



HULTAFORS **GROUP**

# Sustainability Report 2021



# Foreword

**Looking back to 2021, we can all acknowledge that it was a challenging and at times unpredictable year. The continuing global pandemic, heavy disruption in the supply chain, increased prices for raw materials and fuel: these factors and more impacted not only our way of working, but our entire way of living.**

We had to work smarter, be creative and committed: all traits that well describe Hultafors Group employees, who managed to drive the business forward despite the circumstances. The last two years have also highlighted the necessity to take concrete steps towards a more sustainable future. Hultafors Group considers sustainability as a strategic imperative for all our business decisions, whether they relate to corporate acquisitions, launching new products, or assessment of suppliers. We are devoted to supporting sustainable initiatives with real-world impact, at setting science-based targets and promoting transparency throughout the supply chain.

Hultafors Group has set ambitious goals to be reached by 2030, which cover everything from gender equality, to a substantial decrease in CO<sub>2</sub> emissions relative to sales, to reducing energy consumption at all our sites. In order to monitor our progress, in 2020 we have implemented Worldfavor, a platform that allows us to collect sustainability data from our fully-owned sites and our suppliers. This tool allows us to increase the accuracy and transparency of our reporting, ensure compliance with our Code of Conduct and Policies throughout the supply chain, and take actions when deviations are found. This is a first fundamental step in the journey to have a positive influence on the people connected to our business and minimize the environmental impact of our operation.

In line with our strategic objectives, in 2021 Hultafors Group acquired Fristads and Scangrip, companies that are at the forefront in their fields in terms of sustainability. In 2019 Fristads, one of the leading workwear brand in Europe, launched the world's first environmentally declared collection, Fristads Green, and since then they have taken substantial steps to expand the collection

more each year. Scangrip, has since the early 2000s used high-efficiency, energy saving LEDs for its work lights, guaranteeing a significant decrease in energy consumption when compared to halogen lamps (500% reduction) or fluorescent lamps (100% reduction), which are traditionally used on worksites. In addition to the low energy consumption, the LEDs used in the Work Lights have a significantly longer service life compared to halogen lamps and fluorescent lamps. These acquisitions not only were a business success, but have put us in a stronger position to reach our 2030 sustainability targets.

When it comes to new products, Hultafors Group's brands have all done their part to push us forward into a more sustainable future. EMMA Safety Footwear and Snickers Workwear have completed a life cycle assessment (LCA) for their shoes and garments, which helps determine the environmental impact of products from raw material, through manufacturing, distribution, use, until disposal. Solid Gear has launched two shoes collections which use ocean waste and algae as midsole foam, and the footbed of all new footwear are also made of the same material. EMMA and Fristads have increased the use of recycled material in their products and Hultafors uses the rest product from the production of its iconic folding ruler to heat their own facilities in Sweden. Wibe Ladders has chosen to work with Profil-Gruppen AB, who provides a sustainable raw material alternative and which collaborates with smelters that only use electricity from renewable sources, which ensures a 75% reduction of CO<sub>2</sub> emissions compared to the world average. Hellberg Safety's Polycarbonate Visor was provided to the healthcare workers during the COVID-19 pandemic. The polycarbonate visor was



designed with sustainability in mind. Most similar products are single-use, but Hellberg Safety's Polycarbonate Visor is washable and re-usable, with the elastic band and sweatband provided as spare parts. Scangrip and Johnson Level & Tool have focused their efforts on reducing and optimizing packaging to both reduce packaging consumption and waste, and lower freight volume.

We are proud of what we have accomplished, but we know that there is a long way to go on the journey towards a more sustainable future. Hultafors Group's strength comes from all our brands working together, contributing to a company culture that encourages real innovation and change: this is what makes our company particularly suited to meet our sustainability goals. We

learn from each other, lead by example and make use of our network of offices, production sites, warehouses, suppliers and customers to promote sustainable practices, in manufacturing, logistics as well as purchasing. We will continue to work toward our 2030 targets in the Hultafors Group way: focusing on innovation and making all our product to be durable, reliable, manufactured with better, cleaner materials, and striving for transparency in every step of the supply chain.

**MARTIN KNOBLOCH**  
CEO at HULTAFORS GROUP









## Embracing the protection of human and environmental resources

The urgency to structurally invest in responsible actions and to combat further climate change is growing by the day. It is my personal mission to advocate for the Global Sustainable Development Goals, to make a difference for the environment and to stand up for human rights. I am proud to be part of the ambitious team at Hultafors Group, with so many like-minded individuals who share these values, and have a similar passion to improve our operations every single day. Hultafors Group is keen on making significant progress in reducing its environmental impact, whilst at the same time investing in positive changes which benefit our supply chains as well as our surroundings.

At Hultafors Group, we do not make luxury products. Instead, we produce premium products that are much needed in the workplace to protect employees from safety hazards and injuries. Safety and health have always been on top of mind. On a global scale, safety and health have rarely received as much attention as in 2020 and 2021, when COVID-19 gave the world a wake-up call. 2021 has shown us the importance of worldwide health and care for each other once again. It has also made our dependency on raw materials increasingly visible, a myriad of which are becoming more and more scarce. For Hultafors Group, COVID-19 has especially proven the interdependency of every link in our supply chain.

And we take our responsibility in our supply chain seriously. In 2021, we have advanced our partnership with Worldfavor, to assess and improve our progress towards our social and environmental targets, by further implementing the Sustainable Sourcing and Sustainable Development Module. A high focus for many of the Hultafors Group brands has been, and will be, longevity of the products. The quality and durability of our products remain our most important values when designing new and current products.

2021 was a year that was filled with engagement with our communities, and we increased our cooperation across the group. We shared our knowledge and insights to advance the group efforts in the field of sustainability. The highlight of the year was Latour's Sustainability Day, which was organized by our owner Investment AB Latour, in November 2021. It was a fantastic opportunity to share our progress, such as environmental impact calculations and the social and environmental initiatives in our supply chain, with all the wholly owned and partly owned companies of Latour. The brands within Hultafors Group uniquely combine the use of our own local production units with global suppliers, and a Nordic mentality (and therefore a love for nature and design!), in order to produce premium products that provide the safest protection for every worker. With our worldwide reach, we can and will make a change!

**IRIS VAN WANROOIJ**  
**SUSTAINABILITY COORDINATOR**  
**(INTERIM) – HULTAFORS GROUP**

**PROGRAM MANAGER**  
**CORPORATE SOCIAL RESPONSIBILITY –**  
**EMMA SAFETY FOOTWEAR**





# Highlights of 2021

- All brands had a high focus on tackling risks around COVID-19 and minimizing risks in the supply chain.
- Fristads has made polo shirts with recycled content from used polo shirts (15%).
- EMMA has increased its use of recycled materials and now spends 17 minutes of social return per pair (employees with a distance to the labour market, to stimulate inclusion).
- EMMA and Snickers Workwear have made a lifecycle assessment for their products.
- Snickers Workwear uses preferred materials with a lower footprint and has made a Scope 3 calculation.
- Wibe Ladders has started a partnership with Profil-Gruppen AB, which provides a sustainable raw material alternative, and which collaborates with revised and approved smelters that only use electricity from renewable sources. By switching to renewable energy (in the energy-intensive aluminium production), we save 13,000 tonnes of CO<sub>2</sub> per year and reduce the carbon dioxide footprint in the smelter by 75% compared to the world average.
- Hultafors uses the rest product from the production of its iconic folding ruler to heat their own facilities in Sweden.
- Fristads has made even more Environmental Product Declarations in their green collections.
- The Solid Gear 2021 collection contains several great expressions of our environmental initiatives. In the Haze Tellus and Saturn and products, ocean waste and algae have been put to new and better use. The footbed for all new footwear, such as the popular Revolution 2, is made from the same source.
- CLC's main focus is on durability of the products.
- Hellberg Safety's Polycarbonate Visor was provided to the healthcare providers when the COVID virus spread started. This product is washable for re-use – and the elastic band and sweatband are provided as spare parts. All parts that have the risk to be worn out can be bought as spare parts, which extends the life of the products.
- Scangrip reduced and optimized the packaging used for its lighting products. This project was initiated with the clear purpose to reduce packaging consumption and waste as much as possible. In addition to the reduced packaging consumption, the optimized and reduced product boxes also result in a saving of the freight volume of around 6%.
- Johnson level invested heavily in employee engagement and reducing the environmental impact of packaging.





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# 1. Setting the scene

The aim of this report is to present the work we have done over the past few years in order to incorporate environmental, social and governance considerations across all aspects of our business activities. We see this report as an opportunity to present our progress to stakeholders and as a starting point to report annually on the ambitions we have set for the coming years, our initiatives, and progress towards these ambitions.

## Structure

The structure of this report is aligned with the material topics we have identified. After an introduction of our ESG approach and governance for the Hultafors Group, we deep dive into each of the materials topics by providing best practices from brands within the Hultafors Group. For each ambition, we give insight into the related targets, initiatives, and plans that are set up to meet this ambition.



## 1.1. Organizational structure

Owned by the Swedish investment company AB Latour, Hultafors Group provides a rapidly growing portfolio of leading brands that keep driven professional users at the forefront in terms of functionality, safety and overall productivity. Together, the internationally recognized brands form a unique product family for professional users who must be able to rely on their gear. Today, our product portfolio consists of a broad range of products within Personal Protection Equipment and Hardware, providing products which create a better day for professional users for more than 130 years. In 2021, the portfolio expanded with the acquisition of Fristads, Kansas, and Scangrip. Hultafors Group has an ambitious growth strategy and has currently 16 different brands, approximately 1.700 employees and a turnover of MEUR 550 in 2021. The main focus areas of our owner Latour AB Investment are sustainability and digitalization.

## Vision

To be the obvious choice for professional users and the best partner to our customers.

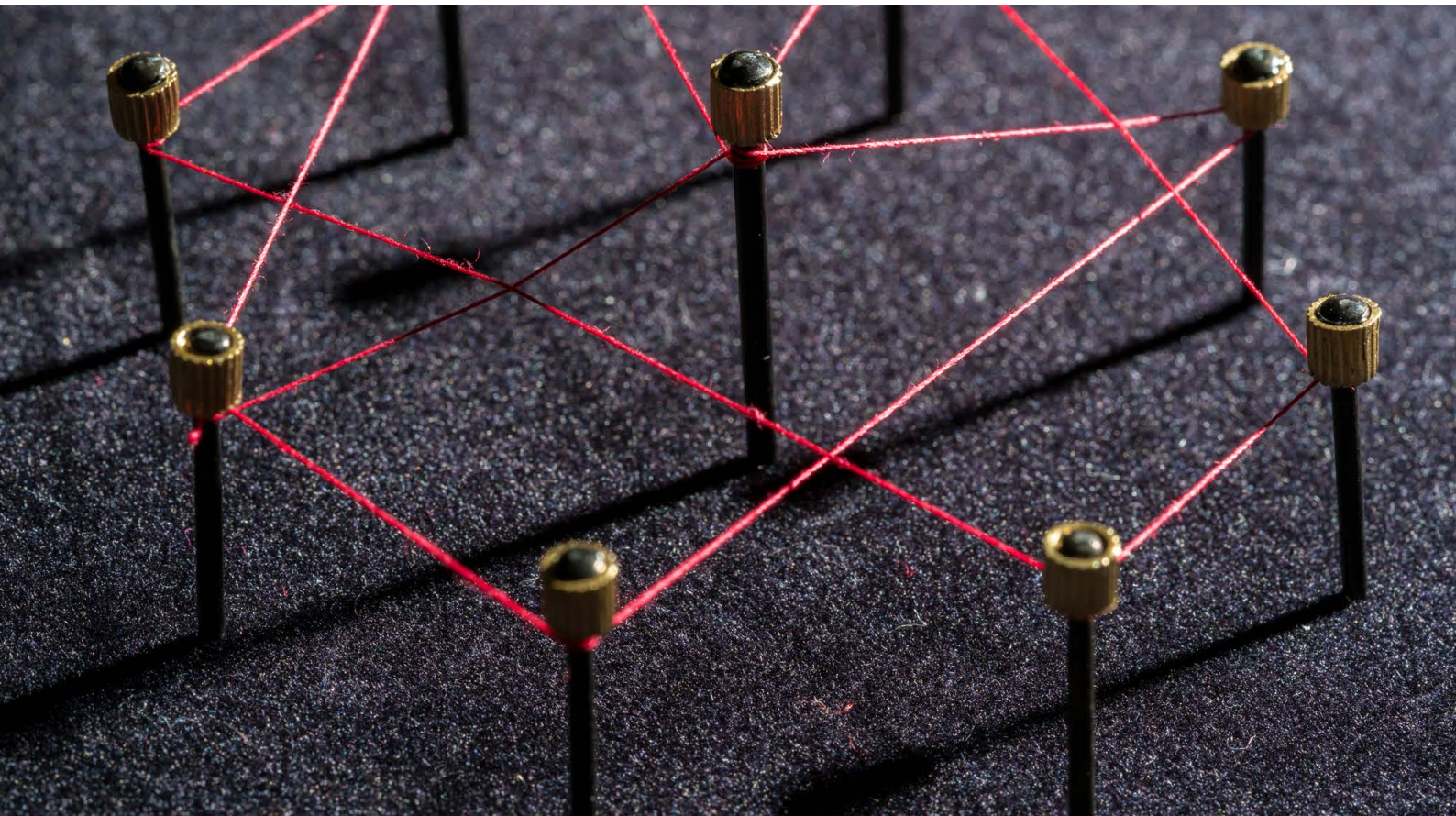
## Mission

We exist to create a better day for professional users, so they can excel and thrive. Now and in the future.

## Supply chain

For us, it is important that you can trust our products as well as our actions. We are not satisfied just being a part of the future – we aim to be at the forefront in our business in terms of sustainability. Our focus areas are good governance and decision making, a safe and productive workplace for our own workers as well the workers in our





supply chain, climate action via responsible production with a high focus on energy use, materials and waste, and open communication.

As a group of safety products manufacturers, the most important supplier relationships we have are the manufacturers of materials and components that are used for our products. The majority of our social and environmental impact is made in our supply chain, so through the production processes and materials used at the sites of our suppliers. Whilst we have several own production facilities in Europe, various components are made throughout the globe, and some producers are located in so-called risk countries, where there are higher chances of misconduct in terms of human rights and environmental practices. It is therefore key to maintain close relationships with our suppliers, not only in terms of quality, also in terms of our social and environmental responsibilities. As Hultafors Group is an advocate of the Ten Global Principles of the UN Global Compact, it is paramount for us to keep a close watch on the labour conditions and climate impact in our supply chain. As the supply chains of our brands are quite fragmented, this is a challenge for all of our brands. The use of the Worldfavor sustainability platform enables us to identify and assess risks, based on internationally recognized risk indices and standards – including the Sustainable

Development Goals, and to track our progress for both our own operations and the suppliers we work with.

Next to the suppliers that work on our products every workday, we also have suppliers that supply office supplies and other facility supplies. Other business relationships include professional services, including marketing, legal, financial and business services; contract and contingent labor; information technology, such as telecommunications, hardware, cloud storage and business applications; data, ratings and market information; real estate and facilities; office support services; training and professional development services; and transportation and travel. Some of these are managed on local sites and other facilities are shared throughout the Hultafors Group.

## Core values

Our core values are: Respect (respecting people and the planet), Trust (Being reliable in every way), Attention to details (Exceeding expectations), Entrepreneurship (Everything is possible) and Insights (Serving genuine needs). These core values are communicated through our intranet to employees, and to customers through corporate presentations. Our principles, standards and norms of behaviour are included in our Code of Conduct.



## 1.2. Explanation on material topics and its boundary

Material topics “represent the organization’s most significant impacts on the economy, environment, and people, including impacts on their human rights” (GRI 3). In 2021, Hultafors Group executed a “materiality analysis”, based on responses from 44 internal and external stakeholders. The stakeholders who filled out the questionnaire were customers, suppliers, owners, employees/managers and advisors.



In 2022, Hultafors Group will expand this research with interviews with other stakeholders.

This is the top 6 of the most significant aspects and their importance to our stakeholders:

1. Safe and stimulating workplace
2. Diversity and human rights
3. Legal requirements
4. Sound business ethics
5. Bribery and corruption
6. Supply of materials and service



MATERIALITY





## 2. Legal requirements





# Legal requirements encompass compliance with all applicable local and international laws, regulations, and standards, for both the manufacturing of our products as well as our company. It also includes respecting human and environmental laws in the country of operation of our suppliers.

## *Requirement: Meeting all (100%) relevant legal requirements for Personal Protective Equipment (PPE)*

Legal requirements are continuously monitored through risk assessments and are also placed out in respective departments. For instance, meeting safety standards for PPE is a responsibility of the brands, and is, therefore, a task for the quality assurance managers (or managers with a comparable position) on brand level. We have a proactive approach towards identifying new regulations, laws, and other legal requirements. For example, our brands are active in various committees for PPE standards and play an active role in evaluating current PPE standards and developing new PPE standards.

## Local and international laws

As a company with a global presence, we need to comply with all relevant international, national, and local laws, in every country where we do business.

## PPE regulation

Safety is of utmost importance. We make products to rely on in the workplace. According to the European Commission, the “Regulation (EU) 2016/425 of 9 March 2016 on personal protective equipment (the PPE regulation) covers the design, manufacture and marketing of personal protective equipment. It defines legal obligations to ensure that PPE on the EU internal market provides the highest level of protection against risks. The CE marking affixed to PPE provides evidence of compliance of the product with the applicable EU legislation.” The CE mark refers to the safety of the product. Hultafors Group needs to meet this PPE regulation 2016/425 at all times.

## Types of personal protective equipment

There are several types of personal protective equipment:

- respiratory protection
- protective clothing
- face protection
- hand protection
- head protection
- eye protection
- hearing protection (ear protection)
- fall protection
- foot protection (protective footwear)

There are three categories:

**1. Protection against mild risks**, such as sunglasses, rain gear, and simple gloves (Category I)

**2. Protection against average risks**, such as safety goggles and a safety helmet (Category II)

**3. Protection against serious risks**, for instance fire protective clothing (Category III)

## REACH

REACH is a regulation from the European Union, aimed at correct use of all chemical substances, in order to protect human health, animal health and the environment. REACH stands for Registration, Evaluation, Authorization and Restriction of Chemicals. As Hultafors Group imports goods from outside the European Union, in the form of materials or products, we need to comply with REACH. The Restricted Substances List includes all relevant chemicals of REACH and goes further than the requirements stated by the European Union.

# 3. Sound business ethics

**With sound business ethics, we refer to corporate governance and the norms and standards we apply to our supply chain. It includes decent labor conditions for our own employees, suppliers, and other partners across the value chain.**

*Target: 100% Code of conduct implemented, internally (based on % No. signed), in 2030.*

*Status 2021: 99.7% (based on white collar workers).*

Our business ethics addresses, among other topics, freedom of association, protecting the environment, anti-discrimination, animal welfare, the prohibition of child labor and forced labor, and fair wages.

Our approach to business ethics is led by our Code of Conduct, which needs to be signed by both employees and suppliers. Hultafors Group regularly conducts audits and workplace assessments to check on labor circumstances at our own sites and in the factories of our main suppliers (based on a risk approach and where we have the highest spend). We also send out self-assessments to suppliers. The answers of our suppliers are carefully evaluated and discussed with suppliers, in order to increase supply chain transparency and to further improve the labor conditions throughout our supply chain.

We support better conditions and fair wages for workers in the factories in which we operate through our Code of Conduct that is communicated to all our partner factories, which are in charge of disseminating it in their workplace to inform workers of their rights.

The Code sets the standard for zero tolerance against child labour, bribery, forced labour and shortcomings in occupational health and safety.

## 3.1. Policy commitments

### Policies

A policy is a brief document at a general level on specific, strategically important areas. It is a guide for decisions and governance. A policy contains Hultafors Group's basic approach and focus. At Hultafors Group we have a number of mandatory policies. These policies and the Code of Conduct apply to all employees, regardless of which country we live and work in.

### Quality Policy

Quality is key for Hultafors Group, and the Quality Policy describes how we strive for the best possible quality in all our operations.

**DOWNLOAD QUALITY POLICY:**

<https://www.datocms-assets.com/35515/1615475578-quality-policy-2021.pdf>



## Sustainability Policy

Sustainability is a natural part of what we offer and how we act. The Sustainability Policy describes our sustainability approach within three focus areas: People, Planet and Profit.

### DOWNLOAD SUSTAINABILITY POLICY:

<https://www.datocms-assets.com/35515/1615450536-sustainability-policy-2021.pdf>

## Hultafors Group Code of Conduct

The Hultafors Group Code of Conduct is the foundation for our sustainability work and our operations. It sets forth the minimum requirements and clearly defines standards for fair, safe and healthy working conditions and environmental responsibility. Doing things the right way – ethically, with integrity, and in full compliance with the law – is fundamental. The Hultafors Group Code of Conduct is based on existing reference documents and communicates very precisely how important responsible behavior is to our work. Hultafors Group supports the Ten Principles of the UN Global Compact and the 17 Sustainable Development Goals of the United Nations. The Ten Principles form a common thread in Hultafors Group's Code of Conduct. Our Code of Conduct applies to the whole supply chain of every Hultafors Group product.

### DOWNLOAD GROUP CODE OF CONDUCT:

<https://www.datocms-assets.com/35515/1616419392-hultafors-group-code-of-conduct2021.pdf>

The policy commitments have been approved by the Chief Executive Officer, the most senior level. All white-collar workers within Hultafors Group have signed off the Code of Conduct, and answered relevant test-questions about the Code of Conduct through the SAP Litmos Platform. The Code of Conduct is also distributed to all suppliers registered on the Worldfavor platform. This Code of Conduct is developed to provide a non-negotiable requirement that applies to the whole supply chain of a Hultafors Group product – all our self-owned factories, suppliers, approved subcontractors, sub-suppliers, and other parties involved in the production process delivering material or components that are used in, or for our products. It is the responsibility of the supplier to inform and secure compliance with this Code of Conduct from all involved parties in the supply chain with whom Hultafors Group do not have direct contact, including workers, business partners and other relevant business relationships.

## Compliance monitoring

We are aware that it is difficult to fully verify compliance due to the complexity of the production chain. Therefore, our product developers, quality controllers, purchasers, and Sourcing Managers regularly visit our factories and suppliers to assess compliance with our code of conduct, follow up on corrective actions from previous audits and help factories identify and find solutions to their challenges. Together we then work on possibilities to improve the situation. Hultafors Group has an agreement with Intertek (<https://www.intertek.com/>) for the performance of audits for all its brands.

## Whistleblowing

Hultafors Group encourages reporting misconduct in relation to our Code of Conduct. Hultafors Group will take steps to ensure that people who report misconduct are not disadvantaged, discriminated against or traceable. All reporting is done through a system that is independent of Hultafors Group's IT services.

### COMPLAINTS OR DISPUTES REGARDING THIS CODE OF CONDUCT CAN BE SUBMITTED VIA:

<https://report.whistleb.com/en/message/hultaforsgroup>

Suppliers are invited to seek advice from our Sustainability team on how to implement the Code of Conduct. There is a Visual Code of Conduct available on request. In 2021, there has only been one case of non-compliance with the Code of Conduct, which was related to the anti-corruption policy, and was reported through our whistleblowing system WhistleB. This specific case has been resolved immediately.

## Restricted Substances List

In addition to the Hultafors Group Code of Conduct, the suppliers receive a List of Restricted Substances; substances that may not, or only to a limited extent, occur in our products that we sell to European markets. This document must also be signed by the suppliers in the sustainability platform Worldfavor. This list is updated every six months by the research institute RISE (Research Institutes of Sweden). Some suppliers choose to upload an alternative statement in the system. In that case, the document will be assessed by Hultafors Group. In any case, the suppliers must comply with applicable chemical legislation delivering products to Hultafors Group.

## ISO Standards for Quality and Environment

### ISO9001 and ISO14001: international management standards

ISO9001 and ISO14001 are international standards based on several management principles, including a strong customer focus, involvement and clear leadership from top management, a process approach and continuous improvements. These standards require a holistic approach when actions are planned and conducted. The results must be evaluated, and follow-ups need to be conducted. ISO14001 is a framework to make sure the organization includes all important elements needed to protect the environment and to react to new and changing environmental conditions in tandem with socioeconomic needs. ISO9001 focuses on quality and sets up a framework for how the organization will continually provide products that meet customer and regulatory requirements. Within Hultafors Group, various sites are certified according to ISO9001:2015 and ISO14001:2015. In 1995, the Hultafors site was the first site that was certified according to ISO9001. Our first site that was certified according to ISO14001 was the ladders' production site in Nässjö, in 2000. Today, the brands Snickers, Solid Gear, Toe Guard, EripioWear, Protecwork, Hultafors, Wibe and Hellberg are certified according to ISO9001 and ISO14001 within Hultafors Group's multisite certificate. This certification also includes the self-owned productions sites for those brands. The brands EMMA, Fristads, Kansas and Leijona have ISO9001 and ISO14001 certificates for offices and production sites within Europe. In addition, Scangrip has their own ISO9001 certificate and has started preparing for a ISO14001 certification.

#### **Target: All production sites certified before end of 2025**

In 2021, we moved our outsourced central warehouse to a Distribution Center in Szcecin, Poland. This site is now insourced and will be certified according to ISO9001 and ISO14001 in 2022. Our goal is to certify the U.S. production site by the end of 2025, for both ISO9001 and ISO14001. One of the main requirements of our owner Latour is to have all fully owned production sites certified according to ISO14001 before the end of 2025. And, as described, we are close to that goal already in 2021.

## 3.2. External activities

### Swedish Rescue Mission

Moreover, the Fristads team in Sweden supports the Swedish Rescue Mission by donating and serving breakfast to homeless people in the community. The initiative is held in conjunction to Black Friday as a way to both support social responsibility and encouraging donating instead of increased purchasing. Fristads also participates every year in a UN program aimed at raising awareness about solar energy and curbing CO<sub>2</sub> emissions by providing access to solar water heaters to families in India. Additionally, the programs provide jobs for local workers and gives people a reliable source of electricity, making the program environmentally, socially and economically sustainable.

### “My land is the beautiful”

In Latvia, our Snickers Production team has chosen to focus on initiatives that benefit the local children. They donate to a project sponsored by Latvian schools called “My land is the Beautiful”, which aims, through creative activities, at promoting artistic imagination and strengthening the children's sense of belonging to the country. Moreover, they support a local charity that provides Christmas gifts to children in foster care. Finally, together with other companies in Tukums, where our factory is located, they donate discarded materials to a local children art school to make artistic projects.

### Supporting healthy seas and regional recycling projects

In the Netherlands, EMMA Safety Footwear donated some safety shoes with small production ‘mistakes’ to Sea Shepherd: <https://seashepherd.org/>. Moreover, 3% of the purchasing costs for all EMMA socks, which are partly made from recycled fishing nets, are directly donated to Healthy Seas: <https://www.healthyseas.org/>. EMMA has also set up an initiative with DenimX, a company from the same province in the Netherlands, in which they recuperate used denim and recycled PET bottles to make EMMA laces. The laces are produced by Eurocarbon, and the boxes for the laces are made from agricultural waste by PaperWise, both producers from the same province in The Netherlands.





## Attention for inclusion

In Switzerland, the Hultafors Group sales team supports a non-profit organization that works with people with disabilities with yearly donations and by buying the Christmas Cards that they produce.

## Mentoring and creative workplace solutions

During the Johnson Level 5S initiative, the team has worked hard to Sort, Set in Order, Shine, Standardize & Sustain the plant and distribution warehouse. With that continued effort, it was decided to donate a cargo van to Kars4Kids. Kars4Kids is a charity that helps build youth through education and mentorship. Their mission is to give children the opportunities and support they need to develop into productive members of their communities. Mentorship is the heart of all their programs. They surround their youth with a solid network of always-available mentors who become involved in all the major aspects of the children's lives. Because family and community have such a significant impact on a child's life and growth, they take a big-picture, inclusive approach to achieve their goals. Their programs include educational services, youth mentorship and development, community and family outreach and cultural events.

## Membership associations

### MittLiv

Hultafors Group has, for the past four years, partnered with MittLiv, a social enterprise that aims at improving inclusion and diversity in the labor market. MittLiv Chans is a mentorship programme for individuals with a foreign background who struggle to find their way into the Swedish job market, and aims to provide guidance, contacts, and access to job networks. Hultafors Group has supplied several mentors to the program, which is free for those being mentored, and is financed by businesses and organizations who understand the value and benefits of increased diversity in the workplace.

### Tekniksprånget

We have also recently started a collaboration with Tekniksprånget, which is an internship program where Sweden's employers, together with the government, invest in securing our future supply of skills by attracting more young people who just finished high school to higher technical education. During a four-month paid internship, young people get the opportunity to practice at technology companies all over Sweden.



Snickers Workwear has collaborated with Tekniksprånget since 2015. The program involves over 230 employers in over 120 different locations. The purpose is for them to gain an insight into the engineering profession and be inspired to attend higher technical education.

## Solvatten

In addition, Hultafors Group, as part of the Latour Group, is a proud partner of Solvatten, whose mission is to provide people living in developing countries with safe and hot water in a portable, environmentally friendly way.

## RISE: The Swedish chemicals group

Hultafors Group is a long-time member of the Swedish Chemicals Group, a network run and coordinated by RISE (Research Institutes of Sweden) in collaboration with experts from universities and governmental bodies. Membership in the Swedish Chemicals Group provides us updated information about chemical regulations as well as specialist support and peer contacts in the field. The Swedish Chemicals Group publishes twice a year a chemical guide, which is the basis of the Restricted Substance List (RSL) that we share with our suppliers – guidelines that are imperative for them to follow and respect. In addition to support in many forms, the Swedish Chemicals Group arranges meetings and seminars covering various topics related to chemicals in products and processes. Part of the membership fee can be also used for material testing and development by the Research Institutes of Sweden (RISE).

## Leather Working Group

Hultafors Group is also a member of Leather Working Group, a not-for-profit organization responsible for the world's leading environmental certification for the leather manufacturing industry. As a multi-stakeholder group, LWG boasts over 1300 members from across the leather supply chain.

## Worldfavor

Worldfavor is a global network that connects organizations across the world allowing them to access, share and gain insights from sustainability and compliance data. The Worldfavor sustainability platform leverages the latest technology to fuel sustainable action internally and through far-reaching value chains.

## Intertek and BSCI

Hultafors Group has a partnership with Intertek to conduct audits at the sites of our suppliers. Next to this, Fristads is also a member of Amfori BSCI, to continuously improve labour conditions throughout its full supply chain.

## The Swedish Textile Initiative for Climate Action (STICA)

Both Fristads and Snickers Workwear are a member of STICA. STICA's purpose is to support the apparel and textile industries and their stakeholders in the Nordic region to, at least, reduce greenhouse gases in line with 1.5°C warming pathway, as outlined by the United Nations Framework on Climate Change and the Paris Agreement in all three Scopes of the GHG protocol.

## Dutch Agreement on Sustainable Textiles (AGT)

Fristads and EMMA have been a member of Dutch Agreement on Sustainable Textiles, which ended on December 31st, 2021. A broad coalition of businesses and other organizations worked together during the term of 5.5 years to improve working conditions, prevent pollution, and promote animal welfare in production countries. The AGT has extensive experience with implementing the due diligence expectations of the OECD Guidelines.

## WRTP / Big Step

In North America, Johnson Level partnered with WRTP / Big Step in 2021, a non-profit national leader in developing sector-based, creative workforce solutions. WRTP – Big Step brings together both resources and partners in their efforts with a dual customer approach. The model is not just about helping displaced workers retain jobs in a community, but also maintain the competitiveness of companies that provide jobs. This partnership was not only to help Johnson Level outsource their quality work, but to hire displaced workers due to other business's shutting down or downsizing due to profit challenges they were facing.

## Better Cotton

Hultafors Group partnered up with Better Cotton to improve cotton farming globally.

Better Cotton's mission is to help cotton communities survive and thrive, while protecting and restoring the environment. Better Cotton helps millions of cotton growers to embrace more environmentally friendly, socially and economically sustainable farming methods, creating a huge impact and shaping the future of the cotton industry.

<https://bettercotton.org>



## JOHNSON LEVEL & TOOL

### Safety at Work

Similarly, to 2020, 2021 Johnson Level & Tool has been focused on navigating through the uncertainties of the global pandemic. They took extended measures to ensure the safety of our employees at work but also not infringing on their personal choices.

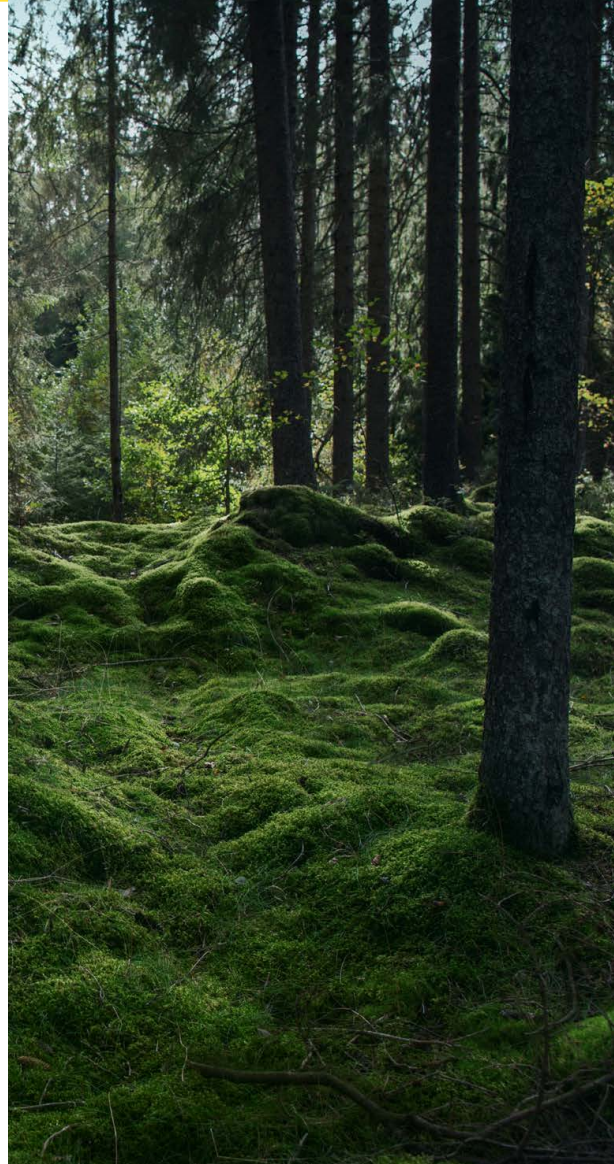
Johnson encouraged employees to stay home and get tested at a local clinic we partnered with if they did not feel good. The local clinic also offered COVID vaccinations for any of our employees that were interested in making that decision. The Hultafors Group North America Playbook was kept up to date by following CDC and State guidelines as regularly as possible. Communication happened on a quarterly basis to all employees with Town Hall meetings to ensure we shared not only financials, sales & operational updates, but kept our focus on the 3 goals Hultafors Group set as an HGNA leadership team in mid-March 2020:

- 1. Keep the Hultafors Group North America Team safe and healthy. This is the top priority.**
- 2. Serve our loyal customers with strong fill rates to meet their demand as essential businesses.**
- 3. Maintain a healthy business where all associates can all prosper for years to come.**

Facing Labor shortages and a high demand for the Johnson Level & Tool products, Johnson's employees have been working hard. The organization recognized all employees throughout the year for this hard work and dedication in ensuring the fill rates were high during a challenging time.

Some of the efforts included Employee Appreciation Meals, Raffles/Drawings, Gift Cards, and a personal thanks from the leaders of the organization. They even enjoyed some time off property for a Team Day Event at the local Milwaukee Zoo!

Looking into the future for Johnson Level & Tool and the efforts to continue its sustainability path they will have a heavy focus on 3 topics. One is to recruit a Hultafors Group North America team member that is dedicated



to lead sustainability work. Two goals they would task this talented individual with will be to begin the journey into becoming ISO 14001 Certified, as well as continue efforts in vendor compliance.

As a whole, the HGNA team will be laser focused on high employee engagement, giving back to our local communities & moving ourselves forward with sustainability!

# 4. Zero tolerance for bribery and corruption





**Hultafors Group prohibits making or approving any offer, promise, payment, or gift of anything of value to any individual, with an intent to improperly influence a decision by the individual. Anti-corruption laws generally prohibit the corrupt giving or receiving of something of value to an individual or Official (defined below) to obtain or retain business or an improper business advantage.**

These laws cover bribery of government officials and employees (“official bribery”), and of individuals at companies with which we do business (“commercial bribery”). Hultafors Group follows a zero-tolerance policy for all forms of corruption, including extortion, embezzlement, and bribery. This policy needs to be signed by all white-collar workers. An anti-corruption clause is also included in the Code of Conduct. In order to ensure a high level of knowledge and compliance with the Code of Conduct, policies and principles, our owner Latour demands that all management team members as well as employees with purchasing or sales positions must carry out online training on the topic every two years. We track the participation rate of the trainings through the Litmos platform. Stakeholders are informed on this topic through our Code of Conduct and through our whistleblowing system WhistleB.

## 4.1. Anti-Corruption Policy

Hultafors Group follows Investment AB Latour’s anti-corruption policy. The staff at Hultafors Group’s offices have all received communication about this policy and completed training on the anti-corruption policy through the SAP Litmos training system. Incidents need to be reported through our whistleblowing system WhistleB.

**DOWNLOAD THE ANTI-CORRUPTION POLICY:**  
<https://www.latour.se/en/about/sustainability/policys>

## 4.2. Communication and training about anti-corruption policies and procedures

*Target 2030: All white-collar employees have signed the anti-corruption policy and have read the anti-corruption procedure.*

**Status December 2021: 99.7%:**

1.1  
 Total number of employees that the organization’s anti-corruption policies and procedures have been communicated to 946

1.2  
 Total number of suppliers that the organization’s anti-corruption policies and procedures have been communicated to 255

## 4.3. Confirmed incidents of corruption and actions taken

*Target 2030:*  
*Confirmed incidents of corruption and actions taken: 0*

**Status December 2021:**

2.1.  
 Total number of confirmed incidents of corruption 1

During 2021 one case has been reported about suspected bribery. After proper investigation the case has been closed based on false accusations.



# 5. Diversity and human rights

**This topic refers to embracing a diverse and inclusive workforce that reflects society, with the aim of providing equal opportunities for all, regardless of age, gender, ethnic background, etc. Every employee shall be treated with respect and dignity. Hultafors Group expects the supplier to respect the rights of each individual and prohibits any type of violence, abuse, and assault at the workplace.**

Our approach toward human rights is included in our Code of Conduct. Hultafors respects the protection of human rights and guarantees, through internal processes and steering documents, that it is not involved in crimes against human rights. Suppliers, distributors, consultants and other business partners must comply with the principles of our Code of Conduct. Our whistleblowing mechanism WhistleB is available for employees, workers, and external stakeholders to report potential violations of human rights. We research and identify potential human rights issues through supplier assessments in sustainability platform Worldfavor and through supplier audits. Diversity is a central topic in

our HR recruiting process. We aim at increasing the representation of women at executive board level, management team level, and within the workforces of our brands. Particular attention has been paid to this topic in our hiring process of new personnel.



## 5.1. Information about employees and other workers

**Target: Gender equality: Minimum of 40% female managers in 2030.**

**Status 2021: 34%**

Our employees are our most important asset. Hultafors Group values diversity and inclusion and has therefore created a target to reach a 40-60% balance of male/female workers by 2030. Attracting and maintaining top talents is one of Hultafors Group's priorities. Especially for younger generations, sustainability work is one of the most important reasons to work for a company nowadays. We find it important to invest in our workers and have a diverse workforce throughout our full organization.

The data for the gender split (Table 1. Employees by gender) for both permanent and temporary staff, and the gender split per region, are currently missing due to a central HR system. Our aim is to collect this data in the near future, and to report on this figure in 2022.

The information on our employees is compiled through our HR system Aaro in which we keep track of the number of employees. We report on these two regions, because our divisions are also split into these two regions: Europe and North America. These geographical areas are our main distribution markets. Hultafors Group also owns offices and factories in Europe and North America.

The majority of the work has been done by workers who are employees. Hultafors Group has also hired temporary workers, which is 271 FTE. This data is also compiled through our HR system Aaro. Because of the acquisition of Fristads, Kansas and Leijona, and Scangrip, there has been a major increase in employees working at Hultafors Group, compared to last year.

Table 1. Employees by gender\*

Jan 1, 2021 – Dec 31, 2021	female	male	other*	not disclosed	total
Number of employees (FTE) (including temporary staff)					2.007
Number of permanent employees (FTE)					1.741
Number of full-time employees (FTE) (average, not including temporary staff)	894	842			1.736

\*Gender as specified by the employees themselves

Table 2. Employees by region

Jan 1, 2021 – Dec 31, 2021	Europe	North America	Total
Number of employees (FTE) (including temporary staff)	1.854	153	2007
Number of permanent employees (FTE)	1.628	113	1741
Number of full-time employees (FTE) (average, not including temporary staff)	1.623	113	1.736

## 5.2. Diversity of governance bodies and employees

### Gender ratio

Gender ratio in management (salary setting)	34%
Gender ratio in Hultafors Group Management Team	25% (Q1-2) 12.5% (Q3-4)
Gender ratio in board of directors	17%



## 1. Managers

1.1	Total number of managers	197
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1.2	Number of female managers	71
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## 2. Executive management

2.1	Number of members in executive management	9
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2.2	Number of members in executive management that are female	1
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2.3	Number of members in executive management age under 30	0
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2.4	Number of members in executive management age 30-50	6
-----	---	---

2.5	Number of members in executive management age over 50	3
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## 3. Board

3.1	Number of members in the board	6
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3.2	Number of members in the board that are female	1
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3.3	Number of members in the board age under 30	0
-----	---	---

3.4	Number of members in the board age 30-50	2
-----	--	---

3.5	Number of members in the board age over 50	4
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## 5.3. Inclusion in the workplace



### EMMA SAFETY FOOTWEAR

#### Production with a focus on social return

Ever since its foundation in 1931, EMMA has been a brand with much attention to inclusion. Until 2013, EMMA has been a sheltered workshop. Employees of the Dutch state mine Emma often got injured or disabled during their work underground. As for this reason they could not perform their heavy duty in the state mine anymore, they had to find alternative work. That is the reason why EMMA was founded: to provide work for injured and disabled mineworkers. The employees decided to repair, and later on, make safety footwear for their colleagues in the state mine Emma. Today, EMMA still employs about 63% of people who have a distance to the labor market. EMMA has employed job coaches, who provide guidance and support to the EMMA employees in their daily work, to get the best out of their potential. EMMA also prepares and trains employees for future employment in other businesses.

#### *So, what do our colleagues at EMMA do?*

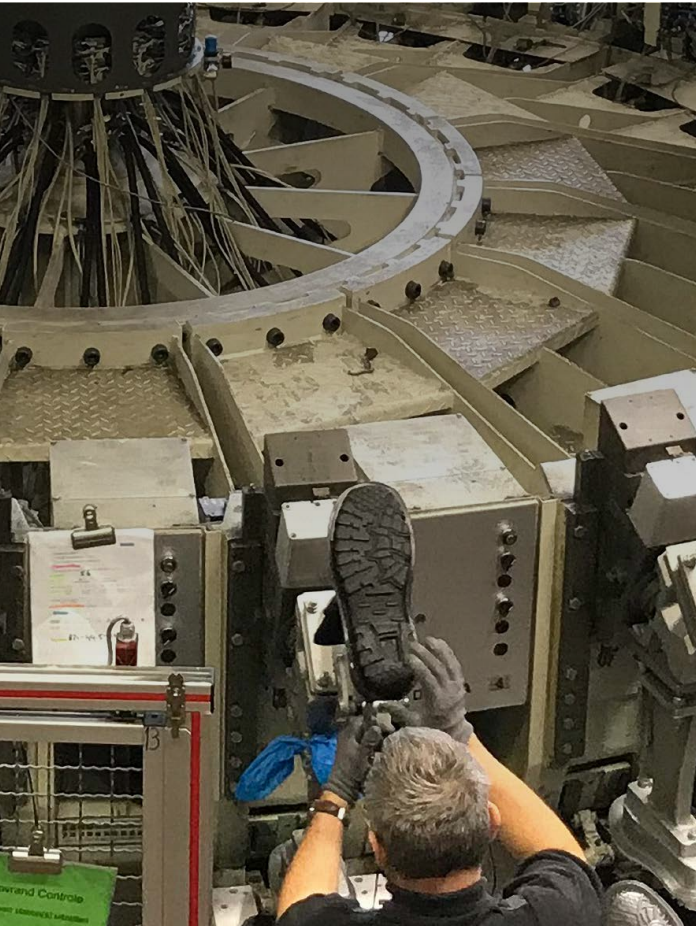
The Production department in Kerkrade works in five steps: punching the leather, stitching the leather parts,

twisting the upper around the last, inserting the insoles and then finishing the shoes. This work is divided into three departments: each makes its own contribution to the end product. The main features of these three divisions are:

**1. Lasting department:** The three steps of the production process take place in this department. It is the craftwork of shoe professionals that lead to the manufacture of an upper, with the help of modern machines. The Office line and Frontier line - EMMA's business collection -, are produced here almost entirely by hand, after the cut leather has been received from Brazil. The work is done both solo and in teams.

**2. Sole department:** In this section, the EMMA colleagues add the sole to the upper. This is mainly done mechanically by spraying the polyurethane sole (and/or rubber outsole) onto the upper, with the help of an injection carousel. In addition to machine operation, physical work and flexibility in terms of deployment are required: the work is done in a team. The working environment is structured and there is room for technology.





**3. Finish.** This is the department that takes care of finishing the shoes up to and including packaging. It concerns low-threshold work with a mostly repetitive character. It requires manual dexterity, craftsmanship and concentration. This work takes place in a team. Employees are expected to develop aptitude and capabilities to succeed in production work with mainstream employers. This means, among other things, that – in addition to the right motivation for production work – it is important that they have hand, eye and foot coordination. Physical health is a conditional condition for proper job performance in their future job.

## Handling logistics

The logistics department has two main processes:

1. The logistics process associated with the supply of the production floor from the raw material warehouse. The department takes care of the receipt, storage, management and issuance of semi-finished products/raw materials supplied by suppliers (for example, insoles,

laces, steel and composite toe caps) to the Production department. In addition to the physical work, administrative stock management is also taken care of here, using automated systems.

2. The logistics process that takes care of picking, packing and preparing the end products for shipment, which are then sent to the Central Warehouse in Poland: the so-called Forwarding. Employees who need additional support can work in both logistics departments in preparation for positions in the logistics sector. Logistics employees are expected to have (or develop) an aptitude that is necessary to succeed in logistics work. This means that – in addition to motivation for logistics work – it is important that the employee is physically healthy and able to work in a team. If appropriate, a forklift diploma can be obtained as well as a Safety Certificate for Contractors (SCC).

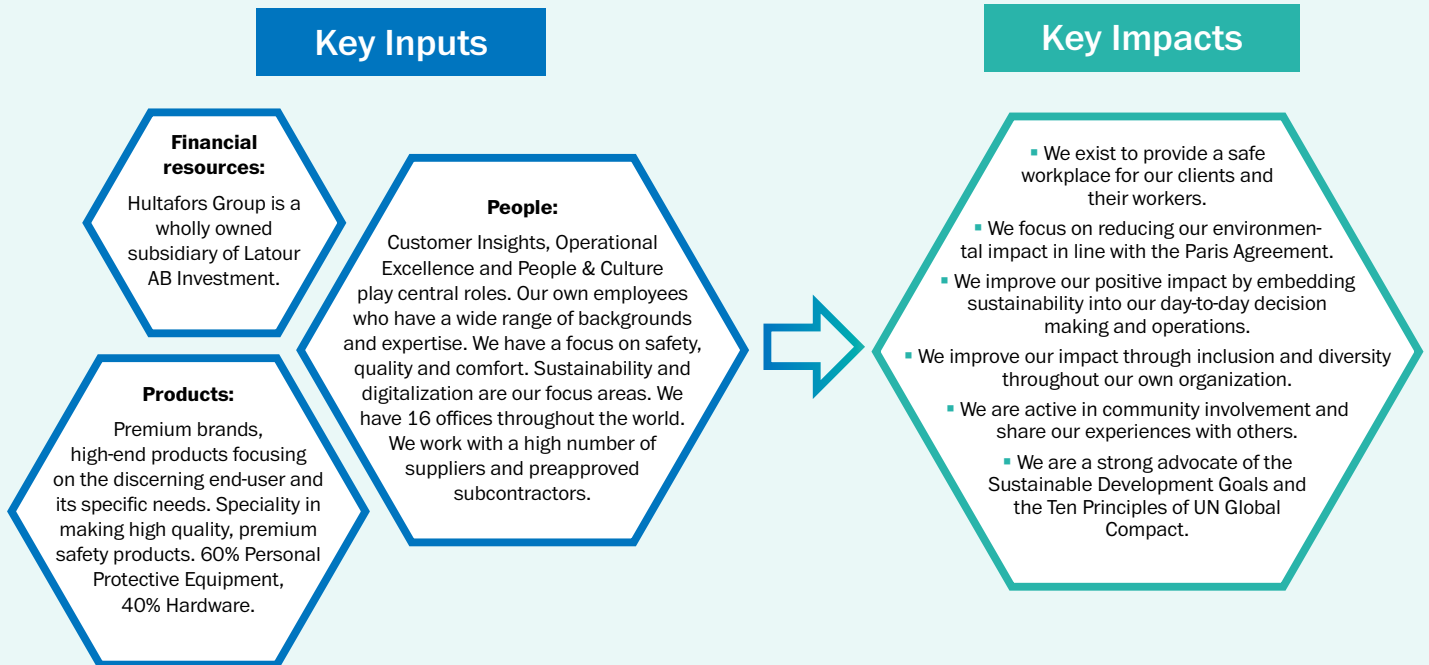
## Flexibility and customization are key for more inclusion in the workplace

If it is already clear in advance which ‘regular’ employer the participant will be working for, the learn-work trajectory is flexibly adapted to this intended workplace. The content of the work can be adapted to this so that the employee skills optimally match the wishes of the future employer. EMMA is always keen to work on customization. The employees are eligible for a work-study trajectory at EMMA through municipalities or the employee insurance agency. EMMA can provide an integrated approach: this means, in addition to the learning-work trajectory, EMMA can also provide placement and job coaching at employers for municipalities and the employee insurance agency.

## Long-term commitment

For more than 90 years, EMMA has woven social return into its production process as a matter of natural course. We are very proud of EMMA’s rich history and the fact that we choose to retain our talents in Kerkrade, The Netherlands, even though EMMA has had many chances to embed robotization in its factory. EMMA is very active in the field of job rotation and job carving, so we provide tailor-made work for our employees, and we make sure that there is variation in the work that needs to be done, if this is desired by the employees. EMMA has a long-term partnership with WSP Parkstad, the sheltered employment facility in the province of Limburg, the Netherlands.

# 6. Our impact



## Significant changes to the organization and our supply chain

In November 2021, EMMA Safety Footwear (Daan Holding BV) became a fully-owned brand within Hultafors Group. 20% of the shares of the previous minority owners of Daan Holding BV have been purchased by Hultafors Group AB / Investment AB Latour.

Also in 2021, Hultafors Group has acquired both work light manufacturer Scangrip and workwear brand Fristads. Especially Fristads has had a major effect on our supply chain in 2021, with approximately 600 employees and 122 suppliers. The complete Hultafors Group has replaced around 25 supplier relationships of the production-related supply chain base in 2021.

COVID-19 has also caused disruptions in our supply chain. Due to several material shortages, a decrease in sufficient healthy workers at our suppliers and increased lead times due to hiccups in the transport sector, we have experienced some delays in the supplies of components. In some cases, an increase in backorders could not be fully avoided, however, we have done our utmost best to minimize the effects on the deliveries to our customers.

## List of stakeholder groups

Our materiality assessment has been based on:

- Customers
- Suppliers
- Owner
- Employees
- Managers
- Advisors

Other stakeholders we engage with include workers in the factories, trade unions and local initiatives.

## Identifying and selecting stakeholders

These stakeholders were selected because we have a direct influence on their interests, and they have – to a greater or lesser extent – a direct impact on our organization. We want to be aware of what is happening in their areas, to be able to respond to their needs, and to adjust our course accordingly when needed. To narrow down the focus of the report, we have performed a materiality analysis.



# 6.1. Targets and our progress on targets

## Worldfavor

Hultafors Group implements the Worldfavor Sustainability Management and Sustainable Sourcing solutions. Worldfavor’s sustainability platform helps us drive transparency and sustainability at every step of our supply chain. In Worldfavor, we trace and assess our environmental and social impact and track social and environmental progress. Where the Sustainability management module is focused on our own operations, the Sustainable Sourcing module is focused on Scope 3, our supply chains. With Worldfavor’s Sourcing solution, we send our own self-assessment questionnaires, our Code of Conduct, and the Restricted Substances List to our suppliers. The suppliers can log in to the platform themselves with their own account. Hultafors Group verifies that they have met all the required information and keeps a record of their answers. By working with Worldfavor, we can collect all the data we need, adjust the requirements per supplier, and report on the results. The platform also allows us to send reminder emails. In addition, Worldfavor enables us to estimate the social, corruption, and environmental risks per supplier based on leading risk indices with automated analyses. We have decided to join the Worldfavor network, as it gives us the ability to gain insights about our own operations, our suppliers, and monitor all supplier data in one place for all brands within the Hultafors Group, without the

hassle of exchanging emails and storing information in different places.

## Sustainable Development Goals

The UN’s Sustainable Development Goals (SDGs) are the world’s shared plan to end extreme poverty, reduce inequality, and protect the planet by 2030. 17 goals are built with targets and indicators that help us to ensure we are on the right path. Hultafors Group supports the UN Sustainable Development Goals and has focused on three goals, to begin with, based on stakeholder discussions and the opportunities to make an impact.

Hultafors Group’s primary Sustainable Development Goals are: SDG 7: Affordable and Green Energy, SDG 8: Decent Work and Economic Growth, and SDG 12: Responsible Consumption and Production.

## Targets

The targets Hultafors Group has set are based on minimum requirements from our owner Investment AB Latour. These minimum requirements are set for 2030 and translated into KPI’s. KPI’s, or “Key Performance indicators”, are reported to our owner Investment AB Latour quarterly and on an annual basis. The KPIs are based on the 17 Sustainable Development Goals by the United Nations, which, among others, include the use of renewable energy (SDG 7), reducing the CO<sub>2</sub>-emissions of our own sites (SDG 13), and gender equality (SDG 5). Officially committing to Group-wide science-based targets is the next step.

## Approach to stakeholder engagement

Stakeholder	Frequency
Multiple relevant stakeholders: Materiality assessment	Specifically for this report
Suppliers: Supplier self-assessments	Annually
Suppliers: Supplier dialogue	A daily or weekly basis with Tier 1 suppliers. Regularly with Tier 2, 3 and 4 suppliers.
Grievance mechanism for workers at suppliers’ factories	Continuously available
Clients: visits, newsletters, social media and client surveys	Visits, newsletters and social media – depending on relationships with clients. Client surveys are depending on the brand’s efforts, mostly on annual basis
Employees: (townhall) meetings, intranet, Litmos and Winningtemp. SAP Litmos is a training and learning development solution that is used for our employees. Winningtemp’s employee pulse survey results are interpreted by their platform’s AI, which recognizes if conditions are trending towards burnout, turnover, or sickness absence.	Daily meetings.  Intranet, SAP Litmos and Winningtemp: weekly and when there is news available
Owner: corporate advisory board and engagement in Sustainability Forum by owner Latour	Bi-weekly
Advisors and other partners	Daily or weekly, depending on relevance
Trade unions and local initiatives	When needed or when an occasion occurs

# Explanation on Scope 1, 2 and 3

## DIRECT

### SCOPE 1

Direct GHG emissions occur from sources that are operated by the company.

## INDIRECT

### SCOPE 2

GHG emissions from the generation of purchased energy by the company.

## SUPPLEMENTAL

### SCOPE 3

Indirect GHG emissions that occur in the value chain of the company.

GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions.

**More information:** [ghgprotocol.org](https://ghgprotocol.org)

	Targets Scope 1, 2 and 3	Status 2021	
1	Energy consumption (MWh) -5% annually, in relation to sales.	2021: 22,716 MWh 2020: 16,630 MWh	Scope 1 and 2. Outcome of consumption of energy based on all activities at own sites. Hultafors Group has acquired several companies during 2021, hence the increase in energy consumption. The increase in net sales has been 33,7%, so the relative increase in MWh is 2,9%.
2	Energy mix renewable: 5% improvement annually.	2021: 39% 2020: 35%	Scope 1 and 2. Outcome of energy consumption of energy and renewable energy at own sites.
3	CO <sub>2</sub> emission: -5% relative improvement annually, in relation to sales.	Scope 1 2021: 2,244 tCO <sub>2</sub> e 2020: 2,595 tCO <sub>2</sub> e 2019: 1,716 tCO <sub>2</sub> e  Scope 2 2021: 2,261 tCO <sub>2</sub> e 2020: 873 tCO <sub>2</sub> e 2019: 697 tCO <sub>2</sub> e	CO <sub>2</sub> -emissions for Scope 1 + 2. Hultafors Group has acquired EMMA Safety Footwear in 2020 and Fristads in 2021, hence the increase in CO <sub>2</sub> emissions. Net sales has increased with 33,7%, so the total CO <sub>2</sub> emissions for Scope 1 and 2 have been relative improved with 9,39%.
4	ISO14001 certified production sites in 2030.	89%	Environmental (Scope 1 +2)
5	Gender equality, Managers in company. Minimum of 40% female managers in 2030.	Percentage of female managers: 34%	Social (Health & Safety)



# Related UN Sustainable Development Goals and UN SDG targets – Part 1



## Direct (Scope 1) GHG emissions

### GOAL 7 AFFORDABLE AND CLEAN ENERGY.

**TARGET 7.2.** By 2030, increase substantially the share of renewable energy in the global energy mix.

**TARGET 7.3.** By 2030, double the global rate of improvement in energy efficiency.

### GOAL 8 DECENT WORK AND ECONOMIC GROWTH.

**TARGET 8.4.** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.

### GOAL 12 RESPONSIBLE CONSUMPTION AND PRODUCTION.

**TARGET 12.2.** By 2030, achieve the sustainability management and efficient use of natural resources.

### GOAL 13 CLIMATE ACTION.

**TARGET 13.1.** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

## Energy indirect (Scope 2) GHG emissions

### GOAL 3 GOOD HEALTH AND WELL-BEING.

**TARGET 3.9.** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

### GOAL 12 RESPONSIBLE CONSUMPTION AND PRODUCTION.

**TARGET 12.4.** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

### GOAL 13 CLIMATE ACTION.

**TARGET 13.1.** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

### GOAL 14 LIFE BELOW WATER.

**TARGET 14.3.** Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.

### GOAL 15 LIFE ON LAND

**TARGET 15.2.** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

# Related UN Sustainable Development Goals and UN SDG targets – Part 2

## Energy consumption within the organization

### GOAL 7 AFFORDABLE AND CLEAN ENERGY.

**TARGET 7.2.** By 2030, increase substantially the share of renewable energy in the global energy mix.

**TARGET 7.3.** By 2030, double the global rate of improvement in energy efficiency.

### GOAL 8 DECENT WORK AND ECONOMIC GROWTH.

**TARGET 8.4.** Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.

### GOAL 12 RESPONSIBLE CONSUMPTION AND PRODUCTION.

**TARGET 12.2.** By 2030, achieve the sustainability management and efficient use of natural resources.

### GOAL 13 CLIMATE ACTION.

**TARGET 13.1.** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

## Other indirect (Scope 3) GHG emissions

### GOAL 3 GOOD HEALTH AND WELL-BEING.

**TARGET 3.9.** By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

### GOAL 12 RESPONSIBLE CONSUMPTION AND PRODUCTION.

**TARGET 12.4.** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

### GOAL 13 CLIMATE ACTION.

**TARGET 13.1.** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

### GOAL 14 LIFE BELOW WATER.

**TARGET 14.3.** Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.

### GOAL 15 LIFE ON LAND.

**TARGET 15.2.** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

## Diversity of governance bodies and employees

### GOAL 5 GENDER EQUALITY.

**TARGET 5.1.** End all forms of discrimination against all women and girls everywhere.

**TARGET 5.5.** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

### GOAL 8 DECENT WORK AND ECONOMIC GROWTH.

**TARGET 8.5.** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.





# Wibe Ladders launches the world's first green Aluminium Ladders.

**Yellow**  
**is the new**  
**green.**

## WIBE LADDERS

### Launch of the world's first green aluminium ladders

The production of aluminium requires large amounts of energy. Usually coal. But by using renewable sources, Wibe Ladders now launches the world's first ladders made of aluminium produced with renewable electricity. A significant step for the industry and the environment. Aluminium is the most common metal in the earth's crust, and is produced by mining bauxite, which through chemical refining is converted into alumina, or aluminium oxide, and finally converted into solid aluminium in a smelting plant. And it is precisely the smelting process that is the largest source of greenhouse gas emissions because the process is so incredibly energy intensive.

*"As the leading Nordic manufacturer, we also have a hope of driving the entire industry. Because the more we are, the faster it goes",* says Johan Fräjdin, Business Development Director at Wibe Ladders.

### Switch to renewable resources

Converting from fossil to renewable energy is the single most important thing Wibe can do to reduce our carbon dioxide emissions. In the light of a growing interest from

both the construction industry and private individuals to understand how to contribute to minimizing carbon dioxide emissions, the products of the future will become more sustainable.

For this transition, Wibe has chosen to work with ProfilGruppen Extrusions AB, who provides a sustainable raw material alternative, and which collaborates with revised and approved smelters that only use electricity from renewable sources. "By switching to renewable energy (in the energy-intensive aluminium production), we save 13,000 tons of CO<sub>2</sub> per year and reduce the carbon dioxide footprint in the smelter by 75% compared to the world average. As the next step we are working to have a complete proof of origin for the material, from the mine to the finished product, and we hope to have this in place during 2022", says Johan Fräjdin.

### From safety to sustainably safe

Until now, it can be said that safety has been Wibe's biggest focus. Wibe wants to tell you about our environmentally certified aluminium by loading Wibe's brand with new values, without forgetting the old ones. Wibe's ladders are as safe as ever, but now with less environmental impact.



# Launch of the world's first green aluminium ladders

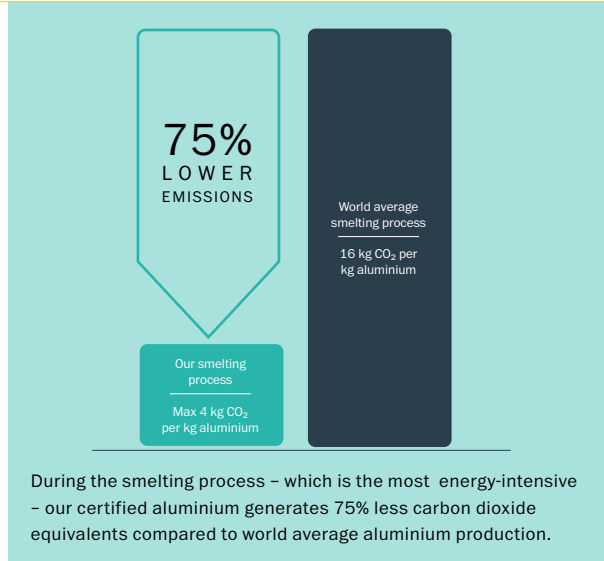




## WIBE LADDERS

### Promising potential for reducing CO<sub>2</sub> emissions

When you produce aluminium, you start with a clay soil called bauxite. From it, alumina is produced which is then smelted down to pure aluminium. It is the smelting process that is the most energy-intensive part of the process and this is where we can make a big saving by use renewable energy. Once you got the pure aluminium it is extruded into profiles that Wibe finally takes home to its factory in Nässjö where we build the ladders.



Here in the smelting process, Wibe uses renewable energy such as Nordic hydropower and Icelandic geothermal energy. This means that the supplier of aluminium can guarantee that the emissions in the smelting process are not more than 4 kilos of carbon dioxide equivalents per kilo of aluminium produced.



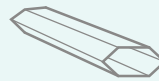
Bauxite Extraction



Alumina Production



Aluminium smelting

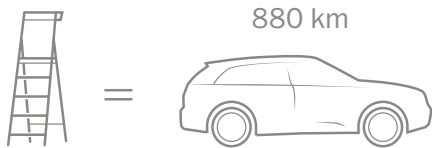


Profile Extrusion



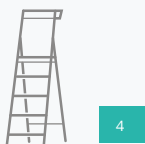
Ladder Assembly

### A bit of maths



If you buy a step ladder 55P with 5-steps, we save about as much carbon dioxide as driving 880 km with an average Swedish petrol car.

#### Certified aluminium



$$9 \times 4 = 36 \text{ kg CO}_2\text{e}$$

55P with 5 steps contains about 9 kg of aluminium.

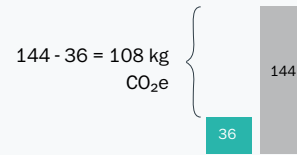
#### Average aluminium



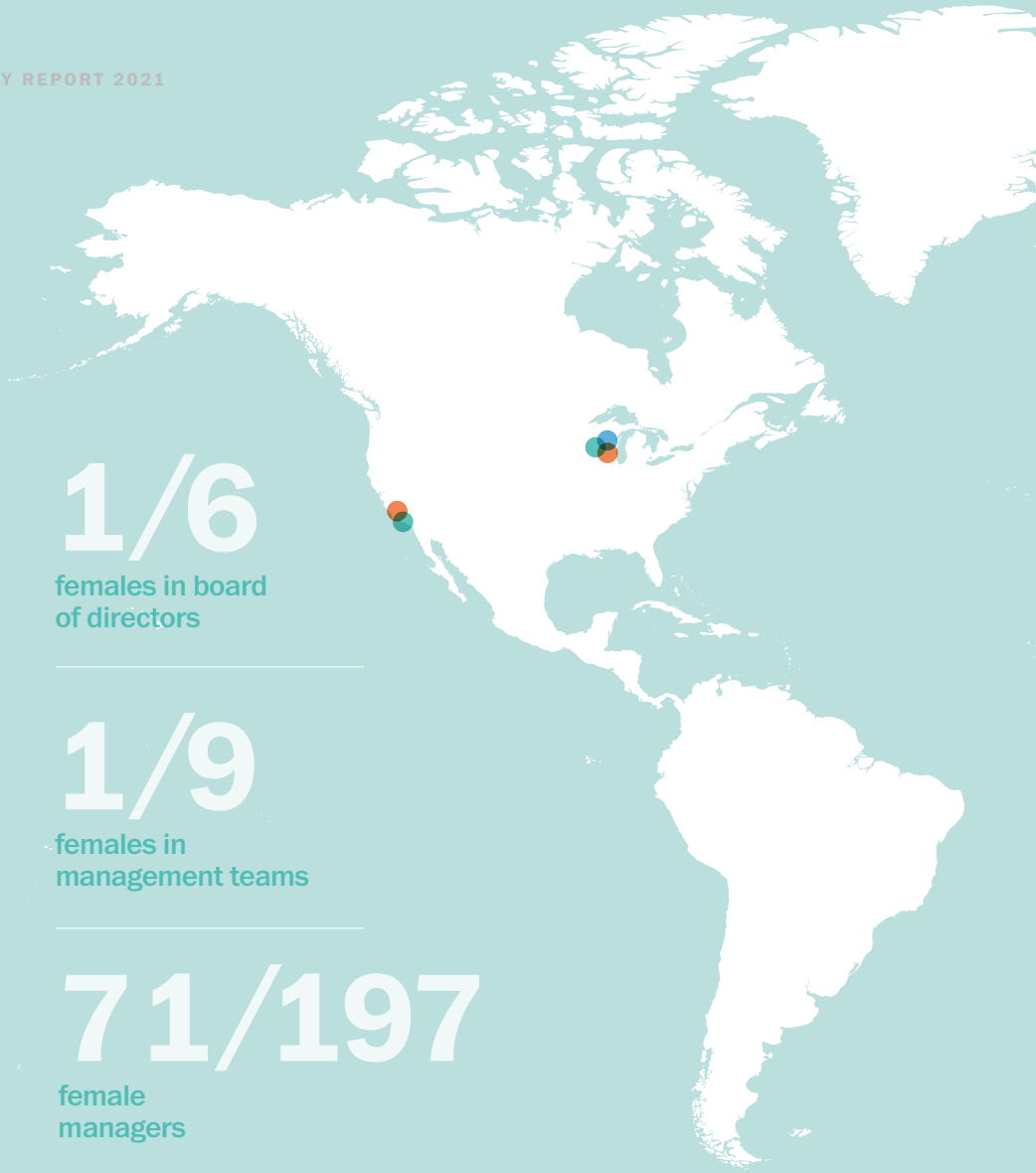
$$9 \times 16 = 144 \text{ kg CO}_2\text{e}$$

We multiply the aluminium weight with the carbon footprint

#### Difference



An average Swedish petrol-powered car emits 0.122 kg CO<sub>2</sub> eq./km. This means that you can drive 108 / 0.122 = 880 km with the savings made by using certified aluminium instead of aluminium from world-average production.



16

markets with our own sales team

1/6

females in board of directors

32

countries operating in

1/9

females in management teams

1,736

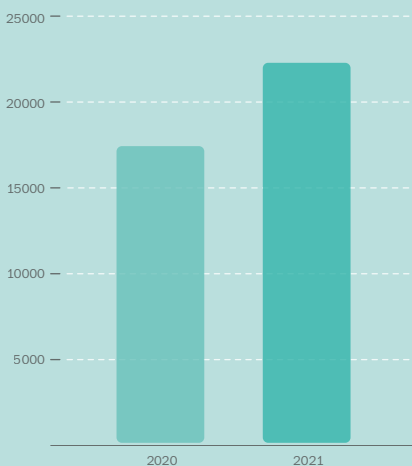
total full time employees

71/197

female managers

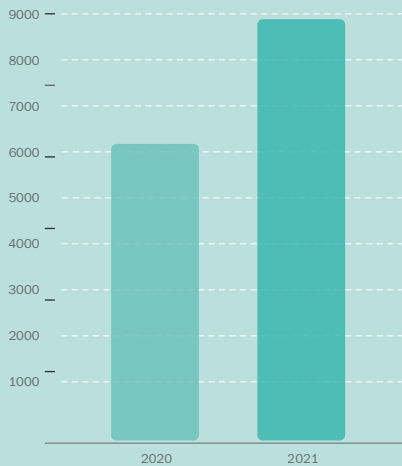
ENERGY CONSUMPTION (Mwh)

(Worldfavor data)

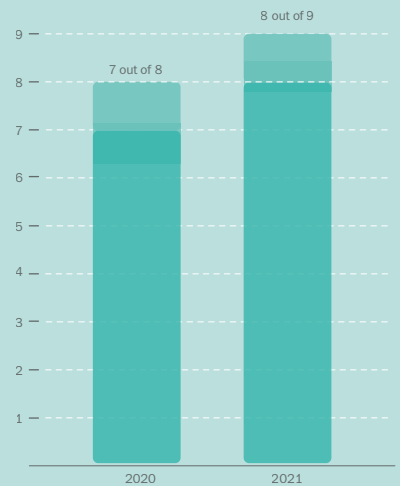


RENEWABLE ENERGY (Mwh)

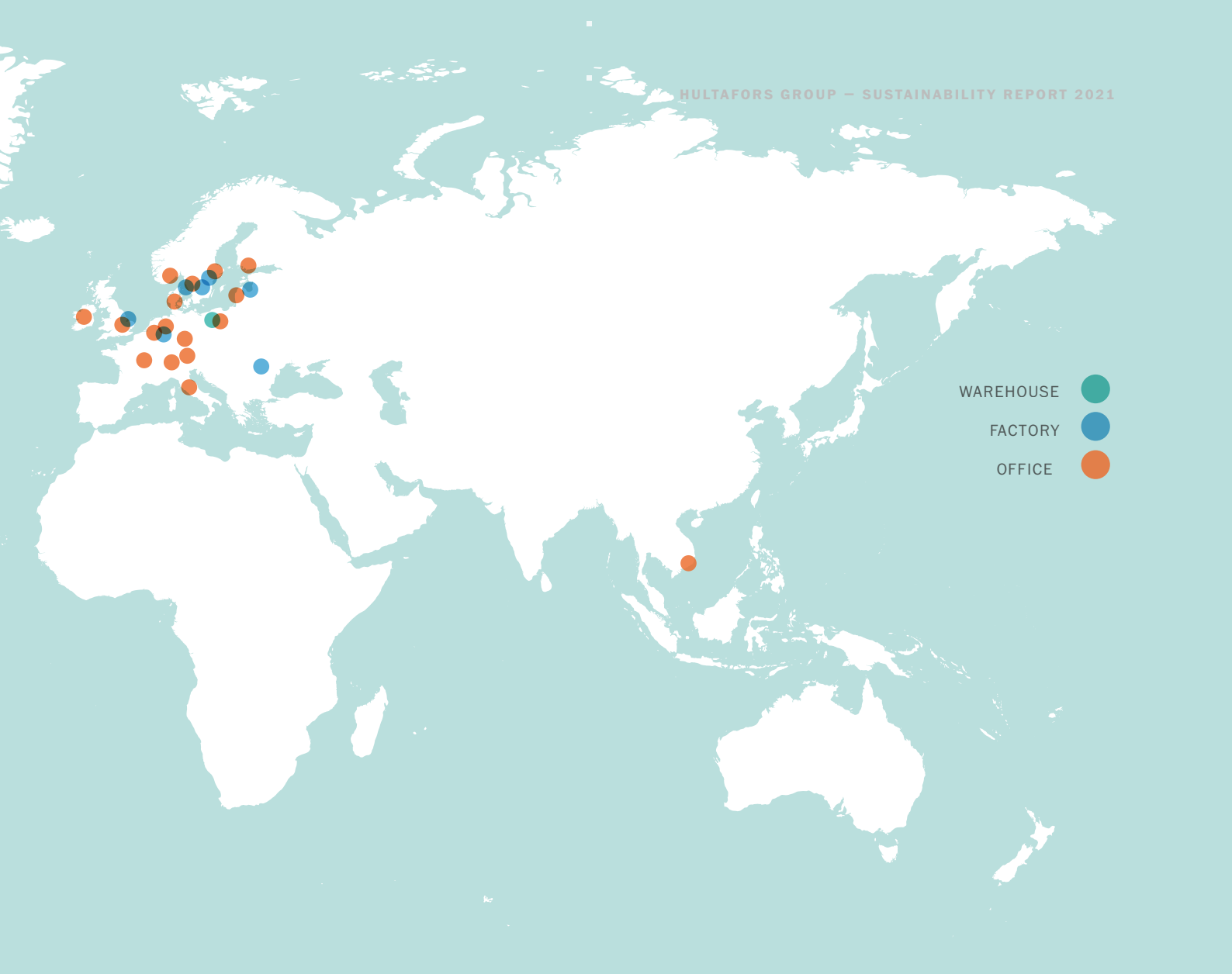
(Worldfavor data)



QUALITY & ENVIRONMENTALLY CERTIFIED PRODUCTION FACILITIES

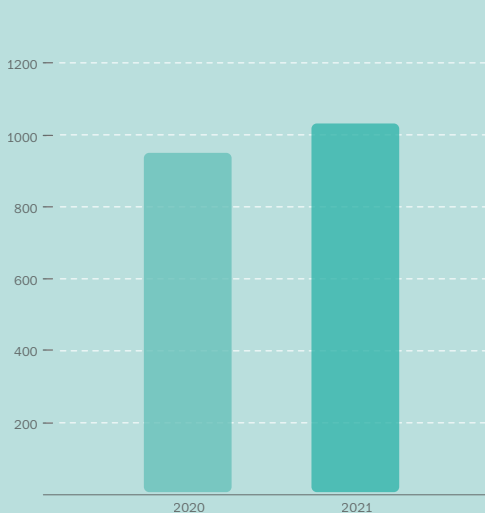






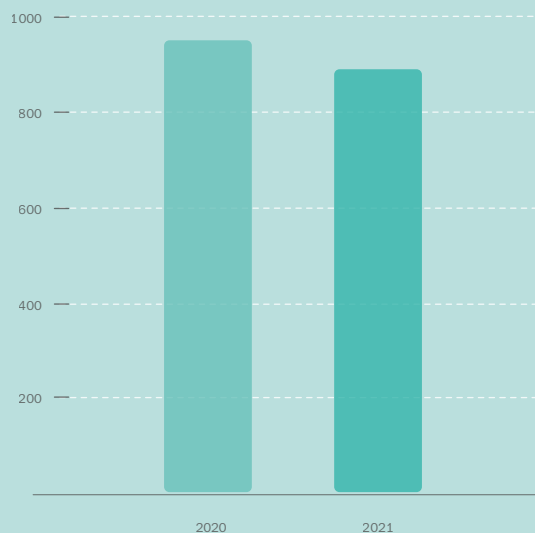
## 6.2. Direct (Scope 1) GHG emissions

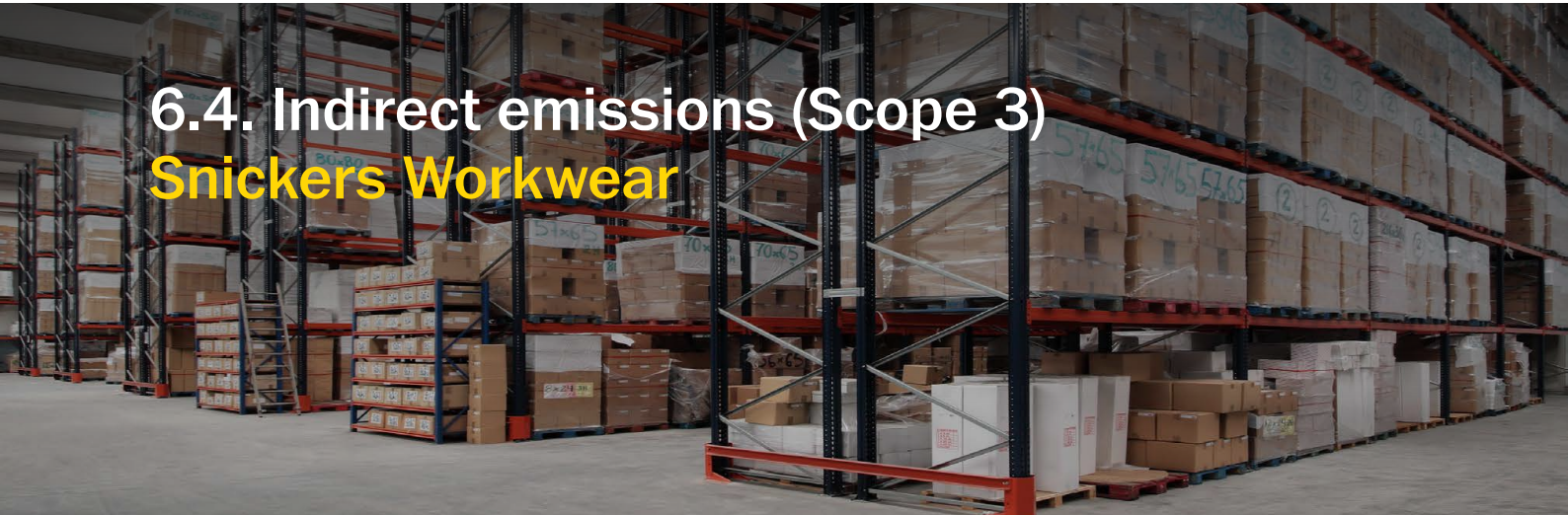
COMPANY OPERATED CARS (tCO<sub>2</sub>e)  
 SCOPE 1



## 6.3. Energy indirect (Scope 2) GHG emissions

PURCHASED RENEWABLE ELECTRICITY (MWh)  
 SCOPE 2





## 6.4. Indirect emissions (Scope 3) Snickers Workwear

### SNICKERS WORKWEAR

#### Climate commitments high on the agenda

SnickerOs Workwear is one of the brands that has already thoroughly investigated its Scope 3 emissions. Snickers Workwear’s commitment is to be as environmentally responsible as possible across its entire value chain, they are now taking their climate commitments to the next level by aligning their work with global standards and setting targets beyond their most immediate impact.

To understand the full extent of its carbon footprint, Snickers Workwear calculates emissions using the GHG Protocol.

**“Snickers Workwear commits to 50% reduction of absolute Scope 1 & 2 GHG emissions by 2030 from a 2018 base year. Snickers Workwear also commits to reduce absolute scope 3 GHG emissions by 42% by 2030 from**

#### Working towards global goals

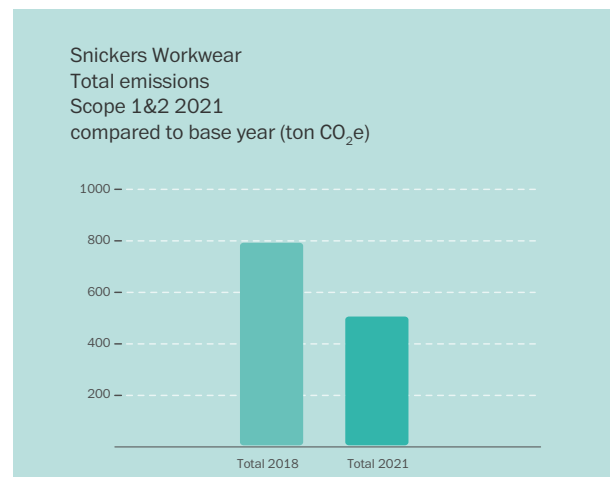
Snickers Workwear has been working hard to significantly decrease its carbon footprint. Consequently, Snickers Workwear has committed to contributing to the Paris Agreement, a UN framework aiming at limiting global warming to 1.5 degrees. Its climate targets are in line with science and the 1.5-degree pathway and includes all three scopes of the Green House Gas (GHG) Protocol.

The membership in the Swedish Textile Initiative for Climate Action (STICA) is an integral part of this commitment, through this action learning network member companies collaborate and share learnings and best practices to step up to meet our common challenge of curbing climate change.

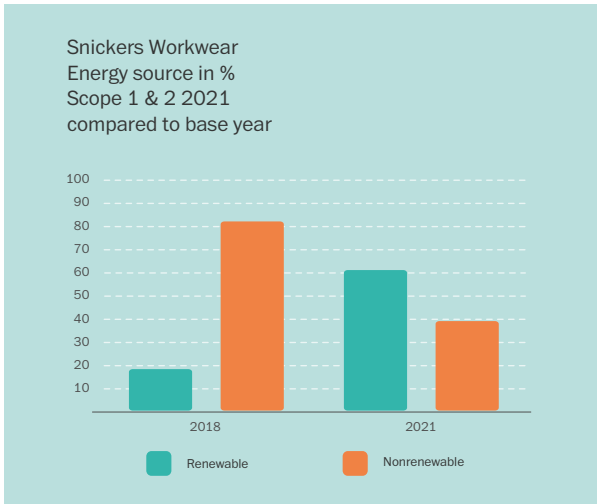


#### 2021 Scope 1 & 2 calculation and result

Since 2018, Snickers Workwear’s base year for Scope 1&2, the brand has reduced its emissions by 34%. The majority of the decrease comes from transitioning to renewable energy. From the base year they have increased the share of renewable energy from 18% to 61%. Going forward, we see potential to reduce the emissions by further optimizing of its office space and by continuing to address the emissions from the car fleet via replacement of fossil fuels with HVO diesel and/or electric cars.







### Scope 3 calculation and result year 2020

Snickers Workwear calculated its Scope 3 impact for the first time for year 2020. It was a challenging but rewarding task and led to several interesting conclusions. Scope 1 & 2 only make up about 1% of its total carbon footprint, the remaining 99% can be found in its scope 3 emissions and the vast majority of those emissions comes from purchased goods and services. Drilling even deeper, we can see that material and textile production stands for the largest part of the emission within purchased goods and services.

As little as 2,5% of our Scope 3 emissions comes from transports.

### Potentials for Scope 3 improvement for Snickers Workwear

By encouraging improvements in energy efficiency and greater shares of renewable energy in its supply chain,

Snickers Workwear can significantly decrease the impact of our products. Even though they already have good leverage and collaboration with garment producers, as well as material and component suppliers, which is required to get necessary results, they acknowledge this is a monumental challenge.

There are only a few decisions they can take internally that will directly affect its Scope 3 emission reductions. For one, Snickers Workwear will keep pushing for increasing share of lower emitting raw materials all in line with its target for Preferred Fiber. Secondly, they have the obvious aim to reduce air shipments, during the pandemic production and transport disruptions resulted in an unfortunate increased share of air transport. Data show that these internal decisions will unfortunately only have a smaller impact on the overall emission reductions. Its key focus must be to become even more proactive with environmental improvements in its supply chain.

The aim forward is to increase the share of real data over estimated data for the Scope 3 calculation, which is why Snickers Workwear is collecting environmental data from its supply chain for our 2021 years Scope 3 reporting. For this coming report, they will also apply its reviewed LCA data covering approximately 25% of its sales value, which will further add to utilization of real data.

During 2022, Snickers Workwear will create a Scope 3 emission reduction roadmap. By simulating different back casting scenarios, they can evaluate the reduction potentials of different actions. This activity will help disclose what reduction activities to focus on. The full Scope 3 result for year 2021 will be ready in Q3 2022.



## 6.5. Environmental Product Declaration

### Fristads

To reduce the climate footprint in textile and clothes manufacturing and enhance the awareness of both producers and buyers, a standardized tool was required. A tool that with full transparency shows the true environmental impact of the garment based on hard facts.

FRISTADS'S SUSTAINABILITY REPORT 2021:

<https://www.fristads.com/en-gb/sustainability/sustainability-report>







## FRISTADS

As the first garment producer in the world, Fristads has made Environmental Product Declarations (EPD) for several of its garments.

To reduce the climate footprint in textile and clothes manufacturing and enhance the awareness of both producers and buyers, a standardized tool was required. A tool that with full transparency shows the true environmental impact of the garment based on hard facts.

### The EPD project in short

Together with the Swedish government research institute, RISE, Fristads has developed a standard for measuring the total environmental impact of a garment, known as an Environmental Product Declaration or EPD. The standard that EPDs are based on is ISO 14025, where they are referred to as “Type III environmental declarations”. A Type III environmental declaration is created and registered in the framework of a program named the International EPD® System. EPDs have long been used in other sectors, but the system has never previously been applied to clothes. The project took almost two years to complete due to the complexity of covering all aspects of the production chain and identifying the life cycle of the garment.

## EPD<sup>®</sup>

### A tool to make more conscious environmental choices

The Environmental Product Declaration is a tool to help customers, purchasers and those responsible for public procurement to make more insightful decisions and conscious choices. It helps Fristads gain a better overview of its impact on the environment when they make a purchase, which in turn helps take relevant actions to lower its impact.

### Will Fristads make EPD's for all garments?

Fristads will launch EPD-certified garments within all product categories in the coming years, but will not make EPDs for all its products. Fristads has learned a lot from the project and has already implemented improvements in its production. As a result of this knowhow, they can already produce garments with lower environmental impact.



## 6.6. Life Cycle Assessments

### EMMA SAFETY FOOTWEAR

Shoe soles are not only literally connected to the earth, they also leave an ecological footprint on the earth. EMMA wants to know in detail what the most important “environmental hotspots” of its products are, so that EMMA also knows where it can make improvements. That is why EMMA wanted to get started with measuring its environmental impact.

Hence, EMMA conducted a Life Cycle Assessment (LCA) in 2021 in collaboration with Ecochain for three models: Amazone, Lukas and Vera. Amazone has been chosen, because EMMA has taken circularity and durability into account for its design. Lukas has been selected, because it is EMMA’s bestselling shoe model. Vera was picked, because it is EMMA’s second bestselling shoe model and it is made with microfiber instead of leather, and EMMA aimed to know the environmental impact difference between the two materials.

The aim of this project was to set up a LCA report based on cradle to grave, including end-of-life phase, with the

intent of studying the difference in environmental impact between the scenario of incineration and the scenario of recycling to low value next use applications. The life cycle assessment was performed in accordance with ISO 14040 and ISO 14044. The results of the LCA show the impact of all materials and processes on different environmental categories of the three styles.

The LCA study also showed alternative scenarios for materials and processes, which provide a good basis for future design choices. For instance, the study showed that the CO<sub>2</sub> impact of the production of a composite toe cap is similar to a steel toe cap. The main challenge we had to face was collecting data from the suppliers in the supply chain. EMMA’s upper supplier Viposa even had to hire special equipment to measure the specific output of machines used for the EMMA production. In addition, EMMA and Ecochain made use of already available data-sets from the ecoinvent database.





expected longer use, which is on average 15 months versus the standard 12 months. In the design phase of the Amazone, EMMA took circularity into account by using materials that are more wear-resistant, such as a TPU heel counter where the stitching is protected through a groove in the counter. Even though a TPU heel counter takes additional energy and material to produce, the Amazone has a lower CO<sub>2</sub> impact thanks to its expected increased lifespan. This research shows that longevity is a crucial sustainability strategy for EMMA.

The production phases at Viposa and EMMA determine the greatest CO<sub>2</sub> impact. This is mainly due to the steel, leather and polyurethane consumption. From an ecological perspective, the sustainability steps that EMMA is making now and in the future will therefore mainly focus on these materials. The transport phase turns out to be less than 2% of the total impact. Extending the life of the shoes is very beneficial and if shoes are worn, it is also useful to have the shoes returned for recycling in the end-of-life phase, even though reverse logistics need to be arranged. In the graph above, they have assumed the scenario of low-value recycling in the end-of-life phase. When we would recycle the materials from the shoes into insulating materials and steel parts, the overall environmental impact can be reduced by almost 20%. The core message of this life cycle assessment is that extending the lifespan of EMMA's products (through design, reuse, refurbishment and/or longer wearing) has a positive effect on the environmental impact.

Of the three shoe styles studied, the EMMA Amazone has the lowest CO<sub>2</sub> impact over its entire life cycle, due to the



**SNICKERS WORKWEAR**

## Life Cycle Assessment for Snickers Workwear

In its ambition of taking its climate commitments to the next level by aligning its work with global standards and looking beyond its most immediate impact Snickers Workwear wanted to dive deeper and extend the Life Cycle Assessment (LCA) made in 2020 for style #6241 to incorporate several styles made out of the same materials but in different fits. The aim was to evaluate the garments climate impact and water scarcity impact, and to meet customer demands on product climate footprint disclosure.

### Six current models

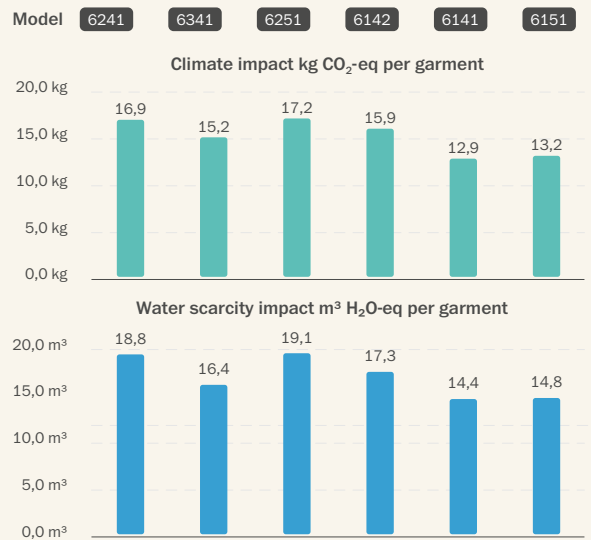
The LCA covered 6 of its current models – all of which sell really well – and was made in collaboration with Research Institute of Sweden (RISE) and performed in accordance with ISO 14040 and ISO 14044. The LCA was made Cradle to Grave where two different user scenarios were applied to investigate how a longer use phase affected the overall climate impact per use.

The assessment performed in this extended LCA was based on a previously performed LCA by Roos et al. (2020), where at that point data collection was made on site at both fabric manufacturers and garment producer. The main differences compared to the reference

model #6241, besides including several garments, are minor changes in fabric consumption and surface finish as well as updated background data to a newer version of Ecoinvent datasets.

Sensitivity analyses were performed where the impact of selecting alternative raw materials and electricity source during production were tested to see how such changes would affect the overall impact of our products. The LCA has been reviewed by a third party.

**Graph 1**  
Results: Climate impact and water scarcity impact



Source: RISE LCA report for Snickers Workwear, January 20

## Water scarcity reflects the potential local environmental impact of water consumption

**Cradle to Grave** - impacts of a product throughout its whole life cycle, including raw material extraction, production and processing, transportation, use and waste management

**Cradle to Gate** – impact of a product throughout its life cycle, including raw material extraction, production, processing and transportation, but excluding impact from use phase and end of life

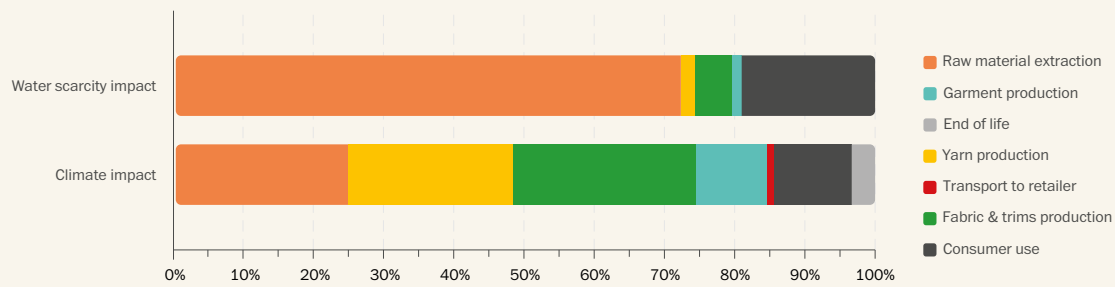
The fabric consumption is the main contributing factor to the difference between the garment’s climate and water scarcity impacts, where the main fabric consequently had the highest impact for all garments as it had the highest consumption. For the water scarcity impact, the cotton fibre production is the main contributor.

The material selection for polyester was tested and when virgin polyester in the main fabric was replaced by recycled polyester, both the climate impact and water scarcity impact was lowered only to a very small degree (about 1%) for the reference garment (6241, carpenter scenario).

For the climate impact, decreasing the energy use (steam, heat and electricity) and selecting energy sources with lower climate impact are important. There-



**Graph 2**  
Climate impact and water scarcity impact over the value chain:



Graph 2 Distribution of Water Scarcity impact (m<sup>3</sup> H<sub>2</sub>O-eq per garment) and climate impact (kg CO<sub>2</sub>-eq per garment) along the value chain of reference model (#6241 carpenter scenario).

Source: RISE LCA report for Snickers Workwear, January 2022

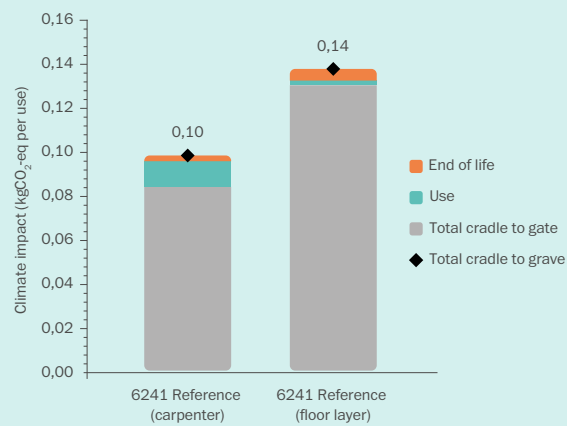
fore, the choice of electricity for producing the main fabric was tested in the sensitivity analysis (including processes staple fibre production, yarn spinning, weaving and finishing). Selecting solar power instead of the national country mix lowered the climate impact with about 30% per kg fabric, and about 10% for the total climate impact of the reference garment (6241, carpenter scenario).

The impact over the value chain shows that a big share of the emissions comes from further down the value chain. This proves just how important it is to have transparency and direct communication with your material suppliers if you are to stand a chance to influence emission reductions from the highest emitting processes of a products life cycle, see graph 2.

Two use scenarios for the garments were included in the assessment: a carpenter scenario with a higher number of uses (200 uses); and a floor layer scenario with a lower number of uses (130 uses). The scenario analysis showed that even though a higher number of uses (and consequently washes and tumble dryings) results in a higher total climate and water scarcity impact, the impact expressed per number of use was lowered. This means that product life length is crucial from a sustainability standpoint. See graph 3.

The key take aways from the LCA are that it is essential to work towards a long lifetime of garments, enabling high number of uses and, where possible select renewable energy sources and improve energy efficiency in the supply chain. Hence the analysis of this LCA fully supports the sustainability strategy we have outlined for Snickers Workwear.

**Graph 3**  
Climate impact different use scenarios (kg CO<sub>2</sub>-eq per use)



Carpenter use phase scenario:  
Use 5 times a week for 40 weeks, washing and drying once a week.

Floor Layer use phase scenario:  
Use 5 times a week for 26 weeks, washing and drying once a month.

Source: RISE LCA report for Snickers Workwear, January 2022

# 7. Safe and stimulating workplace

A safe and stimulating workplace addresses occupational health & safety, both at our own sites and in the factories and offices at our suppliers. It is about Hultafors Group's ability to create and maintain a safe and healthy workplace environment that prevents injuries, incidents and illnesses.

Health and safety standards are included in Hultafors Group's Code of Conduct and are communicated to our suppliers through sustainability platform Worldfavor. Hultafors Group also makes use of a grievance mechanism for workers, so that the workers can report the misconduct, in case these standards are not respected. Hultafors Group or its third-party representative reserves the right to make unannounced visits to the supplier, to monitor compliance with this Code of Conduct, at any time.



**Target: 0 accidents (Lost Time Injuries) in 2030, in own production sites, in 2030. Status of 2021: 35.\***

**Definition LTI: Total number of injuries causing one or more days of absence from work.**

## 7.1. Precautionary Principle of approach

Hultafors Group takes a risk-based management approach for its operations, the supply chain, and the products it sells and distributes. All our products are certified according to the highest safety standards, including the aforementioned PPE regulation. In addition, we track our environmental and social progress in our own operations throughout various areas, e.g. company vehicles, gas and energy consumption, number of incidents and accidents at own sites and sick leave. Next to the abovementioned Code of Conduct and Restricted Substances List and ISO 9001 and ISO 14001 standards, we have recently established a compliance program for our suppliers. This means that, among other aspects such as policy commitments and communication around Environmental, Social and Governance topics, 70% of the minimum spend suppliers (based on purchasing value)





employees as well as workers in the factories of suppliers. Therefore, a safe and stimulating workplace is of utmost importance to Hultafors Group. Potential risks that could occur in our supply chains, as well as in our own operations, are overtime, unfair wages, child labor, forced labor, inappropriate use of chemicals or the use of forbidden chemicals, not wearing correct PPE, unsafe buildings and workspaces, and employees not having the possibility to join a workers associations. In Worldfavor, we make country risk scores based on international standards. The risks are then further evaluated through self-assessments and audits, followed by improvement plans. The potential impact on our business is highest with suppliers where we have the highest spending, and therefore, these receive the most attention in our due diligence processes. However, also other suppliers need to be carefully evaluated, as with these suppliers, we can have lower leverage, and they can be based in high-risk countries. The current and potential positive impact we make is by offering them (through our own operations or through our suppliers) fair wages and a decent and safe place to work, so the workers can make a decent living for themselves and their families.

need to be regularly audited on their environmental and social practices, to prevent social, environmental and governance-related risks in our supply chain. Supplier evaluations, material specifications, supplier visits, and supplier self-assessments in our Worldfavor platform are other essential elements in our due diligence process, for current, potential and new suppliers. Various brands also have a compliance program for chemicals in place, to crosscheck our Restricted Substances List in practice with pre-approved labs, based on a risk-based approach. Next to this, we also have regular contact (through site visits and online meetings) with our main suppliers, and always strive to have long term relationships with suppliers.

## 7.2. Tackling risks in our supply chain

### Risks in the supply chain of Hultafors Group

Next to environmental risks, such as the high risk of water scarcity, and extensive energy consumption, Hultafors Group faces risks in the workplaces of its own



## SNICKERS WORKWEAR

### Strong partnerships deliver

Supply chain strategy and strong long-term relationships with suppliers contribute to Snickers Workwear's high quality and ability to deliver during the challenging times of the pandemic.

Snickers Workwear sold over 4,8 million products in 2021. In one product, up to 30 components can be used: fabric, buttons, sewing thread, zippers and other details. Combined, this makes up some of the most hardwearing, and by professional users appreciated workwear. During the years of the pandemic, securing deliveries became a huge challenge. The more complex a product the bigger the challenge of having all items going into a product in place to commence production. Combined with re-occurring lockdowns of countries and or regions, problem-solving came to be a constant task. Yet Snickers Workwear managed to increase its sales by 16 percent in 2021.

### Long-term relationships

Its long-term relationships and deeply rooted supply chain strategy proved to be important key factors to secure deliveries and increase sales. They are selective which production countries and suppliers they work with; the strong relationship caters for close and constructive dialogue in order to meet all the needs the suppliers and the customers of Snickers Workwear have. The country of operation is somewhat a decision point for the risk they are willing to take related to different sustainability topics.

Of the supplier base, ten operations accounts for approximately 80 percent of the value of Snickers

Workwear's garment production. Vietnam and China are the two countries where most of them are located. In order to manage the daily communication with suppliers, Snickers Workwear has local operations teams working closely with the suppliers. These teams and many of the suppliers have worked with Snickers Workwear in decades.

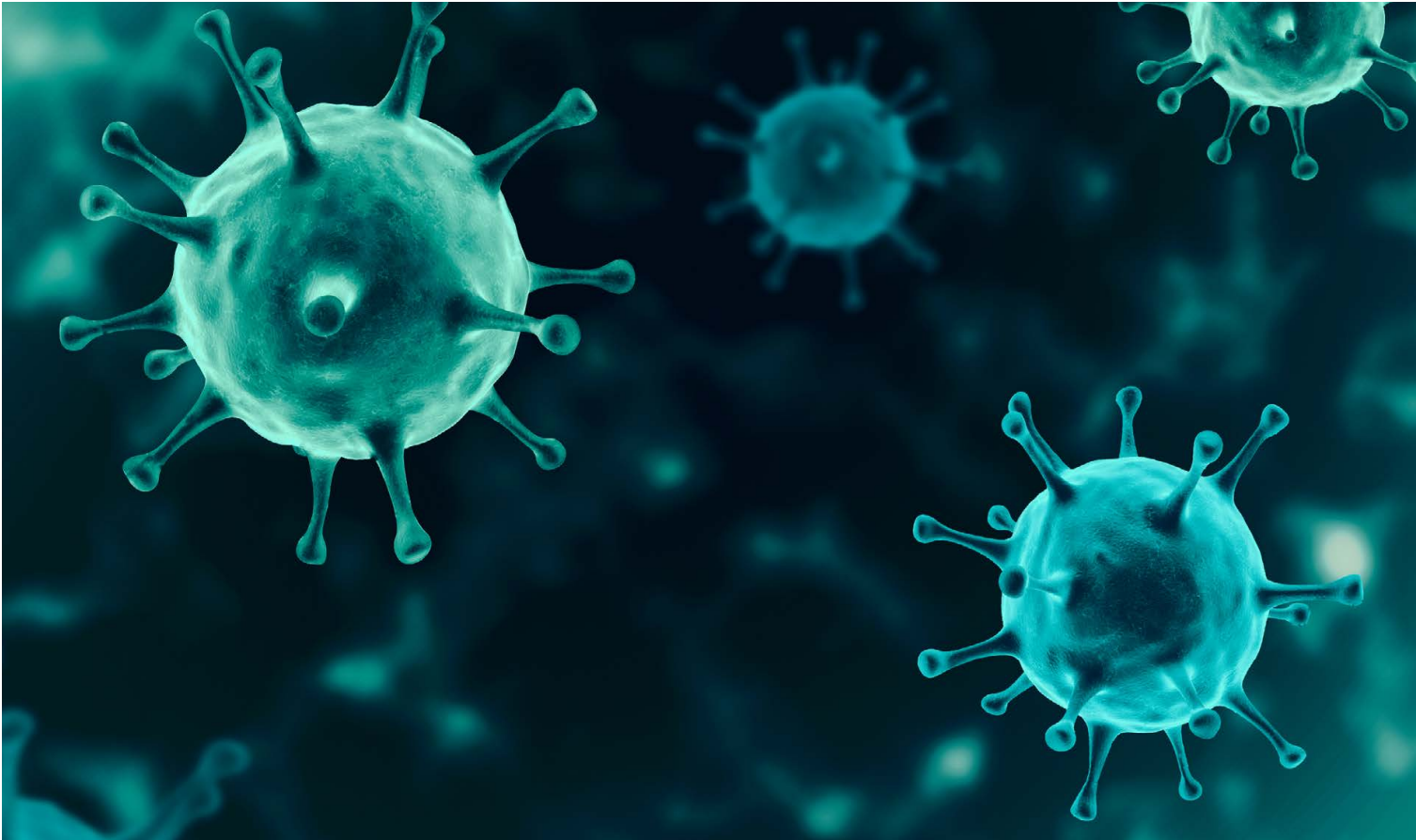
### Detailed technical specifications

Another strength with this set up is having very detailed technical specifications, enabling Snickers Workwear's largest garment producers being able to sew most of our models. This gave Snickers Workwear the opportunity to move around production among garment producers depending on the materials they had delivered and which region that was open during the pandemic. This also made it possible to keep the promises Snickers Workwear has made of fixed capacity with its suppliers as well as giving them the necessary ease in regards of delivery dates. They have a centralized fabric and component purchasing procedure in order to provide these suppliers with information to secure a higher efficiency grade and faster response rate. During the pandemic Snickers Workwear stayed loyal to its forecasts and even further deepened the cooperation with these suppliers to maintain a steady flow of raw material.

All these parameters combined provided a solid foundation and contributed to the fact that Snickers Workwear could increase sales during the challenging times of the pandemic. Without suppliers prepared to walk that extra mile this would not have been possible.







## FRISTADS

### How COVID-19 has reshaped Fristads' supply chain

Over the past year, in response to the continuous challenges of the pandemic, Fristads has taken decisive action: adapting effectively to new ways of working, boosting inventories, and ramping its digital and risk-management capabilities. Its factories in multiple countries have been forced to stop production or reduce capacity due to the major disruption of end-to-end global supply chains, which has resulted in national restrictions on people as well as economic activity.

#### Engagement with suppliers

In this time of crisis, communication is key. Fristads continuously engages with its factories to support them in implementing strict health and safety measures on how to protect their workers. Its compliance team has provided detailed Health & Safety check list and virtual training for factory occupational health and safety employees on how to guide to workers on social distancing, as well as hygiene and personal protection. Furthermore, since the start of the pandemic, to avoid

the risk of external contamination by BSCI accredited 3rd party company, and when necessary, Fristads has delayed audits, but has reinforced its in-house quality controllers training on visual social and environmental key topics monitoring and support to workers. From its own factory in Ukraine, Stritex, to its partners in Laos and Madagascar, dialogue with workers and their representatives throughout this period, has been reinforced to encourage them to come up with ideas on how to keep the factory operational and productive.

#### Trusted partnerships

Through increasing transparency, order placement flexibility, on site and virtual training, and continuous dialogue, Fristads is confident that it has reinforced the need and commitment to social and environmentally sustainable changes across our value chain. During this Covid outbreak, Fristads moved its relationship with factories to another level, a trusted partnership. The pandemic has brought sustainability even higher up on their agenda by being even more proactive to support social and environmental improvements in their supply chain.

# 8. Supply of materials and service

Supply of materials and service incorporates sustainability characteristics in our products, operations, and services. This topic addresses our environmental impacts in terms of greenhouse gas emissions. It is focused on the delivery of products and services with a sustainable character, by developing and incorporating sustainable materials that help avoid emissions and protect valuable resources.

The brands within Hultafors Group are continuously investigating sustainable innovations and are encouraged to implement materials with a sustainable character into their products and operations. We manage this topic by improving our own footprint, by reducing waste and, when possible, the suppliers to Hultafors Group should proactively offer more sustainable materials or solutions for waste reduction, re-use and/or re-cycling of materials. Hultafors Group expects the suppliers to participate in actions to monitor, report and reveal environmental data, and also reports its own environmental progress in sustainability platform Worldfavor. The majority of the own sites of Hultafors Group are ISO 14001 certified.

*Target: -5% relative CO<sub>2</sub> emissions annually  
(in relation to sales)*

*Net sales have increased by 33.7%, resulting in a relative improvement of 9.39% in total CO<sub>2</sub> emissions for Scope 1 and 2.*



# 8.1 Greener by longer life span

**CLC**

## Sustainability Begins with Waste Reduction Through Material Innovation.

Sustainability is a relatively new initiative for the CLC brand, although the CLC brand realizes that the traditional system of production, from manufacturing to consumer disposal can be reinvented to be more conscious of the burden put on our natural resources and the environment.

The initial focal point of the company's suitability program is reducing waste within the system of production which includes the end-users' eventual disposal of a CLC product because of general wear and tear. Reducing consumer waste begins with developing a holistic approach to all facets of production starting with long lasting materials. The company has worked closely with our manufactures to develop more durable, lasting materials to be used in our new lines of products. More durable materials will not only add to the life of CLC's products, but more durable materials will also improve production, therefore reducing waste on the manufacturing side.



## The Signature Elite and the Molded Base Bags

The company's two most recent product lines, the Signature Elite and the Molded Base Bags are great examples of CLC's waste reducing initiatives. The leather and materials used in these two new lines of bags are materials that promote durability and add life extending properties to our products that will reduce waste on the consumer side.

Ultimately the focus on traditional and new materials that reduce wear and provide overall lasting durability will reduce waste by no needing to buy and dispose of a new bag every few of years. The company understands material durability has many benefits and ultimately has a trickle-down effect on the amount of waste produced by our manufactures and consumers. Kuny's makes use of the same supply chain as CLC.



## 8.2. Local production



### HULTAFORS

#### Still producing close to the raw material and the end-user

Hultafors is well known for its iconic product the folding ruler. This product have served many craftsmen since it was invented. It is not by accident the factory for its most famous product the 59-model the Schwedenmeter is located in the small village Hultafors outside Gothenburg, Sweden. The location close to the supply of downy Birch wood, High quality Swedish steel and also being close to the market where the products are used have been a success to the company for several years. The special type of Birch wood used for its classic folding rulers grows in the forest in the middle of Sweden and spread in a thin area into Finland and also Russia. Even though the factory has been located in the same place for many years the development has not stood still and the factory is continuously updated with modern technology to improve the sustainable approach and efficiency. As an example, they actually use the rest product from production to heat its own facilities.

#### Sustainable hand tools for the future

During close collaboration with end-users who actually use Hultafors tools, they identified that sustainability actually is not always top of mind when it comes to choosing tools. On the other hand, there is a clear trend when it comes to building materials and the construction of buildings to secure different kinds of sustainable targets. Hultafors did see this as an opportunity to make a difference and decided to further investigate how they could make a difference.

In their investigation, they identified a few key factors to consider: sustainable materials, reducing the amount of materials used, and transport volume.

#### Sharpening the knives

From earlier investigation Hultafors knew that the transportation of its products is one of the main contribution areas in a life cycle analysis of its products. They identified that its craftsman knives are more or less treated as consumables by end-users. When asked why they did not sharpen their craftsman knives they simply answered: "It is time-consuming and cheaper to buy a new rather than the time it takes to sharpening it." Also, the most common product offering is a new knife with a new holster, but you should simply change the knife in your existing holster and throw away the new one. Hultafors decided that this was something they needed to address and an opportunity for us to make a difference. That is why Hultafors decided to make the first sustainable craftsman's knife, HVK-BIO. To secure that they do not dilute their brand or brand promise "To rely on", they also set the bar high to not compromise on the performance or life span of the product in order to make it more sustainable. This actually increased the complexity of the project more than they expected.

#### Bio-based plastics

When initiating the dialogue with different material suppliers, they soon identified that the packaging industry is at the forefront of offering sustainable alternatives to the traditional plastic materials. To find a sustain-



able replacement for the existing high impact and cold resistant PP plastic material, there simply was no replacement to find. That started a close collaboration with some suppliers to develop a recyclable bio-based plastic material with the features we needed. After several loops of developing and testing materials, Hultafors finally ended up with the result they were looking for.

### Extending the lifespan

In parallel, Hultafors identified that the life span of these products at their end-users was short, so they asked themselves what else we could do to actually reduce our footprint even more. They ended up with the idea to actually remove as much material as possible, again without reducing the performance of the product. This resulted in the newly designed handle with a reduction of 15% of material in the handle. They also added a hole to enable tool securing with a lanyard as a safety feature. Once again, a feature requested by their end-users and customers.



### Redesigning packaging materials

The third input to the project was to reduce the transport volume. So, not to oversee our jump-off point to the project, Hultafors decided to redesign their complete craftsman's knife packaging concept and reduced the transport volume by approximal 50% for the complete product category.

The final product offering was:

- The first craftsman's knife with a recyclable biobased material
- 15% less plastic material
- 50% less transport volume
- Same high-end features but in a more sustainable version

## PROTECWORK\* & ERIPIOWEAR

### Designed to protect

#### Made in Europe

EripioWear and ProtecWork are both Swedish manufacturers of protective workwear. The products are made in a tight collaboration with work forces within railway, power supply and ambulance personal, whom are among its most important customers. As these workers need to save lives, there is no time to worry about their clothing! The environments the workers need to work in can be challenging or even hazardous, hence their workwear needs to meet high safety requirements. In the design phase of both ProtecWork and EripioWear, high emphasis is placed on function and comfort. The designs are made just outside Borås, in Sweden. With Nordic designs and own production units close at hand, EripioWear prouids itself of advocating local production. All its fabrics and trims, for both ProtecWork and EripioWear, are produced in Europe.

#### Minimizing overproduction

As the two concepts produce mostly according to the requested volumes in tenders, direct or through a dealer network, they have a quite clear yearly forecast volume. Even during the pandemic, EripioWear and ProtecWork have fully continued its production and operations. This also means that both concepts mostly produce the right amounts and therefore overproduction does not occur to any major extent. Both concepts need to secure sales by keeping security stock in models, colors and sizes to set targets.

#### Materials selection

Another sustainable element is the careful selection of materials. ProtecWork has since long time produced innovative workwear for railway workers. They introduced Kevlar reinforcements all the way from the bottom to the top part of the front leg for trousers, to extend the lifespan of the garments and to provide the utmost protection to the railway workers. With a focus on longevity of the materials, a high-quality level, and extensive knowledge of their customer needs, EripioWear and ProtecWork know which design and which materials can handle the job!

\* ProtecWork is a part of the Snickers Workwear brand, but is developed and produced together with EripioWear.

## TOE GUARD

### Comfortable, long term supplier relationships lead to footwear you can rely on

Toe Guard safety footwear line is based on durability and comfort. Rugged materials together with a simplified structure are key to long lasting products that serve our customers in harsh conditions. Toe Guard styles stay in the collection for many years, thus making the manufacturing easier than introducing new styles every season. Quality and productivity stay high with repeating orders, and many customers appreciate the ease of reordering

the same products they already know and recognize as trustworthy. With respect to Toe Guard, we have a long-term partnership with a particular Chinese supplier whose main focus is safety footwear. After years of experience working together, we are confident that this partner will deliver high quality products. They also have an excellent partner for raw material sourcing, as well as great insight and experience when it comes to certifying the products.

## HELLBERG SAFETY

### Pioneer in safe and sound hearing protection

Hellberg Safety is a manufacturer of hearing protection (including communication), head protection, eye protection and face protection. The story of Hellberg Safety started in Sweden in 1962 with an idea from Arne Hellberg, a true pioneer who early on understood how important it is to protect the hearing of people. Although a lot has happened in 60 years, the manual assembly, packing and the distribution is still done from Sweden today. Throughout the years, Hellberg Safety has shifted from hard plastic boxes to paper boxes. For the packaging the boxes, the company has significantly reduced the amount of air used, in order to minimize the effect of transport on the environment.

### Reducing environmental impact

Hellberg Safety works to gradually reduce the negative environmental impact of its production, its products, and associated transports, as well as take preventive measures to prevent environmental damage. The company has a systematic way of calculating the environmental aspects. Their research shows that air transports cause the highest environmental impact throughout their supply chain, and therefore receive the highest risk priority. The electricity they use in their own factory is only used for heating and for lighting. Hellberg Safety is ISO 14001 certified and is keen on reducing its environmental impact to a further extent. Their target is now to have less than 2% of their total shipped volume sent by airfreight. In 2021, Hellberg Safety has also recalculated its CO<sub>2</sub> emissions. Their target of emissions is related to revenue.

### Social impact

Not only environmental sustainability is of essential importance to Hellberg Safety. Hellberg Safety also strives to have a workplace where the risk of injury and ill health is minimal and where employees are happy and engaged. Safety is at the heart of the organization and is achieved through regular safety inspections, trainings and open dialogues. In addition, Hellberg Safety strives to have a Conflict Free supply chain – meaning that the metals and materials in its supply chain are sourced in an ethical manner that does not promote armed conflict or inhumane treatment. For this due diligence process, they receive certificates from their supply chain partners. Hellberg Safety has a very stable supply chain, as the suppliers are not changed often. Long term relationships enable the suppliers to also invest in more sustainable and socially responsible technologies.

### Response to COVID-19 and design for modularity

Hellberg Safety's Polycarbonate Visor was provided to the healthcare providers when the COVID virus spread started. The polycarbonate visor was designed with sustainability in mind. Most similar products are designed for one time use only. This product is washable for re-use – and the elastic band and sweatband are provided as spare parts. The product was already CE approved in the past and has been re-tested for the temporary rules for compliance certificates that came up when the pandemic started.





## SCANGRIP



### Shining a light on sustainability

As Europe's leading manufacturer of innovative LED work lights, Hultafors Group is proud to have Scangrip as our latest member of the Group. The focus of Scangrip is on producing high-quality strong products. Even when the brand started making work lights a long time ago, they worked with high-efficient, energy-saving LEDs – and today all Scangrip's lighting solutions are developed to be energy saving, built-to-last and with a long lifetime.

#### Optimizing packaging

Scangrip decided to reduce and optimize the packaging used for our lighting products. This project was initiated with the clear purpose to reduce packaging consumption and waste as much as possible. In addition to the reduced packaging consumption, the optimized and reduced product boxes also result in a saving of the freight volume of around 6%. In addition to the optimized product boxes, they checked, optimized and revised size and dimensions of their shipping boxes with the purpose of optimizing the packaging on pallets as much as possible, and thus utilize the container space as close as possible to 100%.

#### Saving resources by omitting chargers

Scangrip used to include a charger with each single lighting product they sold.

In 2021 Scangrip did, however, make the decision to omit the charger from a large number of our products and only include a USB cable, as today customers have the possibility to charge from various alternative devices. This initiative has resulted in big saving of resources, i.e. a saving of around 250,000 pieces of chargers a year. This also means less waste and at the end a positive impact on environment.

#### Extending the service life and easy replacements

When looking at sustainability and possibilities to reduce waste, the best option is to extend the service life of products instead of only considering recycling. Scangrip has analysed its possibilities. Scangrip is now working on a project with a new concept named *Go Green*, which they plan to launch in 2023. *Go Green* is a range of lighting products of which the service life will be three times longer than the existing product range. They have analyzed which parts will typically be worn out, and have used this knowledge in the construction, choice of material and components, and in choice of new technology. Beside the extended service life, construction of these products will also allow easy replacement of worn-out parts as e.g. the battery. Finally, it will be easy and unproblematic for the end consumer to order replacement parts if needed.

## 8.3. Preferred materials



### SNICKERS WORKWEAR

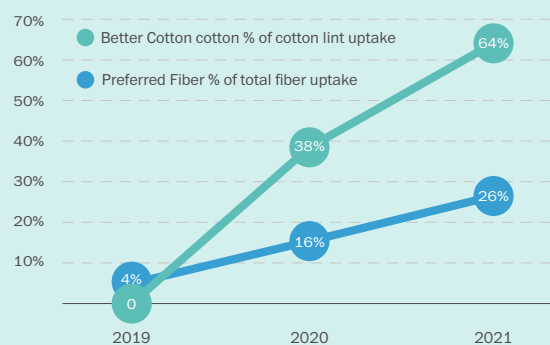
The materials for Snickers Workwear products are chosen from functionality and durability perspective. Snickers Workwear has a target on replacing conventional fibers to Preferred Fibres without compromising the product's life length or comfort. Preferred fibres are fibres that have more sustainable properties in comparison to conventional options. In addition, they also incorporate materials which are produced with processes with a documented lower environmental impact.

**“We are committed to sourcing 70% of our fibres as preferred fibre by 2030, reaching the 40% milestone already in 2023”**

Snickers Workwear increased its share of preferred fibres by 11% since 2020, an increase mainly driven by increased sourcing of preferred cotton but also due to launch of several styles made with the partly biobased fiber Sorona by Du Pont. With 26% of its total fiber uptake made from fibers with a lower environmental impact they are well on track towards its overall target.

Snickers Workwear joined Better Cotton in 2019. Better Cotton's mission is to help cotton communities survive and thrive, while protecting and restoring the environment. These goals are pursued by training cotton farmers in line with the following guidelines and principles: minimizing the harmful impact of crop protection practices; water stewardship; caring for soil health;

#### Snickers Workwear Preferred Fiber Progress



\* Data provided by Better Cotton

\*\* Better Cotton Farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimized use of inputs (such as irrigation water, pesticides or synthetic fertilizer).



enhancing biodiversity; preserving the quality of the fibre; and promoting decent working conditions.

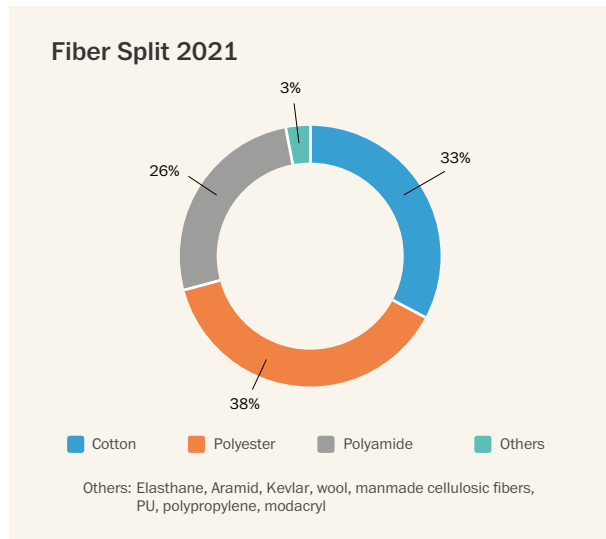
Snickers Workwear's first years of Better Cotton sourcing have been a great success: During 2021, Snickers Workwear grew from 38% to an impressive 64% of its total cotton uptake sourced as Better Cotton.

**“Thanks to our sourcing of Better Cotton the following impact at field level was achieved:**

*\*: An estimated ~ 427 million litres of water were saved – equivalent to 170 Olympic-size swimming pools of water.*

*\*An estimated ~ 185 822 EUR of additional farmer profitability was generated\*\*.”*

**“We are committed to sourcing 80% of our cotton as more sustainable cotton by 2023. In other words, cotton sourced as Better Cotton, organic cotton or recycled cotton”**



## JOHNSON LEVEL & TOOL

### Reducing the impact of packaging

At Johnson Level & Tool, they continue the efforts to make a “green” impact. Based on customer feedback, they were able to work as a team across the company with Sales, Purchasing, Shipping, Quality, and Operations to collectively execute a packaging reduction project with their Structo Cast levels. They went from big cardboard floor displays which consisted of 2 cardboard inserts and



a shipper for 32 parts down to 10 pack boxes that can be shipped to customers and unboxed at the stores.

For 7748 Structo Cast Level, the supplier now packs finished parts into a 10-pack box as they are completed and then ship to Johnson Level & Tool with 600 parts/skid (60 boxes). The old process consisted of a supplier sending us gaylords with 300 parts/gaylord, where they would then transfer them into a 32-pack floor display which consisted of 2 divider inserts and a shipping box. 192 parts, or 6 of these boxes would fit per skid for shipping. For 7724 Structo Cast, they now have 1,400 parts per skid compared to only fitting 256 parts per skid.

The benefits of this go all the way through the supply chain:

- Reduction in amount of cardboard needed
- Reduction in number of skids required for shipping
- Reduction in space needed on semi-trailers for shipping, which also means a shipping cost reduction
- And, they eliminated double handling!

## 8.4. Recycled input materials

### SOLID GEAR

#### Designing premium footwear with an eye for sustainable materials

Solid Gear was founded on the idea that safety shoes don't have to be bricks with laces. For early adopters and fast thinkers, Solid Gear makes footwear packed with premium materials and innovative tech. Solid Gear never stops looking for new ways to make working people feel faster and last longer. Where others get stuck, they get ideas.

#### Sustainable Performance

In 2021, the Solid Gear development team, working from different angles, has continued to implement several sustainable initiatives. These include designing overall systems and product-specific solutions, as well as following clear targets to guarantee that we work smart and in a dedicated manner. A deeply considered design philosophy with sustainability at its core will ensure the development of responsible products, and help bring the Solid Gear brand into the future with "Sustainable Performance" as its motto.

Their customers wear their shoes from home to work and back. So these footwear products must be safe, comfortable and ergonomic for use almost around the clock, at least five days a week, and in various terrains and weather conditions.

The 2021 collection contains several great expressions of our environmental initiatives. In the Haze Tellus and Saturn and products, ocean waste and algae have been put to new and better use. The footbed for all new footwear, such as the popular Revolution 2, is made from the same source.

These new shoes were developed and produced by their long-term partners in Vietnam and Cambodia. Solid Gear regularly visits their facilities, even though this has been very challenging during the past two years, with both quality and social audits in mind.

They know the producers of the raw materials too, and they have chosen Bloom and Milspeed as their suppliers for new products; Solid Gear work closely with them to gain deeper insight into the environmental impact of raw materials and, therefore, into the impact of

their products. Normal midsole material is purely plastic and fossil-oil based, whereas algae-based Bloom foam can be mixed to midsole as much as 8%. Solid Gear is both reducing the use of raw-oil as well as the quantity of harmful algae from water reserves. Lifecycle assessment of Bloom algae-based foam clearly indicates that the replacement of raw oil-based EVA (midsole material) with Bloom foam is—with no cost to the safety of our customers—helping to mitigate one of the most difficult problems affecting the shoe industry overall.

Milspeed as a brand and partner is also making progress on their end with ocean-harvested ghost nets – i.e., the polluting plastic nets cut loose by fishermen – which are now being turned back into raw material and products that our industry can use.





## EMMA SAFETY FOOTWEAR



## Identifying and improving the sustainable character of materials in the design stage

EMMA is keen on improving the input materials for the EMMA shoes through the use of durable, renewable and recycled materials, and materials with a lower CO<sub>2</sub> footprint. The use of these materials are supported by GRS (Global Recycle Standard) certificates, chemical reports and/or material data sheets from suppliers. Through these datasheets, EMMA knows the exact composition of each component used in its shoes. EMMA categorizes these materials into three categories: materials that needs to be replaced immediately, materials that are okay to use for now and need replacement in the near future, and materials that are relatively safe to use for both people and the environment.

In its material selection, EMMA always strives to apply the principle “Safety, Comfort, Circularity” to its materials, meaning that safety and comfort always come first. Whenever recycled materials are used, the quality of the material or the wearing comfort may never be compromised. Durability is EMMA's most important sustainability strategy, which is supported by the recent Life Cycle Assessment (LCA) performed in cooperation with Eco-chain. Recycled materials and materials with renewable properties are of secondary importance.

However, the use of these materials is still a vital part of EMMA's sustainability strategy, as EMMA also has a take back system in place with the Circular Footwear Alliance and aims to recycle the used footwear to next use applications in the near future. Because the purpose of this Alliance is to reuse materials for multiple lifecycles, the suppliers of the materials used also need to meet EMMA's requirements on material health and material recyclability. This is not only vital from a wearer perspective.

As they aim to maintain the resources for a longer time, toxic materials and materials that cause a high amount of environmental pollution should be avoided in order to protect nature as much as possible. In order to increase transparency about our material use, EMMA has made materials passports available for clients, which contains information on the exact composition of each EMMA style.

## 8.4. Recycled input materials



### EMMA SAFETY FOOTWEAR

#### Recovering footwear products and components

Take obsolete products and components and take them out of context to create new value, is one of the mottos for a circular economy. We love that! The majority of the leather waste at the tannery and upper producer Viposa, EMMA's partner, is recovered to be used in fertilizers.

The polyurethane production residues from our own EMMA factory are continuously collected and processed into insulation materials. The leather scraps are also sold to the food industry for the production of jelly. The fat is sold to the biodiesel processing industry and the meat and bone meal is cooked and processed into pet food.

This roughly indicates that for each rough skin that weighs an average of 50.00 KG:

- 20.14 KG is sold as a by-product - Biodiesel + Jelly + Pet food
- 0.86 KG is lost as residue
- and 29.00 KG is converted into wet blue leather.

#### Repurpose results of 2021:

- 2433 tons of residual leather flows are processed in fertilizers by Leather Working Group Gold certified tannery Viposa.
- 27,137 kg kilograms of cutting waste and residues from the injection process of EMMA soles have been processed in insulation material.



## 8.6. Recycling of post-consumer materials



### FRISTADS

#### Closing the loop

The Swedish workwear manufacturer Fristads has joined Hultafors Group in 2021. Fristads has developed a polo shirt that is partly made from used clothing. This unique project brings them one step closer to the goal of closing the loop in clothing production. “We have made great progress when it comes to measuring and reducing the environmental impact of our clothing during the production process. The logical next step is to take care of the clothes after they have reached the end of their life,” says Anders Hülse, Managing Director of Fristads.

Fristads has been supplying the polo shirts to the largest Dutch postal and logistics company PostNL for years. Thanks to a new pilot program, those polo shirts are now collected and recycled into new garments. The long-term plan is to use the closed loop material in all orange and blue shirts worn by 25,000 PostNL employees. “We are investigating all possibilities to make certified closed loop clothing for other customers as well,” says Marie-José Verbeek, Managing Director of Fristads Benelux.

“With this project, we want to bring about lasting change in clothing production.”

#### The process

First, Fristads collects the used polo shirts from the customer and sends them to a recycling company, where they are processed and mixed with organic cotton and recycled polyester made from PET bottles. The recycled cloth is then dyed and used to make new polo shirts. Approximately 15 percent of the material in the new polo shirt collection consists of recycled material from used garments, which reduces the overall environmental impact of the garment, both by eliminating waste and by reducing emissions and water consumption. The entire production process is monitored and certified by an independent third party. “Closing the loop around our workwear is part of our ambition in our journey to circularity,” said Heleen Westerhoff, Fristads Benelux’s Product Specialist. “We want to be part of the solution, not the problem.”

# 9. Fast forward to 2022

This collection of brand stories illustrates what we can achieve together when we join forces. Some brands have only recently started with sustainability, others are paving the way in their respective business sectors.



Now 2021 has ended, it is time to look ahead. 2022 will be a year in which we set the governance structure for the complete Hultafors Group in terms of our social and environmental responsibilities and establish even more group-wide targets. These will be the minimum requirements for each brand in the Group. In the meantime,

every single brand has committed to embed sustainability in their day-to-day activities and is making differences in their own way. We are convinced that this is the only way forward, and we invite our customers to make a more sustainable choice.







## Colophon

**Iris van Wanrooij** – Program Manager Corporate Social Responsibility – EMMA Safety Footwear & Sustainability Coordinator (interim) – Hultafors Group

**Bas Teepe** – CHRO & Head of Communications, Sustainability & Quality – Hultafors Group

**Martin Knobloch** – CEO – Hultafors Group

**Anton Hiel** – Senior Marketing Manager – Hultafors Group

**Lennart Jörnlied** – Art Director – Hultafors Group

**Giulia Giubergia** – Communications and Support – Hultafors Group

**Malin Hake** – Group Quality Manager – Hultafors Group

**Camilla Monefeldt Kirstein** – President PPE Europe – Hultafors Group

**Torbjörn Eriksson** – President Hardware Europe – Hultafors Group

**Peter Chatel** – President Hardware North America – Hultafors Group

**Jens Eriksson** – Chief Financial Officer – Hultafors Group

**Mikael Sundström** – EVP Snickers, Solid Gear, Toe Guard

**Michel van Dordregt** – Commercial Director – EMMA Safety Footwear

**Caroline Bouisset** – CSR Manager – Fristads

**Maria Schartau** – CSR Coordinator Snickers Workwear

**Johan Edeland** – Product Manager Solid Gear & Toe Guard

**Johan Fräjdin** – Business Director Ladders – Hultafors Group

**Per Persson** – Director Supply Chain & HSEQ Tools – Hultafors Group

**Anna Olstam** – Designer and Product Developer Solid Gear & Toe Guard

**Daniel Bengtsson** – Quality Manager – Hellberg

**Kathleen McQueen** – HR Director North America – Hultafors Group

**Lisa Rosengren** – Raw Materials Manager – Fristads

**Heleen Westerhoff** – Product Specialist – Fristads

**Per Wagnås** – Former Director, Protective Wear Offer and Operations – Hultafors Group

**Henry Lundberg** – Director Sales Excellence – Snickers Workwear

**Anne Nilsson** – Marketing Director – Fristads

**Lene Jul** – Product Management Director – Fristads

**Frank Gutierrez** – Operations Director – CLC

**Kirsten Holmskov Nellemann** – PA/Account manager – Scangrip

**Zita Bolteus** – HR Manager – Hultafors Group

**Beau Mertens** – Former Job Coach EMMA Safety Footwear

**Haris Kovacevic** – Business Analyst – Hultafors Group

**Vivian Ten Have** – Senior Consultant – Sustainalize

**Nick de Ruiter** – Partner – Sustainalize / ERM

**Melina Busch** – Analyst – Sustainalize

**James Hennessy** – Senior Consultant – 2050

**Andreas Hartmann** – Managing Director – brandlevel

With many thanks to all our colleagues at Hultafors Group, all the employees working at the brands of Hultafors Group, and to our colleagues at Latour AB Investment.

# Appendix

## Appendix I: Governance structure

Governance structure of the organization, including committees of the highest governance body.

The Management Team of Hultafors Group is highly committed to sustainability. Every month, the Vice Presidents of each division (Personal Protective Equipment, Hardware, and Hardware North America) provide key issues and highlights to the Management Team, based on the inputs from the brands in their respective division. The Chief Human Resource Officer is Head of Sustainability and also provides monthly input to the Hultafors Group Management Team, on the work executed on Group level. The Chief Human Resource Officer reports directly to the Chief Executive Officer, who is the chair of the highest governance body within Hultafors Group. The current Sustainability team, led by the Chief Human Resource Officer, determines (in close contact with the Management Team and with an external advisor) the strategy, targets, policies, programs, initiatives, and reporting on our environmental, social, and governance progress. The Sustainability team meets at least on a weekly basis and is in daily contact through e-mail. Our progress on our ESG goals and targets are communicated to our owner Latour AB Investment through our quarterly and annually reporting cycle in sustainability platform Worldfavor, in addition to the annual Sustainability Reports.

Two members of the Sustainability team also participate in the Sustainability Forum organized by the owner of Hultafors Group, Latour AB Investment. This Sustainability Forum is organized each month. Latour AB Investment sets the minimum sustainability requirements and provides this Sustainability Forum to share best practices and perspectives on central topics. In addition, various brands within Hultafors Group have dedicated sustainability coordinators/managers in their teams. The brands are encouraged to be more ambitious in terms of sustainability progress than prescribed by the Latour AB Investment, as these can be seen as the foundation for each brand.

### Committees responsible for decision-making on economic, environmental, and social topics

The committees responsible for decision-making on Environmental, Social and Governance related topics are the Sustainability team and the Hultafors Group Management Team, depending on the specific task or target. The Sustainability team chairs a Sustainability Group, with sustainability representatives from each brand within Hultafors Group. This group is coming together every three weeks.

### Collective bargaining agreements

Percentage of total employees covered by collective bargaining agreements: 100%.

The right to independent association is a constitutional right of employees and is covered in our Employee Handbook. Employees are free to organize themselves in a trade union. Hultafors

Group's management team strives for constructive dialogue and cooperation with trade unions. The choice of an applicable collective agreement in all personnel and employment-related matters differs per country and per brand within the Hultafors Group.

## Appendix II. Materiality assessment

The materiality assessment has been based on the assessment of the relative importance of the relevant topics among various stakeholders (including suppliers, clients and other business relationships), and on the other hand, on our own internal assessment of the impact of the chosen themes on our company. The relevance from the stakeholders' point of view is determined by means of a digital questionnaire that has been sent to the selected stakeholder groups. The results of both the stakeholders' perspectives and internal assessments have been discussed with the Management Board by the sustainability team. The topics that have been given the highest rating from both the internal as well as the external stakeholders are the 6 key themes that have been addressed in this report.

### Defining report content and topic boundaries

What Hultafors Group perceives as material topics has been based on the views of employees of social and environmental impacts on our company, the highest social and environmental risks relevant to our business, the evaluation of material topics from stakeholders that are relevant to our business, regulations and legislation, broader societal trends, topics raised in the media, by peers and competitors, lifecycle assessments, core values and minimum requirements from our owner. The gross list of material topics has been provided by our owner Latour AB Investment. The topic boundaries are also to a large extent based on the minimum requirements from our owner Latour AB Investment, as these material topics are also listed in this framework.

### Key topics and concerns raised by stakeholders

The key topics raised have been addressed in the materiality analysis. Multiple stakeholders noted perceived challenges with end users' interest and willingness to pay more for more sustainable products, although this differs by industry, geography, and customer segment. What has been appreciated is that there is a wide range of non-financial competence and resources across the brands. Our stakeholders have expressed the importance of recognizing and considering the differences between the Hultafors Group brands, markets, and geographies (e.g. from a non-financial performance perspective), as there are considerable differences in the maturity level. And, when looking at the key topics, the importance of raw materials has been addressed as more urgently for the brands in the Personal Protective Sector, than in the hardware division. Hence, Hultafors Group is working on a collective sustainability strategy, backed up with clear targets and plans, which will serve as a minimum requirement for each of the brands, and simultaneously, Hultafors Group stimulates each brand to aim higher. Newly identified issues will be analyzed, prioritized, and integrated upon relevance.



## Appendix III. About this report

### Scope

This report reviews the sustainability performance of Hultafors Group over 2021.

This report is part of our annual cycle of reporting on our CSR and sustainability performance and covers the period 1 January 2021 – 31 December 2021. Our most recent report, which covered 2020, was published in September 2021.

The information in this report covers Hultafors Group's performance and does not cover the performance of our subsidiary Telestep. The brands Snickers Workwear, Solid Gear, Toe Guard, EMMA Safety Footwear, Hultafors, Wibe Ladders, Fristads, Kansas, Leijona, Hellberg Safety, Scangrip, Eripio Wear, CLC, Kuny's and Johnson Level & Tool are owned by Hultafors Group and have been reported on in this sustainability report.

As such, the data reported refers to our 50 companies in a total of 24 countries and our headquarters in Göteborg, Sweden. Significant changes in this report compared to our last CSR report include the acquisitions that have been made in 2021. In 2021, Fristads AB, Kansas A/S, Kansas GmbH and Leijona were acquired by Hultafors Group, which are frontrunners in sustainable workwear. This acquisition made Hultafors Group one of the largest European players in the workwear area. By the end of 2021, Hultafors Group has acquired Scangrip S/A, a Danish company specialized in LED work lights.

### Countries in which Hultafors Group is active

Hultafors Group is active in Austria, Belgium, Canada, Croatia, Czech Republic, Slovakia, Denmark, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Russia, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States.

The Hultafors Group products are sold throughout 70 countries worldwide. The majority of the products are sold in Europe and North America.

### Reporting practice

Since the previous report, which was published in September 2021, only a few changes have been in the texts about Solid Gear and Toe Guard. The text was about their progress in 2021 and no significant changes have been made afterwards. No changes have been made in the List of material topics since the last Sustainability report. All entities that are included in the consolidated financial statements have been included in this Sustainability report.

Entities included in the consolidated financial statements

### Legal entities:

- |  |  |
|--|--|
| 1. Hultafors Group AB                  | 26. Puvab AB                           |
| 2. HULTAFORS GROUP US HOLDCO LLC       | 27. Hultafors Group Ireland Ltd.       |
| 3. Johnson Level & Tool Mfg. Co., Inc. | 28. Hellberg Safety AB                 |
| 4. Custom LeatherCraft Mfg. LLC.       | 29. Hultafors Group Logistics          |
| 5. Kuny's Corp.                        | 30. Hultafors Group Germany GmbH       |
| 6. Hultafors Group Finland             | 31. Hultafors Group Austria GmbH       |
| 7. Hultafors Group Norge               | 32. Daan Holding BV                    |
| 8. Hultafors Group Danmark             | 33. Dentgen Vastgoed BV                |
| 9. Hultafors Group Poland Sp. z o.o.   | 34. Emma Holding BV                    |
| 10. Hultafors UMI Srl, Rumänien        | 35. PROTAG Shoe Supply BV              |
| 11. Hultafors Group Italy              | 36. Emma Safety Footwear BV            |
| 12. Hultafors Group Sverige AB         | 37. Snickers justeringar               |
| 13. Fisco Tools Ltd                    | 38. Fristad AB                         |
| 14. Hultafors Group Netherlands BV     | 39. Fristad AS                         |
| 15. Scangrip A/S                       | 40. Fristads Production SIA            |
| 16. Scangrip US                        | 41. Fristads Workwear Ltd              |
| 17. Scangrip China                     | 42. Fristads Kansas Group Asia Limited |
| 18. Handverktøj justeringar            | 43. Fristads B.V.                      |
| 19. Hultafors AB                       | 44. Fristads Kansas Austria GmbH       |
| 20. Hultafors Group UK Ltd.            | 45. Kansas A/S                         |
| 21. Snickers Production Latvia SIA     | 46. Fristads GmbH                      |
| 22. Hultafors Group Switzerland AG     | 47. Fristads Production AMC            |
| 23. Hultafors Group Belgium NV         | 48. Stritex                            |
| 24. Tradeport AB                       | 49. Fristads Finland OY                |
| 25. Hultafors Group France Sarl        | 50. Fristads Viared Fastighets AB      |

### Assurance

We have not yet searched for external assurance. Senior executives have been involved in this decision and we discussed the ambition to apply assurance with regards to future reports. However, we work together with various partners in order to ensure our data is correct and communicated transparently.

### Reporting ambitions

We are currently working on a new Group sustainability strategy with KPI and target setting, and we have the ambition to report our new strategy in our sustainability report 2022.

### Invitation to stakeholders and readers

We highly value the opinion of our stakeholders. Do you have any questions or remarks about this report, or did you miss topics or information? Please reach out to [sustainability@hultaforsgroup.com](mailto:sustainability@hultaforsgroup.com)

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**HULTAFORS GROUP**