

SUSTAINABILITY PERFORMANCE REPORT 2023

Enabling Sustainable Wellbeing



Halton

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MESSAGE FROM THE BOARD

The past year has marked a significant milestone in the history of climate change, with a critical 1.5 °C increase in global temperatures from pre-industrial levels recorded for a continuous 12-month period. The devastating consequences of climate change, such as extreme weather phenomena, high temperatures, droughts, rising sea levels, floods, wildfires and biodiversity loss, are already upon us. This is not a distant threat, but a global crisis that is affecting the most vulnerable areas with geographical disadvantages, political instability and limited infrastructure.

Action needs to be taken at every level to help mitigate the impact on the planet. As the realities of climate change are being observed in real time, governments are imposing stricter regulations, and companies worldwide are waking up to the fact that short-term gains no longer outweigh long-term sustainability.

Halton's core mission has been enabling well-being in demanding indoor environments for decades. As we face the challenges of an increasingly complex world, we strive to be leaders in developing sustainable products and business practices in response to its changing needs. As weather patterns become increasingly unpredictable, effective control over indoor environments becomes instrumental in ensuring safety and comfort for the people living and working in them. This is especially crucial in healthcare settings, where high temperatures and the emergence of novel pathogens exacerbate the needs of an aging population. Alongside natural phenomena, technological innovations are bringing about a different set of challenges. As the processing power of an AI-powered world becomes centralised into data centres, every energy efficiency measure must be taken to dampen their increasing impact on the environment.

Working with our clients and innovating creative solutions to problems like these have always been at our core. However, minimising our ecological footprint is equally important in our sustainability journey. Whether introducing solar panels or other energy renovations to production facilities, collating environmental product declarations for our customers, or carrying out and responding to engagement surveys to monitor our well-being, sustainability work is a collective team endeavour. Every year, these actions are documented and compiled in our annual sustainability report. We hope the tireless effort by our people and teams worldwide shines through on these pages. Although, at times, individual actions may feel like mere drops in the ocean, slowly they form streams that combine into rivers that finally take us closer to our collective sustainability goals.



Aleks Halttunen
Member of the Board
Halton Group

BUSINESS AND STRATEGY OVERVIEW

Business Environment has gradually improved

Despite the persistent geoeconomic and geopolitical uncertainties, Halton Group demonstrated its adaptability and resilience in 2023. However, there was less turbulence than in 2022. Material availability improved and cost inflation moderated. Also our customers, operating in a more favourable global business environment, were better positioned than in 2022.

Halton Group's business performance improved significantly during 2023. Our sales grew by 10.8% to €298.5 million, driven by good progress in North America, the Middle East and Asia. Profitability improved with sales increases, and we managed customer pricing to match the cost inflation better, starting in 2022. We improved our operational efficiency. The balance sheet stayed strong. CAPEX investments (including leases) increased significantly, driven primarily by expansions into our manufacturing capacity and service operations in the USA. Total CAPEX was €14.2 million.

Our people engagement stayed above the manufacturing industry average. We saw great commitment from Haltonians serving customers in a fast-changing environment. In summary, we made good steps in implementing our strategic plan.

Indoor air quality with sustainability as the strategic focus

Indoor air quality and safety have become more critical since the COVID-19 pandemic challenged the world from 2020 to 2022. Simultaneously, the fight against climate change requires more actions to reduce carbon footprints in the built environment. Achieving both goals together is a great challenge for the design and operation of ventilation systems.

Our strategy and innovations continue to focus on our mission: "Enable sustainable well-being in demanding indoor environments". All three of our strategic business areas (Foodservice, Buildings & Health, and Marine, Energy & Infrastructure) provide these benefits to their customers.

We have set ambitious targets for ourselves to enhance the sustainability of our operations and offerings, aiming to be visible differentiators in the eyes of our customers. In 2023, we continued to make improvements to various units. For instance, we installed solar energy plants in Rochester, UK and Kuala Lumpur, Malaysia. Our development also prioritises supporting customers' sustainability efforts. A good example is our demand-based ventilation control system for commercial kitchens, galleys and offices. In the broader context of ESG development, we continued to steer our work with the UN's Sustainable Development Goals and participated in the UN's Global Compact initiative.

Looking forward, we see great long-term opportunities to benefit customers, people and the planet with our knowledge and offerings. In 2023, we saw emerging and increasing customer sustainability reporting and offering requirements. We plan to stay fit and agile and to take the initiative in supporting those customer needs, growing our sustainability handprint, and systematically improving our operations' sustainability.



Kai Konola
President & CEO
Halton Group



Halton showroom

SUSTAINABILITY PERFORMANCE

Halton's ESG performance in 2023

This report reflects our sustainability approach and key developments across sustainability in our business and operations in the 2023 reporting year. The report includes information on our stakeholders' expectations as well as environmental, social and governance issues. To enable the comparison of our starting point with other companies, we aim to make our results proportional to our business volume. Any possible deviations in data consistency (e.g., scope and reporting boundaries) are mentioned in connection with each indicator and in the GRI index, as well as the potential comparability differences arising from mergers and acquisitions.

Key responsibility indicators at a glance

Table 1.1: Halton Group non-financial performance in 2021 - 2023

	2021	2022	2023
Turnover EUR million	219.6	269.4	298.5
- per employee EUR thousand	140	143	159
Employees			
- number of employees	1,537	1,890	1,883
- sickdays %	3.2	3.3	2.5
Use of materials in tons			
- stainless steel in tons	8,232	6,994	7,243
- galvanized steel in tons	3,239	3,323	3,228
- aluminized stainless steel	3,053	1,876	2,069
- aluminium	318	330	378
- other materials	450	322	343
- total use in tons per EUR 1 million of turnover	1,172	1,143	1,225
	37.5	26	24
Waste in tons			
	2,013	1,931	2,043
Recovery rate %			
	90	91	91.8
Purchased energy MWh			
- electricity MWh	22,387	35,717	34,594
- heat MWh	9,509	9,307	8,934
- fuels MWh	5,065	5,110	6,637
- total energy MWh per EUR 1 million of turnover	7,813	21,300 ¹⁾	19,023
	102	133	116
CO₂ emissions tons (Scope 1 and 2)			
- tons per EUR 1 million of turnover	4,996	7,092	6,329
	22.8	26.3	21.2

1) The increased fuel consumption is due to the acquisition of the maintenance business in the US.



Stakeholder assessment

Halton's stakeholder assessment originates from 2018, when Halton developed its first systematic sustainability management system. The assessment is subject to a yearly review by the chief sustainability officer and validated by the executive team. As Halton further develops the maturity of its sustainability management and due diligence towards CSRD compliance for 2025/2026, the company is undergoing extensive stakeholder engagement and double materiality assessment at the time of the report publication (June 2024).

The current assessment process 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 has analysed each stakeholder group's importance to Halton and their influence on Halton's strategic success. The main stakeholders are briefly discussed below. This process will be subject to adaptation to the CSRD and ESRS-compliant double materiality requirements starting from the 2024 reporting year.

The Halton value proposition is centred around sustainability. Halton solutions contribute to the sustainability of our customers' operations by positively impacting well-being, productivity and superior environmental performance on their premises. Reliability, risk avoidance and clear added value are core customer expectations of Halton solutions and services.

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

Furthermore, in response to customer expectations regarding customer proximity and sustainability support, Halton is continuously improving overall transparency, increasing life-cycle services to ensure the long lifetimes for Halton solutions, developing methods of monitoring and remotely adjusting indoor environmental conditions, developing pollution control systems, adding environmental and health and well-being certificates and so on. Customers typically acknowledge Halton's solutions for efficiency, reliability, thorough pre-and post-sale support, and accurate product documentation. To develop its sustainable business to match customer needs, Halton has started developing life cycle and impact assessments of its various solutions. More information on this can be found on page 31.

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

As a family-owned company, the owners are a central stakeholder group of the company as well. The ownership is dedicated to driving sustainability further into Halton's strategic core and making sustainability visible throughout the company – and has decided that sustainability will be a visible part of Halton's strategy. Sustainable value creation in Halton's operations is rooted in family ownership, emphasising long-term aspects, avoiding breach issues, and creating positive impacts on communities and the environment. Halton is a responsible company, and it is willing to share this message with the market and beyond.

While Halton takes further steps on its sustainability journey, Halton's supply chain and entire value chains are gaining more and more attention on the sustainability agenda. The EU CSRD/ESRS will further amplify the importance of developing systematic approaches to suppliers, authorities and regulatory parties, NGOs, trade unions, sector-specific associations, the media and communities.

Sustainability materiality assessment

In choosing the material aspects and indicators for Halton's sustainability management and reporting, the sustainability steering group has been leveraging the GRI standard as a starting point, assessing the importance and relevance of each aspect and indicator of the standard, from both Halton's and the stakeholders' point of view. With the future application of the European Reporting Standards (ESRS), the direction of future assessments is to continue building an even stronger value chain assessment into the materiality analysis.

Customer satisfaction and initiatives to produce energy-efficient products are at the top of the list, as well as the economic value distributed to various stakeholders. Other matters prioritised by the Steering Group include job satisfaction and employee turnover, sustainable sourcing, and implementing anti-corruption policies and procedures. Regarding environmental matters, transparency on materials use and the share of recycled materials, the CO₂e profile of purchased energy, and overall GHG emissions management all score high in importance.



Graphic 1.0: Overview of Halton's key areas of the materiality assessment. The size of shapes reflects the topic's importance level to stakeholders and Halton.

GOVERNANCE



GOVERNANCE

Economic value distributed to stakeholders

The year 2023 was a year of growth at Halton. The business grew in all regions compared to the previous year, most notably in the Americas, Asia and the Middle East. The service business grew as well, mainly due to the sound development of Nelbud Services Inc. The US-based company was acquired in August 2021 and focuses on life cycle services for professional kitchens. The effects of the COVID-19 pandemic were almost non-existent in 2023 compared to previous years. Our purchases from external suppliers increased in euro terms, which aligns with the growth in turnover (table 2.1).

Table 2.1: Halton Group economic benefits / stakeholder groups

	2021		2022		2023	
	m EUR	%	m EUR	%	m EUR	%
Purchases from suppliers	95.3	43.4	117.0	43.4	127.9	42.8
Other goods and services	14.0	6.4	25.2	9.4	27.3	9.2
Salaries and other benefits	71.5	32.6	87.2	32.4	94.9	31.8
Social security payments	16.3	7.4	19.6	7.3	21.5	7.2
Interests paid	0.4	0.2	2.9	1.1	3.8	1.3
Dividends paid	1.8	0.8	2.3	0.9	2.5	0.8
Investments in machinery and equipment	6.3	2.9	7.3	2.7	14.2	4.8
Taxes paid	3.2	1.5	3.7	1.4	3.9	1.3
Left in company for further development	10.7	4.9	4.1	1.5	2.6	0.9
Turnover	219.6	100	269.4	100	298.5	100

Halton Group continued to invest in research and product development. Development work has been carried out mainly in Europe and the United States. Research and product development costs were EUR 5.6 million in 2023, corresponding to 1.9 per cent of turnover (5.1 MEUR in 2022/ 1.9 per cent).

Interest paid on external funding arrangements was higher than in previous years as the market interest rate increase had an impact on Halton's funding costs. 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.

Halton Group's investments in new or refurbished tangible assets increased significantly compared to 2022 as several key investments were made in low-carbon production, increased production capacity and effectiveness, and IT tools and systems. The group's effective tax rate decreased slightly, mainly due to higher profitability.

Sustainable supplier management

The total value of purchases from suppliers grew in 2023. During the year, Halton purchased materials and other goods and services for a total value of EUR 155.2 million. This marked an increase of EUR 13.0 million from the previous year's total of EUR 142.2 million. About 800 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 sustainable and, when possible, local sourcing and buys raw materials and components locally based on availability.

Auditing suppliers play an essential 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 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. In the next few years, we will analyse 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.



Training in anti-corruption policies and procedures

Corruption and bribery are under our magnifying glass. As a multinational group with employees in over 35 countries and customers and suppliers worldwide, we must constantly monitor many countries' economic environments. Part of our anti-corruption policy involves estimating the corruption risks for each country using data from Transparency International's (TI) annual Corruption Perception Index. Table 2.2 shows the transparency index of the countries in which Halton operates.

Halton applies a zero tolerance approach to corruption 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 their supervisors instruct them 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.

Halton provides a whistleblowing channel and the notification handling process that adheres to the EU Whistleblowing directive. The whistleblowing channel application is purchased as a service from an external supplier. In this way, the information security of personal data, the declarant's anonymity, and the functionality's legal compliance are ensured. Halton's whistleblowing channel is on the Halton 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 submitted notices are 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 chief sustainability officer. Only members of this group can see the submitted notifications and related material. The group processes the notifications confidentially, asks the notifiers any 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, draws conclusions on the matter, and prepares a recommendation for further measures. The team presents 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 the Halton intranet.



Table 2.2:Corruption Perception Index by Transparency International (TI) 2023

COUNTRY	SCORE (max 100)	RANK	COUNTRY	SCORE (max 100)	RANK
OWN PRODUCTION			LICENSE PRODUCTION		
Finland	87	2	New Zealand	85	3
Germany	78	9	Australia	75	14
UK	71	20	South Africa	41	83
Canada	76	12	Mexico	31	126
France	71	20			
USA	69	24			
Malaysia	50	57			
China	42	76			
Brazil	36	104			

SOCIAL RESPONSIBILITY

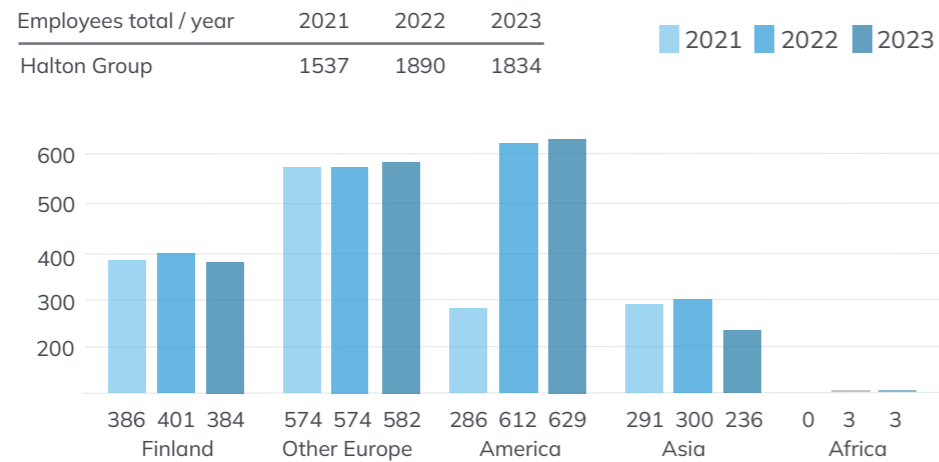


SOCIAL RESPONSIBILITY

Social responsibility

Our Halton employees, affectionately known as Haltonians, are not just a part of our group, they are the very essence of it. They are the driving force behind every aspect of our business. In this report, we will delve into their engagement, a crucial factor that propels our success. We will also highlight the safety measures that underpin all our operations. Additionally, we will discuss the long-term contributors to engagement, such as the training and competence-building initiatives for our Haltonians.

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



Haltonians around the world

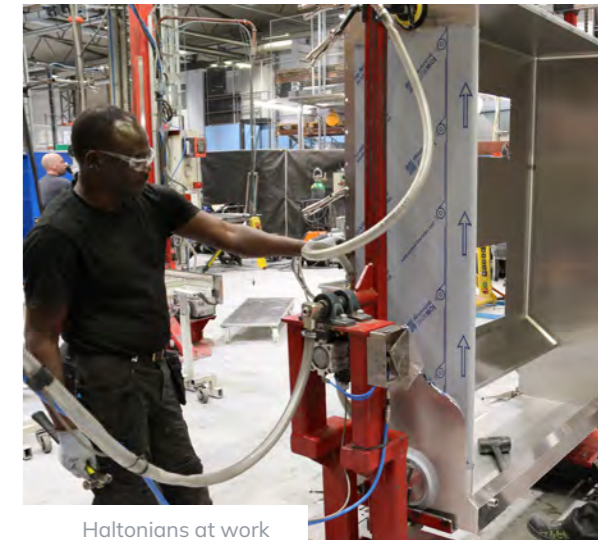
At the end of 2023, we had 1,834 employees (1,890 at the beginning of the year). As the bar chart 3.1 shows, the headcount went up slightly for Europe and America, with Africa remaining flat and the numbers coming down for Finland and Asia. In the 2023 reporting year, we revisited our reporting principles for the headcount, particularly in China, where the number of contractors has previously been a significant share of "own employees". *

*Throughout the year we do have some inconsistencies in the reporting of headcount due to the change of the HR system in 2023.

Engagement is a key element of the wellbeing of Haltonians

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 critical factors of engagement. The action plans were made at the individual, team and organisational levels. After that the surveys have been carried out across Halton to monitor progress and results over time. The results of these surveys have also been analysed and acted upon at the same three levels. Since then, the surveys have continued regularly.

The results over the years have shown that Haltonians' engagement levels are above the industry average globally (Table 3.1). In 2023, Halton's Engagement score was 3.8 (3.8 in 2022), on a par with the industry average 3.8 (3.7 in 2022). Two of the top three drivers have remained the same as in 2022: Goals and Achievements, and Meaningfulness and Participation. The third was Relationship with the Manager, which changed from Relationships with Colleagues in 2022. The topics that continued to need the most attention are Health, Feedback and Communication, and Learning and Development, for the third time in a row. The positive news is that while these have remained at the bottom of the list, all scores have increased since 2022. In 2023, we had local special activities on Health (and Safety) training. We also ran specific feedback sessions for managers. In 2024, we will focus on Learning and Development, including introducing a new eLearning platform with readily available content for leadership and interpersonal skills.



Haltonians at work

In 2023, we saw a continued improvement in our Net Promoter Score. Our Net Promoter Score measurement results were at a concerning level in 2021, at -5%. We were delighted to see that the trend in 2022 turned into a positive overall score of +5%. In 2023, we arranged specific sessions for our managers globally on how to go through the results with their teams. This has further improved our eNPS score, which is at +11%, compared to the industry benchmark -1%, the level we aim to surpass continuously. It shows that our line managers across the organisation are doing a good job at discussing the relevant topics with their teams and addressing them.

NPS measures respondents' loyalty by asking, "How likely is it that you would recommend Halton as an employer 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 3.1: The NPS scores in total and per each business area at Halton Group in 2021-2023

Business Area	Engagement			eNPS			Participation rate		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total	3.7	3.8	3.8	-5	5	11	87%	85%	79%
SBA Halton	3.6	3.6	3.7	-28	-20	-14	75%	85%	65%
SBA Marine	3.7	3.8	3.9	0	15	16	83%	79%	77%
SBA Foodservice	3.8	3.8	3.9	3	13	15	91%	85%	84%



Haltonians at work

Health and safety practices have limited interruptions to operations

At Halton, we address people's safety through thoughtful practices that prevent injuries at work, ensure people remain away from work when sick, and recover properly to prevent sickness from spreading. In 2023, the number of reported sick days remained lower than in 2022 (Table 3.2). The number of sick days was 2.5 per cent of all theoretical working hours compared to 3.3 per cent a year ago. In all areas, the trend was downward. The practices adopted during the COVID period continue to be useful in preventing sickness from spreading since the pandemic.

The trend in injuries from 2021 to 2022 was positive; the amount of time lost came down due to learning from some major incidents. In 2022, we acquired Nelbud, a services company that naturally affected the overall numbers in 2022. In 2023, the overall number of injuries and respective lost time remained at the same level as in 2022. There are variations on a unit-by-unit basis. In most units, the tendency is that more incidents are reported, but less time is lost due to them. This indicates a better focus on reporting and tracking injuries. The regular quality audits in our local units will ensure that we keep adhering to and improving our practices and keep the injuries and lost time as low as practically possible, providing a secure environment for all.

Performance and career development reviews remain at the same level

At Halton we have used performance reviews for many years. In 2021, we started using a global electronic platform (Halton People Portal, HPP) to set and follow up on targets and evaluate performance. The process was renamed Development Dialogue, to emphasise supporting people to succeed in their work. The process of using HPP was applied to all white-collar people – a total of 970, of which 625 completed the process. The coverage of the process in 2023 was thus 64.4% and remained at the level of 65% in 2022 despite the change in our HR during the year. We will continue to ensure that the Development Dialogue practice is better enforced throughout the company.

We continue using proven manufacturing unit processes to guide blue-collar workers' work and development. The usage of Development Dialogue discussions for blue-collar workers varies significantly between countries based on local practices. We will continue to follow these well-proven practices in our manufacturing operations.

Job classification provides criteria for setting the salaries of roles

The principle we want to apply at Halton is that of providing the same pay for a job based on how demanding the job is and how the job holder performs – irrespective of gender or age. Following this principle, we are building our compensation practice based on job classifications, which have been introduced in Finland and Poland and are expanding to Sweden. Based on the classification we then research the average market salary for the job. The pay for the job can vary around the average based on the person's performance in the role. This performance is evaluated annually in our Development Dialogue process.

Table 3.2: Sick days, share of total working days per region and year

	2021	2022	2023
Finland	4.9 %	5.2 %	4.8 %
Other Europe	4.0 %	3.7 %	3.0 %
America	2.2 %	2.7 %	1.2 %
Asia	1.5 %	2.5 %	2.1 %
Halton Group	3.2 %	3.3 %	2.5 %

Training

Training at Halton focuses on developing expertise in indoor air quality

At Halton, our training actions emphasise the development and spreading of Halton-specific training. Our future success depends primarily on our expertise in indoor air quality. To allow this to happen, we are exploring a combination of different media. We plan to cover the basics systematically with eLearning. For role-specific competence, we use both eLearning and personal learning, often virtually over Teams. Every year, the business units focus on specific topics based on the business strategy.

Basic information and repeating generic topics are covered with eLearning. Onboarding programmes and mandatory training, such as the Code of Conduct, fall into this category. Code of Conduct training is essential for all employees (more information on page 16). Further in this category we would have training in internal processes. The local units have continuously arranged local onboarding and safety training. Only a portion of these basic trainings have been systematically captured in our reporting. The number of training sessions recorded in 2023 remained at the same level as in 2022, with 550 online participants. The numbers will be considerably higher in 2024 when we start a systematic revision of our onboarding practice, including a regular update of the Code of Conduct for everyone every two years.

Expert-to-expert discussions, both face-to-face and online, address frequently changing information continuously. We actively use Teams to share information and run sessions, often recorded for further use. These sessions tend to happen informally and have not been actively recorded as training events.

Halton's business units have unique needs and challenges in their operations. This diversity is reflected in our training programmes, which are tailored to address the specific business situations. In 2023, for instance, we conducted locally arranged training for managers in SBA Marine, Energy & Infrastructure, agile practice training and manager training for managing employee work ability in SBA Halton, and training on emotional intelligence and inclusive management training in SBA Foodservice. These programmes directly address the specific business needs of each unit, ensuring their relevance and effectiveness.

Halton Future Leadership Development programme

On the more common front, we continued the Halton Future Leadership Development programme, which examines potential future leaders across all business areas. The programme's goal is to develop potential future leaders, promote cross-organisation networking and test 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 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, continued with two face-to-face modules in 2023. The know-how in the programme was spread further by participants who took action to share the content systematically in their home units.

Many personal development stories demonstrate that the Halton Future Leadership Programme has met expectations well and will continue to in the future.



Diversity and inclusion at Halton

The HVAC industry has historically been a male-dominated one. Statistics also show male dominance when looking at diversity across Halton overall. The share of women across Halton is around 20%, ranging from 12% in the Americas to 22% in Asia and 27% in Finland.

At Halton we pay special attention to promoting diversity in our recruitment, especially for key roles. We have followed the practice of ensuring that both male and female candidates are considered in the final round of job interviews. This practice shows in the split at the top management level, where 38% of the board and 28% of the executive team are women.

Several studies show that diversity is an asset for companies. Proper implementation of diversity does not come automatically. To ensure that diversity is well understood and its benefits are utilised, Halton has started to customise DEI initiatives. This process is guided by a People First Inclusive process of creating a basic understanding common to all our management and leadership teams.

Table 3.3: The percentage of men and women by region and year

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Finland	70 %	30 %	71 %	29 %	73 %	27 %
Other Europe	83 %	17 %	83 %	17 %	83 %	17 %
Americas	87 %	13 %	87 %	13 %	88 %	12 %
Asia	80 %	20 %	81 %	19 %	78 %	22 %
Halton Group	80 %	20 %	82 %	18 %	81 %	19 %

Because we operate on a large scale in multiple locations, countries and regions, our workforce is naturally diverse. Diversity on its own, however, is not enough. This process started with SBA Foodservice, strengthening the naturally diverse aspects of our way of doing business to bring about creative insight, collaboration and teamwork around the globe. Leaders must listen, put people first, and put their own perspectives and assumptions aside. It is 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 habits that help all employees reach their maximum potential through training.

The inclusive management course went live for Foodservice on 14 April 2023, and was extended to some 80% of Foodservice managers during the year. This well-received programme will be rolled out to all Halton managers in 2024.

Employee turnover

When comparing the trend in employee turnover year on year, it is important to note that we have excluded data from Nelbud. This is because the personnel information from Nelbud is managed separately from the rest of Halton for the reporting year. The average number of employees at Halton without Nelbud during 2023 was 1,581. The number of leavers, which includes permanent and temporary employees, e.g. summer workers, was 291 (221 in 2022). Our overall employee turnover was thus 18.0 per cent (14.0 per cent in 2022). The number of leavers who had a permanent agreement was 168. Our employee turnover of permanent employees was 10.6 per cent (8.7 per cent in 2022).*

* Throughout the year, there have been some inconsistencies in reporting headcount due to the change of the HR system in 2023.



ENVIRONMENTAL RESPONSIBILITY

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 2023, 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 2024 – validation planned for 2024

Finland: Halton Oy

- ISO 9001 Quality Management, certification valid until 19th. November 2026
- ISO 14001 Environmental Management, certification valid until 19th. November 2026

Finland: Halton Marine Oy

- ISO 9001 Quality Management, certification valid until 19th. November 2026
- ISO 14001 Environmental Management, certification valid until 19th. November 2026
- ISO 45001 Health and Safety Management, certification valid until 23rd. September 2025

China: Halton Ventilation Ltd.

- ISO 9001 Quality Management, certification valid until 21st. September 2025
- ISO 14001 Environmental Management, certification valid until 24th. February 2027
- ISO 45001 Health and Safety Management, certification valid until 18th. January 2025

Germany: Halton Foodservice GmbH.

- ISO 9001 Quality Management, certification valid until 13th. August 2025

UK: Flamgard Engineering Ltd.

- ISO 9001 Quality Management, certification valid until 31st. July 2025
- ISO 45001 Health and Safety Management, certification valid until 15th. March 2025

UK: Halton Foodservice Ltd

- ISO 9001 Quality Management, certification valid until 2024 - updating during 2024
- ISO 14001 Environmental Management, certification valid until 2024 - validation planned for 2024

USA: Nelbud Services LLC.

- ISO 9001 Quality Management, certification valid until 2024 - validation planned for 2024

In 2023, ISO 9001 quality management certifications fell from the previous year's 57.3 per cent to 56.3 per cent of our turnover. Regarding the ISO 14001 environmental management system certifications, the share remained the same as in 2022 (around 39%). In addition to these two certification types, we currently have three units that have ISO 45001 certification. Some 17.3 per cent of our turnover is covered by this certification type.

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 evaluate the requirements for further formal certification of these units each year.

Topical issues in 2023

At Halton, the major environmental impacts arise from the materials we use, 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 essential factors, as is that from the fuel we use in company vehicles.

Halton has continued on a good track to reduce its Scope 2 (purchased electricity) emissions. In 2023, Halton's Malaysia and Rochester (UK) facilities took significant steps towards achieving environmentally friendly production by implementing new solar power plants at both sites. In Malaysia, the estimation is that the solar investment has generated around 69,310 kWh of electricity, thus reducing Halton's Scope 2 for Malaysia by at least 50 tonnes of CO₂. As for Rochester, the installed solar panels generated some 19,000 kWh of electricity in 2023, also a significant reduction in Halton's CO₂ footprint.



Halton's Malaysia factory

Over the past few years, Halton has focused on keeping production emissions as low as possible. The corporation has invested significantly in its production facilities' energy efficiency and renewable energy sources. The investments at Rochester and Malaysia are excellent examples, demonstrating that investing in sustainable development is financially profitable and reduces CO₂ emissions.

However, our main environmental contribution comes from our sustainable solutions. One of the 2023 sustainability highlights was a breakthrough solution for the commercial real estate industry called TTAP (Terminal Treatment of Air), a fruit of Halton's strategic licensing partnership with Phononic. Announced in December 2023, the first-of-its-kind commercial installation of TTAP for Peltier in a historic building in the heart of Paris is the world's first and largest solid-state HVAC platform to significantly reduce greenhouse gas emissions while also improving workplace comfort. The new technology reduces carbon emissions by around 15% and costs by 18% compared with conventional systems.



Halton's Béthune factory

Materials used

Halton provides solutions for commercial and public premises, healthcare institutions and laboratories, professional kitchens, restaurants, energy production environments and marine vessels. Most 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, Energy & Infrastructure mainly use stainless steel. In all Halton factories, we use wood for packaging. The most significant quantities of aluminium are used at SBA Halton's factory in France for exhaust grilles.

Throughout 2023, Halton continued preparing its products' EPD (Environmental Product Declaration) documentation. The documentation complies with the European standard EN 15804, and the first EPDs were published in the spring of 2023. Product life cycle analysis helps us 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. Most importantly, LCA supports our R&D in focusing on where we can make the most significant positive impact on our customers' sustainability targets.

Tables 4.1, 4.2 and 4.3 show 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	2021	2022	2023
Stainless steel	3,239	3,324	3,228
Galvanised steel	3,053	1,876	2,069
Copper	2	4	4
Aluminium	450	322	343
Wood	1,107	1,123	1,151
Fibres	-	-	-
Plastic	21	22	25
Insulation materials	43	23	32
Alumised SS	318	330	378
Materials used	8,233	7,024	7,230

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

Main material groups	Finland			Other EU		
	2021	2022	2023	2021	2022	2023
Stainless steel	503	572	504	1,070	1,154	980
Galvanised steel	2,257	1,210	1,291	592	509	609
Copper	-	2	2	-	-	-
Aluminium	63	60	80	378	257	245
Wood	421	447	461	138	149	122
Fibres	-	-	1	-	-	-
Plastic	5	4	-	14	16	14
Insulation materials	-	-	-	43	23	29
Alumised SS	-	-	-	-	3	-
Materials used	3,248	2,295 ¹⁾	2,339	2,235	2,111	1,999

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		
	2021	2022	2023	2021	2022	2023
Stainless steel	930	961	1,024	737	636	720
Galvanised steel	78	77	45	127	82	124
Copper	2	2	2	-	-	-
Aluminium	-	-	2	9	5	16
Wood	419	411	434	129	116	134
Fibres	-	-	-	-	-	-
Plastic	-	-	1	2	2	9
Insulation materials	-	-	-	-	-	2
Alumised SS	318	327	378	-	-	-
Materials used	1,746	1,778	1,886	1,004	841	1,005

Purchased energy

In 2023, all our units purchased a total amount of 8,934 MWh of electricity (Table 4.4), 6,637 MWh of heat, and 19,023 MWh of fuel. When examining electricity consumption in 2023, the largest electricity consumers were SBA Halton's Kausala unit, SBA Foodservice's units in the United States, and SBA MEI's Lahti unit (Table 4.5 shows the purchased energy per region). Of the total amount of purchased electricity, 51 per cent was renewable, 10 per cent was non-renewable, and 39 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 used entirely renewable electricity. As a result of the survey, the shares of renewable and nuclear energy in the purchased electrical energy for 2021–2023 were specified.

Table 4.4: Purchased energy at Halton Group per year

Purchased energy	2021	2022	2023
Electricity purchased (MWh)	9,608	9,308	8,934
Renewable %	34	48	51
Non-renewable %	39	26	10
Nuclear %	27	26	39
Heat purchased (MWh)	6,899	6,727	6,637
Renewable %	5	26	41
Non-renewable %	95	74	59

The main uses of natural gas have been heating properties and using heat in the processes of the painting lines. It has been possible to shift 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 4.5: Purchased energy in Finland, other Europe, Americas and Asia per year

Purchased energy	Finland			Other Europe			Americas			Asia		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Electricity purchased (MWh)	4,199	4,047	3,911	1,623	1,523	1,535	2,874	2,767	2,651	912	971	837
Renewable %	35	39	35	31	24	42	41	88	91	8	7	14
Non-renewable %	29	28	0	19	22	8	49	3	2	92	93	86
Nuclear %	36	33	65	50	54	50	10	9	8	0	0	0
Heat purchased (MWh)	3,497	2,562	2,447	2,928	2,771	2,611	1,759	1,662	1,576			
Renewable %	0	56	100	11	10	10	0	0	0			
Non-renewable %	100	44	0	89	90	90	100	100	100			

Produced solar energy

In 2023, Halton produced 145,621 kWh of electricity with solar energy (table 4.6). Of this, 105,202 kWh (72%) was consumed for our own use, and the remaining 40,419 kWh (28%) we delivered to the local electricity grid.

Table 4.6: Produced solar energy

	kWh	%
Produced electricity	145,621	100
For own use	105,202	72
Delivered to local electricity grid	40,419	28

GHG emissions Scope 1 and Scope 2

In 2023 Halton's total CO₂ emissions (Scope 1 and Scope 2) were 6,329 CO₂ tons, of which electricity accounted for 503 CO₂ tons, heating 719 CO₂ tons, and fuel 5,107 CO₂ tons. Relative to revenue, emissions decreased to 21.2 CO₂ emissions (tons) / Turnover (M€) (2022 26.3 CO₂ emissions (tons) / Turnover (M€)).

The emission factor used in calculating 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.

Concerning the energy consumption data collection for 2023, we have specified the shares of renewable, non-renewable and nuclear power in procurement contracts for this and previous years. 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. During 2023, we succeeded in reducing emissions by approximately 1,000 tonnes by investing in low-emission heating solutions, energy efficiency and switching to renewable energy (table 4.7, bar charts 4.1 and 4.2). Investments in reducing energy consumption and emissions will continue in the coming years.

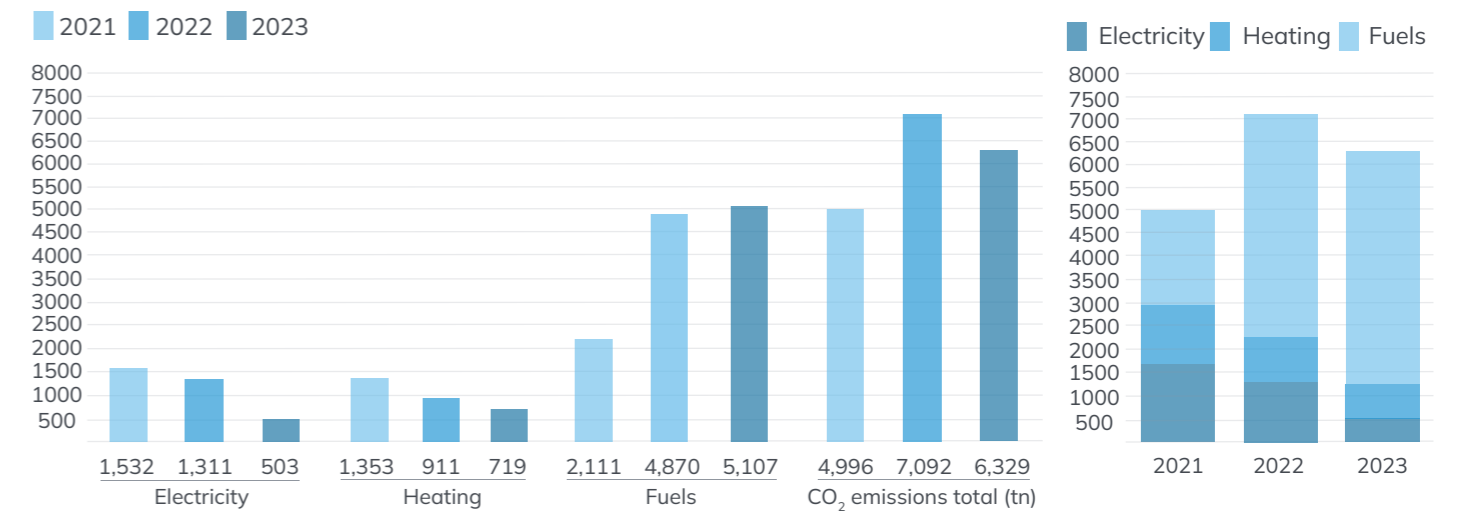
Emissions from car fuels currently cause the most significant emissions from Halton's operations. The increase in emissions caused by fuels was influenced by Halton's acquisition at the end of 2021. In 2022, the maintenance service company Nelbud Services LLC was a member of the Halton Group for the first full year. The fuel consumption of cars in the service business has considerably increased emissions. 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 cars' energy sources take time. They are tied to the development of countries' fuel and electricity distribution channels. The charging network for electric vehicles, from which a car could be charged with low-emission electric energy, still needs to be sufficient in most countries for electric vehicles to be an alternative to current vehicles. The availability of biofuels in different countries also varies significantly. However, Halton's goal is to switch as quickly as possible to low-emission vehicles.

Table 4.7: Halton Group CO₂ emissions (tn) Scope 1 and 2 per year

	2021	2022	2023
Electricity	1,532	1,311	503
Heating	1,353	911	719
Fuels	2,111	4,870	5,107
CO ₂ emissions total (tn)	4,996	7,092	6,329
CO ₂ emissions (tn) / turnover (M€)	22.8	26.3	21.2

Bar chart 4.1 and 4.2: Halton Group CO₂ Emission, (tn) Scope 1 and 2



GHG emissions Scope 3

We have calculated the emissions from air travel 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.

In 2023 air travel emissions amounted to 342 tonnes (143 tonnes in 2022). Business travel has clearly increased compared to previous years' levels, highlighting a return to pre-COVID travel patterns and business growth. However, the accuracy of Halton's air travel data will improve year-on-year as challenges in its completeness are tackled.



Halton's Lahti 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 products' shapes, which causes cutting waste. Reducing this cutting waste is our focus, and we have developed our production processes based on it. 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 significant roles in reducing waste.

Recycling is a common practice in our daily work. Steel waste is sold to recycling companies, which sort it and forward it to steel mills to make new material. Most of our units use wood material for packaging and wooden pallets 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 continuously monitor our units' waste management practices. All our production units have submitted their total waste amounts since 2017. In 2023, the total amount was 2,063 tonnes, which is an increase from the previous year's 1,954 tonnes (Tables 4.8 and 4.9). Of this, 91.37 per cent was recovered (89.5 per cent in 2022), 0.53 per cent reused (0.51 per cent in 2022) and 7.37 per cent taken to landfill (8.3 per cent in 2022). The US factory in Scottsville, Kentucky, has the most considerable landfill amount at 27.5 per cent (28.5 per cent in 2022), as there are no good recovery options within a reasonable distance.

Table 4.10: 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	Halton material usage tn.2023	CO ₂ tonnes 2023
Stainless steel	1,3	3,239	4,211	3,323	4,320	3,228	4,196
Galvanised steel	1,5	3,053	4,580	1,876	2,814	2,069	3,104
CO ₂ emissions total (tn)		6,292	8,790	5,199	7,134	5,297	7,300

Table 4.8: Waste at Halton Group per year

Waste GRI 306-2	Halton Group		
	2021	2022	2023
Total tonnes	2,070	1,954	2,063
Reuse	14	10	11
Reuse %	0.68	0.51	0.53
Recovery	1,873	1,749	1,885
Recovery %	90.50	89.5	91.37
Incineration tons	15	30	12
Incineration %	0.72	1.54	0.58
Landfill tons	166	163	152
Landfill %	8.02	8.34	7.37
Other waste tons	2	2	3
Other waste %	0.10	0.10	0.15


Table 4.9: Waste per each region per year



Waste GRI 306-2	2021	Finland		Other Europe			Americas			Asia		
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022
Total tonnes	807	746	873	600	540	512	523	543	532	141	125	146
Reuse	-	-	-	-	-	-	-	-	-	14	10	11
Reuse %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.9	8.0	7.5
Recovery	807	746	868	575	500	505	365	388	386	127	115	137
Recovery %	100	100	99.4	95.8	92.6	98.6	69.8	71.5	72.5	90.1	92.0	93.8
Incineration (mass burn) tons	-	-	-	15	30	5	-	-	-	-	-	7
Incineration (mass burn) %	0.0	0.0	0.0	2.5	5.6	1.0	0.0	0.0	0.0	0.0	0.0	4.8
Landfill tons	-	-	4	8	8	0	158	155	147	-	-	1
Landfill %	0.0	0.0	0.5	1.3	1.5	0.0	30.2	28.5	27.5	0.0	0.0	0.7
Other waste tons	-	-	1	2	2	2	-	-	-	-	-	1
Other waste %	0.0	0.0	0.1	0.3	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.7



ACTION PLAN

The table below presents our Action Plan. It 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 ACTION
RESPONSIBLE GROWTH	
 <p>We invest in R&D and innovations. We partner with or invest in startups 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 organization by training supervisors and managers. Further we ensure that the Code of Conduct practices are gone through not only when starting to work at Halton but revisited every two years through eLearning. 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. As part of these activities, we have gained the Platinum WELL certificate for the Halton headquarters office in Helsinki. We are further making use of the eLearning platform to ensure more effective training on the health and safety aspects of our units. We contribute to the vitality of local communities across geographies through our local units, close to our employees and close to the markets we serve. Latest, we are investing in a new Marine, Energy and Infrastructure production unit in South Carolina, US, to be closer to our customers.
CUSTOMER-DRIVEN SUSTAINABLE SOLUTIONS	
 <p>At Halton we enable healthy and comfortable indoor environments for people. We develop solutions that decrease the amount of 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 healthcare facilities decontamination to enable the development of solutions for improved hygiene level of health- and clean room facilities. Introduction of GMP annex 1 compliant hygiene clean room ceiling for improved employee and process safety in clean room facilities.
 <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 to improve working conditions on board. Numerous university collaborations in sustainable innovation, for instance with Western Kentucky University on emissions monitoring and with Newcastle University on emissions reductions.

 <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 continued preparing our products' environmental product declarations (EPD) in 2023. 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.
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ENGAGED EMPLOYEES	
 <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. For the wider audience we offer online training on interpersonal and leadership skills. A new eLearning platform provides Haltonians a wide variety of module from technical trainings to sustainability. We provide opportunities for students from schools & universities to complete (technical hands-on) training. Examples include summer trainee positions, apprenticeships 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>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"> The Diversity, Equity and Inclusion (DEI) training initiated in the Halton Foodservice business area is being expanded to other business units. 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 job architecture (work complexity and salary definition practices) used in Poland and Finland is extended to Sweden. The work will continue in other units. The work architecture ensures equal and gender-neutral remuneration. Our technology industry sector has traditionally been having a much more male than female workforce. We have established and enforced practices to ensure that female candidates are considered for any vacant positions.

SUSTAINABLE AND EFFECTIVE OPERATIONS	
 <p>We are continuously decreasing the amount of waste in our 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>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 can 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 latest investments in solar power include our production units in Rochester and Malaysia as well as office renovation boosting energy efficiency in Béthune. Changing the car fleet to low/no emission to reduce current fuel emissions. Development of demand-based ventilation solutions and new products to utilise low-energy sources.



GRI Index

Oy Halton Group Ltd. reported the information cited in this GRI content index for the period from the 1st of January 2023 to the 31st of December 2023 with reference to the GRI Standards.

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





Halton Group Oy Ltd
Firdonkatu 2 T 46 Tripla Workery West
00520 HELSINKI
FINLAND

Riikka Paarma
Chief Sustainability Officer
Mail. riikka.paarma@halton.com
Tel. +358 (0)50 575 8217

