

# Lightening our load

## our ESG report

1<sup>ST</sup> April 2020 – 31<sup>ST</sup> March 2021

# contents

about us - mission, values & purpose	3
key 2021 ESG performance highlights	4
decarbonising road freight whilst reducing health & safety risk	6
products designed for longevity & trust	7
introduction from our CEO Michele Dematteis	8
our priorities	9
contributing to the UN sustainability development goals	10
2023 ESG objectives	11
structure & governance	12
our people & communities	16
supply chain management	21
environment	24



# about us - mission, values & purpose

Joloda Hydraroll is a world leader and expert in loading solutions. We are the largest manufacturer of automated and manual loading equipment. Since 1962 we have been using our experience to **innovate** our design, manufacture and servicing processes. We work with our customers to streamline their logistics operations and to be more cost-efficient, more sustainable, and to improve worker safety.

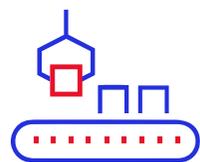
Our head office and production facilities are located in the UK and we have a European office in the Netherlands and an American office in the USA. Joloda Hydraroll has over 30 global partners who distribute the Joloda products and systems worldwide. We are delighted to have several Fortune 100, 500 and FTSE 100 customers in our portfolio alongside start-ups and SME's (Small and Medium-sized Enterprises). Each customer, regardless of their size is important to us and we aim to provide the products and services representative of a leading-edge business.

The COVID-19 pandemic brought about a crucial and dramatic expansion of the e-commerce sector which meant many of our respected customers had increased

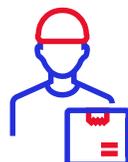
demand for their products; Proctor & Gamble and Unilever needed to produce and distribute more of their daily-use health products. Across our sites we became an essential service; our roller track systems supported the manufacturing, loading and delivery of these vital products. Speed and safety were paramount as many vulnerable people were reliant on deliveries. Ensuring our logistics customers like DHL and FedEx were able to load and unload their deliveries efficiently was important to our customers but also the country's population; these companies were delivering vaccines worldwide. Joloda engineers were on call, our manufacturing employees constructed new systems and the office teams coordinated and managed the increased business.

Joloda's values are to ensure our customers have the best **quality** and **skill** available for any of our products or services. Having a team of skilled engineers nationwide and internationally for quick installation, training, call out services, maintenance, commissioning and repairing our Joloda Hydraroll loading/unloading products is vital to the business. The Joloda Hydraroll systems represent efficiency to our customers and we ensure efficiency throughout the customer experience.

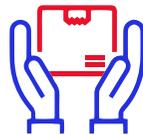
Joloda Conveyor Services repair, maintain and install conveyor systems. We have engineers available 24/7/365 to repair any conveyor equipment. In the event of a breakdown a loss of time equates to a loss of revenue for our customers; we have a record of 95% response to SLA's and 99% first time fix rate. Moving forward we need to shift gears and supercharge the transition to sustainable logistics within our operations and customer facilities to limit impact on the environment.



INNOVATION



QUALITY



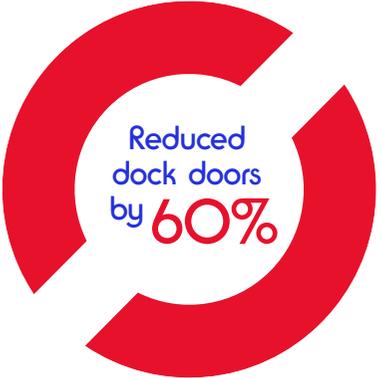
SKILL

# key 2021 ESG performance highlights

Fortune 100 beverage company



Major goods producer, US



Consumer goods, Europe



Major goods producer. US



Transport company, Europe



Eliminating 15 trailers = saves **600 tonnes of carbon**



Eliminating 5 forklift trucks = saves **875 tonnes of carbon**

# key 2021 ESG performance highlights

## ENVIRONMENT



Lowering our customers carbon emissions



Reducing our need for natural gas



Regular and rigorous monitoring of our waste and energy consumption



Extensive waste recycling schemes



95% waste diverted from landfill

## SOCIAL



Low staff turnover rate



COVID-19 response



Employee voice

## GOVERNANCE



Low rate of Health and Safety injuries across the company



Embedding the principles of ESG into our operations and the services we offer to clients



Employee transparency promoting open internal communication

# decarbonising road freight whilst reducing health & safety risk

## COLLABORATION WITH CUSTOMERS

One of our customers, a Fortune 100 company in the food and beverage industry installed a slip chain material handling system for hauling glass and bottled goods. We added two automated loading and unloading dock platforms and an automated slip chain transportation trailer. Throughput was increased by 500%, meaning loading and unloading was achieved within two minutes without damage to products and the number of dock doors needed reduced from 10 doors to 4. Environmentally, the customer was able to reduce their trailer fleet by 75% from 20 to 5 trailers and eliminated 5 forklift trucks and their related emissions from their operations.

## SUPPORTING OUR CUSTOMERS ON THEIR SUSTAINABILITY JOURNEYS

This year, a chemical and consumer goods company opened a fully automated Laundry & Home Care warehouse at its production facility in Spain. The new logistics center installed Joloda's automated systems and has benefited from the digitalised technology and the expansion of the intermodal transport from trucks to rail.

**Henkel claims "... With the new automated warehouse, we have reduced our carbon footprint by 90 percent," says Head of Supply Operations Cluster in Western Europe.**

## RESPONDING TO SUPPLY CHAIN CHALLENGES

A factor of the past year for business has been supply chain disruption. There was an increase in the use of air freight due to the travel speed and ability to make up for lost manufacturing time. "Air cargo demand is not just recovering from the COVID-19 crisis, it is growing, with demand at 9% above pre-crisis levels" Joloda Hydraroll works with over 80% of the global market in air freight loading and we know the importance of efficient loading and unloading and well-maintained systems.

The high impact of air freight on emissions means we are proud to have customers like FedEx who are investing over \$2 billion during 2021-23 to achieve carbon-neutral operations. They are cutting emissions by using Sustainable Aviation Fuel (SAF) and the installation of winglets. We will be working with our air freight customers to see where Joloda can help with innovation and reduction.

## PREVENTING ACCIDENTS & INCIDENTS

One of the biggest challenges in the logistics and transport industry is worker safety. As a daily activity, the risk of injury during manual loading and unloading is common. Our customers are able to demonstrate an immediate drop in worker injuries, a significant reduction in lost time incident rates and a boost to productivity levels.

# products designed for longevity & trust

A leading European transport service business has succeeded in reducing their environmental impact by repairing and maintaining their fleet of more than 500 Joloda roller bed trailers for over 30 years. Their technical expert stated, 'the Hydraroll roller tracks are very reliable. We do not need many spares parts, but when we do, we can rely on the quick and easy service from the Joloda BV team.'

Increasing sustainability for our customers means they can reuse, adapt and repair our systems. This helps the circular economy. Our modular floor systems, trailerloads and vanloads are designed to be easily removed and fitted into different locations. This increases the service life and value of our products to our customers, alongside reducing manufacturing, distribution and consumption.

If we are contracted by the company to deal with end-of-life equipment, we disassemble and separate materials. We reuse parts if the condition is suitable, and then send the remaining goods to recycling or scrap. We can provide refurbished systems to our customers, but do not sell them outside of our customer base, ensuring accountability and quality are consistent with the Joloda Hydraroll reputation.



# introduction from our CEO Michele Dematteis



## Welcome to this first Environmental, Social and Governance (ESG) impact report for Joloda.

The past year dramatically affected business, people and society and gave us all an opportunity to rethink our work and purpose. Joloda Hydraroll had principle objectives to provide innovative products and solutions, accommodate the additional requirements of our customers, consider our environmental impact and develop the safety of our team and workplace culture. Our colleagues showed their loyalty and commitment to Joloda Hydraroll throughout the past challenging year and we are proud to have a team who supports our vision and growth.

This ESG report will demonstrate how we are **lightening the load** for our customers by reducing their carbon emissions and our own through responsible environmental practice. Joloda Hydraroll saw the leap into Industry 4.0, the fourth industrial revolution, when many of our customers realised automation and data exchange would enhance their businesses. Since the pandemic started there has been an increase in process automation by 60% of organisations[i]. Process automation allows our customers to monitor

their machine efficiency and forecast potential issues; it reduces carbon emissions because heavy-duty, manually-operated machinery emits more CO<sub>2</sub>.

80% of Joloda Hydraroll's customer base is located outside of the UK. Our large network of over 30 distributors around the globe are trained to service and maintain our loading systems, reducing our travel emissions. We minimise transportation emissions by shipping in larger quantities and to our international offices, where they store the products, like our Pneumatic Roller Track (PRT) until needed for our customers. When transporting to the USA we use 40ft shipping containers and ensure they are filled with our product kits, to be assembled and dispatched overland. We dispatch full trailers of product each week to our Europe office, where they assemble kits and dispatch to the rest of Europe.

Operationally, we reduced carbon emissions at our European site in the Netherlands by switching to renewable gas and electricity and as a group we consumed low volumes of natural gas and maximised our waste recycling efforts. We have calculated our Greenhouse gas (GHG) emissions in accordance with the SECR requirements set out by the UK government, which accounts for our operational emissions covered under Scopes 1 and 2 of our carbon footprint.

The majority of our GHG emissions however lie outside our operation which falls under Scope 3 and takes into account our full value chain – from extraction, production and transportation of raw materials to the finished product's transportation to our customers, its use and disposal. Committing to reaching net zero will involve calculating our full Scope 3 emissions and developing our net zero strategy and targets. 2032 will be the year that marks Joloda Hydraroll's 70th

anniversary and we will set our sights on this landmark year to meet ambitious emission reduction targets.

For the financial year 2021, this report will include all Joloda Hydraroll sites. There were three sites in the UK: two in Merseyside, at Speke and Birkenhead and one site in Anglesey consisting of three units. In addition, the European site, Joloda BV is in Venray, the Netherlands. And our fifth site, Joloda LAL, is in North Carolina, USA.

From September 2021 we amalgamated some of our U.K sites into a larger site and a new Head office at Speke, Merseyside. These premises are more sustainable, with roof and wall insulation as a feature, which will positively reduce our emissions. This strategic move to create a world-class manufacturing centre for our established products will also enhance our capability to innovate new products for our customers.

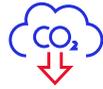
No business is more aware of time-efficiency than ours, our products and services are based on this. Therefore, we have set ourselves bold and immediate targets to reduce emissions, to achieve in the coming reporting year. We invite you to read more about them in this inaugural Environmental, Social and Governance ("ESG") Report.

(Signature)

**Michele Dematteis**

# our priorities

## REDUCING EMISSIONS



Transportation is vital to our business model - it supports the delivery, installation and service of our loading equipment. This first ESG report for Joloda highlights the need to accelerate our transition to zero-emissions vehicles.

Our actions will include replacing part of our fleet vehicles with electric/hybrid vehicles, including our forklifts.

We will carry out driver awareness training across our fleet to ensure our driver behaviours will minimise emissions.

## SUPPLY CHAIN



Scope 3 includes all indirect emissions that occur in our value chain. This usually accounts for 80% of total gross emissions. As a responsible business that wants to quantify and reduce our full impact, we need to engage with suppliers to reduce value chains emissions.

We first need to assess suppliers on their level of sustainability maturity and partner with them to support emissions disclosures and reduction. We need to work together to achieve our climate goals.

Supply chain management will also involve investigating any breach of modern slavery and unethical practices.

## INDUSTRY 4.0



The digitisation of manufacturing and increase in interconnectivity and smart automation has been referred to as the fourth industrial revolution (Industry 4.0'). In simple terms it's about quality, speed and flexibility.

Within Industry 4.0 initiatives, automated loading systems reduce the lead time for delivery of products to customers, enhance worker safety, and ultimately reduce emissions.

We continuously strive to improve our products and innovate in-line with the market demands. Rigid logistics is a thing of the past.

## GOVERNANCE & TRANSPARENCY



Strong corporate governance sets the tone and establishes the culture. We're proud of what our company stands for, the relationships we've established and the trust we've built with stakeholders.

To maintain those relationships and our strong reputation, we have a robust corporate governance framework that defines the roles and responsibilities of our Board of Directors, ensures oversight of our strategies and operations, and promotes ethical behaviour across our business.

Importantly, Industry 4.0' has improved the safety and welfare of our colleagues. Some routine tasks have been automated allowing colleagues to spend more time decision making and applying their expertise.

## DIVERSITY & INCLUSION



Businesses with diverse leadership and workforce deliver better on innovation, sustainability and service.

As the company grows, we are committed to recruiting and maintaining a more diverse workforce. We will continue to monitor our current team's demographics and will target underrepresented groups with our future recruitment.

Our international leadership team is in daily contact with the workforce, and we encourage innovation from any employee for the development of our products.

## REDUCING ACCIDENTS & IMPROVING SAFETY FOR OUR CUSTOMERS



Forklift and lifting-related accidents are sadly commonplace in the workplace. Joloda will continue to innovate and develop our automated systems to reduce these incidents for our customers.

# contributing to the UN sustainability development goals



The UN Sustainable Development Goals (SDGs) are the blueprint to achieve a better, fair and more sustainable future for all. Guided by the goals, it is now up to all of us; businesses, governments, civil society and the general public to work together for a better world. We have identified four SDGs where we have the greatest potential to make a positive contribution and will subsequently prioritise actions and initiatives to support these.

UN SUSTAINABILITY DEVELOPMENT GOAL	UN TARGET	OUR CONTRIBUTION
<p><b>Decent Work &amp; Economic Growth</b></p> 	<ul style="list-style-type: none"> <li>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</li> <li>Supporting all staff through policies and practices to ensure fair pay, regular work and ongoing on the job support.</li> </ul>	<p>We provide stable employment and decent, regular work for our employees and a steady income for our global distributors.</p>
<p><b>Industry, Innovation &amp; Infrastructure</b></p> 	<ul style="list-style-type: none"> <li>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</li> <li>By 2030, significantly raise industry's share of employment and GDP, in line with national circumstances, and double its share in least developed countries.</li> </ul>	<p>Our innovative systems provide sustainable and long-term solutions. They support a global infrastructure that relies on efficient logistics. The systems positively impact a safer workforce for the Joloda group and our customers.</p>
<p><b>Responsible Consumption &amp; Production</b></p> 	 <ul style="list-style-type: none"> <li>Ensure sustainable consumption and production patterns.</li> <li>Joloda Hydraroll will contribute to this by reducing waste generation through prevent, reduction, recycling and reuse.</li> </ul>	
<p><b>Climate Action</b></p> 	 <ul style="list-style-type: none"> <li>Joloda Hydraroll will prioritise reducing our carbon footprint</li> </ul>	<p>We will take action to reduce our carbon emissions through the calculation of our Scope 1 and 2 emissions and the implementation of an electrification policy for converting our fleet to electric/hybrid vehicles. In January 2022 we will have our first audit to produce a gap analysis report. We will use this report to drive change to become ISO14001 accredited. This accreditation means reducing our waste and improving efficiency in the use of resources.</p>



# 2023 ESG objectives

We are committed to responsible business, weaving ESG considerations into everything we do.

We have set the following ambitious sustainability goals based on a robust materiality assessment, giving ourselves a deadline of 2023 to achieve these.

FOCUS AREA	PEOPLE	ESG GOALS	FOCUS AREA	PLANET	ESG GOALS
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- 

Provide targeted solutions to promote physical and mental wellness for our employees
- 

Develop a Modern Slavery Statement
- 

Develop a formal community engagement strategy
- 

Incorporate ESG due diligence for all new supplier assessments prior to concluding new agreements
- 

Develop a supplier Code of Conduct and share it with 20% of our existing suppliers

- 

Reduce Scope 1 and Scope 2 emissions by 10%
- 

Develop a comprehensive climate strategy and net zero roadmap, including all material scope 3 categories
- 

Replace 10% of company vehicles with electric/hybrid solutions
- 

Procure 100% renewable electricity for our sites and operations



structure & governance

# structure & governance

Joloda Hydraroll has a two-tier board. The two-tier board structure offers several benefits to the company as it helps with effective decision-making, as both employees and independent directors are represented. Independent directors can help with risk-taking necessary for business and employees can ensure the interests of the employees are considered. The Boards include high calibre Directors and Managers who have many years of experience working in the sector and company. Members of the Board are nominated by the Executive Management team. Duties of the board include strategy, control and service and the supervisory board handles the control whilst the operational board deal with service and strategy. Directors provide specialist advice and strategic guidance through their experience, responsibilities and active roles within the company. They hold management to account at Board meetings and during daily interactions. Matters of concern from the workforce are raised during the daily contact that the Executive Board members have with the teams.

## GROUP STRUCTURE



### SUPERVISORY BOARD



### CONSULTANTS



### OPERATIONAL BOARD



### OPERATIONS

### BUSINESS DEVELOPMENT



Develop a Modern Slavery Statement

## CYBERSECURITY

Joloda Hydraroll addresses the risks associated with a cyber-attack or data breach with a robust cybersecurity programme. External cybersecurity consultants advise us on how to reduce our threats and have managed detection and response services. We can report no attacks across the group, in the last 12 months. The executive team acknowledges the importance of cyber security the company holds cyber risk insurance to facilitate preventative measures and mitigate any losses.

As good practice and governance, we have a designated Data Protection Officer (DPO) in the UK. Their role is to ensure the protection of personal data within the company, GDPR Compliance and communicate any changes in data protection to the team.

## GDPR

Since 25 May 2018, the General Data Protection Regulation has applied to both the UK and Joloda Europe offices. We comply with this law through our processes and agreements with external parties with whom personal data is exchanged. The agreements ensure data is handled confidentially.

## ENVIRONMENTAL GROUP

Joloda Hydraroll has an active environmental group with core members from the UK and Europe. The members are facilities as well as subject leads (experts) and managers. The USA will join the group in 2022. It holds virtual monthly meetings. Alec McAndrew, Group Technical Director, chairs the meetings and prioritisation and grading are given to each recommendation with the actions recorded and followed up.

## LEGISLATION & POLICIES

UK business requirements and legislation differ from the legal obligations for our offices in the USA and Europe. Both offices follow the guidance of their countries' governments and the state of North Carolina. We have a policy review process in place ensuring consistent practice at work and current regulations and legislation are followed. Updates will include training the teams where appropriate. All policy violations and non-conformance in the UK are tracked as part of our quality management process and ISO 9001.

## WHISTLEBLOWING POLICY

A Whistleblowing policy is in place in the UK and Europe. Joloda Europe has a confidential counsellor who is trained to assist with any whistle-blowers or act on their behalf when they report to Whistle blower House.



## RISK MANAGEMENT

We have risk assessments in place for all processes carried out within Joloda Hydraroll. We assess the risk, minimise it, carry out training, supply protective equipment if required and regularly audit. Our ISO 9001 accreditation ensures we plan for risks using risk-based thinking and have the systems and protocols in place to manage the risks and any subsequent opportunities.

## HEALTH & SAFETY

At Joloda Hydraroll we maintain a safe and healthy working environment, where the risk of injury, accidents and incidents is minimised; and the well-being of our staff is maximised. We hold regular health and safety meetings, and our Health and Safety Manual contains employee guidance on job specific safety requirements. Our health and safety training is led by our management team, external consultants and dedicated health and safety staff. Additionally, we provide health and safety training for our customers for two of our products.

We track the number of days without a reportable accident and any reportable injuries, accidents, incidents and near misses (RIDDOR). We have reported two in the last financial year. The first one included 14 days lost and the second more serious incident is ongoing and has over 200 days lost. This accident rate is low (1.1%) for our total group, particularly in comparison with the UK figures of 3.4% for the metal manufacturing industry.

To promote a safe and healthy work environment in accordance with the Dutch Working Conditions Act, Joloda Europe carry out an RI&E (Risk Inventory & Evaluation). The Dutch government monitors the follow-up and implementation of this obligation by means of inspections carried out by the Inspectorate SZW. As a result of the RI&E carried out, Joloda draws up an action plan which is implemented, and the status documented.

## SAFE CONTRACTOR

Joloda Hydraroll has been awarded the Alcumus Safe Contractor award for over five years. This accreditation includes external auditing to ensure we meet the necessary standards for health and safety, equal opportunities, diversity and environmental management. It is a reassurance for our customers and supply chain that we are committed and compliant.

We are ISO 9001 QMS certified and are currently being audited for ISO14001 accreditation, we aim to have this ISO in place in 2022 for the UK and Europe offices. Our products are designed and manufactured in accordance with the Machine Directive and CE/UKCA and marked as applicable.

## KEEPING OUR CUSTOMERS SAFE

Joloda Hydraroll supports the **safety** of our customer's employees with our loading systems. The most common workplace injuries involve lifting, carrying and pushing loads. These can include forklift and crane-related injuries where large loads and often pedestrians are involved. These injuries cause both physical and psychological pain to the person but also impact the company with staff absence and recovery time.

Joloda's lifting and loading systems reduce the need for manual handling or forklifts and increase both safety and productivity. Regular employee training for forklifts can be reduced with less vehicles in operation, reducing the cost and time involved. Where appropriate, installing enclosed systems further eliminates risks and accidents.



A black and white photograph of two industrial workers in a factory setting. The worker on the left is a man with a beard and glasses, wearing a dark jacket and a high-visibility safety vest with reflective stripes. He is wearing a headset and looking towards the woman on the right. The woman on the right has blonde hair in a ponytail, wears glasses, a dark jacket, and a similar high-visibility safety vest. They are standing in a large, brightly lit industrial space with blurred machinery and lights in the background. On the right side of the image, there is a piece of industrial equipment with various components and a label.

our people &  
communities

# our people & communities

## STAFF DEMOGRAPHICS



The Joloda Hydraroll UK team has 170 employees as of March 2021



Provide targeted solutions to promote physical and mental wellness for our employees

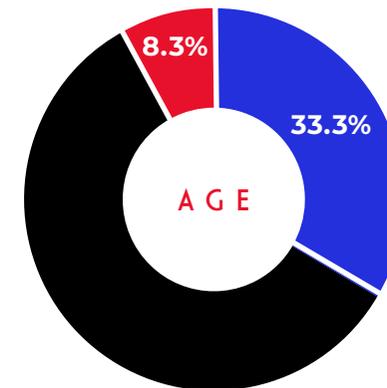
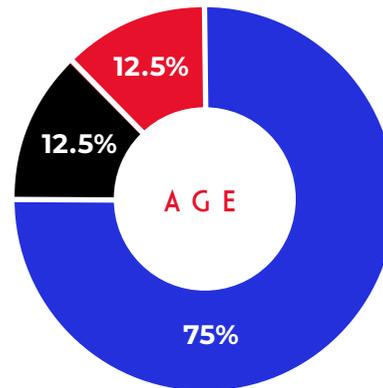
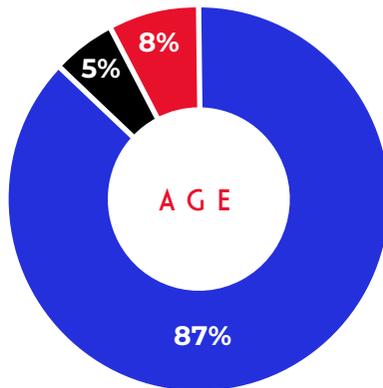
### JOLODA UK

### JOLODA EUROPE

### JOLODA USA

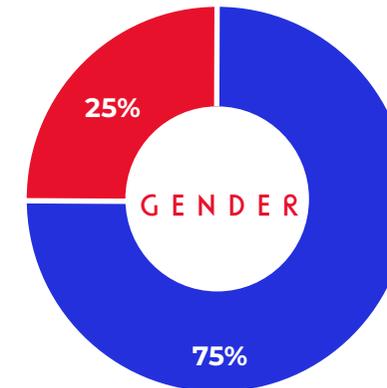
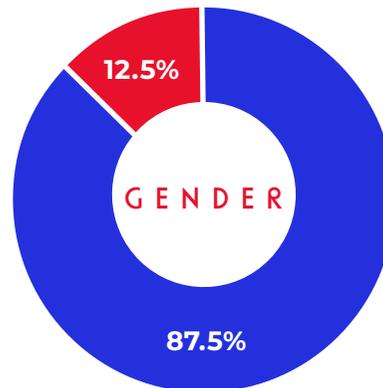
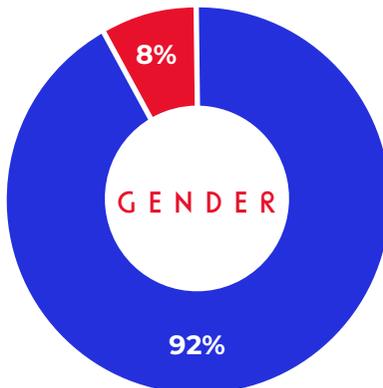
#### AGE

- Under 25 years
- 25 - 55 years
- Over 56 years



#### GENDER

- Female
- Male



## RECRUITMENT

When recruiting, applicants are selected on their skills, knowledge and ability. We follow legal requirements and equal opportunities and do not restrict to any sexual group, gender or background and this is applied whether we are using a recruitment agency or recruiting externally ourselves. To increase opportunity and promote staff development and progression we advertise job vacancies on internal notice boards. Results have shown this as being an effective way to encourage our teams to progress their careers. For the USA the past year has had zero staff turnover and we have several employees who have been with us for more than five years. As the company grows, we will aim to recruit a more diverse team.

## APPRENTICESHIPS

Apprenticeships are an important part of our training programme and team ethos. We understand the privilege and value of training a young person in a career path and the loyalty and expertise we get in return. In the UK, our sites are based in areas where young people have been disproportionately affected by the COVID-19 pandemic. There has been a reduction in young people's incomes, many were furloughed and one in seven now claim unemployment benefits. Joloda Hydraroll has contributed to this inequality by working with 2 apprenticeship companies, one in Anglesey where we currently have 3 apprentices in the age group 16-24 and one in Liverpool, where we have 2 apprentices. In Europe, Joloda is recognised as an official training company responsible for the implementation of professional training for apprentices. A mentor within our company ensures the trainee is given the guidance and training they need. This way, young people get the chance to grow within our organisation.

## DIVERSITY, EQUITY & INCLUSION

Joloda Hydraroll embeds our equal opportunities policy into the culture of the business. Starting with the recruitment process, the working environment, through to protection from discrimination and opportunities for career development. As we continue to develop in this area, we will monitor our gender pay gap and review our policy on dress code and the covering up of tattoos and facial piercings; this accommodates business changes around expressing individuality and a more inclusive dress code. In Joloda Europe, we hope the low staff sickness, long service records and very low staff turnover reflect the work satisfaction and loyalty of our employees.

## TRAINING & DEVELOPMENT

Every member of the Joloda Hydraroll team has an annual Personal Development Review which enables them to discuss and plan their training requirements for the following year. Training is identified with the skills and requirements of the job role. As part of the review, the employee can voice their aspirations and expectations of the company. We actively encourage this to be an honest and open conversation and we review comments or requests that will benefit both the employee and Joloda. In the UK, we have a designated training lead who manages and maintains our apprentices and any training taken online. In the reporting year, our team members undertook 90 hours of training either online or face to face.



## MENTAL HEALTH & WELLBEING

Joloda Hydraroll in the UK provides online training for all employees in mental health and wellbeing through an external consultancy and online portal. All our Managers and Supervisors have undertaken training in Mental Health Awareness. We have an occupational health consultancy that we use to refer employees when they feel they require further support. Some employees have been referred to a counselling service, run by the occupational health consultancy and have received counselling in the workplace. The consultancy has advised Joloda management and HR staff on how to support our employees when they are faced with difficulties.

For Joloda Europe the welfare and the mental wellbeing of its employees are very important. Our managers make sure they are approachable to everyone. We employ a certified confidential advisor for all employees to access. Furthermore, an occupational health expert and doctor can be consulted if required. The office manager has a CPION Diploma and understanding of the signs of medical and mental issues so can organise timely support. We will always try to accommodate someone's wellbeing needs, particularly in situations such as caring for a sick family member.

## COVID-19 RESPONSE

Joloda Hydraroll faced several challenges due to the COVID-19 pandemic. Socially we needed to be aware of the health and emotional impact on our employees, their families, our customers and the local communities. Strong leadership was required to lead the company through the increased product demand and growth of the business in a short time. Environmentally we need to ensure the disruption to our supply chain was minimised and products were available.

In the UK, we issued the COVID-19 company policy in April 2020 to ensure our teams had essential guidelines to follow during the coronavirus outbreak including alterations of existing sick leave and work from home policies. Realising the potential financial impact on some of our employees we enabled loan requests for any employees, up to the value of 50% of their salary. This was loaned interest-free and with a 3-month repayment term.

Work trips and events, which included both international and domestic were cancelled or postponed with virtual meetings prioritised. If employees had to travel, they were asked to work from home for 14 days following their return. A working from home directive was implemented, where possible and COVID-19 hygiene rules across the company. Our Field Engineers continued to visit our customers and were issued with specific hygiene rules



that included washing their uniforms daily and the disposal of PPE and wipes after each site visit.

In Europe we reimbursed our employees for their required COVID-19 test kits and in the USA we were initially put under a state of emergency by North Carolina and a stay-at-home order. The American business was disrupted for a month whilst we worked to qualify for essential business status. This status was awarded as we provided services to companies that were delivering medical / health / food goods. We supported a key supplier during the COVID-19 period. The manufacturing company had been hit hard by the shutdowns and the consequent cash flow issues. We were able to pay for materials upfront, allowing the company to have the required materials on hand. This enabled the company to stay efficient and prevented the related cash flow drain.

## HR AT JOLODA

This handbook is an integral part of team members' journey with us. It is given out on induction and contains the relevant policies to perform roles and follow company expectations. It includes the Disciplinary procedures, Anti-harassment and bullying policy, Grievance procedure, Flexible working policy, Whistleblowing policy, Vehicle tracking policy, Alcohol and drug abuse policy, IT and communications policy and Bribery act policy. Joloda Europe also issues employees with its company handbook and this includes advice on calamity leave and care leave, if required.

If there are any issues and changes that we wish to discuss with all employees, HR will carry out "All Hands Meetings". These are held at random and give team members a chance to hear from the management about any changes to Joloda Hydraroll's strategy or direction that could affect employees. These meetings have many benefits and highlight the transparency that we value from our leadership team.

## COMMUNITY ENGAGEMENT

At Joloda UK, charity support and engagement are decided through our team's recommendations. In the last reporting year, we made a large commitment to Christmas in a Box, which was a local-based Liverpool charity and provided 100 meals for the homeless.

The offices also held a "Bake-off" competition to raise money for the local Marie Curie Cancer centre. This event occurred over several weeks and entrants donated money to participate. In Anglesey, we provided football kits and netball uniforms for children in a local school.

Support and donations to charities are an individual choice for Joloda Europe and currently we do not make company donations. Our team members support charities and organisations that are important to the individual, such as Amnesty International and the Cordaid foundation.

In the United States, charity donations are given on a semi-annual basis and they are promoted by our team members, as charities that are meaningful to the individuals. We include a mix of local charities, based in North Carolina, such as the Food Bank of Central & Eastern NC and national charities. The national charities include the American Cancer Society, American Heart Association, Marine Toys for Tots and National Law Enforcement Memorial Fund. An example of a meaningful association is when a former employee had a heart transplant and we began donating to the American Heart Association.





supply chain  
management

# supply chain management

**A supplier quality assessment is undertaken during the procurement of a supplier. This includes information on any subcontractors and permission to allow quality audits by Joloda Hydraroll or its customers. Moving forward our suppliers will receive an annual assessment to safeguard continued quality.**

Joloda UK and Joloda Europe are working towards accreditation for ISO 14001 in 2022. This commitment to an environmental management system means we will update our supplier assessment with the evidence required on waste reduction and disposal and our supplier's health and safety records. ISO 14001 complements Joloda's drive to improve resource efficiency and reduce supply chain issues.

We have over 2000 suppliers registered to Joloda in the UK and we try to source locally where possible to guarantee we are supporting local businesses and reducing our carbon footprint by minimising unnecessary deliveries across the country. In the USA, Joloda USA are fortunate to work with 12 micro businesses that are within the local town.

For Joloda Europe, its main supplier is Joloda Hydraroll UK, we are working together on our environmental awareness and promotion of a sustainable and ethical supply chain. One of the ways we are going to address this is by introducing training on modern slavery in the supply chain to our teams. We have assessed our suppliers as low risk but even a low risk must be accounted for. Most of Joloda Europe's suppliers are based in the Netherlands and the Modern Slavery and Child labour laws are due to come into place in 2022, which requires us to start this process.

Joloda purchases many different metals to produce the Joloda and Hydraroll products/systems, we do not use rare sources such as tin, gold, tungsten, tantalum and or their derivatives. The metals we use include stainless steel, steel, and aluminium.

We will be including ESG questions in our supplier quality assessment to establish whether our suppliers are aligned with our future goals. We will share our ESG programme and goals with our key suppliers to ensure they are aware of our future goals and are able to support us on our journey. This will drive collaboration and a shared effort towards becoming more sustainable together. Reducing emissions and sustainability cannot be addressed independently of our suppliers as their footprint impacts our Scope 3 emissions and visa-versa.



Incorporate ESG due diligence for all new supplier assessments prior to concluding new agreements



Develop a supplier Code of Conduct and share it with over 50% of existing suppliers



## SWITCHING TO REUSABLE SUSTAINABLE PRODUCTS IN OUR SUPPLY CHAIN

Joloda USA requires batten blocks to go under the trailer floor in our installations. Over the past few years, we initiated the transition from wood to recycled plastic battens. The blocks are primarily made from milk and detergent bottles (HDPE liquid containers). They are more expensive than wood but help with the circular economy as they are repurposed and can be reused and they do not mould like wood.

We use 75% recycled plastic and 25% wood for our requirements. This will change over the coming year as our plastic batten supplier now offers more sizes and we forecast purchasing 100% plastic by December 2022.





environment



# environment



Reduce Scope 1 and Scope 2 emissions by 10%



Replace 10% of company vehicles with electric/hybrid solutions



Develop a comprehensive climate strategy and net zero roadmap, including all material scope 3 categories



Procure 100% renewable electricity

## 2021 CARBON FOOTPRINT

Carbon emissions is the leading cause of global warming and we are working hard to ensure that we limit the carbon we produce operationally. The first step in the journey is understanding the carbon emission levels for our business activities and then to develop a clear plan to reduce each area of concern.

The table opposite shows the total breakdown of consumption and emissions for Joloda, shown in kWh and tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) respectively. They are classified by the scope and specific source. The emissions calculation for Joloda Hydraroll includes Scope 1 and Scope 2 emissions (our operations) and for Scope 3 we have included grey fleet mileage.

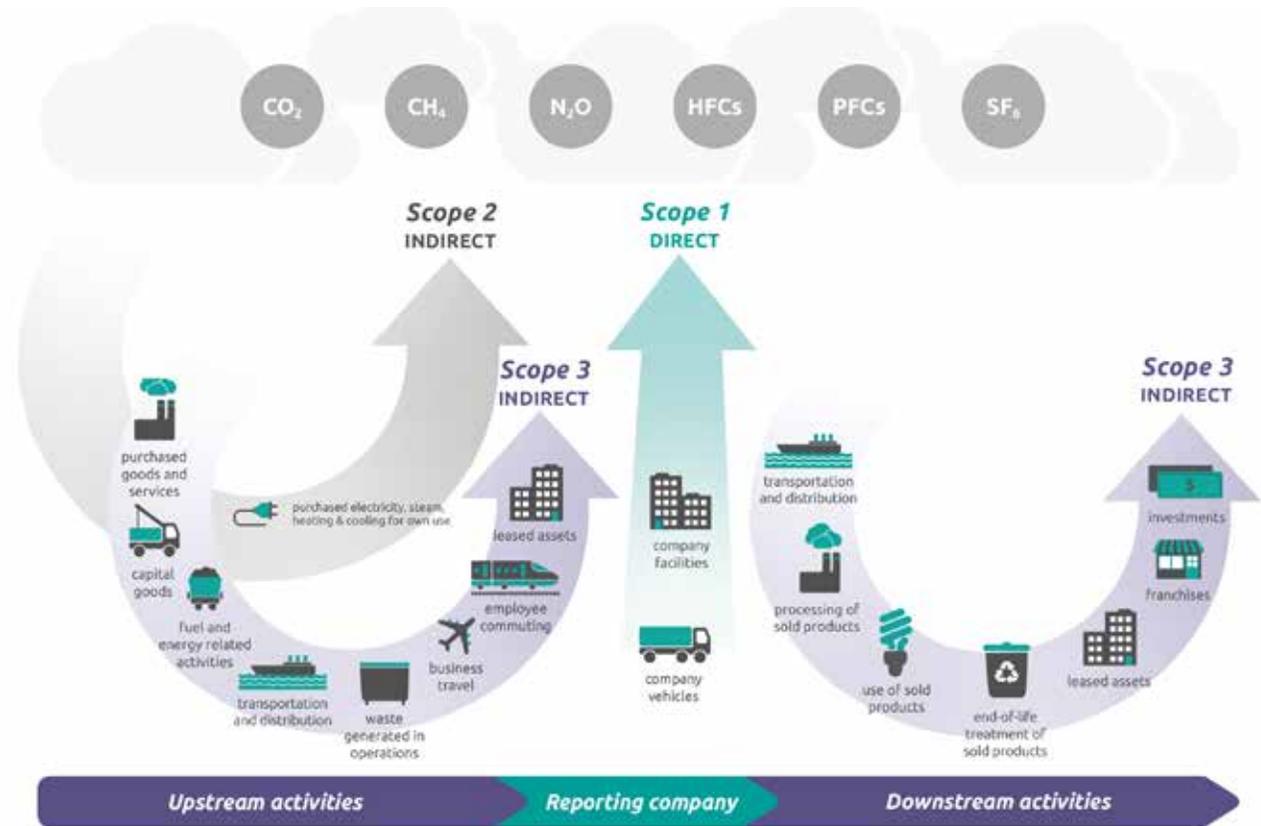
Scope 1 emissions are the direct emissions that occur from sources controlled by Joloda Hydraroll. Our sites use natural gas, fuel oil and gas oil for heating, and diesel and petrol for our fleet of delivery and service vehicles. We use propane gas for the forklifts at our UK and US sites.

EMISSIONS	tCO <sub>2</sub> e	tCO <sub>2</sub> e % of Total
<b>Scope 1</b>	<b>637.8</b>	<b>78.8%</b>
Natural Gas	39.7	5%
Owned/leased diesel vehicles	457.1	56.6%
Owned/leased petrol vehicles	5.6	0.7%
Propane (forklift use)	69	8.5%
Fuel oil	16.7	2%
Gas oil	47.8	6%
Hybrid vehicles	1.9	0%
<b>Scope 2</b>	<b>163.0</b>	<b>20.2%</b>
Electricity	163.0	20.2%
<b>Scope 3</b>	<b>6.2</b>	<b>1%</b>
Grey Fleet Mileage	6.2	1%
<b>TOTAL GROSS EMISSIONS</b>	<b>806.9</b>	<b>100%</b>
Less renewable electricity	(9.0)	1%
Less renewable gas	(24.1)	3%
<b>LESS CARBON OFFSETS</b>	<b>(775)</b>	<b>96%</b>
<b>TOTAL NET EMISSIONS</b>	<b>-1.2</b>	

# overview of GHG protocol scopes & emissions across the value chain

Scope 2 emissions are the indirect emissions that are associated with the purchasing of electricity and include all electricity usage on our sites. Alongside heating and powering equipment, electricity usage for Joloda Europe covers the charging of its electric forklift.

We have put in place a program to extend our carbon footprint calculation such that we will include a number of additional Scope 3 items – both upstream and downstream. We will then create a Net Zero emissions reduction program and set a net zero date. We have focussed our efforts on reducing emissions as far as possible across our business ahead of this.



## CARBON OFFSETTING

Carbon offsetting presents an opportunity, beyond carbon emission reductions, to support the UK and global transition to net zero. In 2021, we became carbon neutral for our corporate operations. We offset 775 tCO<sub>2</sub>e through independently verified projects that reduce carbon emissions, protect biodiversity, and bring real benefits for local communities.

We invest in low carbon sustainable development projects because we know that decisive action must be taken now as we enter this critical decade. These investments have immediate positive impacts on the environment and within their communities.



## Musi River Hydro in Indonesia

### RENEWABLE HYDROPOWER

Joloda is a contributor to the Musi River Hydro project in Sumatra, Indonesia's largest island, covered by dense tropical forests that are home to countless plant and animal species. Its fertile soil is ideal for growing rice and other commodities such as coffee, cacao, cinnamon and palm sure. Despite this, new economic opportunities are limited by rudimentary infrastructure and poor electricity access – and growing energy demands threaten Sumatra's unique natural ecosystems. This grid-connected, run-of-river hydroelectricity plant is built on the upper banks of the Musi River near Sumatra's port city of Bengkulu. By harnessing the kinetic energy of powerful running water, the Musi River Hydro plant has a total-installed capacity of 210 MW and delivers over 765,000 MWh to Sumatra's grid every year. This project addresses issues in rural Sumatra such as poor electricity access and the lack of quality employment opportunities – as well as fostering sustainable economic development.



## Topaiyo Forest Conservation in Papua New Guinea

### EMPOWERING UNDERSERVED COMMUNITIES THROUGH UNIQUE FOREST CONSERVATION

Joloda is a contributor to the Topaiyo Project, protecting vital rainforest from deforestation. It recovers the land's rich biodiversity and revitalises natural carbon stocks, in turn combating global climate change and enhancing the social and economic development of one of the poorest and most isolated areas of Papua New Guinea. Papua New Guinea is the world's largest exporter of tropical timber, losing approximately 1.4% of forestland each year. As a vital natural carbon sink, protecting forests is essential for mitigating global carbon emissions. It is also home to 5% of the world's biodiversity, including 250 species of mammals, 1,500 species of trees and 750 species of birds, half of which are unique to the island. However, unsustainable logging has left this vibrant flora and fauna under serious threat. By providing alternative livelihoods and income sources through carbon finance, this project allows the local communities to avoid deforesting their land for timber production. Instead they can earn an income from conservation and sustainable management initiatives, alleviating the pressure on the people as well as their forest resources.



## Kariba Forest Protection in Zimbabwe

### SAVING FORESTS, PROTECTING WILDLIFE, & CHANGING LIVES

Joloda is a contributor to the Kariba project, protecting nearly 785,000 hectares from deforestation and land degradation, preventing more than 3.5 million tonnes of carbon dioxide being released into the atmosphere every year. In recent decades, Zimbabwe has suffered from political and economic turbulence. With limited economic opportunities, desperate communities have delved deeper into the forests, clearing it for subsistence farming and fuelwood. More than a third of Zimbabwe's majestic forests have been lost. As well as this, the project implements numerous community focused initiatives, promoting the independence and wellbeing of these communities. Improved clinic amenities provide better healthcare, infrastructure including new roads and boreholes improve daily life, and school subsidies are offered to the poorest quartile of the population. Project activities in conservation agriculture, community gardens, beekeeping training, fire management, and ecotourism create jobs and facilitate sustainable incomes, benefiting the entire region.



# energy consumption



## Energy accounts for 27% of total gross emissions for Joloda Hydraroll Ltd.

Whilst reducing electricity usage is a constant focus, procuring our energy from renewable sources makes an immediate impact on our net carbon emissions. During the reporting year, Joloda Europe procured 100% of its electricity and gas from renewable sources. This led to a deduction of 33.1 tCO<sub>2</sub>e emissions from the gross total. A program is now in place to replicate this across the group and ensure that all future electricity and gas contracts are from renewable sources. This will reduce our carbon emissions by 154 tCO<sub>2</sub>e (19%).

Additional energy sources used for heating were fuel oil and gas oil, at our Anglesey manufacturing premises. To show the difference between the two UK business operations the following tables show the breakdown for JHL (our manufacturing sites at Anglesey and Speke) and JCS (our conveyor servicing offices based at Birkenhead).

## ENERGY USAGE FOR JOLODA HYDRAROLL (JHL) – MANUFACTURING (ANGLESEY & SPEKE)

SITE	Total kWh	tCO <sub>2</sub> e
Anglesey (Electricity)	332,477	70.6
Speke (Electricity)	344,137	73.1
Speke (Gas)	85,096	15.6
Anglesey (Fuel oil)	186,300	47.8
Anglesey (Gas oil)	62,100	16.7
<b>TOTAL</b>	<b>1,010,110</b>	<b>223.8</b>

The majority of our emissions are generated from our manufacturing process, and we will be monitoring this closely over the coming year. Currently, energy consumption is recorded on a tracker and updated as each monthly invoice is received. The future installation of a smart meter will improve this energy monitoring process via real time usage.

## ENERGY USAGE FOR JOLODA CONVEYOR SERVICES (JCS) – SERVICING (BIRKENHEAD)

SITE	Total kWh	tCO <sub>2</sub> e
Birkenhead (Electricity)	18,392	3.9
<b>TOTAL</b>	<b>18,392</b>	<b>3.9</b>

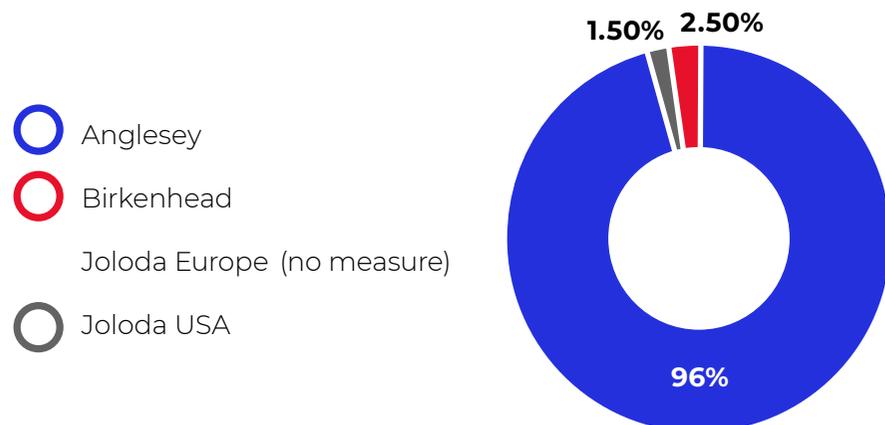
As the smallest site and one that is used for stores and group controls, Birkenhead had the lowest emissions from electricity. There is no gas requirement at the site as it uses an electric-powered heating system.

## GOING FORWARD

In August 2021 Joloda began a staged move from the Birkenhead and Speke premises to a new site. The new global Headquarters also at Speke, Merseyside will be more energy-efficient being a more modern and new building. Having our office, manufacturing facilities and stores in one location allows us to better measure, monitor and reduce our energy consumption. The site has the following energy reduction initiatives in place which should help us achieve a 5% reduction in emissions:

- Factory floor photosensitive flow bay lighting – only comes on when motion is sensed in the area and the lux level is below the set point (currently 700 lux).
- Factory wall and roof insulation meaning we only need 320kW of heating for the factory for a volume that would typically require 500kW. This will allow us to replace the gas meter with a smaller meter, saving us costs on our standing charges.
- All office lighting is the latest LED U19 compliant panels that are motion sensed/censored.

## PERCENTAGE OF NET GHG EMISSIONS



## JOLODA EUROPE

In November 2020 Joloda Europe installed a smart energy meter. This allows us to track the monthly electricity and gas consumption in a granular fashion. Using online data, we view and compare our consumption at any point. All electricity used by us comes from green sources. In May 2020 we installed LED lighting in all offices and the warehouse.

SITE	Total kWh	tCO <sub>2</sub> e
Europe (Electricity)	42,508	9
Europe (Gas)	147,531.52	27
Renewable (Electricity)	(42,508)	(9)
Renewable (Gas)	(147,531.52)	(27)
<b>TOTAL</b>	<b>0</b>	<b>0</b>

## JOLODA USA

The USA office in Wilmington is responsible for 2.5% of the group's energy emissions. This office only uses electricity, and the focus has been on installing high efficiency LED lighting replacements. Electricity is procured from brown energy so we will be investigating the transfer to renewable or low carbon in the coming year.

SITE	Total kWh (electricity)	tCO <sub>2</sub> e
USA (Electricity)	29,920	6.4
<b>TOTAL</b>	<b>29,920</b>	<b>6.4</b>



# transport



Transport is the largest contributor of emissions for Joloda Hydraroll, accounting for 69%. We use vehicles as a core part of our service delivery. We will aim to introduce 10% electric/hybrid vehicles to our fleet when car leases end and the usage means they are a viable option. Currently, the electric vehicle solutions on the market are not sufficient to support the full Joloda operation and geography makeup. The shift will be determined by the battery range, the time taken to recharge and strategic charging points. We will also roll out several trials to attempt to find ways to improve emissions across our transport fleet.

## FORKLIFTS

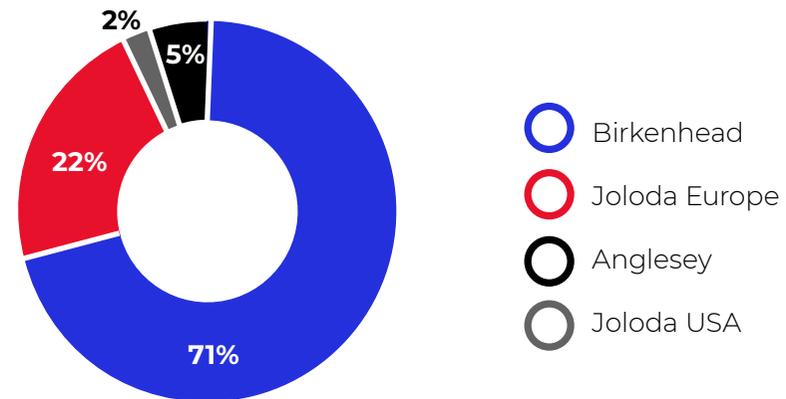
Propane is used to power our forklifts and is responsible for 8.5% of our transport emissions. Propane is a lower emitter of carbon emissions than diesel. Joloda in Europe uses renewable electricity to power its forklifts making them completely carbon neutral. We will be investigating the rollout of electric forklifts across all our sites as existing forklifts near the end of their lifespan.

## USING TELEMATICS

Regular data analysis of the telematics, including speed events, idling time and vehicle condition highlight the areas where we can reduce our transport emissions. Positive changes can make a significant impact in fuel consumption reduction and consequent emissions; suitable driver training programmes have been identified and will be implemented for at least 25% of our drivers in the new reporting year.

EMISSIONS	kWh	tCO <sub>2</sub> e
<b>Scope 1</b>		
Owned/leased diesel vehicles	1,901,627.4	457.1
Owned/leased petrol vehicles	23,214.2	5.6
Hybrid/electric vehicles	7,613.5	1.9
Propane (forklift use)	322,059	69
<b>Scope 3</b>		
Grey fleet mileage	25,244	6.2
<b>TOTAL</b>	<b>2,279,758.1</b>	<b>539.8</b>

## GROSS TRANSPORT EMISSIONS BY SITE



## Our fleet of vehicles from Joloda Conveyor services at Birkenhead and Joloda Europe account for the majority of our transport emissions.

The following actions have been identified to improve our transport emissions profile:

### REDUCING SCOPE 1 COMPANY OWNED FLEET EMISSIONS



We are committed to transition to a fully electric fleet by 2032. The first stage of this process is to conduct driver journey surveys as we must evaluate mileage, delivery routes and freight weight to see where EV's are a viable option. We have discussed our options with our dedicated fleet provider and are continuously assessing suitable electric vans/light commercial vehicles (e-LCVs).

Renewable electricity options for the charging points will reduce emissions further as will the performance of the electric vehicles, which cut out idling time and emissions.

### REDUCING SCOPE 3 BUSINESS TRAVEL EMISSIONS



Due to the COVID-19 pandemic business travel was minimal during the last financial year. The emissions totalled 11.8 tCO<sub>2</sub>e which was 2% of our gross emissions. This is not representative of a 'normal' year's emissions and as such we cannot use this past reporting year as a baseline.

Employee mileage claims generally account for more emissions than a company leased/owned fleet due to the average age and condition of staff owned vehicles. We will continue to reduce these emissions by producing guidance and increasing awareness of driver behaviours across the company. These include maintaining correct tyre pressures, reducing idling time and speed reduction in all vehicles. We will also look to incentivise our employees to switch to EV through a variety of initiatives.

We will continue to hold virtual meetings where possible, reducing the need for unnecessary travel. Looking ahead we will start to report on other upstream and downstream transport and distribution activities, air and train travel, and employee commuter mileage as we work towards an accurate Scope 3 baseline calculation. The first action will be to implement an employee commuter survey to establish the types of transport, mileage and emissions.



# waste management

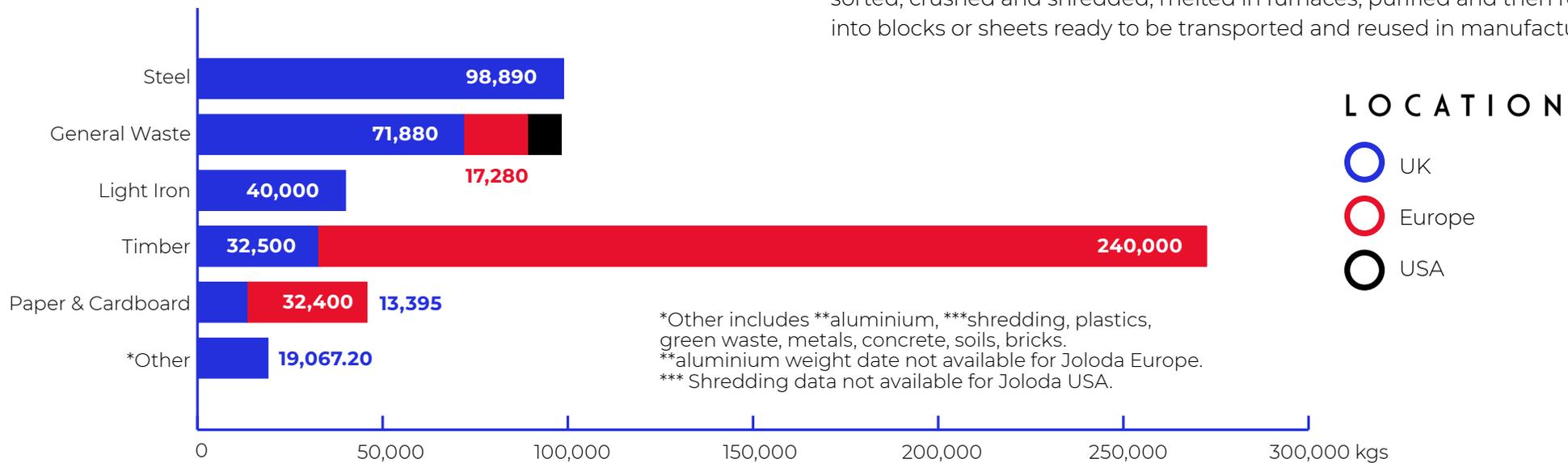


**Joloda is aware of its responsibilities to the environment through waste management.** We partner with specialist waste providers who dispose of our waste responsibly, maximising recycling and minimising the amount sent to landfill, hence reducing our Scope 3 emissions.

A key focus is on separating as many single waste streams as possible and having these collected independently. Where possible Joloda receives rebates for certain materials and invests these funds into waste reduction initiatives. As an example, we arrange for residual metal to be collected, sorted, crushed and shredded, melted in furnaces, purified and then recycled into blocks or sheets ready to be transported and reused in manufacturing.

## JOLODA TOTAL WASTE STREAMS

Total waste generated 574,502 kgs



The largest waste stream in our UK operation is steel. Fortunately, this metal is collected and processed to be reused. As the steel industry looks to decarbonise it is supporting the use of scrap, alternative steel making and carbon capture.

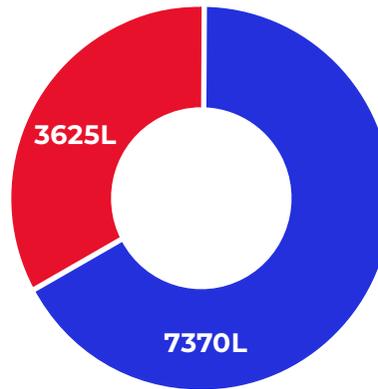
At the new Merseyside site and Anglesey, we have removed bins from the office floors and have introduced colour-coded waste bins to the canteen. Our new skips and signage have a continuation of the colour coding. Waste consumption trackers have been put in place to obtain environmental reports and track collection weights. Training will be rolled out across the business to raise awareness around waste management with a particular focus on the waste hierarchy.

Joloda Hydraroll is working towards a zero to landfill target. This reporting year 94% of our general waste was recycled or incinerated and converted to energy, avoiding landfill. To achieve the 100% zero to landfill we need our suppliers to confirm the ultimate end of life of all our waste streams.

TOTAL GENERAL WASTE FOR ALL SITES (kgs)	kg	%
RECYCLED (kgs)	98,250	
WASTE TO ENERGY (INCINERATED) (kgs)	98,250	34%
WASTE TO LANDFILL (kgs)	59,406	60%
	<b>5,910</b>	<b>6%</b>

## JOLODA UK

Total waste oil 10,995 litres

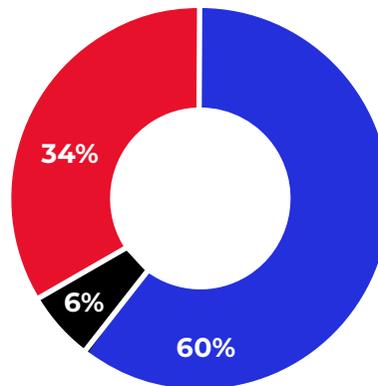


### WASTE OIL (LITRES)

- Anglesey
- Birkenhead

## JOLODA LOCATION

Total general waste 98,250 kgs



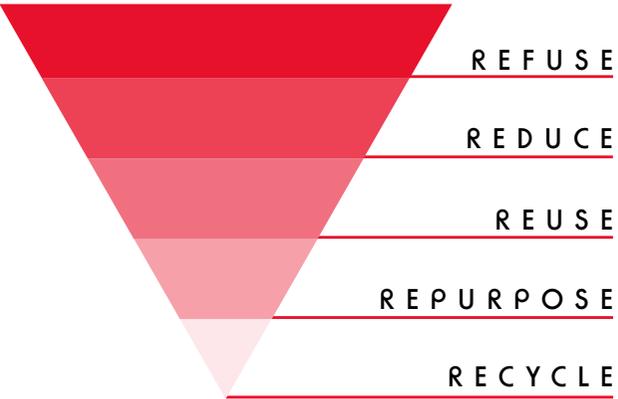
### GENERAL WASTE DISPOSAL METHODS

- Waste to Energy (incineration)
- Recycled
- Waste to Landfill

**For both Joloda Europe and Joloda USA the largest waste stream is general waste and over the following year, we will instigate further plans to reduce this volume.**

In Europe our current initiatives include switching to recycled paper, purchasing coffee cups made from sugar cane, promoting recycling using posters and starting to separate our plastic waste.

In the USA Joloda procures its waste through GFL (Green For Life) a leading waste provider. GFL incinerates landfill waste, capturing the gas and converting it to energy, which is a renewable solution providing carbon electricity or district heating. At both sites any recyclable metal is picked up by a local scrap dealer or the waste provider, when required.



Working in partnership with:



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As part of our desire to ensure we adopt best practice within ESG, Joloda engaged Sustainable Advantage to score Joloda across 59 ESG areas. Each area is graded 0 – 4 with an overall score rebased to 100. An ESG action plan has been created following the scoring process and disseminated to the individual departments under the overall management of the ESG Committee. This process will ensure continued improvement during 2021. We are tracking our progress year-on-year.

