



Högfors
GST

Sustainability Report 2025

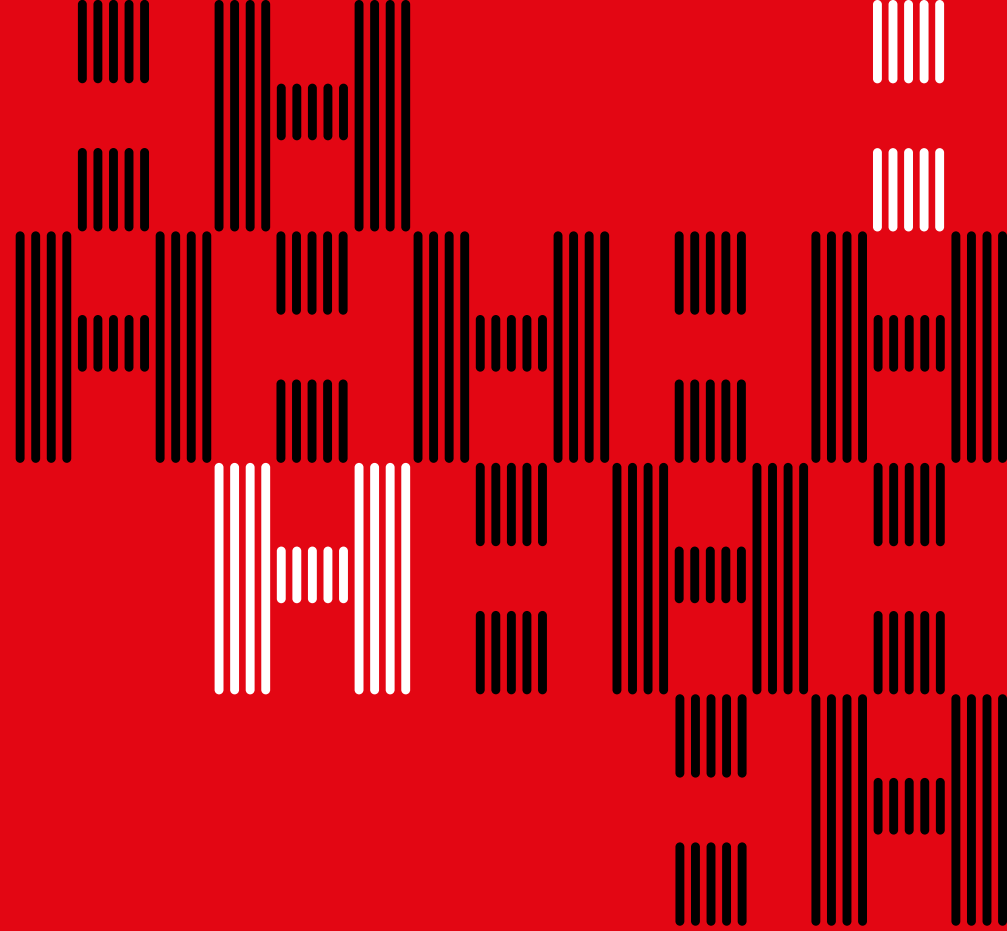
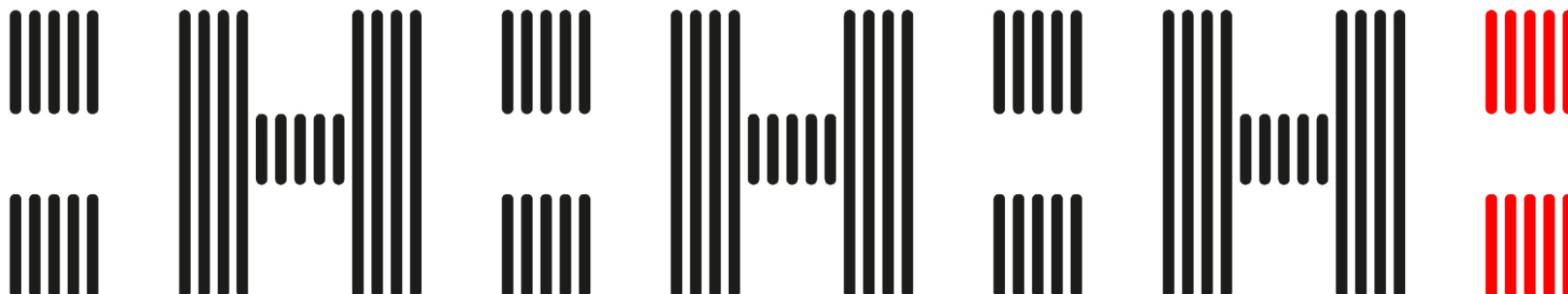




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1. Introduction

1.1 CEO Statement

The energy transition is one of the defining challenges of our time. At HögforsGST, we see our role clearly: to provide solutions that enable more efficient, reliable and sustainable use of energy in buildings and communities.

Our mission, Energy used wisely, guides everything we do. It reflects both the responsibility and the opportunity we have as a provider of district heating and cooling, hybrid energy solutions and smart systems. By improving energy efficiency and enabling smarter control, we support our customers in reducing emissions while ensuring dependable performance.

In 2025, we strengthened our sustainability approach in a more structured and measurable way. We completed our double materiality assessment, identifying climate change, our workforce, customers and business conduct as key focus areas guiding our development. At the same time, we made tangible operational progress by transitioning to renewable electricity, expanding emissions reporting to Scope 1, 2 and 3, and improving energy efficiency. These actions provide a concrete starting point for achieving our target of reducing our carbon footprint by 50% by 2030.

Sustainability is also about how we operate as a company. We are committed to a safe working environment, fair employment practices and responsible business conduct across our entire value chain. Transparency, reliability and long-term partnerships are essential to how we build trust with our stakeholders.

This report marks an important milestone. It is our first report aligned with the VSME standard, and it provides a structured overview of our current practices, data and targets. However, more importantly, it sets the direction for continuous development. We see sustainability as an ongoing process, where we combine engineering expertise with responsible decision-making to build solutions that are sustainable in the long term.



Adel Hattab
CEO, HögforsGST



1. Introduction

1.2 Basis and Scope of the Report (B1)

This Sustainability Report has been prepared in accordance with the **Voluntary Sustainability Reporting Standard for non listed SMEs (VSME)** published by EFRAG on 17 December 2024.

The report covers both:

- the **Basic Module**, and
- selected disclosures from the **Comprehensive Module**.

The report addresses HögforsGST's own operations and its consolidated subsidiaries. All information classified as confidential or sensitive has been excluded from the report in accordance with applicable regulations.

The information presented is intended to be relevant, faithful, understandable, comparable and verifiable, in line with the principles of the VSME standard.

From the second reporting year onwards, reported data will be presented in a manner that enables comparison with previous periods.

Companies that are addressed in the report are

HögforsGST Oy

Address: Koskentie 65, 79100 Leppävirta, Finland

GSTerm AB (HögforsGST Sweden)

Address: Arabygatan 11, 352 46 Växjö, Sweden

HØGFORS GST AS (HögforsGST Norway)

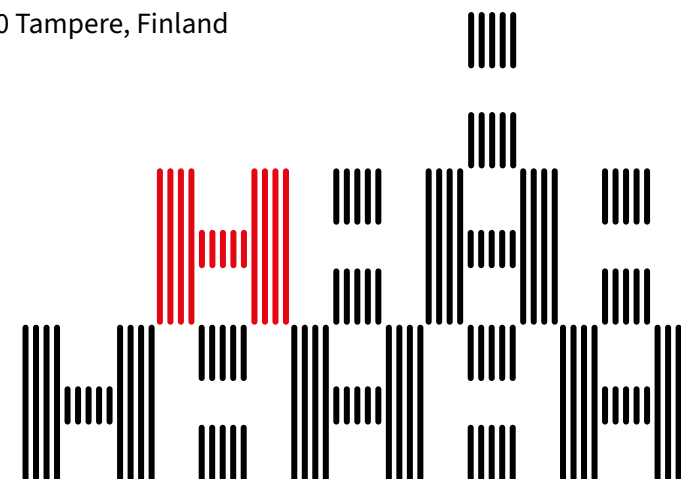
Address: Oppgarden Styri 25, 2080 Eidsvoll, Norway

Oventrop Energy & Network GmbH

Address: Kalteiche Ring 39, 35708 Haiger, Germany

Bithouse Oy

Address: Hautalankatu 20, 33560 Tampere, Finland





1. Introduction

1.3 Company Information (B1)

- **Legal form:** Limited liability company
- **Standard Industrial Classification (TOL 2008):**
28210 Manufacture of ovens, furnaces and furnace burners
- **Balance sheet total:** 40 879 022 €
- **Net sales:** 38 195 967 € (2025)
- **Number of employees:** 223
- **Main operating country:** Finland
- **Other operating countries:** Sweden, Norway, Germany
- **Production and headquarters:** Leppävirta, Finland
- **Sustainability certifications:**
ISO 9001, ISO 14001, Reliable Partner recognition (Vastuu Group)

STRATEGIC SUSTAINABILITY FOCUS

“Our goal is to offer customers genuinely wiser and more flexible ways to use energy, benefiting both the environment and their costs.”

1.4 Strategy and Business Model

HögforsGST designs and manufactures:

- District heating substations
- District cooling substations
- Hybrid heating solutions
- Control and automation systems for heating and cooling

Markets:

- B2B wholesale
- Operating countries: Finland, Sweden, Norway, Germany

Key business relationships:

- HVAC and building industry companies including, but not limited to, HVAC contractors, wholesalers, HVAC designers, construction companies, energy companies, and public entities, such as municipalities.
- Subcontractors, component manufacturers, and HVAC component wholesale companies.
- Sales channels and distribution: direct B2B sales to our customers or through wholesalers

2. Policies, Practices and Initiatives (B2)

Sustainability is a key element of how HögforsGST operates and develops its business. The company has implemented practices, policies and initiatives related to sustainability topics relevant to its operations. Together, these form a structured foundation for promoting responsible business conduct across the value chain.

Sustainability topic	Policies or initiatives	Publicly available
Climate change	Yes	No
Emissions	Yes	No
Water and marine resources	No	No
Biodiversity and ecosystems	No	No
Circular economy	Yes	No
Own workforce	Yes	No
Value chain workers	Yes	No
Communities	Yes	No
Consumers and end-users	Yes	No
Business conduct	Yes	No

3. Environmental Information

3.1 Energy Consumption

Energy consumption is a key aspect of HögforsGST's environmental impact and operational efficiency. By monitoring and optimizing energy use across its operations, we aim to improve performance while supporting the transition towards more sustainable energy solutions.

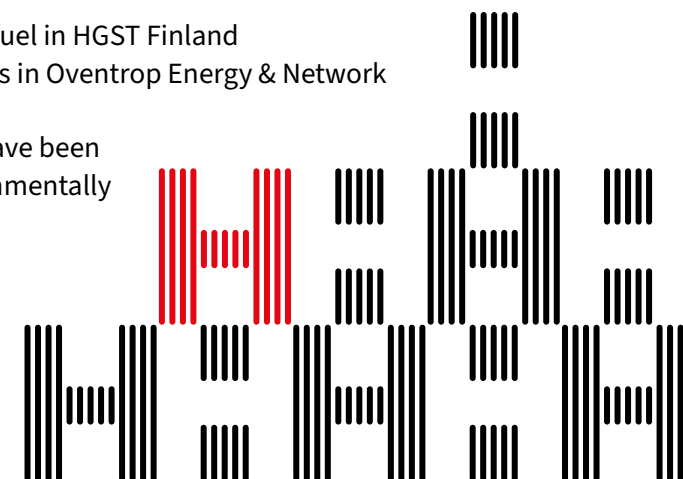
HögforsGST Group's Energy Consumption (MWh)

Energy Source	HögforsGST FIN	HögforsGST SWE & NOR	Oventrop E&N	Bithouse	HGST Group
Electricity	601,5	41,5	63,7	48,1	754,8
District Heating	367,0	0	0	81,0	448,0
Total	968,5	41,5	63,7	129,1	1202,8

Additional energy-related information

- +** Our own solar power plant in Leppävirta produced **117,9 MWh** of energy in total.
 - 22,7 MWh of electricity was sold back to the network
- +** HögforsGST transitioned to emission free electricity starting March 2025
 - Non-renewable electricity consumption was 99,8 MWh
 - Renewable electricity consumption, including both in-house produced solar energy and bought renewable electricity, was 501,6 MWh

- +** Fuel consumption in 2025
 - 710 litres of diesel fuel in HGST Finland
 - 20 m3 of natural gas in Oventrop Energy & Network
- +** Some brass components have been replaced with more environmentally friendly alternatives.



3. Environmental Information

3.2 Greenhouse Gas Emissions (B3)

Greenhouse gas emissions 2025 (tCO₂e)

Scope	Emissions
Scope 1	21,53
Scope 2	127,67
Total	149,2

Scope 3 emissions (reported additionally)

- Scope 3 emissions total: **309,46 tCO₂e**
- Overall emissions (Scopes 1–3): **458,66 tCO₂e**



Scope	HögforsGST FIN	HögforsGST SWE & NOR	Oventrop E&N	Bithouse	Total tCO ₂ e
Scope 1	3,92	-	17,61	-	21,53
Scope 2	79,8	0,75	23,13	23,99	127,67
Scope 3	210,88	42,35	49,61	6,62	309,46
Total	294,6	43,1	90,35	30,61	458,66



3. Environmental Information

3.3 Double Materiality Assessment

Identifying material sustainability topics is a key step in developing responsible operations. The double materiality assessment supports a structured and transparent approach to this process.

HögforsGST's double materiality assessment was conducted in autumn 2024.

The assessment examined:

- HögforsGST's impacts on people, the environment and society
- Sustainability topics' impacts on the company's financial position and operations

Identified material topics:

- E1 Climate change
- S1 Own workforce
- S4 Consumers and end users
- G1 Business conduct



3. Environmental Information

3.4 Pollution of Air, Water and Soil (B4)

The company does not have a legal obligation to separately report emissions to air, water or soil, nor does it report them voluntarily under EMAS. As a result, no quantitative pollution data is disclosed in this report.

3.5 Biodiversity (B5)

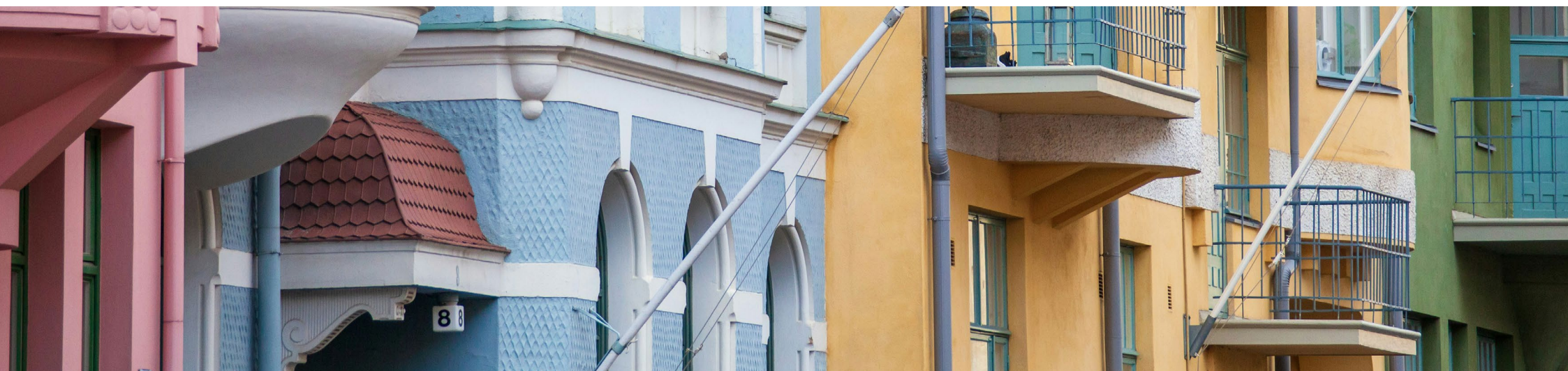
HögforsGST does not operate on or near areas considered sensitive from a biodiversity perspective, such as Natura 2000 sites, UNESCO World Heritage sites or key biodiversity areas.

3.6 Land Use (B5 – voluntary)

Land use is not considered a material sustainability topic for HögforsGST. No land use specific quantitative data is reported.

3.7 Water (B6)

HögforsGST Group's total water consumption in 2025 was 584 m3. HögforsGST does not operate in areas of high water-stress.





3. Environmental Information

3.8 Circular Economy and Waste (B7)

Types of waste	Amount of waste (tonnes)	Amount of waste diverted to recycling or reuse (tonnes)
Non-hazardous	-	-
Steel	30,6	30,6
Stainless steel	2,7	2,7
Hazardous	-	-
Waste oil	-	-

Waste Group	Waste generated (tonnes)	Waste diverted from disposal (tonnes)	Waste directed to disposal (tonnes)
Organic waste	3	3	0
Energy waste	5	0	5
Paper	1	1	0
Transparent plastic film	1	1	0
Cardboard	20	20	0
Wood	21	0	21
Mixed waste	13	0	13
Total (excl. metal waste)	64	25	39



4. Social Information

4.1 Workforce – Basic Information (B8)



Total employees by country and contract type:

Permanent employees:

- HögforsGST Finland: 134
- Bithouse: 17
- HögforsGST Sweden: 22
- HögforsGST Norway: 1
- Oventrop Energy & Network: 45

Fixed term employees: 1 (Oventrop Energy & Network)

Gender distribution:

Male: 113 (Finland), 14 (Bithouse), 19 (Sweden), 1 (Norway), 34 (Germany). 181 in total.

Female: 21 (Finland), 3 (Bithouse), 3 (Sweden), 0 (Norway), 12 (Germany). 39 in total.

Employee turnover:

Finland: 8.8% (13 exits out of 147 employees)



4. Social Information

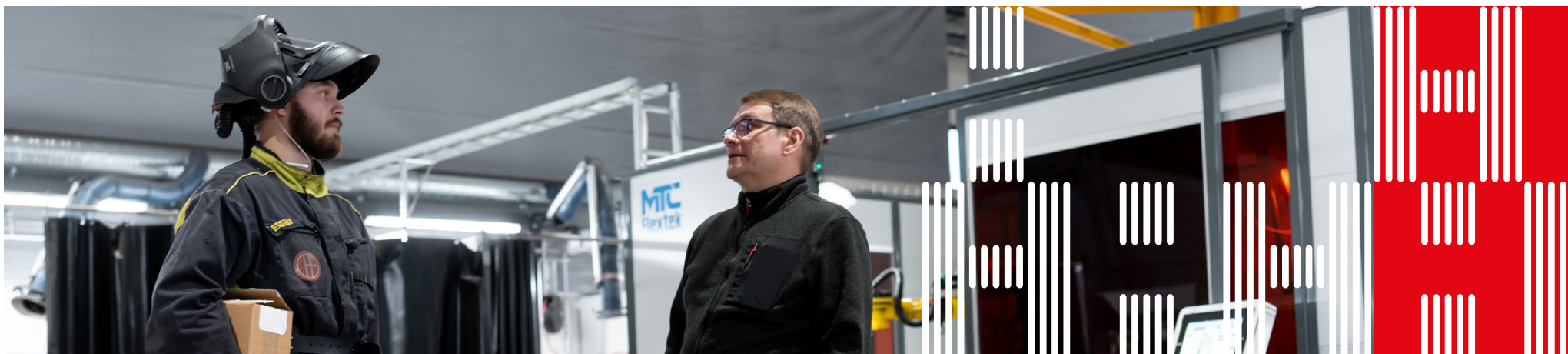
4.2 Occupational Health and Safety (Bg)

Ensuring a safe and healthy working environment is a top priority at HögforsGST. Continuous development of occupational health and safety practices supports employee well-being and helps prevent accidents across all operations.

Reported occupational accidents:

- Finland: 15
- Sweden, Norway, Germany: 0

Fatalities caused by occupational accidents or diseases: 0





4. Social Information

4.3 Pay, Collective Bargaining and Training (B10)

Fair and transparent employment practices are an essential part of responsible business conduct at HögforsGST.

Employees receive at least legally required or collectively agreed minimum wages: Yes

Collective bargaining coverage:

- HögforsGST Finland & Bithouse: 97%
- HögforsGST Sweden: 100%
- HögforsGST Norway: 100%
- Oventrop Energy & Network: 0%

5. Governance Information

5.1 Corruption and Bribery (B11)

Ethical business practices and integrity are fundamental to HögforsGST's operations. The company is committed to preventing corruption and bribery through clear principles and responsible conduct across all activities. This approach supports transparency and trust in all stakeholder relationships.

Number of convictions related to corruption or bribery: 0

Monetary value of fines related to corruption or bribery: EUR 0





6. Comprehensive Module

6.1 Sustainability Practices and Initiatives (C2)



HögforsGST has sustainability related practices mainly related to climate change, emissions, circular economy, workforce topics, consumers and business conduct.

HögforsGST calculates its carbon footprint across Scopes 1, 2 and 3 in accordance with the Greenhouse Protocol standards using 2023 as the baseline year for emissions reductions. The company's long-term objective is to reduce its carbon footprint by 50% by 2030 through increased use of renewable energy and improved material efficiency in products.

- To address **Scope 1** emissions, all company-owned vehicles will be transitioned to fully electric by the end of Q2 2026. Emissions target: 0 tCO₂e.
- Renovation of the production facility's energy systems. Energy savings target: -30% by the end of 2026.
- For **Scope 3**, HögforsGST is committed to reducing emissions from its ten largest suppliers and downstream logistics by 50% by 2030.



6. Comprehensive Module

6.2 Climate Targets and Transition (C3)

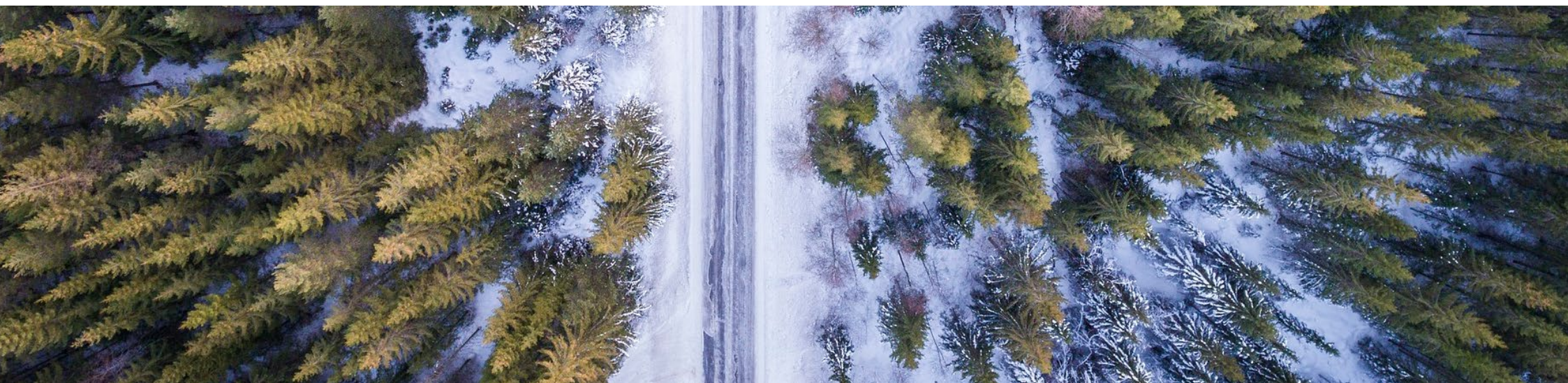
Our long-term target for reducing the carbon footprint is set at -50% by 2030 by increasing the use of renewable energy sources and optimising the use of materials in products. Further information is discussed in part 6.1.

6.3 Climate Risks (C4)

The company has identified climate change as a material sustainability topic. The amount of primary energy use and non-renewable energy sources were identified as main risks in double-materiality assessment. HögforsGST has mitigated the risks by transitioning to fully renewable electricity in 2025.

6.4 Additional Workforce Information (C5)

- Management below board level: 100% male
- Temporary agency workers: 0 (31 December 2025)





6.5 Human Rights Policies and Processes (C6)

Respect for human rights is a fundamental principle guiding HögforsGST's operations. The company is committed to upholding internationally recognized standards and promoting responsible practices across its own activities and value chain. These principles are supported by clear policies and internal processes.

HögforsGST has a Code of Conduct and human rights policies covering:

- Child labour
- Forced labour
- Human trafficking
- Non discrimination
- Occupational safety

The policies refer to ILO labour standards. A whistleblowing channel is in place for employee complain.

6.6 Severe Human Rights Incidents (C7)

No severe human rights incidents related to child labour, forced labour, human trafficking or discrimination were confirmed, and no adverse impacts were identified in the value chain, communities, consumers or end users.



6. Comprehensive Module

6.7 Revenues from Excluded Sectors (C8)

Responsible business practices at HögforsGST include clear boundaries on business activities and a commitment to transparency in governance structures. The company does not operate in excluded sectors, and continuously monitors key indicators related to its operations and management. This approach supports responsible decision-making and long-term sustainability.

HögforsGST **does not operate** in excluded sectors such as:

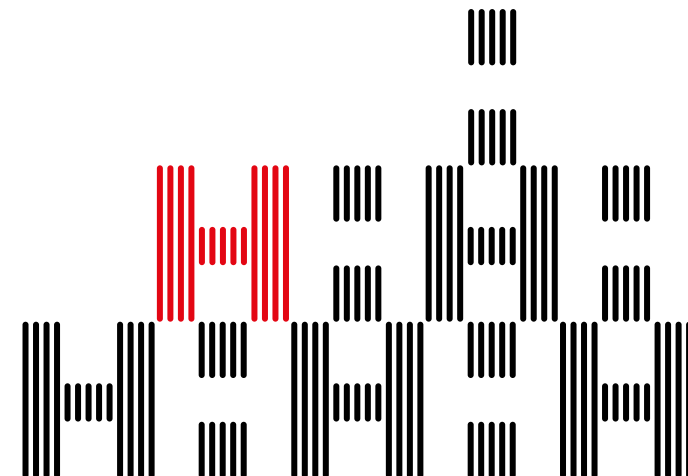
- Controversial weapons
- Tobacco
- Fossil fuels
- Agrochemical production

The company is not excluded from Paris aligned benchmarks under EU regulation 2020/1818.

6.8 Gender Distribution in Governing Bodies (C9)

Management team: 100% male

- Board of Directors: 84% male, 16% female





Högfors GST

Energy used wisely.