

River Group

Sustainability Report
2023



river-group.com



About River Group

Founded in 2023, River Group AS (“River Group”, the “Company”, the “Group”) is a leading Nordic aftermarket service provider of maintenance, service, rental, sales, and technical consulting of water pumps, pumping stations, electrical motors and related components. Water pumps serve as a key component in the infrastructure to transport water and wastewater and River Group provides critical services for Public and Industrial customers, such as municipalities, businesses, and industries.

River Group operates within the water and wastewater, building services and industry segments and currently consists of 22 different operating units in all the Nordic Countries and Germany. The companies in the group were previously part of Lakers Group, founded in 2016. In 2023 the former owner Vestum divested 21 companies from the former Lakers Group which were sold to Equip Capital AS and key persons within the group to form River Group AB. During 2023 one new company has been acquired, *El-lindningar i Eskilstuna AB*.

River Group is made up of a dedicated group of people with extensive experience in the water- and wastewater industry. The Company is characterised by a strong commitment to issues and challenges concerning the environment and water management. River Group combines the entrepreneurial spirit of small local business units with the structure and professionalism of a larger group. This combination provides our customers with even better



services and ensures top quality and customer satisfaction.

The name River Group induces thoughts of our element, water. Transportation of water is the foundation of all activities within the group. A river is made up of many small streams to form a bigger flow, just like River Group consists of many smaller companies coming together and becoming stronger together.

About this report

River Group is committed to sustainability and transparency and believe that what gets measured gets managed. This is River Group's first Sustainability Report and will serve as a baseline for our progress across relevant sustainability metrics in the years to come. While this report is the first of its kind for us, working with sustainability improvements is nothing new to the companies in our group. The work to reduce our environmental impacts has been ongoing from 2018 when most of our companies were a part of the Lakers Group. We proudly continue to do our part in improving the environment, both by working to reduce any negative impacts our operations might have and by helping our customers reduce their energy and water use and limit pollution and CO2 emissions.

This report covers all companies in River Group and all figures are the sum of our total environmental impact. We are also able to provide information on an individual company or country upon request. Companies that have reported their impact and are covered in this report are, per country:

Norway

- Driftsteknikk AS
- Driftsteknikk Industrier AS
- Kafra AS
- Oslo Pumpeservice AS
- Pumpe-Service AS
- Pumpeteknikk AS

Sweden

- Ahlström & Persson AB
- Elmotorservice Syd AB
- El-lindningar i Eskilstuna AB
- El & Driftteknik i Strängnäs AB
- Miva Montage Aktiebolag
- Pumpsnaabben AB

Denmark

- Electro Care ApS
- Electro Performance A/S
- Elmodan A/S

Finland

- Pump Service River Oy
- Pumppulohja Oy
- Watman Engineering Ltd. Oy

Germany

- Alther Pumpen GmbH
- DWS GmbH

Note from the CEO

Continued economic development cannot happen at the expense of the environment. Water in particular will be an increasingly important resource moving forward. In northern Europe we are spoiled with an abundance of clean water, but we need to preserve it and treat it with care for future generations.

“My ambition is that River Group shall have a net positive impact on the climate and that we help to manage our most important asset; clean water.”

— Carl-Johan Callenholm, Group CEO



River Group and sustainability

Sustainability has always been at the core of our business and strategy. We conduct our business in a way that aims to have a net positive impact on society and the environment, and our purpose is *Making Water Flow*.

River Group's role is to help our member companies improve in the area of ESG (environmental, social and governance) and help them become better and more sustainable than they would be on their own. Our goal is to have a strong ESG culture and performance as a part of our DNA, with River Group as enabler of ESG improvements.

The challenges we face

The Nordic water infrastructure is underinvested, leading to large inefficiencies and creating future challenges. Growth in the service industry is driven by population growth, urbanization, increased connectivity and tougher regulatory standards, all factors that increase the need for maintenance and upgrades.

Water and wastewater pumps account for approximately 10% of the world's total electricity consumption and as many as 90% of them work inefficiently¹. With this as a starting point, it is clear that there is significant potential for us to help our customers both save money and reduce CO2 emissions by improving pump efficiency. Climate change also poses new challenges to mitigate and adapt existing water infrastructure to new weather conditions like flooding, heavy rainfall or droughts. River Group stands ready with expertise and capability to help our customers handle these challenges.

The solutions we provide

Water is our business, and we work with everything from improving the infrastructure to supply potable water and to treat and transport wastewater. We help to prevent and mitigate the effects of flooding and other water-related catastrophes with emergency callouts when they occur. Some of our niche companies work with filtering and treatment of water in different forms. Our

¹ Energy efficiency and savings in pumping systems
– the holistic approach. T. Augustyn, Grundfos
<https://ieeexplore.ieee.org/stamp/stamp.jsp?arnumber=6408587>



product range covers everything from private households and industries to municipalities and cruise ships. Our team is united by a dedication to our customers and the environment, and we know how important it is to be agile in our market approach to help our customers in the best way possible.

At River Group we aim to have an overall positive impact on the climate and environment more broadly. To achieve this, we start with our own operations and are working to reduce the environmental impact and carbon footprint of our offices and vehicle fleets. At the same time, we realise that our largest opportunity to reduce CO2 emissions comes through enabling our customers to reduce their water and energy use and emissions. Our team works diligently at repairing and optimising water pumps, electric motors and other mechanical components, which in turn reduces waste and energy consumption for our customers. By increasing the lifetime of installations and products as well as increasing efficiency, we can contribute to a substantial reduction in energy and resource use over the products' lifecycles.

Overall, we believe in reuse and repair rather than installing something new (leading to waste and scrap) and this is a key fundament for our rental business. However, when a new product is significantly more energy efficient, replacement will be the proposed solution. We always look at the big picture and strive to find the best solution for both the customer and the environment.

Organisational values and principles

River Group is committed to conducting our business in an ethical, responsible, and sustainable way, in line with all relevant guidelines and expectations from our owners, employees and other stakeholders. We are committed to human rights, working conditions and environmental responsibility throughout our entire value chain. River Group has identified Diversity and Inclusion as a priority for the Group and we have a zero-tolerance policy when it comes to discrimination. We are also committed to strong governance principles in all our activities. This includes a zero-tolerance policy for corruption and other breaches of governance principles.

As the foundation for our business and to guide our employees and partners in their activities we have developed a set of policies that together form the framework for how we act as a company. This includes:

- Code of Conduct
- Workplace harassment policy
- Supplier Code of Conduct
- ESG policy
- Anti-corruption policy
- Economic Sanctions policy
- GDPR Privacy protection policy
- Whistle-blower policy

We have rolled out a shorter and more easily digestible version of the above policies, summarising the most important content to our employees. We have conducted training sessions with all companies in the group to make sure all are aware of these policies and that they are integrated into daily operations. We also engage with our suppliers and other key partners to make sure that our policies and priorities are understood.

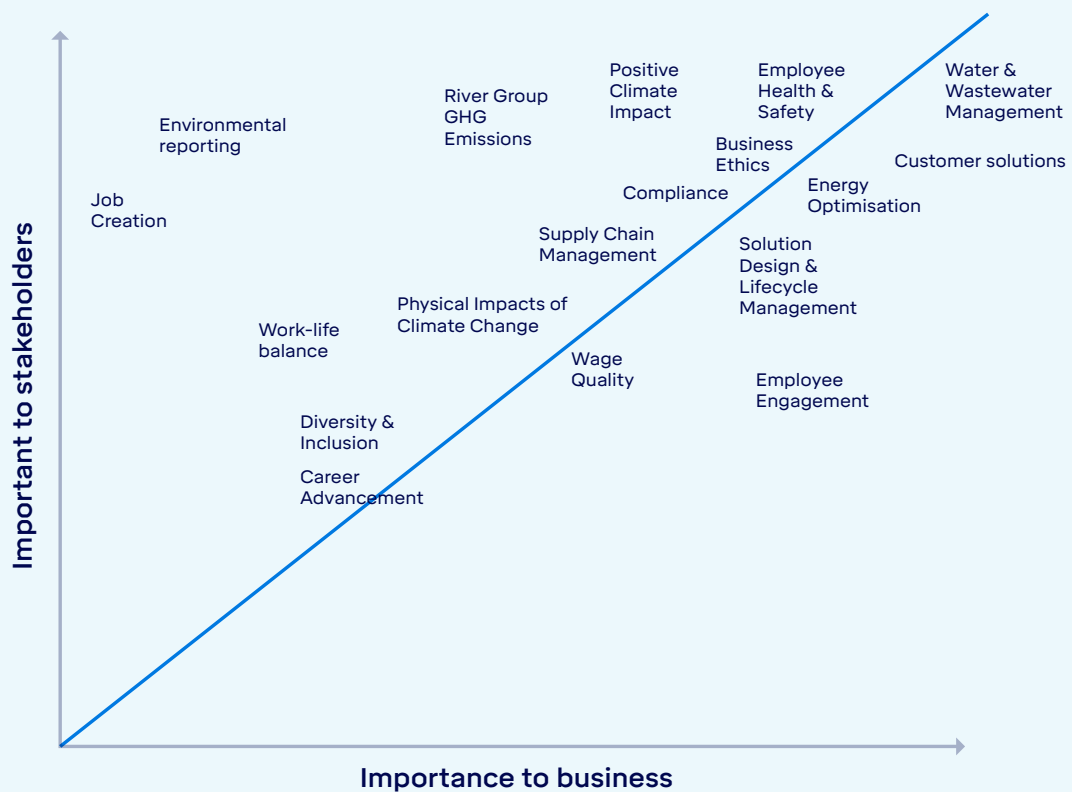


Sustainability strategy and materiality mapping

It is integral to our sustainability strategy that we consider all relevant angles in the quickly evolving sustainability landscape to make sure our approach is holistic and robust. The development of River Group's sustainability strategy was a thorough process and included a materiality mapping, whereby both internal and external stakeholders' perspectives on relevant sustainability issues and actions were considered. The following stakeholders were included in the materiality mapping:

- Employees
- Customers (from different segments)
- Suppliers
- Local communities
- Owners

The materiality mapping exercise resulted in the overview shown below. The most material sustainability issues are those that have both a high importance to stakeholders and a high importance to our business.



The materiality mapping revealed several highly material issues in the area of environmental sustainability such as wastewater management, energy optimisation, positive climate impact and solution design & lifecycle management.

We have conducted a deeper assessment of environmental factors to develop our understanding in relation to transition and regulatory factors, physical and environmental factors and business drivers. This assessment has helped us develop our strategy and identify concrete actions to address the range of environmental considerations with the aim of both reducing risks and maximizing value creation.

Our biggest impact can be made by helping our customers in the water and wastewater management and to save energy in these processes. Other highly material sustainability issues identified include business ethics & compliance, employee health and safety and employee engagement. This demonstrates that ESG and sustainability is about more than just climate and the environment, and that we must dedicate resources to following up social and governance factors in a way that fulfils our stakeholders' expectations and supports our business goals.

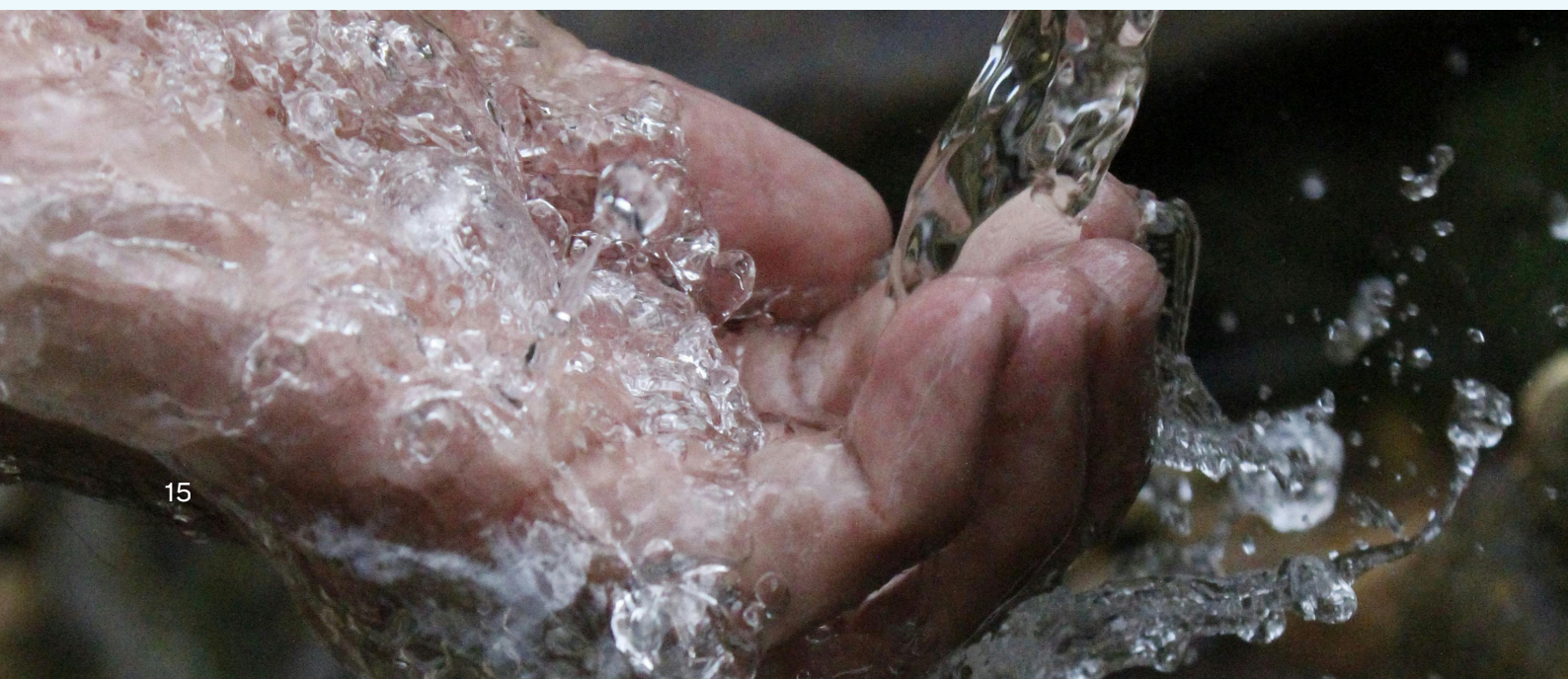
The sustainability mapping also resulted in the identification of relevant UN Sustainable Development Goals ("UN SDGs") with which River Group' core business activities are not only aligned, but where we are actively contributing. These goals, and River Group's contribution to them, are described more in depth in the UN Sustainable Development Goals section.

In summary, River Group's overall sustainability objective is to help our customers reach their water- and climate-related sustainability goals in line with the UN SDGs. We also endeavour to lead by example – by working to minimise our own CO2 emissions

and broader environmental footprint and uphold high HSE, social and governance standards in our operations.

River Group's overall sustainability objective is to help our customers reach their water- and climate-related sustainability goals while at the same time minimising our own negative environmental impact and promoting high social and governance standards.

The KPIs disclosed in this report and the targets set for our future sustainability performance are anchored in our sustainability strategy and will enable us to move closer to achieving our goals.



UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership. They recognise that ending poverty and other deprivations must go hand in hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

River Group is proud that our core business activities actively contribute to the achievement of several of the United Nations Sustainable Development Goals. Moreover, we ensure that the way we conduct our business and treat our employees, other stakeholders and the environment is supportive of the achievement of the remaining Goals that we are not able to actively contribute to through our core products and services.

Our materiality mapping of sustainability issues has identified SDG 6 and SDG 13 as the most relevant SDGs for River Group's business. We have also identified SDG 9 as a goal where River Group can make a substantial contribution. River Group has board-level commitment to continue pursuing activities that help meet these SDGs and associated targets.

SDG 6: Ensure availability and sustainable management of water and sanitation for all

- **6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
 - o **River Group' contribution:** By servicing and maintaining water pump stations, we support critical infrastructure that is necessary to manage wastewater reductions and avoid harmful emissions to water.
- **6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
 - o **River Group' contribution:** We service, optimise and maintain water treatment plans, filtration and drinking water applications. We also help reduce water leakages and waste and increase water efficiency through maintenance of existing water pump infrastructure and installation of new pumps.

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

- **9.4** By 2030, upgrade infrastructure and retrofit industries to

make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

- o **River Group' contribution:** Our customers include industrial companies as well as operators of municipal water infrastructure and our services help them improve existing water infrastructure, reduce energy use and CO2 emissions and increase the efficiency of water deliver systems to avoid wastewater.

SDG 13: Take urgent action to combat climate change and its impacts

- **13.1** Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries
 - o **River Group' contribution:** As climate change results in more extreme weather such as increased rainfall resulting in flooding, our water pumps are essential to reduce the impact of such natural hazards and increase the resilience of critical infrastructure.

“ My ambition is that River Group shall have a net positive impact on the climate and that we help to manage our most important asset; clean water.

- Carl-Johan Callenholm
Group CEO

EU taxonomy alignment

A central pillar of the EU Sustainable Finance package, the EU taxonomy is a classification system establishing a list of environmentally sustainable economic activities. The EU taxonomy is designed to be an enabler to scale up sustainable investment and to implement the European Green Deal. The new EU regulations will require both financial market participants and companies to evaluate and report upon how they are working with sustainability in a more transparent and standardised way. One step in this is for companies to calculate what percentage of their activities meet the EU criteria for environmentally sustainable economic activities, as defined by the EU Taxonomy.

Our first internal taxonomy calculation was done as part of the Vestum Group in 2023 and we found that a significant portion of our business activities are eligible to be considered under the Taxonomy criteria. We have continued to conduct internal assessments of our Taxonomy eligibility and alignment, with the assistance of a specialised external service provider. While we are not yet able to report our taxonomy alignment publicly, we continue to collect and assess relevant data and refine our reporting processes internally with the aim of producing a public report in 2025.

Our Group policies pertaining to social and governance issues, including our Code of Conduct, Supplier Code of Conduct, Anti-corruption, Competition and Whistleblowing policies, all

help ensure that our business is conducted in a way that is in line with international standards for responsible business. We therefore meet the social and governance requirements of the EU Taxonomy in addition to the environmental objectives. Moreover, we feel confident that River Group's activities do not cause significant harm to the other environmental objectives.

Our Climate Impact

River Group is continually working to reduce our environmental impact, including in terms of greenhouse gas (GHG) emissions, measured in tonnes of CO₂ equivalents (CO₂e).

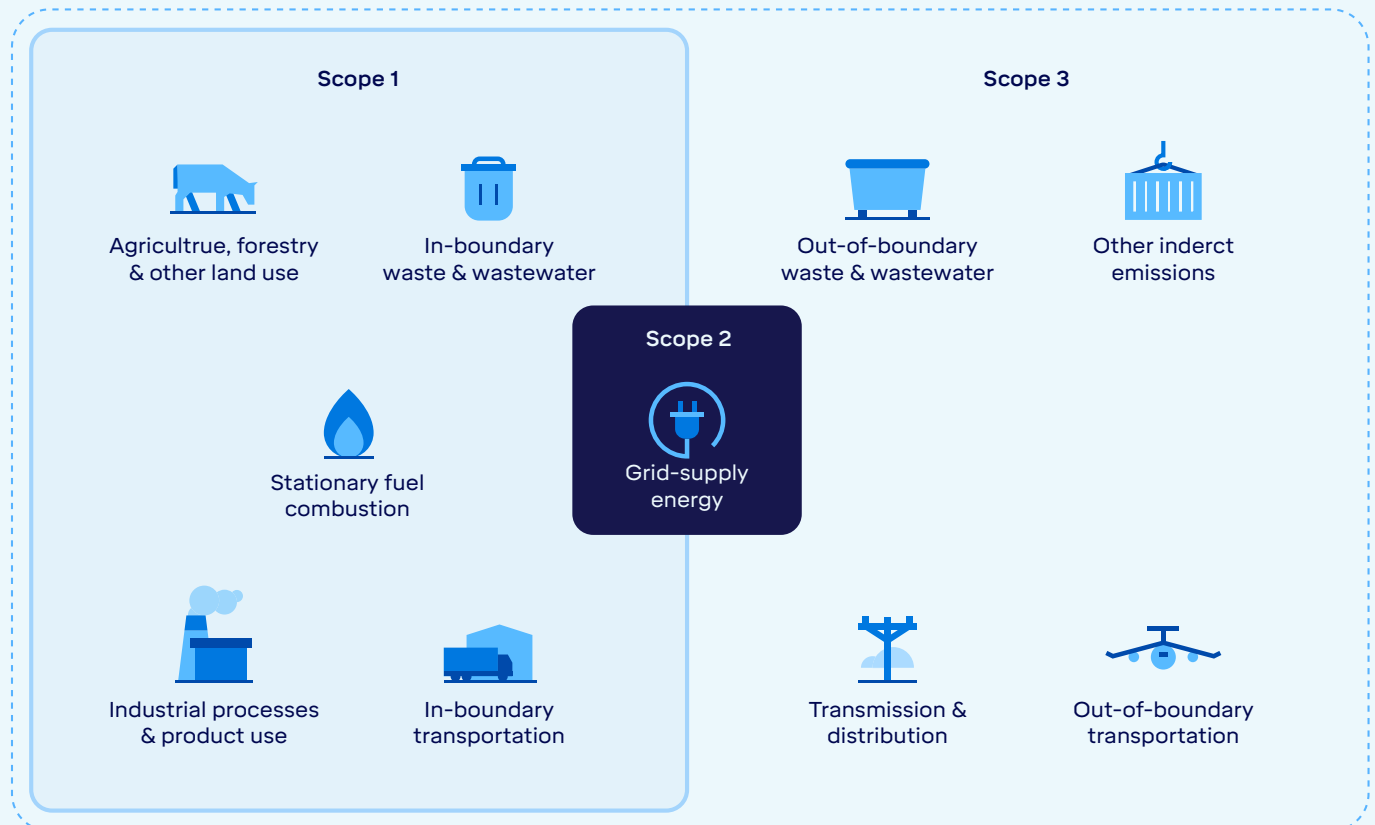
To measure and report our emissions, River Group uses the GHG protocol to calculate Scope 1, 2 and 3 (upstream) CO₂ emissions with help from Normative (<https://normative.io/>). Scope 1 & 2 emissions represent emissions from River Group's own operations, from fuelling our vehicles to using electricity in our offices. Upstream Scope 3 emissions cover the emissions of our suppliers and upstream value chain.

We also calculate the positive impact we have on our customers' CO₂ footprint that results from our work at optimising pump installations, electrical engines, and replacement of old and inefficient equipment. This calculation of "avoided emissions" is done by using lifecycle assessments on products and installations.

Mitigating Negatives

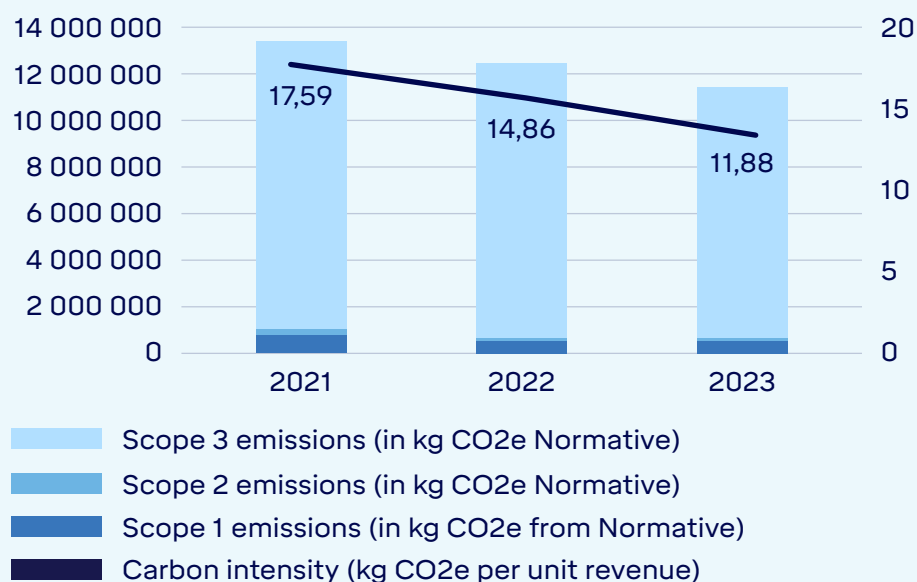
River Group's negative impact in terms of GHG emissions comes from three areas, or Scope 1-3. By measuring the different scopes of emissions, we can calculate our CO₂ footprint and our goal is to implement measures resulting in a reduction in this footprint each year, measured both as a total and as an intensity score calculated as amount of CO₂ per SEK turnover. The intensity score is more relevant when we grow by acquiring companies as acquisitions will result in increased total emissions.

Negative impact



When it comes to managing and reducing our CO2 emissions, Scope 1 and 2 emissions are easier for River Group to impact directly because they are under the direct control of the Group companies. By monitoring these emissions, we have identified the largest contributing activities as well as steps we can take to reduce the emissions. We also measure our Scope 3 emissions, both in terms of upstream emissions in our supply chain and in terms of the reduction in emissions that we can help our customers achieve through our products and services. While it is more challenging to reduce upstream Scope 3 emissions than those in our direct operations, River Group is committed to working to achieve improvements together with our suppliers as well.

CO2 Emissions (kg)



River Group CO2 emissions in 2023

Scope 1 emissions

The table below shows River Group's Scope 1 emissions for 2023. The main source for emissions in Scope 1 comes from diesel fuel – which accounts for 94% of Scope 1 emissions. Total Scope 1 emissions were 747,9 tonnes CO₂e, up from 723 in 2022, but down from 1073 in 2021. Our total emissions from Scope 1 are almost back at the same level that we had in 2020, despite growing by adding new companies to the group.

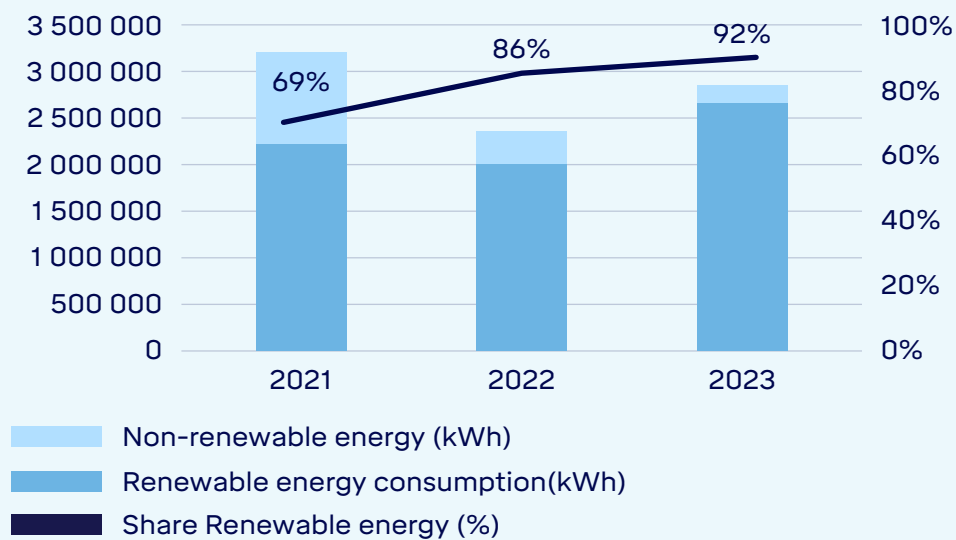
To address and reduce our Scope 1 emissions, we are actively increasing our share of electric vehicles in our car fleet. By the end of 2023 we had 25 electric vehicles (up from 14 the year before), corresponding to 12,5% of our total fleet.



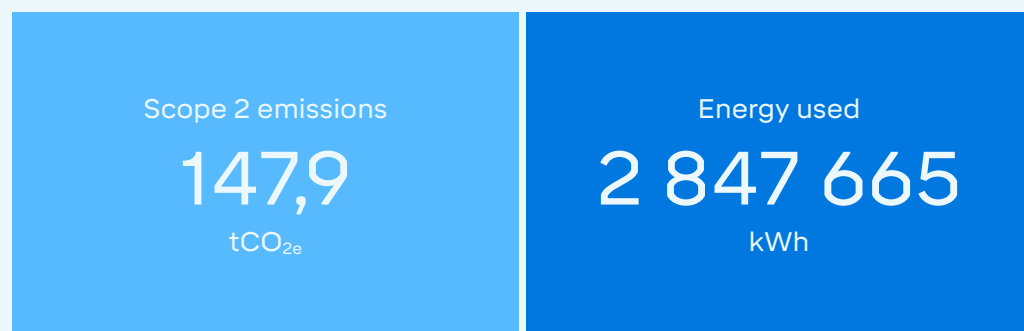
Scope 2 emissions

The table below shows River Group's Scope 2 emissions for 2023. These emissions come from our electricity and heating. The percentage of our electricity and heating that comes from renewable sources is 92% at an aggregate group level, up from 69% in 2021.

Share of Renewable Energy

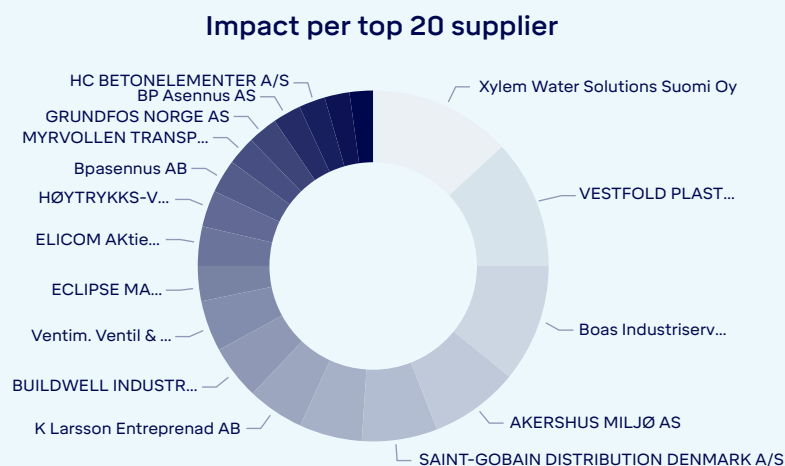


The total emissions from scope 2 have halved since 2021, even with six new companies acquired in the same period. Actions taken include switching to renewable electricity, replacing oil burners for heating with heat exchangers and installing solar panels on several locations.



Scope 3 emissions

River Group's upstream scope 3 emissions are from our suppliers and all the emissions associated with their value chains. This scope represents the largest part of River Group's total CO₂ emissions by far; approximately 10 400 tonnes compared to approximately 896 tonnes from Scope 1 and 2 together. River Group has assessed the emissions of the companies in our supply chain, using both reporting and estimated data provided by Normative, and the table below shows those with the largest contribution to our upstream Scope 3 emissions.

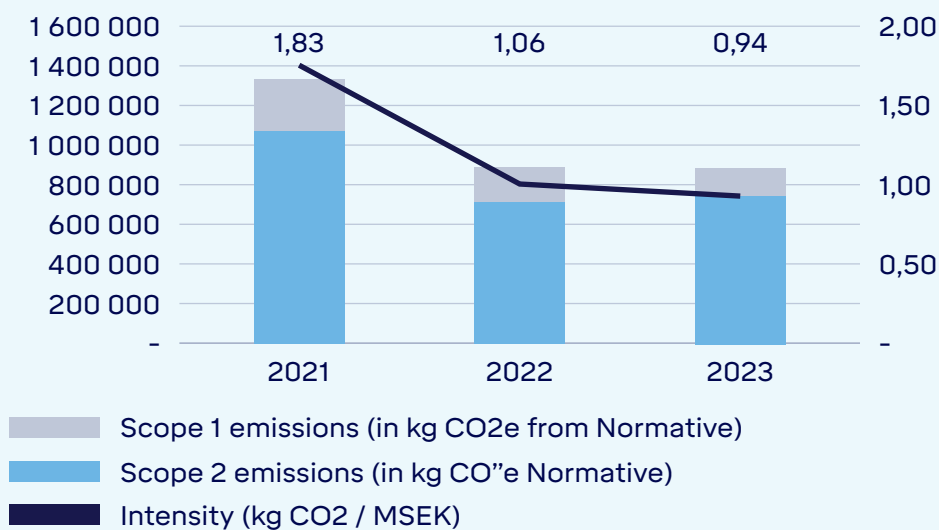


Scope 3 emissions are more difficult for River Group to control, but by mapping our suppliers' emissions we have taken a first step in identifying the largest sources of emissions in our supply chain. This is actionable information that we will use in the planning and optimisation of our supply chain, and in our dialogue and collaboration with our suppliers. With this information we can assess top suppliers' emissions performance as well as their net zero targets and strategies and encourage those without a target to set one.

Emission intensity

River Group's Scope 1 and 2 emission intensity was 0,94 kgCO₂ per million SEK revenue in 2023, a decrease of 48% compared to our base year 2021 (1,83 kgCO₂/MSEK).

CO₂ Scope 1+2



Actions performed to reduce the River Group's CO₂ emissions:

- **Scope 1:** Increased share of electric and hybrid cars in our vehicle fleet. To support this, we have also begun installing electric vehicle chargers at our facilities.
- **Scope 2:** Switched to renewable electricity for electricity and replacing oil heating systems with heat exchangers and opted to use of biodiesel where we could not switch to other technology. We also installed solar panels on several facilities.
- **Scope 3 (upstream):** Engaged with key suppliers to communicate the importance of climate and other ESG matters in our sourcing decisions.

Climate: Positive impact

River Group is contributing to lower CO₂ emissions for our customers by reducing energy consumption from water pumps and electrical motors. This is done through service and sale of energy efficient equipment.

Water pumps not running at their optimal duty point, affected by clogging or electrical motors, and pumps not serviced in a long time, have significantly higher energy consumption. Through equipment optimisation and frequent service, we can help reduce the electricity consumption (and thereby CO₂ emissions) by as much as 10-15%. In the event that a motor cannot be repaired, replacing an old, inefficient electrical motor with a new, high-efficiency motor can reduce the energy consumption significantly, generating a substantial impact over the lifetime of the motor.

A typical smaller sized pump used to transport water sewage will emit about 30 million kg of CO₂ over its lifetime¹, but the difference between a new energy efficient pump and an old one can be very high. Pumps account for approximately 10% of the world's total electricity consumption and as many as 90% of them work inefficiently. If all pumps were switched to high-efficiency ones, this could save 4% of global electricity consumption and 2 billion m³ of fresh water (8x Denmark's annual water consumption).

Through our employee training program (the “River Group Equipment Optimisation Program”), our service technicians

¹ Energy efficiency and savings in pumping systems
– the holistic approach. T. Augustyn, Grundfos
<https://ieeexplore.ieee.org/stamp/stamp.jsp?arnumber=6408587>

receive detailed training in how to adjust pumps and equipment to ensure optimal performance and reduced emissions. The program includes:

- Basic electrical motor efficiency;
- Pump curves and duty points;
- Factors reducing the efficiency, internal and external; and
- Maximising efficiency in practice

The training program is performed as an on-site training as we believe that this will have a better and more constructive impact on our staff compared to online tutorials. As a proof of completing the course all participants will receive a certificate.

*Source: Flygt 3085.183 Environmental Production Declaration



Social goals and performance in 2023

For River Group, sustainability extends beyond environmental issues and relates to social considerations as well. Our employees are our greatest asset, and how we manage and develop our people will have a significant impact on the success of our business.

Diversity and Inclusion are important values for us. We are an equal opportunity employer and strive to have a more equal workforce in our organisation. In 2023, 12% of River Group employees were women. While we acknowledge a structural challenge in our industry where women are underrepresented in the available talent pool, we maintain a goal of increasing the number of women employed every year. River Group has a non-tolerance policy to harassment or discrimination of any kind, i.e. based on gender or gender identity, ethnicity, age, sexual orientation, pregnancy status, religion, disability and political opinion.

The number of female managers in 2023 was 10% and the number of female representatives on the Board of Directors (“BoD”) was 16% (1 of 6).

Short-term sickness rate is at a reasonable level, but the long-term sickness rate, measured as more than 8 consecutive weeks, is higher than our goal of 1%, the reason being a few individuals with serious but not work-related sicknesses. The sickness rate is slightly higher for employees with physically demanding jobs. Accidents are measured in terms of number of accidents that

resulted in absence from work. No accidents with serious injuries were reported.

Our staff turnover rate is at a healthy 3,7% and show that we are an attractive employer where people enjoy working and stay many years.

In the table below, we report on several employee-related KPIs which we have collected data on at the Group level. More detailed data is available on company level, but not consolidated for River Group.

KPI	2023
Number of Employees	345
Share of female employees	12%
Short-term sickness rate	4,5%
Long-term sickness rate	2,7%
Nr of lost time injuries	3
Employee turnover rate	3,7%

Sustainability ambitions for 2024 and beyond

River Group has established several actions for the coming years to improve our sustainability performance:

1. First, do no harm

- a. River Group will follow and, where possible, surpass all rules, regulations and reporting requirements to make our negative impact as small as possible
 - i. Reducing CO2 emissions
 - ii. Reducing sick leave and accidents
 - iii. Increasing diversity
 - iv. Having strong business ethics
 - v. Following up ESG in our supply chain / with our partners

2. Committed to follow the 1,5-degree target of the Paris Agreement and working towards:

- a. 100% renewable electricity by 2027
- b. Increase the proportion of EVs in the vehicle fleet
- c. 4,6% reduction of CO2 intensity in Scope 3 year over year from 2021 baseline
- d. Decrease River Group's direct CO2 impact (Scope 1+2) in relation to turnover (CO2/MNOK)

3. Our sustainable impact

- a. Continue to help our customers reduce their environmental impact and respond to the physical impacts of climate change

- b. Work to improve the quantification and disclosure of positive impact metrics

4. Certification and Product Declarations

- a. ISO Certification for selected companies
- b. Secure the ability to produce Environmental Product Declarations (EPDs) in our manufacturing companies

5. Social ambitions

- a. Continued focus on Diversity & Inclusion in recruiting and training processes
- b. Continued effort to reduce sickness rate and decrease the number of accidents
- c. Roll-out of training programme to help develop and grow expertise in the organisation

6. Reporting

- a. Publish our first sustainability report as River Group
- b. Work to establish processes and data to report according to the CSRD and Taxonomy for 2024



River Group

river-group.com