

**HITSA**

WE SUPPLY OUTDOOR SPACES



**2022 CSR REPORT**

# ABOUT THE REPORT

---

Welcome to the HITSA A/S 2022 CSR Report. The report covers the financial year from 1 January 2022 to 31 December 2022 and includes all units within the organisation. This is HITSA's second systematic and holistic report on our sustainability and social responsibility work to be published. The purpose of the report is to describe HITSA's work and activities aimed at making a positive difference in society – socially, environmentally and from a governance perspective.

The report thus provides insight into our progress for the year and presents the status of our objectives and initiatives in the fields of environmental sustainability and social responsibility.

The report is supported by the following framework tools: ESG data measurements and objectives, based on FSR – Danish Auditors' framework for ESG key figures and the Danish Business Authority's operationalisation of the Danish Financial Statements Act §99a. Our climate accounts have been compiled using the Danish Business Authority's CO<sub>2</sub> calculator, Klimakompasset, which is based on the recognised GHG protocol.

Environmental data has not been verified by a third party. In the long term we aim to have all figures externally verified. Until then, we are doing a great deal of work internally to verify the figures and use the correct calculation methods.

Any queries relating to the report should be directed to:  
Sustainability Officer, Josephine Husted Jespersen: [jhj@hitsa.dk](mailto:jhj@hitsa.dk)  
HR/PA, Birgitte Eybye: [bke@hitsa.dk](mailto:bke@hitsa.dk)  
Development Team Leader, Kristina Ekkelund Gram: [keg@hitsa.dk](mailto:keg@hitsa.dk)

CSR: Corporate Social Responsibility ESG: Environment, Social and Governance
---

# TABLE OF CONTENTS

---

<b>2</b>	<b>ABOUT THE REPORT</b>
<b>3</b>	<b>TABLE OF CONTENTS</b>
<b>4</b>	<b>FOREWORD FROM THE CEO</b>
<b>6</b>	<b>SCOPE OF BUSINESS</b>
<b>7</b>	<b>THE BUSINESS IN FIGURES</b>
<b>9</b>	<b>ORGANISATION OF CSR WORK</b>
<b>11</b>	<b>CORPORATE SOCIAL RESPONSIBILITY</b>
<b>16</b>	<b>SUSTAINABILITY WITHIN THE BUSINESS</b>
<b>30</b>	<b>ESG KEY FIGURES</b>
<b>32</b>	<b>THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS</b>
<b>33</b>	<b>APPENDIX</b>

# FOREWORD

There are many milestones to look back on as we publish our 2022 CSR report and ask the question: How did the HITSA Group perform in terms of social and environmental sustainability in the past year?

HITSA completed ISO 14001 certification in environmental management. This means that we now have a data-driven and externally validated system to help us achieve the environmental targets for our production sites in Denmark and Latvia. This has required a lot of effort on the part of our staff, and this impetus must be maintained on an ongoing basis.

2022 was also the year we achieved a major CO<sub>2</sub> reduction target. Our CO<sub>2</sub> emissions in the Danish part of the Group were 32% lower in 2022 compared to 2019, and so we have already reached our 2025 CO<sub>2</sub> target. The reduction has been achieved through permanent changes (e.g. merging sites and switching to LED lighting). We are very pleased to have reduced our greenhouse gas emissions by almost a third. We are now setting a new target for 2025.

There are also targets we have not achieved; for example, petrol consumption has increased and we do not have as many people from the fringes of the labour market as we would like. It goes without saying that it is not possible to achieve everything when working on sustainability. Looking back over the three years since we developed our first sustainability strategy, one thing is clear. Ambitious targets drive change – even if we do not achieve 100% of our targets. That is why we continue to set ambitious targets.

In 2022, we were acquired by the Dutch CROWD Group. This ownership strengthens the HITSA Group in general, and CROWD supports the sustainability process by encouraging and challenging us in terms of both environmental and social sustainability.

Finally, I would like to mention our membership of the UN Global Compact, which we also achieved in 2022. This membership brings commitment and inspires us. It means, among other things, that from 2023 we will take responsibility for our impact beyond our own part of the value chain and start making demands on our suppliers.

Read more about this and all the other new developments in this report.



CEO - HENRIK ANDERSEN



# SCOPE OF BUSINESS

---

The HITSA Group is owned by CROWD Nordics, a Nordic company that is part of the Dutch CROWD Group, which comprises a total of five European companies in the fields of urban furniture, cycling products, professional lighting and playground equipment.

The HITSA Group consists of HITSA, which produces urban furniture, and Lampas, which produces lighting.

HITSA comprises the companies HITSA A/S in Denmark, HITSA AB in Sweden, and VT East Sia in Latvia. HITSA manufactures, sells and installs bike racks, park benches, litter bins, shelters and bollards across the Nordic countries and Europe. Our head office, which is home to the majority of our production, sales, design and administration staff, is located in Kolding, Denmark. In Sweden, we have offices dealing with sales and installation in Arlöv. In Latvia we have a steelworks.

Lampas A/S also has its head office in Kolding. Lampas uses the same production facilities as the rest of the Group. It produces post lights, bollards, wall lights, indoor lighting and mailboxes for the contract market in the Nordic countries, Europe and the rest of the world.

The Group's production facilities include a steelworks and carpentry workshop, in-house assembly, powder-coating and warehouse facilities. We make use of a wide range of subcontractors, for example, for galvanising and casting. Our material purchases consist mainly of wood, steel, aluminium, powder coating, glass, electronics and fastenings. Our production activities in Latvia as well as our external installation activities mean that we use heavy goods transport.

The HITSA Group has a total of 105 FTEs, including metalworkers, carpenters, painters, designers, sales staff and installers, as well as HR, accounting, supply chain, development and marketing staff.



## THE BUSINESS IN FIGURES

PARENT COMPANY	HITSA A/S
SUBSIDIARIES	HITSA AB, HITSA INVEST, LAMPAS, VT EAST
OWNER	CROWD NORDICS
LOCATIONS	DENMARK, SWEDEN, LATVIA
NUMBER OF EMPLOYEES	105
ELECTRICITY CONSUMPTION	880,313 kWh
GAS CONSUMPTION	199,355 m <sup>3</sup>
OIL CONSUMPTION	9,600 LITRES
CO <sub>2</sub> EMISSIONS (SCOPE 1 AND 2)	661.0 TONNES CO <sub>2</sub>





# ORGANISATION OF CSR WORK

---

CSR work at HITSA commenced at different times and for different reasons. Consequently, there are many different approaches to CSR work within the Group. Here's an overview of them. The following pages describe in more detail how we comply with these frameworks.



## Strategy for social inclusion

HITSA's strategy for social inclusion involves recruiting and retaining a number of individuals each year who are considered to be from the fringes of the labour market.



## Strategy for sustainability

In 2020, HITSA developed its first sustainability strategy, including six focus areas. The strategy has been revised in 2022 as part of the ISO 14001 certification process. It continues to include the original six focus areas.



## ISO 14001

HITSA achieved ISO 14001 certification in 2022. ISO 14001 is an environmental management system that provides us with a clear environmental policy, risk analyses and objectives. The management system defines the framework for working in a structured way on the environment across the entire organisation.



## Code of Conduct

In 2021, HITSA formulated a Code of Conduct, which sets out the ethical framework within which HITSA operates and the conduct we wish to stand for. In 2023, we will begin a process in which our suppliers will be expected to sign up to the requirements set out in HITSA's Code of Conduct.



## ESG key figures

We report on a number of ESG key figures (Environmental, Social and Governance), as ESG is a useful way of providing outsiders with insight into a range of social, environmental and governance sustainability issues within the company.



## FSC®

HITSA is an FSC®-certified producer with control over the traceability of FSC®-certified materials within our own operations.



## Global Sustainable Development Goals

HITSA has chosen to focus on three of the 17 UN Global Sustainable Development Goals: 5.5 on "Gender equality", 11.3 on "Sustainable cities and communities", and 12.5 and 12.5.1 on "Responsible consumption and production".

## UN Global Compact

In 2022, HITSA was admitted as a member of the UN Global Compact. HITSA thus operates in accordance with the ten principles of the UN-based network.



## Green Network

HITSA has been a partner of the Green Network in the Triangle Region of Denmark since 2020 and continues to use the network for training, advice and sparring.



HITSA achieved ISO 14001 certification in 2022. Pictured here are Production Manager Karina Clemmensen and Sustainability Officer Josephine Husted Jespersen.

# SOCIAL RESPONSIBILITY

---

Social inclusion has been a part of the corporate culture at HITSA for several years now. In 2022, CROWD – Creators of the Outside World – became the owner of HITSA, which also focuses on social inclusion. Social responsibility is an integral part of the company's sustainability strategy and comprises one of the six focus areas we work on.

HITSA is continuing to work on the social KPIs, which are clear objectives for the inclusion of vulnerable people from the fringes of the labour market. The KPIs have been adjusted for 2023 to support the future strategy for social responsibility and sustainability work at the company.

HITSA wishes to broaden the scope for bringing more apprentices into the company. This will be achieved by getting more departments approved as training sites for apprentices. From 2023, we will measure the number of work placements and continue to measure the number of employees from the fringes of the labour market. The target for 2025 is for 14.6% of the workforce in our Danish branches to be from the fringes of the labour market.

## SOCIAL KPIs

---

In 2022, the KPIs are described as follows:

KPI 1 – EGU/IGU apprenticeship – HITSA currently employs 1 EGU apprentice. We aim to have EGU/IGU apprentices at the company at all times. (EGU/IGU = Basic vocational Education and Training/Basic Education and Training for refugees)

KPI 2 – Employees and trainees employed for at least 13 weeks in a year. HITSA has a CSR cooperation agreement with Kolding Municipality, which provides for 2 individuals to be on work placement at all times.

KPI 3 – Total number of employees from the fringes of the labour market as of 31 December 2022. This KPI is a summary of KPI 1, KPI 2, KPI 4 and the individuals who are on placement/employed but have been here less than 4 weeks. In other words, the number of people from the fringes of the labour market right now.

KPI 4 – Employees and trainees employed from 4 to 12 weeks in a year. Some work placements are of shorter duration and some are interrupted for various reasons.

KPI 1 – We have achieved the target

KPI 2 – We have exceeded the target. Through work placements or employment.

KPI 3 – The target has not been met for a number of practical reasons and due to the high level of employment in general. HITSA is continuing to develop its approach to social responsibility in an appropriate way and has reassessed the target in this context.

KPI 4 – We are 1 short of the target. This has not been achieved, for the same reasons as above.

### Targets for HITSA's social KPIs in 2022:

SOCIAL KPIS	PERCENTAGE	ACCOUNTS 2022	2022 TARGET
KPI 1 – EGU/IGU apprenticeships	20%	1	2
KPI 2 – Employees and trainees employed for at least 13 weeks	20%	27	23
KPI 3 – Total number of employees from the fringes of the labour market as of 31/12/2021	50%	10	15
- In relation to the total number of employees	employees	15.9%	18.3%
KPI 4 – Employees and trainees employed for 4 to 12 weeks	10%	10	11

### Targets for HITSA's social KPIs from 2023:

New KPIs applicable from 2023

SOCIAL KPIS	2023 TARGET	2024 TARGET	2025 TARGET
KPI 1 – EGU/IGU apprenticeships	1	2	3
KPI 2 – Employees and trainees employed for at least 13 weeks	6	6	7
KPI 3 – Number of people from the fringes of the labour market who are currently employed with a contract. (This may be flexi-jobs, employees with a diagnosis or other + new hires after a work placement).	10	11	12
- KPI 3 relative to the total number of employees	13.5%	14.1%	14.6%

## SOCIAL AND MANAGEMENT DATA

Social data for the entire organisation in 2021 and 2022:

SOCIAL DATA	TOTAL FIGURE		UNIT
	2021	2022	
<b>SOCIAL AND EMPLOYEE CONDITIONS</b>			
Covered by a collective agreement	56	53	Number of people
Not covered by a collective agreement	47	52	Number of people
Full-time workforce	103	105	Number of people
Employee turnover	26	26	Number of FTEs
Absence due to illness**	845	1318	Days
Absence due to illness**	8.2	12.6	Days/FTEs
Accidents at work in total****	3	4	Number
<b>GENDER DIVERSITY</b>			
Women	31	32	Number of people
Men	72	73	Number of people
<b>GENDER DIVERSITY OF MANAGEMENT TEAMS</b>			
Managers in total	17	16	FTEs
Women	4	5	FTEs
Men	13	11	FTEs

\* In Latvia it is not possible to be covered by a collective agreement.

\*\* Absence due to illness includes long-term sickness, general sickness and Covid-19 related sickness

\*\*\* Child's sick day is part of the number of sick days at VT East.

\*\*\*\* This figure includes all accidents at work, regardless of severity.

In 2022, we have seen an increase in the number of sick days compared to 2021. This is due to the fact that we have had several employees on long-term sick leave and Covid-19 sick leave – composition of the workforce.

GENDER PAY GAP	HITSA A/S		UNIT
	2021	2022	
Managers	1.0	1.2	times
Middle managers	0.9	1.0	times
Other white-collar staff	1.2	1.2	times
Hourly-paid staff	1.1	1.2	times

\* If there are fewer than 5 employees of one gender, the pay gap is not reported.

“Gender pay gap” shows by how many times the average male employee’s pay differs from the average female employee’s pay within different job grades in the organisation. The “gender pay gap” does not take into account job function, experience and level of education. It is important to emphasise that as a company we are constantly striving for equal pay for equal work. Data is only shown for HITSA A/S due to the low number of employees in subsidiaries.

On 1 September 2022, HITSA became part of CROWD’s organisational structure and became subject to CROWD’s management. ESG key figures for the Board of Directors at HITSA A/S level are therefore no longer considered to have the same relevance as prior to the acquisition.

MANAGEMENT DATA	2021	2022	UNIT
<b>PAY GAP BETWEEN CEO AND EMPLOYEES</b>			
HITSA A/S	2.6	2.5	times

“Management data” contains figures for the HITSA organisation. This table does not include figures for CROWD, which owns HITSA.

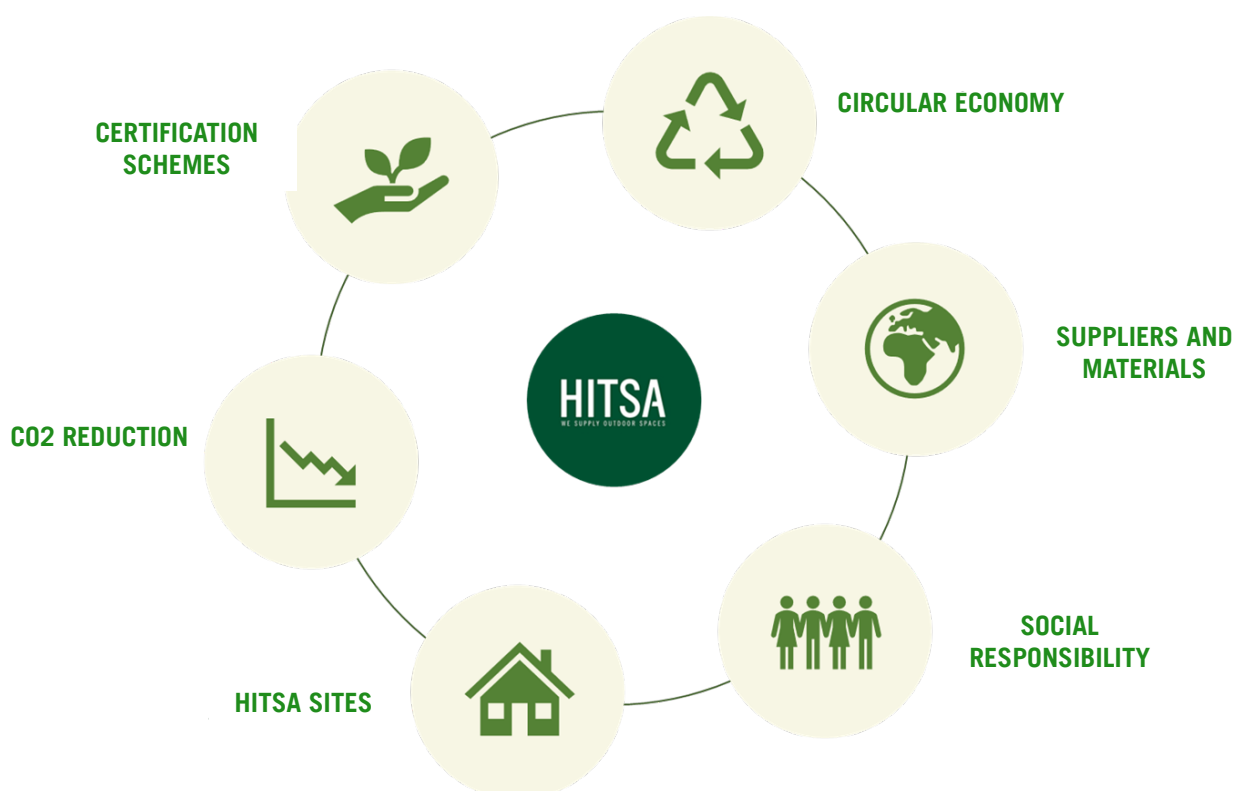


# SUSTAINABILITY WITHIN THE BUSINESS

HITSA is committed to the environment and climate. As a result we regularly monitor our environmental and climate impact and use this knowledge as far as possible to modify our actions for the good of the environment and climate. We will comply with the legal requirements applicable to our business and with the rules, decisions and binding commitments in the environmental field. We will actively address resource consumption and environmental impact, as well as measure, evaluate, analyse and manage environmental impact. Our annual environmental report documents, in the form of CO<sub>2</sub> calculations, ESG key figures, targets and objectives compiled in a CSR report. In general, we want to focus on documentation in order to make informed, reasoned decisions. This is the environmental policy that we, as a company, will follow.

One of the core principles that guides our work within our CSR and ESG strategy is the ROS concept. Our work must be Real, Operational and Visible (= abbreviated to “ROS” in Danish); in other words, it must make a real difference to environmental and social sustainability, it must be feasible, and it must be pragmatic.

**HITSA’s work on sustainability is based on the company’s Sustainability Strategy for 2020, which was revised in 2022. The CSR and ESG strategy is based on 6 main focus areas with objectives under each:**







## CO<sub>2</sub> REDUCTION

### Target achieved:

- The target of reducing CO<sub>2</sub> at HITSA DK and Lampas by 30% compared to 2019 has been achieved. This has mainly been achieved by consolidating the organisation at one site in Denmark, switching to LED lighting, and optimising gas consumption in production and for heating.
- By 2022, all electricity at the three sites will be derived from renewable energy.
- In 2022, a green consultant has assessed the company's facility in Denmark and the possibilities for using process heat, energy optimisation, alternative energy sources, renovations, etc. The next step is to develop new objectives and action plans for implementation.

### Target not achieved:

- New car policy not developed – target moved to 2023.

In the 2021 CSR report, the target for Scope 3's inclusion in the accounts looked different. It has become very clear to us that we need to accelerate the process of including Scope 3 in our annual CO<sub>2</sub> accounts earlier than previously thought. In order to reduce CO<sub>2</sub> in Scope 1 and 2, work has been undertaken throughout 2022 to adjust and optimise our production so that we can make the best possible use of energy sources and preferably reduce the amount used. The results of this can be found in our CO<sub>2</sub> accounts. The 2025 reduction targets have been met and therefore new ambitious and measurable targets will be set for the organisation during 2023.

### Strategy up to 2025:

	2022	2023	2024	2025
CO <sub>2</sub> reduction	CO <sub>2</sub> accounts for the entire organisation for Scope 1 and 2	CO <sub>2</sub> accounts for the entire organisation for Scope 1 and 2 Revise objectives for 2024 and 2025, including the entire organisation based on the 2021 figures.	15% reduction in Scope 1 and 2 compared to 2019 for HITSA DK and Lampas. Overall reduction target in 2024 for the entire organisation.	30% reduction in Scope 1 and 2 compared to 2019 for HITSA DK and Lampas. Overall reduction target for 2025 for the entire organisation.
Scope 3	Data on production waste are collected	Definition of what should be included in our Scope 3 calculation. LAMPAS Scope 3 accounting has been launched as a pilot project.	Phase-in of Scope 3 CO <sub>2</sub> accounts	Scope 3 calculation has been implemented and is part of the annual CO <sub>2</sub> accounts for the entire organisation
Renewable energy	Electricity throughout the organisation must come from renewable energy sources	Examining the possibilities for switching to renewable energy across the entire organisation (including gas and oil)	Start-up, implementation and change to renewable energy throughout the organisation	The entire organisation is powered by renewable energy or certifications on the purchase of consumption volume
Transport Electric cars	New car policy – for company-owned and leased cars	Installation of charging points and switch to electric cars begins	Switch to electric cars	Fully implemented in the first half of 2025
Transport trucks	Requirement for documentation from transport providers to be EURO6	Company-owned trucks must be EURO6-approved	Switch to biofuel for company-owned trucks	All internal and external transport must be powered by electricity or biofuels

## CERTIFICATION SCHEMES

### Target achieved:

- **HITSA achieved ISO 14001 certification in 2022.**
- **In 2022, HITSA joined the UN Global Compact.**

Certification schemes can set requirements for documentation and help to guide our work internally and externally. Certification schemes are a mark of quality and seriousness, demonstrating to customers that the product or company meets certain requirements.

HITSA has reached a milestone in our sustainability work in 2022, having achieved ISO 14001 certification in environmental management. This means that we now have an externally audited system to ensure progress in our environmental and sustainability work. Our team is all ready to go, our objectives have been validated and all data has been entered into the system.

There are a number of sustainability certification schemes, which we review and assess for relevance to our business. Targets and actions are set based on the company's own wishes, for example, to strengthen our management systems, or because they are directly requested by customers. HITSA is now certified in accordance with ISO 14001 and EN 1090, is FSC-certified and is part of the Green Network and UN Global Compact.

### Strategy up to 2025:

	2022	2023	2024	2025
ISO 14001	Certified in Denmark and Latvia	Involvement of the department in Sweden	Maintenance of certification	Maintenance of certification
ISO 9001	-	Commence preparatory work on ISO 9001 throughout the organisation	Implemented and full certification of ISO 9001 throughout the organisation	Maintenance of certification
UN Global Compact	Commitment to the UN Global Compact	Annual report	Annual report	Annual report
Nordic Swan Ecolabel	-	Explore the potential for certification	Selected products will be Nordic Swan Ecolabelled – new products will be Nordic Swan Ecolabelled	Selected products will be Nordic Swan Ecolabelled – new products will be Nordic Swan Ecolabelled
Emissions per product	-	LAMPAS CO <sub>2</sub> declaration at product level will be launched as a pilot project.	CO <sub>2</sub> declaration at product level has been implemented for HITSA and Lampas.	

# A CIRCULAR ECONOMY

## Target achieved:

- Waste guidance for our customers on end-of-life disposal of products is available on HITSA's website under operation and maintenance.
- Reduced total waste volume at HITSA DK and LAMPAS sites by 68% since 2019
- Reduced residual waste/combustible waste at HITSA DK and LAMPAS sites by 89% since 2019

## Target not achieved:

- Measure the entire waste volume at sites in Latvia and Sweden. Specific fractions are measured, but not all waste, as waste management is done differently than in Denmark. In 2023, the target will be adjusted so that all waste is measured at the Swedish site and specific fractions are measured in Latvia.
- Sustainability criteria for product design are still under development. This will continue in 2023.

A circular economy is all about keeping resources in the value chain as long as possible – or to put it simply, throwing away as little as possible. That includes recycling, reuse and extending the lifetime of products by, for example, servicing or repairing them. It makes good economic and environmental sense to reduce resource use through circular measures, such as increased material use (provided we get more products out of it), focusing on waste volumes, residues and waste from production, working with companies with circular business models and servicing/repairing our own products.

## Strategy up to 2025:

	2022	2023	2024	2025
Product design – development requirements	Sustainability criteria to be established for the development of new products with a focus on circular principles and lifecycle.	The development of criteria is continuing. Implementation in the design process for new products	Requirements to be reviewed and assessed to determine which are most effective. Changes to be made if necessary	Requirements to be reviewed and assessed to determine which are most effective. Changes to be made if necessary
End-of life guide	Waste sorting instructions for the materials used in HITSA's products are available to customers	-	-	-
Waste – reducing the total waste volume	Measure our total waste volume for the entire organisation	Maintain reduction and revise targets for Denmark (HITSA DK and Lampas). Introduce and measure waste volume in Sweden and Latvia.	Revised target under way.	Revised target under way.
Waste – Multiple fractions	Increase waste fractions at the site in Denmark	Increase waste fractions throughout the organisation	-	-
Reduce residual waste	15% reduction in residual waste from 2019 at HITSA DK and Lampas	Maintain reduction and revise targets for Denmark (HITSA DK and Lampas).	Revised target under way.	Revised target under way.

## SUPPLIERS AND MATERIALS

### Target achieved:

- **A Code of Conduct has been written**

Corporate responsibility, both social and environmental, has become an integral part of everyday life and has a strong internal focus, but we risk launching a lot of good initiatives internally within the organisation and forgetting that external interfaces also have an impact. Understanding where the materials we use are sourced and the impact this can have on local communities and the environment will need to be subject to greater focus going forward.

Surveying suppliers and materials based on a set of initial screening points will increase our knowledge of how we directly and indirectly impact environmental and social sustainability. With this knowledge, we will be able to select criteria that are relevant and feasible for future decisions on suppliers and materials. HITSAs is committed to the UN Guiding principles, of which the company’s Code of Conduct is a part.

### Strategy up to 2025:

	2022	2023	2024	2025
Code of Conduct	Develop our own Code of Conduct	20% of suppliers to sign up to compliance with the guidelines in our CoC	50% of suppliers have signed HITSAs’s CoC	80% of suppliers must have signed HITSAs’s CoC
Supplier management	-	Develop requirements for suppliers that they are expected to document and comply with	Dialogue with suppliers on complying with the requirements we impose on them in the future	Supplier requirements are an integral part of our supply chain



# HITSA SITES

---

**Target achieved:**

- All primary lighting has been switched to LED in Denmark and Latvia. In Sweden, all lighting in the office has been switched to LED.
- A report from a green consultant has been prepared for the site in Denmark with options for reduction and switching energy sources.
- Review of energy-intensive processes at the site in Denmark.

**Target not achieved:**

- Lighting in Sweden has not been switched to LED at the warehouse.

A green profile externally must be rooted in what we do internally. Naturally, what we ask of others we must do ourselves. By working on sustainability at our own sites, we make a significant positive difference to the environment (e.g. energy optimisation, biodiversity, cycling). In addition, it involves employees and strengthens the sustainability mindset internally, which in turn will allow us to be convincing and grounded in our sustainability communication.

**Strategy up to 2025:**

	2022	2023	2024	2025
Light sources	All primary lighting to be switched to LED		All lights in the organisation to be switched to LED	-
Chemicals	Analysing our chemicals and eliminating those we do not want. Investigating whether there is an alternative that is better for the environment. List of hazard statements that we want to avoid and procedure for purchasing new chemicals	Annual review of chemicals and associated data sheets	Annual review of chemicals and associated data sheets	Annual review of chemicals and associated data sheets
Fire	Updated evacuation plan	Annual fire drill and servicing of firefighting equipment throughout the organisation	Annual fire drill and servicing of firefighting equipment throughout the organisation	Annual fire drill and servicing of firefighting equipment throughout the organisation
Green consultant	Green consultant will review our consumption, process plants and facilities and provide an assessment of potential changes to be made within the company.	Further develop targets and actions based on data collected from consultant	Implement proposals from Green Consultant	Implement proposals from Green Consultant

## CO<sub>2</sub> ACCOUNTS, HITSA

HITSA has set a target to reduce our CO<sub>2</sub> emissions by 30% in Scope 1 and 2 by 2025. This applies to HITSA DK and Lampas. Since 2019 we have produced CO<sub>2</sub> calculations for HITSA DK and Lampas and expanded the accounts in 2021 to include the entire organisation. This means that 2022 is the first year when we can compare figures for two years across the entire organisation. Our CO<sub>2</sub> accounts include gas, electricity and fuel from owned and leased cars. See HITSA's environmental data for more detailed figures. We have calculated our CO<sub>2</sub>e emissions using Klimakompasset.dk from the Danish Business Authority. The latest available emission factors have been used for the calculations for the 2022 accounts calculated in January 2023 – the Danish Business Authority's emission factors from 2020 were used. The calculation is indicative only.

### Comments on the CO<sub>2</sub> accounts and environmental data for 2022:

CO<sub>2</sub> emissions for HITSA's and Lampas's Danish site have been reduced by 32% compared to 2019. This means that the 2025 target has been achieved.

The graphs show CO<sub>2</sub>e emissions in Denmark:



CO<sub>2</sub> emissions throughout the organisation: From 2021 to 2022, a reduction of 33% has been achieved.







**SCOPE 1:**

Is all direct emissions from owned or controlled sources, e.g. fuel from owned and leased cars, and gas in production activities.

**SCOPE 2:**

Is indirect emissions from purchased electricity and district heating.

**SCOPE 3:**

Includes indirect emissions related to goods and services in the value chain that are not controlled by the organisation.

The biggest challenge for most businesses lies in correctly calculating their Scope 3 emissions. This is also where most CO<sub>2</sub> emissions arise.

## HITSA's and LAMPAS's environmental data for 2021 and 2022:

TOTAL INPUT AND OUTPUT PER UNIT	TOTAL		HITSA A/S + LAMPAS A/S		HITSA AB		VT EAST	
	2021	2022	2021	2022	2021	2022	2021	2022
<b>CO<sub>2</sub> EMISSIONS</b>	<b>TONNES</b>	<b>TONNES</b>	<b>TONNES</b>	<b>TONNES</b>	<b>TONNES</b>	<b>TONNES</b>	<b>TONNES</b>	<b>TONNES</b>
Scope 1	759.4	556.7	656.7	469.6	50.9	45.0	51.8	42.1
Scope 2	227.2	104.3	113.7	73.7	35.1	9.8	78.4	20.8
Total CO <sub>2</sub>	986.6	661.0	770.4	543.4	86.0	54.9	130.2	62.9
<b>ENERGY CONSUMPTION</b>	<b>KWH</b>	<b>KWH</b>	<b>KWH</b>	<b>KWH</b>	<b>KWH</b>	<b>KWH</b>	<b>KWH</b>	<b>KWH</b>
Electricity consumption	1,074,496	880,313	763,697	664,836	96,199	88,012	214,600	187,246
... of which renewable energy	763,697	880,313	763,697	664,836	0	88,012	0	187,246
<b>ENERGY CONSUMPTION</b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>
Natural gas (heating)	235,925	199,355	235,925	199,355	0	0	0	0
... of which biogas	0	0	0	0	0	0	0	0
District heating	0	0	0	0	0	0	0	0
<b>ENERGY CONSUMPTION</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>
Diesel – heating oil*	12,200	9,600	0	0	0	0	12,200	9,600
<b>FUEL – OWNED AND LEASED CARS</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>
Petrol	7,558	9,603	6,020	7,403	1,538	2,200	0	0
Diesel	66,198	70,276	42,801	45,927	18,299	20,025	5,096	4,324
<b>WATER CONSUMPTION</b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>
Total water consumption	-	-	414	581	-	-	165	112
<b>WASTE</b>	<b>KG</b>	<b>KG</b>	<b>KG</b>	<b>KG</b>	<b>KG</b>	<b>KG</b>	<b>KG</b>	<b>KG</b>
Total waste volume	-	-	162,578	95,433	-	-	-	-

\* Purchased diesel, as we do not have consumption figures

## Danish sites – HITSA's and LAMPAS's environmental data for 2019-2022:

For the Danish sites, which are currently gathered on one site, measurements and calculations are available from 2019 onwards.

TOTAL INPUT AND OUTPUT PER UNIT	DANISH SITES: HITSA A/S + LAMPAS A/S			
	2019	2020	2021	2022
<b>CO<sub>2</sub> EMISSIONS</b>	<b>TONNES</b>	<b>TONNES</b>	<b>TONNES</b>	<b>TONNES</b>
Scope 1	576.1	645.8	656.7	469.6
Scope 2	224.3	298.1	113.7	73.7
Total CO <sub>2</sub>	800.4	943.9	770.4	543.4
<b>CO<sub>2</sub> EMISSIONS</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Reduction compared to 2019	-	-18	4	32
<b>ENERGY CONSUMPTION</b>	<b>KWH</b>	<b>KWH</b>	<b>KWH</b>	<b>KWH</b>
Electricity consumption	614,266	816,383	763,697	664,836
... of which renewable energy	0	0	763,697	664,836
<b>ENERGY CONSUMPTION</b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>
Natural gas (heating)	193,647	245,966	235,925	199,355
... of which biogas	0	0	0	0
District heating	0	0	0	0
<b>FUEL – OWNED AND LEASED CARS</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>L</b>
Petrol	1,120	3,946	6,020	7,403
Diesel	52,566	31,642	42,801	45,927
<b>WATER CONSUMPTION</b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>	<b>M<sup>3</sup></b>
Water	1,626	1,776	414	581
<b>WASTE</b>	<b>KG</b>		<b>KG</b>	
Total waste volume***	-	-	162,578	95,433

## WASTE

In 2020, the expansion of waste sorting at HITSA in Kolding began and was fully implemented during 2021. We now sort into 12 fractions: metal, plastic, wood, wood chips, electronic waste, paper, cardboard, plaster, concrete, glass, hazardous waste (e.g. waste oil) and residual waste. Metal and wood chips are sold for recycling and other purposes. Larger wood waste is taken by a start-up company that uses it in their production. Below are figures for HITSA in Kolding over the past 3 years. The remaining part of the organisation also sorts waste according to the regulations in Latvia and Sweden respectively. The waste volume is not recorded in the same way. A reporting system is being worked on for these sites so it can be used in relation to their sorting ratios, which will be shown in the 2023 CSR report.

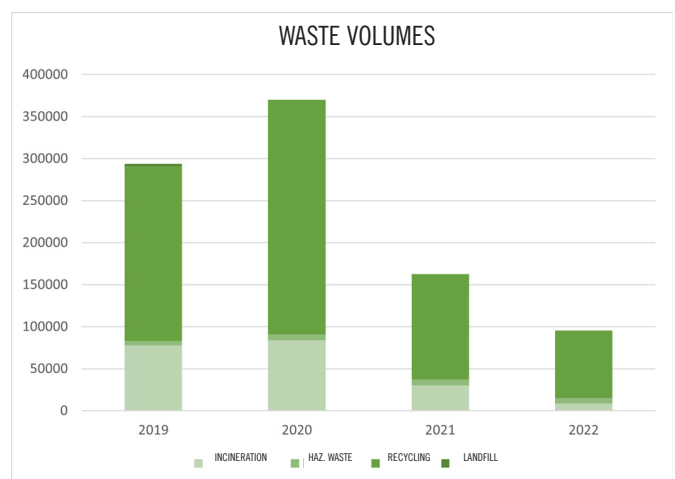
### Total waste volume at HITSA DK and LAMPAS

TOTAL	2019	2020	2021	2022
<b>KG</b>	<b>293,918</b>	<b>370,027</b>	<b>162,578</b>	<b>95,433</b>
% Recycling	71	75	77	84
% Incineration	26	23	19	9
% Hazardous waste	2	2	4	7
% Landfill	1	0	0	0
Kg Recycling	207,881	279,235	125,516	80,408
Kg Incineration	77,768	83,905	30,160	8,410
Kg Hazardous waste	5,129	6,887	6,902	6,615
Kg Landfill	3,140	0	0	0

### Reduction

REDUCTION COMPARED TO 2019	2022
<b>% TOTAL VOLUME</b>	<b>68%</b>
% Recycling	61%
% Incineration	89%
% Hazardous waste	-29%

### Waste volume in Denmark



## LAMPAS

---

Lampas is part of the HITSA Group and shares production and administration with HITSA in Kolding and Latvia. Therefore, Lampas also follows the HITSA Group's sustainability strategy. In addition, there are a few sustainability measures that are specific to Lampas and lighting.

By 2022, nine outdoor Dark Sky lights will be certified. This means that they have a light distribution and colour temperature that reduces light pollution and light nuisance. The International Dark-Sky Association has been responsible for the certification. The association works to raise awareness of the problems caused by artificial light, which, among other things, affects the circadian rhythms of animals and humans and outshines the stars in the night sky.

LED upgrade is another sustainability focus for Lampas. Lampas offers LED retrofit kits for a range of classic lights. The aim is to make it possible to reuse the light by switching to a light source with a longer lifetime and lower energy consumption. Also in 2022, a retrofit kit for a classic Lampas lamp was developed.

In 2023, Lampas will become the first company to reach the next sustainability milestone for the entire HITSA Group, the calculation of Scope 3 CO<sub>2</sub> emissions. We will use Lampas as a pilot project to calculate total CO<sub>2</sub> emissions in all three scopes and to declare CO<sub>2</sub> emissions at product level.

# ESG KEY FIGURES FOR 2022

Key figures are calculated according to the FSR formula. Calculation methods are attached. The figures include the entire HITSA A/S organisation.

REF.	ESG – ENVIRONMENTAL DATA	2021	2022	UNIT
<b>2.</b>	<b>CO<sub>2</sub> EMISSIONS</b>			
2.1	Scope 1	759.4	556.7	tonnes CO <sub>2</sub>
2.2	Scope 2	227.2	104.3	tonnes CO <sub>2</sub>
	Total CO <sub>2</sub>	986.6	661.0	tonnes CO <sub>2</sub>
<b>3.</b>	<b>ENERGY*</b>			
3.1	Energy consumption	16,073	14,037	GJ
3.3	Renewable energy share in %	18	23	%
<b>4.</b>	<b>WATER**</b>			
4.1	Water consumption	579	693	m <sup>3</sup>
<b>5.</b>	<b>WASTE***</b>			
5.1	Waste consumption	162	95	tonnes
	Recycling	77.2	84	%
	Incineration/thermal recovery	18.6	9	%
	Landfill	0	0	%
	Hazardous waste	4.2	7	%

\* Energy consumption and renewable energy share are corrected for 2021 due to calculation errors.

\*\* Water consumption excludes Sweden.

\*\*\* Waste is not calculated from Latvia and Sweden.

REF.	ESG – SOCIAL DATA	2021	2022	UNIT
<b>7.</b>	<b>SOCIAL AND EMPLOYEE CONDITIONS</b>			
7.6	Collective agreements*	54	50	%
7.8	Full-time workforce	103	105	FTE
7.9	Employee turnover	25	26	%
7.10	Absence due to illness	8.2	12.55	days/FTE
7.12	Accidents at work	15	19	factor
<b>8.</b>	<b>DIVERSITY</b>			
8.5	Gender diversity in the organisation	30	20	%

\* Collective bargaining coverage is not provided in Latvia. Without Latvia, coverage would be 67% in 2021, 65% in 2022.

REF.	ESG – MANAGEMENT DATA	2021	2022	UNIT
<b>12.</b>	<b>SENIOR MANAGEMENT AND OTHER MANAGEMENT TEAMS</b>			
12.1	Gender diversity of management teams	24	31	%
12.4	Pay gap between CEO and employees	2.6*	2.5	times

\* The figure given is for HITS A/S. Under the section on social responsibility, you can see an elaboration of the pay gap between the CEO and employees for the entire organisation. Here you can also see the gender pay gap.

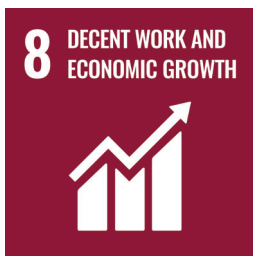
# THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT

---

In 2022, the HITSA Group has been working on the sustainability strategy, which supports the Global Sustainable Development Goals. We became a member of the UN Global Compact, and in 2023 we will submit the first report showing our efforts and objectives within the UN Global Compact's 10 principles for responsible businesses. The UN Global Compact is the UN's voluntary initiative for responsible businesses. The initiative is based on 10 principles in the areas of human rights, labour rights, the environment and anti-corruption – these principles are based on the UN Global Sustainable Development Goals. Member companies report on their progress and commitment annually.

In 2021, we chose to focus on three targets within the UN's 17 Sustainable Development Goals. These Sustainable Development Goals are in line with HITSA's current sustainability strategy.

---



## **Sustainable Development Goal no. 8**

### **Target 8.5:**

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

At HITSA, social responsibility is paramount. We want to measure gender equality and are making an effort to minimise the differences. Helping people from the fringes of the labour market has been HITSA's goal for many years. We are continuing with these efforts in order to improve inclusion and to take responsibility as a business in our local community.



## **Sustainable Development Goal no. 11**

### **Target 11.3:**

“By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.”

HITSA is aiming for our products to support a more sustainable world for many years to come, after leaving our production facility. Therefore HITSA aims to focus on holistic design, a circular economy and product lifecycles.



## **Sustainable Development Goal no. 12**

### **Target 12.5:**

“By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.”

HITSA is aiming for its production activities to support a greener world. We will therefore set targets for waste reduction and increased recycling.



# APPENDIX

## FSR – Danish Auditors’ framework

### Insight into calculation methods and definitions for HITSA’s ESG key figures

DATA	DESCRIPTION	CALCULATION METHOD
<b>ENVIRONMENT – ENVIRONMENTAL DATA</b>		
CO <sub>2</sub> equivalents, Scope 1	Direct emissions resulting from the company’s own combustion of fuels and materials	Greenhouse gases (GHG) are calculated based on each individual fuel type = $\sum$ (fuel type used in tonnes * conversion factor per fuel type) per fuel type. Subsequently normalised to CO <sub>2</sub> equivalents.
CO <sub>2</sub> equivalents, Scope 2	Indirect emissions from the energy used to produce electricity, district heating or district cooling purchased by the company for its consumption	Scope 2 emissions are calculated per country per purchased MWh of electricity and/or GJ of district heating/cooling
CO <sub>2</sub> equivalents, Total	Total emissions	$\sum$ (Scope 1 + Scope 2 + Scope 3)
Carbon intensity	Total emissions/turnover	$\sum$ (Scope 1 + Scope 2 + Scope 3)/total turnover for the year
Energy consumption	Energy consumption must include both Scope 1 and 2 sources (see previous definitions), including renewable energy consumption	$\sum$ (fuel type used (t) * energy factor per fuel type) per fuel type + (electricity used (incl. renewable energy) (MWh)*3.6) + (district heating/cooling used, incl. renewable sources of heating/cooling (GJ))
Energy intensity	Total energy consumption/turnover	Energy consumption/total turnover for the year
Renewable energy share	Proportion of total energy consumption coming from renewable energy sources	(Renewable energy/Energy consumption) * 100.
Water consumption	The total volume of water drawn within the boundaries of the company from all sources, including surface water, groundwater, rainwater and municipal water supply	Total water consumed – gross
Waste consumption	Total volume of solid materials leaving the company directly for waste management	Total waste – gross



HITSA A/S  
Albuen 37  
DK-6000 Kolding  
Tel. +45 75 57 41 55  
[hitsa@hitsa.com](mailto:hitsa@hitsa.com)  
[www.hitsa.com](http://www.hitsa.com)