and service growth, today and tomorrow.



## Sustainable solutions

When we partner with customers, we deliver sustainable products that meet the needs of today without compromising with those of future generations.

Standards for drinking water quality vary over the world, and we strive to meet the stringent requirements.

The growing world population is driving the demands for water treatment capacity and efficient use of space.

Our products offer maximum effectiveness on a minimal area. When we combine this with durability, reliability and energy-efficiency, the life cycle cost is very low.

## Our vision

### Clean Water for Everyone!

Our vision is to be a leading provider of compact and energy efficient water and wastewater treatment solutions – ensuring enough clean water for everyone in the world.

#cleanwaterforeveryone





**Nordic Water's way of working promotes sustainable economics and responsible growth**

## **Our core values - W.E.T**

We are proud and we will do what we can to make our core values an obvious part of our everyday life at work.

## **Winning Spirit - Engagement - Teamwork**

**Employee training** for NW Group has **increased** by **10%** compared to 2019. **Nordic Water Academy** is the main enabler for the improvement.

In 2020, NW Group implemented **Winningtemp**, a tool that measures the temperature of how **our employees feel**. The system enables continuous monitoring of critical organizational measures such as **eNPS**, as well as increased **commitment**, and provides measurable **performance improvements**, supporting managers in their ongoing work of **developing teams and individuals**.



# About Nordic Water

**NORDICWATER**

Total Employees

**202**



Of which female

**47**



Management team total

**7**

Of which female

**2**





# About Nordic Water Sweden

**NORDICWATER**

**Head office**



**Hanhals**



**Klippan**



**Mariestad**



**Nordic Water Products AB**

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# About Nordic Water Subsidiaries

**NORDICWATER**

## Nordic Water Norway



## Nordic Water Germany



## Nordic Water Netherlands



## Nordic Water Spain



## Nordic Water China



## Nordic Water Products AS

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# 2020 Company Highlights

Nordic Water Group  
measure emissions with total Scope 1-3

CO<sub>2</sub>e at **1,166** tonnes

**100%**

of all managers at  
Nordic Water Products  
AB  
have conducted work  
environment training

Nordic Water Group sick  
leave\* increased from:

3.5% 2019  
to

**3,7% 2020**

Small increase due to Covid 19

\*including long term leave

## Supplier Code of Conduct

Signed by A suppliers **96%** 2020   
41% 2019

Signed by B suppliers **94%** 2020   
35% 2019

## Maintaining ISO 9001 certifications

NWP AB performed a **Surveillance audit** of ISO 9001:2015 compliance and  
was **approved** – with **no non-conformities**

Nordic Water GmbH performed a **re-certification audit** of ISO  
9001:2015 compliance and was **approved** – with **no non-conformities**



# Materiality Assessment

Sustainability is an integrated part of our business which impacts our ability to create long term business value.

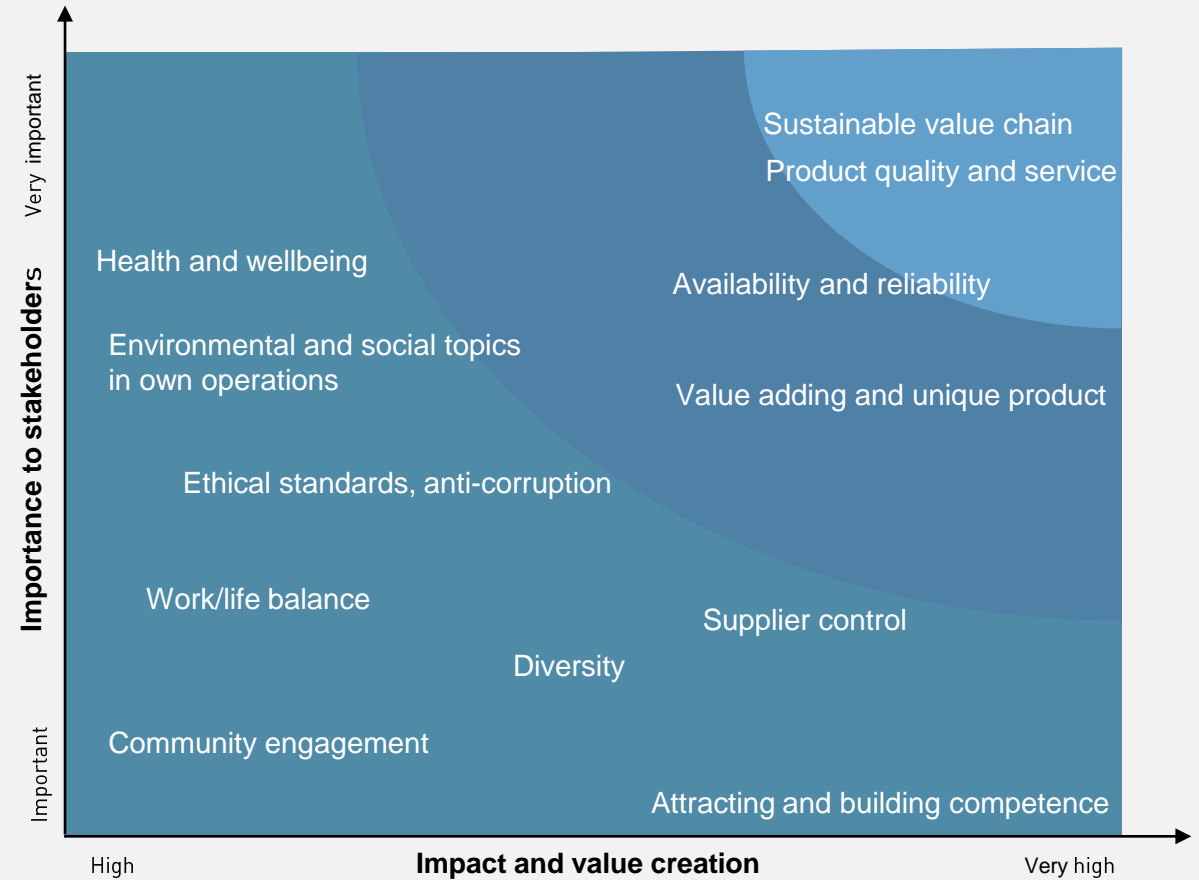
Nordic Water has conducted a materiality analysis through interviews and surveys from important stakeholder groups – employees, management, investors and distributors.

Stakeholder input is the basis for setting priorities in our sustainability efforts.

In this way we integrate sustainability into the core of our business strategy.

## Key findings from materiality analysis include:

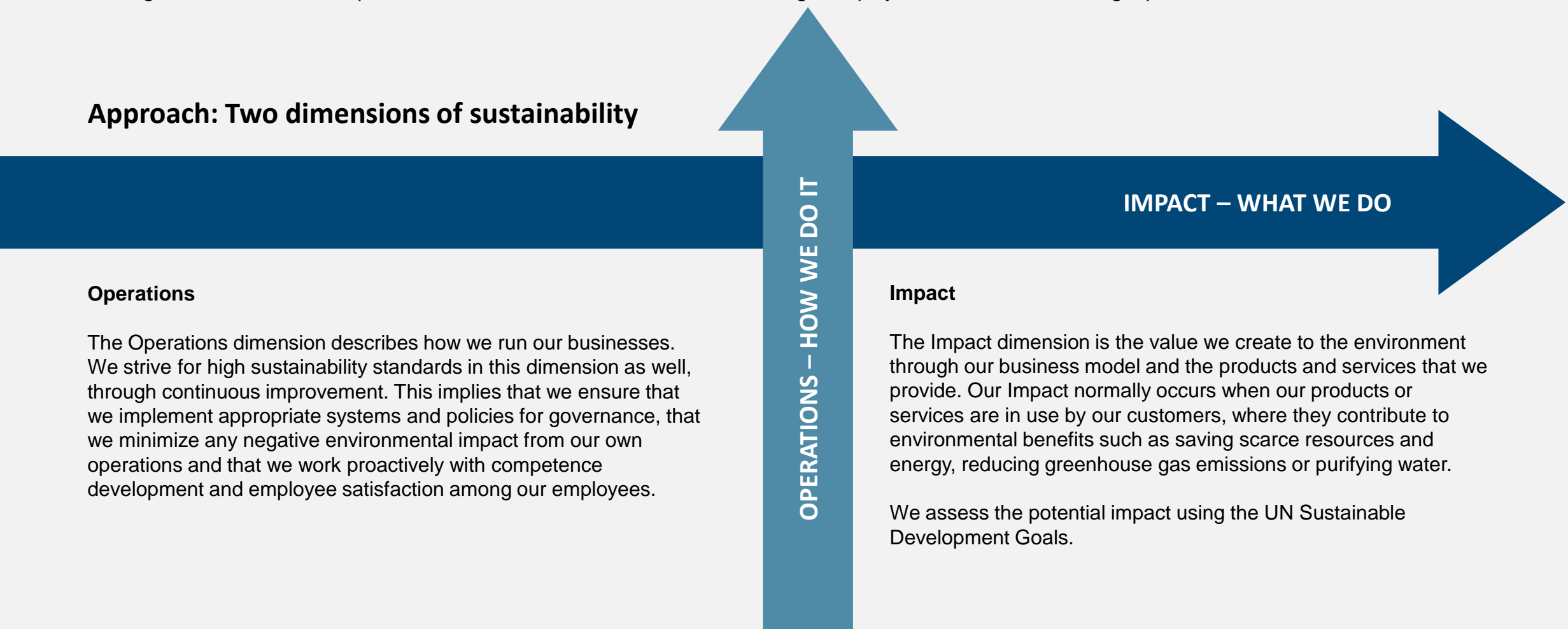
- Sustainability in our value chain
- Product quality and service
- Availability and reliability
- Environmental and social factors
- Health and wellbeing
- Attracting and building competence and diversity



# Our view – Two Dimensions of Sustainability

Nordic Water’s framework is built upon the view, that there are two dimensions of sustainability for our company – Impact and Operations. Value is created in both dimensions. Our impact is the value proposition, customer offer and our potential for long term performance and value growth in a changing world. Striving for excellence in the operational dimension can contribute to cost savings, employee retention and avoiding reputational and financial risks.

## Approach: Two dimensions of sustainability





## IMPACT

**6** CLEAN WATER  
AND SANITATION



We contribute to **purifying 38 million m<sup>3</sup> of water** every day in currently installed systems

**11** SUSTAINABLE CITIES  
AND COMMUNITIES



Our compact filter solutions **save some 85% of space** vs. conventional solutions, enabling **high quality** water treatment in **urban areas**

**13** CLIMATE  
ACTION



Our energy efficient and low maintenance solutions **save up to 95% of energy use** and **reduce travel** for maintenance

**14** LIFE  
BELOW WATER



Our technology has a filtering capacity down to a particle size of **0.006 mm**, and from phosphorus, to levels **below 0.1 mg/l**

We strive to drive impact through:

- Increased sales
- Product development
- Customer interactions

# Operations – Highlights from our Sites in 2020

**NORDICWATER**

## HIGHLIGHTS

**Norway:** Motor fuel in company cars:  
25% **fully electric**

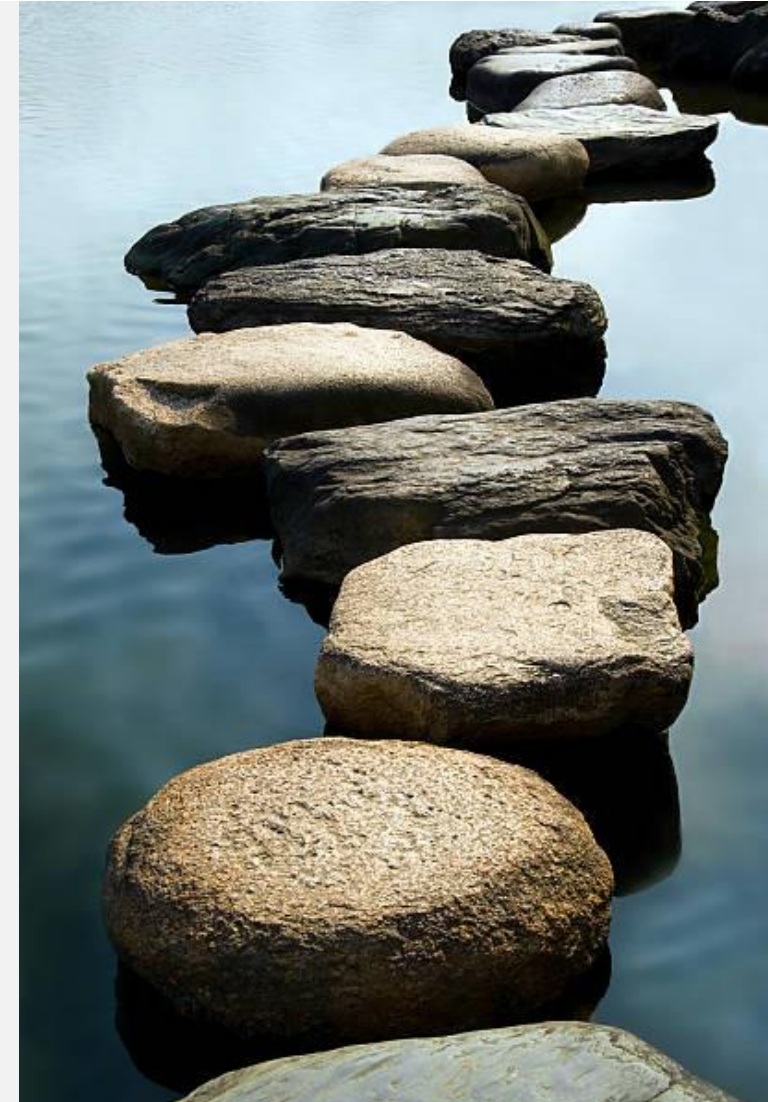
A **challenge** for all sites for 2020: become as **paper free** offices as possible. Great results –very few print-outs

**Klippan, Sweden:**  
Moved the site to a newly **built facility** with low energy consumption, and energy mostly from **renewable sources**

**China and Benelux:**  
Introduction of new sorting and **recycling routines**

**Mölnadal, Sweden:**  
Replaced trash cans at all workplaces with recycling stations.  
Installed **solar panels** on the roof

Improved **employee training** at all sites





## CHALLENGES

- Continue to implement the sustainability strategy and policies in our daily work throughout the group
- Systematic process for measuring customer satisfaction for the whole Nordic Water Group
- Continue reducing GHG emissions, Scope 1-3
- Take further action in reducing energy use
- ISO 14001 certification (NWP AB)
- Collect data in a more systematic way



# Contribution to the UN Sustainable Development Goals

**NORDICWATER**



## **Clean Water and Sanitation and Life Below Water with leading technology for water treatment and purification.**

Nordic Water contributes to the solution of water related challenges by improving the access to clean water and mitigating the threat of pollution to life below water.

With world renowned technologies for sedimentation, filtration and process, Nordic Water offers water treatment solutions for industries and communities.

The company's technology can clean water from particles, all the way down to a particle size of 0.006 mm, and from phosphorus to levels below 0.1 mg/l, with market leading reliability.

In Simrishamn wastewater plant, the combination of ozone and DynaSand Carbon provides very high efficiency of pharmaceutical removal, on average above 97%. The overall reduction rates of microplastics are about 99.8 %.

Every day, water treatment facilities with equipment from Nordic Water process and clean more than 38 million m<sup>3</sup> of water, corresponding to 15 200 Olympic sized swimming pools.

*...with leading technology for water treatment and purification*



## **Sustainable communities with compact water purification solutions.**

Nordic Water's solutions are very space efficient and can be operated in highly populated areas.

Large cities with Nordic Water equipment for water treatment include London, Mexico City, Ho Chi Minh City and Singapore.

In Cairo, the Nile has been the source of water for thousands of years. The raw water quality is demanding, as high turbidity occurs during the rainy season. Nordic Water has supplied DynaSand filters to the three water treatment plants Gaziret El Dahab, Haggara & Nubariya, to ensure high quality drinking water supplies.

In March 2020, after 2 days of heavy rain, the turbidity in the Nile river raised to its extreme. The plants showed reliance and proved their efficiency, securing the water supply to the city, even when other water treatment plants were forced to shut down. As an example, Gaziret El Dahab produced excellent water quality at its full capacity of 80 000 m<sup>3</sup>/day.

*...with compact water purification solutions*



## **Climate action through energy efficient solutions and reuse of waste products.**

The efficiency of Nordic Water's water treatment solutions contributes to reduced greenhouse gas emissions. The technology saves energy and reduces the need for maintenance.

Nordic Water's Nordic®Primary system uses approx. 0.10 kWh/m<sup>3</sup>, which is some 50% less than conventional systems.

In Montornés del Valles, Spain, Nordic Water has developed a solution to meet the country's stringent regulations, with physical and disinfection parameters, to reuse wastewater for irrigation. The water cleaned in the plant can now be reused for irrigation and to local water consuming industries. The filter solution from Nordic Water also has a very low energy use in combination with a small physical footprint.

Nordic Water is also eager to find new applications and even more efficient solutions, by running pilot trials. During 2020, over 20 pilots were performed worldwide, many of them in cooperation with universities.

*...through energy efficient solutions and reuse of waste products*

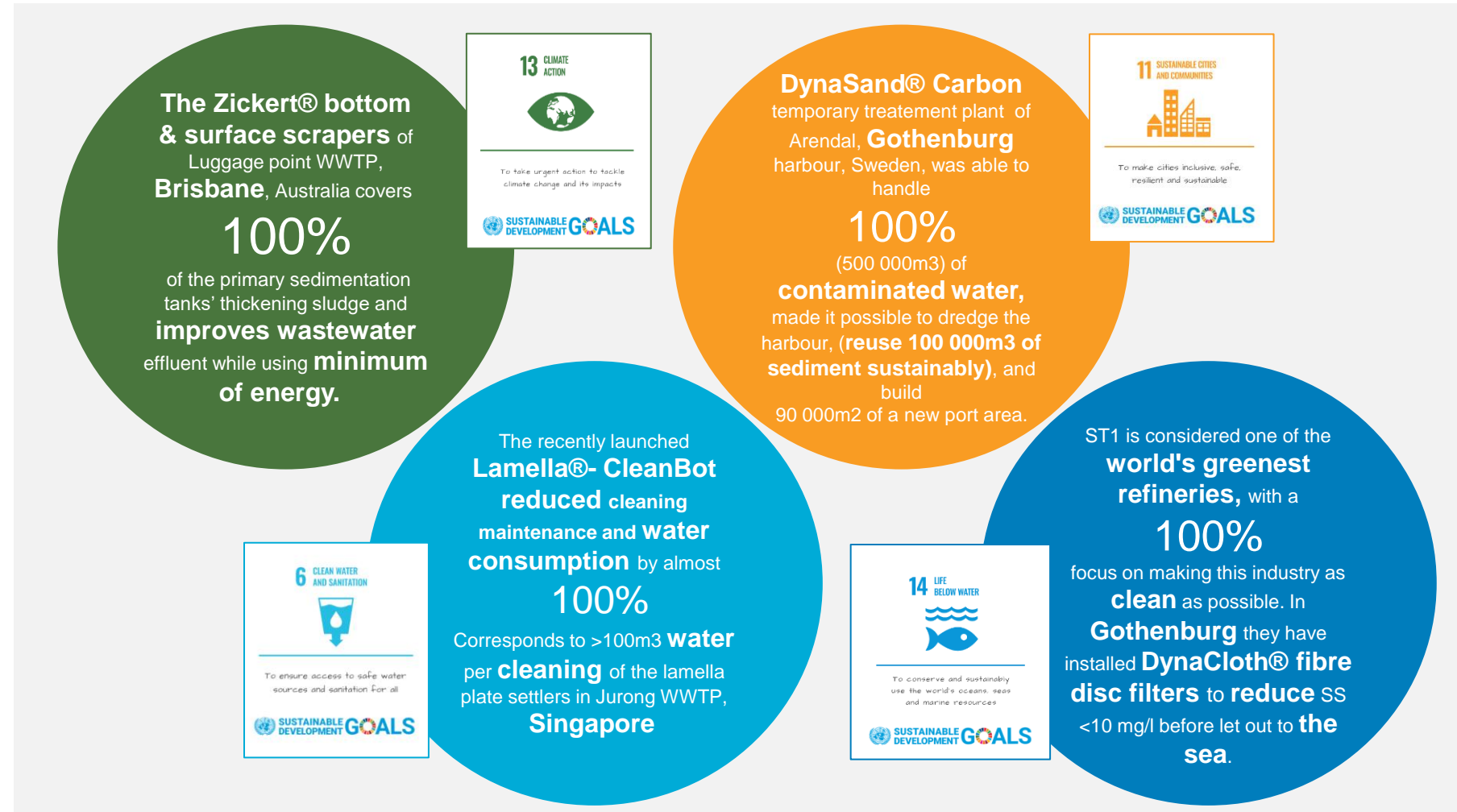


# 2020 – Environmental Achievements

Nordic Water aims to work for the welfare of people and the future of the planet, and we do it by using steel, aluminium, bolts and screws.

Ultimately, Nordic Water products provide people with access to the world's most valuable resource, water. Our work has a broader and deeper meaning and together with our core values this states our culture.

We help minimizing energy consumption and environmental footprint for our customers world wide. To the right are a few examples of how we do just that.



# ESG – Topics in focus for Nordic Water Group

**NORDICWATER**



## ENVIRONMENT

Nordic Water has set the target to become carbon neutral by 2024 and carbon positive by 2030.

In 2020, the company's measured Scope 1-3 emissions totalled 1,166 tCO<sub>2</sub>e. The years 2019 and 2020 are not fully comparable as methods of measurements have improved, including the coverage of measured emissions.

For example, a larger proportion of freight emissions are now measured, up from 40% in 2019 to 77% in 2020. Efforts are continuously made to reduce emissions. Shipping is now concentrated to freight companies that provide emission reports, to enable tracking and reducing the footprint in cooperation with likeminded suppliers. The company also aims to minimise air freight.

Business travel decreased significantly due to Covid 19, with emissions down from 184 to 54 tCO<sub>2</sub>e. The investments made in the previous year into video conference facilities and technical platforms enabled a smooth transition to digital meetings and workflows.



## GOVERNANCE

During Q4, Nordic Water's ISO 9001 certification was confirmed by external audits in Germany and Sweden, with no non-conformities found. At the end of 2020, Nordic Water Sweden started an ISO 14001:2015 certification project. Certification audit is planned for November 2021.

Nordic Water's long-term success is built on conducting business in a fair and ethical manner. This is described in the Code of Conduct, which has been communicated to, and accepted by, all employees. It is included in distributor agreements and has been rolled out in supplier agreements.

All employees have an important role in raising concerns of serious misconduct. Concerns can be raised anonymously by using the third-party reporting channel, managed by WhistleB and introduced in 2020. No incidents were reported in 2020.



## SOCIAL

The Nordic Water Way is a guide to the values, principles and policies that guide the organization in their daily operations and interactions.

Nordic Water acts according to the core values **W.E.T.**:

- **Winning spirit** – we go the extra mile
- **Engagement** – we do the right thing
- **Teamwork** – we work together for the best solution

The Nordic Water Way also includes a systematic approach for annual performance review and individual targets for all employees.

The company has prioritised further investment into competence building efforts during the pandemic, introducing the Nordic Water Academy platform.

Employee training and development increased in 2020 compared to 2019. Nordic Water's new digital HR system, Winningtemp, has been implemented in 2020. This system enables continuous monitoring of critical organisational measures such as eNPS, working environment, leadership and commitment, supporting managers in their ongoing work of developing teams and individuals. This has been a particularly valuable tool to manage and motivate the organisation during the long periods of working from home during the pandemic.

Employee well-being is promoted through healthy and ergonomic working conditions and annual contributions to preventive health care. Sick leave was 3.7% in 2020 for the whole group, slightly up from 3.5% in 2019. In Sweden, sick leave including long term leave was 2.6% in 2020.

The supplier Code of Conduct has been signed by all 3 suppliers in countries with high risk for human rights violations and poor working conditions. The implementation continues to all suppliers, with 95% of all A and B suppliers now having signed to confirm their commitment to the Code.



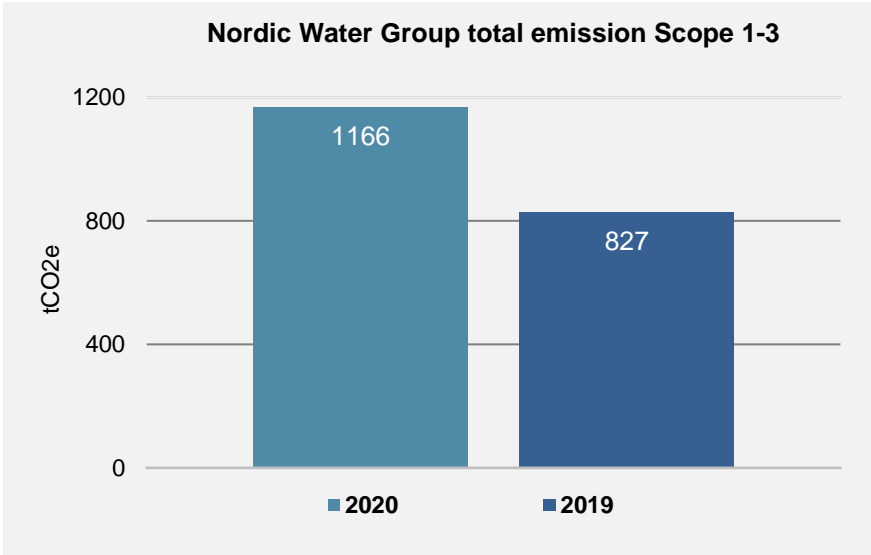
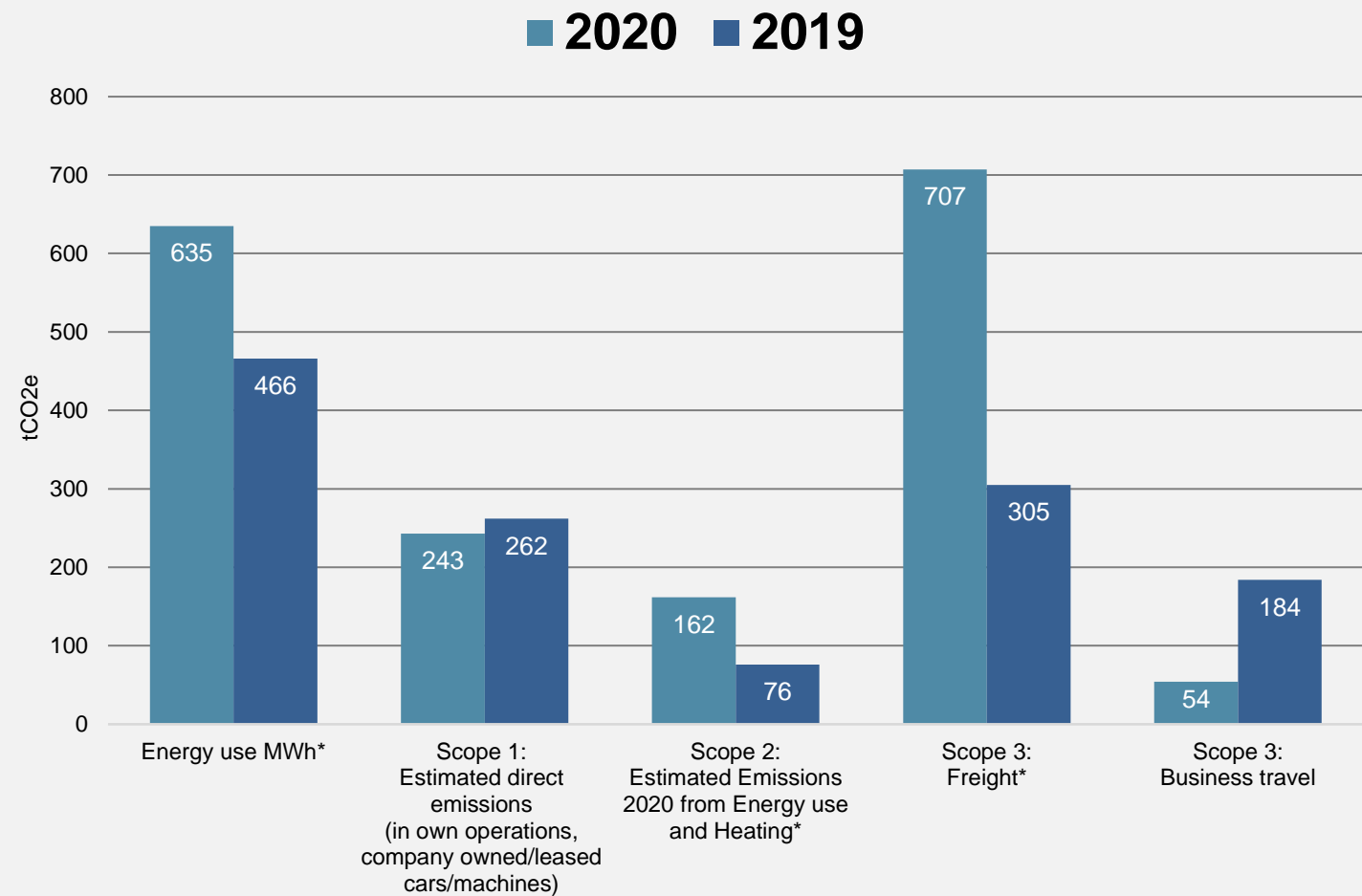
# ESG – Key Data

KEY DATA	2020	2019	2018
Sales (Reported mSEK)	647	557	573
EBITDA (Reported mSEK)	88	35	26
Energy use MWh*	635	466	N/A
Scope 1 Emissions, tCO <sub>2</sub> e	243	262	N/A
Scope 2 Emissions, tCO <sub>2</sub> e*	162	76	N/A
Scope 3: Freight*, tCO <sub>2</sub> e	707	305	N/A
Business travel, tCO <sub>2</sub> e	54	184	
Total emission Scope 1-3, tCO <sub>2</sub> e	1,166	827	N/A
Employees			
- Total	202	200	195
- Of which female	47	42	42
- Management team total	7	6	6
- Of which female	2	2	3
Sick leave			
Nordic Water Group	3.7%	3.5%	N/A
Nordic Water Products AB (Sweden)	2.6%	2.1%	3.3%
Management systems			
Nordic Water Products AB (Sweden)	ISO 9001	ISO 9001	-
NORDIC WATER GmbH	ISO 9001	ISO 9001	ISO 9001

\* Energy use, Scope 2 emissions and freight emissions are not comparable year-on-year, due to updated measurement methods (Energy, Scope 2) and increased coverage (Freight, Scope 3).



# Carbon Footprint



\*Energy use, Scope 2 emissions and freight emissions are not comparable year-on-year due to updated measurement methods (Energy, Scope 2) and increased coverage (Freight, Scope 3).



# Case Studies

## Tertiary treatment in Colaba WWTP, guarantees fresh water supply, India

The Colaba Sewage Treatment Plant (STP) in Mumbai has gone through an extensive modernization and upgrade. The latest one is tertiary treatment using the Nordic water DynaDisc® microscreens. The microscreens remove residual suspended solids containing nutrients, such as phosphate and nitrogen, as well as biological oxygen-consuming material.

A growing population, over 15 million in Mumbai, and increased water demand in combination with more sewage, led to the decision to upgrade the Colaba STP.

To meet the demands until 2025, Municipal Corporation of Greater Mumbai (MCGM) follows the Mumbai Sewage Disposal Project (MSDP) Stage-II Master Plan. The Colaba STP upgrade and tertiary

treatment is part of that plan.

The DynaDisc® microscreens allow for potential reuse of treated wastewater, which will help secure future high-quality fresh water to Mumbai.

Some of the most important factors in the evaluation of the process equipment at the Colaba STP were energy efficiency, a high separation degree and the overall most economical solution.

The upgraded treatment plant with the DynaDisc® microscreens far exceeds the regulatory requirements, with an average removal rate of about 75 % of SS, which corresponds to a reduced load of 131 tonnes of fertile nutrients to the sea per year, without any use of coagulation or flocculation chemicals.



## Screenings treatment in Sjölanda WWTP, handle storm loads, Sweden

The new screenings treatment plant in Sjölanda WWTP was to be built with the highest environmental concerns in mind. There were several challenges to be met: like at many other urban waste water treatment plants, the available area for new installations was limited; there is a growing population; and there are occasional storm water flows.

Nordic Water signed a turnkey partnering contract in 2016 for the delivery, construction, installation, start-up and commissioning of the new inlet and screenings treatment at the Sjölanda WWTP. Nordic Water's Monoscreen® shows a high screenings capture rate (SCR > 80 %) without needing any flush water. The wash water savings correspond to about 47,000 m<sup>3</sup>/year and a reduction in energy of approximately 80 % compared to corresponding conventional perforated band screens.

A Life Cycle Cost (LCC) analysis between the two types of screens shows savings of 40 % using the Monoscreen®.

The screenings captured by the screens are conveyed to a Meva counter screw wash press system, able to produce very dry screenings (> 45 % DS). This means significantly reduced CO<sub>2</sub> emissions and operational costs, due to the transport of screenings to incineration. For Sjölanda, the sludge amount is expected to be reduced by 26 %, or about 190 tonnes, per year.

In June 2020 the plant were commissioned and Sjölanda became the top-modern, energy-efficient, high-performing screenings facility requested, meeting the highest future high environmental demands.



# About this Report



This is the third sustainability report from Nordic Water. The reporting cycle is annual and follows the calendar year. This sustainability report covers our sustainability performance for the financial and calendar year 2020. This report has not been externally audited.

At Nordic Water's website you can find the report:  
[Sustainability – Nordic Water](#)

For questions about this report and our sustainability work, please contact Nordic Water's, Sustainability Manager, at: [info@nordicwater.com](mailto:info@nordicwater.com)

Parts of Nordic Water's sustainability report are included in the sustainability report from Alder Funds, per legal entities Alder Fund I AB and Alder II AB.





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