

# SUSTAINABILITY AT HYDROSCAND





# SUSTAINABILITY

## AS A FOUNDATION FOR OUR BUSINESS

**Sustainability is defined as meeting our needs today without compromising the need of future generations. With our leading position in the market, we strive to conduct our business and operations without harming the environment, people, or society.**

Hydros cand Group's sustainability work is characterized by responsibility, transparency, ethical behavior and respect for our stakeholders. The aim of our sustainability work is to strengthen our basis for long-term value-creation and its contributions to sustainable development. An important part is taking responsibility for the impact of our activities and decisions on society, people, and the environment, driven by our defined corporate ESG agenda. We are currently setting up dedicated programs and a governance structure, with the aim of further integrating sustainability into our daily business. Our aim is to take the lead in advancing sustainability in our industry and we will soon publish more insights in our coming ESG report in 2022.

### **Our carbon footprint is in focus** **Striving to reduce our CO<sub>2</sub> emission**

We focus on increasing the share of suppliers that have signed our Code of Conduct Targeting 100%

New automated warehouse solutions

For 20 years we have been collecting used hoses to ensure proper recycling

Packaging material and pallets from suppliers are reused for customer products if possible at production and warehouses

Our target is to increase our electric-powered vehicle fleet by 2030 and we strive for renewable electricity at our branches



# THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals, established by the United Nations, address global challenges such as poverty, inequality, climate change, environmental degradation and peace and justice. The 17 goals are all interconnected, aiming to achieve a better and more sustainable future by 2030. The SDGs provide the global community with a roadmap, on how to combat global challenges related to economic, social, and environmental sustainability. Our sustainability framework, aim to contribute to several of the SDGs, but some more than others.



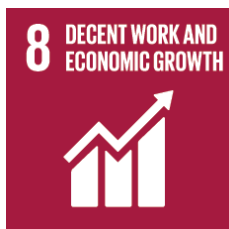
**We have chosen to focus on four SDG's where we see that we can contribute the most.**

## THE FOUR CHOSEN SDGS THAT ALIGN WITH OUR BUSINESS



### SDG 5 GENDER EQUALITY

A corporate culture based on diversity, contributes to a positive future development of Hydroscand. We value diversity and foster fair treatment and equal opportunity in the recruitment, remuneration, development and advancement of employees, regardless of ethnicity, religion, political opinion, gender, age, national origin, language, sexual orientation, marital status, disability, or any other factor. Discrimination or unfair treatment is not tolerated.



### SDG 8 DECENT WORK AND ECONOMIC GROWTH

Economic growth and financial progress create job opportunities where it needs to be made sure that these are decent, safe and nonharmful for the environment. Hydroscand promotes good working conditions and safety of our own, our customers' and our partners' employees. We require suppliers to respect labour rights and adhere to anticorruption principles.



### SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The natural resources that have been provided by the planet need to be taken care of in a responsible way. Through optimising purchasing, production processes and waste management we contribute to goal 12. In our daily operations we offer solutions to promote waste material recycling and reuse, and we promote safe final disposal of our used products.



### SDG 13 CLIMATE ACTION

To fight climate change and its consequences is critical. Immediate actions need to be taken and we acknowledge this situation by increasing awareness and knowledge on the climate situation. A key objective is to reduce our CO<sub>2</sub> emissions and we will offer transparency in our coming 2022 sustainability agenda, demonstrating our current situation and our defined improvement actions.

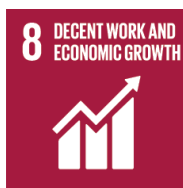




# HYDROSCAND'S VISION AND FOCUS AREAS

In connection to the SDGs, Hydroscand has formed an overarching vision for our sustainability work in three focus areas. These focus areas have been defined to constitute the long-term backbone of our sustainable development and future actions.

**Offer our employees best in class health & working conditions**



**Constantly evolve our purchasing & supplier process responsibility**



**Constantly reduce our environmental impact**





# PEOPLE

People are seen as our most valuable resource. We aim to broaden our responsibility and work towards ensuring equal working conditions throughout the supply chain.



## ACTIONS THAT HAS BEEN TAKEN

- Employee dialogues and surveys are held yearly.
- Policies for equality, diversity, sexual harassment have been established.
- Whistleblower function has been implemented.
- Leadership training is provided to managers, both new and current.
- Diversity is being promoted in recruitment processes.
- Code of conduct is signed yearly.
- Social responsibility is taken by sponsoring two schools in South Africa.

## FUTURE INITIATED ACTIONS

- Increase the use of employee surveys and reassure their recurrence.
- Employee surveys to measure employee satisfaction and leadership.
- Provide education for all employees on the topic sustainability.
- Increase training in safety and anti-corruption across the group.
- Establish internal recruiting and talent programs.
- Improve work for health and wellbeing.
- Perform human rights evaluation of value chain.

# CONSUMPTION & PRODUCTION

We acknowledge climate change and its consequences and therefore strive to make better choices and work with optimization within production and consumption. There is no Planet B.



## ACTIONS THAT HAS BEEN TAKEN

- Production sites are placed locally for large customers to reduce the number of transports.
- Green energy and waste management are used at production sites, warehouses and branches in Norway and Sweden.
- Packaging material and pallets from suppliers are reused for customer products, if possible, at production sites and warehouses.
- Replacing plastic bags with paper bags in branches is ongoing.
- Autostore has been implemented at warehouses in Sweden and Norway.
- Marketing and printed materials are evaluated in regard to environmental and quality aspects.
- Collecting used hoses to ensure proper recycling.
- Our company car policy promotes the choice of a green car.
- Evaluation of logistics companies is made to ensure requirements are fulfilled according to ISO 9001 and 14001 (Sweden).
- Electric charging stations installed at our sites.

## FUTURE INITIATED ACTIONS

- Start to measure emissions connected to production and continue throughout value chain.
- Better waste management at all offices and branches to ensure recycling.
- Implement renewable energy in all operations.
- Change plastic products such as bags and gifts for advertising to sustainable choices.
- Implement efficiency checkups and increase the use of lean management in production.
- Implement Full Truck Load policy and plan transport in terms of most effective routes.
- Avoid all air freights. Consider the environmental impact from rail and boat in transport decisions.
- Increase the use of electric vehicles.
- Restructure branches in terms of optimisation. i.e. reposition, close or move branches if not profitable enough.





# RESPONSIBLE PURCHASING & CUSTOMER RELATIONS



In order to support our customers in their operations moving towards more sustainable operations, we take responsibility in our purchasing and choice of suppliers.

## ACTIONS THAT HAS BEEN TAKEN

- Supplier Code of conduct is signed by all new suppliers.
- Work has been initiated to get all current suppliers to sign Code of Conduct.
- Swedish purchasing function demands ISO 14001 and ISO 9001 from suppliers.
- Key suppliers used by multiple countries have been consolidated to group purchasing.
- Offers customer service on site through Hose Express and Hose on Site.

## FUTURE INITIATED ACTIONS

- Establish purchasing processes including training in sustainability, audits, re-audits, and risk assessment.
- Improve collaboration between purchasing functions for further consolidation.
- Get all suppliers to sign the Supplier Code of Conduct.
- Measure customer satisfaction with customer surveys more frequently.
- Engage with suppliers and customers through meetings and events to influence and engage in sustainability topics.

## THE AIM OF HYDROSCAND'S SUSTAINABILITY WORK

is to strengthen our basis for long-term value-creation and its contributions to a sustainable development. We know that the sustainability issue is on top of people's concern today, and we are determined to drive change together with our employees, customers, and partners.

In 2022, we will present the Hydroscand sustainability agenda. A key objective is to reduce our CO<sub>2</sub> emissions and we will offer transparency, demonstrating our current situation and our defined improvement actions.







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