



SUSTAINABILITY PERFORMANCE REPORT 2022

Enabling Sustainable Wellbeing



Halton

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MESSAGE FROM THE BOARD

Sustainability is a prerequisite for continuing our business



Higher temperatures, extreme weather events, rising sea levels, food and water scarcity, biodiversity loss and human migration. The warming climate is causing these devastating changes to our living environment and threatening our future on this planet. A UN estimate suggests that water stress could displace 700 million people by 2030. A World Bank report suggests that there could be 216 million internal climate migrants by 2050 unless remedial action is taken. This is greater than the population of Germany, France and Italy combined (European Parliamentary Research Service, 2022). In an age where environmental and social issues are at the forefront of public consciousness, businesses cannot afford to ignore their impact on the world around them. Companies everywhere are taking action to slow down these changes. Halton Group is no exception—we understand that mitigating climate change is not only the right thing to do, it's also a prerequisite to continuing our business. Sadly the mitigating actions are not able to reverse the global warming. We all need to adapt to the current and future changes of the climate change.

As we present this year's Environmental, Social and Governance (ESG) report, we want to take a moment to reflect on the people who make it possible. From our employees to our customers and the communities we serve, we recognise that our commitment to sustainability is rooted in our collective humanity.

The global business environment has encountered serious challenges in recent years. The COVID-19 pandemic disrupted the world for nearly three years, revealing vulnerabilities in business models and supply chains for many. Geopolitical tensions, the Russian attack on Ukraine, energy crises, high inflation and increasing interest rates leading to social unrest in many countries, are only some of the reasons for the volatility and uncertainty we are living with today.

There are problems and great challenges, but the world is also full of opportunities. The astounding speed of new, emerging technologies and breakthroughs in research are opening up new avenues for the development and creation of a better future.

At Halton, we believe that a sustainable future is one that values people as much as the planet. We have aimed to enable human wellbeing inside buildings. Furthermore, we have strived to enable wellbeing by offering indoor climate solutions that save energy. Last year we also decided to emphasise sustainability in our mission. Its shorter version comprises three words now: Enabling Sustainable Wellbeing. Besides providing energy efficient indoor climate solutions, we strive to produce them in factories with a neutral carbon footprint. We are aiming to become carbon-neutral in all our operations in Scope 1 and 2 by the end of 2023. This means carbon-neutrality in terms of both direct emissions from our own or controlled sources, and indirect emissions of purchased energy generation. Moreover, our decentralised production strategy has continuously allowed shorter transportation routes from factories to construction sites. This may not always be the most effective way of manufacturing, but it enables a lower carbon footprint and serving customers closer to their operations.

Our commitment to sustainability goes beyond the traditional ESG framework. We recognise the importance of the Corporate Social Responsibility Directive (CSRD), which requires companies to report on their impact on society and the environment. We take this responsibility seriously and are in the process of developing reporting according to the CSRD demands. As you read through this report, you will see that we have made significant progress in reducing our environmental impact. Furthermore, we are in the process of promoting diversity and inclusion more, and supporting the communities where we operate. We know that sustainability is a journey, not a destination. There is always more work to be done, and we are committed to continuing to improve our performance in these areas.

At Halton, we remain positive and hopeful for the future. We are sure that challenges are to be won and problems are to be solved.

Tarja Takki-Halttunen

Deputy Chair Halton Group

BUSINESS AND STRATEGY OVERVIEW

Business environment challenged our agility

Volatility and uncertainty continued to mark the year 2022. Challenges caused by the global pandemic gradually reduced. The generally improving business momentum was significantly disturbed during Q1 2022 as the Russian state started their criminal attack against Ukraine. This all led to increasing economic uncertainty amongst our customers and further challenges in material availability and costs. High inflation rates and a scarcity of human resources were additional obstacles that slowed the business recovery in 2022.

Halton Group's business performance continued its gradual improvement during 2022. Our sales grew by 23 per cent to EUR 269.4 million, driven especially by strong growth in North America. On the contrary, business in China remained at a low level as a result of the country's strict pandemic policies. Our profitability was challenged by the rapidly rising material and labour costs. We were not able to transfer all those increases to our customer pricing. Our EBITDA was at a level of 7.5 per cent and EBIT was at 3.2 per cent. The balance sheet stayed strong. We kept on investing in the renewal of the company with CAPEX of EUR 7.3 million.

Our people engagement stayed above the manufacturing industry average. We saw amazing commitment from Haltonians operating in a fast-changing environment. In summary, we continued to move in the right direction, but work will continue to recover to pre-pandemic and pre-Ukraine war performance levels and ultimately exceed those.

Strategic focus on indoor air quality and sustainability

Indoor air quality and safety have become more important in the pandemic world than ever before. Simultaneously, the fight against climate change requires new actions to be taken to reduce the carbon footprint in the built environment. Our strategy and innovations are focused on providing customers with the highest total value of ownership, with Indoor Air Quality delivered in the most sustainable way. All our strategic business areas—Foodservice, Buildings & Health and Marine—can address these opportunities with their customers. Therefore, we sharpened our mission to say: "We enable sustainable wellbeing in demanding indoor environments."

We have set ourselves ambitious targets to develop the sustainability of our operations and offerings to become a visible differentiator for our customers. We have targeted becoming operationally carbon neutral by the end of 2023. During 2022 we continued to take improvement measures in different units. Examples include changing to biogas in the Kausala unit in Finland, and the implementation of a solar energy plant at the Reit im Winkl unit in Germany. There is a significant focus on supporting customers' sustainability improvement. Good examples of that are demand-based ventilation control systems for commercial kitchens, galleys and offices. In the wider ESG development we continued to steer our work in accordance with the UN's Sustainable Development Goals and participating in the UN's Global Compact initiative.

Looking forward, we see great long-term opportunities in providing benefits to customers, people and the planet with our knowledge and offerings. In the short term, our operating environment remains unpredictable and fast-changing. We plan to stay fit, proactive, and agile in supporting customers with their evolving business needs, growing our sustainable handprint and striving toward carbon neutrality in our operations.

Kai Konola

President & CEO Halton Group



SUSTAINABILITY PERFORMANCE

Halton's non-financial performance in 2022

This report reflects our sustainable development in the past three years. The data collected from previous years may no longer be comparable to today's data, due to changes in Halton's business model and corporate structure. At Halton, we focus on three themes: governance, social and environmental responsibility. To enable the comparison of our starting point with other companies, we aim to make our results proportional to our business volume. If there is a lack or paucity of data, we have mentioned this under each indicator and in the GRI index.

Key responsibility indicators at a glance

HALTON'S NON-FINANCIAL PERFORMANCE IN 2020-2022

Table 1.1: Halton Group non-financial performance

	2020	2021	2022
Turnover EUR million	196.9	219.6	269.4
- per employee EUR thousand	125	140	143
Profit before taxes EUR million	7.4	8.2	7.6
- per employee EUR thousand	4.7	5.3	4.0
Employees			
- number of employees	1,573	1,537	1,890
- sickdays %	2.8	3.2	3.3
Use of materials in tons	8,242	8,232	7,024
- stainless steel in tons	3,138	3,239	3,324
- galvanized steel in tons	3,360	3,053	1,876
- aluminized stainless steel	289	318	330
- aluminium	279	450	322
- other materials	1,176	1,172	1,172
- total use in tons per EUR 1 million of turnover	41.9	37.5	26
Waste in tons	2,129	2,013	1,954
Recovery rate %	92	90	90
Purchased energy MWh	23,448	24,320	34,072
- electricity MWh	9,308	9,608	9,308
- heat MWh	6,286	6,899	6,727
- fuels MWh	7,894 ¹⁾	7,813	18,037 ³⁾
- total energy MWh per EUR 1 million of turnover	119	111	126
CO ₂ emissions tons (Scope 1 and 2) ²⁾	4,261	4,997	7,092
- tons per EUR 1 million of turnover	21.6	22.8	26.3

1) 2020 is the first year when figures include fuels from sales and service units.

2) Includes also emissions caused by business flights.

3) The increased fuel consumption is due to the acquisition of the maintenance business, which has a very sizable service van fleet.



Stakeholder assessment

Halton's stakeholder assessment was made in 2018 when Halton started to develop its CR management system and it is still valid. It has been reviewed yearly by the Executive Team and there have only been minor changes to it.

This assessment consists of the following parts:

- Identifying the stakeholders;
- Examining the requirements or expectations of each stakeholder group;
- Halton's own present and future actions for responding to the requirements and expectations;
- Halton's own expectations concerning the stakeholders;
- Measures of success of stakeholder engagement.

The Executive Team analysed each stakeholder group's importance to Halton as well as their influence on Halton's work. The main stakeholders are briefly discussed as follows.

Customers and Partners are the most important and influential stakeholder group. By using Halton's solutions, our customers want positive effects on their operations, leading to wellbeing, productivity and sustainability on their premises. They want the solutions and services to be reliable and risk-free and to provide added value. Furthermore, they want Halton to comply with their own promises concerning regular customer interaction and reporting. Halton is responding to these expectations by improving overall transparency, increasing life-cycle services to ensure the long-term functioning of Halton solutions, developing methods of monitoring and remotely adjusting indoor environmental conditions, developing pollution control systems, adding environmental and health and wellbeing certificates, and so on. Businesses utilising Halton's solutions emphasise efficient, reliable and thorough pre- and post-sale support and accurate product documentation. Halton has taken into account these customer needs and is also planning to develop ways to calculate the added value provided by their solutions.



Halton's project references.

Employees are of crucial importance to Halton's success and an essential stakeholder group. They appreciate transparent, fair and equal leadership, including interactive communication, well-defined roles and responsibilities and good opportunities for self-development. A positive company image and reputation, as well as equitable and incentive inducing rewards, are important for employees. Halton ensures that the supervisors are well trained and monitors the employees' opinions using regular leadership and wellbeing indices.

The Owners are naturally an important stakeholder group. Halton is a family-owned company – and has decided that CR will be a visible part of Halton's strategy. The owners want to see sustainable value creation in Halton's operations, emphasising long-term aspects, avoiding breach issues, and creating positive impacts on communities and the environment. Halton is a responsible company and wants others to know about it. The CR development project will take into account the owners' expectations and wishes.

Other Stakeholder Groups assessed were suppliers, authorities and regulatory parties, NGOs, trade unions, sector-specific associations, the media and communities. The contents of the assessment can be seen in the attached table. The relevant actions planned are disclosed in the Action Plan, and the performance in each area is reported in the annual CR Report.

STAKEHOLDER OVERVIEW AND MATRIX

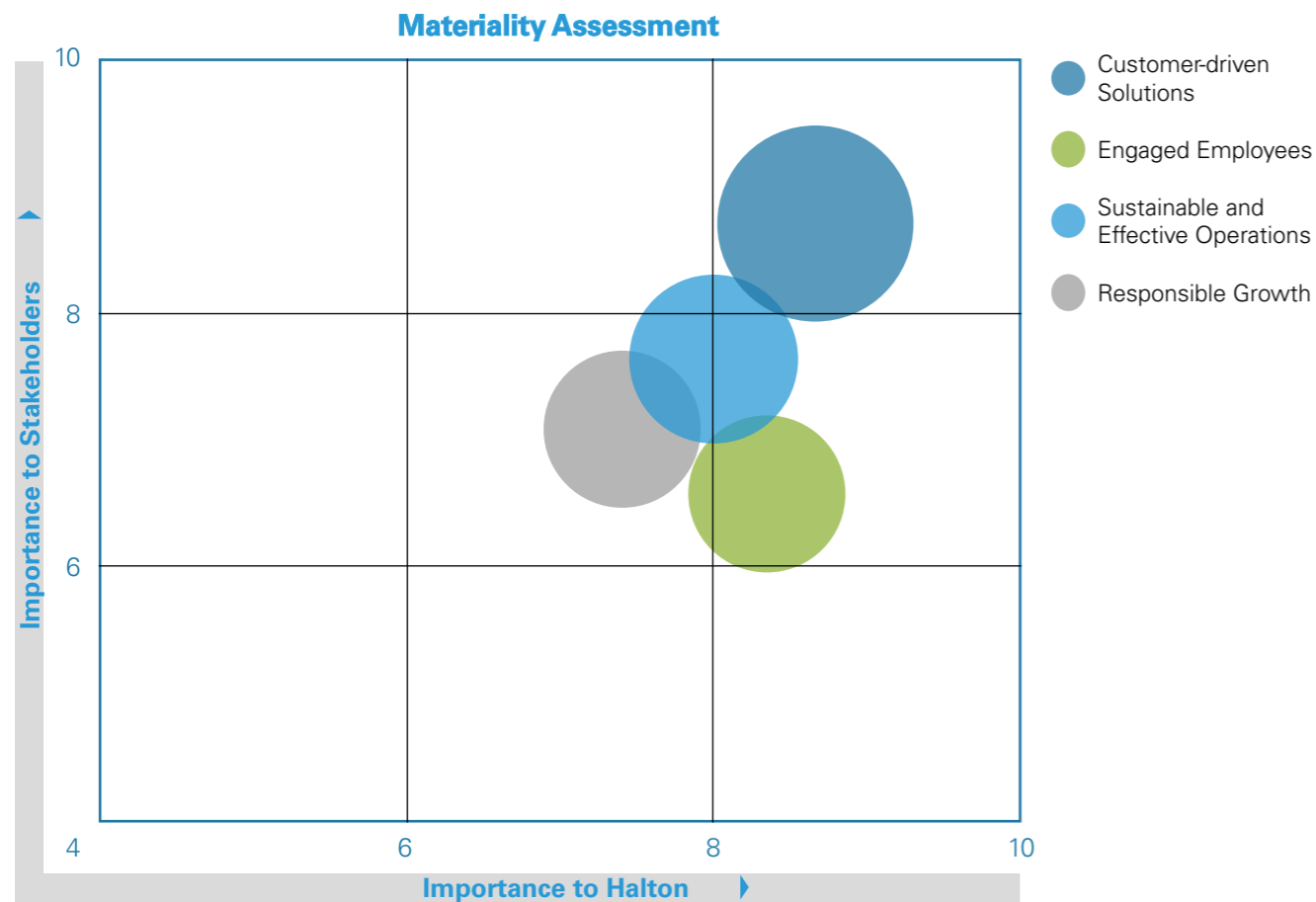
Stakeholder	Expectations	Our Actions
CUSTOMERS & PARTNERS	<ul style="list-style-type: none"> • Insight in customer needs • Good added value • Premium quality and long life-span • Reliability, low risks • Easy to do business with • Enhancing sustainability in our target environments • Local presence in all market areas • Meet or exceed all regulatory and sustainability requirements • Accurate and consistent product documentation and warranty 	<ul style="list-style-type: none"> • Develop our competitive insight and increasing co-creation with customers • Adopt sustainability and CR as key strategic focus area. • Develop positive handprint further • Develop our operation to meet quality, environmental and health & safety certificate requirements globally • Increase transparency by providing more data on handprint and foot print • Expand global presence
EMPLOYEES	<ul style="list-style-type: none"> • Compelling company mission, credible future strategy and sustainable business • Permanent employment • Fair and equal treatment, professional leadership • Safe working environment • Equitable and incentive rewarding • Opportunities for training and personal development • Work life-cycle management 	<ul style="list-style-type: none"> • Develop our competitive edge and promote growth • Develop leadership skills and work competencies • Develop people management model and processes • Promote employee wellbeing and safety • Enable transparency, continuous communication
END-USERS	<ul style="list-style-type: none"> • Safe, comfortable and sustainable indoor environment 	<ul style="list-style-type: none"> • Verify system performance • Increase insight in end-user needs
OWNERS	<ul style="list-style-type: none"> • Long-term strategy and value creation • Drive wellbeing in indoor environments with high-quality solutions • Competent employees, best professionals • Responsible corporate citizen • Excellent reputation globally 	<ul style="list-style-type: none"> • Implement growth strategy • Sustainability as a strategic cornerstone for the operation • Act as trusted partner to all stakeholders • Engage Halton's employees and enable wellbeing at work
FINANCIERS (banks, financial institutions)	<ul style="list-style-type: none"> • Profitable growth, return on investment • Open and proactive communication 	<ul style="list-style-type: none"> • Long-term strategy and value creation • Seizing new business opportunities
SUPPLIERS	<ul style="list-style-type: none"> • Liquidity and low risks • Long-term business relationship • Clearly communicated expectations and transparent processes • Feedback and support to enable service development 	<ul style="list-style-type: none"> • Supplier Code of Conduct available on Halton's web site • Develop supplier management including audits • Develop contract management • Develop monitoring • Increase interaction with suppliers
SOCIETY & COMMUNITIES (authorities, regulatory parties, NGOs, field-specific associations)	<ul style="list-style-type: none"> • Good corporate citizen and tax payer • Compliance with rules, regulations and agreements • Cooperation with communities • Sponsoring, donations • Open communication 	<ul style="list-style-type: none"> • CR including environmental and other certificates • Sponsoring, donations e.g. by Halton Foundation • Develop overall management system • Corporate communication on the company website
STUDENTS & UNIVERSITIES	<ul style="list-style-type: none"> • Internship and summer job opportunities • Thesis opportunities • Scholarships 	<ul style="list-style-type: none"> • Hire students for internships, summer jobs and thesis positions • Participate in student events • Offer scholarships • Cooperation projects with universities
MEDIA	<ul style="list-style-type: none"> • Publish relevant business news • Participate and share industry insight 	<ul style="list-style-type: none"> • Corporate communication on the company website incl. CR pages • Press activities on significant business proceedings and industry findings • Content articles and social media posts

Materiality assessment of performance indicators

In choosing the material aspects and indicators for Halton's CR management and reporting, the CR Steering Group utilised the GRI Standard as a checklist and discussed the importance and relevance of each aspect and indicator of the standard, from both Halton's and the stakeholders' points of view. The stakeholder assessment provided plenty of input for this discussion, as well as the risk assessment.

Customer satisfaction and initiatives to produce energy-efficient products are at top of the list, as well as a breakdown of the economic value distributed to

stakeholders. Other indicators which received quite heavy weight from the steering group include job satisfaction and employee turnover, screening suppliers using environmental criteria, and training staff on anti-corruption policies and procedures. Data on materials used and the share of recycled materials are also high up on the list, as are purchased energy, GHG emissions and performance reviews.



Overview of Halton's key areas of the materiality assessment



Project reference: AIDAcosma cruise ship, Sushi House, Halton's hoods installed above the tables. Photo: Alexander Rudolf.

Sustainable and Effective Operations

- 201-1a Economic value distributed
- 204-1 Purchases from suppliers
- 301-1 Materials used
- 302-2 Purchased Energy
- 306-2 Waste

Responsible Growth

- 205-2 Training in anti-corruption policies and procedures
- 301-2 Percentage recycled materials
- 305-2 Greenhouse gas emission
- 308-1 Screening of suppliers using environmental criteria
- 414-1 Screening of suppliers using social criteria
- 412-2 Employee training on relevant human rights

Customer Driven Solutions

- 302-5 Initiatives to produce energy-efficient products
- 417-1 Information requirements on products sold
- 102-4 Customer satisfaction surveys

Engaged People

- 201-1c Labour productivity
- 401-1a Workforce by employment type and contract
- 401-1b Employee turnover and satisfaction
- 403-2 Sick days and injuries
- 404-1 Training by employee category
- 404-3 Performance & Career development reviews
- 405-2 Ratio of basic salary of men to women

All 21 indicators chosen as material can be seen in the Materiality Assessment Table. The status of each indicator is reported in the relevant section and summarised in the GRI Index at the end of the report.

GOVERNANCE

Economic value distributed to stakeholders

The economic benefits divided between stakeholders in 2020-2022 were the following:

Table 2.1: Halton Group economic benefits / stakeholder groups

	2020		2021		2022	
	m EUR	%	m EUR	%	m EUR	%
Purchases from suppliers	85.3	43.3%	95.3	43.4%	117.0	43.4%
Other goods and services	16.4	8.3%	14.0	6.4%	25.2	9.4%
Salaries and other benefits	62.3	31.7%	71.5	32.6%	87.2	32.4%
Social security payments	14.1	7.2%	16.3	7.4%	19.6	7.3%
Interests paid	0.4	0.2%	0.4	0.2%	2.9	1.1%
Dividends paid	2.7	1.4%	1.8	0.8%	2.3	0.9%
Investments in machinery and equipment	4.0	2.0%	6.3	2.9%	7.3	2.7%
Taxes paid	2.5	1.3%	3.2	1.5%	3.7	1.4%
Left in company for further development	9.1	4.6%	10.7	4.9%	4.1	1.5%
Turnover	196.9	100%	219.6	100%	269.4	100%

The year 2022 was generally a year of growth at Halton. Our purchases from external suppliers increased in euro terms in relation to turnover growth. The regional business in North America and the Middle East clearly grew compared to the previous year. Europe and Asia also saw some growth compared to the previous year. The business of Nelbud Services Inc. was also significantly reflected in the development of turnover. The company was purchased in the United States in August 2021 and focuses on life-cycle services for professional kitchens. The effects of the COVID-19 pandemic were clearly smaller, but it still made business difficult in certain areas, especially in China.

Halton Group continued to invest in research and product development. Development work has been done mainly in Europe and the United States. Research and product development costs were EUR 5.1 million in 2022, which corresponds to 1.9 per cent of turnover. (4.9 MEUR in 2021/ 2.2 per cent). During the year, Halton was granted significantly more patents than in the previous year—a total of ten patents. In 2021 the number of granted patents was four.

Interest paid on external funding arrangements was higher than in previous years. Dividends that the parent company paid to its shareholders were at the same level as the previous year. In addition, the group paid dividends to its minority shareholders in two locations.

The investments that Halton Group paid for new or refurbished tangible investments increased compared to 2021. The group's effective tax rate decreased slightly due to changes in the mixture of profit- and loss-making countries.

Purchases from suppliers

The total value of purchases from suppliers grew in 2022. During the year Halton purchased materials and other goods and services to the value of EUR 142.2 million, an increase of EUR 32.9 million from the previous year's total amount of EUR 109.3 million. About 764 supplier companies represent 80 per cent of Halton's purchases, and the rest supply small quantities or have an irregular relationship with Halton companies. Each of our manufacturing units prefers local sourcing and buys raw materials and components locally based on availability.

Labour productivity

In 2022, despite the challenges of the international situation, Halton managed to keep personnel productivity in relation to turnover at the same level as in 2021. The company's profit decreased somewhat. The reason for this was the strong increase in the prices of key materials following Russia's attack on Ukraine and the increased amortisations due to the previous year's significant company acquisition.

We report our labour productivity—in terms of sales and profit per person—at the group level. This is because wages, currencies, cost of living, etc. differ very much from country to country and local figures would otherwise not be comparable. In 2022, our turnover per person was EUR 143,000 (EUR 140,000 in 2021, EUR 125,000 in 2020) and our operating profit per person was EUR 4,020 (EUR 5,300 in 2021 and EUR 4,700 in 2020).

Training in anti-corruption policies and procedures

Corruption and bribery are very much under our magnifying glass. As a multinational group with employees in over 35 countries and customers and suppliers all over the world, we need to constantly have our eyes on the economic environments of many countries. Part of our anti-corruption policy involves estimating the corruption risks for each country using data from the annual Corruption Perception Index by Transparency International (TI). Table 2.2 shows the transparency index of the countries Halton operates in.

Halton applies a zero-tolerance approach to corruption, both within and outside the group. We educate our employees and suppliers on our anti-corruption policy using our three written instruction manuals: the internal Code of Conduct, the external Supplier Code of Conduct and the Halton Way leaflet for our employees.

Each of our employees is familiar with the Code of Conduct and they are instructed by their supervisors to follow this guidance. We use the Code of Conduct eLearning material during our employees' onboarding process. In addition to this material, all the guidance related to the Code of Conduct is available on our intranet, Halton HIVE. Employees in all units will be trained by e-learning during 2023 on how to use the Whistleblowing channel.

Halton renewed the whistleblowing channel and the notification handling process according to the EU Whistleblowing directive and Finnish local legislation at the end of 2022. The whistleblowing channel application is purchased as a service from an external supplier. In this way, the information security of personal data, the anonymity of the declarant, and legal compliance of the functionality are ensured. Halton publishes a Whistleblowing channel on its website, through which anyone can confidentially report perceived or suspected misconduct or other inappropriate activity as easily as possible. The service enables the report to be made anonymously, while at the same time enabling the investigation process of the reported observation to be carried out interactively with the person making the report.

The notice is received by the three-member group of Halton's Fair Play Forum. The group is formed by the Group's People and HR Director, Chief Financial Officer and Responsibility Director. Only members of this group can see the submitted notifications and related material. The group processes the notification confidentially, asks the notifier the necessary additional questions, examines any material related to the matter, and interviews those involved in the case. The team documents the material of the conducted research and draws conclusions on the matter, and prepares a recommendation for further measures. The team present the conclusions and recommendations on further measures to be taken based on the whistleblowing to the CEO of the group and the Chairman of the Board. They are responsible for the implementation of possible further measures.

Every suspected violation of the Halton Code of Conduct must be reported immediately to the unit manager or anonymously via the Fair Play Forum, the links to which can be found on the Halton website (<https://www.firstwhistle.fi/halton>) and on the Halton intranet.



COUNTRY	SCORE (max 100)	RANK
OWN PRODUCTION		
Finland	87	2
Germany	79	9
UK	73	18
Canada	74	14
France	72	21
USA	69	24
Malaysia	47	61
China	45	65
Brazil	38	94
LICENSE PRODUCTION		
New Zealand	87	2
Australia	75	13
South Africa	43	72
Mexico	31	126

Table 2.2:Corruption Perception Index by Transparency International (TI) 2022

SOCIAL RESPONSIBILITY

Social responsibility (own labour)

Our Halton employees, known as Haltonians, are the heart of our group. Everything in our business starts with our engaged personnel. Our most important focus is on securing the wellbeing of our employees, strengthening their competence and knowledge, and keeping motivation levels high. This foundation here is our People Policy and our Health and Safety Policies in different countries.

Number of employees and share of women

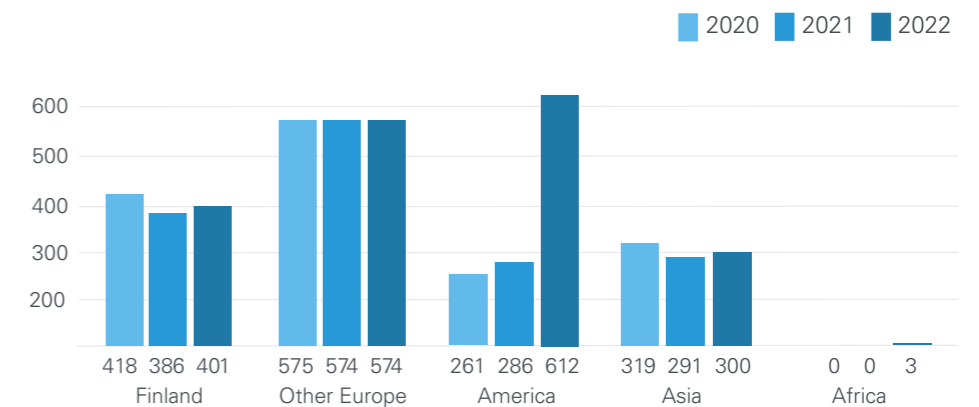
In 2022 the total headcount of Haltonians increased. At the end of 2022 we had 1,890 employees, compared to 1,573 at the beginning of the year. The big change in the headcount during 2022 is mainly due to the acquisition of Nelbud Services LLC in the USA (Bar Chart 3.1).

When looking at the employee structure, during 2022 we didn't have significant changes in the share of women employees (Table 3.1). This remained the same in the Americas and Europe as the previous year. In Finland and in Asia there was a slight decrease in the number of women. Of our 1,890 employees, 51 per cent were factory workers and 49 per cent were office employees. Regarding the age structure in 2022, the share of employees aged over 60 was 15 per cent and those under 30 accounted for 19 per cent.

At Halton we mainly employ staff using permanent contracts. In this type of industry, temporary and part-time work is quite rare, as highly skilled staff are required for most roles. In 2022, 92 per cent of our employees were on permanent contracts and only eight per cent on temporary contracts. It is also worth noting that 49 per cent of those with a temporary contract were agency staff.

In 2022 the most significant change in headcount was in the America region.

Bar chart 3.1: The number Halton Group employees, the total amount per region and year



Employees total / year	2020	2021	2022
Halton Group	1573	1537	1890

Table 3.1: The percentage of men and women by region and year

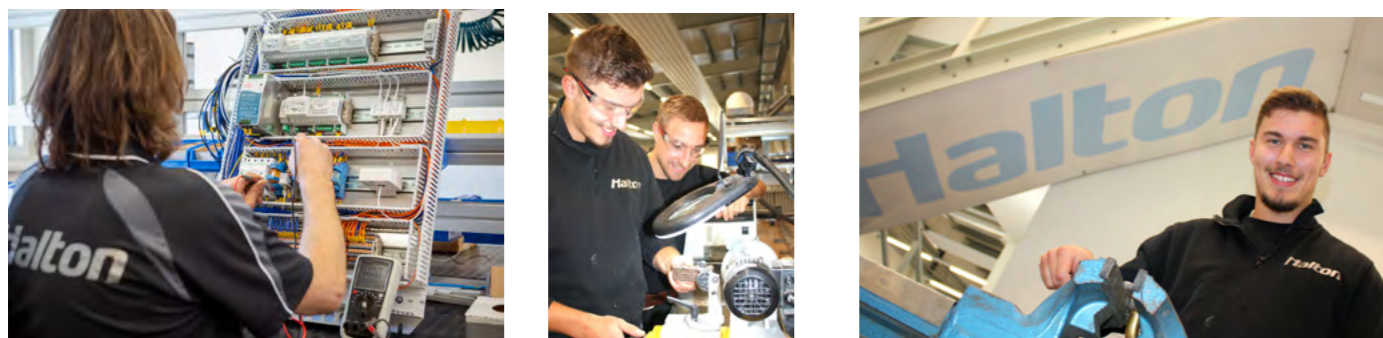
	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Finland	70%	30%	70%	30%	71%	29%
Other Europe	81%	19%	83%	17%	83%	17%
Americas	87%	13%	87%	13%	87%	13%
Asia	72%	28%	80%	20%	81%	19%
Halton Group	77%	23%	80%	20%	82%	18%

The share of women has remained almost at the same level.

Job satisfaction

As a part of the Halton Strategy, Mission 500, we introduced a strategic theme called Increasing Employee Engagement. The initial activity took place in 2018, when we carried out surveys, workshops and actions around this theme. In these customised workshops, our teams analysed and discussed the key factors of engagement. Action plans were made at the individual, team and organisational levels. In order to monitor the results and progress over time, the surveys have been carried out in a range of different units. The results of these surveys have also been analysed and acted upon at the same three levels. Since then, the surveys have continued on a regular basis.

The results over the years have shown that Haltonians' engagement levels are above the industry average globally (Table 3.2). In 2022 Halton's Engagement score was 3.8 (3.7 in 2021) compared to an industry average of 3.7 (3.6 in 2021). The strong drivers of engagement include Goals and Achievements, Relationships with Colleagues, Meaningfulness and Participation. The topics that continued to need more attention are Health, Feedback and Communication, Learning and Development. In 2022 we had local special activities on Health (and Safety) training. We also ran specific sessions for managers on feedback. We will continue working on these topics in 2023.



Haltonians at work.

In 2022 we also saw improvements in our Net Promoter Score measurement results (Table 3.2). Although we have a generally high level of employee engagement and job satisfaction, the Net Promoter Score measurement results were at a concerning level in 2021. We were delighted to see that the trend in 2022 turned into a positive overall score. Our eNPS in 2022 was +5 per cent compared to -5 per cent a year earlier. Our 2022 score was also above the industry average, the level which we aim to surpass on an ongoing basis.

NPS measures the loyalty of respondents by asking one question: "How likely is it that you would recommend Halton as an employee to a friend or colleague?" Responses are scored based on a scale from 0 to 10. The percentages of responses are calculated using three categories: a) Promoters, responding with a 9 or 10, b) Passives, responding with a 7 or 8, and c) Detractors, responding with a 6 or less. The NPS score is the Promoter score minus the Detractor score and can thus range between -100 per cent and +100 per cent.

Table 3.2: The NPS scores in total and per each business area at Halton Group in 2021 and 2022

Business Area	Engagement		eNPS		Participation rate	
	2021	2022	2021	2022	2021	2022
Total	3.7	3.8	-5	5	87%	85%
SBA Halton	3.6	3.6	-28	-20	75%	85%
SBA Marine	3.7	3.8	0	15	83%	79%
SBA Foodservice	3.8	3.8	3	13	91%	85%

Halton Engagement score stays above the industry average.

Employee turnover

Employee turnover increased by 2.0 per cent in 2022. To compare the trend in turnover year on year, the following considerations are made without including the data from Nelbud. The average number of employees at Halton during 2022 was 1567. The number of leavers, which includes permanent and temporary employees, was 221 (186 in 2021). Our employee turnover was 14.0 per cent (12.0 per cent in 2021). The number of leavers who had a permanent agreement was 137. Our employee turnover of permanent employees was 8.7 per cent (10.4 per cent in 2020).

Sick days and injuries

The number of reported sick days in 2022 remained at the same level as in the previous year (Table 3.3). The number of sick days was 3.3 per cent of all theoretical working hours. In 2021 the percentage was 3.2. There was an increase in sick days in Finland, the Americas and Asia, whereas the trend was downward in Europe.

On the injuries side, there were some major accidents in some units in 2021. We focused on studying the cause and putting in measures to prevent them from happening again. The positive development in 2022 was that in the units where these incidents happened, the amount of time lost due to accidents went down drastically. There has been an overall increase in the number of incidents as we have added new units to the overall calculations. Next year we will get better comparable results after getting a new global base level following major acquisitions in 2022.

Table 3.3: Sick days, share of total working days per region and year

	2020	2021	2022
Finland	2.8%	4.9%	5.2%
Other Europe	4.7%	4.0%	3.7%
America	1.2%	2.2%	2.7%
Asia	1.8%	1.5%	2.5%
Halton Group	2.8%	3.2%	3.3%



Performance and career development reviews

We have used performance reviews at Halton Group for many years. In 2021, we introduced the target-setting, monitoring and performance evaluation module of our HR system. The process was renamed Development Dialogue to emphasise the aspect of supporting people to succeed in their work. The process was applied to all white-collar employees, a total of 846 people. The coverage of the process was 65 per cent in 2022 (71 per cent in 2021). We will need to ensure that the Development Dialogue practice is better enforced throughout the company.

For blue-collar employees, the proven processes used locally have been used to guide work and development. The usage of Development Dialogue discussions for blue-collar employees varies a lot between countries based on local practices. For example, in Lahti, all blue-collar employees have had development discussions based on paper forms. In France, there are regular mandatory discussions with all personnel (entretien professionnel). On the other hand, in some units the local working customs do not apply development discussions at all for blue-collar employees.

The ratio of basic salary of men to women

At Halton, we want to apply the equal pay principle. This means that we provide the same pay for a job based on how demanding the job is and how the job holder performs in the job—irrespective of gender or age. Following this principle, we are building our compensation practice to be based on job classifications that we are introducing on a country-by-country basis, starting from Finland. In 2022 we extended this practice to also cover Poland. Based on the classification we then research the average market salary for the job. Pay for the job can vary around the average based on the performance of the person in the role. This performance is evaluated annually in our Development Dialogue process.

Training

Halton training programmes focus on developing expertise on indoor air quality

At Halton, our training actions emphasise the development and spreading of Halton-specific training. We believe that our success in the future depends primarily on our expertise in the area of Indoor Air Quality. To make this happen, we are exploring a combination of different media.

Our eLearning covers basic information and repeating generic topics. Onboarding programmes and mandatory training, such as the Code of Conduct, fall into this category. Further in this category we would have training in internal processes. During 2022, we had all 85 training items active and 550 online participants. The numbers were well below the previous year when we had more activities in the mass programmes, such as the Code of Conduct. We will be rerunning the Code of Conduct in the future across the organisation.

In addition to eLearning, frequently changing information is addressed by expert-to-expert discussions both face-to-face and online. These happen on an ongoing basis. We are actively using Microsoft Teams to share the information as well as run sessions, which are often recorded for further use.

Halton's business units have different needs and challenges in their business and operation. This translates to a different focus in training, following the business situation at hand. In 2022 examples of business-driven programmes include BOSS training for managers in SBA Marine, Agile practice training in SBA Halton, and training on Resilience, Difficult Conversations and Respect in SBA Foodservice. These programmes address the specific business needs of the different business units.



Haltonians having a training day.



Halton Future Leadership Development Programme

On the more common front, the Halton Future Leadership Development programme looks at potential future leaders across all business areas. The goal of the programme is to develop potential future leaders, promote cross-organisational networking, and try out new ideas for Halton.

The term leadership is used in a broad sense here—it may refer to leading projects, knowledge and people. Participation is no guarantee of a leadership position, but it does develop the participants' skills and capabilities, making them better candidates for such opportunities. Three programmes have been completed to date. The fourth programme, which started in January 2021, finally had a face-to-face module in April 2022 and a virtual one in September. In 2023 further face-to-face modules will be arranged.

Many personal development stories demonstrate that the Halton Future Leadership Programme has met expectations well. Key talents have been identified successfully, and many have ascended on their Halton career ladder to take on more demanding leadership positions.

Diversity, equity and inclusion (DEI) training in SBA Foodservice

Diversity, equity and inclusion (DEI) is a continuum—an ongoing journey of unlearning and learning the deeply rooted dogmas that guide the way organisations operate. The DEI strategy is a mechanism through which systemic issues and the ingrained way things are done in organisations can be challenged and changed.

Creating a scaled and purposeful strategy, upheld by strategic pillars and customised DEI initiatives kick-starts our journey. This process is guided by a People First Inclusive process of creating basic understanding common to all our management and leadership teams.

Operating at a larger scale in multiple locations, countries and regions, our workforce is ultimately naturally diverse. Diversity on its own, however, is not enough. SBA Foodservice is committed to strengthening those diverse aspects of our way of doing business to bring about creative insight, collaboration and teamwork across the globe. Leaders must listen, put people first and put their own perspectives and assumptions aside. It's imperative that leaders understand and prioritise DEI challenges as they control budgets and influence employee behaviour. Staying true to Halton's values, we capitalise on management training that provides consistency and guidance and builds in habits that help all employees reach their maximum potential through training.

The strategy will encompass the entire employee life cycle—allowing management to execute fair, consistent and inclusive practices in their workplace. In training our people, we accomplish an exceptional employee experience rooted in openness, belonging, strong leadership and creating psychological safety in our operations. The rollout of the inclusive management course went live on April 14th, 2023.

DEI - Strategy in Foodservice

The DEI governance framework serves four key purposes to ensure a successful DEI strategy execution.



Set Strategy

DEI decisions that directly connect to the strategic direction of the organisation through inclusion.

All management receives inclusive management training that is consistent with the Foodservice DEI strategy and creates consistency in understanding, culture and employee branding of main concepts.



Design and Build

The processes of creating DEI initiatives.

Initial Design and Build will center on creating training resources for management leading to processes of self-identification, better representation within the organisation and promoting diversity in our recruitment strategy.



Implement

Activities involved in implementing and delivering DEI initiatives to the organisation.

New online training system will be tried to see if fast scaling of training is possible throughout 2023. All new managerial employees will receive a link upon joining the organisation integrating this back to our onboarding process.



Advise

Consultation with management and LT team.

Bi-annually check-ins with management to ensure concepts learned are building an inclusive culture. Feedback from units regarding their local initiatives, practices, or experiences of people from diverse backgrounds. Additional program development based on the SBA.

ENVIRONMENTAL RESPONSIBILITY

Environmental management

Halton's environmental management is guided by our environmental policy and the ISO 14001 environmental management standard. At the end of 2022, five of our manufacturing units had ISO 14001 certifications. The list of our ISO 14001 certifications as well as ISO 9001 and ISO 45001 certifications per unit can be seen below.

France: Halton Foodservice SAS

- ISO 14001 Environmental Management, Certification Valid Until Date 14th. September 2024

Finland: Halton Oy

- ISO 9001 Quality Management, Certification Valid Until Date 19th. November 2023
- ISO 14001 Environmental Management, Certification Valid Until Date 19th. November 2023

Finland: Halton Marine Oy

- ISO 9001 Quality Management, Certification Valid Until Date 19th. November 2023
- ISO 14001 Environmental Management, Certification Valid Until Date 19th. November 2023
- ISO 45001 Health and Safety Management, Certification Valid Until Date 23rd. September 2025

China: Halton Ventilation Ltd.

- ISO 9001 Quality Management, Certification Valid Until Date 21st. September 2025
- ISO 14001 Environmental Management, Certification Valid Until Date 24th. February 2024
- ISO 45001 Health and Safety Management, Certification Valid Until Date 18th. January 2025

Germany: Halton Foodservice GmbH.

- ISO 9001 Quality Management, Certification Valid Until Date 13th. August 2025

UK: Flamgard Engineering Ltd.

- ISO 9001 Quality Management, Certification Valid Until Date 31st. July 2025
- ISO 45001 Health and Safety Management, Certification Valid Until Date 15th. March 2025

UK: Halton Foodservice Ltd

- ISO 9001 Quality Management, Certification Valid Until Date 9th. June 2024
- ISO 14001 Environmental Management, Certification Valid Until Date 9th. June 2024

USA: Nelbud Services LLC.

- ISO 9001 Quality Management, Certification Valid Until Date 15th. May 2024

In 2022, ISO 9001 quality management certifications rose from the previous year's 56 per cent to 57.3 per cent of our turnover. Regarding the ISO 14001 environmental management system certifications, the share fell from 45 per cent to 39 per cent of our turnover. In addition to these two certification types, we currently have three units that have ISO 45001 certification. Some 14 per cent of our turnover is covered by this certification type.

When comparing 2022 and 2021, the reason for the changes in the numbers was the increased share of turnover through the acquisition, which is not covered by the 14001 and 45001 certificates.

All our units perform environmental activities whether they have a formal ISO 14001 certification in place or not. The environmental impacts and risks of uncertified units are considered to be very limited. We annually evaluate the requirements for further formal certification of these units.

Topical issues in 2022

At Halton, the major environmental impacts arise from the materials we use; from the energy we consume in our production and the energy our products consume during the life cycle of products. Greenhouse gas emissions caused by the production of purchased energy are important factors, as is that from the fuel we use in company vehicles.

The energy renovation of the Kausala production unit was completed during the first quarter of 2022. The benefits of the energy renovation were reflected in the energy consumption of 2022. Gas consumption decreased by 29 per cent. Electricity consumption decreased by 10 per cent, although part of the gas usage was replaced by the heat pump. Heat pumps were also used for cooling, which improved the working conditions of the production facilities.

To reduce emissions caused by the consumption of natural gas, the Kausala factory switched to using biogas instead of natural gas at the beginning of the second quarter. Due to the reduction in gas consumption and the transition from natural gas to biogas, emissions decreased by 440 tonnes.

Halton's Reit im Winkl production facility took a significant step toward achieving environmentally friendly production by implementing a new solar power plant. The Reit im Winkl factory can be said to be carbon neutral in terms of electricity and heating. The electricity sold to the local electricity grid reduces emissions from general electricity production by about 16.5 tonnes. In the future, part of this electricity can also be used to charge the batteries of the company's electric cars.

Over the past few years, Halton has focused on keeping production emissions as low as possible. The corporation has invested significantly in the energy efficiency of its production facilities and in renewable energy sources. The investments at Reit im Winkl and Kausala are excellent examples because they show that investing in sustainable development is financially profitable and reduces CO₂ emissions.

Company car emissions are reported separately and are not included in the factories' results.

Materials used

Halton provides solutions for commercial and public premises, healthcare institutions and laboratories, professional kitchens and restaurants, as well as energy production environments and marine vessels. The majority of the production materials we use are stainless and galvanised steel, aluminium and wood. Of these four materials, galvanised steel is the most common for SBA Halton's products, whereas SBA Foodservice and SBA Marine mainly use stainless steel. In all Halton factories we use wood for packing. The largest quantities of aluminium are used at SBA Halton's factory in France for exhaust grilles.



Halton's Kausala factory.



Halton's Reit im Winkl factory.

At the end of 2022, Halton started preparing its products' EPD (Environmental Product Declaration) documentation. The documentation complies with the European standard EN 15804, and the first EPDs will be published in the spring of 2023. Life cycle analysis of products helps us to identify development targets that allow us to reduce the environmental impact of products in terms of their manufacture and use during the product life cycle.

Tables 4.1, 4.2 and 4.3 shows the statistics on materials used. This data covers all our production units.

Table 4.1: Materials used (tonnes) at Halton Group per year

Main material groups	2020	2021	2022
Stainless steel	3,138	3,239	3,323
Galvanised steel	3,360	3,053	1,878
Copper	2	2	4
Aluminium	279	450	322
Wood	1,131	1,107	1,123
Fibres	0	0	0
Plastic	20	21	22
Insulation materials	23	43	23
Alumised SS	289	318	330
Materials used	8,242	8,233	7,024

Table 4.2: Materials used (tonnes) in Finland and other EU area per year

Main material groups	Finland			Other EU		
	2020	2021	2022	2020	2021	2022
Stainless steel	446	503	572	1,043	1,070	1,031
Galvanised steel	2,383	2,257	1,209	733	592	498
Copper	0	0	2	0	0	0
Aluminium	41	63	60	230	378	256
Wood	400	421	447	204	138	117
Fibres	-	-	-	-	-	-
Plastic	4	5	4	14	14	15
Insulation materials	-	-	-	23	43	23
Alumised SS	-	-	-	-	-	0
Materials used	3,274	3,248	2,294 ¹⁾	2,247	2,235	1,940

1) The decrease in material consumption in the Finnish factories is due to improved productivity and changes in the production product mix, thanks to which less raw material has been consumed.

Table 4.3: Materials used (tonnes) in Americas and Asia per year

Main material groups	Americas			Asia		
	2020	2021	2022	2020	2021	2022
Stainless steel	798	930	1,084	851	737	636
Galvanised steel	68	78	88	176	127	82
Copper	2	2	2	-	0	0
Aluminium	-	-	1	8	9	5
Wood	394	419	443	133	129	116
Fibres	-	-	-	-	0	0
Plastic	-	-	1	2	2	2
Insulation materials	-	-	-	-	-	-
Alumised SS	289	318	330	-	-	-
Materials used	1,551	1,746	1,949	1,170	1,004	841

Purchased energy

In 2022, all our production units purchased a total amount of 9,308 MWh of electricity (Table 4.4), 6,727 MWh of heat and 19,700 MWh of fuel. The increase in the amount of fuel used is due to the growth of the service business after the COVID-19 pandemic and the fact that Nelbud Services LLC is now included in the statistics for the whole of 2022.

When taking a closer look at electricity consumption in 2022, the largest electricity consumers were SBA Halton's Kausala unit, SBA Foodservice's units in the USA and SBA Marine's Lahti unit (Table 4.5 shows the purchased energy per region). Of the total amount of purchased electricity, 48 per cent was renewable, 26 per cent was non-renewable and 26 per cent was based on nuclear power. Regarding the purchase of electricity, the share of renewable electricity was specified and a supplier's certificate of origin was required from those units that announced that they use entirely renewable electricity. As a result of the survey, the shares of renewable energy and nuclear energy in the purchased electrical energy for the years 2020–2022 were specified.

The main use of natural gas has been the heating of properties and the use of heat in the processes of the painting lines. It has been possible to move from the use of natural gas to biogas to some extent and the same trend will continue in the coming years. Our goal is to reduce the use of natural gas as much as possible by improving energy efficiency and switching to using either biogas or electricity for heat production.

Table 4.4: Purchased energy at Halton Group per year

Purchased energy	2020	2021	2022
Electricity purchased (MWh)	9,308	9,608	9,308
Renewable %	28	33	48
Non-renewable %	42	39	26
Nuclear %	30	27	26
Heat purchased (MWh)	6,286	6,899	6,727
Renewable %	5	5	26
Non-renewable %	95	95	74

The numbers from the years 2020 and 2021 have been updated in 2022.



Halton's Lahti factory.

Indirect energy GHG emissions

We have defined the emissions of our production facilities based on the amount of energy used and the calculation principles of the GHG protocol. The amount of fuel consumed by cars has been calculated according to the costs obtained from the financial administration, based on the price of fuel in each country in the year in question.

In 2022, for the first time, we will also assess the emissions caused by the premises of our sales network. This was done by collecting the energy consumption data of the five largest sales companies on different continents and calculating the amount of

Table 4.5: Purchased energy in Finland, other Europe, Americas and Asia per year

Purchased energy	Finland			Other Europe			Americas			Asia		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Electricity purchased (MWh)	4,204	4,199	4,047	1,394	1,623	1,523	2,416	2,761	2,659	955	912	971
Renewable %	32	35	39	29	31	24	27	38	88	8	8	7
Non-renewable %	30	29	28	5	19	20	60	51	3	92	92	93
Nuclear %	38	36	33	66	50	56	13	11	9	0	0	0
Heat purchased (MWh)	3,663	3,497	2,562	1,001	1,643	2,503	1,622	1,759	1,661			
Renewable %	0	0	56	29	20	11	0	0				
Non-renewable %	100	100	44	71	80	89	100	100	100			

The numbers from 2020 and 2021 have been updated in 2022.

emissions per person based on that. The method is not very precise, but nevertheless it gives us an estimate of the magnitude of the emissions. By calculating like this, we arrived at the result where the emission amount of all properties of our sales companies is 122 tonnes per year.

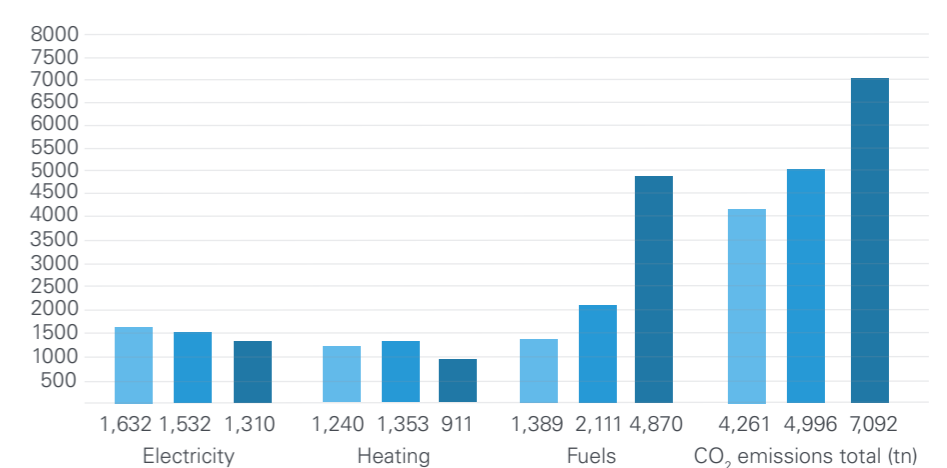
Emissions from air travel have been calculated based on mileage received from travel agencies. Unfortunately, not all air travel can be found in the statistics, but the information provides an estimation of the development of emissions on an annual basis. Air travel emissions in 2022 were 143 tonnes (98 tonnes in 2021). Business travel has clearly increased compared to 2020 and 2021 levels, when the travel restrictions caused by the COVID-19 pandemic were lifted in Europe and the USA. The amount of emissions from air travel and sales companies' properties are not exact, but show the level of the emissions compared to the total amount of emissions caused by the company's other operations.

In connection with the collection of energy consumption data for 2022, we have specified the shares of renewable, non-renewable and nuclear power in procurement contracts for 2020–2022. This is how we have made the emission calculation results more accurate. Currently, we only collect energy consumption data from production units. Measures and investments to reduce emissions are also targeted at these units.

The emission factor used in the calculation of electricity emissions for renewable electricity production and electricity produced by nuclear power is 0.012 kg/kWh. [Carbon Dioxide Emissions from Electricity, World Nuclear Association, May 2021]. For non-renewable electricity, the emission factor is determined by the country-specific residual mix emission factor, except in the US and Canada, where it is possible to use Grid Region factors.

During 2022, we succeeded in reducing emissions by approximately 660 tonnes by investing in low-emission heating solutions, energy efficiency and switching to renewable energy (Table 4.6, Bar chart 4.1). Investments in reducing energy consumption and emissions will continue in the coming years.

Bar chart 4.1: Halton Group CO₂ Emission, (TN) Scope 1 and 2 per year



Emissions from car fuels currently cause the biggest emissions from Halton's operations. The increase in emissions caused by fuels was influenced by Halton's acquisition at the end of 2021. In 2022, the maintenance service company Nelbud Services LLC was for the first time a member of the Halton Group for the entire year. Fuel consumption of cars used in the service business increased emissions considerably. Another reason for the increase in car fuel consumption has been the increase in sales activities and the growth of the service business after two years of the severe COVID-19 pandemic.

Changes in the energy source of cars take time. It is tied to the development of the countries' fuel and electricity distribution channels. The charging network for electric cars, from which the car could be charged with low-emission electric energy, is not yet at a sufficient level in most countries for electric vehicles to be an alternative to the current vehicles. The availability of biofuels in different countries also varies a lot. However, Halton's goal is to switch as quickly as possible to low-emission vehicles.

Table 4.6: Halton Group CO₂ emissions (tn) Scope 1 and 2 per year

	2020	2021	2022
Electricity	1,632	1,532	1,310
Heating	1,240	1,353	911
Fuels	1,389	2,111	4,870
CO ₂ emissions total (tn)	4,261	4,996	7,092
CO ₂ emissions (tn) / turnover (M€)	21.6	22.8	26.3



Halton's Malaysia factory.

Waste

At Halton, practically all the waste produced by our group is process waste. Most of our products are made of steel sheets. From this material, we produce the shapes of the products and this causes cutting waste. The reduction of this cutting waste is our focus and we have developed our production processes based on this. As a result, we have managed to make the processes more efficient and reduce waste. In our units, the amount of process waste is strongly connected to the product mix delivered to customers. This varies from year to year. However, continuous process improvement and quality management play a significant role in reducing waste.

At Halton, recycling is a common practice in our daily work. Steel waste is sold to recycling companies who sort it and forward it to steel mills to make new material. Regarding wood material, most of our units use this for packing and use wooden pallets

Table 4.7: Halton Group Sheet Metal CO₂ emissions

	Emissions tCO ₂ -eq/t	Halton material usage tn.2021	CO ₂ tonnes 2021	Halton material usage tn.2022	CO ₂ tonnes 2022
Stainless steel	1,3	3,239	4,211	3,323	4,320
Galvanised steel	1,5	3,053	4,580	1,878	2,817
CO ₂ emissions total (tn)			8,790		7,137

The material usage and CO₂ tonnes decreased in 2022 from the previous year.

for transporting our products. After the transporting phase, it is unusual for us to receive these pallets back for reuse, but our customers can take packaging material and pallets for recovery. In terms of hazardous waste, the amounts are very small. In our daily work we use only a small amount of hazardous liquids. These are mainly paint and hydraulic oil, from which the waste is taken to toxic waste disposal plants.

We continually monitor our units' waste management practices. All our production units have submitted their total waste amounts since 2017. In 2022, the total amount was 1,954 tonnes, which is a reduction from the previous year's 2,070 tonnes (Table 4.8 and 4.9). From this, 89.5 per cent was recovered (90.5 per cent in 2021), 0.5 per cent reused (0.7 per cent in 2021), and 8.3 per cent taken to landfill (8 per cent in 2021). The US factory in Scottsville, Kentucky, has the largest landfill amount at 29 per cent (30 per cent in 2021), as there are no good recovery options within a reasonable distance.

Suppliers' auditing

The auditing of suppliers plays an important role in our sustainability policy and practices. We audit our suppliers according to the ISO 9001 quality system's environmental and social criteria. We monitor our suppliers and want to ensure that they follow our Supplier Code of Conduct and comply with all applicable labour laws and international labour conventions. At Halton we prefer suppliers who apply the ISO 14001 environmental management standard.

At the end of 2022, we had 764 major suppliers that represented 80 per cent of our total purchases. The number of suppliers has decreased slightly compared to 2021. Of the current suppliers, 13.5 per cent are ISO 14001-certified and eight per cent have undergone Halton's supplier auditing. In the next few years, we will analyze more deeply which of our suppliers can be considered risk suppliers according to labour and environmental standards, and decide whether more internal and third-party audits are required.

Table 4.8: Waste at Halton Group per year




Waste GRI 306-2	Halton Group		
	2020	2021	2022
Total tonnes	2,105	2,070	1,954
Reuse	19	14	10
Reuse %	0.90	0.68	0.51
Recovery	1,934	1,873	1,749
Recovery %	91.90	90.50	89.5
Incineration (mass burn) tons	-	15	30
Incineration %	0.0	0.72	1.54
Landfill tons	148	166	163
Landfill %	7.03	8.02	8.34
Other waste tons	4	2	2
Other waste %	0.19	0.10	0.10





Table 4.9: Waste per each region per year

Waste GRI 306-2	2020	Finland			Other Europe			Americas			Asia		
		2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	
Total tonnes	910	807	746	489	600	540	535	523	543	171	141	125	
Reuse	-	-	-	5	-	-	-	-	-	14	14	10	
Reuse %	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	8.2	9.9	8.0	
Recovery	909	807	746	484	575	500	384	365	388	157	127	115	
Recovery %	99.9	100	100	99.0	95.8	92.6	71.8	69.8	71.5	91.8	90.1	92.0	
Incineration (mass burn) tons	-	-	-	-	15	30	-	-	-	-	-	-	
Incineration (mass burn) %	0.0	0.0	0.0	0.0	2.5	5.6	0.0	0.0	0.0	0.0	0.0	0.0	
Landfill tons	-	-	-	-	8	8	148	158	155	-	-	-	
Landfill %	0.0	0.0	0.0	0.0	1.3	1.5	27.7	30.2	28.5	0.0	0.0	0.0	
Other waste tons	1	-	-	-	2	2	3	-	-	-	-	-	
Other waste %	0.1	0.0	0.0	0.0	0.3	0.4	0.6	0.0	0.0	0.0	0.0	0.0	

ACTION PLAN 2022-2024

Our Action Plan is presented in the table. The table shows the areas of responsibility and the actions to be taken along with the indicators we will use to assess whether we have achieved our results. The results of the listed actions are reviewed annually in the CR Report and new targets and actions will be set whenever needed.

HALTON PROMISE	EXAMPLES OF ACTIONS
ENGAGED EMPLOYEES AND STAKEHOLDERS	
 <p>4 QUALITY EDUCATION</p> <p>At Halton we invest in employees' competence development, and cooperate with schools and universities to offer apprenticeships to young people and students. We also share our knowledge with our other stakeholders to promote productive cooperation.</p>	<ul style="list-style-type: none"> We encourage and support the continuous competence development of Haltonians across the globe. Offer opportunities and resources for development both locally and globally. Examples include local internal training arranged by Halton specialists, online training on Halton technology and selected management topics and leadership training programme. We provide opportunities for students from schools & universities to complete (technical hands-on) training. Examples include summer trainee positions and thesis work positions in several countries. We train partners to configure and service Halton solutions to ensure good indoor air quality and energy efficiency.
 <p>5 GENDER EQUALITY</p> <p>All our Halton employees are equal, regardless of gender. Their salary and compensation are determined based on the complexity of the work role. Women have equal opportunities to advance in their careers in all positions in the organisation.</p>	<ul style="list-style-type: none"> Diversity, equity and inclusion (DEI) training was conducted in the Halton Foodservice business area. DEI is a continuum – an ongoing journey of unlearning and learning the deeply rooted dogmas that guide the way organisations operate. We are committed to strengthening those diverse aspects of our way of doing business to bring creative insight, collaboration, and teamwork around the globe. In our units, the use of work architecture (work complexity and salary definition practices) was extended to Poland in addition to Finland. The work continues in other units. The work architecture ensures equal and gender-neutral remuneration. Our technology industry sector has traditionally been having much more male than female workforce. We have established and enforced practices to ensure that female candidates are considered for any vacant position.
SUSTAINABLE AND EFFECTIVE OPERATIONS	
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>We are continuously decreasing the amount of waste in its own processes. When selecting raw materials, we pay attention to recyclability, carbon footprint and the proportion of recycled material.</p>	<ul style="list-style-type: none"> We monitor our waste (including scrap) and increase recycling ability in all plants. For example, the utilisation of a new punching production line in the Kausala plant has enabled the reduction of scrap in certain products to 0-5 per cent from earlier >20 per cent levels. Regular supplier audits, including review of environmental, health and safety, and corporate responsibility issues. Including Halton supplier code of conduct as a mandatory part of the contract with the suppliers.
 <p>13 CLIMATE ACTION</p> <p>We are systematically reducing CO₂ emissions in all our operations by improving energy efficiency and increasing the share of renewable energy. We develop increasingly energy-efficient solutions for our customers to reduce their environmental impact. By increasing the value of handprint and decreasing the value of footprint, we are able to enlarge positive impact on society and the planet.</p>	<ul style="list-style-type: none"> In recent years, our production facilities have focused on reducing emissions as low as possible. The purchase of electricity has been focused on green electricity, and the use of natural gas has been reduced or changed to biogas. The first solar power plant has been commissioned, and the investment plans include constructing more power plants in the next few years. Changing the car fleet to low / no emission in order to reduce the current emissions caused by fuels. Development of demand-based ventilation solutions and new products to utilise low-energy sources.

HALTON PROMISE	EXAMPLES OF ACTIONS
CUSTOMER-DRIVEN SUSTAINABLE SOLUTIONS	
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>At Halton we enable healthy and comfortable indoor environments for people. We develop solutions that decrease the amount on hazardous particles and CO₂ in indoor air and create high-quality indoor climate conditions.</p>	<ul style="list-style-type: none"> Development of Halton AirWatch, which continually monitors the indoor environmental quality in the food service facilities and responds to the sensor readings ensuring optimised indoor conditions and high indoor environmental quality in the kitchen. Research on the decontamination of healthcare facilities in order to develop solutions to improve the cleaning of health- and cleanroom facilities. Installing central vacuum cleaner systems in different units, thus improving the cleanliness of the indoor air and the well-being of employees.
 <p>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</p> <p>We invest in local R&D close to customers through Halton Innovation HUB's. We work in close cooperation with universities, research institutes and industrial research partners to create new knowledge within our sector.</p>	<ul style="list-style-type: none"> We are a member of the E3 consortium aiming to develop solutions for enhanced pandemic response and sustainability. (2021-2024) Locating and developing new manufacturing and R&D units near the markets to reduce emissions from transportation and enable local collaboration. Development of the air quality solution for future ships with partners, educational institutions and universities with the aim of improving working conditions on board.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>We offer increasingly energy-efficient solutions for our customers to reduce their environmental impact. We also drive kitchen ventilation related outdoor air quality improvement through the development of pollution control systems.</p>	<ul style="list-style-type: none"> We started preparing its products' environmental product declarations (EPD) in 2022. The goal is to facilitate our customers' access to information about the environmental impact of our products. EPDs will be done according to standard EN15804+A2. Development of demand-based ventilation solutions to reduce energy consumption, purify the air, optimise CO₂ in the environment, and maximise wellbeing. Energy monitoring for the laboratory ventilation system to promote energy savings affected by end-user activity.
RESPONSIBLE GROWTH	
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>We invests in R&D and innovations. We partner with or invest in start-ups and businesses that support our mission and sustainability. Also, we invest in the wellbeing of our staff, and offer opportunities for working across borders. We promote high ethics at work.</p>	<ul style="list-style-type: none"> The development of safety in the work environment aims to reduce absences due to work accidents to zero. We ensure that Halton's People Policy is followed throughout the whole organisation by training supervisors and managers. Well-being actions are taken based on the global Engagement survey. Examples include training in safety, renovating offices, stress training, activating contacts to occupational health, and advice on diet and exercise.



GRI Index

Oy Halton Group Ltd. reported the information cited in this GRI content index for the period from the 1st of January 2022 to the 31st of December 2022 with reference to the GRI Standards.

You can find the detailed GRI index on our website: www.halton.com/sustainability.



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Halton

Enabling Sustainable Wellbeing