ROL

Sustainability Report

2022

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Letter from the CEO

Dear Reader,

Thank you for taking the time to get to know ROL and our journey towards a more sustainable future. In each report, we focus on the implementation of our sustainability strategy, continued investment in our future, and key initiatives that are better preparing us for the challenges ahead.

At ROL, we see many opportunities to include and embed sustainable thinking into our innovation process, ways of working, manufacturing platform and software development. These ideas inform our conversations with clients and offer an exciting environment to work in for everyone at ROL.

Climate change is a pressing global issue that requires businesses to take a proactive approach to sustainability. Most electricity consumed by ROL comes from environmentally responsible sources, but some local infrastructure challenges remain in order to mitigate usage of non-renewable energy sources. Using the GHG Protocol, ROL has achieved good results with our scope 1 and 2 activities. And now we are focusing on extending scope 3 categories to better allocate and reduce indirect emissions.

In broader terms, ROL has identified 13 focus areas related to the UN Sustainable Development Goals. This is a multi-year approach that began in 2020, guiding us towards significant improvements and reductions of negative impact by 2030. We have implemented ISO certifications to ensure quality, environmental, and occupational health and safety management systems. Data protection is governed by an Information Security Management System (ISMS) framework based on ISO 27001. We have also improved employee engagement with tools that give our colleagues a voice to express their thoughts and concerns.

In the same way as we ourselves have benefited from the experience and directives set by many of our global clients who are deeply committed to sustainability and climate change, ROL is supporting our own suppliers to improve their ESG practices. To ensure the sustainability of our supply chain, ROL has developed a comprehensive, policy-based, data-driven supplier assessment system.

In 2023, ROL aims to conduct a double materiality assessment and update our sustainability strategy based on the requirements of the upcoming EU Corporate Sustainability Reporting Directive (CSRD). We are also implementing Life Cycle Assessment (LCA) and Environmental Product Declaration (EPD) across relevant areas of our product range in order to increase our focus on environmental impact and meet future market standards.

ROL also recognizes the importance of circularity and we are actively working with clients to understand and test operational and business models to incorporate circularity principles into our products and ways of working.

In 2022, ROL won recognition through the Priveq ESG Award for portfolio companies. This award demonstrates our leadership in ESG practices and highlights our commitment to sustainability. Other companies in the Priveq stable have now benefited from our experience through presentations and collaboration – and, of course, ROL has gained insights from their experience as well.

Overall, ROL is taking a proactive approach to sustainability and we are committed to reducing negative environmental impact while supporting global suppliers to improve their ESG practices. With our focus on sustainability, ROL is well-positioned to meet the challenges of the future and to remain a responsible and sustainable organization.

These annual Sustainability Reports serve as a scorecard on our progress as well as a guide and motivation for the whole organization. We hope that you will find this year's report informative, and we are always open to feedback, suggestions and partnerships that will enhance our approach. Together, we will continue to deliver inspiring, integrated and sustainable solutions where we live, work, shop and socialize.

Regards,

*Rod Walker*

Rod Walker
CEO ROL Group
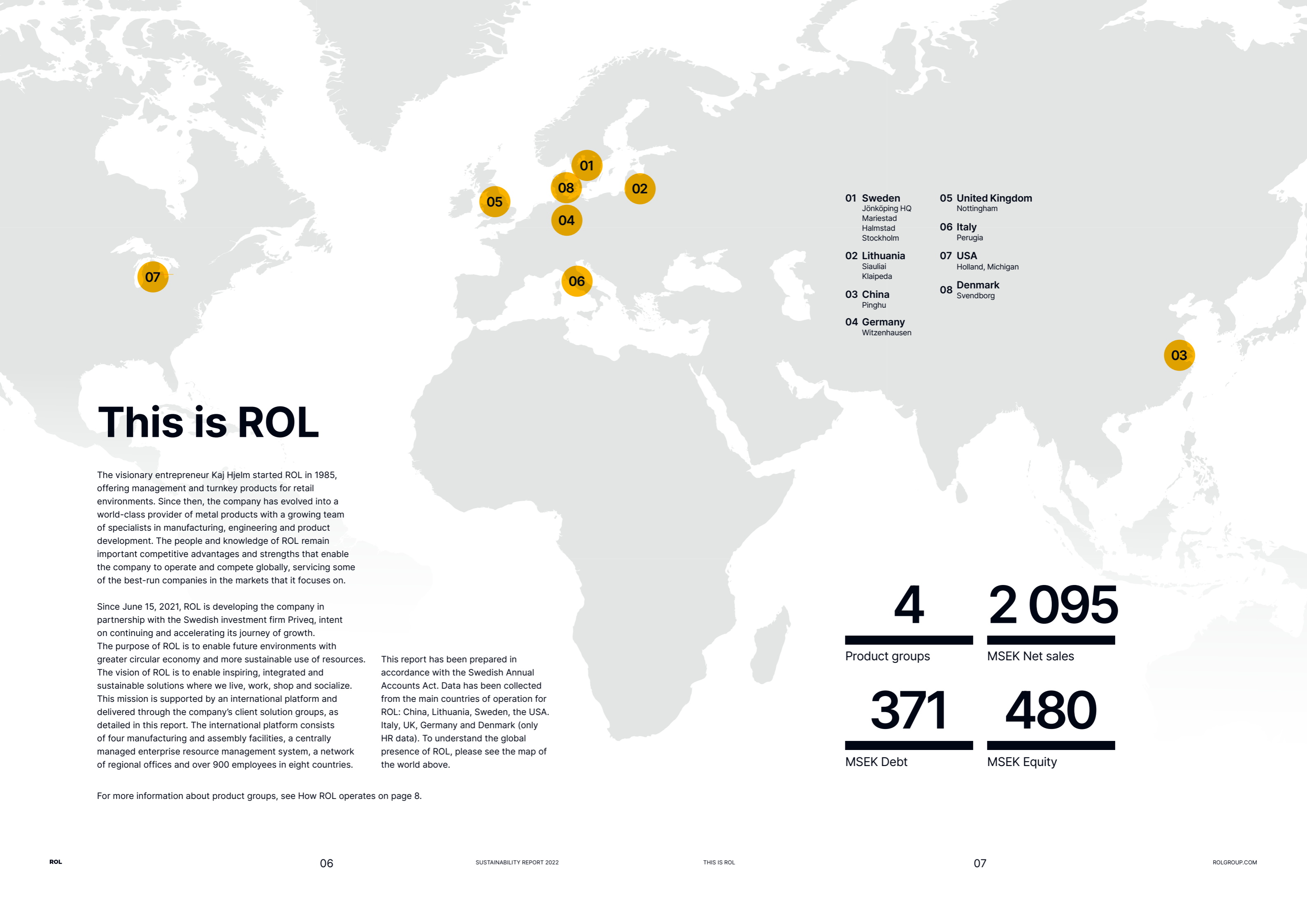
01 Sweden
Jönköping HQ
Mariestad
Halmstad
Stockholm

02 Lithuania
Siauliai
Klaipeda

03 China
Pinghu

04 Germany
Witzenhausen

05 United Kingdom
Nottingham

06 Italy
Perugia

07 USA
Holland, Michigan

08 Denmark
Svendborg

This is ROL

The visionary entrepreneur Kaj Hjelm started ROL in 1985, offering management and turnkey products for retail environments. Since then, the company has evolved into a world-class provider of metal products with a growing team of specialists in manufacturing, engineering and product development. The people and knowledge of ROL remain important competitive advantages and strengths that enable the company to operate and compete globally, servicing some of the best-run companies in the markets that it focuses on.

Since June 15, 2021, ROL is developing the company in partnership with the Swedish investment firm Priveq, intent on continuing and accelerating its journey of growth. The purpose of ROL is to enable future environments with greater circular economy and more sustainable use of resources. The vision of ROL is to enable inspiring, integrated and sustainable solutions where we live, work, shop and socialize. This mission is supported by an international platform and delivered through the company's client solution groups, as detailed in this report. The international platform consists of four manufacturing and assembly facilities, a centrally managed enterprise resource management system, a network of regional offices and over 900 employees in eight countries.

This report has been prepared in accordance with the Swedish Annual Accounts Act. Data has been collected from the main countries of operation for ROL: China, Lithuania, Sweden, the USA. Italy, UK, Germany and Denmark (only HR data). To understand the global presence of ROL, please see the map of the world above.

4
Product groups

2 095
MSEK Net sales

371
MSEK Debt

480
MSEK Equity
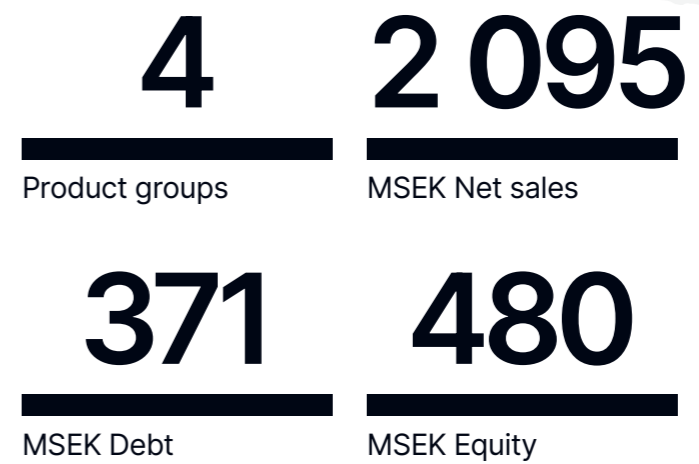
How ROL Operates

ROL is made up of a diverse collection of thinkers and doers located across the globe. Being curious by nature allows the company to stay one step ahead of its industries and directly benefit its clients.

Everyone at ROL is committed to building meaningful partnerships. Realizing the goals of partners, harboring collaborations and talking to people are truly valued things. This desire to collaborate is displayed in all the ongoing projects with clients, where different areas of expertise interconnect to produce mutual success and development. Engaging with the company's high-performing clients is one of the key success factors in ROL operations and one of the fundamentals for developing as a partner. The purpose of ROL is to enable future environments with greater circular economy and more sustainable use of resources. The ROL vision is to enable inspiring, integrated and sustainable solutions where we live, work, shop and socialize.

ROL has joined all its forces together in order to become one integrated, important and influential partner to clients, with whom they can build their long-term success.

ROL is delivering ideas that inspire conversations with the market, existing clients, new clients, partners and suppliers. The team highlights and uses the strengths of ROL as a group of people working together to create inspiring, integrated and sustainable solutions, delivered in one package. To support the mission of ROL, the client solution groups operate as follows.

ROL Workplace
Ergonomically optimized office furniture developed with the clients, resulting in sustainable work environments enabling increased productivity and well-being.
Key highlights from 2022:

↗ Created LCAs (Life Cycle Assessments) and generated EPDs (Environmental Product Declarations) for the highest-volume desk frames.

↗ Adopted smarter, more compact and sustainable cardboard packaging, replacing plastic bags and air pouches with paper options.

↗ Exploring the use of new ECO powder for coating.

ROL Retail Concepts
Turnkey projects incorporating concept design, general contracting and production of shop fittings and interiors for clients within retail, restaurants, cafés and public spaces.
Key highlights from 2022:

↗ Initiated a circularity project with a client where take-back schemes for reuse and refurbishment of existing products are being explored.

↗ Implemented a circularity initiative together with a client and an external partner where used clothes and textile waste are remanufactured into boxes. These recycled boxes are then placed in the client's retail shops for consumers to leave their used clothes in for recycling.
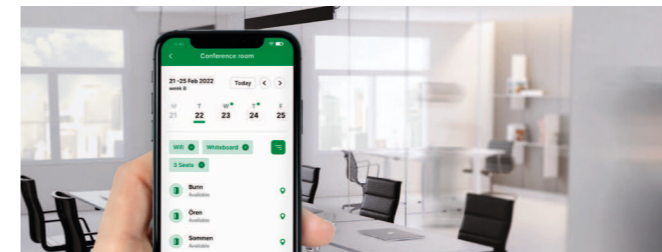
ROL Intelligent Office
A one-stop platform focusing on software making use of real-time information, automation and visualization to power a better, connected workspace experience.
Key highlights from 2022:

↗ Ran multiple projects with clients reducing their usage of resources and office space by up to 50 percent by redesigning and optimizing offices via ROL Intelligent Office.

↗ Developed a smarter service aggregation reducing the number of servers needed for data activities by 40 percent.

↗ Conducting an ongoing project with a key client concerning the potential new utilization of ROL Intelligent Office data to facilitate even greater sustainability activities.

ROL Customer Specific
ROL OEM partners with creative and technical departments to deliver products using combined materials and technology. An iterative approach ensures that concepts evolve to meet the needs of clients, from prototypes and small series to product families and higher volume ranges. Key highlights from 2022:

↗ Executed a project enabling the reuse of heat in the production furnaces, thus reducing energy consumption by 15–20 percent.

↗ Replaced two old laser machines with one new and modern that is more efficient in its energy consumption and utilization of steel/sheet.

↗ Implementing a new lighting system and redesign/reorganization of the production, thus improving the logistics and working conditions for the employees.

The ROL Code of Conduct

The ROL Code of Conduct determines the fundamentals for working at ROL, no matter where or who you are; it applies to all employees and ROL representatives.

The Code of Conduct is based on the ten principles of the United Nations Global Compact and outlines the care and concern that ROL has for the environment, its respect for human rights and labor rights, as well as the company's dedication to fighting corruption and unethical business practices in all their forms (please refer to the section on how ROL works with sustainability in the supply chain for more information) page 42.

All ROL employees, management and board members are expected to have understood and signed the Code of Conduct, and to always uphold it. Since 2021, all ROL employees sign the Code of Conduct as a part of the onboarding process. In 2022, the company planned to offer training to all employees in what the Code of Conduct entails, ensuring that all employees are onboard with what representing ROL means in practice. Due to updates in internal systems, these trainings have been moved to 2023.

Breaches of the Code of Conduct, such as incidents of corruption, can be anonymously reported through the company's whistleblower mechanism. In 2022, there was one confirmed significant incident in Sweden. It was treated in accordance with the whistleblower process in place.

Materiality Analysis

ROL is determined to be a leader in sustainability initiatives as global communities start to better understand and experience climate change, which is recognized as the greatest threat of all time for humanity. Based on an understanding of the impact that the company's operations have on the environment and people, the objective of ROL is to be part of the sustainable transformation taking place in society and to follow science-based targets. This is reflected in the environmental goals set by ROL, see page 26 for more details. In 2020, ROL partnered with an expert sustainability consultancy to conduct a thorough materiality analysis. This work helps ROL understand what is most important to focus on in its sustainability efforts.

The stakeholder groups were identified following the AA1000 Stakeholder Engagement Standard (AA1000SES). In order to reach as many stakeholders as possible, a hybrid approach was employed, with online surveys and semi-structured interviews, as well as a focus group discussion. The stakeholder groups, forms of engagement and main topics of concern are presented on page 13.

The materiality analysis reviewed 21 different sustainability topics. These were subsequently consolidated into 13 prioritized topics that have been assessed according to the dual materiality perspective. This means that you consider both how the company impacts its surroundings and the actual and/or potential impact that sustainability could have on your business success.

ROL is constantly engaging on sustainability topics with its stakeholders, like customers, as this is a prerequisite for doing business with them. The last few years have been turbulent and fraught with frightful situations affecting the stakeholder dialogues. Since the materiality analysis was made before both the outbreak of Covid-19 and Russia's full-scale invasion of Ukraine, an updated double materiality analysis will be implemented within the upcoming year to ensure that ROL is properly focusing on the interests of its stakeholders. In 2022, a new regulation concerning sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD), was presented by the European Financial Reporting Advisory Group (EFRAG). This new EU directive requires a higher standard on corporate reporting of sustainability matters. ROL will be covered by CSRD in 2026, reporting financial year 2025, yet preparation for this new directive is already taking place..

The materiality analysis was followed up in 2022 and ROL continued to:

↗ Gather direct insights from internal and external stakeholder groups regarding the sustainability topics most impactful to them.

↗ Identify prioritized sustainability areas that ROL should direct resources to for further progress.

↗ Foster trustworthy and transparent stakeholder engagements regarding the company's sustainability efforts.

Stakeholder dialogues

Below, you find a summary of the stakeholder dialogues of ROL and the methods of engagement used with the various stakeholder groups, along with the main conclusions of the analysis to establish which topics of concern that are most important to them.

| Stakeholder group	Form of engagement	Main topics of concern
Employees	Survey	→ Attract, retain and develop employees → Energy efficiency in manufacturing → Sustainability and quality management in manufacturing → Waste and resource management in manufacturing → Safe workplaces with fair working conditions
Managers	Survey	→ CO_2 emission reduction in manufacturing → Transparent communication, marketing and reporting → Safe workplaces with fair working conditions → Safe, ergonomic and high-quality products → No child labor or forced labor
Customers	Survey	→ Sourcing of environmentally friendly and socially responsible materials → Effective and sustainable supply chain management → Energy efficiency in manufacturing → Waste and resource management in manufacturing → Circular products and services
Key functions at ROL	Focus group	→ Sourcing of environmentally friendly and socially responsible materials → Sustainability strategy and governance → Safe, ergonomic and high-quality products
Management team	Interview	→ Effective and sustainable supply chain management → Sourcing of environmentally friendly and socially responsible materials → Circular products and services → Sustainability strategy and governance
Board of Directors	Interview	→ Safe, ergonomic and high-quality products → Effective and sustainable supply chain management → Circular products and services

The 13 Sustainability Topics of ROL

In 2022, ROL has taken action in multiple ways to fulfill its ambitious targets set in the sustainability strategy developed in 2020. One important action during 2022 was to start the implementation of LCAs/EPDs for ROL´s products in the Workplace segment. The plan is to have certified EPDs on the major products during 2023. This will enable a more detailed understanding of the products' footprint and facilitate actions taken to reduce it. Furthermore, customer trials have been initiated to introduce circular flows for some products within the Retail segment. Other parts of the business contribute to reaching the targets stated in the sustainability strategy, for instance investments to reduce electricity/gas consumption or initiatives within product development to reduce the amount of steel used in the products.

The ROL sustainability strategy is published in detail at the ROL company website.

See the GRI Index on page 48 for more information on the connection between the 13 sustainability topics and GRI.

ROL	Overview
ROL STRATEGIC APPROACH TO SUSTAINABILITY	KEY AREAS
Lead This is the most important sustainability area for ROL and where ROL will devote most resources in order to assure top performance and hold a leading position.	1. Effective and sustainable supply chain management.
	2. Smart solutions that influence sustainable behaviors and enable more efficient management of resources.
	3. Healthy and safe workplaces with fair working conditions.
Develop & Accelerate These sustainability areas are of a significant importance to ROL. ROL aims to investigate and advance these areas to assure alignment with stakeholder expectations while continuously strengthening its organization.	4. Safe and ergonomic products with superior quality and circular design.
	5. Effective sustainability & quality management systems in manufacturing.
	6. Attract, retain and develop employees.
	7. Promote gender equality, diversity and inclusion.
	8. Customer privacy and data security.
	9. Low-carbon and energyefficient manufacturing.
Manage & Monitor ROL will actively monitor and manage these areas continually in order to maintain a consistent level of performance and development.	10. Transparent communication, marketing and reporting.
	11. Offices, transportation and business traveling with low climate impact.
	12. Counteract corruption in all its forms.
	13. Partnerships for sustainable development.

ROL 13 prioritized topics that have been assessed according to the dual materiality perspective. The ROL sustainability strategy is published in detail on the ROL company website. See the GRI Index on page 48 for more information on the connection between the 13 sustainability topics and GRI.
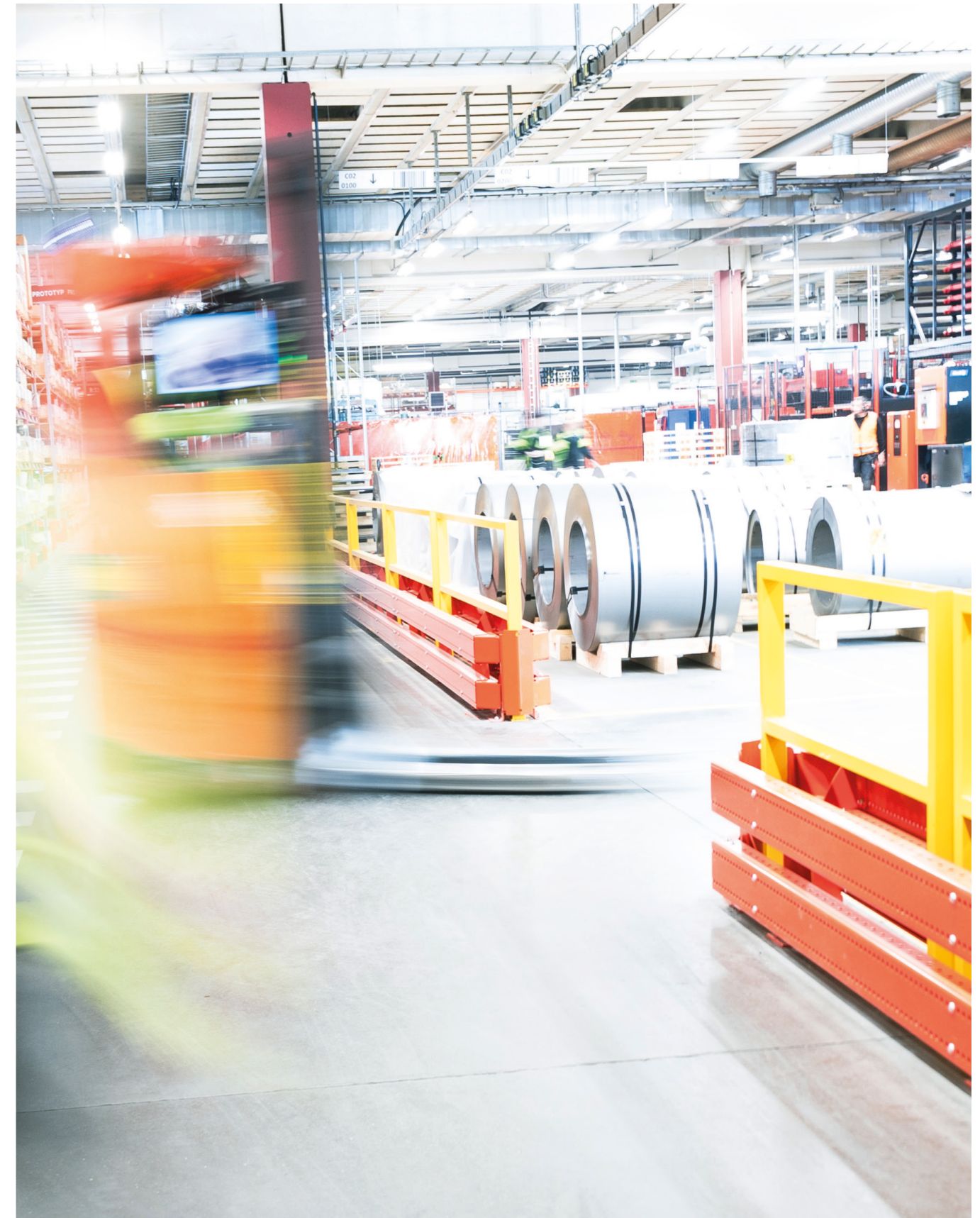
Understanding the sustainability risk landscape

In 2020, ROL conducted a thorough materiality analysis. This work helps ROL understand what is most important to focus on in its sustainability efforts. At the same time a risk assessment were conducted to update its understanding of the sustainability risk landscape facing the industry and environment that the company operates in. The 168 internal and external risks identified in 2020 – ranging from global macro sustainability risks to sector and country-specific ones – have been monitored to assess how they could potentially impact the ability of ROL to operate in a sustainable manner.

Since that risk assessment was carried out sustainability-related risks and geopolitical risks have significantly intensified. Because of this and, as well, due to the upcoming implementation of the Corporate Sustainability Reporting Directive (CSRD), a new and more updated double materiality assessment will be carried out. This is identified as an initial and critical step in preparation for upcoming regulations and for achieving superior risk management in a constantly changing and turbulent environment.

The assessment in 2020 uncovered that the most material sustainability risks facing ROL are those associated with supply chain management and manufacturing processes. In its supply chain, ROL must collaborate with suppliers and subcontractors to prevent all forms of child labor, corruption and environmental mismanagement, as well as safeguard the human rights and occupational health and safety needs of all employees. With regards to corruption, risks and challenges differ depending on where in the world ROL is active, and what the specific situation is. ROL is already working proactively to prevent corruption in its procurement and sourcing process and will continue planning how to best equip all employees with the right tools to identify and counteract corruption in all its forms.

Furthermore, ROL recognizes climate change as one of the biggest threats against humanity and the global economy. As a result, the company acknowledges the need to mitigate its own direct and indirect contribution to climate change and more efficiently manage the risks facing ROL due to climate change. For example, the company must consider how extreme weather events can disrupt the supply chain and manufacturing practices. Additionally, it is important to understand how new regulations aimed at curbing climate change make it more costly to work with non-renewable materials and energy in the manufacturing process. New ways to offset this negative impact must be found for the long-term benefit of all stakeholders and the environment. To better identify and make more efficient improvements minimizing the company's environmental impact, it is critical to map the greater footprint of ROL. This mapping is therefore now being implemented. ROL is aiming to increase its understanding of the environmental impact of its highest volume products in order to allocate resources more efficiently and accurately to reduce its negative footprint.

The global system for sustainability data collection for ROL is based on GRI (Global Reporting Initiative) disclosures 2021. This helps identify where in the company's operations CO_2 emissions occur, so that the company can then direct resources towards these areas, aiming to mitigate its direct and indirect contribution to climate change. Furthermore, the scope 3 data that is included in the mapping today does not meet the extent of mapping to which ROL aspires. Because of this, the number of data points being measured, and the amount of data collected regarding scope 3, will increase significantly in 2023.

The sustainability strategic approach of ROL

In 2020 ROL defined a sustainability strategy. The strategy is built from the foundation provided by a materiality analysis and incorporates the organization's most material sustainability risks. The sustainability strategy will also aid the company's success in reaching its 2025 vision, where:

- ↗ ROL is a global company offering a range of products and services that enable inspiring and integrated environments where we live, work, shop and socialize.

- ↗ ROL integrates these products and services with a cloud-based platform that uses data and analytics to improve design and decision-making.

- ↗ ROL creates new possibilities for sustainable and circular environments in collaboration with its clients and partners.

- ↗ ROL is a responsible corporate citizen supporting strong values, a diverse and inclusive workforce, ethical supply chain relationships, and sustainable practices throughout the manufacturing process.

ROL has completed a detailed mapping of how the company can contribute to the UN's Agenda 2030 for Sustainable Development and the Sustainable Development Goals (SDGs) most relevant to the ROL business. In 2022, multiple actions regarding the 13 areas in the sustainability strategy were realized. Among the highlights concerning ROL lead areas is the implementation of a supplier management system to actualize a more sustainable supply chain management (Area 1). During the year, ROL has also increased data collection concerning how ROL Inteligent Office can be used to intensify the use of resources and office space to enable more efficient resource management (Area 2). ROL furthermore understands the value of prosperous and healthy workplaces where management listens to employees' concerns and ideas for improvement. In light of this, a new employee satisfaction software was implemented in the last quarter of 2022 to enable a greater influence from employees (Area 3). ROL is improving every year, yet there is a long journey ahead before the company is satisfied, requiring a sharp focus on the vision of actualizing a sustainable transformation.

Transparent communication and marketing are a priority for ROL and efforts to provide stakeholders with the information that they value will continue. This sustainability report is a part of that process. The goal is to ensure that all ROL stakeholders are aware of the company's sustainability mission, goals and efforts moving forward.

Sustainability management

ROL is determined to minimize the negative impact of its business on the environment, including any contributions to climate change caused by mankind. The company applies the precautionary principle in its business, which is especially important during product development, to safeguard human health and the environment. In addition to following national and regional legislation, such as the Swedish Environmental Code (Miljöbalken) and the EU REACH legislation, the company's work is governed by its Code of Conduct and environmental policy.

In 2022, ROL has identified measurable and ambitious environmental goals. Reduction of its environmental footprint is a long-running priority for ROL, but it is only in the past few years that it has been possible to measure the environmental impact accounted by ROL in a systematic and reliable way. Hence, accuracy in data collection is a prerequisite for being able to set realistic, yet ambitious, targets. This is why the environmental targets set by ROL in 2022 are limited to scope 1 and scope 2. Data for scope 1 and scope 2 are systematically measured and collected, and within the direct control of ROL´s operations. Replacement of natural gas and liquified petroleum gas with renewable energy sources, further improvements in energy efficiency and waste reductions are identified as the key actions for ROL to achieve its ambitious environmental targets. See page 26.

In 2023, ROL´s plan is to increase the number of measurable parameters regarding scope 3 data (e.g. suppliers transport data, raw material data etc.) to enable reduction targets that will include scope 3 data as well. This is a high priority for ROL, since being a manufacturing company, it is acknowledged that the greatest environmental impact typically is found in scope 3. The group's Sustainability and Foundation department, based at its headquarters in Jönköping, Sweden, and reporting directly to the CFO, systematically leads the company's sustainability operations.

In each country where ROL has manufacturing and assembly facilities, there are employees responsible for implementing and managing environmental concerns. The company's environmental impact mainly comes from:

↗ The consumption of energy, materials, water and chemicals.

↗ The emissions of greenhouse gases.

↗ The generation of waste and effluents.

ROL has a long history of working with quality management which is considered to be at the core of the company's business and also supports its sustainability vision. Therefore, depending on the nature of their operations, the facilities that ROL has around the world are certified according to various ISO standards. In Sweden ROL is certified according to ISO 9001, 14001 and 28000; in Lithuania ISO 9001, 14001, 28000 and 45001; in the USA ISO 14001 and 9001; and in China ISO 9001. All sites have assigned quality assurance roles, such as Quality Managers and Technicians. Quality departments do daily quality rounds to assess and identify any possible non-conformities with the quality protocol. In case of a non-conformity, the issue will be subject to troubleshooting to provide solutions.
In 2022, there were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of the company's products.

ROL strives to have the highest quality materials and will continue its efforts to strengthen their sustainability. There is an ambition to use more recycled steel, but a challenge here is that the availability of this material is still limited. In the past years, the mechanical engineering team at ROL has implemented updated processes to increase focus on sustainability and circularity aspects when developing new products. A possible way to update the company's products would be reducing the amount of material used and finding high-quality materials with lower climate impact. In the last quarter of 2022, a key milestone was achieved as an extensive project regarding Life Cycle Assessments (LCAs) of High adjustable products was realized. This LCA project will not make ROL products sustainable per se, but it will enable more efficient resource allocation to reduce products' climate footprint and facilitate opportunities to realize processes of greater circularity. Therefore, the accuracy in ROL sustainability initiatives will be superior in the coming year and there will be more transparency for stakeholders of ROL following the company's journey.
Additionally, in the year 2022 further material reductions of steel, plastic and chemicals were actualized, and training within circular design was initiated for mechanical engineers.

The facilities that ROL has in all its various locations continue to develop their systems for handling chemicals. The assigned employees responsible for chemicals are continuously working with risk assessments of chemical usage to protect people and the environment.

In Lithuania, obsolete forklift batteries were changed from acid to lithium in order to decrease their negative impact on the environment. Lithium batteries are a more sustainable energy source because of their longer lifespan and the possibility to recycle them.
The number of forklifts using gas was reduced and therefore the consumption of gas used in forklifts in 2022 was reduced more than three times compared to 2021. The emulsion which is used in metal working processes was changed from FU71 to the environmentally friendly emulsion Bio 4FT.
Parts and samples are washed using Bio circle I liquid. This detergent perfectly washes away oils, grease and other dirt, while the microorganisms in it break down the washed oils into CO_2 and water – meaning that the washing liquid cleans itself. Even heavily soiled parts are washed quickly, safely and without harming the environment.

In China, ROL KH received a pollutant discharge permit in March, 2022 (valid 2022 to 2025) in accordance to the Measures of Total Quantity Control of Major Pollutants and Trading of Emission Rights of Pinghu City. This means that the company is meeting relevant local demands.

ROL USA maintained the Quality and Environmental Management Systems (EMS). The ISO 45001 OH&S Management System requirements got incorporated with the ISO 14001 EMS during the year and a compliance self-declaration was made in October 2022.

In the UK, ROL works with the FSC (Forest Stewardship Council) to supply one major client with exclusively FSC certified materials from responsibly managed forests, meeting the highest environmental and social standards. ROL UK is working with partners to improve on-site environmental credentials and looking at the addition of high performance insultation and roofing materials, charging points for electrical vehicles and initiatives to reduce CO2 emissions.

In Italy, a feasibility study is ongoing to make a major customer's display units fully sustainable, while retaining the same premium quality and look. In all cardboard packaging, ROL Italy has also replaced traditional plastic tape with tape made out of paper material, simplifying the recycling of used packaging materials.

The work continues everywhere in 2023, when ROL will support all facilities in:

↗ Advancing and supporting systematic environmental efforts.

↗ Internal processes as defined in the company's environmental management system.

↗ Educating team members.

↗ Spreading awareness throughout the organization.

↗ Identifying areas for improvement and urgent action.

Managing waste for circularity

The most important sources of waste generation for ROL are related to the manufacturing and packaging of products, keeping in mind that what is packaging at one ROL site can become waste at another site. Metal waste originates in the company's manufacturing process, while the waste from packaging, such as wood, paper, cardboard and plastic, results from suppliers' processes. ROL is working closely with its suppliers to reduce the amount of waste from packaging through stricter requirements on packaging materials. It is a work in progress and partly dependent on the availability of materials, local infrastructure and the quality of the materials, so as not to damage products during transport. ROL embraces a holistic perspective when analyzing waste and recycling processes. An illustrating example of this is the new packaging for the company's height-adjustable table frame products. All packaging materials are made of cardboard in order to remove plastic materials, but also to simplify the sorting of packaging material at the waste/recycling center. Given that all waste generated by ROL is collected by well-established third-party waste and recycling companies, this holistic perspective is necessary. In Sweden and Lithuania, the infrastructure for recycling is well-developed and quite advanced, while circumstances are slightly different in China and the USA. ROL continuously assesses how to further reduce overall waste generation and increase the amount of waste diverted from disposal to reuse and recycling.

An initiative launched together with a key customer in 2021 concerned the mapping of waste that is generated when dismantling a store. Created more awareness on waste and its impact on the environment. After each finalized project, the waste service companies involved leave a report that is then used by the customer to evaluate waste management when planning future projects. ROL and the customer will continue this joint initiative with the aim to recycle more materials. There is also an ongoing refurbishment pilot project with another customer. The aim here is to reclaim old items from stores that are closing, repaint them and, to some extent, replace worn out components, thereby extending the product lifetime. The next step in this project is to collaborate further on the processes to secure quality and cost efficiency, all the while keeping sustainability in focus.

ROL is seeking to significantly reduce waste to landfill. In Lithuania, all employees are trained in waste sorting and waste sorting audits are performed periodically. Additionally in 2022, part of wood pallets and boxes were replaced by cellular cardboard boxes in order to prolong their lifecycle through the supply chain.
The new system for waste management in Sweden, put in place at all offices and canteens in 2021, has had a very good effect. The new system consists of using separate vessels for collecting the fractions cardboard, metals, plastics, glass, compost and combustibles. In 2022, ROL Sweden invested in coffee/teacups to exclude the usage of disposable paper cups. The cleaning company has been able to reduce the time for emptying all the boxes because these are no longer dispersed, but collected in common places. All wastebaskets under each desk have been removed, resulting in less consumption of plastic bags. The system has the benefit of increased well-being at the offices. The compost waste is sent to the municipal biogas plant.

In 2022, the amount of waste was reduced with 19% compared to previous year. ROL has a goal to reduce the absolute amount of waste by 14% in 2023 and 20% in 2030, compared to 2021.

ROL has a target to move waste from landfill to recycling. The goal for 2023 is that a maximum of 0.8% of waste should be sent to landfill and for 2030, the company has the ambition that all its waste should be recycled or reused. In 2022, 1.8% of waste ended up as landfill. This constitutes a big challenge, as there are limited possibilities to recycle materials in some countries where ROL operates.

Data for waste are reported by all ROL production facilities, which is based in Sweden (Jönköping), Lithuania (Siauliai), USA (Holland, MI) and China (Pinghu).

Waste fractions (tonnes)

	2021 METRIC TONNES	2022 METRIC TONNES
Carbon Steel	2 426	3 042
Stainless Steel	1 524	25
Wood	526	542
Paper and cardboard	346	286
Plastic	70	37
Electronics	4	3
Other	304	269
Total	**5 200**	**4 204**
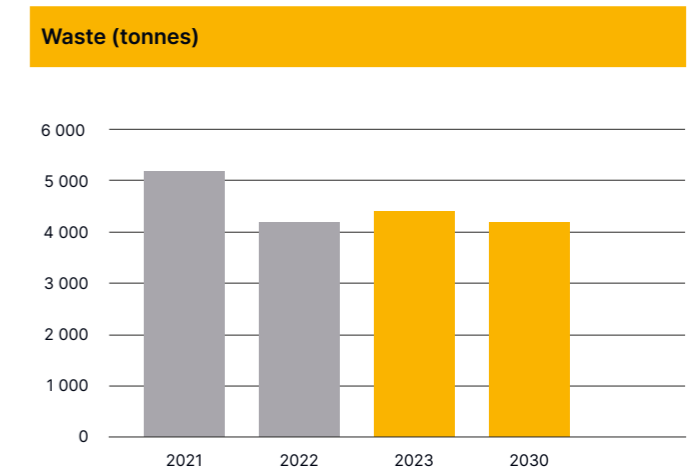
Waste (tonnes)

Hazardous Waste (tonnes)

	2021 METRIC TONNES	2021 %	2022 METRIC TONNES	2022 %
Hazardous waste	162	3%	131	3%
Non-hazardous waste	5 038	97%	4 072	97%
Total	**5 200**	**100%**	**4 204**	**100%**

Waste Management (tonnes)

	2021 METRIC TONNES	2021 %	2022 METRIC TONNES	2022 %
Waste to recycling	5 030	97.0%	4 008	95.3%
Waste to incineration, with energy recovery	104	2.0%	111	2.6%
Waste to incineration, without energy recovery	-	-	8	0.2%
Waste to landfill	66	1.0%	78	1.8%
Total	**5 200**	**100%**	**4 204**	**100%**

Share of waste to landfill (%)
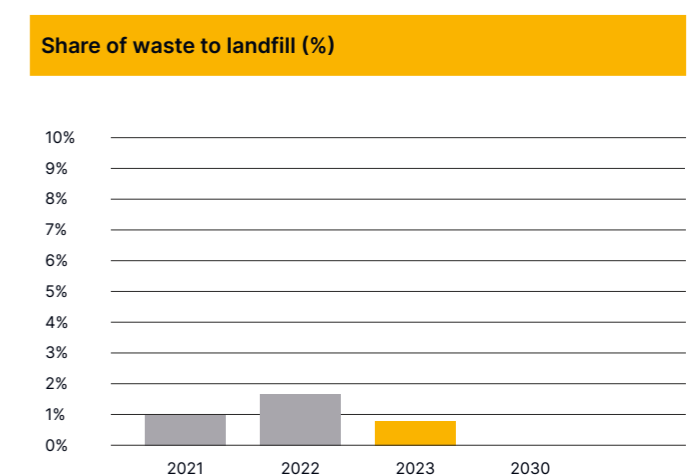
Water stewardship

ROL recognizes that water consumption is also a contributing factor to climate change. In 2022 the company strengthened its knowledge about water consumption and identified which are its most demanding processes when it comes to this issue. As a result of this work, limitations in measuring the water consumption for manufacturing and offices were identified. Therefore, separate water tank meters were installed at manufacturing facilities in Sweden in 2022. Processes will now be monitored to set targets for water consumption and efficiency.

ROL has systematic work processes in place at all its facilities, in compliance with local legislation and customer requirements.

In Lithuania, the ROL factory continues to uphold the highest environmental standards in terms of consuming energy, handling chemicals, monitoring waste and water, as well as when it comes to providing accurate environmental data to customers. The municipal water company supplies the water used in the painting process, and any contaminated water resulting from painting is tested by ROL engineers daily. As long as the contamination levels are within approved limits, the water is recirculated and reused in the painting process. Water effluents are first treated at a local treatment facility. Once the water reaches the legally approved contamination

levels, effluents are discharged through the municipal sewage system for final treatment at a government-owned facility. At the ROL manufacturing facility in Sweden the painting process is similar to the Lithuanian process, except that the contaminated water from the painting process is stored in a special tank. When the contaminated water reaches a specific level, a service provider is notified and then in charge of collecting and transporting the contaminated water to the proper treatment, as per environmental legislation.

The ROL factory in China usually uses some water for the powder coating line and the contaminated water is treated on-site in accordance with environmental legislation. Then, the water is circulated into the municipal sewage system.

In the USA, the ROL factory is connected to the municipal water system. The factory does not use water for any operations other than hygienic and personal consumption. The ROL group's water consumption is monitored and reported on an ongoing basis. In 2022, the total water consumption at the company's four manufacturing and assembly facilities amounted to 14.7 megaliters of water. This is a slight decrease of 4.5 percent from last year, mainly depending on lower production volumes in one of the factories.

| Water consumption	2021 MEGALITERS	2022 MEGALITERS
Consumption of third-party water (freshwater)	15.4	14.7

Data for water consumption are reported by all ROL production facilities, which is based in Sweden (Jönköping), Lithuania (Siauliai), USA (Holland, MI) and China (Pinghu).

Environmental management processes

One of the major projects to reduce the environmental impact has been the rebuilding of the ROL factory in Sweden, which started in 2021 and was completed in 2022. This included a new energy efficient paint line and heat recovery.

In the fourth quarter of 2022, the ROL Management Group approved goals for absolute CO2 reduction for emissions within scope 1 and scope 2 according to the Greenhouse Gas protocol. This will direct the progress of ROL in the coming years. The existing parameters for tracking and monitoring the scope 3 emissions of ROL are insufficient and therefore absolute CO2 reduction goals at present cannot be set for scope 3 emissions. However, an increased number of parameters for scope 3 data will be monitored during 2023, which will enable the inclusion of scope 3 emissions in the absolute CO2 reduction goals for ROL. For more details of the company's absolute CO2 reduction goals, see page 30.

These absolute CO2 reduction goals will have an influence on the operations of ROL and each department will be involved in aligning activities contributing to the fulfillment of these targets. To ensure accurate progress, ROL is working consistently to improve the monitoring and evaluation of all environmental parameters that are considered material.

ROL Environmental Goals

TARGET	OBJECTIVES/KPI	GOALS 2023	GOALS 2030	COMMENT
Reduce use of natural gas	Reduce natural gas consumption	-20%	-100%	compared to year 2020
Continuous energy efficiency improvement	Reduce energy consumption	-5%	-20%	compared to year 2021
Increase part of renewable energy	Share renewable electricity	>90%	100%	
Reduce CO2e emissions	Reduce emissions, scope 1 &2	-30%	-75%	compared to year 2021
Continuous reduction in waste	Reduce amount of waste	-14%	-20%	compared to year 2021
No waste to landfill	Waste to landfill in relation to total amount of waste	0.8%	0%	

These goals where defined and accepted by the ROL Management Group in November 2022.

The company's facility in Sweden use 100 percent renewable electricity. In 2022, multiple measures have been taken to reduce energy consumption. Two old laser machines were replaced by one modern that is more efficient when it comes to both electricity consumption and material use. This is of great importance, since the environmental goals of ROL focus on the reduction of both electricity consumption and the amount of waste. To further reduce the company's electricity consumption, electricity-saving measures have been introduced at offices and within manufacturing. This as an effort to handle the energy crisis presently felt throughout Europe.

In Lithuania, ROL exclusively uses renewable electricity from sustainable energy sources and has installed solar panels at the factory, supplying 6 percent of the total electricity consumed in 2022. In certain manufacturing processes, natural gas is used for painting and it is also used for heating buildings. ROL is aware of the problem with natural gas and its negative contribution to the company's climate footprint. For 2023, ROL is looking at alternative renewable energy sources and will initiate a strategic work to force out the natural gas. The objective is to fully replace natural gas with a renewable energy source by no later than 2030.

In 2022, several actions to reduce natural gas consumption have already been implemented:

↗ Chemicals in painting lines have been replaced with alternative chemicals that require lower temperature.

↗ Improvement of painting line wind curtains trapping heat inside the heating oven.

After these improvements both painting lines save about 25–30 m³ of gas per working hour.

Two more initiatives were started in 2022 and are almost finished. The results of these will be visible in the second quarter of 2023:

↗ Energy recovery in painting lines. After installing the heat recovery system, excess heat from the painting process will be returned to the process. According to preliminary calculations, energy consumption and CO2 emissions will be reduced by 12–15% of the annual consumption.

↗ Energy conservation in painting lines. Doors for the painting lines were designed and installed. The aim here is to stop heat extraction during times when the conveyor is running empty. The planned reduction in energy (gas) consumption through implementing this project is approximately 5%.

In both the USA and China, ROL is facing significant challenges regarding greenhouse gas emissions, due to the prevalent energy infrastructure still being based predominantly on fossil fuels.

For ROL USA, minimizing energy consumption is the main focus of the operations. Therefore, in 2022 multiple reduction measures have been implemented. These include investing in new LED lights and an improved heating/cooling schedule for the facility. In addition to energy reducing activities, container shipments have been optimized to reduce the CO2 emissions of transport, as well as continued improvements of the loading process during idling time at the plant.

ROL is globally using a data-driven platform to consolidate all sustainability data, providing the possibility to manage, analyze, calculate and report. Additional parameters/indicators for sustainability reporting have been implemented in 2022 to further improve sustainability reporting and acknowledge the environmental impact of ROL operations.

With a better understanding of the emissions resulting from operational processes, ROL will in 2023 continue to explore ways of optimizing its processes in order to reduce its negative environmental impact. This will include closer dialogues with suppliers to ensure access to complete and reliable environmental reports for calculating or estimating the greenhouse gas emissions resulting from the materials used in the company's primary products.

Data for energy consumption are reported by all ROL production facilites, which are based in Sweden (Jönköping), Lithuania (Siauliai), USA (Holland, MI) and China (Pinghu).

Energy consumption

	2021 MWh	2022 MWh
Fuel consumption (process and heating)	10 361	8 254
Self-generated energy (solar power)	386	409
Purchased electricity	9 019	7 849
District heating	1 416	1 162
Total	**21 183**	**17 675**

Energy consumption(MWh)

Natural gas used in production processes(MWh)
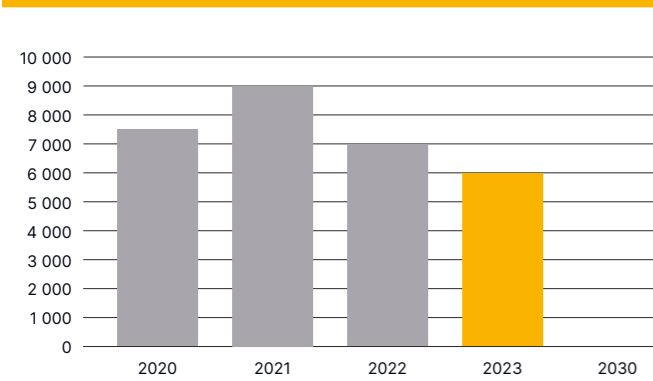
Renewable electricity (%)

Electricity from renewable sources

	2021 MWh	2022 MWh
Renewable electricity	8 203	7 191
Renewable electricity purchase confirmed with EAC	7 817	6 783
Self-generated solar power	386	409
Non-renewable electricity	1 202	1 067
Share renewable (%)	87%	87%

The ROL production facility in Lithuania is the only facility using natural gas in a production process (powder coating line). In 2022, consumption was reduced with 23% compared to 2021. ROL has a goal to reduce 20% in 2023, compared to 2020, and the target is to exclude all usage of natural gas by 2030.

In 2022, absolute energy consumption was reduced with 17% compared to the previous year. ROL has a goal to reduce absolute energy consumption with 5% in 2023 and 20% in 2030, compared to 2021.

ROL purchased 6 782 MWh of renewable electricity confirmed with EAC in 2022. This amount correlated to 86% of the total electricity purchased. Adding the amount of self-generated solar power, the share of renewable electricity amounts to 87%. ROL has set the goal to increase this share to a minimum of 90% in 2023 and has the target to exclusively use electricity based on renewable sources by 2030.

In 2022, ROL has carried out several activities and projects with the aim of reducing energy use. This, together with lower production volumes has meant a reduction of energy and electricity use in 2022 compared to 2021.

Data for energy consumption are reported by all ROL production facilities, which are based in Sweden (Jönköping), Lithuania (Siauliai), USA (Holland, MI) and China (Pinghu).

Scope 1 emissions 2022 (tonnes CO$_2$e)

Scope 1: Leased cars	**96**
Company cars emissions	96
Scope 1: Energy	**1 535**
Emissions for LPG (gasol)	116
Emissions for purchased natural gas	1 419
Emissions of solar power production	0
Scope 1: Total	**1 631**

Sources: DEFRA 2022.

Scope 2 emissions 2022, market-based (tonnes CO$_2$e)

Scope 2: Heating	**72**
Emissions for district heating	72
Scope 2: Purchased Electricity	**575**
Market-based emissions	2 601
GHG Scope 2 Energy Attribute Certificates	-2 026
Scope 2, market-based: Total	**647**

Sources: Energiföretagen 2021, AIB 2021, IAE 2021.

Scope 2 emissions 2022, location-based (tonnes CO$_2$e)

Scope 2: Heating	**72**
Emissions for district heating	72
Scope 2: Purchased Electricity	**1 667**
Location-based emissions	1 667
Scope 2, location-based: Total	**1 739**

Sources: Energiföretagen 2021, AIB 2021, IEA 2021.

Scope 1 + scope 2 market-based (tonnes CO$_2$e)

Year	Value
2021	~3 100
2022	~2 300
Goal 2023	~2 200
Goal 2030	~750
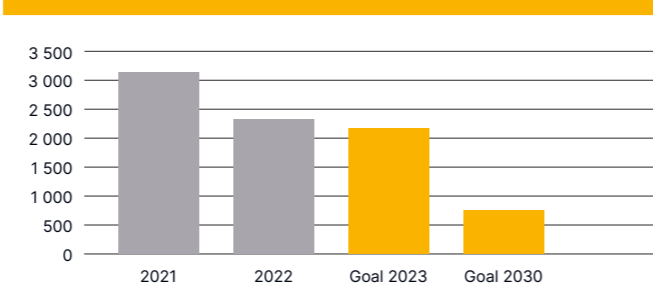
Scope 3 emissions 2022 (tonnes CO$_2$e)

Scope 3, category 6: Business travel	**66**
Emissions for private/rental car	0.6
Emissions for train	0.9
Emissions for flight	64
Scope 3, category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	**762**
Emissions for purchased natural gas fuels (WTT)	266
Emissions for purchased electricity (WTT)	496
Scope 3, category 4: Upstream transportation and distribution.	**2 341**
Emissions for purchased transports	2 341
Scope 3: Total	**3169**

Sources: Energiföretagen 2021, AIB 2021, IEA 2021.

Emissions (tonnes CO$_2$e)

	2021	2022
Scope 1 (process and heating)	2 404	1 535
Scope 1 (company vehicles)	76	96
Scope 2 (market-based method)	606	647
Total Scope 1+2	**3 086**	**2 278**
Scope 3	5 026	3 169
Total Scope 1+2+3	**8 112**	**5 447**
Scope 2 (location-based method)	1 494	1 739

Distribution of emissions

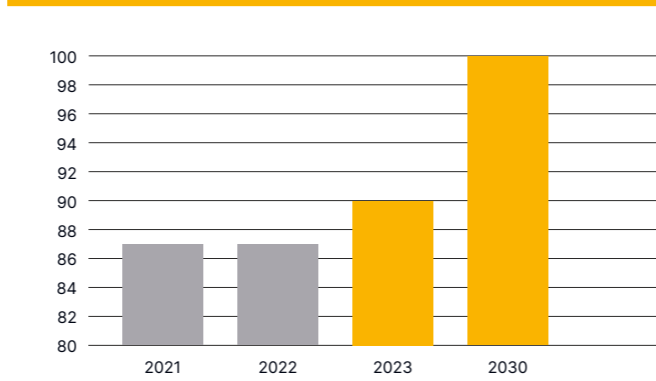| Scope 1	Scope 2	Scope 3
30%	12%	58%
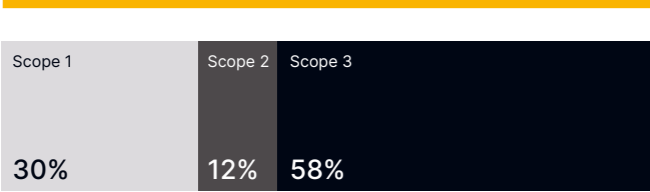
In 2022, scope 1 and 2 emissions have been reduced with 26% compared with the previous year. ROL has set a goal to reduce scope 1+2 emissions by 30% in 2023 and by 75% by 2030, compared to the base year 2021.

Scope 1 and 2 make up 42% of reported emissions 2022. During 2022, the measurement of scope 3 emissions has included categories 3, 4 and 6. In 2023, ROL plans to review and evaluate what other categories are relevant to follow up in order to make the measurement more complete.

The ROL employees define the company

Being a Swedish company with operations in many countries, ROL is guided by its Code of Conduct based on the Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the UN Convention against Corruption, as outlined in the ten principles of the UN Global Compact. Daily work is also governed by a whistleblower policy and process, and local work environment and Health & Safety guidelines.

ROL requires all employees as stated in the scope of the Code to:

↗ Read and understand the Code of Conduct.

↗ Sign and date a written acknowledgement that they have read the Code.

↗ Ensure that both the content and the spirit of the Code are understood and acted upon.

↗ Comply with the Code at all times, and to inform ROL managers if these standards are not achieved.

ROL continues to develop an attractive and well-functioning workplace for its employees. ROL is fully aware that its employees are the ones bringing the skills, drive and know-how that make ROL the company it is today. To continue inspiring employees and spur further growth at ROL, it is in the company's deepest interest to:

↗ Maintain safe and healthy workplaces where people operate under fair working conditions.

↗ Attract and retain the best candidates for the right opportunities by continuously developing employee skill sets.

↗ Promote equality, diversity and inclusion by continually assessing how ROL can incorporate these principles into its recruiting practices.

Employees head counts

REGION	2020	2021	2022
Lithuania	533	594	553
Sweden	182	219	190
China	67	69	62
USA	64	55	41
Italy	21	34	49
UK	13	10	10
Germany	2	2	3
Denmark	1	1	1
The Netherlands	6	0	0
Slovakia	1	0	0
Total	**890**	**984**	**909**

Employees by gender

2021	2022
Women 31%	Women 33%
Men 69%	Men 67%

Employees by country head counts

	Lithuania	Sweden	China	Italy	USA	UK	Germany	Denmark	Total
Number of employees	553	190	62	49	41	10	3	1	**909**
Number of men	360	148	32	31	26	7	2	1	**607**
Number of women	193	42	30	18	15	3	1	0	**302**
Number of permanent employees	552	190	62	26	41	10	3	1	**885**
Number of temporary employees	1	0	0	23	0	0	0	0	**24**
Number of full-time employees	551	180	62	45	39	9	2	0	**888**
Number of part-time employees	2	10	0	4	2	1	1	1	**21**

Diversity by age

	2021			2022		
	<30	**30-50**	**>50**	**<30**	**30-50**	**>50**
Board of directors	0%	40%	60%	0%	40%	60%
Group management team	0%	100%	0%	0%	100%	0%
Managers	4%	65%	31%	4%	65%	31%
Supervisors	19%	65%	15%	19%	65%	15%
All employees	24%	55%	21%	19%	57%	23%

Diversity by gender

	2021			2022		
	Men	**Women**	**% Women**	**Men**	**Women**	**% Women**
Board of directors	3	2	40%	3	2	40%
Group management team	3	0	0%	5	0	0%
Managers	39	9	19%	42	12	22%
Supervisors	20	6	23%	23	8	26%
All employees	676	309	31%	607	302	33%

Employee turnover 2022

	AVERAGE NUMBER OF EMPLOYEES 2022	NEW HIRES (HC)	EMPLOYEE LEFT (HC)	STAFF TURNOVER - NEW	STAFF TURNOVER - LEFT
Gender					
Women	305.5	57	65	18.7%	21.3%
Men	641	115	160	17.9%	25.0%
Age					
<30 years	206	71	80	34.5%	38.8%
30-50 years	530	80	108	15.1%	20.4%
>50 years	210.5	21	37	10.0%	17.6%
Country					
China	65.5	2	11	3.1%	16.8%
Lithuania	573.5	111	154	19.4%	26.9%
Sweden	204.5	25	34	12.2%	16.6%
USA	48	15	24	31.3%	50.0%
Italy	41.5	17	1	41.0%	2.4%
UK	10	1	1	10.0%	10.0%
Germany	2.5	1	0	40.0%	0.0%
Denmark	1	0	0	0.0%	0.0%
Total	**946.5**	**172**	**225**	**18.2%**	**23.8%**

ROL'S EMPLOYEES DEFINE THE COMPANY
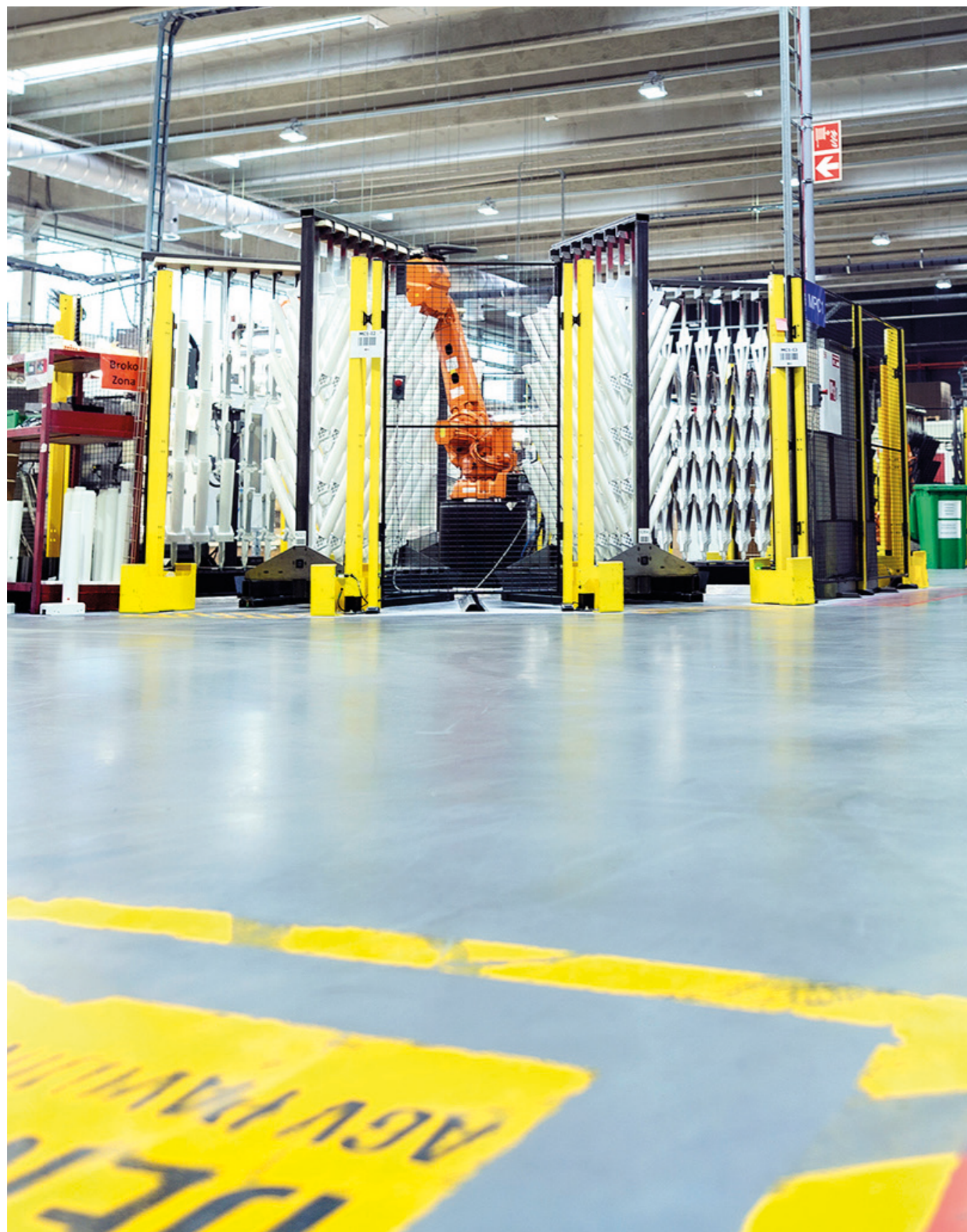
Maintaining safe workplaces

In any manufacturing business there is always a considerable risk of accidents or incidents at work. In light of this, ROL is focused on establishing systematic occupational health and safety procedures across all of its facilities, aiming to reduce the overall risk exposure while ensuring that all operations are compliant with national legislation and all ROL guidelines. The company has implemented occupational health and safety management systems (OHS) at all its facilities, which has been done due to legal requirements in China (various labor laws of the People's Republic of China), Sweden (AML), Lithuania (Republic of Lithuania employee health and safety law) and in the USA (OSHA, MIOSHA, LARA and The Department of Labor and Economic Opportunity). The OHS systems cover all employees and workers except for in the USA, where workers are covered by their respective employers. Operations in Lithuania are ISO 45001 certified since 2020. Employees are involved in the organization's health and safety management process through participation in occupational health and safety committee activities. A so-called "Kaizen Teian" improvement scheme is in place, whereby every participant can bring forward ideas on improvements regarding the occupational health and safety management system. In Sweden, an improvement system for health and safety was implemented in 2022. This enables proactive work to mitigate incidents within the production facilities where employees now can escalate identified risks in their daily work more easily.

The production facility in Sweden was also redesigned in 2022 to increase efficiency in its processes and ensure better health and safety for the employees. Together with this redesign of the production facility, ROL invested in an extended lighting systems to increase the supervision and counteract the potential of incidents. All ROL sites practice systematic processes for risk assessment, such as involving safety committee representatives, holding monthly health and safety reviews and conducting internal audits of the management system. Incident reports are written by the employee together with his or her manager and the safety representative. The investigation may ultimately lead to changes in procedures and processes to ensure worker health and safety at all times. All ROL employees have the right to remove themselves from work situations that they believe could cause injury or ill-health, and the company will direct resources to clarify this in the local work environment guidelines.

Employees can report occupational hazards through an anonymous whistleblower mechanism managed by a third-party partner, verbally or, at some sites, through a letterbox. ROL employees are protected against reprisals by the company's whistleblower policy and, in certain cases, through national legislation. When occupational health and safety non-conformities are encountered, the reason will be thoroughly investigated and documented.

ROL can only directly control how occupational health and safety is dealt with in the company's own operations. When it comes to situations where ROL cannot control the work or the workplace, clear requirements are expressed in the Supplier Code of Conduct. For more information about how ROL enforces and follows up on that, please see page 42.

● ROL has had no fatalities or high-consequence injures in 2022. The main types of work-related injuries are minor cut injuries and strained muscles resulting from tripping and falling.

Number of work-related injuries
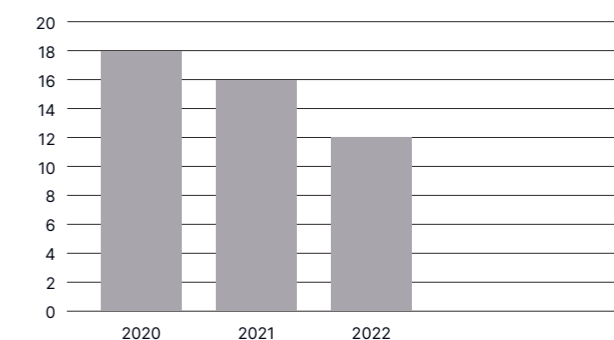
Promoting workplace safety

The company's goal is to continue developing employees' skill sets by offering training to strengthen the occupational health and safety practices at all ROL facilities. The scope and character of trainings differ from country to country, depending on the requirements of the facility and any relevant domestic legislation. Workplace safety is about the psychosocial aspects as much as the physical. ROL employees are to feel safe and appreciated at work, protected from all forms of discrimination. No incidents of discrimination were recorded in 2022. One major notification was reported in the whistleblowing system in Sweden. The notification was investigated according to the process.

● No incidents of discrimination were recorded in 2022.

ROL continuously carries out activities to promote workplace safety, for example:

↗ Awareness training on the emergency policy, chemicals, noise/hearing protection, first-aid responders, PPE, ergonomics, bullying at workplace awareness, mental health, self-leadership, sexual harassment awareness, ethics at work, back safety, commitment to safety, active shooter awareness and department specific hazards.

↗ Environmental impact and quality awareness training, such as battery and charger safety, material handling safety.

↗ Safety training videos and tests designed for different positions in the organization.

↗ Tornado and fire drills.

↗ Tracking of occupational health and safety recordables and lost time as required by local regulations.

↗ Environmental, Health and Safety (EHS) audits conducted by the EHS Committee and the effectiveness is reviewed, documented, and communicated to internal interested parties.

↗ Employee qualification training programs in forklift operation, AGV (Automated Guided Vehicle) safety, bridge crane operation, safe working at heights and initial electricity protection.

Supporting employee well-being

When it comes to collective bargaining agreements, ROL understands that there are differences in local systems and try to do its share to complement what is in place domestically. All ROL employees (100 percent) are covered by collective bargaining agreements in Sweden. In China, all employees (100 percent) are covered by the labor union collective bargaining agreement. There are no collective bargaining agreements in place in Lithuania or the USA, but ROL proactively mirrors the highest labor standard and employee benefits in these countries.

In 2022, ROL continued to monitor the average annual salaries for all employees globally. The basic salary is also monitored by gender to assure that there is no gender salary discrimination.

Occupational health services are offered by contracted third parties and, in some cases, by trained in-house staff. These services involve different components depending on the country. For example, in China, occupational health examinations are conducted annually, while in Sweden, occupational health services include preventative care.

Additionally in Sweden, ROL offers a wellness allowance to its employees, and in the USA, employees receive a contribution to medical, dental and vision insurance. All employees are entitled to yearly performance development reviews. Furthermore, in Lithuania, every employee is provided with 24/7 accident insurance providing them with access to free health checks and specialist consultations as well as medical treatments. ROL also has an occupational health specialist working in an OHS department there, providing on-demand consulting to employees.

In Sweden, the company's health and safety committee cooperates with an external safety engineer to identify health and safety risks in new manufacturing premises. In 2022, ROL implemented an employee satisfaction platform to ease the process for employees to highlight and escalate concerns and observations, such as discrimination, anonymously to the management. In 2022 this employee satisfaction platform was implemented for the HQ in Sweden and in 2023 it will be implemented in all the company's countries of operation.

Employees received performance and career development reviews

2021			
EMPLOYMENT CONTRACT	%,TOTAL	%, WOMEN	%, MEN
Managers	98	100	97
Supervisors	96	100	95
Employees	98	99	98

2022			
EMPLOYMENT CONTRACT	%,TOTAL	%, WOMEN	%, MEN
Managers	81	100	77
Supervisors	100	100	100
Employees	98	99	98

Sustainability in the supply chain

ROL works closely with its suppliers, in long-term relationships, to ensure that the safest, highest quality materials and components go into the manufacturing of the company's products. Sourcing activities include the sourcing of raw materials and components from suppliers around the world, mainly Europe, to be manufactured and assembled into finished products. High-quality ROL products are offered to clients through sales channels for distribution to end-users the world over. Sustainable sourcing demonstrates the commitment of ROL to buy goods, materials and services in a manner that reflects core values of fiscal responsibility, social equity, community and environmental requirements.

It is crucial for supply chains to identify and select good partners. Ensuring the sustainability and quality requirements of ROL supply chains begins before a deal has been closed or raw materials, products, components, materials or services are delivered.

All ROL suppliers are required to fulfill the requirements of the ROL Supplier Code of Conduct. A supplier's ability to meet the requirements of the Supplier Code of Conduct is regarded as a critical factor whenever ROL is deciding on initiating or continuing a business relationship with a supplier. The sourcing and purchasing team consist of several qualified roles, such as strategic buyers, category leaders and operative purchasers. The team is supported by the Supplier Quality Assurance (SQA) based in China, Lithuania and USA. Operational Purchasers are based on their respective sites.

The strategic buyers can be based anywhere in the countries that ROL has operations in, where they research and initiate contact with prospective suppliers. These prospects are later presented to the category leaders for decision-making. The separation between initial supplier selection and decision-making is another way of mitigating the potential risk of unethical conduct and corruption.

The company's sustainability strategy states that it is a top priority to work with suppliers. The routines and processes of ROL are periodically updated to further secure a sustainable and effective supply chain.

↗ ROL conducts sustainability risk assessment of recurring suppliers. Any identified high-risk suppliers will be further assessed to ensure that they are compliant with the ROL sustainability requirements.

↗ ROL has continued developing a set of sustainability screening criteria to be used for screening new, prospective suppliers.

↗ ROL is actively working with existing suppliers who need assistance in complying with the Code of Conduct. For 2022, ROL continues the work to have more suppliers sign the Supplier Code of Conduct.

↗ ROL requires all new suppliers to sign the Supplier Code of Conduct and acknowledge their compliance to relevant sustainability requirements as defined by specific customers.

In 2022, ROL developed the sustainability agendas of suppliers and their stakeholders by:
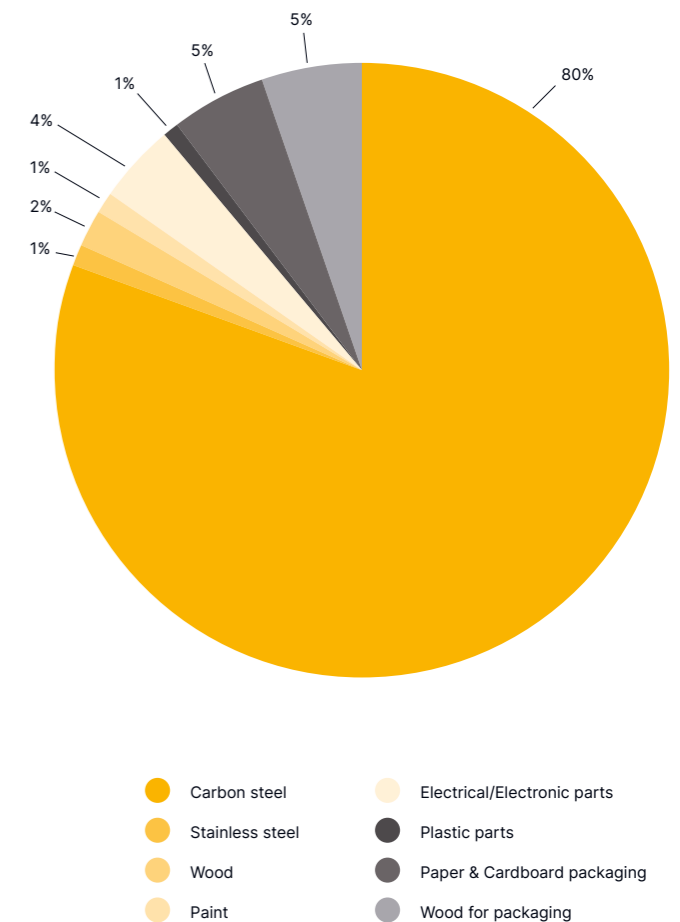
↗ Continuing to ensure that the Supplier Code of Conduct is up-to-date and easy to comply with.

↗ Broadening the skills and capacity to conduct site visits and sustainability audits.

↗ Continuing to develop the supplier management system, in line with increased requirements from customers regarding sustainability. The system allows easy follow-up on self-assessment questionnaires, risk analyses of suppliers, audits, non-conformities and corrective action plans, as well as lead times and quality aspects.

The ROL facilities in Lithuania and Sweden are ISO 28000 certified to ensure supply chain security. Within supply chain management, ROL is focused on deepening its long and fruitful relationship with customers. At ROL, the primary materials purchased are steel, plastic, wood and electronics, all of which are challenging from a sustainability and circular economy perspective. The company is aware that it has a long way still to go but is nonetheless committed to strengthening the stewardship capacity within the sourcing department, as well as on the product development side, to contribute to the long-term sustainability success of ROL and its customers. The current KPI follows up suppliers that represent about 95 percent of the total ROL purchasing volume. At the end of 2022, 98 (90) percent of these suppliers had signed the Code of Conduct. ROL supply quality auditors have carried out seven supplier audits concerning sustainability and quality in 2022.

Materials used to produce primary products and packaging (tonnes)			
	2020	2021	2022
Non-renewable materials	19 134	27 271	21 217
Renewable materials	911	2 627	2 883
Total recycled	*	5 273	4 024
Recycled %	8%	18%	17%
Total	**20 045**	**29 898**	**24 100**

* In 2020 the reported recycled amount was based on an estimate without any precise measuring executed.

- Carbon steel — 80%
- Stainless steel
- Wood
- Paint
- Electrical/Electronic parts
- Plastic parts
- Paper & Cardboard packaging
- Wood for packaging

Upholding customer privacy

In an increasingly digitalized and data-complex world, cybersecurity and the protection of customer privacy are fundamental to doing good business. In the past few years, there has been an escalating tension in the world which has also increased threats of cyberattacks and significantly increased the focus on cybersecurity. At the same time, more products and services are being offered online, employees are working remotely, and vast amounts of information are being stored in the cloud. When it comes to data protection, the priorities of ROL are:

↗ Earning and maintaining the trust of all stakeholders.

↗ Protecting the integrity of customers', clients' and partners' information.

↗ Ensuring that the company's business is kept safe from malicious software and activity.

At ROL, data privacy and cybersecurity practices are governed by the company's by the companys policy framework such as Personal Data Policy and Information Security Policy. The policies outline how to handle customer data and information security. The Chief Financial Officer, who reports to the CEO, has direct ownership over the policy's execution. All employees are obliged to strictly follow the policy's guidelines and uphold GDPR processes.

In the company's ongoing implementation and maintenance of GDPR processes and procedures, ROL is working with an external law firm to ensure that the company stays updated with continuous legislative developments and daily execution practices.

ROL conducts quarterly meetings on GDPR with the law firm, discussing both the progress made to date and necessary future actions. Data privacy and cybersecurity risk mitigation are a primary goal at ROL. Nonetheless, there is an established resolution procedure to report any incident and/or breach through the company management system. Any reported incidents are reviewed by the company's Global Head of IT and team, who are responsible for completing the required steps outlined by the GDPR procedures. The management system also provides readily available guidance and information on GDPR to all employees.

ROL have a global IT team with presence in Sweden and Lithuania. The IT operations are outsourced to a supplier that is ISO27001 certified. No substantiated complaints concering breaches of customer data have been identified in 2022.

Continuing
the journey

2023 will be the year when sustainable transformations significantly accelerate as new EU regulations, as well as customer expectations, are appreciably intensifying. The implementation of CSRD, which is part of the EU green deal, will be enforced for ROL in the financial year 2025. Although ROL currently follows GRI standards, it is well understood that significant preparation is necessary to fulfill the new requirements accompanied with CSRD. Therefore, comprehensive work on CSRD compliance will be carried out in 2023. ROL will need to understand the scope of the new regulation, but also support its clients in their CSRD reporting as an accommodating supplier. Although the coming year will include multiple actions, one key action is to accomplish an updated double materiality assessment to guide the subsequent journey of ROL.

The sustainability strategy that ROL implemented in 2020 has been a significant support contributing to what the company is today. The focus on its key areas has, over the years, developed the company´s responsibility for its global supply chain, improved the health and safety of its employees and achieved progress in the journey to reduce its environmental impact. The ROL management is committed to continuing the work within the 13 sustainability areas designated in the sustainability strategy. At the same time, ROL aims to conduct a renewed double materiality assessment in 2023 and update its sustainability strategy based on the upcoming CSRD requirement.

ROL will continue its sustainability journey with a sharp focus on several key initiatives that will benefit ROL clients and the communities that we live, work, shop and socialize in. ROL understands that the most severe risks within the next ten

years are related to climate change. To mitigate its contribution to climate change, one of the company's focus areas is to reduce the environmental CO2 footprint of its products. In 2022, a key step in this journey was accomplished as ROL initiated work on a lifecycle analysis (LCA) report for one of its high-volume products. This comprehensive LCA work will result in improved product awareness and the identification of areas for intensified focus in order to decrease the impact on the environment. ROL is convinced that calculating the environmental footprint of a product is the first step on the journey to reduce its impact.

Therefore, this LCA work will continue in the coming years as more analyses will be carried out on additional ROL products, as well as reduction actions taken.

ROL recognizes that monitoring KPIs is critical to identifying the development that actions result in and keeping track of the progress towards meeting objectives. With the collection of sustainability data in the new platform implemented in 2021, ROL has established a baseline for its environmental data, which allows the company to set KPIs and better assess the future direction. Customers and clients of ROL should feel confident that the company is determined to remain a valued and trusted partner offering a range of products and services satisfying both their current and future needs. ROL will continue to direct resources to discover how it can best contribute to the circular economy and a low-carbon society without compromising the quality and reliability of its products and services.

GRI content index

Statement of use: ROL has reported the information cited in this GRI content index for the period 2022-01-01 to 2022-12-31 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
GENERAL DISCLOSURES			
Organizational profile			
GRI 2: General Disclosures 2021	2-1 Organizational details	6	
	2-2 Entities included in the organization´s sustainability reporting	48, 51	Please refer to ROL Annual Report 2022 for a full disclosure of entities. Please read "about this report" for information on which companies are covered by the report. The delimitation has been made for reporting technical purposes, and the included companies represent the biggest impact of ROL as a hole.
	2-3 Reporting period, frequency and contact point	51	
	2-4 Restatement of information	28, 24	"Reported energy consumption in 2021 has been corrected due to an error in calculation. Energy consumption in 2021 was 2% lower than previously reported. Reported water consumption in 2021 has been corrected due to an error in calculation. Water consumption in 2021 was 8% higher than previously reported. Due to significant improvements in accuracy of measuring points has base year been changed to 2021. "
	2-5 External assurance	48	Report has not been external assured.
	2-6 Activities, value chain and other business relationship	8, 9, 42	
	2-7 Employees	32, 33, 34	
	2-9 Governance structure and composition	6, 20	
	2-22 Statement on sustainable development strategy	5, 14, 19, 46	
	2-23 Policy commitments	11, 32, 42-43, 45	
	2-24 Embedding policy commitments	11, 32, 42-43, 45	
	2-28 Membership association	48	CSR Småland, SIS, Svenska institutet för standarder.
	2-29 Approach to stakeholder engagement	12,13	
	2-30 Collective bargaining agreements	39	
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12-14	
	3-2 List of material topics	14	There is no significant changes in reporting from previous report.
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	11-14, 16, 42	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	11	ROL Sustainability Topic; 12. Counteract corruption in all its forms.

GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	12- 14, 42-43	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	43	ROL Sustainability Topics; 1. Effective and sustainable supply chain management, 5. Effective sustainability and quality management systems in our manufacturing.
	301-2 Recycled input materials used	43	ROL Sustainability Topics; 1. Effective and sustainable supply chain management, 5. Effective sustainability and quality management systems in our manufacturing.
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	12- 14, 26-29	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	28	ROL Sustainability Topic; 9. Low carbon and energy efficient manufacturing.
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 24	
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	24	ROL Sustainability Topics; 1. Effective and sustainable supply chain management, 5. Effective sustainability and quality management systems in our manufacturing.
	303-2 Management of water discharge-related impacts	24	ROL Sustainability Topics; 1. Effective and sustainable supply chain management, 5. Effective sustainability and quality management systems in our manufacturing.
	303-3 Water withdrawal	24	We do not withdraw any water in areas of water stress. All water used is third-party freshwater. ROL Sustainability Topics; 1. Effective and sustainable supply chain management, 5. Effective sustainability and quality management systems in our manufacturing.
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 26-27	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	30-31	ROL Sustainability Topic; 9. Low carbon and energy efficient manufacturing.
	305-2 Energy indirect (Scope 2) GHG emissions	30-31	ROL Sustainability Topic; 9. Low carbon and energy efficient manufacturing.
	305-3 Other indirect (Scope 3) GHG emissions	30-31	ROL Sustainability Topic; 9. Low carbon and energy efficient manufacturing.
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 20, 22-23, 26	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	22-23	ROL Sustainability Topic; 5. Effective sustainability and quality management systems in our manufacturing.
	306-2 Management of significant waste-related impacts	22-23	ROL Sustainability Topics; 1. Effective and sustainable supply chain management, 5. Effective sustainability and quality management systems in our manufacturing.
	306-3 Waste generated	22-23	ROL Sustainability Topic; 5. Effective sustainability and quality management systems in our manufacturing.
	306-5 Waste directed to disposal	22-23	ROL Sustainability Topic; 5. Effective sustainability and quality management systems in our manufacturing.
Supplierr Enviromental Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 42-43	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	43	ROL Sustainability Topic; 1.Effective and sustainable supply chain management.
	308-2 Negative environmental impacts in the supply chain and actions taken	42-43	ROL Sustainability Topic; 1.Effective and sustainable supply chain management.

GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 32	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	34	ROL Sustainability Topic; 7. Attract, retain and develop employees.-
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 37-39	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	37	ROL Sustainability Topic; 3. Healthy and safe workplaces with fair working conditions.
	403-2 Hazard identification, risk assessment and incident investigation	37	ROL Sustainability Topic; 3. Healthy and safe workplaces with fair working conditions.
	403-3 Occupational health services	37	ROL Sustainability Topic; 3. Healthy and safe workplaces with fair working conditions.
	403-4 Worker participation, consultation and communication on occupational health and safety	37	ROL Sustainability Topic; 3. Healthy and safe workplaces with fair working conditions.
	403-5 Worker training on occupational health and safety	38	ROL Sustainability Topic; 3. Healthy and safe workplaces with fair working conditions.
	403-6 Promotion of worker health	38-39	ROL Sustainability Topic; 3. Healthy and safe workplaces with fair working conditions.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38	ROL Sustainability Topic; 3. Healthy and safe workplaces with fair working conditions.
	403-9 Work-related injuries	37	"Omission: Due to the pandemic and the short-time work allowance caused by the pandemic, we currently do not have accessible data of hours worked and connot therefore, calculate a rate required by 403-9. ROL Sustainability Topic; 3. Healthy and safe workplaces with fair working conditions.
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 38-39	
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	39	ROL Sustainability Topic; 7. Attract, retain and develop employees.
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 32	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	34	ROL Sustainability Topics; 6. Promote gender equality, diversity and inclusion, 7. Attract, retain and develop employees.
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 38	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	38	ROL Sustainability Topics; 3. Healthy and safe workplaces with fair working conditions, 6. Promote gender equality, diversity and inclusion.

GRI STANDARD	DISCLOSURE	LOCATION	COMMENT
Supplier Social Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 42-43	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	43	ROL Sustainability Topic; 1.Effective and sustainable supply chain management
	414-2 Negative social impacts in the supply chain and actions taken	42-43	ROL Sustainability Topic; 1.Effective and sustainable supply chain management
Customer Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 20	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	20	ROL Sustainability Topic; 4. Safe and ergonomic products with superior quality and circular design.
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	12-14, 45	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	45	ROL Sustainability Topic; 8. Customer privacy and data security.
Sustainability topic not covered by the GRI standards			
Smart solutions that influence sustainable behaviour and enable more efficient management of resources			
GRI 3: Material Topics 2021	3-3 Management of material topics	8-9, 14	ROL Sustainability Topic; 2. Smart solutions that influence sustainable behaviour and enable more efficient management of resources.
Partnerships for sustainable development			
GRI 3: Material Topics 2021	3-3 Management of material topics	14,22	ROL Sustainability Topic; 13. Partnerships for sustainable development.

About this report

This is ROL AB's, organization number 559000-7224, statutory sustainability report covering the financial year of 2022 (2022-01-01 to 2022-12-31). This sustainability report is rendered as a separate report added to the management report of the annual report in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen). The sustainability reports of ROL are published annually and the previous report was published on 2021.05.26. This report has been prepared with reference to GRI standards HR data is presented as Head Count (HC). for all the company's operations offices in ROL ERGO AB, ROL Production Sweden AB, ROL USA, ROL Lithuania, KH China, ROL Fredbergs AB, Jönköping, Fredbergs Inredningar AB, Mariestad, ROL Italy and ROL UK. HR data has been collected from the HR systems of ROL. CO2 emissions have been calculated using emission factors from the sustainability data collection platform standards, see page 30. Some scope 3 emissions have been provided by suppliers. The baseline year for the environmental data of ROL has been changed to 2021. This is due to significant improvements in accuracy of measuring points.

For answers to any questions about the report or how ROL works with sustainability, please contact:

sustainability@rolgroup.com ↗ *or the ROL company website* rolgroup.com ↗

ROL