

HULTAFORS GROUP

# Sustainability Report 2022



CEO FOREWORD

## Sustainability a key business driver

**Hultafors Group** continues to gain market share amid challenging market conditions. The key is a business-oriented organization, strong brands, products that meet and exceed the users' expectations, and making progress towards a leading position in sustainability. Hultafors Group is exhibiting impressive growth and the past year was no exception. Sales nearly doubled in three years through a combination of an organic and acquisition driven growth agenda. We continued to deliver, despite the major challenges affecting the economy with rising costs, supply chain disruptions and currency headwinds.

**Our brand promise** is to be a partner to rely on, and that means that we stand for high quality, durable products, and services for both our customers and users. This also means we take our sustainability development seriously so that our customers can trust us in being a sustainable partner for the future. Several of our brands can now provide life cycle assessments (LCAs) to disclose the products' total

emissions of CO<sub>2</sub> equivalents (CO<sub>2</sub>e), thus making it easier for customers to choose the products that achieve the best environmental performance. We are working hard on being able to do that for a broader product range and eventually for all products we offer. We see sustainability as a differentiator and enabler, particularly with a focus on product development. Fristads' Green Collection and Wibe Ladders' green ladders are products with a distinct green profile. In the workwear industry, we were the first to use Environmental Product Declarations (EPD) to be able to specify our products' exact environmental footprint across their lifecycle. These products are marketed under the family name Fristads Green Collection. In ladders, we were the first to produce and market products made of green aluminum that cut CO<sub>2</sub> emissions by 75%. Sustainability is more than just a label for us; it means creating real value. Our sustainability work is also driven by our customers who have an increasing focus on products' environmental footprint. Sustainability is here to stay as an important business driver.



**During 2022 we established a new organization** to build a platform for continued strong growth while keeping a high degree of delegation and entrepreneurial freedom. Today, there are three independent divisions that run their operations with full accountability for delivering on our ambitious growth and profitability goals. This high level of accountability and ambition is deeply rooted in our values: we strongly believe in every individual employee's strength. We are convinced that our vision and goals only can be reached in an environment and culture based on trust allowing a high degree of delegation and freedom to decide. Ultimately, this fosters an entrepreneurial culture, and being a group of many strong and independent brands, entrepreneurship is key.

**We have also launched a companywide digitalization program** to establish an IT foundation that allows us to capitalize on the opportunities of digital technology with the objective to improve the way we do business and create new solutions for our customers and users. We see many opportunities in how this investment will support our business development and give us tools to realize our sustainability goals.

**To create real impact,** the product's environmental footprint must be taken into consideration during product development, and we are continually striving to develop new products with reduced environmental impact over the entire product lifecycle. In addition, continuous environmental improvements are being implemented in the operations. Our four key targets are:

- Decrease energy consumption, -5% annually in relation to net sales
- Switch to 100% renewable electricity by 2030 in our own operations
- Decrease emissions of CO<sub>2</sub>e, -5% annually in relation to net sales
- Certify all production facilities according to ISO 14001 by 2025

Since 2020 we have decreased the energy consumption by more than 14% per year and lowered the greenhouse emission about 20% per year, all in relation to sales. We reached an energy mix level of 80% renewable energy and have 80 % of our own production sites ISO 14001 certified.

**We are committed to driving progress** in these areas, yet our main environmental and climate impact is related to the sourcing and consumption of raw materials. This is why our colleagues in product development are constantly searching for more sustainable material alternatives, minimizing waste, and developing more circular offerings. High effort is also put into building sustainable relationships with our suppliers, to make sure we continuously strive together to reduce our environmental and climate footprint and minimize social risks. We set high standards in the way we do business with zero tolerance for bribery, making sure our values and sustainability goals are known and fulfilled in all operations, both internally and at our partners.

Our commitment to social sustainability is equally important; we have set goals for diversity and inclusion, and we want to offer safe and stimulating work environments.

These are the principles and objectives that drive our sustainability work and the way we do business. In this report you will find several examples of both our initiatives and our investments to advance our sustainability agenda.

**Going forward,** our most important objective is to develop circular offerings in all our product categories. We aim to decrease our climate impact and the next step on this journey will be committing to Science Based Targets in line with the Paris agreement goals. To do this, we will build on engagement and intensify our development in all parts of the group. We will continue strengthening our processes, learning, collaborating, and growing as a group. Our ambition is to lead sustainable development in our industry and continue to deliver on our brand promise: to be a partner to rely on by advancing the sustainability agenda in our field – now and in the future.

Hultafors Group supports the ten principles of human rights, the environment and anti-corruption. And of the UN's 17 global sustainability development goals (SDGs), Hultafors Group has identified five where we believe we can have the greatest impact. Those are SDG 5: Gender Equality, SDG 7: Affordable and Green Energy, SDG 8: Decent Work and Economic Growth, SDG 12: Responsible Consumption and Production and SDG 13: Climate Action.



**MARTIN KNOBLOCH**  
CEO AT HULTAFORS GROUP

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# GOVERNANCE

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# Sustainability highlights 2022

## Total energy consumption

in relations to sales, Scope 1 & 2

**-19%**

compared with 2021

## Tonnes of CO<sub>2</sub>e

in relations to sales, GHG Scopes 1 & 2, own operations

**-25%**

compared with 2021

## Share of renewable electricity

out of total electricity consumption for our own operations

**+12%**

compared with 2021

HULTAFORS GROUP ▶

Launch of environmental profiles for EMMA products based on Life Cycle Assessment (LCA) and ISO standards.

EMMA SAFETY FOOTWEAR ▶

For the third year in a row Snickers Workwear have calculated emissions in Scope 3. Read the result here.

SNICKERS WORKWEAR ▶

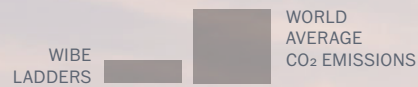
Development towards the preferred fiber target, 30% reached with substantial replacement focus in 2022.

SNICKERS WORKWEAR ▶

Social program roll-out in Fristads' supply chains, to prevent, mitigating, and stop violations.

FRISTADS ▶

Launch of ladders made from certified aluminum and recycled materials.



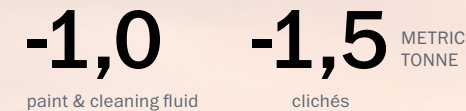
WIBE LADDERS ▶

Reduction of the CO<sub>2</sub>e footprint in Hultafors factories.

**-70%**

HULTAFORS ▶

New digital printer saved materials.



HULTAFORS ▶

Initiative reduced scrap in the plastic injection molding department.

JOHNSON LEVEL & TOOL ▶

Employee satisfaction.

**8/10**

0.2 above benchmark

*“How likely is it you would recommend Fristads as a place to work?”*

FRISTADS ▶

Broad engagement and local initiatives behind progress in lowering the environmental footprint.

DISTRIBUTION CENTER POLAND ▶

Recycling initiative started in the Netherlands. A new infrastructure for collecting and recycling discarded clothing from dealers.

FRISTADS & SNICKERS WORKWEAR ▶

## Hultafors Group organization

Hultafors Group is a global company providing premium products and services to partners and professionals in the Building, Construction, and Industry sectors. Hultafors Group offers a complete portfolio of hardware and personal protection equipment that are continuously developed, with the aim of helping our users stay productive, comfortable, and safe.

Hultafors Group AB is owned by the Swedish investment company, [Investment AB Latour](#). Hultafors Group has an ambitious growth strategy and has currently 17 different brands ([see page 10](#)) in three independent divisions, Personal Protection Equipment Europe, Hardware Europe, and Hardware North America.

Hultafors Group has 14 own production-, assembly- and/or Value Adding Services facilities in Denmark, Latvia, Netherlands, Poland, Rumania, Sweden, Ukraine, United Kingdom, and United States. Our warehouses are located in Denmark, Netherlands, Sweden, Poland, United States and China\*.

We have sales offices with own personnel in Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Switzerland, Sweden, United Kingdom and United States and quality assurance offices in Vietnam and China (Dongguan and Hong Kong).

Hultafors Group products are sold throughout 70 countries worldwide. Most of our products are sold in Europe and North America.

### HULTAFORS GROUP SITES WITH OWN PERSONNEL

Countries where we have own employees: 21

- Countries with own warehouses: 6  
(Final products at 12 sites)
- Countries with own production, assembly and/or Value Adding Services sites: 9  
(14 sites owned by Hultafors Group)
- Countries where we have own sales and/or function offices: 18  
(Hultafors Group employees)



\*operated by a third-party.

The data reported refers to our 47 legal entities in a total of 21 countries. Our group headquarters is located in Gothenburg, Sweden.

All entities that are included in the consolidated financial statements have been included in this Sustainability report except for Martinez Tools which was acquired in Q4 2022. The legal units Scangrip Asia Ltd and Scangrip North America are also excluded.

## Changes to the organization and our supply chain

In 2022 a new organization was established when our brands were divided in three independent divisions: Personal Protection Equipment Europe, Hardware Europe, and Hardware North America. This to achieve better scalability, control and transparency concerning our impact.

During 2022, we have continued to grow our brand portfolio, with two new brands in our hardware divisions: Telesteps, the innovator of telescopic ladders from Sweden, and Martinez Tools, a US-based innovator and market leader in high-end, durable light-weight hammers and squares.

During March 2022 Hultafors Group took an active decision to close and terminate a long-time partnership with a supplier in Kaliningrad which produced Snickers Workwear's protective wear product line ProtecWork. The background of the decision to discontinue our cooperation with our supplier in Kaliningrad is Russia's invasion into Ukraine. The circumstances made the decision easy and fast but to end a long-term partnership has other effects on the organization. The support from the team at Snickers Production Latvia and the ProtecWork team made the transition as smooth as it could be when we moved away from a supportive and competent supplier. Hultafors Group has from this point no active suppliers or partnerships in Russia.

### Legal entities:

1. Hultafors Group AB
2. Hultafors AB
3. Hultafors Group Finland
4. Hultafors Group Norge AS
5. Hultafors Group Danmark AS
6. Hultafors UMI S.R.L.
7. Hultafors Group Italy
8. Fisco Tools Ltd.
9. Hultafors Group NL
10. Hultafors Group Sverige AB
11. Hultafors Group UK Ltd
12. Snickers Production SIA Latvia
13. Hultafors Group Belgium
14. Hultafors Group France
15. Hultafors Group Poland
16. Hultafors Group Switzerland
17. Hultafors Group Ireland
18. Hultafors Group Germany
19. Hultafors Group Austria
20. Hultafors Group Holding Inc
21. Fristads AB
22. Fristads AS
23. Fristads Kansas Ltd
24. Fristads BV
25. Fristads Kansas Austria GmbH
26. Fristads Kansas Group Asia Ltd
27. Fristads Production Sia
28. Fristads Finland Oy
29. Kansas GmbH
30. Kansas A/S
31. Stritex
32. Fristads Production AMC
33. Scangrip A/S
34. Scangrip Asia Ltd
35. Scangrip North America
36. Johnson Level & Tool Mfg. Co.
37. Custom LeatherCraft Mfg. LLC
38. Kuny's Corp.
39. Skillers GmbH HRB
40. Telesteps AB
41. Hultafors Group Logistics Sp. z.o.o
42. Daan Holding BV
43. Dentgen Vastgoed BV
44. Emma Holding BV
45. Emma Safety Footwear BV
46. Protag Shoe Supply BV
47. Hellberg Safety AB
48. *Martinez Tool Company LLC (acquired 2022 Q4)*



## Governance structure and composition

Hultafors Group is committed to growing and developing the company sustainably. The Group Management Team consists of the CEO, CFO, CHRO & Head of Sustainability, Communications and Quality, and the presidents of the three divisions (Personal Protection Equipment Europe, Hardware Europe, and Hardware North America). They meet monthly to discuss key issues and highlights, with sustainability being a regular topic.

Each Division President is responsible for integrating sustainability within their division and integrating sustainability into their division strategies. The CEO reports directly to the Board of Directors, and from now on, sustainability should be on the agenda once a year but during 2022 it was included in every meeting.

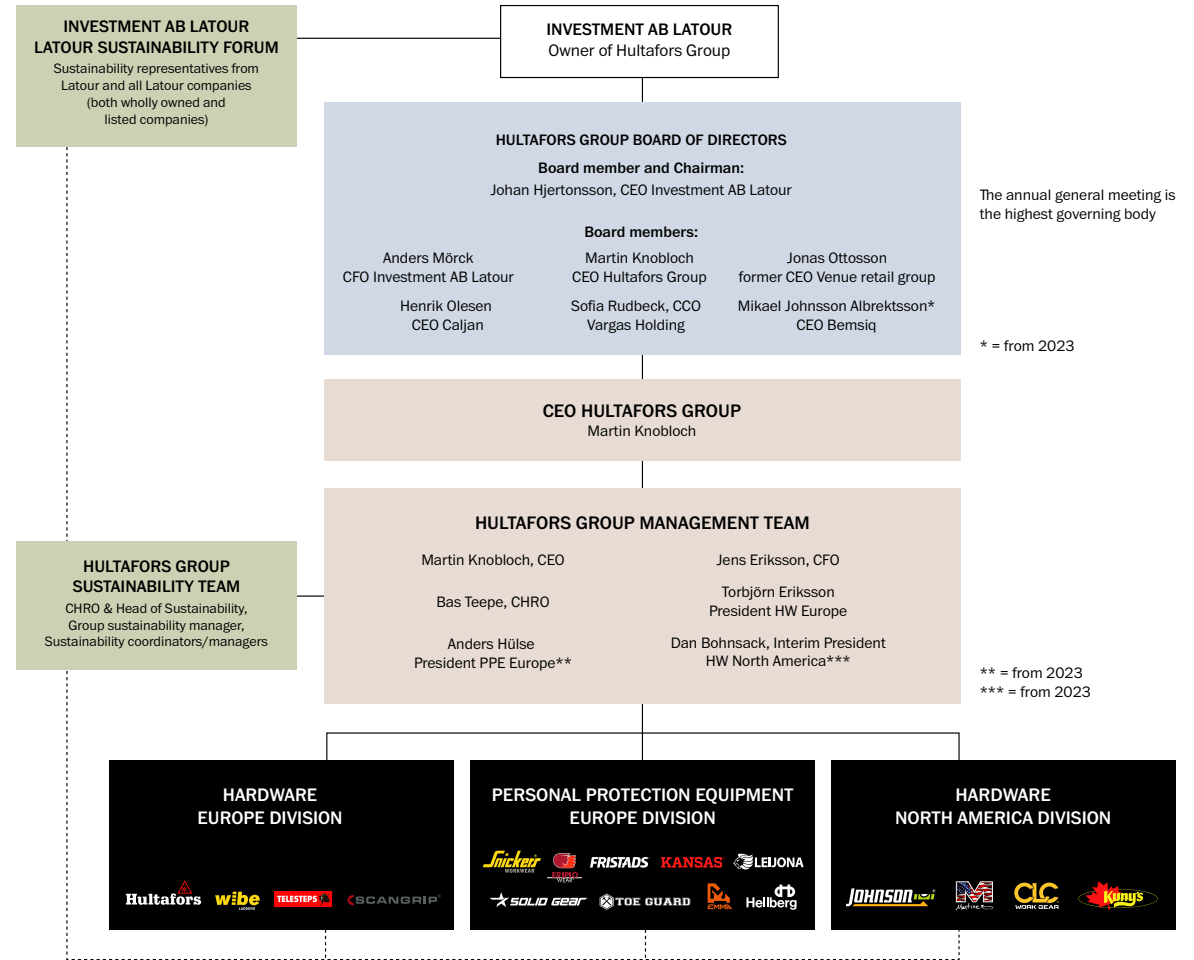
The brands within Hultafors Group have dedicated sustainability coordinators/managers and they are encouraged to have high ambitions and drive the sustainability agenda for the brand. These roles are also members of the Hultafors Group sustainability team, led by the CHRO who also is Head of Sustainability, Communications and Quality. The team's agenda is to drive the sustainability agenda in line with the strategy and further develop targets,

policies, programs, initiatives, and how to progress in environmental, social, and governance issues. The team meets regularly and communicates progress through quarterly and annual reports to the Hultafors Group Management Team.

Hultafors Group sustainability team also has representatives in the Latour sustainability forum, organized by the Hultafors Group's owner, Investment AB Latour. Latour sustainability forum sets the minimum requirements (including KPIs) and shares best practices.

The committees responsible for decision-making on ESG topics are the Board of Directors, the Group Management Team, Division Management Teams, and the Sustainability team, depending on the task or target. Investment AB Latour follows up on the sustainability requirements with specific KPIs set for their wholly owned companies. Hultafors Group is reporting the progress in sustainability to the Board of Directors on a quarterly basis. The annual general meeting of the Hultafors Group board of directors is the highest governing body.

More information about the Hultafors Group owner is available on their webpage: [Corporate Governance | Latour](#)



## Hultafors Group business areas

Owned by the Swedish investment company Investment AB Latour, Hultafors Group provides a portfolio of leading brands for professional users. For more than 140 years Hultafors Group has been at the forefront in terms of functionality, safety, and overall productivity. The internationally recognized brands form a unique product portfolio for craftsmen relying on their gear. Our product portfolio consists of a broad range of products within Personal Protection Equipment and Hardware. Hultafors Group has an ambitious growth strategy - in 2021, the portfolio expanded with the acquisition of Fristads, Kansas, Leijona and Scangrip, and in 2022 Telesteps and Martinez Tools were added. As of today, Snickers Workwear and Fristads are the largest brands in terms of turnover.

Hultafors Group is currently consisting of 17 different brands, approximately 1.800 employees and SEK 6.6 bn net sales in 2022. Our sustainability effort for the product portfolio is vital to our business, so is digitalization as an enabler to realize the development we need.

## The brands of Hultafors Group Personal Protection Equipment



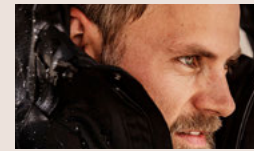
**HELLBERG SAFETY** makes protective equipment for head, eyes, face, and hearing. Hellberg Safety combine state-of-the-art technology, with impeccable design and top-quality materials. "To give you Peace of Mind."



**SNICKERS WORKWEAR** offers innovative, technical workwear with uncompromising safety that work together with today's craftsmen and women wanting the most durable and style-conscious solutions available. Snickers emphasize safety, functionality, longevity, and comfort – inspiring demanding professionals to a smarter and safer work life.



**ERIPIOWEAR** develops products in tight collaboration with and for the fire brigade and ambulance workforce.



**FRISTADS** has driven the development of durable and functional workwear since 1925, always with professional workers in mind, and with innovation and sustainability as drivers. Fristads' range of clothing includes classic and contemporary garments made to meet the highest standards when it comes to quality, safety, and comfort.



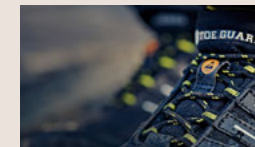
**KANSAS** is a manufacturer of world-class workwear. Kansas challenge existing workwear standards and develop own proprietary textiles, Kansas Fabrics. These are unique materials designed specifically to suit the customer's work requirements, striving to raise the bar in terms of durability, comfort, and functional design.



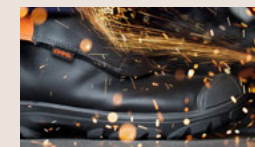
**LEIJONA** has always worked close together with the Finnish industrial sector. From the start, Leijona workwear has been developed where it all happens – in factories, mines, workshops, and construction sites – together with people doing physical work in demanding environments.



**SOLID GEAR** is the frontrunner of athletic safety footwear "Wired for progress". Solid Gear products redefine the performance, style, and comfort of safety footwear.



**TOE GUARD** offers great footwear with a sporty design and zero compromises on safety. With Toe Guard work boots and shoes, the users get footwear that get them safely and comfortably through any day. "Don't worry. Just work."



**EMMA SAFETY FOOTWEAR** makes safe and sustainable footwear. Applying to the SCC principles: safety, comfort and circularity, Emma Safety Footwear always aim for safe foot protection and working conditions as well as safety for the environment.

## The brands of Hultafors Group Hardware



**HULTAFORS** offers hand tools for professional craftsmen who place high demands on function, precision, and ergonomics. Hultafors have developed innovative, high quality and ergonomic hand tools for 140 years. Designed in Sweden with the goal to meet the high demands of craftsmen around the world.



**WIBE LADDERS** offers a wide range of products for work at heights. Wide Ladders always put safety and quality first, so craftsmen can get the job done efficiently without compromising safety.



**TELESTEPS** has a unique offering that combines the flexible telescopic operation of Telesteps' ladders and platforms with excellent safety and durability. The products may look unassuming at first sight, but in a way, that is just the point - they will grow with the job.



**SCANGRIP** provides a powerful range of innovative LED work lights for professionals, designed to fit rough and demanding work environments. An innovative approach, advanced technology together with an elevated degree of functionality are key for SCANGRIP's lighting solutions.



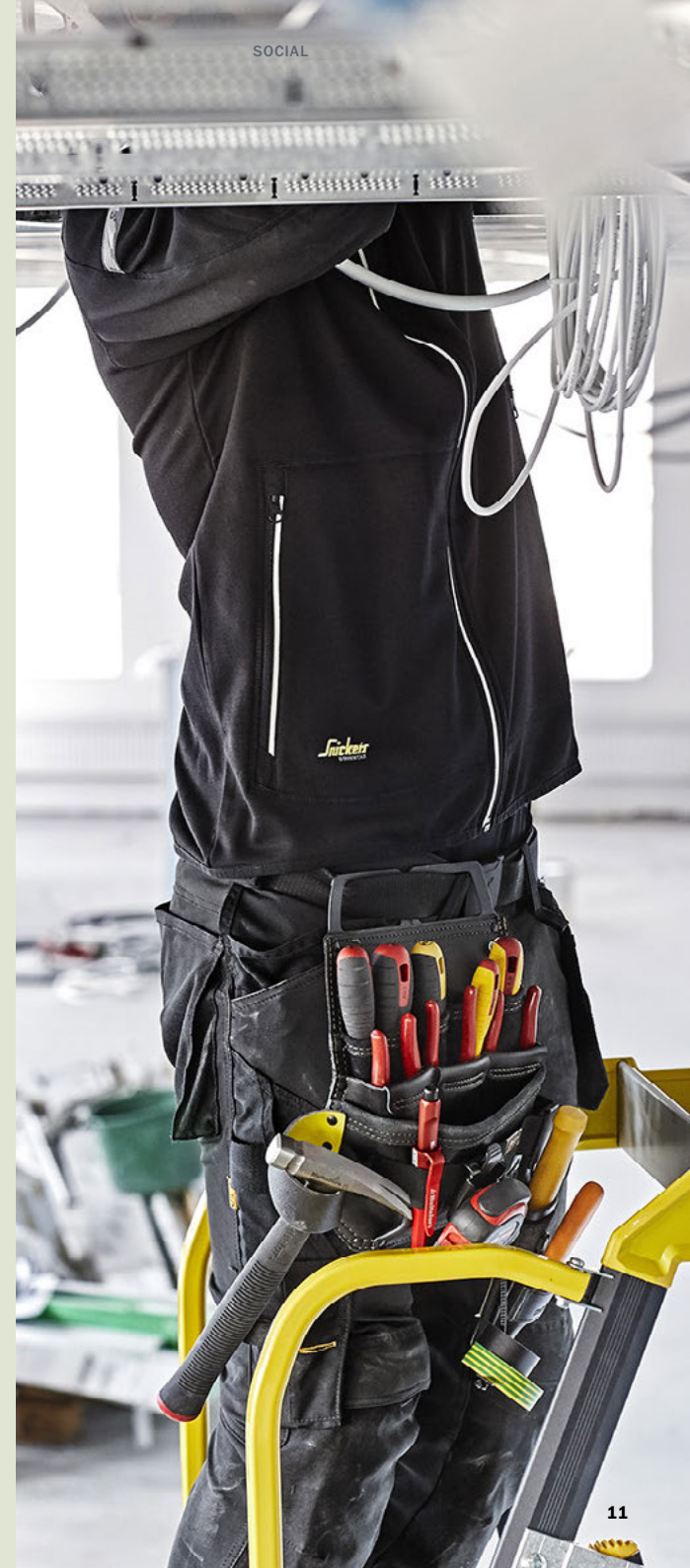
**JOHNSON LEVEL & TOOL** offers a full spectrum of levels, lasers, and layout tools to help professional tradesmen do their work more accurately, quickly, and reliably.



**MARTINEZ TOOL COMPANY** brings a new generation of quality framing and finish hammers and other specialty tools to market. Designing innovative tools for progressive carpenters, Martinez hammers and tools are sleek and strong, featuring top of the line concepts and materials.



**CLC WORK GEAR AND KUNY'S** delivers the next generation of tool storage gear, tool carriers, kneepads, and gloves. When developing products, quality is always in focus, including the durability of materials, the functionality of pockets, the stitching, the binding, how the fabric lays, and the comfort.



# Hultafors Group Brand Platform

## Vision

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

## Mission

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

## Core values

RESPECT

Respecting people and the planet

TRUST

Being reliable in every way

ATTENTION TO DETAILS

Exceeding expectations

ENTREPRENEURSHIP

Everything is possible

INSIGHTS

Serving genuine needs

The 17 brands of Hultafors Group have brand platforms of their own that define their uniqueness, but all have the same baseline and shares the group identity.



## Sustainability fundamentals at Hultafors Group

At Hultafors Group, we believe that trust is key to building long-lasting customer relationships and we are committed to our ambition of being a proactive leader in sustainability in our industry. We focus on solid governance and ethical decision making, creating safe and stimulating workplaces for our employees and suppliers, and being a responsible producer with focus on our climate impact, energy use, as well as materials and waste. We aim to have a diverse organization and respect human rights in our labor relations, and in the supply chain. Hultafors Group's owner, Investment AB Latour, is a member and committed to the UN Global Compact. The brands Fristads and EMMA Safety Footwear have also entered memberships on a brand level.

As a safety product manufacturer, our relationships with suppliers are critical to our social and environmental impact. Most of this impact comes from our supply chain, where we work with materials and components from around the globe, including some producers in higher-risk countries. We take our social and environmental responsibilities seriously and work closely with our suppliers to ensure that we maintain high standards of quality and sustainability. It is equally important that our own production facilities work systematically to minimize social risks and negative environmental impacts from their operations.

Our supply chains are complex, and we use the World-favor sustainability platform to identify and assess risks based on internationally recognized frameworks, including UN Global Compact and the Sustainable Development Goals. This helps us to track our progress and to ensure that both our own operations and the suppliers we work with are meeting our high sustainability targets. We are committed to working with suppliers who share our values and commitment to sustainability at every level of our business. For more information on how we manage our risks and impact, [\(see page 19\)](#).

### Sustainability Policy

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

Read or download our Sustainability Policy at our website, [hultaforsgroup.com](https://hultaforsgroup.com)

#### UN Global Compact

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies, and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

[unglobalcompact.org/what-is-gc/mission/principles](https://unglobalcompact.org/what-is-gc/mission/principles)

## Material Topics

Material topics are areas that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights. At Hultafors Group, we chose our material topics based on a stakeholder consultation conducted through a digital questionnaire in 2021. The top-five material topics:

1. **Safe and stimulating workplace**
2. **Diversity and human rights**
3. **Bribery and corruption**
4. **Supply of materials and service**
5. **Energy and climate**

In Hultafors Group's Sustainability Report 2021, we also listed "Legal requirements" and "Sound business ethics" as material topics, based on the materiality assessment. In this report, these are considered governance topics rather than specific material topics. A review of the material topics based on impact is planned to be carried out during 2023.

In this Sustainability report, Hultafors Group reports the most significant sustainability impacts based on the above five material topics. For various topics, we will provide examples of our best practices from brands within the Group. The total sustainability impact of the group is to a large extent connected to Snickers Workwear and Fristads, which are the largest brands within the group.

## Materiality assessment

The materiality assessment is based on the valuation of the relative importance of various sustainability topics among our stakeholders (including suppliers, clients, and other business relationships), and on the other hand, on our own internal evaluation of the impact of the chosen themes on our company. The relevance from the stakeholders' point of view was determined by means of a digital questionnaire that was sent to the selected stakeholder groups. The gross list of material topics was provided to us by our owner Latour AB Investment.

The results of both the stakeholders' perspectives and internal assessments were discussed between the Hultafors Group Management Team and the Sustainability Team. The topics that were given the highest rating from both the internal as well as the external stakeholders are the five key themes that have been addressed in this report. The results of the materiality assessment, and prioritization have been reviewed and approved by the highest governance body.

## Key topics and concerns raised by stakeholders

The key topics raised have been addressed in the materiality assessment. 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.

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 related to sustainability. And, when looking at the key topics, the importance of raw materials has been addressed as more urgent for the brands in the Personal Protective Sector, than in the hardware division. Hence, Hultafors Group is establishing a collective sustainability strategy, backed up with clear targets and plans, which will serve as a direction for each of the brands, and simultaneously, Hultafors Group stimulates each brand to aim higher.



This table describes important stakeholders and our interactions with them.

STAKEHOLDER	ACTIONS	FREQUENCY
MULTIPLE RELEVANT STAKEHOLDERS	Materiality assessment	Bi-annually
SUPPLIERS	Supplier self-assessments	Annually
SUPPLIERS	Supplier dialogue	Frequently with product manufactures and regularly with other upstream suppliers
SUPPLIERS	Grievance mechanism for workers at suppliers' factories	Continuously available via our Whistleblowing functions
CUSTOMERS	Visits, newsletters, social media, and client surveys	Visits, newsletters, and social media – depending on relationships with clients. Customer surveys are depending on the brand's efforts, mostly on annual basis
EMPLOYEES	Meetings, intranet, Litmos and Winningtemp or similar systems. Litmos is a training and learning development solution that is used for our employees. Winningtemp's employee pulse survey results are interpreted by the platform's AI, which recognizes if conditions are trending towards burnout, turnover, or sickness absence.	Daily meetings Intranet, Litmos and Winningtemp or similar systems continuously
OWNER	Corporate advisory board and engagement in Sustainability Forum by owner Latour	Monthly
ADVISORS AND COLLABORATIVE PARTNERS, SUCH AS INTERTEK AND RESEARCH INSTITUTES OF SWEDEN	Dialogue and collaboration	When needed
TRADE UNIONS	Dialogue and collaboration	Continuously

## Memberships and associations

### UN Global Compact

Hultafors Group supports the UN global compact. The group's owner, Investment AB Latour, is a member and committed to the UN Global Compact. The brands Fristads and EMMA Safety Footwear have also entered memberships on brand level.

### Leather Working Group

Hultafors Group is 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 1800 members from across the leather supply chain.

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

Fristads and Snickers Workwear are members of STICA. The purpose of STICA is to support the apparel and textile industries and their stakeholders in the Nordic region to, at least, reduce emissions of 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.

### 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 eco-nomically sustainable farming methods, creating a huge impact and shaping the future of the cotton industry.

[bettercotton.org](https://bettercotton.org)

### No to PFAS

Fristads and Snickers Workwear have signed on to the environmental organization ChemSec's initiative the PFAS Movement. The movement aims to emphasize and educate about the harmful effects of PFAS substances, and fights to get them banned from production.

### Sustainable Fashion Academy – Learning and Innovation Network

Fristads and Snickers Workwear are part of the SFA-LIN network whose main purpose is to help apparel and textiles companies stay updated and prepare for the upcoming range of environmental and social policies and regulations that will place serious demands on brands and retailers operating in or placing products on the European market.

### Textile Importers association

Hultafors Group is a member of the Textile Importers, a trade association for companies dealing in textiles, leather goods, clothing, or shoes. Textile Importers support companies with industry-specific knowledge regarding social responsibility, use of chemicals and environmental labelling when trading textile products.

### TEKO

Fristads is a member of TEKO, the Swedish trade and employers' association for companies in the textile and fashion industry. TEKO supports its members with information regarding the textile and fashion market and assist in questions regarding labor rights, environmental issues, CSR, national and European legislation.





## Our contribution to 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 five goals, to begin with, based on stakeholder discussions and the opportunities to make an impact. Hultafors Group's primary Sustainable Development Goals are SDG 5: Gender Equality, SDG 7: Affordable and Green Energy, SDG 8: Decent Work and Economic Growth, SDG 12: Responsible Consumption and Production, and SDG 13: Climate Action. All goals connect to the group's material topics, as shown in the table on next page.

### Our Sustainability KPIs and targets

The sustainability targets which Hultafors Group has set are based on requirements from our owner Investment AB Latour. These requirements are set for 2025 and 2030 and translated into KPIs (Key Performance Indicators). The progress is reported to our owner Investment AB Latour on a quarterly and annual basis. The KPIs are based on the 17 UN Sustainable Development Goals, which among others, include the use of renewable energy (SDG 7), reducing the greenhouse gas emissions of our own sites (SDG 13), and gender equality (SDG 5). Officially committing to group-wide Science Based Targets is the next step.



OVERVIEW HULTAFORS GROUP - SDG GOALS, KEY TARGETS AND RESULTS

<p><b>UN SDGs</b></p> <p>Material Topics</p>	 <p><b>5 GENDER EQUALITY</b></p> <p>Diversity and human rights</p>	 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p>Energy and climate</p>	 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> <p>Safe and stimulating workplace</p>	 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> <p>Supply of materials and service</p>	 <p><b>13 CLIMATE ACTION</b></p> <p>Energy and climate</p>
<p>Key targets</p>	<p>Minimum of 40% female salary setting managers in 2030</p>	<p>100% renewable electricity in own production sites, 2030</p>	<p>Zero (0) Lost Time Injuries in own production sites, 2030</p>	<p>All production facilities environmentally certified by 2025</p>	<p>Reducing the CO<sub>2</sub>e-emissions -5% relative improvement annually</p> <p>Reducing energy consumption -5% relative CO<sub>2</sub>e emissions annually</p>
<p>Results</p>	<p>Gender ratio in Salary setting managers</p>  <p><b>34%</b> female 2022</p> <p>2021: 36% female 2020: 31% female</p>	<p>Share of renewable electricity out of total electricity consumption</p>  <p><b>+ 12%</b> compared with 2021</p>	<p>Injury incident causing more than 1 day absence from work</p>  <p><b>5/1000</b> employees 2022</p>	<p>Share of ISO 14001 certified production sites</p>  <p><b>- 10%</b> compared with 2021</p>	<p>Total energy consumption Scope 1 &amp; 2, in relations to sales MWh/MSEK</p>  <p><b>- 19%</b> compared with 2021, own operations</p> <p>Tonnes of CO<sub>2</sub>e / MSEK GHG Scopes 1 &amp; 2, in relations to sales</p>  <p><b>- 25%</b> compared with 2021, own operations</p>

The KPI results for 2022 is presented in coming chapters, [Environmental sustainability](#) and [Social sustainability](#). There is also a complete reference table presented with comments, in [Appendix I](#).

## Managing and following up our impact

Hultafors Group is committed to continuous improvements in sustainability and has partnered with Worldfavor to track, monitor, and follow up our sustainability targets so we can communicate clearly on our achievements follow up and achieve our sustainability targets. Worldfavor's software as a service sustainability platform helps us track and assess our environmental and social impact in our own operations and throughout our supply chain.

We collect information on our sustainability KPIs from the brands through Worldfavor. In our supply chain the system is used for transparency and risk-based analysis, to conduct self-assessments and monitor sign off to our compliance documents. Our suppliers have access to the platform and provide the required information, which we verify and record. We estimate social, corruption, and environmental risks per supplier using Worldfavor's automated analyses based on leading risk indices. This enables us to monitor potential risks and act where necessary.

Worldfavor provides us insights into our operations and suppliers and allows us to monitor all sustainability related supplier data in one place for all Hultafors Group brands. In this way we streamline our processes and store information in one place without the need for email exchanges and multiple storage locations.

Hultafors Group is now transitioning to a new version of the Worldfavor platform that makes the tracking and analyzing of ESG data more efficient. We can collaborate easier and track relevant ESG metrics specific to each industry with the best-practice questionnaires. By understanding Hultafors Group's sustainability performance and acting on opportunities, we can create positive, long-term impact throughout our supply chain.



## Quality, environmental and product specific certifications

At Hultafors Group, policies, processes, routines and procedures are managed by our management systems and we work systematically on continuous improvements of our organization regarding quality and environmental matters. We have set goals, which are monitored, and actions are planned to reach these goals. Our top management reviews the progress made during annual management reviews. The majority of Hultafors Group sites are certified according to ISO 9001:2015 and ISO 14001:2015. In 1995, the Hultafors site in Sweden was the first site that was certified according to ISO 9001. Our first site that was certified according to ISO 14001 was the ladders' production site in Nässjö, in 2000. Today, 11 out of 17 brands are environmentally certified according to ISO 14 001. The brands Snickers Workwear, Solid Gear, Toe Guard, EripioWear, ProtecWork, Hultafors, Wibe Ladders and Hellberg Safety are certified according to ISO 9001 and ISO 14001 within Hultafors Group's multisite certificate. These certifications also include the self-owned productions sites for those brands and our Distribution Centre in Poland. The brands EMMA, Fristads, Kansas and Leijona have their own ISO 9001 and ISO 14001 certificates for offices and production sites within the European Union. In addition, SCANGRIP has their own ISO 9001 certificate and has started preparing for an ISO 14001 certification. For details about the ISO-certifications, [see appendix II](#).

In 2021, we established a new Distribution Center in Szczecin, Poland. At the same time the process of certifying this site was initiated. The certification process

was finalized during 2022 and the site is now part of Hultafors Group's multisite ISO 9001 and 14001 certificate. One of the requirements of our owner Latour is to have all fully owned production sites certified according to ISO 14001 by the end of 2025.

### **TARGET: ALL PRODUCTION SITES ENVIRONMENTALLY CERTIFIED BY 2025**

Status: 80% (8/10)

*As of December 2022, Hultafors Group owns two production sites, which are not yet ISO 14001 certified. SCANGRIP in Denmark, with a planned recertification audit for ISO 9001 in 2024, and Johnson Tools in U.S., with a planned certification during 2025.*

Several of our products are certified according to product specific standards within the Personal Protection Equipment and Hardware segments. We have products within the Hultafors Group's assortment covered by the requirements in annex VIII in Regulation (EU) 2016/425. The group holds three related Module D certificates: one for Fristads AB, one for Hultafors Group AB covering Snickers Workwear's assortment of Protective clothing and one for Hellberg Safety AB.

The folding rulers holds FSC and MID certifications. Hultafors folding ruler factory in Hultafors is FSC certified, and one of our folding ruler models is FSC certified. All our factories producing length measuring instruments are certified against the Measuring Instruments Directive (2014/34/EU) and our length measure products produced in those factories are CE marked.

## Compliance with laws and regulations

We want to ensure that we always follow applicable local and international laws, regulations, and standards in our own operations and in the value chain. This includes respecting human and environmental laws in the country of operation of our suppliers. We monitor legal requirements continuously as part of risk assessments and participate in forums that help us proactively identify and prepare for coming regulations.

Safety is of utmost importance for us because 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. Controlling that safety standards for personal protective equipment are met by each brand is the responsibility of the brand quality assurance managers or equivalent. Our brands are, furthermore, active in various committees for PPE standards and play an active role in evaluating current and developing new PPE standards.

### Compliance Program for Suppliers

Apart from implementing a Code of Conduct and Restricted Substances List, we have also established a compliance program for our suppliers. This program mandates regular auditing of the environmental and social practices of at least 70% of the brand's top spend suppliers in risk countries, based on their purchasing value.

This helps to prevent social, environmental, and governance-related risks in our supply chain. Hultafors Group has an agreement with [Intertek](#) for the performance of audits for all its brands. Next to this, Fristads is also a member of amfori BSCI, to continuously improve labor conditions throughout their full supply chain.

Our due diligence process includes supplier evaluations, material specifications, supplier visits, and supplier self-assessments on the Worldfavor platform. Various brands also have compliance programs for chemicals in place, which cross-check our Restricted Substances List in practice with pre-approved labs, based on a risk-based approach.

#### **Intertek and BSCI**

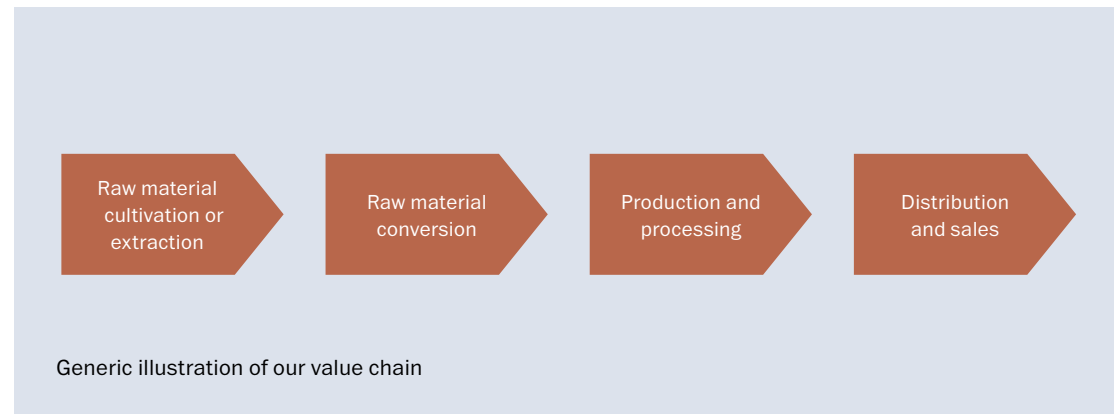
Hultafors Group has a agreement with Intertek to conduct audits at the sites of our suppliers. Next to this, Fristads is also a member of amfori BSCI and BEPI, to continuously improve labor conditions throughout its full supply chain.

## Value chain and other business relationships

The Hultafors Group products are sold in 70 countries with key focus in Europe and North America. Hultafors Group has 14 own production sites, assembly and/or Value Adding Services sites in Denmark, Latvia, Netherlands, Poland, Rumania, Sweden, Ukraine, United Kingdom, and United States. Furthermore, we have a global network of suppliers with their own production facilities, some of which are located in high-risk countries regarding human rights and environmental practices. Due to the variety of different brands and products it is a challenge capture our impact throughout the entire value chain from raw material cultivation to distribution and sales. Our Code of Conduct and systems for supplier monitoring provided via Worldfavor are effective tools that the entire brand portfolio uses of for supplier management. Furthermore, it requires close cooperation with our business partners throughout the value chain to develop and improve environmentally and socially sound methods.

### Sound business ethics

We are focused on ensuring that the conduct and actions of the entire Hultafors Group and our representatives, for both the manufacturing of our products as well as our company, comply with the applicable standards of laws and ethics. This includes respecting human and environmental laws in the country of operation of our suppliers. Our Code of Conduct is an important tool for ensuring the implementation of sound business ethics throughout Hultafors Group and within our supply chain. Furthermore, we apply the precautionary principle to stay ahead of potential risks when we do not have full scientific knowledge of negative impacts.



## Code of Conduct

We prioritize ethical business practices. Doing things, the right way – ethically, with integrity, and in full compliance with the law – is fundamental. Our Code of Conduct sets forth the minimum requirements and clearly defines standards for fair, safe, and healthy working conditions and environmental responsibility. The Ten Principles of the UN Global Compact form a common thread in Hultafors Group's Code of Conduct. It sets the standard for zero tolerance against child labor, bribery, forced labor, and occupational health and safety shortcomings. Our Code of Conduct has been approved by our CEO and it applies to all employees, regardless of location. All white-collar workers shall sign the Code of Conduct and answer relevant test questions through the Litmos e-learning platform. We also ensure that the Code of Conduct is distributed to all registered suppliers on the Worldfavor platform for mandatory sign off.

Possible critical concerns are communicated to the highest governance body, the board of directors and our owner on a quarterly basis. Any highly critical incidents such as those coming in through our mechanism WhistleB are instantly communicated. During 2022 we have had zero (0) reported whistleblowing case.

Read or download our Code of Conduct at our website, [hultaforsgroup.com](https://hultaforsgroup.com)

Hultafors Group's Code of Conduct is based on the below current international reference documents and standards:

1. The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights to Work.
2. The UN Global Compact.
3. The Rio Declaration on Environment and Development.
4. The UN Convention against Corruption.
5. The UN Convention of the Rights of the Child.
6. Council Directive 98/58/EC on the protection of animals kept for farming purposes.
7. Council Regulation 2005/1 on the protection of animals during transport.
8. Council Regulation 1099/2009 on the protection of animals at the time of killing.
9. The Conflict Mineral Regulation.

**TARGET: 100% CODE OF CONDUCT IMPLEMENTED, INTERNALLY** (based on % No. signed in 2030)

Status 2022: > 90 % (based on white collar employees)

To fulfill this target, we will have to further develop our processes and improve our system setup to reach all employee groups.

## Supply chain governance

With sound business ethics, we also refer to the norms and standards we apply to our supply chain. We communicate our Code of Conduct to all suppliers enrolled in the Worldfavor platform. We also send self-assessments to suppliers and carefully evaluate their responses to increase transparency and improve conditions throughout our supply chain. Furthermore, we conduct regular audits and assessments to ensure compliance with labor standards at our own sites and in our suppliers' factories. Overall, ethical business practices are central to our operations, and we strive to promote fair labor conditions and human rights throughout our supply chain.

### Restricted Substances List

In addition to the Hultafors Group Code of Conduct, the suppliers are requested to sign off to and adhere to Hultafors Group Restricted Substance List. 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) to always reflect the latest legislation. All suppliers must comply with applicable chemical legislation delivering products to Hultafors Group.

### Compliance monitoring

Our brands highly value the close cooperation and partnership with their suppliers and maintain regular contact with them through site visits and online meetings. This helps us to understand the challenges they face and work together to find solutions.

We are aware that it is difficult to fully verify compliance due to the complexity of the supply chain. Therefore, brands have a tight dialogue with our suppliers. 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 continuously work on possible improvements. Further we utilize third-party support for both Code of Conduct and chemical safety compliance monitoring, via Intertek for compliance audits and accredited chemical testing institutes for chemical safety.

#### RISE: The Swedish chemicals group

Hultafors Group is a long-term 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. In addition to support in many forums, 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).

## Material Topic: Bribery and corruption

Hultafors Group follows Investment Ab Latour's anti-corruption policy. We prohibit making or approving any offer, promise, payment, or gift of anything of value to any individual, including government officials and employees at companies we do business with, with an intent to improperly influence their decisions. Hultafors Group has 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. 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 participate in online training on the topic every two years. We track the participation rate of the trainings through the Litmos platform.

### Communication and training anti-corruption policies and procedures

**TARGET 2030: ALL EMPLOYEES HAVE SIGNED THE ANTI-CORRUPTION POLICY AND HAVE READ THE ANTI-CORRUPTION PROCEDURE.**

Status December 2022: > 90 %  
(based on white collar employees)

To fulfill this target, we will have to develop our process and improve system setup to reach all employee groups.

Read and download the Anti-corruption policy at our owner Investment AB Latour [website](#).

The total number of active suppliers that the organization's anti-corruption policies and procedures have been communicated to via Worldfavor: 397.

The suppliers are mainly product manufacturers and material producers, and the communication is done via our Code of Conduct which needs to be signed by the supplier. Brands such as Fristads and Snickers have chosen to include suppliers further upstream in the supply chain.

### Confirmed incidents of corruption and actions taken

During 2022 we have had zero (0) reported whistleblowing case connected to suspected fraud.

### Whistleblowing

Hultafors Group encourages reporting misconduct in relation to our Code of Conduct. We take precautions 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 our Code of Conduct can be submitted via our [website](#).

Issues can also be reported verbally to the CHRO at Hultafors Group, contact information is published on our [website](#).





## FRISTADS

## Preventing, mitigating, and stopping violations in Fristads' supply chains

Fristads has policies, audit standards and certifications in place to ensure that they conduct their business in a manner that is socially and environmentally responsible. All Fristads' suppliers, under the guidance of their compliance team, which conducts risk assessments and ongoing monitoring, must sign the Hultafors Group Code of Conduct – Fristads' Annex, as well as the Restricted Substances List. A team of ten quality controllers is monitoring occupational health and safety on site at the Fristads suppliers that produce fabric and garments. Fristads ensures that all suppliers comply with the Code of Conduct through mandatory independent, third-party audits against the amfori BSCI standard.

### A healthy workplace for everyone

As a member of amfori, the leading organization for supply chain social and environmental improvement, Fristads is committed to supporting partner factories in their work in the area of social and environmental sustainability.

Hultafors Group Code of Conduct – Fristads' Annex follows the amfori BSCI Code of Conduct and is communicated to all Fristads' partner factories, which are responsible for implementing it in their workplace and inform workers of their rights. The Code sets the standard for zero tolerance against child labor, bribery, and corruption, forced labor, shortcomings in occupational health and safety, and environmental due diligence. Fristads had no zero-tolerance deviations in 2022.

### New social program and training routine for managers

In 2022, Fristads implemented a new social programme and training routine for their own managers and employees. They also began to implement the programme for the managers of their strategic suppliers, an ongoing process that will continue in 2023. When a supplier signs an agreement with Fristads, they will provide managers with online training and a training kit on their ethical standards regarding human rights, labour rights, and occupational health and safety. The supplier then organises training sessions for the

employees based on a poster with a visual version of the Hultafors Group Code of Conduct – Fristads' Annex, which informs the employees of their rights as well as Fristads' zero tolerance against child labor, forced labor and bribery and corruption. The poster also features a whistleblowing function in the form of a QR code, which employees can scan to anonymously report breaches of the Code of Conduct. If a report of misconduct comes in, the supplier management will be involved in the investigation process led by a dedicated team from Hultafors Group.

*“The goal of our social program is to ensure that our suppliers meet our stringent ethical standards and protect their workers by improving the working environment in their factories. By sharing our internal whistleblowing process, we reinforce the partnership with our suppliers, drive continuous communication and build trust.”*

**MARIA ANDTBÄCKA**  
HR MANAGER FRISTADS



## FRISTADS

## How Fristads ensures compliance in their supply chain

### 1. Training and commitments

All suppliers must fill out a self-assessment form (SSA), complete a questionnaire on the Worldfavor platform and commit and sign the Hultafors Group Code of Conduct – Fristads' Annex and the Restricted Substances list.

### 2. Monitor and support

Fristads' corporate and social responsibility team continuously monitors that their ethical standards are shared and implemented in the countries and communities where their operations have an impact.

### 3. Third-party factory audits

To ensure that Fristads lives up to the amfori standards, factory audits are regularly carried out by accredited third parties. Fristads supports the factories before and after the inspections, but do not take part in the actual inspections.

### 4. Remediation plans

Deviations that occur during a factory inspection must be corrected through a remediation plan and followed up through a new audit. The remediation plans aim to constantly improve working conditions and environmental standards at the factories.



## SNICKERS WORKWEAR

## A supply chain based on long-term partnerships and daily communication

Snickers Workwear has a condensed supply chain with a small tail end, which allows the brand to focus on long-term partnerships and supplier relations. This strategy enables transparency and due diligence in its operations, which is the foundation for their sustainability efforts.

Snickers Workwear has direct communication with both its garment and raw material producers, and they prioritize suppliers that adhere to recognized codes of social responsibility such as ETI, BSCI, WRAP, and SA 8000.

*“We apply a risk-based approach to due diligence, taking into consideration factors such as country of production, inherent risks, spend, and current insight when planning yearly due diligence and audit requirements. Regular audits are conducted, either within the scope of the social code the supplier recognizes, or by a nominated third-party. The local operations team follows up on corrective action plans to ensure required progress is made.”*

**MARIA SCHARTAU**  
CSR COORDINATOR  
SNICKERS WORKWEAR



### Strong Partnerships Deliver

Snickers Workwear’s supply chain strategy and strong long-term relationships with suppliers contribute to its ability to deliver high-quality products. In 2022, they sold just over 6 million products, with up to 30 components used in one product, including fabric, buttons, sewing thread, zippers, and other details. During the pandemic, the brand’s long-term relationships and deeply rooted supply chain strategy proved to be important key factors in securing deliveries and increasing sales.

### Selective Production Countries and Suppliers

Snickers Workwear is selective when choosing its production countries and suppliers, with ten operations accounting for approximately 80 percent of the value of its garment production. Many of Snickers Workwear’s suppliers have worked with the brand for decades. Vietnam and China are the two countries where most of these operations are located. The country of operation is a decision point for the risk Snickers Workwear is willing to take related to different sustainability topics. Snickers Workwear’s local operation teams work closely with suppliers to manage daily communication.

### Detailed Technical Specifications

One of the strengths of this setup is having detailed technical specifications, which enables the brand’s largest garment producers to sew most of its models. This gives Snickers Workwear the flexibility to move production around among its garment producers depending on capacity availability. This practice mitigates the risk of putting unnecessary strain on a partner factory which could potentially lead to excessive overtime. Snickers Workwear also has a centralized fabric and component purchasing procedure to provide their suppliers with information to secure a higher efficiency grade and faster response rate.



## ENVIRONMENTAL SUSTAINABILITY

Hultafors Group's key impact areas related to environmental sustainability are Energy and climate and supply of materials and service. In the following chapter we present our results followed by showcases from our brands, sharing their efforts during 2022, in contributing to our environmental targets. We are striving to continuously improve, and this comes with challenges due to our growth journey and the increasing complexity when we add new brands to our portfolio. Maximum effectiveness in our own operations and a high level of integration with the supply chain in environmental matters are key to reducing our environmental footprint and enabling the best possible results.

**Some of the Hultafors Group initiatives that have contributed to our progress in reducing our greenhouse gas emissions are:**

- Solar cell installation in Hultafors production site in Romania
- Increased purchase of guarantee of origin for renewable electricity
- Reducing the emissions of CO<sub>2</sub>e at our own sites
- More efficient transports
- Reuse of production waste for heating in Hultafors
- Introducing electric cars as standard company vehicles

**Initiatives related to our supply of materials and service, are:**

**Group level:**

- All production facilities environmentally certified by 2025
- Group wide Code of Conduct stipulating our requirements on our suppliers

**Brand level:**

- Product processes that generate less waste
- More sustainable raw materials
- Life cycle assessments (LCA)
- Environmental product declarations (EPD)
- Reduced waste and more circular material flows
- Reduced climate impact from our value chain

## Material Topic: Energy and climate

In this report, Hultafors Group reports Scope 1 and 2 greenhouse gas emissions from the following sources: company operated vehicles, energy consumption at our facilities (including electricity, heating, cooling, steam, and other production related energy usage). We are reporting on the following KPIs: Energy Consumption, Energy mix and ISO certification own production sites. The data covers all production sites and almost all offices, with the exception of some smaller non-production related sites with less than 10 employees. The emissions factors used for the calculations are from DEFRA, AIB, EPA and Climate Transparency. Planning for Science Based Targets has been initiated during 2022 and all brands will begin measuring relevant Scope 3 emissions during 2023. Fristads and Snickers Workwear are already measuring and following up relevant Scope 3 emissions.

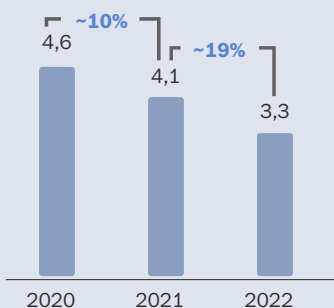
### In this section:

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- [Hultafors Group reporting on KPI – Energy Consumption, Energy mix and ISO certification own production sites](#)
- [Sustainable initiatives in Poland Distribution Center – Hultafors Group](#)
- [Transition to electric company vehicles – Hultafors Group](#)
- [Reducing the CO<sub>2</sub>e footprint in Hultafors factories - Hultafors](#)
- [Reducing environmental impact – Hellberg Safety](#)
- [Three focus areas of sustainability development - SCANGRIP](#)
- [Environmental profiles - EMMA Safety Footwear](#)
- [Climate commitments to next level – Snickers Workwear](#)
- [Resource efficiency, making the most of every meter – Snickers Workwear](#)

## Our progress in 2022 compared to previous years

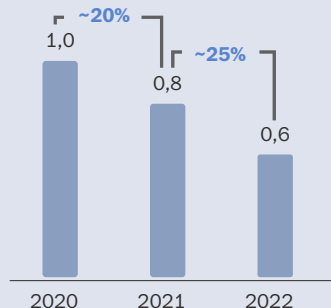
**1. Total energy consumption in relation to sales Scope 1 & 2 covering own operations [MWh/MSEK]**



**TARGET: 5% RELATIVE ANNUAL DECREASE**

Average energy consumption 2022 is ~3,3 MWh/MSEK in sales, corresponding to a 19% decrease vs. 2021

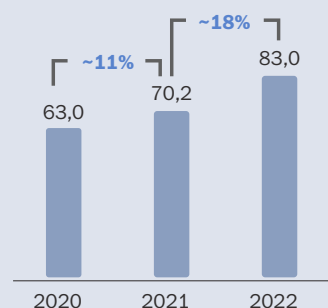
**2. Tonnes of CO<sub>2</sub>e in relation to sales, GHG Scopes 1 & 2 covering own operations [Tonnes CO<sub>2</sub>e/MSEK]**



**TARGET: 5% RELATIVE ANNUAL DECREASE**

Average Greenhouse gas emissions 2022: 0,6t CO<sub>2</sub>e /MSEK

**3. Energy mix, share of renewable electricity out of total electricity consumption [%] for our own operations.**

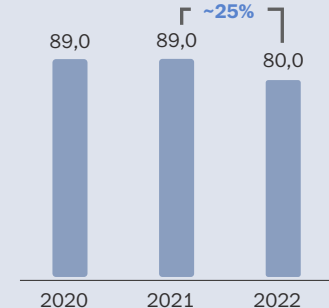


**TARGET: 100% BY 2030**

Increased share of renewable energy due to investments such as solar energy at own sites

Average 2022 Energy mix contains 83% renewable electricity

**4. Environmental certification, share of ISO 14001 certified production sites [%]\***



**TARGET: 100% BY 2025**

Scangrip A/S has been added as additional production site. Plan to ISO 14001 certify during 2024

Johnson Level & Tool production facility to ISO 14001 certify during 2025

### Comments to this reporting:

1. Despite adding two companies to the group and increasing our Distribution Centre in Poland the total facility area has been reduced by approx. 2.000 sqm. (Termination of Puvab's facilities, reduction of Fristads Austria GmbH's, Fristads Finland OY's and Fristads Production SIA's facilities).
2. The share of renewable energy has been positively affected by the purchase of Guarantees of Origin (renewable electricity certificates) for several sites.
3. Telesteps emissions/energy consumption is for full year. Financial data from acquisition date.

\*see [Appendix I](#) for more information

ENERGY AND CLIMATE

## Hultafors Group’s sustainable initiatives in Poland distribution center

When Hultafors Group established a new Distribution Center in Poland 2021, sustainability was a focus area. The facility was planned and built according to BREEAM-standard; level Very Good, as one of the first warehouses in the country. It also includes Solar Panels to produce approximately 30% of the electricity used in the facility. This was the largest installation possible due to local rules about connecting to the electricity grid.

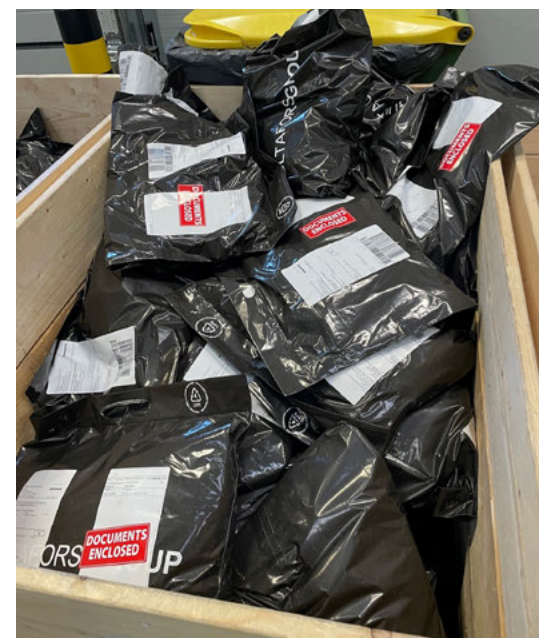
By showing that sustainability is important for Hultafors Group, other local initiatives has followed. During 2022 several projects has been implemented in the packaging area to both reduce the waste from packaging material, but also to optimize the transports.

One of the main projects has been to reuse the boxes the center receives from suppliers, in shipments to customers. Boxes from the suppliers are continuously emptied in the normal process and instead of sending them to being recycled. The boxes are checked and then put to use in the outbound process. This means some extra workload, but this process create values both a financially and from a sustainability perspective. Reused boxes and bags are currently used in nearly 25% of the distribution centers’ shipments to customers.

Another project has been to start using e-commerce bags from recyclable material to reduce the space needed in outbounded shipments. The bags are more space efficient than the normal cardboard boxes which can enable an increased number of shipments in the same number of trucks.

*“The local organization initiated these projects as a part of our goal to establish a culture of sustainability. I believe that local initiatives have great potential to drive a positive impact, and the great results which were delivered by the local teams further reinforce this belief.”*

**NICKLAS AXELL**  
DIRECTOR GROUP LOGISTICS  
HULTAFORS GROUP



**BREEAM**

BREEAM is the world’s leading science-based suite of validation and certification systems for sustainable built environment.

Since 1990, BREEAM’s third-party certified standards have helped improve asset performance at every stage, from design through construction, to use and refurbishment. Millions of buildings across the world are registered to work towards BREEAM’s holistic approach to achieve ESG, health, and net zero goals. It is owned by BRE – a profit-for-purpose organization with over 100 years of building science and research background.

[bregroup.com/products/breem/](http://bregroup.com/products/breem/)



## Transition to electric company vehicles

Hultafors Group's owner, Investment AB Latour has implemented a new requirement for all their Swedish businesses which is to exchange company cars with combustion engines to electric vehicles. Business outside of Sweden are encouraged to follow this requirement. During a transition period, each company may make individual exceptions (maximum 10%) in case an electric car is no alternative based on for instance availability of charging infrastructure. Exceptions will only be granted after restrictive assessment. If exceptions exceed 10% of the number of cars purchased, each business unit will report the deviation to Investment AB Latour. As of December 2022, no new fossil fuel cars will be purchased, and only electric or hybrid vehicles will be ordered for all new purchases. By phasing out fossil fuel cars and only ordering electric or hybrid vehicles for new purchases, Hultafors Group contributes to the company's broader efforts to reduce their environmental impact.

### Investment AB Latour – Driving forces for sustainable development

In the wholly owned businesses, Latour works as an active owner, stipulating demands and providing support. Latour is driving sustainability efforts forward, partly through knowledge synergies, financing, and international standards and frameworks.

Sustainability issues are of great importance to the companies and activities are carried out on an ongoing basis that advance the companies' positions in the area. Latour places high demands on the holdings to continually reduce their negative environmental impact in their own operations.

As the owner, Latour supports the companies in their environmental work and carries out a number of central initiatives, such as joint procurement of electricity produced solely from renewable sources. Another example is the initiative to transition to electric company vehicles.

Networking and knowledge transfer between the holdings is also supported to accelerate the sustainability work. Since 2020, the annual event Latour Sustainability Day has been organized for management group members and individuals with sustainability roles and is aimed at all holdings within Latour ([see page 63](#)).





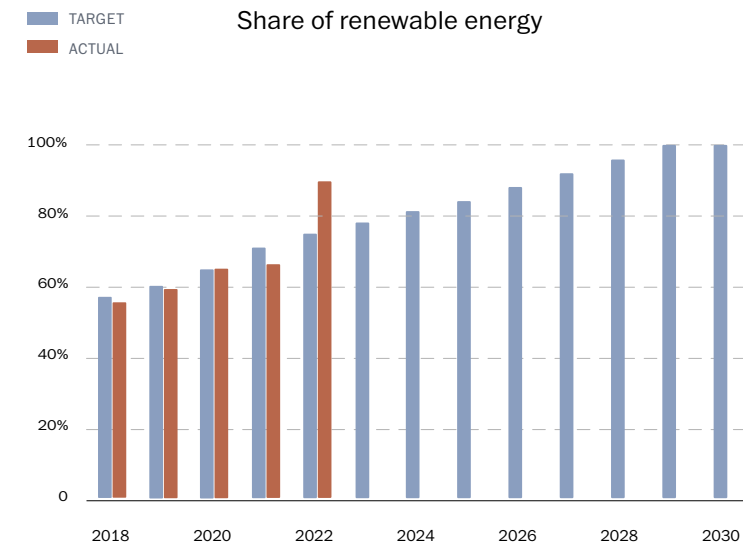
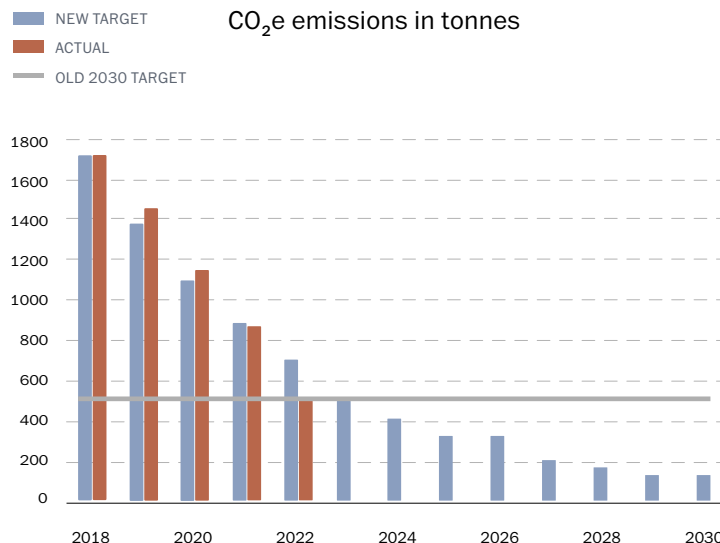
HULTAFORS

## Reducing the CO<sub>2</sub>e footprint in Hultafors factories

Hultafors' dedication to sustainability is apparent in the brand's efforts to reduce the carbon footprint by means of energy efficiency and shifting towards renewable energy sources. Over the years, the brand has taken several strides towards reducing their carbon footprint. In 2018, they made a commitment to measure and reduce their Scope 1 and 2 greenhouse gas in their factories located in the UK, Romania, and Sweden.

This led to an ambitious goal to decrease the emissions of CO<sub>2</sub>e in Scope 1 and 2 by 70% by 2030. However, Hultafors exceeded this target in 2022, eight years ahead of schedule. As a result, an even more challenging objective of reducing the emissions by 92% from 2018 to 2030 has been set.

An important action to achieve the aforementioned goals to shift to 100% renewable energy in the Scope 1 and 2 energy mix by 2030. This applies to the small amount of fossil gas in the factory in Romania and those company cars that still run-on diesel. Hultafors is confident to achieve the 2030 emission reduction target.



### SOLAR PANELS ROMAINA

A large share of the electricity produced in Romania are made from fossil fuels. To reach our Scope 2 CO<sub>2</sub>e reduction targets and to reduce our purchase of electricity at our factory in Sibiu, Romania we have during 2022 installed in solar panels on the roof of the factory.

**Installed power:** 200 kW alternative current

**Solar Panels:** Made in Europe by E.ON, AURA model

**Annual electricity consumption** at our factory in Sibiu, 1200 MWh

**Annual production** from solar panels (estimation): 304 MWh (25% of yearly use)

**Production Sep22-Apr23:** 100.51 MWh

Completed and planned actions

Completed actions	Year
Changed to renewable electricity with Guaranteed Origin at production site Rayleigh, UK	2017
New compressor production site Sibiu, Romania	2018
New compressor production site Norrköping, Sweden	2018
LED lighting production site Rayleigh, UK	2018
New heat treatment at production site Norrköping, Sweden	2018
Replace oil boiler at Warehouse Hultafors, Sweden	2019
Replace oil furnaces for heating axes at production site Norrköping, Sweden	2019
Extend heating pipes from wood chips boiler at production site Hultafors, Sweden, to additional areas	2019
New lighting at production site Norrköping, Sweden	2020
LED lighting at production site Sibiu, Romania	2019-2020
Renewed exhaust system at production site Hultafors, Sweden	2021
Leak seeking at all sites	2021
New exhaust system at production site in Norrköping, Sweden	2022
Renewable gas (Biogas) at production site in Rayleigh, UK	2022
Solar panels at production site in Sibiu, Romania	2022
Planned actions	Year
Investment in solar energy at production site in Sibiu, Romania, step 2	2023
New LED lighting at production site in Hultafors, Sweden	2023-2024
Investment in solar energy at production site Hultafors, Sweden	2024
Replace fossil gas with renewable energy (wooden chips boiler) at production site Sibiu, Romania	2023
Improvement building at production site in Norrköping, Sweden	2023-2024
Change heating at warehouse in Hultafors, Sweden	2024



SHOWCASE

HELLBERG SAFETY

## Reducing environmental impact in production, packaging, and transportation

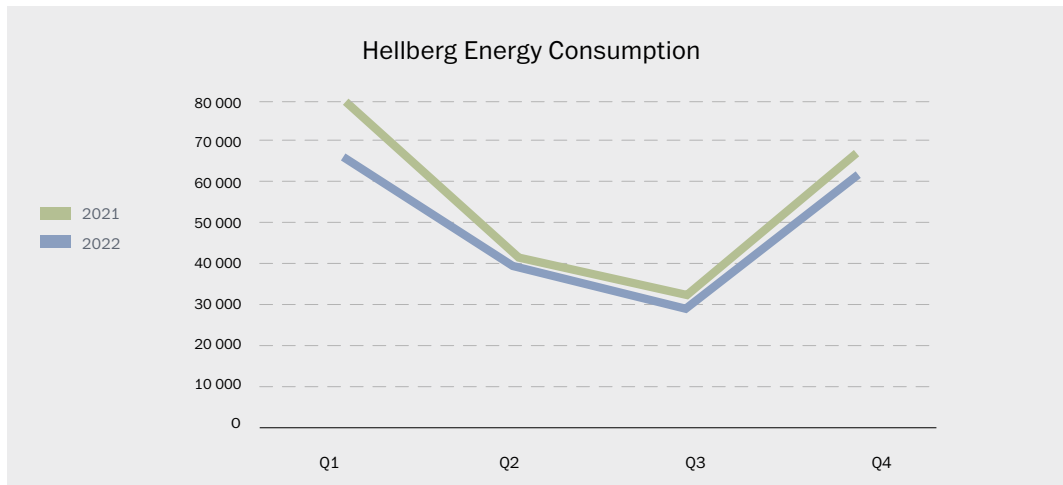
Hellberg Safety is a pioneer in safe and sound hearing protection. The brand is a manufacturer of hearing protection (including communication), head protection, eye protection and face protection. The story of Hellberg Safety started in Sweden in 1962 with an idea from Arne Hellberg, a true pioneer who early on understood how important it is to protect the hearing of people. Although a lot has happened in 60 years, a big share of the manual assembly, packing and the distribution is still done in from Sweden today.

Throughout the years, Hellberg Safety has shifted from hard plastic boxes to paper boxes. For the packaging boxes, the brand has significantly reduced the amount of air shipped, to minimize the effect of transport on the environment.

Hellberg Safety works to gradually reduce the negative environmental impact of its production, its products, and associated transports.

Hellberg Safety has a systematic way of identifying and assessing in which areas they have the highest impact on the environment. The review shows that air transports are causing the highest environmental impact throughout their supply chain, and therefore receive the highest priority. Air transportation is avoided when possible. The electricity they use in their own factory is mainly used for heating and for lighting – and through some initiatives taken during 2022 the energy consumption has been reduced with almost 13% compared to 2021.

SHOWCASE



SCANGRIP

## Three focus areas of sustainability development

SCANGRIP's suppliers of their LED work lights are primarily situated in Asia where in general a major energy renovation is undergoing these years. The relationship with their main suppliers is very close and together they have initiated common goals, both when it comes to changing to more renewable energy sources and to using materials with lower climate footprint.



### Transformation to renewable electricity

SCANGRIP's supplier production sites have invested in large solar cell installations which have reduced their energy consumption in the production from traditional energy sources by 30%. At SCANGRIP's own premises in Denmark, the company has installed electric vehicle charging stations as part of their efforts to switch to renewable energy sources. This initiative reflects the company's wish to reducing their carbon footprint and introduce sustainable practices in their operations.

### Replacement of all plastic in the packaging

Another initiative to reduce their environmental impact is SCANGRIP's ambition to eliminate plastic in packaging and components. To achieve this goal, they have started working systematically with their suppliers to replace every plastic component in the packaging, such as handles, inserts, and hangers, and change them to more environmentally friendly alternatives, such as cardboard. Plastic foil is typically used to wrap pallets for protection during shipping, and systematically it will be changed to recycled plastic for this purpose. Another step is taken by transitioning to recycled paper for both the packaging material and outer carton. This initiative is in line with the company's efforts to replace components with recyclable alternatives and will be introduced step by step.



### Development of new product range with lower environmental footprint

SCANGRIP's work lights have always been developed with high-efficient, energy-saving LEDs. To make this visible to the end-user they have implemented a special marking called LED PERFORMANCE indicating the actual light output of the LED (lumen/W) on all products. In 2022 SCANGRIP started a large-scale product development project where all lamp components are carefully selected to reduce the products environmental footprint without compromising the user experience of

their customers. In the development process SCANGRIP identified that extending the lifetime of the products will gain the greatest environmental impact. 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. The plan is to launch the new product range in 2024.

SHOWCASE

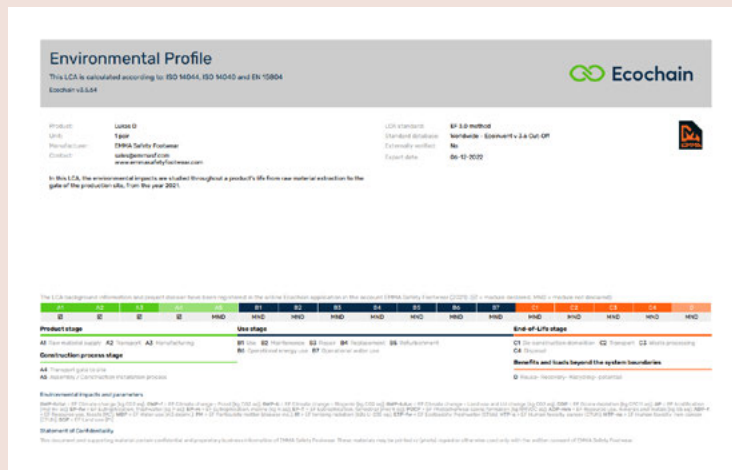
EMMA SAFETY FOOTWEAR

# EMMA footwear’s environmental profiles

EMMA’s lifecycle assessment partner Ecochain’s Environmental Profile is an easy way to quickly communicate environmental data with stakeholders. An Environmental Profile is a standardized document informing about a product’s environmental impact throughout its lifecycle.

The Environmental Profiles of EMMA, which are currently available for the majority of styles in the collection, are self-declared, yet based on the scientific footprinting method Life Cycle Assessment (LCA) and the ISO standards ISO 14044 and ISO 14040. Data of the year of 2021 is used for the below lifecycle assessments for products manufactured at the EMMA factory in Kerkrade.

Example of an Environmental Profile



## Products assessed in this study

For each product in the table on this page, EMMA has calculated the complete product lifecycle, from extraction of raw materials up to the shelf of the dealers. The EMMA Merula model turns out to have the highest emissions per pair, which is mainly due to the higher usage of raw materials in these boots.

## Use of raw materials

Use of raw materials is EMMA’s largest source of climate emissions, which is why they put a lot of effort in finding raw materials with lower climate footprint. Within the raw materials used, the highest CO<sub>2</sub>e emissions come from the use of polyurethane (PU), which is used to create the midsole and outsole of a large part of the EMMA collection. This can be partially explained by higher usage of PU compared to other materials. From 2016 to 2021, EMMA has replaced a number of virgin raw materials with recycled materials, creating a more circular product portfolio.

Product	Material before (2016)	Material now (2021)
Insoles	97% polyester 3% synthetic resin	78% virgin polyester 19% recycled polyester 3% synthetic resin
Shoebox	100% cardboard	100% recycled cardboard
Shoelaces	97% PET 3% polyester	97% Recycled PET 3% virgin polyester
Vamp-, quarter-, tongue lining	100% polyester	76% recycled polyester 24 % virgin polyester
Vamp-, quarter-, tongue lining	100% polyamide	76% recycled polyamide 24% virgin polyamide
Vamp-, quarter-, tongue lining	100% polyester	65% recycled polyester 35% virgin polyester
Inlay soles	95% PU 5% microfiber	85% recycled PU 10% virgin PU 5% microfiber
TPU sole Frontier (business) shoes	100% TPU	20% recycled TPU 80% virgin TPU

Read more about the EMMA environmental profiles in EMMA sustainability report, visit [emmasafetyfootwear.com/duurzaamheid/sustainability](https://emmasafetyfootwear.com/duurzaamheid/sustainability)

SHOWCASE

## SNICKERS WORKWEAR

## Climate commitments to next level with global standards and supply chain collaboration

Every product has an impact on the planet. The longer a product lasts, the lower its environmental impact. Thus, making high-quality workwear products make sense for Snickers Workwear, their customers, and the planet. Acknowledging that the textile industry has several challenges to address, Snickers Workwear have taken their climate commitments to the next level by aligning with global standards and looking beyond their most immediate impact.

To maintain focus on reducing the environmental impact, Snickers Workwear have set climate targets in all three Scopes of the Green House Gas (GHG) protocol and in line with the Paris Agreement, a UN framework aimed at limiting global warming to 1.5°C above pre-industrial levels.

For the third year in a row, Snickers Workwear have calculated emissions in Scope 3, representing emissions caused outside of the direct control of the company. The calculations for 2022 show that 99% of Snickers Workwear's emissions lies in Scope 3. This essentially means that in order to significantly reduce the environmental footprint and reach their climate targets, Snickers Workwear need to collaborate closely with their partners, suppliers, and customers.

As much as 92% of emissions in Scope 3 originates from purchased goods and services, and the largest portion of that impact originates from fabric pro-

duction and raw material extraction. A vast majority of emissions occur during wet processing, a highly energy intensive process used in textile manufacturing. Through direct communication with all material suppliers, established purchase practices and with a deeply rooted, long-term partnership and supply chain strategy in place, Snickers Workwear's work to reduce their footprint is already well underway. However, to achieve further substantial climate reductions, transparency and continuous cooperation with both garment and raw material producers will be crucial.

For 2022, the share of primary data taken into the GHG calculation has increased significantly. By calculating the impact with primary data rather than global averages, the reported impact reflects the actual scenario in Snickers Workwear's supply chain. Primary data forms the foundation for supply chain change dialogue, and any impact changes made at the producer level are reflected in the brand's climate reporting.

Studying the preliminary 2022 Scope 3 result for Snickers Workwear, total emissions has increased mainly stemming from the increased number of purchased products related to sales growth. Ensuring that the key metric CO<sub>2</sub>e/product is reduced one can conclude that the brand still achieves progress towards the target. Final Scope 3 progress report for Snickers Workwear can be viewed here:

[Sustainability | Snickers Workwear](#)

The highest potential to reduce Snickers Workwear's impact in the supply chain lies in increasing energy efficiency and transitioning to renewable energy. However, both aspects require complex and time-consuming transitions, and the effects of any changes can only be measured and reported in the year after implementation. Therefore, Snickers Workwear is simultaneously looking to reduce their environmental impact through other measures, for example by introducing preferred fiber. Although replacing conventional fiber with preferred fiber has a relatively low carbon reduction potential, it is still a hugely important measure, for a simple reason: choosing fiber is one of few ways a brand can immediately and directly influence emissions in Scope 3.

### Reduction roadmap

During the last quarter of 2022, Snickers Workwear initiated an in-depth analysis to quantify the reductions required to meet their climate target using a climate reduction model. The outcomes will serve as an important steering document by providing a basis for prioritization, identifying risks, challenges, and opportunities, and, above all, become a supporting tool in the ongoing work of the brand's climate strategy.



## SNICKERS WORKWEAR

## Resource efficiency – making the most of every meter

Snickers Production Latvia in Tukums is a production facility and R&D center of excellence for Snickers Workwear, including the ProtecWork collection, and EripoWear. In addition, it operates as the hub for fabrics and trims for Baltic subcontractors. As the site is wholly owned by Snickers Workwear, Snickers Production Latvia, and its subcontractors support Snickers Workwear, Protecwear and EripoWear with a flexible and agile production set-up. The advantages are many, including lower production minimums, faster speed to market and the ability to address complex production challenges, such as sizing and special orders. The woven assortment of ProtecWork and EripoWear is produced in full through this set-up.

Fabric cutting is a critical stage in the production process, responsible for efficient use of fabric as well as fluent feeding of sewing lines with quality materials. The cutting at Snickers Production Latvia supplies sewing lines with materials both for the Tukums factory and around 95% of volumes for sub-contractors' factories. Machinery upgrade, operator training and overall management supplemented by a motivated operator all play a vital role for a smooth process.

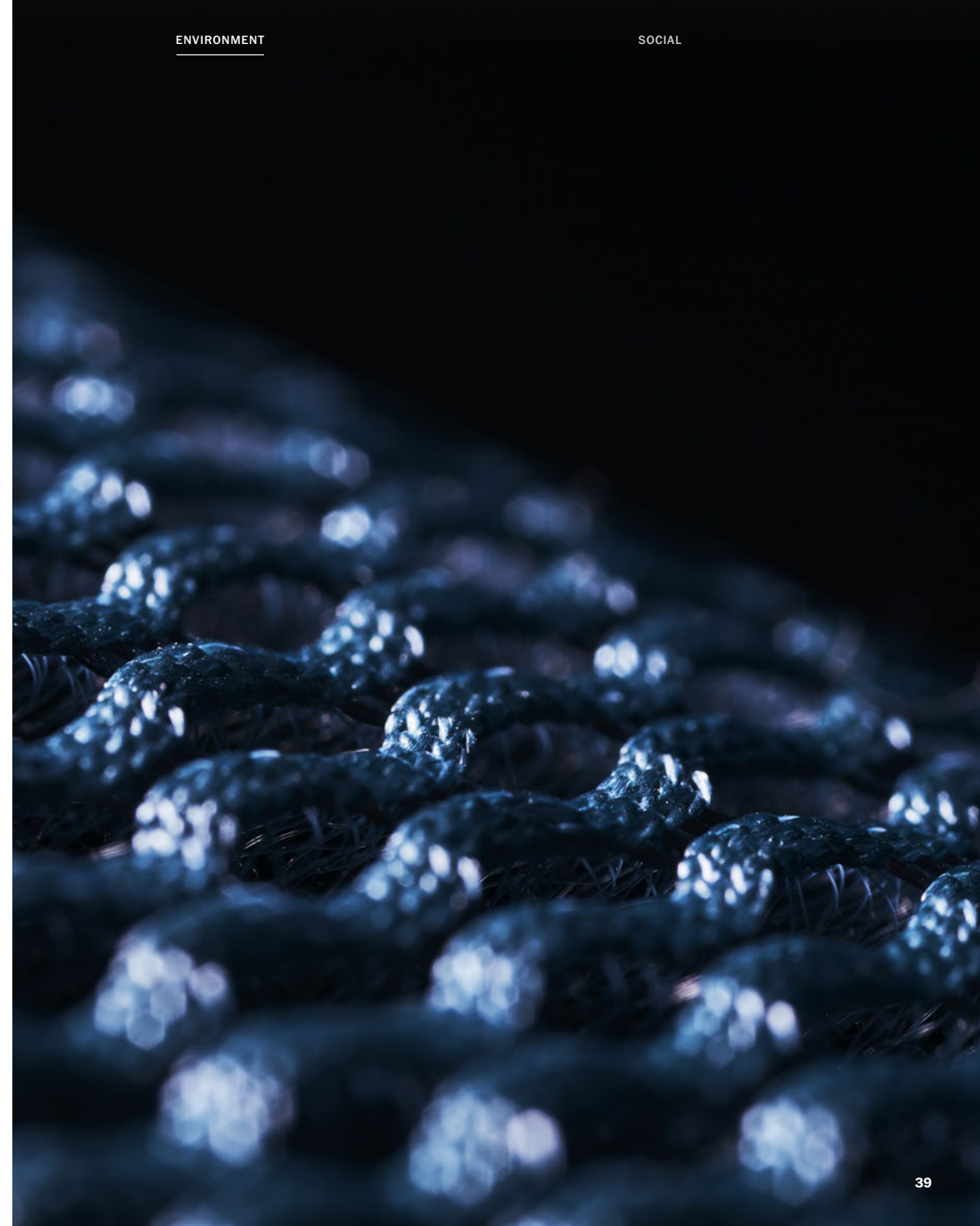
Fabric utilization is the single major driver for the environmental impact and the cost of a garment. The environmental footprint can be reduced by improving marker making, leading to both reduction of fabric spreading and cutting time in the production process, as well as a reduction of cut waste by optimized fabric utilization.

Snickers Production Latvia uses Optiplan - lay planning software that uses mathematical algorithms to rationally and scientifically determine the most cost-effective way to spread and cut the order - without compromising on quality. In the cutting room, data from many different departments and systems is used to execute a manufacturing order: orders come from the ERP system, patterns from the CAD system and material information from the warehouse.

The system optimizes the cutting planning by receiving, processing, and generating the necessary data, considering a set of constraints and priorities given by Snickers Workwear. Each process, from marker selection to spreading and cutting, is optimized to automatically generate the most efficient cut at the lowest cost. The system selects the most efficient marker combinations and suggests new ones, providing a precise calculation of material consumption.

In addition, optimized cutting markers are also supplied for part of the Snickers Workwear Asian production. Either integrated directly into the suppliers cutting room planning system, or as fabric rating information and visual marker layout, enabling any factory to obtain the same good results.

The result is substantial; fabric savings of up to 5% or ca 62 000 EUR/year and up to 4% or ca 37 000 EUR/year in savings from productivity improvement.



## Material Topic: Supply of materials and service

The brands within Hultafors Group are continuously investigating sustainable innovations and are encouraged to continuously increase the share of more sustainably produced and circular (renewable/recycled) raw materials in the products and operations. We manage this topic by continuously reducing our own footprint, by reducing waste, re-use and/or re-cycling of materials. Hultafors Group expects the suppliers to participate in actions to monitor and report environmental data and reports its own environmental progress in the sustainability platform Worldfavor. This is a work in progress, the two largest brands Snickers Workwear and Fristads has finalized their first scope 3 evaluation and the other brands are to initiate their scope 3 data collection during 2023. Most of the own production sites of Hultafors Group are ISO 14001 certified (see appendix II). Hultafors Group has not set specific targets at group level for supply of materials and service, other than demand on environmental certification. The individual brands have their own focus areas based on the type of product and material choices.

### In this section:

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- [Replacing conventional materials with preferred fibers to reduce environmental footprint](#) – Snickers Workwear
- [Partnership with Better Cotton to promote sustainable farming practices](#) – Snickers Workwear
- [Identifying and improving the sustainable character of materials in the design stage](#) – EMMA Safety Footwear
- [Further exploring sustainable practices](#) – Solid Gear
- [Long term supplier relationships lead to footwear you can rely on](#) – Toe Guard
- [Designed to protect](#) – EripioWear and Protecwork
- [Closing the loop collaboration](#) – Fristads & Snickers Workwear
- [Airline chooses more sustainable Fristads workwear](#)
- [Sustainable aluminum products made from certified and recycled materials](#) – Wibe Ladders
- [Digital inkjet printer saves tonnes of paint and cleaning fluid in own production](#) - Hultafors
- [A fully automatic production facility for telescopic ladders](#) – Telesteps
- [Reduced raw material scrap costs](#) – Johnson Level & Tool



## SNICKERS WORKWEAR

## Replacing conventional materials with preferred fibers to reduce environmental footprint

**Snickers Workwear strives to use material of the highest quality to make their products last longer. To reduce the environmental footprint of the products even further, Snickers Workwear is replacing conventional materials with more sustainable alternatives.**

Snickers Workwear is taking every measure to reduce the environmental impact and reach their climate targets. In addition to transitioning to increasing energy efficiency and the share of renewable energy in the supply chain, the brand has introduced a strategy to use more preferred fibers\* in the product portfolio.

For the past few years, the Snickers Workwear product portfolio has been highly dependent of three main fiber types: polyester, cotton, and polyamide. While the brand is looking to increase the share of preferred fiber, it is not losing sight of what is most important from a sustainability perspective: to secure as long product life-length as possible. In terms of reducing the environmental footprint, what is gained from replacing conventional fibers with preferred fibers is easily lost in just a slight reduction of durability and life-length. Therefore, a lot of work is put into ensuring that the preferred fibers are comparable in both durability and comfort.

Preferred fiber is introduced on new product launches as well as on Snickers Workwear's running assortment. The introduction is made across the product portfolio from a material rather than a product perspective. Adopting these practices enables a faster progress, as the change can be steered to materials with higher volumes. Calculating the fiber use for 2022, 30% of the purchased material weight is represented by preferred fibers, which is a substantial increase from 4% in 2019.

A significant share of the preferred fibers comes from the Better Cotton sourcing progress. In addition, sourcing of other preferred fiber types, such as recycled polyester, Sorona® fiber and solution dyed materials is also increased. During 2022, Snickers Workwear began replacing conventional feedstock with recycled feedstock for the sewing thread used in the products. Perhaps seemingly a detail, but as between 500 to 700 meters of sewing thread is used to make an average workwear trouser, why it became an obvious parameter to include in the substitution strategy.

*\* Preferred fibre is defined as fibres with documented improved environmental and/or social sustainability outcomes and impacts compared to conventional production.*

SNICKERS WORKWEAR IS COMMITTED TO SOURCING 70% OF OUR FIBRES AS PREFERRED FIBRE BY 2030, REACHING THE 40% MILSTONE ALREADY IN 2023.

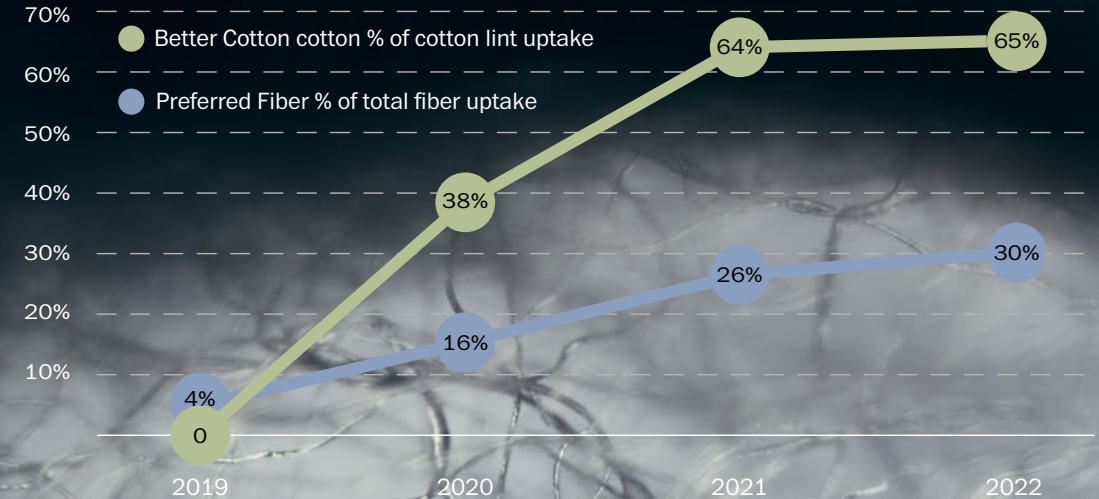


SNICKERS WORKWEAR

2022 preferred fiber development:

- Pocket lining in the jacket range replaced from conventional polyester to recycled and solution dyed polyester.
- Cuff stretch in the jacket range replaced from conventional polyester to recycled and solution dyed polyester.
- Mesh in the jacket and trouser range replaced from conventional polyester to recycled and solution dyed polyester.
- The partly bio-based Sorona® fiber inclusion for a substantial amount of new product launches.
- Continuous focus on REPREVE® recycled polyester padding.
- Increased focus on recycled polyester on new product launches for top wear.
- Increased focus on solution dye in Hi-Vis developments for top wear.
- Substitution to recycled sewing thread commenced.

Preferred fiber progress



**REPREVE RECYCLED POLYESTER – EVERY BOTTLE COUNTS**

The Snickers Workwear style 1102 AllroundWork Waterproof 37,5 Insulated jacket features padding made from REPVE® performance fiber which originates from recycled plastic bottles. In 2022 more than 100 000 bottles were repurposed from waste to quality fiber to produce the padding for this style. REPVE® is manufactured by Unifi, a globally renowned textile solutions provider.

REPVE® is the only eco-performance fiber with FiberPrint® and U TRUST® verification technologies. This means the fibre contains the unique FiberPrint® tracer technology and the fabric is analyzed to validate the REPVE® content claims and composition.



**SORONA® FIBER**

Sorona® bio-based fiber offers exceptional softness and a rich hand-feel for day-in, day-out comfort as well as excellent durability to help extend the lifetime of a garment. Garments featuring the Sorona® fiber offer long-lasting elasticity without spandex, which facilitates recycling at end of life, as well as excellent recovery for great shape retention. The fabric is also quick-drying, breathable and soft to the touch for optimal comfort and workday performance. In addition, Sorona®-based fabrics provide great colorfastness. In addition, the fiber can be traced through its Common Thread Fabric Certification program.

SHOWCASE

## SNICKERS WORKWEAR

## Partnership with better cotton to promote sustainable farming practices

Snickers Workwear partners with Better Cotton to help cotton communities survive and thrive while protecting and restoring the environment. During 2022 an impressive 65% (846 Metric Tonnes), of Snickers Workwear's total cotton uptake was sourced as Better Cotton. Thanks to this sourcing an estimated 394 million liters of water\* were saved at field-level.

Better Cotton is different from other initiatives in several different ways; it addresses sustainability holistically, combining environmental, social, and economic issues in one integrated program. Its goal is to transform mainstream cotton production and engage and support all cotton supply actors, from producers to retailers.

Better Cotton trains farmers to care for the environment and respect workers' rights and wellbeing through seven guiding sustainable farming principles. Furthermore, the initiative is also committed to measuring sustainability improvements for Better Cotton production. Complementary research and evaluation methods is used, and independent organizations and researchers assess the field-level impacts, all to secure a balanced quantification of communicated impact results.

\* Data from Better Cotton

In the 2020-21 cotton season, Better Cotton worked with close to 60 partner organizations to deliver training on more sustainable farming practices. More than 2.2 million farmers in 24 countries received a Better Cotton license and produced 4.7 million metric tonnes of Better Cotton. This represents around 20% of the global cotton production.

Better Cotton is sourced via a system of mass mass-balance, this means that you are not guaranteed that the product you buy contains Better Cotton. You will, however, have supported improved cotton farming for an equal amount of cotton lint.



*"Snickers Workwear is committed to sourcing 80% of our cotton as more sustainable cotton by 2023. In other words, cotton sourced through the Better Cotton Initiative, organic cotton or recycled cotton."*



**BETTER COTTON GUIDING SUSTAINABLE FARMING PRINCIPLES**



**Principle 1: BCI Farmers minimize the harmful impact of crop protection practices**

BCI supports farmers in developing a better knowledge and understanding of practices that minimize the potential harmful effects of pesticides and in adopting Integrated Pest Management technologies with an emphasis on the use of pest control techniques other than pesticides.



**Principle 5: BCI Farmers care for and preserve fibre quality**

BCI supports farmers in managing inherent fibre characteristics, man-made contamination, and waste content; to enhance their cotton quality, thus enhancing its value, and leading to a better price for farmers.



**Principle 2: BCI Farmers promote water stewardship**

BCI supports farmers in using water efficiently to consume and pollute less water; thus, achieving greater yields and building their resilience to climate change while promoting fair use and allocation of water resources amongst users beyond the farm, and up to the watershed level.



**Principle 6: BCI Farmers promote decent work**

BCI supports farmers in promoting fundamental principles and rights at work on employment and income opportunities, social protection and social security, and social dialogue; based on international labor standards.



**Principle 3: BCI Farmers care for soil health**

BCI supports farmers in a better understanding and use of the soil. A healthy soil leads to significant increases in the quality and quantity of yields; to large cost reductions in fertilizers, pesticides, and labor; and is a main asset for climate resilience.



**Principle 7: BCI Farmers operate an effective management system**

BCI supports farmers in operating a management system that includes the framework of policies, processes and procedures ensuring they can fulfil all the tasks required to meet the Better Cotton Principles & Criteria; and to enable continuous improvement in farming practices.



**Principle 4: BCI Farmers enhance biodiversity and use land responsibly**

BCI supports farmers in conserving and enhancing biodiversity on their land; and in adopting practices which minimize the negative impact on habitats in and around their farm.

SHOWCASE

## SNICKERS WORKWEAR

## Solution Dye, Spin Dye or Dope Dye - different names for the same technology

As Snickers Workwear is looking to increase the share of preferred fiber in their product portfolio, material made through the Solution Dye process has emerged as a highly attractive option. The technology - also known as Spin Dye or Dope Dye - not only brings considerable savings in both energy, water and chemicals compared to conventional dyeing processes. It also offers excellent color fastness and very low color variation. In 2022 only, the estimated savings for Snickers Workwear from using Solution Dye materials came to an impressive 130 metric tonnes CO<sub>2</sub>e and 8 million liters of water.\*

During the Solution Dye process, the color is added to the polymer before the fiber is spun, as opposed to conventional dyeing that includes high energy, water, and chemical intense wet processing. While the benefits are substantial, some limitations to the technology still exist. The process requires large production minimums, the color shades are limited, and it is only applicable for 100% polyester or polyamides. For Snickers Workwear, the challenge with large minimum orders is to a great extent mitigated, as the strategy focuses on increasing preferred fiber options from a material perspective, rather than a product perspective. This means that even the smallest component for a single product brings extensive savings when summarizing the total number of components across the entire product portfolio.

\* GWP (Global Warming Potential) & Net use of fresh water. Savings estimated via; [environdec.com](https://www.environdec.com) EPD report No. S-P-01440, source e.dye.



## 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 using durable, renewable, and recycled materials, and materials with a lower climate footprint.

The use of these materials is 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 their 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 soon, and materials that are relatively safe to use for both people and the environment.

In their material selection, EMMA always strives to apply the principle “Safety, Comfort, Circularity” to the 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 (page 38). Recycled materials and materials with renewable properties are of secondary importance.

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 to protect the environment as much as possible. To increase transparency about the brands' material use, EMMA has made materials passports available for clients, which contains information on the exact composition of each EMMA style.



## SOLID GEAR

## Further exploring sustainable practices

Solid Gear was founded on the idea that safety shoes do not 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. Their customers wear their shoes from home to work and back. So, these footwear products must be safe, comfortable, and ergonomic for use around the clock, at least five days a week and in various terrains and weather conditions.

### Sustainable performance

The motto of the Solid Gear brand is “Sustainable Performance” and in 2022, the team has continued to develop and implement several sustainable practices. These include designing overall systems and product-specific solutions. The design philosophy has sustainability at its core and has continuously evolved, concluding in a circular design mindset. Packaging, as well as components are designed to reduce waste.

Solid Gear works closely with long-standing suppliers and partners to gain deeper insight into the environmental impact of raw materials and, therefore, into the impact of their products. They are also actively looking for new suppliers with high standards and sustainability strategies at the same time as continuing to develop the work with existing partners.

All new shoes have insoles from OrthoLite® that are manufactured with a high percentage of recycled content as well as zero waste targets and effective energy management. Some of the Texon heel counters are 100% recyclable and made from up to 66% sustainably sourced materials in a closed loop-production. Bravo 2 GTX has the new GORE-TEX® material ExtraGuard for upper parts, which is a lightweight yet robust material that uses less chemicals and water in production while also being chromium-free and its water repellency treatment is PFAS-free. These components enable and inspire more sustainable choices in the design process.



## TOE GUARD

## Long term supplier relationships lead to footwear you can rely on

The 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 its 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. After working for many years with the same suppliers, Toe Guard is confident that the partners deliver high quality products. They also have excellent partners for raw material sourcing, as well as great insight and experience when it comes to certifying the products.

ERIPIOWEAR AND PROTECWORK

## Designed to protect

### Made in Europe

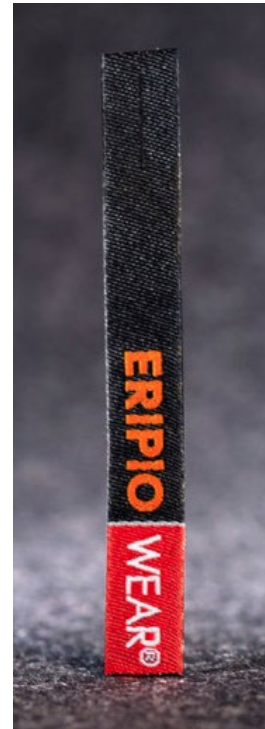
EripioWear and ProtecWork are both Swedish brands of protective workwear. The products are designed to meet high safety requirements, in challenging or even hazardous work environments. That includes close attention to the functionality of the garments and to comfortable fit. Since the end-users' specific needs are in focus, the designs are often developed in tight collaboration with work forces within railway, power supply and ambulance personnel, the most important customers of these brands. With Swedish design, product development, and production in Sweden and Latvia, EripioWear and ProtecWork are proud to advocate for local production. All fabrics and trims used for these brands are sourced, produced, tested, and certified in Europe.

### Minimizing overproduction

As the two concepts produce according to the requested volumes in tenders, they have a clear view of the yearly demand and can plan productions accordingly. There is a need to secure sales by keeping security stock in models, colors, and sizes but through great efforts to produce the exact amounts to meet the demand of their customers, overproduction does not occur to any major extent. The procurement of fabric and trims follows the flow in production, to minimize overstock. The designs, the patterns and layouts for cutting are tended to with awareness of material utilization to minimize waste [\(see page 39\)](#).

### Material selection

Another sustainable element is the careful selection of materials. Committed to ensure high quality, long-life safety wear the goal is to extend the lifespan of the garments and to provide for the utmost protection of the workers. The focus on longevity and high quality of the materials used, is an everyday task at EripioWear and ProtecWork.



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

SHOWCASE



FRISTADS & SNICKERS WORKWEAR

## Closing the loop collaboration

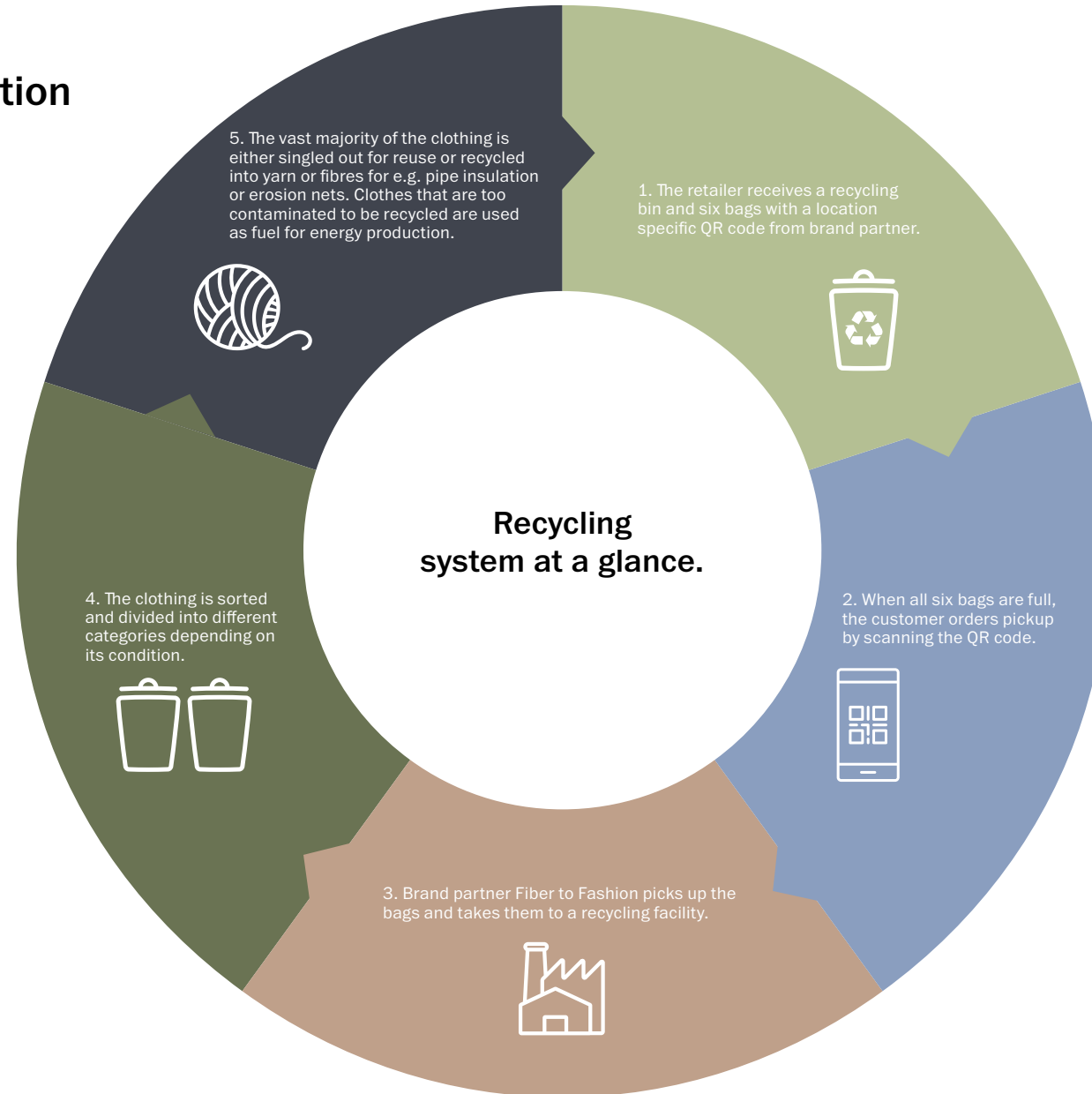
In the Netherlands, Fristads and Snickers Workwear developed a new infrastructure for collecting and recycling discarded clothing from dealers during 2022, which will minimize waste, reduce the use of virgin materials, and ultimately help close the loop on the brands production. It will also ensure compliance with the Dutch Extended Producer Responsibility (EPR) legislation for clothing coming in place during 2023. Collaborating within the umbrella of Hultafors Group is a strength as it prevents dealers from being approached with separate solutions for different Hultafors Group brands.

But replicating the Dutch system on a larger scale and on other markets is challenging. The markets are in different stages of preparing for and implementing EPR, and currently the harmonization on EU level is not finalized.

From 2023, producers in the Netherlands will be required to recycle at least 20% of the clothing they have sold, a number that will increase over time.

*“By collaborating across brands within Hultafors Group we refrain from duplicating efforts and secure beneficial customer solutions”*

**RONALD DE REEDER**  
SALES & MARKETING MANAGER  
HULTAFORS GROUP NETHERLANDS



### Supporting healthy seas and regional recycling projects

In the Netherlands, EMMA Safety Footwear donated some safety shoes with small production 'mistakes' to [Sea Shepherd](#).

Furthermore, 3% of the purchasing costs for all EMMA socks, which are partly made from recycled fishing nets, are directly donated to [Healthy Seas](#).

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.

EMMA SAFETY FOOTWEAR

## Recovering footwear products and components

Take obsolete products and components out of context to create new value, is one of the mottos for a circular economy.

Most 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 the EMMA factory are collected and processed into insulation materials. The leather scraps are also sold to the food industry to produce 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:



Repurpose results of 2022:



FRISTADS

## Airline chooses more sustainable Fristads workwear

The Latvian airline airBaltic was one of several companies that made the switch to more sustainable workwear from Fristads during 2022. The new, environmentally declared high-visibility uniforms in airBaltic's collection will save 26% of CO<sub>2</sub>e compared with Fristads' conventional garments.

The Latvian airline airBaltic is known for having the most modern and fuel-efficient fleet of aircraft in Europe and has already reduced the amount of CO<sub>2</sub> emissions released per passenger kilometer flown by 33% since 2008. In 2022 the company took its sustainability agenda one step further, when it equipped all technicians working on aircraft service and maintenance with environmentally declared high-visibility clothing from the Fristads Green collection. By choosing more sustainable workwear from Fristads, airBaltic reduced its environmental footprint by approximately 32.8 million liters of H<sub>2</sub>O equivalents and 7.327 kg CO<sub>2</sub>e. \*



*"At airBaltic, we are always seeking for new ways to reduce our impact on the environment, and sustainability has always been an integral part of the company's business and culture. Production of clothes requires a lot of water and other resources, so we are glad to partner with manufacturers like Fristads, who can help us reach our sustainability targets," said Martin Gauss, President, and CEO of airBaltic.*

The contract runs for three years with the option of a three-year extension. Deliveries of the new uniforms began in September 2022 and are ongoing. So far, approximately 400 technicians have received the Fristads high-vis clothing but employees in more divisions will be added over time, including Cargo, Ground Operations, Training and Logistics.

*"This contract is a big success story, since it goes to show that our environmentally declared workwear is not just sustainable from an environmental point of view, but also from a commercial perspective. It is an example of the great things that can happen when companies with a shared objective to reduce their environmental footprint can amplify their efforts."*

**ANDERS HÜLSE, CEO OF FRISTADS**



### The environmental impact by the numbers\*

Number of garments: 2,073	Global Warming Potential	Total savings
<b>Water Scarcity Footprint</b>	Conventionally produced garments	32.8 million liters H <sub>2</sub> O eq. (47%)
Conventionally produced garments	28,643 kg CO <sub>2</sub> e	7,327 kg CO <sub>2</sub> e (26%)
70 million liters H <sub>2</sub> O equivalents	Fristads Green	
Fristads Green	2,319 kg CO <sub>2</sub> e	
37.2 million liters H <sub>2</sub> O equivalents		

\* Source: [fristads.com/en/fristads-green-calculator](https://fristads.com/en/fristads-green-calculator)

## WIBE LADDERS

## Ladders made from certified aluminum and recycled materials

In the spring of 2022, Wibe Ladders launched a new line of products made from certified aluminum, which is produced using hydropower and geothermic energy in the Nordics. This guarantees a maximum carbon footprint of 4 kg CO<sub>2</sub> per kg of material, despite the energy-intensive nature of aluminum production.

Throughout 2022, Wibe Ladders expanded their range of aluminum products, with the aim of using only certified aluminum for manufacturing by the fall of 2023. Additionally, they have taken their commitment to sustainability one step further by introducing its first product made from recycled aluminum.

Wibe Ladders' 5500+ trestle uses recycled aluminum made from a minimum of 75% post-consumer scrap, building materials, windows, or automotive parts. The remaining 25% consists of a mix of materials,

including post-consumer scrap, process scrap from manufacturing, and a smaller share of virgin aluminum. The recycled aluminum used by Wibe Ladders has a maximum carbon footprint of 2.3 kg CO<sub>2</sub> per kg of aluminum, which is 85% less than the world average and even better than the certified aluminum produced with renewable energy.

Despite the benefits of using recycled aluminum, the availability of scrap is limited due to high demand. However, Wibe Ladders' aluminum supplier aims to provide material that is 100% recycled with a maximum carbon footprint of 0.5 kg CO<sub>2</sub> per kg aluminum by 2030. In the meantime, the Wibe Ladders will continue to use recycled aluminum where possible and hopes to see positive changes in the industry in the coming years.



HULTAFORS

## Digital inkjet printer saves tonnes of paint and cleaning fluid in own production

Hultafors is a manufacturer of hand tools for professional craftsmen who place high demands on function, precision, and ergonomics. One of these tools are the world known Hultafors folding ruler.

Hultafors has taken a big new step towards sustainability by investing in a new digital inkjet printer. With around half of their rulers sold with customer-specific prints, Hultafors was previously using pad printing, an analogue printing technique that requires an excess amount of paint, clichés, and cleaning fluid. However, the brand has now switched to a more sustainable and efficient printing process.

The new printer is designed to dispense only the amount of ink needed for each print. This has resulted in a significant reduction in the amount of paint and cleaning fluid used in the printing process.

Hultafors estimates that it is saving around 1 metric tonne of paint and cleaning fluid and 1.5 metric tonne of clichés every year since the implementation of this new digital printer.

The switch to a digital printing process has not only resulted in cost savings for Hultafors, but it has also had a positive impact on the environment. By reducing the amount of paint and cleaning fluid used, Hultafors is contributing towards the reduction of hazardous waste and greenhouse gas emissions. The new printing process has also eliminated the need for cliché cleaning, resulting in further time and cost savings.



SHOWCASE

## TELESTEPS

## A fully automatic local production facility for telescopic ladders

Telesteps' local partner has established a fully automatic production facility for telescopic ladders in the deep forests of Sweden, marking a significant milestone for the brand Telesteps. This state-of-the-art manufacturing plant has brought a range of benefits to both its customers and the planet, including a reduction in emissions of greenhouse gas.

### Uncompromising Quality

With dedicated teams and fully automated production, each component of every ladder is crafted to perfection, ensuring that they fit seamlessly together like a high-quality wristwatch. Together with the supplier Telesteps has full control of the production from the first piece of raw aluminum to the fully assembled ladder, with full traceability. Telesteps take great pride in being the world's first fully automatic supplier of telescoping ladders based in Sweden.

### Innovations and Manufacturing Synergy

The fully automated manufacturing facility in Sweden has set new standards of quality, ensuring repetitive quality for every ladder produced to the highest standards.

The entire process is performed by high-precision equipment under the watchful eye of their quality assurance team. By locating the production in Sweden, research and development and manufacturing can work more closely together, resulting in faster innovation, which is the heart and soul of the Telesteps brand.

### Environmental Benefits

Moving the ladder production from Asia back to Sweden has numerous benefits, including reduced emissions of greenhouse gas. All ladder components are sourced close to the factory where they are assembled, reducing transportation requirements to the absolute minimum. From an environmental perspective, the most significant change is the reduction in shipping distance, as Telesteps decreases the distance to a short regional radius.



## JOHNSON LEVEL &amp; TOOL

## Reduced raw material scrap costs

Johnson Level & Tool manufactures the vials for its levels at Hultafors Group North America's headquarters in Mequon, Wisconsin. The vial is a key component in the level and high quality is critical to ensure accuracy of the tool. The manufacturing process for the vials has suffered from high level of scrap rates in the past, which is a source of waste of raw material and other resources. In 2021, scrap rates were as high as 39% for the vials manufactured.

Johnson Level & Tool has created a team within their Plastic Injection Molding Department with the goal to reduce the scrap rates by following the LEAN problem solving A3 method and identify the root cause(s) of the scrap to eliminate the issue. By correcting tooling issues and replacing components in the injection molding tools that were causing the problem, the total scrap rate was brought down to 20% in December compared to 39% in January same year.

The result means a saving of an estimated \$60k in raw material cost in 2022 which equals to 1,852,283 vial bodies that avoided scrapping. In addition to raw material savings, the initiatives has improved machine capacity, employee morale, reliability/consistency in the process and enabled better resource utilization.

The project will continue in 2023 and by improving 6 additional tools used in the manufacturing process, scrap rates is expected to improve further.

Johnson Level & Tool has committed to LEAN Manufacturing and is working on some promising and exciting projects that will be coming in 2023.





## SOCIAL SUSTAINABILITY

Social sustainability is all about acknowledging and managing the positive and negative impacts of our business operations on people. Hultafors Group's key impact areas related to social sustainability are diversity and human rights and safe and stimulating workplace. We strive to have a positive impact on local communities, customers, and employees. Furthermore, through close cooperation and partnership with our suppliers, we strive for at least the same level of social sustainability in their operations as in our own organization. In the following chapter we present our results followed by showcases from our brands, sharing their efforts during 2022, in contributing to our social targets.

Some of the Hultafors Group initiatives that has contributed to our development in these areas are:

- Partnership with "Mitt Liv"
- External recruitment agencies are tasked to present at least three qualified female candidates for management roles
- Safety trainings
- Reporting and follow-up routines for diversity
- Emma Safety Footwear: Focus on creating work opportunities for people with a distance to the labor market

Compliance with Norwegian Transparency Act, see [Appendix III](#).



## Material Topic: Diversity and human rights

Our employees are our most important asset and attracting and maintaining top talent is one of Hultafors Group's priorities. We find it important to invest in our employees and to have a diverse workforce that reflects the society. Our aim is to provide equal opportunities for all, regardless of age, gender, and ethnic background. Every employee shall be treated with respect and dignity. We aim to reach a minimum of 40% female salary setting managers by 2030. We also expect our suppliers to respect the rights of each individual and prohibits any type of violence, abuse, and assault at the workplace.

### Diversity at Hultafors Group

**TARGET GENDER EQUALITY: MINIMUM OF 40% FEMALE MANAGERS IN 2030.**

Status 2022: 34%

Internal succession planning with specific focus on female candidates and hiring female managers in external recruitment processes are two ways in which Hultafors Group aims to increase the number of female managers.

Employees by gender	Female	Male	Total
<b>January 1, 2022 – December 31 2022</b>			
Number of full-time employees (FTE) (Average, not including temporary staff)	915	911	1826
<b>Employees by region</b>			
	Europe	North America	Total
<b>January 1, 2022 – December 31 2022</b>			
Number of employees (FTE) including temporary staff	1830	153	1983
Number of permanent employees (FTE)	1626	142	1786
Number of full-time employees (FTE) (Average, not including temporary staff)	1675	151	1826
	Men: 819 Women: 856	Men: 92 Women: 59	

Looking at our total employee population Hultafors Group has approximately 50% female and 50% male employees. It is our ambition to mirror the gender equality balance in all levels of our organization and, although we provide equal opportunities for all, we see a challenge at top management level where currently most managers are male.

## Gender ratio 2022

Gender ratio in management (salary setting)	34%
Gender ratio in Hultafors Group Management Team	17%
Gender ratio in board of directors	17%

### Managers

Total number of managers	195
Number of female managers	66

### Executive management

Number of members in executive management	6
Number of members in executive management that are female	1
Number of members in executive management age under 30	0
Number of members in executive management age 30-50	4
Number of members in executive management age over 50	1

### Board

Number of members in the board	6
Number of members in the board that are female	1
Number of members in the board age under 30	0
Number of members in the board age 30-50	2
Number of members in the board age over 50	4



## Pulse surveys for employee feedback and engagement

Hultafors Group utilizes Winningtemp, an online pulse survey platform, to measure employee engagement and receive feedback on areas such as communication, leadership, and work environment. The platform features nine topics of inquiry including Leadership, Work Situation, Team Spirit, Meaningfulness, Autonomy, Participation, Personal Development, Commitment, and Job Satisfaction. The survey results provide the company with ongoing insights at the group, division, and department levels. Additionally, the platform enables the organization to closely monitor sensitive topics such as discrimination and bullying. In the event of any concerning feedback, a routine follow-up is conducted to address the matter immediately.

Fristads utilize a similar platform to measure employee engagement at work, Peakon (mentioned in the Leadership program showcase [\(page 65\)](#)).

White collar employees are representing the largest population of participants of the pulse survey platforms, and we will assess which platform to use moving forward, where we wish to include all employees in the organization.



## Memberships associations that support our strive in develop our inclusion and diversity

### UN Global Compact

Hultafors Group supports the UN global compact. The group's owner, Investment AB Latour, is a member and committed to the UN Global Compact. The brands Fristads and EMMA Safety Footwear have also entered memberships on brand level.

### MittLiv

Hultafors Group has a long-term partnership with MittLiv, a social enterprise that aims at improving inclusion and diversity in the labor market. The partnership includes a mentor program, seminars for all employees to build knowledge and engagement, networking, and support.

### Tekniksprånget

Hultafors Group has established a collaboration with Tekniksprånget, an internship program that aims to secure the future supply of skills by attracting young individuals who have recently completed high school to higher technical education. This program provides a paid four-month internship that enables these individuals to practice in technology companies across Sweden. The program aims to provide insights into the engineering profession and inspire young individuals to pursue higher technical education.

### Examples of charitable purposes

#### Solvatten

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.

#### Swedish Rescue Mission

Fristads team 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 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.

#### Local donations and support

In Latvia, the Snickers Production team has chosen to focus on initiatives that benefit the young. They donate written off PCs to children of Ukrainian refugees in Latvia so they can continue education remotely. This is done through local volunteers to secure that the PC's reach the children. Furthermore, discarded materials are donated to local children art school to make artistic projects.



EMMA SAFETY FOOTWEAR

## Inclusion in the workplace

### 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, make safety footwear for their colleagues in the state mine Emma. Today, EMMA still employs about 53% 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.

#### The EMMA production process

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 product. The main features of these three departments are:

**1. Lasting department:** The three steps of the production process take place in this department. It is the craft-work of the 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 workers 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 Distribution Centre 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, keys 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. The brand are very proud of EMMA's rich history and the fact that they choose to retain their 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 and provide tailor-made work for their employees, and they 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.

## Material Topic: Safe and stimulating workplace

A safe and stimulating workplace addresses occupational health & safety, both at our own sites and in the factories and offices of 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.

For the Hultafors Group own sites, we have a Work Environment Policy which states our ambition to help people grow and secure that all employees have the pre-requisites to fulfil assignments and objectives. No employee should get injured at work, and all employees should have a good and healthy work environment.

Health and safety standards are also included in Hultafors Group's Code of Conduct and are communicated to our suppliers through the sustainability platform Worldfavor. Hultafors Group also makes use of a grievance mechanism for workers, so that the workers can report 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.

Read or download our Work Environment Policy and Code of Conduct here, on our [website](#).

### **TARGET: 0 ACCIDENTS/LTI (LOST TIME INJURIES) IN OWN PRODUCTION SITES, IN 2030.**

*Status of 2022: 10 incidents, which have been carefully followed up and actions have been taken to prevent incidents with an equal cause.*

Definition LTI: an occurrence arising out of, or in the course of, work which results in an injury, where absence exceeds 1 day in addition to the day of the incident.

### Collective bargaining agreements

The right to independent association is a constitutional right of employees and is covered in our Code of Conduct. 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.



## HULTAFORS GROUP

## Latour sustainability day 2022: Creating long-term value by developing sustainable businesses

The owner of Hultafors Group, Investment AB Latour is committed to creating long-term value by developing sustainable businesses and has made sustainability a high priority across all their companies. Latour works as an active owner, stipulating demands and providing support. Sustainability issues are of great importance to the companies and activities are carried out on an ongoing basis that advance the companies' positions in the area. In November 2022, Latour hosted the annual Latour Sustainability Day, a forum for knowledge transfer and networking between all the wholly owned and listed companies. The event featured eight seminars focused on sustainability work across different operations.

Approximately 100 people from all Latour companies were involved in sharing how their company/business area works with sustainability and shared best practices with constructive seminars. The Latour Sustainability Day and the continuous follow up of sustainability has strengthened knowledge and networking cross-over the different companies, underlining Latour's commitment to sustainability in terms of ESG (environment, social responsibility, and corporate governance), which is fundamental to the company. The focus areas were HR, factories, Research & Development, supply chains, organizations, sales, finance, and Mergers & Acquisitions. Hultafors Group participated and contributed to all the working groups.

During the seminars, best practices were shared, and dialogues on challenges and possibilities were held to progress towards more sustainable business practices. The day also included a lecture by Judith Wolst about "The Future is Sustainable - Technologies for Green Transformation" highlighting key technologies like AI, blockchain technology, and 3D printing as leading the way for a green transformation.

The Latour Sustainability Day demonstrates the company's commitment to sustainability and its belief that creating long-term value requires developing sustainable businesses. The event also showcased the strength of sharing best practices and innovative ideas to progress towards more sustainable business practices.



HULTAFORS GROUP

## A culture for sustainable growth

Latour and its holdings are known for having a strong corporate culture with high ethics that has contributed to their success. Bas Teepe, who is responsible for HR, Sustainability, Communications and Quality at Hultafors Group and part of the Group Management Team, expresses the importance of a strong corporate culture in achieving success. Bas himself joined Hultafors Group following the acquisition of Fristads, Kansas & Leijona.

Hultafors Group currently employs over 1,800 people across 16 countries and 17 brands. Despite the size of the business, the group has a small central organization where most of the responsibility is delegated to the divisions and the individual companies within the divisions. Bas underlines the significance of upholding the pride that exists within Hultafors Group and the individual brands.

Bas highlights that the Hultafors Group's business ethics provide a clear framework for the business and strengthen Hultafors Group's position as a supplier. Hultafors Group's values applies to all companies

within the group and unites our employees cross over the group organization. Some of our acquired companies have their own core values, which are in line Hultafors Group's values. When acquiring new businesses, it is crucial that their corporate culture aligns with Hultafors Group's way of working or adds new values that enhance the overall culture.

When acquiring new businesses, it is crucial that their corporate culture aligns with Hultafors Group's way of working or adds new values that enhance the overall culture. In 2022, Hultafors Group has grown with two new businesses, and Bas believes that many external companies view Hultafors Group as an attractive alternative due to its corporate culture, which values independence and the preservation of entrepreneurship.

Hultafors Group's corporate culture is a vital factor in their continued success, and the group's values provide a clear framework for their operations. As the Hultafors Group continues to grow and expand, maintaining the entrepreneurial spirit and drive within their companies remains a high priority for Hultafors Group.



**BAS TEEPE, CHRO & HEAD OF SUSTAINABILITY, COMMUNICATIONS AND QUALITY HULTAFORS GROUP**

*“Our business strategy is to build on the foundation of cherishing the entrepreneurial spirit and drive that exists in our companies, and never using detailed control. We believe that preserving the independence of our companies and their entrepreneurial spirit is key to our success. At the same time, our companies receive valuable support by being part of a larger group, with access to additional sales resources and new markets, as well as expanded networks for knowledge sharing and inspiration.”*



FRISTADS

## GROW – Fristads’ leadership program

In 2022, Fristads launched GROW, a program that will help the brand taking the next step in growing their leadership, their employees, and business. So far, two thirds of 56 managers in total within Fristads, Kansas and Leijona have completed the leadership program, which is according to plan. The main objectives of the program are:

- Build an inclusive culture based on alignment with the brand vision, business strategy and leadership principles.
- Create a sustainable and common ground for leadership and successful business strategy execution.
- Develop and strengthen the leadership.
- Strengthen internal networking and reduce silo thinking.
- Provide tools, energy, and inspiration to enhance engagement.

Fristads measures the effects of the program using leadership related questions in a survey sent out from the employee engagement platform, Peakon. They also use Peakon to measure total employee satisfaction. The KPI for 2022 was reached with an increased leadership score of 7.9 out of 10, and a total employee satisfaction score of 8 out of 10, which is 0.2 higher than benchmark compared with other companies in the industry.

### Peakon results

2022

7.9

Leadership score

8.0

Employee satisfaction score

2021

7.8

Leadership score

7.6

Employee satisfaction score

*“The GROW program has helped us develop and align our leadership principles, our culture, and our strategy. It is a way for us to support our managers, who in turn are key to growing our teams and brand culture.”*

Employee satisfaction score is the aggregated response to a set of questions that measure engagement, including the main engagement question “How likely is it you would recommend Fristads as a place to work?” Responses are given on a scale from 1 to 10.



## CLC WORK GEAR

## CLC implements global auditing standards for sustainable manufacturing

Over the past years, CLC has been expanding its brand's integrated approach to environmental and corporate sustainability initiatives. CLC and its global partners realize that environmental and manufacturing sustainability are interconnected and are driven not only by protecting the environment but also by protecting the safety, health, and welfare of the global workforce, which is their most vital resource.

Rooted in the philosophy of the interrelationship between the environment, the workforce, and corporate health, CLC has begun the process of encouraging and facilitating their global manufacturing partners to set and achieve mutual goals that go beyond basic environmental and workforce regulatory compliance.

Working closely with their global partners, CLC's expanded sustainability approach will focus on responsible supply chain initiatives and sourcing programs. These programs will be concentrated on elevating workplace sustainability through voluntary compliance and certification with global auditing standards. CLC and their leather manufacturing partners in India are raising leather production requirements to comply with the standards set forth by the Leather Working Group (LWG), which is a leading non-profit membership organization responsible for environmental certification.

CLC has also begun to implement accredited manufacturing standards set up through the Retail Ethical Sourcing Assessment organization (RESA). The RESA is a global organization focused on ensuring that the products being sourced are manufactured in safe facilities, where the workers are treated well and paid wages following legal standards. RESA compliance provides a powerful cost-effective solution to improve workplace conditions by providing CLC with collaborative auditing practices in accordance with globally accepted industry standards and sustainable manufacturing practices.

The recognition of the importance of adopting global auditing standards and the relationship between a healthy environment and safe working conditions will essentially inform the expansion of CLC's sustainability initiatives and the creation of a collaborative environment with their global manufacturing partners. CLC believes that a continued focus on sustainable practices will have lasting benefits throughout the global environment, society, and increase the longevity of their corporate competitiveness.



## HELLBERG SAFETY

## Accident-free workplace in 2022 with preventive measures and first aid training

Hellberg Safety prioritizes not only environmental sustainability, but also the safety, happiness, and engagement of their employees. The brand is committed to minimizing the risk of workplace injury through regular safety inspections, trainings, and open dialogues. Throughout the year, fire safety preparation is systematically upgraded in response to various safety inspections. The brand's preventive measures have proven effective, as no accidents were reported in 2022. In addition, Hellberg Safety has strengthened facility security measures to prevent unauthorized access and potential theft of high value products. As part of their ongoing commitment to employee safety, all staff members received first aid education in 2022, including training on how to use the defibrillator located in the production area.



## JOHNSON LEVEL &amp; TOOL

## Standardized Work

In 2022 Johnson Level & Tool furthered the 5S journey that the brand began in 2021. For the year 2022 Johnson Level & Tool began creating standardized work as an effort to further their path in improving safety for employees and increasing efficiency. It is their philosophy that the safety of their teams is of the utmost importance. It is also important that the brand teams are set up for success on a daily basis, and this approach to establish consistent processes within Johnson Level & Tool will result in consistent outputs by defining a task, how it is done, who does what, and when the person needs to perform the task. By setting up a standardized work process for different tasks it lays out the safest way for employees to finish tasks. The brand are excited to keep up their momentum in the journey for Continuous Improvement and cannot wait to see what the Continuous Improvement team creates in 2023.

## Sustainability notes

### Scope

This report reviews the sustainability performance of Hultafors Group over 2022. This report is part of our annual cycle of reporting on our CSR and sustainability performance and covers the period 1 January 2022 – 31 December 2022. Our most recent report, which covered 2021, was published in August 2022.

The data reported refers to our 47 entities in a total of 21 countries and our headquarters in Göteborg, Sweden.

The information in this report covers Hultafors Group's performance, excluding our subsidiary Martinez Tools (which was acquired Q4 2022). The brands Snickers Workwear, Solid Gear, Toe Guard, EMMA Safety Footwear, Hultafors, Wibe Ladders, Telesteps, Fristads, Kansas, Leijona, Hellberg Safety, Scangrip, Eripio Wear, CLC, Kuny's and Johnson Level & Tool are owned by Hultafors Group and have been reported in this sustainability report.

### Reporting practice

Since the previous report the list of material topics has been updated ([See page 14](#)). The organization has grown with two new brands, Telesteps and Martinez Tools. All entities that are included in the consolidated financial statements have been included in this report except for Martinez Tools (will be included from 2023). The legal units Scangrip Asia Ltd and Scangrip North America are also excluded ([See page 8](#)).

**Assurance** The report is not externally assured.

### Contact

If you have any questions on the content of this report, please contact us at [sustainability@hultaforsgroup.com](mailto:sustainability@hultaforsgroup.com).

## Appendix I

### Our Sustainability KPI and targets

The sustainability targets Hultafors Group has set are based on requirements from our owner Investment AB Latour. These requirements are set for 2025 and 2030 and translated into Key Performance Indicators (KPIs). KPI's 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>e -emissions of our own sites (SDG 13), and gender equality (SDG 5). Officially committing to group-wide science-based targets is the next step.

In this report, the Hultafors Group reports our Scope 1 and 2 greenhouse gas emissions from the following sources: company operated vehicles, energy consumption at our facilities (including electricity, heating, cooling, steam, and other production related energy usage). The data covers all production sites and almost all offices, with the exception of some smaller non-production related sites with less than 10 employees. The emissions factors used for the calculations are from DEFRA, AIB, EPA and Climate Transparency.

### Explanation on Scope 1, 2 and 3

#### DIRECT: SCOPE 1






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

#### INDIRECT: SCOPE 2

Greenhouse gas emissions from the generation of purchased energy by the company.

#### SUPPLEMENTAL: SCOPE 3

Indirect greenhouse gas emissions that occur in the value chain of the company.

FOCUS AREAS/MATERIAL TOPICS (MT)	TARGETS/KPIs		2020	2021	2022	Linking SDG
Social Sustainability: Gender Equality MT: Diversity and human rights	<b>Minimum of 40% female salary setting managers in 2030</b>		31% (46/147)	36% * (71/197)	34% (66/195)	
Environmental Sustainability: Renewable energy MT: Energy & climate	<b>100% renewable energy in 2030</b>		35%	39%	47%	
	<b>100% renewable electricity in 2030 (new definition 2022)</b>				83 %	
Social Sustainability: Decent Work and Economic Growth MT: Safe and stimulating workplace	<b>0 accidents (Lost Time Injuries) in own production sites, 2030</b>	Absolute figures	3	35	10	
		Relative figures per 1000 employees	3	21	5	
Environmental Sustainability: Responsible Consumption and Production MT: Supply of materials and service	<b>All production facilities environmentally certified by 2025</b>		88% (7/8)	89% (8/9)	80% (8/10)	
Environmental Sustainability: Reducing the CO <sub>2</sub> e emissions and energy consumption MT: Supply of materials and service	<b>Energy consumption (MWh)</b>	Absolute figures	16630 MWh	22716 MWh	22034 MWh	
		<b>-5% relative CO<sub>2</sub>e emissions annually, in relation to net sales</b>				
		Relative figures (MWh/MSEK)	4,6 16630/3641	4,1 22716/5543	3,3 22034/6648	
	<b>CO<sub>2</sub>e emission:</b>	Scope 1 Absolute figures	2595 tCO <sub>2</sub> e	2244 tCO <sub>2</sub> e	2412 tCO <sub>2</sub> e	
		<b>-5% relative improvement annually, in relation to sales</b>				
		Scope 2 (market based) Absolute figures	873 tCO <sub>2</sub> e	2261 tCO <sub>2</sub> e	1396 tCO <sub>2</sub> e	
	Scope 1+2 (market based) Absolute figures	3468 tCO <sub>2</sub> e	4505 tCO <sub>2</sub> e	3808 tCO <sub>2</sub> e		
	Scope 1+2 (market based) Relative figures (tCO <sub>2</sub> e /MSEK)	1,0 (3468/3641)	0,8 (4505/5543)	0,6 (3808/6648)		

\*= small typo in Sustainability report 2021 (gender equality, total numbers were correct, but the percent figure stated 34%, instead of 36%)

**Comments to this reporting:**

1. Despite adding two companies to the group and increasing our Distribution Centre in Poland the total facility area has been reduced by approx. 2.000 sqm. (Termination of Puvab's facilities, reduction of Fristads Austria GmbH's, Fristads Finland OY's and Fristads Production SIA's facilities).
2. The energy mix ratio for the rest of the world outside of Sweden has improved mainly since we have bought Guarantees of Origin (renewable electricity certificates) for several sites.
3. Scangrip added as production site. Currently ISO 9001 certified, planning to be certified ISO 140001 during 2024.
4. Telesteps emissions/energy consumption is for full year. Financial data only from acquisition date.

Appendix II

Legal unit	Regarded as production site in the reporting on side 30 and 70	Part of Hultafors Group AB's multisite ISO 9001 and ISO 14001 certificate	Part of Fristads AB's multisite ISO9001 and ISO 14001 certificate	Own ISO 9001 and/or ISO 14001 certificate	Legal unit	Regarded as production site in the reporting on side 30 and 70	Part of Hultafors Group AB's multisite ISO 9001 and ISO 14001 certificate	Part of Fristads ABs multisite ISO9001 and ISO 14001 certificate	Own ISO 9001 and/or ISO 14001 certificate
1. Hultafors Group AB		•			25. Fristads Kansas Austria GmbH			•	
2. Hultafors AB	3 production sites	•			26. Fristads Kansas Group Asia Ltd				
3. Hultafors Group Finland					27. Fristads Production Sia				
4. Hultafors Group Norge AS		•			28. Fristads Finland Oy			•	
5. Hultafors Group Danmark AS					29. Kansas GmbH			•	
6. Hultafors UMI S.R.L.	1 production site	•			30. Kansas A/S			•	
7. Hultafors Group Italy					31. Strite•	1 production site			ISO 9001 and ISO 14001
8. Fisco Tools Ltd.	1 production site	•			32. Fristads Production AMC				
9. Hultafors Group NL					33. Scangrip A/S	1 production site			ISO 9001
10. Hultafors Group Sverige AB		•			34. Scangrip Asia Ltd				
11. Hultafors Group UK Ltd					35. Scangrip North America				
12. Snickers Production SIA Latvia	1 production site	•			36. Johnson Level & Tool Mfg. Co.	1 production site			
13. Hultafors Group Belgium					37. Custom LeatherCraft Mfg. LLC				
14. Hultafors Group France					38. Kuny's Corp.				
15. Hultafors Group Poland					39. Skillers GmbH HRB			•	
16. Hultafors Group Switzerland					40. Telesteps AB				
17. Hultafors Group Ireland					41. Hultafors Group Logistics Sp. z.o.o			•	
18. Hultafors Group Germany					42. Daan Holding BV				
19. Hultafors Group Austria					43. Dentgen Vastgoed BV				
20. Hultafors Group Holding Inc					44. Emma Holding BV				ISO 9001 and ISO 14001
21. Fristads AB			•		45. Emma Safety Footwear BV	1 production site			
22. Fristads AS					46. Protag Shoe Supply BV				
23. Fristads Kansas Ltd					47. Hellberg Safety AB			•	
24. Fristads BV			•		48. Martinez Tool Company LLC (acquired 2022 Q4)			•	

## Appendix III

# Hultafors Group Norge AS and the Norwegian Transparency Act

The Norwegian Transparency Act (the Act) aims to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

In 2022, Hultafors Group Norge AS (HGNAS) met the inclusion criteria for the Act. This statement constitutes HGNAS's account for the financial year 2022.

### 1. Structure, area of operations, guidelines, and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions

HGNAS is a non-listed wholly owned subsidiary of Hultafors Group AB (Hultafors Group). HGNAS operates exclusively in Norway and marketed the following brands in 2022:

- Snickers Workwear
- Hultafors
- Wibe Ladders
- Solid Gear
- Toe Guard
- Hellberg Safety
- CLC Work Gear

Hultafors Group, including HGNAS, supports and respects the protection of internationally proclaimed Human Rights. HGNAS adheres to, and applies, Hultafors Group sustainability and responsible business conduct policies, systems, structures, and procedures, including but not limited to the:

- Hultafors Group Sustainability Policy & Hultafors Group Work Environment Policy
- Hultafors Group Code of Conduct
- Whistleblowing process
- "Way We Work" Management System, which aligns with ISO 14001 & 9001 requirements
- Online Sustainability Management Platform (World-favor), including Sustainable Sourcing module
- Governance structure (e.g. Group Head of Sustainability part of Hultafors Group Management Team)

HGNAS has completed a Human Rights Due Diligence (HRDD) process, in-line with the requirements of the Act. This process included support from 2050 Consulting AB and other external consultants (to complement HGNAS's internal knowledge and resources) and was informed by guidance included in a range of aligned reference documents such as the OECD Guidelines for Multinational Enterprises (2011), OECD Due Diligence Guidance for Responsible Business Conduct (2018), and UN Guiding Principles on Business and Human Rights (2011).

This HRDD process included the following interrelated stages:

- Supply chain mapping, which included 385 unique entities (38 countries) in HGNAS' supply chain(s) and considered a range of risk factors such as amfori BSCI's 'Countries' Risk Classification'
- Preparing a long-list (32) of actual and potential adverse impacts on fundamental human rights and decent working conditions, based on, for example, the International Covenant on Economic, Social and Cultural Rights of 1966 (ICESCR), the International Covenant on Civil and Political Rights of 1966 (ICCPR) and the ILO's core conventions on fundamental principles and rights at work (ILOCC)
- Risk assessment and risk prioritization based on the assessed Severity and Likelihood of the (potential) adverse impacts. This included consideration of a range of risk factors such as Geographic Risks, Sectorial & Product Risks and Enterprise-specific risk factors.



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**2. Actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence**

HGNAS identified the [12] priority actual and potential adverse risks on fundamental human rights and decent working conditions linked with HGNAS's operations or products.

HGNAS has assessed that the most at-risk stakeholder group for these key risks are workers in the value chain.

HUMAN RIGHT	DEFINITION	SOURCE(S)
Protected from economic exploitation	No one shall be held in slavery or forced labor; slavery & the slave-trade in all their forms shall be prohibited.	ICESCR, ILOCC
Rights to freedom of thought, conscience & religion	Everyone shall have the right to freedom of thought, conscience & religion.	ICCPR
Rights of minorities	Where ethnic, religious, or linguistic minorities exist, persons belonging to such minorities shall not be denied the right, to enjoy their own culture, to profess & practice own religion, or to use own language.	ICCPR
Rights of protection for the child (child labor)	Every child shall have, without any discrimination as to race, color, sex, language, religion, national or social origin, property or birth, the right to such measures of protection as are required by his status as a minor, on the part of his family, society & the State.	ICCPR, ILOCC
Right to education	Everyone has the right to education. Primary education should be compulsory & free to all.	ICESCR
Right to an adequate standard of living	Everyone has the right to an adequate standard of living for himself & his family, including adequate food, clothing & housing. Everyone has the right to be free from hunger.	ICESCR
Right to a family life	Protection & assistance should be accorded to the family. Marriage must be entered into with the free consent of both spouses. Special protection should be provided to mothers. Special measures should be taken on behalf of children, without discrimination.	ICESCR
Rights to freedom of opinion & expression	Everyone shall have the right to hold opinions without interference	ICCPR
Right to health, including Occupational Safety & Health	Everyone has the right to the enjoyment of the highest attainable standard of physical & mental health. Workplaces, machinery, equipment & processes under their control are safe & without risk to health	ICESCR, ILOCC
Right to enjoy just & favorable conditions of work – Fair wages & equal opportunity & elimination of discrimination	Everyone has the right to just conditions of work; safe & healthy working conditions (including but not limited to safe & well maintained buildings & factory conditions that are clean & free from pollution, as noted in HG's Code of Conduct)	ICESCR
Right to enjoy just & favorable conditions of work – Working conditions	Everyone has the right to just conditions of work; safe & healthy working conditions (including but not limited to safe & well maintained buildings & factory conditions that are clean & free from pollution, as noted in HG's Code of Conduct)	ICESCR
Right to freedom of association, collective bargaining & right to strike	Everyone has the right to form & join trade unions, access collective bargaining, & the right to strike.	ICESCR, ICCPR, ILOCC

## Appendix III, page 3

### 3. Measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts

- The Hultafors Group Code of Conduct is the foundation for our sustainability work and our operations – it applies to the whole supply chain of every Hultafors Group product. It sets forth the minimum requirements and clearly defines standards for fair, safe, and healthy working conditions and environmental responsibility.
- Hultafors Group encourages reporting misconduct in relation to our Code of Conduct and take steps to ensure that people who report misconduct are not disadvantaged, discriminated against or traceable.
- To ensure high business ethics, fair working conditions and human rights in our value chain, we conduct audits of our suppliers and subcontractors on a regular basis, to make sure they follow our Code of Conduct. We are also working with self-assessments to follow improvement and increase transparency within our supply chain.
- Consistent with the Hultafors Group Sustainability Policy, we apply continuous improvement strategies and preventative actions to mitigate risk.

### 4. Access to additional information

You can find a copy of this statement in Norwegian on the Hultafors Group [website](#).

Upon written request, any person has the right to information from an enterprise regarding how the enterprise addresses actual and potential adverse impacts pursuant to The Norwegian Transparency Act. This includes both general information and information relating to a specific product or service offered by the enterprise.

If you have any general questions relating to HGNAS and The Norwegian Transparency Act, please contact us at [sustainability@hultaforsgroup.com](mailto:sustainability@hultaforsgroup.com) and we will get back to you via email. For specific whistleblower issues or submissions, please see [report.whistleb.com/en/message/hultaforsgroup](https://report.whistleb.com/en/message/hultaforsgroup)