

SUSTAINABILITY REPORT 2022/23





NATURE WILL REMAIN OUR PLAYGROUND



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OUR PRODUCTS SHOULD LAST LONG AND BE USED OFTEN

This year the RevolutionRace team has again delivered an impressive business result and with 500,000 product reviews moved us closer to reach our goal of becoming the most recommended outdoor brand in the world. I continue to be impressed by the competences and the dedication of our team. This is also the case with how the entire team embraces our sustainability work.

At RevolutionRace we want to make a positive contribution to sustainable environmental and social development, and we have set ourselves ambitious goals to reduce our emissions, have a minimal overproduction, respect human rights and improve the social conditions in our supply chain. During the year we continued to pursue our targets and implement our strategic initiatives, and I recognize how the sustainability work is increasingly becoming a natural and integrated part of the work in all functions.

At the same time the world is facing very challenging geopolitical times and extreme weather events are underlining the importance of climate protection and its social consequences. For us and our customers "Nature is our playground" and in turbulent times maybe even more so. It is our mission to make the outdoors accessible for all by offering our customers durable and multifunctional products at an unmatched value for their adventures in nature.

We believe that pushing the durability of our products and keeping any overproduction at an absolute minimum are the two levers where we as a company can contribute most significantly to environmental sustainability. No matter how sustainable we source our materials and produce our products, no initiative can improve sustainability more, than our customers wearing their RevolutionRace products many times. We create products that are designed to be worn for years, often and on many different occasions. Our most recent survey indicates that we are succeeding. The respondents were wearing their RevolutionRace hiking pants for an average of 50 times during the six months they owned them.

Our due diligence shows that our largest environmental impact on GHG emissions, water consumption and chemical use occur in the wet processes of fabric suppliers and dye houses and less in raw material sourcing and manufacturing. To meet our targets, we decided during the year to give highest priority to exactly these processes. To this end we have become Bluesign® System Partners. Together with this leading institution on chemical and environmental management we will work with our fabric suppliers on their practices.

It is our goal to enhance the collaboration and establish goals for how we will improve our production processes to make them more sustainable. In parallel we continued to push the conversion of our fabrics into materials sourced more sustainably like Better Cotton and recycled synthetics.

This year we publish our third sustainability report. It is based on an updated materiality assessment that we made to prepare for the future EU CSRD reporting. We reviewed our impact materiality, and for the first time we systematically analysed ESG risks as an integrated part of our company risk management processes to include the financial materiality of ESG topics.

I am convinced that companies integrating sustainable business practices into their strategies and operations can contribute to sustainable growth and meet the expectations of customers and other important stakeholders. I hope our stakeholders will find the reading insightful and look forward to their feedback.

Paul Fischbein
CEO



No initiative can make a bigger difference for the environment than when our customers use their RevolutionRace products many times.



ABOUT THIS SUSTAINABILITY REPORT

This sustainability report constitutes the non-financial reporting of RevolutionRace, for the fiscal year 2022/23. It has been prepared in accordance with the Annual Accounts Act and is part of the management report. 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): 2021. 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, 2023. Significant activities that have occurred 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. The statutory sustainability statement has been approved for issue by the Board on the 17 October 2023.

This is RevolutionRace

RevolutionRace is an international outdoor and lifestyle product company. We design and produce affordable high-quality products for active consumers under the RevolutionRace brand. With more than 500,000 reviews as of 30 June 2023, we are well on our way to achieving our vision of becoming the most recommended outdoor brand in the world.

RevolutionRace sells its products online directly to consumers with the main markets being the Nordics and DACH. All product development and brand communication take 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 2022/23.

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

134

as of 30 June 2023

NUMBER OF MARKETS
WHERE PRODUCTS
ARE SOLD

~40



THE YEAR IN BRIEF

RevolutionRace continued to develop strongly in 2022/2023, with strong and profitable growth mainly driven by higher demand in the regions DACH and Rest of the World. We have a well-positioned customer offering with a unique combination of a strong brand, high-quality design and competitive prices. Our scalable and digital business model enables an international presence with great potential to continue to gain market share, with long-term and profitable growth.

Financial KPIs

SEKm	2022/23	2021/22	2020/21	2019/20
Net sales	1,560	1,332	897	387
Average net order value (AOV), (SEK)	875	803	763	724
Gross profit	1,126	962	648	271
Gross margin, %	72.2	72.3	72.3	70.1
Adjusted EBIT	322	367	252	83
Adjusted EBIT margin, %	20.6	26.3	27.6	21.5
EBIT	310	367	230	83
EBIT margin, %	19.9	26.3	25.2	21.5
Profit before tax	306	364	218	76
Earnings per share before dilution, SEK	2.15	2.55	1.59	0.56
Earnings per share after dilution, SEK	2.15	2.55	1.59	0.55
Dividend paid	87 ¹⁾	72	110	132

1) Proposed dividend

GROWTH

17%

Our net sales grew by 17 percent during 22/23, primarily driven by good demand in the regions DACH and Rest of the World.

Significant events during the year



AN INCREASINGLY INTERNATIONAL BRAND

Our growth has mainly been driven by strong international expansion. Today, we are an international company with a share of sales from countries outside the Nordics of 75 (67) percent for the full year.

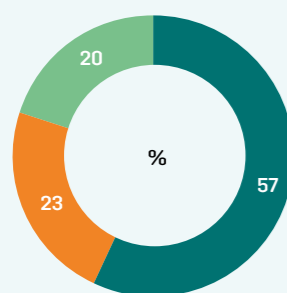
EXPANDED PRODUCT RANGE

During the year, we launched our first collection for teens. We also carried out a successful launch of our first dog collection, which sold out in a short time. The existing assortment has also been expanded with new models and colors.

NEW CEO OF REVOLUTIONRACE

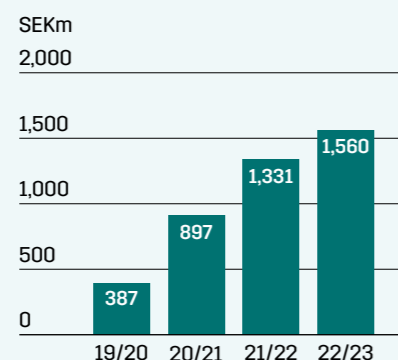
Paul Fischbein was appointed acting CEO in August 2022 and as permanent CEO in October 2022. Resigning CEO and co-founder of RevolutionRace, Pernilla Nyrensten, continues as a board member.

Sales by geographical area

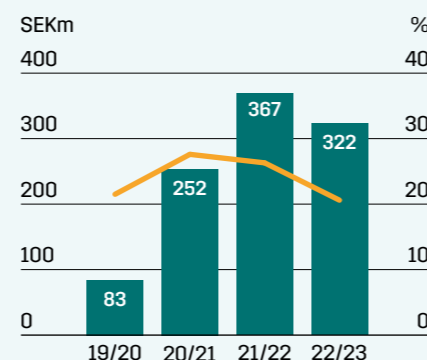


- DACH
- Nordics
- Rest of the world

Net sales



EBIT and adjusted EBIT



RECORD-BREAKING REVIEWS AND EXCELLENT RATING

During the last quarter we achieved an accumulated total of over 500,000 reviews, with an average rating of 4.6 on a five-point scale. Customer dialogue is central to our success and together with reviews and followers on our social media channels, these constitute highly valuable assets and success factors.

4.6 / 5
 ★★★★★
 rating in our community

500,000 +
 reviews

EXPANDING INTO NEW MARKETS

In August, i.e. after the end of the fiscal year, we expanded our international presence further by opening up to customers in Canada, South Korea and Japan. This means that RevolutionRace is available in around 40 countries.

HIGHLIGHTS 22/23



BLUESIGN® SYSTEM PARTNER

In addition to our emissions, water and chemical management are crucial for more sustainable production processes. To enhance our focus on these topics, we have become Bluesign® System Partners this year.

Read more on page 24.



COLLECTIONS MADE FROM STOCK FABRIC

With ready-made materials at a fabric supplier, inspiration was born for two new product categories.

Read more on page 21.



COLLECTIVE AGREEMENTS

To ensure that we stay updated on industry-specific terms and conditions, we are now affiliated with the Commerce Service Agreement.

Read more on page 31.



A RESPONSIBLE SUPPLY CHAIN

We are pleased to have achieved our goal of third-party audits for all sewing suppliers, of which all have received at least an "acceptable" rating.

Read more on page 49.



BETTER COTTON

During the year, the application to become members of the Better Cotton organisation was completed. Better Cotton is the largest organization in the world working to make cotton farming more sustainable.

Read more on page 26.



ALL NEW PRODUCTS SHALL BE MANUFACTURED ACCORDING TO OUR SUSTAINABILITY CRITERIA

All new products entering our warehouse during the spring 2024 must be designed and manufactured according to our sustainability criteria. Our criteria include more sustainable materials, circular design, and/or more environmentally friendly production processes.

Read more on page 25.



EMPLOYEE DEVELOPMENT

Troughout the year, we have prioritized skill development and leadership training. All employees have participated in training programs focused on anti-corruption measures and due diligence within our supply chain.

Read more on page 36.



DOUBLE MATERIALITY ASSESSMENT

During the fiscal year, we have updated our materiality assessment following GRI guidelines of 2021. For the first time, we have integrated ESG aspects (Environmental, Social and Corporate Governance) into our operational risk process. As a result, we now have financial materiality assessment as a part of our strategy.

Read more on page 13-14.

SUSTAINABILITY STRATEGY

The main purpose of our sustainability strategy is to operate in an ethically, socially, and environmentally responsible manner and to be an attractive employer.

OUR OVERARCHING SUSTAINABILITY GOALS

We implement “A Responsible Race” through policies and guidelines, defined organisational responsibilities and a roadmap describing our initiatives, timelines, and goals. An important part of the roadmap is tangible targets for outcomes or process achievements measuring our progress.



PRODUCTS

<3%

Excess production should never exceed 3%.

50%

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

100%

of our packaging shall be more sustainable by 2025.

We have banned PFCs in our products.

5.0/5.0

Stay close to 5.0/5.0 customer satisfaction.

100%

by 2025 100% of our cotton shall be more sustainable.



SUPPLY CHAIN

100%

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

100%

of our suppliers must have signed our Code of Conduct.

Solid Due Diligence

in our Supply Chain



PEOPLE

35

Employee satisfaction, eNPS[®] of at least 35 points.

50/50

gender balance in leading positions.

100%

of employees trained in relevant sustainability topics.

100%

employee interviews 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 relative to net sales (2020/21–2030).

100%

renewable electricity in our own operations by 2023.

OUR SIX PRIORITY AREAS

The overall ambition of our sustainability strategy is to act in an ethically, socially and environmentally responsible manner and to be an attractive employer.

To achieve this ambition, we defined our “A Responsible Race” strategy based on six priority areas in 2020. We have progressed on many targets and milestones but also met challenges to implementation on each of our priorities. We, the industry, and stakeholders at large have also learned a lot. During 2023 we reviewed our materiality assessment and based on the review also our strategy. The six priorities remain but we have sharpened our focus on the areas where the impact is greatest.

Durable and safe products

Sustainability at RevolutionRace starts with durable and safe products. For our consumers this is of highest importance and it is key for RevolutionRace to protect the environment. We make high-quality and multifunctional products to be worn often and long, and during many different activities. We produce under strict chemical guidelines to ensure that our products are safe to wear for our consumers and safe to produce for the workers of our suppliers.

Circularity of resources

For us circularity of resources starts with durable products. With our priority on circularity of resources we emphasise conservation of raw materials and input resources, design for recyclability and reduction of waste especially through minimisation of overproduction.

Climate protection

Climate protection must be a priority for our industry, and it is an important part of our strategy. We measure our emissions and strive to achieve our reduction targets for 2030. We do minimise energy consumption and emissions in our own business based on a principle of proper business conduct although the emissions and impact are minimal. Our real impact and emphasis is in our supply chain and especially in the energy consuming wet-processes of material suppliers.

Environmental protection

We must protect the environment through responsible production practices throughout the supply chain. This priority we renamed from environmental responsibility to environmental protection in the supply chain. The focus areas are chemical practices, water consumption and waste in production processes.

Engaged employees

Ethically correct business conduct and the attractiveness of RevolutionRace as an employer starts with how we treat our employees. Our fifth sustainability priority is therefore “inspired employees”. We work for employee wellbeing and development through good leadership, training, inclusivity, and equal opportunity.

Social responsibility

Social responsibility in our supply chain is our most material topic in terms of impact. Together with our suppliers it is our responsibility that human rights, good labour conditions and health and safety are protected throughout our supply chain.



In 2023, we reviewed our materiality assessment and, based on the review, also our strategy. The six priorities remain, but we have sharpened the focus on areas where the impact is greatest. We refer to it as a ‘Refined environmental focus’.

– Sustainability Manager

[See next page](#) →



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 PROTECTION

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.

A refined environmental focus

Our priorities for durable and safe products, circular resources, climate and environmental protection, address environmental responsibility in product, business model, production, and the impact of resources used, such as energy, emissions, chemicals, water, and waste. These areas, actions, and initiatives often intersect and do not exclude each other. Additionally, there is an evolving transparency and understanding of the industry's impact, and many topics, such as sustainable materials, are debated areas.

Based on our learnings and insights from the industry in recent years, we have refined our environmental focus. This refinement aims to direct our efforts towards areas that require improvement and consistently yield positive environmental results – all under the overarching theme of environmental responsibility. These specific focus areas contribute to one or more of our strategic environmental priorities.

We take environmental responsibility by protecting natural resources, biodiversity and climate through the following measures:

- Designing and producing products that will be worn often and long
- Minimising overproduction
- Reducing the use of hazardous substances
- Managing chemicals responsibly
- Reducing energy consumption
- Supporting implementation of renewable energy in the supply chain with special focus on energy consuming wet-processes
- Reducing freshwater consumption

The first three focus areas have always been part of our core business strategy. The last four areas we have significantly increased our focus on based on the learnings of the past years. It has also made us make a strategic move by becoming Bluesign® System Partners and we will set targets for the share of materials and material suppliers that must be Bluesign® certified. We are convinced that this will make a major contribution to our environmental protection.





THE GLOBAL GOALS

WE CONTRIBUTE TO FOUR GLOBAL SUSTAINABLE DEVELOPMENT GOALS

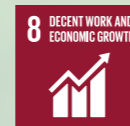
In 2015, the United Nations defined 17 global goals for sustainable development by 2030. Our “A Responsible Race” strategy directly addresses four of the Sustainable Development Goals (SDGs): **Gender Equality, Decent work and economic growth, Responsible consumption and production and Climate action.** 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.

GOVERNANCE

A key principle in the sustainability strategy 'A Responsible Race' is strong governance of all sustainability-related matters.

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 29–31 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 whistleblower 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 sustainability topics based on an analysis of impact includ-

ing 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. 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.

With our comprehensive sustainability governance and management approach we address potential negative impacts through prevention or mitigation, and we address actual negative impacts through remediation, if we have caused or contributed to these impacts.

Our reporting on risks and risk management can be found in the Annual Report on pages 26–27. 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 2023, where we reviewed our materiality assessment from 2021. It complies with the requirements of the Swedish Annual Accounts Act and has been updated with the GRI 3: Material Topics 2021 standard and with a dual materiality perspective based on the ESRS drafts for the future EU CSRD reporting.

Based on the GRI recommendations a gross list of sustainability topics were assessed according to the significance of RevolutionRace's actual and potential impacts on economic, ethical, environmental and social topics including human rights. All impacts were evaluated on the criteria likelihood and severity. Severity was measured on the dimensions scale, scope and irremediable character. In the case of potential negative human rights impacts, the severity of the impact took precedence over its likelihood.

This evaluation was based on our ongoing stakeholder engagement and supply chain due diligence work as well as dedicated dialogues for the purpose of the assessment and

POLICIES AND GUIDELINES GOVERNING SUSTAINABILITY	EXTERNAL POLICY	INTERNAL POLICY / GUIDELINE
PRODUCT		<ul style="list-style-type: none"> • More Sustainable Materials Guideline • Animal Welfare Policy • Chemical Management Guideline
PEOPLE AND COMPLIANCE	<ul style="list-style-type: none"> • Code of Conduct • AntiBribery and Corruption Instruction • Data Privacy Policy 	<ul style="list-style-type: none"> • Diversity and Equality Policy • Employee Handbook • Work Environment Policy • Whistle Blower Instruction • Information security policy • Information management guideline • Incident management procedure
PLANET	<ul style="list-style-type: none"> • Environmental policy 	
SUPPLY CHAIN	<ul style="list-style-type: none"> • UK Modern Slavery Act Statement • Supplier Code of Conduct 	<ul style="list-style-type: none"> • Supply Chain Due Diligence Guideline • Supplier Traceability Guideline • Trade Sanction Policy



the ESRS drafts on mandatory and industry specific reporting requirements.

As part of the review we also conducted a risk assessment of financial materiality for all relevant sustainability topics to include the dual materiality principle and prepare for CSRD reporting. The risk assessment was fully integrated into the general company risk management process with several management workshops in the spring of 2023 moderated and supported by external experts.

The resulting material sustainability topics as shown in the Appendix on page 55 is a list of topics prioritised according to impact materiality and evaluated according to financial materiality. The cut-off point to what has been included has either been high material impact or high business risk, or current or expected future legislative requirements. The reviewed materiality assessment was approved by the board of directors in August 2023.

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. During the financial year the focus was on improving systems for product traceability, aligning the sourcing strategy with sustainability priorities, embedding sustainability in the organisation, increasingly focus on chemical management and the environmental responsibility of material suppliers and systematically including sustainability topics in risk management processes. These topics were treated in regular or dedicated management meetings and work-shops. In 2023 we also started a series of sustainability deep-dive meetings to educate management on relevant sustainability topics.

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 man-

datory at every Board meeting. The Board discusses sustainability extensively once a year and it approves the annual Sustainability Report.

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 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.

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 ongoing 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.



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





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 2022/23, 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 Antibribery 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 anticorruption is being prioritised.

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

During 2023 all RevolutionRace employees conducted an online training on anti-corruption.

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 collaborate with the Amfori Business Social Compliance Initiative (BSCI) to continuously improve the social conditions in our supply chain. 100% of our sewing suppliers have a valid Amfori BSCI audit or a comparable audit from another organization.



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.



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. Once a year, we conduct due diligence throughout our supply chain based on OECD recommendation.



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 fabric suppliers.



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 PFC free.



CHEMACT NETWORK

Since 2021, we have been members of the ChemAct Network, which is a digital chemical management system. Over the year, we have onboarded all our suppliers, and today, all of our suppliers actively work within the system and upload test reports according to our instructions for compliance with chemical regulations.



BLUESIGN®

In 2023, we decided to become a Bluesign® System Partner to further ensure safe production and that our products are free from hazardous chemicals. Today 40% of the polyamide we use in our products is Bluesign® Approved, a certification that ensures no hazardous chemicals have been used during production.



OUR PRODUCTS

The product is the core of RevolutionRace's operations, and it is also where we see the largest environmental impact. We take environmental responsibility by using resources as efficiently as possible and manufacturing high-quality products that are meant to last over time.

PRODUCTS THAT LAST

Our goal is to design products that are durable and can be used for a long time, regularly and throughout all our consumers' life adventures. A product having a long lifespan is the most significant contribution we can make to reduce the environmental impact associated with production. A product that is never used can never be sustainable!

Impact and Risks

OECD, EU and several industry organizations, non-governmental organizations, and research institutions have produced a vast number of analyses on the actual and potential environmental and social impact of clothing and its production. Many of these analyses emphasize the significant resource consumption that textile products require and the waste they create after a short life span because they are not developed and produced based on circularity principles.

In our materiality assessment, we have also identified the substantial consumption of natural resources such as natural fibers and water as potential or actual significant negative effects leading to the depletion of the world's natural resources and reduced biodiversity. The same applies to the use of fossil fuels and chemicals for materials and production, which also have negative effects on greenhouse gas

emissions and global warming. There may also be potential negative impact on biodiversity and environmental pollution in general from the release of microfibers from textile materials. Finally, there is the potential negative effect of waste after the products' lifespan.

Another potential or actual negative effect of the products is product safety. Many textile products are manufactured using chemicals that can be harmful to human health, making product safety also material for RevolutionRace.

These material areas may also entail financial risks for RevolutionRace. This primarily concerns damage to RevolutionRace's reputation if the products do not meet product safety and quality standards or if consumers over time perceive that RevolutionRace is not doing enough or doing it right to develop more sustainable products.

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 fibers may be used.

For the use of our main fibers, polyester, polyamide and cotton, we have committed to continuously assessing and introducing more sustainable fibers and production methods. Before changing our existing materials, we must ensure they meet our quality requirements. We believe that through a responsible and long-term perspective, we can continue to deliver high-quality products while reducing our environmental impact and promoting a more sustainable future.

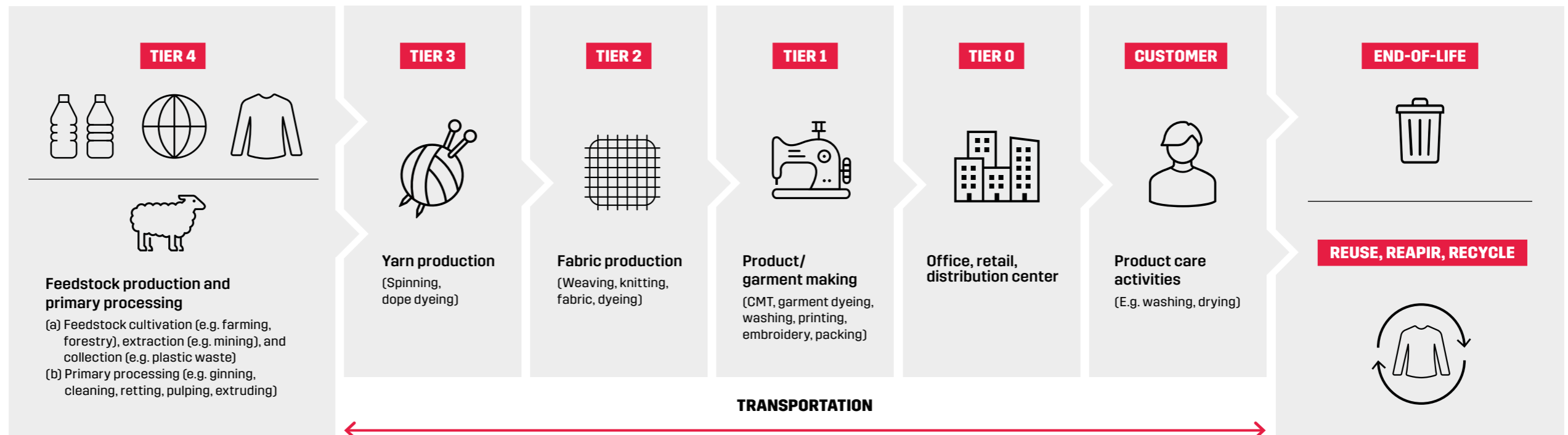
Our Sustainability Manager is responsible for our chemicals management. Our Chemicals Policy complies with the EU REACH regulation and is part of our Purchase agreement.

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.

"Our Product Dashboard" (Page 56) provides an overview of our strategies and targets, as well as the status of the progress.

The textile value chain

The textile value chain has historically been opaque and complex. In the following chapters, we describe how we work to ensure a responsible value chain and the production of more sustainable products.



Source: The preferred Fiber & Material Matrix (PFMM), Methodology Document (Textile Exchange, November 2022)

CIRCULAR RESOURCES

In 2019, the EU adopted an action plan to promote the transition to a circular economy, called the “Circular Economy Action Plan”. The purpose of this action plan is to promote sustainability, reduce resource consumption and waste, and encourage the reuse and recycling of materials and products. These priorities are a central part of our strategic focus on more sustainable products. Circular resources, sustainable materials, and product safety are prioritized areas in our sustainability strategy.

We work with more sustainable products through:

• CIRCULAR RESOURCES

- Happy customers
- Designed for use
- Quality and repair-kits
- No overproduction
- Sustainable production process

• SUSTAINABLE MATERIALS

• PRODUCT SAFETY



Targets circular resources

Our main principle that we work by is sustainable products meant to be used long and frequently by our customers. Quality management is of the highest priority, but also that the product can be repaired..

- 5.0/5.0 – stay close to 5.0/5.0 product reviews
- 93% customer satisfaction
- We offer repair-kits to prolong the product's life cycle
- <3% overproduction shall never exceed 3%
- Prioritize our sustainability efforts where the impact is greatest
- Limit microfibers

OVERPRODUCTION

<3%

Overproduction should never exceed 3%.

HAPPY CUSTOMERS

93%



HAPPY CUSTOMERS

90%

Target: 93% in customer satisfaction

PRODUCT REVIEWS

4.6/5.0

Happy customers

The customers are our most important stakeholder, and we are pleased that they are more satisfied than ever. Today, we have more than 500,000 customer reviews with an average rating of 4.6/5.0.

We are delighted to engage directly with our customers; they are involved in our product development, and we show our gratitude by maintaining a strong presence on social media channels.

Our goal is to provide prompt responses to all customers. To achieve this goal, we launched chatbots in seven markets this year, with live chat available in three markets. During the year, the chatbots resolved 37,691 cases. Our employees

rigorously tested the bots, and their hard work paid off with high customer satisfaction. In addition to our bots, our customer service workers resolved 202,928 cases with a 90% customer satisfaction rate. For three consecutive months, we have consistently achieved over 93% in customer satisfaction, putting us on track to reach our goal of 93%. Last year, customer satisfaction was at 87%.

Designed for use

Our design philosophy is not just to create something new; the product should serve a purpose. A product that is never used can never be sustainable. The products should be used frequently and preferably for a long time; it needs to be durable and long-lasting. We don't just make activity-based products; our products are multifunctional so that the customer doesn't feel restricted. A product that has been worn 100 times is 10 times more sustainable than a product that has only been worn 10 times.



WE ASKED OUR RETURNING CUSTOMERS¹⁾ HOW OFTEN THEY HAVE USED THEIR REVOLUTIONRACE PANTS:

>50 TIMES

74%

plans to use the pants for an additional minimum of 50 times.

1) Customer survey in Sweden and Germany with 1088 respondents. We asked customer about actual usage and expected future usage. 83% of the respondents had owned the pants for less than 1 year.

Quality and repair-kits

Quality management

To ensure a prolonged product lifespan, it is crucial to uphold its quality, and great importance is therefore placed on quality assurance. When it comes to quality, we like to exceed our customers' expectations; we often refer to this as unmatched value.

At our headquarters, we have a Quality Assurance Controller (QAC), responsible for setting our quality standards, conducting random inspections, and maintaining a continuous dialogue with our third-party testing institutes. Compliance with our standards is monitored by our garment technicians.

To further extend the product's lifecycle, we have developed repair-kits and updated our care and maintenance instructions. The repair-kit is a practical solution that enables our customers to easily mend minor damages and wear and tear on their products. By offering these kits, we can promote a culture of repair and prolonged use instead of unnecessarily replacing the product. With updated care and maintenance instructions, we assist our customers in caring for their products in the best possible way. Through clear and concise guidance, including washing and care instructions on our website, we strive to extend the product's lifespan.



COLLECTIONS CREATED FROM STOCK MATERIALS

At the beginning of the previous year, we found ourselves with a significant stock of materials from one of our material suppliers. Following our principle of never discarding materials or products, our product team turned this challenge into an opportunity. The result was two entirely new products categories: Teens and Dog. These were successfully launched in the fall of 2022.

In addition to the newly created product categories, we also expanded our existing product range. To our delight, the new products and categories have been well-received by our customers and are now part of our regular inventory.



No overproduction

Our entire product development and business model are set up to minimize wasteful overproduction¹⁾. During 2023, we had 0.3% overproduction.

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.

¹⁾ 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.

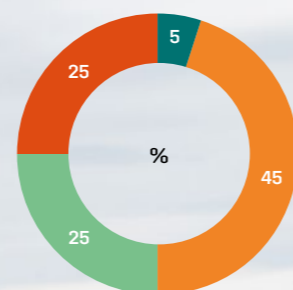
Sustainable production processes

For years, there has been a focus on implementing more sustainable materials in the textile industry. It is also part of our strategy, but it is even more crucial for us to concentrate our efforts on where the impact is the greatest.

Most analyses of environmental impacts for one kilogram of finished product, in terms of energy consumption, greenhouse gas emissions, water usage, and chemical use, show that this occurs not in the production of fibers (Tier 4) but rather in the dyeing and finishing processes of the materials (Tier 2)¹⁾.

Therefore, it is essential for RevolutionRace to work closely with our material suppliers to enhance sustainability. This work is described in more detail in the chapter on our supply chain. To place even more emphasis on sustainable production processes in Tier 2, we chose to become Bluesign® System Partners during 2023.

100% = Estimate of emissions from cradle to gate for products with conventional materials.



- Tier 1
Product/garment production
- Tier 2
Fabric production
- Tier 3
Yarn production
- Tier 4
Fibre production

SUSTAINABLE PRODUCTION PROCESSES

- Reducing the use of hazardous substances
- Managing chemicals responsibly
- Reducing energy consumption
- Supporting implementation of renewable energy in the supply chain with special focus on energy consuming wet-processes
- Reducing freshwater consumption
- Be more resource-efficient and use less materials

E-dye®

Last year, we initiated a collaboration with E-dye® and replaced the pocket lining in our bestselling pants. E-dye® utilizes a patented dyeing technology where colorants are applied directly into the fibers through a process called electrostatic deposition.

This method reduces water consumption by up to 95% compared to conventional dyeing methods. Additionally, the technology allows for better color accuracy, color fastness, and reduced energy consumptions.

Last year, we purchased 2,373 kg of E-dye®, resulting²⁾ in the following savings:

- 710,190 liters of water
- 1,178 kg of chemicals
- 3,563 kg of CO₂e

Microfibres

Microfibres are very fine types of fibres made from either synthetic (microplastic) or natural materials. There is a rising concern regarding the health and environmental impacts linked to microfiber pollution.

RevolutionRace is closely monitoring the ongoing research on this topic, including studies conducted by the Microfibre Consortium (TMC), The European Environment Agency, and the United Nations. While the research is not yet conclusive, certain practical initiatives can be undertaken³⁾. We will engage in discussions with our major fabric suppliers regarding the installation of filters and fabric pre-washing to reduce microfibre emissions after washing and dyeing process providers. Additionally, we will commence microfibre testing of our products through an independent testing institute.

1) Source: UNEP (2020): Sustainability and circularity in the textile value chain: Global stocktaking; Quantis (2018): Measuring Fashion; WRI (2021): A roadmap to net-zero emissions for the apparel sector; Mistra Future Fashion (2019): Environmental assessment of Swedish clothing consumption.
 2) Source: Smartex Solution Co., EPD registration number: S-P-01440, certifieringsnummer: E23060025
 3) Source: Microplastics from textiles: Towards a circular economy for textiles in Europe, (European Environment Agency, 2022) www.oceancleanwash.org



Bluesign®

Bluesign® is an independent organization dedicated to promoting sustainability and environmental protection in the textile industry. Their goal is to reduce negative impacts on both people and environment throughout the entire textile production process.

Using a holistic approach, Bluesign® assesses not only individual materials but also the entire production chain, including raw materials, chemicals, water and energy consumption, as well as working conditions. For a material to be Bluesign® certified, known as Bluesign® Approved, it means that all input chemicals are safe, ensuring both a safe product and a safe production process. Bluesign® certification serves as a quality mark that helps consumers choose products that have been manufactured responsibly and sustainably.

Today, 14% of our material suppliers are Bluesign® System Partners, and 40% of the polyamide we use in our products is Bluesign® Approved, meeting our definition of being more sustainable. We look forward to a fall season where we will ensure all suppliers with wet processes align with our sustainability goals, making our production even more environmentally friendly.

BLUESIGN® APPROVED

40%

of polyamide fibers is Bluesign® Approved

14%

of our material suppliers are Bluesign® System Partners

Covering

11%

of our material production

MORE SUSTAINABLE MATERIALS

We define more sustainable materials as materials with documented less environmental impact, renewable, recycled, organic, biobased 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.

All production has an impact on the environment, regardless of the choice of materials. Natural materials like cotton and wool are often praised because they may be biodegradable and do not contribute to plastic waste or microplastics. However, when considering other aspects such as energy consumption, greenhouse gas emissions, water usage, chemicals, land use, waterway acidification, eutrophication and biodiversity, the picture becomes more complex. When social conditions and working environments are also considered, navigation becomes even more challenging.

We strive to manufacture high-durability and quality products designed to last, often with water-repellent properties. For these purposes synthetic materials are often the best.

Targets and measures

The choice of materials has an impact on both social and environmental aspects, which has led to increased interest in more sustainable alternatives.

- By 2025, at least 50 percent of all polyester and polyamide we use shall derive from more sustainable sources.
- By 2025, 100 percent of all our cotton shall derive from more sustainable sources.
- 100% third-party certified animal fibers

During 2022, we implemented strict internal guidelines. All new products must be designed after our sustainability criteria, and long-term plans were established for our bestselling products.

We have started experimenting with more innovative materials and have increased knowledge through sustainability workshops for the entire product team.

Progress

Our efforts have made progress, 40% of the polyamide we use are more sustainable according to our definition, and 14% of our polyester. We are making steady progress without compromising on quality. Now that our membership in Better Cotton has come into effect, all the cotton we purchase will be more sustainable from the fall of 2024.

Targets

POLYESTER & POLYAMIDE

>50%

At least 50% of the polyester and polyamide we use should be from more sustainable alternatives according to our definition by 2025.

COTTON

100%

of the cotton we use shall be more sustainable according to our definition by 2025.



ASSESSMENT FROM A LIFE CYCLE PERSPECTIVE

Regardless of the material we choose, we have responsibility to use resources responsibly. All materials have their advantages and disadvantages from a sustainability perspective. The impact on people and the environment must be assessed from a life cycle perspective, meaning considering how the product affects from raw material to use, reuse, and recycling.

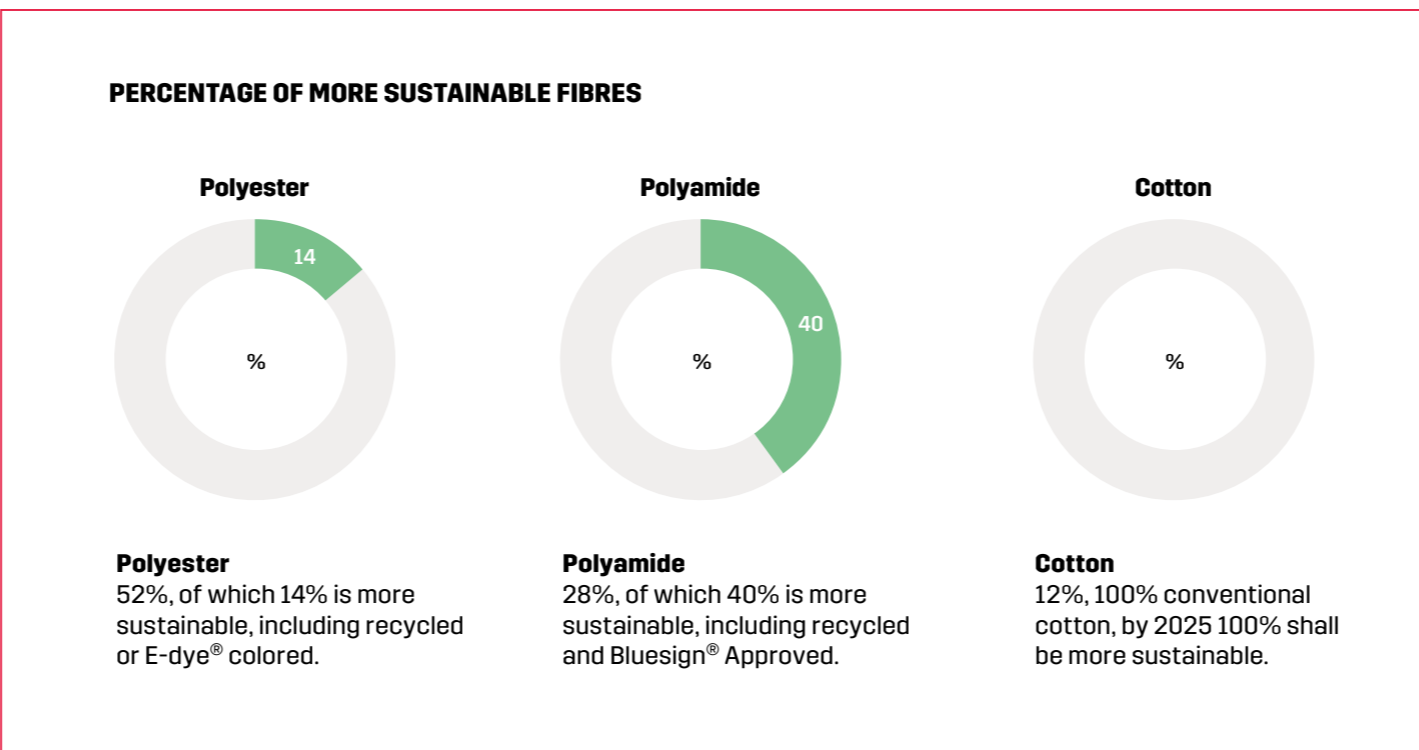
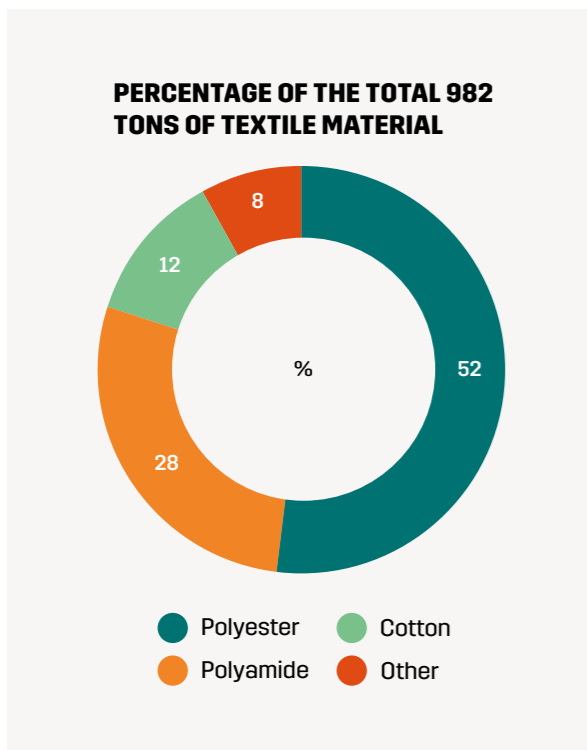
ALL NEW PRODUCTS SHALL BE MANUFACTURED ACCORDING TO OUR SUSTAINABILITY CRITERIA

Starting from spring 2024, all new products arriving in our warehouse will have met at least one of our sustainability criteria. We will also gradually update all our existing items to meet our sustainability goals. Our criteria mean that the products have been developed with focus on sustainability, which often involves the use of more sustainable materials. It may also encompass products where details have been examined to minimize waste in production, circular design, and/or a more environmentally friendly production process.

Fiber usage

Total fiber usage 2022/23

The fibers we primarily use today are polyester, polyamide and cotton.



BETTER COTTON

Since 2023, we have been members of Better Cotton, a global standard for more sustainable cotton production. Better Cotton aims to improve the environment and social impact of cotton cultivation by promoting better farming practices, reducing the use of chemicals and water, and improving working conditions for cotton farmers. We aim to ensure that all the cotton we utilize is either Better Cotton, recycled or organic by 2025.

ANIMAL WELFARE

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 fibers 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.

ANIMAL FIBRES

100%
third-party certified animal fibers



PRODUCT SAFETY

Chemicals are present in everything around us and are necessary for us to live our life – not all chemicals are harmful. However, it is essential to use chemicals responsibly. At RevolutionRace, we place strong emphasis on progressive chemical management.

Targets and measures

- No PFC's
- 100% Oeko-Tex® 100 certified textile materials by 2025

We update our Restricted Substance List (RSL) twice a year. This list is part of our purchase agreement, and all our suppliers are committed to following it. The RSL is based on legislation like REACH (EU chemical legislation) and industry recommendations. We conduct regular random sampling checks to ensure compliance.

To further ensure chemical safety and have continuous chemical management, we are members of the ChemAct Network. ChemAct is a digital chemical management system where suppliers can upload test reports according to our Restricted Substances List to ensure compliance for each component. All suppliers are onboarded in ChemAct and work regularly within the system.

PFAS is a group of hazardous chemicals commonly used to achieve water-repellent properties. Since 2019, we have banned hazardous PFAS chemicals in our products, opting for fluorocarbon-free alternatives.

Oeko-Tex® Standard 100 is an excellent minimum requirement to ensure a harmless end product. Products certified with Oeko-Tex® 100 meet at least the requirements of REACH, the EU's chemical regulation.

Progress

In 2022/23, we conducted 334 chemical tests, and all test showed compliance. 98% of our materials are Oeko-Tex® 100 certified, and we aim to reach 100% by 2025.



Targets



NO PFC's



100%

Oeko-Tex® Standard 100 certified materials

OUR PEOPLE

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



ENGAGED EMPLOYEES

One of the biggest challenges and success factors for growing companies is how they manage to work systematically with attracting, developing, and retaining talent, as well as cultivating a motivated and satisfied team. Engaged employees is one of our six prioritized areas in our sustainability strategy. We focus our efforts on three main aspects: gender equality and diversity, happy employees, and employee development.

Impact and risks

The UN, ILO, and OECD have established clear rules in authoritative intergovernmental documents regarding human rights and labor rights of employees. The potential and actual social impact that companies in the apparel industry have on their employees are defined by these rights.

The employees of RevolutionRace are all doing office work from the headquarters in Borås and office in Stockholm, Sweden, a country performing very high on implementation of human rights and generally recognised for its high labour standards and monitoring of compliance. Fundamental human rights like child labour or freedom of association are therefore not material to RevolutionRace. Due to the nature of the work conducted, occupational health and safety are also not a material topic of the company.

However, in our most recent materiality assessment we continue to recognize that diversity and equality of opportunity irrespective of gender, race, or any other characteristics as well as non-harassment are relevant potential or actual material topics for RevolutionRace.

We also recognize the ethical impact we may have through our employee conduct with respect to anti-corruption and data privacy.

The main financial risks to the RevolutionRace business due to social employee matters are if we as a company are not able to attract, develop and retain talent due to the opportunities and conditions RevolutionRace offer as a company or the reputation that it has.

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.

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.



Lovely colleagues, exciting customer offerings, and a business model that is right on time!

Anonymous employee, taken from our employee survey.



Gender equality and diversity

Our strategy for equality and diversity is to advocate for diversity and equal opportunities within our organisation, and to promote a culture free from discrimination.

Our employees

At the end of the 2022/23 financial year, RevolutionRace had 134 employees (122¹⁾ FTEs). At the end of the preceding financial year, we had 126 employees (106 FTEs).

	2022/23	2021/22	2020/21	2019/20
Full-time employees, FTE ¹⁾	122	106	65	37
Part-time employees	10	12	10	7
New employees, %	29	43	51	43
Employees leaving RevolutionRace, %	28	15	9	9

1) Average FTE during the year.

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 14 markets, which cover 10 languages. To reflect our customers and enrich the culture, we attach great importance to diversity in new recruitments.

RevolutionRace is a young company, where 40 percent of the employees are under the age of 30. We see this as a strength and work towards providing many development opportunities for our employees.

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. 68 percent of our team leader

positions are held by women today. We continue to promote an inclusive and gender-equal work environment where everyone has equal opportunities to grow and contribute to our success.

We take preventive measures against abusive treatment and discrimination through the workplace training that all managers undergo. Furthermore, the onboarding program for all new hires includes a specific section on countering abusive treatment. Annually, we conduct employee meetings where each employee can report if they have been subjected to abusive treatment. We also have a complaint mechanism available to all employees where they can report instances of discrimination. Over the past year, we have not had any reported incidents.

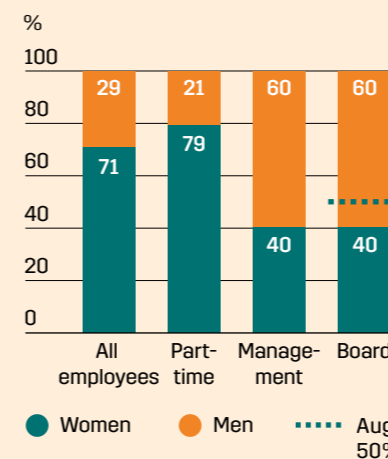
SALARY MAPPING AND JOB EVALUATION

During the spring of 2023, a salary mapping and job evaluation were conducted for all roles within the company. It was determined that there are no unjustified wage differences based on gender.

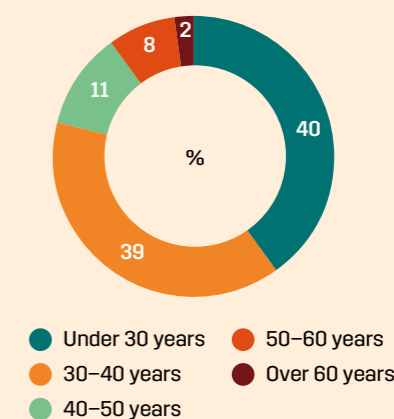


SUMMARY OF OUR EMPLOYEES

Employees by employment and gender



Employees by age



40%
WOMEN IN MANAGEMENT

40%
WOMEN ON BOARD

68%
FEMALE TEAM LEADERS

Happy employees

We aim to have satisfied employees that want to grow with the company. It is our strategy to continuously work with different initiatives to ensure employee wellbeing.

Measures

We are convinced that employee wellbeing and satisfaction are multi-faceted and therefore work with several different initiatives: during the financial year we continued our focus on a good work environment, team building, favorable working conditions, promoting our playful corporate culture and improving communication.

RevolutionRace has always tried to offer competitive employment benefits to all employees. To promote physical well-being, all employees are offered a generous healthcare allowance. We have also introduced half a day before holidays.

Starting April 1, 2023, RevolutionRace have signed with the Commerce Employee Agreement. We are affiliated with collective agreements to ensure that we stay updated on industry-specific conditions and to promote increased participation within the organization by allowing our employees to be involved in certain matters.

Targets

YEARLY APPRAISAL REVIEWS

INCREASE EMPLOYEE SATISFACTION

35 POINTS

ENPs of at least 35 points by 2023.

ENGAGEMENT INDEX

>80

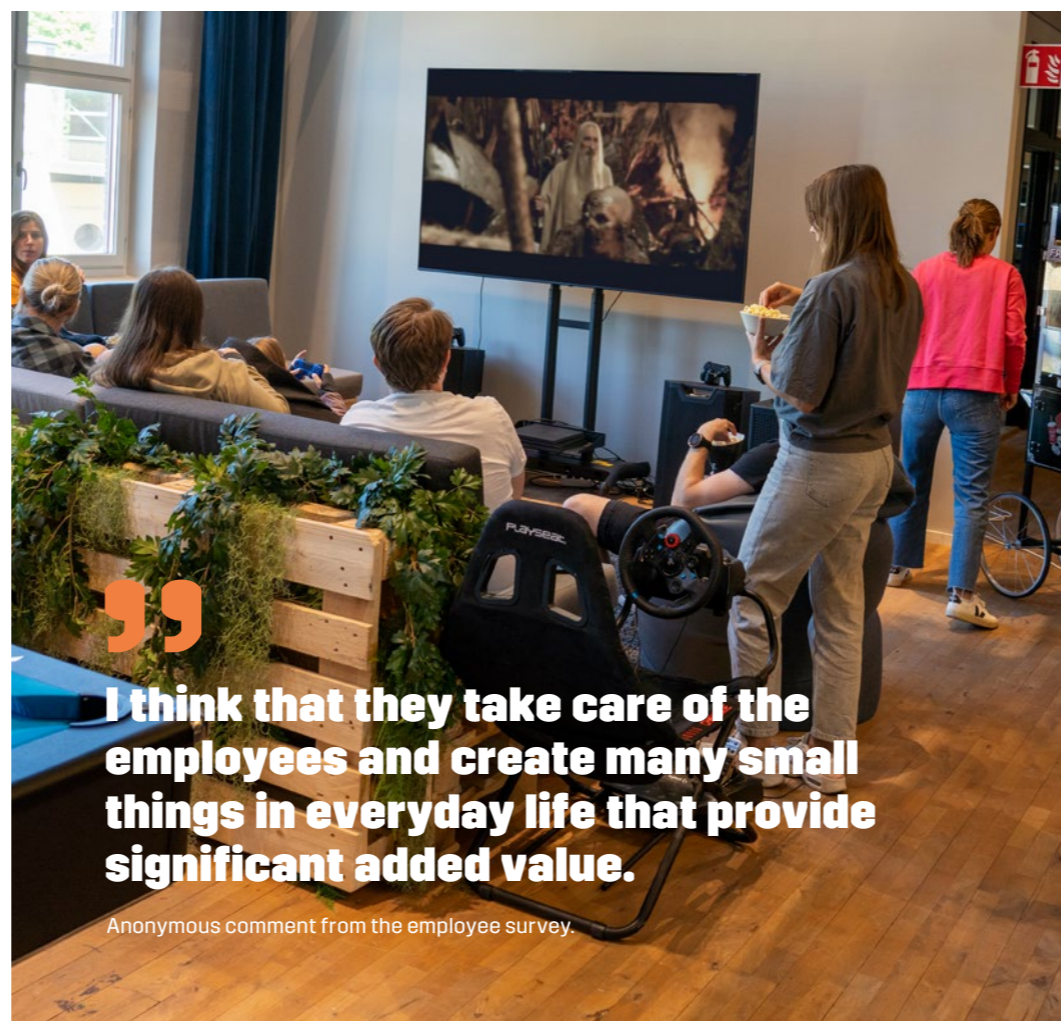
Above 80 by 2023.

“
**It’s a workplace where
a lot is happening, we dare
to try and think differently
– we have fun together
and we aim high!**

Anonymous employee, taken from our employee survey.



During three days all employees had conference and teambuilding in Kitzbühel, Austria. A trip combined pleasure with business and many adventures.



“ I think that they take care of the employees and create many small things in everyday life that provide significant added value.

Anonymous comment from the employee survey.



Promoting our playful corporate culture

The office is our playground

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

We want to spread the message that nature is for everyone by using the hashtag "nature is our playground". At our office, we strive to create a similar playful atmosphere. At our headquarters in Borås, we have expanded our space from 1,000 square meters to 2,500 square meters. The office includes a gaming corner where we hold a 15-minute yoga/stretch session every morning at 8:45 am. On Wednesdays, we have a coffee break (fika) at 2:14 pm with a quiz. On Thursdays, we organize climbing on our climbing wall, and our pinball machines are always in operation. On Fridays, freshly popped popcorn is served from our popcorn machine. We also hold regular billiards and ping pong tournaments. We believe in combining work with play to promote creativity and team-building, as well as to provide a much-needed break from work.

80%

I feel healthy and energetic/
content with my daily life.

77%

The culture inspires me.

IMPROVED COMMUNICATION

Growth has placed significant demands on internal communication, which we have addressed through three new initiatives: Employee Value Proposition (EVP), Management through Objectives and Key Results (OKR), and RevolutionRace Basecamp.

1 EMPLOYEE VALUE PROPOSITION (EVP)
 With our Employee Value Proposition (EVP) initiative, we focus on clearly defining and communicating the benefits of working for RevolutionRace. The purpose is to be transparent with current employees and attract the right talent who share our values. We aim to be an attractive workplace by emphasizing competence and leadership development and promoting our benefits and headquarters, both internally and externally.

2 MANAGEMENT THROUGH OBJECTIVES AND KEY RESULTS (OKR)
 The second initiative focuses on communicating the company's direction and goals. Since 2023, we have been working with Objectives and Key Results (OKR) as a method for defining and tracking our company goals. By using OKR, we establish a clear direction and align the efforts of all our employees. The goals we set are overarching and inspiring for the entire team, while our key results are concrete and measurable. Using OKR, we create a structured and efficient process for working towards common goals and ensuring measurable results.
 It fosters a team-focused approach and a sense of unity as we collectively work towards shared objectives.

3 REVOLUTIONRACE BASECAMP
 The third initiative is the intranet platform called RevolutionRace Basecamp, where we can share both formal and informal information with all employees. This initiative has had a positive impact on information dissemination within the organization. By utilizing RevolutionRace Basecamp, we can ensure that crucial information reaches all employees quickly and efficiently. It also promotes an open and transparent communication culture where everyone can participate and contribute to the dialogue.

”
Employees are increasingly involved in what’s happening, which is very positive!

Anonymous comment from the employee survey.



Measuring employee satisfaction

Over the past three years, RevolutionRace has tripled its workforce to 134 employees, gone from being a small start-up to a publicly traded company, and from being a company led by its founders to a management team. All these major changes have put pressure on existing and new employees, and since January 2022, we have been measuring employee satisfaction three times per year to closely monitor employee well-being.

In all six surveys, our employee satisfaction has been above the industry average according to our operator. In our latest survey from May 2023, the result was only 15 (compared to an industry average of 14). This was a decrease in employee satisfaction compared to the previous fiscal year and did not meet our goal of 35.

We will evaluate and continue working on our action plans.

In addition to employee satisfaction (eNPS), we are working to increase our employee engagement. The engagement index is the combined result of nine questions in the employee survey. Last year, we scored 76, and this year we have improved the score to 79 and are now much closer to our goal of 80.



Great workplace and great colleagues. You can talk to everyone regardless of position or role.

Anonymous comment from the employee survey.



In your current team, can you...

...LAUGH WITH YOUR COLLEAGUES?

99%

...BE YOURSELF?

93%

...ASK FOR HELP?

98%

ENGAGEMENT INDEX

79/80

Local engagement

We love it when our employees get involved, and throughout the year, we have been engaged in many exciting projects.

SVENSKT FRILUFTSLIV

In 2023, we established a long-term partnership with Svenskt friluftsliv. Together, we aim to encourage people to spend time outdoors and enjoy nature.



INTERNAL STEP CHALLENGE

In May, we had a step challenge for two weeks, resulting in 16.3 million steps. Together, we walked all the way from Borås to Cambodia. This was a fantastic initiative where our employees could test our products and enjoy nature.



Photo: Josefin Tolleman

SAMPLES SALES

Our popular product sample sale was extended, and for the first time, all companies in the office building were invited, and it was a real success. We will vote on where the proceeds should be donated.

PRIDE MONTH

June is the International Pride month. This was acknowledged during 2023 through an internal information campaign to raise awareness of the LGBTQ+ movement's fight for human rights.



GENERATION PEP

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, we want to encourage more people, mainly young people, to enjoy our fantastic nature, our parks and our outdoor areas.



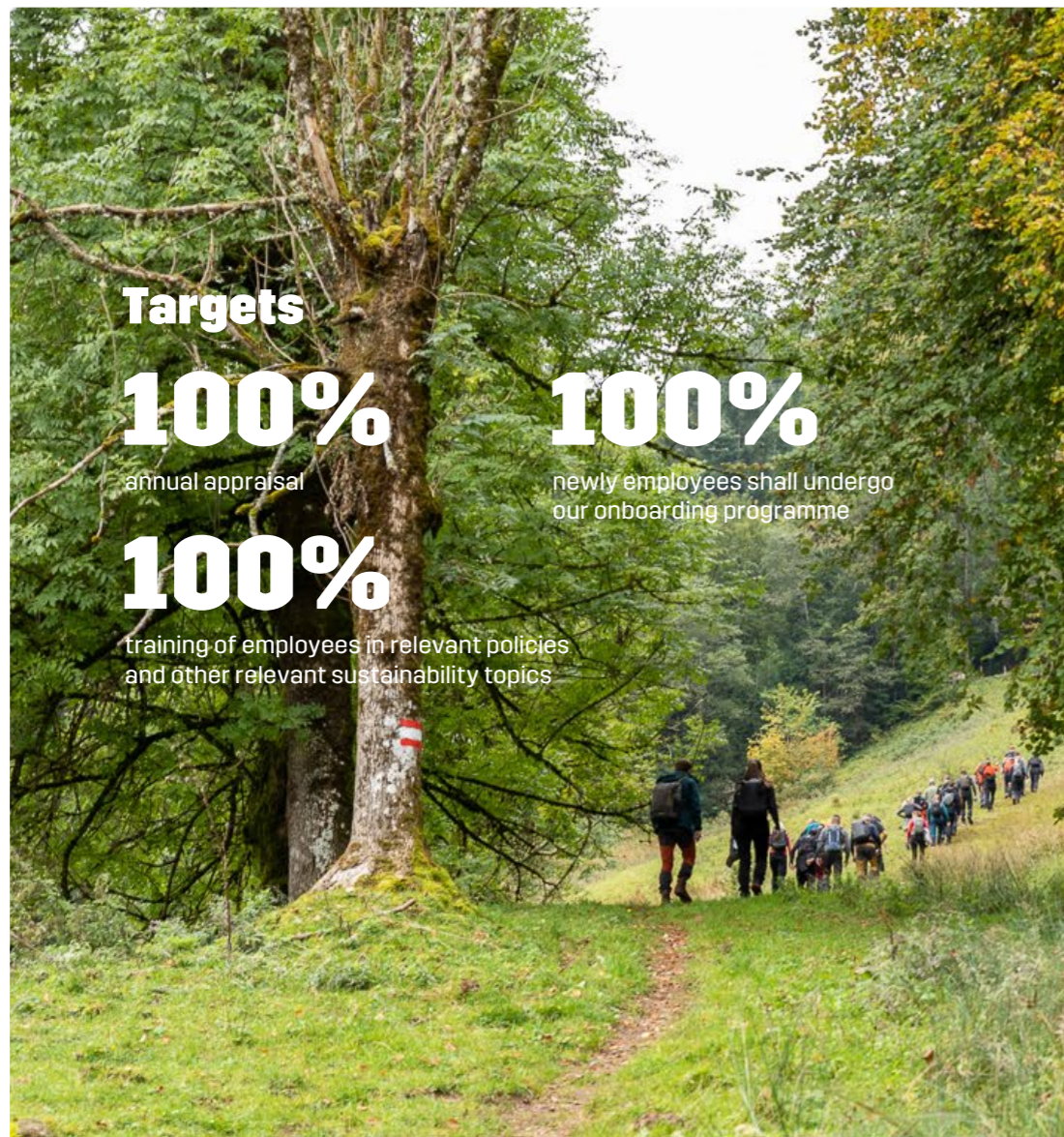
EKWALL FOR THE BREAST CANCER FOUNDATION

Together with our ambassador Patrik Ekwall, we raise money for the Breast Cancer Foundation. Thanks for a fantastic effort around Lake Vättern, 310 km.



Employee development

Employee development is at the core of our sustainability focus for engaged employees. We develop our employees to support their well-being and to attract and retain talent. We develop our employees to provide them with key competencies to perform their tasks. Among these key competencies is knowledge of sustainability-related topics.



Targets

100%
annual appraisal

100%
newly employees shall undergo our onboarding programme

100%
training of employees in relevant policies and other relevant sustainability topics

Skills development

At RevolutionRace, each employee undergoes a formal annual review where individual progress, challenges, and personal development are discussed. We aim to identify ambitions and development potential through annual employee appraisals, where each employee can discuss matters with their immediate supervisor. These discussions are documented and signed by both parties, and we conduct annual follow-ups to ensure continuous development.

All employees have received training in GDPR and information security, and new hires have immediate access to the training under the responsibility of the Chief Technology Officer (CTO). The course focuses on areas with high risk of human error, including passwords, mobile phone and internet use, and phishing.

Throughout the year, we placed a strong emphasis on internal training in sustainability, our code of conduct and due diligence in the supply chain, as well as anti-corruption training. We also ran an internal communication campaign and established a sustainability bulletin board on our intranet, where we compiled sustainability-related policies and frequently asked questions. The Sustainability Manager is responsible for updating the intranet and providing training to employees on relevant sustainability topics.

A management forum has been established as support for all managers. All new managers receive ongoing training in labour laws and are then provided with/sign a task outlining the responsibilities of their management role. We have introduced guidelines and procedures to ensure a safe and respectful working environment. This includes first aid and crisis support, prevention of harassment and discrimination, workplace adjustments and rehabilitation, as well as risk and consequence analysis during changes. HR is responsible for updating the guidelines, and each manager is responsible for informing employees.

The entire staff participated in a three-day conference and team-building event. Last spring, all managers and key personnel attended a conference focused on business-specific areas. We believe it is important to socialize outside the office walls to strengthen team spirit and gain new inspiration.

During the year, we achieved our goals for employee development. 100% of employees had an employee appraisal, and all new hires participated in our onboarding program

Our focus on leadership development has shown positive results; our employees are more satisfied with leadership, which has increased from 79% to 81%.

10
hours average training per employee

86%
I received confirmation when I completed a challenging task

81%
RevolutionRace effectively utilizes my expertise

OUR PLANET

To protect the planet and humanity from pollution, water scarcity, and climate change is an urgent priority for us and our stakeholders.



CLIMATE PROTECTION AND ENVIRONMENTAL RESPONSIBILITY

We take environmental responsibility by trying to use as few resources as possible and work more sustainably with these resources. Protecting the planet and people from pollution, water shortages, and climate change is an urgent priority for us and our stakeholders. We work closely with our suppliers to meet our commitments and progress on our measures to reduce emissions and water consumption and to responsibly manage chemical use.

Impacts and risks

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 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.

Today, the apparel industry produces more than 5 percent of the global greenhouse gases¹⁾. The OECD, the EU and recognised NGOs identify GHG emissions, overproduction and waste, water consumption and waste water treatment and chemical management as actual and potential negative environmental impacts of the apparel industry.

In our most recent impact materiality assessment, we recognise the above risks as material also for RevolutionRace. Our main impact from emissions results from the production of our products and their transportation. RevolutionRace has the largest impact on both freshwater use and waste water through its fabric suppliers with wet-processes in dying and finishing. It also has an impact on freshwater use in its cotton sourcing. 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 waste water discharges can contaminate water and affect the water supply of local communities.

The clothing sector poses a significant global risk to biodiversity. At RevolutionRace, we have a potential negative impact from the production of raw materials like cotton, making 'more sustainable materials and responsible sourcing of raw materials' material for us.

The main financial risks to the RevolutionRace business due to environmental matters are reputational, if consumers turn away from apparel in general, or if they believe we

do not work hard enough to protect the environment. In addition there is a risk of higher operational costs due to future environmental taxes, and a supply chain that must invest in more sustainable practices.

Sustainability governance

Our environmental protection principles are defined in our public 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, that all our suppliers must sign. 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 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.

The responsibility for our environmental work lies with our Head of Purchasing and Production and the Management Team. Operationally, the work is driven by our Sustainability Team and the operationally responsible teams. RevolutionRace's Board of Directors is responsible for climate oversight.

For all environmental material topics we have defined targets and roadmaps to meet them. We are systematically increasing transparency of our impacts and measuring progress. Our Planet Dashboard (page 58) shows an overview of our strategies, targets and progress.



Our environmental policy



SUSTAINABLE OFFICE OPERATIONS

- Purchase renewable electricity and seek energy efficient solutions
- Reduce and sort office waste
- Create awareness of employee impact



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

¹⁾ Source: Quantis (2018): Measuring Fashion; WRI (2021): A roadmap to net-zero emissions for the apparel sector; McKinsey (2020): Fashion on climate.

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.

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 fossilfree supply chain.

Targets

In 2022 we defined our CO₂e reduction targets. The base year for our targets is 2020/21.

- We 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 CO₂e/SEKm and in 2030 it should be 10.4 tons CO₂e/SEKm.
- Our target is thus maximum 1 kg of CO₂e per 100 SEK turnover.

Measures

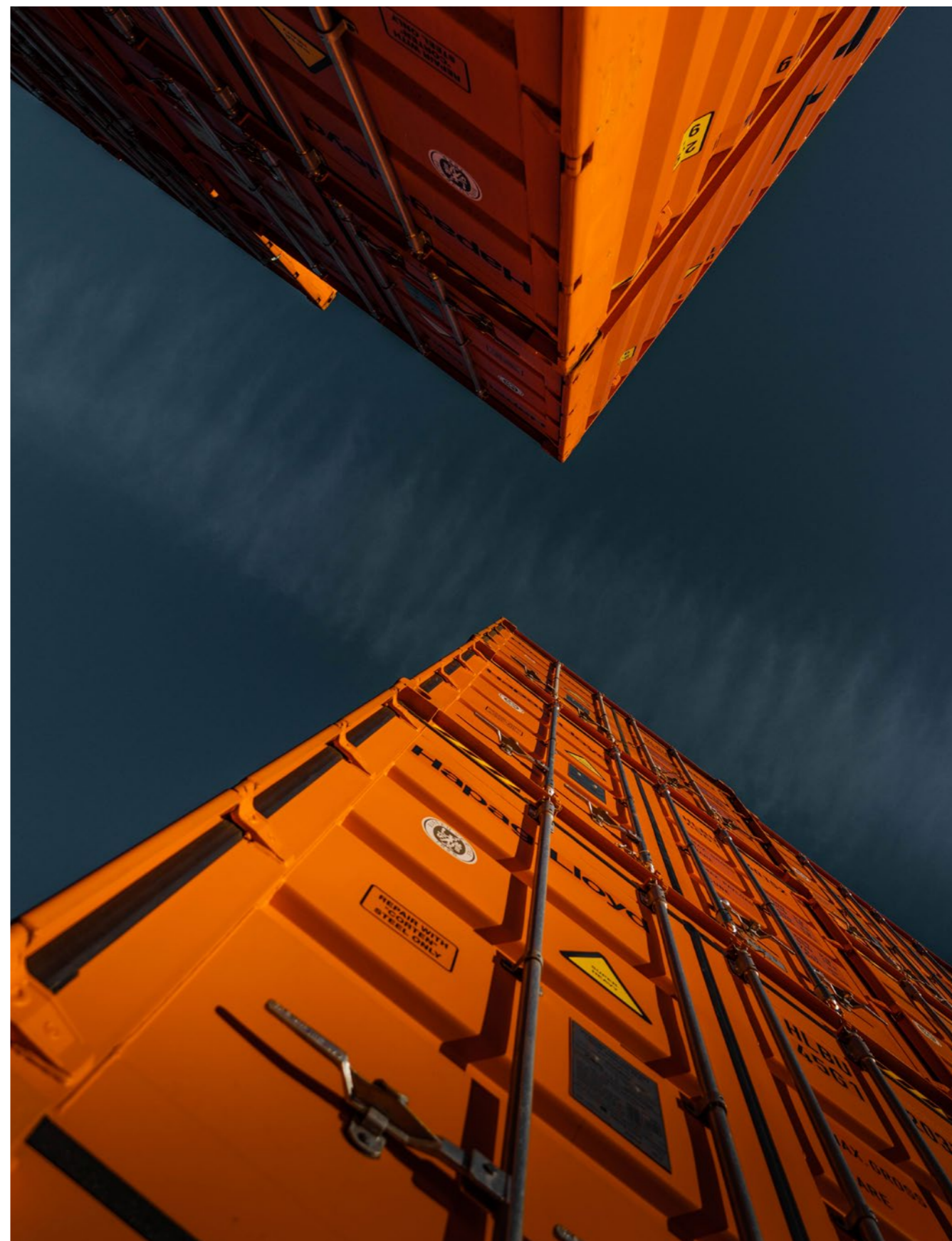
In order to reduce our emissions and achieve our targets, we measure our emissions according to the GHG protocol. We continuously improve the quality of the estimates by being more granular on the input data and by using primary energy data. When we do not have primary data, we use estimated emission factors from recognised databases. Based on the transparency we work with targeted initiatives to reduce emissions, where we have the largest impact, and where we can make a difference. We also work with initiatives, that will show their effects in the longer term.

At this point in time we minimise our scope 2 emissions by buying renewable electricity. Our primary focus is on Scope 3, since it encompasses more than 99% of our emissions.

OUR ROADMAP CONTAINS SEVEN DISTINCT TYPES OF INITIATIVES:

- 1 Minimising air transportation. The emissions from air transportation are significantly higher than sea and road. We only use air transportation as an exception.
- 2 Using low impact sea and road transportation and local warehouses. We are continuously converting our sea and road transportation to bio-fuel with lower emissions. When we grow in a local market, we establish local warehouses to reduce transportation to customers.
- 3 Minimising returns. At RevolutionRace we implement many measures to minimise returns. It improves financials and reduces emissions.
- 4 Minimising overproduction. Historically we had very low overproduction. We must continue to be accurate in our purchases.
- 5 Converting to lower impact materials. It is part of our sustainable material strategy to continuously convert to materials that have lower emissions than conventional materials as for example recycled materials.
- 6 Designing for lower impact products. There are many levers in product design like trims and material consumptions that effect emissions, as well as lower energy production methods like spin-dye, Bluesign® chemical processes and printing choices. In our design and sourcing work we increasingly make choices to lower the impact of our products without compromising on their durability.
- 7 Supporting and prioritising apparel manufacturers and fabric suppliers implementing renewable energy. Of all levers this is the most critical one to reduce our emissions. If our direct suppliers and the fabric suppliers do not convert to renewable energy, we will not be able to reach our targets without changing our supplier base.

With the implementation of the above initiatives, we can meet our emission reduction targets for 2030 as defined according to the GHG protocol.

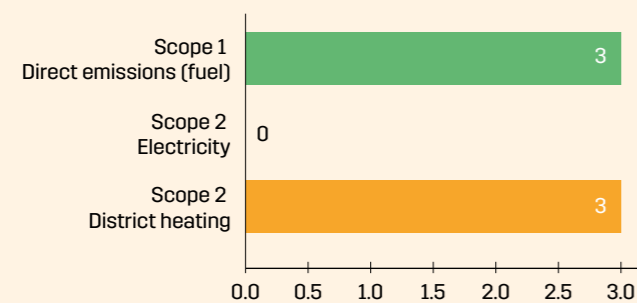


Our emissions ¹⁾	2022/23		2021/22	
	tons CO ₂ e	%	tons CO ₂ e	%
Scope 1	3	0.0	3	0.0
Scope 2	3	0.0	3	0.0
Scope 3	13,736	100	23,153	100
Sourced products and services	12,175	88	20,201	87
Transport to warehouses	207	2	1,365	6
Transport to customers	1,204	9	1,543	7
Other ²⁾	150	1	45	0.1
Total emissions	13,742	100	23,159	100.1
Total emissions/net revenue (ton CO₂e/SEKm)³⁾	8.8		17.4	

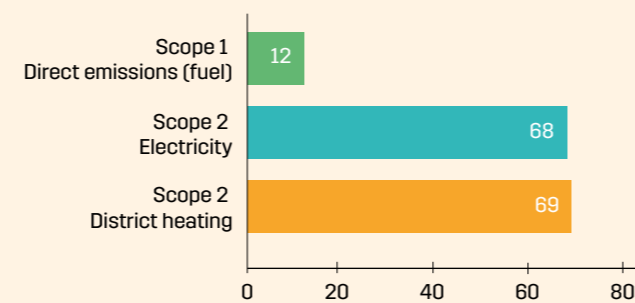
- 1) All emissions are calculated based on the GHG protocol using the operational control approach and the market-based approach.
- 2) Waste in warehouses, fuel- and energy-related activities, business travel.
- 3) Intensity ratio not showed separately for Scope 1, 2 and 3 due to insignificant emissions in Scope 1 and 2.

Transportation	2022/23		2021/22		2020/21	
	Share of %	CO ₂	Share of %	CO ₂	Share of %	CO ₂
Air	0	17	11	703	38	1,767
Sea	100	190	87	658	54	648
Rail	—	—	—	—	10	—
Road	0	0	2	4	—	—
Total	100	207	100	1 365	100	2 417

CO₂e emissions from own operations



Power consumption MWh



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



”

At RevolutionRace transportation by air has become a true exception. This year it was only 0.2%.

– Sustainability Manager



Progress

In 2022/23 we measured our Scope 1 and 2 emissions again based on primary consumption data. Scope 1 encompasses our emissions from company cars. Scope 2 represents our emissions from our consumption of electricity and heating at our headquarter and office in Sweden. Together, Scopes 1 and 2 are emissions from our own operations. In 2022/23 we purchased 100% renewable electricity. With 6 tons CO₂e, the emissions from our own operations are almost zero and down with 65% compared to our base year.

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. Where possible we used primary consumption data in logistics.

In 2022/23 11% of our Scope 3 emissions came from transportation, a reduction of 49% compared to 2021/22. 88% of emissions came from the production of our products. These emissions are driven by energy intensive processes in dyeing and spinning, weaving and knitting and the powering of these processes through fossil fuel.

In 2022/23 our Scope 3 emissions were down with 40% and our emissions per net sales was down from 17.4 to 8.8 tons CO₂e/MSEK turnover. We did produce less emissions due to lower air transportation, a higher share of recycled materials and packaging and new lighter products. However, the majority of the reduction is coming from lower purchase volumes. In 2021/22 we increased inventory levels to counter delivery difficulties resulting in higher emissions. In 2022/23 we sold from stock and produced less with resulting lower emissions.

We continue to implement the initiatives in our emission reduction roadmap. Our major challenge to significant reductions is the implementation of renewable energy sources at our apparel manufacturers and our fabric suppliers. RevolutionRace is exploring opportunities to support our suppliers and also adjust our sourcing strategy based on access to renewable energy.

TARGETS FOR 2030

SCOPE 1 & 2

-50%

At least 50% absolute reduction of emissions.

SCOPE 3

-40%

At least 40% reduction of emissions in relation to net sales.

USE

100%

Renewable electricity in own operations by 2023.



WATER AND CHEMICALS

Access to clean water is among the core UN Sustainable Development Goals and the global awareness of water stress is increasing. In the apparel industry water and chemicals are primarily used in raw material production and in dyeing and finishing wet processes. Sustainable water practices address freshwater use in water stressed areas and wastewater treatment. Responsible chemical practices handle hazardous chemicals with outmost care and substitute to less harmful substances.

Targets and Measures

At RevolutionRace our own water consumption is negligible. Our targets and measures are therefore entirely focused on our supply chain. It is our goal to reduce the use of freshwater in raw material sourcing and in dyeing and finishing processes. It is also our goal that our suppliers with wet processes and chemical use are implementing industry best practice within chemical and wastewater treatment management. To achieve these goals, we work with five targets and related measures.

As described in the product chapter we commit to source 100% more sustainable cotton by 2025. The cotton should have verified water reductions like for example Better Cotton. We also aim to increase the share of materials dyed with less water or without water through yarn-dyeing techniques. It is the responsibility of our sourcing team to reach these targets.

All our suppliers with wet processes located in water stressed areas must set water reduction targets. To reach our wastewater goal suppliers with wet processes must either be certified Bluesign® System Partners or comply with and report against the ZDHC (Zero Discharge of Hazardous Chemicals) wastewater guidelines. Finally, suppliers with wet processes must document responsible management of chemical substances according to best practice ZDHC MRSL.

In the interaction with our fabric suppliers, we follow up regularly on their progress, and our strategic fabric suppliers report on their water practices through the Higg FEM.

Progress

During 2022/23 we assessed the water consumption and wastewater treatment of fabric suppliers with wet processes covering 60% of our purchase volume. According to the water stress assessments from WRI Aqueduct tool or WWF Water Risk Filter the suppliers are in areas with high water stress. Conscious and continuously reduced freshwater consumption must therefore be a priority. All suppliers are measuring their water consumption by source and have identified the most intensive water consumption processes. Not all have set water reduction targets, but the best is almost entirely relying on processed water instead of fresh water in their dyeing processes. Going forward we will request all our fabric suppliers to set water reduction targets.

In 2022/23 we started to source spin-dyed materials that do not use water or very little water in the dyeing process. We purchased all linings made with spin-dyed materials and plan to expand to other materials.

We also assessed the wastewater practices of our fabric suppliers with wet processes. We have documented strong wastewater practices from the suppliers of 60% of our volume. 11% of the purchased volume came from fabric suppliers that are certified Bluesign® System Partners. The majority of volume came from suppliers reporting against the ZDHC wastewater guidelines and meeting all parameters specified in the standard. We have historically urged our fabric suppliers to become Bluesign® System Partners or report against ZDHC. Going forward this will be a requirement to our fabric suppliers with wet processes.



WASTE AND PACKAGING

The waste created in the apparel industry is a recognised problem and has many sources. The industry is exploring solutions to reduce waste under the headline of circularity. The EU waste legislation with Extended Producer Responsibility is addressing packaging waste and textile waste, and several initiatives under the EU Textile Strategy will also address waste.

Targets and Measures

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 our packaging strategy we commit to that 100% of our plastic packaging must be of recycled or biobased material by 2025. 100% of our cardboard must be of recycled material or from certified sustainable managed forests by 2023. It is the responsibility of our logistics team to implement the targets set in the packaging strategy.

Progress

In 2022/23, we used 331 tons of cardboard for the shipping of our products to the warehouses, we used 34 tons of polybags to ensure that each product arrived undamaged, and we used 27 tons of shipping bags to send products to our customers and for them to return products to us. This resulted in 200 tons CO2e, which was 1,5 percent of total emissions. 74% of the cardboard came from certified sustainable managed forests and/or was recycled which didn't meet our goal of 100% for 2023. Of our polybags and shipping bags 72% was sourced from recycled materials. Our logistics team has reassured, that they will meet the targets of our packaging strategy as planned by 2025.

PACKAGING 2022/23 (TONS)

PLASTIC BAGS

34

of which 28 tons was recycled plastic.

SHIPPING BAGS

27

of which 17 tons was recycled.

CARDBOARD

331

of which 246 tons was recycled or FSC-certified.

OUR PACKAGING TARGETS

100%

of all plastic packaging shall be biobased or recycled by 2025.

100%

Of the cardboard we use shall be recycled or FSC®-certified by 2023.

We will implement reusable packaging where it's possible.



OUR SUPPLY CHAIN

Preserving human rights and promoting good working conditions are our focus when it comes to social responsibility in our supply chain.



A RESPONSIBLE SUPPLY CHAIN

Protecting human rights and supporting good working conditions are the focus of our work on social responsibility with our supply chain partners.

Impacts and risks

At our offices in Sweden, we are 134 employees. However, more than 15,000 people are working in our supply chain. The majority of employees work in the labour-intensive apparel manufacturing factories. Others are working in energy-intensive fabric and dyeing mills or in the cotton fields.

The actual and potential impacts of the apparel industry are driven by production often located in areas defined as high risk to human rights and labour conditions. The work is dominated by unskilled, female workers and sometimes immigrants. Long working hours during peak times are not unusual, and there are potential health and safety risks related to fire safety and work with hazardous chemicals. The OECD, the EU and recognised NGOs identify forced labour, child labour, discrimination and harassment, freedom of association, occupational health and safety as actual and potential negative social impacts of the apparel industry.

In our most recent impact materiality assessment, we recognise the above risks as material also for RevolutionRace. The impact that we have on people in the supply chain happens outside of our own operations. We have 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. Our main impact on human rights and labour conditions are at our direct suppliers in apparel manufacturing due to their labour intensity. At our fabric and dyeing suppliers less people are employed but they work with hazardous chemicals with risks to human health and safety. In cotton sourcing there are risks of forced labour and child labour.

The environmental impacts in our supply chain has been described in detail in the prior chapter on Our Planet.

The main financial risks to the RevolutionRace business due to human rights and social conditions in its supply chain are reputational, if consumers turn away from apparel sourced in countries perceived as high risk, or if they believe the conditions in the RevolutionRace supply chain are not acceptable or not improving enough. In addition there is a risk of fines, if RevolutionRace is not living up to current and future due diligence legislation.

Sustainability governance

Our principles of social responsibility in our supply chain are defined in the RevolutionRace Supplier Code of Conduct. It 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. It addresses fundamental human rights like forced labour, child labour and freedom of association and working conditions like occupational health and safety, fair remuneration and decent working hours. Our Supplier Code of Conduct also applies to all subcontractors of the manufacturers.

Our supply chain due diligence is informed by 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. In our due diligence we systematically access the actual and potential social, environmental and ethical risks in our entire supply chain. The due diligence is reviewed on a yearly basis to prioritise our efforts.

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 and our environmental principles on emissions, water and waste as described in detail in the product section and in the planet section.

The priority areas and targets defined under our "A Responsible Race" strategy are driven by our Sustainability Team 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 59) shows an overview of our strategies, targets and progress.

Social responsibility

We perform our work on social responsibility together with our supply chain partners. We do focus on the most salient risks, and we do assessments and monitoring. At the same time we jointly with our suppliers identify topics to work on to really achieve progress.

Targets and measures

With our Responsible Race strategy, we have defined three overall targets for our work on social responsibility in our supply chain. These targets are supplemented by more detailed targets as shown in our Supply Chain Dashboard on page 59.

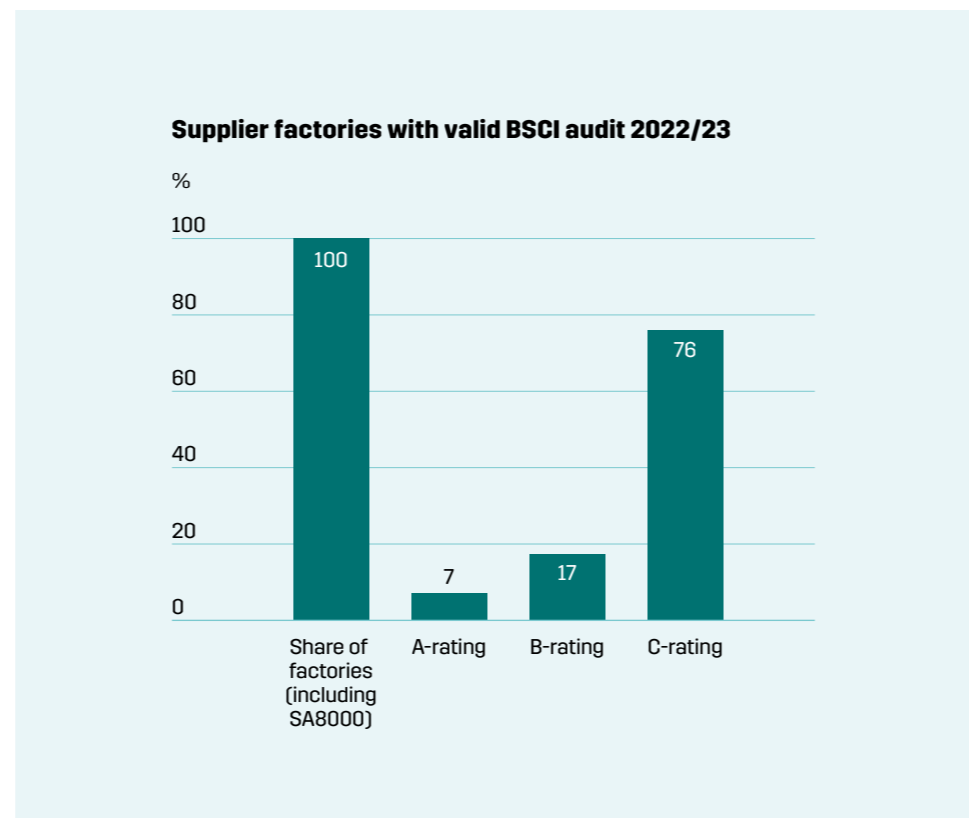
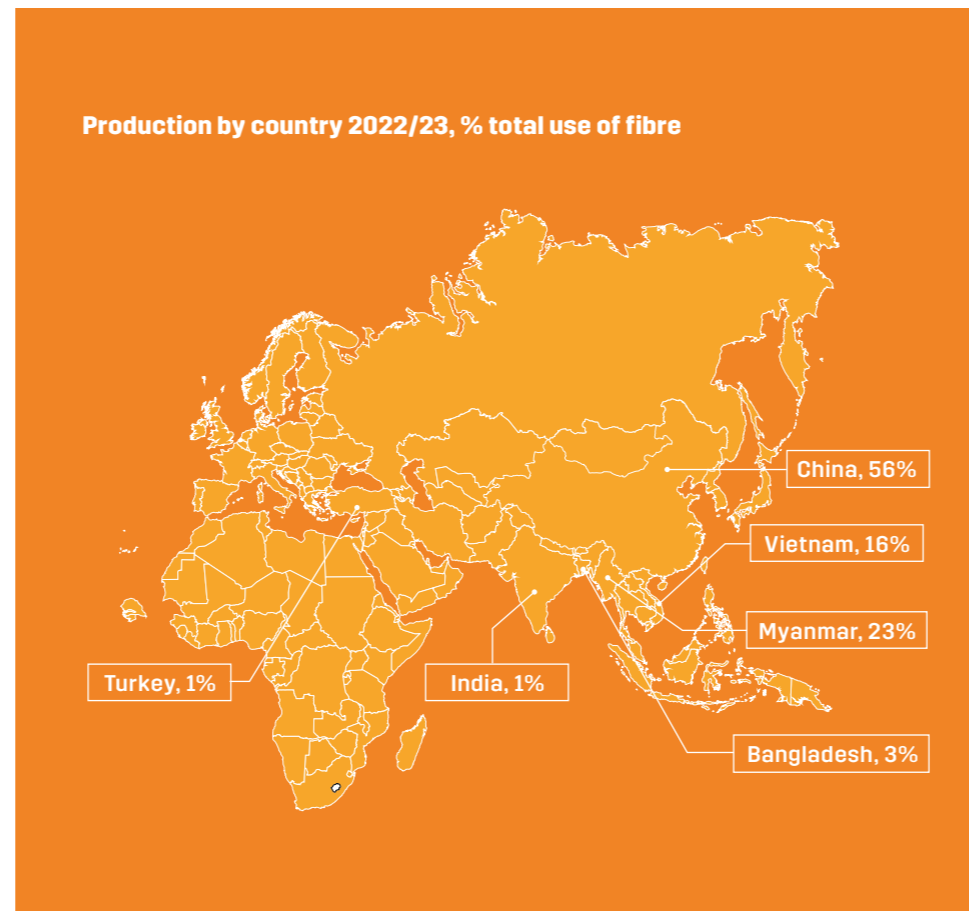
- 100% of our suppliers must have signed our Code of Conduct.
- 100% of our suppliers shall have a good third-party audit in place by 2023.
- We commit to conducting solid due diligence in our supply chain.

Our Supply Chain Due Diligence Guidelines, that we developed and formalised in the beginning of 2022 are our main framework and measure to reach our current and future targets for social responsibility in our supply chain. This measure includes defined content and process steps related to risk identification, supplier monitoring and supplier improvements as well as assess to remedy. It also includes guidelines for onboarding new suppliers.

Our membership of Amfori is another important measure to realise our targets. It enables us to conduct third-party BSCI audits for all our factories, systematically work with corrective action plans and in general continuously improve our due diligence and provide our suppliers with tools and learning opportunities. Finally, we supplement BSCI audits with our own supplier assessment covering a number of quality and social dimensions.

Progress

In 2022/23 100% of our suppliers had signed our Code of Conduct. All 43 factories had a valid third-party social audit, and all of them had at least a C rating. We identified an improvement in our suppliers work with management systems to monitor and improve human rights and labour conditions. We did not see sufficient progress on reducing overtime and we saw a need to improve grievance mechanisms in the majority of factories. The details of our progress and initiatives going forward are described on the following pages.



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.

Supply Chain Due Diligence

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. In 2023 we reviewed the risk assessment and assessed our suppliers on all defined risks.

The purpose of our due diligence work 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.

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 due diligence 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.

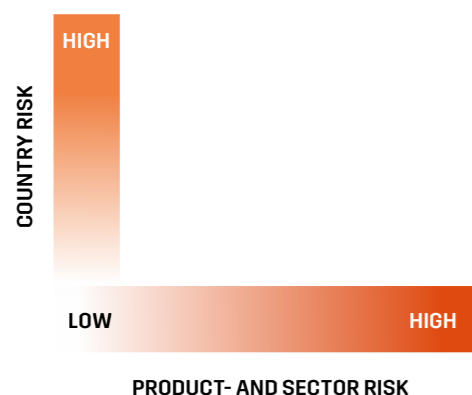
RevolutionRace has focus on forced labour and child labour risks in the cotton supply chain and on wastewater treatment by suppliers with wet-processes. Our suppliers

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 been documented and where the U.S. Uyghur Forced Labor Prevention Act prohibits import of products to the U.S. from the Xinjiang province. 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. We are concerned about abuses on freedom of association and other fundamental worker rights and recognise the serious challenges to proper due diligence as described in the report commissioned by the Ethical Trading Initiative. 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. Despite the fact that we have no direct evidence of abuses to human rights and labour conditions in our factories, the Management and the Board of Directors of RevolutionRace recognise the limitations of conducting due diligence in the country and have decided for a responsible exit from production in the country. The purchasing team of RevolutionRace has together with the supplier made a plan of moving production from Myanmar to alternative production countries.

RISK CATEGORISATION IN OUR SUPPLY CHAIN



SOCIAL AND ENVIRONMENTAL IMPACTS ASSESSED¹⁾

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	

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 <ul style="list-style-type: none"> • 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

¹⁾ 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.

Grievance mechanisms

The OECD due diligence guidance emphasizes the importance of well-working grievance mechanisms, where supply chain workers can communicate serious abuses of rights or interests and seek remedy. Workers in the factories must be knowledgeable of their rights and the grievance mechanisms must be assessable and trusted.

In The RevolutionRace Supplier Code of Conduct we require that 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 operational level grievance mechanisms, and inform their workers about their availability, functioning and purpose.

Our third-party BSCI audit verifies, if a grievance mechanism is established, and whether the factory workers are well-informed about it. In our most recent audits workers had insufficient knowledge about the grievance mechanisms in the majority of factories. This is consistent with our understanding from our factory visits during the year. We have emphasised these findings in dedicated discussions with every factory and reiterated the importance to RevolutionRace that all workers have access to and knowledge about how they can seek remedy. Recent Amfori evaluations confirm the lack of well-working grievance mechanisms. The evaluations indicate, that workers often lack trust in the mechanisms, and that they are perceived as ineffective.

In our work with the factories we will continue to emphasize the importance of grievance mechanisms, and we will require that factories join the new Speak For Change initiative from Amfori, when it is available in their country. Speak For Change is a campaign and initiative, where Amfori works for better working grievance mechanisms at the factory level and offer an international level Amfori worker grievance mechanism, that workers can use, if they do not have access to a local mechanism, or if they do not trust it.

Amfori is cooperating with a number of other recognised organisations to avoid duplication of work and benefit from scale. Amfori has just finished a first pilot in Vietnam and will work with Bangladesh, India and Turkey in 2023. It is our goal to on-board our suppliers in Vietnam and Bangladesh as soon as possible.



Onboarding and evaluation of suppliers

Onboarding of suppliers

In our Supplier Code of Conduct and in our Due Diligence Guidelines, we emphasize the importance to Revolution-Race 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.

Our onboarding process for new suppliers is defined in our Due Diligence Guidelines including risk screening, assessment and monitoring requirements. The very first step is that new suppliers sign the RevolutionRace Supplier Code of Conduct and commit to our values and continuous improvement. In 2022/23, we onboarded 10 new suppliers with 13 factories. All new suppliers have valid and good social audits. They comply with the environmental legislation in their countries and 50% had implemented solar panels to support their operations.

Supplier evaluation

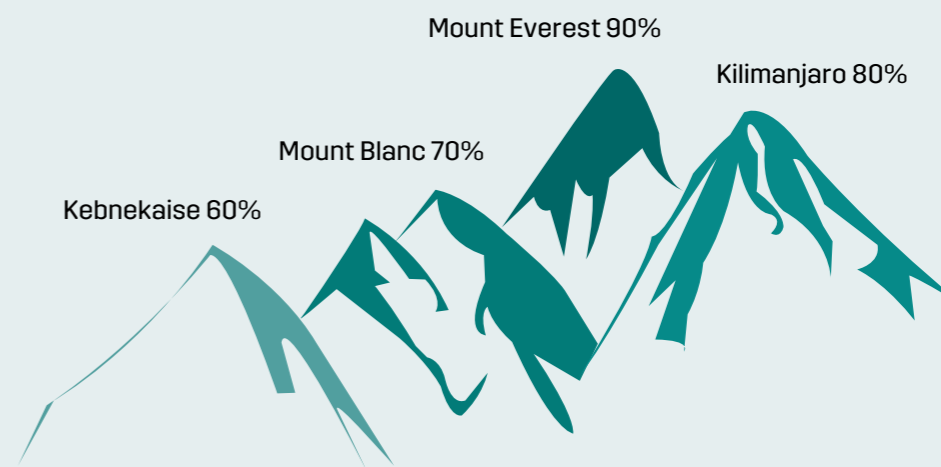
We evaluate our sewing suppliers (tier1) based on three dimensions: purchasing and design, sustainability, and logistics. Each dimension has different parameters on which the supplier is assessed after discussion within our teams. We examine external audits, visits, communication, workflows, overall processes, and product quality.

The scoring distribution is as follows: 50% for purchasing and design, 40% for sustainability, and 10% for logistics. Depending on the proportion of the total score obtained by the supplier, they are assigned different mountain peaks representing the grades. Mount Everest represent the highest grade, with at least 90% of the total score, while Kebnekaise represent the lowest mountain peak with 60%. Regardless of the mountain peak assigned, all suppliers receive an action plan to work on. Our hope is that all suppliers will develop and strive to improve.

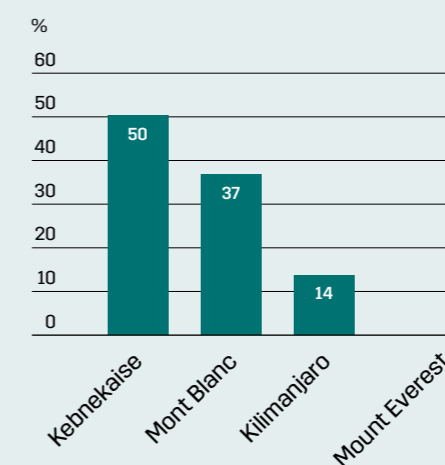
We conduct a comprehensive evaluation once a year where action plans are established. We then conduct a mid-term follow-up to monitor progress and potentially implement additional measures. A similar system will be introduced in the autumn for our material suppliers (tier2), and thereafter, we hope to extend this evaluation further back in the supply chain.



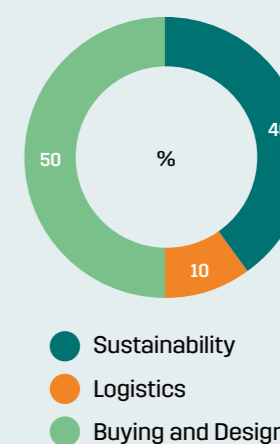
THE RESULT OF THE SUPPLIER EVALUATION IS ILLUSTRATED IN DIFFERENT MOUNTAIN TOPS



Supplier result



Score weighting (Tier 1)



Supplier assessments

It has always been our ambition to keep our supply chain simple and transparent to ensure quality and responsibility. We have worked with our largest supply chain partners since 2016. However, due to quality issues and delivery problems, that we were not able to solve together with our suppliers, we made several changes during the year and discontinued the cooperation with 6 suppliers.

In 2022/23 we worked with 33 apparel manufacturing suppliers, with 44 factories. 95 percent of our production was taking place in China, Vietnam and Myanmar. 60 percent of our fabrics were sourced from 5 fabric mills. This means we know all of our main suppliers very well.

For the past years the Covid situation made it impossible to visit most of our suppliers and for monitoring and improvement purposes we had to rely on video conferences and external audits. Since March 2022 we are able to meet our suppliers physically again, and during 2022/23 we managed to meet with 27 percent of our suppliers covering 60 percent of our volume. During the autumn planning to meet a lot more Tier 1 and Tier 2 suppliers.

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 in the illustration. In 2022/23, All 43 of factories had recently approved SA8000 or Amfori BSCI audits. In the most recent audits, 17

percent of our factories had an overall B rating. C ratings were achieved by 76 percent. A C rating is still acceptable with no major issues. 7 percent had the highest grade A.

Identifying topics for improvement

Based on the BSCI audits we spend a great deal of time understanding the social and ethical conditions in our factories and working with them to improve.

The table documents the detailed results of all recent audits. On most dimensions, our suppliers are rated “very good” and we did not have any incidences of zero-tolerance issues.

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 continued to be 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 manage-

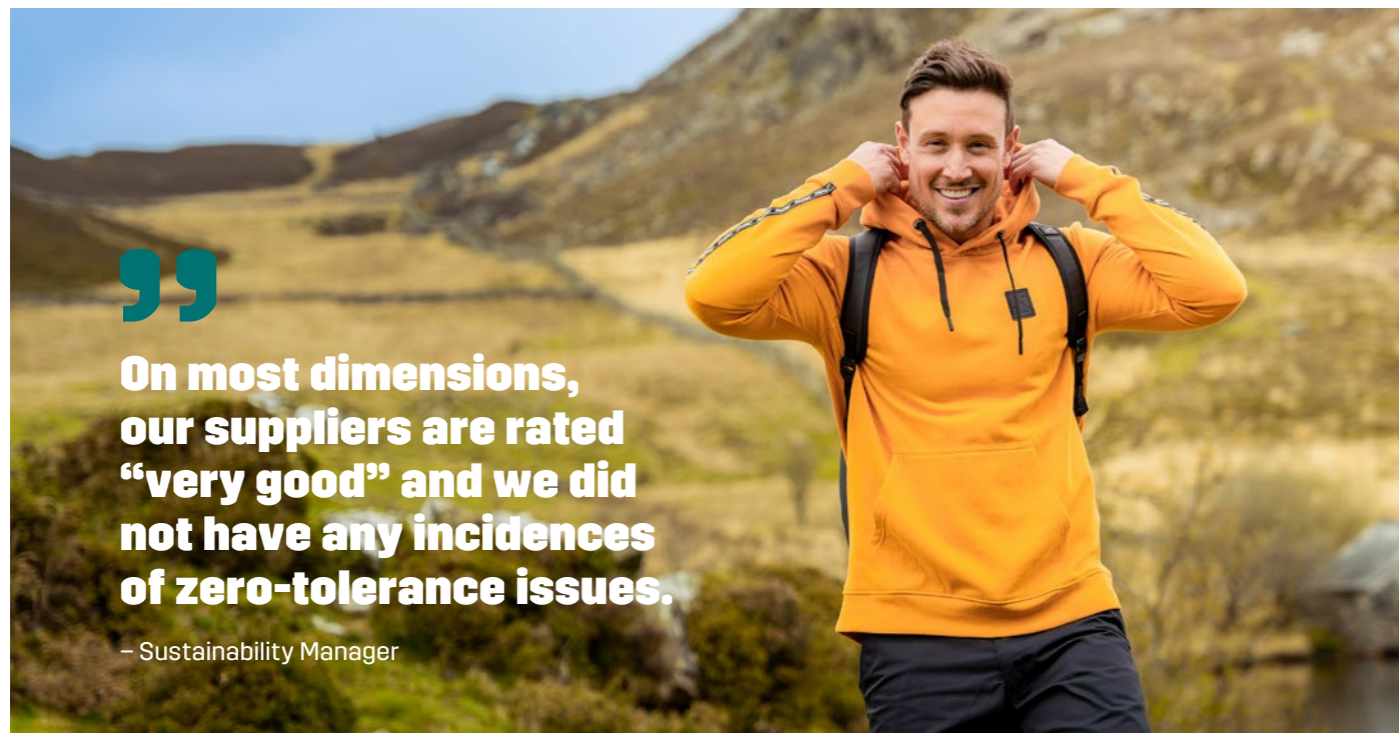
ment systems, and we did see an improvement compared to last year. In 2020/21 29% of factories had insufficient management systems. In 2022/23 it was only 15%.

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. Unfortunately, the amount of excessive overtime did not improve this year. We do try to place orders outside peak seasons, but we can still improve our purchasing practices including lead times and late changes.

Our four suppliers in Bangladesh have all implemented the measures of the International Accord including building protection and fire safety and set up health and safety committees at the factory level to address grievances related to safety. The measures within the Accord in Bangladesh, implemented through the national RMG Sustainability Council and with obligations for member companies regulated by the international Accord, encompass not only building protection and fire safety but also cross-functional complaints system that workers can use to raise complaints related to worker’s rights. All factories also have a health and safety committee to address safety-related complaints.

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 is rated on each dimension with an A for very good performance and E for unacceptable.



On most dimensions, our suppliers are rated “very good” and we did not have any incidences of zero-tolerance issues.

– Sustainability Manager

OUR SUPPLIERS’ COMPLIANCE WITH OUR CODE OF CONDUCT¹⁾

RATING	A	B	C	D	E	
Dimension, share in %	Very good	Good	Acceptable	Insufficient	Unacceptable	Zero tolerance
Social Management System & Cascade effect		10	76	15		
Workers involvement & protection	49	46	2	2		
The right of freedom of association and collective bargaining	100					
No discrimination	93		7			
Fair remuneration	49	49	2			
Decent working hours	24		10	66		
Occupational health & safety	90	5		5		
No child labour	100					
Special protection for young workers	100					
Fair working conditions	100					
No bonded labour	100					
Consideration of the environment	76	17	7			
Ethical Business Behaviour	100					

1) 41 factories with BSCI audit.

ENVIRONMENTAL RESPONSIBILITY

Our work with environmental responsibility is multi-dimensional and related to our products and materials, our logistics and our entire supply chain. Most of our targets and measures have already been described in the product chapter and in the planet chapter. Below we focus on specific targets and measures in relation to our suppliers.

Targets

Our most important target is our commitment to conducting solid due diligence in our supply chain not only related to human rights risks but also to environmental risks and throughout our supply chain.

To support this commitment we work with an additional four targets:

- All suppliers shall comply with applicable environmental legislation.
- Communication of policy and expectations to suppliers.
- Continue to roll-out Higg FEM in our Supply Chain.
- Continue to implement traceability.

Measures

We prioritise our work on environmental protection in the supply chain based on our due diligence risk screening and guidelines 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.

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. With our traceability work we systematically track the origins of our products down to the raw material.

Since 2021 we use the Higg FEM Index to collect environmental information from our suppliers. During 2022 we made the decision to increasingly focus on our dyeing mills and material suppliers, where the majority of our environmental impact takes place according to our risk screening. This means that we start applying the Higg FEM Index to our largest material suppliers. This prioritisation has also influenced our decision to become system partners of Bluesign®. Together with Bluesign®, we will work with our material suppliers to improve their environmental impact as described in detail in the product chapter.

Progress

Our audits show that all our suppliers comply with applicable environmental legislation such as impact assessment, waste management and wastewater management.

During 2022/23, we continued to work with the Higg FEM index for our largest garment suppliers and for our largest strategic dye houses and fabric mills. Instead of onboarding more garment suppliers we decided to onboard more fabric suppliers. We find the Higg 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. It is our aim to increasingly use the reported energy data as primary data in our group emission calculations for scope 3.

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, 37 percent have implemented solar energy.

We are very excited by becoming a system partner of Bluesign®. It fits exactly with our general focus on sound chemical management and with prioritisation of Tier 2 fabric suppliers to reduce the environmental impact in our supply chain. Today 11% of our materials are coming from fabric mills, that are Bluesign® System Partners.

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).

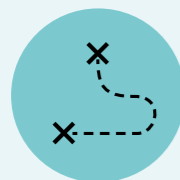
HIGG FEM INDEX

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 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:

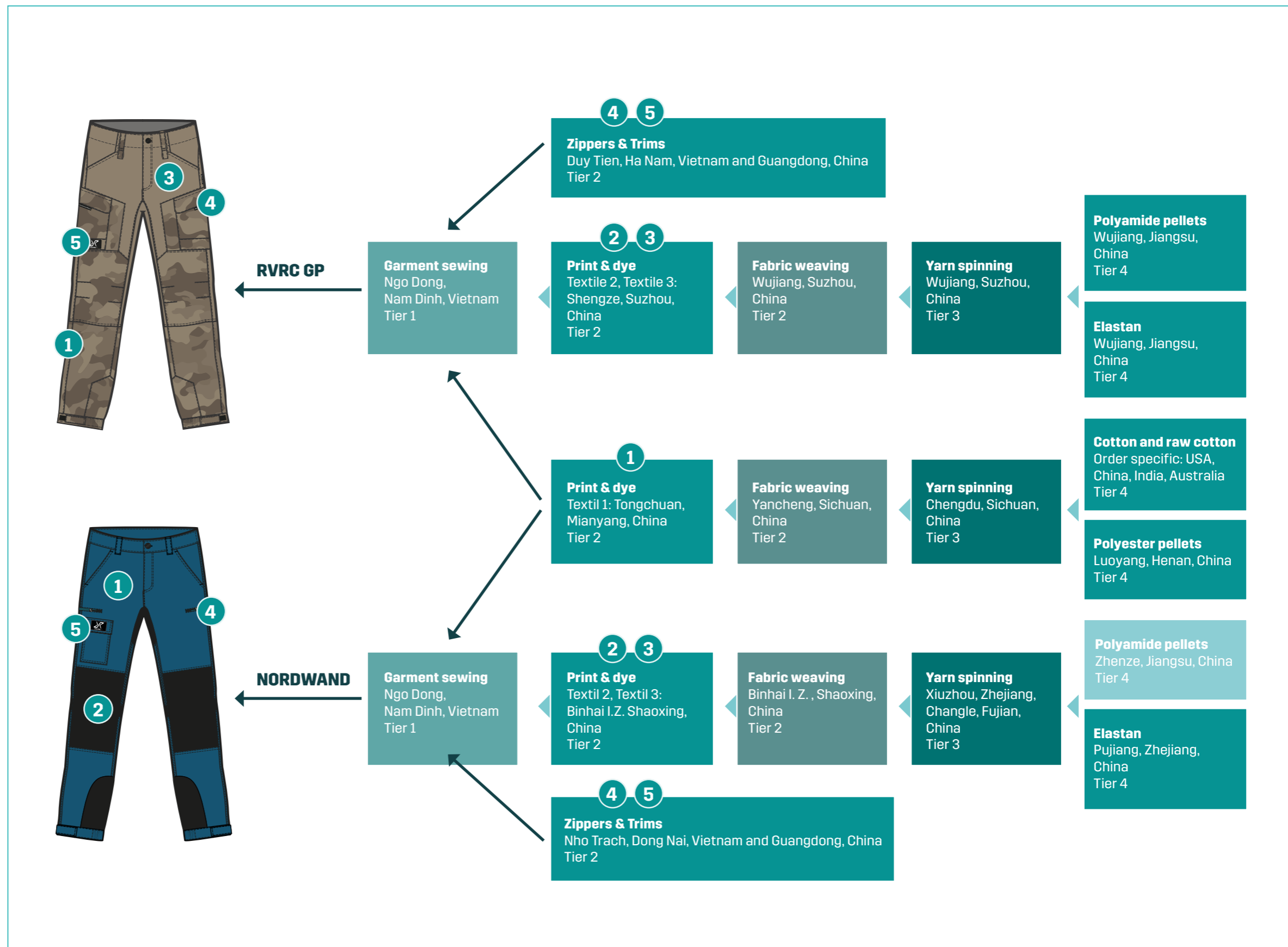
1. Environmental Management System
2. Energy/Greenhouse Gas Emissions
3. Water
4. Waste
5. Wastewater
6. Air Emissions
7. Chemicals Management



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 50).





APPENDIX

MATERIALITY ASSESSMENT AND MANAGEMENT OF MATERIAL TOPICS

During 2023 we reviewed and updated our materiality assessment from 2021. It complies with the requirements of the Swedish Annual Accounts Act and has been updated with the GRI 3: Material Topics 2021 standard and with a dual materiality perspective based on the EFRAG drafts for the future EU CSRD reporting.

As part of our ongoing due diligence and engagement with stakeholders and experts we continuously identify and assess our impacts throughout our supply chain and value chain. Upcoming applicable EU and national sustainability legislation relevant to our industry provided important input to the review as did priorities from Amfori and labour organisations. During 2023 we also conducted a sustainability survey with our customers.

For the purpose of reporting the sustainability team prioritised our most significant impacts for reporting based on the GRI recommendations. A gross list of impacts was assessed according to the significance of RevolutionRace's actual and potential impacts on economic, ethical, environmental, and social topics including human rights. All impacts were evaluated on the criteria likelihood and severity. Severity was measured on the dimensions scale, scope, and irremediable character. In the case of potential negative human rights impacts, the severity of the impact took precedence over its likelihood. The assessment was based on a broad selection of sources including academic research, current and future applicable legislation, authoritative intergovernmental instruments, OECD publications, recognised reporting standards and indexes, publications from relevant non-profit organisations and labour organisations and information and interactions with consumers, suppliers, and investors. The impacts were then grouped into larger topics. As threshold we excluded impacts scoring the lowest level on severity and being unlikely except topics with legal reporting obligations, that were included irrespective of the threshold.

The resulting prioritised material topics are shown in the table on page 55. It shows our nine most significant material topics ordered by descending impact. For each topic the detailed actual and potential negative and positive impacts are described. The table also gives a general overview of our management of each material topic. It describes if the impact occurs inside or outside our own operations, our policies and commitments, measures to mitigate risks and seize opportunities and organisational responsibility. The four dashboards in the appendix give further information on our targets, measurements and progress related to each material topic.











Our former materiality assessment included 13 material topics. The two topics on human rights and health and safety in production were consolidated into one topic on "human rights and labour conditions in the supply chain". The two topics on employee well-being and non-discrimination, diversity and equal opportunity were also consolidated into one topic on "engaged employees". "Reduction of waste in sales & logistics" and "Microfibres" were included in "Durable products and circularity of resources".

As part of the review, we also conducted a risk assessment of financial materiality for all relevant sustainability topics to include the dual materiality principle and prepare for CSRD reporting. The risk assessment was fully integrated into the general company risk management process with several management workshops in the spring of 2023 moderated and supported by external experts. The financial materiality of each sustainability topic is also described in the table.

The materiality assessment was tested with the management team and internal stakeholders and has been reviewed and approved by the board of directors in August 2023.







Materiality assessment and management of material topics

Sustainability topic (descending impact)	Impact materiality		Financial materiality		Measures to mitigate risks and seize opportunities	SDG	Responsibility
	Potential or actual negative	Potential or actual positive	Degree	Risks			
1. Human rights and labour conditions in the supply chain	Sourcing from countries and suppliers where human rights and good labour standards are insufficiently implemented e.g. Excessive overtime and health and safety in garment factories; health and safety at material suppliers; child labour and forced labour in raw material production.	Increased respect for human rights and improved working conditions through international multi-stakeholder initiatives.	Medium	Reputational Fines if not living up to due diligence legislation	Supplier Code of Conduct Supply Chain Due Diligence incl. supplier monitoring Responsible purchasing practices Amfori Membership and initiatives		Management Board Sustainability Manager drives transparency, due diligence and initiatives.
2. Climate protection	GHG emissions from energy-intensive fossil fuel based raw material and product production processes and transportation leading to global warming.	Implementation of business and production processes consuming less material and using less energy. Implementation of renewable energy throughout the supply chain avoiding emissions.	Medium	Reputational if not living up to intergovernmental agreements e.g. the Paris agreement. Fines if not living up to future GHG legislation	GHG reduction commitment GHG measurements and reduction road-map		Management Board Board of Directors signs of climate strategy & commitments. Sustainability Manager drives transparency and initiatives.
3. Durable products and circularity of resources	Apparel production and waste from overproduction, apparel with low quality or with low emotional durability leading to pollution incl. micro-fibres, pressure on natural resources and emissions	Design for durability and wear results in less pressure on materials and waste. Circular design principles, production processes and business models decreases pressure on raw materials and reduces waste.	High	Reputational Pressure on margins from unsold products	Design guidelines Quality control and chemical management Less intensive production processes: Bluesign®, Dope-Dye		Head of purchase & production Purchase Manager implements quality management. Sustainability Manager drives transparency, initiatives and Chemical Management.
4. More sustainable materials and responsible production of raw materials	Resource-intensive farming and production processes leading to soil- and water-pollution, depletion of natural resources and GHG emissions in the production of materials for garments. Irresponsible extraction of raw materials leading to biodiversity loss and unacceptable animal welfare.	Supporting sustainable material innovations and international initiatives promoting more sustainable materials, biodiversity and respect for animal welfare increases awareness, relevance and protects the environment and workers.	High	Reputational Sales loss due to insufficient quality or lack of suppliers and production opportunities.	Cooperation with fabric suppliers and production planning Sustainable materials commitment Better Cotton membership and initiatives		Head of purchase & production Purchase Manager implements targets. Sustainability Manager drives transparency and initiatives.
5. Environmental protection in the supply chain incl. responsible handling of chemicals and water in production	Production processes with unsustainable chemical management and waste water management polluting the environment and local communities. Water consumption in raw material production and water-intensive dyeing processes leading to freshwater scarcity in waterstressed areas.	Supporting sustainable production processes and international initiatives to reduce water consumption and manage and eliminate harmful substances in production.	Low	Higher operational costs	Supplier Code of Conduct Supply Chain Due Diligence incl. supplier monitoring Bluesign® Partnership and initiatives		Head of purchase & production Sustainability Manager drives transparency, initiatives and Chemical Management.
6. Engaged employees	Discrimination, harassment or unequal treatment of employees challenging labour conditions and policies.	High standards of diversity, inclusion, equality and development opportunities supporting awareness of the topics and leading to employee well-being.	Medium	Inability to recruit and retain employees Lower employee motivation	Diversity policy Training of leadership Employee Satisfaction Survey	 	Management Board HR Manager defines and drives initiatives.
7. Safe products	Products containing chemical substances with safety risks to consumers. Violations of applicable chemical legislation.	Supporting recognised initiatives to increase awareness and reduce health risks from chemical hazards.	High	Regulatory violations and fines if not living up to legislation e.g REACH. Sales loss from recall of products.	Product risk assessment and ban on PFCs Product compliance tests and third party certifications (OEKO-Tex 100) Bluesign® Partnership and initiatives		Head of purchase & production Purchase Manager implements product safety management.
8. Data protection	Data privacy violation of individual consumers, employees, suppliers	No violations of data privacy due to high compliance standards.	Low	Fines if not living up to legislation	Data privacy policy and Information Security Policy Mandatory training of employees Clear guidelines on Information Management and Incident Management		CTO
9. Ethical behavior and governance	Corruption and bribery obstructing development through private favours and illegal gains instead of public welfare and market competition.	Supporting awareness of corruption and participating in multi-stakeholder initiatives working towards reduction of corruption.	Low	Fines if not living up to legislation	Code of Conduct and Supplier Code of Conduct Corruption and Anti-Bribery instruction Supply Chain Due Diligence Mandatory training of employees Amfori membership and initiatives		CEO


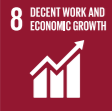
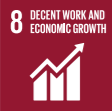
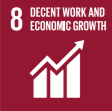
OUR PRODUCT – DASHBOARD

- 🎯 On track
- We want to do better

			OUR ACHIEVEMENTS				
SUSTAINABILITY TOPIC & SDG	STRATEGY	KPIs	2020/21	2021/22	2022/23	STATUS	OUR PROMISE FOR THE FUTURE
Durable products and circularity of resources 	Limit environmental impact by producing what we can sell to customers	Overproduction, %	1.0	0.6	0.3	🎯	Keep overproduction below 3%.
	Meet or exceed customer expectations	Number of reviews, #	274,000	390,000	500,000	🎯	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 product satisfaction.
		Customer service average satisfaction, %	90	87	90	🎯	Stay close to 93% customer service satisfaction.
		Systematically test products on defined quality criteria	Pass rate quality tests incl. reworks, %	100	100	99.7	🎯
	Help customers to extend product life and reduce environmental impact	Products with life care labels, %	—	100 from 2022	100	🎯	100% of products with life care labels by 2023.
		Repair-kits	—	—	Launch fall 2023	🎯	Encourage customers to repair.
More sustainable materials and responsible production of raw materials  	Never use real fur and only use certified animal fibres	Real fur in products, %	0.0	0.0	0.0	🎯	0.0% real fur in our products.
		Certified animal fibres in products, %	100	100	100	🎯	100% certified animal fibres in our products.
	Reduce environmental impact and protect biodiversity through sourcing of more sustainable materials	Share of more sustainable sourced polyester and polyamid, %	Launch of GP Pants	—	14% Polyester 40% Polyamide	○	At least 50% of all polyester and polyamide to be sourced from more sustainable alternatives by 2025 including recycled, bio-based and Bluesign®.
		Share of more sustainable sourced cotton, %	—	—	Majority of cotton to sourced as Better Cotton from Autumn 2023	○	100% of cotton to be sourced from more sustainable alternatives by 2025 including organic, Better Cotton and recycled.
		Initiatives to reduce potential micro-fibre shedding from products	—	First initiatives identified	Part of Bluesign® initiatives	○	Follow ongoing research on micro-fibres and implement advice to reduce micro-fibre shedding e.g. filters at dye-house, microfibrer test.
	Increase use of more sustainable packaging	Recycled plastic, %	First transparency	54	72	○	100% of plastic packaging to be of recycled or biobased material by 2025.
		Recycled or FSC certified cardboard, %	First transparency	5	74	○	100% of cardboard to be or recycled material or FSC certified by 2025.
Safe products 	Never use PFCs in durable wet treatment (DWT)	Products with PFCs, %	0	0	0	🎯	0 products with PFC treatments.
	Ensure that products do not contain restricted substances	Systematically test our products for hazardous chemicals (RSL), %	Test of new products and random test of running products	100	100 (334 chemical tests)	🎯	Implement digital management and monitoring of chemical RSL for 100% of suppliers by 2023.
		Onboarding of our suppliers into the digital chemical management system, %	—	42	100	🎯	Implement digital management and monitoring of chemical RSL for 100% of suppliers by 2024.
		OEKO-Tex 100 certified materials, share %	Not measured	90	98	🎯	All apparel should be OEKO-Tex 100 certified or from Bluesign® certified suppliers.



OUR PEOPLE – DASHBOARD

- 🎯 On track
- We want to do better

			OUR ACHIEVEMENTS					
SUSTAINABILITY TOPIC & SDG	STRATEGY	KPIs	2020/21	2021/22	2022/23	STATUS	OUR PROMISE FOR THE FUTURE	
Engaged employees  	Advocate for diversity and equal opportunities in our organisation	Women in management, %	33	33	40	🎯	Seek balance between men and women in leadership positions.	
		Women on the Board of Directors, %	29	29	40			
		Women in middle management, %	57	79	68			
	Promote a culture of non-harassment and inclusion	Number of reported cases prevailing at year end, #	0	0	0	🎯	No reported unresolved cases at year end.	
		Support employees in their on-boarding and individual development	Employees with annual review, %	100	100	100	🎯	All employees shall have an annual appraisal review. All new hires shall participate in on-boarding program.
	Ensure compliance and build knowledge by training employees in our policies and guidelines	New hires participating in on-boarding, %	Employees trained in defined policies, %	100	100	100	🎯	Train all our employees in our policies and sustainability topics.
			Digital Security	Digital Security	Supply Chain DD			
	Continuously work with initiatives for our employees to feel well at work	Average absence days, #	10	3	3	🎯	Keep absence days low.	
eNPS (employee Net Promoter Score)		—	33	15	○	Target eNPS (employee Net Promoter Score) of 35.		
Engagement		—	76	79	🎯	Engagement of 80 by 2023.		
Ethical behavior and governance 	Reduce the risk of corruption through increased employee knowledge	Employees trained in anti-corruption, %	—	—	100	🎯	All employees shall participate in anti-corruption training.	
Data protection 	Ensure proper handling of personal data	Employees trained in data privacy and security, %	100	100	100	🎯	All employees shall participate in data privacy and security training.	


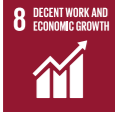

OUR PLANET – DASHBOARD

 **On track**
 **We want to do better**

			OUR ACHIEVEMENTS				
SUSTAINABILITY TOPIC & SDG	STRATEGY	KPIs	2020/21	2021/22	2022/23	STATUS	OUR PROMISE FOR THE FUTURE
Climate protection 	Continuously reduce our emissions	Scope 1+2, tons CO ₂ e	17	6	6	🎯	50% reduction of scope 1+2 by 2030.
		Scope 3, tons CO ₂ e	16,479	23,153	13,736		
		Total emissions, tons CO ₂ e	16,492	23,159	13,742	🎯	40% reduction relative to net sales by 2030.
		Tons CO ₂ e / Net Sales SEKm	17.3	17.4	8.8		
	Increase use of renewable electricity in own operations	Renewable electricity, %	50	100	100	🎯	100% renewable electricity in own operations.
	Prioritise sea and rail over air transport	Air transport, %	36	11	0.2	🎯	Implement air transportation as an exception.
	Work with suppliers to increase use of renewable energy in operations	Garment manufacturers implementing renewable energy, %			37	○	Continuously increase production with garment manufacturers implementing renewable energy.
Material suppliers implementing renewable energy, %				30	○	Continuously increase production with material suppliers implementing renewable energy.	
Water use 	Understand and reduce water impact	Share of material suppliers located in waterstress areas, %			100	○	Implement methods to reduce freshwater use.
		Freshwater usage per kilo textile dyeing & finishing (L/KG)			New measure	○	Measure freshwater use and Implement methods to reduce consumption.

OUR SUPPLY CHAIN – DASHBOARD

🎯 On track
 ○ We want to do better

			OUR ACHIEVEMENTS				
SUSTAINABILITY TOPIC & SDG	STRATEGY	KPI ^s	2020/21	2021/22	2022/23	STATUS	OUR PROMISE FOR THE FUTURE
Human rights and labour conditions in the supply chain  	Work with suppliers committed to comply with our supplier Code of Conduct	Suppliers that have signed our Code of Conduct, %	96	97	100	🎯	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, %	86	97	100	🎯	100% of suppliers with good BSCI audit (or equivalent) by 2023.
		Volume covered by audited suppliers, %	98	99	100		
	Support and encourage suppliers to improve on social conditions with insufficient compliance	Social principles where our suppliers have at least "acceptable" compliance, #	9 of 10	9 of 10	9 of 10	○	Support suppliers in reducing overtime and improving monitoring social condition of their sub-suppliers.
		Social principles with "insufficient" compliance	Working hours (18 factories)	Working hours (22 factories)	Working hours (27 factories)		
	Support establishment of well-working grievance mechanisms for workers	Number of zero tolerance issues prevailing at year end, #	0	0	0	🎯	No zero tolerance issues prevailing at year end.
		Yearly follow-up of supplier grievance mechanism, % factories	New measure	New measure	100	○	Yearly follow-up meeting with all suppliers on workings of grievance mechanism.
Implementation of Amfori "Speak for Change" in countries where possible, %			New measure	New measure	New measure	○	All suppliers should implement Amfori "speak for change" when available in country.
Environmental protection in the supply chain incl. responsible handling of chemicals and water in production 	Continuously increase transparency in our supply chain on environmental impact	Suppliers reporting on RVRC environmental transparency, %	80	80	100	🎯	All garment suppliers and fabric suppliers should report on environmental impact and initiatives through RevolutionRace reporting or the Higg Index.
		Suppliers using Higg FEM index, %	—	34% factories 50% fabric suppliers ¹⁾	42% factories 33% fabric suppliers		
	Ensure that our suppliers meet fundamental environmental legislation	Suppliers have at least "acceptable" compliance in BSCI audit "consideration of the environment"	100	100	100	🎯	All suppliers shall comply with applicable environmental legislation such as permits, impact assessment, waste management, waste water management.
	Implement best practice chemical management	Suppliers that are Bluesign® partners, %	New measure	New measure	14	○	Increase share of suppliers that is Bluesign® Partners.
Traceability	Trace our core products throughout the supply chain	Traceability on core products	—	Nordwand and GP products	Nordwand and GP products	🎯	Full traceability on core products.

1) Räkntat på tillverkande volym.

MATERIAL TOPICS, GRI STANDARD AND DISCLOSURES, IMPACT BOUNDARIES

Material Topic	GRI Standard or other disclosure	Impact in own operations	Impact outside own operations
Human rights and labour conditions in the supply chain	403: Occupational health and safety		Suppliers
	407: Freedom of association and collective bargaining		Suppliers
	408: Child labor		Suppliers
	409: Forced or compulsory labor Suppliers		Suppliers
	412: Human rights assessment		Suppliers
	414: Supplier social assessment		Suppliers
Climate protection	302: Energy	Own operations	Suppliers
	305: Emissions	Own operations	Suppliers
	308: Supplier environmental assessment		Suppliers
Durable products and circularity of resources	301: Materials	Own operations	Suppliers
	Own measure: Customer satisfaction	Own operations	Customers
	Own measure: Quality test results	Own operations	Suppliers
	Own measure: Overproduction	Own operations	
More sustainable materials and sustainable production of raw materials	301: Materials	Own operations	Suppliers
Environmental responsibility in the supply chain incl. responsible chemical management and water in production.	308: Supplier environmental assessment		Suppliers
Engaged employees	401: Employment	Own operations	
	404: Training and education	Own operations	
	405: Diversity and equal opportunity	Own operations	Suppliers
	406: Nondiscrimination	Own operations	Suppliers
Safe products	416: Customer health and safety	Own operations	Customers, suppliers
Data protection	418: Customer integrity	Own operations	Customers
Ethical behavior and governance	205: Anti-corruption	Own operations	Suppliers

GRI-INDEX

Statement of use	RevolutionRace has reported in accordance with the GRI Standards for the period from 1 July 2022 to 30 June 2023.
GRI used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None applicable

GRI Standard	Disclosure	Page #	Comments and omissions
GRI 2: GENERAL DISCLOSURES 2021			
	2-1 Organizational details	5, 65–66	
	2-2 Entities included in the organization's sustainability reporting	5	
	2-3 Reporting period frequency and contact point	5, 66	
	2-4 Restatements of information		Not applicable. No changes.
	2-5 External assurance	5, 65	
	2-6 Activities, value chain and other business relationships	5–6, 18, 45	
	2-7 Employees	30	
	2-8 Workers who are not employees		Not applicable.
	2-9 Governance structure and composition	Annual Report 29–31	
	2-10 Nomination and selection of the highest governance body	Annual Report 29–30	
	2-11 Chair of the highest governance body	Annual Report 33	
	2-12 Role of the highest governance body in overseeing the management of impacts	14	
	2-13 Delegation of responsibility for managing impacts	14, 55	
	2-14 Role of the highest governance body in sustainability reporting	5, 45	
	2-15 Conflicts of interest	Annual Report 33	
	2-16 Communication of critical concerns	14	
	2-17 Collective knowledge of the highest governance body	14, Annual Report 33	
	2-18 Evaluation of the performance of the highest governance body	Annual Report 31	
	2-19 Remuneration policies	Annual Report 28	
	2-20 Process to determine remuneration	Annual Report 28, 31	
	2-21 Annual total compensation ratio		Not available.
	2-22 Statement on sustainable development strategy	4	
	2-23 Policy commitments	13–14, 38, 45, 47	
	2-24 Embedding policy commitments	13–14, 38, 45, 47, 55	
	2-25 Processes to remediate negative impacts	13–14, 38, 45, 47, 48, 55	
	2-26 Mechanisms for seeking advice and raising concerns	15, 30, 48	
	2-27 Compliance with laws and regulations		No known breaches during the year.
	2-28 Membership associations	16	
	2-29 Approach to stakeholder engagement	14, 54	
	2-30 Collective bargaining agreements		All employees are working in the Headquarter in Borås, Sweden and covered by national agreements.

Material topics

GRI Standard	Disclosure	Page #	Comments and omissions
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13–14, 54	
	3-2 List of material topics	55, 60	
200-series (Economic topics)			
ANTI-CORRUPTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 55, 57	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	15	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.
	205-2 Communication and training about anti-corruption policies and procedures	15, 55, 57	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 during 2022/23.
	205-3 Confirmed incidents of corruption and actions taken		In the financial year there were no confirmed incidents of corruption.
300-series (Environmental topics)			
MATERIALS			
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 55, 56	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	26	
	301-2 Recycled input materials used	56	
ENERGY			
GRI 3: Material Topics 2021	3-3 Management of material topics	38, 55, 58	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	40	RevolutionRace discloses energy consumption in MWh. One MWh corresponds to 3.6 GJ.
	302-4 Reduction of energy consumption	40	
EMISSIONS			
GRI 3: Material Topics 2021	3-3 Management of material topics	38, 55, 58	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40	
	305-2 Energy indirect (Scope 2) GHG emissions	40	Location-based emission scope 2 = 5 tons CO ₂ e.
	305-3 Other indirect (Scope 3) GHG emissions	40	
	305-4 GHG emissions intensity	40	
	305-5 Reduction of GHG emissions	40–41, 58	
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	51, 55, 59	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.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	49	100%
	308-2 Negative environmental impacts in the supply chain and actions taken	39–43, 51	

GRI Standard	Disclosure	Page #	Comments and omissions																																							
400-series (Social topics)																																										
EMPLOYMENT																																										
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 55, 57	Employment at suppliers under GRI 414: Supplier social assessment																																							
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	30	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">New employees</th> <th colspan="2">Churn</th> </tr> <tr> <th>FTE</th> <th>%</th> <th>FTE</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Women</td> <td>24</td> <td>27</td> <td>17.2</td> <td>19</td> </tr> <tr> <td>Men</td> <td>13.68</td> <td>37</td> <td>10.62</td> <td>29</td> </tr> <tr> <td><30</td> <td>17.68</td> <td>30</td> <td>18.3</td> <td>31</td> </tr> <tr> <td>30-40</td> <td>10</td> <td>22</td> <td>5.52</td> <td>12</td> </tr> <tr> <td>40-50</td> <td>6</td> <td>48</td> <td>3</td> <td>24</td> </tr> <tr> <td>50-60</td> <td>4</td> <td>72</td> <td>1</td> <td>11</td> </tr> </tbody> </table>		New employees		Churn		FTE	%	FTE	%	Women	24	27	17.2	19	Men	13.68	37	10.62	29	<30	17.68	30	18.3	31	30-40	10	22	5.52	12	40-50	6	48	3	24	50-60	4	72	1	11
					New employees		Churn																																			
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			30-40	10	22	5.52	12																																			
			40-50	6	48	3	24																																			
50-60	4	72	1	11																																						
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	30																																									
401-3 Parental leave		Ten employees, nine women and one man.																																								
TRAINING AND EDUCATION																																										
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 55, 57																																								
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		10 hours per year and employee.																																							
	404-3 Percentage of employees receiving regular performance and career development reviews	57	100%																																							
DIVERSITY AND EQUAL OPPORTUNITY																																										
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 55, 57																																								
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	30	Board of Directors: Age 30-40 is 20%, age 40-50 is 60%, age 50-60 is 20%. Group Management: Age 30-40 is 40%, age 40-50 is 40%, age 50-60 is 20%.																																							
	405-2 Ratio of basic salary and remuneration of women to men		Not applicable. Salaries are based on the qualifications of employees.																																							
NON-DISCRIMINATION																																										
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 55, 57																																								
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		In the financial year there were no incidents of discrimination reported.																																							
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING																																										
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 55, 57																																								
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		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.																																							
CHILD LABOUR																																										
GRI 3: Material Topics 2021	3-3 Management of material topics	45, 55, 59																																								
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	45	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. In 2021/22 we had a special focus on increasing transparency in our chinese supply chain. Our suppliers communicate their sub-contractors of every order.																																							

GRI Standard	Disclosure	Page #	Comments and omissions
FORCED OR COMPULSORY LABOR			
GRI 3: Material Topics 2021	3-3 Management of material topics	45, 55, 59	
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	45	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.
HUMAN RIGHTS ASSESSMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	45, 55, 59	
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	47, 50	
SUPPLIER SOCIAL ASSESSMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	45, 55, 59	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	49	
	414-2 Negative social impacts in the supply chain and actions taken	45-46	
CUSTOMER HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3 Management of material topics	27, 55	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	27	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		In the financial year there were no incidents of non-compliance.
CUSTOMER PRIVACY			
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 15, 57	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	15	In the financial year there were no breaches of customer privacy or losses of customer data.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY STATEMENT

To the general meeting of the shareholders of RVRC 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 2022-07-01-2023-06-30 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.

Gothenbyrg 17 October 2023
Ernst & Young AB

Andreas Mast
Authorised Public Accountant



RVRC Holding AB (publ)
Nils Jakobssonsgatan 5D, SE-504 30 Borås, Sweden
corporate.revolutionrace.com

Contact

Stephanie Andersson
Sustainability Manager
stephanie@revolutionrace.se