



 rotovia

Sustainability Report 2023

Message from the CEO

Dear stakeholders

I am honored to present our inaugural ESG report, providing insights into our sustainability journey and milestones achieved in 2023. As a rotational moulding company, we are committed to reducing our environmental and social impact and promoting sustainable practices in our industry.

The rotomoulding industry is a niche market within the plastics industry consuming less than 0,5% of polymers globally or approximately 2 million metric tons annually. The industry, in general produces long-lasting durable products that in many cases are replacing steel, fiberglass, corrugated/paper-based and non-durable plastic products.

Today, the main energy source for the rotomoulding industry is fossil fuels, such as oil, diesel, propane, and natural gas. Based on our experience, it's estimated that the total CO2 emissions (scope 1 & scope 2) from the aggregate rotomoulding industry, approximates 1,9 million metric tons accounting for 0,005% of the total CO2 global emissions. However, despite rotational moulding not being a large emitter, we must focus on reducing our carbon footprint as an industry. At Rotovia, we want to be a role model and lead our industry. For us, sustainability is not just a buzzword, but a core value that drives our business strategy and operations.

Our sustainability strategy is centered around three key pillars: reduce, reuse and recycle.

We are developing several initiatives and have set ambitious KPIs to reduce the weight of our products, reduce the use of fossil fuel energy and reduce the waste generated by our operations. Our products, generally speaking, are continuously reused and their lifetime is measured in decades rather than years. At the end of a product's life, we recycle it and reuse the material to create a new product; this is circularity. While we are in the embryonic stage moving from a linear economy to a circular version, our intentions are clear, pure and authentic.

To focus our sustainability journey, we must align with the United Nations' Sustainable Development Goals (SDGs) and based on our core businesses, we have chosen to focus especially on eight of these initiatives as areas where we can make a difference. The emergence of new EU sustainability regulation will also play a role in moving forward our sustainability agenda, and we are committed complying with new regulatory frameworks such as the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD)

At Rotovia, we believe that sustainability is a shared responsibility. We are committed to working with our stakeholders to create a more sustainable future for all. We hope this report will serve as a testament to our commitment to sustainability and inspire others to join us on this important journey.



Daði Valdimarsson, CEO of Rotovia



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1. About the Report

About the Report

Rotovia publishes a sustainability report for the first time in accordance with the company's increased focus on sustainability. The report addresses key aspects of sustainability and is structured in accordance with Icelandic law and requirements for non-financial factors according to article 66.d Act no. 3/2006 on annual accounts.

The report addresses key aspects of sustainability and is constructed in accordance with environmental, social, and governance (ESG) criteria and is based on the Global Reporting Initiative (GRI) standard, as well as linking operations to the UN SDGs.

Ahead is the implementation of new European regulations in the field of sustainability, including the CSRD (Corporate Sustainability Reporting Directive) which will introduce a new sustainability reporting standard (European Sustainability Reporting Standards) as well as the EU Taxonomy regulation which came into effect in 2023 in Iceland. Rotovia's disclosures will take these into account in the coming years.

Rotovia has set an ambitious sustainability strategy until 2028, and this report is intended to give an overview of Rotovia's operations and the company's performance based on key ESG factors.

This report is intended to demonstrate Rotovia's sustainability in terms of its environmental and social impacts, both directly from operations and through its value chain. The company wants to have a positive impact on the community and environment and contribute to a good workplace where everyone has equal opportunities to grow and thrive while demonstrating transparent and robust governance.

The information in the report pertains to Rotovia and its subsidiaries. Rotovia's financial year is from October 1 to September 30. This report covers the period 2022 - 2023, and all figures and metrics in the report are presented to the best of our knowledge.

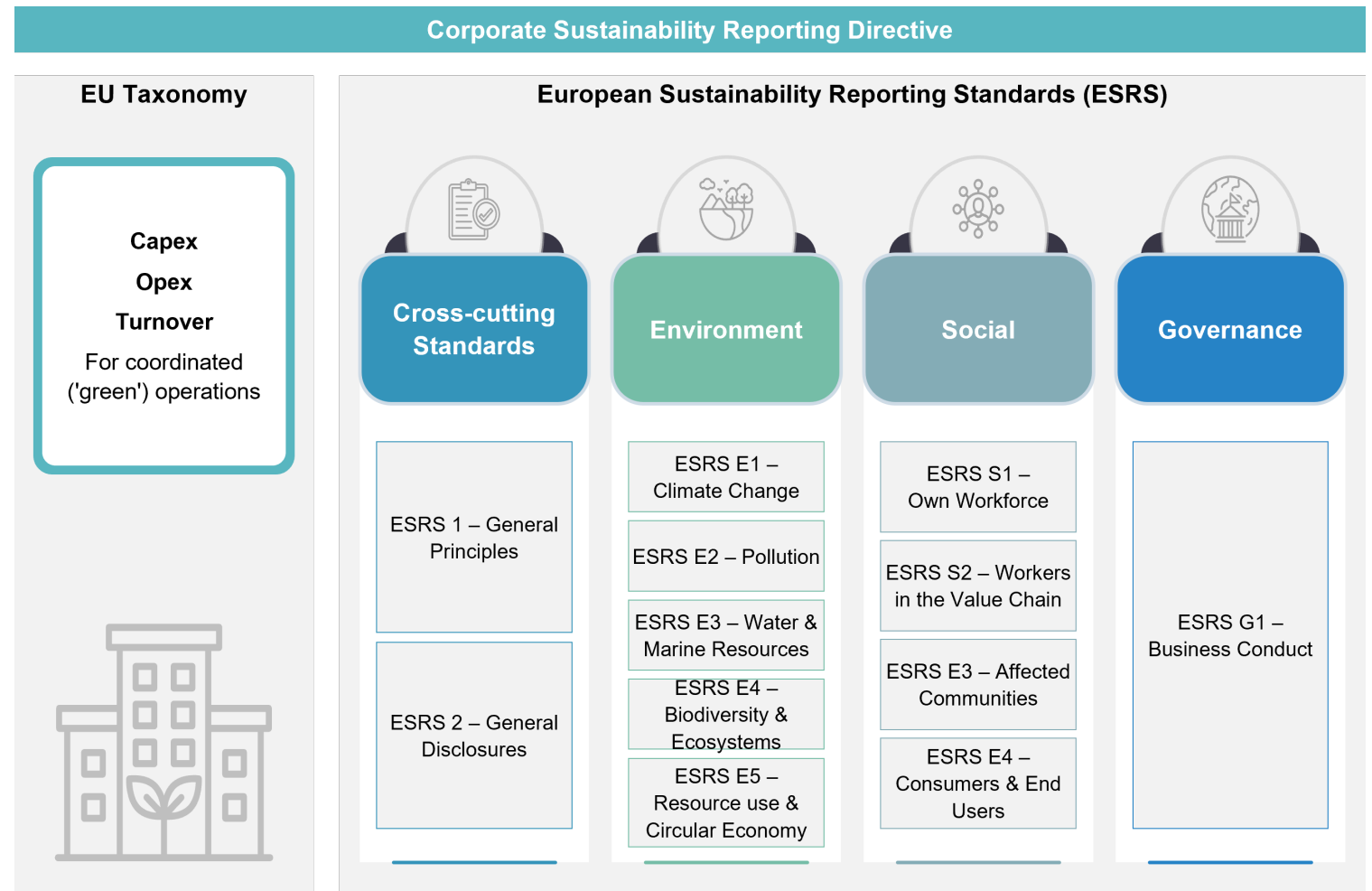
Contact person for information for this report is Kristín Magnúsdóttir, VP Finance & IT.

New sustainability regulation comes into play in 2024

Rotovia is preparing to implement new European regulations regarding sustainability and climate matters, namely the EU Taxonomy and Corporate Sustainability Reporting Directive (CSRD), accompanied by the new European Sustainability Reporting Standard. This implementation aligns with Rotovia's sustainability strategy and commitment to taking decisive action on environmental and social issues.

The EU Taxonomy serves as a guide for businesses and investors to determine whether a company's activities align with the EU's environmental objectives, based on turnover, investment expenses, and operating costs. For activities to be considered environmentally sustainable, they must contribute to at least one of the regulation's six environmental objectives without causing harm to the others, and they must comply with minimum safeguard measures.

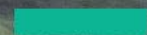
Rotovia will soon commence the implementation of these regulations, which will include conducting a double materiality analysis, gap analysis, updating the company's policies, and setting measurable goals for a more sustainable future. The company's sustainability report for 2023 aims to prepare for Rotovia's increased transparency in this area and will continue to evolve to meet the requirements.



2. About Rotovia



We are Rotovia



A new company
ready for
the future

GROW

We are doing very well and we will get even better

SUSTAIN

We will be part of the circular economy and use recycled materials

THRIVE

You are our greatest value, your well-being is our top priority

About Rotovia

The leading international rotomoulder

Rotovia is an international rotomoulding company with a 50+ year history as leader in the plastic manufacturing industry. With a rich heritage and a wealth of experience, the company has been producing high-quality, durable rotomoulded products for half a century.

With a focus on innovation and sustainability, the company aim to set the standard in the industry, always striving to produce better products while reducing its impact on the environment.

Rotovia has an international presence, with facilities in multiple countries, serving customers in diverse markets. With a strong focus on customer satisfaction, it provides exceptional customer service and support, ensuring that its clients receive the best possible experience.

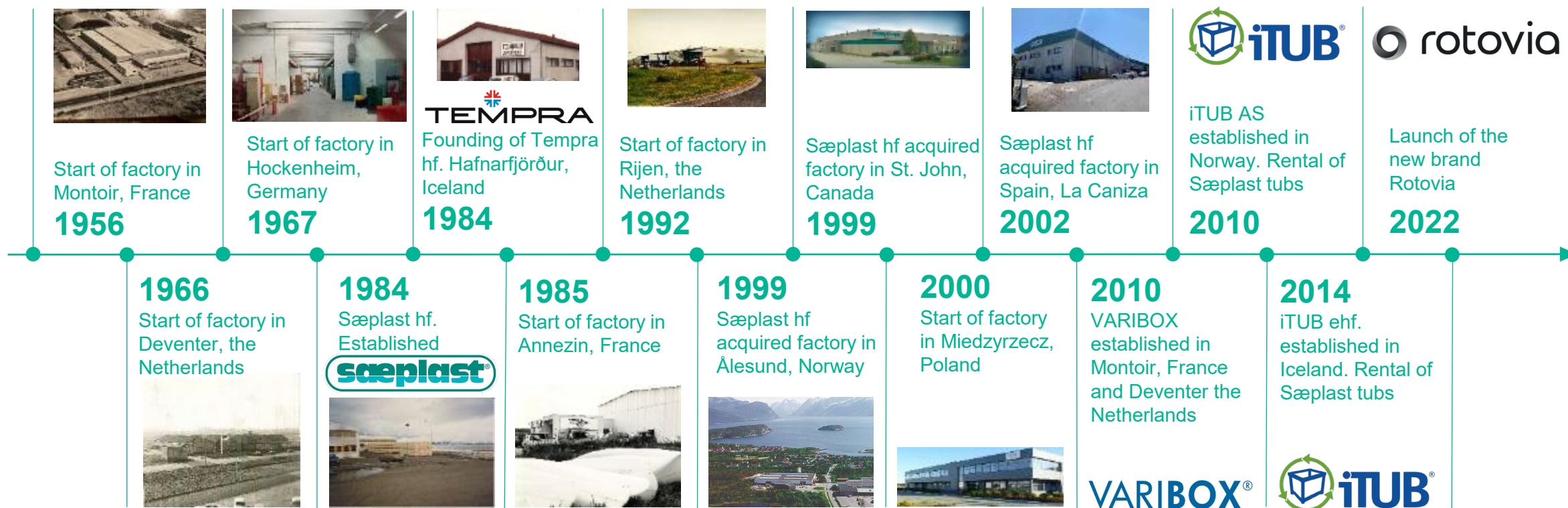
Having an international presence is extremely important for Rotovia as a rotomoulding business. By having multiple markets, they as a rotomoulding business can diversify their customer base and reduce its dependence on any one market or region. This not only provides a safety net in case of economic challenges but also allow them to tap into new and untapped markets that have potential growth.

Additionally, being able to operate in different countries provides a company with the ability to learn about new technologies, materials, and techniques, improving the overall competitiveness of the business. Establishing a strong reputation and brand recognition in new markets can also lead to future opportunities and growth. Lastly, by having a presence in multiple countries, rotomoulding businesses can better serve their customers international and meet the demand for their products.

An international footprint is a key factor in ensuring long-term success and sustainability for rotomoulding businesses.

Our heritage

Rotovia is a leading international manufacturer with a 50+ year heritage



International rotomoulding company

10 manufacturing sites

50+ years of experience

Rotovia has a strong international footprint

10 manufacturing sites in 7 countries

Wide sales office network

Over 750 employees

142,5 m€ turnover

Processing around 16,636 MT

More than 60 rotational moulding machines

Custom moulding

Proprietary products

Renting & sales

10 sites

50+ years



Our brands



iTUB[®]



VARIBOX[®]

TEMPRA

Share

We share our knowledge

Care

We care for our people and planet

Can do

Make sustainability happen



Our mission

Empowering customers by producing premium sustainable solutions

Our mission is rooted in our values

Our values

We Share our knowledge
We believe that shared success is achieved through the collective effort of all stakeholders, including employees, customers, and partners.

We Care for our people and planet











Our value care is at the heart of our business, driving our commitment to provide exceptional solutions and services while prioritizing the well-being of our customers, employees, and the environment.

We Can make sustainability happen

Our core value can do emphasizes a proactive and solution-focused approach to our business. It encourages our employees to tackle challenges with a positive attitude and a willingness to take on new responsibilities.

Our businesses

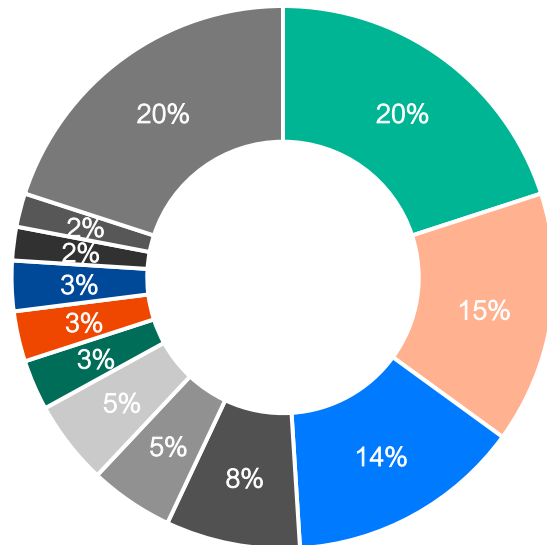
Our mission is empowering customers by producing premium & sustainable solutions

<p>BRANDS</p>					
<p>PROCESS</p>	<p>Rotational moulding</p>			<p>EPS expansion</p>	
<p>MARKETS</p>	<p>Renewable Energy Leisure Agriculture Construction & Building Vehicles</p>	<p>Chemicals Detergents</p>	<p>Food (fish & meat)</p>		
<p>PRODUCTS</p>	<p>Custom made products</p> 		<p>Reusable & recyclable packaging</p> 		<p>Isolating packaging & construction</p> 

Rotovia operates and serves customers globally

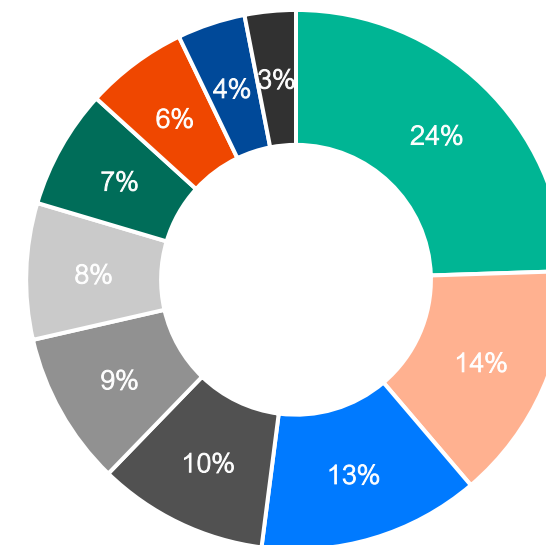
Half of our customers are operating in food related industries, a significant and growing industry

Sales by destination



- France
- US
- Poland
- Germany
- Canada
- Belgium
- Iceland
- Norway
- Spain
- Netherlands
- Denmark
- Other


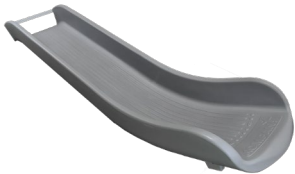






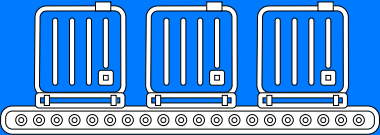
Sales by segment



- Fish
- Building and constr.
- Meat
- Renewable energy
- Agri
- Recreational
- Chemical
- Comm. vehicles
- Others
- Environment

Custom Moulding

We empower our customers by bringing their idea to life!

MARKETS	RENEWABLE ENERGY	LEISURE	AGRICULTURE	CONSTRUCTION & BUILDING	VEHICLES
SEGMENTS	Wind Energy Hydro Energy Solar Energy	Boats Caravan & Campers Coolers Playground	Tractors Seeders Sprayers Harvesters	Cranes Excavators Loaders Mobile Compressors	Buses Trains Trucks
PRODUCTION PROCESS	Rotational moulding				
PRODUCT EXAMPLES					
LET'S BRING YOUR IDEA TO LIFE	 Provide your idea	 We create your moulds	 Validate your product	 We start serial production	

Innovation at Rotovia

Sustainability at the core of innovation at Rotovia

Rotomoulding process

Generating a sustainable future requires sustainable products. From material preparation to finishing and assembling, the moulding process takes place in six different steps; material preparation, loading, sintering, cooling, de-moulding and finishing & assembling.

Our mission – the sharing, caring, can-do spirit – also shines through in our working method and process. We do the work, you bring your idea to life!

The core of Rotovia's innovation is developing new products that have a positive impact in terms of sustainability.



Innovation at Rotovia

Log Coffin - Patented & Reusable Material Handling PE Container

The Sæplast DMPC1450 Meat Log Container is designed for West Liberty Foods (WLF) in Iowa, USA. In 2012, West Liberty Foods became a landfill-free company. West Liberty Foods' adoption of Sæplast rotationally molded pallets and triple-wall polyethylene containers has significantly reduced its operational expenses and contributed to the company's sustainability efforts. West Liberty Foods has diverted more than 286,000 tons of waste since 2017.

Sæplast and West Liberty Foods have been working on this new-to-the-world product that replaces their meat log containers: stainless steel and single use corrugated cardboard containers, including poly bags, stretch wrap, wood pallet and polypropylene strapping. The two companies have collaborated on a container design with a focus on food safety, employee safety, and sustainability.

By using durable Sæplast products that are easy to clean and sanitize, West Liberty Foods has demonstrated its commitment to sustainability and food safety. The company's adoption of Sæplast containers showcases the benefits of investing in sustainable and innovative solutions that provide long-term value, both to businesses and the environment.

Stainless steel option



The Sæplast Solution



Certifications and Quality Control

Rotovia has through its companies, obtained several product quality certifications from recognized international organizations.

Quality control and testing based on internationally accepted ISO standards, increases security, reliability and enables tracking of our products and services, thus creating value and trust for our customers.

Rotovia is committed to continuing to seek certification for its products and operations to ensure quality for its customers.



ISO 9001:2015 is a globally recognized standard for quality management. It helps organizations of all sizes and sectors to improve their performance, meet customer expectations and demonstrate their commitment to quality. Its requirements define how to establish, implement, maintain, and continually improve a quality management system (QMS).



ISO 14001:2015 is an internationally agreed standard that sets out the requirements for an environmental management system. It helps organizations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders.).



ISO 45001:2018 is an international standard for health and safety at work developed by national and international standards committees independent of government. Implementing ISO 45001 may help your organisation demonstrate compliance with health and safety law.



ISO 50001:2018 is the newly revised international standard for Energy Management providing the most robust framework for optimising energy efficiency in public and private sector organizations.

3. Rotovia and Sustainability

ESG Policy Framework

Rotovia has approved an environmental, social and governance (ESG) policy framework to empower all stakeholders to initiate sustainable policies and practices to serve the surrounding community.

The policy applies to Rotovia and its entities and supports the overall strategy of Rotovia where the company's mission is to empower customers by producing premium and sustainable solutions.

For the purpose of this ESG policy, material ESG issues have been defined as issues that have or can potentially have a direct substantial impact on Rotovia's ability to create or preserve economic value as well as environmental and social value for the company itself, the communities where it operates, and other stakeholders.

Rotovia believes that proactively addressing ESG risks and opportunities will create a long-term sustainable value for the company.

A critical component of Rotovia's ESG Policy Framework is considering how the company can support and contribute to the advancements of the UN Sustainable Development Goals (SDGs).

The UN SDGs create balance between the three pillars of sustainable development, the economical, the social and the environmental.









All seventeen SDGs are equally important, but Rotovia has decided to focus specifically on eight SDGs and to emphasize on them through the company's operations.

Rotovia is focused primarily on the following ESG matters

ESG	
Environmental	Matters related to the use of energy resources and efficiency, carbon emission, pollution, waste and water management and impact and efforts towards slowing climate change.
Social	Social matters focused on how the company interacts with employees, consumers, and the world around them. Considers human rights, workplace policies, equality, employee wellness and safety training.
Governance	Governance matters that encapsulate issues and efforts that involve corporate cultures, such as transparency, accountability, inclusivity and compliance.

[Environmental, social and governance policy | Rotovia |](#)

Support to the UN SDGs

UN SDGs	Rotovia's commitment
#2 Zero Hunger 	Rotovia is developing, manufacturing and selling solutions that improve food safety and food quality. By using solutions from Rotovia customers can improve their yield and reduce food waste due to bad quality.
#5 Gender Equality 	Rotovia promotes a diverse work environment. Every employee shall be appreciated regardless of origin, nationality, gender, religion, disability, age, or gender identity. To support this goal Rotovia will conduct employee satisfaction surveys annually and measure pay gaps and gender ratio in its operations and initiate improvement actions if needed.
#8 Decent Work and Economic Growth 	Rotovia aims to improve efficiency in its operations. The rotational moulding process is the second most labor-intensive plastic conversion process that exists today. With the latest development of robots and cobots opportunities are opening for low volume processes like rotational moulding and Rotovia intends to use these opportunities and invest in automatization projects. Rotovia emphasizes H&S in its operations and has a zero-accident policy. The board of Rotovia has approved a thorough Code of Conduct with clear ethical standards and requirements that apply to all employees of the company. Furthermore, the board has approved board rules which comply with approved guidelines on corporate governance. Our operations are important and good employers in their communities.
#9 Industry, Innovation and Infrastructure 	Rotovia aims to run sustainable operations where the emphasis is on innovative solutions which help our customers to reduce their environmental footprint. Rotovia is aiming to do more with less virgin resources by implementing innovative solutions for energy and material savings and increase the use of recycled polymers significantly.
#12 Responsible Consumption and Production 	Rotovia aims to minimize the negative environmental impact of its operations and will significantly increase recycled polymers in its operations, aiming for 20% recycling content by 2028. Parallel we will work on light weighing program where the aim is to reduce the use of virgin polymers to do "the job" for our customers.
#13 Climate Action 	Rotovia will measure scope 1 & 2 emission no later than 30.09.2024 and set targets for emission reductions. Today the rotomoulding industry is solely powered by fossil fuel energy sources. Rotovia will convert 25% of its machinery over to green energy by end of year 2028.
#14 Life Below Water 	All manufacturing plants of Rotovia shall comply with the Operation Clean Sweep (OCS) program to avoid plastic resin loss into nature. Rotovia will establish a takeback service to enable our customers to dispose of their products in a responsible manner. Rotovia is developing, manufacturing, and selling solutions that improve shelf life and quality of fish from catch to plate.
#17 Partnerships for the Goals 	Rotovia will participate in international cooperation to reduce the CO2 footprint of the rotomoulding industry, to increase the use of recycled materials in rotomoulded products. This will be done with active participation of Rotovia in branch organizations as ARMO, Nordic ARM etc.

Memberships

Rotovia has always placed great emphasis on managing its operations within the plastic industry responsibly and in accordance with laws and regulations.

Rotovia, through its subsidiaries, is a member of **The Federation of Icelandic industry (SI)**, which is the largest employers' organization in Iceland with different terms of size and field of activity. The importance of European standards and CE markings has increased with the focus on health, safety and environmental issues.

Rotovia is also a part of **The Confederation of Icelandic Enterprises (SA)** which is a service organization for Icelandic businesses. SA projects include negotiations of collective agreements with unions on wages and working conditions, the advocacy of an internationally competitive legal and regulatory environment, and the interpretation and communication of decisions by governmental authorities that directly affect the business environment.

Rotovia is a part of **The Association of Rotational Molders (ARM)**, which is a worldwide trade association currently representing member companies in 58 countries. Members include manufacturers of rotationally molded plastic products, suppliers to the industry, designers, and professionals.

Rotovia is through its subsidiaries, a proud member of **Festa, the Icelandic Center for Sustainability**.

Over the next few years, the company plans to continue building on its strong foundation of sustainability. Such an investment is necessary to ensure that Rotovia's operations meet all major quality requirements and consider appropriate risks and opportunities associated with sustainability and climate change.

Membership Organizations



4. Environment

Our road to 2028

Our road to sustainable rotomoulding



Rotovia and its subsidiaries are aware of the challenges that face the rotomoulding industry in terms of minimizing adverse environmental impacts of its operations.

Rotovia is committed to assess its environmental impacts, both in terms of adverse impacts through carbon emissions, pollution and general waste management but also through the positive circularity effect of the use of many of its products.

Rotovia has mapped the main environmental aspects that the company adversely impacts with its operations with the goal of reducing negative impacts as much as possible.

Rotovia emphasizes sustainable resource management, and it is company policy that all aspects of the company's operations shall be in harmony with its environment.

With sustainable development, Rotovia will strive to achieve a balance between social, economic, and environmental aspects and integrate them into decision-making.



20%

Post consumer recycled material

30%

Products will be taken back

60

Carbon-free rotomoulding ovens

Environmental Targets

Rotovia has in place ambitious climate & energy targets for 2023-2027

KPI 1 Climate & Energy*

Target for 2023

- Calculate the complete Rotovia business Scope 1 emissions
- Establish a monitoring system to monitor Scope 1 emissions on a quarterly basis
- Set reduction targets for 2024

Target for 2024

- Calculate the complete Rotovia business Scope 2 emissions
- Establish a monitoring system to monitor Scope 1 & 2 emissions on a monthly basis
- Set reduction targets for 2025-27

Target for 2025-2027

- Calculate the complete Rotovia business Scope 3 emissions
- Establish a monitoring system to monitor Scope 1, 2 & 3 emissions on a monthly basis

*Referring to ESG KPI's table on page 49



Environmental Action Plan

To achieve our climate & energy targets we are working on the following initiatives

KPI 1 - Action for 2024

Introduce carbon free heating in our ovens

- Currently Rotovia is operating 58 rotational moulding ovens. 54 are heated with gas or diesel fuel but 4 are heated with electricity. The plan is to convert 11 more ovens from fossil fuel energy before end of 2028. Rotovia has already started on the “low hanging fruits” and converted early 2024 an oven in Sæplast Iceland where availability and price of green electricity is favorable. Annual emission savings from that oven will be around 390 MT of CO₂e which is around 3% of the annual estimated total CO₂ emissions of Rotovia. Rotovia’s plan next years is to continue to convert ovens over to electricity, but are also evaluating other energy sources like hydrogen.

Increase the ratio of green electricity of Rotovia’s total electricity usage

- In 2023 Rotovia invested in 399 kW solar panel installation on the roof of their site in Deventer. With this installation Rotovia can produce 237 MWh which is around 20% of the total electricity usage of the Deventer site. Our plan is to invest in more solar panel installations in the future.

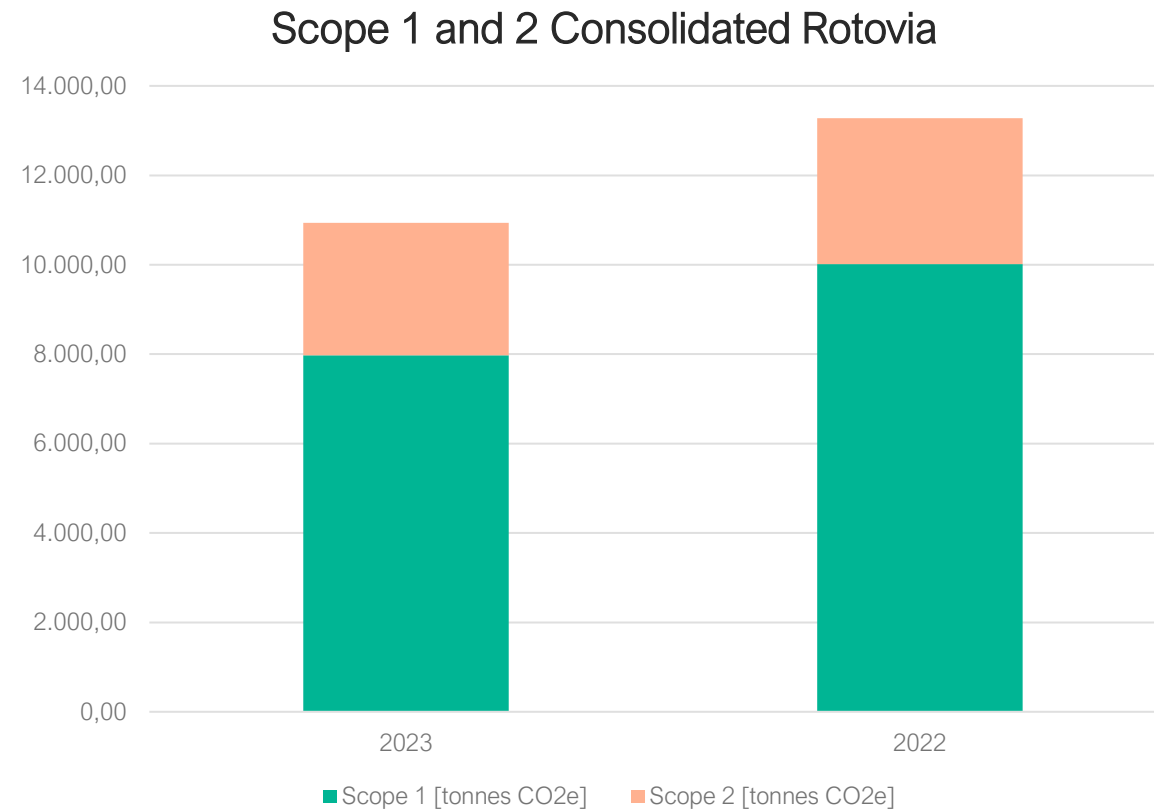
Reduce energy usage of existing ovens by optimizing heating and cooling cycle

- We are working on few projects to reduce the amount of heat loss in the ovens by improving insulation and/or to improve the control of the ovens such that we exhaust less hot air from the ovens.



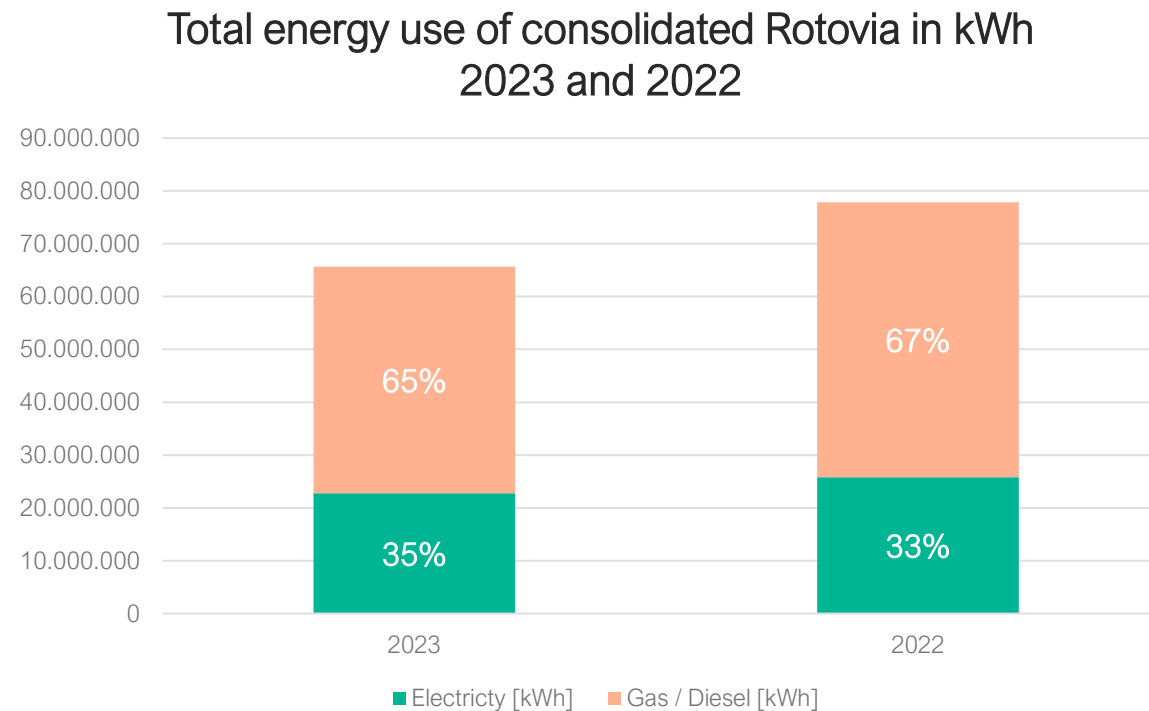
Tracking ESG KPIs: Carbon emissions

CO2 emissions – scope 1 and 2 for 2023



Tracking ESG KPIs: Fossil fuel and energy usage

CO2 emissions – scope 1 and 2 for 2023



Environmental Targets

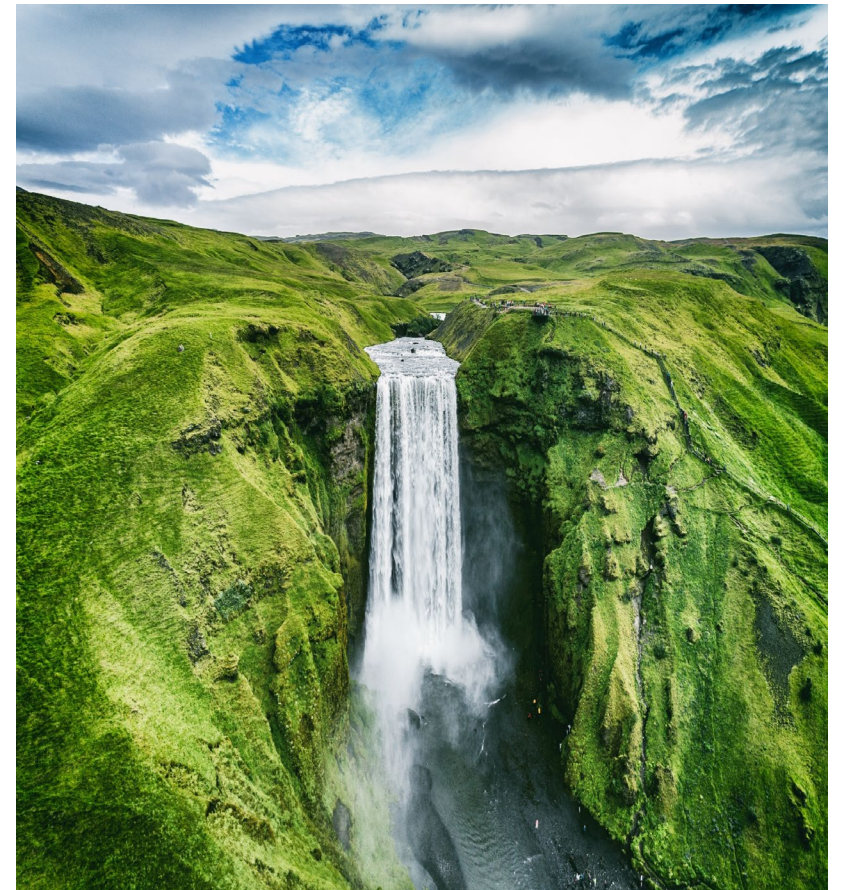
Rotovia has in place ambitious recycling targets for 2023-2028

KPI 2 Recycling

20% recycling content (post-industrial and post-consumer recycled material) of total amount of converted polymers by Rotovia hf. and all subsidiaries by 2028

The following sustainable performance targets have been identified:

- SPT 2023: 2,5% recycling content
- SPT 2024: 4,0% recycling content
- SPT 2025: 8,0% recycling content
- SPT 2026: 12,0% recycling content
- SPT 2027: 16,0% recycling content
- SPT 2028: 20,0% recycling content



Environmental Action Plan

To achieve our recycling target, we are working on the following initiatives

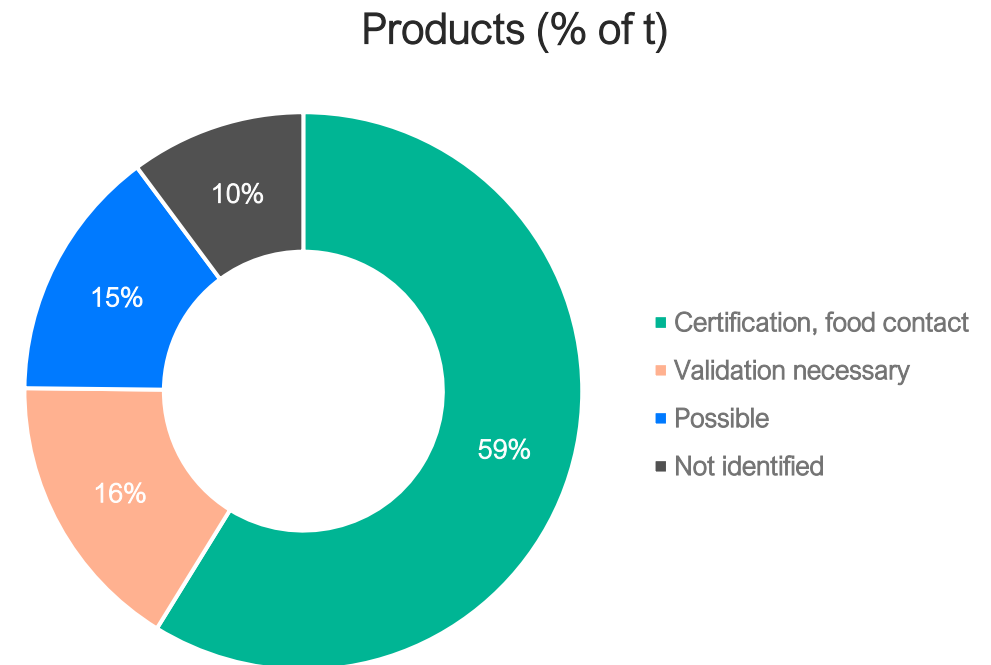
KPI 2 - Action for 2024

Improve use of recycled content

- The aim is to map our current product portfolio to identify which products can be made from recycled materials, to identify suppliers who are selling recycled materials and to issue process guidelines for our plants to be used when producing products from recycled materials.
- Currently 15% of our products can be made from recycled materials as illustrated in the graph. Other 16% needs validation from our customers, while 59% cannot as of today be produced from recycled materials due to certifications and food contact requirements.
- Based on this info we have gradually started to increase the recycling content in our products. In 2023 it was 3,6% and as of end January 2024 it is 4%. One of the challenges we see is the availability of recycled materials for the rotational moulding process which we are working on to address.

Rotovia is introducing a take back service for customers

- Customers can deliver their products back to us at the end of life. We have already taken 100 MT of materials in pilot projects and tested out three partners for recycling purposes.



Tracking ESG KPIs: Recycling

Recycling content for 2023

Return and collection

Our recycling process starts with the return and collection of rotomolded products at the end of their long life. Collection is a key component in closing the loop and preventing these products from becoming waste.

This process begins by providing our customers with an easy and convenient way to return their rotomolded products to a pick-up location where they are cleaned and processed. We then inspect the products to ensure they are in suitable condition for recycling.

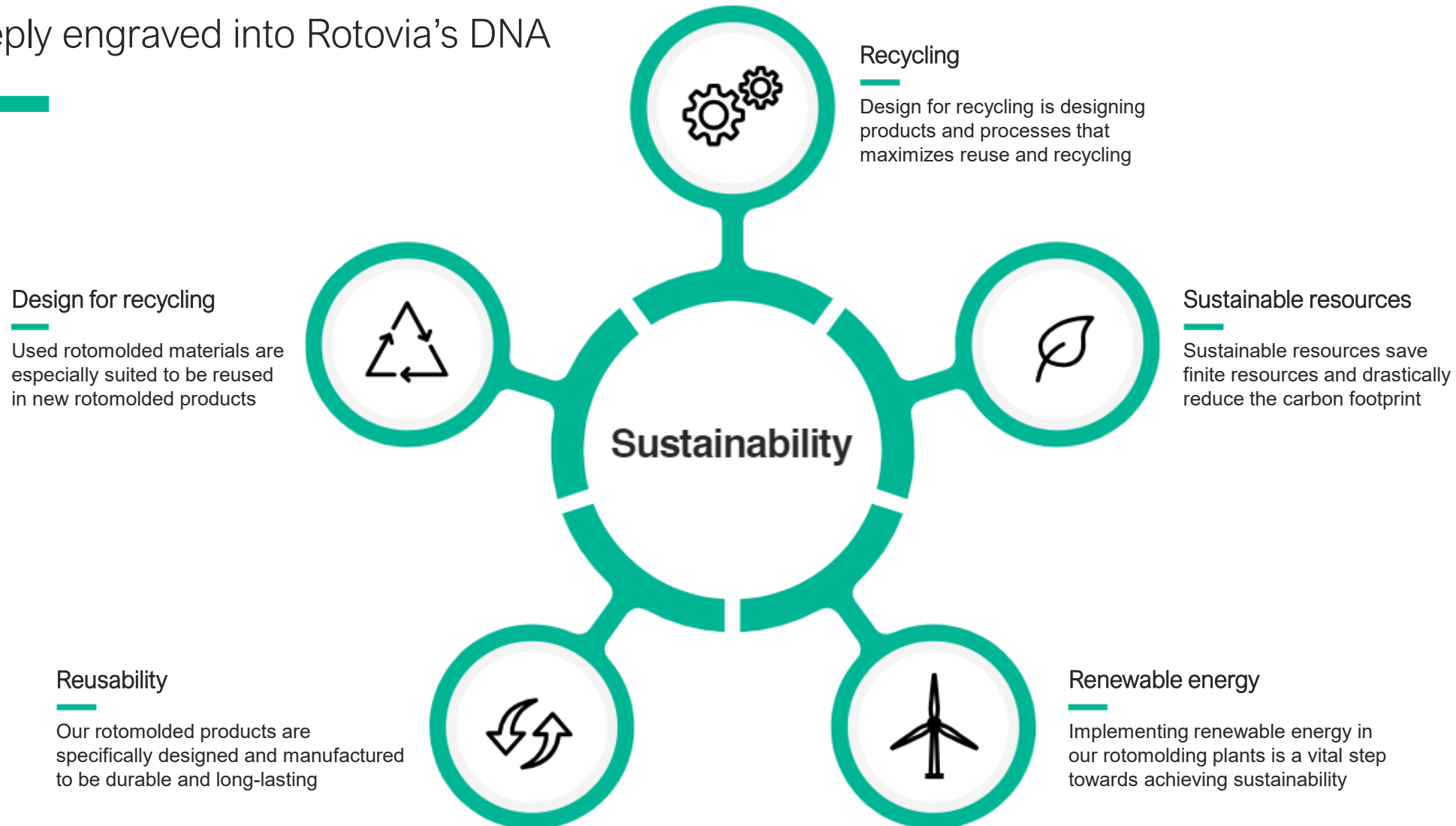
Recycling rotomolded plastic products allows us to conserve valuable resources, reduce the amount of waste, and reduces carbon emissions. It also helps to close the loop and prevent old rotomolded products from becoming waste.

Our goal for 2023 was to have a recycling content of 2.5% (including post-industrial and post-consumer recycled materials) in the total amount of converted polymers content. However, we surpassed this target by achieving a recycling content of 3.6%. This is a significant achievement and demonstrates our commitment to sustainability. Looking ahead, our aim for 2024 is to further increase the recycling content to 4.0%.



Circulation system

Deeply engraved into Rotovia's DNA



Closed-loop recycling

VARIBOX Intermediate Bulk Containers are ideal for a circulation system

VARIBOX Intermediate Bulk Containers are designed for reuse up to 10 years and are manufactured from high-quality recyclable materials.

Today, 10-year-old VARIBOX IBCs are collected from customers, then cleaned and neutralized. The IBCs are shredded, and this post-consumer waste is reworked into high-quality recycled plastic.

This PCR material is used to manufacture new parts for the VARIBOX. Nowadays the pallets have 99% PCR content, they are made from this recycled material. This reduces the amounts of waste and decreases resources required to manufacture new pallets.

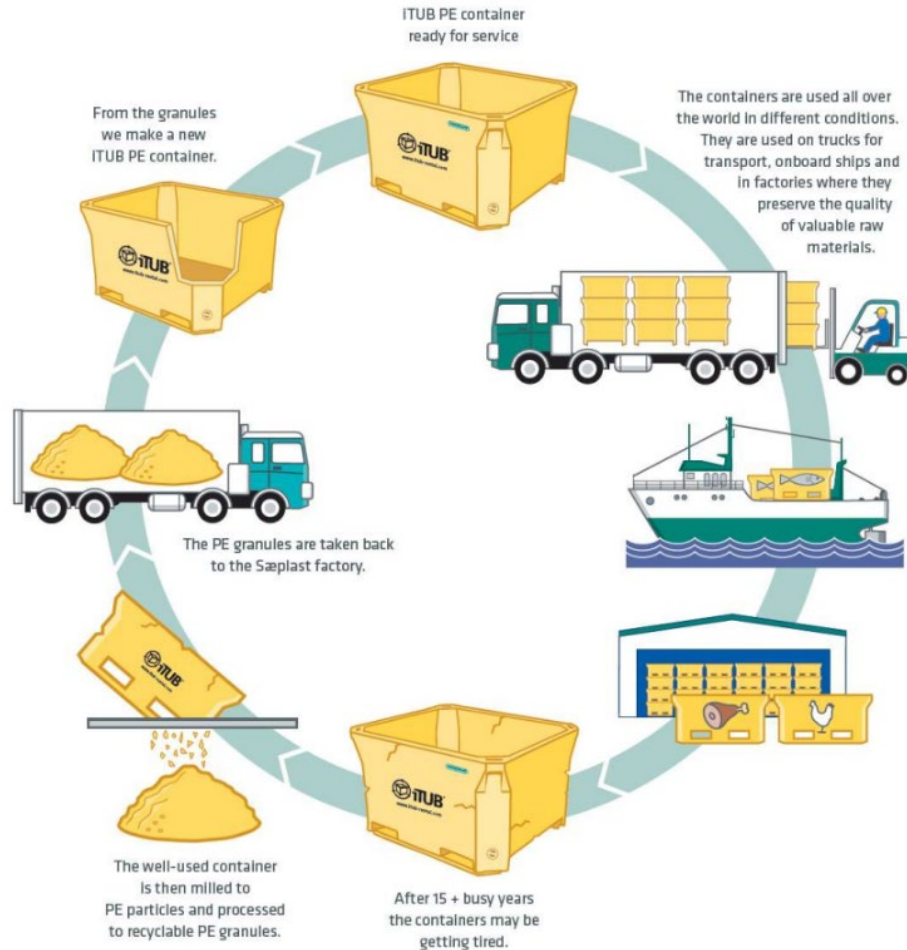
30% of the total weight of newly produced VARIBOX containers now exists of recycled material.

By supplying durable reusable IBCs and using recycled materials in our packaging for chemicals we support our customers to reduce their carbon footprint and contribute to a more sustainable future.



Circulation system

Fully recyclable containers



- Sæplast started to collect old and retired PE containers from the market
- Containers are grinded and put into a recycling process
- Recycled material partly used to create new Sæplast containers
- Rental experience
- iTUB is part of the Sæplast family
- iTUB been 14 years in operation
- Around 50.000+ containers in circulation
- The first container is still in use
- Important to perform regular maintenance



5. Social Factors

Our employees are key

At Rotovia and its companies, the average annual full-time equivalent positions is around 692 and annual head count is 742. Management and employees care about the welfare of their colleagues, and Rotovia strives to promote general job satisfaction and a positive work environment. Recognizing that family and close relatives are an important foundation of successful career paths and work success, Rotovia makes every effort to enable its staff to balance work and family responsibilities.

Rotovia implemented in May 2023 the HR Monitor, Employee Engagement Software, to be able to measure employee satisfaction. The implementation of the system significantly improved Rotovia's overview of human resources, and managers now can see immediate results every month and therefore can make continuous changes if needed.

Rotovia places its ambition in supporting improved well-being of staff and creating a safe and healthy workplace where equality is highly valued and human rights are respected. With that in mind, Rotovia has implemented an equal pay and personnel policy along with a safety and health plan.

The total results for the year 2023 from HR Monitor's satisfaction measurements were that 458 responses were received and 76% of Rotovia staff are overall happy in their jobs and 62% can recommend Rotovia as a good workplace to their friends.

742

Head count

5,4%

Absenteeism

691,6

FTE Average

Human Resources Target and Action

Rotovia has in place an ambitious human resources target for 2023-2028

KPI 3 Human Resources Target

Measure employee engagement for Rotovia hf and all subsidiaries and improve participation and satisfaction rate.

The following sustainable performance targets have been identified;

- **SPT 2023:** Contract external HR consultancy to prepare and send out employee engagement survey to Rotovia hf and all subsidiaries and set targets for 2024-2028 in relation to:
 - Average participation rate
 - Average satisfaction rate
- **SPT 2024-2028:** Average participation rate and average satisfaction rate according to targets defined in 2023.

KPI 3 Action for 2024

To achieve our employee engagement target we need to measure, and we have contracted HR Monitor (<https://hrmonitor.com/>) for all our sites. With their software we can make employee surveys regularly and to improve the participation rate and the job satisfaction rate we are giving employees feedback from the surveys and acting on the improvement points we get from the surveys.

Furthermore, we are emphasizing on safety in our operations and improving communication throughout the company by arranging quarterly online communication events.

Last but not least we have identified our core values, *share, care and can do* where we emphasize the well-being of our people and the importance of helping and supporting each other. By this we want to build up a healthy culture in the company where our employees can thrive.

Health and Safety

Everyone at Rotovia shall take responsibility for their own safety and that of others affected by their actions. Working safely is a condition of employment. Management shall ensure a safe work environment by removing hazards through elimination, substitution, machine design, and safe work practices.

Our work environment shall be compliant with all relevant laws where Rotovia's subsidiaries are operating and shall follow Rotovia's Health and Safety best practices where applicable. Management responsibilities include training, accident investigation and hazard reporting follow-up, the provision and maintenance of safe operating equipment, and an active safety committee. All employees with supervisory roles are responsible for promoting safe work through enforcement of Rotovia procedures, by communicating and informing employees of hazards in the workplace and ensuring that employees are properly trained to perform the required tasks. Employees shall know, understand, and comply with Rotovia policies, procedures and safe work practices, including wearing the appropriate PPE (personal protection equipment) at all times. Employees shall report any hazards, all near misses, property damage, chemical spills, and incidents to their supervisor immediately – without delay.

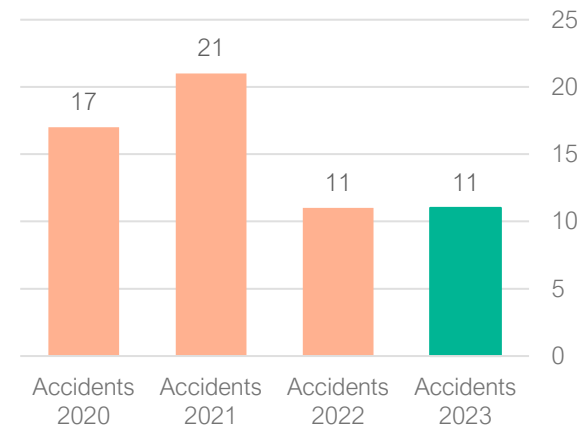
Accidents (11) on par with 2022. Accident every 33 days

Number of reportable accident and total recordable incident rate (TRIR) is similar as previous year.

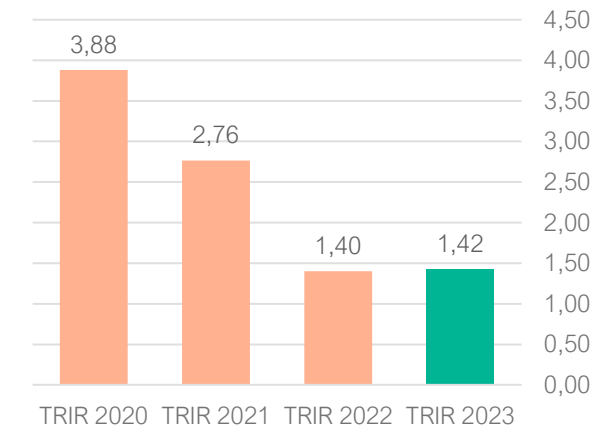
TRIR (1,42) is slightly higher than 2022**

No GM safety tours: 223 YTD

Reportable accidents



TRIR*

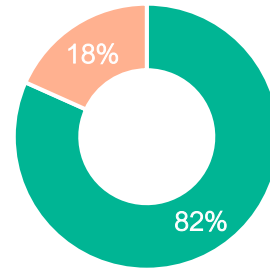


*TRIR = the number of incidents, multiplied by 200,000, then divided by the total number of hours worked in a year. The number 200,000 is used because it is the total number of hours 100 employees would work in a year (100 workers x 40 hours x 50 weeks).

** Fewer worked hours is the reason why this is lower than 2022.

Equality

Gender split of employees



■ Male ■ Female



We are committed to creating a safe working environment. This means we must treat one another with dignity and respect. Rotovia will not tolerate any behavior which may be regarded as threatening or humanly degrading. Every employee and stakeholder is evaluated on their own merit. It is ensured that no employee is discriminated against in any way, for reasons such as gender, religion, political views, ethnic origin, sexual orientation, color, race, economic status, ancestry, disability, age, and other relevant statuses.

Rotovia uses the UN principles on business and human rights as guidance. The company does not and will not use child labour or engage subcontractors or suppliers that do so. Rotovia will not allow behavior that is physically coercive, threatening, abusive or exploitative.

Rotovia's equality will aim to increase general job satisfaction and improve work morale.

Sæplast and Tempra, a part of Rotovia, have both completed equal pay certification, confirming that the companies' equal pay systems and implementation meet the requirements of standard IST 85 2012.

6. Governance

The Board of Rotovia

The Board of Rotovia is composed of five individuals, three of which are independent to the company's largest shareholders.

The Board is well diversified with members possessing a broad range of qualifications, experience, and expertise.

Rotovia has established Rules of Procedures for the Board of Directors which stipulates appointment of board members, duties of the Board, Chairman and CEO, decision making power, representation of the board, minutes taking, financial statements approval and reporting, along with other relevant rules of procedures related to good governance.

The aforementioned rules of procedure of the board of Rotovia hf. are set according to paragraph 4 of Article 70 Act no. 2/1995 on limited companies as amended and were approved at the company's board meeting on September 29, 2022.



Remuneration Policy

Rotovia is obligated according to Article 79(a) of Act No 2/1995 on Public Limited Liability companies (the “companies Act”) to set a Remuneration Policy regarding salary and other remuneration and incentives to the CEO and other managers of the company and to Members of the Board of Directors.

The Remuneration Policy shall be approved at the Annual General Meeting of the company allowing the shareholders of the company to have a possibility to influence the company’s policy.

The Board of Directors which is responsible for the Remuneration Policy of the company took the guidelines of the Iceland Chamber of Commerce, SA Confederation of Icelandic Enterprise and Nasdaq Iceland on corporate governance, sixth edition, into account when preparing the policy.

The purpose of the Remuneration Policy is to create an attractive work environment at Rotovia, ensuring the company’s competitiveness, future growth, and satisfactory profitability. The company upholds complete equality when deciding wages and other employment conditions. Every employee is compensated equally and receives identical terms for work of equal worth. It is the company’s policy to offer wages and conditions that are competitive with similar roles in the market.

[Leadership | Rotovia](#)



Code of Conduct



Rotovia has approved a code of conduct to set clear ethical standards and requirements for the company and its business partners around the globe. The Code applies to the Rotovia organisation, its employees, board members, and others who act on the company's behalf. However, it will not address every situation the company may encounter or every law it must follow. It is meant to serve as a guide to help Rotovia make the right decisions, and in those situations where the course of action remains unclear, it provides additional resources to gain clarity. In such situations, the guiding principles shall be to act in the best interest of Rotovia and to consult with a superior when in doubt as to how to act.

The Code of conduct is built on the following principles

- Comply with Laws, Regulations and Internal policies
- Act in the Best Interest of Rotovia
- Act with Integrity
- Respect and Care for Others and the Environment
- Respect the Proprieties of Organizational Hierarchy
- Conflict of Interest
- Contribute to Environment, Health and Safety
- Respect Human Rights and Equality
- Protect Rotovia's Reputation, Property and Assets
- Accurate Books, Records and Reports
- Preventing Bribery & Corruption
- Confidential and Proprietary Information
- Never engage in money laundering
- Fair Competition

Key Risk Factors

The company has identified several key risk factors which may affect the company's performance and future prospects.

Rotovia's risk register includes categories related to financials, strategic, compliance and operations. Each category has an attribution of whether it is considered severe, significant or minor. The likelihood is also assessed which is then used to grade the level of risk (low, medium or high). Mitigation actions are then put forward for each risk factor, and which are regularly assessed and reported on.

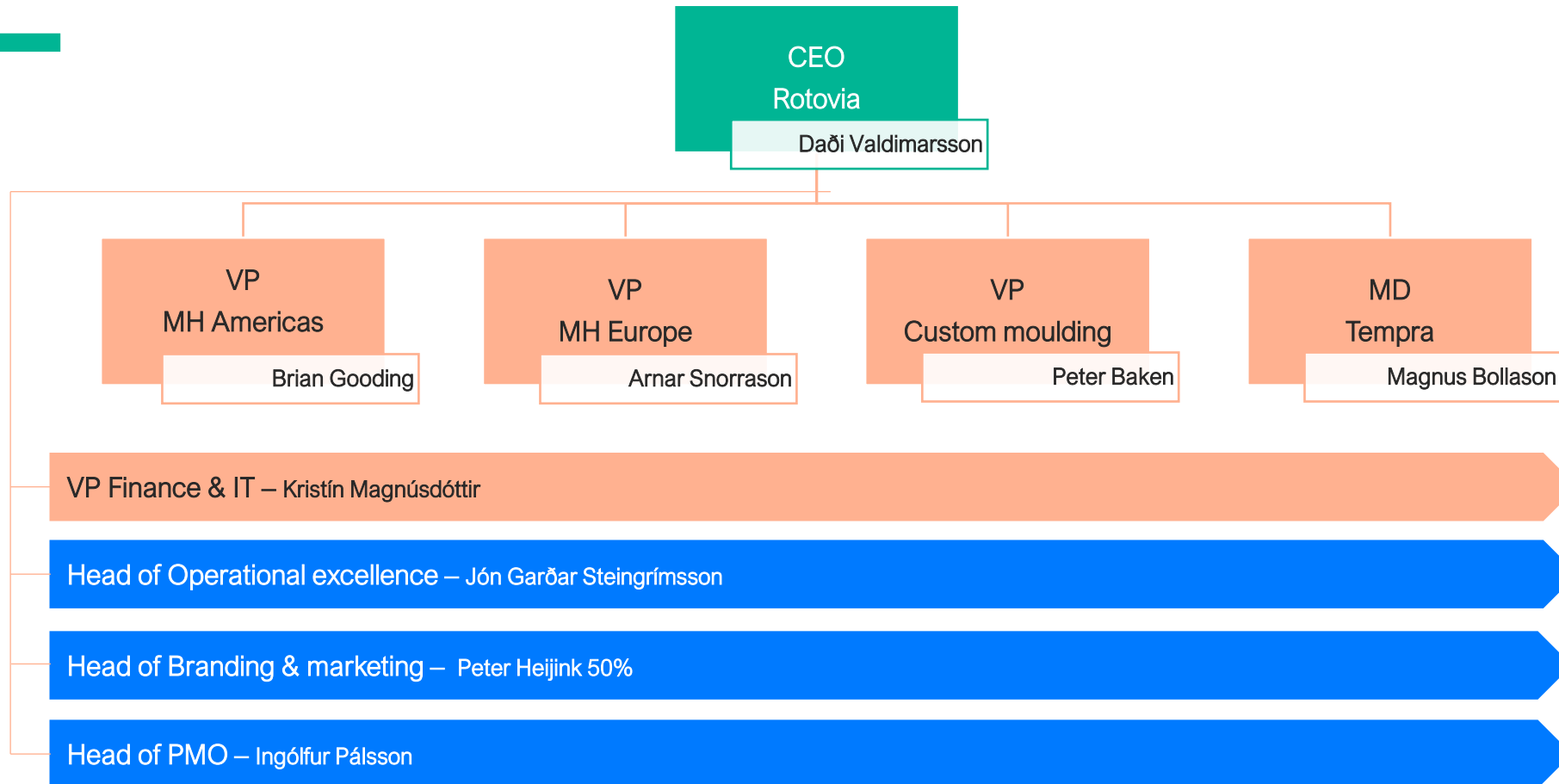
Risks range from lack of recycled content to meet strategic goals to water leakage, fraud and disruption in energy supply. Risk associated to climate change is increasing and Rotovia will seek ways to assess the impact on the company's operations, both from a transition risk and a physical risk perspective.

The board formulates policy, sets goals, and defines key risks in Rotovia's operations and how to respond to the risk in question. Managers have active supervision of risk factors that affect the operation and performance of the company.

Risk management and internal control are integrated into all company activities with the aim of making it easier for managers to supervise operations. The board ensures that there is an active internal control system in place that is formal, documented, and its functionality regularly reviewed.



Organization Chart



Board of Directors

The Board of Directors plays a role in overseeing and guiding the senior management team of our international organization. The board sets the strategic direction of the organization, ensures compliance with legal and ethical standards, and monitors performance. They also provide guidance and support to the senior management team, which is responsible for day-to-day operations



Margit Robertet

Margit Robertet, head of private equity at Kvika asset management, boasts 30+ years of global financial market expertise. Previously with Barclays and Credit Suisse, she co-founded Auður Capital in 2007. Margit holds a business degree from the University of Colorado and an MBA from Rotterdam School of Management. She chairs Rotovia's board and serves on the boards of Íslandshótel, Securitas, and Matorka.



Guðbjörg Sæunn Friðriksdóttir

Guðbjörg Sæunn Friðriksdóttir, CEO of Einingaverksmiðjan, has 25+ years of management experience. She worked at Össur as a production manager and improvement expert, and at Veitur as head of Wastewater and Future Vision & Operation. Guðbjörg holds a degree in Industrial Engineering from the University of Iceland and is an accredited board member at Akademias.



Eiríkur Ársælsson

Eiríkur Ársælsson is a private equity investment manager at Stefnir Asset Management. He has a diverse financial background with international experience, having worked in private equity, investment banking and treasury in Reykjavik, London and Tokyo. Eiríkur holds a degree in financial engineering and serves on the boards of Kynnisferðir and GoodGood.



Alistair Herd

Alistair Herd, with 32 years in the European packaging industry, retired in 2019. He spent 29 years at RPC Group, holding multiple positions such as Divisional CEO and CFO. Alistair also served as a trustee/chairman of the company's pension scheme and was a fellow of the Chartered Institute of Management Accountants for 23 years. He holds a Bachelor of Arts degree in Economics & Geography.



Ágúst Torfi Hauksson

Ágúst Torfi is the CEO of Kjarnafædi Nordlenska the largest meat processing company in Iceland. He has over 20 years of experience in management, mainly within food processing companies. Ágúst Torfi graduated as a Marine engineer from the Marine engineering collage of Iceland in 1995 and completed his master's degree in mechanical engineering from the University of British Columbia, Canada in 2001.

Senior Management

The senior management team that oversees the daily operations of our international business is composed of experienced executives with a proven track record of success in their respective fields. They possess a diverse range of skills, knowledge, and expertise, and work collaboratively to ensure the smooth and efficient functioning of the organization.



Daði Valdimarsson

Daði Valdimarsson is Chief Executive Officer at Rotovia since June 2022. Daði holds a master's degree in industrial engineering from the University of Aalborg, Denmark and has completed several management courses in Switzerland and UK that cover management training, strategic planning, and sustainability.



Kristín Magnúsdóttir

Kristín Magnúsdóttir is Chief Financial Officer at Rotovia since June 2022. She has a bachelor's degree in business administration from University of Akureyri, Iceland and has in addition completed several management courses in Iceland and UK that cover management, finance and strategy.



Arnar Snorrason

Arnar Snorrason is born and raised in Iceland and educated as an engineer, he has worked all around the world – from Dalvík to Tokyo. International Business, Market Development, Strategy, Sales, Management, and Innovation are part of his roadmap – using his MBA education to empower his co-workers. He is open minded and enjoys working with people, different cultures and markets – and getting things done with great performance.



Brian Gooding

Brian has over 35 years of relevant industry experience. Brian has served as the Managing Director of Sæplast Americas since 2011 where he has led the business through a and auditing. period of significant growth. Brian holds an Honours Bachelor of Commerce from Queen's University in Kingston, Ontario and has completed several courses within sales management, leadership, operational management



Peter Baken

Peter Baken is Vice President at Rotovia since June 2022 responsible for the Custom moulding division. He started his career in fluor plastics, back in 1989. He founded a Rotomoulding company (Plasti-Ned) in the Netherlands in 1992. Peter Baken has a bachelor's degree in mechanical engineering and had several leadership modules at Nyenrode University.

7. ESG KPI's

ESG KPI's

Sustainability Performance Targets, part of financial arrangement with Capital 4, will incentivize Rotovia to perform better in terms of CO₂ emissions, circular economy and employee engagement

KPI 1: Mapping and reduction of Scope 1 and 2 emissions for Rotovia hf. and all subsidiaries measured in metric tonnes of CO₂e.

The following sustainable performance targets have been identified:

- SPT 2023: Map scope 1 emission and set a target reduction for the period 2024-2028
- SPT 2024: Map scope 2 emission and set a target reduction for the period 2025-2028
- SPT 2024-2027: Emission reductions according to targets set out in 2023&2024
- SPT 2028: Accumulated fossil fuel energy savings per converted kg of polymers of a minimum 15% from base line mapped in 2023.

KPI 2: 20% recycling content (post-industrial and post-consumer recycled material) of total amount of converted polymers by Rotovia hf. and all subsidiaries by 2028.

The following sustainable performance targets have been identified:

- SPT 2023: 2,5% recycling content
- SPT 2024: 4,0% recycling content
- SPT 2025: 8,0% recycling content
- SPT 2026: 12,0% recycling content
- SPT 2027: 16,0% recycling content
- SPT 2028: 20,0% recycling content

Year	Base 2022	2024	2025	2026	2027	2028
Emission reduction Scope 1 per production ton	0.579	tCO ₂ e per ton reduction from base 5.0%	7.5%	10.0%	12.5%	15.0%
		tCO ₂ e per ton target 0.550	0.536	0.521	0.507	0.492

ESG KPI's

Sustainability Performance Targets, part of financial arrangement with Capital 4, will incentivize Rotovia to perform better in terms of CO2 emissions, circular economy and employee engagement

KPI 3: Measure employee engagement for Rotovia hf and all subsidiaries and improve participation and satisfaction rate.

The following sustainable performance targets have been identified:

- SPT 2023: Contract external HR consultancy to prepare and send out employee engagement survey to Rotovia hf and all subsidiaries and set targets for 2024-2028 in relation to:
 - o Average participation rate
 - o Average satisfaction rate
- SPT 2024-2028: Average participation rate and average satisfaction rate according to targets defined in 2023.

Average Participation rate targets:

Year	Base 2023	2024	2025	2026	2027	2028
Participation rate	70%	75%	77%	80%	82%	85%

Average Participation rate targets:

Year	Base 2023	2024	2025	2026	2027	2028
Satisfaction rate	76%	78%	80%	82%	84%	85%

INDEPENDENT AUDITOR'S ASSURANCE REPORT

To the Management and the stakeholders of Rotovia hf.

Assurance scope

The scope of our work was limited to assurance over Rotovia's Sustainable Performance Targets identified in Key Performance Indicators 1, 2 and 3 for the financial year ended 30.9.2023 (here after referred to as the SPT) presented on page 49 and 50 in the Annual Sustainability Report.

Work performed

- KPI 1: We confirmed that scope 1 was mapped and base for the financial year 2022 (1.10.2021-30.9.2022) was reviewed. We confirmed that target reduction for the period 2024-2028 was set, as stated in SPT 2023.
- KPI 2: We confirmed that 2,5% recycling content was met, as stated in SPT 2023.
- KPI 3: We confirmed that external HR consultancy firm was contacted and that employee engagement survey to Rotovia hf. and subsidiaries was sent during the financial year. Base for the year 2023 based on the results of the survey in relation to Participation rate and Satisfaction rate was confirmed, and that targets was set, as stated in SPT 2023.

We express a conclusion providing limited assurance.

Management's responsibility

The Management of Rotovia is responsible for collecting, analysing, aggregating and presenting the information in the report, ensuring that the information is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Boards for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply ISQM 1 International Standard on Quality Management and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the auditor

Our responsibility is to express a limited assurance conclusion on the SPT 2023 in KPI 1, 2 and 3 for presented on page 49 and 50 in Rotovia's Annual Sustainability Report. We have conducted our work in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, to obtain limited assurance about our conclusion. In accordance with the standard we have planned and performed our work to obtain limited assurance about whether the SPT is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Considering the risk of material misstatement, we planned and performed our work to obtain all information and explanations necessary to support our conclusion.

We performed reviews of data, recalculation of data, reviews of the underlying data processes as well as interviews with those responsible for producing the data. Our work has included interviews within key functions in Rotovia, inquiries regarding procedures and methods to ensure that selected SPT are presented in accordance with the Key Performance Indicators. We have assessed processes, tools and systems for gathering, consolidating and aggregating data for, and performed analytical review procedures and tested data prepared against underlying documentation.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Rotovia's SPT 2023 in KPI 1, 2 and 3 presented on page 49 and 50 in the Annual Sustainability Report for the year ended 30.9.2023 is not prepared, in all material respects, in accordance with Key Performance Indicators.

Reykjavík, February 5th 2024.

Deloitte ehf.



Signý Magnúsdóttir
State Authorized Public Accountant

The logo consists of a stylized circular icon on the left and the word "rotovia" in lowercase letters on the right. The icon is a sphere with a white ring that appears to be rotating or orbiting around it, creating a 3D effect with a gradient from light to dark grey. The word "rotovia" is written in a clean, white, sans-serif font.

rotovia