

An aerial photograph of a lush green forest with a river winding through the center. The trees are dense and vibrant green, with some lighter green patches. The river is a deep blue color, contrasting with the green. The overall scene is natural and serene.

HL Display Sustainability Progress Report 2025



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ESRS 2 General disclosures

BP-1 - Basis for preparation

This sustainability progress report covers the consolidated global operations of HL Display Group, including HL Display Holding AB and all subsidiary legal entities. Unless explicitly stated, operations outside HL Display's direct control, including suppliers, are not within the reporting scope. The reporting period is 1 January to 31 December 2025.

HL Display (HL) is a non-listed, wholly owned subsidiary of Ratos AB, a publicly listed Swedish company. As Ratos AB prepares and publishes a consolidated sustainability statement covering the Group, including HL, HL is exempt from preparing a separate standalone sustainability statement. Ratos AB's consolidated sustainability statement is available in its [Annual and Sustainability Report 2025](#). This report has nevertheless been prepared voluntarily and is inspired by the ESRS framework to support consistency with Group reporting and strengthen HL's internal sustainability governance.

HL's 2025 sustainability data is included within the scope of the external limited assurance engagement performed by EY on Ratos AB's consolidated ESRS sustainability statement. The assurance opinion is issued at Ratos AB consolidated level and covers the period January-December 2025.

This report also serves as HL's annual Communication on Progress (COP) to the UN Global Compact, reporting on actions taken and progress made against the Ten Principles during 2025.

BP-2 - Disclosures in relation to specific circumstances

Two companies acquired in 2024, kostklip (Canada) and Effekt Grafik (Germany), are fully included in the 2025 reporting boundary for the first time. Their full inclusion affects the comparability of 2025 data with prior years across GHG emissions and energy data (E1), material consumption (E5), workforce metrics (S1) and supplier management (S2). The specific impacts on each topic are described in the relevant sections of this report.

In December 2025, HL signed an agreement to acquire Deinzer Holding GmbH. The acquisition was completed in March 2026. Deinzer will therefore be included in the 2026 reporting boundary.

No other specific circumstances materially affected the preparation of this statement.

IRO-1 - Process to identify and assess material impacts, risks and opportunities

In 2024, HL conducted a double materiality assessment aligned with the principles of CSRD and guided by the ESRS framework, supported by an independent external consultancy. The assessment identified the material sustainability topics reported in this report and remains valid for the 2025 reporting year. HL will conduct a full reassessment in 2026.

Five-step methodology

- Identification of a gross list of 33 sustainability topics across the value chain and time horizons, based on the ESRS topic list and HL's 2022 impact materiality assessment.
- Impact materiality assessment: negative impacts scored on severity (scale, scope, remediability) and likelihood; positive impacts scored on scale, scope, and likelihood.
- Financial materiality assessment: risks and opportunities scored on magnitude of potential financial effect and likelihood, aligned with HL's enterprise risk management system.
- Process and stakeholder review: two internal workshops with the Group Marketing Director, Sustainability Manager, Group CFO, and Finance team representatives.
- Validation by the Group Management team, with final approval and adjustments.

Outcome: 14 material sustainability topics across 5 ESRS standards

Standard	Impact materiality only	Double materiality	Financial only
E1 Climate change	Climate change mitigation; Energy	-	-
E5 Resource use	Waste	Resource inflows; Resource outflows	-
S1 Own workforce	Equal treatment	Working conditions; Corporate culture	-
S2 Value chain workers	Other work-related rights (value chain)	Working conditions; Equal treatment (value chain)	-
G1 Business conduct	-	Corruption & bribery; Management of supplier relationships	-
Entity-specific	-	Cybersecurity	-

IRO-2 - Disclosure requirements covered

Based on the double materiality assessment, HL reports on the following ESRS standards: ESRS 2, E1, E5, S1, S2, G1, and one entity-specific topic (Cybersecurity). Topics not identified as material are not reported in full. These include E2 Pollution, E3 Water, E4 Biodiversity, S3 Affected Communities, and S4 Consumers and End-Users. These topics are nevertheless addressed through HL's policy framework and operational controls where relevant, including environmental compliance, product safety and resource management. Although water was not identified as a material topic in HL's double materiality assessment, water is used at manufacturing sites, mainly for cooling processes. HL has established site-level water baselines for relevant manufacturing sites and manages water use through operational controls. Based on current screening, no production sites are identified as being in water-stressed areas. HL reviews water performance annually at relevant manufacturing sites against site-level baselines and identifies improvement opportunities where relevant.

SBM-1 Strategy, business model and value chain

HL Display is an international supplier of in-store communication and merchandising solutions. Products include store communication systems, merchandising solutions, lighting systems, secondary displays, and customised in-store solutions and services. Systems are installed in over 350,000 stores globally across 70+ markets, served through 28 sales offices and distribution partners. The largest markets are the UK, Germany, and France. Production is conducted across 9 facilities in Sweden (Sundsvall and Akriform), Poland (Gliwice), the UK (Harlow and Leeds), Germany (Werba and Effekt Grafik), China (Suzhou), and Canada (kostklip). HL employs 1,496 people, sources from 1,700+ suppliers and net sales of 2.8bnSEK.

Business strategy pillars

- Growing people and business
- Best in class cost efficiency
- Leading with innovative and sustainable solutions
- Positioning HL as preferred partner

HL's growth strategy combines organic development with targeted acquisitions, expanding its geographic footprint, product capabilities and market reach.

Sustainability focus areas

- Helping customers to create more sustainable stores
- Creating the best workplace
- Driving continuous improvement in operations
- Ensuring responsibility in supply chain

Value chain

The table below defines the boundaries of HL's value chain for the purposes of this sustainability statement.

Stage	In scope	Scope boundaries and coverage
Upstream	1,700 direct (Tier 1) suppliers providing goods and services to HL: plastics, metals, packaging, tape, electrical components and other materials.	All 1,700 direct suppliers are in scope. HL's due diligence program engages them in priority order by spend and risk.
Own operations	9 production facilities (Sweden, Poland, UK, Germany, China, Canada). 28 sales offices and distribution centres. All entities under HL Display Group operational control.	No joint ventures, minority shareholdings or associate entities exist. No exclusions apply.
Downstream	Retail customers within grocery and non-food as well as branded goods. Third-party logistics providers handling outbound distribution of sold products.	End consumers (shoppers) are not directly in scope as HL has no contractual relationship with shoppers. Shopper impacts are addressed indirectly through sustainable product design.

HL confirms it is not involved in fossil fuel activities, the manufacture or trade of controlled chemical substances, controversial weapons, or the cultivation and production of tobacco. HL's activities are exclusively the design, manufacture and sale of in-store merchandising and display solutions.

MDR-P Minimum disclosure requirements: policies overview

HL has been a participant in the United Nations Global Compact since 2010. The Ten Principles on human rights, labour, environment and anti-corruption are an integral part of HL's strategy, culture and day-to-day operations, and underpin the policies listed below.

Policy	Sustainability matters covered	Scope	External framework	Owner
Code of Conduct	All material topics (climate, waste, resources, working conditions, corruption, cybersecurity, supplier management)	Own operations + value chain	UN GC, UNGP, OECD Guidelines	Group HR Director
Code of Conduct for Suppliers	Working conditions, equal treatment, supplier management, corruption (value chain)	Upstream value chain	ILO, UNGP, OECD Guidelines	Group Purchasing Director
Policy for Employee Diversity, Inclusiveness and Equality	Equal treatment (own workforce)	Own operations	ESRS S1	Group HR Director
Policy for Working Environment, Health & Safety	Working conditions (own workforce)	Own operations	ESRS S1	Group HR Director
Whistleblowing Policy (HL Speak Up)	All material topics - reporting channel	Own operations + value chain	EU Whistleblower Directive	Group HR Director
Policy for Environment and Sustainability	Climate mitigation, energy, waste	Own operations	UN Global Compact	Group Supply Chain Director
Corporate Responsibility Policy	All material topics - overarching framework	Own operations + value chain	UN GC, UNGP, ILO, OECD	Group HR Director

SBM-2 - Interests and views of stakeholders

HL systematically engages with six key stakeholder groups:

- **Customers:** account reviews, sustainability questionnaires, and bilateral meetings. Some of the topics raised: product sustainability, waste reduction.
- **Suppliers:** self-assessment questionnaires, audits, Supplier Full Reviews, and the Kodiak system. Some of the topics raised: sustainable materials, ethics, compliance.
- **Employees:** monthly company-wide townhall, annual employee engagement survey, performance reviews twice per year, and local management dialogue. Some of the topics raised: working conditions, culture, health and safety.
- **Owner (Ratos AB):** board meetings and the annual sustainability reporting cycle. Some of the topics raised: strategy, targets, financial performance.
- **Shoppers:** shopper insight research. Some of the topics raised: sustainable stores, packaging-free shopping, shopping convenience.
- **Society / authorities:** compliance with applicable regulatory frameworks and annual sustainability reporting inspired by ESRS and UN Global Compact principles.

SBM-3 - Material impacts, risks, and opportunities: interaction with strategy

The 14 material sustainability topics identified through the double materiality assessment are considered in HL's strategic planning and Group Management decision-making.

Material IROs interact with HL's business model as follows:

- **Climate change mitigation:** scope 3 emissions dominate (upstream raw materials). Growth through acquisitions creates a structural risk of new emissions outpacing reductions. SBTi commitments create transition risk and strategic pressure.
- **Resource inflows/outflows:** HL's product portfolio is largely plastics and metal. Increasing recycled content and circular product design are both impact mitigation actions and commercial opportunities.
- **Working conditions (own workforce):** 1,496 employees, with 9 production sites in 6 countries. Health and safety, fair wages, and engagement are essential to operational continuity.
- **Working conditions (value chain):** 1,700+ suppliers with significant geographic spread across higher-risk jurisdictions (China, Eastern Europe). Inadequate oversight is a risk to human rights compliance and brand reputation.
- **Corruption and bribery:** purchasing and sales functions identified as highest risk. Global operations in jurisdictions with elevated corruption risk create compliance and reputational exposure.
- **Cybersecurity:** increasing cyber threats pose risks to data integrity, customer relationships, and financial performance.

UN Sustainable Development Goals

HL contributes to several of the United Nations Sustainable Development Goals (SDGs) through its sustainability strategy, operations, and product offer. The four goals below reflect the area most closely connected to HL's business activities and where HL's actions contributed most directly.

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

HL contributes through efficient production processes, including waste management and the use of recycled materials. Employee health and safety is protected across operations. The Code of Conduct and Code of Conduct for Suppliers define the standards expected of HL and its business partners.

Goal 10. Reduce inequality within and among countries.

HL promotes diversity, objective performance management and talent development through its recruitment and people practices, supported by the Corporate Responsibility Policy. Whistleblowing and grievance mechanisms allow concerns related to inequality or unfair treatment to be raised without fear of retaliation.

Goal 12. Ensure sustainable consumption and production patterns.

HL helps customers reduce waste and environmental footprint through more sustainable in-store solutions. Circularity is supported through take-back initiatives and the reintegration of materials where technically feasible. In production, HL works to reduce factory waste and increase recycling and recovery rates. The Sustainable Choice offer provides customers with alternatives to virgin fossil-based plastic.

Goal 13. Take urgent action to combat climate change and its impacts.

HL works continuously to reduce the carbon footprint of its operations and products through increased use of recycled materials and other lower-carbon alternatives, a shift to renewable electricity, and improved energy efficiency across operations. HL also supports customers with solutions that can contribute to lower environmental impact in stores.

Further information and performance data related to these topics are provided in the relevant sections of this report.

ESRS 2 Governance

GOV-1 - Governance bodies

Composition and diversity

At the start of 2025, the Board of Directors of HL consisted of four members: the CEO and three representatives from HL's owner Ratos AB, including the Chairperson. All four members were male. Towards the end of 2025, changes were made to the board; at year-end, there were five members: four male and one female, with the female board member assuming the role of Chairperson. Board members are appointed by the shareholder Ratos AB and are not subject to an independent nomination process.

HL's Group Management Team consists of six executives of different nationalities, including the CEO: four male and two female. Members are recruited through internal or external selection processes and evaluated through the same performance review process applied to all HL employees. The CEO is evaluated annually by the Board of Directors.

The Board of Directors, in collaboration with the Group Management team, develops, approves, and updates HL's strategies and goals, including sustainability targets, through a yearly process. The Board reviews and approves the annual Sustainability Report.

The Group Management Team holds overall responsibility for HL's sustainability efforts, including the development of due diligence processes and the management of environmental, social, and economic impacts. HL's CEO is responsible for overseeing and making decisions regarding the management of the company's impacts.

The Sustainability Manager, in close coordination with the Group Management team, drives HL's sustainability efforts. In 2025, a proposal for HL's net-zero 2050 ambition was presented to and discussed within the Group Management Team as part of the development of the company's long-term climate strategy.

GOV-2 - Information provided to governance bodies

HL's sustainability performance is regularly evaluated and reported to the Group Management team and Board of Directors. Key mechanisms include:

- **Supply chain matters:** reviewed every two months through a regular Business Review involving the Supply Chain Director, factory managers, and relevant supply chain teams. Sustainability topics are systematically assessed as part of this review.
- **Sustainability review:** the Group Management Team reviews sustainability priorities, employee engagement results, and progress against targets as part of the annual reporting process.
- **Board approval:** the Board annually reviews and approves the Sustainability Report, strategies, and goals.

GOV-3 - Integration of sustainability in incentive schemes

HL's remuneration policy aims to foster professional growth and reflect outstanding performance, implemented in a way that ensures fair and non-discriminatory practices based on gender, ethnicity, religion, and other factors. HL's incentive structures focus on long-term incentives and strategic targets, particularly for the most senior roles. Sustainability targets can be integrated into individual workplans based on role and become part of performance evaluations, which may affect salary. There is no mandatory or uniform link between sustainability outcomes and variable remuneration across the organisation.

GOV - 4 Statement on due diligence

HL's due diligence processes are aligned with international standards including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Due diligence activities include:

- Supplier self-assessment questionnaires and Supplier Full Reviews (covering 6 dimensions: Supply Chain, Quality and Environment, Commercial Agreement, Marketing and Sales, Profitability, and Management and Organisation).
- On-site audits for high-risk suppliers, with 100% of important and high-risk suppliers covered by a due diligence process including business ethics and anti-corruption criteria.
- Annual review of risk assessments for corruption-related functions (Purchasing, Sales).
- Code of Conduct training for all employees

GOV-5 - Risk management and internal controls over sustainability reporting

Several sustainability metrics, such as the proportion of recycled plastics and the Lost Time Injury Frequency Rate (LTIFR), are measured monthly. Annual data quality reviews include reconciliation to source documentation and management sign-off before publication.

In 2025, HL migrated all sustainability data to the Position Green platform, strengthening data collection and quality control processes across all reporting topics.

Through its double materiality assessment, HL has identified sustainability-related risks. Some of these overlap with the Group-wide risk map and broader business risk assessment, but they have not yet been formally integrated into the Group-wide risk map. Business risks, including selected sustainability-related risks, are reviewed twice a year as part of the strategy review. Business continuity risks, including supply chain risks, are reviewed annually.

HL's sustainability data is additionally subject to external limited assurance by EY as part of Ratos AB's consolidated ESRS sustainability statement.

E1 Climate change

E1-IRO1 - Identifying and assessing material climate impacts, risks and opportunities

HL assesses climate-related risks and opportunities through its environmental management system and structured governance processes. Since 2019, HL has measured its full carbon footprint in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. GHG emissions data is shared with internal stakeholders, including Group Management, and reviewed regularly to support target-setting, capital allocation and supplier engagement decisions.

Transition risks

The primary material transition risk is the increasing cost of fossil-based input materials due to external carbon pricing mechanisms and evolving climate regulation. Purchased goods and services, primarily plastics derived from fossil feedstocks and metals, account for approximately 80% of total GHG emissions (76,238 tCO₂e in 2025). Changes in the cost or availability of virgin plastics due to carbon regulation represent the most direct financial climate risk to HL's business model. This risk decreases as recycled content increases, since recycled materials are not derived from fossil feedstocks subject to the same carbon pricing exposure.

Physical risks

Physical climate risks were assessed based on the geographic distribution of HL's manufacturing and logistics footprint and available climate hazard data (including heat stress, flooding and extreme weather exposure).

Based on this screening, no material physical risks were identified, and no material climate-related disruptions were observed during the reporting period. This assessment may be refined over time through additional climate risk analysis, depending on the maturity of HL's transition planning and the availability of relevant data. HL has not yet conducted a formal quantitative climate scenario analysis but will consider integrating such analysis into its climate risk management approach in the future.

E1-1 - Transition plan for climate change mitigation

HL's climate transition plan is built on Science Based Targets initiative (SBTi)-validated targets, aligned with a 1.5°C pathway under the Paris Agreement. Near-term targets were validated by SBTi in 2022, using 2019 as the base year.

Near-term targets - by 2030 (vs. 2019 baseline)

- Reduce absolute Scope 1 and 2 emissions by 46%.
- Reduce Scope 3 emissions intensity by 22% per tonne of purchased material.

Long-term ambition - Net-Zero by 2050

HL's ambition is to achieve net-zero GHG emissions across Scopes 1-3 by 2050, defined as at least a 90% absolute reduction from 2019 levels, with residual emissions neutralised through durable carbon removal. A formal net-zero target submission to SBTi is planned as part of HL's future revalidation process in 2027.

Decarbonisation levers

Area	Structural change	Expected emissions impact
Own operations	Renewable energy sourcing and energy efficiency	Reduced Scope 1 and 2 emissions
Raw materials	Shift to recycled and lower-carbon input materials	Lower upstream material emissions
Products	Circular design: durability, modularity, reparability	Reduced lifecycle and end-of-life emissions
Logistics	Modal shift from road to rail; route optimisation	Reduced transport emissions
Supplier engagement	Data transparency and joint reduction targets	Structural Scope 3 reduction over time

Governance

The transition plan is embedded in business strategy and reviewed regularly by Group Management. The Board of Directors receives an annual update on climate performance. Climate considerations are integrated into capital allocation decisions, supplier selection criteria and new product development processes. The plan is updated annually to reflect methodological improvements, regulatory changes and evolving data quality.

Financial resources

Although HL does not yet separately disclose climate-related capital expenditure (CapEx) and operational expenditure (OpEx) at a detailed level, financial resources are allocated to support GHG reduction efforts and the implementation of HL's climate transition plan. Key climate-related investments to date include solar panel installations at the Harlow factory, energy-efficiency upgrades, and the implementation of the Position Green reporting platform. HL will continue to improve the identification, tracking and reporting of climate-related CapEx and OpEx as its reporting practices mature.

E1-2 - Policies related to climate change mitigation and adaptation

HL's Corporate Responsibility Policy and its Environmental and Sustainability Appendix govern climate and environmental impacts. Both documents were updated and approved by the Board of Directors in March 2025, with clarified operational responsibilities and strengthened alignment with SBTi-validated targets.

HL applies a precautionary approach: where lower-impact alternatives are technically and commercially available, HL moves away from harmful materials and processes rather than waiting for regulatory compulsion. The policy commits HL to reducing GHG emissions in line with SBTi-approved targets; improving energy efficiency and increasing renewable energy use; reducing reliance on virgin fossil-based plastics through increased recycled content; designing products for durability, repairability and recyclability; and collaborating with suppliers and customers to reduce value-chain emissions. A cradle-to-grave perspective is applied across all decisions.

E1-3 - Actions and resources related to climate change mitigation and adaptation

In 2025, HL continued implementing its climate action plan across five areas.

1. Own operations

ISO 14001 certification covers all four legacy factories (Harlow, Gliwice, Sundsvall and Suzhou) and their respective Regional Distribution Centres, the Regional Distribution Centre West, and kostklip.

In 2025, all of HL factories and Regional Distribution Centres were assessed for energy efficiency and carbon emissions. These assessments form part of HL's continuous improvement programme and are used to identify reduction opportunities and support actions to reduce Scope 1 and 2 emissions. In 2025, 82% of total electricity consumption was backed by renewable electricity certificates (GOs and REGOs), up from 60% in 2024. Solar panel installations at Harlow, Gliwice, Werba and Suzhou factories generated 661 MWh of on-site renewable electricity, representing approximately 3% of total electricity consumption. Energy efficiency improvements also continued through equipment and process upgrades. These actions contributed to improved energy intensity, which decreased from 1.46 MWh per tonne of material processed in 2024 to 1.35 MWh in 2025.

Although water was not identified as a material topic, efficient water management at relevant manufacturing sites also supports energy efficiency by reducing the energy needed for water handling. In 2025, total water withdrawal amounted to 308,503 m³, compared with 326,547 m³ in 2024. Most water withdrawals occurred at the Sundsvall factory, which draws water from its own well. Of the total water withdrawn, 18,910 m³ came from municipal sources (6%), while 289,593 m³ came from groundwater (94%).

2. Raw materials

Externally sourced recycled plastic reached 1,778 tonnes in 2025, representing 10.8% of total plastic consumption, up from 6.8% in 2024, exceeding the 10% target for externally sourced recycled plastic. A key milestone was the increase in recycled PVC use at the Sundsvall factory (HL's largest consumer of PVC) from 2% to 8.7% of PVC consumption at that site.

3. Products

Since 2024, circular-by-design principles have been integrated into HL's new product development process. All new concepts undergo an eco-design assessment evaluating material choice, recyclability, repairability and carbon intensity before proceeding. Two products launched in 2025 demonstrate this approach: the 4eBin™ Scoop Bin and Multivo™ Core shelf system, both partly made with recycled PET with modular and replaceable components. In 2025, HL developed an internal durability and a reparability assessment, targeting 20% of sales meeting the circular-by-design standard by 2030. Quantitative product-level circularity metrics, including designed recyclability rates for key products and packaging, are under development and will be progressively integrated into future reporting.

4. Logistics

HL continued to reduce transport-related emissions through freight consolidation, improved load planning and modal shift. Rail transport from the Sundsvall factory increased from 1,847 tonnes in 2024 to 4,653 tonnes in 2025, raising rail's share of Sundsvall outbound freight from 4.9% to 11.8%. This shift from road to rail, combined with higher load factors and fewer shipments, reduced the carbon intensity of outbound logistics. The average emission intensity of rail freight (0.018 kgCO₂e/tkm) is approximately one third of road freight (0.062 kgCO₂e/tkm).

5. Supplier engagement and data quality

In 2025, HL increased the use of supplier-specific carbon data in Scope 3 calculations. Approximately 8.4% of Scope 3 emissions were calculated using supplier life-cycle assessment data, primarily for PVC purchased for the Sundsvall factory. The remaining emission factors were derived from recognised LCA databases (Ecoinvent 3.11, IEA 2024, DEFRA 2025). HL intends to further develop supplier engagement on climate-related data and emissions over time, prioritising suppliers representing the largest share of purchased material emissions where relevant and feasible.

E1-4 - Targets related to climate change mitigation and adaptation

Targets are established in accordance with SBTi methodology and the GHG Protocol, validated by SBTi in 2022 using 2019 as the base year. All targets are gross emission reductions without the use of carbon offsets, consistent with the SBTi 1.5°C pathway.

Baseline (2019)

Metric	2019 Baseline
Scope 1 (tCO ₂ e)	2,176
Scope 2 market-based (tCO ₂ e)	8,255
Combined Scope 1+2 market-based (tCO ₂ e)	10,430
Scope 3 intensity (tCO ₂ e / tonne purchased material)	4.33

The base year emissions have been recalculated to reflect the integration of acquired companies, in accordance with GHG Protocol guidance on significant structural changes. When a company is acquired, its historical emissions are also acquired. The following acquisitions were integrated into the recalculated base year: Akriform (2022), Allied POS (2022), Werba (2023), Oechsle (2023), PR Trading (2024), Effekt Grafik (2024), kostklip (2024) and LTG Display (2024).

Emissions for acquired entities were estimated for the 2019 reference year using a scaling approach based on financial proxies (net sales), where activity data was not available. This approach is consistent with the GHG Protocol guidance for structural changes and was selected as the most reliable method given data availability. Where possible, assumptions were cross-checked against sector benchmarks and available operational data.

The cumulative impact of these acquisitions, adding 435 tCO₂e to Scope 1 and 2 and 20,458 tCO₂e to Scope 3, triggered a base year recalculation in accordance with GHG Protocol thresholds. Restated base year emissions are 10,430 tCO₂e for Scopes 1 and 2 (market-based), and 4.33 tCO₂e/tonne of purchased material for Scope 3 intensity.

All targets and progress figures in this disclosure are measured against the restated base year. A coverage analysis confirmed that the recalculated Scope 3 categories 1 and 4 represent 87% of base year emissions, exceeding the SBTi minimum coverage requirement of 67%. Based on the current coverage analysis, HL's existing SBTi-validated targets remain valid.

2025 Progress against target

Metric	2019 Baseline	2030 Target	2025 Pathway	2025 Actual	Status
Scope 1+2 (tCO ₂ e)	10,430	5,632	7,813	3,002	Achieved
Reduction vs. 2019	-	-46%	-28%	-71%	
Scope 3 intensity (tCO ₂ e/tonne)	4.33	3.38	3.81	3.37	Achieved
Reduction vs. 2019	-	-22%	-12%	-22%	

Scope 1 and 2 emissions reached 3,002 tCO₂e in 2025, a 71% reduction from the 2019 baseline, well below the 2030 target of 5,632 tCO₂e. This performance is primarily driven by the procurement of Guarantees of Origin (GOs) and Renewable Energy Guarantees of Origin (REGOs) under the market-based Scope 2 method, and by on-site solar generation at the Harlow, Gliwice, Werba and Suzhou factories.

Scope 3 emission intensity reached 3.37 tCO₂e per tonne in 2025, representing a 22% reduction versus the 2019 baseline. Of this reduction, approximately 13 percentage points result from operational improvements (including increased recycled content, logistics optimisation and supplier engagement), while approximately 9 percentage points result from methodological changes (updated emission factors and improved data granularity). A sensitivity analysis was performed by recalculating 2025 emissions using 2019 emission factors, confirming that underlying operational reductions remain significant.

Target review and next steps

HL reached its 2030 targets for Scope 1, 2 and Scope 3 intensity ahead of schedule. This performance reflects a combination of operational improvements (notably increased use of recycled materials and energy efficiency) and the procurement of renewable electricity certificates under the market-based method. HL is committed to raising its level of ambition. Two next steps are planned:

- First, HL will define new near-term targets as part of a 2027 SBTi revalidation, in alignment with the latest 1.5°C science.
- Second, HL will commit to a net-zero target by 2050, to be validated by the SBTi. This long-term target is defined as a minimum 90% absolute reduction across Scopes 1, 2 and 3, with any residual emissions neutralised through durable carbon dioxide removals.

E1-5 - Energy consumption and mix

Total energy consumption in 2025 reached 33,200 MWh, an increase of 12.7% from 29,457 MWh in 2024. This increase reflects higher production volumes and the addition of two acquired sites. Energy intensity improved: consumption per tonne of material processed fell from 1.46 MWh (2024) to 1.35 MWh (2025), a 7.5% improvement. The absolute increase in energy use reflects a larger business, not a deterioration in operational efficiency.

Energy consumption by source

Energy source	2019 (MWh)	2024 (MWh)	2025 (MWh)
Fossil (natural gas, petroleum)	-	15,575	10,712
Nuclear	-	3,251	399
Renewable (wind, solar, hydro)	-	10,631	22,090
Total	-	29,457	33,200

Fossil energy consumption fell 31%, as sites transitioned to renewable electricity certificates and expanded on-site solar generation. No coal was consumed in 2025. The decrease in nuclear-sourced electricity reflects displacement by renewable certificates under the market-based method.

Electricity consumption

Electricity accounts for 70.6% of total energy consumption.

Electricity source (2025)	MWh
Purchased electricity (total)	22,770
Self-generated solar (self-consumed)	661
Total electricity consumption	23,431
of which: backed by renewable certificates (GO/REGO) - <i>see table below</i>	19,146
of which: self-generated renewable solar	661
Total renewable electricity (85% of total)	19,807

Renewable electricity certificates: site-by-site breakdown

Site	Instrument	MWh
Sundsvall factory (SE)	GO - wind power	7,494
Sollentuna factory (SE)	GO - wind power	694
Stockholm sales office (SE)	GO - wind power	37
Suomi sales office (FI)	GO - wind power	46
Harlow factory (UK)	REGO - wind power	2,605
Leeds factory (UK)	REGO - wind power	249
Gliwice factory (PL)	GO - renewable (cancelled via TGE S.A.)	7,342
Regional distribution center (PL)	GO - renewable (cancelled via TGE S.A.)	169
Werba factory (DE)	Bundled Naturstrom tariff (TÜVNord certified)	510
Total		19,146

Methodology

Energy consumption is calculated from metered data and supplier invoices. Where supplier-specific electricity origin data is unavailable, national residual electricity mixes are applied. Renewable electricity claims are based on contractual instruments (GO and REGOs) under the GHG Protocol market-based Scope 2 method. Data quality improved in 2025 through expanded collection of office electricity data and actual fuel and electricity consumption for company vehicles.

E1-6 - Gross Scopes 1, 2, 3 and total GHG emissions

HL maintains a corporate-level GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard for Scopes 1 and 2 and the GHG Protocol Corporate Value Chain (Scope 3) Standard. The inventory covers emissions across HL's operations and value chain and is updated annually to support emissions tracking, target-setting and decarbonisation planning. Emissions are expressed in metric tonnes of CO₂-equivalent (tCO₂e).

Organisational boundary

The GHG inventory covers all entities under operational control per GHG Protocol. In 2025, the reporting boundary expanded to include kostklip (Canada) and Effekt Grafik (Germany), both acquired in 2024. Their combined 2025 emissions amount to 10,410 tCO₂e (market-based). The resulting base year recalculation is described in E1-4.

Scope 1 - Direct emissions

Sources: stationary combustion (natural gas), mobile combustion (company vehicles) and fugitive emissions (refrigerants). No HL facilities are subject to the EU Emissions Trading System. No biogenic CO₂ emissions occur.

Scope 1 indicator	2019	2024	2025
Gross Scope 1 emissions (tCO ₂ e)	2,176	1,397	1,907
ETS-regulated emissions (tCO ₂ e)	0	0	0
Biogenic CO ₂ emissions (tCO ₂ e)	0	0	0

Scope 2 - Indirect emissions from purchased energy

Reported using both location-based and market-based methods per GHG Protocol Scope 2 Guidance.

Scope 2 indicator	2019	2024	2025
Location-based Scope 2 (tCO ₂ e)	7,727	7,517	6,768
Market-based Scope 2 (tCO ₂ e)	8,255	3,211	1,094

Market-based Scope 2 emissions decreased by 87% from 2019 to 2025, primarily driven by the procurement and retirement of Guarantees of Origin (GOs) and Renewable Energy Guarantees of Origin (REGOs), in accordance with the GHG Protocol Scope 2 Guidance.

These instruments are matched to electricity consumption at site level and retired on HL's behalf.

Location-based Scope 2 emissions, which reflect the physical electricity mix, decreased by 12% over the same period and provide a complementary view of underlying energy decarbonisation.

Scope 1 and Scope 2 emissions monitoring covers all entities under HL's operational control, with no significant exclusions.

Scope 3 - Value chain emissions

Categories excluded based on immateriality: Cat. 8 (Upstream leased assets), Cat. 10 (Processing of sold products), Cat. 13 (Downstream leased assets), Cat. 14 (Franchises), Cat. 15 (Investments).

Scope 3 category	2019 (tCO ₂ e)	2024 (tCO ₂ e)	2025 (tCO ₂ e)
1. Purchased goods and services	92,274	71,242	76,238
2. Capital goods	3,551	1,997	1,341
3. Fuel- and energy-related activities	1,709	1,061	2,057
4. Upstream transport and distribution	2,846	7,151	6,792
5. Waste generated in operations	62	12	25
6. Business travel	791	412	383
7. Employee commuting	1,140	889	831
9. Downstream transport and distribution	370	215	204
11. Use of sold products	8,373	4,388	3,865
12. End-of-life treatment of sold products	316	121	108
Total Scope 3	111,431	87,489	91,844

Total GHG emissions

Total GHG emissions (tCO ₂ e)	2019	2024	2025
Location-based total	121,333	95,631	100,520
Market-based total	121,861	92,097	94,845

Total GHG emissions (market-based) decreased 22% from 121,861 tCO₂e in 2019 to 94,845 tCO₂e in 2025, despite significantly higher production volumes and the addition of acquired entities. The absolute increase in Scope 3 in 2025 versus 2024 reflects the inclusion of kostklip and Effekt Grafik and the expansion of supplier data coverage, not a deterioration in performance.

GHG intensity

GHG intensity metric	2019	2024	2025	Change 2019-2025
tCO ₂ e per SEK million revenue	76	33	33	-56%
tCO ₂ e per FTE employee	117	71	69	-41%
tCO ₂ e per tonne of material processed	5.14	4.57	3.85	-25%

Scope 3 reporting methods

Method	% of Scope 3	Description
Activity-based (average data)	88.4%	Activity data multiplied by LCA database factors (Ecoinvent 3.11, IEA 2024, DEFRA 2025)
Supplier-specific	8.4%	Supplier LCA or EPD data - primarily recycled PVC at Sundsvall factory
Spend-based	2.1%	Expenditure multiplied by EEIO factors
Pre-calculated datasets	1.1%	Transport and travel data from logistics providers

Methodology and data quality

Greenhouse gas emissions are calculated in accordance with the GHG Protocol using a combination of activity-based, supplier-specific and secondary emission factors. Where methodological changes impact comparability, HL provides transparent explanations and, where relevant, sensitivity analysis to distinguish between operational performance and data improvements.

In 2025, HL transitioned to the Position Green reporting platform, enabling more granular activity-based calculations and updated emission factors. Emission factors are updated annually; the transition to updated factors in 2025 improved accuracy but affects year-on-year comparability at category level.

In December 2025, Position Green conducted a GHG Completeness and Quality Review covering Scopes 1, 2 and 3. The methodology for all Scope 1 and Scope 2 categories was accepted with no recalculation required. Scope 3 base year methodology was accepted for most categories, with recommendations to improve quality on some.

E1-7- GHG removals and GHG mitigation projects financed through carbon credits

HL did not generate, purchase or use any GHG removals or carbon credits in 2025. Emission reduction targets are gross targets requiring real reductions in HL's own footprint, consistent with SBTi-validated methodology which does not permit the use of offsets to meet near-term reduction commitments.

E1-8 - Internal carbon pricing

HL does not currently operate a formal internal carbon pricing mechanism. Climate impact is assessed qualitatively in major procurement and investment decisions, guided by SBTi-aligned targets. The potential role of a more formal internal carbon pricing approach will be explored over time as HL's climate governance and target-setting framework mature.

E1-9 - Anticipated financial effects from material climate-related risks and opportunities

The primary climate-related financial risk for HL relates to potential increases in the cost of fossil-based raw materials driven by carbon pricing and regulatory developments. Plastics represent 67% of total material consumption by weight and 58% of material carbon emissions. Any carbon pricing mechanism applied to fossil-based plastic feedstocks would therefore directly increase procurement costs, with exposure proportional to the share of virgin plastic used. This exposure is expected to decrease over time as the share of recycled materials increases.

At this stage, HL has not conducted a quantitative assessment of climate-related financial impacts using scenario-based modelling. Further quantification may be considered in the future as HL's climate risk assessment approach matures and relevant data becomes available.

On the opportunity side, demand for more sustainable solutions continues to grow. The Sustainable Choice product range increased from 13% of total sales in 2024 to 31% in 2025, reflecting increasing customer demand and supporting the development of lower-impact product offerings.

Physical climate risks have been assessed and are not considered material at this stage; therefore, no associated financial impacts are currently quantified.

E5 Resource use and circular economy

E5-1 - Policies related to resource use and circular economy

Resource use and circular economy are governed by HL's Corporate Responsibility Policy and its Environmental and Sustainability Appendix. The policy commits HL to reducing waste, optimising raw material use and ensuring responsible end-of-life management across operations and the product lifecycle.

Suppliers are required to monitor and document their consumption of natural resources, water, raw materials and energy; to ensure proper management of waste materials with active pursuit of recycling opportunities; and to increase their use of recycled materials where technically and commercially feasible.

Internally, HL's long-term ambition is 100% internal or external recycling of all production waste, with a specific commitment to eliminate all production waste sent to landfill by 2030.

E5-2 - Actions and resources related to resource use and circular economy

1. Sourcing recycled materials

Since 2023, HL's Group Purchasing team has been systematically mapping recycled plastic supply chains and developing quality standards with dedicated recycled material suppliers. This work underpins the year-on-year improvement in externally sourced recycled content, which reached 10.8% of total plastic consumption in 2025.

2. Products built to last

HL's Sustainable Choice range accounted for 31% of total sales in 2025, up from 13% in 2024. Two products launched in 2025 illustrate the circular design principles applied: the 4eBin™ Scoop Bin, a packaging-free merchandising solution with modular design allowing individual component replacement, partly made from recycled plastic; and the Multivo™ Core, an automated front-facing shelf system with modular, interchangeable parts and recyclable components, partly made from recycled plastic.

3. Closing the loop

HL tracks recycled plastic flows across three channels. First, 1,778 tonnes of externally sourced recycled plastic (10.8% of total plastic consumption) were purchased from external suppliers in 2025. A key step was the Sundsvall factory, where recycled PVC content increased from 2% to 8.7% of site PVC use. Second, HL monitors progress on end-of-life actions through its take-back activities. In 2025, 55 tonnes of used plastic products were collected from retailers in Germany, Poland and Italy. They were reintegrated into new products at the Gliwice factory, contributing to a closed-loop material flow where technically feasible. HL plans to expand the customer take-back programme to more markets in the coming years. Third, 561 tonnes of plastic production scrap were reintroduced directly into production runs, representing 4% of total plastic consumption.

4. Waste management and production tooling

HL applies a systematic assessment before scrapping production moulds. Tools suitable for reuse are retained; components from hot runner systems and standardised parts are kept as backup for active moulds. Tools that cannot be reused are handled by a certified waste treatment company providing formal scrapyard documentation.

5. Infrastructure and process improvements

All major factories and regional distribution centres achieved ISO 14001 certification in 2025. Production planning software optimised batch sizes and reduced scrap generation, contributing to the fall in production waste rate from 17.8% in 2024 to 11% in 2025.

E5-3 - Targets related to resource use and circular economy

HL established the following targets for year-end 2025:

Target	Result 2025	Status
Increase externally sourced recycled plastic to 10% of total plastic consumption	10.8% achieved	Achieved
Increase recycled PVC content to at least 20% at Sundsvall site	8.7% achieved	In progress
Increase Sustainable Choice sales by 10% year-on-year	Grew from 13% to 31% of total sales	Achieved

Recycled plastic: from 2025, this target tracks externally sourced recycled material only. Internal production scrap reintroduced into production is reported separately under E5-5. The 2024 report combined both sources under a 12% target. The 2026 target is set at 13% externally sourced.

Recycled PVC at Sundsvall: the 20% target was not met. The main limiting factors are the availability, quality consistency and cost competitiveness of recycled PVC from qualified suppliers. The 2025 result of 8.7% (external sources only) represents genuine progress. The 2026 interim target is 12% externally sourced recycled PVC at Sundsvall, maintaining focus on this priority lever for Scope 3 reduction.

Waste recycling

No specific numerical milestone was set for waste recycling in 2025. We commit to eliminating all production waste sent to landfill by 2030. In 2025, 81.3% of total waste was diverted from disposal (recycling and energy recovery), with 492 tonnes (18.7%) going to landfill.

Targets 2026

- Increase externally sourced recycled plastic to 13% of total plastic consumption
- Reach 12% externally sourced recycled PVC at Sundsvall factory
- Maintain Sustainable Choice sales above 30% of total sales and expand the range to at least 2 new product lines.
- Expand the customer take-back program to major markets (France, UK, Germany)
- Reduce production waste rate to below 10% of materials consumed.

E5-4 - Resource inflows

In 2025, HL consumed 24,609 tonnes of materials across all production sites. Weight and carbon impact do not move in proportion: metals represent 14% of consumption by weight but 32% of upstream carbon impact, while packaging represents 14% by weight but only 3% of carbon impact. HL's decarbonisation efforts are optimised on carbon intensity rather than weight alone.

Material category	Weight (tonnes)	% of total weight	CO ₂ e impact share
Plastics (PVC, PET, ABS, PC...)	16,512	67%	58%
Metals (aluminium, steel, components...)	3,415	14%	32%
Packaging (cardboard, pallets, plastic film, ...)	3,476	14%	3%
Wood	220	1%	0%
Tape	974	4%	7%
Various (ink, paint, adhesives, electrical, ...)	12	0%	0%
Total	24,609	100%	100%

Recycled and reused materials

Of 24,609 tonnes consumed, 1,778 tonnes of plastics came from external recycled sources (10.8% of total plastic consumption, or 7.2% of total material weight). A further 561 tonnes of plastic production scrap were reintroduced into production runs, representing 4% of total plastic consumption.

HL does not yet systematically track the recycled content of metal inputs. This is an identified data gap. HL aims to engage metal suppliers on recycled content data in 2026 and to report this metric from 2026 onwards.

HL does not use critical raw materials as defined in the EU Critical Raw Materials Act.

E5-5 - Resource outflows

Product design for longevity

Durability varies by product type: point-of-purchase materials designed for seasonal campaigns have shorter intended lifetimes. Permanent solutions, such as packaging-free shelf systems and front-facing automation products, are designed for five, ten or more years in demanding retail environments, with structural testing to match.

Reparability: multi-component products with modular construction allow individual parts to be replaced rather than requiring whole-unit replacement. Spare parts and disassembly instructions are provided as standard for these product families.

Recyclability: all HL products are recyclable once disassembled, except for integrated electrical components. End-of-life treatment guidelines are provided to retailers to facilitate proper recovery.

HL monitors customer health and safety through product compliance and post-market quality processes. In 2025, HL recorded 0 product recalls related to customer health and safety and 0 reported product safety incidents. Relevant new product concepts undergo product safety and compliance review before launch. For example, the 4eBin™ Scoop Bin was validated against NSF requirements, supporting product safety, hygiene and cleanability in use.

Waste generated

HL's production sites generated 2,633 tonnes of waste in total in 2025 (10.7% of materials consumed), down from 17.8% in 2024. Applied to 24,609 tonnes of material processed, this improvement represents approximately 1,751 additional tonnes of material retained in production rather than becoming waste. The reduction was primarily driven by improved production planning and process optimisation, supported by the deployment of new planning software across major factories. ISO 14001 certification, now covering all legacy factories and RDCs, provided the management framework for systematic scrap reduction.

Waste operation	Non-hazardous	Hazardous	Total
Reuse	0 t	0 t	0 t
Recycling	1,315.4 t	0.2 t	1,315.6 t
Other recovery (energy recovery)	590.0 t	235.6 t	825.6 t
Total diverted from disposal	1,905.4 t	235.8 t	2,141.2 t
Incineration (without energy recovery)	0 t	0 t	0 t
Landfill	154.9 t	337.2 t	492.1 t
Total directed to disposal	154.9 t	337.2 t	492.1 t
Total waste generated	2,060.3 t	573.0 t	2,633.3 t

81.3% of total waste (2,141 tonnes) was diverted from disposal: 50% through recycling and 31% through other recovery (primarily energy recovery). The remaining 18.7% (492 tonnes) was sent to landfill. No incineration without energy recovery occurred. Zero radioactive waste was generated.

Hazardous waste (573 tonnes) was sent entirely to certified recyclers or licensed treatment facilities. The 337 tonnes of hazardous waste sent to landfill represent regulated co-disposal with stabilisation treatment at licensed hazardous waste facilities; this is not direct hazardous landfilling.

Methodology

Waste data is reported from quantities documented at each site using waste transfer notes and waste contractor documentation. Streams are classified by material type and treatment method in accordance with the EU waste hierarchy and ESRS definitions. Recycling includes both open-loop and closed-loop pathways. Other recovery consists primarily of energy recovery. Hazardous versus non-hazardous classification follows local regulations and waste codes.

S1 Own workforce

S1-1 - Policies related to own workforce

HL's approach to its own workforce is governed by its Corporate Responsibility Policy, updated in March 2025 and approved by the Board of Directors. The policy applies to all Group subsidiaries and covers employees across office, field sales, production and logistics roles in all geographies. HL respects employees' rights to freedom of association and collective bargaining in accordance with applicable national legislation and internationally recognised labour standards.

Code of Conduct

HL's Code of Conduct defines the minimum standards expected of all employees and incorporates internationally recognised human rights and labour principles. It explicitly prohibits forced or compulsory labour, child labour, discrimination, harassment and the purchase of sexual services on work assignments. Violations may result in disciplinary action, up to and including termination of employment. HL has been a signatory to the UN Global Compact since 2010 and applies zero tolerance for child labour, forced labour and human trafficking in its own operations.

Policy for employee diversity, inclusiveness and equality

This policy establishes zero tolerance for discrimination and harassment on any grounds, including ethnicity, colour, gender, sexual orientation, nationality, parental status, religion, age, union membership or disability. Recruitment, remuneration, promotion and development decisions must be based on objective criteria such as qualifications, skills, experience and performance. HL also aims to reduce barriers to equal participation in employment and to make reasonable workplace adaptations where needed.

Policy for working environment, health & safety

HL is committed to providing a safe and healthy working environment and fair working conditions for all employees. The policy applies across all operations, requires local legal compliance as a minimum, and supports continuous improvement in the organisational, social and physical work environment. It also covers fair remuneration, working time, social protection, family-related leave and employee wellbeing. All factories and regional distribution centres target compliance with ISO 45001.

Whistleblowing policy

The Whistleblowing Policy enables employees and other stakeholders to escalate serious concerns to a leadership level not directly connected to the issue. It covers violations of local legislation, Code of Conduct breaches, health and safety issues and ethical misconduct. Confidentiality of the reporter is protected throughout the process. Where concerns are substantiated, HL may implement corrective action, disciplinary measures, policy clarification, process improvement or other appropriate remediation.

International alignment

HL's policies align with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, including ILO Convention No. 111 on discrimination, and the OECD Guidelines for Multinational Enterprises.

S1-2 - Engagement with own workforce and channels to raise concerns

Employee engagement

HL runs an annual global employee engagement survey, HighLight. Results are analysed at team level, shared with employees and used to define local improvement actions. The survey covers work environment, psychological safety, leadership and development.

Social dialogue and worker representatives

HL respects employees' freedom of association. In EEA countries, local works councils and union structures operate in accordance with national law. The Group Leadership Forum convenes key leaders several times a year, in person or digitally, to align on strategy, build leadership capability and support cross-company communication.

Grievance and whistleblowing

Employees can raise concerns through their leaders, local HR or HL Speak Up, the whistleblowing channel, which is accessible to employees and other stakeholders. Confidentiality is protected, and anonymous reporting is available where legally permitted. HL prohibits retaliation against anyone raising a concern in good faith. Reported concerns are escalated to a level independent from the issue and, where substantiated, followed by appropriate remediation. The effectiveness of these channels is monitored through whistleblowing case statistics, closure rates and employee survey feedback.

S1-3 - Actions and resources related to own workforce

Health and safety

All factories and Regional Distribution Centres have robust health and safety processes in place and HL's four main factories (Gliwice, Suzhou, Sundsvall and Harlow) comply with ISO 45001. This strengthens workplace safety and supports a stronger health and safety mindset among both managers and employees. Employee health and safety risk assessment processes are in place across all these operational sites, and two internal audits are conducted every year to support continuous improvement.

Joint management-worker health and safety committees operate at entity level across production and logistics facilities. Safety procedures are updated regularly, risk factors are assessed across operations, and mandatory health and safety training is provided to employees and contractors at relevant sites. Employees are encouraged to report potential risks through a structured observation process, enabling preventive and corrective action. Root cause analysis is conducted following recordable accidents, and safety inspections are carried out regularly.

In 2025, the Gliwice factory received third place in the Polish National Labour Inspectorate's "Employer Safe Workplace Organiser" competition, recognising its high safety standards in the Silesian region. HL also supports employee wellbeing through local initiatives and workplace actions aimed at improving both physical and psychological wellbeing.

Training and development

HL operates a Learning Management System, TalentLMS, accessible to all employees, including factory and distribution centre staff via personal mobile devices. Training needs are identified through annual performance and development reviews, manager feedback, business priorities and employee engagement results. Learning paths cover sustainability, health and safety, leadership, communication, Code of Conduct and job-specific skills.

Performance and development reviews are conducted annually and include two-way feedback, goal setting and discussion of development needs and career aspirations. In 2025, 77% of employees participated in a documented review. HL supports career development through internal mobility, promotions and cross-functional opportunities.

In 2025, the Sustainability Manager delivered a three-hour training session on specific environmental issues to sales teams in France and the UK, covering climate impact, recycled materials, sustainable product design and circularity. This approach will be extended to additional markets in 2026.

Equal opportunity and fair remuneration

HL works to prevent discrimination and harassment across recruitment, development and promotion. Decisions in these areas are based on objective criteria, supported by structured talent reviews and manager guidance. HL works to prevent discrimination and harassment across recruitment, development and promotion. Decisions in these areas are based on objective criteria, supported by structured talent reviews and manager guidance. Employees receive training on the Code of Conduct and expected workplace behaviours, including discrimination and harassment prevention, through onboarding, refresher training and digital learning modules. In 2025, 87% of the total workforce completed the Code of Conduct training covering these topics.

HL reviews wage levels against applicable benchmarks and has committed to ensuring that 100% of its direct workforce is paid at or above the relevant living wage benchmark in all operating countries where such benchmark data is available by 2030.

Working hours are managed in line with local law and monitored through local employment and time-reporting processes. Where overtime or irregular working hours apply, compensation is provided in accordance with employment terms, collective agreements or legal requirements.

Prevention of child labour, forced labour and human trafficking

HL applies preventive controls and a risk-based human rights due diligence approach in its own operations to reduce the risk of child labour, forced labour and human trafficking. These measures include age verification in hiring, employment terms aligned with applicable labour law, local HR oversight and access to grievance channels including HL Speak Up. A SMETA audit covering labour and human rights topics was conducted at the Suzhou factory in China, identified as the most relevant own-operation site from a human rights risk perspective. Where concerns are substantiated, HL may take corrective and protective measures depending on the nature of the case. Across all operations, HL’s Code of Conduct, Corporate Responsibility Policy and grievance mechanisms support the management of broader human rights-related topics, including discrimination and harassment, child labour, forced labour and working conditions.

Employee wellbeing and community engagement

In 2025, HL invested in employee wellbeing through community engagement and improvements to the physical working environment. At Gliwice, a Business Run event was organised alongside a charity donation to a local animal shelter. During Health and Safety Days held across multiple locations in May 2025, e-waste collections were organised at factories and regional distribution centres. The Sundsvall plant upgraded its employee relaxation room to create a dedicated space for mental recovery, later recognised by IKEA as an inspiring example of workplace wellbeing.

S1-4 - Targets related to own workforce

“Senior positions” include the Board of Directors and the Group Management team. At year-end 2025, this represented ten positions in total: five Board positions and six Group Management positions, with the CEO counted in both. Three of the ten positions were held by women, representing 30%.

The target of 40% female representation by 2030 is aligned with the Ratos Group-wide ambition for gender balance in senior positions.

Target	Metric	Status in 2025
Achieve 40% female representation at senior leadership level	% women in senior positions (Board + Group Management)	In progress 30% (2024: 22%)
100% of workforce paid at or above living wage in all operating countries	Living wage benchmarking coverage	In progress Key markets confirmed at or above living wage. One exception in relation to one market where for a limited number of employees we pay above minimum wage but below living wage. Gap under active review.
Maintain ISO 45001 certification across all factories and RDCs	Certification status	Ongoing All legacy factories and RDCs certified.
Achieve overall employee engagement index of 75 (HighLight survey)	Employee engagement index	In progress 72 (2024: 71; external benchmark: 74).
Maintain score of 78 for ‘Regardless of background, everyone at HL has an equal opportunity to succeed’	HighLight equal opportunity score	Achieved and ongoing 79 (2024: 78)
Reduce LTIFR to below 9.0	LTIFR	Achieved and ongoing 4.1 (2024: 8.6)

Targets 2026

- Maintain ISO 45001 certification across factories and RDCs
- 100% of workforce paid at or above living wage in all operating countries
- Achieve overall employee engagement index of 75 (HighLight survey)
- Maintain LTIFR below 9

S1-5 - Characteristics of the undertaking's employees

HL employed 1,496 people at the end of 2025 across 28 countries, up from 1,234 in 2024, mainly reflecting the addition of kostklip and Effekt Grafik. The headcount split was approximately 45% female, 55% male and 0.1% other. On an average FTE basis, 90% of the workforce held permanent contracts.

Gender	Headcount
Female	673
Male	822
Other	1
Total	1,496

Contract type	Female (FTE)	Male (FTE)	Other (FTE)	Total (FTE)
Permanent	545	693	1	1,239
Temporary	49	85	0	134
Non-guaranteed hours	3	0	0	3
Total	597	778	1	1,376

Headcount figures are from Talentsoft as of 31 December 2025. Average FTE figures are from AARO. The difference between 1,496 headcount and 1,376 average FTE reflects end-of-period headcount versus average FTE over the year. Comparative 2024 headcount data by gender and country is not yet available in fully comparable format due to changes in the reporting boundary.

Country	Headcount
Poland	376
United Kingdom	220
Sweden	247
Germany	217
France	97
China	53
Other countries (<50 employees each)	286
Total	1,496

Employee turnover is calculated as the number of employees who left HL during the reporting year divided by the average headcount for the year. It decreased from 14.9% in 2024 to 11.63% in 2025.

Employee turnover	Metric
Employees who left during the year	174
Employee turnover rate	11.63%

S1-6 - Non-employees in the own workforce

In 2025, HL's own workforce included 170 non-employees on an average FTE basis, down from 278 in 2024. Non-employees are defined in line with ESRS as self-employed persons and workers supplied by undertakings engaged in employment activities, in practice mainly temporary agency workers such as those engaged at the Gliwice site. Non-employees working on HL sites are covered by HL's health and safety management system and are expected to comply with the Code of Conduct.

S1-7 - Collective bargaining coverage and social dialogue

HL respects employees' rights to freedom of association and collective bargaining in accordance with applicable national legislation and internationally recognised labour standards. Where employee representative bodies or works councils are in place, HL engages with them in line with local legislation and established practice. HL does not have a European Works Council agreement.

In total, 392 employees, representing 26.2% of the total workforce, are covered by collective bargaining agreements. At establishment level, 746 employees, representing 49.9% of the workforce, are covered by workers' representatives, including through formal workplace representation structures where collective bargaining agreements are not in place.

The table below covers EEA countries with significant employment, defined as at least 50 employees in that country and more than 10% of total Group headcount.

Coverage rate	Collective bargaining	Workplace representation (EEA)
80-100%	Sweden, France	Sweden, France, Poland, Germany

Denmark has 28 employees and therefore falls below the significant employment threshold. However, 100% of Danish employees are covered by workers' representatives, though not by collective bargaining agreements. Outside the EEA, the largest non-EEA workforce is in China, with 53 employees, where national labour law governs wage and employment standards.

S1-8 - Diversity metrics

Board of Directors

At the end of 2025, the Board of Directors consists of five members: one female (20%) and four males (80%). Board composition is determined by the majority shareholder Ratos AB in accordance with Swedish corporate governance rules.

Group Management Team

The Group Management Team comprised six members in 2025 (2 female and 4 male). One additional member joined during 2025.

Gender	Headcount	Share
Female	2	33%
Male	4	67%
Other	0	0%
Total	6	100%

Age distribution - all employees

Age group	Headcount
Under 30 years old	185
30–50 years old	835
Over 50 years old	476
Total	1,496

S1-9 - Adequate wages

HL reviews wage levels against local benchmarks in key operating countries, including Poland, Sweden, the UK, Germany, China and France. In these markets, employees are confirmed to be paid at or above the applicable benchmark.

One gap has been identified in British Columbia, Canada, within the kostklip entity included in the reporting boundary from 2025. Some employees are paid above the statutory minimum wage but below the relevant living wage benchmark. This gap is under active review.

S1-10 - Social protection

All HL employees are covered by social protection against loss of income due to major life events, including sickness, unemployment, work-related injury, parental leave and retirement, either through statutory public programs or through benefits provided by HL, in all countries of operation. There are no countries where employees are not covered by such protection.

S1-11 - Persons with disabilities

In 2025, six employees across the Group were identified as persons with disabilities, representing 0.4% of the total workforce. Data is compiled from local HR and payroll systems in accordance with applicable national legislation. The identification and classification of persons with disabilities follows local legal definitions and certification processes, which differ between jurisdictions.

S1-12 - Training and skills development metrics

HL operates TalentLMS as its central Learning Management System. In addition to digital learning, capability-building takes place through workshops, on-the-job learning, external certifications and the annual Group Leadership Forum.

Metric	Female	Male	Other	Total
Total training hours	965	1,215	20	2,220
Average number of training hours per employees	2.07	1.78	3.34	1.91
Employees who completed performance/career development review	496	656	-	1,152

The increase in total training hours from 568 in 2024 to 2,220 in 2025 mainly reflects expanded course recording in TalentLMS and improved data collection coverage following migration to a consolidated reporting platform. The figures are therefore not directly comparable year on year. Total training hours remain an underestimate because they exclude some workshops not captured in TalentLMS. Performance review participation was 77% in 2025, compared with 92% in 2024, reflecting the expansion of the reporting boundary to newly acquired entities not yet fully integrated into the review cycle.

S1-13 - Health and safety metrics

All legacy factories and all regional distribution centres comply with ISO 45001. The 1,122 employees covered by a health and safety management system represent 75% of the total workforce. The recordable accident rate was 14.4 per million hours worked in 2025, down from 18.18 in 2024. LTIFR improved from 8.6 to 4.1, well below the 2025 target of below 9. No fatal accidents or cases of work-related ill health occurred in 2025.

Metric	Employees
Employees covered by H&S management system	1,122
Fatalities - work-related injuries	0
Fatalities - work-related ill health	0
Recordable work-related accidents (excl. fatalities)	32
Total recordable work-related accidents	32
Total hours worked	2,221,086
Cases of recordable work-related illness	0
Days lost to work-related injuries and accidents	159
Lost Time Injury Frequency Rate (LTIFR)	4.1 (2024: 8.6)

The most significant health and safety risks are concentrated in production and logistics due to work with machinery and tools.

Methodology: Recordable accident rate = $(32 / 2,221,086) \times 1,000,000 = 14.4$ (2024: $38 / 2,090,002 \times 1,000,000 = 18.18$). LTIFR = $(9 / 2,221,086) \times 1,000,000 = 4.1$ (2024: $18 / 2,090,002 \times 1,000,000 = 8.6$).

S1-14 - Work-life balance metrics

All 1,496 HL employees are entitled to family-related leave through social policy and/or collective bargaining agreements, in compliance with local legislation. In 2025, 84 employees, representing 5.61% of the total workforce, took family-related leave: 46 females and 38 males. HL's policies state that taking family-related leave should not create obstacles to future development or promotion.

S1-15 - Remuneration metrics (pay-gap and total compensation)

Gender pay gap

Metric	Value
Average gross hourly earnings - Male	266.02 SEK
Average gross hourly earnings - Female	205.46 SEK
Unadjusted gender pay-gap (% of male earnings)	22.8%

Annual total remuneration ratio

Metric	Value
Annual total compensation ratio (highest-paid individual vs. median of all employees)	12.22

These metrics provide a view of remuneration distribution and gender differences in pay across the workforce. They are distinct from the living wage assessment in S1-9, which focuses on whether employees are paid at or above applicable wage benchmarks in each country.

Total remuneration is defined as annual base salary, on-target bonus where applicable, seniority allowance in France and holiday allowance in the Netherlands and Belgium. Annual salary is converted to hourly earnings assuming 2,080 hours per year. Local currencies are converted to SEK at the December 2025 closing rate. Company car value, actual short-term incentive payments, long-term incentives and adjustments for long-term leave are excluded.

For the annual total compensation ratio, compensation covers base salary only and does not include bonuses, cash allowances, commissions, profit-sharing or long-term incentives.

S1-16 - Incidents of discrimination and other human rights incidents

In 2025, zero incidents of discrimination, including harassment, were recorded. Zero complaints were filed to the National Contact Points for OECD Multinational Enterprises. No fines, penalties or compensation for damages related to work-related incidents were incurred.

Employee engagement (HighLight survey)

HL's annual HighLight engagement survey provides insights into the engagement of employees and helps focus improvements on engagement, performance and retention.

The overall engagement measure for 2025 scored 72 (+1 vs. 2024: 71). The external global benchmark for 2025 was 74, based on more than 700 companies and more than 10 million data points from employees.

The engagement index combines two items: satisfaction ('I am happy working at HL') and willingness to recommend HL ('I would recommend HL as a great place to work'). In 2025, these scores were 75 (2024: 74) and 69 (2024: 67), respectively. The external benchmarks were 75 for satisfaction and 75 for the recommend question.

Equal opportunity score ('Regardless of background, everyone at HL has an equal opportunity to succeed'): 79 in 2025 (2024: 78; target: ≥78).

Overall response rate: 86% (2024: 84%). Results are aggregated at company-wide level and shared with all employees. Every manager overseeing a team of more than five members directly receives their team's results and is expected to develop action plans reviewed quarterly.

Key findings and improvement actions

While improvement opportunities can vary between teams, functions and business units, our biggest general opportunities are reasonably consistent with 2024. These focus on the areas of Decision Making, Action Taking and Communication. Each team has identified specific priority focus areas and actions, and these have been incorporated into the 2026 goals. The Extended Group Management team has committed to a focus on setting the right tone across the organisation in relation to how we collaborate, communicate and build trust.

Actions and governance

The Group Human Resources Director is responsible for ensuring the engagement survey takes place and that results are available. All local leaders are responsible for working with their teams to develop practical action plans and to review progress quarterly. Results are aggregated at company-wide level and shared with all managers and employees globally.

S2 Workers in the value chain

S2-1 - Policies related to value chain workers

Code of Conduct for suppliers

HL's primary policy instrument for managing impacts on workers in the value chain is the Code of Conduct for Suppliers, which forms part of HL's Corporate Responsibility Policy (updated and approved by the Board of Directors in April 2025 and yearly revised). The Code applies to all business partners that provide products or services to HL, including subcontractors and consultants, and requires that these requirements are cascaded to direct suppliers.

The Code is founded on core ILO conventions, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the principles of the UN Global Compact. It explicitly addresses:

- Human and labour rights, including a zero-tolerance policy for forced labour, child labour, discrimination and harassment, and a requirement to provide safe, healthy and inclusive working conditions
- Business ethics, including anti-corruption requirements
- Sustainable growth and environmental care
- Health and safety

The Code explicitly prohibits trafficking in human beings, forced and compulsory labour, and child labour. Suppliers must not engage in or tolerate restrictions of movement, excessive recruitment fees, confiscation of identity documents, withholding of wages, debt bondage, or any form of forced, compulsory or illegal labour, in accordance with ILO Convention Nos. 29, 105 and 182 and the Modern Slavery Act 2015 where applicable.

Suppliers are expected to ensure freedom of association and collective bargaining (ILO Conventions Nos. 87 and 98), equal opportunities and non-discrimination (ILO Conventions Nos. 100, 111 and 135), and to comply with applicable national legislation on working time, wages, overtime and social security. HL aims to verify that 100% of its strategic suppliers pay a minimum wage to employees by 2030.

Scope and communication

The Code applies across all geographies in which HL's supply chain operates and is available in English, French, Chinese, Polish, German and Swedish. Signing is recorded in Kodiak. Where a supplier declines to sign, the HL Purchasing Manager requests an equivalent code; if it meets HL's standards the supplier is considered compliant, otherwise the supplier is phased out.

S2-2 - Engagement with value chain workers and existence of channels for value chain workers to raise concerns

Supplier management system

Around 1,000 of HL's 1,700 suppliers supply factories and approximately 700 serve distribution centres. HL's supplier due diligence program covers direct (Tier 1) suppliers as its primary scope. In 2022–2023, the program was progressively extended to next-tier suppliers, reaching 95% of all suppliers across multiple tiers by end of 2023. In 2024-2025, the program restarted from the beginning with important Tier 1 suppliers, with a specific focus on integrating suppliers from recently acquired companies. Re-engagement with sub-tier suppliers is planned as the program matures. Within this scope, HL manages engagement through a four-step due diligence process facilitated by the Kodiak platform:

- Initial screening of new suppliers
- Self-assessment questionnaire (30 questions across 10 areas including human rights, labour rights, environmental management and anti-corruption)
- On-site audits, including confidential worker interviews
- Supplier full review and performance evaluation

Initial screening

When new suppliers sign the Code of Conduct for Suppliers, Kodiak evaluates them based on geographical location and operational risk, and alerts HL's purchasing team to any flagged suppliers.

Self-assessment questionnaire

A 30-question questionnaire is distributed via Kodiak. Kodiak assigns a risk score (low to high); the HL Purchasing team reviews both the score and the responses. Suppliers rated medium to high risk must submit corrective action plans and may face escalation to on-site audit or, in persistent cases, termination.

On-site audits

Each audit verifies comprehension of and compliance with the Code of Conduct for Suppliers, then performs a pre-defined on-site review. Both management and employee-level representatives are interviewed. The process includes a separate, confidential meeting with one to two blue-collar workers covering health and safety, fair wages, equal pay and child labour policies. This direct engagement is designed to reach workers independently of management, including those who may be particularly vulnerable such as migrant workers and women workers.

Supplier full review and performance evaluation

A comprehensive review of the 50 largest suppliers (ten per purchasing team) covers more than 75% of HL's total spend. Suppliers with outstanding performance receive HL awards; those with insufficient results are assigned action plans followed up every 6 to 12 months.

Channels for value chain workers to raise concerns

HL operates HL Speak Up, accessible on the HL website and open to both HL employees and external parties, including value chain workers. Information about HL Speak Up, HL's whistleblowing channel, is included in the Code of Conduct for Suppliers. The mechanism is designed in line with the effectiveness criteria for non-judicial grievance mechanisms (UN Guiding Principles, Principle 31). Suppliers may also raise concerns directly with HL Head Office.

Approach to remedy

Where HL has caused or contributed to a negative impact on value chain workers, the response prioritises cooperation and corrective action. Non-compliance leads to a corrective action plan documented in Kodiak, subject to follow-up every 6 to 12 months. Persistent material non-compliance may result in contract termination.

S2-3 - Actions and resources related to value chain workers

Integration of suppliers from acquired companies

The primary focus of HL's supplier management program in 2025 was the integration of suppliers from companies acquired in recent years, including kostklip (Canada), Effekt Grafik (Germany), Werba (Germany), PR Trading (Denmark) and Akriform (Sweden), all fully integrated into HL's supply chain management framework in 2025. All main suppliers from these businesses, collectively representing 80% of their spend, were successfully registered in Kodiak by year-end. A self-assessment campaign was launched and is ongoing. Efforts to have all important suppliers sign the Code of Conduct for Suppliers reached 49% completion by year-end.

Strengthening supplier due diligence

The Kodiak self-assessment questionnaire was further refined in 2025 to improve identification of risks related to land rights, safe working conditions and freedom of association. Audit protocols were updated to include enhanced evaluations of human rights and labour standards compliance, including child labour and forced labour risks. Seven on-site audits were completed during the year.

UN Global Compact Business & Human Rights Accelerator

In 2025, HL participated in the Business & Human Rights Accelerator program of the UN Global Compact. As a direct outcome, HL developed a company-level Human Rights Action Plan setting out prioritised, time-bound actions across both own operations and the value chain.

Human rights incidents

In 2025, no human rights incidents connected to workers in HL's upstream or downstream value chain were reported through HL Speak Up or any other channel (2024: 0).

S2-4 - Targets related to value chain workers

HL sets annual supplier management targets, defined by HL's purchasing team, approved at Group Management level, and monitored quarterly through Kodiak.

Target 2025	Result 2025	Status
Register all main suppliers from acquired companies (covering 80% of spend) into Kodiak	100% registered	Achieved
Conduct self-assessment campaign for all important suppliers from acquired companies	Campaign launched; ongoing at year-end	Ongoing
All-important suppliers from acquired companies to sign the Code of Conduct for Suppliers	49% signed	Ongoing
Conduct 10 on-site audits	7 audits completed	Ongoing
Sign Code of Conduct with all new suppliers during 2025	37 signed	Achieved

Targets for 2026

- Complete the self-assessment campaign for all important suppliers from acquired companies
- Reach 60% of total spend suppliers to sign Code of Conduct for Suppliers for acquired business
- Conduct at least 8 on-site audits
- Launch a supplier Risk Assessment campaign

G1 Business conduct

G1-1 - Business conduct policies and corporate culture

Code of Conduct

HL's Code of Conduct is the overarching framework for ethical conduct. It defines HL's zero-tolerance policy toward all forms of bribery and corruption, and sets minimum standards aligned with the UN Global Compact, the UN Convention against Corruption, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

All HL employees sign the Code of Conduct upon joining. The Group HR Director is accountable for implementation. In 2025, 87% of all employees completed the Code of Conduct e-learning course. This module provides employees with awareness of key sustainability and compliance topics, including environmental responsibility, human rights and labour standards, anti-corruption and business conduct, and data privacy.

Corporate Culture

Our HL Behaviours are core to how people are expected to behave in the business. They are the cornerstones of the culture being built in HL and core to HL's long-term success. The HL behaviours are: We take Ownership; We are One HL team; We act with Speed.

HL speak up: Whistleblowing channel

HL operates a confidential whistleblowing channel called 'HL speak up'. This is accessible to all employees and external stakeholders through HL's intranet and the external website. Reporting can be anonymous. Reports are forwarded directly to the group HR director, group marketing director, and a Ratos AB board representative. Investigations are conducted centrally, independently, and objectively. Substantiated reports lead to disciplinary measures and, where applicable, legal actions. HL actively promotes the channel to reduce stigma around whistleblowing.

Conflict of interest management

HL manages conflicts of interest through the code of conduct. Employment contracts require written employer approval for any relevant external business responsibilities or interests. The grandparent principle (sign off by the one-up manager) ensures proper documentation and approval for potential conflicts involving board memberships, shareholdings with suppliers, or interests in related parties.

Anti-fraud and anti-money laundering

Although HL's operations are considered low risk for money laundering and fraud, HL does not engage in or facilitate transactions that conceal the origin, ownership, or destination of funds. Procedures and principles relating to anti-fraud and anti-money laundering are integrated into the code of conduct.

G1-2 - Management of relationships with suppliers

HL applies a structured Supplier Full Review process managed via the Kodiak system, collaboratively conducted by purchasing, logistics, procurement, and quality teams. Reviews follow a standardised template covering six dimensions: Supply Chain, Quality & Environment, Commercial Agreement, Marketing & Sales, Profitability, and Management & Organisation.

Outstanding suppliers receive awards; underperforming suppliers receive documented action plans with follow-up every 6-12 months. Persistent non-compliance with the Code of Conduct for Suppliers may result in contract termination.

G1-3 - Prevention and detection of corruption and bribery

HL maintains a zero-tolerance policy on corruption and bribery in all forms. Employees may not offer, give, receive, or request:

- Gifts, services, or entertainment that violate accepted business practice or have unreasonable value
- Cash equivalents, loans, or personal payments in any form

- Leisure or vacation trips
- Anything that could unduly influence a recipient or embarrass the company

Modest promotional gifts openly given and otherwise compliant with the Code of Conduct are permitted. For higher-value items, prior written approval from the relevant line manager is required.

HL formally identified the Purchasing and Sales departments as the highest-risk functions for corruption, based on a periodic internal risk assessment. These employees receive training on bribery and corruption prevention. HL’s supplier due diligence process includes anti-corruption criteria, and suppliers identified as medium to high risk are subject to corrective action requirements and possible escalation to on-site audit.

G1-4 - Confirmed incidents of corruption or bribery

Indicator	2024	2025
Reports related to Code of Conduct non-compliance	0	0
Confirmed incidents of corruption	0	0
Violations of anti-corruption or anti-bribery laws	0	0
Fines related to corruption or bribery	0	0
Employees dismissed or disciplined for corruption/bribery	0	0
Business partner contracts terminated due to corruption violations	0	0

No confirmed incidents of corruption or bribery were identified in 2025. Accordingly, no related legal violations, fines, disciplinary actions, or contract terminations were reported.

G1-5 - Political engagement and lobbying

HL does not engage in political lobbying or make political contributions.

G1-6 - Payment practices

Data on average payment periods and the proportion of payments made beyond standard terms will be included in future reporting cycles as HL develops its data collection processes for this disclosure requirement.

Entity specific topic - Cybersecurity

Cybersecurity is integrated into HL's strategic priorities to support operational resilience, regulatory compliance and stakeholder confidence. A proactive approach to cybersecurity strengthens IT infrastructure and contributes to business continuity and risk mitigation.

Cyber threats pose risks to HL's operations, including unauthorised access to sensitive data, data breaches and disruption of business activities. Such incidents may result in legal, financial and reputational consequences, particularly in relation to regulations such as GDPR and NIS2. Strengthening cybersecurity also represents an opportunity to improve operational resilience and reinforce stakeholder trust.

HL has established a cyber risk management procedure, reviewed annually, to identify, assess and mitigate cybersecurity risks across its operations. Key measures include:

- Regular security awareness training and phishing simulations for employees
- Real-time monitoring and incident response through a Security Operations Centre (SOC)
- Deployment of endpoint protection across servers and end-user devices
- Multi-Factor Authentication (MFA) to secure system access
- Role-Based Access Control (RBAC) for secure critical assets access
- Penetration tests to ensure infrastructure cyber security
- Immutable back-ups to protect critical data against ransomware and data loss
- Cyber insurance coverage to mitigate financial and operational risks

In 2025, no confirmed data breaches or information security incidents were recorded.

HL monitors cybersecurity performance through: Microsoft Secure Score for quantitative security posture assessment; NIST/NIS2-based compliance and security checklists; and regular internal and external audits and assessments including CSAT, EY CPA, CSP CIS and an internal security awareness program covering Active Users and Simulation rates.

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