

21 / 22



A woman with long blonde hair, wearing a dark blue t-shirt and shorts, is captured mid-jump in a joyful pose. She is positioned in the center-left of the frame, with her arms outstretched and a wide smile. The background features a calm body of water reflecting the sky, with a rocky shoreline in the foreground. The overall atmosphere is bright and cheerful.

#natureisourplayground

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“The true heroes of our growth story are our tenured and our new employees. We owe them our heartfelt gratitude for their commitment, good ideas and hard work.”

A RESPONSIBLE RACE WILL ACCELERATE

These days few things are as reliable as constant change and new challenges. The Covid-19 pandemic was followed by geopolitical events and supply chain disruptions with a major impact on human lives and on sales, costs and deliveries in global supply chains.

Despite the challenges or even because of them sustainability remained important or grew in importance among our stakeholders.

At RevolutionRace, we continued to grow sales, profits and our team in Borås. We managed to do so by delivering on our promise of unmatched value of durable, high-quality and safe products. We also managed to achieve this growth while keeping overproduction below 1% and high employee satisfaction.

In addition to our products, we had three focus areas within sustainability in the past year: Supply Chain Due Diligence, Climate Protection and Employee Well-being.

During the year, we conducted comprehensive due diligence on environmental and social impacts and risks throughout our supply chain, countries of production and product categories. The due diligence resulted in updated risk assessments and monitoring guidelines for our production and sustainability teams, and in prioritised areas for improvements especially regarding human rights and working conditions, like improving our own purchasing practices to support our suppliers.

During the year, we also set an emission reduction target based on defined initiatives. We are committed to reduce our absolute emissions in Scope 1 & 2 by 50 percent by 2030 and our emissions relative to net sales by 40 percent in Scope 3. We already contributed to the goal by reducing our transportation by air to 11 percent from 36 percent in the year before.

The further reduction of our emissions will only be possible through major changes and close cooperation with our suppliers and their suppliers.

The true heroes of our growth story are our tenured and our new employees. We owe them our heartfelt gratitude for their commitment, good ideas and hard work. During the year, we worked on employee well-being by developing a new onboarding programme, training our middle management in improving the working environment and by starting to measure employee satisfaction and reacting very tangibly to the results.

A major priority for the coming year that we have kicked off this autumn is to engage even more employees in our sustainability work and to integrate sustainability throughout all ongoing operations.

I am looking forward to seeing how “A Responsible Race” will accelerate when every employee understands sustainability better and acts upon it.

Nature is our playground!

Frida Mordenfeld
Head of Purchasing and Production



ABOUT THIS SUSTAINABILITY REPORT

This sustainability report constitutes the non-financial reporting of RevolutionRace AB for the 2021/22 financial year. It was prepared according to the Swedish Annual Accounts Act. It reports on the five required aspects of environmental, social and employee matters, respect for human rights and anti-corruption.

Our stakeholders expect and deserve clear, comparable and reliable reporting on sustainability. We therefore report according to the standards of the Global Reporting Initiative (GRI): Core option. In addition to the legally required disclosures, this report thereby also reports on all sustainability topics defined as material under the GRI methodology. The reporting date is 30 June. Major activities that happened after this date were also included.

The board certifies that the sustainability report has been prepared according to the Swedish Annual Accounts Act and that it gives a fair presentation of the risks, impacts and policies the parent company and the companies within the group have and the results of the work it conducts on the five required aspects of environmental, social and employee matters, respect for human rights and anti-corruption. The statutory sustainability statement has been approved for issue by the Board on the 12 October 2022.

ABOUT REVOLUTIONRACE

RevolutionRace is a global outdoor and lifestyle apparel company. We design and produce affordable high-quality products for active consumers under the RevolutionRace brand. With 390,000 reviews as of 30 June 2022, we are well on our way to achieving our vision of becoming the most recommended outdoor apparel company globally.

RevolutionRace sells its products online directly to consumers with the main markets being the Nordics and DACH. All product development and brand communication takes place in the headquarters in Borås. The production of RevolutionRace products is done with external partners, primarily in Asia. Warehousing and transportation are also done with external partners. Detailed information on RevolutionRace and its financials can be found in the Annual Report for 2021/22.

As a company in the international apparel sector and part of a complex value chain, our conduct and decisions can have far-reaching social and environmental impacts from the decisions we make regarding fibres, the production locations we choose and the transport and packaging we use to distribute our products to our customers. Our decisions have direct and indirect effects on our stakeholders and wider communities. As explained in this sustainability report, RevolutionRace works systematically on its most relevant sustainability topics.

FOUNDED:

2013

IPO: 2021

NUMBER OF EMPLOYEES:

126

As of 30 of June 2022

NUMBER OF MARKETS:

> 35

THE YEAR IN BRIEF

RevolutionRace continued to develop strongly in 2021/22, with very strong and profitable growth in both new and existing markets. The Company sells high-quality, multifunctional clothing with a stylish design and good fit at unmatched value – a combination that generates great interest in the brand and the Company’s products. Selling high-quality, affordable, multifunctional and well-fitting clothing for both men and women adapted for activities both in the woods and in the city is an important part of RevolutionRace’s strategy.

SIGNIFICANT EVENTS DURING THE YEAR

CELEBRATING ONE YEAR ON THE STOCK EXCHANGE

On 16 June 2021, RevolutionRace’s shares (ticker: RVRC) began trading on the Nasdaq Stockholm exchange. RevolutionRace celebrates its first full-year as a listed company.

PASSES THE SEK 1 BILLION MARK IN SALES ON A ROLLING 12-MONTH BASIS

This year we met an important milestone when our net sales exceeded SEK 1 billion (rolling 12-months) during the first quarter of 2021/22.

EXPANDING INTO NEW MARKETS

Expanding our geographic presence through local online stores is an important success factor and an essential part of our global growth strategy. During the year, we launched three new markets; the US, Switzerland and Estonia.

EXPANDED PRODUCT RANGE

During the year, we have added two new product categories to our range; shoes and backpacks. Both categories have been very well received and were given highly favourable product reviews. In addition, our first shoe launch sold out within 48 hours. We have also developed the existing range with new models and colours.

EXPANDED PRESENCE IN THE AMAZON MARKETPLACE

Our partnership with Amazon is continuing and we have expanded our collaboration in several markets, including a relaunch in the UK and a launch in Sweden. Amazon offers several benefits, and provides a key channel for securing new customers.

FINANCIAL KPIs

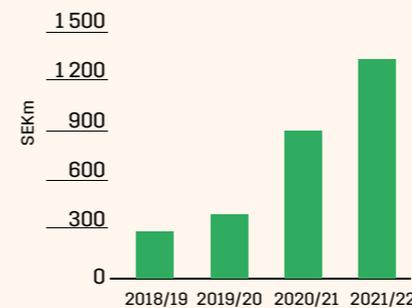
SEKm	2021/22	2020/21	2019/20	2018/19
Net sales	1,331.5	897.1	386.8	284.5
Average net order value (AOV), (SEK)	803	763	724	697
Gross profit	962.7	648.3	271.0	203.4
Gross margin, %	72.3	72.3	70.1	71.5
Adjusted EBIT	366.8	252.2	83.1	57.1
Adjusted EBIT margin, %	26.3	27.6	21.5	20.1
EBIT	366.8	230.4	83.1	57.1
EBIT margin, %	26.3	25.2	21.5	20.1
Profit before tax	363.5	218.4	76.2	52.5
Earnings per share before dilution, SEK	2.55	1.59	0.56	0.42
Earnings per share after dilution, SEK	2.55	1.59	0.55	0.42
Distribution from Group companies	72.3	110.0	132.0	—

SALES BY GEOGRAPHICAL AREA



● Nordic region
● DACH
● RoW

NET SALES (SEKm)



EBIT AND ADJUSTED EBIT



GROWTH

48%

Our net sales grew by 48 percent in 21/22, driven by highly favourable demand in all markets.



A RESPONSIBLE RACE

At RevolutionRace we strive to be an attractive employer and to act in a socially and environmentally responsible manner.

STRATEGY

Since 2020, our sustainability efforts have been rooted in our “A Responsible Race” strategy focusing on six priority areas:

We make high-quality and multifunctional products to be worn often and long, and during many different activities. We produce under strict chemical guidelines. We work with circularity in mind and have set ambitious targets on overproduction and more sustainable materials and packaging. We focus on the well-being and development of our employees. We have set CO₂e reduction targets for 2030 and prioritised where we must reduce emissions. With our comprehensive due diligence work, we strive to assure our suppliers’ social and environmental responsibility.

SUSTAINABILITY TARGETS

PRODUCTS

<3%

Overproduction should never exceed 3%.

50%

By 2025, at least 50 percent of all polyester and polyamide we use shall derive from more sustainable sources.

100%

By 2025, 100 percent of all of our cotton shall derive from more sustainable sources.

100%

By 2025, 100 percent of our packaging shall derive from more sustainable sources.

No PFC's.

We have banned PFC's in our products.

5.0/5.0

Stay close to 5.0/5.0 customer satisfaction.

EMPLOYEES

35

Increase employee satisfaction (ENPs of at least 35 points by 2023).

50/50

Gender balance in leading positions.

100% of employees trained in relevant sustainability topics.

100%

employee appraisal reviews and all new employees shall have participated in our on-boarding programme.

PLANET

-50%

At least 50 percent absolute reduction of emissions in Scopes 1 and 2 (2020/21–2030).

-40%

40 percent relative reduction of emissions in Scope 3 to net sales (2020/21–2030).

100%

renewable electricity in our own operations by 2023.

SUPPLY CHAIN

100%

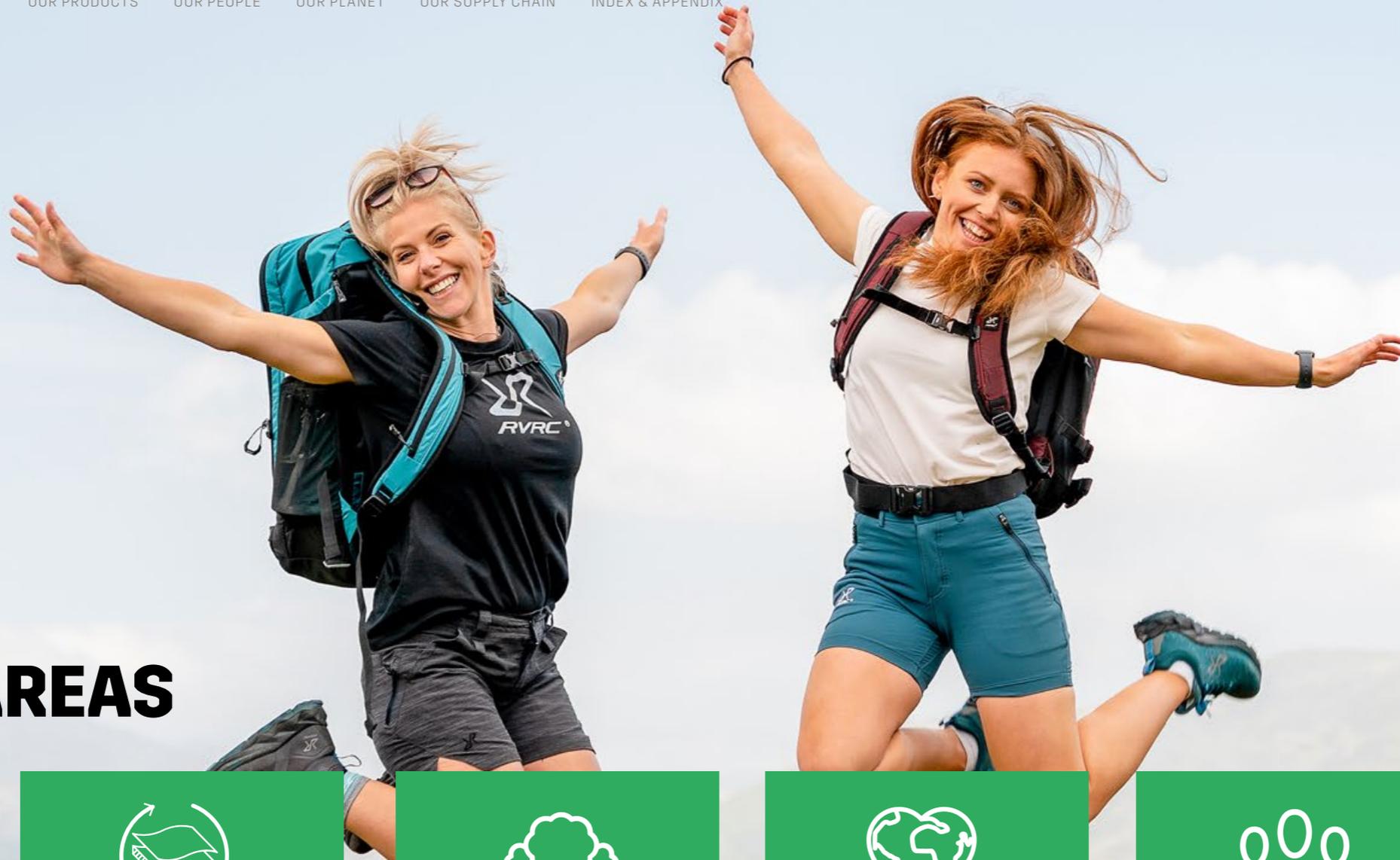
of our suppliers shall have a good third-party audit in place by 2023.

100%

of our suppliers must have signed our Code of Conduct.

Solid due diligence in our supply chain.





OUR SIX PRIORITY AREAS



DURABLE AND SAFE PRODUCTS

We produce high quality timeless products that are safe to use for our customers and safe for our suppliers to manufacture.



CIRCULARITY OF RESOURCES

We conserve the use of resources, seek more sustainable and recycled materials and minimise overproduction.



CLIMATE PROTECTION

We measure our emissions and strive to achieve our reduction targets for 2030.



ENVIRONMENTAL RESPONSIBILITY

We protect the environment together with our supply chain partners.



INSPIRED EMPLOYEES

We work for employee wellbeing and development through good leadership, inclusivity and equal opportunity.



SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

We work for human rights and good labour conditions throughout our supply chain.

WE CONTRIBUTE TO FOUR GLOBAL SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations defined 17 global goals for sustainable development by 2030. Our “A Responsible Race” strategy directly addresses four of the Sustainable Development Goals (SDGs): Gender Equality, Decent work and economic growth, Responsible consumption and production, and Climate action. With our strategy, we address our most material topics and contribute to the sustainable development of society by reducing the negative impacts of our business activities and contribute to lasting improvements where possible.



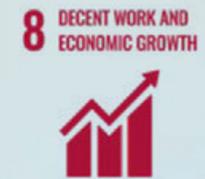
GENDER EQUALITY

Gender equality is a fundamental human right.

The aim of SDG 5 is to achieve gender equality and empower all women and girls.

This includes ending all forms of discrimination, violence and harmful practices as well as ensuring women's participation and equal opportunities in the work place and in leadership roles.

Gender equality is an important part of our Strategy. How we work with it and measure progress is described in the chapter *Our Employees* and the chapter *Our Supply chain*.



DECENT WORK AND ECONOMIC GROWTH

Economic growth must be inclusive and based on decent work.

The aim of SDG 8 is sustained and inclusive growth that drives progress, creates decent jobs and improve living standards.

This includes per capita economic growth and its decoupling from environmental degradation, the eradication of forced labour and child labour and the protection of labour rights and improvement of working conditions.

We are proud to contribute to economic growth and job creation. Our work for decent work especially in our supply chain is described in the chapter *Our Supply chain*.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Consumption and production must be decoupled from environmental degradation.

The aim of SDG 12 is to ensure consumption and production patterns that are compatible with planetary boundaries. This includes sustainable management of natural resources, reduction of waste, strict management of chemicals and supporting developing countries in improving environmental management.

This goal is at the core of our “A Responsible Race” strategy. How we work with it and measure progress is described in the chapter *Our Products* but also in the chapters *Our Planet* and *Our Supply chain*.



CLIMATE ACTION

We must reduce emissions to minimise global warming.

The aim of SDG 13 is to take urgent action to combat climate change.

This includes achieving the goals of the Paris Agreement with private businesses reducing their emissions and the world achieving net zero emissions by 2050.

Climate protection is part of our strategy. Our work and how we measure progress is described in the chapter *Our Planet*.

CORPORATE GOVERNANCE

RevolutionRace does business in a complex value chain involving many countries, national and international laws, and continuously developing legislation. Especially the sustainability related legislation is developing rapidly. We perceive good corporate governance as essential to legal compliance, active risk management and long-term value creation. Our corporate governance complies with the Swedish Corporate Governance Code and is described in the Annual Report on pages 58–65 and in the following sustainability chapters.

We expect ethical and lawful conduct from our employees, our suppliers and service providers. Unethical behaviour and violations of legal requirements are not only severe violations of our company culture, they can cause serious reputational damage and financial losses to the company.

The professional conduct of all employees at RevolutionRace is governed by our Code of Conduct. It governs relations within RevolutionRace and relations with customers, suppliers and service providers. The conduct of our suppliers and their business partners is governed by our Supplier Code of Conduct. In both policies, we explicitly commit ourselves to human rights as expressed in the UN Declaration of Human Rights and to the fundamental rights set out in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. These basic governing policies are supplemented by a number of specific policies, guidelines and public commitments.

We seek to systematically detect, prevent and sanction any violations of our policies. To achieve this, we conduct team meetings and plan continuous training for all of our employees. We have also an established whistle-blower function, encouraging our employees to raise any issues of concern.

SUSTAINABILITY GOVERNANCE

Sustainability governance is becoming an increasingly important part of corporate governance. A defining principle of the "A Responsible Race" strategy is strong governance of all sustainability related topics. We define our material topics based on a comprehensive stakeholder engagement. All material topics are governed by relevant policies and guidelines. They define our principles or processes and make sure that we always comply with applicable conventions and legislation.

The boundaries of each material topic defining whether impacts occur primarily within RevolutionRace or in the supply chain are described under the management approach for each topic and shown in an overview together with the relevant GRI standards on pages 59–66. All material topics have defined strategies, quantitative and qualitative targets and measurable KPIs. All strategies and targets are to be achieved through defined measures with clear responsibilities.

Our reporting on risks and risk management can be found in the Annual Report on pages 49–54. Ethical, social and environmental risks associated with each material topic have been assessed and are described in the following chapters.

Materiality assessment

The sustainability topics reported on in this report are based on a materiality assessment conducted in the spring of 2021 according to the requirements of the Swedish Annual Accounts Act and the GRI guidelines.

The materiality assessment resulted in 14 prioritised topics as shown in the Appendix on page 58. It was based on our on-going stakeholder engagement and dedicated dialogues for the purpose of the assessment. During 2022/23, we will review the materiality assessment with specific focus on the dual materiality principle as defined by the CSRD.





ORGANISATIONAL RESPONSIBILITY

The responsibility for our sustainability strategy, all sustainability matters and compliance with legislation and our internal policies and guidelines rest with the management team. Management discusses sustainability topics on a regular basis and held a workshop in 2022 on progress and priorities for the coming years. Ultimately, the Board of Directors is responsible for the formal oversight of the sustainability strategy including the climate strategy. An update on sustainability topics is mandatory at every Board meeting. The Board discusses sustainability extensively once a year and it approves the annual Sustainability Report. In March, May and September 2022, the Board discussed and approved the CO₂e reduction targets.

The operational responsibility for our sustainability strategy and work lies in our product and supply chain organisation with our

Sustainability Manager who reports to our Head of Purchasing and Production. We strive for sustainability to be integral to the business processes and activities of all functions in the company, and our Sustainability Manager supports all of the functions to make this happen. Much of the fundamental sustainability work takes place in our sourcing and supply chain organisation, which sources our materials and works with our network of suppliers on a daily basis.

During 2022, we are increasingly involving Finance to prepare future reporting on the EU Corporate Sustainability Reporting Directive (CSRD). In 2022/23, we will conduct a larger sustainability risk assessment together with Finance to review our materiality assessment according to the dual materiality principle under the CSRD.

POLICIES AND GUIDELINES GOVERNING SUSTAINABILITY	EXTERNAL POLICY	INTERNAL POLICY / GUIDELINE
PRODUCT		More Sustainable Materials Guideline Animal Welfare Policy Chemical Management Guideline
PEOPLE AND COMPLIANCE	Code of Conduct Anti-Bribery and Corruption Instruction Data Privacy Policy	Diversity and Equality Policy Employee Handbook Work Environment Policy Whistle Blower Instruction Information security policy Information management guideline Incident management procedure
PLANET	Environmental policy	
SUPPLY CHAIN	UK Modern Slavery Act Statement Supplier Code of Conduct	Supply Chain Due Diligence Guideline Supplier Traceability Guideline Trade Sanction Policy

DATA PROTECTION AND INFORMATION SECURITY

As a company selling directly to consumers and processing a large volume of personal data, the professional and legally correct handling of this data is a very high priority for us. The personal data that is processed with respect to customers comprises, for example, contact information, address information and information about visits to RevolutionRace's online shop. RevolutionRace also processes personal data relating to our own employees and suppliers. Data privacy violations represent a risk to the affected people but also a risk to RevolutionRace in terms of reputational damage and compliance, both with potential financial consequences. With our Data Privacy Policy and mandatory training of employees, we place considerable emphasis on protecting the privacy of the individual and complying with the EU General Data Protection Regulation (GDPR (EU) 2016/679). Our Privacy Policy is available publicly on our website and presents all relevant details of our personal data processing to our customers.

As an online-only company, RevolutionRace is especially vulnerable to cyberattacks and other breaches of information security which pose a potential severe financial risk to the company. These risks we address with our strong information security management based on our Information Security Policy and clear guidelines on Information Management and Incident Management combined with mandatory and frequent training of all employees.

In 2021/22, RevolutionRace did not have any known breaches of data privacy or information security.

ANTI-CORRUPTION

Corruption and bribery are unethical and illegal behaviours that are strictly prohibited for our employees and our suppliers as emphasised in our Code of Conduct, Supplier Code of Conduct and Anti-bribery and Corruption Instruction. Corruption obstructs development by basing decisions on private favours and illegal gains instead of the public welfare or market competition. Corruption is a risk to RevolutionRace in terms of reputational damage and fines.

We have assessed the risk of corruption in our operations and found that the largest risk exists within sourcing of materials and products, which is why extra emphasis on training our employees in the purchasing and supply chain department in anti-corruption is being prioritised.

Any indications of misconduct must be reported immediately to a trusted manager or reported through our whistle-blower function as set out in our Whistleblowing Instruction.

STAKEHOLDER ENGAGEMENT

The development and implementation of our sustainability objectives rely upon dialogue and cooperation with our stakeholders, which we see as an essential part of RevolutionRace's long-term effort to generate value. This report is an important part of the on-going dialogue with all our stakeholders.

Through this report, our sustainability presentations and sustainability updates on our website, we want to make our impact and sustainability work transparent and accessible.

We recognise that we are not perfect. We promise to be open about our challenges and to continue to improve. In this process, it is important for us to understand our stakeholders' expectations of us and their perceptions of our sustainability efforts. A continuous and constructive dialogue based on mutual respect and accepting that positions on sustainability can be very diverse is essential in generating trust and long-term shareholder and stakeholder value.

We seek this dialogue through general formats, like our sustainability report and our website, and formats suited to the individual stakeholder groups, like customer service, employee training, investor calls and supplier meetings. In the appendix on page 58, we show an overview of our stakeholders, how we interact with them and their perspectives.



PARTICIPATION IN INITIATIVES

RevolutionRace participates in selected initiatives relevant to sustainability. These initiatives or memberships reflect an emphasis on social responsibility in the supply chain and on product safety and chemical management.



AMFORI / BSCI

We work with the Amfori Business Social Compliance Initiative (BSCI) to continuously improve the social conditions in our supply chain. 87% of our suppliers have an external audit from BSCI.



TEXTILIMPORTÖRERNA

We are members of textilimportörerna (The Textile Importers). The association provides support on a broad range of topics. We especially use their Chemicals Guide for textiles that is developed in cooperation with the research institute RISE.



FUR-FREE RETAILERS

We are part of the Fur Free Retailer program organised by the Fur Free Alliance. It is active in more than 25 countries and unite more than 50 leading animal- and environmental organisations. To protect animals we have never and will never use real fur in our products.



HIGG FEM INDEX

The Higg Facility Environmental Module (FEM) from the Sustainable Apparel Coalition (SAC) is by now a recognised instrument to measure the environmental impact of the apparel supply chain. We use the Index with our largest manufacturers and fabric suppliers.



OECD DUE DILIGENCE

The OECD Due Diligence Guidance for Enterprises are becoming the standard for diligent Due Diligence across industries and the basis for international and national legislation. This year we developed a Supply Chain Due Diligence Guideline based on the OECD recommendations.



PFAS MOVEMENT

PFCs (PFAS) are hazardous chemicals used in many products including durable wet treatments of outdoor clothing. PFCs pose threats to human health and the environment. The PFAS Movement gathers companies that support a ban on PFCs. Since 2019 our products are 100% PFC free.

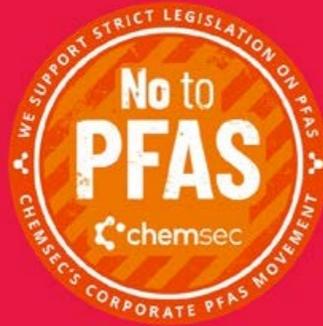




OUR PRODUCTS

The product is the core of our business. It permeates everything we do. This is where our sustainability work starts.

HIGHLIGHTS IN 21/22 — OUR PRODUCTS



NO DANGEROUS PFCS!

As early as 2019, we banned dangerous PFC chemicals in our products, but now we have gone further and joined the PFC movement. Together, we can spread knowledge and work to completely ban these dangerous chemicals.



REDUCE WATER CONSUMPTION

A large share of our water consumption derives from colouring of our fabrics. During 2022 we have started a project to convert our colouring to water free dyeing, which will reduce water consumption significantly.



NO OVERPRODUCTION

At least 20 percent¹ of what is produced in the fashion industry is never sold! We have designed our entire product development to minimise surplus. At RevolutionRace we achieved again less than 1 percent overproduction.

1) Source: A new textile Economy (Ellen MacArthur 2017), Too much to wear (Sharecloth 2018), Fashion on Climate (McKinsey 2020)

We manufacture timeless, durable and high-quality products, which enable the customer to wear their RevolutionRace products hike after hike. The products should also be free of potentially hazardous chemicals and manufactured under good social conditions with respect for the environment.

WE ASKED OUR CUSTOMERS HOW OFTEN THEY HAVE WORN THEIR REVOLUTIONRACE TROUSERS:

83 TIMES

59%

had worn their trousers more than 100 times²

²) Customer survey in Sweden and Germany with 241 respondents. Customers only asked about actual historic wear not potential future wear. 70% of respondents had owned the trousers for one year.

SUSTAINABILITY GOVERNANCE

Sustainable products are the core of “A Responsible Race”. Its founding principles are to design for sustainability by producing durable and safe products that can be worn by the consumer often. Our animal rights policy defines strictly how animal fibres may be used. For the use of our main fibres, cotton, polyester and polyamide, we have committed to continuously assessing and introducing more sustainable fibres and production methods. RevolutionRace has made a deliberate choice not to rush into “more sustainable fibres” without being able to actually document the sustainability claims made for these products. We will always assess our choice of more sustainable fibres on the basis of our design for the principle of greater durability. Our transition to more sustainable fibres will be a process of trial and error, involving substantial experimentation with innovative solutions and interaction with customers. This is exactly how we always launch new products.

Our Sustainability Manager is responsible for our chemicals management. Our Chemicals Policy complies with the EU REACH regulation and is part of our Supplier Code of Conduct. The Code of Conduct ensures that we always protect customer health, as well as the health of workers, both in production and in the environment.

Our high quality standards are defined in our production manual and in quality control processes. The extensive work with quality control, which is described in greater detail in the section on “quality management”, before and during production is reducing our environmental impact by ensuring that our products will last longer and by avoiding returns.

Due to the importance of more sustainable products, we have added more resources. A dedicated Quality Assurance controller (QAC) now has operational responsibility for product quality. In order to further integrate sustainability into our products, our purchasing choices will play an important role in the development of our updated purchasing strategy in 2022. Our “*Product Dashboard*” (Page 55) provides an overview of our strategies and targets, as well as the status of the progress.

SATISFIED CUSTOMERS

The customer is RevolutionRace's most important stakeholder group. If our customers are satisfied with their RevolutionRace products, we are satisfied. So far, we have done well with more than 390,000 customer reviews and an average rating of 4.6/5. We have several channels that help us understand their opinions and get to know them. We analyse each product review and comments on social media. In 2021/22, our customer service had 230,467 cases. Customer satisfaction was 87 percent slightly down from the previous year when it was 90 percent. The decrease in satisfaction is mainly due to longer delivery times due to the pandemic and longer response times. Our target is a 93 percent customer service level. To achieve this ambitious goal, the Customer Service Manager has set up an action plan to reduce response times.

During 2022, a long-term partnership was started with Gunde and Ferry Svan. Gunde Svan, a Swedish legend in cross-country skiing, and his son, Ferry, with great success in wood chopping, really show how good our products are. In the spring of 2022, they motivated customers to send in photos of their first RevolutionRace garments and show what they look like today. In the picture, we see the first trousers Gunde bought from RevolutionRace six years ago. The trousers have visible wear but are still fit for use.



A CIRCULAR RACE

With the Circular Economy Action Plan, the EU established an action plan in 2019 to become more circular. In order for RevolutionRace to change and become more circular, we along with the rest of the industry have a long way to go. So far, we have focused on manufacturing as sustainable products as possible in the sense that they will last for a long time and be free from harmful chemicals, and encourage our consumers to wear their RevolutionRace products often. A product that has been worn 100 times is 10 times more sustainable than a product that has only been worn 10 times.

In a step to extend the life cycle further, we have developed a repair kit and updated our instructions on how to care for the product in the best way, both on the laundry instructions and the website.

We are developing other possibilities to extend the life of our products. We have started a project with Lund University on how we as an online company can take our consumer responsibility and collect textiles from consumers and take care of them in a responsible way, through charity, secondary sales and recycling. The study showed that there is clear added value with such a digital service, both for RevolutionRace and our customers. Now the next phase is beginning where the digital service is to be built and tested before it can go live. We are eager to be involved in designing the service.

Recycling is the last step in the process and there are many promising projects in the industry right now. RevolutionRace will change its design process to facilitate recycling. But before it is time for recycling, our hope is that RevolutionRace products will experience many adventures perhaps with more than one user.

TO RE-THINK ...



QUALITY CONTROL

One of our most important USPs when it comes to product is quality. We want to offer the customer the best quality possible at a reasonable price, which we usually call unmatched value. In order to maintain our high quality standards, we expanded the resources for internal control with a Quality Assurance Controller. Together with external quality control at the respective supplier, our Controller performs quality checks on samples from the supplier, and on samples at our warehouses to ensure that our quality standards are complied with. In addition to our own quality tests, products are also sent to third-party test institutes for analysis.

- 1. DESIGN FOR ITS PURPOSE**
 We design and choose materials according to the product's intended use. The perfect fit, reinforcements where needed, extra seams on exposed areas and materials that are suitable for different weather and wind conditions.
- 2. COLLABORATION WITH SUPPLIERS**
 We collaborate with some of the best suppliers in the market. For us it is important that the supplier understands our requirements on quality at every step, from durable materials to strong threads and seams. Together with our suppliers, we have a close partnership to develop new methods and techniques to make RevolutionRace products the most durable in the market.
- 3. TESTING**
 We continuously test our products. Every new product is approved both in the laboratory, internally and externally, and through "field tests" where we simply test the product in the environment and activity it is intended for. Both we and our partners test our products to guarantee that they serve their purpose.
- 4. CUSTOMER CHOICE**
 We work closely with our community to develop new products and upgrade the ones we already have. So far, we have received more than 390,000 real reviews with an average rating of 4.6/5.0. We read all the reviews and appreciate all the comments that we receive through social media, whether you are rooting for us or suggesting improvements.

NO OVERPRODUCTION

Our entire product development and business model are set up to minimise wasteful overproduction³. In 2021/22, we had an overproduction of < 1 percent.

THIS IS HOW WE WORK TO AVOID OVERPRODUCTION



OUR CUSTOMERS ARE PART OF THE PRODUCT DEVELOPMENT

We continuously update our products according to our customers' wishes in a step to meet demand and reduce returns.



DIRECT TO CONSUMER

We sell directly to the end customer, thereby avoiding sales samples and being able to meet demand more accurately.



CUSTOMER COMMUNITY

We minimise returns through extensive customer community feedback.



RETURN MANAGEMENT

We optimise return handling to make every returned item resellable.



SMALL BATCH PRODUCTION

We Produce new products in small batches to avoid overproduction and scale up according to demand.



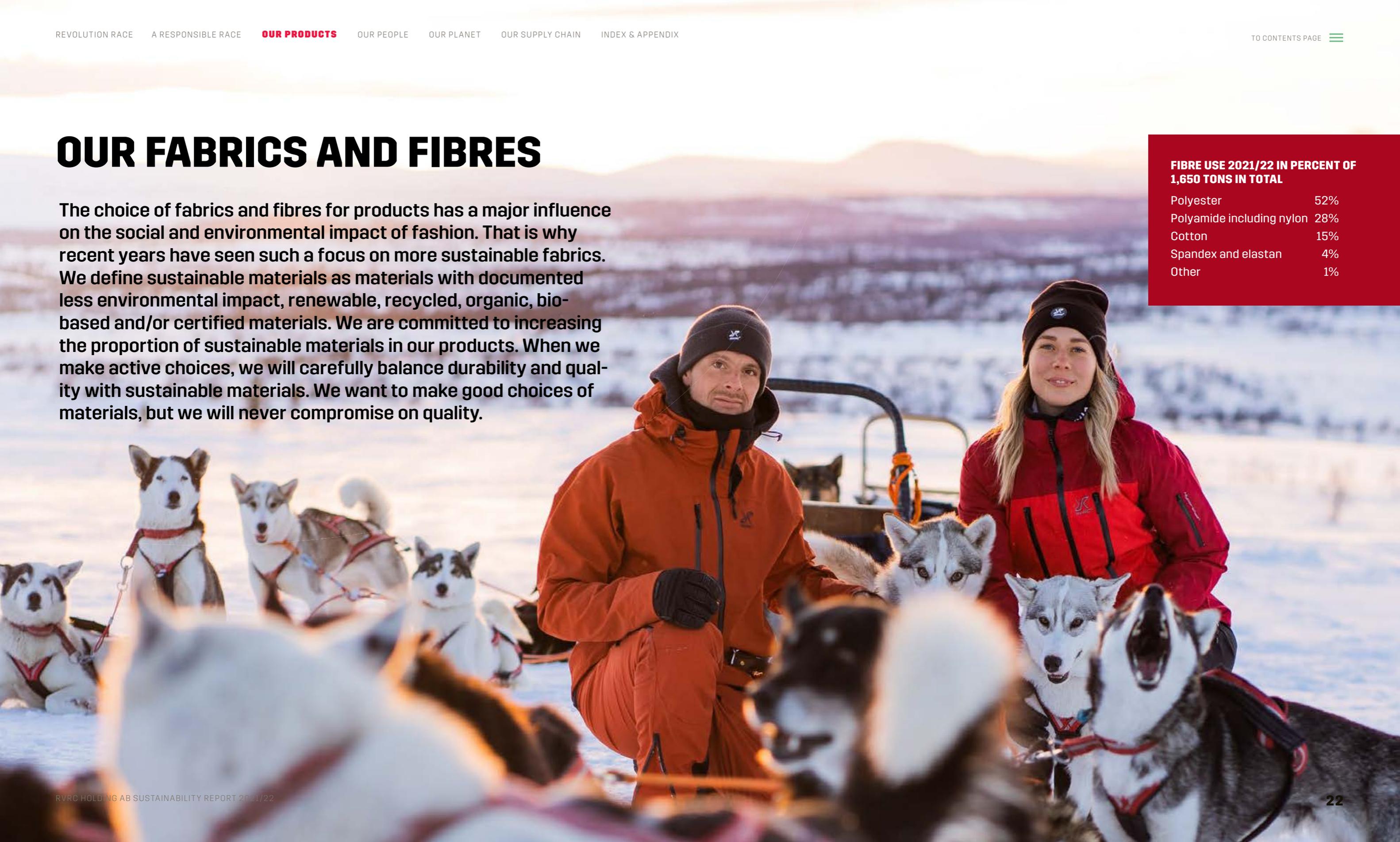
³) We define overproduction as products RevolutionRace does not sell directly to the end customer but sells on at a cheaper price than the purchase price.

OUR FABRICS AND FIBRES

The choice of fabrics and fibres for products has a major influence on the social and environmental impact of fashion. That is why recent years have seen such a focus on more sustainable fabrics. We define sustainable materials as materials with documented less environmental impact, renewable, recycled, organic, bio-based and/or certified materials. We are committed to increasing the proportion of sustainable materials in our products. When we make active choices, we will carefully balance durability and quality with sustainable materials. We want to make good choices of materials, but we will never compromise on quality.

FIBRE USE 2021/22 IN PERCENT OF 1,650 TONS IN TOTAL

Polyester	52%
Polyamide including nylon	28%
Cotton	15%
Spandex and elastan	4%
Other	1%



STeP by OEKO-TEX® stands for “Sustainable Textile and Leather Production” and is an independent certification system for production facilities along the textile and leather supply chain that want to ensure environmentally friendly manufacturing processes and socially responsible working conditions and communicate them in a transparent manner. The requirements include implementing environmental and social management systems and having a safe chemicals management system. If the main supplier and the dye house are STeP certified and the product is completely Oeko-Tex® 100 certified, the product can carry the “Made in Green” label, which is one of the most demanding product certifications. Our suppliers in Sri Lanka are STeP by Oeko-Tex® certified, which accounts for 3 percent of our total production. We are working for more to be certified.

90% of our fabrics have Oeko-Tex® 100 certificates.



OEKO-TEX®

Oeko-Tex® Standard 100 is a good minimum requirement to ensure a safe final product. Products certified with Oeko-Tex® 100 comply with REACH, the EU Chemicals Regulation. If a product has the Oeko-Tex® label, all materials and components (threads, buttons, zippers) have been tested by the independent Oeko-Tex® institutes.

Among other things, tests against banned azo dyes, formaldehyde and nickel are included. Tests are also done for harmful chemicals that are not yet regulated by REACH. Oeko-Tex® laboratory tests include approximately 100 test parameters and take into account the intended use of the textiles. 90 percent of our fabrics by weight have Oeko-Tex® 100 certificates⁴. The other 10 percent are complying with REACH through our chemical management processes.

4) We don't communicate Oeko-Tex® 100 on our products, since the fabrics are certified but not all sewing suppliers.



**At least 50%
of the polyester
and polyamide
we use should
be from more
sustainable
alternatives.**

POLYESTER AND POLYAMIDE

52 percent of our fibres are made of polyester and 28 percent is made of polyamide. We have chosen to work with polyester and polyamide like most other sport and active wear companies because the fibres' properties suit active activities.

Polyester and polyamide are durable, light, naturally water repellent and have a good moisture transport capacity. We are aware that both polyester and polyamide are usually extracted from oil and if the world is to combat climate change, we must reduce our dependence on fossil fuels.

We are investigating alternatives and will continuously convert to more sustainable alternatives.

**By 2025, 100%
of the cotton
we use shall be
more sustainable.**



COTTON

Today, 15 percent of the fibre we use is cotton. Conventional cotton production is known for its considerable consumption of water and use of pesticides.

Unfortunately, human rights violations, including child labour, are also a recurring phenomenon in the cotton fields.

At RevolutionRace, we are committed to increasingly using cotton with better documented social standards and lower environmental impact. We will gradually move to different types of sustainable cotton and evaluate quality.

During 2021/22, we focused on traceability of the cotton we manufacture.

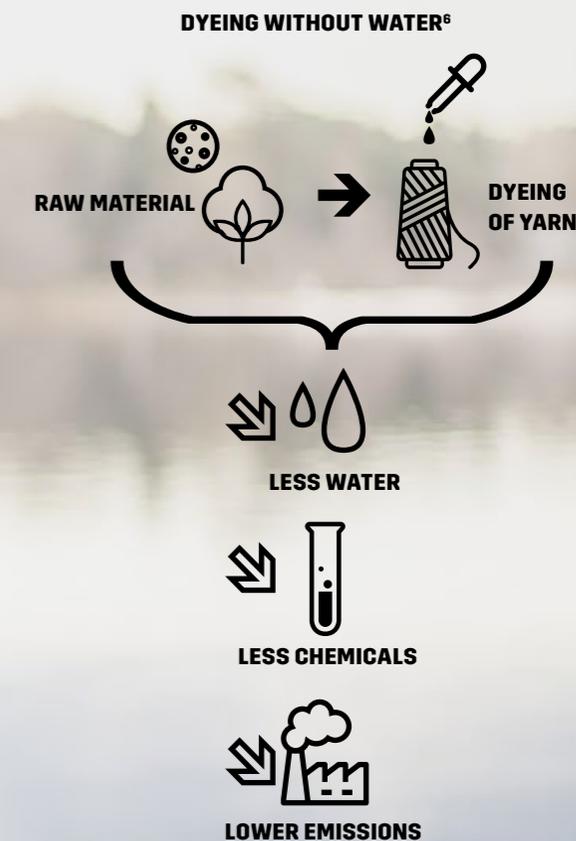


SPIN DYE

EMISSIONS AND WATER CONSUMPTION WHERE THE IMPACT IS GREATEST

Our products are the main source of our climate impact and water consumption. Up to 40 percent of the emissions come from spinning yarn and dyeing fabrics.⁵ In order to reduce our climate footprint and water consumption, and increase colour fastness of our materials, we are investigating dyeing without water in various projects for our bestsellers. The dyeing method requires a fraction of all the water required for traditional dyeing, as well as a fraction of the energy and chemicals.

Spinn-dye, Dope-dye, Solution-dye are all popular names for dyeing without water. This is not a new innovation, but has become of increasing interest to companies that focus on reducing freshwater use and emissions. The big difference to traditional dyeing is that the yarn is dyed and not the finished fabric, which means that for synthetic material the dyeing can be done completely without water. We are also working on a solution for cotton. The challenges with this technology are large minimum quantities and limitations in some colours.



⁵ Source: Cemasys, EcoInvent, Higg MSI
⁶ Source: Environmental Product Declaration (EPD) of a Spin Dye product.

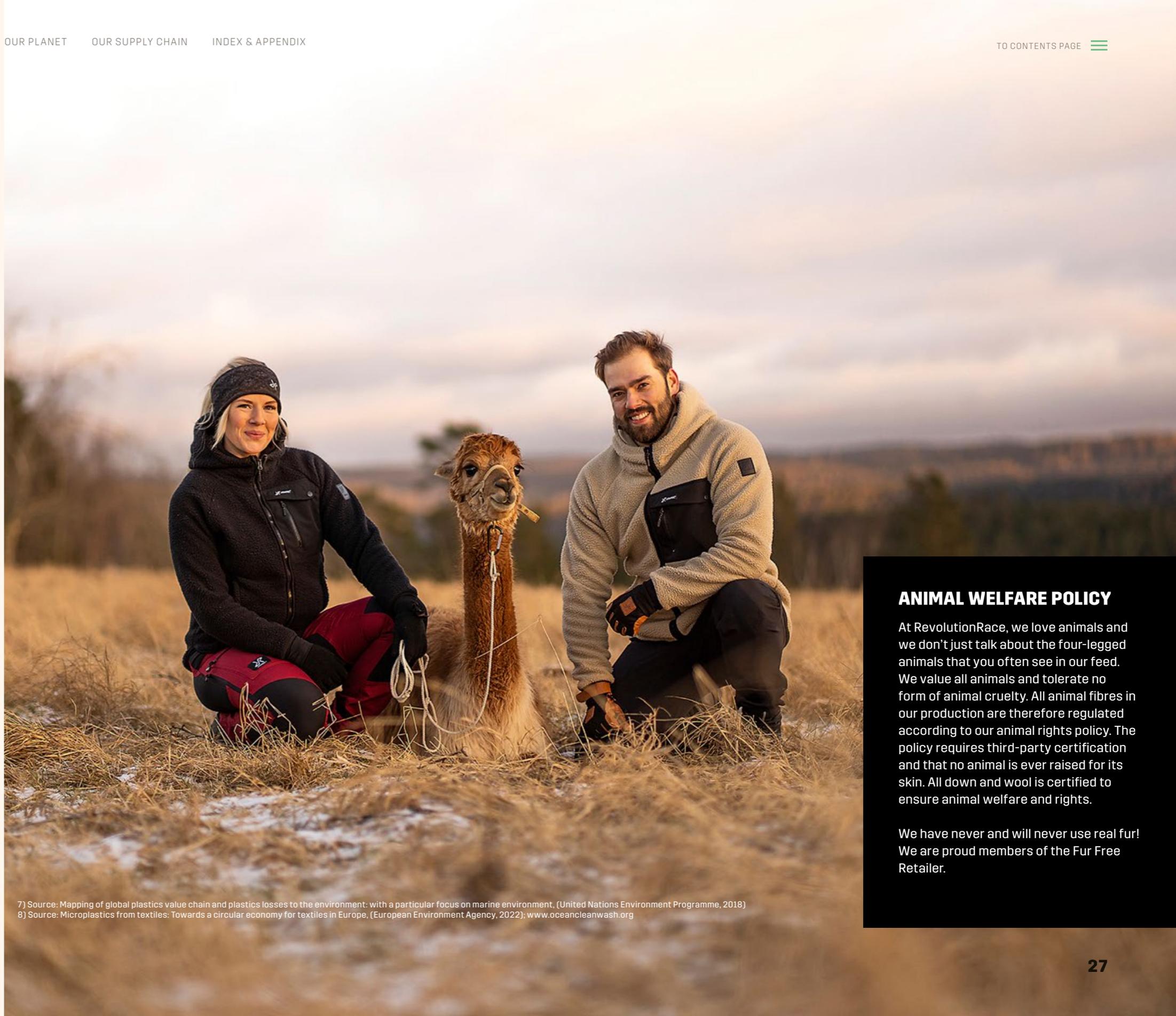
PRODUCT SAFETY

Our products must comply with the REACH legislation (EC No 1907/2006), which is the chemicals regulation in Europe that regulates all chemicals that can be harmful to humans or nature. To ensure compliance with the legislation, all of our suppliers have signed our chemicals policy, which is in accordance with the REACH Regulation. For increased compliance control, we use the digital tool Chemact Network. In the tool, we have mapped each of our products, chemicals used during production, the relevant RSL and our test procedures. Our largest suppliers are already working with the tool and have access to the latest updated RSL lists and can directly upload test results in the system. We test all products in the product development phase to ensure product safety. New productions of known products are tested for compliance on a regular basis by independent laboratories.

PFCs are a group of chemicals often used in outerwear for durable water and dirt repellency. They are highly effective for this purpose. However, research has documented their persistence in the environment and their harmful effects. Among others, we use the Bionic-Finish[®]Eco treatment, a proprietary fluorine-free technology from the Rudolf Group as a highly effective alternative. In 2022, we also chose to join the PFC movement that works to ban all hazardous PFC chemicals.

MICROFIBRES

Among our stakeholders microfibres are on the agenda and it is also a topic on the EU Circular Economy Action Plan. Concerns are growing about the health and environmental impacts associated with microfibrer pollution. Microfibres are very fine fibre types of either synthetic (microplastic) or natural material. The vast majority of microplastics are coming from car tyres and city dust but textiles are also producing microfibres⁷. RevolutionRace follows the ongoing research on the subject including that of the Microfibre Consortium (TMC), the European Environment Agency and the UN. Although the research is currently inconclusive some practical initiatives can be implemented⁸. We will start dialogues with our largest fabric suppliers on installation of filters and pre-wash of fabric to reduce microfibre release after washing and dyeing in the mills. We will also start conducting microfibre tests of our products by an independent testing institute.



ANIMAL WELFARE POLICY

At RevolutionRace, we love animals and we don't just talk about the four-legged animals that you often see in our feed. We value all animals and tolerate no form of animal cruelty. All animal fibres in our production are therefore regulated according to our animal rights policy. The policy requires third-party certification and that no animal is ever raised for its skin. All down and wool is certified to ensure animal welfare and rights.

We have never and will never use real fur!
We are proud members of the Fur Free Retailer.

⁷) Source: Mapping of global plastics value chain and plastics losses to the environment: with a particular focus on marine environment. (United Nations Environment Programme, 2018)
⁸) Source: Microplastics from textiles: Towards a circular economy for textiles in Europe. (European Environment Agency, 2022); www.oceancleanwash.org



OUR PEOPLE

We work for employee wellbeing and development through good leadership, inclusivity and equal opportunity.

HIGHLIGHTS IN 21/22 — OUR PEOPLE



EMPLOYEE SURVEY

In January 2022, we introduced our first employee survey, subsequently we also conducted a survey in May. We are proud of the extensive commitment, an 88 percent response rate and an average Employee Net Promoter Score of 33, which can be compared to an industry index of 18⁹⁾.



ONBOARDING

During the year, we grew by 43 percent and onboarding of new employees continued to be important. In order to give all new employees the same conditions and information, an onboarding programme was created and implemented.



BALANCE IN SENIOR POSITIONS

71 percent of all employees are women. We especially encourage women to take management positions, which resulted in 79 percent of our team lead positions being held by women today.

9) Source: &Frankly, The average score of all analysed companies

For fast-growing companies, one of the biggest challenges and success factors is how they manage to work systematically to attract, develop and retain talents and develop a motivated and satisfied workforce. During 2021/22, we worked with these components.

SUSTAINABILITY GOVERNANCE

Our people management policy is described in our Code of Conduct, Personnel Handbook and Work Environment Policy. These policies define the principles for how we act in our daily work and in business relations.

The Code of Conduct describes what we expect from our employees and what they can expect from RevolutionRace. It contains fundamental principles of human rights, such as non-discrimination, occupational safety, prohibition of forced labour and child labour, and principles of environmental protection, animal welfare and business ethics, including free competition and avoidance of conflicts of interest.

All of our employees work in Sweden with office work, so there are minimal risks of violations of human rights or physical injury. We emphasize diversity and equality among our employees regardless of gender, age, race, religion or other personal characteristics. This emphasis is further described in our Diversity and Equality Policy, where we attach importance to striving for equal pay for equal work and counteracting unreasonable pay gaps between the sexes.

Our CEO has the formal responsibility for the company and its employees, and runs it with the help of our senior management team, the HR Department and the heads of our teams. Our People Dashboard (page 56) provides an overview of our strategies and targets, as well as the status of the progress.



TRAINING

RevolutionRace wants to increase employee knowledge about sustainability-related issues and strengthen awareness of significant risks and compliance rules.

All employees have completed training in GDPR and information security and new employees have direct access to the training under the responsibility of the Chief Technology Officer (CTO). The course focuses on areas with a high risk of human error, which are passwords and the use of mobile phones and the internet, and phishing.

After the successful implementation of the digital GDPR and information security course, we are developing new digital training modules that will be combined with workshops for selected teams. During 2021/22, we developed a module for anti-corruption and due diligence in the supply chain. Both modules are being rolled out by the Sustainability Manager to all employees during 2022.

During 2021/22, all managers completed a work environment course under HR management. Guidelines and procedures have also been established, for first aid and crisis support, against offensive discrimination and harassment, for work adaptation and rehabilitation, and a template for risk and impact assessment in case of changes. HR is responsible for updating the guidelines and each manager is responsible for informing the employees.

REVOLUTIONRACE CONTINUES TO GROW

At the end of the 2021/22 financial year, RevolutionRace had 126 employees (122 FTEs). At the end of the preceding financial year, we had 89 employees (86 FTEs), We grew with 43 percent.

	2021/22	2020/21	2019/20
Full-time employees, FTE	122	86	46
Part-time employees, Number	12	10	7
New employees, %	43	51	43
Employees leaving RevolutionRace, %	15	9	9

In the autumn of 2021, a project group was started with all middle managers to create and implement an onboarding programme. The main purpose of the programme is to share the same information in order to give all new employees the same conditions. The onboarding includes a checklist for clarifying what needs to be arranged, as well as a company presentation with insight into RevolutionRace's history and an overview of where we are going. Each manager is responsible for ensuring his or her staff completed onboarding.

GENDER EQUALITY AND DIVERSITY

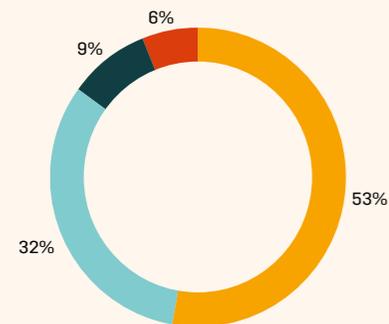
We believe that gender equality and diversity are important factors in building a sustainable business.

RevolutionRace is a young company, where 53 percent of the employees are under the age of 30 and there are many development opportunities. In order to reflect our customers and enrich the culture, we attach great importance to diversity in new recruitments. We believe that diversity is an important success factor when we recruit and develop our employees because it brings together different perspectives.

Different ways of thinking mean that we are challenged to think differently, which in turn will lead to creative and sustainable solutions. Today, we have a localised website in 18 markets and customer service in 11 languages, and there is only one local language that we lack internally.

We strive to find a balance between men and women in leadership positions. Today, 71 percent of the employees are women and we have specifically encouraged women to take leadership positions, resulting in 33 percent of our leadership positions and 79 percent of our team leader positions being held by women today.

EMPLOYEES BY AGE



- under 30 years
- 30-40 years
- 40-50 years
- 50-60 years
- over 60 years

EMPLOYEES BY EMPLOYMENT TYPE AND GENDER



79%
of our team
leaders are
women.



ANNUAL APPRAISAL:

100%

ABSENCE:

3 days

Average day/ employee, a year

PERSONNEL TURNOVER:

15%

SATISFIED EMPLOYEES

It is knowledgeable and satisfied employees who build large companies. The well-being of our employees is reflected in their very few days of absence and our low personnel turnover rate. 15 percent of employees chose to leave the Company and with an average absence of 3 days per employee and year, we are back at the same low levels as before the beginning of the pandemic. We are proud of our capacity for keeping our great talents and to allow them to grow in the Company.

In January 2022, we began to measure our employee satisfaction on a quarterly basis. 88 percent of the employees responded and the average eNPS (Employee Net Promoter Score) ended up at 33 (the scale goes from -100–100) with the industry average on 18¹⁰. Next year, we aim for an eNPS of at least 35. We have also set a target for the commitment index where we want to be above 80, at the latest measurement we were at 76. The commitment index is the combined result of all twelve questions in the survey.

In addition to our goals, three areas are identified after each survey that the teams are working on to improve according to an action plan. From the first survey in January to the second in May, the selected areas improved by an average of 18 percent.

	"In current teams, you can be open and honest"	"My immediate manager gives me constructive feedback"	"Do you have time for your duties during regular working hours?"
Jan / May	79 / 86 ↗ 9%	63 / 77 ↗ 22%	55 / 68 ↗ 24%

We are convinced that the employees' well-being and satisfaction is multifaceted and therefore work with many different initiatives: Dedicated focus on a sustainable work environment, team building, favourable working conditions, promoting our playful corporate culture and improving communication through a cross-functional team.

¹⁰) Source: &Frankly, an average index based on all companies' eNPS

A SUSTAINABLE WORK ENVIRONMENT

During 2021/22, our leaders were trained in work environment topics, with an emphasis on offensive discrimination and the organisational and social work environment. All work environment conditions are investigated, risk assessed, remedied and followed up after with corrective measures. The work environment committee, three representatives of the employees together with HR, meet once a quarter and each manager attends a work environment course annually.



TEAMBUILDING

The team leader is closest to his or her employees. Developing employees and improving the working environment is a core responsibility. It is within the teams that inclusion and zero tolerance for harassment begin. At RevolutionRace, every employee undergoes a formalised annual appraisal review where each individual's progress, challenges and personal development are discussed.

Each month, leaders together with their team have a work environment meeting to prevent and counteract discrimination and an unequal division of work.

IN YOUR CURRENT TEAM, CAN YOU ...

... LAUGH WITH YOUR COLLEAGUES?

97%

... BE YOURSELF?

93%

... ASK FOR HELP?

97%

FAVOURABLE WORKING CONDITIONS

RevolutionRace has always offered competitive employment benefits to all employees.

The pandemic has affected all of us and the way we work. In order to meet the expectations of our current and new employees, we offer a hybrid workplace solution.

To promote physical well-being, all employees are offered a generous healthcare allowance. We have also improved parental benefits and sick pay from day 15–90, and introduced half a day before holidays.

A PLAYFUL CULTURE

The culture at RevolutionRace has always been playful and social. We support this through our physical office and social initiatives.

We have outgrown our office. The headquarters in Borås will therefore be expanded to give it larger and more inspiring workspaces. The staff can be involved in deciding how to arrange the new office space, everything from slides to wooden huts have been voted through. A better waste sorting station has also been requested and a carpooling channel. We look forward to the new office and above all having a meeting place where the entire staff can finally fit again. During the year, we have had a number of team-building activities, including step competitions and team orientations. Our dedicated employees have also created a party committee, a breakfast club, a film club and a gaming club. A big thank you to these enthusiasts who spread joy at our workplace.

IMPROVED COMMUNICATION

As we increased the workforce by 43 percent, even in the midst of a pandemic, we have not only outgrown our existing office space but also seen an increased need for better communication. We went from being very few employees, where everyone had a clear overview, to becoming very many employees, working in their own smaller teams. This resulted in impaired communication and thereby also cohesion.

With the aim of improving communication and bridging gaps between departments, a cross-functional team was created. The cross-functional team consists of all middle managers and therefore represents the entire company. Every two weeks, they have a status update where they discuss ongoing projects in the respective teams, and once a month, there is a larger meeting where they work on larger projects within the group. To date, the cross-functional team has created an onboarding programme and a cultural group that will enrich our corporate culture. In September we had a kick-off and we began work to include sustainability throughout the organisation.



DO GOOD BE GOOD

During the past year RevolutionRace, together with ambassadors and employees, have been involved in various charities.



In mid-June 2022, Sweden's first Allstars-game, a charity match, was played, where the football stars Dejan Kulusevski and John Guidetti took the roles of coach of the respective competing teams. RevolutionRace was one of the main sponsors, a fine initiative where young people had the opportunity to meet and see their idols playing football live. All proceeds raised went to the organisations my big day and the running academy.



Allemansrätten day was instituted with the aim of drawing attention and spread knowledge about Swedish nature and the right and responsibility to all. Together with Generation Pep and Svenskt Friluftsliv, we want to encourage more people, mainly young people, to enjoy our fantastic nature, our parks and our outdoor areas. Nature is for us all and of course we must celebrate that!



We in the staff also like to get involved. The product team regularly arranges sales of production samples. In this way, the samples will be used at the same time that it gives our staff an opportunity to product-test most of the product range at a favourable price. We donate the money raised to selected charities.



OUR PLANET

We take environmental responsibility by seeking to use as few resources as possible and working with these resources more sustainably.

HIGHLIGHTS IN 2021/22 — OUR PLANET



TARGETS TO REDUCE EMISSIONS

In 2022, we set a CO₂e reduction target to our already low emissions. We committed to reduce our emissions from our own operations by at least 50 percent by 2030 and use 100 percent renewable electricity by 2023. We committed to reduce our Scope 3 emissions by 40 percent relative to net sales by 2030.



REDUCING EMISSIONS

Part of defining an ambitious but realistic CO₂e reduction target has been to plan and kick-off our emission reduction roadmap. Our strict guidelines on transportation by air had an immediate effect.

Protecting the planet and people from pollution, water shortages and climate change is an urgent priority for us and our stakeholders. The environmental impact we have from our own operations is small. The water, electricity and heating that our employees use and the waste they generate at our 1,000-square-metre headquarters in Borås are minimal. Our impact derives from our supply chain partners producing fibres for our fabrics, dyeing and printing fabrics, sewing our products and transporting them to our warehouses and customers. We can reduce our impact through our conscientious choices of materials, transport modes and production solutions and by working with our suppliers on improvements that make a real difference.

SUSTAINABILITY GOVERNANCE

Our environmental protection principles are defined in our Environmental Policy, which is based on the Sustainable Development Goals, the European Green Deal and the Science Based Target Initiative. It emphasizes design and production of durable and low-impact products, low-impact transportation, reduction of fossil energy and emissions, reduction of water use, responsible chemical management and wastewater and reduction of waste. The actions required in our supply chain have also been included in our Supplier Code of Conduct.

The Environmental Policy urges action based on transparency and facts, but it takes a precautionary approach. The lack of exact scientific knowledge may never be a reason not to act. The responsibility for our environmental work lies with our Head of Purchasing and Production and the Management Team. Operationally, the work is performed by our Sustainability Manager and the operationally responsible teams. RevolutionRace's Board of Directors is responsible for climate oversight.

We work with a professional consultancy firm with extensive experience in fashion and use their accounting tools to measure our CO₂e emissions. We measure our emissions in accordance with the GHG protocol for Scope 1, 2 and 3, using actual emissions or estimated emission factors from recognised databases.

We measure our own waste and overproduction and have set clear targets. In 2022, we set a target for the reduction of our CO₂e emissions. We started to measure the water consumption at our suppliers and their waste and wastewater management through the Higg Index Facility Environmental Module (FEM). We do not have enough transparency to set a water reduction target but are working actively with initiatives to reduce water consumption. Our *Planet Dashboard* (page 57) shows an overview of our strategies, targets and progress.

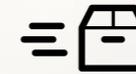
OUR ENVIRONMENTAL POLICY

SUSTAINABLE OFFICE OPERATIONS



DURABLE AND LOW-IMPACT PRODUCTS

- Design and produce for high-quality, durability and longevity
- Minimise waste
- Conserve input materials and continuously use more sustainable materials



LOW-IMPACT TRANSPORTATION

- Minimise air transportation
- Minimise returns
- Reduce transportation by optimal location of warehouses
- Choose low-impact last-mile transportation



ENVIRONMENTAL PROTECTION IN THE SUPPLY CHAIN

- By working responsibly with:
- emissions and energy use
 - water and effluents
 - waste reduction and waste treatment
 - Chemical management



GHG EMISSIONS

Limiting global warming and climate change is one of the most urgent tasks the world is facing. Science shows the world must cut emissions in half by 2030 and reach net-zero emissions by 2050. This is a tremendous task that will only be accomplished with governmental regulations, business leadership, unseen innovations and large-scale industry initiatives.

Under the 2015 Paris Agreement, national governments have committed to pursue the goal of a post-industrial temperature increase of well below 2.0°C or 1.5°C and many companies are following suit by setting targets informed by science.

Today, the apparel industry produces up to 10 percent of the global greenhouse gases¹¹. There is a general consensus about the urgent need to reduce

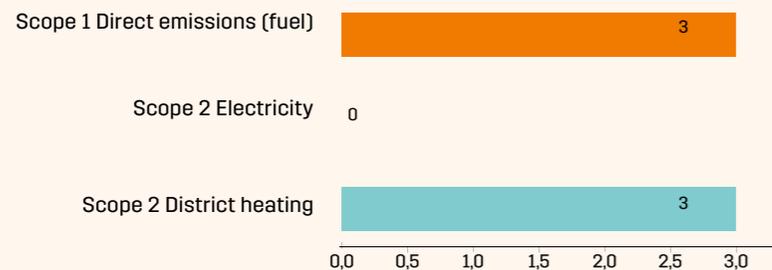
greenhouse gases across the apparel value chain and a growing consensus that this can only happen through a fossil-free supply chain. This year again, we created transparency on all our emissions in Scope 1, Scope 2 and Scope 3 for the 2021/22 financial year.

Scope 1 encompasses our emissions from company cars. Scope 2 represents our emissions from our consumption of electricity and heating at our headquarters in Sweden. Together, Scopes 1 and 2 are emissions from our own operations. In Scope 3, we cover all emissions from sourced goods and services, fuel- and energy-related emissions, transportation of our products to our warehouses and consumers, waste generated in our warehouses and business travel. We do not cover the usage of sold products.

11) Source: Fashion on Climate (McKinsey 2021), Measuring fashion (Quantis 2018)

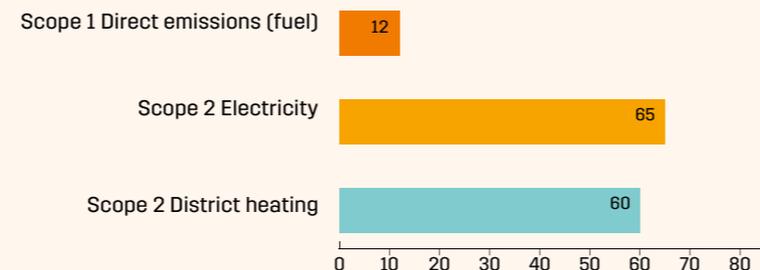


CO₂e EMISSIONS FROM OWN OPERATIONS, TONS CO₂e PER CATEGORY



In measuring our emissions, we are using the operational control approach and the market-based approach as defined by the GHG protocol.

POWER CONSUMPTION, MWh



During 2021/22 100% renewable electricity in own operations.

TRANSPORTATION

	2021/22		2020/21	
	Share %	CO ₂	Share, %	CO ₂ e
Air	11	703	36	1,767
Sea	87	658	54	648
Rail	—	—	10	—
Road	2	4	—	—
Total	100	1,365	100	2,417

With 6 tons CO₂e, the emissions from our own operations are almost zero! This financial year, we bought 100 percent of our electricity from renewable sources. At the moment, we cannot heat our offices with renewable energy.

With our own emissions almost at zero, almost 100 percent of our emissions are incurred outside our own operations. In 2021/22, our total emissions were 23,159 tons CO₂e, which was 17.4 tons CO₂e/SEKm turnover. As we grow, our absolute emissions will also grow. In the future, when innovative environmental technologies have hopefully become widespread, we and the apparel industry will be much better at decoupling growth and environmental impact.

At 1,365 tons CO₂e, 6 percent of our emissions derived from transportation to warehouses. We produce in Asia, and we want to transport our products

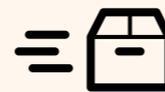
to the warehouses with a minimal environmental footprint, prioritising maritime transportation over air. In 2021/22, we were able to reduce our transportation by air from 36 percent to 11 percent despite the difficult global logistics situation. The reduction in transportation by air resulted in a total reduction of our emissions from transportation by 44 percent. Of our emissions, 87 percent derived from the sourcing of products and services, which comprises raw material extraction, yarn and fabric production, dyeing and product manufacture. We can affect these emissions in three ways: by prioritising suppliers using renewable energy, by working with suppliers on implementing renewable energy and by shifting to fabrics and processes (e.g. dyeing) that are less energy intensive.

OUR EMISSIONS 2021/22 ¹²	tons CO ₂ e	%
Scope 1	3	0.0
Scope 2	3	0.0
Scope 3	23,153	100
Sourced products and services	20,201	87
Transport to warehouses	1,365	6
Transport to customers	1,543	7
Other ¹³	45	0.2
Total emissions	23,159	100.0
Total emissions/net revenue (ton CO ₂ e/SEKm) ¹⁴	17.4	

12) All emissions are calculated based on the GHG protocol using the operational control approach and the market-based approach

13) Waste in warehouses, fuel- and energy-related activities, business travel

14) Intensity ratio not showed separately for Scope 1, 2 and 3 due to insignificant emissions in Scope 1 and 2



LOW IMPACT E-COMMERCE OPERATIONS

We have a defined strategy to reduce the impact of our e-commerce operations by:

- Optimising warehouse locations to reduce customer transportation
- Reducing returns and optimising returns management
- Prioritising energy efficient last mile distribution
- Working with energy efficient warehouses running on renewable energy
- Implementing low impact packaging and reducing packaging waste.

Our returns remained low, less than 1 percent of returns was faulty and the rest could be resold. Our return stations in Germany and Norway reduce unnecessary transports. Many orders from countries within the EU (excluding the Nordics) was sent directly from our return stations and warehouses in Germany. Our collaboration with Amazon with warehouses in Germany, USA and the UK further reduces customer transport. All customer logistics contracts now include requirements for low-energy distribution.

SETTING AN AMBITIOUS CO₂-REDUCTION TARGET

Last year we promised to set an ambitious CO₂-reduction target. We worked on this and discussed it at three Board Meetings. We use the 2020/21 financial year as our baseline and commit to reducing our emissions from our own operations with at least 50 percent by 2030 and to use 100 percent renewable electricity by 2023. We also commit to reducing our emissions in Scope 3 by 40 percent to Net Sales by 2030. In 2020/21, this figure was 17.3 tons CO₂/SEKm and in 2030 it should be 10.4 tons CO₂/SEKm. Achieving this target will require that 50 percent of our supply chain will be powered by renewable energy by 2030.

Despite a number of improvements during the year, such as reduced flights, more recycled packaging and green electricity in the office, our total emissions relative to net sales increased from 17.3 tons per million SEK to 17.4 tons. As a result of low inventory levels in previous financial years, the Group made an active decision during the financial year to increase inventory levels to meet increased growth and counter delivery difficulties. It is the increase in purchased products that is negatively impacting our total.

A FOSSIL FREE SUPPLY CHAIN

When we look in detail into the Life Circle Analysis (LCAs) of our products, the emissions in our supply chain are driven by energy intensive processes in dyeing and spinning, weaving and knitting and the powering of these processes through fossil fuel. We will not be able to reduce our emissions significantly unless our suppliers convert to renewable energy. The ability to do this is very dependent on country strategies facilitating investments in renewable energy, but we also see an increase in industry initiatives. RevolutionRace is exploring all opportunities to support suppliers and also adjust its sourcing strategy based on access to renewable energy.

OUR TARGETS FOR 2030

SCOPE 1 & 2

-50%

At least 50% absolute reduction of emissions.

SCOPE 3

-40%

At least 40% relative reduction of emissions to net sales.



WATER

With the world having its eyes fixed on climate change and emissions, there is a risk in not adequately prioritising water and wastewater despite its being one of the top global risks and being highly prioritised through the Sustainable Development Goals and the European Green Deal. Fortunately, many water stewardship measures also reduce energy use and thereby emissions. The largest topics on water sustainability are freshwater use (in water-stressed areas) and wastewater treatment.

RevolutionRace has the largest impact on both freshwater use and wastewater through its dyeing and finishing sub-suppliers. It is our goal to reduce our use of freshwater in dyeing and finishing. Our suppliers are therefore implementing water saving dyeing techniques and water management. However, one of the largest means of reducing freshwater and emissions may be to turn to water-free dyeing techniques. This is a promising technology that is not without its challenges, but in 2022 we started a large project and pilots to explore this solution.

The use of chemicals are strictly regulated through the EU REACH regulation for product safety purposes. We address the potential environmental hazards of chemicals through our Supplier Code of Conduct and our Chemical Management Guideline. Chemicals are mainly used in the production of fabrics and trims and in dyeing and finishing processes. Improper management of hazardous chemicals can pose a threat to employee health and the environment. Release of chemicals through wastewater discharges can contaminate water and affect the water supply of local communities. We therefore require transparency regarding wastewater statistics, chemical inventories and chemical management systems.

Great industry initiatives and guidelines support suppliers with clarity and capability building. The Zero Discharge of Hazardous Chemicals (ZDHC) initiative aims for a textile industry with careful or no use of hazardous substances and with strict Chemical Management systems. Through our Supplier Code of Conduct, we urge all suppliers to comply with the ZDHC Manufacturing Restricted Substances List (ZDHC MRSL) which defines the upper limit for critical process chemicals. Suppliers must verify that their chemical inventory complies with the MRSL and its limits and be able to document it. Over time, ideally all hazardous chemicals should be replaced with cleaner alternatives.

In addition, we urge all suppliers working with wet processes and producing wastewater to comply with the ZDHC wastewater guidelines, including documenting regular wastewater tests. Our largest dyeing and finishing suppliers have installed wastewater recycling facilities and are measuring their wastewater regularly.



WASTE AND PACKAGING

The waste created in the apparel industry is a recognised problem and has many sources. The EU packaging legislation with Extended Producer Responsibility is addressing packaging waste and the EU taxonomy will also address material waste and circularity solutions. The industry is exploring many solutions to reduce waste under the headline of circularity. Brands create waste in offices and retailing and through packaging. Waste is also created through overproduction and the end-of-life properties and solutions for garments. In the supply chain, waste is created and can accordingly be reduced in each production step, from reuse of water and chemicals for dyeing to minimisation and recycling of fabric scraps in manufacturing.

RevolutionRace has minimal waste from its offices and no physical retailing. We do have waste from packaging and are participating in all applicable extended producer responsibility schemes throughout Europe.

In 2021/22, we used 224 tons of cardboard for the shipping of our products to the warehouses, we used 70 tons of polybags to ensure that each product arrived undamaged, and we used 57 tons of shipping bags to send products to our customers and for them to return products to us. This resulted in 516 tons CO₂e, which was 2 percent of total emissions.

In 2021, we introduced polybags and shipping bags made of recycled plastic and we developed a packaging strategy. We are working on each of the packaging types to reduce their impact by using less material, using recycled or certified material and testing reusable solutions. In our choices of packaging, we will aim to minimise waste and increase circularity.



PACKAGING 2021/22 (TONS)

PLASTIC BAGS

70

of which 46 tons was recycled plastic.

CARDBOARD

224

of which 12 tons was recycled.

SHIPPING BAGS

57

of which 22 tons was recycled.

OUR PACKAGING TARGETS

100%

of plastic packaging to be of recycled or biobased material by 2025.

100%

of cardboard to be of recycled material or FSC certified by 2023.

Implement reuse models where possible.



OUR SUPPLY CHAIN

In cooperation with our partners, we work for human rights, good labour conditions and protection of our planet.

HIGHLIGHTS IN 2021/22 — OUR SUPPLY CHAIN



DUE DILIGENCE IN OUR SUPPLY CHAIN

In 2022, we developed comprehensive Supply Chain Due Diligence Guidelines and conducted a detailed social and environmental risk screening based on the OECD Due Diligence Guidance for responsible business conduct.



TRANSPARENCY ON ENVIRONMENTAL IMPACT

We started to work systematically with the Higg Facility Environmental Module (FEM) to gain transparency on environmental impacts in our supply chain, focusing on our largest garment manufactures and fabric mills.



TRACEABILITY ON CORE PRODUCTS

During the year, we worked hard to gain full traceability on every Nordwand and GP product from garment manufacturer to yarn spinner and raw materials. We made it!

At our offices in Sweden, we are 126 employees. However, more than 15,000 people are working in our supply chain. Our partners make our yarns, fabrics and high-quality products. It is in our supply chain that the majority of our social and environmental impact takes place.

From governments to non-profit organisations, important stakeholders to RevolutionRace and the apparel industry are increasingly advocating for and requiring significantly improved due diligence from companies in their global supply chains, which are often highly complex, fragmented and historically opaque. New national and international legislation has been implemented or is being drafted on supply chain due diligence in general or, more specifically, on forced labour, modern slavery and child labour. During 2022, we developed very detailed Due Diligence Guidelines for our supply chain and conducted a comprehensive risk assessment as described on page 47.

Our new guidelines and our existing Supplier Code of Conduct emphasize the importance to RevolutionRace of working with suppliers that share our principles and live up to our policies on human rights, labour conditions and environmental protection. Our suppliers must also be transparent regarding their conditions and impacts and continuously strive to improve.



SUSTAINABILITY GOVERNANCE

RevolutionRace has a direct contractual relationship with manufacturing suppliers sewing final products and with warehouses storing our products. We have an indirect relationship with suppliers of fabrics and trims to the manufacturers and with the suppliers of yarns and raw materials. The impact that we have on people and the environment in the supply chain happens outside of our own operations.

Our principles are defined in our supplier Code of Conduct, which is based on the UN Declaration of Human rights, the International Labour Organization's (ILO) Core Labour conventions and the ten principles of the United Nations Global Compact defining core principles, such as fair remuneration, decent working hours, no forced labour or child labour. Our Supplier Code of Conduct also applies to all subcontractors of the manufacturers.

RevolutionRace is a member of Amfori, a recognised international business association for open and sustainable trade. We work with the Amfori Business Social Compliance Initiative (BSCI) to continuously improve the social conditions in our supply chain. The BSCI offers independent audits monitoring compliance with every principle in our Supplier Code of Conduct. Based on the findings of each audit, we are able to enter a dialogue covering a spectrum from immediately solving zero-tolerance issues to solutions based on continuous improvement. The dialogue takes place through our factory visits, the Amfori digital platform, continuous discussions and follow-up audits.

Our Supplier Code of Conduct also includes our chemical guidelines as described in detail in the product section and our environmental principles on emissions, water and waste. We use the Higg Index from the Sustainable Apparel Coalition (SAC) for evaluating facility environmental management (FEM) and obtaining detailed environmental data from our suppliers.

The priority areas and targets defined under our "A Responsible Race" strategy are driven by our Sustainability Manager with a lot of the operational work being performed by the supply chain team, including transparency work and continuous cooperation with suppliers. The Head of Purchasing and Production together with the Sustainability Manager safeguard compliance with our standards and report to management regularly. Our *Supply Chain dashboard* (page 58) shows an overview of our strategies, targets and progress.

SUPPLY CHAIN DUE DILIGENCE

During 2022, we developed comprehensive Supply Chain Due Diligence Guidelines based on the OECD Due Diligence Guidance for Responsible Business Conduct and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. The purpose is first to diligently identify, evaluate and monitor potential and actual social and environmental risks and adverse impacts in our supply chain. Second, it is to prevent and remediate such risks and impacts.

Based on the Guidelines, we conducted a rigorous risk screening. Our risk screening is two dimensional and combines risks in the country of production with product- and sector-specific risks. Our country risk screening is based on various sources like the World Bank Governance Indicators. Our product- and sector-specific risks are based on the OECD sources and a broad collection of industry research. Every product- and sector-specific risk like forced labour, excessive overtime or

wastewater is defined according to its likelihood and its severity in terms of scale, scope and irremediable character.

Each of our suppliers throughout the supply chain, from tier-1 garment factories, to tier-2 fabric suppliers and tier-4 raw material suppliers, is assigned a risk categorisation. Each risk categorisation has an applicable assessment and monitoring scheme. Our tier-1 suppliers are based in high-risk countries. We cannot rely on the local governance institutions sufficiently supporting compliance with our social, environmental and ethical principles. Independent regular social audits and environmental compliance assessments are therefore mandatory. Broader environmental impact assessments should be conducted as soon as possible and no later than 2025. Action plans should be defined with every tier-1 supplier. For all indirect suppliers, an assessment and monitoring scheme has equally been defined containing transparency reporting requirements, audits or certifications.

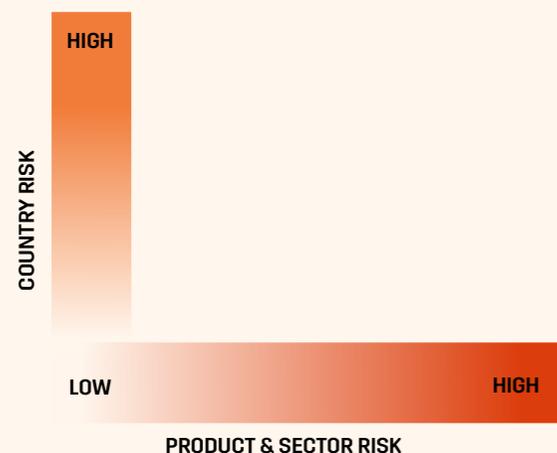
RevolutionRace had a special focus on forced labour and child labour risks in the cotton supply chain and on wastewater treatment by suppliers with wet-processes. Our suppliers and sub-suppliers working with cotton products must provide chain of custody documentation that no products have been made in the Xinjiang province, where forced labour has recently been documented and where the U.S. Uyghur Forced Labor Prevention Act prohibits import of products to the U.S. from the Xinjiang province¹⁵. Reporting on our work related to modern slavery and forced labour can also be found on our publicly available UK Modern Slavery Act statement.

After the military coup in Myanmar in early 2021 we follow the situation closely to decide if continued production is appropriate. We are concerned about abuses on freedom of association and other fundamental worker rights. We work with two internationally owned factories. We have commenced independent

sanction screening documentation that the factories have no connections to responsible individuals within the military regime, to military company holdings or industrial parks owned by these holdings. So far our suppliers have not given us reasons to move production from Myanmar.

The RevolutionRace due diligence emphasizes that the workers in the factories are knowledgeable of their rights and have access to grievance mechanisms. The Amfori BSCI Code of Conduct (or equivalent) poster shall be displayed in the local language to workers in the factories and management shall build competence among workers and their representatives regarding worker rights. All factories must also give workers access to company grievance mechanisms, and we recommend factories to inform their workers about the Amfori international grievance mechanism.

RISK CATEGORISATION IN OUR SUPPLY CHAIN



ASSESSMENT AND MONITORING REQUIREMENTS

CATEGORY	ASSESSMENT
All suppliers independent of risk categorisation (Tier 1, largest Tier 2)	<ul style="list-style-type: none"> Self-assessment on sustainability KPIs Higg FEM Index (latest by 2025) Annual sustainability meeting Documentation that workers are knowledgeable of their rights and have access to grievance mechanisms Corrective Action Plans
Low risk (Tier 1, largest Tier 2)	As above
High product or sector risk (Tier 1 – Tier 4)	Issue specific transparency, self-assessment, independent audit or relevant certification
High country risks (Tier 1 – Tier 4)	<ul style="list-style-type: none"> Regular independent social and environmental compliance audit (Tier 1) Issue specific transparency, self-assessment, independent audit or relevant certification
Country ban	RevolutionRace does not conduct business in the country

SOCIAL AND ENVIRONMENTAL IMPACTS ASSESSED ¹⁶

SOCIAL	ENVIRONMENTAL
Forced labour	Greenhouse gas emissions
Child labour	Hazardous waste
Discrimination and harassment	Water consumption
Precarious employment	Wastewater
Occupational health & safety	Chemical storage
Freedom of association and collective bargaining	Land use
Fair remuneration	Biodiversity
Decent working hours	Emissions to air
Bribery and corruption	

¹⁵ For documentation that production in Xinjiang has taken place without forced labour.

¹⁶ Examples of sources: Worldwide Governance Indicators (World Bank), Corruption Perceptions Index (Transparency International), Environmental Performance Index (Yale Center for Environmental Law & Policy), Indicators of forced labour (ILO), Clean Clothes Campaign, Changing Markets Foundation.

ONBOARDING OF NEW SUPPLIERS

The Due Diligence Guidelines have also integrated and updated our onboarding guidelines for new suppliers. They now follow the due diligence risk screening process, assessment and monitoring requirements. As hitherto the very first step is that new suppliers sign the RevolutionRace Supplier Code of Conduct and commit to our values and continuous improvement. In 2021/22, we onboarded 9 new suppliers with 13 factories. 8 suppliers are in risk countries. They comply with the environmental legislation in their countries and 5 suppliers had implemented solar panels. All factories have a new and good audit: SA8000 or Amfori BSCI with minimum grade C.

OUR SUPPLIERS

We have chosen each of our suppliers to match RevolutionRace and our values. We have worked with several of our partners since the very beginning in 2013. It has always been our ambition to keep our supply chain simple and transparent to ensure quality and responsibility. In 2021/22, we worked with 30 manufacturers, with 39 factories. 92 percent of our production was taking place in China, Vietnam and Myanmar. More than 60 percent of our fabrics were sourced from 6 fabric mills. We have nominated four suppliers to produce all of our trims. This means we know all of our main suppliers on a very personal level.

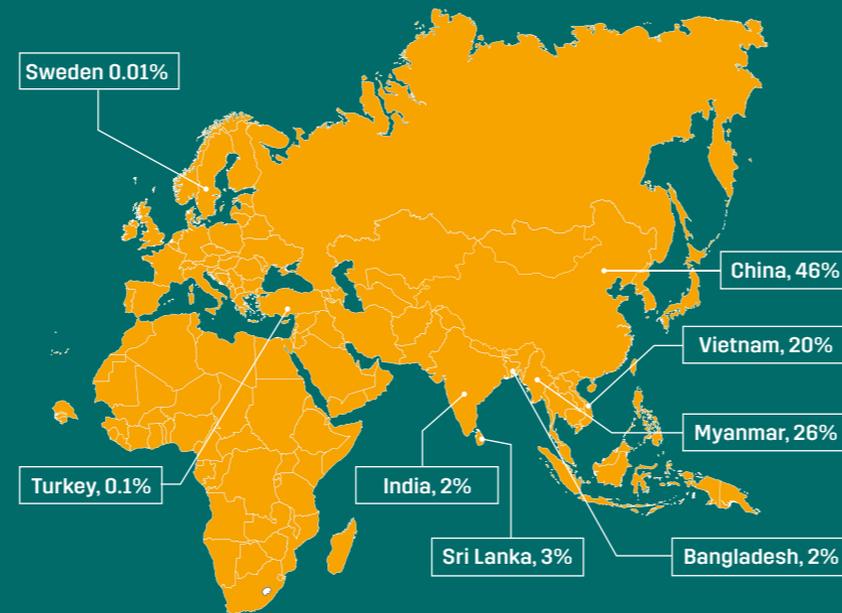
Normally, we aim to visit our suppliers at least once a year. From March 2020 to March 2022, we were not able to make any physical visits, and we are still not able to visit our Chinese suppliers. Since March 2022, we have met physically with 37 percent of our suppliers.

SOCIAL RESPONSIBILITY

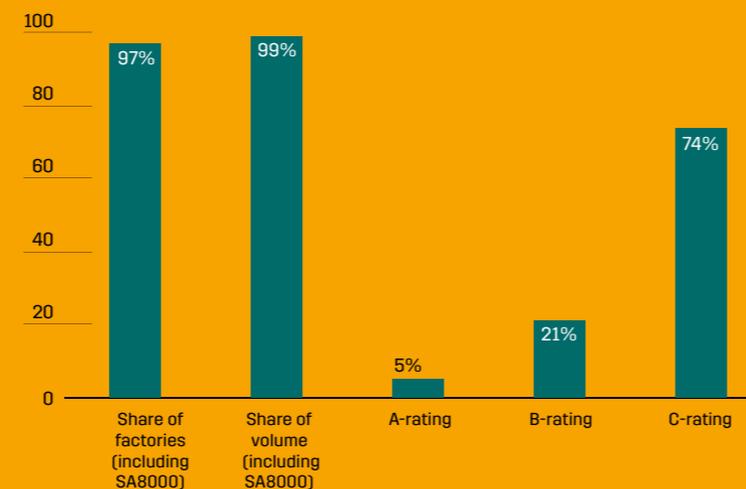
The social responsibility in our supply chain as defined by our Supplier Code of Conduct covers 10 principles related to human rights and social conduct as shown below. In 2021/22, 37 factories had recently approved SA8000 or Amfori BSCI audits.¹⁷ In the most recent audits, 21 percent of our factories had an overall B-rating. C-ratings were achieved by 74 percent. A C-rating is still acceptable with no major issues. 5 percent had the highest grade A.

17) During the year, RevolutionRace stopped the collaboration with 4 suppliers because of lack of compliance.

PRODUCTION BY COUNTRY 2021/22, % USE OF FIBRE OF TOTAL 1,651 TONS



SUPPLIER FACTORIES WITH VALID BSCI AUDIT 2021/22



OUR CODE OF CONDUCT

	Freedom of association & right to collective bargaining	Workers shall have the right to form unions in a free and democratic way and to bargain collectively.
	No discrimination	No workers irrespective of gender, race, religion or any other characteristic shall be treated differently than others.
	Fair remuneration	Workers shall receive wages sufficient to provide a decent living for themselves and their families – As least mandatory minimum wages.
	Decent working hours	Working hours shall adhere to laws and ILO agreements with a maximum of 48 hours per week. Overtime should be an exception.
	Occupational health and safety	Work environment shall comply with health and safety regulations.
	No child labour	No children shall be employed under the legal school age or less than 15 years old.
	Special protection for young workers	Younger workers shall be protected especially against health, safety and moral.
	No precarious employment	Workers shall have written contracts complying with national legislation.
	No bonded labour	No worker shall work unfreely or against his own will.
	Protection of the environment	Environmental degradation shall be avoided.
	Ethical business behaviour	No corruption shall take place.



AMFORI BSCI AUDITS

BSCI audits can be unannounced or semi-announced. The audit assesses compliance with ten social principles, two principles for management systems and one principle of environmental protection. The supplier can be rated on each dimension with an A for very good performance and E for unacceptable. In the worst case, zero-tolerance issues like forced labour or child labour are identified, which must be resolved immediately.

The table below shows the audit results of our suppliers in detail. On most dimensions, our suppliers are rated “very good” and we did not have any incidences of zero-tolerance issues.

OUR SUPPLIERS’ COMPLIANCE WITH OUR CODE OF CONDUCT¹⁸

Rating	A	B	C	D	E	
Dimension, Share in %	Very Good	Good	Acceptable	Insufficient	Unacceptable	Zero tolerance
Social Management System & Cascade effect		15	56	29		
Workers involvement & protection	56	29	12	3		
The right of freedom of association and collective bargaining	100					
No discrimination	88	3	9			
Fair remuneration	47	53				
Decent working hours	29		6	65		
Occupational health & safety	79	15		6		
No child labour	100					
Special protection for young workers	100					
Fair working conditions	100					
No bonded labour	100					
Consideration of the environment	71	21	9			
Ethical Business Behaviour	97		3			

All suppliers paid at least the legal minimum wage, social insurance and annual leave. The suppliers have written contracts with all employees and the employees have undergone training and gained knowledge of their rights. On two dimensions, compliance was insufficient. Firstly, most suppliers still lack adequate management systems for implementing all BSCI principles systematically, including written documentation, regular training or monitoring the social performance of subcontractors. In particular, many suppliers have insufficient workforce capacity planning systems and processes to live up to overtime principles. RevolutionRace is encouraging its suppliers to actively use the

training offers from Amfori to improve their management systems. Secondly, a large majority of suppliers fail to meet the BSCI principles regarding overtime. Working records show monthly overtime that sometimes, in peak months, significantly exceeds what the regulations allow. Due to the non-seasonal nature of our business, we do try to support our suppliers by placing our orders outside their peak seasons¹⁹. Since we have not seen improvements on this dimension, we have decided to start a project looking into company purchasing practices including lead times in order placement and late changes.

¹⁸) 34 factories with BSCI audit

¹⁹) A small supplier in India had carried out an insufficient health and safety risk assessment and a minority of the interviewed workers had not been well informed of their legal rights and BSCI principles. A Chinese supplier had insufficient risk monitoring. The problems must be resolved within 6 months.

ENVIRONMENTAL RESPONSIBILITY

We prioritise our work on environmental protection in the supply chain based on our due diligence risk screening and the environmental principles defined in our Supplier Code of Conduct. Our suppliers must measure and report on their environmental impacts and implement initiatives to reduce their impacts. RevolutionRace provides support by sharing knowledge and by cooperating to implement lower impact processes whenever possible.

ENVIRONMENTAL PRIORITIES IN OUR SUPPLY CHAIN

Suppliers should:

EMISSIONS AND ENERGY USE	<ul style="list-style-type: none"> • monitor energy use and emissions • continuously increase their use of renewable energy • implement energy-efficiency measures
WATER AND EFFLUENTS	<ul style="list-style-type: none"> • monitor and strive to reduce the use of fresh water, including reuse of water • have adequate wastewater management and controls that comply with local regulations • regularly monitor potential wastewater streams
WASTE REDUCTION AND WASTE TREATMENT	<ul style="list-style-type: none"> • implement methods to reduce waste • recycle waste, especially fabric-related waste • separate all waste for recycling • treat all hazardous waste in accordance with local statutory requirements
CHEMICAL MANAGEMENT	<ul style="list-style-type: none"> • have proper management systems in place defining usage, storage and waste handling of hazardous substances • conduct employee training for handling of hazardous substances • encourage suppliers to adhere to the Manufacturing Restricted Substances List (MRSL) of the Zero Discharge of Hazardous Chemicals (ZDHC).



HIGG FEM INDEX

Today, we collect information on the environmental impact and the conditions at our suppliers and their sub-suppliers through BSCI audits, the Higg FEM Index, our own environmental data collection, supplier certifications and supplier meetings. Our audits show that all our suppliers meet fundamental environmental requirements such as impact assessment, waste management and wastewater management. In 2021/22, we worked with the Higg FEM index for our largest garment suppliers and for our largest strategic dye houses and fabric mills. We find the FEM Index very informative as a working tool and as input for sustainability meetings with our suppliers, and we will continue to roll out the tool to more suppliers.

Higg FEM measures our suppliers work with and impact on seven environmental areas: Management systems, Greenhouse Gas Emissions, water, waste, wastewater, air emissions and chemical management. Our suppliers had scores of more than 50 percent. This is above the average of Higg FEM's more than 15,000 suppliers. Our suppliers were especially strong on chemical management. Within a number of areas including implementation of renewable energy, our fabric suppliers still have a lot to do.

Of our suppliers, 38 percent have implemented solar energy and 68 percent have scope certificates for GOTS or GRS requiring chemical management systems and solid environmental management systems with regular monitoring and targets.



The Higg FEM supports producing facilities in the apparel industry in assessing their environmental practices and impact. Based on a very detailed questionnaire, the index identifies strengths and areas for improvement by giving scores and benchmarks.

- The FEM covers seven impact areas:
- 1 Environmental Management System
 - 2 Energy/Greenhouse Gas Emissions
 - 3 Water
 - 4 Waste
 - 5 Wastewater
 - 6 Air Emissions
 - 7 Chemicals Management

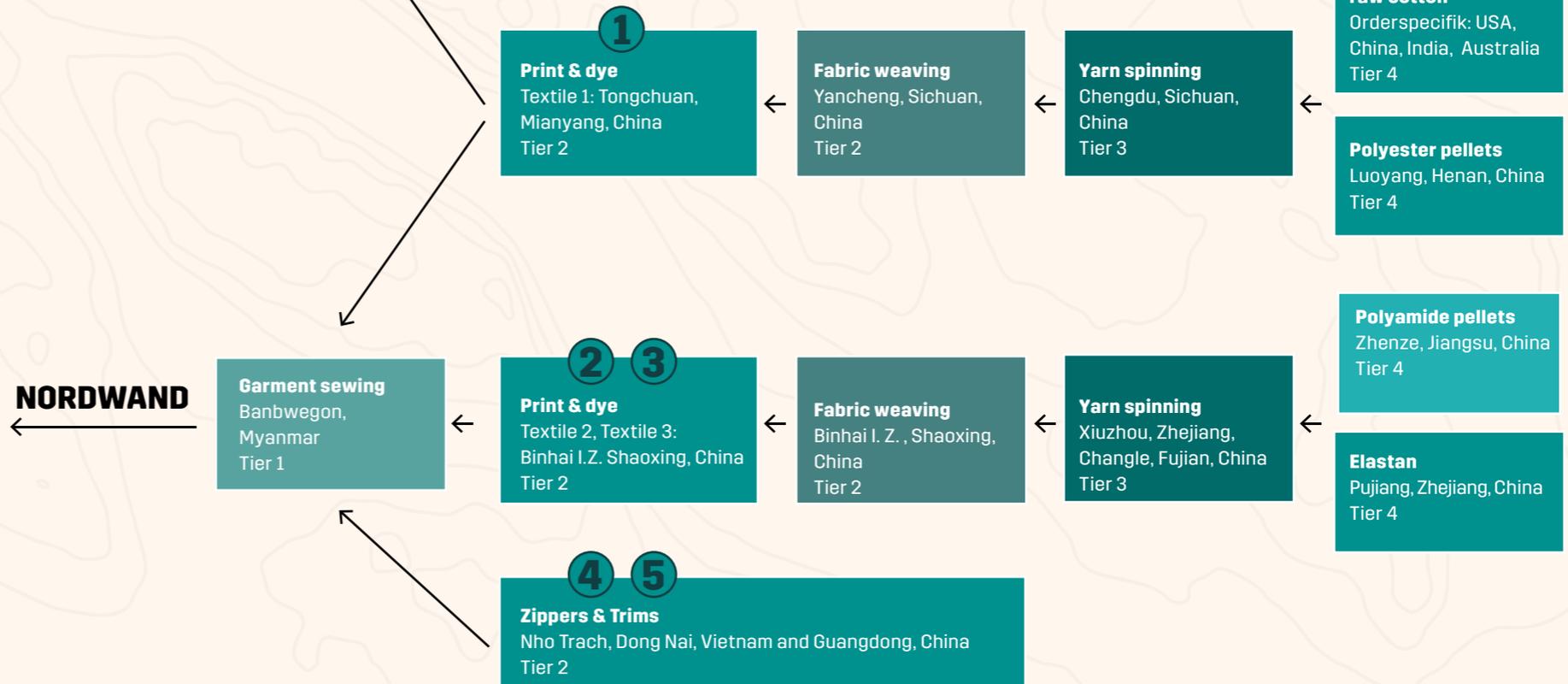
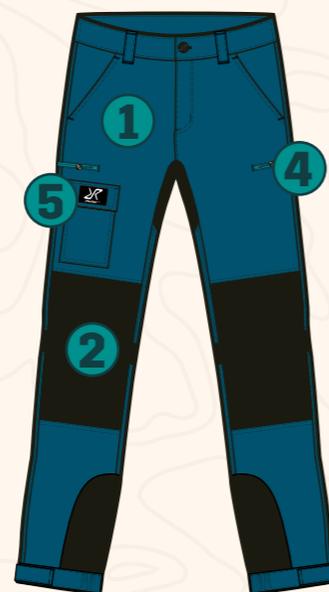
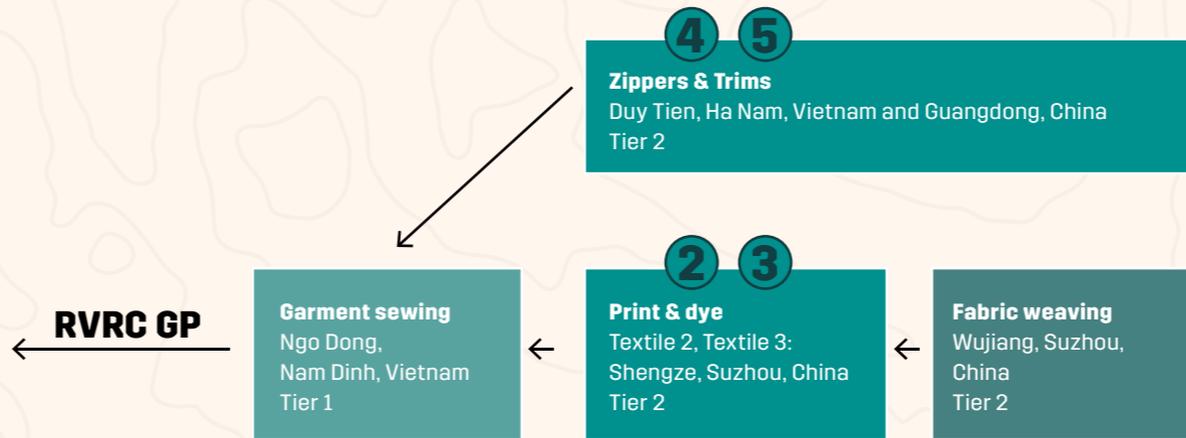


TRACEABILITY

In a fragmented supply chain, it is not easy to control social and environmental responsibility beyond manufacturing, but the information about the fabric mills, yarn spinners and raw material suppliers is crucial in our work for human rights and to improve our environmental impact.

In 2021, we committed to achieving full traceability in our bestselling products Nordwand and GP. We have worked hard with our suppliers to achieve this and we have succeeded. For every product delivery, we can trace the product back to the raw material level.

We will continue to expand our work on traceability and to use the knowledge in our supply chain due diligence and initiatives to improve impacts. RevolutionRace does not share names of suppliers, but is transparent about due diligence results (e.g. on page 49).



CLOSING WORDS FROM THE SUSTAINABILITY MANAGER

Thank you for the interest you have shown in RevolutionRace's sustainability work. If you have any questions, please contact me at stephanie@revolutionrace.se

The 2021/22 financial year simply flew by. It started with the submission of our first Sustainability Report along with an action plan for meeting our set targets over the ensuing year. I am proud of the solid due diligence we have conducted — we now have a clear overview of all of the risks throughout the value chain and are able to work with these actively. After many discussions, we have set the organisation's climate targets. I look forward to the company's work in reducing our emissions and setting up systems to maintain a continuous overview and to be able to monitor our progress together. Despite a global pandemic, the company has continued to grow, with the foremost challenge being to coordinate our efforts while working more from home and lacking office space. We have implemented ongoing employee surveys and are actively processing the results. Our increased office space will also be ready soon.

As the past year involved establishing many processes and updating policies, we are now looking ahead and disseminating our sustainability work throughout the company. In September, the sustainability workshop kicked off our work to communicate what we are doing and what the focus will be for the future. I believe that sustainability work must be integrated throughout the company, to generate commitment and to be more relevant and efficient. It is together that we can make the greatest difference and that is where we will focus heavily looking ahead.

Stephanie Andersson



INDEX & APPENDIX

OUR PRODUCT DASHBOARD

 On track
 We want to do better

TOPIC	STRATEGY	MEASURE	OUR ACHIEVEMENTS			STATUS	OUR PROMISE FOR THE FUTURE
			YEAR 19/20	YEAR 20/21	YEAR 21/22		
OVERPRODUCTION ²⁰	Limit environmental impact by producing what we can sell to customers.	Overproduction, %	0.5	1.0	0.6		Keep overproduction below 3%.
DURABLE AND HIGH QUALITY PRODUCTS	Meet or exceed customer expectations.	Number of reviews	239,000	274,000	390,000		Be the most recommended brand in the world.
		Product average satisfaction	4.6/5.0	4.6/5.0	4.6/5.0		Stay close to 5.0/5.0.
		Customer service average satisfaction, %	90	90	87		Stay close to 93% customer satisfaction.
	Systematically test products on defined quality criteria.	Pass rate quality tests incl. reworks, %	100	100	100		Keep pass rate high by implementing quality management systematically.
	Only source trims from nominated suppliers.	Trims from nominated suppliers, %	100% of zippers from nominated suppliers. No other trims from nominated suppliers.	100% of zippers from nominated suppliers. 28% of our suppliers buy trims from nominated suppliers.	100% of zippers from nominated suppliers. 50% of our suppliers buy trims from nominated suppliers.		100% of trims from nominated suppliers by 2023.
	Help customers to extend product life and reduce environmental impact with care guidelines.	Products with life care labels.	—	New care labels in all products from January 2022.	New care labels in all products since 2022 and updated care guidelines on website.		100% of products with life care labels by 2023.
	Help customers to extend product life with repair-kit offers.		—	—	Launch fall 2022		Encourage customers to repair.
SUSTAINABLE AND CIRCULAR MATERIALS	Never use real fur.	Real fur in products, %	0.0	0.0	0.0		0.0% real fur.
	Only use certified animal fibres.	Certified animal fibres in products, %	100	100	100		100% certified animal fibres.
	Increase use of more sustainable materials.	Share of collection with more sustainable materials, %	Pilot on pants with recycled polyester in 2020.	Launch of GP Pro Pants in recycled polyamide and polyester (August 2021).	90% of materials with Oeko-Tex 100 certification.		At least 50% of all polyester and polyamide from more sustainable alternatives by 2025, including recycled, bio-based and certified. 100% cotton from more sustainable alternatives by 2025 including organic, Better Cotton Initiative (BCI) and recycled.
PRODUCT SAFETY	Never use potential hazardous chemicals – PFCs.	Products with PFCs, %	0	0	0		0 products with PFC treatments.
	Systematically test products for restricted substances (RSL).		Test of all new products and random tests of running products.	Digital chemical management implemented with 3 suppliers covering 42% of volume.	90% of materials Oeko-Tex 100 certified.		Implement digital management and monitoring of chemical RSL for 100% of suppliers by 2023.
MICROFIBRES	Minimise any potential microfibre shedding from our products.		—	—	First initiatives identified: Filters at dye-house and Microfibrer test.		Follow ongoing research on microfibres and implement advice to reduce microfibre shedding.



²⁰) Part of material topic: reduce waste in sales and logistics.

OUR PEOPLE DASHBOARD

 On track
 We want to do better

TOPIC	STRATEGY	MEASURE	OUR ACHIEVEMENTS			STATUS	OUR PROMISE FOR THE FUTURE
			YEAR 19/20	YEAR 20/21	YEAR 21/22		
NON-DISCRIMINATION, DIVERSITY & EQUAL OPPORTUNITY	Advocate for diversity and equal opportunities in our organisation.	Women in management, %	40	33	33		Seek balance between men and women in leadership positions.
		Women on the Board of Directors, %	14	29	29		
		Women in middle management, %	—	57	79		
	Promote a culture of non-discrimination.		—	Diversity and gender equality policy. Whistle-blowing function.	No reported cases during the year. Monthly team meetings on work environment established.		No reported unresolved cases.
EMPLOYEE WELL-BEING AND DEVELOPMENT	Support employees in their individual development with annual appraisal reviews for all.	Employees with annual review, %	100	100	100		Continue annual appraisal reviews for all.
	Make sure employee growth is supported by proper onboarding.	New hires participating in onboarding, %	—	—	100 by end of 2022		All new hires to participate in onboarding.
	Train all employees in our policies.	Trained in defined policies, %	100 (Digital security awareness)	100 (Digital security awareness)	100 (Digital security awareness)		Train all employees in our policies and sustainability topics.
	Continuously work with initiatives for our employees to feel well at work.	Average absence days	4	10	3		Keep absence days low, eNPS of at least 35 and engagement of 80 by 2023.
		eNPS (employee Net Promotor Score)	—	—	33		
		Engagement	—	—	76		
ANTI-CORRUPTION	Reduce the risk of corruption through increased knowledge of the subject.		—	Anti-corruption policy	Training module for anti-corruption.		All employees to participate in anti-corruption training.
DATA PROTECTION	Ensure proper handling of personal data.		Digital security awareness training.	Digital risk awareness training.	Training in GDPR and information security		Continue to train all employees. Ensure that service providers comply with our data protection policy.



OUR PLANET DASHBOARD

-  On track
-  We want to do better

TOPIC	STRATEGY	MEASURE	OUR ACHIEVEMENTS			STATUS	OUR PROMISE FOR THE FUTURE	
			YEAR 19/20	YEAR 20/21	YEAR 21/22			
CLIMATE PROTECTION	Continuously reduce our emissions	Scope 1+2, tons CO ₂ e	10	17	6		50% reduction of Scope 1 & 2 by 2030.	
		Scope 3, tons CO ₂ e	—	15,475	23,153			
		Total emission, tons CO ₂ e	—	15,492	23,159			
			tons CO ₂ e/Net sales SEKm	—	17.3	17.4		40% reduction relative to net sales by 2030.
		Increase use of renewable electricity in own operations.	Renewable electricity, %	0	50	100		100% renewable electricity by 2023 in own operations.
		Prioritise sea and rail over air transport.	Air transport, %	5	36	11		Return to low pre-Covid air transportation.
		Work with suppliers to increase use of renewable energy in operations.			Moved production to suppliers implementing renewable energy in operations.	Moved production to suppliers implementing renewable energy in operations.		Increase production with suppliers implementing renewable energy in operations.
WATER	Reduce freshwater usage.	Freshwater usage per kilo textile dyeing & finishing (L/KG)	—	—	—		Enable measurement.	
PACKAGING ²¹	Increase use of more sustainable packaging.	Recycled plastic, %		Transparency on all packaging. Polybags and shipping bags from recycled plastic introduced.	54		100% of plastic packaging to be of recycled or biobased material by 2025. Implement reuse models where possible. 100% of cardboard of recycled material or FSC certified by 2023.	
		Recycled cardboard, %			5			



21) Part of material topics: More sustainable and circular materials and reduce waste in sales and logistics.

OUR SUPPLY CHAIN DASHBOARD

 On track
 We want to do better

TOPIC	STRATEGY	MEASURE	OUR ACHIEVEMENTS			STATUS	OUR PROMISE FOR THE FUTURE
			YEAR 19/20	YEAR 20/21	YEAR 21/22		
SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN ²²	Work with suppliers committed to comply with our supplier Code of Conduct.	Suppliers that have signed our Code of Conduct, %	96	96	97		All suppliers must sign our Code of Conduct.
	Have transparency on the social conditions of our suppliers and only work with audited suppliers.	Suppliers with valid social audit, %	87	88	97		100% of suppliers with good BSCI audit (or equivalent) by 2023.
		Volume covered by audited suppliers, %	99	96	99		
	Not accept any incidences of zero tolerance issues.	Number of zero tolerance issues prevailing at year end	0	0	0		No zero tolerance issues prevailing at year end.
Support and encourage suppliers to improve on social conditions with insufficient compliance.	Social principles where all our suppliers have at least "Acceptable" compliance.	9 out of 10	9 out of 10	9 out of 10		Support suppliers in reducing overtime and improving monitoring social conditions of their sub-contractors.	
	Social principles with "Insufficient" compliance	Reasonable working hours (18 factories)	Reasonable working hours (18 factories)	Reasonable working hours (22 factories)			
ENVIRONMENTAL RESPONSIBILITY IN THE SUPPLY CHAIN	Continuously increase transparency in our supply chain on environmental impact.	Suppliers using Higg FEM Index, %	—	RVRC analysis of all suppliers: 80%	34% factories 50% fabric suppliers		Continue to roll out Higg FEM in our supply chain.
	Ensure that our suppliers meet fundamental environmental legislation such as impact assessment, waste management and waste water management.	Suppliers have at least "Acceptable" compliance in BSCI audit "Consideration of the environment", %	100	100	100		All suppliers shall comply with applicable environmental legislation.
	Communicate clear environmental expectations.	—	—	New environmental policy	—		Communication of policy and expectations to suppliers.
TRACEABILITY	Trace our core products throughout the supply chain.	—	—	Traceability on Nordwand and GP products.		Continue to implement traceability.	



²²) Covering material topics: human rights, labour standards and no child labour in production and health and safety in production.

EU TAXONOMY

With the EU taxonomy, the EU aims to steer capital flows toward sustainable investments and thereby contribute to the goals of the European Green Deal (2019).

The EU taxonomy is a classification system for environmentally sustainable business activities. RevolutionRace must not disclose pursuant to the regulation, but follow the development of the content as input to the development of the sustainability strategy.

The EU taxonomy has not been finalised. The focus of the EU has been to cover the sectors with the largest CO₂e emissions. So far, there are no taxonomy criteria related to the main business activities of apparel companies.

The business activities of RevolutionRace are therefore not covered by the current taxonomy.

MATERIALITY ASSESSMENT

The below materiality assessment prioritises 14 topics most relevant to RevolutionRace and its stakeholders. The assessment was performed in the spring of 2021.

MATERIALITY MATRIX

SIGNIFICANCE TO STAKEHOLDERS			<ul style="list-style-type: none"> • Durable and high quality products • Human rights, labour standards and no child labour in production • Health and safety in production • Sustainable and circular materials • Climate protection
	<ul style="list-style-type: none"> • Animal welfare • Anti-corruption 	<ul style="list-style-type: none"> • Product safety • Low waste in sales & logistics • Environmental responsibility in the supply chain • Data protection 	<ul style="list-style-type: none"> • Employee well-being and development • Non-discrimination, diversity and equal opportunity
			<ul style="list-style-type: none"> • Microfibres

REVOLUTIONRACE'S IMPACT 

STAKEHOLDER ENGAGEMENT

The below stakeholder engagement matrix gives an overview of our forms of engagement and the stakeholder input on our sustainability topics.

STAKEHOLDER	ENGAGEMENT	INPUT ON SUSTAINABILITY TOPICS	MATERIAL TOPICS
Customers	<ul style="list-style-type: none"> • Website • Product reviews • Customer service • Social media • Newsletters • Customer survey on sustainability 	<ul style="list-style-type: none"> • Durable products • Sustainable materials • Human rights and labour standards • Climate protection • Safe products 	<ul style="list-style-type: none"> • Durable and high quality products • Human rights and labour standards • Sustainable and circular materials • Climate protection • Safe products
Employees	<ul style="list-style-type: none"> • Website • Company meetings • Employee survey on sustainability • Whistle blower mechanism. 	<ul style="list-style-type: none"> • Chemical management • Climate protection • Safe products • Sustainable materials • Child labour • Transparency 	<ul style="list-style-type: none"> • Environmental responsibility in the supply chain • No child labour • Safe products • Human rights and labour standards • Sustainable and circular materials • Climate protection
Management and Board of Directors	<ul style="list-style-type: none"> • Board meetings • Management meetings • Continuous discussions 	<ul style="list-style-type: none"> • Child labour • Forced labour • Human rights • Durable and safe products • Transparency • Climate protection 	<ul style="list-style-type: none"> • Human rights and labour standards • No child labour • Durable and high quality products • Safe products • Sustainable materials • Climate protection
Shareholders and finance community	<ul style="list-style-type: none"> • Financial reports with sustainability report • Website • Press releases • Investor meetings 	<ul style="list-style-type: none"> • Human rights and labour standards • Climate protection • Transparency in governance 	<ul style="list-style-type: none"> • Human rights and labour standards • Climate protection • Anti-corruption
Suppliers	<ul style="list-style-type: none"> • Interviews and continuous discussions • Audits 	<ul style="list-style-type: none"> • Human rights and labour standards • Chemical management 	<ul style="list-style-type: none"> • Human rights and labour standards • Environmental responsibility in the supply chain
Non-profit and industry organisations	<ul style="list-style-type: none"> • Website • Press releases • Sustainability presentation • Continuous discussions • Selected memberships 	<ul style="list-style-type: none"> • Transparency • Human rights and labour standards • Chemical management • Waste • Microplastic • Climate protection 	<ul style="list-style-type: none"> • Human rights and labour standards • Environmental responsibility in the supply chain • Reduce waste • Safe products • Sustainable and circular materials • Climate protection • Microplastic
Other: Media, Politics, administration, local communities, Science & research	<ul style="list-style-type: none"> • Website • Press releases • Sustainability presentation • Continuous discussions • Meetings 	<ul style="list-style-type: none"> • Human rights and labour standards • Climate protection • Waste • Transparency • Diversity and inclusion • Data protection 	<ul style="list-style-type: none"> • Human rights and labour standards • Reduce waste • Sustainable and circular materials • Climate protection • Non-discrimination, diversity and equal opportunity • Data protection

MATERIAL TOPICS, GRI STANDARD AND DISCLOSURES, IMPACT BOUNDARIES

Material Topic	GRI Standard or other disclosure	Impact in own operations	Impact outside own operations
Durable and high quality products	301: Materials	Own operations	Suppliers
	Own measure: Customer satisfaction	Own operations	Customers
	Own measure: Quality test results	Own operations	Suppliers
Human rights, labour standards and no child labour in production	407: Freedom of association and collective bargaining		Suppliers
	408: Child labor		Suppliers
	409: Forced or compulsory labor		Suppliers
	412: Human rights assessment		Suppliers
	414: Supplier social assessment		Suppliers
Health and safety in production	403: Occupational health and safety		Suppliers
	414: Supplier social assessment		Suppliers
Sustainable and circular materials	301: Materials	Own operations	Suppliers
Climate protection	302: Energy	Own operations	Suppliers
	305: Emissions	Own operations	Suppliers
	308: Supplier environmental assessment		Suppliers
Employee well-being and development	401: Employment	Own operations	
	404: Training and education	Own operations	
Non-discrimination, diversity & equal opportunity	405: Diversity and equal opportunity	Own operations	Suppliers
	406: Non-discrimination	Own operations	Suppliers
Product safety	416: Customer health and safety	Own operations	Customers, Suppliers
Reduce waste in sales & logistics	Own measure: Overproduction	Own operations	
Environmental responsibility in the supply chain	308: Supplier environmental assessment		Suppliers
Data protection	418: Customer integrity	Own operations	Customers
Anti-corruption	205: Anti-corruption	Own operations	Suppliers
Microfibres	301: Materials	Own operations	Suppliers
	308: Supplier environmental assessment		Suppliers

GRI-INDEX

GRI Standard	Disclosure	Page #	Comments and omissions
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	Organisational profile		
	102-1 Name of the organisation	68	
	102-2 Activities, brands, products, and services	6–7	
	102-3 Location of headquarters	68	
	102-4 Location of operations	68	
	102-5 Ownership and legal form	68, Annual report 44–45	
	102-6 Markets served	7	
	102-7 Scale of the organisation	7	
	102-8 Information on employees and other workers	31, 46	
	102-9 Supply chain	46–52	
	102-10 Significant changes to the organization and its supply chain	7	
	102-11 Precautionary Principle or approach	38	
	102-12 External initiatives	15	
	Strategy		
	102-14 Statement from senior decision-maker	4	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behaviour	12–13	
	Governance		
	102-18 Governance structure	12–13, Annual report 58–65	
	Stakeholder engagement		
102-40 List of stakeholder groups	59		
102-41 Collective bargaining agreements		<i>All employees are working in the Headquarter in Borås, Sweden and covered by national agreements.</i>	
102-42 Identifying and selecting stakeholders	14		
102-43 Approach to stakeholder engagement	14		
102-44 Key topics and concerns raised	59		

GRI Standard	Disclosure	Page #	Comments and omissions
	Reporting practice		
	Entities included in the consolidated financial statements	Annual Report 46, 102	
	102-46 Defining report content and topic Boundaries	12, 59	
	102-47 List of material topics	59	
	102-48 Restatements of information		<i>Not applicable. No changes.</i>
	102-49 Changes in reporting		<i>Not applicable. No changes.</i>
	102-50 Reporting period		<i>1.7.2021 – 30.6.2022.</i>
	102-51 Date of most recent report		<i>13.10.2021</i>
	102-52 Reporting cycle		<i>Annual</i>
	102-53 Contact point for questions regarding the report		<i>Sustainability manager Stephanie Andersson, stephanie@revolutionrace.se</i>
	102-54 Claims of reporting in accordance with the GRI Standards		<i>This report has been prepared in accordance with the GRI standards: Core option.</i>
	102-55 GRI content index	60–66	
	102-56 External assurance		<i>This report has not been externally assured.</i>
Material Topics			
200 series (Economic topics)			
Economic Performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	7, 60	
	103-2 The management approach and its components	7	
	103-3 Evaluation of the management approach	7	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	7	
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	12–14, 48–49, 56	
	103-2 The management approach and its components	12–14, 48–49, 56	
	103-3 Evaluation of the management approach	12–14, 48–49, 56	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	14, 49	<i>In addition to the risk of corruption in our own operations, there is a risk of corruption in our supply chain. Our BSCI audits show that all audited suppliers had acceptable anti-corruption policies and procedures. In addition, they had identified the main risk situations for where corruption is likely to occur and trained relevant staff on the issue.</i>
	205-2 Communication and training about anti-corruption policies and procedures	14, 30, 49	<i>Our new onboarding program includes introduction and training in all policies. All employees have digital access to all policies. Training of all employees in anti-corruption planned for 2022.</i>
	205-3 Confirmed incidents of corruption and actions taken		<i>In the financial year there were no confirmed incidents of corruption.</i>

GRI Standard	Disclosure	Page #	Comments and omissions
Material Topics			
300 series (Environmental topics)			
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18, 60	
	103-2 The management approach and its components	18, 55	
	103-3 Evaluation of the management approach	18, 55	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	22	
	301-2 Recycled input materials used	55, 58	
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38–39, 60	
	103-2 The management approach and its components	38–39, 57	
	103-3 Evaluation of the management approach	38–39, 57	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		<i>RevolutionRace discloses energy consumption in MWh. One MWh corresponds to 3.6 GJ.</i>
Emissions			
Management Approach 2016	103-1 Explanation of the material topic and its Boundary	38–39, 60	
	103-2 The management approach and its components	38–39, 57	<i>2020/21 was our first year of full transparency and therefore the base year of the calculations. For scopes 1 and 2, emissions are actual or with factors from the IEA Stat (Energy Agency's Statistics). Scope 3 uses different databases such as Higg MSI, Ecoinvent, GaBi. The GWP sources varies between emission factors but are often from IPCC evaluation reports. All greenhouse gases are included and converted into CO₂ equivalents: CO₂, CH₄, N₂O, SF₆, HFCs PFC and NF₃.</i>
	103-3 Evaluation of the management approach	38–39, 57	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	39	
	305-2 Energy indirect (Scope 2) GHG emissions	39	<i>Location-based emission scope 2 = 5 tons CO₂e.</i>
	305-3 Other indirect (Scope 3) GHG emissions	40	
	305-4 GHG emissions intensity	40	
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46, 60	
	103-2 The management approach and its components	46–47, 51, 58	
	103-3 Evaluation of the management approach	46–47, 51, 58	

GRI Standard	Disclosure	Page #	Comments and omissions																																			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	47	100%																																			
	308-2 Negative environmental impacts in the supply chain and actions taken	49, 52	<i>Our BSCI audits show that all audited suppliers have an acceptable environmental management, a dedicated responsible manager and training of employees. All factories had correct treatment of waste. Since 2021 we complement the audits with our own environmental assessment and the Higg FEM Index.</i>																																			
400 series (Social topics)																																						
Employment																																						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30–31, 60	<i>Employment at suppliers under GRI 414: Supplier social assessment.</i>																																			
	103-2 The management approach and its components	30–31, 56																																				
	103-3 Evaluation of the management approach	30–31, 56																																				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	31	<table border="0"> <thead> <tr> <th></th> <th colspan="2">New hires</th> <th colspan="2">Churn</th> </tr> <tr> <th></th> <th>FTE</th> <th>%</th> <th>FTE</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Women</td> <td>39.6</td> <td>55%</td> <td>9.5</td> <td>13%</td> </tr> <tr> <td>Men</td> <td>12</td> <td>37%</td> <td>6</td> <td>19%</td> </tr> <tr> <td><30</td> <td>29.1</td> <td>52%</td> <td>8</td> <td>14%</td> </tr> <tr> <td>30-40</td> <td>16.5</td> <td>54%</td> <td>4</td> <td>13%</td> </tr> <tr> <td>40-50</td> <td>5</td> <td>47%</td> <td>3.5</td> <td>33%</td> </tr> </tbody> </table>		New hires		Churn			FTE	%	FTE	%	Women	39.6	55%	9.5	13%	Men	12	37%	6	19%	<30	29.1	52%	8	14%	30-40	16.5	54%	4	13%	40-50	5	47%	3.5	33%
				New hires		Churn																																
		FTE	%	FTE	%																																	
Women	39.6	55%	9.5	13%																																		
Men	12	37%	6	19%																																		
<30	29.1	52%	8	14%																																		
30-40	16.5	54%	4	13%																																		
40-50	5	47%	3.5	33%																																		
401-2 Benefits provided to full-time employees that are not	34																																					
401-3 Parental leave		<i>One female employee on parental leave in 2021/22 and one returned.</i>																																				
Training and Education																																						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30, 60																																				
	103-2 The management approach and its components	30, 56																																				
	103-3 Evaluation of the management approach	30, 56																																				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		<i>Figures on average training hours are not available for the financial year.</i>																																			
	404-3 Percentage of employees receiving regular performance and career development reviews	56																																				
Diversity and Equal Opportunity																																						
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30–31, 60																																				
	103-2 The management approach and its components	30–31, 56																																				
	103-3 Evaluation of the management approach	30–31, 56																																				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	31	<i>Supervisory Board: Age 30-40 years 14%, Age 40-50 years 43%, Age 50-60 years 43%.</i>																																			
	405-2 Ratio of basic salary and remuneration of women to men		<i>Not applicable. Salaries are based on the qualifications of employees.</i>																																			

GRI Standard	Disclosure	Page #	Comments and omissions
Non-discrimination			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	30,60	
	103-2 The management approach and its components	30,56	
	103-3 Evaluation of the management approach	30,56	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		<i>In the financial year there were no incidents of discrimination reported.</i>
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46–47,60	
	103-2 The management approach and its components	47–49,58	
	103-3 Evaluation of the management approach	47–49,58	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		<i>Due to production in Asia we define all our suppliers and their sub-suppliers by default to pose a risk to the right of association and collective bargaining. In 2021/22 the risk was especially high in Myanmar.</i>
Child Labour			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46–47,60	
	103-2 The management approach and its components	46–49,58	
	103-3 Evaluation of the management approach	46–49,58	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	47	<i>The largest material risk of child labour is in China, Vietnam and Myanmar and in cotton farming. We do monitor child labour through BSCI audits. I 2021/22 we had a special focus on increasing transparency in our Chinese supply chain. Our suppliers communicate their sub-contractors of every order.</i>
Forced or Compulsory Labour			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46–47,60	
	103-2 The management approach and its components	46–49,58	
	103-3 Evaluation of the management approach	46–49,58	
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	47	<i>The largest material risk of forced labour is in China, Vietnam and Myanmar and in cotton farming. We do monitor forced labour through BSCI audits. I 2021/22 we had a special focus on increasing transparency in our Chinese supply chain. Our suppliers communicate their sub-contractors of every order.</i>
Human Rights Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46–47,60	
	103-2 The management approach and its components	46–49,58	
	103-3 Evaluation of the management approach	46–49,58	
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	47	

GRI Standard	Disclosure	Page #	Comments and omissions
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	46–47, 60	
	103-2 The management approach and its components	46–47, 58	
	103-3 Evaluation of the management approach	46–47, 58	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	47	100%
	414-2 Negative social impacts in the supply chain and actions taken	47, 49, 58	
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	18, 27, 60	
	103-2 The management approach and its components	18, 27, 55	
	103-3 Evaluation of the management approach	18, 27, 55	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	27, 55	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		<i>In the financial year there were no incidents of non-compliance.</i>
Customer Privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	12–14, 60	
	103-2 The management approach and its components	12–14, 56	
	103-3 Evaluation of the management approach	12–14, 56	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		<i>In the financial year there were no breaches of customer privacy or losses of customer data.</i>

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY STATEMENT

To the general meeting of the shareholders of RVR Holding AB (publ), corporate identity number 559129-4623

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the financial year 2021-07-01 — 2022-06-30 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the

statutory sustainability statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Gothenburg 12 October 2022
Ernst & Young AB

Andreas Mast
Authorised Public Accountant



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