



# SUSTAINABILITY

To Dometic, sustainability means balancing the Group’s environmental, economic and social impact throughout the value chain. Dometic is committed to increasing value creation by conducting business responsibly, while taking the perspectives of our various stakeholders into account.

## OUR PROMISE

Dometic will use its market position and influence to drive sustainability improvements in the industry, share knowledge and cooperate with others to reduce the environmental impact of mobile living.

### Dometic’s ambitions

- **Deliver safe, reliable and energy efficient products for mobile living.** New models of Dometic products will offer higher energy efficiency, reparability and recycling
- **Improve environmental impact** through responsible use of raw materials, energy and water as well as lower emissions, improved waste management and phasing out harmful materials
- **Responsible sourcing and business** practices that secure human rights, along with acceptable labor practices and business ethics throughout the value chain
- **Safe, diverse and dynamic workplaces** where we work together to achieve our goals and to create value for our stakeholders and for society

For a description of Dometic’s business model, please see page 11.  
 For a description of risks relating to sustainability, please see page 36.  
 For a description of Dometic Group, please see note 26 on page 99.

## DOMETIC’S ROLE IN SOCIETY – MOBILE LIVING MADE EASY

As a market leader in mobile living solutions, Dometic strives to take an active role in key sustainability issues in the industry. Millions of people around the world buy and use Dometic products: RV users, boat owners, truck drivers, campers, people who enjoy the outdoors. All are part of a growing movement of people who long for an active and mobile lifestyle, freedom and adventure – people who love to travel and explore the world for extended periods.

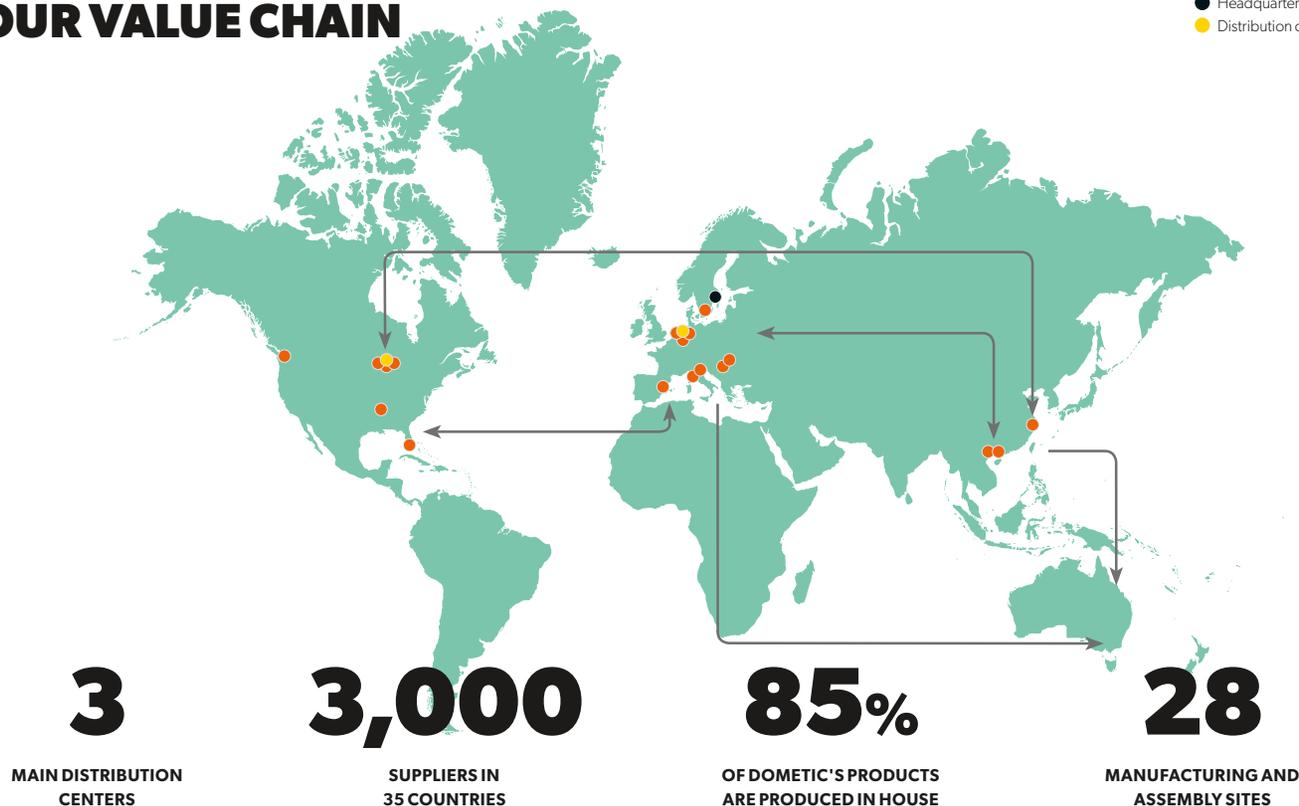
The aim is to meet the growing demand for the mobile living lifestyle, while increasing resource efficiency and reducing our environmental and social footprint.

Examples of benefits from Dometic’s solutions are:

- Reduced food waste through refrigeration products.
- Reduced water usage and waste through smart sanitary solutions in RVs and boats.
- Improved working environment in commercial vehicles through smart climate control solutions.
- Improved life cycle energy efficiency through innovative new product lines.

# RESPONSIBILITY THROUGHOUT OUR VALUE CHAIN

- Dometic manufacturing/assembly location
- Headquarters
- Distribution center



Dometic’s operational activities have been organized to achieve higher efficiency, with a level of vertical integration that is designed to improve costs and speed.

### FOOTPRINT AND SUPPLY CHAIN

As Dometic has a large impact on people, the environment and society, it is vital to take active responsibility for our footprint throughout the value chain.

### Purchasing

The Group has a Global Purchasing Board with regional execution and sourcing from 3,000 suppliers in 35 countries. All suppliers are expected to comply with the Dometic Code of Conduct. The purchasing organization reports directly to the CFO.

### Manufacturing and assembly

Dometic’s current footprint balances customer proximity requirements with global cost benefits. The products are manufactured and assembled at 28 Dometic sites across China, North America and Europe. There is a high level of

vertical integration in certain products, such as refrigerators for vehicle OEMs. For several other products, however, Dometic relies on suppliers for better economies of scale and specialty skills in component manufacturing and assembly. The manufacturing operations use resources including raw materials, components, chemicals, water and energy, and generate emissions as well as waste.

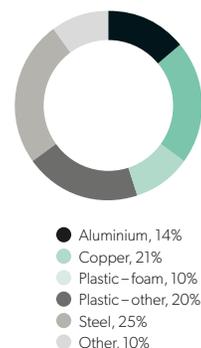
### Logistics

Dometic has three main distribution centers for finished products – Emsdetten in Germany and Goshen and Litchfield in the US. Several local warehouses in key countries in each of the three regions enable fast local delivery. While the Group strives to optimize logistics through a local presence, transportation of goods across the world accounts for a significant amount of Dometic’s greenhouse gas emissions.

### Sourcing by region\*



### Raw material spend\*



\* Excluding SeaStar Solutions

# SUSTAINABILITY FOCUS AREAS

In 2017, Dometic performed a strategic sustainability review based on macro trends, input from key stakeholders and our business strategy. The review highlighted four focus areas that we will address to further enhance value creation, reduce environmental impact and mitigate sustainability risks. Dometic has identified areas for improvement and activities for each focus area, which will be followed up regularly. For relevant sustainability aspects and risk management, please see page 36.

## STAKEHOLDERS AND STAKEHOLDER DIALOGUE

Dometic gathers valuable input regarding focus and development areas, primarily from stakeholder dialogues, customer and employee surveys, meetings with customers, suppliers and other business partners, as well

as individual meetings with investors. In order to prioritize continued efforts, stakeholder dialogues on key issues have been structured and intensified in 2017.

## Dometic sustainability focus areas – overview

FOCUS AREA	KEY ACTIVITIES 2017	KEY ACTIVITIES 2018–2020
<b>1 PRODUCTS</b> <ul style="list-style-type: none"> <li>• Safe and reliable</li> <li>• Energy efficient</li> <li>• Life span and reparability</li> </ul>	<ul style="list-style-type: none"> <li>• Improved product efficiency via smart phone app, built in energy efficiency intelligence, weight reduction and increased reparability and recyclability</li> <li>• Energy source flexibility for products (gas, solar)</li> <li>• Customer information</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation and product design for next-generation products</li> <li>• Sustainability checkpoints integrated in project management methodology</li> <li>• Energy source flexibility for products (gas, solar)</li> <li>• Customer information</li> </ul>
<b>2 ENVIRONMENT</b> <ul style="list-style-type: none"> <li>• Responsible use of materials and energy</li> <li>• Reduce emissions and waste</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced energy consumption and emissions in production</li> <li>• Increased recycling and reduction of waste</li> <li>• Business impact analysis workshops in all three regions</li> <li>• Implemented energy management systems in EMEA (ISO50001 or equivalent)</li> <li>• Water recycling system in the Zhuhai plant</li> </ul>	<ul style="list-style-type: none"> <li>• Further reduction of energy and emissions in production</li> <li>• Increased recycling and reduction of waste</li> <li>• Standardize business contingency planning</li> <li>• Phase out CMR chemicals</li> <li>• Evaluate opportunities to measure emissions in transportation/logistics throughout the value chain</li> </ul>
<b>3 ETHICS</b> <ul style="list-style-type: none"> <li>• Responsible sourcing and supply chain</li> <li>• Business practices</li> </ul>	<ul style="list-style-type: none"> <li>• Global Compact participation</li> <li>• Code of Conduct awareness program</li> <li>• Global implementation of new whistleblowing system available in all languages</li> <li>• Established Risk Management Committee</li> <li>• Preparations for GDPR</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened sourcing organization, process and Code of Conduct follow up</li> <li>• Further strengthen awareness among employees and suppliers regarding Code of Conduct and anti-corruption</li> </ul>
<b>4 PEOPLE</b> <ul style="list-style-type: none"> <li>• Health &amp; Safety</li> <li>• Equal opportunity and non-discrimination</li> <li>• Skills development</li> </ul>	<ul style="list-style-type: none"> <li>• Introduced Global Health &amp; Safety Guideline with audit readiness in 2018</li> <li>• Expanded eLearning opportunities</li> <li>• LEAN implementation in EMEA</li> </ul>	<ul style="list-style-type: none"> <li>• Activities to reduce workplace incident rate</li> <li>• Continued focus on diversity and equal opportunity</li> <li>• Continued performance management and skills development</li> </ul>

## 1

## PRODUCTS

Products are the backbone of Dometic. The Group delivers smart and reliable products that are safe to use and developed for resource efficiency during their entire life cycle. Environmental considerations are integral aspects of the design, energy efficiency, reparability and recyclability of each product. In addition, sustainability checkpoints are used when developing new products.

Several of the product categories, such as air conditioning, heating and refrigeration, consume a significant

amounts of energy. Increased energy efficiency during the product life cycle is a key strategy in reducing environmental footprint.

Dometic aims to take a proactive role in selected regulatory and industry bodies, working to prepare future legislation and standards. Internally, Dometic has programs to further strengthen global control and to manage both current and future legislation. Currently, the products are subject to more than 100 specific regulations worldwide.

## 2

## ENVIRONMENT

Reduced environmental impact is a key priority in order to achieve a long-term, sustainable business model. Important areas include reduced energy consumption in production, lower emissions of CO<sub>2</sub> gases from production and transportation, responsible use of raw materials, water and waste in production, as well as increased energy efficiency throughout the life cycle of each product. Dometic's production units have individual targets to improve their environmental performance based on their production profile, local environment and improvement potential.

### Material use

The main materials used in Dometic products are plastics, steel, aluminium and copper. To minimize the use of resources, the ambition is to increase the use of recycled materials, along with enhanced reparability and recyclability in future product generations. Currently, the use of recycled materials in Dometic products is limited to recycled plastics on a very low scale. In addition, a certain percentage of recycled material is included in components made of cardboard and steel. Since 2016, Dometic has also

implemented a ten-year spare parts guarantee with the aim of prolonging product life.

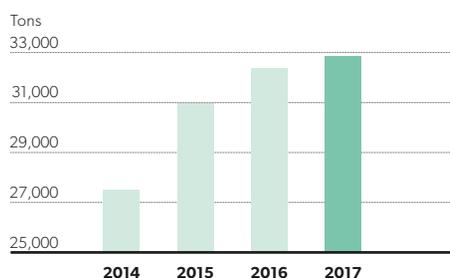
### Energy consumption

Energy efficiency is one of the cornerstones and key challenges for Dometic. For years the Group has worked proactively with energy-saving programs aimed at reducing energy consumption at all facilities. Total energy use in 2017 was 76.1 GWh (74.9). Energy consumption in proportion to net sales improved to 5.4 percent (6.0), mainly driven by:

- Improved compressor technologies (i.e. compressed air)
- Installation of LED lighting systems
- Heat recovery
- Improved heating systems
- Implementation of energy management systems

Dometic expects to increase the percentage of energy from renewable sources over the next few years, in line with its aim to reduce CO<sub>2</sub> emissions.

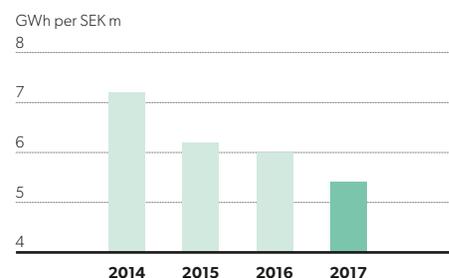
Group total CO<sub>2</sub> emissions



Group total CO<sub>2</sub> emissions in proportion to net sales



Group total energy consumption in proportion to net sales



## 2

### ENVIRONMENT CONT.

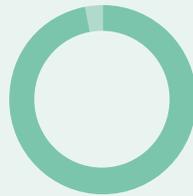
#### Chemicals

Dometic complies with applicable chemical legislation, including REACH and RoHs, with the aim of phasing out CMR chemicals. Key issues also include responsible end-of-life handling of cooling agents. Dometic has developed an end-of-life technology for emptying cooling units in absorption refrigerators. This technology is also used in Dometic’s production units worldwide.

#### Waste

In 2017, total waste amounted to 7,019 (8,316) tons, of which 196 (350) were hazardous waste. In all, 62 (57) per cent of waste was recycled, including packaging, plastics and metals. In most countries, Dometic has access to developed systems for recycling and energy recovery, and endeavors to achieve recycling solutions in all markets.

#### Waste in tons 2017



● Non-hazardous waste, 6,823 tons (7,966)  
● Hazardous waste, 196 tons (350)

#### Total water consumption

# 221,410m<sup>3</sup>

## 3

### ETHICS

Dometic’s Code of Conduct and related policies set the framework for how the Group acts and follows up on business practices. The Code of Conduct applies to all employees, customers, business partners and suppliers.

In 2017, a Code of Conduct awareness program for employees was launched globally, specifically tailored to Dometic’s values and ethics, with hands-on examples from the workplace. By the end of 2017, the majority of the staff had received information concerning the Code of Conduct.

The Group’s relationships with business partners and suppliers are based on high standards and ethical business practices, and contribute to global efforts to prevent corruption, fraudulent actions, facilitation payments and money laundering.

As stated in the Code of Conduct, Dometic’s policy strictly prohibits engaging in or facilitating any kind of corruption, including fraudulent actions, bribery, facilitation payments or money laundering.

#### Suppliers

Dometic has more than 3,000 suppliers in 35 countries. To ensure that they meet the standards for responsible and ethical business practices, the suppliers are required to comply with the principles of our Code of Conduct. The Group’s procurement organisation monitors compliance with the Code of Conduct using self-assessments and supplier audits.

#### Anti-corruption

The Dometic Group shall not participate in or facilitate any kind of corruption, including fraudulent actions, bribery, facilitation payments or money laundering.

#### Whistleblowing

In 2017, Dometic implemented a new whistleblower system called the Dometic SpeakUp Line, available in all Dometic Group languages. It offers Dometic’s employees an anonymous channel to report any business activities or behaviors that are potentially in breach of the Code of Conduct. Dometic’s SpeakUp Line is managed by a third party vendor to ensure full privacy.

## 4

## PEOPLE

Dometic is committed to ensuring that the workplaces are attractive. Key areas include creating diverse work environments and ensuring that the Group complies with our equal opportunity policy when hiring and when providing development opportunities to our employees to enable them to reach their full potential. By having a work environment built on Dometic's shared values and Code of Conduct, we create a great place to work for both current and future employees.

**The Dometic Way**

The Dometic Way is the foundation of the corporate culture. It sets the standards for everything Dometic does and how the Group interacts with each other and external parties. Four core values provide direction for the leaders and employees: Passion for Products, Ownership, Responsibility and Teamwork. In practice, this is defined as the Dometic Way.

**Gender distribution**

In 2017, Dometic employed a total of 8,800 people, 35 percent of whom were women. The Group management team comprised 9 people, of which 3 were women (33.3 percent). Dometic continually works with gender distribution at all levels in the Group by enhancing our hiring processes and skills development opportunities. Out of a total of 546 Group managers, 22 percent are women.

**Health and Safety**

Another key area for Dometic is health and safety, from both a regulatory and a business perspective. The company works proactively to reduce the number of work-related incidents and increase control of the work environment, with the aim of boosting product quality and output.

To further emphasize the importance of health and safety, the theme was introduced as part of the Dometic Way in 2017. Consequently, all business reviews as well as daily start-up meetings on the shop floors start with a health and safety review. Dometic's Health & Safety Guidelines

were introduced during the year at all legal entities to ensure a common standard across the Group, as well as adherence to local regulations. The guidelines were implemented in preparation for the 2018 health and safety audits.

As part of the Health & Safety Guidelines, Dometic conducts a Job Safety Analysis (JSA) to identify hazards related to specific tasks in a proactive effort to reduce the risk of injury to workers and to prevent accidents. Workers receive training to carry out their jobs safely and ensure adequate technical safety, including the use of personal protective equipment. Health and safety processes are key components of our factory management systems. In 2017, 74 minor health and safety-related incidents were reported.

Dometic has introduced the Dometic Loss Prevention Guideline (DLPG) to reduce risk and maintain high standards for safety, quality and delivery. The DLPG is designed to guide the Group's production sites regarding appropriate safety and security levels. Based on DLPG, a risk-scoring model is used to ensure compliance with good industrial practices. In addition to local work, Dometic regularly conducts assessments together with a third party at all production sites to analyze potential risks. In 2017, Dometic assessed 15 operations sites across all three regions.

**Skills development**

Knowledge is a key success factor for employees as well as business partners. A central learning management system hosts all training opportunities globally. This digital infrastructure contains eLearning sessions, tutorials and webinars available to all employees. In 2017, the system was also connected to an eBook library, where employees can download business-related books, as well as titles on stress reduction, language skills and IT software. In addition, Dometic supports its employees through practical skills training programs to gain new knowledge and build leadership skills. In total, more than 2,000 employees participated in over 300 training activities across all our markets in 2017.

**No. of employees per region, %**

- Americas 28% (22)
- EMEA 27% (31)
- APAC 45% (47)

**Gender, %**

- Male 65% (63)
- Female 35% (37)

**Manager gender, %**

- Male 78%
- Female 22%

**Age structure, %**

- < 30 years, 23% (22)
- 30-40 years, 27% (28)
- 41-50 years, 27% (28)
- 51-60 years, 19% (17)
- > 60 years, 5% (5)

# ORGANIZATION & GOVERNANCE

## DOMETIC'S ORGANIZATION



Dometic's **Board of Directors** has overall responsibility for monitoring the Group's sustainability policies and work.

The **CEO and Group Management** are incorporating global sustainability initiatives into Dometic's business strategy, operations and overview of reporting and financial performance.

Dometic's **Sustainability Team** manages the Group's sustainability work. The team consists of the CEO, CFO, Group HR and other key members of Group Management, as well as supporting specialists.

The Head of Group HR coordinates the work and ensures that sustainability is an integral aspect of core values, leadership training and internal communications.

The team sets the overall ambition level, focus areas, targets and activities and meets regularly to follow up on results. Responsibilities also include ongoing stakeholder dialogues and close monitoring of macro trends and drivers.

**Business functions** execute and report on sustainability development activities, progress and key performance.

### GOVERNING POLICIES

- Code of Conduct
- Remuneration policy
- Finance policy (incl. Tax policy, Treasury policy and Credit policy)
- Information policy
- Insider policy
- Internal Audit policy
- Dividend policy
- IT and Infrastructure Services Security policy

### CODE OF CONDUCT

The principles of Dometic's Code of Conduct are based on our shared values, international and national legislation, and international standards and agreements, including the UN Global Compact and OECD's guidelines for multinational companies. They serve as the foundation of Dometic's way of working.

### Monitoring and reporting

The Dometic Group's legal and HR departments monitor compliance with the Code of Conduct in an ongoing process that the Dometic Group undertakes in light of applicable circumstances (i.e. sector, operating context, size and similar factors). Employees are encouraged to report any conduct that they believe, in good faith, to be in breach of applicable laws, regulations and/or the Code of Conduct, to their manager or via the whistleblower procedure called the Dometic SpeakUp line, which is run by a third party vendor to ensure privacy. This system enables employees to report potential cases in their native language via either a website or a toll-free phone call. Dometic expects managers to seriously address issues and work to ensure satisfactory resolution in compliance with applicable laws and/or the Code of Conduct.

Dometic's policies are available on Dometic's website [www.dometic.com](http://www.dometic.com).

## Key stakeholder dialogues

STAKEHOLDER GROUP	TYPE OF DIALOGUE	KEY TOPICS DISCUSSED
<b>CAPITAL MARKETS</b>		
<ul style="list-style-type: none"> <li>Shareholders</li> <li>Investors</li> <li>Analysts</li> </ul>	<ul style="list-style-type: none"> <li>Individual meetings</li> <li>Annual Shareholder Meeting</li> <li>Investor requests and questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>General strategy/ focus areas</li> <li>Code of Conduct implementation and follow-up</li> <li>US class action</li> <li>Environmental impact</li> </ul>
<b>BUSINESS PARTNERS</b>		
<ul style="list-style-type: none"> <li>OEMs</li> <li>Customers</li> <li>End users</li> <li>Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Individual meetings</li> <li>Sales meetings</li> <li>Trade exhibitions</li> <li>Customer requests and questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>General strategy/ focus areas</li> <li>Product performance</li> <li>Code of Conduct implementation</li> <li>Environmental impact</li> </ul>
<b>EMPLOYEES</b>		
<ul style="list-style-type: none"> <li>Current employees</li> <li>Potential employees</li> </ul>	<ul style="list-style-type: none"> <li>Management meetings</li> <li>Intranet</li> <li>Performance appraisal meetings</li> <li>Interviews</li> </ul>	<ul style="list-style-type: none"> <li>The Dometic Way and Code of Conduct</li> <li>Health &amp; Safety</li> <li>Work Environment</li> <li>Competence Development</li> </ul>

### Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Dometic Group AB, corporate identity number 556829-4390

### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2017 on pages 28–35 and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### Opinion

A statutory sustainability report has been prepared.

Stockholm March 15, 2018  
PricewaterhouseCoopers AB

Magnus Brändström  
Authorized Public Accountant

## Our manufacturing plants and certificates

LOCATION	MAIN PRODUCTS	CERTIFICATES
<b>EMEA</b>		
Geluwe, Belgium	Awnings	*
Dillenburg, Germany	Lights	ISO 50001
Emsdetten, Germany	EDC, automotive cooling	ISO 9001, 14001, 50001
Krautheim, Germany	Windows and doors	ISO 9001, 14001, 50001
Siegen, Germany	Minibars and RV refrigerators	ISO 9001, 14001, EMAS
Jaszbereny, Hungary	Compact refrigerators and mobile cooling boxes	ISO 9001, 14001, 50001
Bassano, Italy	Cooking appliances (sub-supplier to Filakovo)	ISO 9001
Forli, Italy	Generators	ISO 9001, 14001
Milan, Italy	Marine air conditioners	*
Filakovo, Slovakia	Kitchen appliances, sinks, AC service stations, blinds	ISO 9001, 14001
Girona, Spain	Safes	*
Tidaholm, Sweden	Window components	ISO 9001, 14001
Hungen, Germany	Mobile cooling	*
Selsey, UK	Blinds and fabrics	*
<b>AMERICAS</b>		
Big Prairie, Ohio, USA	Sanitation	ISO 14001
Elkhart, Indiana, USA	Refrigerators	ISO 14001
Elkhart, Indiana, USA	Power vents	*
Greenbrier, Tennessee, USA	Water heaters, ranges	ISO 9001
LaGrange, Indiana, USA	Awnings	ISO 14001
Pompano Beach, Florida, USA	Marine air conditioners	ISO 9001, 14001
Vancouver, British Columbia, Canada	Hydraulic & electronic steering	ISO 9001
Limerick, Pennsylvania, USA	Mechanical steering	ISO 9001
Sparta, Pennsylvania, USA	Fuel systems	ISO 9001
Stuart, Florida, USA	Digital integration boating systems	*
Manchester, Vermont, USA	Blinds and fabrics	*
<b>APAC</b>		
Shenzhen, China	Mobile cooling and power electronics, mainly for CPV	ISO 9001, 14001, TS16949, HSAS18001, SA8000
Wuhu, China	Water heaters, wire harnesses, next generation blowers	*
Zhuhai, China	Refrigerators and air conditioners for RVs and trucks	ISO 14001

\*Certifications only applicable to plants with more than 50 employees.