



Sustainability report 2021

Roxtec International AB



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The sustainability report concerns Roxtec International AB

Roxtec International AB is the head office in a global group consisting of 28 companies around the world. Roxtec International AB is a subsidiary of the mother company Roxtec AB and operates in Sweden.

In this report, the name Roxtec is used, and it concerns Roxtec International AB if nothing else is stated in the text. Roxtec has applied internal company routines and guidelines for presenting non-financial results.

The report is for the business year 2021-01-01 – 2021-12-31 and is Roxtec International AB's fourth sustainability report.

This sustainability report is inspired by the Global Reporting Initiatives (GRI) guidelines, GRI standards.

Sustainability initiatives in brief

Greener transportation

Since 2021 we choose sustainable marine fuels for our ocean freights from Sweden for the replenishment of our warehouses in Singapore and Shanghai. Fuels made of reused cooking oils and forest residues enable a reduction of 90 percent of the carbon dioxide emissions in comparison to fossil fuels. Page 26 →



Silver medal from EcoVadis 2021

EcoVadis awarded us a silver ranking in their first assessment of the Roxtec sustainability work. Their thorough assessment will initiate improvements which will lead to even smarter and safer processes, a better working environment and reduced environmental impact. Page 20 →



Digitalization in many ways

We digitalize for safety and sustainability. Two new digital tools, Roxtec Transit Build™ and Roxtec Transit Operate™, contribute to increase the quality of the installations of our transits and enable systematized maintenance to ensure performance. It adds a systematic approach to the work with our seals and helps customers in their long-term safety and environmental work. Page 21 →



Help to self-help

We continue to sponsor Village Uplift Programs. This time, the non-profit organization Hand in Hand is focusing on supporting women and creating jobs in the village of Mogra Kalan in the Jodhpur district in Rajasthan, India. The project will continue until 2023. Page 23 →

Recycling of materials

We have during the year streamlined our energy and material use and continued to optimize processes to reduce the occurrence of rubber waste. We have further reduced the grinding dust waste and started to separate different kinds of rubber waste to reduce the share that ends up as landfill. Page 28 →

Our seals are truly beneficial

Our safety products are used in a wide variety of demanding industries. Our most important contribution to a sustainable development of the society is an efficient protection of life and assets. We also work with several projects that are vital for a transition towards a sustainable future, for example wind power and solar energy projects and initiatives within energy storage, green hydrogen, and reinforcement of the electricity grids. Page 6 →



Developing the lifecycle analysis

In 2021, we started to map the climate impact of the entire global business of Roxtec via the creation of a life-cycle analysis (LCA) according to the Greenhouse Gas Protocol. The objective is to create a roadmap to reduce our carbon dioxide impact and achieve climate neutrality. Page 25 →



The road to the sustainability goals

During 2021, we have begun a global work aiming to break down our group's three general sustainability goals into action plans. Roxtec's sustainability goals state that the employees shall know how to act for a sustainable society no later than 2023, that Roxtec shall have sustainable supply chains, operations, and products in a circular economy no later than 2030 and that the group shall reduce its carbon dioxide footprint by using renewable energy no later than 2030. Page 10 →



Roxtec – a growth company within sealing technology

Roxtec is world leader in modular-based cable and pipe transits. Our flexible sealing system is used all over the world to protect life and assets.

Roxtec has since the start in 1990 been a growth company and we continue to see great opportunities worldwide. Growth is in our business strategy, so we operate by continuously developing customer relations on new and existing markets. Good profitability gives us the opportunity to invest in more employees, new technologies and the processing of new markets which in its turn paves the way for continued sales growth. This balance between sales growth, profitability and new investments is the foundation of our development

efforts and ensures a long-term and sustainable development. Our broad geographical and industrial spread enables us to have a reliable built-in structure for managing for example slowdowns in specific countries or industries. If one market goes down, we have resources and ability to focus on new growth opportunities.

Innovative solutions

The goal of Roxtec is to make the world a safer place. Therefore, we offer a long-term partnership for safety and operational reliability. Owners, designers, and installers in a wide range of industries and projects rely on us throughout the lifecycle of their investments. Our specialized designers, engineers and test technicians often create transits that withstand unexpected challenges or tailor completely new sealing solutions.

Testing, research, and development

Roxtec has extensive resources for research and development, such as a material development laboratory and fire and test laboratories where tests are often witnessed by third parties. We also work together with our customers and suppliers to develop, test, and improve solutions. The close cooperation with customers creates excellent opportunities for continuous development – and for conquering new industries and markets.

Protecting against multiple risks

Our complete cable and pipe penetration seals are used in walls, floors, roofs, bulkheads, decks, cabinets, enclosures, and technical equipment on land, at sea and underground. They provide proven protection against for example fire, smoke, gas, water, dust, sand, pests, vibration, noise, electromagnetic interference, and the risk of explosion. They handle potentially explosive environments, corrosion and temperature changes and offer powerful solutions for bonding and

grounding. The seals are certified by several international authorities and tested to international and national standards. Visit roxtec.com to see this clearly presented.

Smart and efficient system

The cable and pipe transits also simplify planning and design, streamline installation work, and reduce the need for stock, materials, and logistics. The sealing system is designed to help users handle surprises in the field regarding the size and number of cables and pipes. It allows for installation of pre-terminated cables and provides built-in spare capacity for upgrades and future needs. These features contribute to increased competitiveness and good sustainability also in the long run as the products have a very long lifetime. Besides this, we offer several smart online tools and additional services.

The base of the system is as simple as it is ingenious. The frame is attached to the structure, and then Roxtec adaptable sealing modules are placed around the cables and pipes before the system is sealed with a compression unit.

Roxtec Multidiameter™



Roxtec Multidiameter™ is an invention for flexibility based on removable layers.



It makes the mechanical system adaptable to cables and pipes of different sizes.



A few components provide a strong and reliable barrier ensuring operational performance.



Roxtec Core Values

Roxtec Core Values were set around 30 years ago and still function as a guideline for our entire business.

The core values were born during the open discussions that went on the first year of Roxtec regarding how we were to create commitment and participation and make everyone strive for continuous improvement.

They became the cement of our unity and encourage us to always focus on the customer experience and remind us about each and everyone's importance for total picture.

To ensure global availability, Roxtec Core Values only exist in the group's business language English.

"Without this down-to-earth philosophy and guiding rule, we would not have been able to build our unique brand. As long as we live as we teach, we make a difference for our customers."

Jens Andersson, Technical & Commercial Support Manager, Roxtec

1 Market Creators

Better to "own" a market than a factory.

We shall focus our resources on increasing the use of our solutions in the market. For this reason we manufacture the unique parts of the product in-house; the rest is placed with a few selected co-producers. This gives us the flexibility we need and lets us concentrate on developing the market.

5 Flexible

Fast and flexible.

It must always be simple and convenient for our customers and co-producers to work with Roxtec. That is why the pace is high in everything we do.

2 Satisfaction

Make each customer feel special.

Our flexible and innovative solutions respond to general as well as specific customer needs in many segments. In case of particular requirements, we have extensive experience in providing customized solutions based on our core technology. Our products, our market presence and our high level of availability ensure safety and efficiency and make each customer feel special.

6 Profitable

Save money for the customer.

The products, the way we work and the co-producers we cooperate with make it worthwhile for everybody to choose Roxtec. Our solutions for planning, logistics, installation and maintenance should always save time, add value and increase profitability for the customer.

3 Trust

Face the customer openly.

We deliver quality products and service. We must know our line of business better than others to be able to assist the customer with quick, straight and correct answers. We must also be able to rely on each other within the organization for backup knowledge.

7 Simplicity

Simplicity is our motto.

We are straightforward and uncomplicated in our relations. We are always there to assist. Simplicity helps us keep up the speed.

4 Globally local

The world is our market.

We are a global company with a strong local presence. Our local and global network guarantees prompt service. Our global brand is supported by our local companies.

Sustainability goals and strategies for the future

Roxtec has during 2020 and 2021 established three long-term sustainability goals and analyzed sustainability aspects when making the strategic business plan.



Corporate governance

Roxtec has a clear vision and a mission that contribute to the focused efforts for spreading solutions for safety and security across the world. The work in the group is also managed by clearly expressed common values and a will to take responsibility for human rights as well as long-term sustainability.

We Seal Your World™ – this vision is the officially recognized guiding star and the aim of our business since many years. It helps us conquer new segments and geographical markets and reminds us to focus on customer needs.

Protecting life and assets is the mission stating that we exist for global safety reasons. The mission tells the world what we really do.

The sustainability work is managed by the top management and appointed project managers who engage employees in activities leading to set goals. Management and project managers meet four times a year for analysis, governance, and decisions. Analyses of the surrounding world and risk as well as materiality aspects within environment, social issues and corporate governance are considered all together and prioritized also in the yearly strategy work of the management and business areas.

The materiality analysis for both us and other stakeholders shows continued high global prioritization of the climate through reduced use of fossil fuels. Our business will further develop the business model within the framework of circular economy. Health and safety as well as business ethics are prioritized in the daily operations in accordance with the Roxtec Code of Conduct.

The Roxtec sustainability goals state that:

- Employees shall be educated in and know how to act for a sustainable society no later than 2023.
- Roxtec shall have sustainable supply chains, operations, and products in a circular economy no later than 2030.
- The group shall reduce its carbon dioxide climate footprint by using renewable energy and fuels no later than 2030.

An active global work consisting of breaking down the group's general sustainability goals for the climate and a circular economy into action plans has begun in 2021 and will be presented in this and upcoming sustainability reports.

See activities and results in the section *"Facts and figures"*.



Protecting life and assets

There are many ways to develop a business to achieve increased sustainability. Decisions in that direction can sometimes be hard to make. It is therefore a pleasure to realize that Roxtec during the year has taken further exciting steps towards our mission of protecting life and assets.

We have been working with the organization, processes, and structure. We have appointed leading persons within environment, social sustainability, and corporate governance. We have found forms for meetings, set ambition levels, and started to measure current values. It has led to results, mainly within the development of a circular economy for production materials. Most important, however, is probably that our global organization has stated that "we want to contribute".

We are convinced that climate and environment are to be natural parts of our business strategies and therefore it felt natural to start this year's strategy process with a view into the future on this specific matter. Our origins, our business idea and our core values remain the same. We have, on the other hand, started to question a lot of other things, for example material selection and logistics solutions. In the dialogue with our customers, common ideas concerning sustainability suddenly reach the top of the agenda and unite us in our long-term cooperation.

We asked EcoVadis to review and assess our sustainability work and the positive result gave us both energy and inspiration for wanting to do more and

becoming better. The last year has been colored by the spreading of the pandemic around the world and sensitive supply chains have been questioned. Traveling, which has been seen a necessity for business life, almost stopped and we had to find new ways to communicate with our global organization and with our customers.

We still have many steps to take. We will do even more to help our customers as they strive to prevent accidents, fire, flooding, and failures. We will become even better when it comes to reducing our environmental impact by taking care of our waste and reduce our carbon dioxide footprint. We will continue to support sports associations, international charity organizations and environmental projects.

Businesswise, we have set clear goals for the coming years, and our employees have confirmed their will to raise the bar. Good results in employee surveys, an investment-oriented owner and strong demand make us dare believe in the future. That is how we together continue to protect life and assets.

Magnus Holmberg, CEO, Roxtec

Voices from Roxtec the Roxtec world



“Our sustainability work must be measurable”

“Large organizations now build integrated solutions for environment, social responsibility and corporate governance which require us to redesign our innovation process and our way of meeting the market. To maintain sustainable growth, we must develop new business models and new ways of developing products. It helps us manage the market transition and to make the right decisions for future business based on principles of sustainability and technology. Our process must highlight efficient sustainability initiatives such as selection of raw materials, creation of sustainable designs and reuse of materials. The Roxtec sustainability work shall therefore cover everything from water and the carbon dioxide footprint to the product lifecycle and environmental rights – and be measurable. Also, we need to include lifecycle analyses and environmental product declarations which in their turn help our customers do the right thing.”

Marcelo Campos, Business Development Manager, Roxtec Americas

“We will travel half as much”

“We work on marketing and selling our solutions for applications and to customers where they contribute to the environment in a positive manner. It can be reduced energy use, reduced emissions of toxic substances or that they provide protection for people and equipment. I believe our international travel in the region will decrease by 50 %.

When it comes to the global perspective, the current imbalance within transportation and the lack of materials will probably have an effect in terms of increasing air freights to Asia.”

Jörgen Martinsson Thelin, Regional Director, Roxtec Asia



“We can stand out by focusing on CSR”

“Our first experience in CSR (Corporate Social Responsibility) was with an important customer within naval vessels who assessed its key suppliers to several KPIs, for example CSR and whether the assessment had been conducted by a recognized third party, such as EcoVadis. When we received similar requests from other large customers with whom we have had agreements for a long time or have a strong partnership with, we understood that this type of requirements will – step by step – be important for our customers and that they must be properly documented if we are to remain a reliable partner. We were thereby completely convinced that Roxtec should focus more on CSR. It can also give us a possibility to stand out in the competition.”

Fabrice Sautiere, Managing Director, Roxtec France





Continuous challenges during the pandemic

Roxtec has during the year continued to respond to the pandemic through an active approach. A crisis management organization has been constantly activated to be able to act and make decisions according to rapidly changing conditions.

Being a global organization, our group has had to work with completely different conditions as Covid-19 has been spreading in waves across the world and the situation has been different from country to country. Through communication and adapted activities, we have been able to handle the challenges in a good way. We have kept the business going and delivered to our customers despite problems in terms of lockdowns, lack of materials, price increases, and logistics challenges.

The Roxtec group has continued to develop and use digital processes and meeting platforms and we have also during 2021 restricted our international travel. The travel reduction has been within external activities in the form of customer meetings or educations as well as for internal activities and company specific educations. We have during the year been handling a range of recommendations and restrictions that have put high demands on the organization. Creating possibilities for our employees to work from home has, depending on nation, been a recommendation or a

requirement, and we have in a successful way developed and adapted both processes and technology to be able to respond to the expectations. We have, from time to time during the year, had an increased sick leave within the production, but we have nevertheless managed to secure growth and maintain a high service level towards our customers. It has also been necessary to take special safety measures to protect employees within for example production and warehouse who must be on site to keep the business running.

With the objective of being a good employer and a professional partner also in the future, we continue to develop our way of working to reduce our climate footprint. We have during the pandemic been forced to reduce our travel. This has taught us to see more opportunities to further reduce travel but without deceiving our core values which clearly express the importance of being a global company with a strong local presence.

We work resolutely to ensure that we and our suppliers take care of the resources of the earth and increase an efficient use of raw materials, energy, and water.





We contribute to a sustainable society

Our sealing solutions are tested and certified safety products that are used in a wide range of demanding industries and challenging projects.

Our greatest contribution to an economically, socially, and environmentally sustainable development of the society is this efficient protection of life and assets.

Transition of the energy sector

We work with several industries that play a significant role in the transition towards a sustainable future. Within the energy sector, for example, we work with large wind power and solar energy projects all over the world, and when they are completed the amount of renewable energy will increase. The high quality of our solutions contributes to fewer disruptions and thereby a higher degree of operation, and finally to more green electricity reaching the market.

We are involved in the electrification of the society and participate in several projects concerning energy storage, green hydrogen, and reinforcement of the



electricity grids, which are all important for the change into a carbon dioxide-free energy sector.

Within process industries, we focus on the largest oil and gas projects in the world to make them safer. Every year, there are hundreds of fires and explosions in this type of industries, which often lead to loss of human life and extensive pollution. Our tailor-made sealing solutions are used to prevent accidents and create a safer and cleaner working environment.

More efficient infrastructure

Our certified transits are also beneficial within a range of sectors such as civil construction, railways, data centers, telecoms, and machine manufacturing as well as in facilities for water purification and bio sciences. Data centers and server halls house for example critical communication infrastructure that must be protected against fire and water. By assisting with smart sealing solutions, we can guarantee safety and efficiency during the construction phase and further on during the entire lifecycle of the facility. Our air-tight seals also provide excellent conditions

for a sustainable use of the air-conditioning and cooling systems. Within water management, the seals are used in corrosive environments and prevent leakage of polluted water, sulfuric gases, and aggressive steam. Within bio sciences, they secure safe operation by sealing against leakage and contamination in laboratories, cleanrooms, and closed bio-safety facilities.



Safety and security at sea

Roxtec safety products also protect life and assets within shipbuilding, shipping and extraction of oil and gas around the world. Our sealing solutions for cables and pipes are then mostly installed in watertight bulkheads protecting primarily against fire, water, gas, and smoke. From a sustainability perspective, our products strongly contribute to extending the lifetime of ships and other offshore facilities and thereby reduce the total use of resources in the society.

Roxtec Services AB is a company within the group offering inspection of installed cable and pipe transits, especially within shipbuilding. It was established in 2015 after an insight revealing that the quality of the installation work at the shipyards varied.

Within maritime and offshore industries, there is at the same time a continuous ongoing work to increase safety and protect the environment. The work is initiated by IMO, International Maritime Organization, a UN organ responsible for safety and for the prevention of pollution from vessels and platforms.

IACS, International Association of Classification Societies, a cluster of maritime classification societies and the technical advisor of IMO, has completed their regulations with mandatory inspection of watertight cable seals in new constructions and then every five years. Therefore, Roxtec Services develop a global organization to conduct the inspections according to the new rules.

Certified protection

The Roxtec system provides protection against:



Fire

Secure certified fire protection.
Prevent smoke from spreading.



Gas

Guarantee full sealing against air and gas pressure.



Water

Avoid water ingress.
Prevent humidity, flooding, and corrosion.



Pressure

Protect against catastrophic pressure and constant pressure.



Electricity related danger

Protect against EMI, EMP and the effects of lightning strikes.



Particles

Take control of dirt, dust, chemicals, and fumigants.

Pests

Prevent snakes, insects, and other rodents.

Blast load

Protect against vibration, shockwaves, and the risk of explosion.



Silver medal from EcoVadis

EcoVadis analyzes and evaluates the sustainability work of companies. They awarded us a silver ranking in their assessment of us in 2021. We are proud, but not satisfied, and we are now aiming for gold.

The Roxtec mission "Protecting life and assets" – to make the world a safer place by providing protection – does not only include our modular-based cable and pipe transits. It also concerns our entire business. EcoVadis, which is an international and independent ranking organization, helps us assess our ability to deliver from a sustainability perspective.

In 2021, we sent, for the very first time, our information to EcoVadis in order to be assessed within the four areas of environment, ethics, labor and human rights and sustainable procurement.

We were awarded the silver ranking with an average score of 62 points, but we strive for reaching gold ranking. The thorough assessment of EcoVadis will initiate improvements so that our continued cooperation with customers and suppliers can result in even smarter and safer processes, a better working environment and reduced environmental impact.





Digital solutions for quality and availability

We digitalize for increased safety and long-term sustainability. Among other things, we make it easier for designers, installers, and owners to handle and share important documentation with each other.

During the year, we have launched two new digital tools, Roxtec Transit Build™ and Roxtec Transit Operate™. They form the Roxtec Software Suite™ together with Roxtec Transit Designer™. This software suite makes it possible to follow a transit from early design and drawing, through the construction phase and then for many years during its lifecycle. Documentation created in the early design stage can easily be inherited by the other programs in the suite. Roxtec Transit Build™ helps production and quality personnel to efficiently secure that every step of the new-build process is conducted and documented with the proper quality and information. The tool also contains all documentation that installers need

to be able to perform their work in a quality assured manner. Roxtec Transit Operate™ is a corresponding tool for owners and operators in the operations and maintenance phase. Roxtec Transit Build™ contributes to increase installation quality, and through systemized maintenance in Roxtec Transit Operate™, owners can secure the system performance and maintain the integrity in case of an incident. This way of gathering documentation and protocols enables a systematic approach in the work with our safety products. It helps customers in their long-term safety work and contributes to minimizing risk for people, assets, and environment. We build the software on Google Cloud Platform, a supplier that is completely climate neutral.

Increasing access to e-commerce

The Roxtec e-commerce is completely integrated with roxtec.com. The service offers visitors on the website the opportunity to see price and availability for products and to place orders. At check-out, they are offered payment and freight options out of the best local assortment. In this way, the deliveries are optimized for each customer in their respective country. There is also a functionality for placing a selected seal in the shopping cart directly from the design tool Roxtec Transit Designer™.

We implement the e-commerce country by country and today the service includes twelve subsidiaries: Sweden, Denmark, Finland, Norway, France, Italy, Australia, Great Britain, Spain, United Arab Emirates, Saudi Arabia, and Germany. Through them, we also manage e-commerce in New Zealand, Ireland, Portugal, Austria, and Switzerland. The aim is to continue to implement it for five more subsidiaries in 2022. We will also improve the registration flow and raise the data quality by database search and duplication control. The development of our digital offer provides a service with extended possibilities for self-service.

The aim of the Roxtec e-commerce is:

- Customer experience – to offer a highly accessible communication channel
- Customer focus – to optimize time for customers and the sales organization
- Digitalization – to meet the customers' increasing demand for e-commerce and ways to interact digitally with Roxtec

BIM objects for 3D modeling

To offer a high service level and meet the increasing demand, but also to contribute to increased sustainability in the construction industry, we also provide BIM objects (Building Information Modeling) for our most frequently used products. BIM enables the creation of digital models of entire buildings and facilities and simplifies the development of cost-efficient and safe ways of working. An increased digitalization is an important tool for the construction industry in the strive for reducing climate impact. Roxtec BIM objects are available for downloading on our website.





Social responsibility in cooperation with Hand in Hand

Roxtec is sponsoring a Village Uplift Program for the third time. This time, the non-profit organization Hand in Hand is focusing on supporting women and creating jobs in the village of Mogra Kalan in the Jodhpur district in Rajasthan, India. The project will continue until 2023.

The village consists of 711 households and has a population of 4 049 persons. They live on agriculture and breeding and caring of animals. The weather conditions, however, do not allow agriculture to be a full-year occupation. The extensive poverty often forces children to work instead of going to school. The village needs support to empower women and create work as well as assistance within education and healthcare.

Efficient Self-Help Groups

We want to help Hand in Hand help villagers fight poverty and contribute to a sustainable development. Among the arrangements are initiatives to create and educate Self-Help Groups for women. It will lead to cooperation for savings and business development followed by increased knowledge and better income.

The Hand in Hand Village Uplift Program is for example focusing on:

- Self-Help Groups and skills training
- Micro-loans for female entrepreneurs
- Elimination of child labor and increased school attendance
- Education in civil rights
- Education in health, hygiene, and sustainability

Roxtec has sponsored three villages in India:

2021-2023 Mogra Kalan

2018-2020 Bhilai

2015-2017 Kurumbapatty

Our products are used in a wide range of projects within wind power and solar energy. One of our own general sustainability goals is to only use energy from renewable sources.



Mapping and climate impact calculation

Climate change is a very important challenge and everyone's common and prioritized responsibility. A negative development of the climate with raised temperature levels means a huge risk for nature and humanity, and of course also for the continued global business of Roxtec.

Considered risks do not only include how Roxtec impacts climate changes but also how climate change affects our operations. When the climate is changing due to increasing temperature, powerful storms, heavy rainfalls, fire, drought, and heat waves are expected across the world. Such events could affect delivery of raw materials, the production capacity of manufacturing units and our global cargo transports.

In our previous sustainability reports we have presented carbon dioxide calculations for the Swedish operations, but we are planning on reporting global calculations for the entire group as from 2022. Since this work is ongoing, we do not report any climate affecting emission data for 2021.

Decision on renewables

After risk analyses regarding Roxtec's climate impact, the management set a concrete, long-term goal in 2020 aiming to reduce the operations' climate impact due to the use of fossil fuels in goods transportation and business travel, heating, and energy use. In 2025, all energy used within our production facilities shall come from renewable energy sources.

Creation of lifecycle analysis

During 2021, we started a work on mapping climate impact for Roxtec group's entire global business through the creation of a lifecycle analysis (LCA) according to Greenhouse Gas Protocol (GHG) for scope 1, 2 and 3. The work is performed in cooperation with Svenska Miljöinstitutet IVL and is expected to be finalized during 2022. The goal is to create a roadmap to reduce our carbon dioxide impact in several different ways, such as research projects, investments, and activities in our entire global organization. With the result of this mapping, we will be able to conclude what we need to change and

do to achieve climate neutrality. In the sustainability report for 2022, we will describe extent and calculation methods, results of our ongoing action plan and our plan going forward.

Investment in environmental product declaration

To better understand how to make our products more sustainable, we will during 2022 evaluate the process for an EPD (Environmental Product Declaration) and the business value for a specific product. We work together with Svenska Miljöinstitutet IVL to make an EPD that corresponds to the standard ISO 14025 and product category regulations (PCR). An EPD is the base for a fair comparison of products and their environmental performance.



Greener transports and less travel

We take actions for cleaner ocean freight alternatives, plan our stock-keeping to optimize the transport operations and use new technology to reduce travel.

Goods transport is one of Roxtec's most significant negative climate posts due to the use of fossil fuels. Since October 2021, we reduce our environmental impact by paying an additional fee for sustainable marine fuels for our stock replenishment shipments by sea from Sweden to Singapore and Shanghai.

By selecting fuels produced from reused cooking oils and forest residues we enable a 90-percent reduction of carbon dioxide emissions compared to transportation with conventional fossil fuels. During the fourth quarter of 2021, this initiative contributed to reducing our climate impact by 12,46 tons CO₂e. The more who pay extra for sustainable fuels, the more the availability will increase and speed up the transition.

Our strategic planning and location of warehouses in Europe, Americas and Asia enable, together with a certain local production and stock optimization, a

reduced number of transports. We can use a larger share of climate-friendly transports by sea instead of by air.

Minimizing travel

Already prior to the pandemic, Roxtec implemented new tools to support cooperation. A completely new platform for chatting, file sharing, telephony and video communication was deployed during the spring and summer of 2019, and it became necessary for the business during the pandemic. We have ever since continued to develop this type of tools and implemented significantly improved internal conference options. Nowadays, we have meetings with customers, webinars, conferences, and trainings via the new platforms. It does not only streamline our business, but also promotes reduced travel in the long run and thereby a reduced climate footprint.





Initiatives for a circular economy

Our sustainability work concerns everything from product development and material recycling to the work environment within production and logistics.

During the year, we have conducted surveys and started several product development initiatives to bring forward products with less or lighter materials and that are more adapted to specific applications and performance requirements. In certain cases, our solution has been bigger or heavier than necessary and that is an issue we try to solve. We have also made certain changes that will give immediate effect. Previously, we let Allen keys accompany certain products. By not doing that anymore we avoid sending out 250,000 such tools a year, tools that would have been thrown away after use.

Roxtec has continued to engage in different types of projects primarily aiming to reuse waste materials from the production in an external context, that is in a product that has not been produced by us. Some examples are TPE pellets, Pool liner and 3D Printing materials. The most significant success within the area has been achieved by using waste materials to manufacture TPE pellets.

Within product development, we have started to set up tools to be able to trace the carbon dioxide footprint directly in the respective 3D CAD file in the future. Furthermore, we are engaged in a sustainability project financed by Vinnova* together with Blekinge and Chalmers technical institutes.



CHALMERS

* The Swedish innovation authority

Working environment initiatives

We have during the years made further efforts for improving the working environment within production and logistics. We have also streamlined within energy use and material use and taken measures to minimize rubber waste from the production, everything in line with our sustainability goals.

The Roxtec group has production sites around the world, but the main manufacturing is conducted in four producing departments on Verkö in Karlskrona. The production includes everything from highly automatized machines for large volumes to manual assembly with varying volumes.

The real estate department, which is responsible for service, maintenance and reconstruction, additional construction and new-builds on Verkö, has during 2021 installed a new system which controls and monitors all ventilation and cooling machines. In addition, a production department has been equipped with new ventilation to improve the work environment and reduce emissions and energy use. The real estate department will in 2022 extend its resources and broaden its competence within sustainability work and risk analysis.

Substantial improvements

During the year, we have conducted risk analyses and about 50 projects to improve the working environment within production, stock, and logistics. We have, for example, insulated against noise and moved machines and other equipment to create better space and working environment, improved working stations with height-adjustable tables, automatized machine feeding, marked out forklift charging stations and adopted a new method for jointing materials. We have invested in a new packing station that improves the work environment and enables more direct deliveries, which shortens transports and reduces the need for packaging materials, plastic straps, and tape. We continuously work on minimizing our printing and started in 2021 to use digital signatures and stamps.





Continuous risk analysis work

Safety is number one for Roxtec – regardless of if it is about delivering certified products to protect life and assets or if it is about the safety of our employees. Therefore, it is comforting that the methodology we have introduced in all our production environments, the Green Cross, provides great results. The methodology means that we evaluate incidents and potential risks daily.

Out of a risk perspective, we have during the year been actively working with measures against Covid-19. Besides this, forklift related accidents are the most commonly occurring at Roxtec.

We have warehouses and regional distribution centers around the world beside our large warehouse and distribution center in Karlskrona. The aim is to keep up a high service level towards our customers and optimize stock-keeping in order to avoid scrapping and unnecessary transportation.

Recycling of materials

Roxtec's production has during 2021 continued to optimize processes to reduce the occurrence of rubber waste. Yet another project aiming to reduce rubber grinding dust waste has been conducted with good results. We have also started to separate different rubber wastes to reduce the share that ends up as landfill.

We keep on striving towards handling all worn electronic equipment and electronics waste in a clear

process. Together with a partner, we handle the materials in several different steps. The first step is reuse. When this is not applicable, the equipment and waste continue first to environmental clearance and then to degradation into fractions for material recycling or energy recycling. We will during 2021 and 2022 make this entire process even clearer and make it mandatory to minimize the risk of equipment ending up out of control of Roxtec.

Our risk analysis indicates that we need to change the way we handle and distribute computers, both with regards to the information security perspective and a streamlining and sustainability perspective. We will most likely leave today's centralized model, where we purchase, configure, pack, and distribute computers to employees around the world. That kind of handling results in many and long transports, unnecessary waiting times and unnecessary internal handling. We turn into a more local handling with pre-configured units to minimize identified issues.

Roxtec Code of Conduct

To secure responsible corporate governance when it comes to human rights, working standards, environmental management, and anti-corruption work in the workplace we have a code of conduct.

Roxtec Code of Conduct includes all employees within the Roxtec group and training in the code of conduct is part of the onboarding process for all new employees. The code of conduct is together with our other policy documents based on national legislation, international human rights, and conventions within ILO (International Labour Organization). Compliance with the code of conduct is ensured through, for example, internal and external audits, but also through regular internal control work. To make it possible for employees to anonymously point out lack of compliance or other inappropriate behavior or actions, we have an established whistleblowing system.

Evaluation of cooperating partners

Today, a large part of our contracted partners is evaluated regarding human rights so that they meet our ethics, labor rights and environmental principles. Most of our partners, such as distributors and suppliers, have signed a clause in their respective agreements in which they promise to act in accordance with Roxtec's principles, which consist of a resumé of the Roxtec Code of Conduct and accompany the agreements as an appendix. The one who violates the guidelines, also violates the agreement, which gives us the right to finalize it without delay. We have initiated a process with routine evaluations of existing suppliers worldwide to control their compliance with the guidelines based on the code of conduct. We develop the evaluation as we have seen a risk for us not getting satisfactory insight into all contracted partners.

Zero tolerance for corruption

The Roxtec group has zero tolerance towards any type of corruption. Corporate Governance is the group's council responsible for the anti-corruption work. The council is responsible for monitoring that also other parts of the Roxtec Code of Conduct are followed, internally as well as in business relations. Through the internal training in the code of conduct, all employees are educated in anti-corruption. No cases of corruption have been reported or been known to Roxtec.





We offer our employees skills training as well as possibilities for healthcare. During 2021, we have created a special internal training in sustainability.

Caring for our employees

Roxtec shall be a safe and secure workplace for all employees. Working systematically for a better work environment is a matter of course in our company.

Participation is crucial for a successful systematic work environment management. Therefore, employees, managers, and safety representatives at Roxtec work together in different fora with the areas included in the systematic work environment management to establish action plans and conduct activities.

Roxtec's systematic work environment management



Equal rights and opportunities

For the global Roxtec group, it is important with equal rights for all people. We have a systematic way of working within the area of equal treatment to meet requirements and expectations from employees as well as external stakeholders. The concept of equal treatment means, in short, that all people have the same value and are to be treated with respect and dignity regardless of gender, transgender identity or expression, ethnic belonging, religion or other belief, disability, sexual orientation or age.

Roxtec shall be a well-functioning workplace where we all have the same good opportunities to succeed and do our very best. No one within the organization is to undergo victimization, harassment, bullying, social exclusion, or sexual harassment. The equal treatment work consists of activities for surveys, analysis, actions, and follow-up.

Among the active actions of 2021 are:

- Start-up of workshops to visualize and clarify the equal treatment work
- Continuous strive for diversity when recruiting
- The equal treatment work is a part of the onboarding program for new employees
- The equal treatment work is continuously present in the business
- A renewed survey on equal treatment will be conducted during the second quarter of 2022



“I am very proud of the Core Values and I have felt that way throughout the years. We have grown drastically as company and become so many more, but the Core Values are still there. They are somewhat timeless.”

Anna Olofsson, Order/Administration, Sales Sweden

In parallel with the work for equal treatment, we conduct a work within organizational and social work environment. Great commitment and a high level of activity require a well-functioning organization that minimizes and prevents the risk of work-related illness. Finding a good balance between work tasks, time and well-being is very important if we are to continue to develop Roxtec as organization and our offering of safe and good solutions.

Employer branding

Employer branding is an important area for Roxtec, and we continue to focus on strengthening our employer brand. An example of a prioritized activity that can be linked to this is the new HR system, into which all subsidiaries within the group have been implemented. The new system simplifies and clarifies information for the employees within several important areas. It concerns for example the onboarding process and the possibilities for competence development as well as information on career opportunities within the group and eventual qualifications required for the next desired position.

We have during 2021 produced a new Core Values movie, where a couple of employees state the importance of our core values. The movie can advantageously be used in our employer branding work. During 2021, we have hired our first trainee in a cooperation with the Chamber of Commerce.

So far, we have positive experiences from the trainee program and will continue to work with that concept.

Employee survey

Roxtec has an objective of performing an employee survey twice a year. The survey is one of several tools for measuring the state of the organization and the employees. The result of the survey generates various activities aiming to make the organization work and function in a way that ensures the well-being of the employees.

See the results of the survey in the section *“Facts and figures”*.

Education and skills development

Roxtec sees it as extremely important to invest in education for the employees, both through practical and theoretical training.

We have an internal global introduction program that is conducted regularly, a two-step training program for salespeople, a program for sales managers and an educational program for managers. The trainings are very important for the development of our company culture. They give new, deeper knowledge and an opportunity for the employees to meet colleagues from all over the world.

Basic Training is an introduction for all new employees while Product & Applications Training is an introduction for inside and field salespeople as well as for customer service and support. Salesperson Development Program is an extended introduction program for new salespeople and Value-Added Sales Training is a supplementary education for salespeople and inside sales. Both these programs have during 2021 been developed and digitalized with e-learning

modules and an improved administrative support via Roxtec LMS (Learning Management System) and our global HR system. Our program within Sales Management is focusing on sales managers and managers of subsidiaries. The program is entirely conducted online with a mix of e-learning and meetings via Teams.

Sustainability training

One of Roxtec's three general sustainability goals includes increasing competence within sustainability. During 2021, we have established a global internal training for key persons within management, product development, purchasing, and production. The training provides extended insight into how the socio-ecological system view for a sustainable society is affected by and has an impact on the business model.







Besides formal education, Roxtec creates opportunities for employees to learn from each other in the daily work. This transfer of knowledge is valuable for the continued development of the company. The promotion of different types of learning on various platforms gives a good foundation and a flexible way of working for a sustainable learning and further development of the employees' competencies.

Talent management

Performance review is the first part of the Roxtec Talent management process. Through a dialogue in Performance review, we secure a continued development for each employee. In the dialogue, we look at objectives and career opportunities and set up individual action plans to create opportunities for the employees to grow with the company and meet future challenges. Talent review is the second part of the process. In follow-up meetings with managers/management and HR, we discuss the employees' continued development and career opportunities and set up action plans. The aim is in line with the Roxtec vision for its employees: "All our employees shall have the possibility to develop their competences so that they can use their full potential". Another part of this was the introduction of a global HR system. During 2021, we have trained all employees and managers in how we work with the Talent management process in the HR system. Roxtec has established a more efficient and transparent process for Talent management, and we can now make use of statistics and make analyses in an easier and more efficient way than before.

Competence development

It is important that the competencies of the employees are continuously developed in line with our business, both short and long-term. When it comes to increased learning, we work with internal as well as external training programs and continuously strive to develop the competence development work. We will start using new functionality in our LMS where we create a course catalogue with a selection of trainings. Furthermore, we have integrated functionality in our LMS with the new HR system, which enables better conditions for sustainable learning.

For a global organization, it is important to make education available for all employees in an efficient manner. We are keen on using new technology and have produced a range of e-learning for internal as well as external use as a part of creating a qualitative, efficient, and flexible learning.

Roxtec Passion for Leadership Program

Leadership is key for a company that wants to be successful and be able to grow. Therefore, leadership is a focus area that we continuously work with. We have an appreciated leadership program, Roxtec Passion for Leadership Program, which creates conditions for managers to act in accordance with Roxtec Core Values and our culture. The program will be refined and further developed with additional levels as well as local and regional adaptations.

Facts and figures



Founded

By Mikael Blomqvist in Sweden in 1990

Headquarters

Karlskrona, Sweden

Ownership

Privately owned by Mellby Gård Holding AB

CEO

Magnus Holmberg

Chairman of the Board

Hans Stråberg

Sales fiscal year 2021

2027 MSEK

Inventions

Multidiameter™ and the Roxtec sealing system

Registered product certificates

More than 250

Registered tests and approvals

More than 500

Local presence worldwide

Customers in more than 80 markets

Number of subsidiaries

28

Certifications

SS-EN ISO 14001:2015 and SS-EN ISO 9001:2015

Registration number

556370-8063

VAT number

SE556370806301

Average number of employees, fiscal year 2021

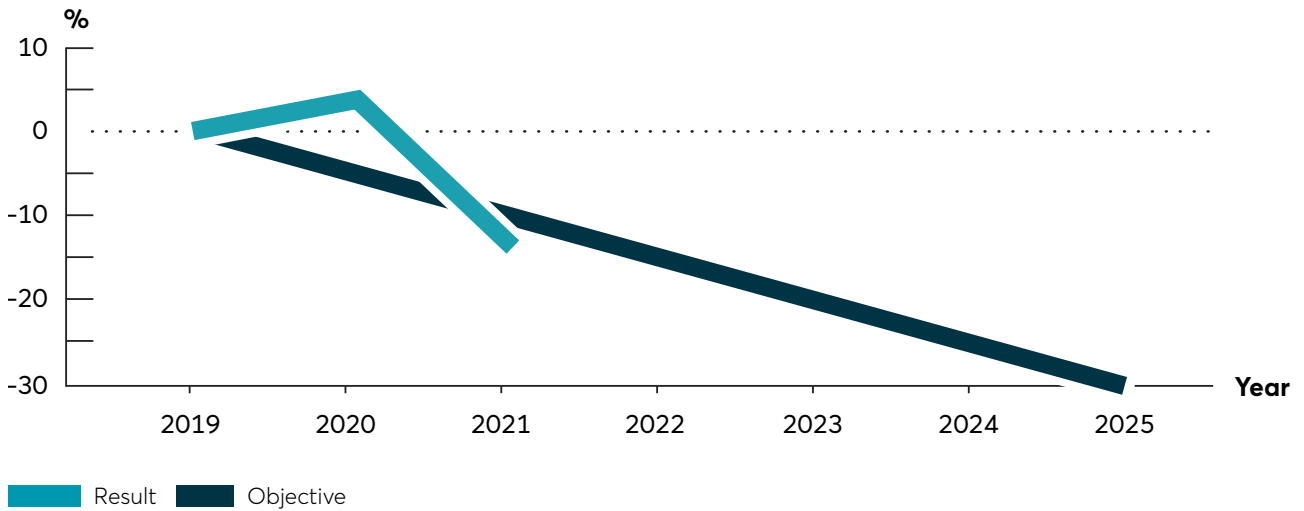
822



Responsible producer in a circular economy

The long-term Roxtec goal of creating sustainable supply chains, operations, and products in a circular economy will be achieved through activities within resource economizing and streamlining of the use of energy, water, and raw materials. We shall also reduce the share of waste that ends up as landfill and continue to develop innovative and sustainable products.

Share of rubber waste to landfill



We shall purchase from responsible suppliers who follow the Roxtec Code of Conduct and who participate in making our value chain sustainable in the long run. As leading provider of sealing solutions for cables and pipes, our objective is to be leading also within the sustainability work in our industry. If we continuously welcome audits, evaluations and measuring of our sustainability performance, we can see the result of actions taken and prioritize upcoming actions.



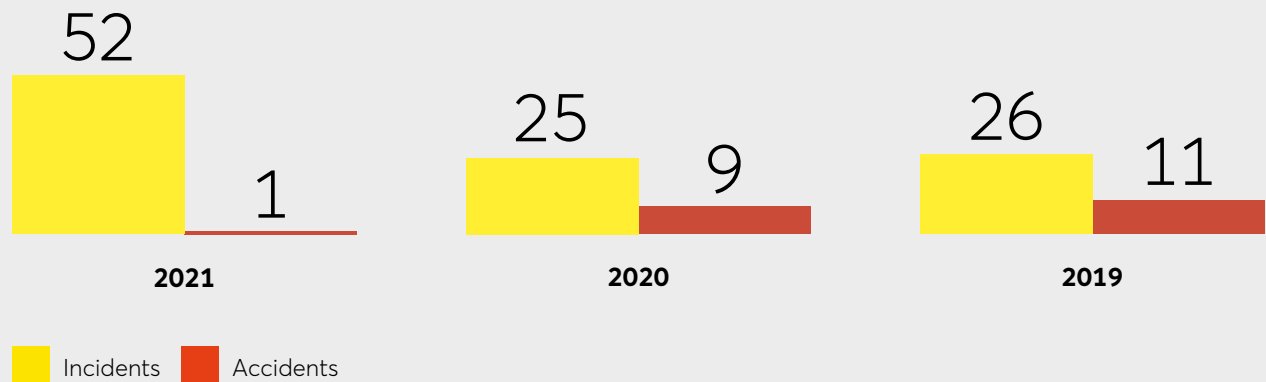
The climate – our common responsibility

Our long-term goal is to reduce climate impact by using renewable energy and fuels in every company in the group as well as for travel and cargo transportation. Climate calculations are ongoing during 2021-2022 in accordance with Greenhouse Gas Protocol and ISO 14025 as well as ISO 14040-44 to define a baseline for our upcoming global activities.

In the sustainability report for 2022, we will describe extent and calculation methods, results of our ongoing action plan and our continued plan going forward.

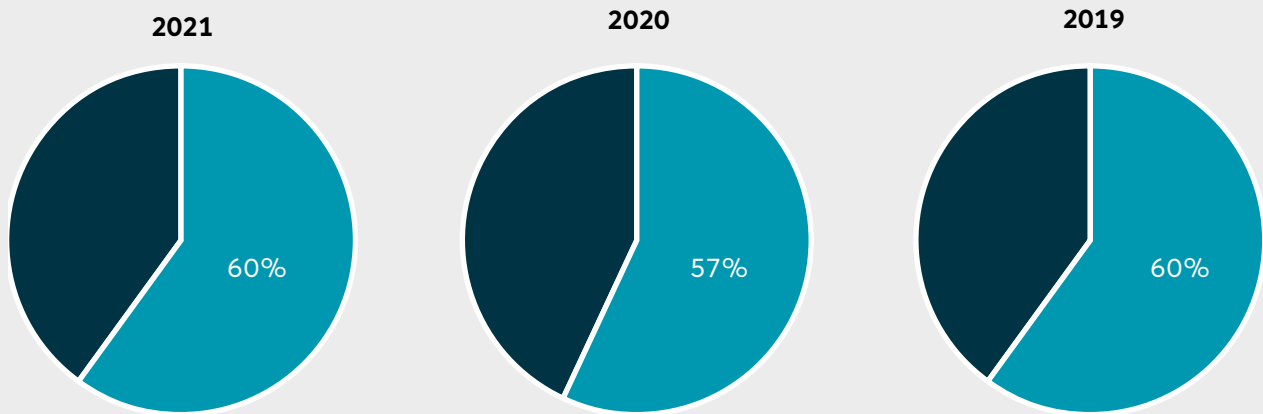
The employee in focus

The work with incident reporting is developing and the will to report at Roxtec continues to increase. The use of a digital support in the reporting further contributes as we have simplified the process and strengthened the follow-up work. The significant increase of incidents during 2021 is partly a result of this.



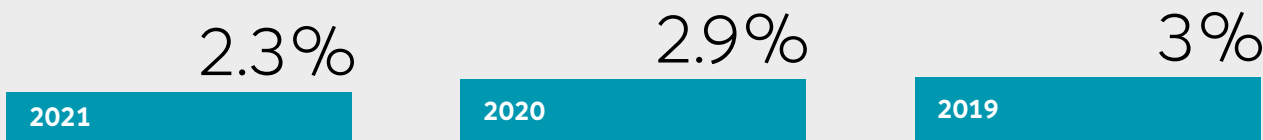
Healthcare

Roxtec offers all employees a yearly contribution for healthcare. The utilization rate is measured per calendar year. The utilization rate of the healthcare contribution is fluctuating around 60 % over the last three years. During the year, we have made an internal investment in a gym to simplify access to physical activity.



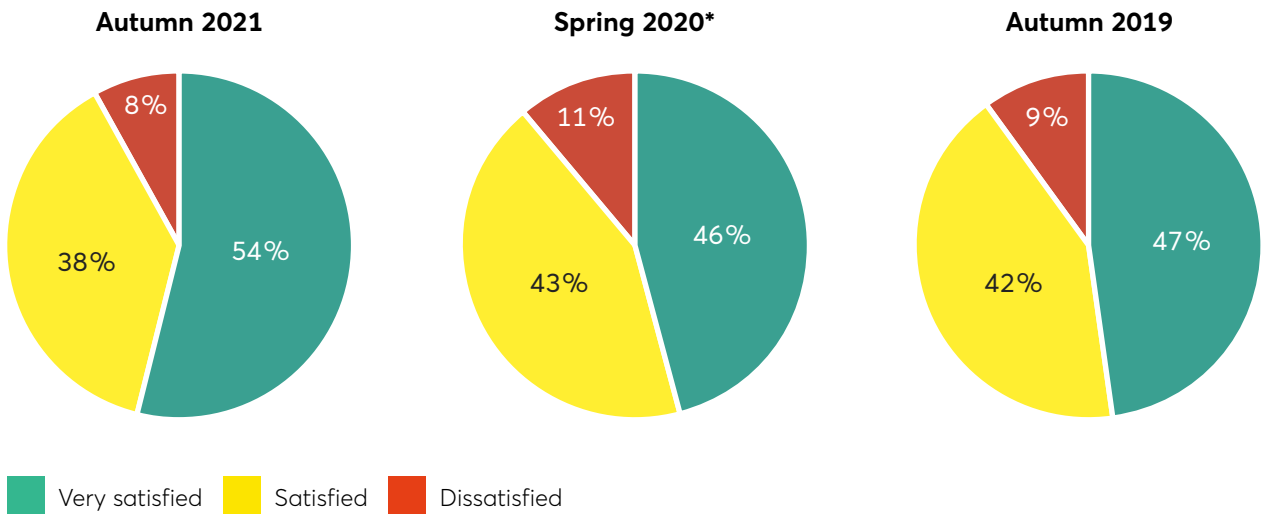
Sick leave

Roxtec is working in a preventive way to eliminate illness. We cooperate actively with external expertise in case of sick leave regarding rehabilitation measures, and work with internal supporting processes in a proactive manner. The sick leave statistics are calculated through the formula: sick-leave time/available working time = sick leave in %.



Employee survey

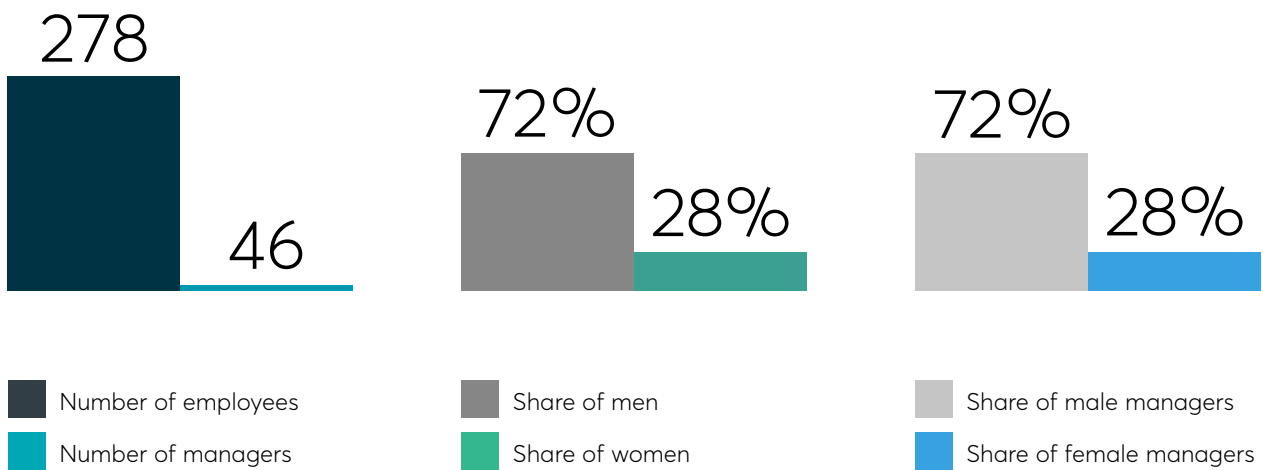
Roxtec has an objective of conducting an employee survey twice a year. It is one of several tools providing results that are used to ensure the well-being of the organization. The survey of 2020 was made with a stronger connection to the challenges of the pandemic compared to the surrounding two years.



*The survey of 2020 was adapted to measures during the pandemic and is therefore not entirely comparable.

Our employees

The average number of employees in the entire group is 822 employees. 278 of them are employees of Roxtec International AB and constitute the following average age and distribution in terms of gender.

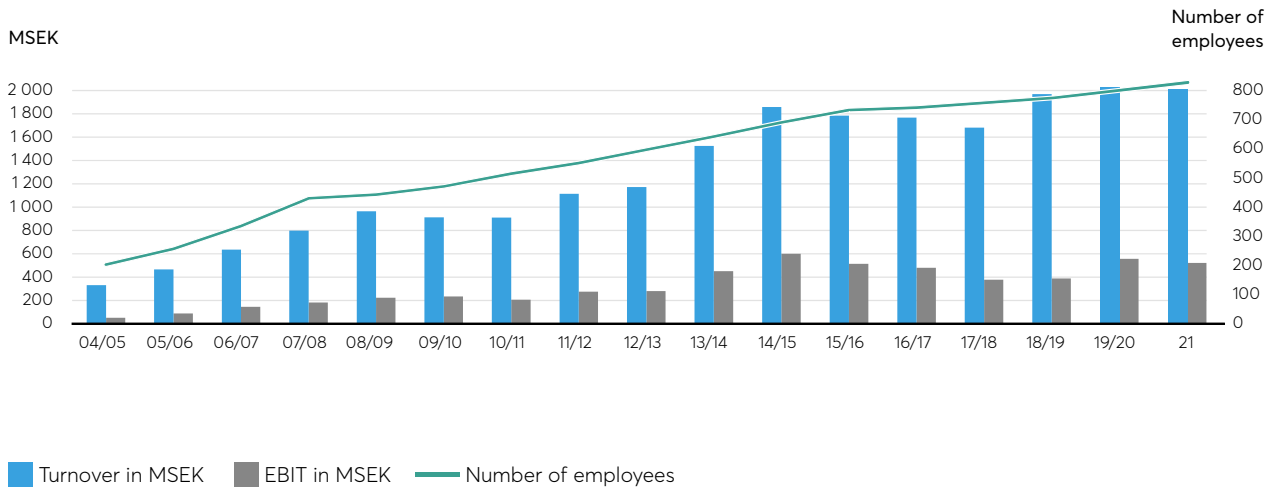


Stable profitability and growth

The sales of the group developed well during 2021. Our four regions (Americas, Asia, Northern Europe, and Southern Europe & Middle East/Africa) and our three business areas (Marine & Offshore, Infrastructure & Industry and Power & Process Industries) reported good sales growth (in total +7 %) compared to the same twelve-month period the previous year.

The group showed a continued good profitability during the year. Included in the result are continued growth investments within, among other areas, product development, digitalization, and new recruitments, which are to ensure a continuous long-term profitability.

The group's growth in numbers



Roxtec achieved its first ISO certification in 1995 and is certified in quality and environmental management according to standards ISO 9001:2015 and ISO 14001:2015.

Protecting life and assets