



SUSTAINABILITY REPORT 2023



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HITSA aims to maintain its positive results

This is the third CSR report published by the HITSA Group. The climate, the environment and biodiversity have become increasingly important issues in that time. We can see it in the world at large, with sustainability now being a more directly expressed demand from owners, employees and customers alike.

Our owners at CROWD want us to deliver results, economic, social and environmental. Their support is a positive driving force in our day-to-day activities, and we increasingly share sustainability work with our sister companies in Europe.

Our employees have embraced the changes with enthusiasm. When we ask for ideas for reducing waste and improving sustainability, they always come up with good suggestions, so a huge thank you to the employees of the HITSA Group for that.

Our customers bring new topics to the fore and inspire new sustainability initiatives, and we greatly value this dialogue.

With this year's CSR report, we can see that we have reached a new stage in our sustainability work. We have achieved positive results over the past three years, in areas including energy consumption, CO₂ emis-

sions and waste volumes. Further progress will require investment and significant changes. Therefore, it will become more difficult to achieve reductions moving forward and progress will be more complex.

Demands from the wider world for documentation and social sustainability are on the rise. We are now starting work on life cycle assessments, which can provide a complete picture of the impact of our products on the environment and climate. We are also expanding our CO₂ accounts to include Scope 3. In addition, we will focus more on the human and structural values, which are grouped under S and G in ESG.

This can already be seen in this year's CSR report, which we have divided into E (environmental), S (social) and G (governance). Happy reading!

Kind regards



Henrik Andersen, CEO, HITSA Group



CEO Henrik Andersen with Åse Ravn, logistics team member and union representative

THE HITSA GROUP

Core services: Urban furniture, cycling products and lighting

Locations: Denmark, Sweden, Latvia

Owner: CROWD – Creators of the Outside World

Companies: HITSA A/S, HITSA AB, HITSA Invest, VT East Sia, Lampas

Production facilities: Steelworks, carpentry workshop, powder coating facility, in-house assembly, warehouse and logistics center

Full-time workforce: 103

Values: Honesty, responsibility and customer focus

THE ROV PRINCIPLE

The ROV principle was defined in the very first pre-analysis for HITSA's sustainability strategy. ROV denotes that our sustainability efforts must be Real, Operational and Visible. But what do we really mean by those three words?

REAL: Our sustainability work must lead to real improvements for people and the environment.

OPERATIONAL: Our goals are realistic and feasible. We focus on tangible actions and implement them.

VISIBLE: Sustainability is a customer requirement and a parameter used to market both products and workplace. Therefore, sustainability work must be clearly communicated to our stakeholders, e.g. on our website, on social media and in any reports.

In addition to ROV, HITSA also has a principle that our sustainability work should be as transparent as possible. We present figures and data.



2023 RESULTS

compared to 2022

E

CO₂: 10% reduction
Gas: 4% reduction
Electricity: 7.4% reduction
Petrol and diesel: 15% reduction
Heating oil: 24% increase
Waste: 178.9 tonnes*

*2023 is the first year with waste figures for the entire group

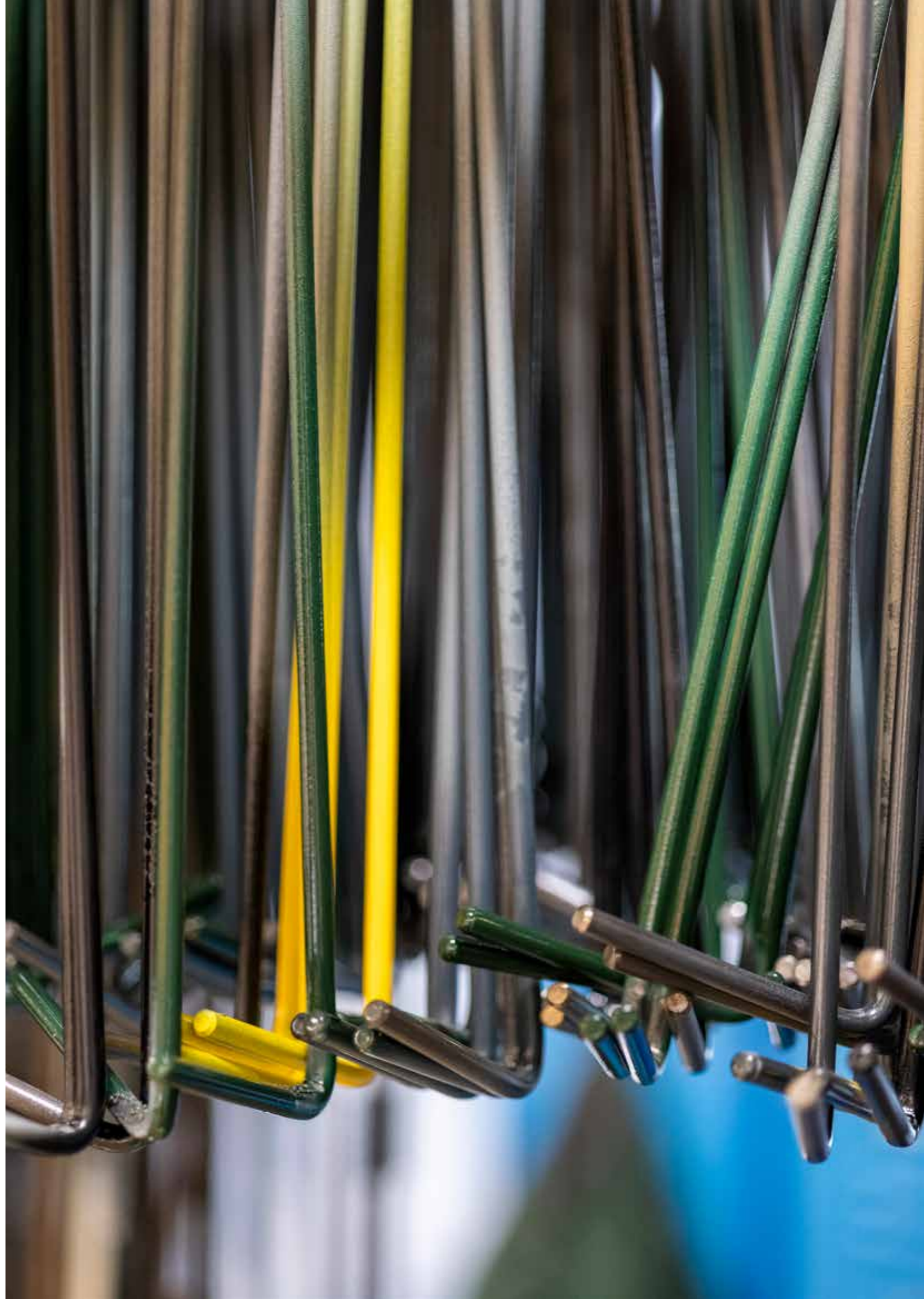
S

Accidents at work: Decrease from 4 to 3
Absence due to illness: Decrease from 5.9% to 3.5%
Social KPIs: All targets achieved

G

Gender diversity in management:
Decrease from 31% to 19%
Supplier Code of Conduct:
46% commitment
Whistleblowing system: 0 reports

E



Responsibility for the environment and the climate

HITSA continues to reduce its environmental and climate impact.

E for Environment is the section of the sustainability report that covers the physical environment. In 2023, we achieved positive results in terms of our aim to reduce our impact on the physical environment. At the same time, it is also clear that there is still much work to do.

HITSA's overall goal is to conduct business in a manner that does not cause harm to the environment or the climate.

CO₂

When referring to CO₂, we mean greenhouse gases in general – currently the single biggest threat to the physical environment.

In 2023, emissions from the HITSA Group totalled 592 tonnes of CO₂. This is a 10% reduction from 2022 (661 tonnes) and a 40% reduction from 2021 (987 tonnes). The figures cover Scope 1 and 2 and are calculated using Klimakompasset from the Danish Business Authority.

We have successfully maintained the substantial reduction from 2022, with further reductions on top. This is partly due to the fact that we have used less electricity at our sites and that we have begun switching our company cars from fossil fuels to electric. We also worked on optimising our gas consumption (for heating and powder coating) in 2023.

Emissions relative to turnover likewise decreased in 2023, as shown in the diagram on the opposite page.

Scope 3

Scope 3 is the most comprehensive of the three ‘scopes’ included in the CO₂ accounts. It includes transport of goods to HITSA, waste, business travel and disposal of our products at the end of their useful life. In other words, calculating Scope 3 emissions is a very extensive process, and Scope 3 typically represents the largest proportion of a company’s CO₂ emissions.

In last year’s CSR report, we stated that Lampas would serve as a pilot project for calculating CO₂ under Scope 3. We are now moving forward with the calculations and expanding them to encompass the entire group. Our goal is to be able to produce CO₂ accounts for all three ‘scopes’ from 2024 onward. Knowledge regarding Scope 3 will ensure we are even better equipped to find ways to design, produce and deliver our products with lower CO₂ emissions.

SBTi

As part of the collective sustainability work within the CROWD Group, our CO₂ reduction targets will be verified through SBTi, the Science Based Targets initiative, during 2024. Verification will confirm if our actions are realistic and will help us as a company to meet the reduction targets of the Paris Agreement.

CO₂ objectives

In 2024, we need to set new CO₂ reduction targets. There are several reasons for this. We have surpassed our original 2025 target, and this year we will gain new knowledge from Scope 3. As mentioned in the foreword, the easiest gains have now been achieved, and we predict that further progress will require investment and significant reorganisation.

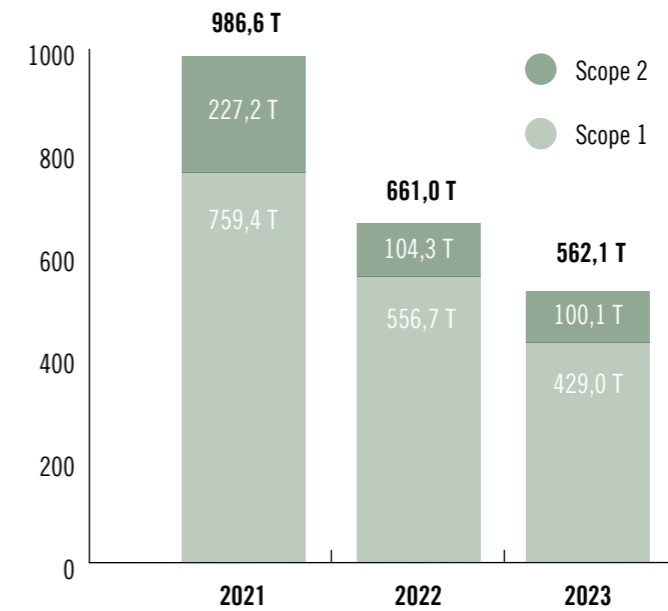
In 2024, we will be making significant changes to our production layout. For one thing, Lampas will be moving out of the shared location to a separate site in Kolding. We also expect to increase production. Our goal for 2024 is to keep CO₂ emissions at the same level as 2023 despite the changes.

Goals

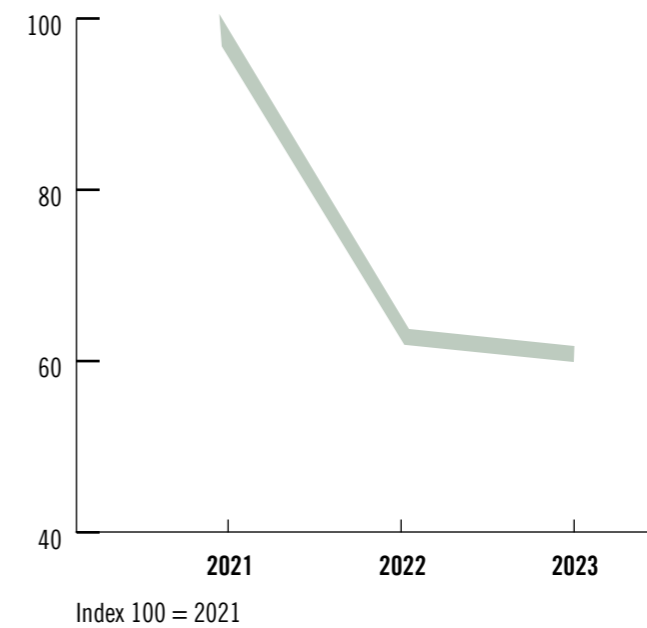
2024: Maintain the level from 2023. Calculate CO₂ under Scope 3 for the entire group and set new targets for the coming years based on this new knowledge.

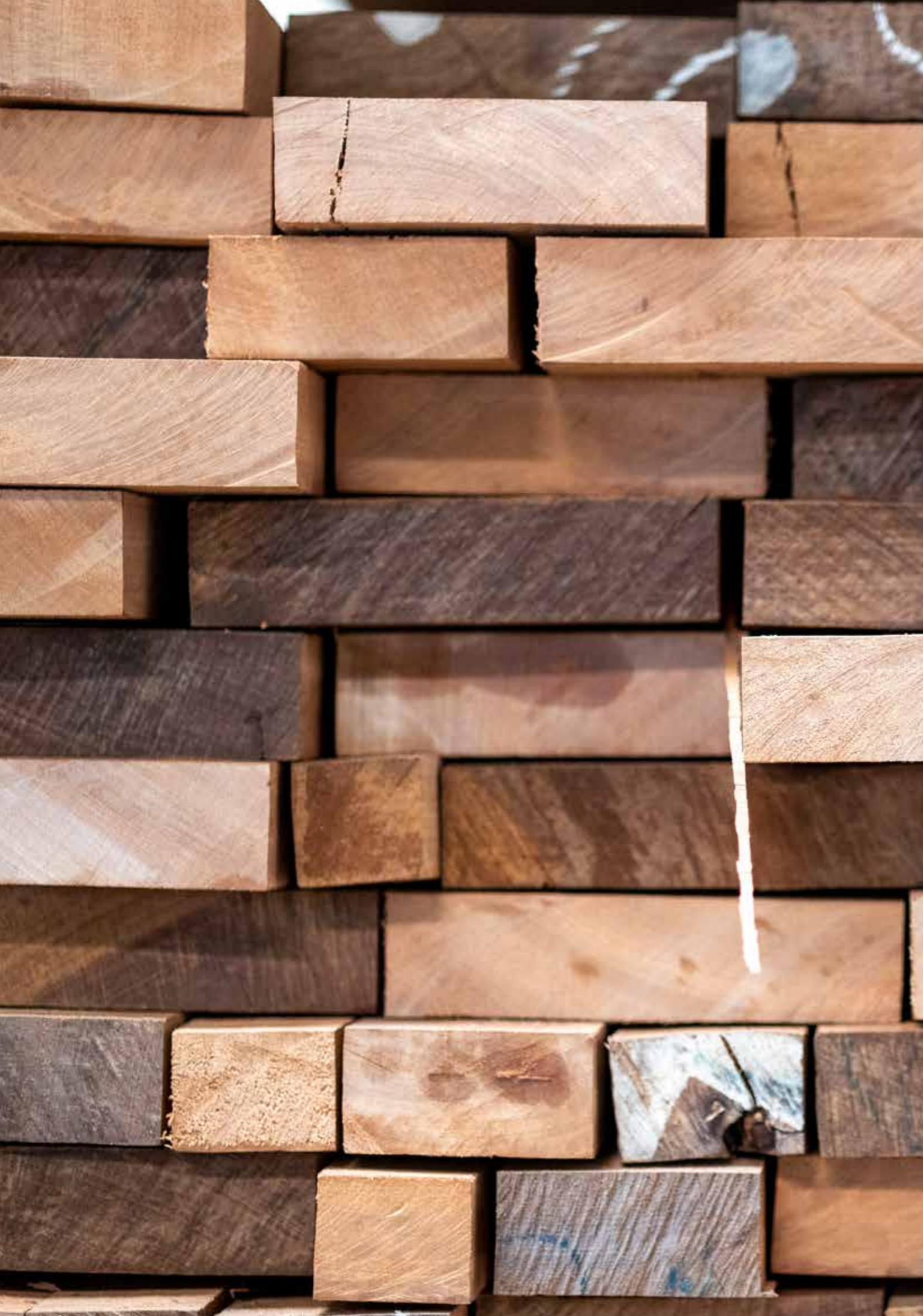
2025: Car policy to be implemented (cars and trucks). Wood and metal waste to be reduced. New targets from Scope 3 calculation to be implemented.

CO₂ emissions, entire group



CO₂ in relation to turnover, entire group





Litter bin made from waste wood

The R STABIL round litter bin has been designed to make use of waste wood and reduce wastage of resources. The slats are made from offcuts produced when we cut planks from block wood. The offcuts, which were previously discarded, are now continuously collected on a special rack in the carpentry workshop to be used when there are orders for R STABIL.



Waste

HITSA is well under way with reducing its waste. The overall goals are to make full use of resources and waste as little as possible. When we do actually discard something, it should be recycled as far as possible.

In 2023, the HITSA Group produced 178.9 tonnes of waste. For the first time, the figure has been calculated for all three locations (with the following reservations). Our Danish site in Kolding accounts for 72.4 tonnes, the Latvian steelworks 83 tonnes and our sales and assembly sites in Sweden a total of 23.6 tonnes of waste.

The figure is only comparable to previous years for the Danish site. HITSA DK and Lampas have reduced their volumes of waste by 24% since 2022. This reduction is thanks to increased focus on wastage and sorting.

Circumstances differ in terms of sorting and measuring waste at HITSA sites. One of our locations in Sweden is part of a shared office facility, where waste volumes are not calculated specifically for HITSA employees. In Latvia, the authorities collect plastic waste for free and therefore it is not weighed. Consequently, it is not possible to obtain complete data on the group's total waste volume.

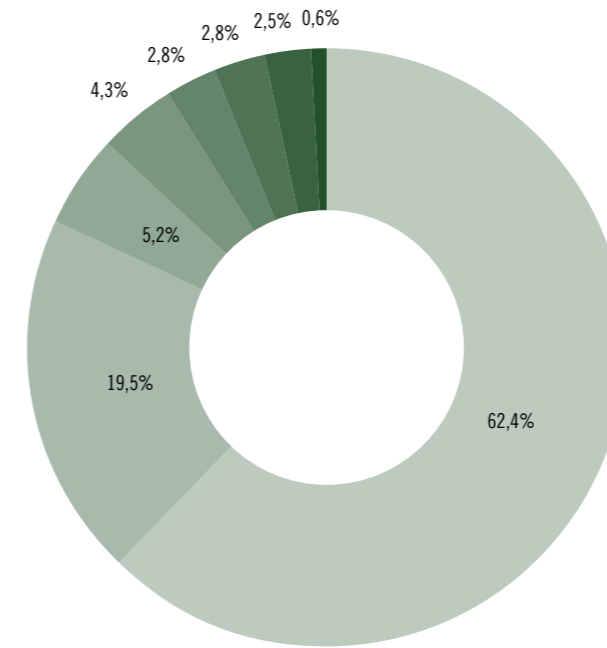
Even with those reservations, the trends are clear. HITSA generates significant wood and metal waste. With this in mind, we are launching projects in 2024 to identify the causes of wood and metal waste. This knowledge will allow us to determine appropriate actions.

HITSA's environmental management system (ISO 14001 system) specifies how waste should be sorted. Our Swedish operations comply with national legislation on waste sorting, while our Denmark and Latvia sites comply with new Danish waste legislation that came into force in 2023.

The percentage of recyclable waste is shown in the pie charts on page 17.

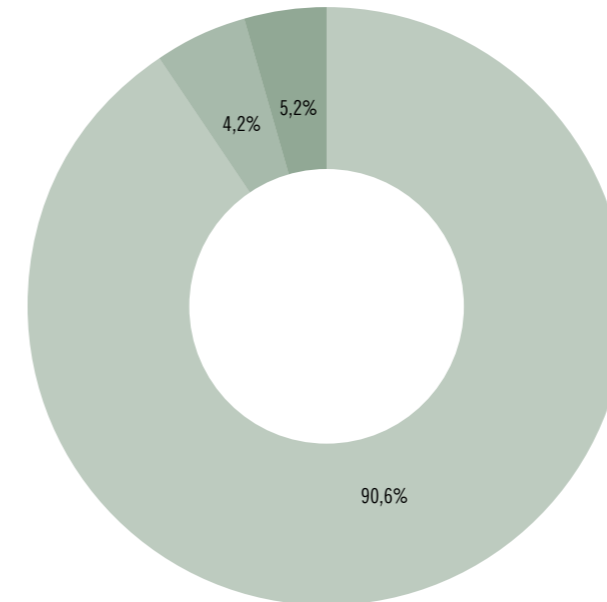
Goals

- 2024: Causes of wood and metal waste to be identified, and appropriate actions to be determined.
- 2025: Measures to reduce wood and metal waste to be implemented. 15 % reduction of wood waste compared to 2024.
- 2026: 15 % reduction of metal waste and 40 % reduction of wood waste compared to 2024.



Total amount of waste 2023

- Metal: 108,7 T
- Wood: 34 T
- Hazardous waste incl. waste oil: 9 T
- Residual waste: 7,4 T
- Aluminum: 4,8 T
- Cardboard/paper: 4,8 T
- Plastic: 4,3 T
- Food: 1,1 T



Disposal 2023

- Recycling: 157 T
- Hazardous waste: 9 T
- Incineration: 7,4 T



Reusing packaging

Our in-house assembly team at HITSA assembles products and packs them for transport. This requires, among other things, cardboard, plastic and plastic foam in long, blue strips.

“Much of it is reusable. So when we started sorting waste, we set up boxes to collect what is good enough to be reused,” says Kent Rixen, Team Leader for in-house assembly.

“It could be a scrap that’s big enough or a piece of card that’s not worn out. We dispatch large shelters to Sweden and the Swedish installers then collect up any packaging that can be reused and send it back on the truck. We strive to reuse as much as possible,” he says.



Energy and water consumption

Energy consumption is closely linked to the CO₂ accounts. Therefore, HITSA's overall goal is to reduce energy consumption and to use 100% renewable forms of energy. Consumption can be further reduced by implementing a number of the suggestions offered by an energy consultant in 2022 after reviewing the group's site in Kolding. With this in mind, we have initiated discussions with our landlord about energy improvements to the buildings.

In 2023, consumption of electricity, water and gas decreased, while the amount of heating oil purchased increased.

The reductions in electricity (7.4%) and gas (4%) are moderate, while water consumption has been reduced by 33%. However, HITSA does not use water in production, so water consumption is low compared to other businesses, which may also explain the large fluctuation. The data for water consumption does not include our Swedish sites, which are all form part of other locations where it is not possible to isolate water consumption for HITSA's activities.

Both electricity and gas have been reduced by means of better planning and ensuring that our production processes are carried out with minimal consumption. We managed to reduce total gas consumption for the year despite an increase in the 4th quarter as a result of increased production.

HITSA purchases natural gas and does not have a certificate corresponding to the purchase of biogas. The figure for biogas in the accounts indicates the average share of biogas in the Danish gas network.

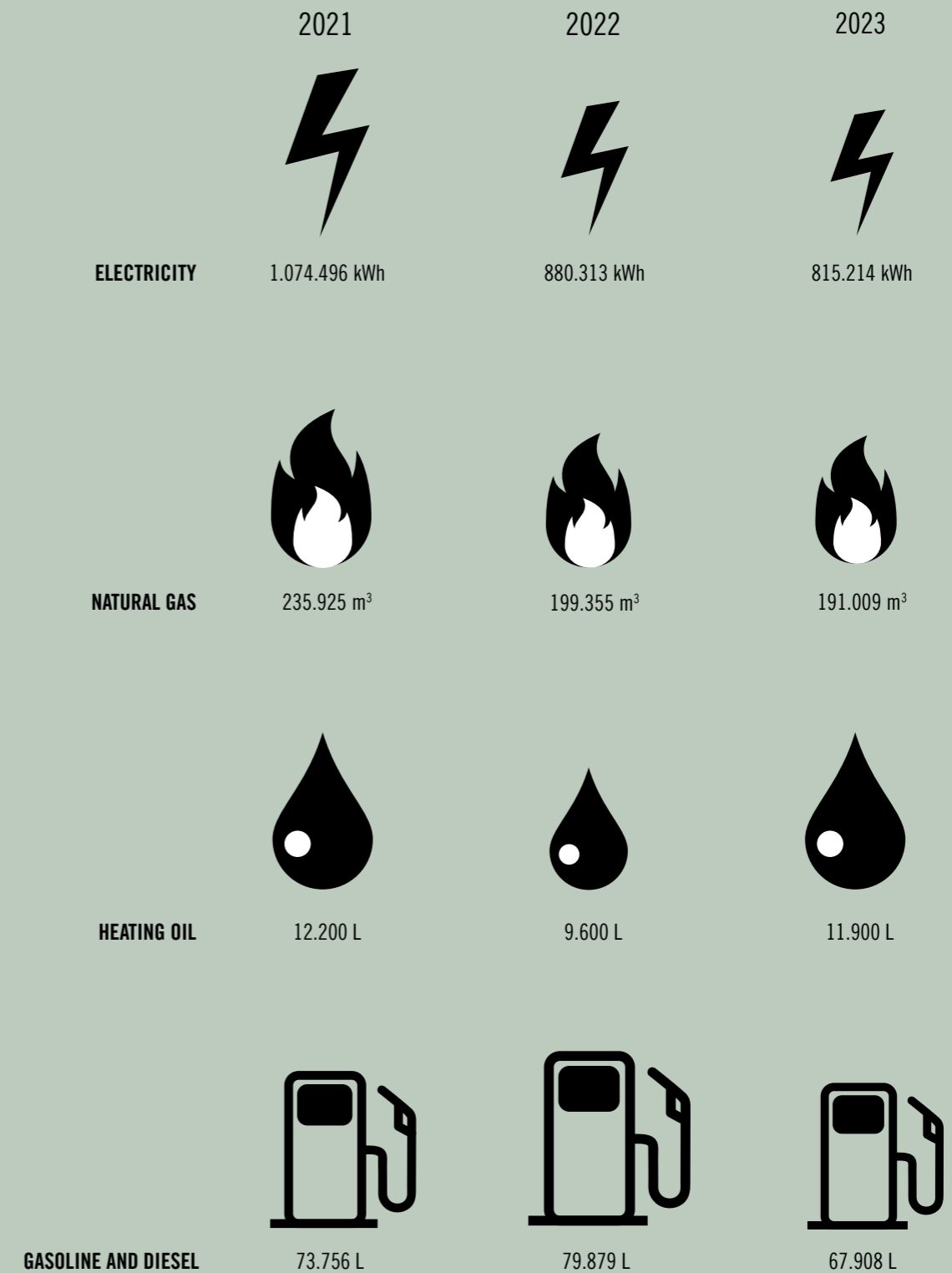
The figure for heating oil purchased rose, because the filling frequency fell differently in 2023.

Goals

2024: Strategy for energy conversion/reduction for the building in collaboration with the landlord.

2025: Start-up, implementation of and change to renewable energy and energy optimisation throughout the organisation.

Consumption, entire group





Cycling and DGNB

Bicycles are a green means of transport and HITSA provides a wide range of products that support cycling strategies, such as bike racks, bike shelters and bicycle pumps. In 2023, we made our bike racks a little greener by offering them in DGNB dimensions.

DGNB sustainability certification awards points for bicycle parking that meets the requirements in *Cykelparkeringshåndbogen* (a guide from the Danish Cyclists' Federation), including sufficient distance between spaces. We have therefore developed 6 bike racks and 1 dual-level rack so we can supply them with DGNB distances between spaces.

DGNB also gives points for covered parking, electric bike charging facilities and other elements of good bicycle parking.



E

Certification schemes

The HITSA Group holds a number of certifications and memberships: FSC[®]*, UN Global Compact, DarkSky and ISO 14001.

ISO 14001 and ISO 9001

In 2023, we prepared for inclusion of our Swedish sites in ISO 14001. We expect HITSA AB to gain certification in spring 2024. This means that HITSA A/S, VT East Sia and HITSA AB will hold certification for environmental management.

HITSA AB will gain ISO 9001 certification in autumn 2024 for quality management. The rest of the group will follow later.

The Nordic Swan Ecolabel

In 2022 and 2023, we investigated the possibilities of Nordic Swan Ecolabelling for a selection of our products. In the meantime, LCA and EPD have evolved to become standardised, comparable product-level labelling. Therefore, HITSA has decided to put Nordic Swan Ecolabelling of products on hold. The Nordic Swan Ecolabel will be discussed again in future if demand is evident.

LCAs and EPDs

LCA (Life Cycle Assessment) and EPD (Environmental Product Declaration) have emerged as the way forward for environmental and climate

labelling of products. LCAs and EPDs provide complete transparency regarding the impact of a product on the environment and climate.

Therefore, we are moving forward with implementation of LCAs and EPDs within the HITSA Group. Instead of a pilot project at Lampas, as mentioned in our 2022 CSR report, we are now in the process of implementing LCAs and EPDs for products throughout the group.

These two types of analysis will provide valuable insights for our development processes. Our customers are requesting LCAs and EPDs and use this labelling as a benchmark for their own sustainability efforts.

Preparing LCAs and getting products set up for EPDs is costly and requires expertise. Therefore, this work is being carried out in stages according to demand, among other things.

Goals

2025: The entire group to hold ISO 9001 certification by the end of 2025.

2026: LCAs for standard product range and EPDs for selected products implemented at both HITSA and Lampas.

	HITSA DENMARK	HITSA SWEDEN	LATVIA	LAMPAS
ISO 14001		2024		2024
ISO 9001	2025	2024	2025	2025
FSC			-	

*FSC[®] C016789



S





Social responsibility

HITSA has extensive experience of social responsibility and is now increasing its focus on social metrics.

S (the social component of ESG) is an area that HITSA has included in its operations for many years. For HITSA, social responsibility makes sense. We take care of our employees and help people to enter the labour market. It makes sense for us as a company to make a positive contribution to the wider community, and it also makes sense for many of our employees to put their efforts into a socially responsible business. Consequently, HITSA has a long history of social responsibility and social metrics.

Right now, social metrics are under development at HITSA. Our owners, CROWD, want to pursue social sustainability. CROWD will also come under the EU rules for corporate sustainability reporting when the directive (CSRD) comes into force from the 2024 financial year. Therefore, HITSA wants to increase its focus on social sustainability metrics over the coming years.

The key figures in this section are partly our own social KPIs and partly selected ESG key figures as recommended by FSR - Danish Auditors.

Social KPIs

KPIs for social inclusion of employees from the fringes of the labour market have been part of the culture at HITSA for several years. The KPIs were revised in 2023 to better match the needs of the community and capacity at HITSA. For example, we have decided that apprentices and trainees do not necessarily need to be from the fringes of the labour market, as there is a general need for training places.

Our KPIs and fulfilment of targets for 2023 was as follows:

- KPI 1:** Apprentices and trainees. The target of employing 1 trainee was achieved.
- KPI 2:** Work placements for people from the fringes of the labour market. The target was 6 and the result was 8.
- KPI 3:** Employees from the fringes of the labour market. The target was 10, the result was 11.

The targets will increase for all three KPIs in the coming years. We aim to employ 1 new trainee/apprentice every year, and by the end of 2025 we will have a total of 3 at different stages of their training. For KPI 2 and 3, the increase is due to the fact that we expect to have more employees in general and that we hope that one or more work placements will lead to permanent employment.

Targets

- KPI 1** 2024: 2 apprentices/trainees
2025: 3 apprentices/trainees
- KPI 2** 2024: 6 work placements
2025: 7 work placements
- KPI 3** 2024: 11 employees from the fringes of the labour market
2025: 12 employees from the fringes of the labour market

Working environment

Accidents and safety

The number of accidents at work decreased from 4 in 2022 to 3 in 2023. None of these accidents resulted in long-term sick leave. Security inspections are conducted at the Kolding site every quarter. In addition, any accident is evaluated at the subsequent meeting of the Working Environment Organisation with a view to preventing similar accidents. At our sites in Sweden and Latvia, working environment management is carried out in collaboration with external consultants.

Contingency plans are in place at all locations.

Targets

The target is 0 accidents at work every year.

Absence due to illness

Absence due to illness is calculated here for the entire HITSA Group, excluding Latvia. This is because absence due to illness in Latvia includes absence due to child illness.

Absence due to illness decreased in 2023 to 3.5%, compared to 5.9% in 2022. This decrease was mainly due to the fact that the 2022 figure included a large amount of long-term absence. Absence due to illness in Latvia, including absence due to child illness, was 4.4% in 2023.

We work continuously to avoid and reduce absence due to illness, both at employee level and at an overall level, for example, through wellbeing surveys, 1:1 interviews and monthly follow-ups on absence due to illness. On a day-to-day basis, we record absence due to illness statistics in hours and as a percentage of total employee hours, and the ESG key figure is calculated using the unit 'days/FTE'.

Targets

2024: 2.5% absence due to illness in the HITSA Group, excluding Latvia

Collective agreements

HITSA is a member of DI (Danish Industry) and complies with the collective agreement for DI for employees in Denmark. The labour market in Latvia is governed by legislation to a greater extent. In Sweden, HITSA complies with the collective agreement from IF Metall. Collective bargaining coverage totalled 53% in 2023 compared to 50% in 2022.

Employee turnover rate

Employee turnover in 2023 was 21% compared to 26% in 2022. In 2023, the breakdown was 8% non-voluntary and 13% voluntary departures. In 2022, there were 6% non-voluntary and 20% voluntary departures.

Diversity

HITSA sees diversity as an advantage. Different people have different professional and personal skills, and at HITSA we aim to employ the best qualified people. Qualification should be interpreted in the broadest possible sense. Differences in gender, age and ethnicity mean that employees have a wider range of experience and skills to bring to the table.

Gender diversity

The proportion of female employees decreased from 30,5% in 2022 to 29,6% in 2023. The proportion of female managers decreased from 31% in 2022 to 19% in 2023. These figures cover the entire group.

At the time of counting, HITSA had 16 managers. The management structure changes regularly, and 2023 was no exception. The aspiration is for more specialist coordinators and fewer managers with HR responsibilities.

It is a general challenge with regard to gender diversity that women are underrepresented in several occupational categories within trades and production.

Goal

The goal is to hire employees with the best professional and personal qualifications, ideally resulting in a high degree of diversity within the employee group.

Gender pay gap

The table on the next page shows the trend in the gender pay gap from 2022 to 2023. In previous CSR reports, HITSA has incorrectly used average salaries for men and women respectively, whereas the formula for this ESG key figure is actually median salary. As a result, the figures differ from previous CSR reports. The statistics do not include senior management. When comparing median salary, the figures generally show equal pay between gender groups, whereas a comparison of average salary continues to show a trend of men earning more than women. HITSA's strategy to ensure equal pay for equal work is now to analyse gender pay gaps in specific occupational groups to identify any patterns and causes.

Goals

2024: Analysis of the causes of gender pay gaps

Social metrics, entire group

Employees (number)

	Men	Women	Men	Women
2021	72	31	13	4
2022	73	32	11	5
2023	69	29	13	3

Managers (number)

Gender pay gap

	Managers	Middle managers	Other white-collar staff	Hourly-paid staff
2021	0.9	1.1	1.1	1.2
2022	1.1	0.9	1.1	1.2
2023	1.0	0.8	1.1	1.0

Men's median salary, number of times relative to women's median salary

Pay gap – CEO/employee

2021	2.6 times*
2022	2.5 times*
2023	3 times

Employee turnover

2021	23%
2022	26%
2023	21%

Departed FTE/Total FTE as of 31.12.

Absence due to illness*

2021	3,3 %
2022	5,9 %
2023	3,5 %

*Absence due to illness does not include Latvia

Accidents at work/serious accidents at work

2021	3/0
2022	4/0
2023	3/0

Collective agreements

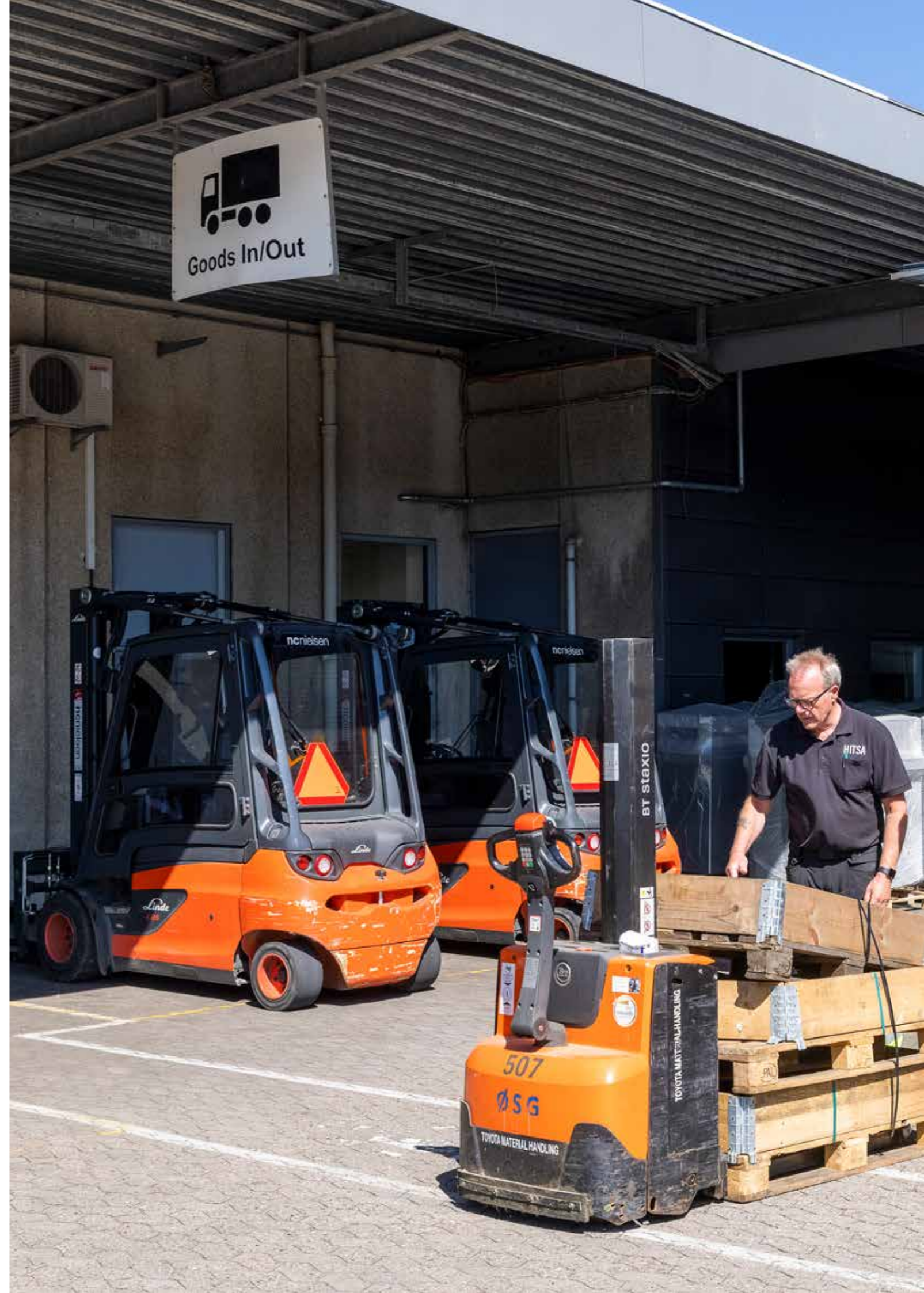
	Covered	Not covered
2021	56	47
2022	53	52
2023	56	50

In Latvia, it is not possible to be covered by collective agreement

Social KPIs

	Apprentices		Work placements		Employees from fringes	
	Number	Target achieved	Number	Target achieved	Number	Target achieved
2023	1	100%	8	133%	11	110%

G



Responsible business

‘Responsibility’ is one of HITSA’s fundamental values, which is now being rolled out and implemented in all our processes.

G (Governance) – is a new section in HITSA’s CSR report, but is nevertheless something we have been working on for a while. Governance now has its own section to align our report with the EU rules in the corporate sustainability reporting directive (CSRD).

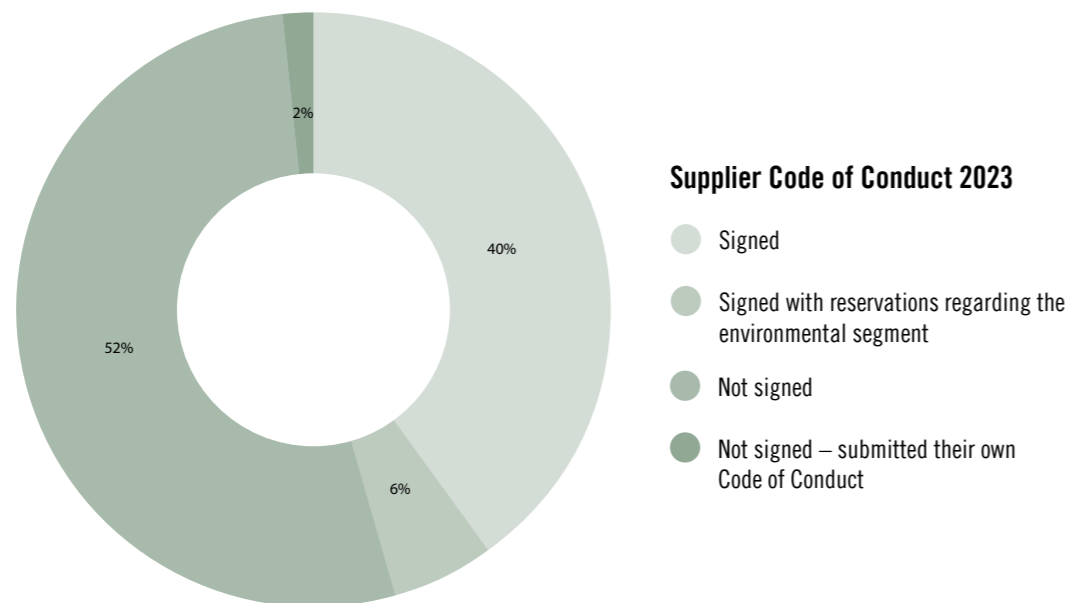
Governance is a collective term for a company’s accountability as embodied in policies, guidelines and procedures. Governance ensures that we implement responsible management in all areas.

For HITSA, Governance is about complying with the UN Guiding Principles for good business conduct and taking responsibility for the value chain beyond our own direct contribution. Therefore, we are increasingly focusing on our suppliers and our impact on people and the environment through them.

Code of Conduct

The HITSA Code of Conduct, adopted in 2021, deals with the following areas:

- Working environment
- Employee rights
- Sustainability
- Confidentiality
- Competition
- Corruption
- Social responsibility
- Financial crime



The purpose of the Code of Conduct is to define the ethical framework within which HITSA operates and to clearly indicate where we stand as a company to customers, suppliers and all other partners.

Supplier management

In 2023, the HITSA Group implemented a process in which our suppliers were asked to commit to our Supplier Code of Conduct. The Supplier Code of Conduct covers the same points as above. 190 suppliers were sent our Supplier Code of Conduct, and 46% have signed the document. 54% have not responded or have been unable to sign for a variety of reasons. Of these, three suppliers have submitted their own Code of Conduct, while 11 suppliers have made reservations about the environmental segment, for example, because they have no specific plans to begin calculating their CO₂ emissions.

Our next step is to analyse the responses in more detail and determine how to deal with partial commitment or failure to commit. This will be done as part of a more comprehensive supplier evaluation that will begin in 2024.

Goals

In 2024/2025, a supplier evaluation will be carried out with a focus on criteria such as quality, price and delivery reliability, as well as ESG criteria such as sustainability strategy, etc.

Whistleblowing system

In 2023, HITSA set up a whistleblowing system in accordance with the requirements for companies. The whistleblowing system aims to ensure that problematic issues can be reported regardless of the circumstances.

As stated in the mission statement: “For HITSA A/S... it is crucial that everyone has confidence in our organisation and the way we run our business. Therefore, it is important to us to have an open corporate culture in which everyone is free to speak out if they encounter irregularities, unacceptable behaviour or suspect that something illegal is going on. However, an open culture is not always enough, which is why we also have a whistleblowing system, as a supplement to direct and daily communication about flaws and unsatisfactory conditions, etc. in the workplace.”

In 2023, there have been no reports in the system. HITSA monitors the system to ensure that it is functioning properly.

Pay gap between CEO and employees

HITSA has employees in three countries with different pay structures and pay levels. Salaries in Denmark consist mainly of basic salary, while salaries in Sweden consist of basic salary plus a number of supplements. Salaries in Latvia are generally lower than in Denmark and Sweden. The figure for pay gap between CEO and employees uses base salary with no correction for the aforementioned differences. Viewed across the entire group, the CEO’s salary is 3.3 times the median employee salary*.

*This is a big difference from the 2022 CSR Report, in part because the CEO’s salary in the 2022 CSR Report was only indicated relative to HITSA A/S



Danske Fragtmænd

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Sustainability at Lampas

Our subsidiary company Lampas is focusing on being more sustainable in its field of professional lighting.

In 2023, sustainability work at Lampas was defined in a separate strategy with the aim of providing greater transparency for customers and other stakeholders.

The strategy also marks the start of an increased drive for sustainability at Lampas. To date, as part of the HITSA Group, Lampas has reaped 'economies of scale' from HITSA's sustainability efforts. In addition, Lampas has been focusing on two specific areas for a couple of years now – LED upgrades and light pollution. There may be other production or business areas specific to Lampas in which a focus on sustainability would be relevant. We will identify and set goals as appropriate over the coming years.

LED upgrades

In 2023, Lampas increased its sales of LED retrofit kits sixfold compared to 2022. These kits ensure lower power consumption, while reusing existing lights.

Lampas will continue its focus on developing and launching LED replacement kits in 2024 and offering advice on LED upgrades.

Light pollution

Unnecessary light has a wide range of negative consequences for nature. With this in mind, it is important to Lampas as a lighting manufacturer to help in reducing light pollution. This means, among other things, that we have set design goals for creating new products with a focus on reduced light pollution, and we are working on certification of lights through the organisation DarkSky International. In 2023, we increased our number of certified lights by 1, but at the same time we removed 1 light from the certification scheme. In total, there are still nine DarkSky Approved lights in the Lampas range.

Lampas as an organisation is continuously developing its expertise in reducing light pollution, for example, in terms of advising on shades, sensors, dimming, colour temperature, etc.

Goals for 2024

CO₂ reduction

LED retrofit kit to be issued for another 5 classic Lampas lights.

Certification schemes

Lampas is set to gain ISO 14001 certification in November 2024.

The Nordic Swan Ecolabel is being considered for Lampas products.

As of 2024, 2 out of every 3 newly developed lights must be suitable for certification as non-light-polluting.

Work is ongoing to identify the most appropriate certification schemes for lighting products.

A circular economy

Disposal information must be shown in the Use and maintenance guidelines.

A concept for 'take back' of obsolete lamps to be developed.

Suppliers and materials

Supplier Code of Conduct to be implemented for the suppliers who were not part of the HITSA supplier process.

Social sustainability

Lampas comes within the HITSA Group's goals for social sustainability.

Sustainability at own sites

Sustainability measures at Lampas' new site need to be determined.



The Global Sustainable Development Goals and HITSA

HITSA's sustainability initiatives encompass many of the UN Sustainable Development Goals. We have defined three of the targets as benchmarks, since they are particularly relevant to HITSA's core services and sustainability work.

In the future, our sustainability efforts will form part of CROWD's overall strategy, and so there may also be changes as to which global goals we use as benchmarks and the way in which we work on these.

Sustainable Development Goal 8, target 8.5

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

At HITSA, social responsibility is paramount. We want to measure gender equality and are making an effort to minimise the differences. Helping people from the fringes of the labour market has been HITSA's goal for many years.

We are continuing with these efforts in order to improve inclusion and to take responsibility as a business in our local community.

Sustainable Development Goal 11, target 11.3

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

At HITSA, we want our products to support a more sustainable world for many years after leaving our production site. Therefore, HITSA wants to focus on holistic design, circular economy and the useful life of products.

Sustainable Development Goal 12, target 12.5

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

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





About the report

We hope that this CSR report has provided insight into HITSA's work on sustainability. We also hope that it can inspire other companies to start implementing CO₂ accounts, waste reduction, social responsibility and other practical actions to make their business more sustainable, environmentally, socially and economically.

The 2023 CSR report is HITSA's third overall report on its sustainability work. We now have three years of data, and since our first report in 2021, we have set up data collection for the entire group as far as possible. This new data set is reflected in this year's report.

For the first time, the report has been divided into E, S and G sections. In the future, the HITSA Group will be part of CROWD's sustainability reporting, and CROWD will report according to CSRD, with the ESG approach as the central concept. In other words, HITSA is getting ready for CSRD.

HITSA's CSR efforts are coordinated by Sustainability Officer Josephine Husted Jespersen.

Questions about the report

If you have any questions about the report or suggestions regarding sustainability work, please contact Josephine at jhj@hitsa.dk.

If you have any questions about HITSA's social responsibility work, please contact HR Manager Birgitte Eybye at bke@hitsa.dk.

Any other enquiries can be directed to CEO Henrik Andersen at hea@hitsa.dk.

Appendix

TOTAL INPUT AND OUTPUT FOR THE ORGANISATION	TOTAL		
	2021	2022	2023
CO₂ EMISSIONS	TONNES	TONNES	TONNES
Scope 1	759.4	556.7	429.0
Scope 2	227.2	104.3	100.1
Total CO ₂	986.6	661.0	592.1
CO₂ EMISSIONS	%	%	%
Reduction compared to 2021	-	33	40
ENERGY CONSUMPTION	KWH	KWH	KWH
Electricity consumption	1,074,496	880,313	815,214
... of which renewable energy	763,697	880,313	815,214
ENERGY CONSUMPTION	M3	M3	M3
Natural gas	235,925	199,355	191,010
... of which biogas	0	0	0
District heating	0	0	0
ENERGY CONSUMPTION	L	L	L
Diesel – heating oil	12,200	9,600	11,900
FUEL – OWNED AND LEASED CARS	L	L	L
Petrol	7,558	9,603	5,346
Diesel	66,198	70,276	62,563
WATER CONSUMPTION	M3	M3	M3
Water			500.25
WASTE	T	T	T
Total waste volume	-	-	178.9

REF.	ESG – ENVIRONMENTAL DATA	2021	2022	2023
2	CO₂ EMISSIONS	T/CO₂	T/CO₂	T/CO₂
2.1	Scope 1	759.4	556.7	492.0
2.2	Scope 2	227.2	104.3	110.1
	Total CO ₂	986.6	661.0	592.1
3.	ENERGY	GJ	GJ	GJ
3.1	Energy consumption	16,073	14,252	13,158
		%	%	%
3.3	Proportion of renewable energy	18	24	22
4.	WATER	M3	M3	M3
4.1	Water consumption	579	693	500
5.	WASTE	T	T	T
5.1	Waste consumption	-	-	178.9

KPI	SOCIAL KPIS	2023	GOALS 2023	GOALS 2024	GOALS 2025
1	Number of apprentices	1	1	1	1
2	Number of work placements	8	6	6	7
3	Number of employees from the fringes of the labour market	11	10	11	12
	As a % of employees at HITSA A/S and Lampas A/S	15.5	13.5	14.1	14.6

SOCIAL INPUT DATA	TOTAL		
	2021	2022	2023
SOCIAL EMPLOYEE CONDITIONS			
COLLECTIVE AGREEMENTS*	NUMBER OF PEOPLE	NUMBER OF PEOPLE	NUMBER OF PEOPLE
Covered by a collective agreement	56	53	56
Not covered by a collective agreement	47	52	50
Full-time workforce	103	105	103
	NUMBER OF FTE / %	NUMBER OF FTE / %	NUMBER OF FTE / %
Employee turnover	26	26	19
	DAYS	DAYS	DAYS
Absence due to illness**	845	1318	700
	DAYS / FTE	DAYS / FTE	DAYS / FTE
Absence due to illness**	8,2	12,6	7,5
	NUMBER	NUMBER	NUMBER
Total number of accidents at work	3	4	3
Serious accidents at work	0	0	0
GENDER DIVERSITY	NUMBER OF PEOPLE	NUMBER OF PEOPLE	NUMBER OF PEOPLE
Women	31	32	29
Men	72	73	69
GENDER DIVERSITY, MANAGEMENT	FTE	FTE	FTE
Managers in total	17	16	16
Women	4	5	3
Men	13	11	13

* In Latvia, it is not possible to be covered by collective agreement

** Absence due to illness does not include Latvia

REF	ESG – SOCIAL DATA	2021	2022	2023
7	SOCIAL AND EMPLOYEE CONDITIONS			
7.6	Collective agreements*	54%	50%	56%
7.8	Full-time workforce	103 FTE	105 FTE	103 FTE
7.9	Employee turnover	23%	26%	21%
7.10	Absence due to illness	8.2 days/FTE	12.6 days/FTE	7.5 days/FTE
7.12	Accidents at work	Factor 15	Factor 19	Factor 15
8	DIVERSITY			
8.5	Gender diversity in the organisation	30%	30%	30%

* In Latvia, it is not possible to be covered by collective agreement

REF	ESG – MANAGEMENT DATA	2021	2022	2023
11.	BOARD OF DIRECTORS	%	%	%
11.1	Gender diversity on the board of directors	0	0	0
12.	SENIOR MANAGEMENT AND OTHER MANAGEMENT TEAMS	%	%	%
12.1	Gender diversity of management teams	24	31	19
		Times	Times	Times
12.4	Pay gap between CEO and employees	2.6*	2.5*	3.3

* Only in relation to HITS A DK

WASTE	2021		2022		2023	
	Kg	%	Kg	%	Kg	%
Total volume	162,578	100	95,433	100	72,369	100
Recycling	125,516	77	80,408	84	64,084	89
Incineration	30,160	19	8,410	9	3,660	5
Hazardous waste	6,902	4	6,615	7	4,625	6
Landfill	0	0	0	0	0	0

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

SOCIAL – SOCIAL DATA		
Collective agreements	People covered by a collective agreement	Number of people employed in the business covered by a collective agreement/total number of people in the business at the end of the period.
Full-time workforce	Number of full-time equivalents	FTEs + temporary staff
Employee turnover rate	Proportion of voluntary and non-voluntary departures	((Voluntary + Non-voluntary departing FTEs)/FTEs) * 100
Absence due to illness	Number of full days the total number of employees are sick and not at work, compared to the number of full-time equivalents	(Number of sick days for all own FTEs for the period)/(Total FTEs)
Accidents at work	Proportion of hours lost due to accidents at work	Number of accidents at work multiplied by 1,000,000/total number of hours worked by all FTEs
Gender diversity in the organisation	Proportion of female employees	((Female FTEs + Female temporary staff)/(Full-time workforce)) * 100
GOVERNANCE – MANAGEMENT DATA		
Gender diversity on the board of directors	Proportion of female board members	((Female members of the board elected by the General Meeting)/(All members of the board elected by the General Meeting)) * 100
Attendance at board meetings	Attendance at board meetings	((\sum Number of board meetings attended) per board member/(Number of board meetings * Number of board members)) * 100
Gender diversity in other management teams	Proportion of female managers	((Female managers)/(All managers)) * 100
Pay gap between CEO and employees	How many times the median employee salary can be covered by the CEO's salary	CEO compensation/Median employee salary
Gender pay gap	The difference between the median gross hourly earnings of male employees and of female employees as a percentage of the average gross hourly earnings of male employees	Median male salary/Median female salary



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