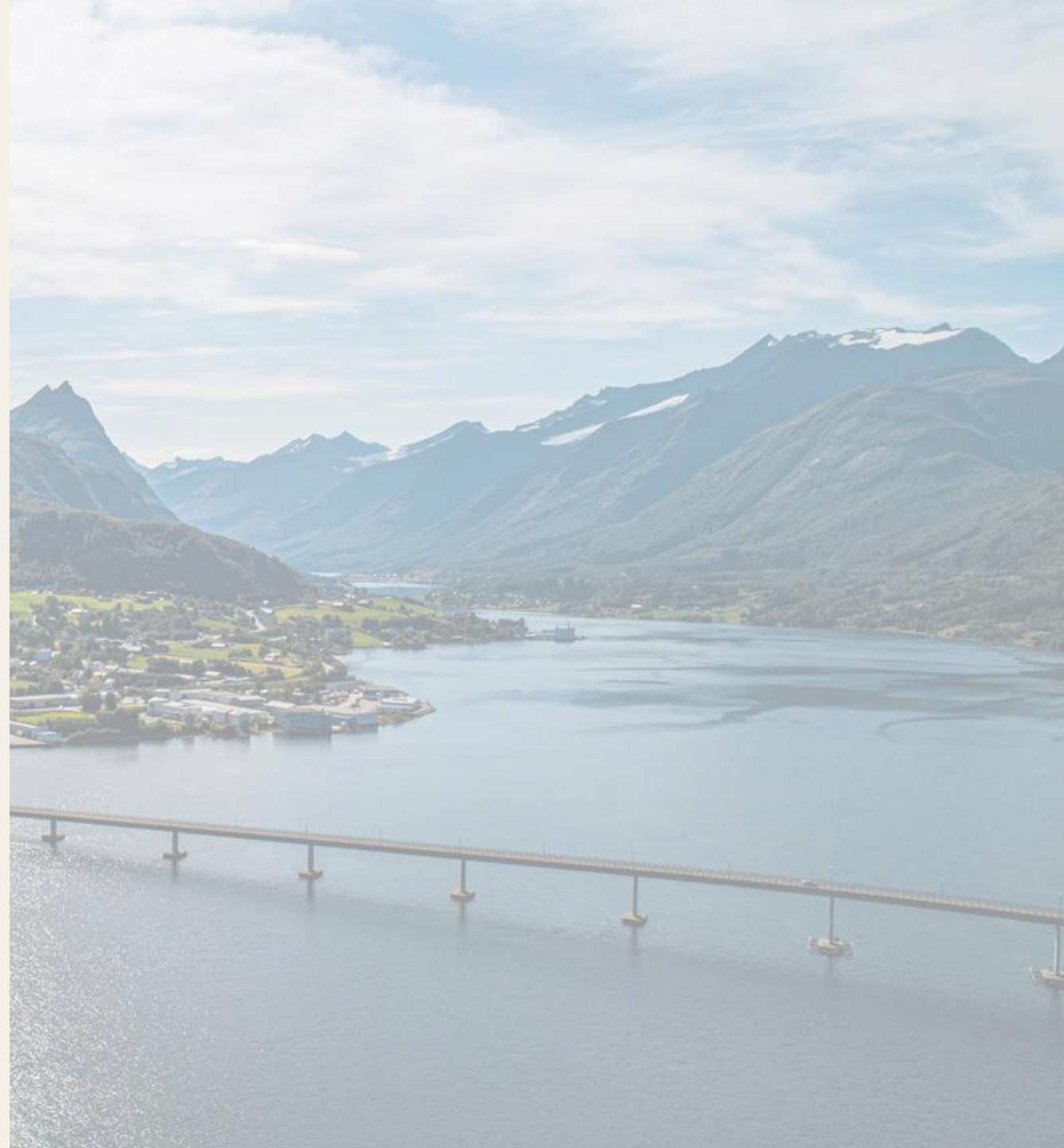




Sustainability report 2023-2024





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About Sykkylven Stål

Comment by CEO Karl Inge Rekdal



Working together for a sustainable future

The climate changes we are experiencing today generate many challenges for our planet.

Collectively, we will continue to contribute to our success in our work on sustainability. We have put this into practice by improving our strategy and business plan, where the role of sustainability is more significant.

One of the goals for Sykkylven Stål is profitable growth. By making responsible choices in collaboration with our partners in the value chain and delivering quality products, we will do our best to create sustainable solutions. Our vision is value creation, and we are ready for a world in transition. We will develop our business strategy to reflect that environmental, social and financial dimensions are part of our daily operations and products.

Using long-term planning and relying on the commitment and pride of our employees, we will play our part towards a more sustainable future. We have selected five of the UN's Sustainable Development Goals for 2024; Nos. 8, 9, 11, 12 and 17.

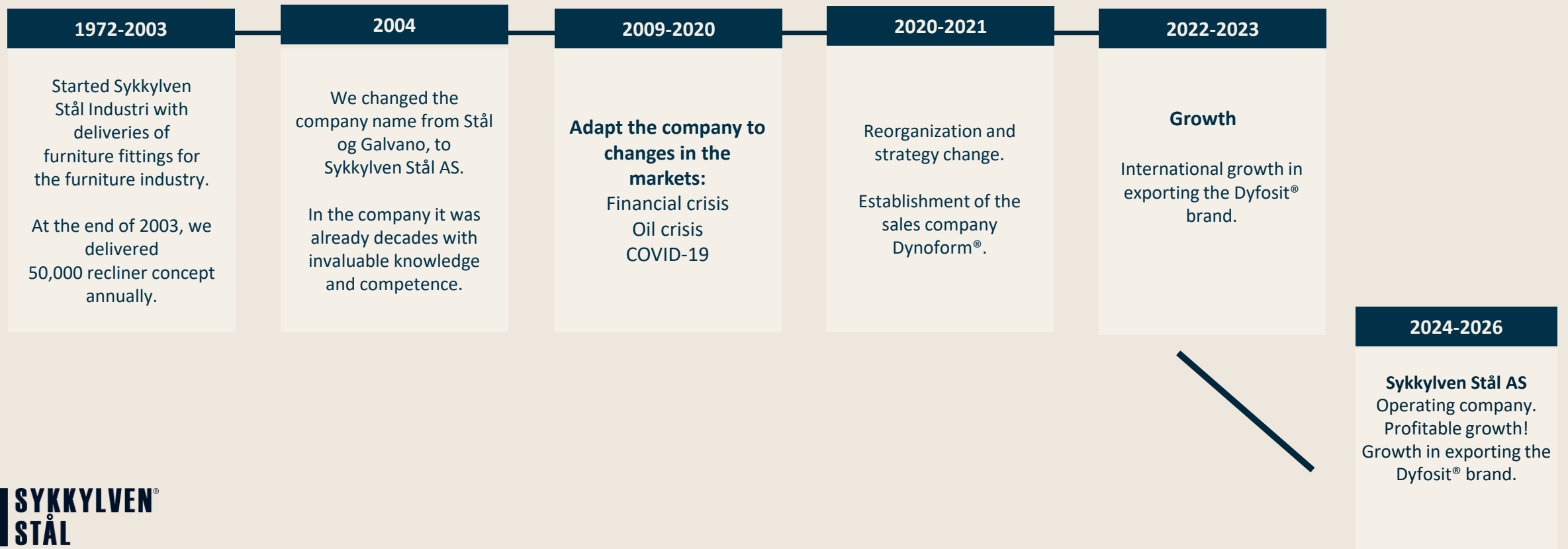
Sykkylven Stål want to thank Dr. Annik Magerholm Fet at Capsem Consult AS for her invaluable guidance for the work involved in producing this sustainability report.

About Sykkylven Stål

Sykkylven Stål AS is an environmentally technologically competent company in the furniture capital of Sykkylven. We are a reliable and quality-oriented supplier to the furniture and maritime industry with leading competence in product development, pipe and plate processing, machining, mounting and surface treatment. In addition, we have a growing portfolio of functional systems, such as Dyfosit®, and we provide products for schools as well as outdoor furniture from Dynoform.



Our History and our strategy for the future



Values

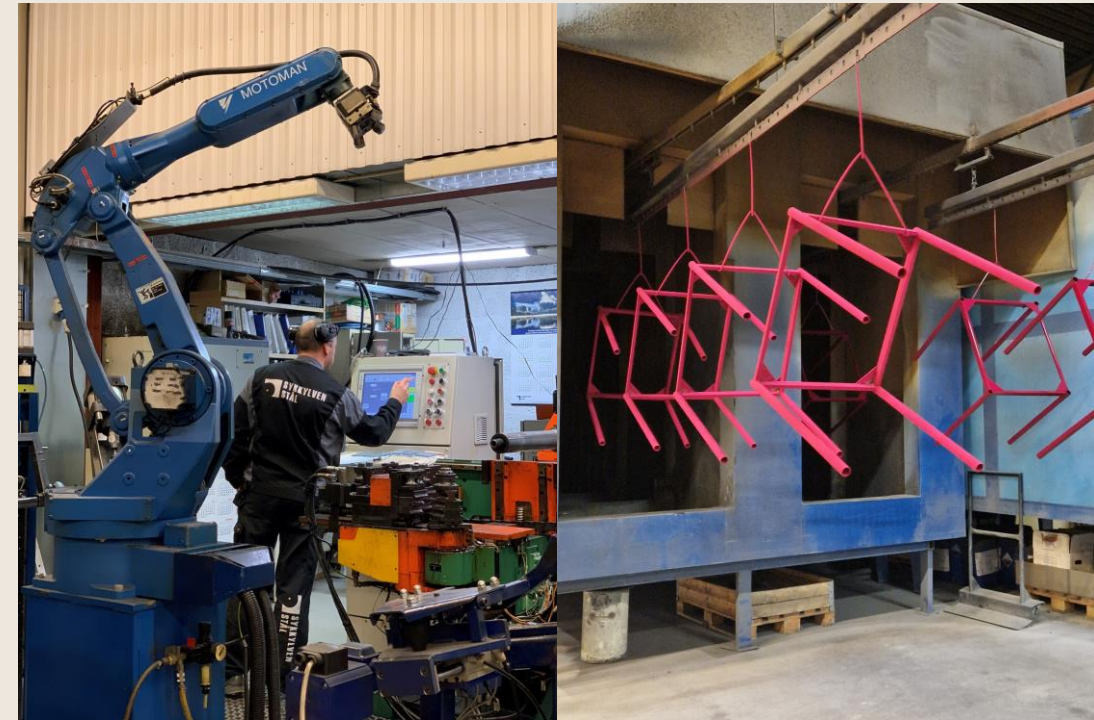
Our values are based on respect and trust, which are important for a good working environment.

We have chosen three values to support this:

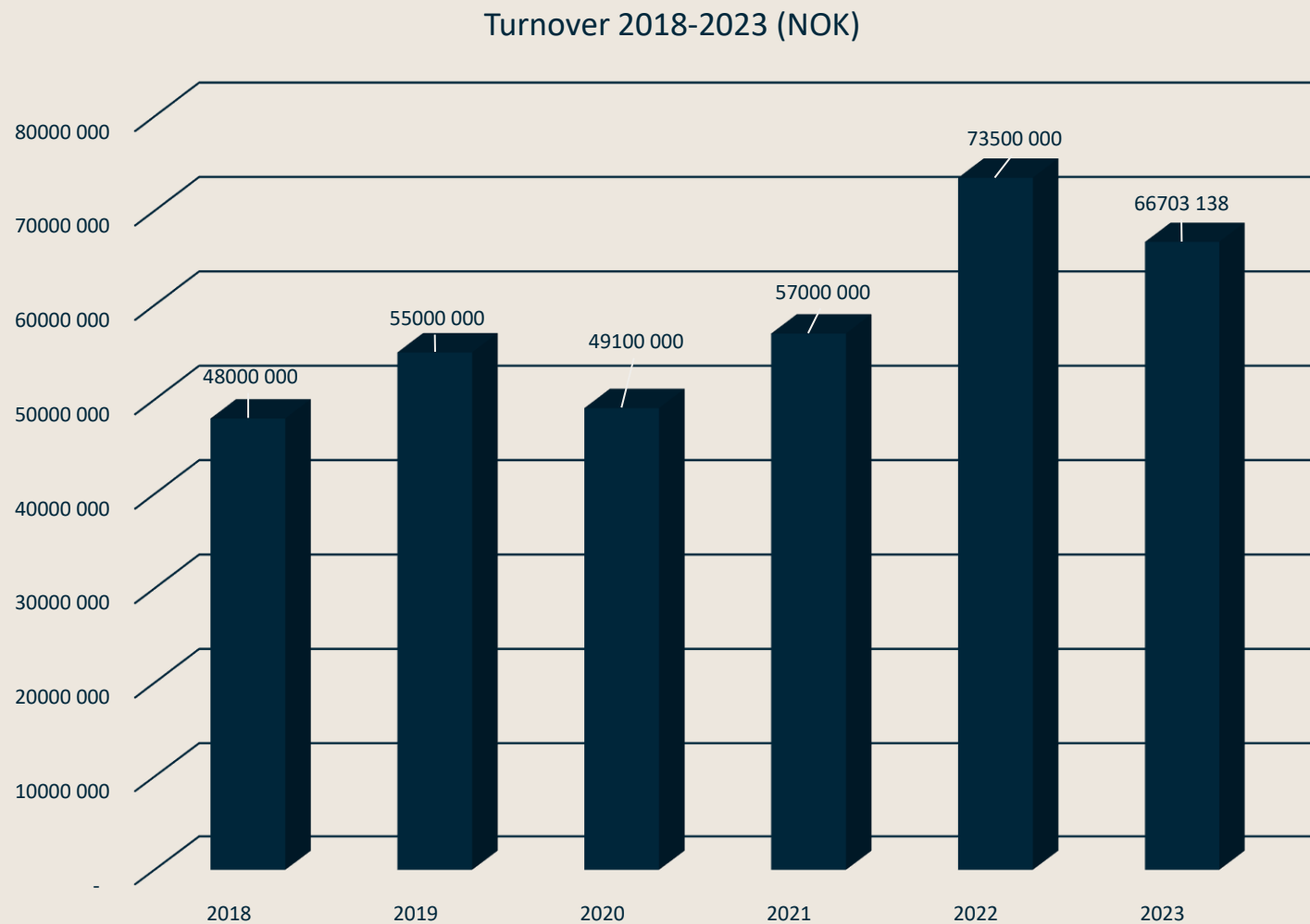
As an innovative creator with a customized production, we can turn ideas into successes.

Quality in practice is reflected in targeted and continuous improvement and efficiency through certified management systems, robotic processes, accredited tests and Norwegian production.

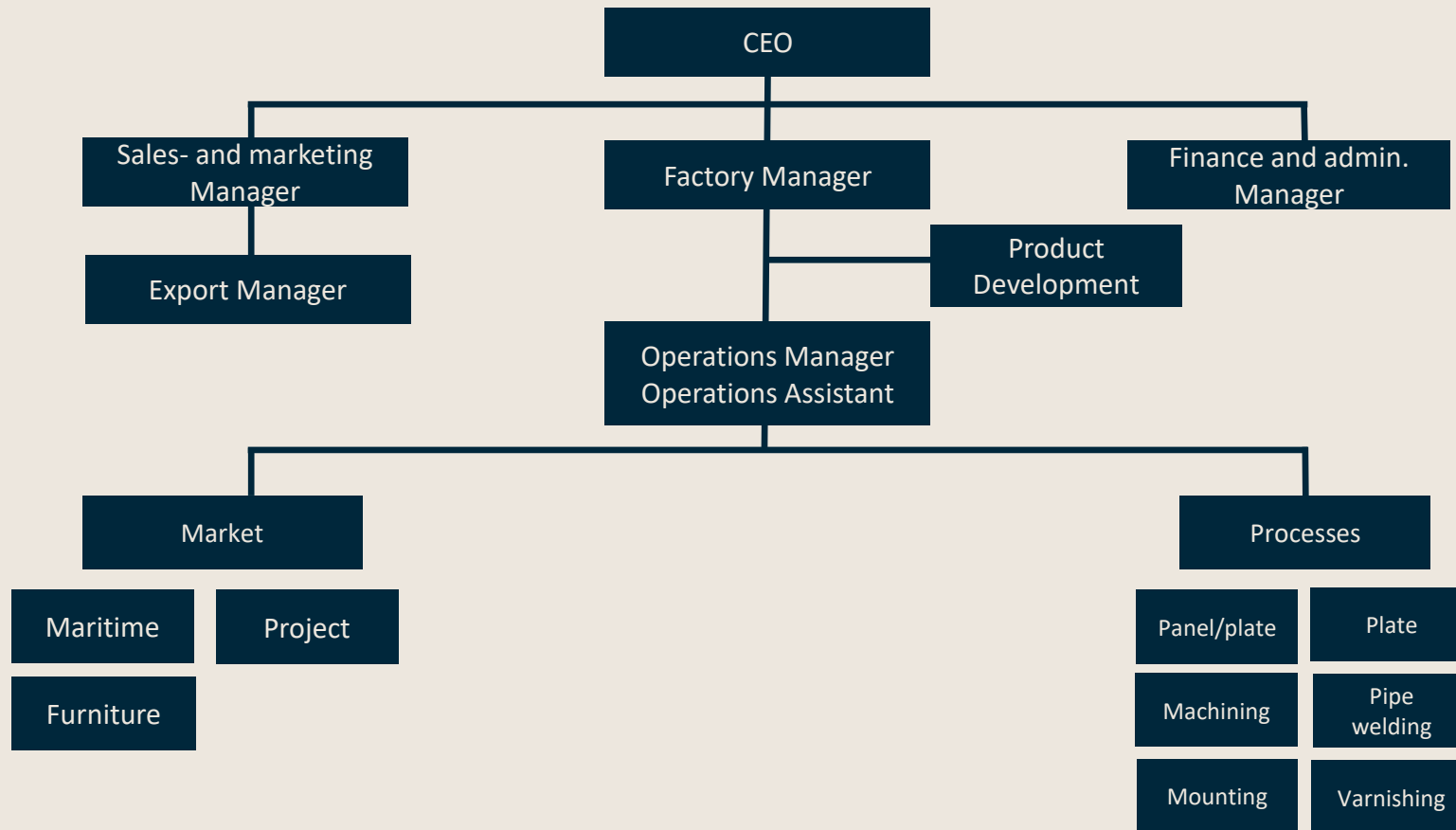
Involved and close means that we value close cooperation with our customers and partners throughout the process, from product development to finished product. It also means that we will be a competent, flexible and service-minded partner.



Turnover



Organization



Our Strategy - We create quality solutions that excites

In 2023, Sykkylven Stål went through a strategy audit and produced a strategic plan for 2024-2026.

Our strategy includes three areas:

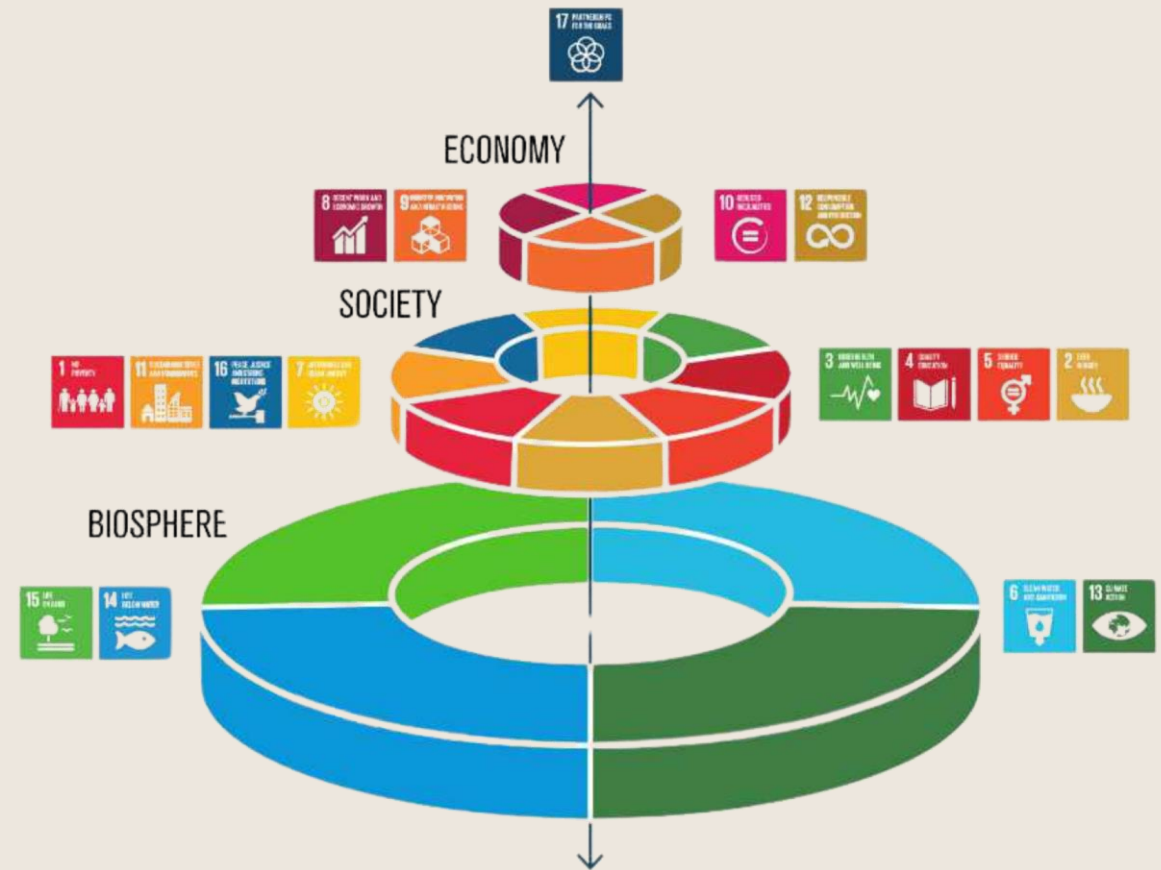


Vision for sustainability

Sustainability is about long-term value creation, and we are ready for a world in transition.

We will develop our business strategy where environmental, social and financial dimensions are an integral part of our daily operations and for our products.

The vision for sustainability includes the three areas – economy, social conditions and climate and environment – as shown in the figure.



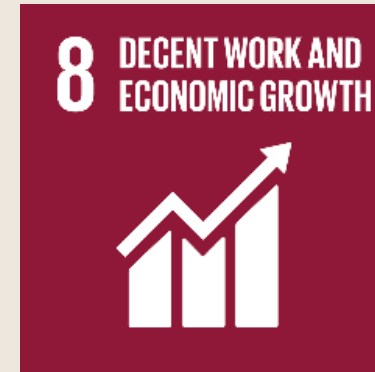
Source: <https://www.larvik.kommune.no/politikk/planer-og-strategier/klima-og-energiplan-2021-2024/fns-baerekraftsmaal/>

UN Sustainable Development Goals and how we contribute

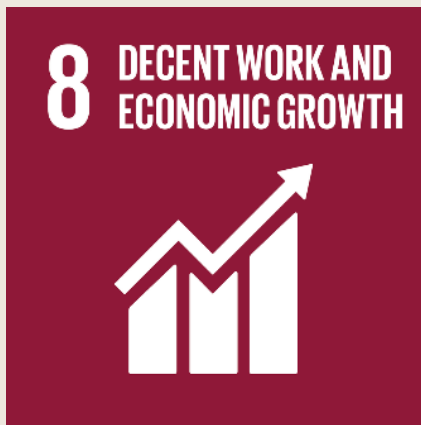
The UN's Sustainable Development Goals provide a work plan for sustainable social development.

Sykkylven Stål has chosen SDGs 8, 9, 11, 12 and 17. These goals are the most significant for our strategic process in 2023-2024.

We take our work with these goals seriously.



Economic conditions



Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all.

At Sykkylven Stål, we take care of people at all phases of their working lives. As a workplace for almost 40 people, we will make sure that our employees master their jobs and tasks.

Those who are happy at work deliver better results and sick leave is reduced.

We are certified according to ISO 45001, which is an international management standard for occupational health and safety.

This end we ensure/provide:

- Employees are involved in strategy meetings.
- Regular meetings.
- Union representative and board representative are drawn from employees.
- Cafeteria.
- Good pensions.

Economic conditions



Build solid infrastructure and promote inclusive and sustainable industrialization and innovation.

Our products are manufactured in Norway, in Sykkylven at our own production facilities. We work continuously to produce innovative, quality solutions for our customers. High quality means a longer product lifetime.

We are certified according to ISO 9001, which is an international standard for quality management.

To this end we:

- Patent several of our functional systems.
- Use Robotic processes.
- Invest in new technology (2023 – laser and production machine)
- Focus on local collaboration and local products.
- Test functional systems externally (RISS lab).
- Work with product development and continuous improvements of our own products.
- Adapt production according to customer needs.

Economic conditions



Ensure sustainable consumption and production patterns.

The quality products we deliver should not be subject to early replacement.

We are certified according to ISO 14001, which is an international standard for environmental management. Sustainable Development Goal 12 sets requirements throughout the value chain and the life cycle of the product.

To this end we:

- Purchase used machines (reuse).
- Focus on technology that produces less waste.
- Reduce metal waste and sell the waste for recycling.
- Manage metal, cardboard, plastic and residual waste.
- Drive electric trucks.
- Have an overview of significant environmental aspects (from both our suppliers and customers).
- Develop furniture with a simple design where components can be repaired and recycled.
- Replace worn parts with new parts.

Social conditions



Make cities and communities inclusive, safe, resilient and sustainable.

Sykkylven Stål wants to contribute to an inclusive local community that is safe, robust and sustainable.

To this end we:

- Make jobs attractive to sustain local jobs.
- Contribute to the sustainability of the local economy.
- Contribute to creating social society through the sale of outdoor furniture from our sister company Dynoform.
- Reduce our environmental impact through our transport policy.
- Develop outdoor furniture with a long lifespan.
- Are active in local business development through Sykkylven Industri og Næringslag and Sykkylven Næringsutvikling.

Strengthen the demand for such work and renew global partnerships for sustainable development.



To this end we:

- Collaborate with suppliers and customers to strengthen innovation and the development of sustainable products.
- Collaborate in the entire value chain internally.
- Collaborate externally in the entire value chain to develop future zero-emission solutions.
- Collaborate with Norwegian Business Federation (NHO); we are involved in the maritime sector through Global Center of Expertise (GCE) and design finished products in Norwegian Industry.
- Collaboration with Innovation Norway on profitable value creation (nationally and internationally).

Environmental aspects

Environmental aspects

We work with a continuous follow-up of the important environmental aspects; energy, raw material consumption, packaging, waste, transport and relevant emissions associated with our own production site.

ISO 14001 - Environmental management

Sykkylven Stål is certified according to the ISO 14001 standard for environmental management. Like all value-added companies, we have an impact on the environment, but we do what we can to minimise this impact.

We work continuously to increase environmental efficiency in all parts of the value chain by preventing and reducing resource consumption, emissions and waste.

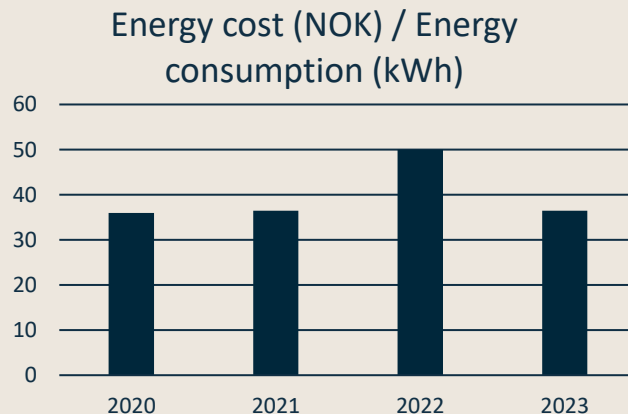
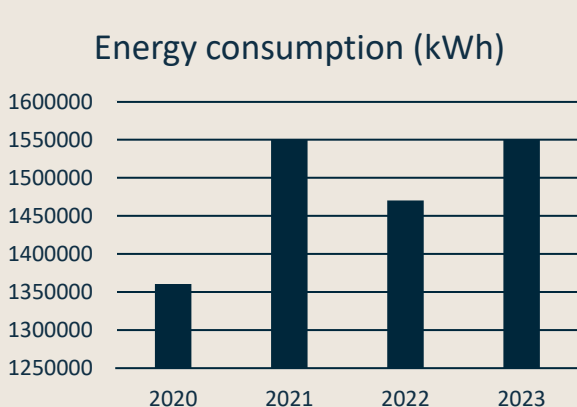
Certifications and memberships



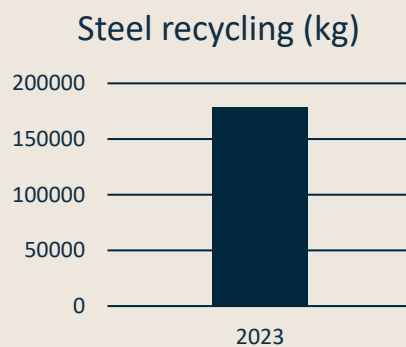
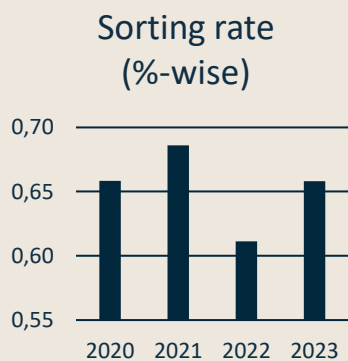
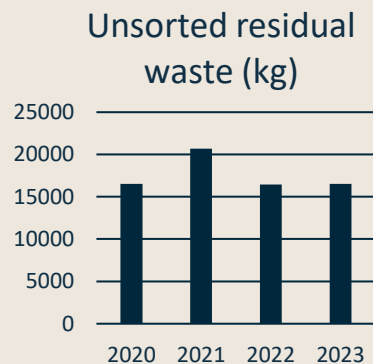
NS-EN ISO 9001:2015
NS-EN ISO 14001:2015
NS-ISO 45001:2018

Reporting environmental aspects in production

- Energy consumption is recorded regularly and reported with the indicator turnover per kWh.

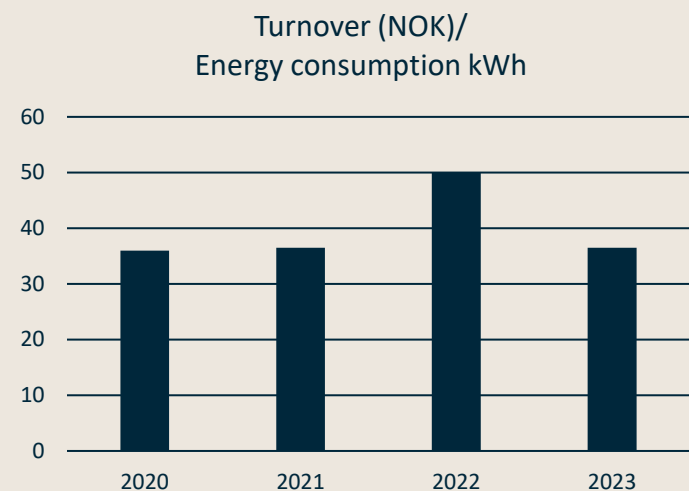


- Waste is reported as a % with the indicator sorted out in relation to the total amount of waste.



Reporting environmental aspects in production

The results can also be presented in relation to annual turnover as shown in the figures below:



Environmental aspects in the product value chain



Sykkylven Stål focuses on the entire product value chain. Therefore, as part of this, we have extracted LCA data through development of the EPDs:

- LCA data is obtained via LCA.no AS based on product information from Sykkylven Stål.
- The EPDs are generated via the EPD Norway EPD generator.

In this way, we have made from "cradle to gate" EPDs on some of our products. These are used in connection with tender, but also to find out where in the value chain we can reduce resource consumption and reduce climate emissions.

The EPDs are continuously in work.

LCA – Life Cycle Assessment

EPD - Environmental Product Declaration

Social aspects

ISO 45001 - Occupational health and safety management system

In Sykkylven Stål, people are the most important resource. We work to ensure that everyone has high ethical standards, and follows ethical values that everyone can identify with.

ISO 45001

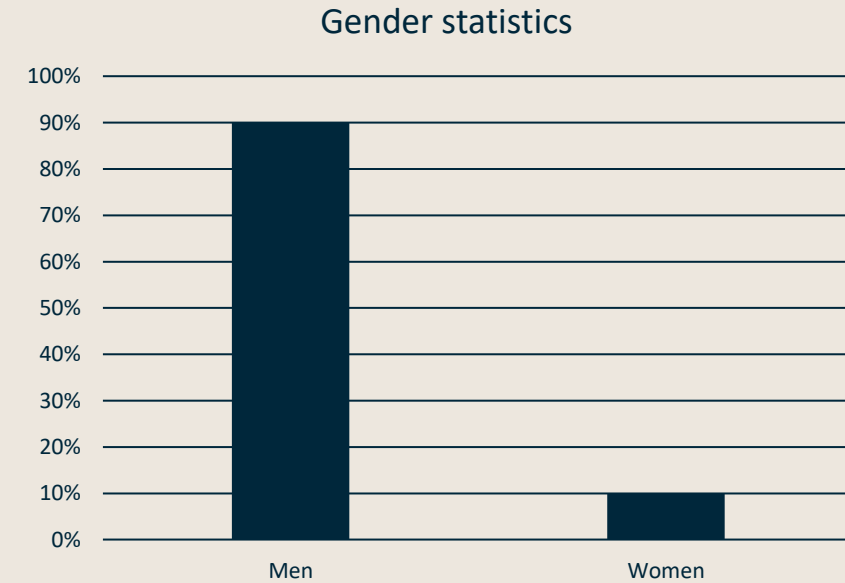
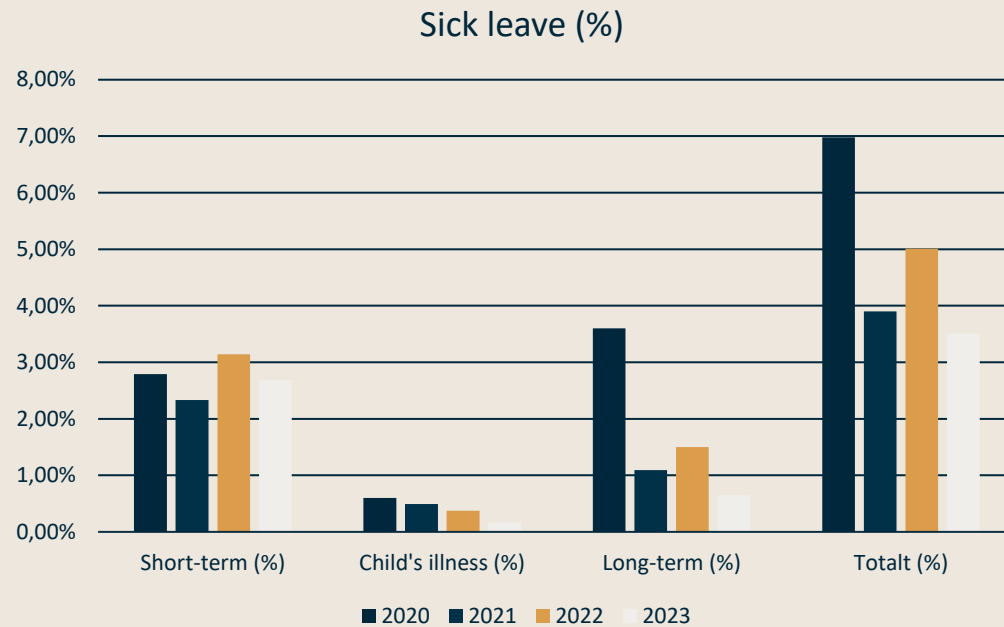
We work continuously to develop and maintain a safe and healthy working environment. Research shows that employees who like their jobs, cope better with their working days and tasks, and deliver better results than those who do not.

Management, in cooperation with employee representatives and the working environment committee, shall, at all times, ensure that our internal control system is up to date and that we allocate the necessary resources for this purpose.

In addition, Sykkylven Stål cooperates closely with the health service to prevent sick leave and health problems.

The Transparency Act: Smaller businesses are not directly covered by this law, but Sykkylven Stål nevertheless emphasises fundamental human rights and decent working conditions are complied with in the value chain.

Key figures social aspects



Our measures for social sustainability are further described under SDG 8.

Governance

ISO 9001 – Quality management

The quality management system (QA system) describes the responsibilities, authority and duties of management and employees within quality management. This implies

- to deliver our products and services to specified requirements, at the agreed time and agreed price through proactive competence development and process-oriented scorecard
- to detect and avoid defects in products in order to satisfy the quality requirements described

This is a management tool for achieving our goals.

The CEO declares that all employees and others who are involved, must comply with our quality management system, and follow up the intentions that form the basis for this.

Systems and routines

There are a number of systems that can be used to show support for sustainability work. During 2024, we will assess what is most relevant to us in our sustainability work.

Security

Sykkylven Stål rents virtual servers in a fully redundant data center at PC Support.

We also rent a next-generation firewall and have advanced endpoint security all part of Palo Alto Network's world-class security platform.

Training and business travel

To ensure good training and progress in production, we have a competence plan that is updated every year. This ensures that we always have people with expertise in each field if something should happen.

When it comes to business travel, we have an action plan that is followed up regularly.

Follow-up/Measures

Environmental measures – follow-up operations

The following indicators have been used for the period 2020-2023.

- Annual energy consumption (kWh) in buildings and construction
In 2024, higher turnover is budgeted than previously. This means that the goals for 2024 is higher than before, since annual energy consumption increases with turnover and production volume.

2020	2021	2022	2023	Goals for 2024
1360289	1549895	1470284	1447109	1780000

Measures to achieve this goal:

- Distribute power consumption throughout the day to avoid high costs.
- Shift in organisational culture. Lower the temperature, for example at 14.00, start-up at 04.00.
- Switch all light sources to LED.
- Compressors must not continue to run after the shift ends.
- Obtain a satisfactory power agreement with our supplier.
- Use the correct method for product preparation.
- Employ minimal welding during production.
- Ensure correct goods' thickness where possible.
- Influence working culture by minimizing energy consumption by, for example, having routines for turning off the lights when not needed.
- Utilise energy from departments with excess heat.

- Turnover (NOK) per annual energy consumption (kWh)

2020	2021	2022	2023	Goals for 2024
35,96	36,49	50,00	46,09	47,19

Measures to achieve this goal:

- Mutually beneficial agreements with our suppliers.
- Keep track of agreements / other agreements and stay updated on prices.

Environmental measures - waste

Waste

- Unsorted residual waste (kg)

2020	2021	2022	2023	Goals for 2024
16519	20700	16440	16570	17542

- Unsorted residual waste in relation to total amounts (%)

2020	2021	2022	2023	Goals for 2024
66	68,6	61,14	70,70	60%

Goals/measures:

- Increase sorting rates and sorting stations. This includes sorting food and residual waste
- Check opportunities for better recycling of clean wood, brown paper and mixed WEEE so that the recycling rate for different types of waste is better
- Explore new possibilities for the reuse of cardboard/plastic and other materials

Environmental measures - Recycling and reuse

- Currently, steel with a % proportion of recycled steel is used
- Through strategic purchasing policies reduce the amount of waste in general

The goals going forward are:

- Recycling as much steel as possible
- Makes it easier for customers to recycle our products
- By maintaining high quality in our products, reducing the "use and dispose" mentality in society

Social initiatives

The average for sick leave in Norway was 6.6% in 2023. (The average is calculated from quarterly figures from nav.no).

For 2024, our aim is to:

- Keep sickness leave below the average in Norway.
- Reduce the threshold for reporting near-accidents.
- Follow up with measures on SDGs 8 and 11.

Governance measures

Maintenance and upgrading of equipment:

Follow up laser and punch machine as it is ready for use in early 2024

Management system and routines:

- Make demands on their suppliers. For 2024, we will have an increasing focus on sustainability work. This means that we will use questionnaires and ask questions to our suppliers to check whether they are safeguarding their environmental responsibility
- Follow up and renew certificates regularly

See the next page for which certificates will be renewed in 2024.

Renewal of certificates

Sykkylven Stål shall always follow up its certificates and set requirements for its suppliers.
We do this by renewing certificates regularly and imposing requirements on our suppliers.

Goal	What/How	When
Renew license for the Nordic Ecolabel	Wardrobe solutions ex. bench and Kvadrat table.	01.02.2024
Expand the Nordic Ecolabel by adding more products	Wardrobe solutions: Seating bench. Outdoor furniture: Nordic Ecolabel for outdoor furniture.	During 2024
Develop routines for developing new EPDs	Certify 2 people through LCA. Approval of training in the use of EPD generator.	Early 2024
Audit the management systems (ISO 14001, ISO 9001, ISO 45001)	Recertification	February 2024

Measures, product and value chain

- More EPDs
- More sustainability requirements in procurement strategy

In 2024, we will establish a follow-up plan on CSR for suppliers. This means that we will draw up questionnaires and checklists to obtain information to demonstrate that our suppliers:

- Follow guidelines for social responsibility.
- Regularly improve their social responsibility.
- Carry out risk analyses to prevent and reduce negative factors on people, society and the environment.
- Document how they implement the guidelines for social responsibility.

If a supplier does not comply with the agreement around given guidelines, the contract can be terminated.

Follow-up actions

This report has presented a number of measures. These are also measures linked to the five prioritized SDGs.

During 2024, we will take a closer look at what this means for Sykkylven Stål.

To this end, we will:

- Conduct a materiality analysis measured in relation to internal needs and expectations from external stakeholders.
- Further develop indicators that are relevant for follow-up and reporting on the selected SDGs.
- Assess the needs related to internal competence and any training with a view to following up the goals.
- Consider how the SDGs have been adapted to our corporate strategy.

Reflections

Reporting is a vital part of our work on sustainability. It is therefore important to have well-established routines not only for registering and reporting on our operating conditions, but also throughout the product value chain.

Since this is the first sustainability report, it mainly provides a picture of conditions that are important to Sykkylven Stål.

It also lays the foundation for future reporting enshrined in, for example, the EU's Corporate Sustainability Reporting Directive (CSRD) and prepares the company to be ready to meet new requirements expected in the future.

Part of the company's work on sustainability is to involve all employees. This includes disseminating the sustainability report.

The report will therefore also be available as a Power Point presentation to facilitate access.

Contact us

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