

Sustainability report 2020

Roxtec International AB

Facts & 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

Turnover fiscal year 2019/2020

2 955 MSEK (18 months)

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 2019/2020

822

Contents

Sustainability initiatives in brief	4
Protecting life and assets	5
Innovative seals for increased safety	6
The importance of profitability and growth	8
Corporate governance	9
Roxtec Core Values	12
The global partnership business model	13
Operations and premises	18
Focus on the development of employees	20
Local and global environmental work	25
Responsible commitment to the communities	30

The sustainability report relates to Roxtec International AB

The Swedish company Roxtec International AB is the headquarters of a global group consisting of around 30 companies. The group has companies all over Europe and in strategic regions worldwide.

Roxtec International AB is a subsidiary of the parent company Roxtec AB and is active in Sweden. In this report, the term Roxtec is used for Roxtec International AB unless anything else is stated in the text. Roxtec has applied internal company routines and guidelines to present non-financial results.

The report relates to the year July 1, 2019-December 31, 2020, and is Roxtec International AB's third sustainability report. Roxtec has changed from its previous split fiscal year, July 1-June 30, to calendar year.

The next sustainability report will include the calendar year 2021 and be published in the spring of 2022. This sustainability report is inspired by the Global Reporting Initiatives (GRI) guidelines, GRI standards.

Sustainability initiatives in brief

Sustainability goals in focus

Roxtec has set three long-term sustainability goals for the group. The 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 impact on the climate by using renewable energy and fuels no later than 2030.

Efficient digitalization

Roxtec extends its digital platform with tools that contribute to a systemized quality and documentation work. This enables customers to have a positive impact on people and the environment. The aim of developing the Roxtec e-commerce is to simplify optimized deliveries to each customer in every country.

Sustainable supply chains

Roxtec is preparing a new portal where the company's suppliers can perform a self-assessment within work environment, environment and code of conduct. The answers will provide a basis for further analysis and possible actions. The cooperation with the suppliers will ensure smarter and safer processes, better work environment and reduced carbon footprint.

Smart logistics solutions

Strategic planning, decentralized stocks and some local production mean fewer transports and enable a larger part of climate-friendly transports at sea. A new simulation and calculation program for stock and transportation will provide increased knowledge on further possible financial and environmental improvements.

Systematic work for equal treatment

Roxtec has developed its policy to favor equal rights and opportunities. A systematic way of working has been created within equal treatment in order to

meet requirements and expectations. Among other things, Roxtec is striving towards diversity and involves equal treatment in the introductory program for new employees.

Methodical efforts for the work environment

Roxtec encourages reporting of incidents to be able to create a safe and better work environment. The company has introduced a new methodology in the production environment, Green Safety Cross, in order to evaluate incidents and potential risks on a daily basis. The result has been positive for the development of efforts within work environment.

Internal training in sustainability

One of Roxtec's sustainability goals is increased competence in sustainability. An internal training in the subject is established for key persons within management, product development, procurement and manufacturing. During the year, the company has also developed new functionality for internal education as well as a new system for micro-learning.

Digital platform for measured values

A program that will be a platform for sustainability data has been installed. It will provide Roxtec with traceability and reporting for almost 200 sustainability measures and KPIs supported by international sustainability standards such as Global Reporting Initiative (GRI) and Greenhouse Gas Protocol (GHG).

Reduction of waste

Roxtec has successfully optimized its processes to reduce the rubber waste that occurs during production. The grinding dust from the rubber production has been reduced and at the same time enabled significant raw material savings. In 2020, the grinding dust sent to landfill has been reduced by 15% compared to 2019.



Protecting life and assets

There are many ways to protect life, assets and the environment. Developing products that protect against uncontrolled fire, water ingress or a virus is one way. Economizing with resources, limit emissions and run efficient processes is another.

Roxtec is working in both these ways. Our products enhance reliability in advanced processing facilities, enable safe transportation and prevent water ingress into critical equipment. All this through products that seal cable and pipe penetrations.

When we develop, test, manufacture, sell and transport these safety products, we want to do it in a manner that minimizes the footprint for people and environment.

It must be natural to consider the consequences of design, material selection, business model and logistic solutions. A company specializing in preventing leakage cannot have processes leaking energy, raw materials or waste. Just as the environment and the climate are natural parts of the requirements, a safe and stimulating work environment a basic requirement for a successful business.

The Roxtec group has more than 820 employees in 28 countries. In Sweden, we are approximately 260 employees. Our aim is that everyone working at Roxtec shall understand the impact we have on the climate while we are helping our customers protect life and assets. Preventing accidents, fire, breakdowns and flooding has both human and environmental effects.

We all have a responsibility to be role models in our way of acting as citizens of our society. We are proud and happy to note that Roxtec during several years has had the possibility to support a wide variety of non-profit initiatives such as local sports associations, international aid organizations and projects for the environment.

This is the way we together protect life and assets.

Magnus Holmberg, CEO, Roxtec



Innovative seals for increased safety

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

Roxtec's goal is to make the world a safer place. That is why the company offers long-term partnerships for safety and operational reliability. Owners, designers and installers in a wide range of industries and projects put their trust in Roxtec throughout the entire lifecycle of the investment. Roxtec's specialized designers, engineers and test technicians can create transits that overcome unexpected challenges and tailor completely new sealing solutions.

Testing, research and development

The company has extensive resources for research and development, such as a material development lab, and fire and test labs where tests are often witnessed by a third party. The close cooperation with the customers creates excellent opportunities for continuous development – as well as for conquering new industries and markets.

Protecting against multiple risk factors

Roxtec's complete cable and pipe transits are used in walls, floors, roofs, bulkheads, decks, cabinets, enclosures and technical equipment on land, at sea and underground.

The seals have a large number of certifications and approvals. They provide proven protection against, for example, fire, smoke, gas, water, dust, sand, pests, vibration, noise, electromagnetic interference and the risk of explosion. They withstand hazardous environments, corrosion and temperature changes, and offer powerful solutions for bonding and grounding.

Smart and efficient system

The cable and pipe transits also facilitate planning and design, streamline the installation work and reduce the need for stock, material and logistics. The sealing system is designed to assist users in handling surprises in the field with respect to cable and pipe dimensions and quantity.

It allows for the installation of pre-connected cables and provides built-in spare capacity for upgrades and

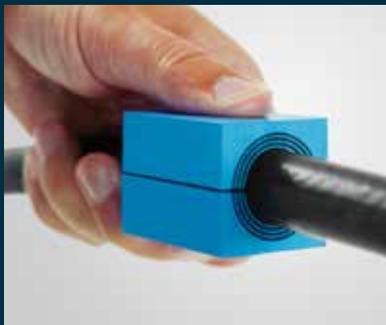
future needs. These features contribute to increased competitiveness and good sustainability also in the long run. Besides this, Roxtec offers several smart online tools and additional services.

The basics of the system are as simple as ingenious. The frame is attached to the structure, Roxtec adaptable sealing modules are placed around the cables and pipes, and then the system is sealed by 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 operation and performance.

The importance of profitability and growth

Since its start in 1990, Roxtec has been a growth company, and it continues to see significant opportunities around the world. Growth is part of the company's business strategy, and the business is powered by the steady development of customer relations on new and existing markets.

A prerequisite for the company's continuous development is its sales growth and good profitability. Good profitability creates an opportunity to invest in new hires, new technology, and new marketing efforts – which in turn ensure continued sales growth. This balance between sales growth, profitability and new investments forms the foundation of the company's development work, and ensures long-term sustainable development.

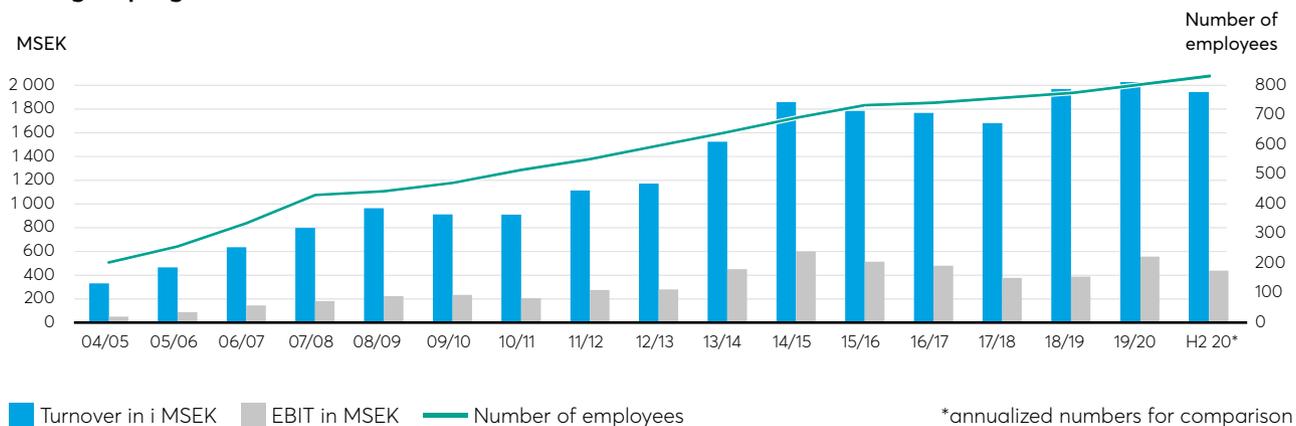
During the first twelve months of the business year's 18 months, the group presented a continued strong sales growth of +10%, driven by a positive development in all regions and business areas. During the final six months of the year, the sales growth declined by -15% compared to the same period the previous year. Half of the slowdown was related to negative effects of the pandemic and the other half was related to a negative currency development.

Local presence worldwide

The group has a global presence in more than 80 markets through subsidiaries, distributors and agents, together supplying more than 30 different industry segments. The wide presence geographically and across industries gives the group a stable structure to handle, for example, a downturn in a particular country or industry. When certain markets experience a slowdown, the group has the resources and capacity to change its focus and invest in new growth opportunities.

The group continued to show good profitability during the entire 18-month period (EBITDA 26%), despite the pandemic's negative effects on sales volumes. Included in the result are continuous growth initiatives within, for example, product development, digitalization and new hires, which will ensure a continuous long-term profitability.

The group's growth in numbers





Corporate governance

Roxtec has a clear vision and a mission that contributes to the focused work of spreading solutions for safety and security worldwide. The work of the group is also guided by clearly expressed common values and a will to take responsibility for human rights as well as for long-term sustainability. All this has helped Roxtec handle the challenges of the pandemic in a stable manner. The continued progress will be led by Magnus Holmberg, who will be CEO as from 2021.

New Chief Executive Officer

After nearly eight successful years as CEO, is Mikael Helmersen handing over the leadership to Magnus Holmberg on January 1, 2021. Magnus Holmberg has previously worked as Roxtec EVP Global Sales and is very familiar with the business after almost six years in the management team. Mikael Helmersen will continue to contribute to the business as member of the Roxtec Board.

Vision and mission

We Seal Your World™ – this vision is the officially recognized leading star and the ambition of the business since many years. It helps Roxtec conquer new segments and geographies and reminds the employees to focus on customer needs.

Protecting life and assets is the mission stating that Roxtec exists for global safety reasons. The mission tells the world what Roxtec really does.

Roxtec Code of Conduct

To ensure responsible corporate governance with respect to basic human rights, labor standards, environmental management and anti-corruption efforts in the workplace, Roxtec has implemented a code of conduct. The Roxtec Code of Conduct applies to all employees within the Roxtec group. Today, most of Roxtec's contractual partners are evaluated with regards to human rights. During the next years, there will be an internal work aiming to develop the scope of the assessment as the company has discovered a risk of the current system not providing sufficient insight with all contractual partners.



Training in the code of conduct is part of the introductory process for all new employees in the Roxtec group. The code of conduct is, together with the company's other policy documents, based on national law, international human rights and conventions within ILO (International Labour Organization). Compliance with the company's code of conduct is, for example, achieved through internal and external audits, as well as through customary internal control work.

To enable anonymous reporting by employees regarding lack of compliance with the code of conduct or other inappropriate behavior or actions, there is an established whistleblowing system. The system is digital, and a receiver is immediately informed via different channels to handle the issue, regardless of where in the world the whistleblower is working. Roxtec has not had any whistleblower cases during the year.

Anti-corruption. Roxtec has zero-tolerance to all types of corruption. The group has a council, Corporate Governance, which is responsible for the anti-corruption work. The same council is responsible for monitoring that all other components included in the Roxtec Code of Conduct are followed internally as well as in business relations. Through internal training in the Roxtec Code of Conduct, all employees are educated also in anti-corruption. No corruption cases have been reported or been known to Roxtec during the year. A risk for Roxtec is that a business, due to lack of knowledge, can be linked to a corruption case even though the intention was good, with the risk of subsequent consequences such as legal aftermath or impacts on Roxtec's good reputation.



Roxtec Core Values

The core values from 1994 (see page 12) have contributed and continue to greatly contribute to the company culture. They describe important corner stones to Roxtec employees and have had a good impact on Roxtec's positive development as well as on how the company wants to meet its customers professionally and with high service levels. Common values across Roxtec's global team have been and are still a prerequisite and a success factor for profitable growth through loyal customers.

Sustainability

In the beginning of 2020, the Roxtec CEO and management team decided to increase focus on the sustainability issues and give them a clearer direction. The sustainability work will be led by the top management through a sustainability council every third month. The sustainability council has set three main long-term goals which will be applied globally in the entire Roxtec group. Initially, the focus will be on decisions about detailed goals and action plans for the Roxtec headquarters, global production, product development and global sustainability education.

- Roxtec shall have educated employees who know how they can act in order to contribute to a sustainable society for people, planet and profitability no later than 2023.
- Roxtec shall have sustainable supply chains, operations and products in a circular economy no later than 2030.



- Roxtec shall reduce its carbon dioxide impact on the climate by using renewable energy and fuels at all locations where Roxtec is established as well as for travel and freight transports no later than 2030.

In order to strengthen the operational level, a cross-sectional sustainability forum has been set up with employees from different areas of the business. The mission of the sustainability forum is to run, investigate and prepare the kind of sustainability issues in the organization which are not handled within the regular line structure.

Covid-19

Through established routines and a trained crisis management, Roxtec has been able to respond to Covid-19 in a good way. Roxtec's crisis management organization is global, which makes it possible to quickly discover local changes in different countries that may have an impact on the business. An active communication within the Roxtec group and short decision paths enable quick action.

Covid-19 has influenced the way of meeting customers and suppliers. Being a global company, Roxtec has had to develop new processes and use new technologies to be able to continue to develop the cooperation with partners in a qualitative way, since the possibility for international travel and physical meetings has been limited. Within the group, Roxtec has rapidly rearranged into digital meeting platforms as part of the development of how to run the business in the organization. Tunings with employees are conducted under new conditions due to significantly reduced international travel.

Adaptions have, for example, been made to digital and virtual inspections in order to maintain certifications. This has required greater efforts within technology and reporting than usual since it is not possible to watch and follow the business on location. All audit actors have shown an excellent cooperative spirit for solving this particular situation.

Work from home is performed in a much greater extent than before the pandemic. It is a challenge, but it has enabled Roxtec to find new ways of working and developed the leadership within the organization. Increased work from home has also resulted in other tools for assuring a continued good work environment. Restrictions and recommendations from the authorities aiming to stop the contamination, such as staying at home also in case of minor illness, have made the company experience an increase in the sick leave statistics, especially during the autumn of 2020. The sick leave is, however, decreasing in longer terms.

The pandemic is affecting all businesses. Roxtec is, for example, closely watching the conditions for its sub-suppliers and the pandemic effects on the transportation sector. The company responds to changes by adjusting stock levels and transportation methods according to the available capacity.

For some time going forward, Roxtec will need to continue to develop its technical platform, processes and routines in order to remain a good employer and professional partner. The technical improvements provide a possibility for Roxtec to reduce travel also in the future without compromising the need for being present locally for the customers.

Roxtec Core Values

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.



The global partnership business model

By delivering sustainable solutions that meet the increasing need for safety and efficiency within different areas and industries, Roxtec has gained ground on all continents.



Roxtec International AB is the headquarters for a global group consisting of some 30 companies. Owner is the private company Mellby Gård. In the business year of 2019/2020 (18 months), the group reported sales of 2.955 billion SEK with 822 employees, of which 260 were employees of Roxtec International AB. The group is controlled from Sweden, the site of the management and global resources for strategic market and product development, branding, marketing, sourcing and production.

Three business areas

The business is divided into three business areas, which in turn consist of several segments and sub-segments.



Power & Process Industries is working towards two sectors where Roxtec safety products contribute to protect people and the environment in a variety of ways.

Within the power segment, Roxtec is mainly focusing on being a global partner to the large companies that develop renewable energy. Areas where Roxtec has a significant impact include wind power and solar power. Roxtec is also deeply involved in the electrification movement and is working in several projects concerning energy storage, green hydrogen and reinforcement of the electricity grid, all of which play an important role in the transition to a carbon dioxide free energy sector.

Within process industries, Roxtec is focusing on the largest oil and gas projects in the world with the aim of making them safer. Every year, there are hundreds of fires and explosions in this type of industries and they often lead to loss of life and extensive pollution. Roxtec's tailor-made sealing solutions are there to prevent accidents and thereby create a safer and cleaner work environment.



Marine & Offshore is focusing on shipbuilding and shipping as well as on the offshore industry within oil and gas.

By the use of Roxtec safety products on ships and oil rigs around the world, both life and facilities at sea are protected. Roxtec sealing solutions for pipes and cables are mostly placed in the watertight bulkheads onboard, where they primarily protect against fire, water and gas/smoke. From a sustainability perspective, it is also worth noticing that Roxtec products strongly contribute to the extension of the lifecycle of ships and other facilities at sea.

Within the business area, Roxtec has in addition further strengthened its safety focus by offering services to its customers with the aim of securing installation quality and maintenance on vessels and platforms through inspections as well as systemized control of cable and pipe transits.



Infrastructure & Industry includes sectors such as construction, rail industry, data centers, telecom and machine manufacturing as well as facilities for water management and life sciences.

Within life sciences, Roxtec's air-tight seals protect against, for example, leakage and contamination in laboratories, cleanrooms and closed biosafety facilities, which secures safety and operations.

Within water management, Roxtec's certified cable and pipe seals are, for example, used in corrosive environments and prevent leakage of polluted water, sulfuric gas and aggressive steam.

Data centers and server halls house critical infrastructure for communication and must withstand both fire and water. By providing smart and certified sealing solutions, Roxtec can guarantee safety and efficiency during the construction phase and throughout the entire lifecycle of the asset. Roxtec air-tight seals also provide excellent conditions for a more sustainable use of the air-conditioning and cooling systems.



Digital solutions

Tools that secure quality for customers and installers.

During the year, Roxtec has been working on extending its digital platform with two new tools, Roxtec Transit Build™ and Roxtec Transit Operate™, for launch in the first quarter of 2021. Roxtec Transit Build™ is a digital tool that supports the customers' production and quality personnel so that they can effectively make sure each step in the new-build process is performed and documented with the right quality and information. The tool also contains all the documentation installers need to finalize their work in a quality assured manner. Roxtec Transit Operate™ is a corresponding tool aimed for owners and operators in the operations and maintenance phase.

Through the use of Roxtec Transit Build™, the installation quality is increased already during construction, and through systemized maintenance in Roxtec Transit Operate™, the customer can ensure that system performance is maintained in case of an incident or accident. This way of gathering installation documentation and detailed installation protocols brings systematics into the work with Roxtec safety products.

Thanks to the creation of digital safety systematics for the work with Roxtec products, the customers obtain an ability for positive impact on people and environment. Roxtec is building the software on the Google Cloud Platform, the only supplier of such services that is already today completely climate neutral.



E-commerce

Roxtec's e-commerce is a service that is completely integrated with www.roxtec.com. The service allows the visitor to see price and product availability and place orders. Systems for payment and freight alternatives are integrated in the solution.

Roxtec is implementing the e-commerce country by country, and the service now includes nine subsidiaries: Sweden, Denmark, Finland, Norway, France, Italy, Australia, UK and Spain. The ambition is to continue to implement it in five more subsidiaries in 2021.

A visitor who has logged in can see price and availability. At checkout, the visitor can see payment and freight alternatives in line with the best local selection. In this way, deliveries are optimized for each customer in every country.

The Roxtec e-commerce is expressed as follows:

- Customer experience – offer a communication channel with a high level of availability
- Customer focus – optimize time for the customer and the sales organization
- Digitalization – meet the customers' increasing demand for buying online and possibilities to interact with Roxtec digitally

Roxtec sees an increasing trend within e-commerce and wants to respond to the customers' growing need for digital interaction. Therefore, Roxtec develops its system integration to create a sustainable service.



Sustainable long-term supply chains

Roxtec works with long-term supplier relations. The company continuously assesses its suppliers based on several different parameters, for instance quality, environment, delivery, and price. The company then outsources the production to the supplier who is best at meeting specifications. Onsite visits are performed regularly at selected suppliers to verify that they follow set parameters.

Most procurements are done through suppliers manufacturing in northern Europe, and mainly in Sweden. Roxtec also has a particular supplier base and own production strategically close to major customers around the world.

The major part of the material procurements comes from a limited number of suppliers. The idea is that centralized production means increased quality, better control, and greater opportunities for influence. Roxtec works closely with its largest suppliers to continuously improve quality, environment, and supply. By maintaining a very high product quality, the company reduces the need for rework and unnecessary scrapping.

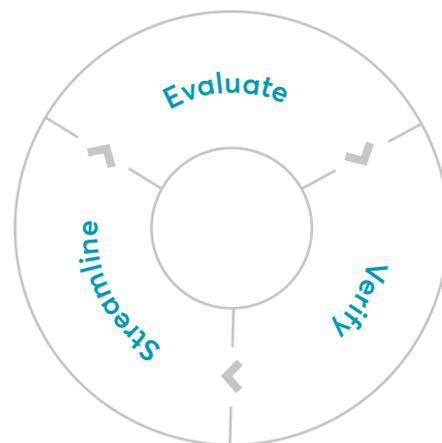
A sourcing strategy together with a binding code of conduct for the suppliers are important steering instruments in the work. The suppliers agree to follow Roxtec's comprehensive code of conduct, including topics such as freedom of association, salaries, and safety in the workplace.

During the period, Roxtec has worked with a new portal where suppliers perform a self-assessment based on questions related to occupational health

and safety, environment and the code of conduct. Depending on the supplier's response, further analysis is performed, and then possible actions are taken followed by an onsite supplier audit. This new portal is launched in the beginning of 2021.

Roxtec's cooperation with the suppliers has contributed to the development and testing of smarter and safer production processes. This is to improve product quality, supply and work environment, and to reduce the environmental footprint and energy use. When product process planning, Roxtec strives to source goods in larger batches to increase the possibilities for coordination of products at the suppliers and thereby minimize waste and transportation.

The majority of the suppliers use recycled materials and renewable sources of energy.



Operations and premises

The group's subsidiaries manufacture in Sweden, India, China, Russia, South Korea, Germany and the USA. In the other countries where Roxtec is established, there are sales offices and warehouses.

Roxtec operates in three properties on Verkö in Karlskrona, Sweden, with a total land surface of 43 000 square meters. The production requires special permits under applicable environmental legislation.

The company obtained its environmental permit in 2007 and is authorized to utilize 4 000 tons of non-vulcanized rubber per year. In addition to the rubber production, Roxtec has a warehouse, assembly units and test, fire and material laboratories as well as a mechanical workshop for maintenance, product development and manufacturing equipment.

Functional facilities

Roxtec is a growing company and it is important that the premises used are adapted for functionality and allow for expansion. They shall also work as an inspiring environment for the employees. An investment

in a new office building and extended manufacturing facilities is part of this.

In 2018, a modern fire lab for product testing was finalized and during 2019-2021 a new head office is being built. It will house new changing rooms, more office work places, gym for employees, new dining hall and more meeting rooms. Roxtec is also planning to install a certain number of charging posts in 2022 when a new company parking space will be constructed. For the upcoming years, the plan is to extend the land surface by 20 000 square meters for future expansion possibilities.





Logistics

Strategic planning and decentralized stocks in Europe, America and Asia will, together with a certain local production and stock optimization, enable fewer transports. It also enables a larger part of more climate-friendly transports at sea instead of by air.

Roxtec has a significant responsibility for continuously demanding more sustainable transport solutions in order to speed up the development, but also for optimizing its own logistics planning. Among other things, the company has introduced a new strategy for transports at sea in which goods to an increasing degree are packed into containers nearby and then shipped by rail instead of by road to the shipping ports. A new simulation and calculation program for stock and transportation will provide increased knowledge for further possible financial and environmental improvements.

A continuous work is conducted with complaint analysis and improvement actions to reduce complaints and thereby also hold down the number of replace-

ment deliveries. Fewer logistic issues mean reduced consumption of new raw materials and packaging materials as well as fewer transports.

Roxtec's production has during the year also received a new technical support tool in the form of an additional automated storage system that ensures work environment improvements for employees. New manufacturing equipment has been developed, which has led to a bringing home of products that were formerly outsourced, and it has thereby reduced the number of freight transports.

Focus on the development of employees

Roxtec has 260 employees and the average age at the company is 43 years. 27% are women and 73% are men, with 27% female and 73% male managers. Roxtec offers opportunities for foreign assignments with limited duration. Currently, approximately ten employees are on foreign assignments.

Equal rights and opportunities

For Roxtec, which is a global company, it is important to ensure equal rights for all people. Roxtec has during 2020 developed and extended its policy in order to combat discrimination and promote equal rights and opportunities. A systematic way of working has been created within the area of equal rights and opportunities in order to meet the requirements and expectations from employees as well as external stakeholders. A policy and documentation of active actions for equal rights and opportunities have been established by corporate management to strengthen Roxtec's work for equal treatment and reduce the risk of failure of compliance. In short, the concept of equal treatment means that all people have the same value and are to be treated with respect and dignity regardless of sex, gender identity or expression, ethnicity, religion or other beliefs, disability, sexual orientation, or age.



Roxtec has to be a well-functioning workplace, where everyone has the same opportunity to succeed and perform at their best. The objective is that no one within the organization should be subjected to discrimination, harassment, bullying, social exclusion, or sexual harassment. The work is conducted through surveys, analysis, actions and follow-up activities aiming to create a systematic way of working through which Roxtec will meet the requirements and expectations from employees as well as external stakeholders.

The active actions entering 2021 include:

- Internal work with workshops to present and clarify the equal treatment work
- Continuous strive for diversity in recruitment
- Equal treatment work is included in the introductory program for employees
- Equal treatment work is continuously permeating the business
- Renewed survey will be conducted in the second half of 2021

Improving occupational health and safety

A safe and secure work environment must be a given at all of Roxtec's workplaces. For this reason, there is a complete, systematic occupational health and safety work going on. Managers, employees and security representatives work together to develop risk assessments, and through continuous safety inspections and operational meetings. This promotes participation and the opportunity to influence the work environment through the course of the daily work. Action plans are presented and followed up. Major issues are

Roxtec's systematic occupational health and safety management



addressed by a central work environment safety council that meets four times a year.

Organizational and social work environment

It is fun and stimulating to work in a rapidly growing company. New markets, development projects, increased production and new goals are engaging, but also challenge the organization to find a balance between work, time, and well-being. Through extended training in organizational and social work environment in 2019/2020, managers' understanding and proactive work will be able to increase when it comes to minimizing and preventing the risk of job-related ill-health.

Incident reporting system

Roxtec encourages incident reporting since an open dialogue about this will contribute to further develop the company. One of the advantages is the possibility to create a safer and better work environment for all

employees. Roxtec has during 2020 introduced a new methodology in the production environment, Green Safety Cross, in order to assess incidents and potential risks on a daily basis. It has had positive effects on the development of the occupational health and safety work. Roxtec is also planning to digitalize the incident reporting system. An evaluation will preliminary be conducted in 2021.

Health and safety management system

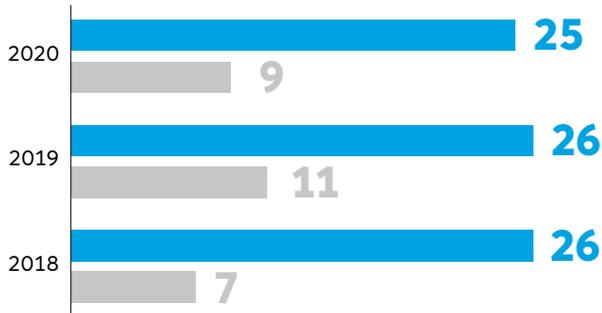
Roxtec's occupational health and safety management system conforms with OHSAS 18001. When it comes to ISO 45001, the international standard for occupational health and safety management systems, there is an ongoing process for certification in 2021.

Identify and report incidents

Successful occupational health initiatives are based on joint vigilance with regards to incidents and Roxtec

has prioritized risk analysis work during the last years. The reporting liability at Roxtec continues to increase, which is a health and safety area where the work is developed together with the following analysis and actions in order to create a safe and secure workplace.

Number of accidents and incidents



■ Incident (event that could have caused personal injury)
 ■ Accident (event that caused some kind of personal injury)

Sick leave

Roxtec works actively to prevent and eliminate ill-health. In the event an employee is placed on sick leave, rehabilitation measures are introduced at an early stage. Sick leave is calculated as sick leave time divided by available working time.

Year	Sick leave
2020	2.9 %
2019	3.0 %
2018	3.8 %

Roxtec has investigated the reasons behind sick leave, enhanced the supporting pro-active processes and will continuously follow up the result.

Wellness

Roxtec offers all employees an annual wellness stipend and measures the utilization rate per calendar year. In 2018, it was 64%, in 2019 60% and in 2020 57%. In order to further contribute to increased possibilities for wellness, there is a gym included in Roxtec's investment in a new office.

Employer branding

Employer branding is an important area for Roxtec. The company continues to focus on strengthening its employer brand. An example of prioritized activities linked to this is the implementation of a new digital HR system where all subsidiaries within the Roxtec group are implemented. In addition, the development of internal trainings and introductory programs continues.

Internal trainings

Roxtec views its investments in both practical and theoretical employee training as extremely important. Roxtec has an internal global four-step training program that is offered regularly, in the fall and the spring. Basic Training is an orientation training for all new employees, while Product & Applications Training is an introductory course for inside and field sales staff as well as for customer service and support.

Salesperson Development Program is a longer introductory program for new sales representatives and Value Added Sales Training is additional training for sales reps and inside sales staff. During the year, both these training programs have been developed and digitalized with e-learning modules and improved administrative support via Roxtec LMS (Learning Management System) and the introduction of Roxtec Academy – a gathering point for the group's all trainings.

During the year, Roxtec has developed a new program within Sales Management for sales managers and managers of Roxtec subsidiaries. The program is entirely held online with a mix of e-learning and meetings via Teams. The trainings are very important to the development of Roxtec's company culture. They provide new, in-depth knowledge as well as an opportunity for employees to meet colleagues from around the world.

One of the three main sustainability goals includes increased competence in sustainability. In 2021, a global internal training will be created for key persons within management, product development, procurement and production. The training will give increased insight into how the socio-ecological system view on a sustainable society is affected by and impacts the business model.

In addition to formal training, Roxtec offers opportunities for employees to learn from each other through the course of their daily work. This knowledge transfer is important for the continued development of the

company. Promoting different forms of learning on different types of platforms provides a solid foundation and a flexible workway for sustainable learning and further development of employees and their expertise.

Performance review

Performance review is the first part of the Roxtec Talent management process. Through a Performance review dialogue, Roxtec ensures the continued development of every employee. The dialogue reviews goals and career opportunities and establishes individual action plans for creating opportunities for employees to grow with the company and meet future challenges.

Talent review

Talent review is the second part of the Talent management process. Talent review consists of follow-up meetings with managers/management and HR, where the employees' continued development and career opportunities are discussed and action plans are established. The purpose of the Talent review aligns with Roxtec's vision for its employees: "All our employees must be able to develop their skills so they can use their full potential".



An additional effort in this investment is the initiated work on introducing a global HR system. In this way, Roxtec can have a more efficient Talent management process, and gather statistics and conduct analyses in an easier and more effective manner.

Skills development

For Roxtec, it is important to continuously develop employee skills in accordance with the company's operations, both short-term and long-term. With respect to skills development, the company works with both internal and outside training programs and strives for continuous improvement of its skills development work.

Roxtec is always working to develop and improve its internal processes and support functions for training. During the year, the company has developed new functionality in its LMS (Learning Management System) to increase availability and follow-up on education. Roxtec will also integrate functionality in its LMS with the newly implemented HR system, which will create better conditions for sustainable learning.

As a global organization, it is important to make the trainings accessible to all employees in an efficient way. Roxtec favors new technologies and has produced a number of training sessions in the form of e-learning for both internal and outside use as part of creating qualitative, efficient, and flexible learning. During the year, the company has also implemented a new system for micro-learning in order to create even better conditions for flexible learning.

Roxtec Passion for Leadership Program

Leadership is vital to a company seeking to grow and be successful. For this reason, leadership is a focus area that Roxtec works with continuously.

The popular Roxtec Passion for Leadership Program creates conditions for managers to act in accordance with Roxtec Core Values and the company culture.



Employee survey

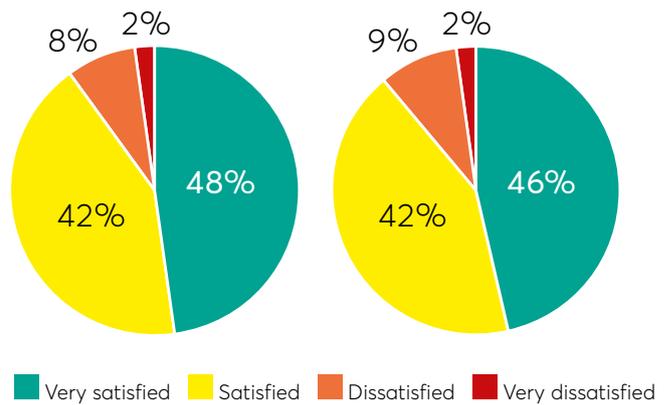
Roxtec is aiming to conduct employee surveys twice per year. The survey is one out of several tools for ensuring that the organization is working in a way that means the employees are feeling good.

The pandemic has caused new conditions for Roxtec as well as for the surrounding world to adapt to. Work from home, remote management and travel restrictions are some of the pandemic specific activities to which the organization must relate. The questions in the survey for 2020 were adapted to these specific conditions since new ways of working, another work environment and developed technologies have been used in the daily operations.

Despite challenges for the employees, Roxtec can see a good result of the survey, where 89% of the responses were positive. 11% state a certain dissatisfaction, but that also means, given the make-up of the questions, new development opportunities.

October 2019

April 2019





Local and global environmental work

The most significant environmental aspect for Roxtec’s business is the positive environmental impact of sealed pipe and cable transits. They contribute to preventing human, economic, and environmental damages in the event of an accident.

Digital platform for sustainability data

To measure is to know, and with the expansion of Roxtec the need for collecting, assuring, calculating and comparing sustainability data in an easy and structured manner has increased. A program that will be the platform for data has been installed in 2020. The program will provide the company with traceability and reporting for almost 200 sustainability measures and KPIs supported by international sustainability standards such as Global Reporting Initiative (GRI) and Greenhouse Gas Protocol (GHG).

The platform will be able to handle both internal sustainability reporting and follow-up of the suppliers’ sustainability work. The collection of sustainability data will be aggregated and include the entire Roxtec group in the future. The measuring values will show the company’s status and improvements with regards to carbon dioxide emissions, material usage, water usage and recycling of waste, energy use and energy sources as well as sustainable supply chains.

In 2021, the platform will be further developed and data will mainly be reported for Roxtec while the producing subsidiaries of the group will join successively. Measuring data will be analyzed, quality assured

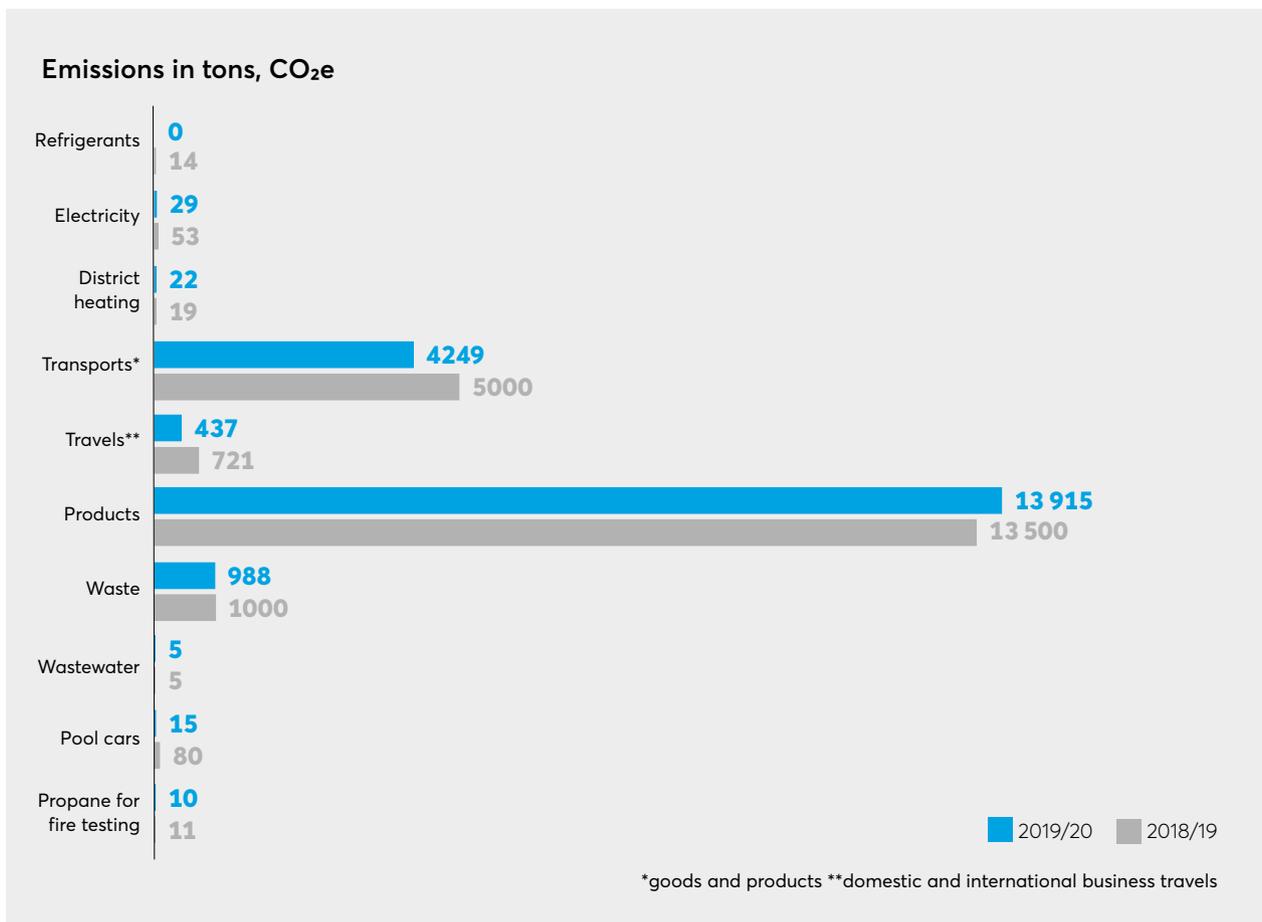
Roxtec obtained its first ISO certification in 1995 and is certified in quality and environmental management per the ISO 9001:2015 and ISO 14001:2015 standards.

and illustrated in line with the main sustainability goals during the next year and be presented in the sustainability report for 2021. It will give a clear picture of the company's sustainability journey and of the improvements that will be done the upcoming years.

The climate – our shared and prioritized responsibility

Climate change poses a very important and vital challenge. A negative development of the climate

with increased temperatures is a huge risk for nature and humanity and thereby also for Roxtec's continued global operations. Roxtec respects the industry's commitment to achieving the global goal of reducing global warming. An initiative is active since 2018 to handle, investigate and calculate in order to enable decisions on actions to reduce the climate impact. By measuring and describing climate impact, Roxtec has during 2020 been able to decide on an extensive, concrete and long-term goal to reduce its climate impact from fossil fuels from freight transports and business



Since the current reporting period includes 18 months (July 1, 2019–December 31, 2020), emission data are presented as an average for twelve months to enable comparison with previous reporting year 2018/2019.



travel, heating and energy use. The Roxtec group shall, as far as possible, actively work in order to have transferred to renewable energy in 2030. The road ahead will be challenging and for certain not easy, but the work on identifying action plans has started.

Energy and heating

Roxtec uses 100% green, renewable and origin-labeled electricity. Since 2015, the heating is performed by district heating that is produced from renewable biofuel and is 99.9% fossil free. Over the past ten years, Roxtec has been working very actively with energy-saving actions. In 2019, the number of employees increased so that the company is now concerned by requirements on energy mapping for large companies. During 2020, a person responsible for energy has been appointed to coordinate and identify upcoming actions and goals for electricity and heating within real estate and production. Besides heat recycling from the production, the manufacturing equipment for the vulcanization is optimized so that both the amount of waste and the energy use are reduced.

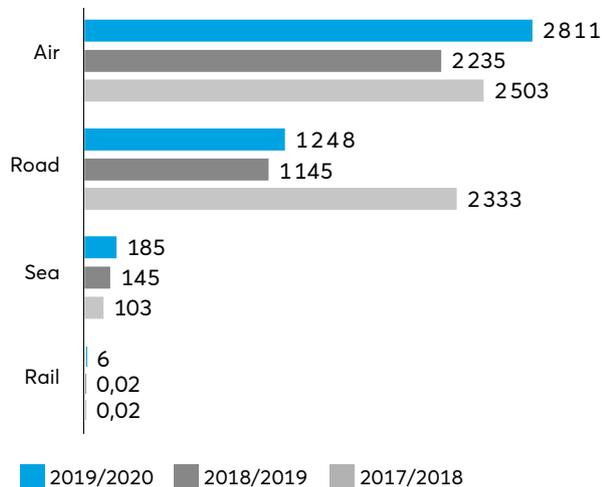
Roxtec IT continues to develop their projects aiming to modernize data centers. One parameter will be to continuously minimize the operations' impact on the climate by using climate neutral data centers, especially where cloud operation is an option.

Freight transports and business travels

Transports to and from the company consist of freight and passenger transport. Freight transports are dominated by road transports and commonly used commodities are raw materials, supplies, production and operating materials, return goods, semi-finished products, products, fuels, test materials and materials for property maintenance as well as waste. The entire transportation sector and all of Roxtec's carriers are actively striving to reduce their environmental impact and use of fossil fuels. Roxtec is influencing the sector by participating in transport stakeholders' environmental councils and organizations such as Geodis, TIPS (the Transport Purchasing Panel, that is the IVL Swedish Environmental Research Institute, Chalmers University of Technology and University of Gothenburg group for experience exchange within transport purchasing) and Stockholm Shippers.

A cooperation with Geodis, aiming to develop a simulation method for calculating the emissions of the company's incoming and outgoing freights, has been finalized during the year. Roxtec believes the simulation and calculation tool can contribute to environmentally improved logistics already in the next few years.

Incoming and outgoing freight, total number of tons of CO₂e emissions



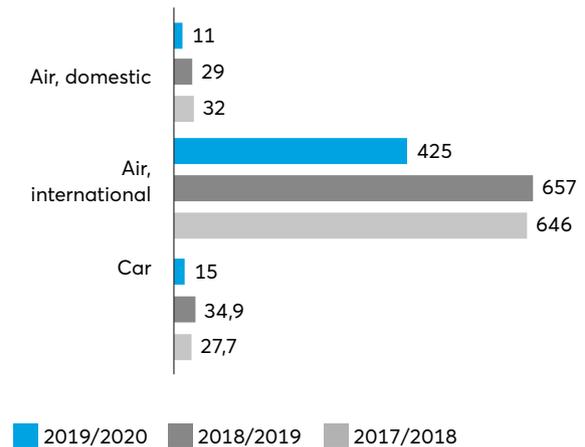
Through the participation in the EU funded project Elbilslandet Syd, an energy declaration has been performed by Miljöfordon Sverige on the company's pool cars and service cars. As a result, the pool cars will gradually be replaced by non-fossil driven vehicles wherever possible, and the service car policy will be reworked.

During the year, the company's first electric car was acquired. A digital information day was also held to let the employees learn more about electricity and gas driven cars, charging stations and government grants. It was also possible to test drive fossil free vehicles.

The number of business travels has been impacted due to the ongoing pandemic and internal restrictions regarding travel have led to a significant reduction of the number of travels by air in 2020. This reporting year demonstrates, despite six extra months, a reduction of international travel by air by 64% and domestic travel by air by 39%. Travel by car has decreased by 62%. The pandemic, causing cancelled travel, is the reason. Measuring values for travel by train are not available but will be presented in upcoming reports. Since the reporting period includes 18 months (July 1, 2019-December 31, 2020), emission data for freight transport and business travel are presented as an aver-

age for twelve months in order to enable comparison with previous reporting years, 2018/2019 and 2017/2018.

Business travels, total number of tons of CO₂e emissions



Operations and products in a circular economy

Roxtec works with the challenge of reducing the amount of waste and increase the share that is possible to reuse or recycle. Expected risks could be higher costs and reduced availability for raw materials as well as future limitations when it comes to sending waste to landfill. Action plans will be established in order to bring the company towards the goal of reaching a circular economy in the year 2030.

Sustainable product development. Within product development and technical product management, there is a strong motivation for being part of a sustainable product development culture and for acting in the forefront. Therefore, Roxtec has an ongoing cooperation since several years with Blekinge Institute of Technology to identify and develop company adapted sustainability criteria and tools for sustainable product development. The methodology that has been and will be used for the analysis and strategy work is the framework for strategic sustainable development, FSSD (Framework for Strategic Sustainable Development).

Sustainability will be an integrated and natural part of all decision-making from product development, manufacturing and strategy work to day-to-day issues. The organization is very motivated when it comes to participating for a sustainable development and new technologies mean exciting opportunities. In 2021, AI (artificial intelligence) will be evaluated as an active part of the product development. The purpose of the



project is to use AI to minimize material use through suggestions of new designs in the development phase.

Waste and recycling. Rubber waste is a large part of the waste that occurs in the production. There are limited possibilities to recycle the rubber waste material that occurs and the challenge is to reduce the part that ends up as landfill. During the last two years, focus has been on process optimizations to reduce the origination of waste. For example, the grinding dust from the rubber production has been reduced, which gives corresponding savings of raw materials. This has also meant savings in sanding belts for equipment, shorter manufacturing time and fewer transports. The result for 2020 has been very positive.

Roxtec has reduced the amount of grinding dust sent to landfill by 15% compared to 2019. The product development department has initiated a special investigation project where one aim is to recycle rubber waste, and grinding dust has also been sent to a producer of recycled materials for other types of rubber products. Roxtec is cooperating closely with its suppliers to avoid plastic materials when packing products and thereby reduce the risk of plastics spreading into the environment. Roxtec initiated its work on implementing cardboard boxes as replacement to plastic bags during the first quarter of 2019.

The exchange has been very well received and Roxtec has continued to reduce the use of plastics as packaging. The goal was to reduce the use of plastics by 75% before the second quarter of 2020 compared to prior to the change in 2019. However, the company did



not succeed in reaching the goal. The use of plastics was reduced from 520kg to 240kg, which corresponds to a reduction of 46%. The reason was delays in deliveries of new cardboard boxes due to the pandemic. An improvement work with a sub-supplier has also led to a reduction of 33% of the use of plastics for products assembled by the supplier. Roxtec reuses transport packaging from suppliers when shipping to customers. The packaging, which consists of wooden pallets and pallet rims, comes from responsible sources in accordance with FSC, Forest Stewardship Council. It has a long lifetime and can be reused many times. The packaging is also selected to ensure the best possible work environment from an ergonomic perspective. Roxtec is also considering the possibility of increasing its part of bulk packaged products in order to reduce the use of packaging materials.

The Roxtec IT department is striving to handle all used electronic equipment and electronic waste, such as computers, printers, telephones and similar, in a clear process for reuse and material recycling. The material is managed in several steps in cooperation with partners. The first step is reuse. If this is not possible, the equipment and the waste continue first to environmental remediation and then to degradation in fractions for material recycling or energy recovery. During the 18 months of the reporting year, 2019/2020, Roxtec sent 913kg of IT equipment for reuse or recycling. The equipment included 222 units (computers, servers, tablets, desktops and laptops and such) and out of these 18.5% were material recycled and 81.5% were reused.



Responsible commitment to the communities

For many years, Roxtec has been working with local initiatives to support different activities, for instance school projects or sponsoring of different sports associations.

The two primary reasons for assuming its social responsibility is that Roxtec wishes to:

- make a positive impact on the community in which it operates
- create pride in the company and attract new employees

Support that makes a difference

In Roxtec's CSR (Corporate Social Responsibility) strategy, the work is focused on empowering entrepreneurship in order to fight poverty. To this end, Roxtec has an agreement with the organization Hand in Hand. Hand in Hand is a non-profit organization that fights poverty around the world. Through this agreement, Roxtec has been involved in different projects in India since 2015. In the summer of 2020, a project was

finalized in the village Bhilai in the state of Madhya Pradesh, where 14 million out of 72 million citizens are considered poor.

Via Hand in Hand's Village Uplift Program, Roxtec has through its commitment provided support within these five focus areas:

- Child labor elimination and enabling schooling
- Self-Help Groups and microfinance for women
- Internet access and democracy for all
- Health education and free medical examination
- Environmental solutions for waste and utilization of resources

In 2021, Roxtec will sign a new agreement with Hand in Hand to sponsor yet another project in India.

Protecting life and assets