



# SUSTAINABILITY REPORT 2024

Nordic Shelter Group





TABLE OF CONTENT

Introduction ..... 3

Our Sustainability Vision ..... 3

2024 Sustainability Focus Areas ..... 4

- The context of the organization ..... 4
- Analysing for focus ..... 4
- Environmental Aspect Management ..... 5
- Nordic Shelter's Most Important Environmental Aspects ..... 5
  - Product Life-Cycle Sustainability ..... 5
  - Another opportunity: End-of-Life and Final Disposition ..... 5

2024 Achievements and Results ..... 6

- Carbon Footprint Reduction ..... 6
- Sustainable Materials and Resource Efficiency ..... 6
- Supply Chain Sustainability ..... 6
- Employee Health and Safety ..... 6
- Governance and Ethical Standards ..... 7

Future Goals and Commitments ..... 7





## INTRODUCTION

Nordic Shelter is committed to sustainable business practices, aligning our operations with environmental, social, and governance (ESG) principles and focusing on the most relevant United Nations Sustainable Development Goals (UNSDG). Our reporting is in line with customers' growing requirements and will be affected by the EU's Corporate Sustainability Reporting Directive (CSRD). Although full CSRD compliance is not yet mandatory for our company, we have initiated structured sustainability reporting based on the an European Sustainability Reporting Standards (ESRS) framework light to ensure readiness and credibility.

We also want to support our customers of which many are indeed are affected CSRD already and focused on the extended value chain naturally including Nordic Shelter.

This report outlines our progress in 2024, highlighting key initiatives, achievements, and future targets. Being the first sustainability report created for publication, this report defines the benchmark year for the chosen measurements and for future improvement.

## OUR SUSTAINABILITY VISION

At Nordic Shelter, we acknowledge that sustainable development is integral to our long-term success. Our vision is to deliver high-quality solutions while also minimizing negative environmental impact, fostering social responsibility, and supporting strong and transparent governance.

As this is our first formal sustainability report, 2024 serves as our baseline year. We have established key environmental and social measurement points, and future reports will track progress against these. By 2025, we aim to have targets and reporting routines in place for all ESG dimensions.





# 2024 SUSTAINABILITY FOCUS AREAS





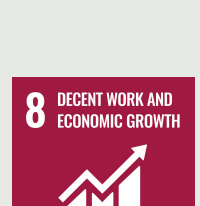




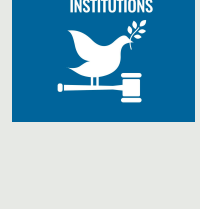

## The context of the organization

Nordic Shelter designs and delivers specialised containers and shelters for industrial and military applications. Operating in a demanding, standards driven market, we are certified to ISO 9001 and ISO 14001 and routinely work with AQAP 2110 and other project specific requirements.

## Analysing for focus

Our focus areas are based on structured analysis following ISO 14001 and emerging ISO 53001 guidance, with CSRD’s double materiality as an incorporated principle. This ensures we prioritize what matters most, both to the environment and to Nordic Shelter’s long-term value creation.

Everything brought forward to the Double Materiality analysis, yields the following focus areas, covering both environmental factors, societal factors and the supporting of good governance.

PRODUCT LIFE-CYCLE & INNOVATION	ESRS E1 – CLIMATE CHANGE; ESRS E5 – CIRCULAR ECONOMY; ESRS E2 – POLLUTION (OPTIONAL)	SDG 7 – AFFORDABLE AND CLEAN ENERGY; SDG 13 – CLIMATE ACTION	 
SUSTAINABLE MATERIALS & CIRCULARITY	ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY	SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION; SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE	 
CARBON FOOTPRINT REDUCTION	ESRS E1 – CLIMATE CHANGE	SDG 8 – DECENT WORK AND ECONOMIC GROWTH; SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION	 
EMPLOYEE HEALTH AND SAFETY	ESRS S1 – OWN WORKFORCE	SDG 3 – GOOD HEALTH AND WELL-BEING; SDG 8 – DECENT WORK AND ECONOMIC GROWTH	 
SUPPLY CHAIN SUSTAINABILITY	ESRS S2 – WORKERS IN THE VALUE CHAIN; ESRS G1 – BUSINESS CONDUCT	SDG 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS	
GOVERNANCE AND ETHICAL STANDARDS	ESRS G1 – BUSINESS CONDUCT; ESRS 2 – GENERAL DISCLOSURES	SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE; SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION	 

The target areas are furthermore mapped against business-, production- and supporting processes.





## Environmental Aspect Management

Our highest relative impacts are within the field of environmental sustainability, which we manage in compliance with ISO 14001. Key environmental aspects established in 2023 and since reviewed regularly include:

- GHG Scope 1 – Direct Emissions  
Total energy use and source origin in production processes
- GHG Scope 2 – Indirect Emissions from Energy  
Electricity consumption in production and office buildings  
District heating or cooling, other sources
- GHG Scope 3 – Other Indirect Emissions  
Inbound and outbound logistics (transport of materials and products)
- Other aspects than GHG  
Water usage in production  
Use and waste of chemicals in production  
Waste and recycling of other input materials and consumables.



## Nordic Shelter's Most Important Environmental Aspects

### Product Life Cycle Sustainability

The life cycle perspective offers our greatest sustainability potential. Not only does this perspective emerge from our analysis, but these opportunities appear increasingly relevant in light of the emerging regulatory frameworks we monitor, among them “ESRS 5 – Resource Use and Circular Economy” and “UNSDG 9 – Industry, Innovation and Infrastructure”.

It may become increasingly important to customers in all our markets going forward and our common opportunities are many:

- Design for Disassembly (Making interiors, panels, or systems easy to dismantle for reuse or recycling)
- Material Choice (Prioritising recycled steel, low-VOC adhesives, and sustainable insulation)
- Modularity (Creating standardised modules that can be reused in different configurations or future missions enabling easy replacement, reuse and upgradeability)
- Digital lifecycle (to be able to support with strong configuration management, traceability across the value chain on components, modules and materials)

Contractually, we can potentially offer return and recovery programs, refurbishment and upgrading systems, repurposing services, leasing, pooling and more. With a rise in the customers’ demand for smarter life cycle tracking, we as producers are well placed to make downstream services efficient and be part of the solution with predictive maintenance systems and digital service logs.

### Another opportunity: End-of-Life and Final Disposition

As we evolve, we aim to improve our product designs to further facilitate safe disassembly and reduce environmental impact at the disposal phase. By taking full responsibility for the last phase of a product’s life, Nordic Shelter can support circularity, further reduce waste, and contribute to the sustainable use of raw materials in the defense and security sectors.





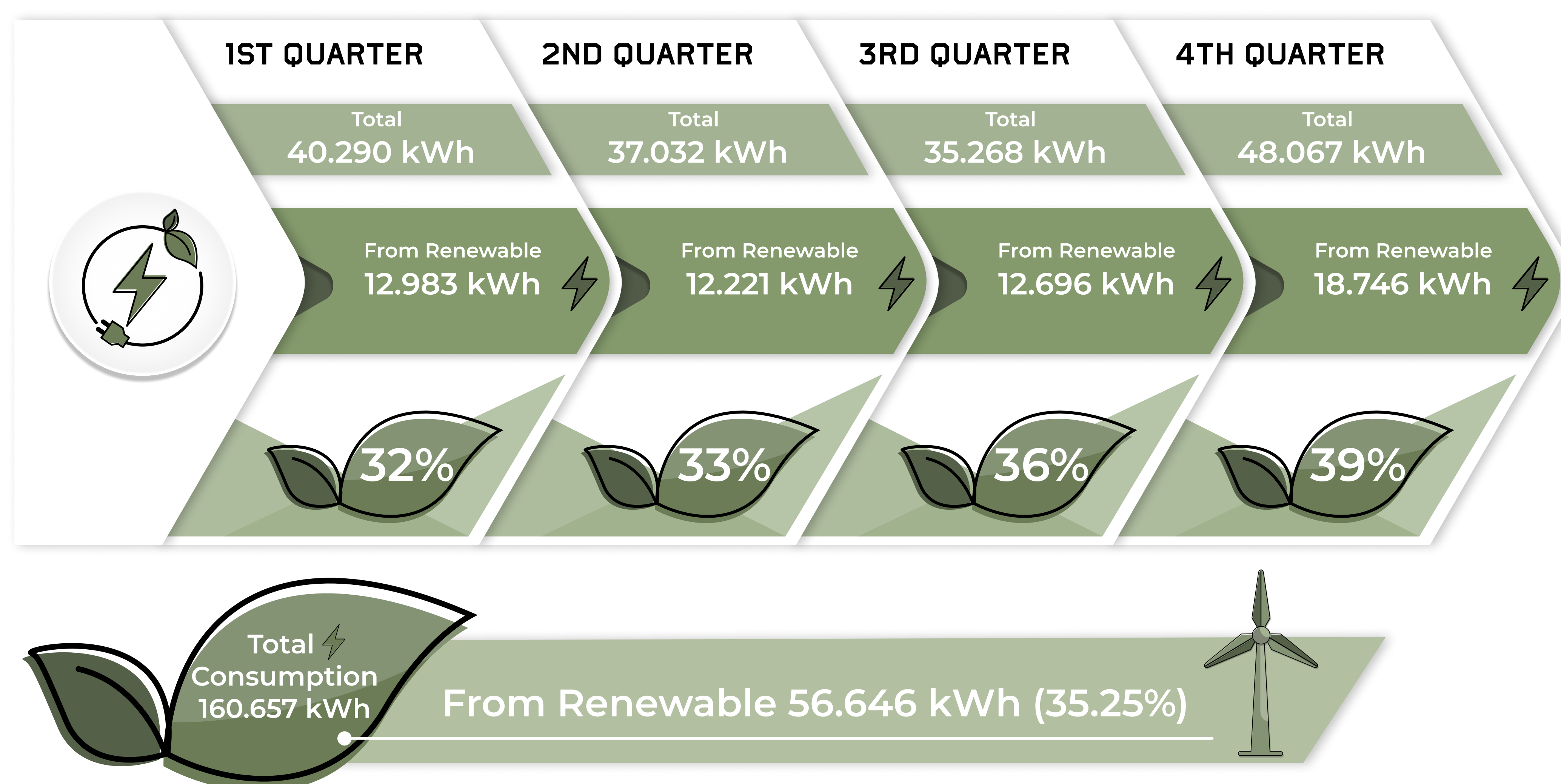
## 2024 ACHIEVEMENTS AND RESULTS

### Carbon Footprint Reduction:

- Production area was doubled in 2024, and energy consumption far from doubled. 2024 is established as benchmark year.
  - The electricity consumption per square metre and per delivery declined sharply during 2024, as should be expected.
  - The natural gas consumption per square metre and per delivery is similarly declining, as should be expected.
- Inbound and outbound transport will be measured and improved during 2025, by considering electrical trucks and always considering optimized logistics. The measurement benchmark equals the ultimo 2024 situation.

While we cannot directly control the source of grid electricity, Estonia is rapidly transitioning to renewables. In 2023, 31.9% of electricity came from renewable sources, and the national plan targets 100% renewable electricity by 2030. The historical dependence on oil shale has been steadily replaced by wind, solar, and bioenergy, with renewable share now exceeding 50% at peak times. This national trend strengthens the long-term environmental profile of our Scope 2 energy use.

### Electricity Use and Renewable Share at Nordic Shelter – 2024



### Sustainable Materials and Resource Efficiency:

- Increased the share of recycled materials in production
- The degree of waste separation improved, and benchmark year established.

### Supply Chain Sustainability:

- Engineering and business development initiatives for life cycle management initiated. 2025 will see implementation of an enabling ERP-system.
- All suppliers assessed for meeting our environmental standards as per Supplier Qualification Process. Concessions given on certain non-core supplies.
- Suppliers were integrated in the Audit Program during 2024, starting 2025, driven by customer and value chain requirements.

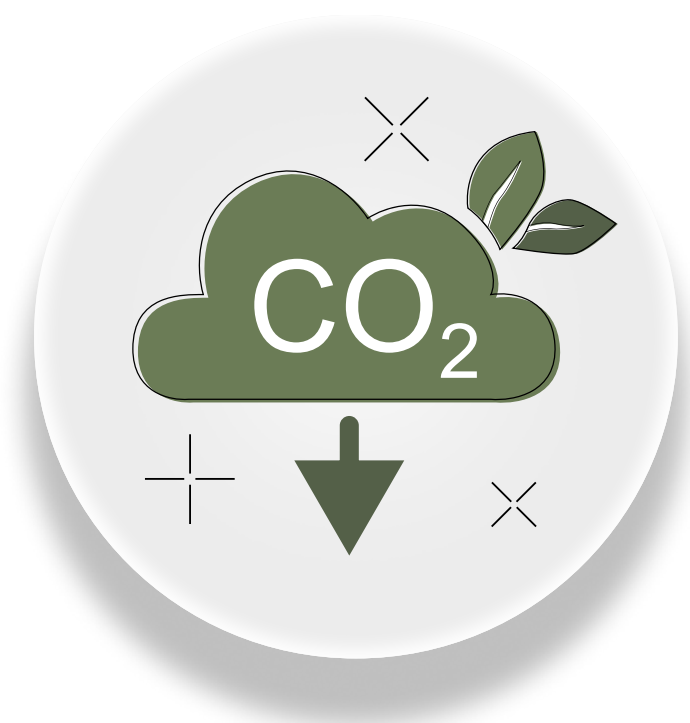
### Employee Health and Safety:

- Safety training conducted as per plan. 100% of production workers and adjacent functions.
- A work environment committee was set up in 2024, reporting commencing in 2025.

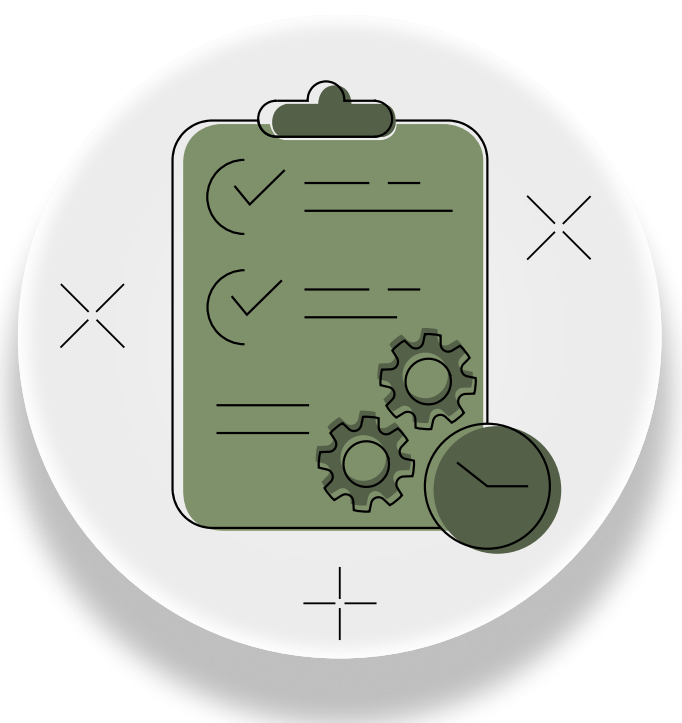


### Governance and Ethical Standards:

- Whistleblower protection and other actions to strengthen ethical governance started development.
- Improved transparency by readying Sustainability Reports for our stakeholders.
- Continued ISO 14001 certification.



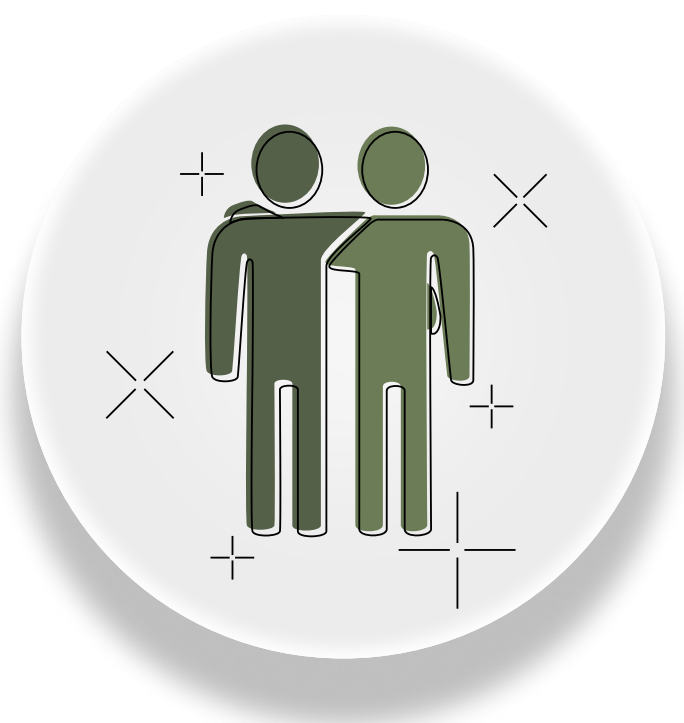
Carbon Footprint Reduction



Sustainable Materials and Resource Efficiency



Supply Chain Sustainability



Employee health and safety



Governance and Ethical Standards

### FUTURE GOALS AND COMMITMENTS

- We commit to the overarching goal of achieving carbon neutrality by 2030 by reducing our own emissions as far as is reasonable, while refraining from offsetting as a standard practice.
- We will prioritise responsible steel sourcing by considering both production methods and the percentage of recycled content, balancing these factors with cost, and working with suppliers to drive continuous improvement.
- We will expand our supplier audit programme to incorporate all aspects of sustainability and ESG performance.
- We will enhance our sustainability reporting through greater data transparency and alignment with relevant frameworks.
- We will develop our business in line with life-cycle thinking and invest in research on end-of-life solutions.

Nordic Shelter remains dedicated to advancing sustainability in all aspects of our business. Our commitment to environmental responsibility, social impact, and strong governance ensures that we contribute positively to a more sustainable future. We look forward to continuing our journey and reporting further progress in the years to come.



Carbon Neutrality by 2030



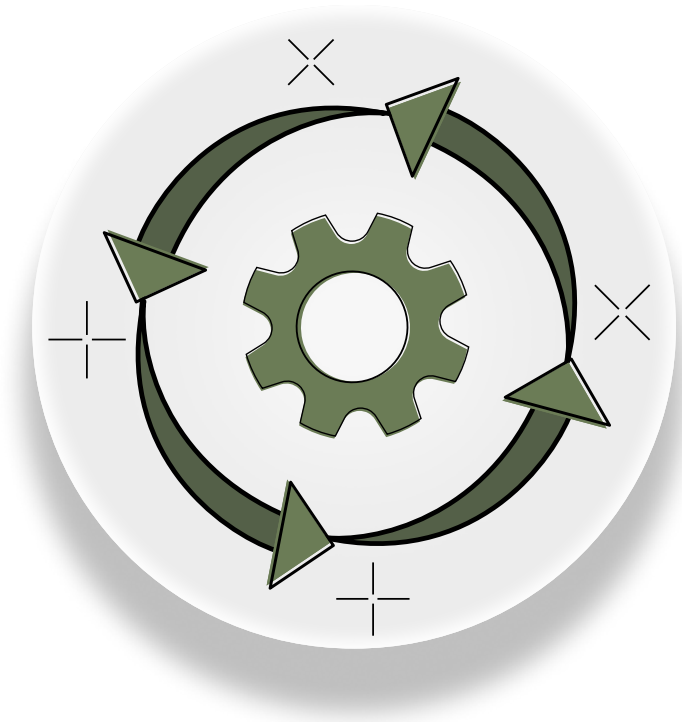
Responsible Steel Procurement



Supplier Audits Expanded



Improved Sustainability Reporting



Lifecycle-Based Business Development





# NORDIC SHELTER



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