CALJAN SUSTAINABILITY REPORT 2023

WELCOME

Welcome to Caljan's annual Sustainability Report for 2023. This report represents our ongoing commitment to sustainability, transparency, and corporate responsibility.

Over the past year, we have continued to push the boundaries of what is possible in our sustainability journey. Our dedicated teams have worked tirelessly to implement innovative solutions that reduce our environmental impact, promote social equity, and ensure strong governance practices. This report highlights the progress we have made, the challenges we have faced, and our unwavering dedication to achieving our long-term sustainability goals.

This year has been especially notable for our significant advancements in workplace safety. We have made substantial strides in ensuring that our work environment is safe not only physically but also through ongoing training programs that enhance our employees' understanding of safety practices and the importance of preventative measures.

A key milestone this year was obtaining ISO 14001 and ISO 50001 certifications for two of our facilities: our headquarters in Denmark and our largest production site in Latvia. These certifications affirm our commitment to environmental management and energy efficiency. Additionally, we are proud to report significant improvements in our waste handling, thanks to our new solvent recovery systems and continued efforts in waste management. Our focus on circularity has led to exciting developments in future product design, aiming to reduce waste throughout the lifecycle of our conveyors.

We remain committed to upholding the principles of the UN Global Compact and continue to strive for sustainable growth, ethical practices, and positive social impact across all aspects of our business.

The success of these initiatives would not be possible without the dedication and hard work of our employees. Their passion for sustainability and their innovative spirit continue to drive Caljan forward.

Letter from Henrik Olesen
CHIEF EXECUTIVE OFFICER

Year after year, Caljan helps its customers worldwide tackle business challenges while keeping a steady pace of growth and achieving significant milestones in all our operations, including sustainability.

I am proud to see that we have taken significant steps to integrate sustainable practices into our business and it has become a crucial part of our company DNA. As a member of the Latour Group, Caljan is committed to the UN Global Compact, aligning with its Ten Principles in the areas of human rights, labour, environment, and anti-corruption. We are also a part of the Latour Sustainability Forum, participating in the annual Sustainability Day and actively collaborating with our sister companies to exchange insights and innovative ideas.

Our sustainability efforts have achieved substantial recognition in 2023, receiving gold medals for our facilities in Germany and the US and silver medals for our HQ, UK, and Latvian facilities, placing us in the top 5% and 25% of registered companies, respectively. This is an important acknowledgement that highlights our dedication to ethical and transparent business practices and continuous improvement in all ESG areas - Environmental, Social and Governance.

As we're working on establishing our KPIs, we have decided to add waste management and water management to Caljan's key objectives, as we see them as essential for continuing our sustainability journey on the right course.

An important milestone was reached in April when we obtained ISO 14001 and ISO 50001 certifications for our headquarters in Denmark and our largest production site in Latvia. These certifications affirm our commitment to environmental management and energy efficiency.

We also increased our use of renewable electricity share to 69%, moving us towards our 2025 target of 75%, and installed solvent vacuum distillation equipment at our Latvian site, reducing annual hazardous paint-solvent waste by 33% and decreasing fresh solvent purchases by 60% in the Q4 alone.

In addition, we launched the Global Risk Assessment and Safe Systems of Work initiative to enhance workplace safety and efficiency. By standardising work instructions and implementing a dynamic RAMS tool, we have simplified safety protocols, improved accessibility to safety information, and strengthened our ability to manage risk effectively.

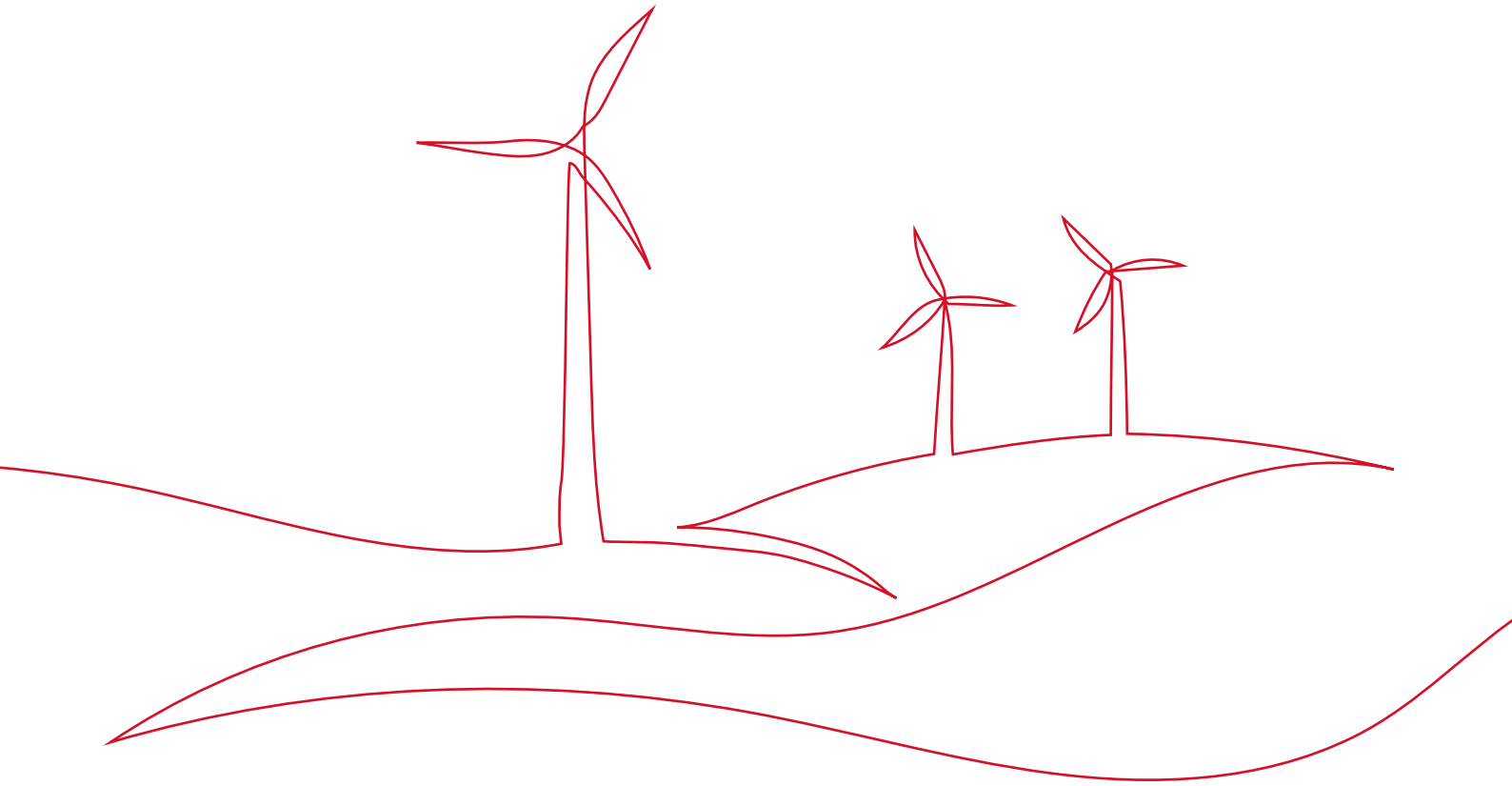
Caljan has also strengthened its partnerships by successfully implementing the Supplier Code of Conduct, which ensures that our suppliers align with our standards in key areas - safety, fair pay, reasonable working hours, and carbon footprint reduction.

Looking ahead, we have set ambitious targets to further embed sustainability into every facet of our operations. We aim to:

- Reduce our carbon emissions by 50% by 2030 and achieve net-zero emissions by 2050. This will involve investing in more energy-efficient technologies such as building solar panels in key locations, aiming to further reduce our reliance on non-renewable energy sources.
- Maintain our gold and silver EcoVadis medals
- Prepare for the upcoming requirements of the Corporate Sustainability Reporting Directive (CSDR), which will require companies to provide more detailed and comparable information on a wide range of ESG issues, ensuring that stakeholders have a comprehensive view of a company's sustainability performance.

These initiatives reflect our dedication to not only meet industry standards, but to set new benchmarks in sustainability.

I would like to extend my gratitude to everyone at Caljan for their contribution to both our short and long-term goals. Your dedication, innovation, and commitment are the driving forces behind our achievements. Together, we are building a resilient and sustainable future.



GLOSSARY

BMS – Building Management System
CoC – Code of Conduct
CSRD – Corporate Sustainability Reporting Directive
ESG – Environment, Social, Governance
GRI – Global Reporting Initiative
KPI – Key Performance Indicators
LTI – Lost Time Injury
NCR – Non-Conformance Report
RAMS – Risk Assessment Method Statements
SWI – Safe Work Instructions
SBTi – Science Based Target initiative
SOP – Standard Operating Procedure
SCoC – Supplier Code of Conduct
SDGs – Sustainable Development Goals
ISO – The International Organization for Standardization

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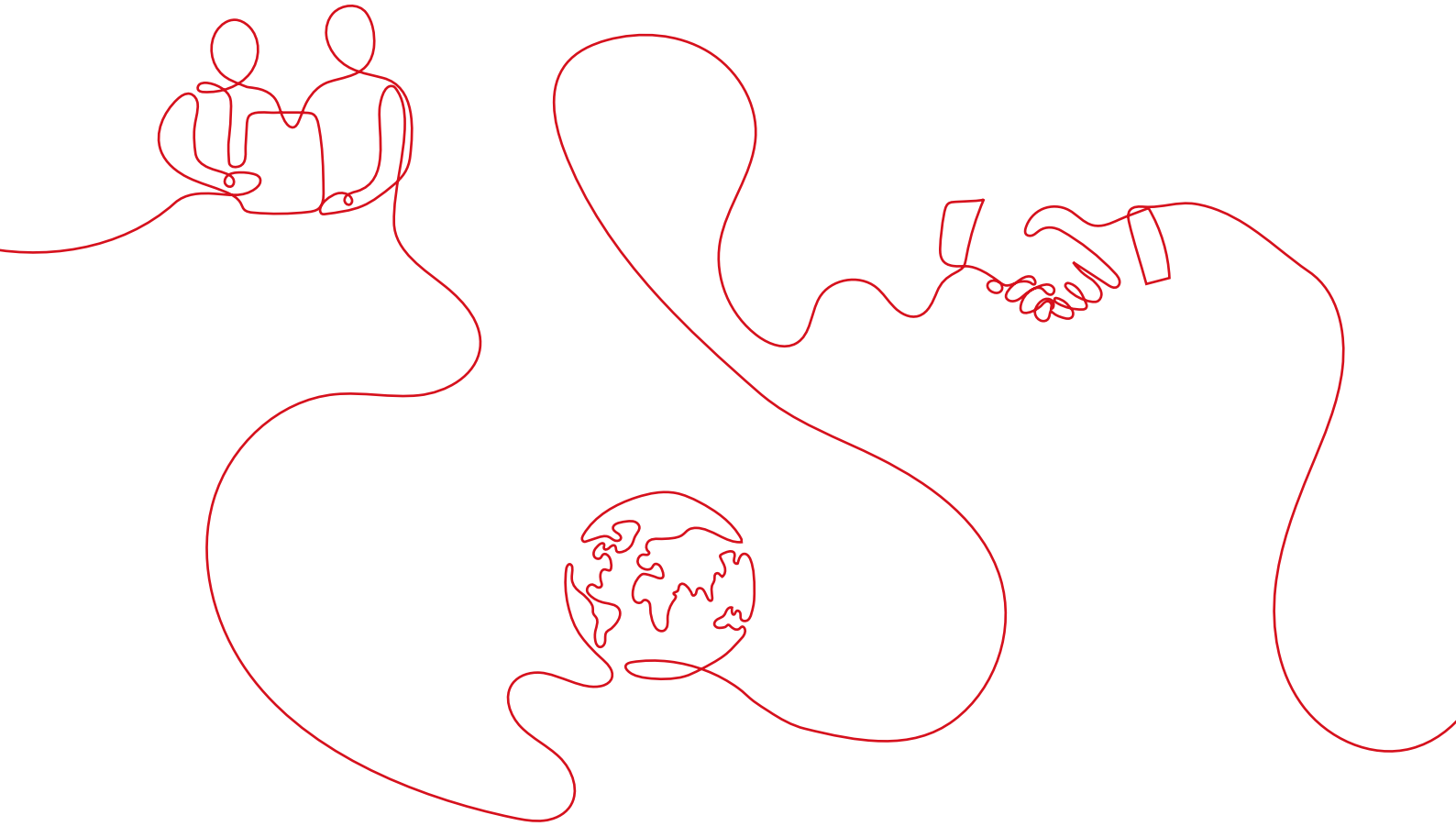


1963
Calundan and Jansen Engineering and Machine Factory is founded. Overhead conveyors are produced in house to order.

1967
The first Telescopic Conveyor is developed – 'Long John' transforms the way parcel carriers handle their cargo.

1980
The brand rapidly gains traction becoming synonymous with a telescopic Conveyor, much to the dismay of our competitors.

1991
Caljan becomes trans-continental with facilities in Colorado, USA. The office moved to Wisconsin some years later.

1992
Deutsche Post DHL places an order for 1,575 Telescopic Conveyors. The biggest order to date. A Caljan office is established in Germany.

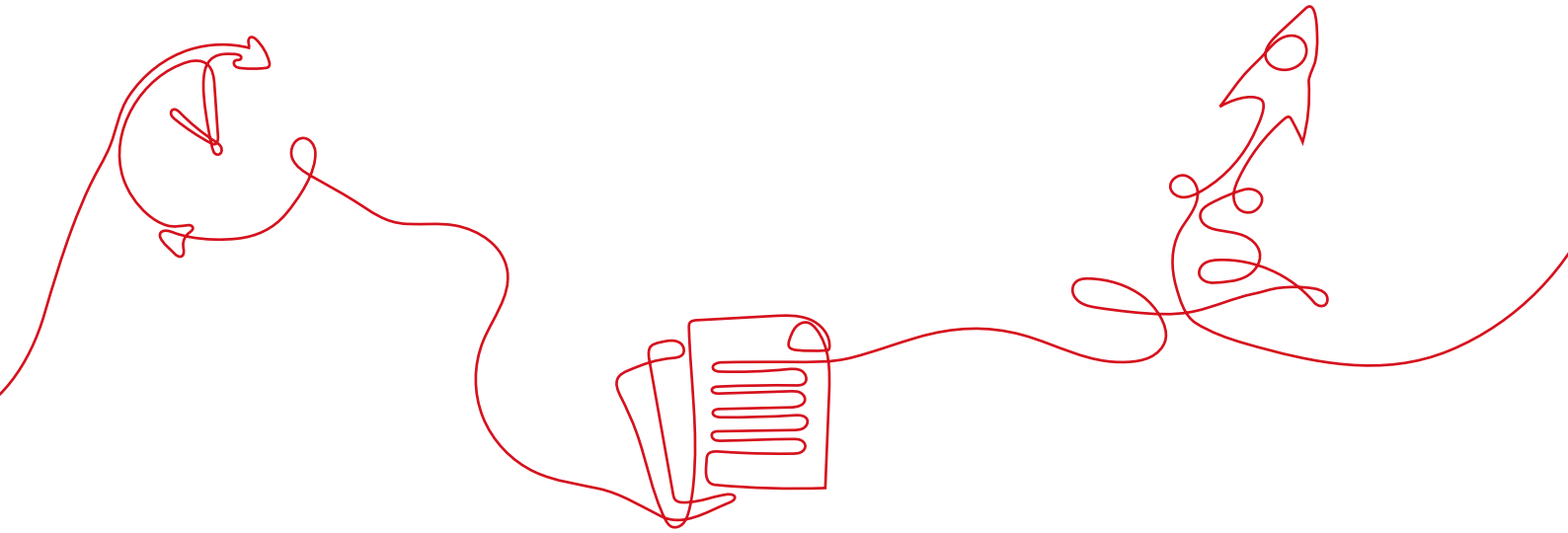
1996
The establishment of Caljan.com. Multiple language versions are launched shortly after, ensuring accessibility for a global audience.

2001
Caljan is acquired by Rite-Hite. Shortly after it is merged to become Caljan Rite-Hite, with headquarter in Denmark.

2004
Caljan Classic, originally SAFETRACK, revolutionizes Telescopic Conveyors with pioneering safety features, including full underguarding.

2006
A manufacturing plant is established in Latvia. The company continues to grow, new Telescopic production is established in Liepaja, Latvia.

CALJAN HISTORY



2008
Caljan acquires LogComp, a German company specializing in powered curves and labelling systems. In 2014 it is merged into Caljan brand.

2011
Caljan acquires AMH Service Ltd. In order to offer 24/7 365 service in the UK, with maximum of 2 hours response time.

2013
Caljan introduces the future-proof Caljan Performer, offering a choice between two Telescopic Conveyor models: Classic and Performer.

2018
Caljan introduces the SLAM Line – Scan, Label, Apply, and Manifest. focusing on specialized labeling and document handling solutions.

2019
Caljan is acquired by Investment AB Latour, renowned for long-term investments in companies with unique products.

2020
New facilities in Liepaja, Latvia, and Wisconsin, USA have expanded Caljan's global Telescopic Conveyor capacity to 3000.

2021
Caljan UK open up new premises in Milton Keynes, England. Caljan introduces BulkLoader - a solution for even parcel redistribution on a conveyor.

2022
New production facility built in Germany. PHS acquired; Automatic loading and unloading are launched. Caljan publishes its first sustainability report.

2023
New aftermarket centre built in Liepaja, Latvia, serving as a place for in-house conveyor maintenance. First Caljan AutoUnloaders installed at customer sites.

COMMITMENTS

As our sustainability journey progresses, we continually refine our methods, enhance the data we collect, and gain deeper insights. This enables us to better identify and address opportunities for improvement.

While striving for continuous improvement, we remain committed to the course we have previously set and uphold the commitments we have made, all while evolving and adapting to future challenges.

We believe that working towards ensuring a welcoming, just and equitable conditions for everyone we are sharing the planet with is a core responsibility of any entity as part of its social contract with those it impacts.

Being a part of the UN Global Compact, Caljan upholds the Ten Principles on human rights, labor, environment, and anti-corruption. These principles have been continuously integrated into our strategy, and we ensure adherence to them as we grow.

In 2023 Caljan continued to focus on the four of 17 total Sustainable Development Goals (SDGs) we had previously determined we could make the biggest impact on:

7: Ensure access to affordable, reliable, sustainable, and modern energy for all.
Focus: Become more energy efficient, produce and use renewable energy (100% by 2030).

8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
Focus: Safety campaign and procedures, Code of Conduct (CoC).

12: Ensure sustainable consumption and production pattern.
Focus: Waste handling and reduction, recycling, efficiency.

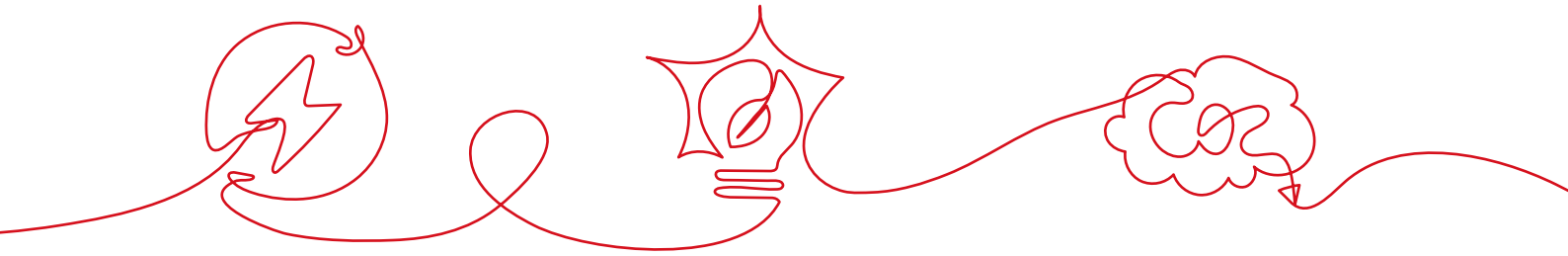
13: Take urgent action to combat climate change and its impacts.
Focus: Education and awareness.

Caljan ESG Objectives

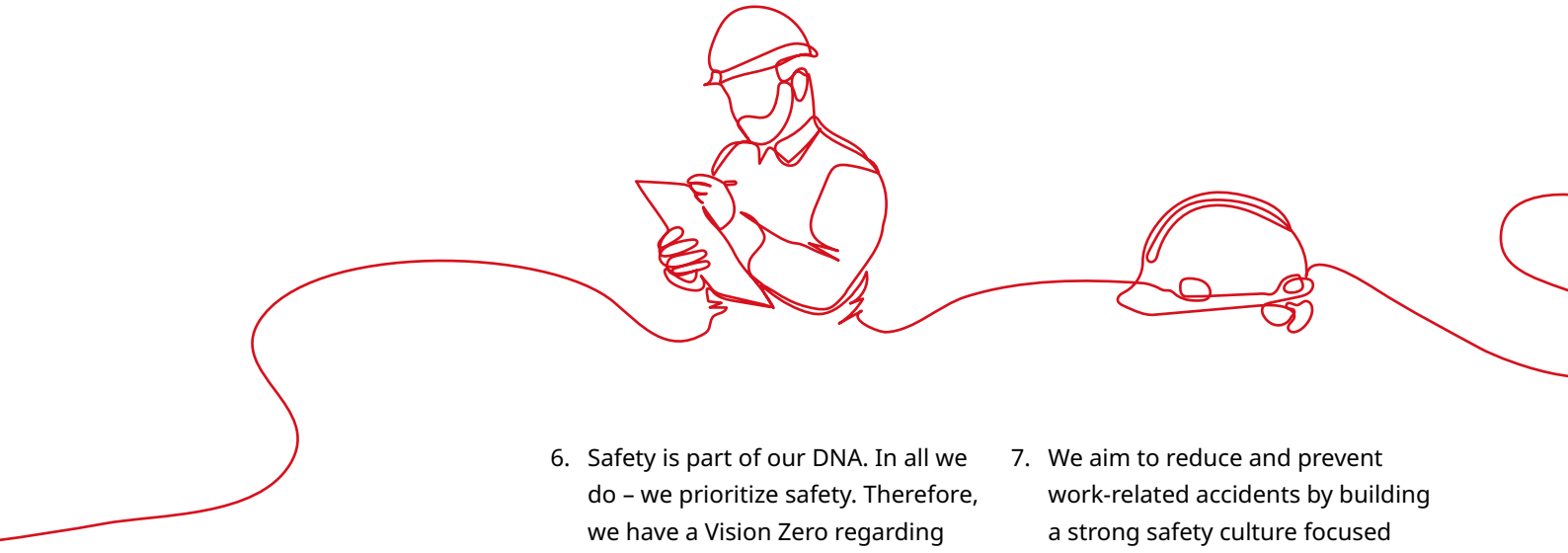
To ensure we align with our commitments and effectively track our progress, we have established specific Key Performance Indicators (KPIs) over the past few years. These KPIs pertain to each of the ESG categories, aligned with the Global Reporting Initiative (GRI). They help maintain our focus, identify roadblocks, and guide us toward our goals. The KPIs are linked to our focus on SDGs. To maintain balance within our Environmental, Social, Governance (ESG) Wheel, each SDG is referenced an equal number of times within the KPIs. Currently, we have set 4 KPIs related to Environmental factors, 3 for Social factors, and 1 for Governance (detailed KPI references can be found in the Appendix).

In 2022, we were working with eight objectives. However, after gathering more data and re-evaluating our current situation, we added two new objectives in 2023: Waste Management and Water Management. We view these as essential for continuing our sustainability journey on the right course.

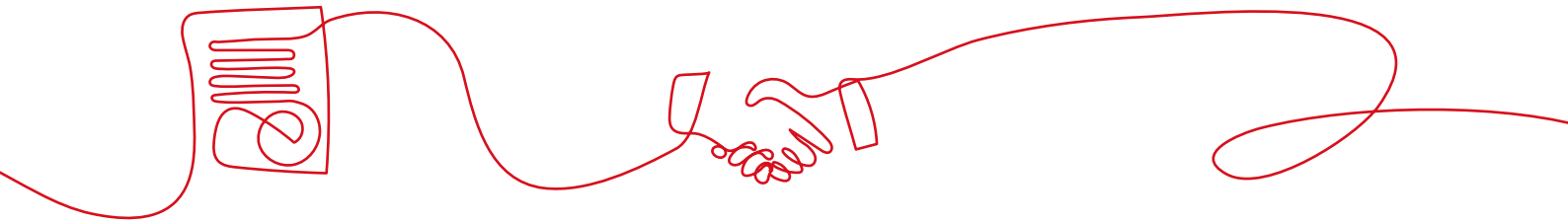
OBJECTIVES



1. Our goal is to reduce our energy consumption by a minimum of 5% annually in relation to net sales. We aim to ensure that we continuously improve our energy efficiency and avoid unnecessary energy consumption.
2. As our operations require quite a bit of energy, we aim to ensure that the energy we use is clean and renewable. Looking forward, we aim to have electricity sourced from fossil fuel replaced by 100% renewable electricity by 2030.
3. We aim to reduce scope 1 and 2 emissions by 20% by 2025 and 50% by 2030, using 2021 as base year. Scope 3 goals are still being developed and will be announced in 2024. The ultimate goal is reaching Net Zero in line with SBTi no later than 2050.

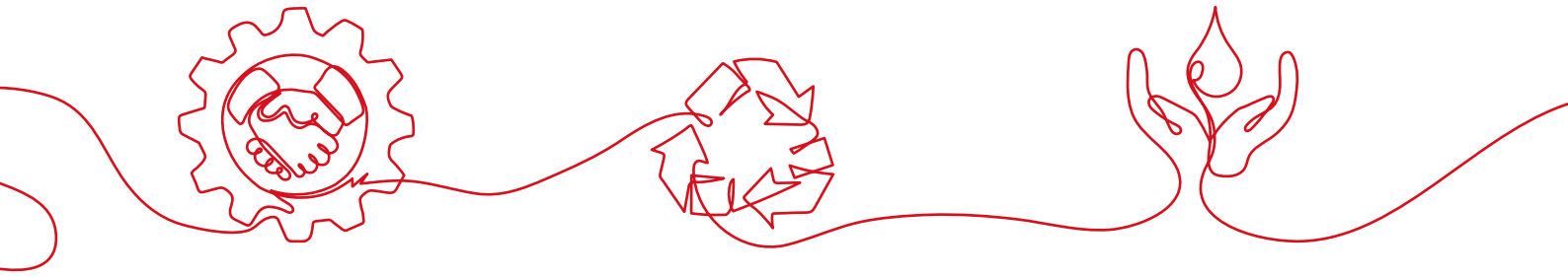


6. Safety is part of our DNA. In all we do – we prioritize safety. Therefore, we have a Vision Zero regarding Lost Time Injuries (LTI).
7. We aim to reduce and prevent work-related accidents by building a strong safety culture focused on potential hazards. We aim to prevent hazards before they turn into accidents and promote continuous improvement.



4. As part of our commitment to more environmentally friendly and sustainable future, Caljan strives to obtain ISO 14001 certification for all production sites with 10+ employees no later than 2025.

5. In 2022, 11% of our leaders were women, in 2023, it was 16%. We aim to increase the representation of women and other non-male leaders to over 20% by 2025, as we understand and appreciate the value in diversity and equality.



8. We strive to ensure all Caljan employees have read and signed our Code of Conduct and ethics policies. All of our strategic suppliers and partners are introduced to, have signed and abide by our Supplier Code of Conduct.

9. To ultimately achieve our goal of circularity, we aim to use, reduce, reuse, and otherwise recycle all materials in our operations by 2030.

10. Continuously decrease our water consumption. Ensure effective water management and sustainable and responsible water usage.

At Caljan, we diligently embrace a sustainable approach to maintain our leadership position in the industry. Informed by our Stakeholder and Materiality Analysis, we identify and prioritize our most significant impacts.

In 2022, we committed to the Science Based Target initiative (SBTi). Throughout 2023, we continued to diligently work on our data collection, our processes aligning with the Global Reporting Initiative. We have consistently accounted for and calculated our emissions within scopes 1, 2, and screened our scope 3 emissions, steadily progressing towards defining our targets and developing a more robust approach for significantly reducing our impact by 2030 and achieving Net-Zero by 2050 at the latest.

Once we have fully developed our targets in line with science-based criteria, we plan to submit them for validation by mid-2024. We are committed to setting targets grounded in scientific principles and continuing our pursuit of sustainable change.

Solvatten® is a combined portable water treatment and heating system designed for off-grid household use in the developing world. This innovative solution provides access to clean, hot water to people worldwide, purifying it for safe usage and consumption. Introduced to us by our owner Latour, Caljan has recognised the need for supporting this initiative and the impact it has on those being helped, therefore we continuously support this effort. Solvatten means clean water is close at hand, easing the burden placed on women and children and making everyday life easier. It also removes the dependency on natural resources for hot water, reducing carbon dioxide emissions and preventing deforestation.

At Caljan, we are committed to transparency and accountability in all aspects of our operations, particularly when it comes to our sustainability practices. As we look forward to 2024, we are diligently preparing for the upcoming requirements under the Corporate Sustainability Reporting Directive (CSRD). The CSRD represents a significant step forward in enhancing and standardizing corporate sustainability reporting across the European Union. It requires companies to provide more detailed and comparable information on a wide range of environmental, social, and governance (ESG) issues, ensuring that stakeholders have a comprehensive view of a company's sustainability performance.

Our commitment to sustainability is unwavering. As we prepare for CSRD reporting, we are not only meeting regulatory requirements but also reaffirming our dedication to being a responsible corporate citizen. We look forward to sharing our progress and achievements with you in our future sustainability reports.

Solvatten

CALJAN ESG WHEEL

The Caljan ESG Wheel remains as relevant as ever. We recognize that all three components are thoroughly interconnected and must be equally addressed to achieve long-lasting and comprehensive results.

Last year, we gathered valuable ideas and insights to better understand the interrelation between Environmental, Social, and Governance factors and develop a strategic approach. This year, we continue to follow our roadmap toward a more sustainable, equitable, and safe workplace.

We ensure that our employees have equal rights and focus on improving their physical and mental wellbeing in both the short and long term. We provide opportunities for our employees to grow and become empowered to make decisions, thereby strengthening the organization's ability to manage adversity and adapt to change.

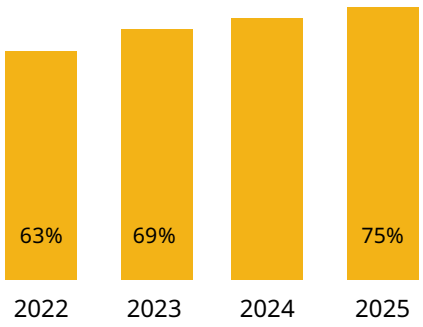
Our commitment to high standards is reinforced by a Code of Conduct, which we expect all employees to adhere to. We also hold our suppliers to the same standards through a Supplier Code of Conduct, clearly outlining our expectations.

Regarding environmental considerations, we take responsibility for our impact and strive to reduce it as much as possible. We aim to reduce and eventually eliminate our GHG emissions by minimizing consumption and waste. Transitioning from non-renewable to renewable energy sources is a key step in this process. We acknowledge that achieving 100% renewable energy will take time and effort, but we have initiated the necessary steps and are committed to reaching our goal.

A strong strategic model is essential to keep the ESG Wheel rolling. Our ambitions are high but necessary.

By maintaining an even focus on the three ESG components, we ensure that no pertinent issues are neglected and that we make continuous progress toward our goals.

ENVIRONMENTAL



Current and goal energy mix with the short-term goal of 75% renewable electricity by 2025.

Caljan continuously strives to advance our sustainability journey. This year, we furthered our objectives and proudly continued to develop in line with our goal of becoming more efficient, circular, and overall more sustainable.

Our KPIs are closely aligned with the SDGs, ensuring that our efforts contribute to global sustainability priorities. By grounding our KPIs in the SDGs, we are not only tracking our progress internally but also positioning our organization to support broader international goals.

Energy Consumption

As our sustainability journey progresses, we continually refine our methods, enhance the data we collect, and gain deeper insights. This enables us to better identify and address opportunities for improvement.
In 2023 our absolute energy consumption decreased, though in terms of our KPIs, our energy consumption saw an increase of 9,5% in relation to our net sales. (See additional data at the end of this report.)

Energy Mix

Caljan's operations require energy, so we are committed to ensuring that the electricity we purchase and use comes from renewable sources. Our ultimate goal is to have 100% of our electricity be renewable by 2030. We plan to achieve this by purchasing clean, renewable, and fairly priced electricity and by installing solar panels on our facilities to supplement our energy mix. This strategy not only maximizes the share of electricity we can directly control but also enhances our resilience in the face of fluctuating energy markets.
Our near-term goal is to have 75% of our electricity be renewable by 2025. We are well on our way to reaching this milestone, as our renewable electricity share increased to 69% in 2023, up from 63% in 2022.

As we are planning to install solar panels on our biggest production site in 2024, we are particularly excited to see the positive changes this investment will bring throughout the upcoming years, not only reducing our impact on the environment and helping us follow through with our SDG 7, 12 and 13 goals, but also increasing our own resilience.

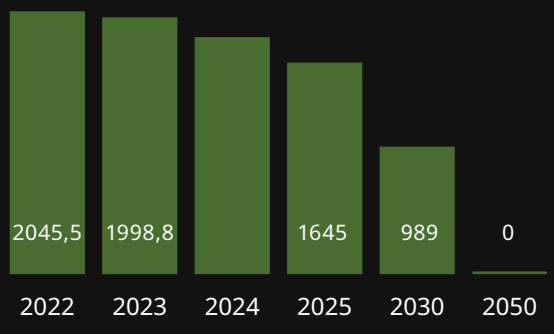
Scope 1&2 emissions

Our long-term goal is to eliminate our scope 1 and 2 emissions, achieving Net Zero by 2050 at the latest. To find an absolute measurement for greenhouse gas emissions, we measure emissions in CO_2 equivalents. This initiative aligns both with SBTi, as well as SDGs 12 and 13.

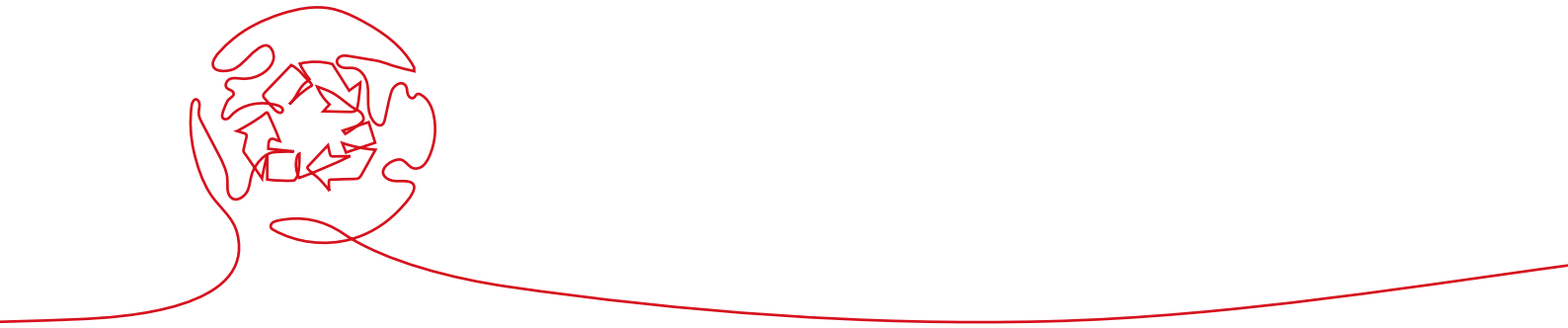
We plan to achieve this by reducing our emissions by 5% annually, relative to our sales. Overall, we aim to reduce our CO_2 emissions by 50% by 2030 and eliminate them entirely by 2050. In 2023, we calculated our emissions at 1998,8 tons, compared to 2045,5 tons in 2022. This is a reduction of 46,7 tons.

While in absolute terms we saw a reduction in our emissions, in terms of our KPI, our CO_2 emissions per net sale increased by 14,2%. (See additional data at the end of this report.)

As we work on accounting for all our scope 3 emissions and devising a comprehensive plan, we are excited about the potential for new, effective, emission-saving initiatives we may undertake next.



Current and goal CO2 emissions (tons) from combined scope 1 and 2. The goal is to have net-zero CO2 emissions by 2050 in line with SBTi and climate science.



As we work to finalize our Water Management policy and KPIs, we remain dedicated to using water resources responsibly and contributing to broader environmental and community benefits.

Waste management

In 2023, Caljan added Waste Management to our existing objectives, recognizing its importance in our sustainability plan and alignment with Sustainable Development Goal 12. Our primary aim is to minimize waste and handle any unavoidable waste responsibly throughout its life cycle.

We started by mapping all substances with hazardous pictograms used in our operations in Denmark and Latvia. This effort, part of our 5S approach, aims to reduce hazardous substances to a minimum. Our training programs now include waste management practices to ensure all employees are engaged. Throughout 2023, we mapped and reduced hazardous substances, setting the stage for ongoing improvements.

Our Life Cycle approach ensures that unavoidable waste from the design, purchase, or operation phases is managed with respect for the environment. We aim to use, reduce, reuse, and recycle all materials by 2030. Specific KPIs and a detailed structure for our waste management objectives are being developed, with plans to finalize these in the near future. This will help us track progress and continuously improve. Our efforts in waste management are a crucial part of our sustainability strategy.

Water management

In 2023, Caljan introduced Water Management as a key objective within our sustainability strategy, recognizing its critical role in ensuring the responsible use of water resources. This addition underscores our commitment to enhancing environmental stewardship and aligns with our broader sustainability goals.

We began by establishing a comprehensive overview of our water consumption and drafting a Water Management policy. This draft policy will guide our efforts to manage water resources effectively and support ongoing improvements. We are in process of developing KPIs for this objective to provide clear metrics for tracking progress and ensuring accountability.

Water management is vital for protecting the environment, public health, and supporting economic development while complying with legal requirements. In addition to managing our own water use, we contribute to community projects that provide clean water to areas with limited resources. We are committed to annually reducing our water consumption and improving our practices to align with sustainable development goals.

Environmentally certified facilities

As a company, Caljan has always aspired to the highest quality and compliance with standards and best practices. Consequently, certifying our facilities has been an undeniable goal.

The International Organization for Standardization (ISO) has established certifications in various fields to ensure predetermined standards are maintained in every workplace. It is important for us to meet these standards, and if we fall short, identify areas for improvement to become even more well-rounded and proactive.

Our goal for 2023 was to certify two of our facilities – our headquarters in Denmark and our largest production site in Latvia – under ISO 14001:2015 and ISO 50001. We are proud to report that in April both sites successfully achieved certification.

Additionally, the certification was achieved with 0 non-conformances and the auditors expressed that Caljan maturity level is higher than what is normally observed during certification audits.

Looking ahead, we aim to certify all our production sites with 10 or more employees by no later than 2025.

Solvent distillation

As part of Caljan's conveyor production process, we apply a protective coating to our conveyors according to our customers' specifications and preferences. This essential step ensures the creation of a durable, high-quality product. However, it also generates hazardous waste – paint-solvent waste.

Despite the relatively small quantity of hazardous waste produced, we take its management very seriously due to the associated risks. One of our objectives for 2023 was to significantly reduce the amount of waste generated by this process.

The project commenced in early 2023, with implementation beginning in May. By September 2023, we had begun operating our new solvent vacuum distillation equipment at our Caljan Latvian site.

This equipment allows us to recover solvent from liquid paint waste. The boiler tank of the solvent distillation equipment has a capacity of 150 litres, with the distillation temperature reaching 150°C.

For hot vapor condensation, we use a heat exchanger solution that, as opposed to other popular options on the market, eliminates the need for water cooling, thereby conserving water, and enables the equipment to operate in winter, as this method prevents freezing. Additionally, vacuum distillation offers enhanced safety by reducing the distillation temperature and allowing for the immediate cessation of boiling.

Previously, our annual generation of paint and solvent waste approached 27 tons. In 2023, after the distillation equipment began operating in the fourth quarter, the total annual amount of paint waste was reduced to 18 tons, representing a reduction of 33%. Additionally, the purchase of fresh solvent decreased by 60% in Q4, as the recovered solvent is being reused in the same manner as fresh solvent.

This initiative has allowed Caljan to avoid additional water usage, minimize paint waste, and significantly decrease our need for purchasing new solvent.

R&D sustainability checklist

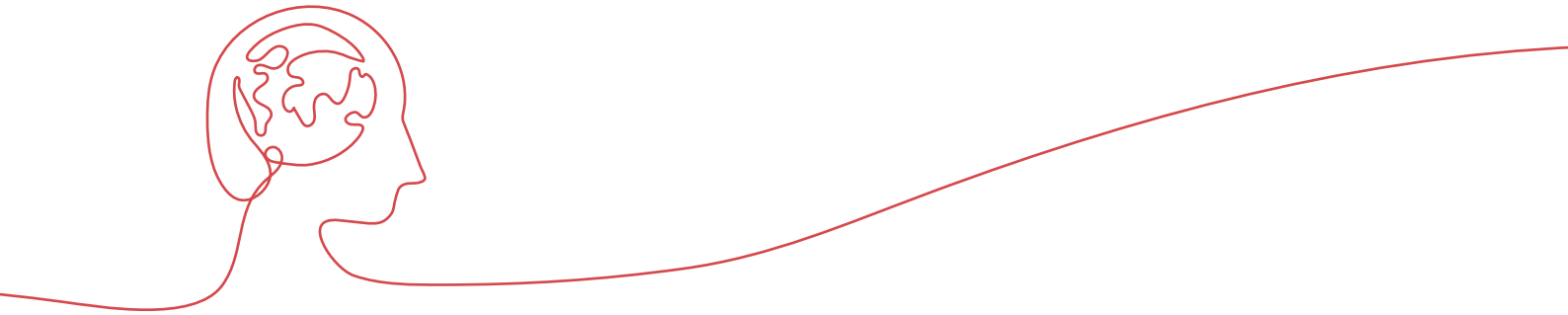
For a while now, we have been working tirelessly to develop our products in a way that reduces waste before, during, and after our conveyors' lifetimes at our customers' facilities. Circularity, along with the reuse and recycling of conveyors and their components, has become one of our main focuses. As such, we have been making determined steps toward improvements.

One significant step is the initiation of a sustainability list during the idea development and design stage. This allows us to design products with sustainability in mind, proactively avoiding potential emissions and waste and addressing the problem at its root.

Some considerations in the sustainability list include the amount of material used, designing products with the opportunity for spare parts, material selection principles, reduction of hazardous substances, and designing for reuse and recycling, among other factors.

We are excited to demonstrate the capabilities of our R&D department in achieving these goals.

As our environmental and sustainability focus has grown and our approach has become more refined, we took another significant step forward this year by establishing an Environmental Committee.



Environmental Committee

The committee's function is to ensure continued compliance with legislation, stakeholder requirements, ISO 14001, ISO 50001, and to proactively minimize our impact on environment through Life Cycle perspective and reduction of energy consumption.

In Caljan, Environmental Committee is a multidisciplinary team responsible for implementing and executing the environmental and energy management activities across various parts of the organization. The team ensures integration of best practices and, among other things, focuses on community engagement, education and training of our employees and stakeholders in renewable energy options and energy education.

In addition to planning and implementing specific improvements, the Environmental Committee measures and tracks energy performance and maintains communication with management, employees and other stakeholders.

Antons Merbahs

ENVIRONMENTAL ENGINEER, LATVIA

In 2023, both Caljan and I experienced substantial progress and growth. We made significant strides in advancing our sustainability efforts, focusing on environmental impact and energy efficiency. Personally, I took on new responsibilities to drive these initiatives, and witnessing the tangible results of our work has been incredibly rewarding.

This year, two key accomplishments stand out. First, the implementation of solvent distillation drastically reduced our hazardous waste by 33%, from 27 to 18 tons annually. Additionally, we achieved a remarkable 60% reduction in fresh solvent purchases during the fourth quarter through solvent reuse.

Second, obtaining our first Environmental and Energy certifications in Denmark and Latvia was a significant milestone. The ISO 14001 and ISO 50001 certifications validate our commitment to sustainability and provide a robust framework for continuous improvement.

I would also like to point out another development. While less impactful on overall energy consumption, replacing all gate drives in our Latvian location with faster drives is estimated to result in a 100 MWh annual reduction in heat losses. This small but meaningful change demonstrates our dedication to responsible resource management and minimizing our environmental footprint.

Looking forward, our ambitious plans for 2024 include installing solar panels, implementing a Building Management System (BMS) for centralized monitoring, conducting a comprehensive Scope 3 emissions assessment, and formalizing our near-term and net-zero targets through SBTi. To support these initiatives, we are expanding our sustainability team.

Sustainable Procurement Policy

At Caljan, we are deeply committed to sustainability, which extends to our supply chain management and the cooperation and alignment of requirements with vendors and business partners. We recognize that our purchasing decisions significantly impact the environment and society. As a responsible corporate entity, we are dedicated to minimizing this impact through sustainable procurement practices that promote environmental, social, and governance sustainability.

The purpose of this policy is to outline our commitment to sustainable procurement and provide guidelines for our purchasers and suppliers to follow. We adhere to the principles of the UN Global Compact, aiming to align our business with human rights, labor standards, environmental care, and anti-corruption principles, as outlined in our QHSE policy and Code of Conduct.

With this procurement policy, we strive to make our operations more sustainable by upholding the laws and regulations of the countries in which we operate and endorsing the highest standards of economic, social, ethical, and environmental practices. Additionally, we identify and mitigate risks associated with our procurement process. We communicate and implement this policy with internal and external stakeholders, ensuring our suppliers are aware of our expectations.

We recognize that our purchasing decisions significantly impact the environment and society.

Latour Sustainability Day working groups

This year, our employees from various departments contributed to the success of Latour Sustainability Day 2024, an event organized by our owners, Latour, and scheduled to take place in the first part of 2024. Our team members shared their expertise with other subject matter experts and engaged in the exchange of ideas and experiences.

Our QHSE Manager, Alex Christensen, was invited to be one of the key speakers on Corporate Sustainability Reporting Directive (CSRD) matters, where he shared his experience and knowledge with the attendees. The event, held in Sweden, typically offers participants the opportunity to engage in several insightful sessions on various sustainability issues.

We sincerely appreciate everyone's hard work and contributions, both from the event coordinators and participants, as well as from our own employees. Their knowledge and input are always valued at Caljan, and we are pleased to see them shared more widely.

Gatis Dradeika
GENERAL MANAGER, LATVIA

In 2023, we focused extensively on preparing for key initiatives planned for 2024. One major project involved exploring the installation of solar panels to maximize roof space utilization at our Caljan facility. Another significant undertaking was an in-depth analysis aimed at minimizing factory energy consumption. Partnering with Siemens, we conducted a thorough evaluation of our energy use and identified several improvement opportunities. One immediate implementation was the installation of automated closing functions and fast motors on our four larger gates, significantly reducing heating costs during the cold months.

Additionally, we decided to implement a comprehensive Building Management System. The bulk of 2023 was dedicated to selecting the right supplier and defining project specifications, with execution set for 2024.

We also reinforced our commitment to ethical practices by introducing our Code of Conduct to all employees and securing agreement from key suppliers, ensuring a shared understanding of our corporate values.

In response to unsatisfactory work safety statistics from 2022, we intensified our focus on safety, achieving notable improvements.

Furthermore, we installed paint thinner filtration equipment, allowing us to reuse thinner and substantially reduce hazardous waste, enhancing our sustainable operations. Before, we were generating almost 27 tons of paint and solvent waste each year. But in 2023, after we started using the distillation equipment in the fourth quarter, we cut that down to 18 tons, which is a 33% reduction. Plus, in Q4, our purchase of new solvent dropped by 60% because we’re now reusing the recovered for system flushing

Our team established the framework for collecting Scope 1 and 2 data in 2023. We are eager to compare our initial energy balance with the improved results anticipated in 2024, driven by solar panel energy generation and Building Management System efficiencies.

Mert Karaca

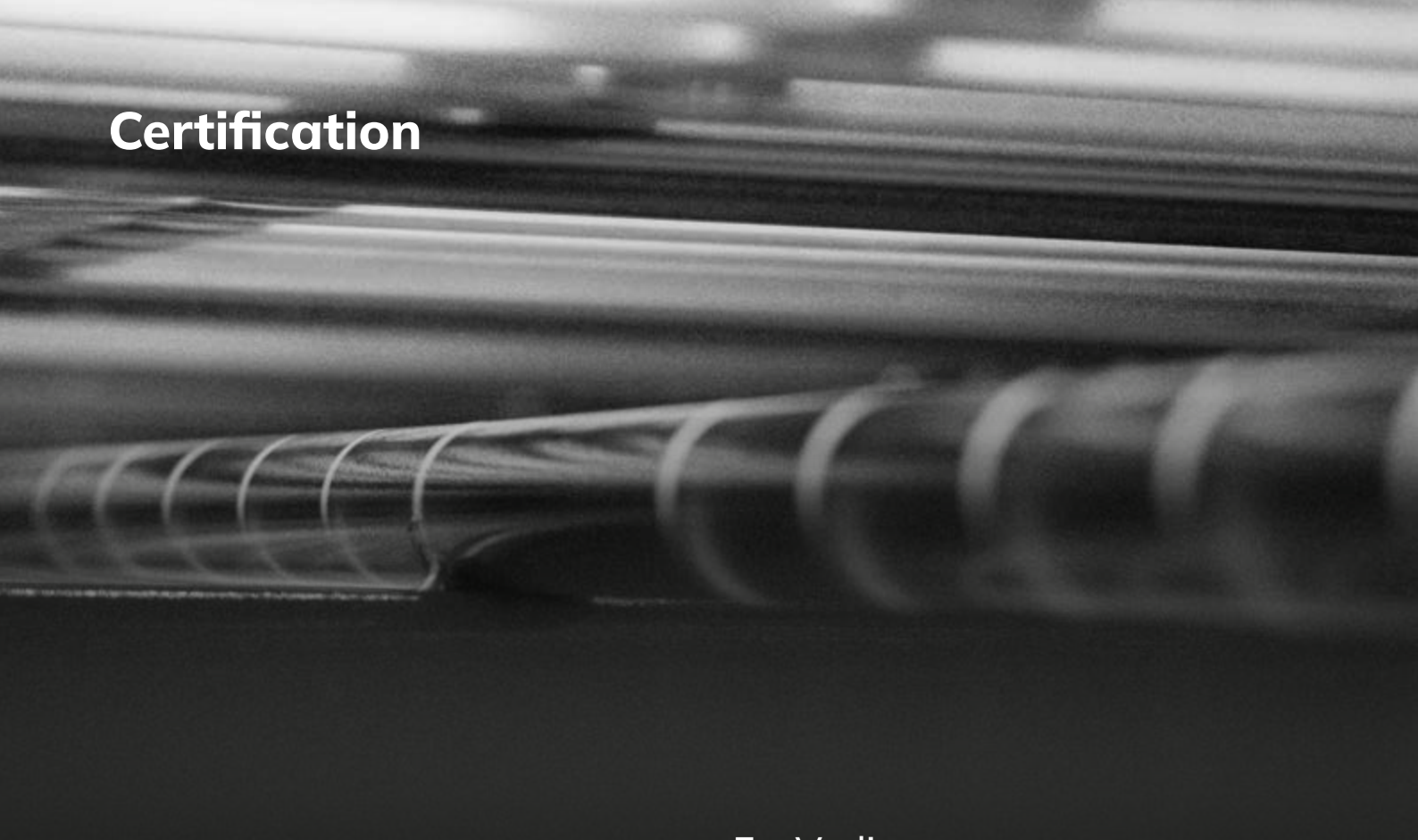
MANAGING DIRECTOR, USA

During 2023, Caljan US heavily focused on our target of zero Lost Time Injuries (LTIs). By the end of 2023, the US achieved zero LTIs since May of 2022. This was achieved even with a significant increase in Service Technicians being added to our staff. Contributing factors include robust implementation of a hazard reporting process to include corrective action, continual EHS engagement activities, an active safety committee and communicating our commitment to safety and vision zero throughout the organization.

We also found our team working toward additional safety upgrades. In June we held a safety campaign in celebration of the National Safety Month. We upgraded our powered industrial trucks with additional red and blue safety lighting. We placed the order for implementation of larger size loading dock to support our loads in a safer manner.

Our environmental effort was concentrated on completing our first time Ecovadis survey. After evaluation, this resulted in receiving the top 5% gold medal in early 2024.

Certification



ISO Certification

The International Organization for Standardization has established certificates in various fields to ensure that a predetermined standard is maintained in every workplace. At Caljan, we strive to exceed these standards, continuously aiming to be the best at what we do.

This year, we succeeded in this endeavor by achieving ISO 14001 and ISO 50001 certification in both our Danish and Latvian locations with zero nonconformances. The auditors expressed that Caljan's maturity level is above what is typically seen in certification audits.

We are proud of this achievemen`t, as we have set ambitious goals and developed a strategic plan to achieve certification, focusing on areas where we can make the most significant impact for both people and the planet. Below is an overview of our obtained certifications and our roadmap for future certifications.

These certifications reflect our dedication to maintaining high standards across all aspects of our operations, ensuring that we continue to lead in quality, environmental responsibility, and energy efficiency.

EcoVadis

EcoVadis is a globally recognized platform that provides sustainability ratings for businesses, assessing companies' performance across environmental, social, and ethical criteria. By evaluating policies, actions, and results, EcoVadis helps companies improve their sustainability practices and benchmark their performance against industry standards. Participating in EcoVadis assessments allows companies to identify strengths and areas for improvement, fostering transparency and accountability.

At Caljan, we use the EcoVadis platform to benchmark our sustainability efforts against those of other companies across four themes: environment, labor and human rights, ethics, and sustainable procurement. The bronze medal awarded to our HQ in Denmark in 2021 marked the beginning of our sustainability journey. Through continuous improvement, our HQ advanced to a silver medal in 2022. In the same year, Caljan UK and Caljan Latvia also achieved silver medals, placing all three sites in the top 25% of registered companies. Notably, our sites in Germany and the US were awarded gold medals in 2022, placing them in the top 5%.

In 2023, we continued to maintain our gold medals in Germany and the US, and our silver medals in Latvia, Denmark, and the UK. These achievements reflect our dedication to sustainability and drive us to continue improving our performance across all areas.

ENVIRONMENTAL MANAGEMENT SYSTEM

In 2023, we achieved ISO 14001:2015 certification for our facilities in Denmark and our largest production facility in Latvia. This milestone underscores our dedication to environmental management and sustainability. Our aim is to have all our manufacturing sites with 10+ employees certified by 2025.

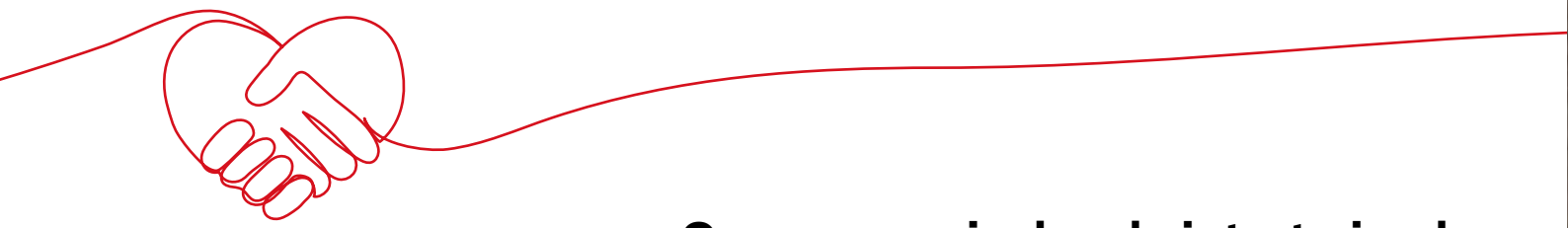
QUALITY MANAGEMENT SYSTEM

Our commitment to quality was recognized in 2021 when we were awarded ISO 9001:2015 certification for our facilities in Denmark and Latvia. As we continue to expand our reach, we aim to achieve similar certifications in other locations to ensure consistent quality across all our operations.

ENERGY MANAGEMENT SYSTEM

Alongside our environmental certification, we also secured ISO 50001:2018 certification for Energy Management in both Latvia and Denmark in 2023. This certification highlights our commitment to energy efficiency and sustainable energy practices.

SOCIAL



Our success is deeply intertwined with the well-being of our employees.

At Caljan, we believe that our success is deeply intertwined with the well-being of our employees, the strength of our communities, and the inclusivity of our workplace. The Social section of our sustainability report highlights our ongoing commitment to creating a safe, supportive and equitable environment.

In 2023, we focused on several key areas. Employee engagement and well-being are at the forefront of our social initiatives. We continued to prioritize workplace safety, achieving significant milestones in reducing workplace injuries through rigorous training and the implementation of preventative measures.

We have implemented initiatives aimed at fostering a more inclusive workplace where every individual feels valued and empowered. By promoting equal opportunities for growth and development, we are building a resilient and dynamic workforce capable of driving innovation and achieving our strategic goals.

As you read through this section, you will find detailed accounts of our social initiatives and their impact. We are proud of the progress we have made and remain committed to continuous improvement in our social performance.

Valuing diversity

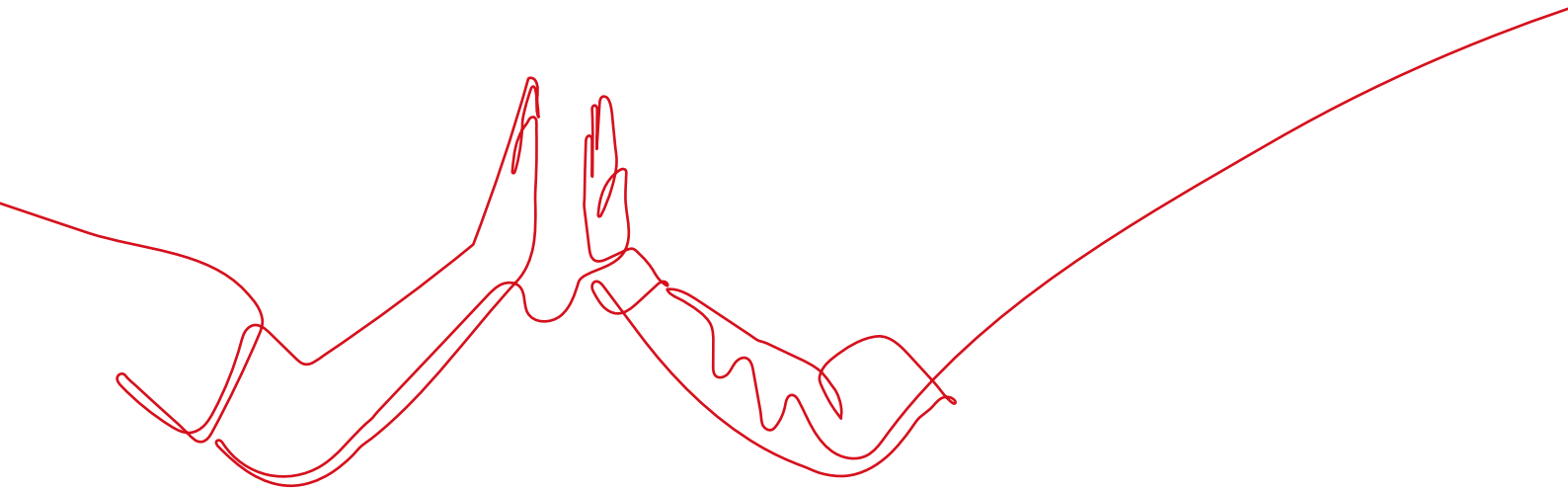
One of our SDG-aligned KPIs is the gender ratio. We understand the immense value that diverse perspectives bring to our organization, and we believe that striving for equity is absolutely paramount. This KPI specifically focuses on increasing the representation of women in management positions, reflecting our commitment to fostering an inclusive and balanced workplace.

Our target is to have over 20% female managers by 2025. Achieving this goal is not only about meeting a numerical target but also about creating an environment where women have equal opportunities to thrive, lead, and influence the future of our company.

In 2022, 11% of our managers were women, in 2023 this percentage has grown to 16%, meaning we are nearing our goal for 2025. We are aiming to continuously increase this number and have developed robust strategies to get there.

We recognize that diverse leadership teams drive better decision-making, innovation, and overall company performance. Therefore, we are implementing various initiatives to support the development and advancement of women within Caljan.

We aim to strengthen our leadership by promoting gender diversity, ensuring a range of perspectives essential for sustainable growth and success.



Lean Academy

A YEAR OF GROWTH AND IMPROVEMENT

In 2023, Caljan launched the Lean Academy, marking a significant step towards fostering a culture of continuous improvement and efficiency. Lean principles, which focus on minimizing waste and maximizing value, are widely recognized for their ability to streamline processes, enhance productivity, and foster a proactive work environment.

The Lean Academy at Caljan was established with the goal of equipping all employees with the knowledge and skills necessary to implement Lean methods effectively. This initiative aimed to improve processes and culture across the organization. The plan for 2023 involved several key steps: establishing the Caljan Lean Academy, introducing Lean training for all employees, and conducting specialized training for management in Latvia. The focus of this training included essential Lean tools such as the Lean 7 wastes, 5S, and practical problem-solving techniques like PDCA, 5 Whys, Ishikawa, and Gemba. These methods are crucial for identifying inefficiencies and implementing sustainable solutions.

Lean training for management was a priority, recognizing that effective leadership is critical for successful Lean implementation and cultural change. The goal was to prepare managers, team leaders, and quality teams to lead Lean initiatives within their departments, ensuring that they had the necessary tools and understanding to foster a Lean culture. Practical problem-solving activities continued throughout the year, reinforcing the training and allowing for real-time application of Lean principles.

One of the key activities initiated was the 5S workplace organization, although this was temporarily paused due to changes in the QHS department. Despite this, the progress made was significant, as evidenced by the improved results from the Lean maturity assessments conducted at the end of 2022 and 2023.

The assessments showed notable improvements in several areas. CI Culture improved from 1.3 to 2.0, reflecting a stronger commitment to continuous improvement practices. Lean behavior, cooperation, and organization saw a significant increase from 2.5 to 3.4, indicating better teamwork and more effective organizational practices. Additionally, Competence & Training saw a significant jump from 1.5 to 3.5, showcasing the effectiveness of the Lean training programs in enhancing employee skills and knowledge.

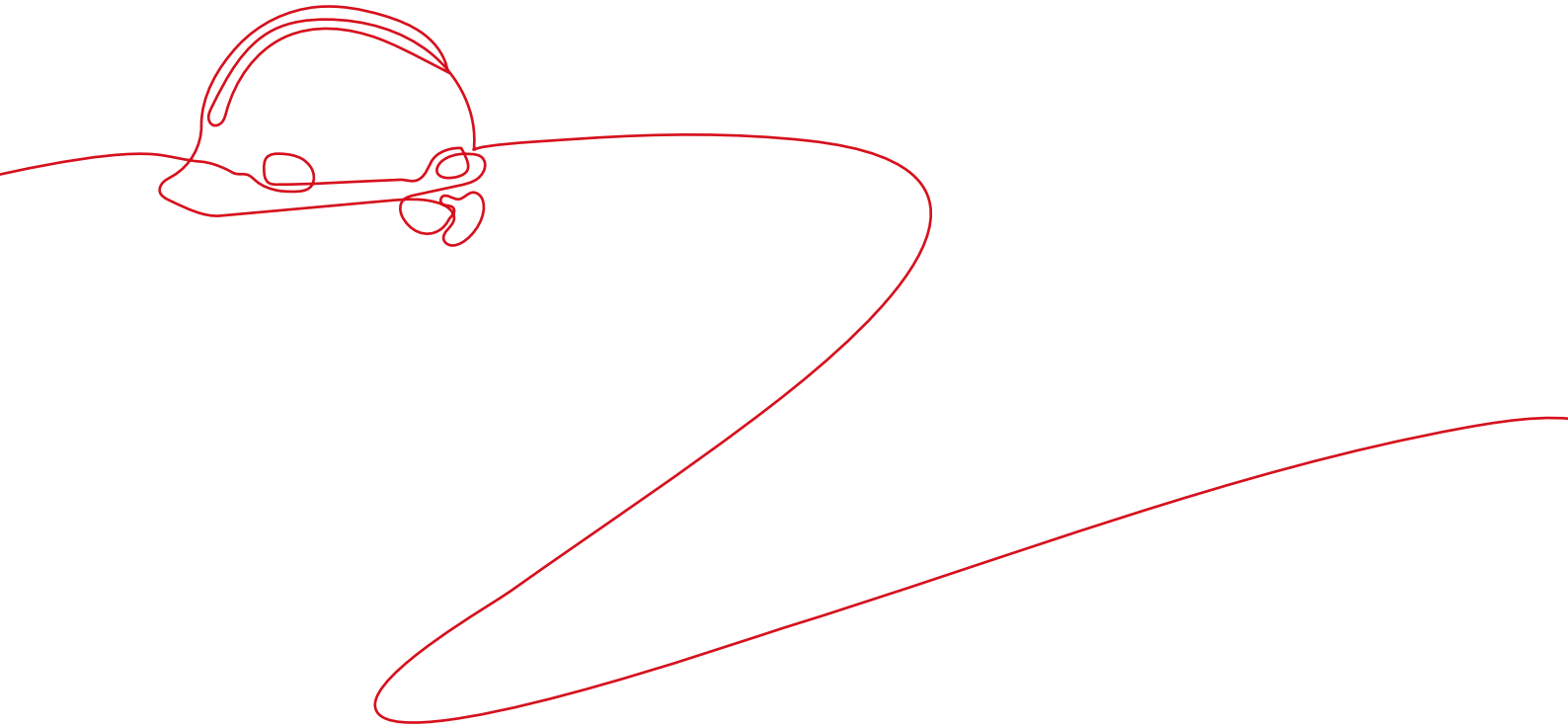
Overall, the site's Lean maturity score increased from 2.12 to 2.65, reflecting the positive impact of the Lean Academy's initiatives. The comprehensive training programs and the focus on management empowerment have laid a strong foundation for ongoing Lean implementation. As a result, Caljan is well on its way to embedding Lean principles into its organizational fabric, driving continuous improvement and fostering a more efficient, cooperative, and proactive workplace culture.

Global Risk Assessment and Safe Systems of Work

In 2023, we launched the Global Risk Assessment and Safe Systems of Work initiative, marking a significant step forward in our commitment to workplace safety and operational efficiency. This project was driven by a Global Working Group with members from Manufacturing, R&D, and Aftermarket. The primary objective was to overhaul and standardize our work instructions and procedures, reducing the number of Work Instructions and SOPs to four or fewer, and establishing a single, unified format for all Risk Assessment Method Statements (RAMS), Safe Work Instructions (SWI), and Standard Operating Procedures (SOPS).

The collaborative efforts of the Global Working Group resulted in several important outcomes. The new standardized format simplifies document creation and maintenance, reducing complexity and making it easier for employees to understand and follow safety protocols. This simplification also streamlines training processes, ensuring that all team members are well-versed in our safety measures. By centralizing our Body of Knowledge (BOK), we ensure that all safety-related information is readily accessible, enhancing consistency and reliability in our safety practices. The development of a dynamic RAMS tool allows for real-time updates and adjustments to risk assessments, ensuring that our safety measures are always current and effective. Additionally, we established clear guidelines on what information should be included in Operational and Maintenance manuals, ensuring critical safety information is accurately communicated while protecting proprietary knowledge.

The implementation of these changes has had a profound positive impact on our operations. The new standardized approach and centralized knowledge base have significantly improved our ability to manage and mitigate workplace hazards, helping prevent accidents and protect our employees. Simplifying and unifying our safety documentation reduces administrative overhead, improving resource allocation and operational performance. With clearer, more straightforward safety instructions, our training programs are more effective, ensuring all employees are adequately prepared to work safely and helping us maintain compliance with safety regulations and standards. Overall, the Global Risk Assessment and Safe Systems of Work initiative has strengthened our safety culture and operational efficiency.



Safety first

NEW EMPLOYEE SAFETY INTRODUCTORY TRAINING

This year, we introduced our New Employee Safety Introductory Training. This program is designed to educate new employees on safe practices within different Caljan production areas and the site as a whole. Previously outsourced, we have diligently developed this training in-house, ensuring a more thorough and tailored introductory and safety instruction process. This transition allows us to deliver a comprehensive and consistent safety message that aligns with our specific operational needs and standards.

SAFETY RISK ASSESSMENT TRAINING

Additionally, we initiated Safety Risk Assessment Training for all managers and team leaders at our largest manufacturing site. While many of our managers and team leaders already had a solid foundation in risk identification and assessment, this training provided them with supplemental tools to deepen their knowledge and enhance their capabilities. With this training, our managers and team leaders are now better equipped to perform risk assessments in their departments, with the support of our QHSE department, ensuring a safer work environment for all.

The only acceptable number of accidents in a workplace is *zero*

MISSION ZERO

In our mission to eliminate workplace injuries and promote a safe working environment, Caljan Latvia, our largest production site, joined an initiative called Mission Zero.

"The only acceptable number of accidents in the workplace is zero. Because it is easier to maintain than to restore."

Mission Zero combines people's knowledge, companies' practical experience, and individual willpower to improve, making it easier and more effective for everyone involved to care for people's health and safety.

This initiative emphasizes that people's health, trust in the employer, knowledge of safe working conditions, and the internal culture of companies that promote employee cooperation and care for their own and colleagues' safety are invaluable resources. These are values that grow when nurtured.

Mission Zero has clear and achievable goals:

- Prevent fatalities resulting from work and related external conditions.
- Significantly reduce the number of accidents in workplaces, striving for "0".
- Implement preventative measures for the protection and preservation of employee health.

We are excited to join this initiative, exchange experiences with other participating companies, and learn from each other's best practices. Mission Zero is supported by several state administration authorities, including The Health Inspectorate, Ministry of Welfare, State Labour Inspectorate, The Institute of Occupational Safety and Environmental Health, Employers' Confederation of Latvia, and Free Trade Union Confederation of Latvia. The initiative aspires to unite enough companies to have at least 50% of all employed in Latvia working for a company committed to striving for zero workplace accidents.

Ieva Andersone

WORK AND SAFETY SPECIALIST, LATVIA

In 2023, the company saw significant improvements in work safety culture and employee engagement. Proactive safety leadership and comprehensive training enhanced safety practices across the board. We diligently worked on improving the understanding and reporting of hazards, fostering a stronger safety culture.

The quality of safety-related training was significantly improved. One of the most notable advancements was in how new employee safety introductions are now conducted. Previously, this was handled by an outsourced specialist and was solely theoretical. In 2023, we shifted to in-house training, incorporating practical safety instruction for new employees in production departments.

Moreover, annual safety instructions were delivered by our in-house safety specialist, providing added value with insights into up-to-date safety information specific to Caljan Latvia. We also conducted various specialised practical training sessions, including first aid and fire safety. I believe that these improvements in training quality were key drivers in the overall enhancement of our safety culture.

In 2024, we plan to be very active in developing and organizing our safety documentation. We intend to implement a new risk assessment documentation tool within our integrated management system and, for the first time, perform risk assessments without relying on an outsourced company. A comprehensive documentation plan will also be developed to renew all the safety instructions in our internal system, ensuring that any missing documentation is created and properly placed.

Additionally, we will continue to strengthen our proactive safety culture by encouraging employees to report hazards and suggest necessary improvements in our workplaces.

FIRST AID

Recognizing that even the safest workplaces can experience accidents and employee health issues, we have developed a robust first aid system. This year, we organized first aid training for 20 additional employees, strategically selecting participants to ensure that a trained individual is always available on-site during working hours. This brings our total number to 46 employees that are trained to provide first aid. This initiative has significantly improved our emergency response times and enhanced the overall safety of our work environment.

The renewed focus on understanding and reporting led to a record-high number of registered hazards, while simultaneously reducing the number of incidents by 78%, of LTIs by 87%, and the number of accidents by 33% compared to 2022.

LTI

All of the aforementioned factors have led Caljan to have the safest year yet. We are committed to creating a work environment where every individual feels secure and protected. One of the critical metrics we use to gauge our safety performance is Lost Time Injuries. LTIs refer to workplace injuries that result in an employee being unable to perform their regular work duties for at least one day following the incident.

In 2023, we made significant strides in reducing LTIs, reflecting our dedication to proactive safety management and continuous improvement. Our approach includes rigorous training programs, comprehensive safety protocols, and a culture that prioritizes prevention over reaction.

We recognize that achieving a zero-injury workplace requires constant vigilance and commitment. Therefore, we have implemented several key initiatives aimed at minimizing the risk of injuries and ensuring that our employees have the knowledge and tools necessary to work safely. This year, we are proud to report the lowest number of LTIs in our company's history, underscoring the effectiveness of our safety measures and the collective effort of our team.

Our Lean Academy and root cause analysis have been instrumental in our preventive measures. We finished the year with 290 continuous days without LTIs and are incredibly glad for everyone's continued safety and proud of our efforts bearing fruit.

Hazards

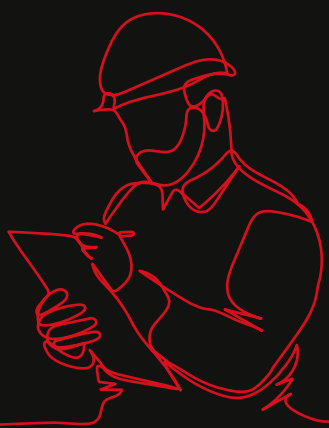
Workplace hazards represent potential risks that could lead to harm or adverse health effects in a work environment. These incidents may not result in immediate injury or illness but highlight situations where accidents could have occurred. Identifying and addressing hazards is crucial for safeguarding employees' safety, preventing accidents, and fostering a healthier workplace environment.

In 2023, our company observed a notable increase in reported hazards compared to previous years. While initially concerning, this uptick reflects a positive trend: our employees have become more vigilant in recognizing potential risks and actively reporting them through Non-Conformance Reports (NCRs). This proactive approach signifies a growing workplace culture where safety is prioritised and every team member plays a vital role in maintaining a secure environment.

The rise in hazard reports in 2023 underscores our commitment to continuous improvement. By encouraging employees to identify and document hazards, we can swiftly address these concerns and implement necessary preventive measures. This not only enhances workplace safety but also minimizes the likelihood of future LTIs and promotes a culture of proactive risk management.

At Caljan, we value the initiative shown by our employees in identifying hazards and submitting NCRs. Their contributions allow us to enhance our facilities, optimize safety protocols, and ensure that every individual can work confidently in a secure environment.

At Caljan, as we continue to improve our employees' understanding of safety procedures and foster a proactive safety culture, speaking the same "language" is crucial.



Safety definitions

HAZZARD

A Proactive Lead measure - An observation of anything with the potential to cause harm, examples could be spillage, loose wires, unsafe work, broken equipment, an unguarded machine, an open drawer, sharp elements, unsafe behaviour, demanding and stressful work, etc.

INCIDENT

Reactive measure - An event, like a Near miss, but an Incident that has caused damage to property or equipment e.g. a forklift truck that runs into a gate, or a drop of equipment from craning.

NEAR MISS

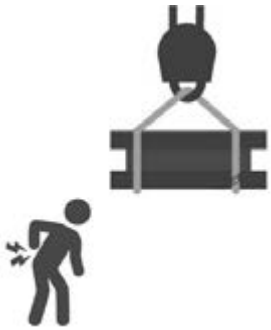
Proactive but lacking measure - An event, not necessarily defined under national laws and regulations, that could have caused harm to persons at work or the public, e.g. a tool that falls from height but does not hit anyone or a forklift truck, that falls over. No damage to property or equipment.

LTI

Reactive measure - An occurrence arising out of, or in the course of, work which results in injury, where absence exceeds 1 day in addition to the day of the incident.

ACCIDENT

Reactive measure - An occurrence arising out of, or in the course of, work which results in an injury, where absence is less than 1 day in addition to the day of the accident.



OCCUPATIONAL DESEASE

Reactive measure - Covers any disease contracted of exposure to hazards arising from a work activity e.g. work-related stress, asthma resulting from exposure to hazardous substances.

Caljan Training Academy

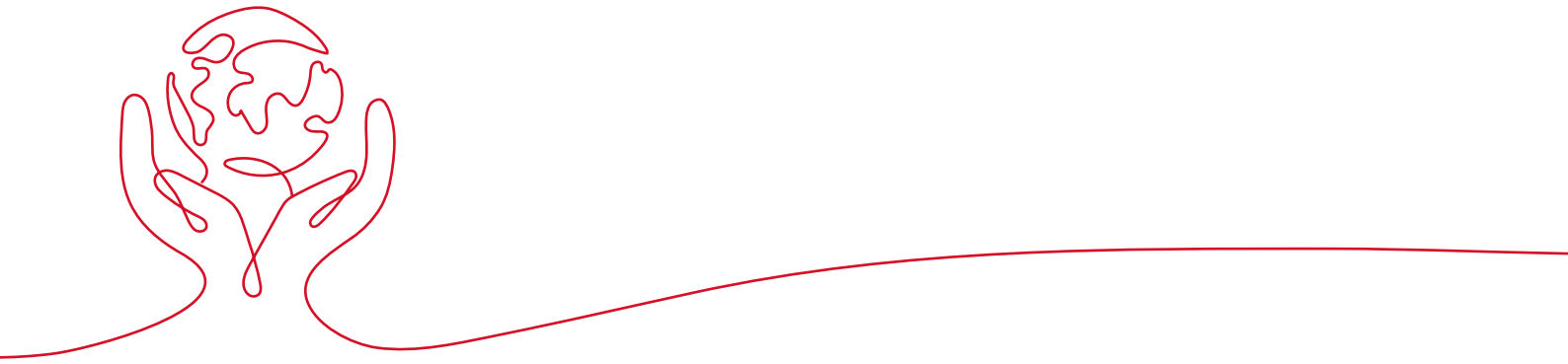
In 2023, we focused on developing the Caljan Training Academy, an initiative designed to foster continuous professional development and enhance the skills of our workforce. This initiative applies to all Caljan employees across our various operating regions and encompasses all aspects of learning and development activities undertaken by the organization.

At Caljan, we are committed to providing ongoing opportunities for learning and development to all employees, regardless of their role or level within the organization. By investing in our employees' growth, we aim to create a culture that values continuous learning, knowledge sharing, and collaboration. Recognizing that individuals have unique learning preferences and career aspirations, the Training Academy offers a diverse range of learning opportunities, including eLearning, group-driven training sessions, apprenticeships, management training, and professional qualifications.

Our online learning platform, the Caljan Training Academy, is a key component of this initiative. It promotes the 70-20-10 learning principle, which emphasizes learning through a combination of on-the-job experiences (70%), interactions with others (20%), and formal training and education (10%). This holistic approach maximizes learning effectiveness, accelerates skill development, and drives organizational performance. Effective management is essential for driving organizational success and employee engagement. Therefore, the Caljan Training Academy offers comprehensive training and development opportunities for managers and supervisors, enhancing leadership skills, communication abilities, and decision-making capabilities.

We uphold ethical principles and promote fairness, equality, and diversity in all aspects of our training initiatives. Throughout 2023, we have been diligently working on implementing the academy and plan to launch it at the beginning of 2024. This reaffirmation of our dedication to the professional growth and success of our workforce supports our strategic objectives and fosters a culture of continuous improvement and excellence across the organization.

GOVERNANCE

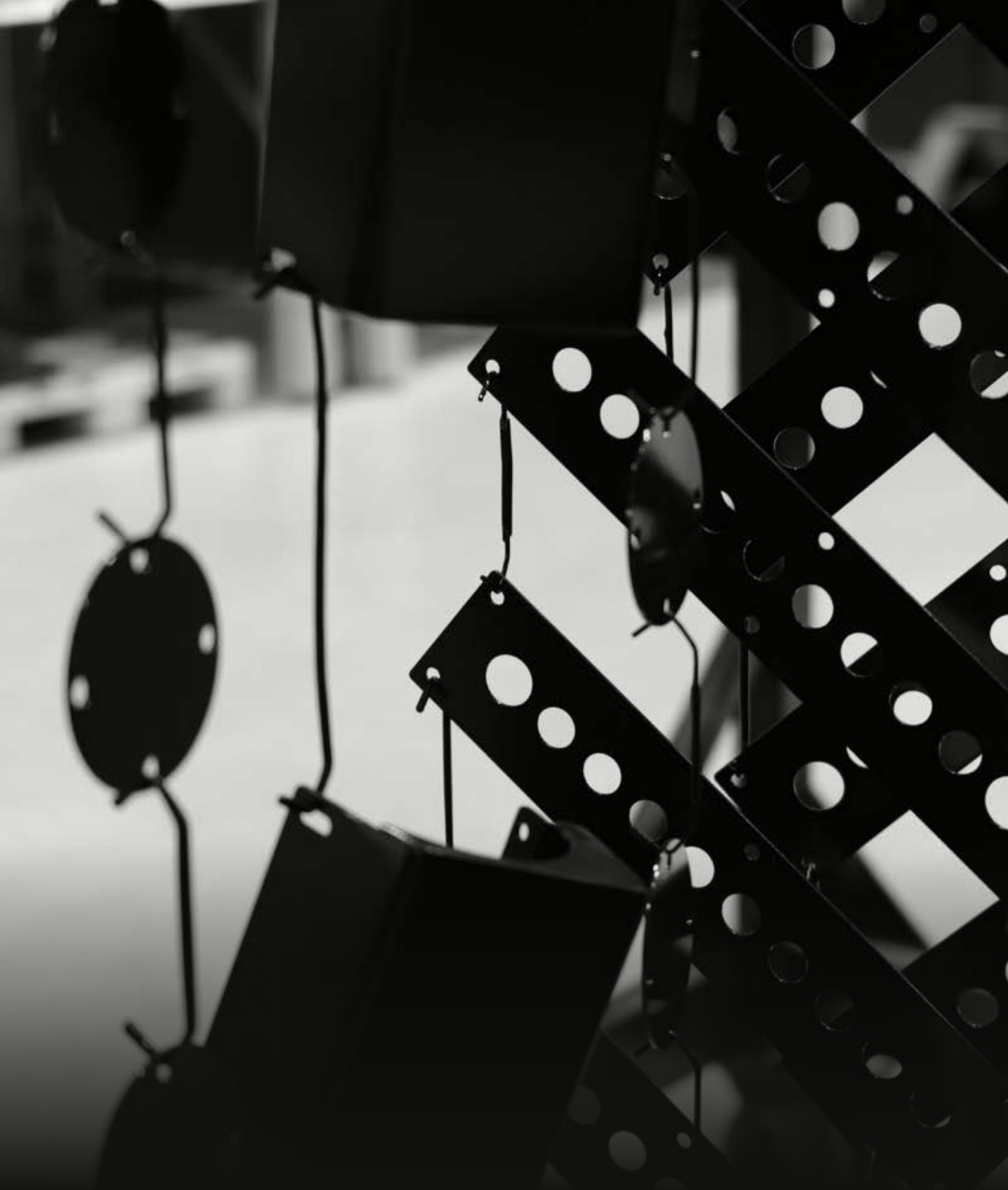


As we reflect on 2023, we at Caljan recognize the pivotal role that governance plays within the ESG framework.

For a company like ours, specializing in the manufacturing of telescopic conveyors, strong governance is not just a regulatory obligation but a fundamental cornerstone of our business strategy and operations. We understand that sound governance is integral to building trust with our stakeholders, fostering transparency, and driving long-term value creation.

This year, we have reaffirmed our commitment to upholding the highest standards of governance across all levels of our organization. By embedding robust governance practices, we aim to enhance our decision-making processes, mitigate risks, and ensure that our operations are aligned with both our ethical standards and the expectations of our customers, investors, and broader society.

As we look ahead, our focus remains on continuous improvement. We are committed to refining our practices, deepening our engagement with stakeholders, and further integrating ESG considerations into our strategic decision-making, ensuring that we meet our goals with integrity and responsibility.



We are confident that we can continue to build a sustainable future for our company, our customers, and the communities in which we operate.

Code of Conduct

In 2023, Caljan maintained its strong commitment to ethical and responsible business practices through our comprehensive Code of Conduct (CoC). This CoC serves as a guiding framework for setting clear standards and expectations for our employees, suppliers, and stakeholders, fostering a culture of integrity, transparency, and accountability.

All employees have been trained in our CoC and ethics policies, ensuring alignment across the organization. By adhering to our CoC, we demonstrate our dedication to sustainability and responsible operations. The CoC addresses various aspects of our operations, including minimizing environmental impact and ensuring compliance with legal and regulatory requirements.

Regular monitoring and enforcement of the CoC help us identify and address potential issues, driving continuous improvement. Our CoC is developed in alignment with the regulatory frameworks of all the countries we operate in, ensuring global applicability. As part of our comprehensive CoC training, we initiated anti-corruption policy training, which has further strengthened our commitment to ethical practices.

Additionally, we have established an Anti-Corruption & Anti-Bribery Policy, mandatory for all employees to read, understand, and adhere to. This policy serves as a firm declaration that Caljan does not tolerate any form of unethical behavior. The internal implementation and adherence to our CoC are meticulously documented within our management

Supplier Code of Conduct

In 2023, Caljan successfully implemented a Supplier Code of Conduct (SCoC) across our supply chain, extending to distributors and agents. The SCoC ensures that our suppliers align with our standards in key areas such as safety, fair pay, reasonable working hours, and carbon footprint reduction.

We began requiring that all contractors and relevant suppliers acknowledge and sign the SCoC, reinforcing our shared commitment to ethical practices. The SCoC aligns with our overall CoC, promoting integrity, transparency, and accountability within our supply chain. Additionally, we have developed a system to efficiently manage both CoC an SCoC to ensure higher data precision and ease of management. This system starts to fully function in 2024, meaning that 2023 data in not up to our future standard, therefore this year we have chosen to omit it.

Moreover, our whistleblowing system encourages employees to report concerns or potential violations, adhering strictly to our CoC and emphasizing non-retaliation. Throughout 2023, no irregularities were reported, affirming the integrity and compliance within our supply chain.

These initiatives collectively demonstrate our dedication to fostering an ethical and responsible business environment, not only within our organization but also throughout our supply chain. By setting clear standards and expectations, promoting sustainability, and providing channels for reporting concerns, we create a culture of transparency and accountability. The successful implementation of the SCoC aligns our supply chain with our core values and strategic objectives, ensuring the highest level of integrity across all aspects of our operations.

Audits

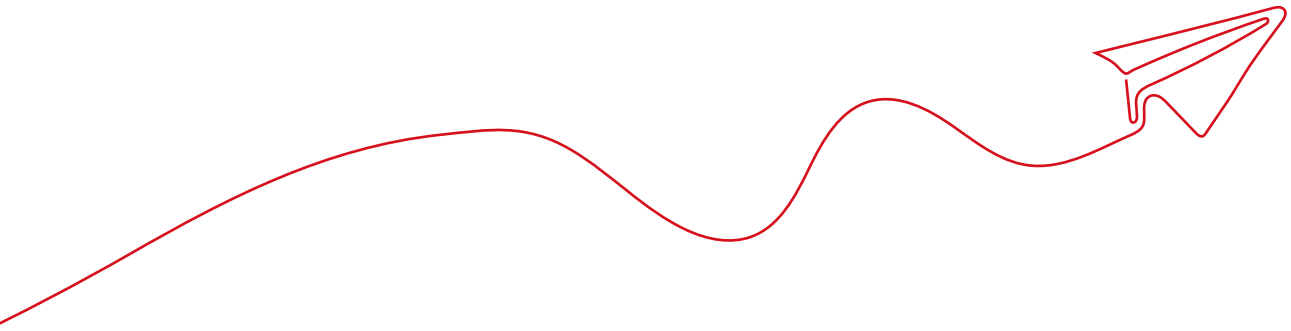
In 2023, we continued our commitment to continuous improvement and operational excellence through a rigorous auditing process. Regular 5S audits are conducted at all workplaces to ensure adherence to established standards and drive sustainable, long-term benefits such as enhanced safety and security, waste elimination, increased efficiency, and the development of a collaborative mindset among co-workers. These audits not only reinforce essential principles but also help identify areas for improvement, fostering a culture of accountability and engagement across the organization.

During each audit, a comprehensive checklist is used to evaluate various aspects of the workplace environment. The results are then shared with the individuals responsible for the audited area, ensuring their engagement and commitment to addressing the identified improvement areas. This collaborative approach ensures that our teams remain aligned with our organizational goals and continuously strive for improvement.

By incorporating 5S audits into our regular operational review process, we aim to maintain high standards of performance, drive continuous improvement, and uphold our commitment to sustainability and operational excellence.

We also conducted internal ISO 9001, ISO 14001 and ISO 50001 audits. These efforts are integral to our mission of fostering a safe, efficient, and collaborative work environment that supports the overall growth and success of Caljan.

THANK YOU



See you in 2024

As we reflect on 2023, Caljan has made meaningful progress in our sustainability initiatives, reinforcing our commitment to ethical practices, continuous learning, and environmental stewardship. This year, we successfully developed the Caljan Training Academy and Lean Academy, made sure 2023 was our safest year yet, and significantly improved our waste management. Additionally, we expanded our objectives to include Waste and Water Management, emphasizing our dedication to responsible resource use.

Our achievements in 2023 highlight our collective efforts and strategic vision. We improved our sustainability practices by reducing hazardous substances in our operations and fostering a culture of continuous improvement through comprehensive training programs. These efforts have not only boosted organizational performance but also reinforced our commitment to ethical standards and environmental responsibility.

LLooking ahead to 2024, we are enthusiastic about several key initiatives that will advance our sustainability journey. We plan to install solar panels at our Latvian location, as well as implement a Building Management System for centralized monitoring, both of which will help us significantly reduce our carbon footprint and support us in renewable energy use. Preparations for compliance with the CSRD and alignment with the SBTi will be a major focus, requiring us to define more comprehensive measurements and indicators for our sustainability performance. These efforts will enhance our transparency and accountability, ensuring that we meet high standards of sustainability reporting.

In addition to these initiatives, we will continue to develop and implement detailed KPIs for our Waste and Water Management objectives. These metrics will enable us to track our progress more effectively and drive further improvements in our environmental impact. Moving forward, our commitment to sustainability will guide our actions and decisions as we work to create a positive impact for our employees, customers, communities, and the planet.

We believe that the initiatives planned for 2024 will build on our successes and help us toward a more sustainable future. Together, we will continue to demonstrate that business success and sustainability can go hand in hand. Thank you for your ongoing support and partnership in this important journey.

DIRECT ENERGY - SCOPE 1	2019	2020	2021	2022	2023
Diesel Oil (tons CO_2)	859,6	294,9	876,9	986,8	1019,7
Propane Gas (LPG) (tons CO_2)	29,3	27,3	15	6,7	3,3
Natural gas for heating (tons CO_2)	227,8	245,2	572,8	615,1	521,6
Unleaded fuel (tons CO_2)	144,8	625,5	85,5	161,5	222,1
Total CO_2 emissions - Scope 1(tons CO_2)	1261,5	1192,9	1550,2	1770,1	1766,7
INDIRECT ENERGY - SCOPE 2					
Electricity (tons CO_2)	267,9	273,2	372,2	235,8	192,5
District heat (tons CO_2)	31,6	28	42,8	30,4	31,7
Oil heating (tons CO_2)	12,5	12,8	9,8	9,2	7,94
Total CO_2 emissions - Scope 2 (tons CO_2)	312,0	314,0	424,8	275,4	232,1
INDIRECT ENERGY - SCOPE 2, RENEWABLE (ZERO CO2 EMISSIONS)					
Electricity (MWh)	72,9	169,7	108,8	1995,8	1954,8
Total CO_2 emissions - Scope 1 & 2 (tons CO_2)	1573,5	1506,9	1975,0	2045,5	1998,8
CO_2 emissions change (%) annually/net sales	n/a	-28,0	-2,5	-22,5	14,2
Energy consumption change (%) annually/net sales	n/a	-26,7	-0,5	-19,0	9,5

Table 1.1: Energy Consumption and related CO2 emissions

Our total CO2 emissions for Scope 1 and 2 were slightly reduced in 2023. Our Scope 1 emissions are were decreased, though not by much, we have recognized this trend and developed a strategy to increasingly reduce our impact moving forward. We are eager to see the effect that the installation of solar panels on our building will have on our energy consumption. As a note, over the past year, we have refined our calculations and obtained more precise data, which has led to slight adjustments in some values from previous years.

ENVIRONMENTAL DATA	UNIT	2022	2023	OBJECTIVES	ACTION (EXPLANATION)
Electricity consumption from non-renewables	MWh	1154	931,7	997	To reach 100% renewables before 2030, we need to reduce our consumption from non-renewable sources with 11% or more each year until 2030. Currently, we are ahead of schedule.
Electricity consumption from renewables	MWh	1995,8	1812,6	1996	
% of renewable electricity from total	%	63	69		100% renewable electricity by 2030. Solar panels to be installed on our biggest production location in 2024 to further this goal.
ISO 14001:2015 certified production sites	Number	0	2	4	ISO 14001:2015 is the standard for Environmental Management.
ISO 50001:2018	Number	0	2	2	ISO 50001:2018 is the standard for Energy Management.
Water consumption	Volume, m^3	5025	4328	4875	Even though we only use water to clean, shower or drink, we are aware that water is a scarce commodity and target an even lower consumption during the coming years.

Table 2.1: Key Figures Environment

Electricity consumption from non-renewable sources has been steadily decreasing as we transition as many of our locations as possible to renewable electricity, while carefully monitoring our overall usage. In 2023, two of our sites achieved ISO 50001 certification, reaching our near-term goal for 2025.

These same two sites also obtained ISO 14001 certification, marking the halfway point toward our goal of certifying four sites by 2025. Our water consumption has seen a notable decline, and we are actively exploring ways to reduce it further and set more ambitious long-term water management policies.

SOCIAL DATA	UNIT	2021	2022	2023	OBJECTIVES 2025	ACTION (EXPLANATION)
Number of employees	Number	627	656	618	-	Number of full-time employees in Caljan as per 31st of December.
Number of accidents resulting in lost time injury (LTI)	Number	11	16	1	Vision Zero	Number of accidents with >1 day's sick leave/absence from work.
Frequency rate from LTI	Frequency rate	9,53	13,3	0,9	<5	Number of new cases/hours worked*1,000,000.
Severity rate of LTI	Severity Rate	235,49	136,1	7,9	<100	Calculated by dividing total days of absence due to injury with total hours worked in the period*1.000.000.
Gender ratio of 40:60 in leadership positions	Number female : Number male	10,8% / 89,2%	11,5% / 88,5%	17,3% / 82.7%	>20% / <80%	A leadership position is defined by having one or more employees reporting to you. Our goal is to reach 40:60 by 2030.
Near misses	Number	32	43	30	<40	Incidents that had the potential to cause injury, damage, or become an environmental issue.
Hazard observations	Number	17	95	193	>100	
Whistleblower cases, discrimination, child labour, forced labour or human trafficking.	Number	0	0	0	0	
Education for office employees	Average hours per employee	No data	No data	No data	Data to be established	
Education for technical employees	Average hours per employee	No data	No data	No data	Data to be established	

Table 2.2: Key Figures Social

In 2023 both our number of accidents resulting in LTI as well as the frequency rate of LTI have significantly decreased, so has the severity rate. This is due to our continued efforts to improve safety measures and consistent training and safety measures. As a part of this training, our employees are now a lot better equipped to spot and report hazards, increasing their number more than double compared to last year and nearly tenfold since 2021. this proactive approach helps us avoid accidents before they happen. We are also moving towards meeting our gender ratio goal. This year we have been working to provide employee education data for 2024.

GOVERNANCE DATA	UNIT	2021	2022	2023	OBJECTIVES 2025	ACTION (EXPLANATION)
Code of Conduct	Number, %	226,95	100	n/a	100	Our Code of Conduct is available for all employees to read in our integrated management system. Employees with external interactions are required to read, understand, and sign it.
Supplier Code of Conduct	Number, %	n/a	n/a	n/a	100% of A and B suppliers have signed the SCoC	By having our suppliers sign our SCoC, we ensure they commit to Caljan and customers' requirements.
Anti-corruption training	Number, %	226,95%	100%	n/a	100%	Required every two years for all employees in management, sales and purchasing positions.

Table 2.3: Key Figures Governance

As with employee training, in 2023 we also worked diligently to implement consistent method for efficiently managing our CoC, SCoC and anti-corruption training. Due to the changes we made going forward, and 2023 data not being up to our future standard, this year we have chosen to omit it and be transparent about it. However, we are looking forward to detailed reports in 2024.

EMPLOYEES	2019	2020	2021	2022	2023
Men	415	435	535	551	526
Women	53	70	92	105	92
Total	468	505	627	656	618

Table 3.1: Total employee gender distribution

In 2023 our total number on employees decreased and so did the percentage of women working at Caljan, marking a decrease of 1%.

LEADERS	2019	2020	2021	2022	2023
Men	54	62	74	69	68
Women	4	6	9	9	13
Total	58	68	83	78	81

Table 3.2: Management gender distribution

While our total number of leaders saw a slight decrease, the percentage of female leaders saw an increase from 11.5% in 2022 to 16% in 2023.

TECHNICAL EMPLOYEES	2019	2020	2021	2022	2023
Men	281	296	376	360	348
Women	7	11	14	18	20
Total	288	307	390	378	368

Table 3.3: Technical employee gender distribution

This year the percentage of female technical employees has slightly increased, from 4,8% in 2022 to 5,4% in 2023. This is due to a combination of both a slight increase in the number of women working as technical employees, as well as decrease in the number of men employed as such.

OFFICE EMPLOYEES	2019	2020	2021	2022	2023
Men	134	139	159	191	178
Women	46	59	78	87	72
Total	180	198	237	278	250

Table 3.4: Office employee gender distribution

The percentage of women among office employees decreased from 31,3% in 2022 to 28.8% in 2023.

* Currently none of Caljan employees have identified themselves as any other gender identities, therefore we only list men and women.