



# Corporate Responsibility Report 2021



The better shopping experience

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## About HL Display

HL is an international supplier of store solutions for improved customer experience, profitability and sustainability. Our offer includes products within store communication and merchandising solutions as well as lighting systems, secondary displays and customised in-store solutions and services.

HL systems are installed in over 295,000 stores around the world. Head-

quartered in Stockholm, Sweden, the Group serves more than 70 markets. 27 of these are covered by HL sales companies, while the remainder is managed by distribution partners located across the globe.

Our biggest markets are the UK, Sweden and France, and we cater to customers mainly in food and non-food retail as well as branded goods sup-

pliers. Our five production facilities are located in Sweden, Poland, the UK and China and handle a variety of industrial processes, including plastics and metal fabrication, printing, assembly and more.

HL has 1,106 employees and net sales of 1,708 MSEK. HL is a wholly owned subsidiary of the listed Swedish investment company Ratos.

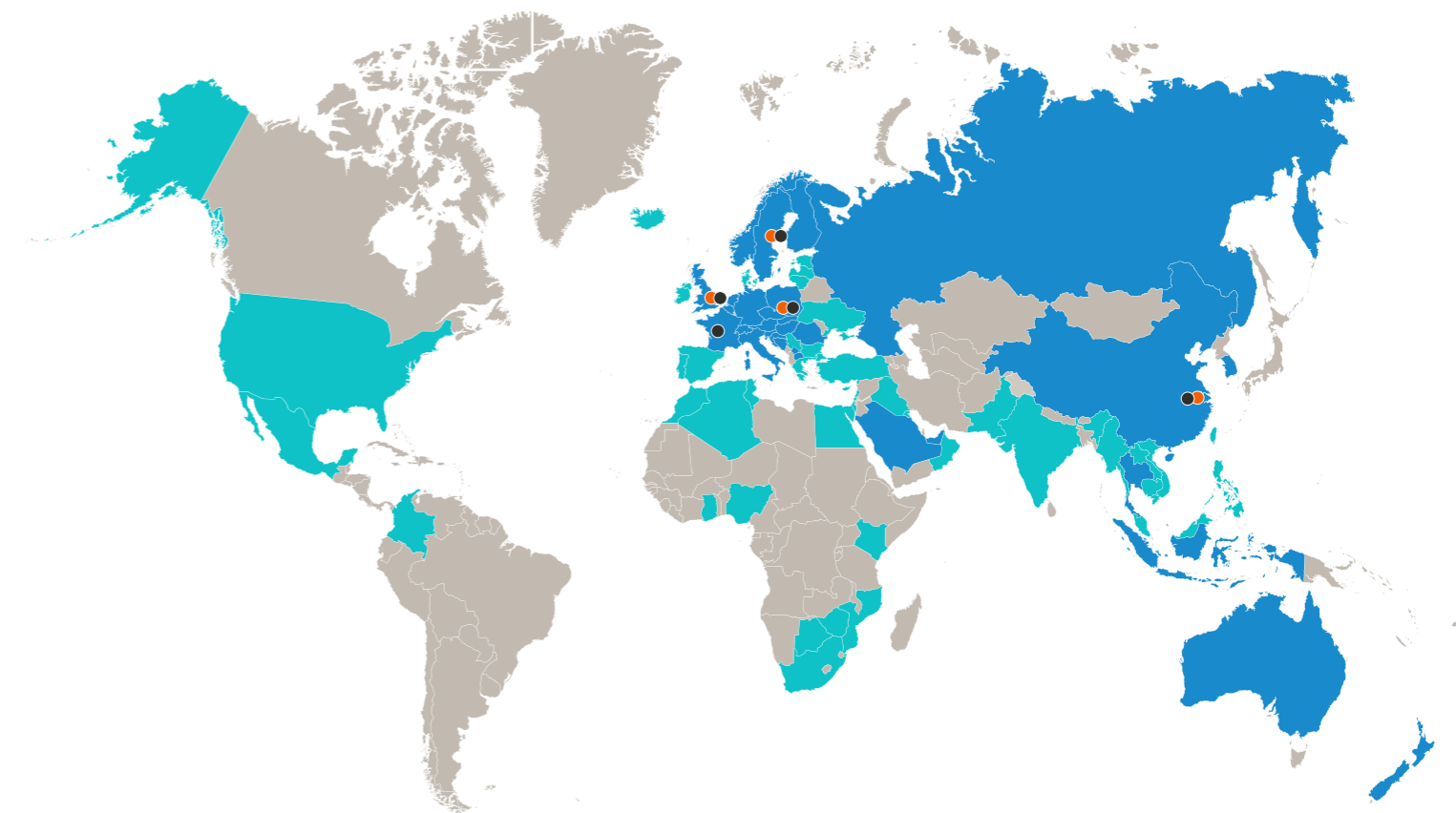
# Creating the better shopping experience

HL helps customers around the world to create attractive, profitable and more sustainable in-store environments that strengthen the consumer's shopping experience.

### Markets covered via

- HL Sales companies
- HL Partners
- HL Factories
- HL Regional distribution center (RDC)

*Business in Russia has been suspended since March 2022.*



### 2021 key figures

Stores

295,000

Markets

70+

Employees

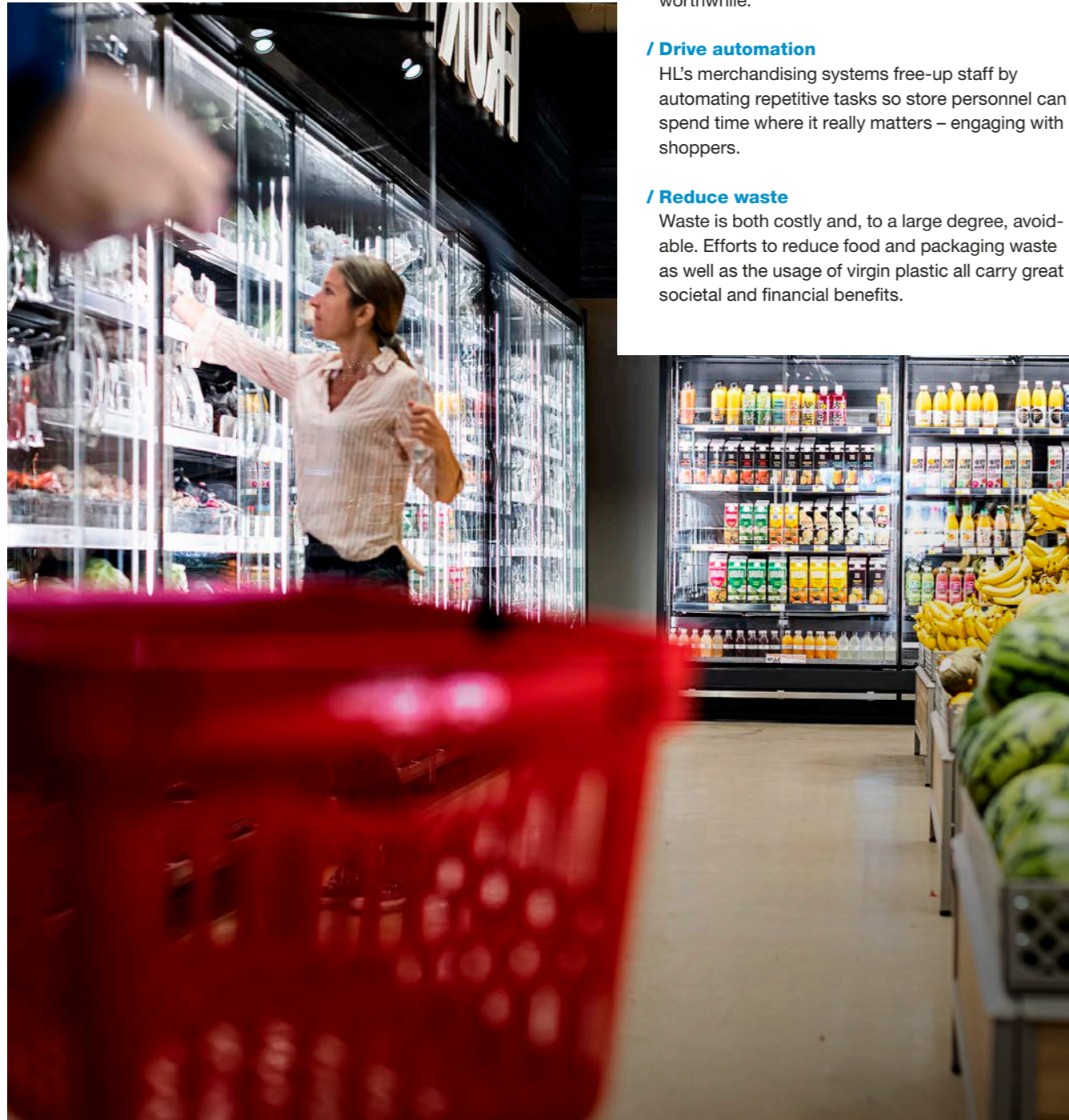
1,106

Net sales MSEK

1,708

# Our promise

With passion for retail development and pride in execution we partner with our customers.



## / Grow sales

More than 70 percent of shopping decisions are made in stores. Improving product presentation and reducing real or perceived out-of-stock is key to improve sales.

## / Inspire shoppers

With experience from working with the world's leading retailers and brands, HL has learned how to create solutions that create differentiation, inspire shoppers and make the shopping trip worthwhile.

## / Drive automation

HL's merchandising systems free-up staff by automating repetitive tasks so store personnel can spend time where it really matters – engaging with shoppers.

## / Reduce waste

Waste is both costly and, to a large degree, avoidable. Efforts to reduce food and packaging waste as well as the usage of virgin plastic all carry great societal and financial benefits.

# Message from the CEO



During 2021, we have successfully continued to build towards our vision of being the preferred partner for our customers, providing innovative and sustainable solutions and delivering a better shopping experience. While the ongoing pandemic as well as drastic increases in raw material and transport costs posed a significant challenge to the business, and the retail industry underwent significant changes driven by shifts in shopper behaviour, I am proud to say that we delivered the strongest financial results in HL's history. Looking back, there are many highlights:

We grew HL via acquisitions and welcomed Concept Data, CoolPresentations and our previous distribution partner Display Italia to the company, expanding our reach both in terms of customers and markets we serve.

While we continued to experience changing conditions and restrictions due to the pandemic throughout the year, markets where we saw the strongest impact of covid in 2020 recovered well and contributed to strong organic growth during 2021.

Despite the challenging circumstances with many HL team members working from home for longer periods of time and limitations to physical meetings and collaboration, there were no disruptions to operations and employee engagement remained high, all while maintaining our full team's safety as the number one priority. Building on our learnings from 2020, we continued to improve company-wide communication. One example is the HL global meeting which was live streamed from our own in-house studio to all employees to discuss the state of our business and our strategy and plans for 2022.

Last but not least, we made progress across all of our four focus areas of sustainability:

Sales of the HL Sustainable Choice range of solutions made from recycled or bio-based materials continued to grow by 12 percent compared to 2020, and we expanded our circular offer to include another major customer.

We also launched a new employee engagement tool which does not only enable us to benchmark with other companies more clearly but also helps us to drive actions and track our progress more easily.

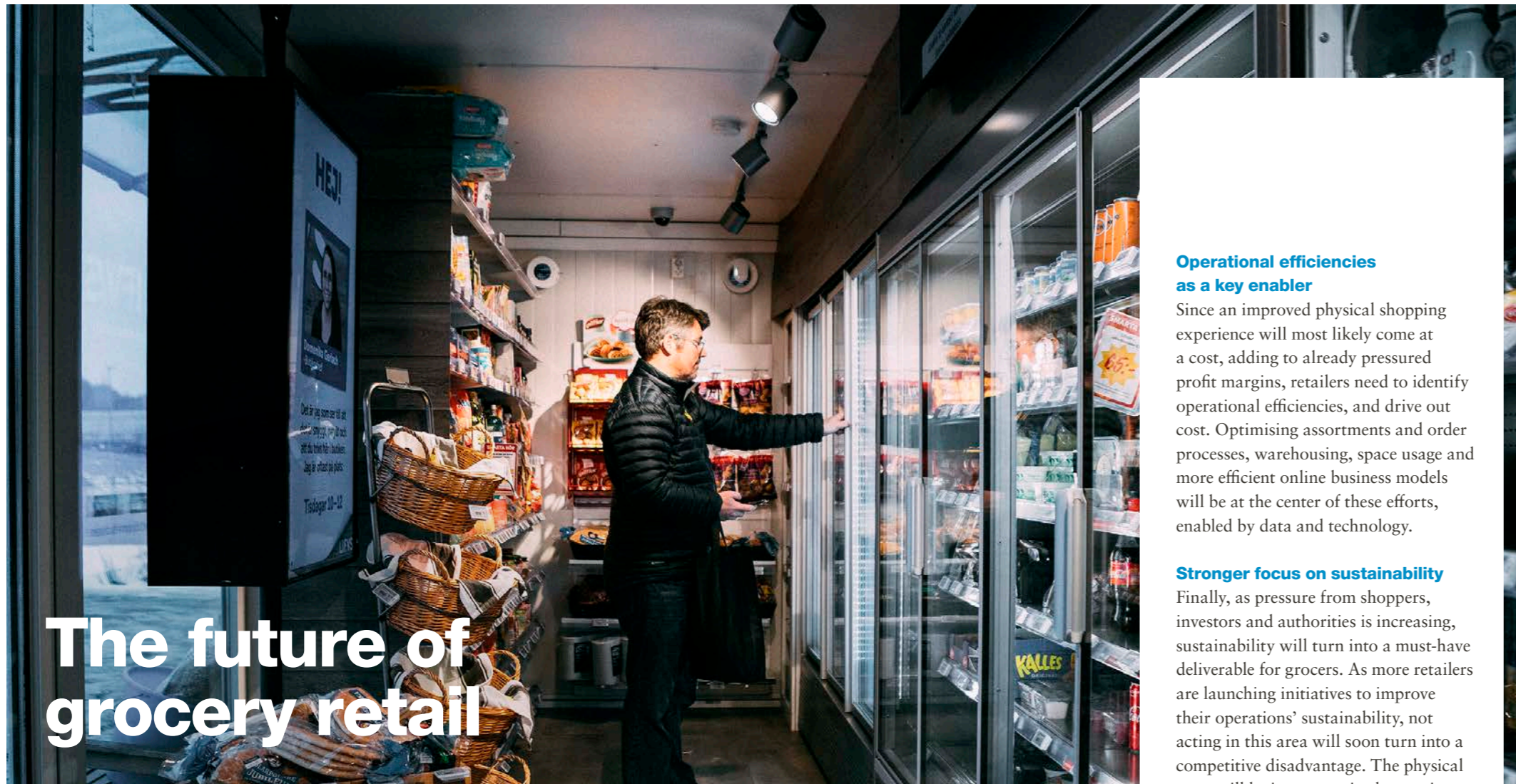
In an effort to reduce the climate footprint of our operations, our factory in Gliwice switched to green energy which previously was the single biggest contributor to our scope 2 emissions. Furthermore, we not only increased the amount of externally sourced high-quality recycled plastic but also improved our ability to recycle our own plastic waste to more than 40 percent, meaning we had more recycled plastic available to deliver more sustainable in-store solutions to our customers.

After committing to the Science Based Target initiative in 2020, we have set our targets and action plan to ensure the reduction of our climate footprint and are currently awaiting sign-off. Looking at our full supply chain, we have implemented a centralized system for supplier management which enables us to work with our suppliers in a structured way and to avoid risks. This is supported by the fact that now 93 percent of our important suppliers have signed our Code of Conduct for Suppliers, committing to the same policies and standards as HL.

As we move into 2022, the key challenges of 2021 remain, and we are facing new turbulences around the globe. However, I believe HL is well equipped to deliver another successful year, thanks to our proven ability to manage change and the strength of the HL team and of our business as a whole. 2022 will see us take more steps towards a more sustainable future, and it is with pride that I confirm HL's continued support for the UN Global Compact and renew our commitment to the initiative and its principles.

Stockholm, 31 March 2022

Björn Borgman  
CEO HL Display



# The future of grocery retail

## Megatrends shaping the retail landscape

Grocery retail is evolving constantly, and the last two years have accelerated the speed of transformation. Driven by the pandemic, shoppers changed the way they shop, preferring the one big weekly shop over several smaller trips throughout the week and shopping in smaller stores closer to home rather than those that are located near their place of work. While restaurants saw a decline in business, grocery retail mostly fared well during the pandemic. However, this has not been without challenges; apart from supply chain concerns, the quickly accelerating trend towards online grocery shopping has not just caused operational difficulties but has created profit pressure as well, as margins usually are below those of physical stores.

## An industry in flux

As restrictions eased up for periods of time during 2021, shoppers returned to some of their pre-pandemic behaviour. For example, as shoppers felt more comfortable visiting physical stores, they returned to their routine of several smaller shopping trips throughout the week, picking up dinner for the same evening or topping up previous purchases. While shopping for groceries online remained popular, growth in this segment slowed down significantly compared to the height of the pandemic.

Which changes will stick permanently, and in which areas shoppers will return to previous behaviours, remains to be seen. However, considering the advances in online grocery shopping and delivery and the pre-pandemic trend away from

hypermarkets to smaller, more convenient store formats, it is clear that grocery retailers are facing major challenges in maintaining their relevance to shoppers. To make the shopping trip worthwhile, grocery retailers will continue to launch new initiatives focusing mostly on three areas: experience, operational efficiency and sustainability.

## Experience making the shopping trip worthwhile

As many shoppers experienced the convenience of online shopping, retailers need to reduce friction for physical stores as well, while delivering inspiring, exciting and experimental experiences to justify a trip to the store. Assortment, especially in the area of fresh food, personalisation, store design and service will play an important role.

## Operational efficiencies as a key enabler

Since an improved physical shopping experience will most likely come at a cost, adding to already pressured profit margins, retailers need to identify operational efficiencies, and drive out cost. Optimising assortments and order processes, warehousing, space usage and more efficient online business models will be at the center of these efforts, enabled by data and technology.

## Stronger focus on sustainability

Finally, as pressure from shoppers, investors and authorities is increasing, sustainability will turn into a must-have deliverable for grocers. As more retailers are launching initiatives to improve their operations' sustainability, not acting in this area will soon turn into a competitive disadvantage. The physical store will be important in showcasing retailers' efforts: from more environmentally friendly store design incorporating wood, recycled materials and energy-saving technology, to reducing food waste as well as the use of plastic and packaging, increasing recyclability and electrical charging stations outside of the store. The store is where retailers can present the results of their sustainability work. Beyond environmentally focused actions, enabling shoppers to make healthier choices will be another focus area for retailer activity.

Whichever initiatives grocery retailers choose to prioritise going forward, one thing remains true: it is changes in shoppers' behaviour and expectations that drive development. Retailers who put these changing needs at the heart of their operations will not only earn shoppers' loyalty but also secure their businesses' future success.

## Our mission

Make retail an experience, not just a transaction

## Our vision

To be the preferred partner for innovative and sustainable solutions delivering a better shopping experience around the world

## Our strategy

### / Growing Business & People

Growing our business profitably and continuously developing our people is essential to what we do. Leveraging our unrivalled market presence, experience in the industry and cutting-edge innovation, our entities are able to grow sales organically, and businesses we acquire allow us to accelerate profitable growth.

### / Leaders on Innovation & Sustainability

Our passion for grocery retail translates into an industry-leading portfolio of retail proof solutions that solve our customers' challenges. We innovate to create shopping experiences that are truly better. Inspiring shoppers, growing sales and reducing cost, and helping make stores more sustainable... and our own operations too.

### / Best in Class Cost Efficiency

As European leaders we drive scale that benefits our customers and ourselves. Continuous improvement in production, sourcing and logistics make cost a competitive advantage. We strike a healthy balance between standardisation and uniqueness, and drive digitalisation to reduce cost and increase speed.

### / Easy to do Business with

We partner with our customers to grow their businesses. Excellent customer service, strong local market presence and a mindset of making things easy for those around us ensure an outstanding customer experience. Applying the same principles to our internal operations, this is a source of pride for us and true value for our customers.

# Highlights 2021

Our vision is to be the preferred partner for innovative and sustainable solutions delivering a better shopping experience. After 2021, we are now one step closer to fully ingraining sustainability into our daily operations and culture.

## Growing the HL family

### Integration of our new employees

The employees of the three companies we acquired during 2021 will benefit from being part of a larger team, which will provide them with more growth and development opportunities. To make sure that all new employees feel valued, engagement action plans have been set. These plans focus on a combination of recognition, feedback, coaching, camaraderie and communication.



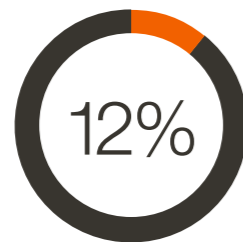
### Gaining in-house capability and efficiency

Through our three acquisitions, we have not only gained new capabilities, but also the opportunity to insource additional volumes to achieve better utilisation of resources and increase efficiency in our factories as well as in logistical processes.

## Helping customers to reduce waste

### HL Sustainable Choice grew by +12 percent

Once again we have lived up to our ambition of delivering a sales growth of the Sustainable Choice offer by +10 percent year on year. During 2021, we also grew our Sustainable Choice assortment to include more solutions made from recycled material.



### Prototype of packaging-free solutions for liquids

We have begun collaborating with a French liquid dispensary supplier to create a prototype for liquid bins. We plan to launch our packaging-free liquid bin solution to the larger European market in 2022.

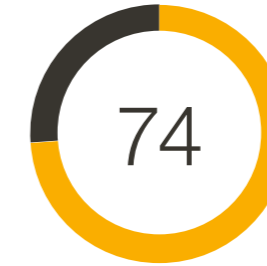
### Enabling more companies to close the loop

During 2021, we expanded our system to retrieve our own products at the end of their lifecycle, industrialised our process for end-of-life treatment and launched a new customer case. The circular set-up allows us to use our own products as recycled raw material, avoiding incineration at end-of-life.

## Creating the best workplace

### Work-life balance score of 74

We reached a score of 74 for the statement 'I am successfully able to balance my work and personal life', an achievement compared to the global benchmark score of 71.



### Introducing a new employee engagement survey tool

In 2021, we implemented a new engagement survey tool that allows us to gain new insights, compare our results to global benchmarks, improve survey access in our factories and Regional Distribution Centers, and build better action plans to improve results going forward.

### Investing in cross functional collaboration

In 2021, we launched Project Innovation Booster with the goal to accelerate our innovation pipeline. In this forum, HL employees across functions and geographies share insights and collaborate to solve customer challenges and develop new HL solutions.

## Driving continuous improvement in operations

### Cutting emissions by moving to green energy

The HL factory in Gliwice switched its energy supply from coal-based to 100 percent renewable energy, decreasing our emissions significantly.

### Setting our targets and action plan in accordance with the Science Based Targets initiative

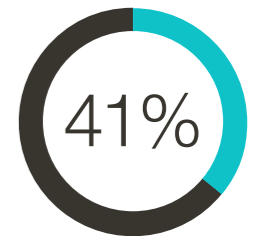
In 2021, we set our targets and action plan to ensure the reduction of our climate footprint in line with the Science Based Targets initiative's ambition. We are currently awaiting their approval.

### Relocation of Regional Distribution Center for better utilisation and use of green technology

RDC Central was relocated to a smaller warehouse which is more suited to the capacity required and is equipped with green technology such as LED lighting.

### Our own well leads to decrease in water consumption from municipal sources

In 2020, the Sundsvall factory installed its own well, leading to an 88 percent decrease in our water consumption from municipal sources in 2021.



### Increased capacity for recycled material

We continue to recycle an increasing amount of internal plastic waste for each year that passes; in 2021 we recycled 41 percent compared to 36 percent in 2020.

## Ensuring responsibility throughout the supply chain

### 93 percent of important suppliers signed our Code of Conduct for Suppliers

In 2021, we launched our Code of Conduct for Suppliers, an updated version of our Purchasing Policy. 93 percent of our important suppliers signed the Code of Conduct during the past year, exceeding our goal of 90 percent of our important suppliers.

### A centralised system for supplier management

We began using our new supplier management system which allows us to store and gather data and important documents pertaining to our suppliers. The system enables us to have a more methodical engagement with our suppliers, allowing us to monitor and follow-up with them, thereby helping us avoid risk in the supply chain.

### Launch of our self-assessment questionnaire

We began distribution of our self-assessment questionnaire through our supplier management system in 2021. Our target for 2021 was for all of our important suppliers to be covered in our supplier risk assessment. During the past year, 92 percent of our important suppliers completed the questionnaire.

# Managing corporate responsibility at HL

Our commitment as a leader in our industry to creating a better shopping experience is also a commitment to sustainability.

## Corporate Responsibility Policy and HL's commitments

HL's operations are built upon the company's values, vision and mission. We outline our approach to corporate responsibility in our [Corporate Responsibility Policy](#), Code of Conduct and [Code of Conduct for Suppliers](#). The Corporate Responsibility Policy describes the HL's corporate responsibility ambitions and is discussed and approved annually by the Group Management Team and the Board of Directors. The Corporate Responsibility Policy was updated in 2021. Read more about our policies [on our website](#).

HL has been a member of the United Nations Global Compact since 2010. The principles of the Global Compact on human rights, labour, environment and anti-corruption have been, and continue to be, an integral part of our strategy, culture and day-to-day operations. During 2020, HL became signatories of the Science Based Targets initiative, and our targets are pending approval.

"At HL, we see sustainability as a way of operating."

Björn Borgman, CEO HL Display

## Management of corporate responsibility

The Group Management Team has the overall responsibility for HL's sustainability efforts, while local entities have a high degree of responsibility for sustainability work on a daily basis, particularly in regard to the environment and health and safety at production facilities. Corporate responsibility performance is evaluated and reported to the Group Management Team following a defined reporting frequency.

## Our Stakeholders

### Employees:

HL's 1,106 employees, located across 27 countries, are fundamental to everything we do. We invest in developing the best possible workplace on a continuous basis, and in having an ongoing and transparent dialogue around achievements, opportunities, and expectations – a key prerequisite for creating a motivational work environment where all employees feel encouraged to develop and be involved.

#### We engage through:

- / Day-to-day coaching and dialogue within teams
- / Highlight Employee Engagement survey
- / Regular communication with our employees
- / Performance appraisals twice per year

#### Some of the topics raised:

- / Health & safety
- / Opportunities for learning & development
- / Diversity & equal opportunities
- / Work-life balance
- / Team dynamic and working environment

### Shoppers:

As shoppers' lifestyles are evolving, so are their needs, expectations, and demands. Understanding and adapting to those changes by delivering more sustainable shopping experiences that are also safe, convenient and inspiring is vital to our customers' success and, in turn, our own.

#### We engage through:

- / Account reviews and feedback from our customers
- / Shopper insight research

#### Some of the topics raised:

- / Safety while shopping
- / More sustainable stores
- / Better shopping experiences

### Customers:

HL caters to customers within grocery and non-food retail, as well as branded goods suppliers. Retail continues to evolve at a fast pace, driven by shopper expectations and demands, legislation and technological progress. HL supports customers to create inspiring in-store environments that are both attractive, profitable and more sustainable.

#### We engage through:

- / Regular digital or physical meetings
- / Social selling and advertising
- / Virtual or physical retail fairs

#### Some of the topics raised:

- / In-store health and safety of shoppers and store employees
- / Responsibility throughout the supply chain
- / Reduction of food, plastic and packaging waste
- / Long-lasting, high quality products

### Suppliers:

HL's suppliers play a vital part in our ability to deliver innovative and sustainable solutions for better shopping experiences. The development and availability of quality materials – including alternatives to virgin fossil-based plastic – or finished goods are at the core of HL's offer to our customers.

#### We engage through:

- / Regular meetings and dialogue
- / Supplier self-assessment questionnaires
- / Cooperation with suppliers for recycled material
- / Supplier audits

#### Some of the topics raised:

- / Development and sufficient availability of more sustainable materials
- / Ethics and ways of doing business
- / Value creation



# Materiality review and focus areas

Our material sustainability topics lay the groundwork for our sustainability focus and efforts.

In a time of a rapidly changing external environment and an increasing number of stakeholder demands, it is essential to focus on what is most material. In 2020, we updated HL's materiality assessment with the goal of determining the most important sustainability topics to concentrate on going forward.

Internal stakeholders were engaged in the assessment and the results were discussed with HL management. The assessment considered several different aspects: the importance and relevance of the topics to HL's business, the expectations of HL's most important stakeholders and the degree of impact

that HL can have on the topics. The assessment concluded that HL will concentrate on the same four focus areas as before but some of the topics within those areas have been updated to reflect the developing landscape.

In 2019, we reviewed the **UN Sustainable Development Goals** and identified the ones which we have the biggest impact on through our business and sustainability efforts. Three development goals were selected as the most important ones to address:



**Goal 8.**  
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

**How do we impact this goal?**

- Efficient production processes, including waste management and use of recycled and bio-based materials.
- Our Code of Conduct and Code of Conduct for Suppliers set the standard for doing business, for ourselves and our suppliers.
- Health & safety of our employees.

Read more about our efforts under "Driving continuous improvement in operations" and "Ensuring responsibility throughout the supply chain".



**Goal 10.**  
Reduced inequality within and among countries.

**How do we impact this goal?**

- Recruitment and HR practices including diversity, promotions, salary and more.
- Our Corporate Responsibility Policy has an increased focus on diversity.
- Our Whistleblower process ensures concerns about inequality can be raised easily without fear of negative consequences.

Read more about our efforts under "Creating the best workplace" and "Ensuring responsibility throughout the supply chain".



**Goal 12.**  
Ensure sustainable consumption and production patterns.

**How do we impact this goal?**

- Our solutions enable our customers to reduce waste and their environmental footprint.
- HL Sustainable Choice offers alternatives to virgin fossil-based plastic.
- We continuously work to reduce the carbon footprint of our operations.

Read more about our efforts under "Helping customers to reduce waste" and "Driving continuous improvement in operations".

## Focus areas and material topics:



Helping customers to reduce waste



Creating the best workplace



Driving continuous improvement in operations



Ensuring responsibility throughout the supply chain

**Prioritised topics**

- |   |   |   |   |
|---|---|---|---|
| <ul style="list-style-type: none"> <li>Expand our Sustainable Choice offer.</li> <li>Focus on end-of-life treatment of products.</li> </ul> | <ul style="list-style-type: none"> <li>Ensure safe work environments for our employees.</li> <li>Embrace diversity and equality of our employees.</li> <li>Develop and build on employee engagement.</li> </ul> | <ul style="list-style-type: none"> <li>Increase use of recycled and more environmentally friendly materials.</li> <li>Reduce the carbon footprint of our operations.</li> </ul> | <ul style="list-style-type: none"> <li>Have a comprehensive supplier risk assessment.</li> <li>All HL suppliers to sign and adhere to Code of Conduct for Suppliers.</li> </ul> |
|---|---|---|---|

**Other topics we work with**

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>Offer products that are resource efficient and long-lasting.</li> <li>Provide information about the environmental impact of our products.</li> <li>Reduce food waste.</li> <li>Reduce consumer packaging.</li> </ul> | <ul style="list-style-type: none"> <li>Create a workplace where people live our values.</li> <li>Ensure that all our employees sign and adhere to our Code of Conduct.</li> <li>Provide ongoing professional development and opportunities for personal growth.</li> </ul> | <ul style="list-style-type: none"> <li>Reduce raw material consumption.</li> <li>Reduce water consumption year on year.</li> <li>Improve the efficiency of transportation.</li> <li>Have all our factories certified according to ISO 14001 and ISO 9001 standards.</li> </ul> |
|---|--|--|

**Results 2021**

- |  |  |   |   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>Increased sales of our HL Sustainable Choice by 12 percent.</li> <li>Circular offer is ready to be extended across Europe.</li> </ul> | <ul style="list-style-type: none"> <li>8 accidents leading to absence.</li> <li>Comparison vs targets on equal opportunities and employee engagement is not possible due to change of employee engagement survey tool.</li> </ul> <p>Read more on page 24.</p> | <ul style="list-style-type: none"> <li>Targets and reduction plan sent to Science Based Targets initiative, pending approval.</li> <li>Use of recycled material increased by 12 percent.</li> </ul> | <ul style="list-style-type: none"> <li>92 percent of important suppliers* completed the self-assessment.</li> <li>93 percent of our important suppliers signed the Code of Conduct for Suppliers.</li> </ul> <p><small>*Important suppliers account for 80 percent of our total spending.</small></p> |
|--|--|---|---|

✔ We (over-)delivered on our target    
 ⋯ Good result with room for improvement    
 ✘ We have missed our target

**Targets 2022**

- |  |   |  |   |
|--|---|--|---|
| <ul style="list-style-type: none"> <li>To increase sales of the HL Sustainable Choice offer by 10 percent year on year.</li> <li>Launch our circular offer on major European markets.</li> </ul> | <ul style="list-style-type: none"> <li>No accidents leading to absence.</li> <li>HL's annual employee engagement survey:                     <ul style="list-style-type: none"> <li>Overall engagement index of 76.</li> <li>Score of 73 for 'Regardless of background, everyone at HL Display has an equal opportunity to succeed'.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>Have targets approved by Science Based Targets initiative and deliver on CO<sub>2</sub> reduction plan.</li> <li>Increase the use of recycled material with 10 percent year on year.</li> </ul> | <ul style="list-style-type: none"> <li>Have suppliers accounting for 85 percent of spend to be covered in our supplier self-assessment.**</li> <li>For 95 percent of our important suppliers to have signed our Code of Conduct for Suppliers.</li> </ul> <p><small>**This will include all important suppliers</small></p> |
|--|---|--|---|

Read more on page 14

Read more on page 20

Read more on page 28

Read more on page 38



#### Prioritised topics

- / Expand our Sustainable Choice offer.
- / Focus on end-of-life treatment of products.

#### Other topics we work with

- / Offer products that are resource efficient and long-lasting.
- / Provide information about the environmental impact of our products.
- / Reduce food waste.
- / Reduce consumer packaging.

#### Key achievements

- / Implemented new tool for tracking our carbon footprint.
- / Expanded our Circular Offer.
- / Expanded the HL Sustainable Choice range.

#### Results 2021

- ✓ Increased sales of HL Sustainable Choice offer by 12 percent year on year.
- ✓ Circular offer is ready to be extended across Europe.

#### Targets 2022

- / To increase sales of the HL Sustainable Choice offer by 10 percent year on year.
- / Launch our circular offer on major European markets.



# Helping customers to reduce waste

HL provides solutions to retailers and branded goods suppliers to create shopping experiences that are better for profit and planet.

#### Our solutions support clients in developing more sustainable stores

A better shopping experience is also a more sustainable shopping experience. Not taking action is no longer an option, and we are happy to see this reflected in the increased urgency and demand for more sustainable solutions from consumers and customers, especially branded goods suppliers. According to our latest customer survey, our customers' expectations in regards to sustainable materials and solutions have been growing. They view HL as a potential pioneer in the area of sustainable in-store communication and merchandising solutions. This is a challenge we are more than willing to accept, as helping customers to develop long-term sustainable businesses is a priority for us.

We support our customers by providing them with innovative ways to reduce their environmental footprint. For example, we save resources, reduce food waste and decrease the use of virgin ma-

Our customers' **expectations in regards to sustainable materials and solutions have been growing.** They view HL as a potential pioneer in the area of sustainable in-store communication and merchandising solutions.

terials in a myriad of ways, such as the increased use of recycled or bio-based materials. The use of sustainable materials has become more commonplace in HL products for every year that passes, and we aim to encourage and enable a more circular flow of components and solutions by, for example, closing the loop and reducing the dependency on virgin fossil-based resources.

#### Helping customers reduce packaging and food waste

In recent years, we have seen an increasing awareness of shoppers around issues relating to packaging, plastic and food waste which is impacting

our customers and their need for more sustainable solutions. We aim to help our customers reduce packaging and food waste by offering solutions ranging from bins for packaging-free merchandising to our Sigma™ system. With Sigma™, a tailor-made modular merchandising solution, our customers can create stunning displays that showcase a larger variety of produce while minimising the need for large volumes of on-shelf inventory. Made from food-approved coated aluminium, the shelving and racking units will never rust, peel, chip or flake. Aluminium is



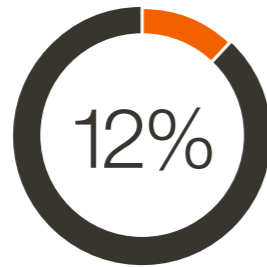
## Helping customers to reduce waste

one of the best temperature conductors, drawing out and dissipating heat faster than steel, ensuring effective cooler circulation and maximizing refrigeration air flow. Through Sigma™, our customers have seen both a reduction of food waste as well as an increase in sales.

### Packaging-free merchandising accelerating across Europe

An increasing number of retailers and brands are merchandising products unpacked in dedicated shelf sections, aisles or sustainable stores. The shift towards loose merchandising of goods is a consumer-driven trend, accelerated by a growing awareness of the environmental impact of individual consumption, as well as the possible cost benefits of bulk merchandising. Demands by authorities and other stakeholders fuel this trend further. As a result, the reduction of plastic usage and waste is becoming a top priority for a growing number of retailers and brands. Historically, France has been leading in the area of packaging-free goods, and there is now legislation in place where 20 percent of store floor space must be dedicated to bulk merchandising by 2030. In other countries such as the UK and Germany, we see an expansion of packaging-free merchandising and zero waste stores, and we expect this trend to continue to spread across Europe in the coming years.

Apart from satisfying increasing demand, the display and dispensing of loose products give retailers an opportunity to create differentiation, reduce waste and drive higher margins. It also provides shoppers with a more authentic experience and greater options;



**Sales of HL Sustainable Choice** accounted for 12 percent of total sales

they can pick their favourites and buy exactly the amount they need, all while avoiding unnecessary packaging.

In 2021, we continued developing and expanding our range of packaging-free merchandising solutions. For example, we have recently supported Nestlé's Nescafé brand in France. Consumers can now bring their empty iconic Nescafé packaging to the store and have it refilled with freeze-dried coffee. We also began collaborating with 3JD, a French liquid dispensary brand to create a prototype for liquid bins. In Europe, the regulation around liquids is high, for example in the case of cleaning products due to the chemical ingredients. However, liquid bins currently existing on the market do not fully take this into consideration.

Furthermore, shopping products merchandised in bulk requires a change in existing shopping behaviour. For example, shoppers might need to bring their own containers and there are limited possibilities to provide relevant product information. Therefore, offering a full category solution for packaging-free merchandising is a significant opportunity.





**Helping customers to reduce waste**

**238 tonnes**

**In 2021, we were able to increase our sourcing of recycled material from external parties to 238 tonnes (2020: 210 tonnes).**

However, demand for high-quality recycled materials continues to outpace supply, making it difficult to secure supply where both source and materials can be traced. Furthermore, balancing customer expectations on appearance and cost with the available material continues to be a challenge. In 2021, we continued to develop our sourcing project for recycled plastics, and focused on increasing our pool of reliable suppliers of high-quality recycled material. Read more about our recycled materials on page 31.

**Moving towards a circular economy**

HL is taking active steps to drive development towards a circular economy, and we have now successfully developed a circular offer that can be expanded across Europe. We began implementing a set-up to collect our own products at the end of their life in 2020. By doing so, we have been able to solve some of the challenges around sourcing recycled material of sufficient quality, and are able to avoid having our products be disposed of in incinerators or at a landfill. By closing the loop, we see a great potential to reduce CO<sub>2</sub> emissions. For example, the life cycle analysis for our datastrips shows that approximately 40 percent of emissions come from incineration at end of life\*.

In 2020, we launched a pilot project with Tesco in this area, which has been nominated for an award in the UK, and one year later, we launched a similar circular project with Kesko in Finland. In

2022, we plan to launch the closed-loop offer on the larger European market, partially through our spring sales cycle focusing on sustainability. However, it will take a long time to apply the solution to a wide range of companies, in part due to the challenge of retrieving the material in an efficient way.

**Understanding the impact of our products**

We actively work to understand the environmental impact of our products' whole life cycles. Therefore, we have conducted two life cycle assessments (LCA) in order to understand how our products affect the environment, and in turn communicate this to our customers to help them make more sustainable choices. We conducted our first assessment in 2017, together with IVL (Swedish Environmental Research Institute). This showed that 40 percent of the CO<sub>2</sub> emissions related to our datastrips come from raw material, 40 percent come from incineration at end-of-life, 15 percent come from our own operations in Sundsvall, and the remaining 5 percent are related to transportation.

We did not complete the planned life cycle assessments for two of our products during 2021, however, we began a new lifecycle assessment to understand the carbon footprint of the material we recycled within our circular offer.

Going forward, our aim is to continue compiling this information by conducting life cycle assessments and developing a flexible and efficient way to estimate the carbon footprint of our products.

\*Based on the Life Cycle Assessment for products at HL Display AB, Study made by IVL, 2017.

**HL Sustainable Choice continues to grow**

In 2018, HL launched Sustainable Choice, a range of merchandising solutions made from bio-based or recycled materials developed in collaboration with academic research institutions. The product offering began with datastrips and shelftalkers, and already in 2019 we were able to offer customers a Sustainable Choice for 37 percent of the assortment. Since then, we have seen a growing demand for a Sustainable Choice option, especially from brand customers, and both in 2020 and 2021 sales of Sustainable Choice accounted for more than ten percent of total sales. To further support the shift to alternative materials, selected HL products are available only made with recycled plastics, such as Optimal™ dividers and our range of 4eBins™.

In 2021, we further expanded our portfolio of Sustainable Choice solutions, with frames and pushertracks now being made of 100 percent recycled material. Together these two products contain over 100 tonnes of material that can now be redirected from virgin material to recycled HIPS. We also offer two new tray solutions, Modulo and choco trays, made with recycled material. As we go forward, our aim is for the Sustainable Choice offer to be the default for HL solutions.

**Matching the supply of recycled materials with the demand**

The interest in recycled materials continues to grow rapidly and an increasing number of companies are making significant efforts to increase recycling and use of recycled materials. In 2021, we were able to increase our sourcing of recycled material from external parties to 238 tonnes (2020: 210 tonnes).

# Creating the best workplace

At HL, we aim to provide an inclusive and safe workplace where employees value their work, perform well and are given equal opportunities to develop. To ensure this, we continuously invest in creating the best workplace.

## Engaged employees are the driving force behind our success

HL has 1,106 employees operating in 27 countries in Europe, the Middle East and Asia-Pacific. HL is made up of many different professional groups, including sales representatives, factory workers, designers, procurement specialists, factory managers, warehouse employees and more, all of which play vastly different, but equally important, roles. The competence, performance and wellbeing of our employees are at the core of our business. We are committed to providing an inclusive workplace that not only attracts new talent, but also has a high retention rate.

## Integrating new employees into HL

In 2021, HL acquired three companies - Concept Data/Colour Display, Cool-Presentation and Display Italia. The acquisitions allow the employees of these companies to be part of a larger group, and provide them with more opportunities for growth and development. For example, as of 1 April 2022 the Sales Manager of our acquisition in the Netherlands has been promoted to lead our Benelux.

To ensure that all new employees feel valued, engagement action plans have been set. These action plans focus on a small number of priorities which could

include topics such as communication, sense of belonging or coaching and feedback. Furthermore, both at the time of acquisition and afterwards, we have sought input from our new team members in short, anonymous surveys to understand what people are thinking and feeling about the change in ownership and about joining HL. The results have been shared openly and followed up with through conversations, actions and more recently with our annual engagement survey. Read more about the engagement survey below.

## Employees by employment contract

	Nordic countries			Rest of Europe			Asia			Total		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent employees	71	141	212	333	375	708	43	51	94	447	567	1014
Temporary employees	8	7	15	42	30	72	2	3	5	52	40	92
<b>Total</b>	<b>29</b>	<b>148</b>	<b>227</b>	<b>375</b>	<b>405</b>	<b>780</b>	<b>45</b>	<b>54</b>	<b>99</b>	<b>499</b>	<b>607</b>	<b>1106</b>



### Prioritised topics

- / Ensure safe work environments for our employees.
- / Embrace diversity and equality of our employees.
- / Develop and build on employee engagement.

### Other topics we work with

- / Create a workplace where people live our values.
- / Ensure that all our employees sign and adhere to our Code of Conduct.
- / Provide ongoing professional development and opportunities for personal growth.

### Key achievements


- / Launched a new tool to measure employee engagement.
- / Regular engagement monitoring of new team members as part of integrating the recently acquired companies.
- / Launched our internal Innovation Booster Programme.
- / Reworked our car policy to encourage electric cars, and launched our bike leasing policy.
- / 93 Risk Observations were made in the Sundsvall factory to help prevent accidents from occurring.

### Results 2021

- ✘ 8 accidents leading to absence.
- n/a Comparison vs targets on equal opportunities and employee engagement is not possible due to change of employee engagement survey tool.

### Targets 2022

- / No accidents leading to absence.
- / HL's annual employee engagement survey:
  - // Overall engagement index of 76.
  - // Score of 73 for 'Regardless of background, everyone at HL Display has an equal opportunity to succeed'.



Creating  
the best  
workplace

74  
Score for 'I'm able to  
successfully balance  
work and personal life'

98%  
of employees had at  
least one performance  
review in 2021\*

\*According to HL's HR reporting system, covering all employees who have been working a minimum amount of time during the year. Excluded are e.g. employees on parental leave or new hires with less than three months in the company.

### Ensuring health and safety of employees

The health, safety and wellbeing of all of our employees is of the utmost importance. All of HL's employees enjoy a range of wellness benefits, ranging from wellness allowances and contributions to fees covering sporting event participation, to contributions to health checks and private healthcare services. For example, during 2021, we introduced BikeLease into our compensation package in Sweden. BikeLease is a bike leasing initiative which allows our employees to lease a bike and pay for it through deductions from their gross salary. Similarly, a bike-to-work scheme has been implemented for our employees based in the UK.

### There are also independent initiatives throughout the company to promote employee well-being and mental health:

- / Regular health checks every three years for all permanent and temporary employees at our Sundsvall factory.
- / Active rehabilitation work in close collaboration with our healthcare provider in Area North and Sundsvall Factory.
- / Annual medical checks for our employees in the UK based on job role. Full Occupational Health Assessments are offered where it is required.
- / Extended private medical insurance package for employees of the Gliwice factory.
- / Specific Covid-19 safety routines in all of our locations, including use of thermometers at the main entrances to our factories.

The specific benefits depend on the country and local rules and regulations.

HL is keen to follow collective agreements in countries where such agreements are in place. 30 percent (2020: 30 percent) of HL's employees are covered by formal collective agreements.

### Proactive safety measures in production

Health and safety risks at HL are mainly associated with production. Ensuring a safe workplace is fundamental to securing the delivery of high-quality products and solutions. We have a preventative and systematic way of approaching workplace safety; we regularly update safety procedures and examine risk factors. 83 percent of employees are covered by joint management-worker Health and Safety committees (2020: 90 percent). During the year, we re-evaluated how we define joint management-worker Health and Safety committees leading to a decrease compared to the previous year. Factories in Sundsvall, Gliwice, Harlow and Suzhou comply with the health and safety standard ISO 45001, while the factory in Leeds is not certified.

All our factories follow a safety process, which not only contributes to a safer work environment, but also the mindset of managers and employees. For example, the Sundsvall factory includes Risk Observations in their safety process. Risk Observations ensure that employees pinpoint potential risks, helping to prevent incidents from occurring and ensuring that further action is taken to address reported observations. To do just that, the goal is to identify 100 potential risks per year and in 2021, 93 risks were identified. Furthermore, the Sundsvall factory conducts safety inspections called "Skyddsronden". The inspections follow up on observations in all areas,

from bad lighting to damaged safety equipment. The process is carried out by teams of personnel both belonging to the work area and from outside of the area, to ensure that different perspectives are included. The 'Skyddsronden' inspections and discussions have now also been introduced into the Nacka office in Stockholm.

All employees and contractors at HL's production facilities and distribution centers undergo mandatory health and safety trainings and run-throughs, and additional training is conducted as required. The HR team and facility managers of the respective production facilities are responsible for carrying out the health and safety training and other activities, but all of our employees are taking the responsibility for noticing, reporting and managing potential risks.

HL aims to provide a safe workplace free of any workplace accidents that lead to absence. Safety is a continuous journey and a matter of investing in proactive measures that ingrain safety into our culture. We began conducting two internal audits per year to increase our systematic health and safety work in 2020 and continued this in 2021. In 2021, 8 accidents leading to absence or sick leave were reported (2020: 7). No fatal accidents occurred during the year (2020: 0). A total of 34 accidents were reported in 2021 (2020: 22), including 26 minor accidents (2020: 15). Based on these accidents, our overall accident rate for the year was 26.78 (2020: 17.09) and our lost time accident rate was 6.30 per 1 million hours worked (2020: 5.44)\*. We are committed to implementing additional preventive safety measures such as Risk Observations across the supply chain.

\*Hours worked are derived from an estimation based on head count and theoretical worked hours at HL's production sites, which could impact the accuracy of the above data. During 2021, our methodology for estimating hours worked has become more precise and the rates for 2020 also reflect this change. The companies acquired during 2021 are not included in the calculation.

### Equality and diversity are fundamental

Diversity at all levels is necessary for any successful and innovative business, especially for a company with global operations like HL. It is therefore essential for us to provide equal opportunities to all employees regardless of gender, religion, ethnic background, sexual orientation, family situation or age. We are committed to maintaining, and are actively working to develop, an inclusive workplace with zero-tolerance for all forms of discrimination and harassment, as outlined in our Corporate Responsibility Policy. The HL Code of Conduct focuses on the complexity of diversity issues and the importance of creating an inclusive workplace where everyone can thrive.

The overall gender distribution of permanent employees at HL is 44 percent women and 56 percent men (2020: 45 percent women, 55 percent men). HL is also proud to have a relatively even gender balance among production operators. However, there is still room for improvement in business areas where the split is not as balanced. The gender distribution of managers at HL is, for example, 31 percent women and 69 percent men.

### Same quality of employee experience for all employees

In our 2021 engagement survey the score for the statement 'Regardless of

background, everyone at HL Display has an equal opportunity to succeed' is 70, which is 3 points below the external benchmark. While we have worked on improving in this area for years, we will continue to look for opportunities to further improve the experience and perception of equality for all HL team members.

Furthermore, we have streamlined HR procedures for recruitment, salary processes and performance interviews, which help to ensure that all HL employees are treated to the same quality standards. The same applies to our exit interviews, which are conducted if an employee decides to leave the company.

HL strives to create an inclusive and diverse team. To ensure that hiring decisions are unbiased and well-founded based on each candidate's own merits, HL's HR business partners are trained in using tests to evaluate candidates' abilities, behaviour and personality as part of the recruitment process. Furthermore, our recruitment ads aim to be inclusive and encourage applicants of all genders. Once recruited, new employees go through an induction and onboarding process. We will also update the induction and onboarding processes in 2022.

HL has a well-established annual performance review process, which forms the basis for individual employee

development. The process includes an annual performance review at the beginning of each year, which provides our employees the forum to both receive and give constructive feedback, as well as define clear goals together with their immediate supervisor. The goals can include a development plan, competence development needs, future development steps to be taken and career planning. The individual goals and development plans are then followed up on during a mid-year review as well as at the end of the year.

All employees with comparable qualifications and work tasks should have the same working conditions and opportunities. Salary in any given position is based on the knowledge needed to do the job, the problem solving required and the level of accountability in the role, as well as the demonstrated behaviours and results achieved by the individual. To provide equal opportunities in career development, HL has a systematic approach to employee development and promotion:

- / An internal talent review process where management teams evaluate their team members' career potential and performance according to set criteria. This process reduces the risk of subjective decision-making regarding individual career opportunities and

development. In 2021, we extended this process further into the organisation and conducted a number of sessions in the Commercial and Supply Chain functions, the two functions with most employees. The purpose is to give leaders the opportunity to talk about their talent and the growth opportunities we can provide across the business.

- / HL's Guidelines for Rewards, Recognition & Compensation help managers make objective decisions about pay levels and other incentives based on qualifications, behaviours and performance.

- / An annual measurement on employees' perception of being treated equally in the workplace is conducted as part of the employee engagement survey. Should the results indicate that a particular department, country, or area has an unacceptably low score, we act accordingly.

Exit interviews allow us to gather important feedback that we can analyse and act upon to improve our position as an employer. Our exit interviews are conducted first digitally through a survey, and in many cases also by means of in-depth personal interviews. The digitalisation facilitates a wider reach, leading to higher participation rates and increased transparency. This systematic way of collecting feedback

has also improved the possibility to identify underlying trends, and we complement this with insights gleaned from personal interviews.

### Measuring employee engagement

HL conducts an annual employee engagement survey, called HighLight Engagement Survey, for all employees, including our newly acquired companies. In October 2021 we updated the survey methodology through the implementation of a new engagement platform (Glint). The survey tool allows us to access additional insights and enables comparisons to external global benchmarks. It has improved survey access and ease of completion for our factories and Regional Distribution Centers. It has also enabled us to build better action plans based on the results. The methodology and phrasing of some items have changed to align with the external benchmarks, which has impacted the comparability to previous years' results. However, we are confident that our new approach is generating more actionable insights at both an overall HL level as well as within each of our teams.

Employee engagement remained strong in 2021 in the face of difficult global circumstances and the changes brought about by our corporate acquisitions. The response rate for our employee survey was 88 percent (2021: 91 percent). The overall results of the survey indicate

that employees continue to be engaged and our top strengths relative to the global benchmark are Accountability, Work-life balance, Camaraderie and Ethics. For example, HL's score for the statement 'I am able to successfully balance my work and personal life' is 74, which is three points above the external benchmark. While the results differ across functions and/or locations, there were minimal differences in responses by gender.

Our three biggest opportunity areas versus the external benchmark are in relation to Decision Making, Communication and Growth/Learning. In each of these areas we are working with leaders and teams where improvement opportunities exist, and we have developed an action plan for HL as a whole. For example, the score for the statement 'I have good opportunities to learn and grow at HL Display' is 64, seven points below the external benchmark, and in-line with results from previous surveys. As a result of this score, we plan to build and publish tools to support personal growth and development to complement our performance reviews, development conversations and talent reviews. This will provide concrete ideas on how employees can continue growing in their role and help leaders to provide coaching to support personal and professional growth.

## Creating a culture where people live HL's values

Every quarter, CEO awards are given to individuals or teams who embody HL's values – Ownership, Speed and One HL team – and contribute to a positive company culture. The nomination process, which allows anyone to put forward candidates, strengthens the feeling of belonging with colleagues all over the world. In 2021, 104 nominations were received.

### CEO award – we embrace HL values

#### Ownership

Someone who...

- ... is proactive, constantly working to deliver a better way of operating.
- ... sees something that is broken, and fixes it, not just walks by.
- ... makes innovation happen.

#### Speed

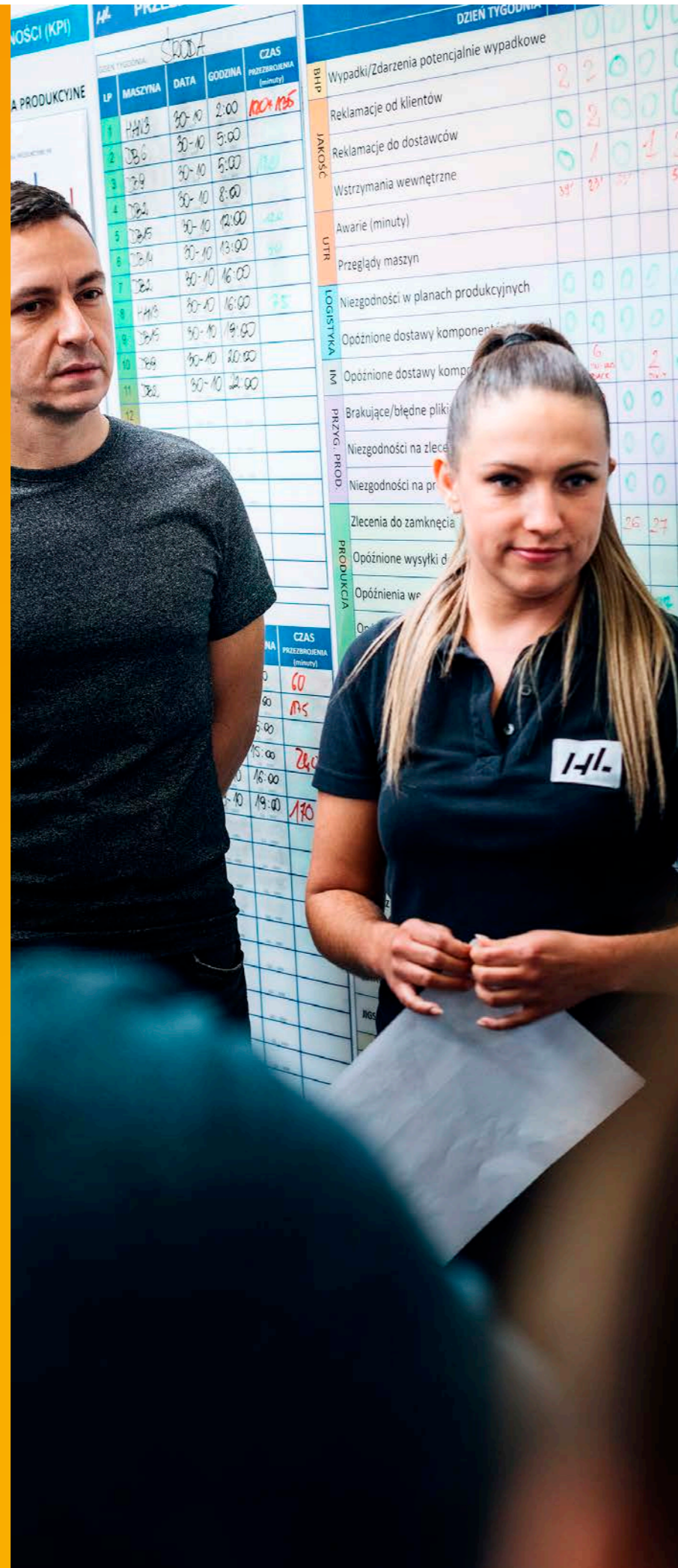
Someone who...

- ... is customer-focused in their way of working.
- ... is eager to deliver and displays a clear sense of urgency.
- ... contributes to taking informed decisions.
- ... carries out implementation and does not stop halfway through.

#### One Team

Someone who...

- ... succeeds by making others succeed, acts as a true enabler for others.
- ... wins by making things easy for those around them, not only for themselves.
- ... takes extra steps to reach out across functional and/or geographical borders.



## Creating the best workplace

To enable a comparison to the external benchmarks, the overall engagement measure is now an index of two items: 'I am happy working at HL' and 'I would recommend HL as a great place to work'. Our scores were 73 and 67 on these items respectively, compared to the external benchmarks of 75 and 76. These two items are combined to create an overall Engagement Index score of 70, which is six points lower than our target, set in-line with the external benchmark. The external benchmark is regularly updated, developed across countries and industries and based on Glint's full survey reach of over 174 million total survey responses per year.

HL's strategy and the HighLight survey are closely linked. Based on survey data, we prioritise improvements in the areas of engagement, performance and retention. Results are aggregated on a company-wide level and shared with all managers and all employees globally. Each manager with a team of more than five members receives the result for their team directly in the survey tool and all managers are expected to take ownership of the results and develop action plans in a workshop with their team. We follow up on these actions regularly and the progress on the actions is tracked in the survey tool.

### Opportunities for competence development and cross function collaboration

During 2021, we have continued to improve cross-functional collaboration and information flow. For example, we launched the Innovation Booster Project. The project aims to increase innovation at HL by building on the industry knowledge, expertise and insights that our employees have, and creating a forum to make the most of our employees' creativity and competence. The programme drives engagement through digital workshops where employees meet across functions and geography to discuss new solutions, products and innovations.

HL's Group Leadership Forum, a cross-function meeting held twice per year, has continued to develop and grow. The purpose of the forum is to align and secure commitment to the company strategy, as well as develop leadership skills. It has been held digitally since the summer of 2020 and primarily gathers the company's managers, such as area directors, factory managers and functional leaders. In 2022, we plan on expanding the forum to three meetings as well as develop the key topics discussed.

Furthermore, building on learnings from 2020, we have introduced the HL Global Meeting. All HL employees are invited to this digital meeting, independent of function or location, covering topics ranging from updates on business and initiatives to strategy and inspiration.

We also continued to increase awareness for our e-learning platform, HL Learning Academy, and its content offerings. The development of the platform will continue in 2022.

### Strong commitment to anti-corruption and safeguarding human rights

HL supports and respects internationally proclaimed human rights. Our Code of Conduct helps us manage our sustainability work by clearly defining the fundamental principles that every company representative and partner should follow. It defines HL's zero-tolerance stance on bribery, extortion and corruption and demands strict adherence to regulatory requirements, based on the ten principles of the Global Compact. All HL employees sign the Code of Conduct upon joining the team.

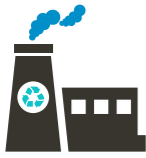
HL's tailored Code of Conduct e-learning course is intended to deepen our employees' understanding of our Code of Conduct through practical exercises and dilemmas, while simplifying the annual Code of Conduct review process. Since the launch of the training

in the fall of 2020, 583 employees have completed the training, which means they have also signed the Code of Conduct. This number does not yet include the employees of the newly acquired companies. Our Code of Conduct e-learning course will be further developed in 2022.

In 2021, 0 violations of the Code of Conduct were reported (2020: 0).

### Whistleblowing

HL has had an operating whistleblowing function, called Whistleblowing Center, since 2013. Whistleblowing Center is part of TripleB, an external Swedish sustainability consultancy. When reporting malpractice through the whistleblowing site employees, external partners and other stakeholders are guaranteed anonymity. The reports made through the whistleblowing system are sent directly to the Group HR Director and the Group Marketing Director, who is responsible for HL's sustainability work. Simultaneously, the principal owner Ratos' representative on the Board of Directors receives the reports as well. HL wants to bring attention to any malpractices, including possible non-compliance with local laws or breaches of HL's Code of Conduct and Code of Conduct for Suppliers in areas such as human rights, labour, and anti-corruption. Reports submitted through the whistleblowing channel are investigated centrally. If the malpractice report proves to be well-founded and correct, it will result in disciplinary and, where applicable, legal action. In 2021, 0 reports were made through the whistleblowing system (2020: 1).



#### Prioritised topics

- / Increase use of recycled and more environmentally friendly materials.
- / Reduce the carbon footprint of our operations.

#### Other topics we work with

- / Reduce raw material consumption.
- / Reduce water consumption year on year.
- / Improve the efficiency of transportation.
- / Have all our factories certified according to ISO 14001 and ISO 9001 Standards.

#### Key achievements

- / Increased capacity for recycled plastic.
- / Increased the use of recycled and more environmentally friendly materials.
- / Improvement of production process to reduce scrap generated and increase share of re-used scrap.
- / Decrease of energy consumption.
- / Reduction of emission through strategic logistics.

#### Results 2021

📌 **Targets and reduction plan sent to Science Based Targets initiative, pending approval.**

📈 **Use of recycled material increased by 12 percent.**

#### Targets 2022

- / **Have targets approved by Science Based Targets initiative and deliver on CO<sub>2</sub> reduction plan.**
- / **Increase the use of recycled material with 10 percent year on year.**



# Driving continuous improvement in operations

HL strives to improve environmental performance by complying with policies and standards and making continuous efforts to reduce the environmental impact of our whole value chain.

#### HL has production in five factories

- / Sundsvall, Sweden for extrusion of plastics.
- / Gliwice, Poland for injection moulding, heat bending, wood working and printing.
- / Harlow, UK for metal, injection moulding, heat bending and printing.
- / Leeds, UK for wood working, heat bending and printing (acquired in 2021).
- / Suzhou, China for extrusion and injection moulding of plastics.

#### Sustainable operations are essential

To live up to HL's vision of providing a better shopping experience, it is imperative for us to take responsibility for the environment through the way we operate, develop and innovate. It is our ambition to minimise environmental impact and to integrate sustainability into our culture and way of operating. The majority of our own environmental impact comes from the raw material that is used during the production process. Energy use and water consumption

are some of the other important sources of environmental impact linked to our production. Our own factories produce the majority of the products in the portfolio, making running our factories in an efficient and environmentally responsible way crucial for the reduction of our operations' environmental impact.

#### Examples of continuous improvements at our sites

- / Introduction of production line monitoring system in Sundsvall and Gliwice allows for collection of data to improve Overall Equipment Efficiency (OEE) and reduction of scrap.
- / Improved production process in Sundsvall, Gliwice and Suzhou to reduce scrap and increase recycling of scrap.
- / Added new suppliers for recycled materials, including PVC, PET, HIPS and plastic sheets.
- / Gliwice factory switched their energy supply from coal based to 100 percent green/renewable energy.

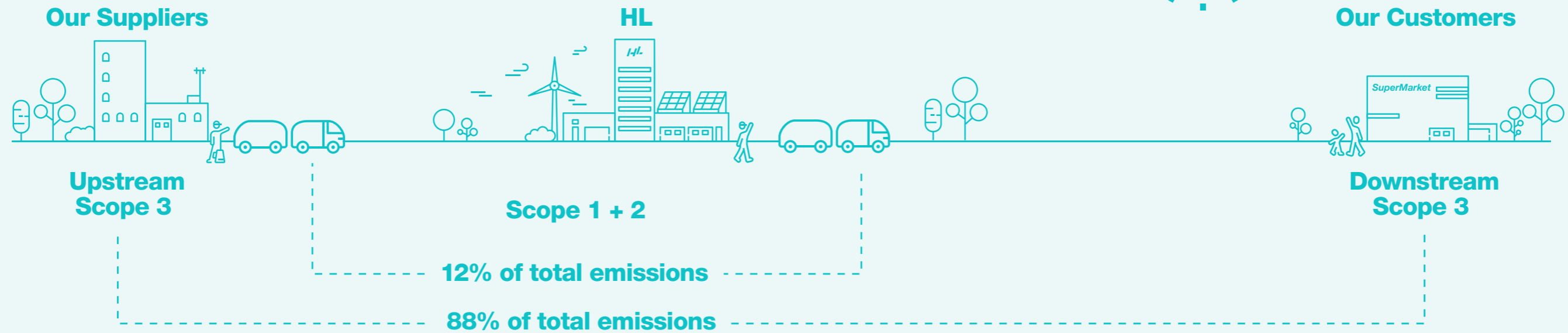
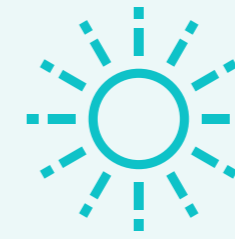
/ Developing our process of exchanging additives in our production to more environmentally friendly alternatives that live up to our high quality and standards.

/ RDC Central was relocated to a smaller warehouse which is more suited to capacity required and is equipped with green technology such as LED lighting.

/ A new warehouse management system was implemented in our main distribution centers, improving efficiency and picking quality, resulting in higher customer service and a reduction of returns.

#### HL's impact on climate change

To follow up on our carbon footprint study covering 2018, we carried out a new study for the years 2019 and 2020. The study was done in accordance with the GHG Protocol and with support from ZeroMission. In addition to the updated study, we have implemented a new tool, Our Impact, which allows us to compile carbon footprint data in a more effective way. The tool will enable us to collect data twice per year instead of just



once and also allows more people in the organisation to be involved in the data collection process, ensuring higher data security and accuracy. By using the tool, we are also able to follow up on the data in a more efficient way. Going forward, we plan on customising the emission factors to match our life cycle analyses or the validated material-specific emissions data provided by our suppliers.

impact. The study also provides insights into which actions have the most impact on reducing greenhouse gas emissions from operations and is therefore relevant for the definition of goals and actions plans in accordance with the Science Based Targets initiative.

Almost 90 percent\* of HL's contribution to climate change emanates from activities in scope 3 (upstream and downstream indirect emissions). The rest of our carbon footprint is in scope 2 (indirect emissions from purchased energy), where purchased electricity

for HL's factory in Gliwice, Poland is a major contributor. The large impact is explained by both the fossil-based electricity mix in Poland coupled with the quantity consumed. In 2021, the factory in Gliwice switched fully to energy from renewable sources which will decrease scope 2 emissions significantly going forward.

Our waste rate, the relation of waste to material used, went from **12.3 percent in 2020 to 10.8 percent in 2021**

Our main impact on climate change is from the use of raw material (purchased materials), which accounts for 66 percent of our total emissions\*. Of the materials HL uses in production, plastics have the largest adverse impact on climate change, followed by metal. The use of energy in production, use of products sold and outbound transport of goods are other major contributors to HL's impact on climate change.

The carbon footprint study plays a large role in setting the baseline for improving HL's operations and guiding our efforts to reduce our environmental

### Emission of greenhouse gases divided per activity

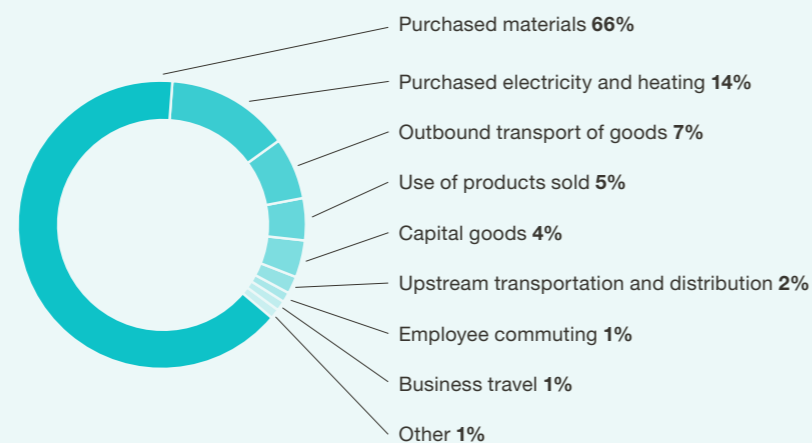


Illustration: Based on data for the year 2020, the total contribution to climate change, via emissions from HL's operations, was 73,112 tonnes of CO<sub>2</sub>-equivalents in total (market based method). Of that, scope 3 emissions amounted to 64,181 tonnes, scope 2 to 7,145 tonnes and scope 1 to 1,785 tonnes.

During 2020, HL became signatories of the Science Based Targets initiative. In 2021, we, together with ZeroMission, defined our targets and developed a detailed action plan on how to ensure a reduction of HL's climate footprint in-line with the Science Based Targets initiative's ambition. Both targets and action plan have been sent to Science Based Targets initiative and are pending approval. Once they are approved, our targets will be published on our website. Our goals and action plan are in line with keeping global warming under 1.5 degrees Celsius, and include the following reduction decreases compared to the base year 2019:

- 46 percent reduction of scope 1 and 2 emissions by 2030.
- 22 percent reduction of scope 3 emissions by 2030 per purchased ton of material.

During 2021, we have also reworked our car policy to include more markets and to encourage the leasing of electrical vehicles. For markets where charging facilities are not available, or electric vehicles are not the best option, we encourage hybrid vehicles. In Sweden, we also introduced a company bike leasing initiative, which contributes to decreasing our carbon footprint as more employees choose to cycle instead of driving a car or using public transportation. Read more about BikeLease on page 23.

**Our approach: reduce and re-use**  
HL's main raw material is plastic, particularly PVC and PET. To cut our carbon footprint, the focus is threefold: decrease the use of virgin fossil-based materials through efficient design and production processes, reduce and recycle

our production waste, and strengthen our sourcing of recycled materials. At the same time, we are investigating alternative material solutions, such as bio-based plastic and alternative sustainable additives. We are also investing in innovation to further develop our production. A big priority for HL, now and going forward, is the management of the end-of-life treatment of our products and closing the loop of materials.

HL's ambition is to reduce raw material consumption, which is reflected in our efforts to enhance production processes, for example by minimising waste generated through continuously streamlining our production processes. In 2021, the production in our factories created 2,605 tonnes of safe waste (2020: 2,423 tonnes) of which 1,151 tonnes

\*Based on emission data for the year 2020. The measurement for 2021 will be finalised during spring 2022.



## Supplier Case:

### Working towards common goals: HL's and Indorama Ventures' plan to decrease emissions

To reach our climate target of reducing 22 percent of our Scope 3 emissions by 2030, collaboration across the value chain is key. By working with our suppliers, and them in turn working with theirs, emissions will be reduced across the board. "As we work towards a climate neutral world, we see that our whole value chains are working towards the same goal and that this chain reaction of pressure actually works," says Jonas Marking, Senior Product and Sustainability Manager at HL. "To fully be able to map, set accurate targets and reduce our emissions, we need to know how much emissions are linked to our products, and therefore, the material we source," he continues.

We discussed supplier collaboration and ambitions with one of our biggest suppliers of PET and recycled PET, Indorama Ventures (IVL). IVL is the world's largest producer of PET resins and a large actor in the intermediate petrochemicals industry. IVL has the ambition to be carbon neutral by 2050, but the road to getting there is still unclear, as it is for many companies. They have, however, set clear targets for 2030. Their ambition is to reduce their combined scope 1 and 2 emissions by 30 percent by 2030, compared to the base year of 2020. But how are they planning on reaching this?

IVL's strategy for decreasing emissions includes, similar to HL, improving operational efficiency and switching to renewable electricity. For example, IVL is exploring the opportunities and impacts of onsite versus offsite renewable energy development. So far, they have four plants that utilise 100 percent renewable energy, installed solar panels at some of their sites and have begun installing solar panels at several others.

#### Supplier steps to decrease emissions

By decreasing their emissions, HL's suppliers contribute to a reduction in our scope 3 emissions. We see an increased need for traceability throughout our value

chains; we are, however, not the only ones curious about tracing our emissions. In 2021, IVL began their supplier engagement process, including putting pressure on and supporting their suppliers' emission efforts. "We want to be able to identify the hot spots we have in our value chain and actively work to reduce value chain impacts starting in 2022," explains Harsha Reddy, Vice President and Head of Sustainability Reporting & Disclosures at Indorama Ventures.

#### Increasing access to recycled and bio-based material

One of our prioritised sustainability topics is an increased use of recycled and more environmentally friendly materials. We therefore actively work with sourcing and finding more sources of recycled material.

IVL is answering the call - they are increasing the supply of recycled materials by creating recycling infrastructures in countries where this does not already exist and plan. IVL is committed to recycling 50 billion PET bottles a year by 2025 and 100 billion PET bottles a year by 2030. Already today, they are recycling 1.8 billion PET bottles in Thailand and over 14 billion bottles globally per year. "The demand for recycled PET is increasing at a fast rate; there's a lot of pressure coming from end-customer for recycled PET in products," Reddy elaborates.

Furthermore, we see that biobased plastics have an important role to play in reducing emissions and providing sustainable products and solutions. IVL agrees - sustainable feedstock is one of the six decarbonisation strategies they are focusing on and investing in. In 2020, they procured 20,884 tons of bio-based raw materials (Bio-MEG, PLA and cellulose) for their production of certain materials, including bio-PET.

were plastic waste (2020: 1,173 tonnes) in 2021. Our waste rate, the relation of waste to material used, went from 12.3 percent in 2020 to 10.8 percent in 2021.

Simultaneously, we aim to recycle as much of the waste generated in our production processes as possible. Therefore, we have invested in the competence and technology to not only decrease the amount of scrap produced in our production

processes, but also reuse the unavoidable scrap. After introducing a monitoring and data collection tool on each production line in our Sundsvall and Gliwice factories in 2020, we have started to use the tool fully during 2021. This not only improves Overall Equipment Efficiency (OEE) but also helps us to reduce and reuse scrap. Going forward, we plan on analysing and improving our processes based on the data collected by the end of 2022.

We have also increased our capacity for using recycled materials. This includes capacity for grinding production waste and for mixing recycled and virgin materials in a controlled manner. In 2021, we continued to increase our capacity to recycle plastic waste generated in-house and recycled 41 percent of all plastic waste produced by our factories (2020: 36 percent).



"To fully be able to map, set accurate targets and reduce our emissions, **we need to know how much emissions are linked to our products**, and therefore, the material we source"

Jonas Marking, Senior Product and Sustainability Manager HL Display



Waste that cannot be recycled internally is sold to external parties with the aim that 100 percent of our safe production waste should be recycled in some form.

As a part of our sustainability efforts we have continued working with our waste management system. In 2021, 81 percent of our total safe waste from production in our factories was recycled (2020: 84 percent) and 18 percent of safe waste was recycled in our own production (2020: 18 percent). Furthermore, several measures have been introduced to improve waste management:

- / Introduction of carton boxes and wrapping paper made from 100 percent recycled material for warehouse and shipping operations.
- / Replaced foil made from plastic with foil made of paper.
- / Reduced the amount of fillers inside of boxes.
- / Improved waste management by better segregation.
- / Training of production and warehouse operators in waste management.

HL also has a strong focus on increased sourcing of recycled materials from external parties. Securing the right quality is a continuous challenge as the material needs to fit with the production process, and the look and feel of the product needs to meet customer expectations. For example, when high transparency in the product is demanded only very high-grade materials can be used. Furthermore, costs for recycled material is often higher than that for virgin. In 2021, we sourced 238 tonnes of recycled plastic (2020: 210 tonnes).

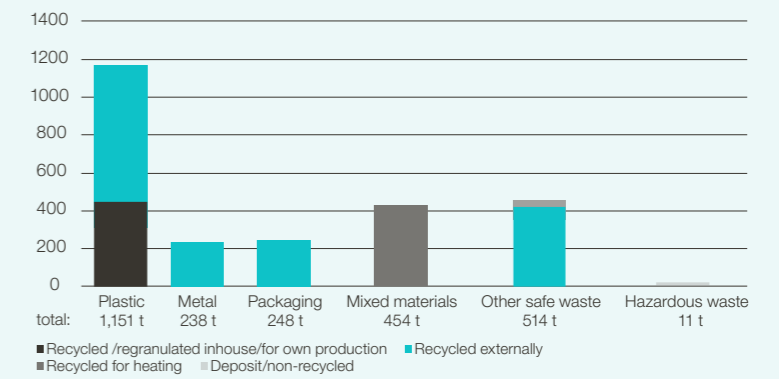
With the rising demand for recycled plastic and circular solutions, we have

developed our capacity to deliver a circular offer. We now have an industrialised process for end-of-life treatment in our Sundsvall factory; the process includes collecting, sorting, milling, cleaning and reusing worn out products. Our Sundsvall factory has designed a production process as part of our Circular Offer. In 2021, we included more external parties in the supply chain and also added another customer case for our Circular Offer. Read more about our Circular Offer on page 19.

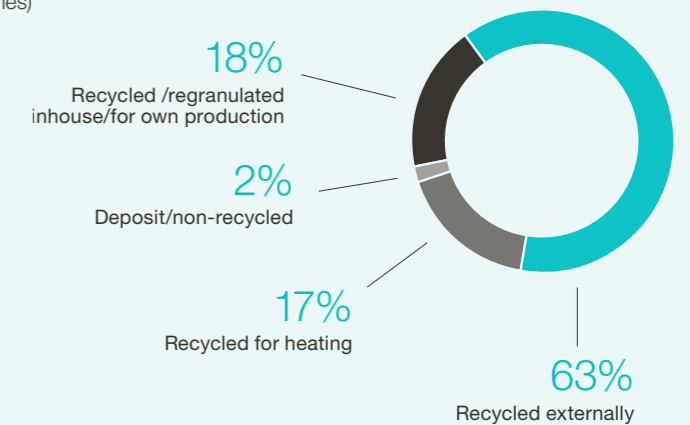
**Increased use of recycled plastics**  
In order to support and enable our customers' transition to more sustainable stores, our ambition is to be the industry leader in alternative materials and solutions. We have been using PLA-based

plastic made from renewable materials, such as plant starch from corn or sugarcane since 2018. Sales of PLA-based products have been limited though, mainly due to high material costs. In the future, we expect that many of the challenges associated with bio-based plastics such as high costs and difficulties to recycle will be gradually solved. During the past four years we have also taken steps to expand our portfolio made from recycled materials. One of the limitations we see with recycled plastic is the sourcing and tracing of material components. In 2021, we invested approximately 500 production hours in evaluating new sources and materials, and successfully added new sources of recycled materials, including for PVC, PET and HIPS. More of our suppliers are now able to supply our

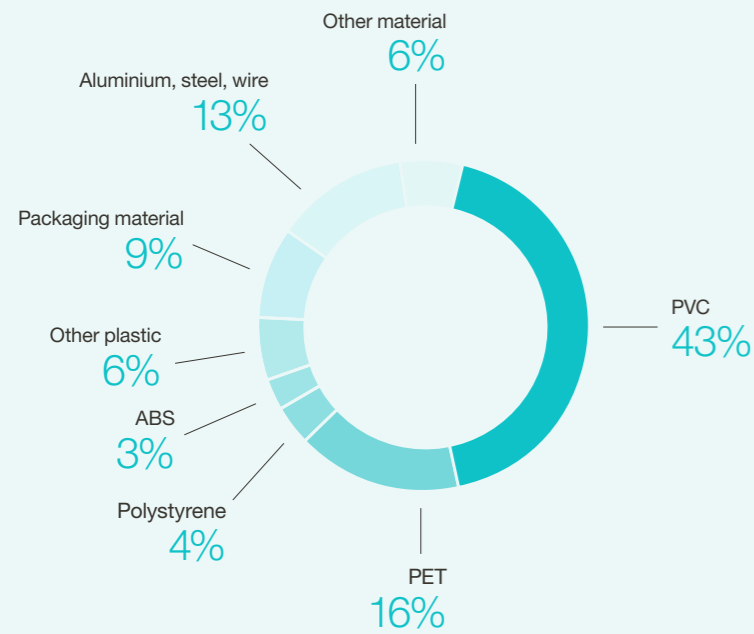
## Production waste management 2021 (metric tonnes)



## Total safe waste (tonnes)



## Raw material and input goods



Share of green energy increased by **+52%**

Water consumption from municipal sources decreased by **-88%**

Total water consumption decreased by **-12%**

Driving continuous improvement in operations

**+14%**  
increase in factory waste that can now be recycled in our own production

main raw materials as recycled, and our focus has moved increasingly to circular solutions. Going forward, we expect that there will be an increased pressure to look at the full plastic value chain, instead of just the final customer.

In 2021, HL used 14,912 tonnes of material in production (2020: 13,866 tonnes), whereof 72 percent were plastics. The 2020 sustainability report did not include bio-materials, externally sourced recycled plastic or other plastic materials in the definition of plastic used. This has now been adjusted and the amount of plastic used in 2020 was 69 percent, instead of the 65 percent reported last year. 7 percent of all plastic used in production was either recycled or bio-based (2020: 7 percent).

### Improvements in energy consumption

HL's 2021 production energy consumption was 24.4 MWh (2020: 24.6 MWh) and 69.6 percent of our energy consumption came from renewable sources (2020:

45.8 percent). HL's factory in Sundsvall runs entirely on hydro-generated electricity and in 2021, our factory in Gliwice switched from fossil-based electricity to 100 percent renewable energy. This explains the increased share of energy from renewable sources in 2021, and we expect that this will contribute to a large decrease in our impact on climate change.

We continue to work towards reducing electricity consumption in our factories by implementing various measures ranging from LED and time-controlled lighting to using waste heat from machinery, such as:

- / Relocation of our warehouse in Gliwice to a smaller space with LED lighting.
- / Continuous improvement and process optimisation in factories in order to reduce the number of production lines.

- / Introduction of a production line monitoring system in Sundsvall and Gliwice contributing to improvement in Overall Equipment Efficiency (OEE) and resource efficiency.

- / Consolidation of line hauling leading to a reduction in CO<sub>2</sub> emissions.

- / Digitalised workflows.

- / Maintenance of injection moulding and extrusion equipment.

### Water usage

Water usage is part of the production process when cooling extruded and injection-moulded plastic products. During 2021, 280,903 m<sup>3</sup> of water were used at the company's production facilities (2020: 320,832 m<sup>3</sup>). Due to building a well in the Sundsvall factory in 2020, the amount of water from municipal sources decreased to 21,234 m<sup>3</sup> in 2021 (2020: 175,525 m<sup>3</sup>).

### Becoming more strategic about logistics to save emissions

The majority of HL's shipments are made by truck, including those from our European factories to our European distribution centers and further on to our customers. Sea transport is primarily used for shipping ready-made goods from Asia and the US as well as tools purchased in Asia for use in our European factories. While some shipping is still air bound, we continue to reduce airfreight from Asia to our European markets.

In recent years, we have worked to consolidate transport and logistics in order to minimise our carbon footprint. We also actively collaborate with partners to identify more efficient ways to distribute products and to increase filling rates with the objective to further reduce the carbon footprint of inbound and outbound transport. In 2020, we consolidated line hauling and transport to improve space usage and transport efficiency. Furthermore, we implemented

cross-docking Scandinavian customers for goods delivered from Polish suppliers. In the Nordics, we initiated a strategic partnership with a fourth-party logistics provider to optimise freight logistics to all Nordic customers, as well as outbound transport from our Sundsvall factory to European distribution centers. This led to an increased fill rate and allowed us to push for the latest environmentally friendly technology in truck fleets. Building upon these efforts in 2021, we increased the fill rate of boxes and containers while reducing the number of weekly line shipments to Finland, Norway, Central and Southeast Europe. These efforts have not only contributed to a decrease in costs but also a decrease in our carbon footprint.

It is a requirement for all of HL's transport suppliers to have environmental programmes in place. EuroVI – Environmental class – is required for all new freight forward suppliers since 2018.

### Certified management systems for continuous improvement

HL's management systems and policies for quality, work and conduct ensure minimal waste and the highest standards of safety during production. We base our continuous improvement of operations and environmental and quality management in our factories on internationally recognised standards. At HL continuous improvements to our operations are key not only to drive efficiency in all aspects of what we do, but also to engage all of our employees. Four out of five factories are compliant with the ISO 9001 quality standard with Leeds pending certification. Three out of five are ISO 14001 certified and we aim to certify the remaining two, our factories in Harlow and Leeds in 2022. Our regional distribution centers RDC Nordic, Central and West are also ISO 9001 and 14001 certified. Furthermore, HL complies with REACH, the EU's chemicals legislation, and suppliers must sign a written undertaking regarding REACH.

Note: the footprint of operations at Concept Data/Colour Display, one of the companies HL acquired in 2021, is not covered in the section 'Continuous improvements in operations', but will be in the report for 2022.

# Ensuring responsibility throughout the supply chain

HL's Code of Conduct for Suppliers and supplier assessment process communicate our strong position against corruption, ensure our stakeholders practice honesty, integrity and responsibility, and demonstrate our commitment to being at the forefront of supply chain responsibility in our industry.

## HL's supply chain

At HL, we strive to be leaders in our industry in terms of supply chain responsibility. We believe our biggest impact on managing sustainability issues in our supply chain lies in working strategically with our important suppliers. In 2021, we have taken large strides in our supplier engagement to do just that.

HL has a total of 1,726 suppliers, of which 1,058 supply our factories and 688 supply our distribution centers. 162 of our suppliers are defined as important suppliers, covering approximately 80 percent of spending.

## Our Supplier Code of Conduct for Suppliers

It is of high importance for HL that all suppliers adhere to the same standards. As a part of our effort to push our suppliers to join HL's level of sustainability, we evolved our Purchasing Policy into the Code of Conduct for Suppliers

in 2020 and implemented it in 2021. The new policy outlines HL's requirements for our suppliers and covers areas including compliance with ILO (International Labour Organisation) conventions and other international guidelines related to human rights and labour. Furthermore, it describes clear guidelines for business ethics (corruption) and environment. To ensure a comprehensive understanding of our Code of Conduct for Suppliers, it is currently available in English, Chinese, Polish, French and Swedish. Since its launch, 93 percent of our important suppliers have signed our new policy, meaning that we exceeded our goal for 2021 by 3 percentage points. Furthermore, all of our new suppliers have signed the Code of Conduct for Suppliers.

Our purchasing team works systematically to increase the share of suppliers that sign our Code of Conduct for Suppliers and reviews the progress

quarterly. If a supplier refuses to sign the HL Code of Conduct for Suppliers, the HL Purchasing Manager informs our Group Purchasing Director and asks the supplier to provide us with their own Code of Conduct. If the supplier's own Code of Conduct is in-line with HL's requirements defined in the Code of Conduct for Suppliers, the supplier will be treated as having signed the Code of Conduct for Suppliers. If this is not the case, the supplier will be phased out or replaced.

## Main requirements of our Code of Conduct for Suppliers

- / Human and Labour Rights.
- / Business Ethics.
- / Sustainable Growth.
- / Environmental Care.
- / Health & Safety.



### Prioritised topics

- / Have a comprehensive supplier risk assessment.
- / All HL suppliers to sign and adhere to Code of Conduct for Suppliers.

### Key achievements

- / Launched new supplier management platform.

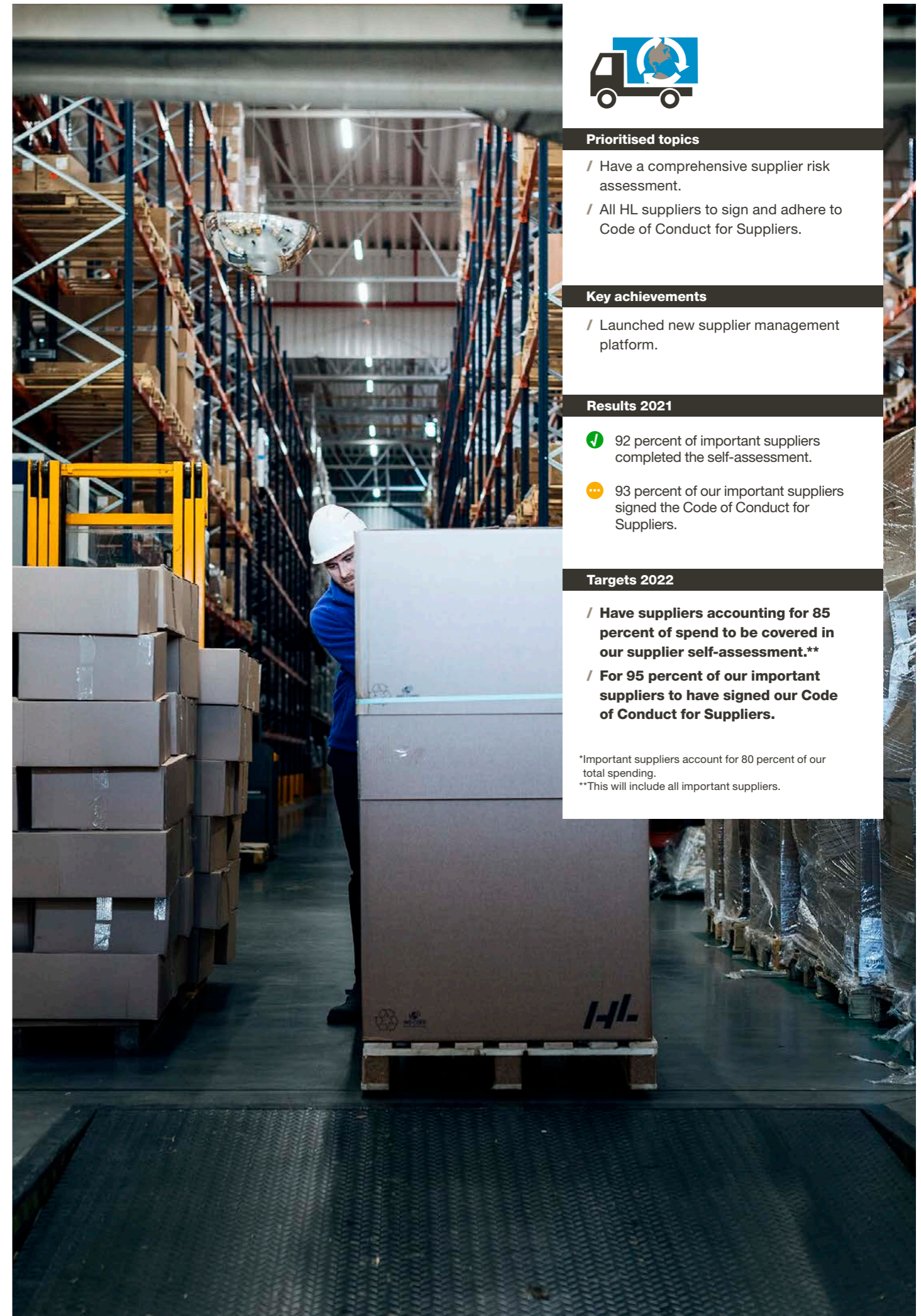
### Results 2021

- ✔ 92 percent of important suppliers completed the self-assessment.
- ⋯ 93 percent of our important suppliers signed the Code of Conduct for Suppliers.

### Targets 2022

- / **Have suppliers accounting for 85 percent of spend to be covered in our supplier self-assessment.\*\***
- / **For 95 percent of our important suppliers to have signed our Code of Conduct for Suppliers.**

\*Important suppliers account for 80 percent of our total spending.  
\*\*This will include all important suppliers.



**A new system for supplier management**

In a move to engage more systematically with our suppliers, HL invested in the Kodiak supplier management system in 2020 and launched it during Q1 of 2021. The launch of this new platform has allowed us to become more structured in our supplier management efforts, including storing and gathering important data and documents from our respective suppliers. The platform also notifies and enables us to follow-up with our suppliers when necessary certifications and documents expire.

**Our way of working with suppliers**

In 2019, we introduced a more systematic process for monitoring sustainability risks in our supply chain, focusing mainly on our important suppliers. This has been further developed in the years since and aided by the implementation of our new supplier management system.

When a new supplier enters into a relationship with HL and has signed the Code of Conduct for Suppliers, HL's purchasing team conducts a screening. In 2021, 100 percent of new suppliers were screened. In cases where non-compliances with the Code of Conduct for Suppliers are detected, cooperation and corrective actions with

the supplier are always prioritised. Ultimately, however, failure to comply with our Code of Conduct for Suppliers may lead to the termination of the contract. Zero violations of the Code of Conduct for Suppliers were reported in 2021 (2020: 0).

During the initial step of HL's supplier assessment process, new suppliers are entered into the Kodiak supplier management system, where a first assessment is made. The Kodiak system notifies our purchasing team if a supplier is flagged as a risk.

**HL's self-assessment questionnaire**

As a second step of our screening process, self-assessment questionnaires are sent out through the Kodiak system to all important suppliers, as well as the suppliers that the Kodiak system flags as a risk in step one. The questionnaire contains 30 questions based on criteria from our Code of Conduct for Suppliers and covers the following ten areas:

1. Governance Management
2. Quality Management
3. Supply Chain Management
4. Human Rights Compliance
5. Labour Rights Compliance
6. Business Ethics and Anti-Corruption Management
7. Environmental Management

8. Product Safety and Traceability Management
9. Health and Safety Management
10. Capacity, Competence and Contingency Management

To ensure a comprehensive understanding of the assessment, it is currently available in Chinese, Polish, French and English. In 2021, HL targeted our 162 important suppliers to complete the updated supplier self-assessment questionnaire and saw a 92 percent completion rate.

Once the assessment is completed, the Kodiak system gives the supplier a score ranging from low- to high-risk. From there, the HL purchasing team reviews the score and respective self-assessment questionnaire. For suppliers falling in the medium- to high-risk category, various actions are taken depending on the severity of deviations. In 2021, seven suppliers were not approved in the system and action plans were created for each. HL went through the assessment again with two of our smaller suppliers, both of which are now approved. Two suppliers were phased out directly as a result of their answers to the questionnaire, and HL is currently working to find a replacement for the remaining three suppliers.

To ensure that our important suppliers continue to work in-line with our values, they will be asked to complete the assessment again in 2024.

**On-site audits**

To ensure that suppliers comply with the Code of Conduct for Suppliers and as part of our engagement with our important suppliers, we regularly conduct site visits and audits. Due to our new assessment process, suppliers are chosen for audits based on the initial risk assessment in the Kodiak system, the self-assessment questionnaire, and the supplier's level of risk, size and strategic importance.

HL's purchasing teams conduct these visits and audits, which are split into two steps. As a first step, HL ensures that our suppliers have a complete understanding of the Code of Conduct for Suppliers and apply our requirements in accordance with the policy. The second part of the audit relates to the production organisation. Based on several predefined criteria, representatives from HL perform a review on-site to make sure that the production site is aligned with our requirements. Due to the Covid-19 pandemic, only one formal audit was conducted in 2021 (2020: 6, all conducted prior to the pandemic). In 2022, we plan on conducting ten on-site audits.

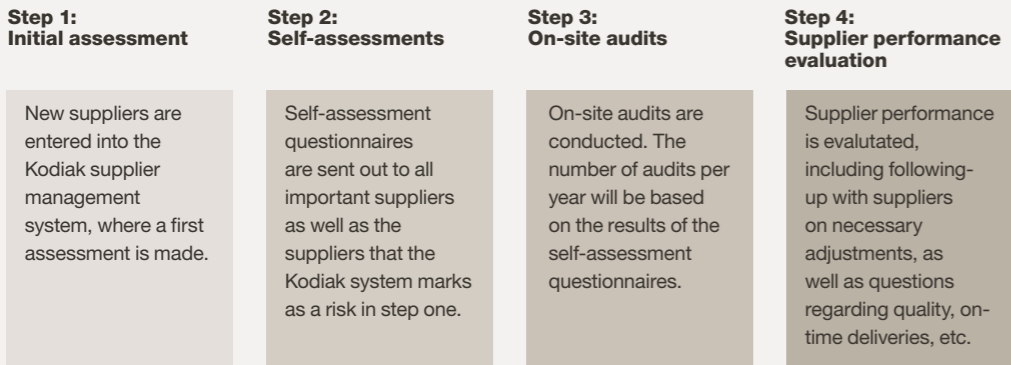
**Supplier performance evaluation**

In 2021, we developed our supplier performance evaluation, which we plan on launching and focusing on in 2022. The evaluation looks at the supplier from a holistic HL perspective and many HL functions are involved. This step of our supplier assessment process includes questions regarding quality, on-time deliveries, environment, supply chain and more. The aim is to follow up and adjust as needed and to develop long term relationships that are beneficial for both our suppliers and HL.



100% of new suppliers were screened in-line with the Purchasing Policy

Our updated assessment process:



## About the report

This report has been prepared in accordance with GRI Standards Core option. It constitutes HL's Communication on Progress as part of the company's commitment to the UN Global Compact. The report covers the global activities of the

HL Display Group, i.e. HL Display Holding AB and all its subordinate legal entities. Operations beyond HL's direct control, such as suppliers, are not included in the report. The presented information has not been assured by an external party.

### General Disclosures

	Disclosure	Page reference/URL	Comment
<b>Organisational Profile</b>	102-1 Name of the Organization	2	
	102-2 Activities, brands, products and services	2, hl-display.com	
	102-3 Location of headquarters	2	
	102-4 Location of operations	2-3	
	102-5 Ownership and legal form	2	
	102-6 Markets served	2-3, hl-display.com	
	102-7 Scale of the organization	2-3	
	102-8 Information on employees and other workers	20	
	102-9 Supply chain	36-38	
	102-10 Significant changes to the organization and its supply chain	5, 20	
	102-11 Precautionary Principle or approach	-	HL Display works to prevent and minimize risk of sustainability topics. The company's decisions shall, as far as possible, be supported by established facts.
	102-12 External initiatives	10	
	102-13 Membership of associations	-	UN Global Compact, various trade organisations in the markets where HL Display operates
<b>Strategy</b>	102-14 Statement from senior decision-maker	5	
<b>Ethics and Integrity</b>	102-16 Values, principles, standards, and norms of behaviour	3, 5, 10, 11, 26, 38	
<b>Governance</b>	102-18 Governance structure	hl-display.com	
<b>Stakeholder engagement</b>	102-40 List of stakeholder groups	11	
	102-41 Collective bargaining agreements	23	
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	102-43 Approach to stakeholder engagement	11	
	102-44 Key topics and concerns raised	11, 13	
<b>Reporting practice</b>	102-45 Entities included in the consolidated financial statements	-	
	102-46 Defining report content and topic Boundaries	-	GRI's reporting principles have been taken into consideration.
	102-47 List of material topics	13	
	102-48 Restatements of information	24, 33	
	102-49 Changes in reporting	-	No significant changes in the reporting
	102-50 Reporting period	-	2021
	102-51 Date of most recent report	-	May 2021
	102-52 Reporting cycle	-	Annual
	102-53 Contact point for questions regarding the report	-	Jonas Marking, Senior Product and Sustainability Manager, HL Display
	102-54 Claims of reporting in accordance with the GRI Standards	40	
	102-55 GRI content index	40-41	
	102-56 External assurance	-	The report has not been externally assured.

### Material Topics

	Disclosure	Page reference/URL	Comment
<b>Economic</b>			
<b>Anti-corruption 2016</b>	103-1/2/3 Management approach	27, 38	
	205-3 Confirmed incidents of corruption and actions taken	27, 38	
<b>Environmental</b>			
<b>Materials 2016</b>	103-1/2/3 Management approach	29, 31, 35, 36	
	301-1 Materials used by weight or volume	36	
<b>Energy 2016</b>	103-1/2/3 Management approach	28, 29, 36	
	302-4 Reduction of energy consumption	36	
<b>Emissions 2016</b>	103-1/2/3 Management approach	28-32, 36	
	305-1 Direct (Scope 1) GHG emissions	29-31	All the carbon footprint emissions are based on 2018 data
	305-2 Energy indirect (Scope 2) GHG emissions	29-31	All the carbon footprint emissions are based on 2018 data
	305-3 Other indirect (Scope 3) GHG emissions	29-31	All the carbon footprint emissions are based on 2018 data
<b>Waste 2020</b>	103-1/2/3 Management approach	28, 29, 31-36	
	306-1 Waste generation and significant waste-related impacts	15, 19, 31-36	
	306-2 Management of significant waste-related impacts	15, 19, 31-36	
	306-3 Waste generated	35	
	306-4 Waste diverted from disposal	35	
<b>Social</b>			
<b>Occupational Health and Safety 2018</b>	103-1/2/3 Management approach	20-27	
	403-1 Occupational health and safety management system	23	
	403-2 Hazard identification, risk assessment, and incident investigation	23	
	403-3 Occupational health services	23	
	403-4 Worker participation, consultation, and communication on occupational health and safety	23	
	403-5 Worker training on occupational health and safety	23	
	403-6 Promotion of worker health	23	
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	Own disclosure: Number of workplace accidents leading to absence or sick leave	23	
	<b>Supplier Social Assessment 2016</b>	103-1/2/3 Management approach	38-41
414-1 New suppliers that were screened using social criteria		40	



The better shopping experience

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