

Sustainability Report 2023

HULTAFORS GROUP



Building a platform for profitable and sustainable growth

In the 2023 Hultafors Group Sustainability Report, we provide an overview of our sustainability efforts and our progress during the past year. Our sustainability journey is characterized by a steadfast dedication to integrate sustainable practices into the core of our business. Our ambition is to continuously advance our sustainability agenda by creating measurable results across the whole group.

Commitment to SBTi and joining the United Nations Global Compact

An important cornerstone of our sustainability strategy is our commitment to the Science Based Targets initiative (SBTi), that we initiated by signing the SBTi commitment letter in autumn of 2023. With this step we will set ambitious climate targets that are scientifically aligned and will actively contribute to limiting global warming. This commitment underscores our proactive approach to environmental stewardship and our responsibility towards future generations. Another important milestone was our commitment to the United Nations Global Compact, reinforcing our alignment with global sustainability standards. Our membership in this initiative demonstrates our intent to operate responsibly and support the Global Goals for Sustainable Development.

A collaborative approach to sustainability

As a group with a strong growth momentum in a delegated mandate structure, it is key for us that each brand has its own sustainability strategy and drives this agenda forward with high momentum while we need to ensure effective coordination of our sustainability efforts across our brands.

To support this, we have established a dedicated role to oversee our sustainability objectives, ensuring that our initiatives are well-aligned and impactful. We are pleased to welcome Kristina Altner, who has joined us in this role as Group Sustainability Manager.

Looking ahead

As we move forward, each brand within our group is driven by the vision of embedding sustainability in all aspects of our business. Our goal is to lead by example in responsible business practices, positively contributing to and improving how the world works. We are grateful for the support of our stakeholders and look forward to continuing this vital journey together.

I am proud to present you the Hultafors Group Sustainability Report 2023!



MARTIN KNOBLOCH
CEO AT HULTAFORS GROUP



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Sustainability highlights 2023

Gender ratio
in salary setting managers

37%

females 2023 [HULTAFORS GROUP ▶](#)

Share of renewable electricity
out of total electricity consumption

+3%

compared with 2022 [HULTAFORS GROUP ▶](#)

Tonnes of CO₂e emissions
in scope 1 and 2

+1%

compared with 2022 [HULTAFORS GROUP ▶](#)

Circular product made from worn-out workwear.

15%

closed-loop fibers [FRISTADS ▶](#)

Models with Climate Neutral Group certification.

6

[EMMA SAFETY FOOTWEAR ▶](#)

Less carbon dioxide from used aluminium compared to global average.

75%

[W.STEPS ▶](#)

Advancing climate targets in line with the Paris Agreement.

[FRISTADS & SNICKERS WORKWEAR ▶](#)

Total preferred fiber uptake (target 40%).

41%

[SNICKERS WORKWEAR ▶](#)

Committed to set targets for emission reductions in line with the SBTi.

[HULTAFORS GROUP ▶](#)

Increased solar panel coverage at Hultafors HUMI factory.

1/3

of annual electricity consumption [HULTAFORS ▶](#)

Successfully reduced air freight over a four-year period.

1.5%

of total freight is air [HELLBERG SAFETY ▶](#)

Hultafors Group actively committed to UN Global Compact.

[HULTAFORS GROUP ▶](#)

Doubled lifespan on thirteen best-selling products.

7

years increased lifespan [SCANGRIP ▶](#)

New service providing free health consultations.

[EMMA SAFETY FOOTWEAR ▶](#)

Strengthened safety culture: increased number of near-misses.

42

[HULTAFORS GROUP NORTH AMERICA ▶](#)

Hultafors Group organization

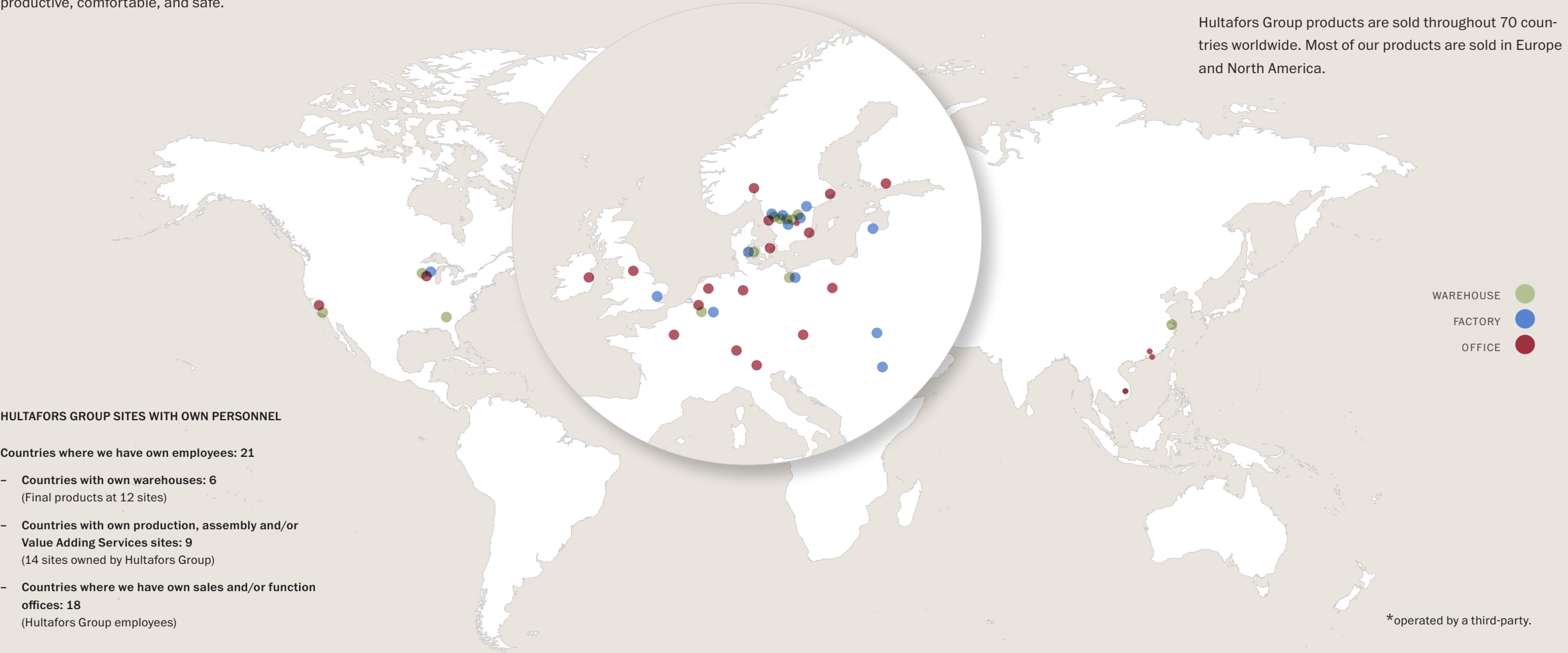
Hultafors Group is a global company providing premium products and services to partners and professionals in the Building, Construction, and Industry sectors. Hultafors Group offers a complete portfolio of hardware and personal protection equipment that are continuously developed, with the aim of helping 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 currently have 15 different brands (see [page 7](#)) 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, Romania, 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.

Hultafors Group business areas

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 professionals 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 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.

During 2023 Hultafors Group took the active decision to discontinue Toe Guard as a brand and focus on the development of Solid Gear with a wider product portfolio, meeting the needs of our customers.

By the end of 2023 Hultafors Group consisted of 15 different brands, had approximately 1.800 employees and made SEK 7 bn net sales. 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 data reported refers to our 49 legal entities in a total of 21 countries (see the full list in [Appendix II](#)). 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.



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.”*



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.



EMMA SAFETY FOOTWEAR makes safe and comfortable footwear with a focus on sustainability. Applying to the SCS principles: safety, comfort and sustainability, EMMA Safety Footwear always aims for safe foot protection and working conditions with care for the environment.



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.



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.



SOLID GEAR is the front-runner in athletic safety footwear. Through products that push the limits on performance, style, and comfort Solid Gear redefines what safety footwear can be.



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

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.



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.



CLC WORK GEAR and **KUNY'S** deliver the next generation of tool storage with well-designed work 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.



W.STEPS, previously Wibe Ladders, offers a wide range of products for work at heights. W.steps 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.



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.

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

<u>RESPECT</u>	Respecting people and the planet
<u>TRUST</u>	Being reliable in every way
<u>ATTENTION TO DETAILS</u>	Exceeding expectations
<u>ENTREPRENEURSHIP</u>	Everything is possible
<u>INSIGHTS</u>	Serving genuine needs

The 15 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 labour relations, and in the supply chain.

Sustainability framework

The Hultafors Group’s sustainability framework is inspired by several principles and standards: The UN Global Compact, the Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, the ILO core conventions and the OECD Guidelines for Multinational Enterprises. Hultafors Group became a signatory to the UN Global Compact 2023. Hultafors Group is owned by Investment AB Latour and adhere to their sustainability requirements for wholly-owned companies.

The Group Sustainability Directive to Divisions sets out the Group’s minimum sustainability requirements that all divisions must follow, in relation to fair, safe and healthy working conditions, environmental responsibility, and business ethics. In the Group guidance Sustainability Roles & Responsibilities, critical sustainability

activities are identified with the purpose of defining the distribution of responsibilities across the Group. Hultafors Group has defined sustainability Key Performance Indicators (KPIs) and targets to be incorporated into the Division Strategies. Divisions are encouraged to push beyond these minimum requirements, where possible and appropriate.

Governance structure and composition

Hultafors Group is aiming for profitable growth and is committed to 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 and business unit strategies. The CEO reports directly to the Board of Directors, and sustainability is continuously discussed as one of the main focus areas. Sustainability is formally on the agenda of the Board of Directors meeting once a year when progress and plans moving forward are discussed in depth.

The business units within Hultafors Group have dedicated sustainability coordinators/managers and they are encouraged to have high ambitions and drive the sustainability agenda for the business unit. These roles are also members of the Hultafors Group Sustainability Core Team, led by the Group Sustainability Manager. The shared focus of the Core Team 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.

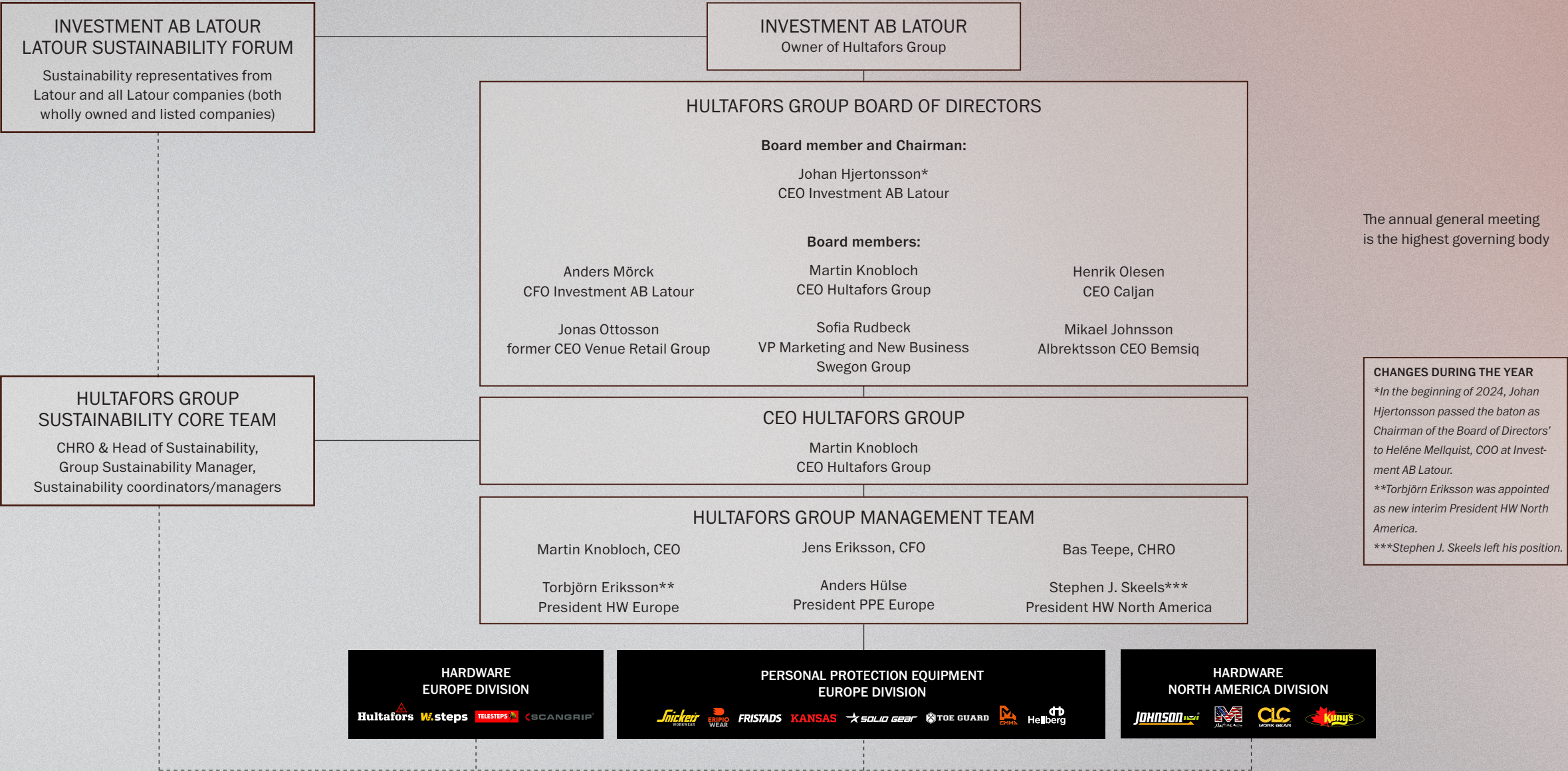
The Hultafors Group Sustainability Manager is also part of the Latour Sustainability Forum, organized by the Hultafors Group’s owner, Investment AB Latour. Latour Sustainability Forum sets the minimum requirements (including KPIs) and shares best practices.

The committees responsible for decision-making on ESG topics are the Board of Directors, the Group Management Team, Division Management Teams, the Sustainability Core Team and the Business Unit Management Teams 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 website: [Corporate Governance | Latour](#)

Governance structure



Key policies and certifications

Sustainability Policy

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

Hultafors Group Code of Conduct

The Group Code of Conduct sets the foundation for our sustainability work and our operations. It sets the minimum requirements and defines standards for fair, safe and healthy working conditions and environmental responsibility. Doing things, the right way, ethically, with integrity, and in full compliance with the law is fundamental.

ISO Certifications

We see environmental and quality management as a vital part of being sustainable, which is why we are ISO certified according to ISO 14001 & 9001. Our goal is to achieve 100% environmentally certified production and distribution sites by 2025 at the latest.

Restricted Substance List

The Restricted Substances List is to ensure chemical compliance of all products produced by or in the name of Hultafors Group. Our aim is to refrain from using any hazardous chemicals that pose a threat to human health or the environment. Additionally, we strive to minimize any adverse effects throughout the entire supply chain of our products. All product related suppliers to the Group are requested to sign the Restricted Substance List.

Work Environment Policy

Our aim is to help people grow, and to secure that all employees have the pre-requisites to fulfil assignments and objectives. The Work Environment Policy describes our principles for a healthy and safe work environment.

Quality Policy

Quality is key in our working methods, and in the products we offer. By formulating and documenting standards in our management system, The Way We Work, we assure quality in every step.

Memberships and collaborations

A key area for retaining our strong competitiveness as a market leader of hardware and personal protection equipment, we are committed to our collaborations and memberships with other organizations.

11 examples of memberships and collaborations within the Group

- Better Cotton
- Circular Footwear Alliance
- Dutch Network for Sustainable Business, MVO Nederland
- Leather Working Group
- No to PFAS
- RISE Chemicals Group
- Science Based Target initiative
- Sustainable Fashion Academy, Learning and Innovation Network
- Textile Importers association
- The Scandinavian Textile Initiative for Climate Action (STICA)
- UN Global Compact



Material topics

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

The top-five material topics:

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

In this Sustainability Report, Hultafors Group reports sustainability impacts based on the above five material topics. For various topics, we 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 conducted in 2021 was based on the evaluation of the importance of various sustainability topics among our stakeholders (including suppliers, clients, and other business relationships), and on our own internal evaluation of the impact of the chosen themes on our company. The stakeholder dialogue was conducted by the help of a digital questionnaire to 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 Core Team. The topics that were given the highest rating from both internal as well as external stakeholders are the five key topics that are addressed in this report.

The Group materiality assessment will be reviewed during 2024, in line with the requirements of double materiality assessment in the new EU Corporate Sustainability Reporting Standard (CSRD).

Key topics and concerns raised by stakeholders

The key topics raised by stakeholders are addressed in the identified materiality topics. 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 encourage 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 function
CUSTOMERS	Visits, newsletters, social media, and client surveys	Visits, newsletters, and social media – depending on relationships with partners. 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

**The planned update of the materiality assessment for 2023 was postponed due to the implementation of the requirements in the European Sustainability Reporting Standards (ESRS) in the Latour Group. A double materiality assessment is now scheduled for 2024.*

Our contribution to the 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. The 17 goals are built with sub-targets and indicators that help us to ensure we are on the right path. Hultafors Group supports the UN Sustainable Development Goals and focus on five of the goals, 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 key 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).



Overview Hultafors Group - SDG Goals, Key Targets and Results

UN SDGs and Material Topics	<div><div>5GENDER EQUALITY</div><div></div><div>Diversity and human rights</div></div>	<div><div>7AFFORDABLE AND CLEAN ENERGY</div><div></div><div>Energy and climate</div></div>	<div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div></div><div>Safe and stimulating workplace</div></div>	<div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div><div>Supply of materials and service</div></div>	<div><div>13CLIMATE ACTION</div><div></div><div>Energy and climate</div></div>
Key Targets	>40% female salary-setting managers by 2030	100% renewable electricity in own production sites by 2030	Zero vision of LTIs (Lost Time Injuries) in own production sites by 2030	All production and warehouse sites environmentally certified by 2025	<div>Reducing CO₂e emissions from own operations (scope 1 and 2) - 5% annually</div> <div>Reducing energy consumption in own operations - 5% annually in relation to sales</div>
Results	<div>Gender ratio in salary setting managers</div> <div>37% female 2023</div> <div></div> <div>2022: 34% female 2021: 36% female</div>	<div>Share of renewable electricity out of total electricity consumption*</div> <div>+3% compared with 2022</div> <div></div>	<div>Numbers of incidents per 1000 employees causing more that 1 day absence from work</div> <div>3/1000 compared with 2022</div> <div></div>	<div>Share of ISO 14001 certified production and warehouse sites</div> <div>-7% compared with 2022</div> <div></div>	<div>Tonnes of CO₂e emissions, scope 1 and 2*</div> <div>+1% compared with 2022</div> <div></div> <div>Total energy consumption in relation to sales, MWh/MSEK*</div> <div>-3.1% compared with 2022</div> <div></div>

The KPI results for 2023 is presented in coming chapters, [Governance](#), [Environmental sustainability](#) and [Social sustainability](#). There is also a complete reference table presented with comments, in [Appendix I](#).
*These KPIs did not progress in line with the set targets during the year. The root causes have been identified and will be addressed in the reduction plans moving forward.

Sustainability focus areas

01



Aligning our actions with principles and standards. Taking decisive steps to achieve our goals and aspirations.

Governance

02



Designing durable products with minimal environmental impact for people and planet.

Environment

03



Taking our social responsibility seriously, focusing on diversity, human rights, and creating safe and stimulating workplaces.

Social

Governance

Hultafors Group is committed to growing and developing our business in a responsible manner. Sustainability is embedded in our operations and integrated in the corporate governance model. Our operations prioritize high business ethics, specifically addressing bribery and corruption prevention.

We seamlessly integrate responsible conduct into our policies and management systems, actively train our employees, and collaborate closely with suppliers to establish a responsible supply chain. We continuously strive to comply with international legislation and local regulatory requirements, while also meeting the expectations of our stakeholders. For us, good governance means aligning our actions with our principles and standards and, above all, taking decisive steps to achieve our goals and aspirations.



Hultafors Group achievements 2023

Group-wide sustainability framework

Implementing a group-wide sustainability framework within the organization, integrating sustainability into division strategies.

- Group-level targets and KPIs for the business units
- Minimum requirements for divisions and brands
- Outlining roles and responsibilities

Core team for cross-collaboration

Formalizing a Sustainability Core Team to enhance collaboration and knowledge sharing across the Group – with the primary objective to drive our sustainability agenda. The team includes sustainability representatives from all business units within the Group.

Strategic hires enhance in-house capacity

Strengthening our in-house sustainability capability and capacity through a range of strategic hires at Group, Division and Brand level.

Active commitment to the UN Global Compact

Joining the United Nations Global Compact – a strategic step in line with our ongoing commitment to integrating sustainable practices into all aspects of our operations. Previously, we were indirect members through Investment AB Latour, but now we have made an active commitment at the Hultafors Group level.

Transitioning to new sourcing solution

Migrating to a new sustainability sourcing platform operated by our long-term partner Worldfavor – working with compliance with emerging legislation on the markets where we operate.



Highlights from our brands



Fristads: Expanding whistleblowing service

To ensure that Fristads is not complicit in any violations of human rights or environmental regulations, the brand more actively communicated Hultafors Group's whistleblowing service as a QR code on their website. This service can be used by employees, customers, and suppliers. Significant breaches of the Code of Conduct can be reported through an external whistleblowing service, WhistleB.



EripioWear: 100% of tier-one production based in the EU

EripioWear develops innovative protective clothing and workwear for personnel in the ambulance and emergency services field. All woven products are cut and sewn at the shared Eripio/Snickers Workwear site in Latvia. All knitted products are made of European yarns, the fabrics are knitted in Sweden and assembled in Latvia.



Solid Gear: Tight-knit supply chain ensures close collaboration

Solid Gear strives to establish long-term and close relationships with its suppliers. In 2023, suppliers accounting for 84% of the brand's turnover, Solid Gear maintained a 100% local presence. This active engagement supports the brand's sustainability efforts and community involvement.

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 are obliged to participate in online training on the topic on a regular basis. 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 2023: 86%
(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 organisation's anti-corruption policies and procedures have been communicated to via Worldfavor: **508**.

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.

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 WhistleB, an independent system 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](#).

Confirmed incidents of corruption and actions taken

During 2023 one (1) related whistleblowing case was reported, a suspected breach of the Code of Conduct which was followed up and investigated. The matter was closed after it was established that no breach had been committed, and this was reported to Investment AB Latour, Hultafors Group Group Management team and the Board of Directors.



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 applies to anyone who works for Hultafors Group as well as for our business partners and suppliers. The Code 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 Compacts 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 Hultafors Group employees 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.

Read or download our Code of Conduct at our website, hultaforsgroup.com.

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

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

TARGET: 100% CODE OF CONDUCT IMPLEMENTED, INTERNALLY (based on % No. signed in 2025)

Status 2023: 92% (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.



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. We work diligently to ensure relevant legislation for other product groups within hardware and electronics.



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 targets, which are monitored, and actions are planned to reach these targets. 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, 9 out of 15 brands are environmentally certified according to ISO 14001. The brands Snickers Workwear (including ProtecWork), Solid Gear, EripioWear, Hultafors, W.steps (previously 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 and Kansas 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 is preparing for certification according to ISO 14001 during 2024. For details about the ISO-certifications, see [appendix II](#).

TARGET: ALL PRODUCTION AND DISTRIBUTION SITES ENVIRONMENTALLY CERTIFIED BY 2025

Status: 79% (11/14)

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. As of December 2023, Hultafors Group owns two production sites and one distribution centre, which are not yet ISO 14001 certified. SCANGRIP in Denmark, with a planned certification audit for ISO 9001 in 2024, and Johnson Tools and Distribution Center North America in U.S., with planned certifications 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 hold 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 the majority of our length measure products produced in those factories are CE marked.



Supply chain governance

Ethical business practices are central to our operations, and we strive to promote fair labor conditions and human rights throughout our supply chain. Hultafors Group is committed to following the OECD Due Diligence Guidance for Responsible Business Conduct. The norms and standards of our reference are reflected in our policies, group-level targets and KPIs.

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.

Guiding principles

The Hultafors Group Code of Conduct sets the minimum requirements and defines standards for fair, safe and healthy working conditions and environmental responsibility. The Code is communicated to all suppliers for a mandatory sign-off in our online sourcing platform.

In addition to the Hultafors Group Code of Conduct, the suppliers are requested to sign and adhere to Hultafors Group Restricted Substance List. The list is updated every six months, based on forward looking legal updates provided by RISE (Research Institutes of Sweden). All suppliers must comply with applicable chemical legislation delivering products to Hultafors Group.

Compliance program for suppliers

Our brands highly value the close cooperation and partnership with their suppliers and maintain regular contact

with them through site visits and online meetings. We acknowledge the challenges to fully verify compliance across complex supply chains. Therefore, our brands have a close and continuous dialogue with our suppliers.

Our compliance program for suppliers helps to prevent social, environmental, and governance-related risks in our supply chain. The due diligence process includes supplier evaluations, material specifications, supplier visits, supplier self-assessments on our online sourcing platform, and on-site audits. 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.

Hultafors Group has a long-term partnership with Worldfavor to track, assess, and follow up our sustainability performance in our own operations and throughout the supply chain. In 2023, we started the transition to a new version of the Worldfavor sourcing platform. This move had three key objectives: enhancing supply chain control, broadening the operational scope, and streamlining group coordination. Read more about the project on [page 26](#).

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.



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.



Generic illustration of our value chain

HULTAFORS GROUP

Updated sourcing platform to drive impactful change

In 2023, the entire Hultafors Group started the transition to an updated sustainability sourcing platform. This strategic move had three key objectives: enhancing supply chain control, broadening the operational scope, and streamlining group coordination. Additionally, we identified the targets for our sustainability efforts going forward.

Activities included setting up the updated platform and ensuring a seamless transition for brands and suppliers alike. A series of onboarding sessions equipped everyone with the necessary knowledge and tools.

Since 2019, the Worldfavor platform has been a crucial part of the Hultafors Group operations. It assists us in collecting and analyzing data to improve traceability and transparency across our value chain. Our efforts go beyond mere compliance; we assess social, corruption, and environmental risks associated with each supplier, using automated analyses based on leading risk indexes. This approach empowers us to identify and proactively address potential challenges.



“The transition was no small feat; we moved the entire group and its suppliers onto Worldfavor’s updated sourcing platform. This unified foundation will enhance our sustainability efforts by collectively mitigating risks and facilitating better coordination within the Group as a whole,”

KRISTINA ALTNER
GROUP SUSTAINABILITY MANAGER

Showcase

Improved features and workflows

The updated platform offers better functionalities, workflows in line with existing and emerging legislation, and better alignment with the Group’s organizational structure. The goal is to include 100% of the direct product supplier value within the platform.

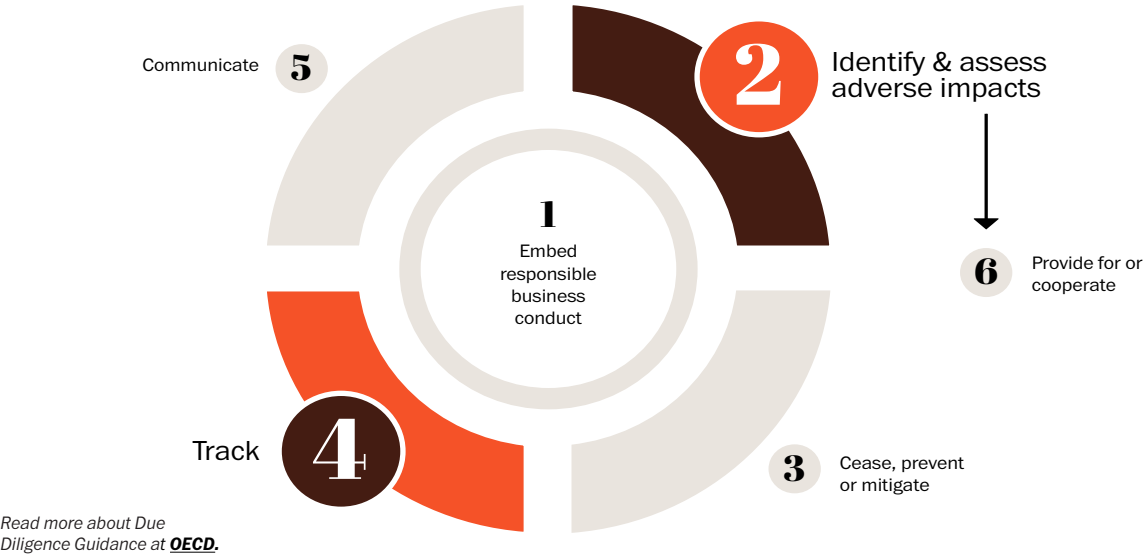
Hultafors Group is committed to following the OECD Due Diligence Guidance for Responsible Business Conduct. The principles are reflected in our group-level targets and KPIs. The new platform will systematically align with the OECD process by identifying & assessing adverse impacts.

From an organizational perspective, the shift enables centralized monitoring of all sustainability-related supplier data, streamlines processes, and eliminates the need for email exchanges and multiple storage locations.

Navigating the next steps

The strategic plan is set in motion: In January 2024, we launched the new platform. The initial data collection period is scheduled for February, followed by diligent monitoring in alignment with the Hultafors Group KPIs and targets. The groundwork for a comprehensive process is underway, leveraging well-established practices from our major brands. The outcome will be reported in next year’s Sustainability Report.

Overall, the transition to the upgraded platform promises significant improvements. We will have sharper tools for tracking and analyzing ESG data – enabling informed decisions and responsible sourcing across our product lines, materials, and components. By further understanding our sustainability performance, we can seize opportunities and create a lasting positive impact throughout our supply chain.



Challenges addressed in 2023

- Identify the best way to work with the supply chain to reach our sustainability KPIs and targets, from environmental to human rights. An effort amplified by emerging legislation across markets.
- Take steps to further decarbonize our supply chain in partnership with suppliers.

Showcase

Environment

At Hultafors Group, we prioritize designing durable products with minimal environmental impact. As we expand our portfolio, circularity becomes crucial in addressing global challenges like climate change and resource scarcity. Our approach includes setting ambitious goals, measuring progress, and taking responsibility for the entire product lifecycle, with a focus on key impact areas: energy, climate and supply of materials and services.

The Group sets the strategic direction and objectives. Since our business units are at varying stages in their sustainability journey, the Group serves as a valuable platform for knowledge sharing. We learn from each other and capitalize on economies of scale.

Business units collaborate closely with suppliers to reduce our environmental footprint, prevent pollution, and integrate sustainability practices across the supply chain. By following the precautionary principle, we ensure effective environmental management in our day-to-day operations. Overall, the Group’s commitment reflects our dedication to a sustainable future for both people and the planet.



Hultafors Group achievements 2023

Stepping up science-based action

Committing to the Science Based Target initiative, collecting data for scope 3 emissions for all brands, and initiating the process of developing science-based targets for the Group.

Enhancing RSL compliance

Reviewing the Hultafors Group Restricted Substance List (RSL), including structural changes to ensure compliance with the latest legislation. The updated version of the document was reviewed by RISE.

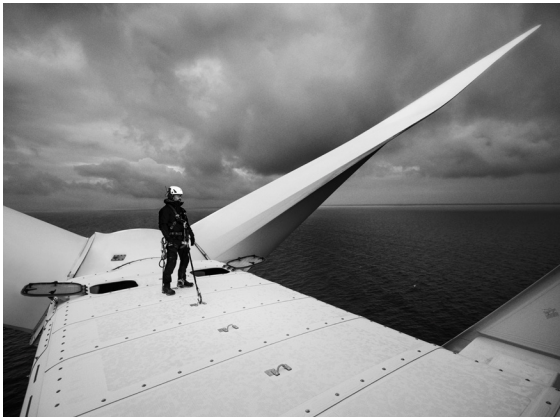


Highlights from our brands



EMMA Safety Footwear: Climate Neutral Group models

Six models from EMMA have achieved Climate Neutral Group certification. With this certification, EMMA commits to further reducing its carbon emissions and actively combating climate change. Learn more about the certification on EMMA's [website](#).



Hellberg Safety: Reduction in air freights

Hellberg is strategically prioritizing the reduction of air freight over the long term. Through a series of improvements, the brand has successfully reduced air freight from 6 percent to 1.5 percent of total freight over a four-year period.



EripioWear: Life cycle assessment of two products

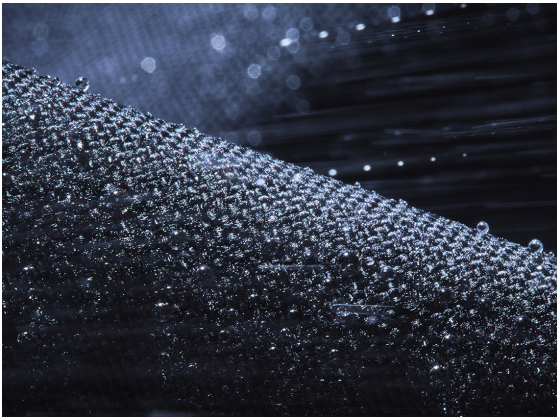
Eripio conducted life cycle assessments (LCA) of two garments designed for paramedics. The apparel needs to be washed after each day of use due to the risk of contamination. The assessments focused on evaluating the climate impact and water scarcity impact associated with their usage.



Hultafors: Second part of the solar panel investment

In 2023, Hultafors completed the solar panel project at its Romanian factory by installing a second module, which now produces an additional 130 MWh/year. The first installment, in 2022, produces 260 MWh/year. As a result, the solar panels cover one-third of the factory's annual electricity consumption.

Highlights from our brands



PFAS-Free Commitment

Hultafors Group actively strives to phase out PFAS. Snickers Workwear began their phase-out process in 2019, aiming for all regular collection products to be free from intentionally added PFAS chemicals by the end of 2024. Fristads has phased out PFAS in most fabrics, except for specific PPE fabrics in the Flame/Flamestat categories. In 2023, Fristads developed their first PFAS-free PPE garments with EN 13034 certification.



Fristads & Snickers: Recycling initiative starts to bear fruit

In 2022, Fristads and Snickers Workwear in the Netherlands developed a new infrastructure for collecting and recycling workwear from their dealers. The process was first implemented locally and in 2023 expanded to other markets, including Finland, Denmark, and the UK. The project is still in its start-up phase, with expected volume increases in 2024.



Snickers Workwear: Joining pioneering climate program

In 2023, Snickers Workwear joined the SOLROS climate program to accelerate the reduction of emissions in their supply chain through on-site solar panel Power Purchase Agreements. Developed by the Swedish footwear brand Icebug and a German solar vendor, this program provides brands and factories with easy access to solar energy without any upfront costs. Snickers Workwear's participation underscores their commitment to sustainability, with potential benefits for all brands at the factory.



W.steps: Low-carbon aluminum ladders

W.steps, previously Wibe Ladders, manufactures high-quality ladders using certified aluminum sourced from renewable Nordic energy sources. This production process emits 75% less carbon dioxide compared to the global average. In 2023, W.steps introduced a product made from recycled post-consumer scrap aluminum, reinforcing their commitment to sustainability. The product has been well received in the market, leading to better-than-expected sales.

Material topics:

Energy and climate



At Hultafors Group, we are committed to sustainability at our core and constantly seek opportunities to minimize our environmental footprint at all levels.

In this report, we communicate the progress on the following KPIs:

- energy consumption
- energy mix
- greenhouse gas emissions
- ISO certification of own production sites.

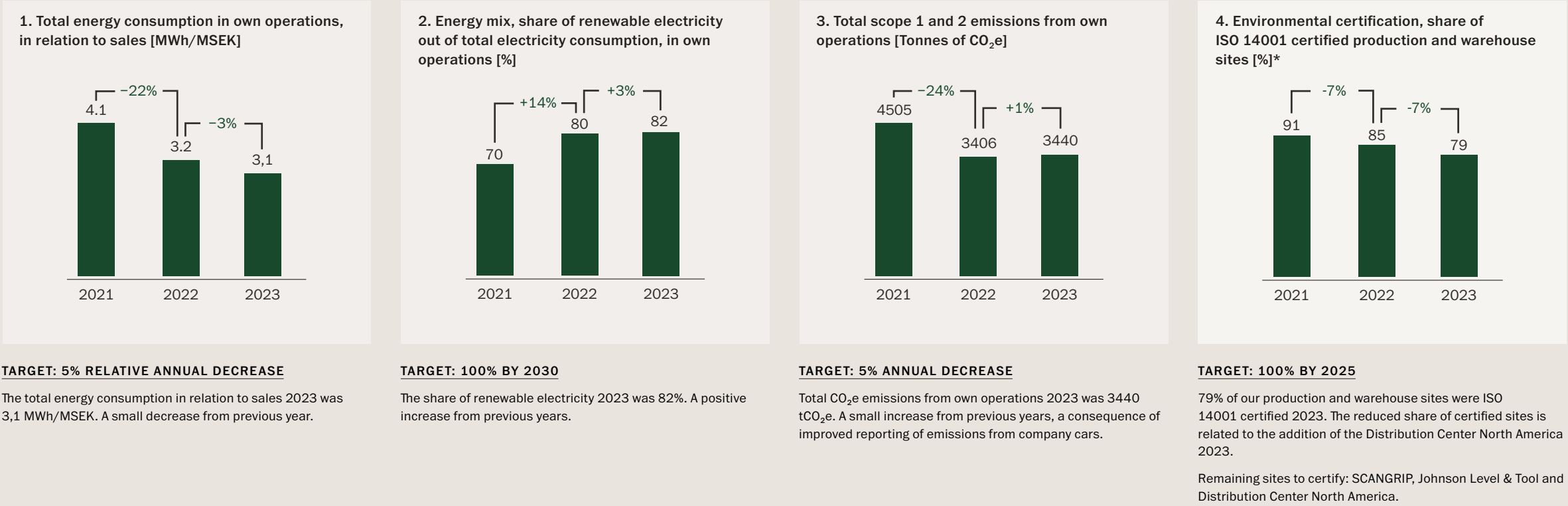
Scope 1 and 2 greenhouse gas emissions are reported and calculated from the following sources:

- company operated vehicles
- energy consumption at our facilities (including electricity, heating, cooling, steam, and other production related energy usage).

The data covers our production sites and offices, except for non-production related sites with less than 10 employees. The emissions factors used for the calculations are from DEFRA and Carbon Footprint Ltd.

In 2023, we committed to the Science Based Targets initiative (SBTi) and mapped all the greenhouse gas emissions for our entire operations based on scope 1, 2 and 3 from the Greenhouse Gas Protocol. The focus was on the 2022 emissions, as this year will serve as the base year for future emission targets. Therefore, we continue to publicly report scope 1 and 2 emissions also in 2023 and will include the scope 3 emissions in the 2024 report. However, our brands Fristads and Snickers Workwear report for all scopes of emissions for 2023, please read more on [page 36](#).

Our progress in 2023 compared to previous years



Comments to this reporting:

1.

The KPIs concerning energy consumption, share of renewable electricity and CO₂ emissions did not progress in line with the set targets during the year. The root causes have been identified and will be addressed in the reduction plans moving forward.
2.

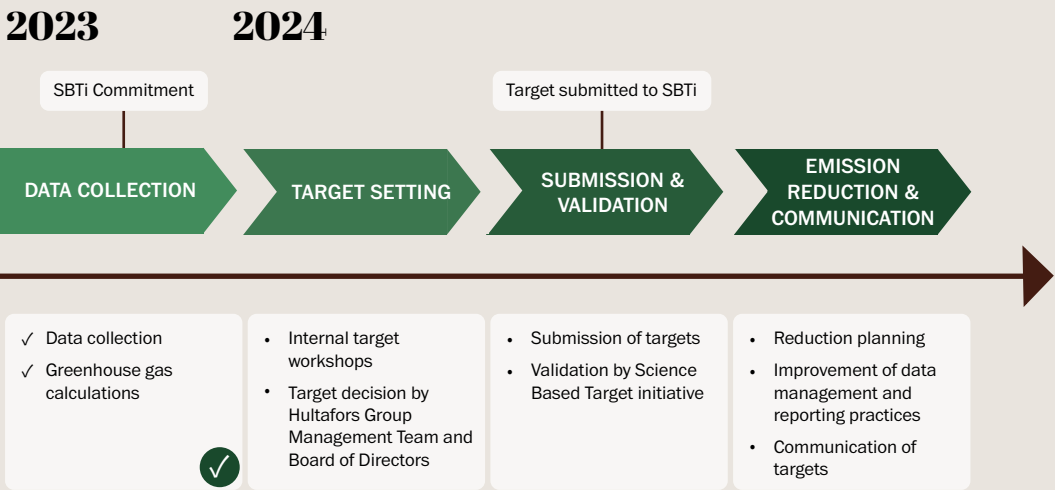
As part of developing climate targets in line with the requirements in the Science Based Target initiative (SBTi), systematic improvements for data management were implemented in 2023. Adjustments have therefor been made in previous reported data for 2021 and 2022.
3.

In order to increase transparency and data quality, ensuring effective data management and reporting will be a continued focus in 2024. Generated scope 3 emissions on Group level will be included in the 2024 report.
4.

The share of renewable energy has been positively affected by the purchase of Guarantees of Origin (renewable electricity certificates) for several sites.

*See [Appendix I](#) for more information

Setting shared Science Based Targets



HULTAFORS GROUP

Climate Action: Committing to the Science Based Targets initiative



In September 2023, Hultafors Group continued its strategic sustainability journey by committing to Science Based Targets initiative across the organization. Over the past year, we also mapped, calculated, and validated all Group emissions, including those originating from the value chain.

Climate is a strategically important area for the Hultafors Group. Our commitment is to substantially reduce our negative environmental impact, aligning with the latest urgent climate science from the UN climate body IPCC. As part of this effort, we have initiated the process of setting science-based targets.

While our individual business units continue to lead their sustainability initiatives, we have now established a comprehensive group-wide baseline. This framework empowers us to set ambitious goals, while promoting collaboration and efficiently using economies of scale. A shared foundation not only futureproofs the business; it also allows us to reduce emissions throughout the entire value chain, with a specific focus on the supply chain—the area with the most significant impact.

Full visibility, a major undertaking

Hultafors Group has been actively measuring scope 1 and 2 emissions for several years, while also implementing systematic improvements. In 2023, we introduced standardized climate calculations across the entire value chain. These calculations follow the principles outlined by the GHG Protocol, an initiative that assists organizations in tracking their emissions and making informed actions toward achieving sustainability goals.

“The business units have done an excellent job in helping us achieve this. While we’re still working on improving data quality, especially for scope 3 emissions, this is a crucial starting point. Now, we have a much better grasp of our overall emissions and their impact on each product,”

KRISTINA ALTNER
GROUP SUSTAINABILITY MANAGER

ACTIONS DURING 2023

- Committed to set targets for company-wide emission reductions in line with the Science Based Target initiative.
- Improved our scope 1 & 2 calculations and introduced the mapping of scope 3 emissions in line with the Greenhouse Gas Protocol (GHG Protocol). The screening focused on the 2022 emissions since they will serve as the base-year for future targets.

AGENDA FOR 2024

- Develop and submit targets to the Science Based Targets initiative
- Establish key decarbonization plans for our business units
- Ensure effective GHG data management and reporting
- Integrate governance of targets and reporting of progress in Group operating model
- Further develop circular business models

The focus for data validation was on the 2022 emissions, as this year will serve as the base year for setting future emission targets. Therefore, the Group continues to publicly report scope 1 and 2 emissions also in 2023 and will include the scope 3 emissions in the 2024 report. However, Fristads and Snickers Workwear report all three scopes for 2023 (see [page 36](#)). The total sustainability impact of the group is largely connected to these two brands, which are the largest within the Group.

The Group’s Sustainability Core Team, comprised of dedicated experts across the organization, played an instrumental role and will continue to drive our sustainability agenda going forward. Additionally, our owner, Investment AB Latour, steadfastly supports our sustainability initiatives.



Science-based targets provide companies with a clear path to reduce emissions in line with the goals of the Paris Agreement. Targets are considered “science-based” when they align with the latest climate science recommendations to reach the Paris Agreement objectives.

FRISTADS & SNICKERS WORKWEAR

Advancing climate targets in line with the Paris Agreement

Fristads and Snickers Workwear are committed to combating climate change by aligning their climate targets with the Paris Agreement – striving to limit global warming to 1.5°C above pre-industrial levels. As part of the Scandinavian Textile Initiative for Climate Action (STICA), both brands collaborate with other apparel and textiles organizations to set science-based targets and reduce emissions. Regular progress reports ensure transparency and accountability.

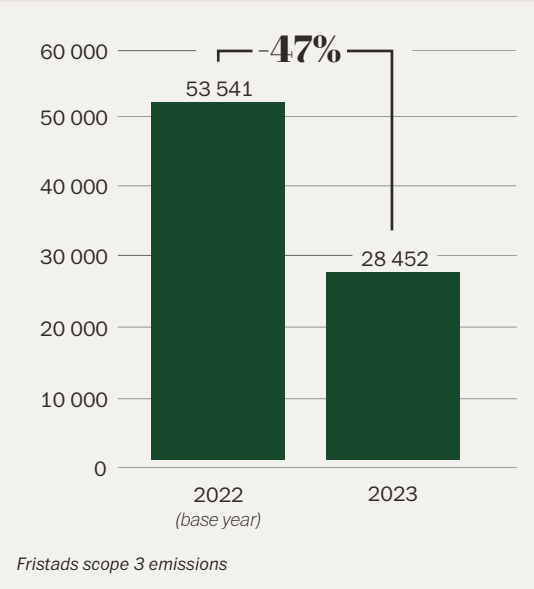
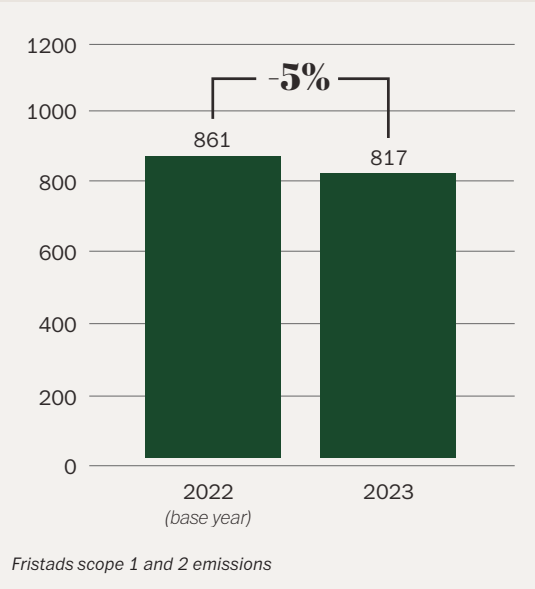
Fristads: Significant emission reductions in 2023

In 2023, Fristads' emissions of CO₂e in scope 1 and 2 totalled 817 tonnes, reflecting a 5% decrease compared to the base year of 2022. The relatively modest overall reduction in scope 1 and 2 can be attributed to Fristads' change of base year from 2018 to 2022. Notably, the significant reduction achieved in the previous base year is not fully reflected in the current results. Prior to this change, Fristads had already surpassed its goal of reducing CO₂e emissions in scope 1 and 2 by 50% by 2030, partly due to the purchase of Guarantees of Origin (renewable electricity certificates) via Hultafors Group.



In 2023, Fristads' emissions of CO₂e in scope 3 amounted to 28,452 tonnes CO₂e, representing a 47% decrease compared to the base year of 2022. Within scope 3, the largest impact came from purchased goods and services (including production and packaging materials), accounting for 88% of total emissions. Two key factors explain the substantial reduction in scope 3: Fristads purchased fewer products and reduced emissions per product by 18%. Approximately one-third of the decrease in scope 3 can be attributed to the adjustment of stock levels in 2023, as Fristads balanced stocks following a major build-up in 2022. The current stock levels are now more appropriate, as reflected in the scope 3 results.

During the year, Fristads adopted a new methodology for calculating emissions. This approach relies more on actual data from suppliers and life cycle assessments of environmentally declared products, rather than general industry figures as was previously the case.



NEXT STEPS

Over the course of next year, Fristads will continue to reduce the climate impact from emissions in the value chain by:

- Increasing the share of EPD products with a smaller environmental footprint in the product range.
- Replacing conventional materials with more sustainable alternatives, such as recycled polyester and Lyocell.
- Increasing collaboration with suppliers and providing support in their transition to renewable energy sources, optimisation of production processes, and reduced energy consumption.
- Introducing a sustainable service offer to ensure that the garments produced are used to their full potential and discarded responsibly when they have reached their end of life.

Learn more in the [Fristads Sustainability Report 2023](#).

TARGET SNICKERS WORKWEAR

50% reduction of scope 1 and 2 CO₂e emissions by 2030 and 42% reduction of scope 3 emissions by 2030*

**2018 as the base year for scope 1 and 2 emissions, 2020 as the base year for scope 3 emissions*

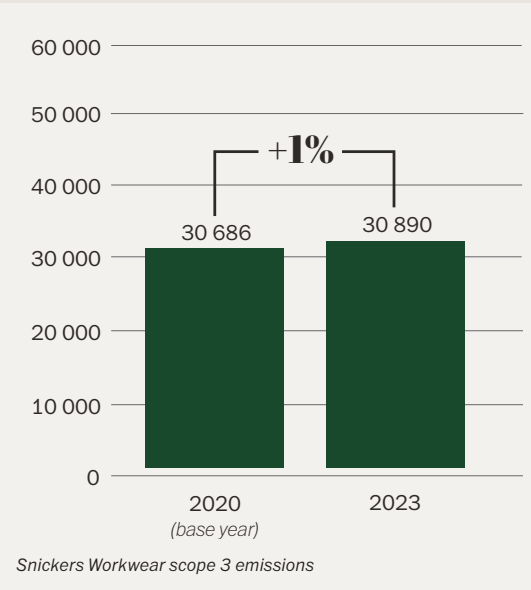
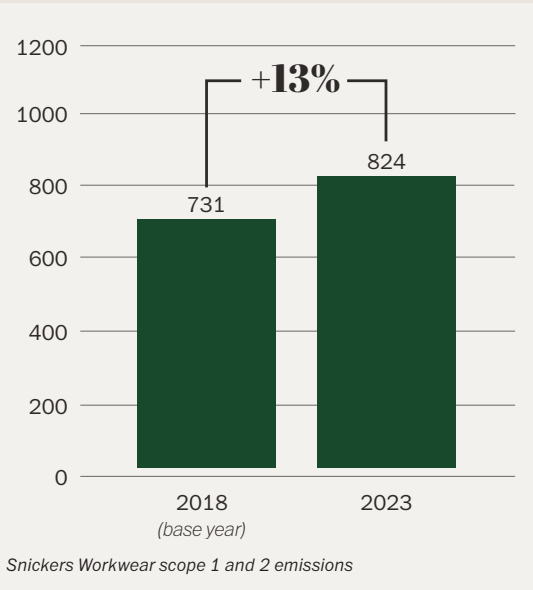
Snickers Workwear: Emission reductions and renewable energy milestones

In 2023, the total CO₂e emissions in scope 1 and 2 was 824 tonnes, representing a 13% increase compared to the base year 2018. Most of Snickers Workwear’s scope 1 and 2 emissions comes from company owned vehicles in the Hultafors Group sales organisations, which increased in number of employees during 2023. Although driving was significantly reduced during the Covid years, it has unfortunately returned to pre-Covid levels. Notably, 100% of Snickers Workwear’s electricity use in scope 1 & 2 for 2023 was renewable, thanks to the purchase of Guarantees of Origin of electricity via the Hultafors Group. Mitigating initiatives to decrease scope 1 and 2 emissions will be part of the Group’s decarbonization plan to meet future science-based targets.

While scope 3 emissions remained stable from the base year 2020 to 2023 (with a +1% change), emissions per produced product decreased by -9,3% during the same period. This reduction is attributed to Snickers Workwear

transitioning its purchases toward lower-emitting materials and suppliers shifting to renewable energy. By the end of 2022, post-Covid logistic disruptions eased, resulting in a significant inflow of products and increased stock levels. However, during 2023, these stock levels were balanced out leading to fewer products purchased. A combination of purchasing lower emitting products and supply chain decarbonizing efforts resulted in a substantial (-30%) reduction in scope 3 emissions compared to 2022.

At the end of 2023, Snickers Workwear initiated a collaboration with the carbon management platform Carbonfact. As a result, calculation methodology will change in the upcoming years. Emissions will be calculated bottom-up using Carbonfact and the PEF methodology – specifically calculating the product footprint for the entire assortment and multiplying it by the number of purchased pieces. Consequently, next year, Snickers Workwear will adjust both the methodology and the base year for all scopes of its GHG reporting to align with the Hultafors Group base year of 2022.



NEXT STEPS

- Continued shift of material purchases toward lower-emitting alternatives.
- Continued dialogue with and support for suppliers in both tier 1 & 2, pushing for decarbonization through energy efficiency and renewable energy.
- Adjust calculation methodology as a consequence to the use of the carbon management platform Carbonfact. Change of base year for all scopes of emissions to 2022.

A calculation error was detected in previous years’ emissions calculations (FY2022 and FY2020) in the scope 3 category 3.1 (Purchased goods and services). For emissions related to purchased materials in tier 3-4, tier 2 emissions were incorrectly added. The error has been corrected for the historical data.

Learn more about the progress in the Snickers Workwear Climate Progress Report on their [website](#).

HULTAFORS

Hultafors shifts square production to Europe, embracing laser technology

Hultafors relocated and revamped its square production in 2023, shifting production from China to Europe and replacing traditional resource-intensive chemical and water processes with state-of-the-art laser technology.

“Using lasers to mark the scales has been on our wish list for many years; however, it was only recently that the necessary advanced technology became commercially available,” said Per Person, Director Supply Chain & HSEQ Tools.

Over the year, Hultafors established a brand-new production line at its factory in Romania, designed and constructed by the workshop in Sweden. The line is optimized to deliver precise, durable, and sustainable squares.

This type of digital production, which doesn't require any tooling, has several other advantages. It offers flexibility, allowing the factory to quickly run smaller batches, and it's easy to initiate production of new models without any additional investments. A series of end-user interactions were included in the project to ensure that end-user needs were addressed with new and improved features.

By relocating the production to Hultafors' own factory in Europe, they gained direct oversight over sustainability aspects and working conditions throughout the production process. Additionally, a notable benefit is the anticipated reduction in CO₂ emissions due to decreased transportation and the strategic shift of steel and aluminum production to Europe. Hultafors plans to evaluate the expected improvements once the launch of the new squares is completed.

“Using laser cutters and laser markers is a big leap in production technology. In a single shift, we’ve successfully eliminated the water and chemical-intense etching process,”

PER PERSSON
DIRECTOR SUPPLY CHAIN & HSEQ TOOLS



SCANGRIP

Reinventing the future of LED work lights

SCANGRIP recognized that the most efficient way to reduce environmental impact lies in extending the lifespan of the products. Rethinking every aspect of our lighting solutions, they set out to develop the most energy-efficient and long-lasting work lights on the market.

The outcome was the innovative “For Life” LED work lights, which not only optimize energy efficiency but also more than double the life span. This approach significantly reduced the environmental footprint of the products.

“We took 13 of our best-selling products and increased their lifespan to ten years. So, instead of needing 2-3 products in that period, you’ll only need one,” said Nikolaj Kjaer Poffler, Product Design Manager.

One of SCANGRIP’s strengths lies in owning the entire process, from idea to the final product. The brand controls and verifies each step to ensure consistent quality. With the “For Life” approach, SCANGRIP has not only improved sustainability but also challenged conventional industry norms. SCANGRIP aspires to apply the “For Life” philosophy to more of their products – making a lasting impact where it matters most.

“We pursued every tiny detail and managed to improve the total system efficiency and reduce power consumption by up to 50%. This was achieved by using the most efficient LEDs, enhancing the heat dissipation design, and optimizing the electronic driver design. We also doubled the battery cycle lifespan from 500 to 1,000 cycles – and developed a new battery management system with integrated temperature surveillance,”

HENRIK HOLMSKOV HANSEN
PRODUCT DEVELOPMENT MANAGER SCANGRIP

The “For Life” products are built to last 10 years of daily use. Each product has been redesigned down to the smallest detail, including electronic components, batteries, and LED light source. Spare parts are easily obtainable to maintain reliability even as products age. Additionally, recycled materials are used in both the design and packaging of these products.



Showcase

Material topic: Supply of materials and service

All brands within Hultafors Group are continuously striving for sustainable innovation and product development. Our focus is to produce long-lasting products with minimal environmental footprint, by carefully selecting virgin materials used in our products, re-use and/or re-cycle materials, as well as reducing waste in our production processes. At Hultafors Group, we expect our suppliers to engage in actions to monitor and report environmental data, and to communicate their progress through our sustainability sourcing platform.

In the last years we have increased our focus on circularity and resource efficiency throughout the organization. Our ambition is to shift from a linear production system to circular solutions. We are at the beginning of our journey and have gathered our best practices as show cases in this section.

Most of Hultafors Groups own production sites are ISO 14001 certified (see [appendix II](#)). Hultafors Group has not set specific targets at group level for supply of materials and service, except for the requirement of environmental certification. The individual brands have their own focus areas based on the type of product and material choices.

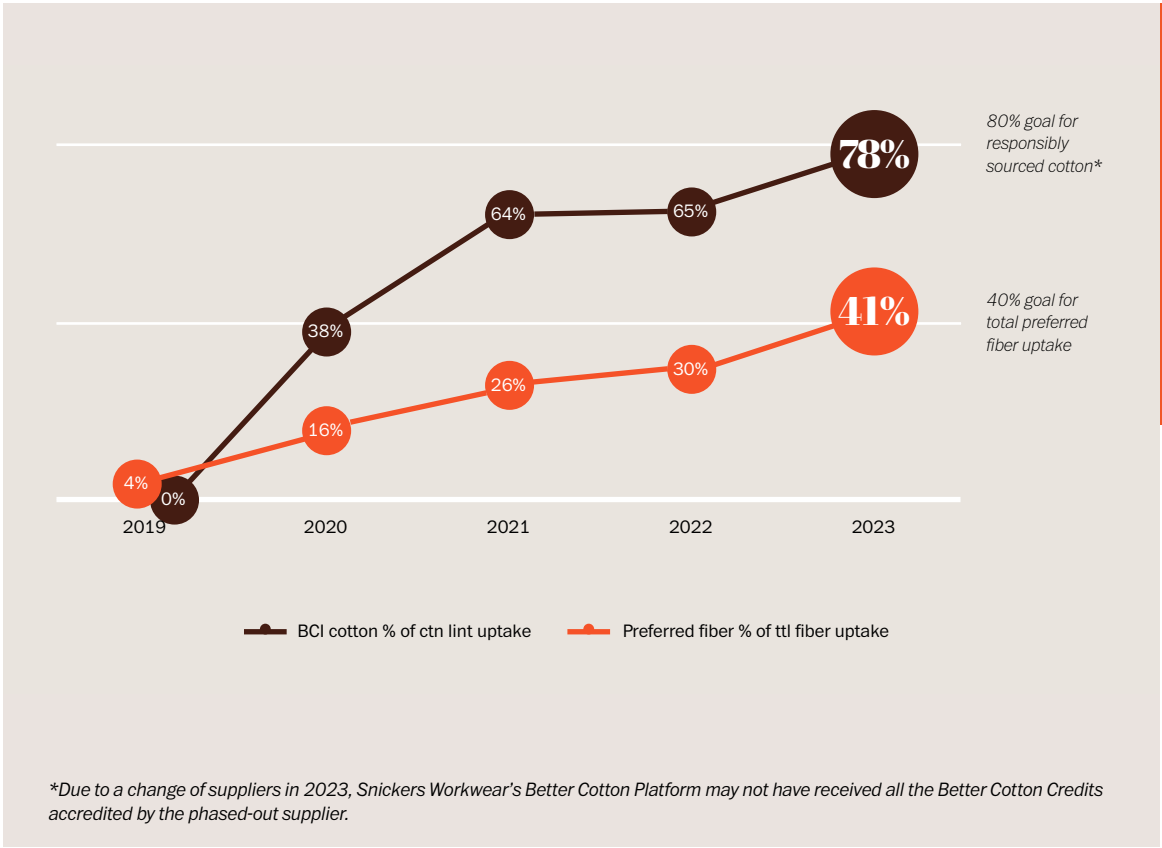




SNICKERS WORKWEAR

Snickers Workwear achieves 2023 target for preferred fibres

Snickers Workwear is committed to minimizing its environmental impact through ambitious goals. Their strategy involves substituting traditional materials with more sustainable options while ensuring the longevity of their garments. Although they fell slightly short of the 80% goal for responsibly sourced cotton*, reaching 78%, Snickers Workwear exceeded its 2023 expectations for preferred fibers, achieving 41% of their total preferred fiber uptake (target 40%).



Snickers Workwear has an active substitution plan that extends beyond new product launches. Their objective is to achieve 80% preferred fibers by 2030 across their entire product range. Being a workwear brand, the running assortment stands for a very large share of the sales. This commitment reflects their dedication to both sustainability and customer satisfaction.



The Better Cotton Initiative (BCI) helps cotton communities survive and thrive while protecting and restoring the environment. 78% of Snickers Workwear's total cotton uptake was sourced as Better Cotton in 2023. Thanks to this sourcing, an estimated 452 million liters of water** were saved at field level.

**Data from Better Cotton

Strategic shift to preferred fibers

While continuously increasing the use of preferred fibers, Snickers Workwear remains dedicated to its core sustainability principle: maximizing the product lifespan. The brand recognizes that even a small reduction in durability or longevity could compromise the benefits of using preferred fibers. As a result, significant efforts are made to ensure that preferred fibers match traditional options in terms of both durability and comfort.

“We recently revamped our product lineup. Instead of addressing each product individually, we focused on adopting and substituting preferred fibers across the entire material portfolio. This strategic shift enables us to prioritize high material volumes and meet our set targets,”

MARIA SCHARTAU
SUSTAINABILITY MANAGER
SOLID GEAR & SNICKERS WORKWEAR

Energy efficiency and packaging materials

Additionally, Snickers Workwear considers not only the choice of materials but also the manufacturing process. The brand actively implements strategies to improve energy efficiency and incorporate renewable energy into its supply chain, with the goal of minimizing the overall environmental impact. In 2023, significant steps were also taken to reduce and substitute packaging materials. Most

textile products are delivered in a recycled LDPE bag to protect the garment during transit from the producer to the end consumer. The primary focus is to ensure that the product arrives in pristine condition at its destination. Risking returns from dusty or dirty garments as a trade-off for not using a protective layer is currently not a viable option.

2023 substitution achievements by Snickers Workwear:

- Successfully transitioned from virgin to recycled feedstock for sewing thread, achieving a 60% utilization of recycled materials. The total annual procurement of sewing thread amounted to 38 tons.
- Started transitioning from virgin to recycled feedstock for LDPE single-use polybags, with full implementation expected by 2024.
- Started omitting cardboard for topwear packaging, resulting in a yearly potential saving of 3 tons of paper and reducing shipping emissions.
- Continued to incorporate recycled feedstock and Sorona* content for both regular and HiVis trousers.
- Maintained a strong focus on utilizing recycled feedstock for fleece top wear.
- Continued focus on using solution-dyed and recycled feedstock for HiVis top wear launches.

* Sorona is a type of bio-based polymer made from renewable resources. It's designed for high-performance applications and is often used as a sustainable alternative to traditional synthetic fibers.



PREFERRED FIBERS

Preferred fibres are defined by the global non-profit organization Textile Exchange as fibres that delivers consistently reduced impacts and increased benefits for climate, nature, and people against the conventional equivalent. Snickers Workwear has adopted this definition, adding that materials which have replaced conventional processes with those documented to have a lower environmental impact are also included.

EMMA SAFETY FOOTWEAR

The Mine: Setting a new standard for safety shoes

EMMA Safety Footwear recently launched its latest shoe model: The Mine. This innovative footwear combines cutting-edge design with eco-conscious practices, setting a new standard for safety shoes.

The new model uses more sustainable materials and fewer virgin raw materials, without compromising on safety and comfort. Many of its shoe components contain recycled materials, including the inlay sole, the laces, the heel counter, the in- and the outsole.

“We keep working on the model, looking into possibilities to further reduce its environmental impact. And the best practices from this model could also be applied to our other models,” said Fabian Groven, Sustainability Manager, EMMA Safety Footwear.

The art of extending a shoe’s lifespan

EMMA’s origins date back to the early 20th century when the Dutch State Mines established a special workshop for disabled or out-of-work miners. There, they would refurbish shoes for their peers who were still working in the mines. To this day, we are committed to inclusive employment practices, with more than half of our co-workers facing challenges accessing the labor market.

Due to its history, EMMA knows a lot about prolonging the lifespan of shoes. Over time, we have also succeeded in using fewer and environmentally better materials, without compromising on safety and comfort. Additionally, we are reducing the use of primary resources by rethinking, reusing, and recycling in every way we can.

A current pilot program involves creating blocks from PU* waste generated during production. These blocks could be effectively used for the core section of new shoe soles, which is then covered by a layer of virgin PU. By extending the lifespan of existing materials, EMMA contributes to reducing waste and conserving resources. Another solution we are exploring is to repurpose PU waste by grinding it into granules and mixing it with virgin PU for use in new soles.

THE MINE

- 1. Laces made from recycled PET
- 2. Heel counter made from EMMA’s PU waste
- 3. Chrome-free tanned leather
- 4. Zero-penetration sole made from recycled Dyneema
- 5. Vibram Ecostep Pro outsole made of 30% recycled Vibram Rubber



Will it be possible to produce a fully circular shoe?

Not yet, given the current technology, but it is what we are aiming for, said Fabian Groven:

“In my view, achieving a genuinely circular shoe requires a shift in mindset. While recycling is crucial, and we’re looking into recycling our own shoes in bulk, it’s even more important to further explore refurbishing, repairing, and using even fewer materials, as well as more circular business models. And, not least, design shoes that last even longer.”

FABIAN GROVEN
SUSTAINABILITY MANAGER EMMA SAFETY FOOTWEAR

EMMA publishes transparent sustainability data to demonstrate its progress in reducing its environmental impact, which includes material passports for each shoe. In addition to these material-focused initiatives, we are actively investigating various sustainable revenue models and forging unique partnerships.

**PU (Polyurethane) is a foam material that is often used in the shoe industry to produce the midsole and outsole of a shoe.*

SNICKERS WORKWEAR

Snickers Workwear introduces Zero Waste Socks and PFAS-free textile waterproofing

In 2023, Snickers Workwear launched two new products that champion sustainable practices. First, the Zero Waste sock line, crafted from over 90% post-consumer textile waste. Secondly, a PFAS-free treatment for reproofing water-repellent workwear. Both products align with the future mandates of the Ecodesign for Sustainable Products Regulation (ESPR).

The ESPR sets criteria for ecodesign requirements, with the goal of enhancing circularity, energy efficiency, reparability, and other environmental aspects for specific product categories.

“At Snickers Workwear, we’re committed to reducing our environmental impact. Important examples of this commitment include increasing our circular practices and enhancing product reparability.”

MARIA SCHARTAU
SUSTAINABILITY MANAGER
SOLID GEAR & SNICKERS WORKWEAR



Zero Waste Socks: A sustainable milestone

The launch of the Zero Waste socks represents a significant milestone. These socks are crafted using over 90% post-consumer textile waste, showcasing how recycled materials can be seamlessly integrated into a product without compromising durability. All fibers used for the socks are sourced, recovered, and manufactured within Europe to minimize transportation throughout the value chain.

While the introduction of zero-waste socks alone may not revolutionize the textile industry’s impact, Snickers Workwear is contributing to setting a new standard. The ability to reuse such a high percentage of textile waste while maintaining durability represents a significant step forward. This achievement highlights how effectively textile waste can be utilized in creating new products – knowledge that can be applied to other parts of the range.

PFAS-free textile waterproofing

During the past year, Snickers Workwear and the Swedish company OrganoClick collaborated internationally to introduce a PFAS-free treatment for reproofing water-repellent textiles used for workwear. The product is branded under Snickers Workwear, while maintaining a strong connection to OrganoClick’s well-established brand OrganoTex.

The launch aligns seamlessly with Snickers Workwear’s vision and commitment to sustainability, having a special focus on the longevity of its products.

“OrganoTex offers a world-leading, PFAS-free, biodegradable textile re-proofing. It’s a natural choice for us because it extends the lifespan of workwear and reduces the environmental impact. Creating durable, long-lasting products is a key part of our sustainability efforts,”* said Maria Schartau.

*The re-proofing should not be used on products certified to Regulation (EU) 2016/425 category III.

FRISTADS

Fristads develops circular products

Circularity is the holy grail of sustainable clothing production, and Fristads is working hard to find new ways of reusing fibers from worn-out garments to create new ones. In 2023, Fristads achieved a major breakthrough by developing their first commercial circular product - a sweatshirt partially made from worn-out Fristads garments.

Fristads has been in the forefront of the efforts to create a common standard to measure and improve the environmental impact of clothing, not the least through the development of an Environmental Product Declaration (EPD) for the clothing industry.

Fristads' circular product development began in 2021 when a polo shirt was partially made from discarded garments from a customer in the Netherlands. The recycling process used in the joint pilot project was certified in 2022, making Fristads the first workwear producer that can guarantee the traceability of recycled raw materials for a specific customer.

“We are excited to, once again, lead the way in sustainability. In autumn 2024, we will manufacture more products according to the current principles. As technology develops, we will increase the share of circular fibers overall and hope that the rest of the industry follows suit,”

ANNE NILSSON
DIRECTOR MARKETING AND SUSTAINABILITY FRISTADS



Showcase

Made of 15 percent closed-loop fibers

In 2023, Fristads developed their first commercially available circular product. This product was created using a certified recycling process* and consists of a sweatshirt containing 15 percent closed-loop fibers from worn-out workwear. This specific percentage of circular fibers was deliberate, ensuring that the final product meets Fristads' high-quality standards. As the recycling process evolves and improves, it is expected that the recycled content in their products will increase.

Other important factors to consider are the quality of the collected garments and what type of product will be developed from the fibers. Closed-loop, or circular, fibers can be used similarly to conventional fibers and those obtained from open-loop recycling, such as those made from plastic bottles. To create a circular material, circular fibers are mixed with new ones and spun into yarn, which can then be woven or knitted into new fabric.

Fristads' first circular product comes with an Environmental Product Declaration (EPD), disclosing how much the environmental impact will be reduced by using existing fibers compared to creating new ones.

**In 2022, Fristads obtained a QA-CER system 2 certification for a recycling process developed in Benelux, which guarantees the traceability of recycled raw materials. The integrity and quality management of the recycling process is certified by Belgian Quality Association (BQA), an independent and accredited organization. The third-party certification from BQA ensures that Fristads' quality requirements are not compromised using recycled content.*

FRISTADS' CLOSED-LOOP RECYCLING PROCESS FOR WORKWEAR

Collecting: Selected worn-out Fristads garments are collected from customers and brought to a recycling center.

Preparation: The material is shredded into smaller pieces and turned into fibers.

Making the yarn: The fibers are mixed with other fibers to create yarn, consisting of 15 percent closed-loop content.

Creating new material: The yarn is then used to make new, circular fabric.

Making the final product: Finally, the sweatshirt is produced using the circular fabric.

OPEN-LOOP VS. CLOSED-LOOP TEXTILE RECYCLING

The terms open loop and closed loop are sometimes used to describe two different types of recycling flows. In an open-loop flow, textiles are collected and processed into other products, for example filling for car interiors, construction materials or insulation. In a closed-loop flow, the textiles are processed into new fibres that are mixed in with other materials and used to produce new clothes, creating a circular production.



Social

“We have a holistic approach on sustainability, taking all three core aspects - ‘people, planet, and profit’ - into consideration. The priority here is on people, the rest follows.”

BAS TEEPE, CHRO AND HEAD OF COMMUNICATIONS, SUSTAINABILITY & QUALITY

At Hultafors Group, our corporate culture is deeply rooted in our core values. These values serve as our compass, guiding our internal behavior and interactions. We respect differences and take our social responsibility seriously, focusing on the key impact areas: diversity, human rights, and creating safe and stimulating workplaces.

Our commitment extends beyond our organization — we collaborate closely with suppliers to ensure they uphold the same level of social sustainability in their operations. At its heart, social sustainability prioritizes people, emphasizing their well-being, rights, and liberties. Our priority is to provide our people with the necessary prerequisites for growth and successful task completion. We regularly survey co-workers to measure their engagement and take specific actions based on the results.



Highlights from our brands



EMMA Safety Footwear: Free health consultations

In 2023, EMMA Safety Footwear made the transition to a new occupational health service called Vitalias. This service provides free preventive and anonymous consultations for employees who have work-related health questions. Additionally, supervisors participated in group training sessions to promote a more sustainable work environment.



Hultafors: Two decades of free transports at HUMI

Since Hultafors acquired the HUMI factory in Romania back in 2003, employees have enjoyed the convenience of free bus transportation to the site. The factory is situated outside the city, where public transportation options are limited. Hultafors ensures that all employees have access to bus transfers from specific pick-up points.



Enhancing work environment and safety practices

In 2023, the Mörby office in Stockholm underwent a comprehensive work environment review. This shared location accommodates brands like Snickers Workwear, Eripio, Solid Gear and Hultafors. As part of the effort to enhance safety practices and work conditions, a work environment committee was established. Additionally, fire training, first aid training, and a fire drill were conducted.



Johnson Level & Tool: Donations to charity

Johnson Level & Tool donates products to Milwaukee Habitat for Humanity International. These items, acquired or produced for demos and product development, find new purpose in supporting families in need. The donated products have been used briefly for demonstrations or shows but remain in excellent condition.

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 40-60% 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: >40% FEMALE SALARY-SETTING MANAGERS IN 2030.

Status 2023: 37%

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.



Gender ratio 2023

	2022	2023
GENDER RATIO		
Gender ratio in management (salary setting)	34%	37%
Gender ratio in Hultafors Group Management Team	17%	0%
Gender ratio in Board of Directors	17%	14%
SALARY SETTING MANAGERS		
Total number of managers	195	195
Number of female managers	66	73
EXECUTIVE MANAGEMENT		
Number of members in executive management	6	6
Number of members in executive management that are female	1	0
Number of members in executive management age under 30	0	0
Number of members in executive management age 30-50	4	2
Number of members in executive management age over 50	1	4
BOARD OF DIRECTORS		
Number of members in the Board	6	7
Number of members in the Board that are female	1	1
Number of members in the Board age under 30	0	0
Number of members in the Board age 30-50	2	2
Number of members in the Board age over 50	4	5

FRISTADS

The human toll of the war in Ukraine

The second year of Russia’s war on Ukraine was characterized by relative calm in Stryi, where Fristads’ factory Stritex is located. However, Fristads’ Ukrainian team still endured significant hardships due to the ongoing Russian invasion.

In 2023, the Ukrainian army mobilized a total of five Stritex employees to join the war effort. In August, an employee who normally works in the cutting department sustained injuries from explosions on the frontline. Fortunately, he recovered and eventually returned to active duty. Then, in October, Fristads received devastating news: a Stritex seamster had been killed in action.

“The war touches everyone because we all have a neighbor or family member who is deployed. We are scared and worried about our children, but as humans we have somehow learned to adapt to the war,”

GALINA KREMINETS
MANAGING DIRECTOR STRITEX

Wartime employer

Fristads acknowledges that the role of wartime employer necessitates a new level of corporate and social responsibility. During this difficult time, Fristads is supporting its employees to the best of their ability. For example, by giving financial assistance to workers that have been mobilized for the war and to employees whose close family members have been injured or killed in the war. Stritex’s employees remain highly engaged and committed to their work, even amidst the significant challenges they face. Both Stritex and Fristads management teams are actively providing support to ensure the employees’ well-being during these difficult circumstances.

Despite the war, Stritex played a central role in Fristads’ product development in 2023 and produced their first commercial circular product. There were no power outages or electricity shutdowns, allowing employees to work full days and maintain production at normal levels. After experiencing several blackouts due to the war in 2022, the factory optimized heating and electricity usage to reduce costs and minimize environmental impact. Additionally, Stritex renovated its basement, which serves as an official shelter, by modernizing the heating system and lights.

Long-term commitment

The war has not changed Fristads’ long-term commitment to remain in Ukraine and expand production. Having a strong hub in Eastern Europe is strategically important for the brand, and the area has only become more attractive after the Covid-19 pandemic caused widespread delays for shipments on the Asia-to-Europe route. Should Stritex’ management team at some point decide that it is too dangerous to keep the factory open, a contingency plan developed by Fristads’ global task force will go into effect. Keeping the employees and their families safe is, and will always be, their first priority.



Showcase

Pulse surveys for employee feedback and engagement

In the majority of the organization 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. Hultafors Group is aiming to have an Employee Net Promoter Score (eNPS) score which is better than the external benchmark. The average eNPS for 2023 was 25 (vs index 13) and in all categories the results were higher than the index. 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.



Social initiatives for inclusion and diversity

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 collaborates 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.

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.

Local donations and support

In 2023, **Fristads** entered a long-term partnership with Stockholms Stadsmission, a non-profit organisation dedicated to supporting disenfranchised people in the Swedish capital. The partnership aims to create new opportunities for extending the life of workwear, by selling used Fristads garments in three of Stockholms Stadsmission’s secondhand stores in Stockholm. The partnership is an example of Fristads’ Reuse Initiative, which explores and expands the offering of sustainable services. All the proceeds from the sales of workwear are donated to Stockholms Stadsmission.

In Latvia, the **Snickers Workwear** 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 actively participates in Sprinc in the Netherlands, a regional platform for businesses navigating the complexities of evolving workplace regulations and market dynamics, such as demographic shifts and corporate social responsibility imperatives. Through Sprinc, EMMA engages in impactful dialogue, shares insights, and collaborates with peers to address societal and business challenges, ultimately promoting greater labor participation and inclusivity. Together, EMMA and Sprinc strive to bridge gaps, foster inclusivity, and unlock opportunities for diverse workforce segments, contributing to a more vibrant and equitable labor landscape.

EMMA Safety Footwear proudly collaborates with RELIM, an organization dedicated to empowering individuals with a so-called “distance to the labor market” to recognize and develop their talents, enabling them to contribute meaningfully to society. RELIM’s mission aligns closely with EMMA’s values of empowerment and social responsibility. As part of our collaboration, RELIM crafts personalized birthday cards for EMMA employees, ensuring each team member feels valued and appreciated on their special day.



Material topic: Safe and stimulating workplaces

A safe and stimulating workplace addresses occupational health and 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 work-place environment that prevents injuries, incidents, and illnesses.

For the Hultafors Group’s own sites, our Work Environment Policy 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 sourcing platform. 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, on our [website](#) .

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

Status of 2023: 6 incidents, which have been carefully followed up and actions have been taken to prevent incidents with an equal cause.

Freedom of association

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.

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



HULTAFORS GROUP

Prioritizing safety through systematic improvements

At Hultafors Group, our unwavering commitment to safety drives everything we do. Preventing injuries and incidents remains our top priority, fostering a healthy and secure work environment for all.

We actively engage all co-workers in our efforts to minimize risks and enhance both physical and mental well-being. Our history and heritage underscore the importance of this value, and we never take our safe workplace for granted.

Strengthening the safety culture at North American sites

As part of our commitment to creating safe workplaces, our North American facilities in 2023 focused on the ‘near miss’ reporting process. This initiative aligns with the Group-wide objective of proactively mitigating safety incidents.

A ‘near miss’ refers to any situation that could potentially cause a safety incident or injury but fortunately hasn’t yet. It is an important concept, because it allows us to identify and address potential hazards before they escalate.

“We encourage our co-workers to act. Rather than viewing it as a negative, we emphasize that reporting a ‘near miss’ demonstrates awareness, proactivity, and a strong commitment to safety. By doing so, we create a culture where everyone plays an active role in preventing accidents.”

JACQUELYNN VOSS
SUSTAINABILITY MANAGER NORTH AMERICA

The efforts yielded positive results, with the number of reports increasing from two incidents in 2022 to 42 in 2023. To further enhance the process, we focused resources on actively involving team members. Leaders discussed the metric in meetings, reinforcing its importance, and encouraged ‘near miss’ submissions. Additionally, proactive awareness is now linked to the quarterly bonus for hourly workers in North America.



Showcase



Snickers Workwear invited to participate in labor safety campaign

The Snickers Workwear site in Latvia participated in a national labor protection campaign organized by the State Labor Inspectorate. As part of this initiative, Olegs Sorokins, a former Latvian hockey team defender, visited the site and underscored the importance of using personal protective equipment (PPE). In his interactive and engaging message, Sorokins drew parallels with hockey, highlighting how players strictly adhere to safety rules by wearing protective gear. While special workwear may cause some physical inconvenience on-site, it is crucial to recognize that no hockey player would ever venture out onto the ice without their protective suit.

Systematic health and safety work at Hellberg and Hultafors

The safety philosophy of Hultafors Group centers around the belief that safety is an ongoing journey. At Hellberg Safety, this commitment is evident through the regular safety rounds and training sessions – spanning both production and office settings. Every preventive measure is meticulously tracked using accident and incident statistics. Annually, the safety committee evaluates the entire systematic work environment process, incorporating additional ideas and suggestions into the action plan. This continuous improvement approach ensures a safer workplace for all co-workers.

At the Hultafors production sites, safety rounds and continuous improvement activities follow a well-structured annual cycle. Safety representatives plan these rounds based on a yearly schedule, with each month dedicated to a specific area. By actively involving safety representatives from different departments, the rounds not only address risks and hazards, but also bring valuable insights to each respective team. Throughout the year, efforts were made to enhance safety for forklift drivers and improve the overall working environment, including the installation of LED lighting in all departments.



Annual wheel for safety rounds at the Hultafors site

Sustainability notes

Scope

This report describes the Hultafors Group sustainability performance for the full year of 2023. The report is part of our annual cycle of reporting on our sustainability performance and covers the period 1 January 2023 – 31 December 2023. Our most recent report, which covered 2022, was published in June 2023.

The data reported refers to our 49 entities in a total of 21 countries and our headquarters in Göteborg, Sweden. The information in this report covers Hultafors Group's performance in all parts. The brands Snickers Workwear, Solid Gear, EMMA Safety Footwear, Hultafors, W.steps (previously Wibe Ladders), Telesteps, Fristads, Kansas, Hellberg Safety, SCANGRIP, Eripio Wear, CLC Work Gear, Kuny's, Johnson Level & Tool, and Martinez Tool Company are owned by Hultafors Group and are included in this Sustainability Report.

Reporting practice

All entities that are included in the consolidated financial statements have been included in this report. Since the previous report Martinez Tool Company has been included in the reporting. The legal units Scangrip Asia Ltd and Scangrip North America are excluded in the reporting, since they are operated by third party.

The collection and reporting of sustainability-related data is carried out by representatives of each entity. The majority of the communicated information is reported via Worldfavor Management Module.

This report has not been externally assured. Hultafors Group is owned by Investment AB Latour and included in their Annual Report, please find more information in their latest report.

Contact

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

Appendix I

Our Sustainability KPIs and targets

The Hultafors Group sustainability targets 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 on a quarterly and 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 CO₂e -emissions of our own sites (SDG 13), and gender equality (SDG 5).

In 2023, we committed to develop science-based emission reduction targets in line with the Science Based Targets initiative. Targets will be developed and submitted for validation in 2024.

In this report, we report scope 1 and 2 greenhouse gas emissions from the following sources: company operated vehicles and energy consumption at our facilities (including electricity, heating, cooling, steam, and other production related energy usage). Greenhouse gas emissions are reported in accordance with the recommendations of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol). An operational consolidation method is used for the reporting. 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 and Carbon Footprint Ltd.

The terminology of scope 1, 2 and 3 emissions

SCOPE 1






Direct GHG emissions caused by use of fuels or refrigerant loss in own operations.

SCOPE 2

Emissions from production of energy purchased and consumed in own operations: electricity, heating, and cooling.

SCOPE 3

Indirect upstream and downstream emissions caused in the value chain. Includes purchases of goods and services from suppliers, such as raw materials and transports, as well as waste and products' end of life.

FOCUS AREAS	MATERIAL TOPICS (MT)	TARGETS/KPIs	2021	2022	2023	Linking SDG	
Social Sustainability	Diversity and human rights	Minimum of 40% female salary setting managers in 2030	36% (71/197)	34% (66/195)	37% (73/122)	<div>5</div> <div>GENDER EQUALITY</div> <div></div>	
Environmental Sustainability	Energy and climate	100% renewable energy in 2030	70%	80%	82%	<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div></div>	
Social Sustainability	Safe and stimulating workplace	0 accidents/LTI (Lost Time Injuries) in own production sites, 2030	Number of incidents	35	10	6	<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div></div>
			Incidents/1000 employees	21	5	3	
Environmental Sustainability	Supply of materials and service	All production facilities environmentally certified by 2025	91% (10/11)	85% (11/13)	79% (11/14)	<div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div>	
Environmental Sustainability	Energy and climate	Energy consumption:	MWh	22 716 MWh	21 488 MWh	21 595 MWh	<div>13</div> <div>CLIMATE ACTION</div> <div></div>
		- 5% relative annual decrease, in relation to net sales					
			MWh/MSEK	4,1	3,2	3,1	
		CO ₂ e emission:	Scope 1, CO ₂ e	2 244 tCO ₂ e	2 240 tCO ₂ e	2 293 tCO ₂ e	
		-5% annual decrease	Scope 2 (market based), CO ₂ e	2 261 tCO ₂ e	1 166 tCO ₂ e	1 147 tCO ₂ e	
			Scope 1&2 (market based), CO ₂ e	4 505 tCO ₂ e	3 406 tCO ₂ e	3 440 tCO ₂ e	

Comments to this reporting:

1.

As part of developing climate targets in line with the requirements in the Science Based Target initiative (SBTi), systematic improvements for data management were implemented in 2023. Adjustments have therefor been made in previous reported data for 2021 and 2022.
2.

In order to increase transparency and data quality, ensuring effective data management and reporting will be a continued focus in 2024. Generated scope 3 emissions on Group level will be included in the 2024 report.
3.

The share of renewable energy has been positively affected by the purchase of Guarantees of Origin (renewable electricity certificates) for several sites.

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
1. Hultafors Group AB		•		
2. Hultafors AB	3 production sites	•		
3. Hultafors Group Finland				
4. Hultafors Group Norge AS		•		
5. Hultafors Group Danmark AS				
6. Hultafors UMI S.R.L.	1 production site	•		
7. Hultafors Group Italy				
8. Fisco Tools Ltd.	1 production site	•		
9. Hultafors Group NL				
10. Hultafors Group Sverige AB		•		
11. Hultafors Group UK Ltd				
12. Snickers Production SIA Latvia	1 production site	•		
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			•	

*The sales company Hultafors Group Digital Sales GmbH was established during the year.

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
26. Fristads Kansas Group Asia Ltd				
27. Fristads Production Sia				
28. Fristads Finland Oy			•	
29. Kansas GmbH			•	
30. Kansas A/S			•	
31. Stritex	1 production site			ISO 9001 and ISO 14001
32. Fristads Production AMC				
33. Scangrip A/S	1 production site			ISO 9001
34. Scangrip Asia Ltd				
35. Scangrip North America				
36. Johnson Level & Tool Mfg. Co.	1 production site			
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				ISO 9001 and ISO 14001
45. Emma Safety Footwear BV	1 production site			ISO 9001 and ISO 14001
46. Protag Shoe Supply BV				ISO 9001 and ISO 14001
47. Hellberg Safety AB		•		
48. Martinez Tool Company LLC			•	
49. Hultafors Group Digital Sales GmbH*				

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 2023, Hultafors Group Norge AS (HGNAS) met the inclusion criteria for the Act. This statement constitutes HGNAS’s account for the financial year 2023.

A. 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 2023:

- CLC Work Gear
- Hellberg Safety
- Hultafors
- SCANGRIP
- Snickers Workwear
- Solid Gear
- W.steps (previously Wibe Ladders)

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
- Hultafors Group whistleblowing process
- Continuous stakeholder dialogue
- “The Way We Work” Management System, which aligns with ISO 14001 & 9001 requirements
- Online Sustainability Management Platform (Worldfavor), including Sustainable Sourcing module
- Governance structure and organization (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.

Appendix III

B. The actual adverse impacts and significant risks of adverse impacts that HGNAS has identified through its due diligence

HGNAS identified 12 priority actual and potential adverse risks on fundamental human rights and decent working conditions linked with HGNAS’s operations and/ 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

Identified actual risks of adverse impacts

During the year, on-site audits identified the following actual risks of adverse impacts in the supply chain:

- Long working hours and overtime
- Unsafe working environment
- Low wage levels compared to deemed living wage
- Inherent geographical risks associated with freedom of association

Corrective actions to mitigate risks have been implemented in collaboration with the relevant suppliers.

C. 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 taking 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.
- In 2023, Hultafors Group started the transition to an updated sustainability platform. This strategic move had three key objectives: enhancing supply chain control, broadening the operational scope, and streamlining group coordination.
- During the year updated KPIs, targets and mitigating activities were identified, based on conclusion from the conducted risk assessment and risk prioritization.

Access to additional information

This statement can be found 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 and we will get back to you via email.

For specific whistleblower issues or submissions, please see: <https://report.whistleb.com/en/message/hultafors-group>