

Sustainability Report 2023-2024

Sykkylven Stål AS

An environmentally aware company, with technological competence included in a clear strategy for growth. We have a growing portfolio of functional systems, our own products for the school and education market: we are a reliable and quality-oriented supplier to the furniture and maritime industry.

We are proud of:

- being a partner for the nearby furniture manufacturers in their product development work,
- delivering global and competitive products that meet high requirements for the maritime industry, and
- how we manage our role as a value-creating company in a sustainable and future-oriented way

We work with the environment and social responsibility, which is based on the fundamental obligation of business and industry, to conduct our business in a sustainable manner with respect for people, future generations and the environment. We take a responsible and important role in society, where our value creation makes a sustainable contribution.

This is Sykkylven Stål's first sustainability report and it summarizes both our achievements in 2023 as well as presenting our goals and plans for 2024.

Org.nr: 986106774

Sykkylven Stål AS

Vikøyra Industriområde 6

N-6230 Sykkylven

Phone: +47 70 25 54 70

Email: kontor@sykkylvenstal.no

<https://www.sykkylvenstal.com/>

<https://www.instagram.com/sykkylvenstal/>

<https://www.instagram.com/dynoform.no/>

<https://www.instagram.com/dyfosit/>

Contact person:

CEO - Karl Inge Rekdal

Karl.inge@sykkylvenstal.no

Comment from 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.

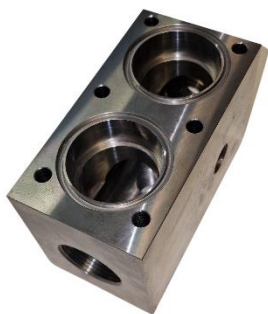
Sykkylven Stål want to thank Dr. Annik Magerholm Fet at Global & Local AS for her invaluable guidance for the work involved in producing this sustainability report.

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ABOUT SYKKYLVEN STÅL

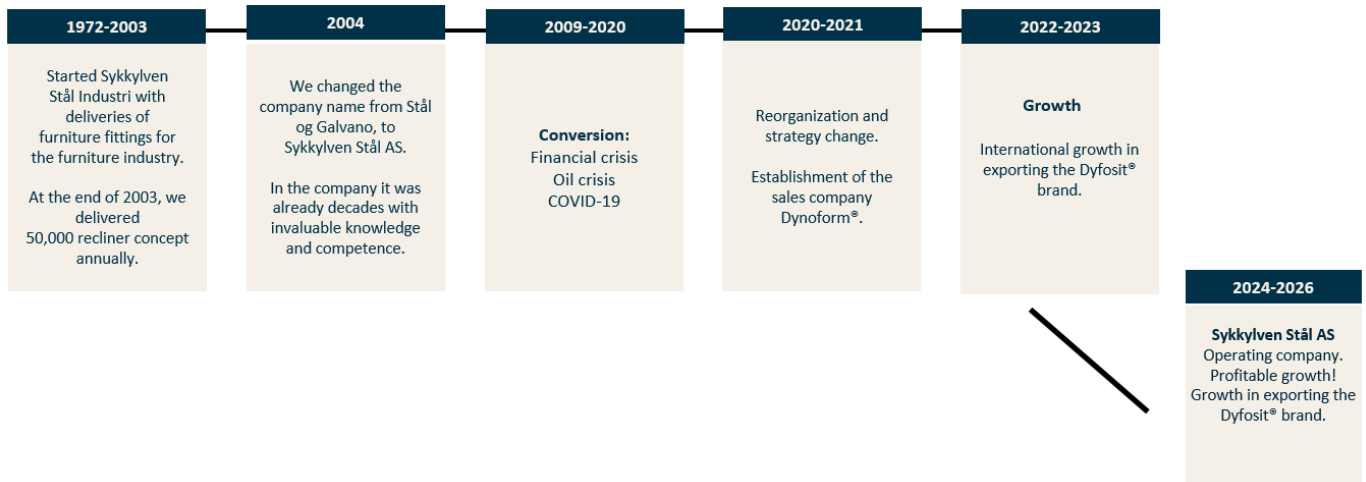
Sykkylven Stål AS is an environmentally technologically competent company in the furniture capital of Sykkylven. We are a reliable and quality-oriented supplier to the furniture and maritime industry with leading competence in product development, pipe and plate processing, machining, mounting and surface 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.



The company has a history which spans more than 50 years.

In 2023, a new strategy plan for 2024-2026 for our operating company Sykkylven Stål AS and our sales company Dynoform AS was accepted.

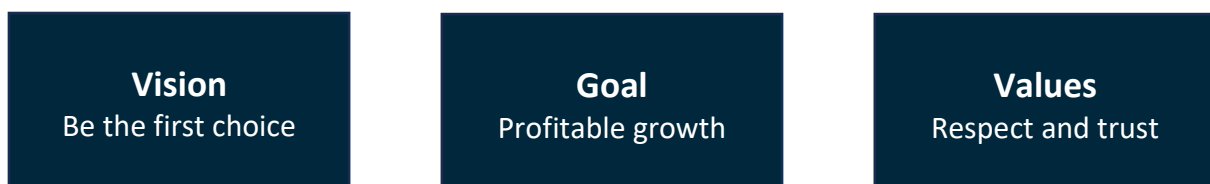
Our History and our strategy for the future



Our turnover demonstrates a very positive development. With our 40 employees, we create both exciting and quality solutions that strengthen customers' and partners' competitive edge.

OUR STRATEGY

In 2023, Sykkylven Stål went through a strategy audit and produced a strategic plan for 2024-2026. Our strategy includes three areas:



Our vision is for Sykkylven Stål to be the first choice in the market.

Our values are based on respect and trust, which are important for a good working environment. We have chosen three values to support this:

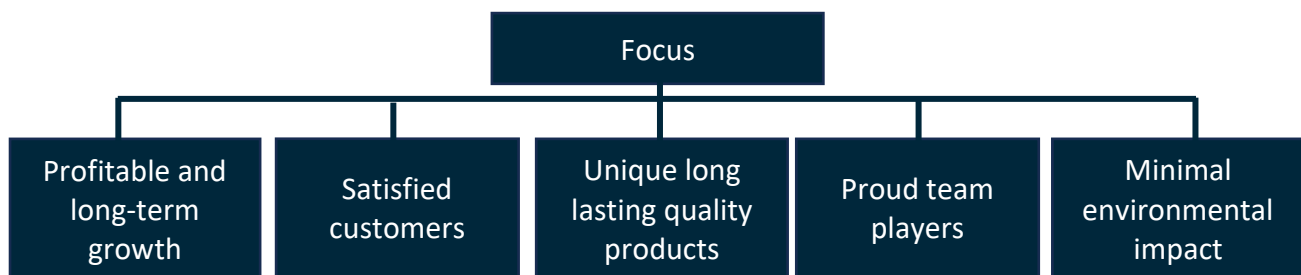
As an innovative creator with a customized production, we can turn ideas into successes.

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.

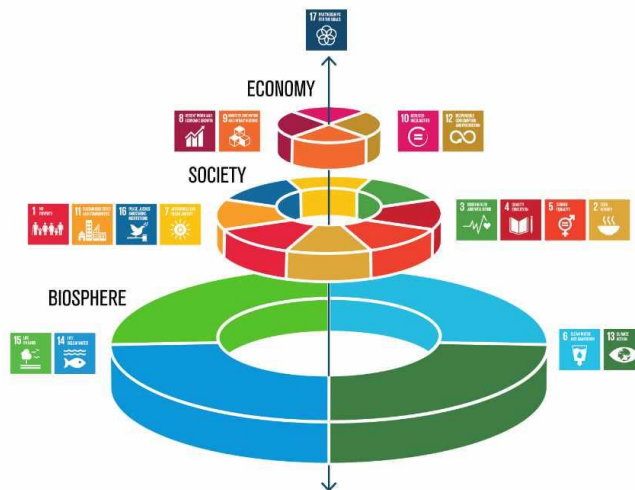
Our goal is profitable growth, and the core of our values are respect and trust.

As part of the strategy, we have chosen five focus areas with action plans. Our work on sustainability will be included in these action plans.



OUR WORK WITH SUSTAINABILITY

The UN's Sustainable Development Goals provide a work plan for sustainable social development. There are 17 SDGs, and the "Wedding Cake Model" presented in the figure shows these 17 goals systematized in relation to the environmental, social and economic pillars of sustainability. The bottom four objectives are those related to the environment. The figure shows that the goals at the social and economic areas are anchored in the environmental goals as a foundation for taking care of the planet.



Source: <https://www.stockholmresilience.org/research/research-news/2016-06-14-the-sdgs-wedding-cake.html>

Sykkylven Stål has chosen SDGs 8, 9, 11, 12 and 17. These goals are the most significant for our strategic process in 2023-2024. The analyses and action plans for environmental performance improvements are anchored in the goals for the biosphere: goal 6 (access to clean water), goal 13 (climate impact), goal 14 (marine life) and goal 15 (life on land).

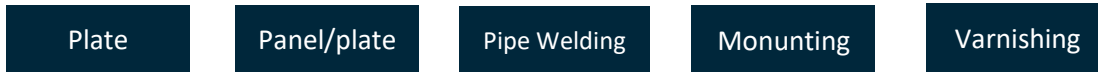


In our strategic work, we plan to address the environmental, social and economic aspects related to our processes, products and services in light of expectations from our key stakeholders and statutory requirements. A systematic mapping and quantification of the aspects form the basis for the goals, targets and concrete action plans. The performance which is thus quantified will be documented by indicators to show development over time.

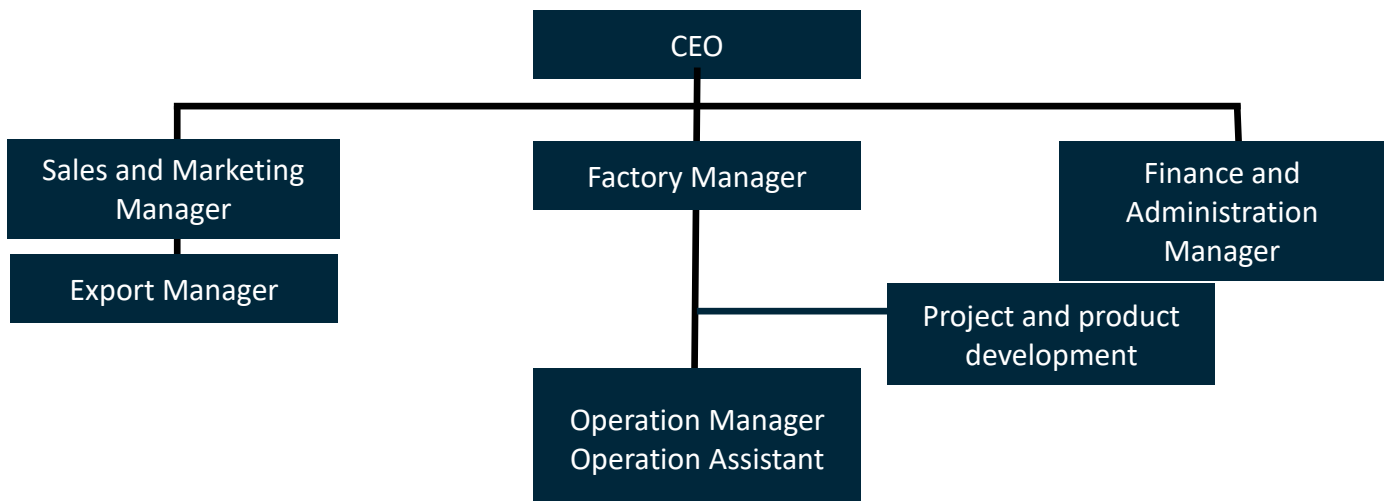
SUSTAINABILITY IN OPERATIONS AND PRODUCTION IN SYKKYLVEN

We have three market segments - Maritime, Furniture and Projects. This includes components for furniture for the maritime industry, furniture for schools and furniture for the outdoor environment produced at our sister company Dynoform, and different projects for Dyfosit®, our patented functional systems.

The following production processes apply to all three market segments.



The CEO is responsible for work on sustainability. The responsibility for implementing and following up can be delegated to managers according to the organisational model below. The scope and results of sustainability work are addressed in regular management team meetings.



Management system

Our management system applies to all our activities and processes. It is established in *minLedelse* which provides a detailed description of the organization's most important processes. The management system focus on avoiding unnecessary duplication of effort and extra controls, as well as clarifying the responsibilities of the various processes, and when the processes start and end. Each process is responsible for ensuring that quality has been maintained before being handed over for the next process.

Sykkylven Stål AS is certified according to the requirements of

- NS-EN ISO 9001:2015 Quality management system.
- NS-EN ISO 14001:2015 Environmental management system.
- ISO 45001:2018 Occupational health and safety management system.

ISO 14001 – Environmental management

The company was certified according to ISO 14001 standard in 2012. We carry out annual audits to uncover any deficiencies and to see how we can improve on environmental aspects. We work to increase environmental efficiency in all parts of the value chain by preventing and reducing resource consumption, emissions, and waste. Like all businesses, we have an impact on the environment.

Sykkylven Stål was recertified according to ISO 14001 in February 2024.

Certifications and memberships



The Nordic Swan ecolabel is an ecolabel in Nordic countries, and has strict requirements for the environment, health and ethics. The goal of the Nordic Ecolabel is to inform consumers how to make credible choices about ethics and sustainability.

To satisfy environmental requirements and expectations in the market, we have chosen raw materials from suppliers with the same environmental focus as ours. Through such collaborations, we have produced school-furniture with a number of products carrying the Nordic Swan ecolabel (no. 2031 0086).



Sykkylven Stål participates in the financing of the national program ensuring recycled packaging.

Environmental aspects

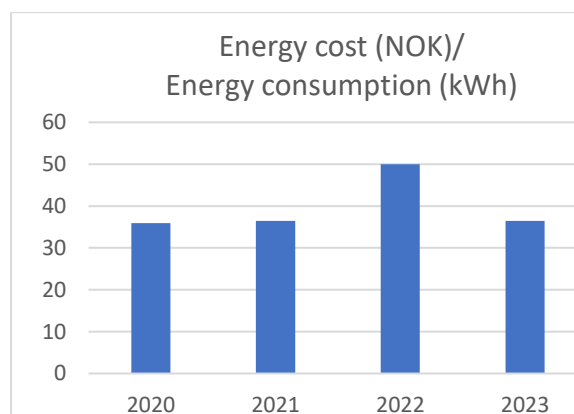
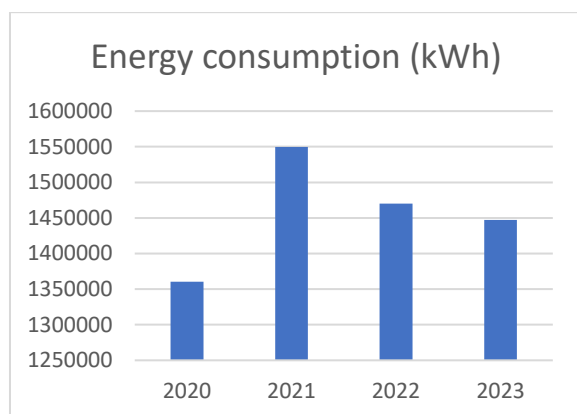
During production, materials, energy and various auxiliary substances are used. These are identified as environmental aspects as they can cause impacts as emissions and waste that cannot be recycled.

We have procedures for monitoring the most significant environmental aspects connected to energy, raw material consumption, packaging, waste, transport, and any emissions from our production.

Energy consumption

Energy consumption can be reported using the following indicators:

- Annual energy consumption (kWh).
- Energy cost (NOK)/Energy consumption (kWh).

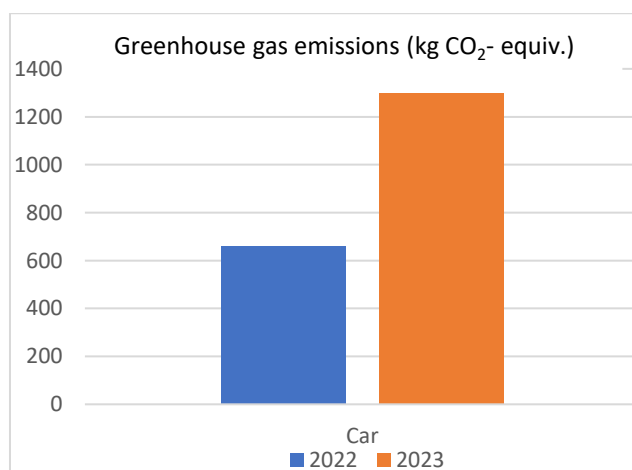


Greenhouse gas emissions

Sykkylven Stål uses electric energy for its processes, heating production facilities and its offices. In addition, we have 1 electric truck. Norwegian el-mix contributes 31.04 g CO₂ equivalents/kWh (ref ecoinvent 3.4). This means that our consumption of electrical energy results in greenhouse gas emissions.

Our vehicles run on diesel, which also results in greenhouse gas emissions.

In 2022-2023, Sykkylven Stål owned three diesel cars. The figure shows an average kg of CO₂ emissions in total for the three vehicles.



In addition to the three cars, we have a truck that runs on diesel. This uses 2.35 l per hour in machine hours. In total, the truck has used 2283 machine hours since its purchase in early 2018.

Waste

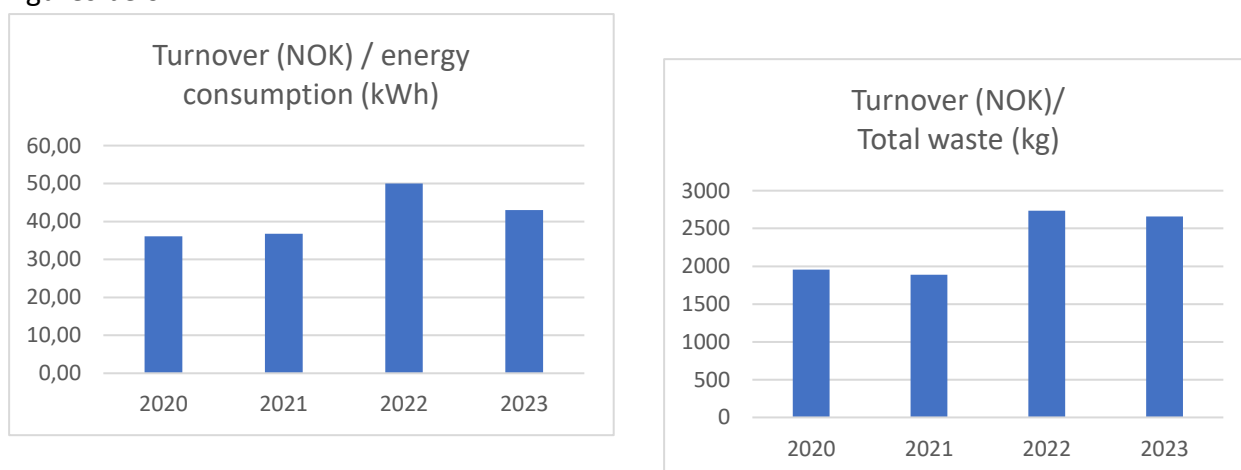
Waste is sorted into the following 2 fractions (steel for recycling and residual waste), and is reported using the following indicator:

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

In addition, quantities of the unsorted fractions are reported.



Some of the results can also be presented in relation to annual turnover as shown in the figures below.



Social aspects

Social aspects may include not only internal conditions of the company, but also the company's impact on society. Internally, this may involve environmental working conditions such as psychosocial conditions or the possible impact of chemicals emitted from varnish or other excipients.

At Sykkylven Stål, people are considered to be the most valuable resource. We work to ensure that everyone has high ethical standards and follows ethical values that with which they can all identify.

Sykkylven Stål's sister company Dynoform AS contributes to UN Sustainable Development Goal 11 by selling outdoor furniture that helps develop both the urban environment and social life.

ISO 45001 - Occupational Health and Safety

Sykkylven Stål is certified according to ISO 45001 (2018). 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.

Sykkylven Stål was recertified according to ISO 45001 in February 2024.

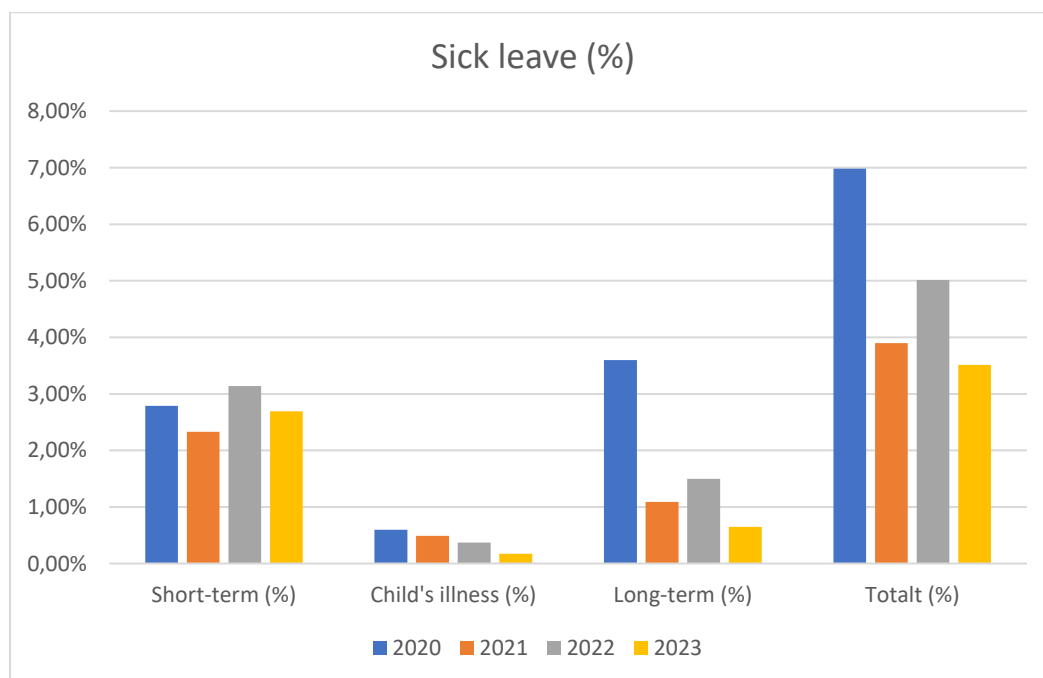
Key figures social sustainability

The work environment at Sykkylven Stål is highly valued. By having clear routines, cooperation, openness and trust, our goal is to minimize sick leave. We also have social gatherings a couple of times a year to strengthen relations between the employees.

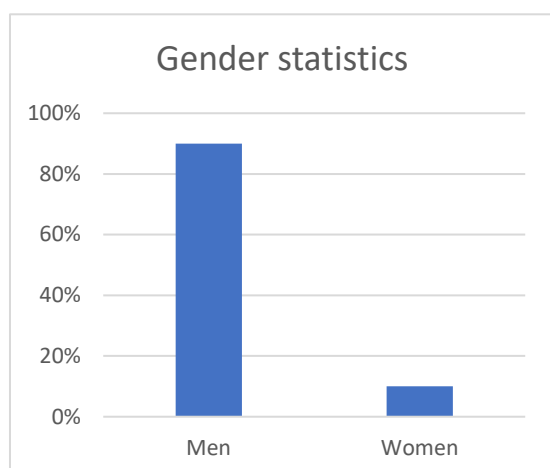
Indicators for sick leave are:

- Short-term (%)
- Childhood illness (%)
- Long-term (%)
- Total (%)

Statistics on sick leave for 2020, 2021, 2022 and 2023 are shown in the figure below.



Gender statistics



Sykkylven Stål includes both men and women on their team. However, it remains a male-dominated profession.

Sykkylven Stål focuses on competence, and everyone is welcome, regardless of gender, culture and ethnic background.

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

Governance

For each process, there are potential financial or management-related aspects related to quality, energy efficiency or other factors that can be identified and improved as part of the focused objectives and associated action plans.

ISO 9001 – Quality Management

ISO 9001 helps to secure that our products and services are delivered according to specified requirements, at the agreed time and agreed price through. The quality management system (QA system) describes the responsibilities, authority and duties of management and employees within quality management.

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.

Sykkylven Stål was recertified according to the ISO 9001 in February 2024.

Security

Sykkylven Stål rents virtual servers in a data center at PC Support where they are monitored and operated according to best practice. Backups are run twice a day (12:00 PM and 12:00 PM) and replicated over to PC Support's secondary data center. Backup is separate from production environment that protects backup from being intentionally or accidentally deleted, manipulated or read. All virtual servers can be recreated in a short time if needed. Sykkylven Stål also rents a firewall that includes advanced endpoint security which is already part of Palo Alto Network's world-leading security platform.

All data traffic passing through the firewall service is checked and verified. All logs are sent to PC Support's 24/7/365 security operations center (SOC) at Netsecurity for further analysis with artificial intelligence and machine learning. This is to be able to detect abnormalities. All PCs have installed endpoint protection (Cortex XDR Pro from the Palo Alto Networks security platform) that checks all running processes. All logs are also sent to the SOC for

further analysis. The logs from firewalls and PCs are put in context so you can see what's happening on the PCs in context with what is happening in the network's data traffic. If an online attack occur, PCs and servers can be immediately isolated from the network directly from the SOC, to prevent it spreading any further.

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.

Several measures for good governance are described under SDG 9.

Economic aspects

In Fall 2023, the company also invested in a new laser and punch press machine. These costs are necessary for Sykkylven Stål to maintain its reputation and impact the environmental benefits.

SUSTAINABILITY IN PRODUCT VALUE CHAINS

As part of our sustainability work, we take responsibility in the entire value chain of our products. We have developed EPDs for some of our key products.

The information in an EPDs is based upon life cycle analyses (LCA) of the product. This encompasses analyses of raw material extraction, production of e.g. the steel through many sub-processes and transportation before it reaches the company in Sykkylven. When the finished product is packed and leaves Sykkylven Stål, it is transported to the customer ready for use. During the usage phase, repairs and maintenance may occur, and at some point in the future, the materials in the product will be recycled.

The EPDs that apply to our products are the so-called "Cradle to Gate" EPDs, i.e. they include environmental analyses for raw material extraction, pre-production and transport to Sykkylven for the final product before it is delivered to the end-user.

The standards for LCA and EPD development are:

- ISO 14044:2006 Environmental management - Life cycle assessments - Requirements and guidelines.
- NS-EN ISO 14025:2010 Environmental labels and declarations - Environmental product declarations type III - Principles and procedures.
- NPCR 026 Part B for Furniture. Ver. 2.0 October 2018, EPD Norway.

Sykkylven Stål AS has used LCA.no to develop EPDs. Approval is carried out by the EPD Norway. All approved EPDs are available on www.epd-norge.no.

ENVIRONMENTAL PRODUCT DECLARATION

in accordance with ISO 14025, ISO 21930 and EN 15804

This example of EPD information applies to the approved NEPD-3358-1987-UK for the Cody chair with four legs. For information: this product is off the market, however it is an example of our continuous work on EPDs.



Product description: Cody chair with four legs has a modern design adapted to the teaching market. With a focus on strength and seating comfort, Cody fits in active school environments. Cody was produced in 3 sizes with an optional footrest . Product specification: Polypropylene shell (2.1 kg) and steel base (2.4 kg). The recycling rate in the steel is 20%.

Environmental aspects in the product value chain

The analysis includes environmental aspects related to raw materials, transport, manufacturing and transport to users. Data for the production of the steel and polypropylene are obtained from the eco-invent database. For manufacturing at the production site, internal production data has been used. Specific data for the product mix are provided by the manufacturer. They represent the production of the declared product and were collected for EPD development in the given year of the study (2021).

The information in the EPD is presented with the following environmental indicators:

- Greenhouse gas emissions (contribution global warming) - 13.97 kg CO₂-equivalents per chair.
- Total energy consumption - 285.25 MJ (with conversion factor 1kWh = 3.6 MJ, this is converted to 79.2 kWh for production of 1 chair).
- Share of recycled steel – 20%.
- Share of recycled packaging – 76%.

A1-A3			A4-A5	
PRODUCT stage			CONSTRUCTION PROCESS stage	
A1	A2	A3	A4	A5
Raw material supply	Transport	Manufacturing	Transport	Construction- installation process
			scenario	scenario

The value stated in the EPD for 1 Cody chair is calculated for A1-A4, which stands for raw materials (A1 which applies to everything from resource extraction to products to be used in the chair Cody), transport to Sykkylven (A2), manufacturing at Sykkylven Stål (A3), and transport to the customer/or inventory (A4).

Internal data is collected, and the LCA generator use automatic calculations of the received data.

The figures in the EPD help to provide an overview of the amount of energy and emissions at the production in Sykkylven. The production of 1 Cody chair at Sykkylven Stål (A3) is responsible for:

- Emissions of greenhouse gases 1.28 kg CO₂-equivalents.
- Total energy consumption: 50.5 MJ, which corresponds to 14 kWh.

This information can be used to compare the environmental footprint for different products. It can also be used to analyse production flows and potential improvement measures in our production processes.

Disposal of the chairs:

After the end of their life cycle, Cody can be easily dismantled. Steel is sent for recycling and plastic shells are deposited in the waste disposal.

Social aspects of the product value chain

The information that can be extracted from an EPD, mainly relates to environmental aspects. To get an overview of the social aspects for the entire life cycle, one can carry out a Social Life Cycle Assessment (SLCA). This is not implemented for chair Cody or any of our other products.

The Transparency Act (<https://lovdata.no/dokument/NL/lov/2021-06-18-999>) can be used to gather information about impacts on fundamental human rights and decent working conditions in the supply chain. Smaller companies are currently not directly covered by this law, but Sykkylven Stål stands for respect for fundamental human rights and decent working conditions throughout our products' value chain. Neither at Sykkylven Stål, nor at our suppliers, are the following acceptable: child labor, corruption, discrimination and other issues which do not align with our working conditions.

Economic aspects of the product value chain

To get a complete picture of cost throughout the value chain, Life Cycle Costing (LCC) can be used; this has not been carried out for Cody's product value chain.

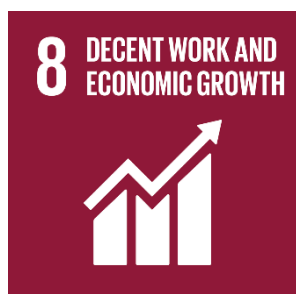
Other factors we take into account are:

- Corruption etc. – Controls our suppliers by sending out questionnaires. This is mentioned in one of the measures we will improve on in 2024.
- Customer demand regarding certifications – In the case of public tenders, a requirement is that the environment must be weighted at least 30%. If you cannot demonstrate specific certifications or environmental measures, you are not included in the tender.
- Accredited test station: By testing our products externally, we put quality to our work and provide value for the customer. We follow international standards and Møbelfakta.

Our sustainability measures in the product value chain support SDG 12.

USING THE SDGS

SDG 8 Decent Work and Economic Growth



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.

To 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.

SDG 9 Industry, Innovation and Infrastructure



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.

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.

SDG 12 Responsible Consumption and Production



Ensure sustainable consumption and production patterns.

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

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.

SDG 12 supports the development of a circular economy by focusing on recycling and reuse in order to:

- Use suppliers providing steel that contains partially recycled steel. The long-term goal is to be able to recycle as much of this steel as possible so that it is easier to recycle our products.
- Ensure high quality in our products, with a goal of reducing use and waste.
- Employ a strategic purchasing policy.

Measures in the product value chain work to

- Increase the number of EPDs for our products.
- Use the results from LCA and EPD actively to improve the products' footprint.
- Extend the lifetime of products to reduce resource consumption.
- Consider circular solutions in the value chain.

SDG 11 Sustainable Cities and Communities



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.

SDG 17 Partnerships for the Goals



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).

IMPROVEMENT PROGRAM

As part of our ISO-certified management systems, we are committed to continuous improvement of our sustainability features, especially those rated as significant.

According to standard requirements, this applies to measures related to economic matters, such as the:

- Accounting entity's due diligence assessments relating to sustainability matters, including due diligence in accordance with statutory requirements.
- Main actual or potential adverse impacts related to the entity's operations and value chain, including its products and services, business conditions and supply chain.
- Measures taken to identify and monitor these impacts, as well as other impacts the entity is obliged to identify under other EU due diligence rules.

All employees are obliged to:

- Minimise the use of hazardous chemicals.
- Reduce overall resource usage.
- Achieve high energy efficiency in production.
- Minimise waste from production.
- Recycle all waste to ensure a high recycling rate.
- Minimise the use of packaging.
- Use recyclable packaging.

The company must ensure that the necessary resources are available. We cooperate with Vartdal Gjenvinning AS and Miljøkvalitet AS in sustainable treatment of all waste from the company.

Improvement measures may also have a long-term plan with a description of:

- The target for reducing greenhouse gas emissions for 2030 and 2050 (as a bare minimum).
- The progress the company has made in its work on SDGs.
- A declaration of whether the company's environment-related objectives are meeting scientific targets (see Green Deal).
- Measures taken to prevent, limit and remediate actual or potential adverse effects, and the results of such measures.

We conduct periodic internal audits, and every year there are follow-up audits. Every three years there is re-certification of our ISO-certified management systems. This is a major expense for Sykkylven Stål, but in order to maintain our standards, this is part of our overall expenditure.

In February 2024, our ISO certified management systems ISO 14001, ISO 9001 and ISO 45001 were re-certified and approved.

Sykkylven Stål will follow up systems, certificates, routines and checklists within their business areas for each of the standards and set specific goals and action plans for 2024.

Environmental measures – follow-up operations

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

Energy consumption

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.

- Annual energy consumption (kWh) in buildings and construction

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 yearly 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.

Waste

- Total waste (kg)

2020	2021	2022	2023	Goals for 2024
25091	30180	26890	25091	17542

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

2020	2021	2022	2023	Goals for 2024
66	69	61	71	60

In 2023, we purchased 1200 tonnes of steel. 177 tonnes were recycled through Vartdal Gjenvinning. This is a wastage of 14.75% of the steel.

Note: Machinery materials are also sorted and recycled in the same container as plate/steel.

Our goal in 2024 is to increase sorting rates and sorting stations. This includes food and residual waste sorting.

Sykkylven Stål currently uses suppliers who offer steel that contains partly recycled steel. The goal is to be able to recycle as much of this steel as possible and it should be easy to recycle our products. We will inform our customers how they can recycle our products. The products must be easy to disassemble in order to replace any worn parts or for recycling.

Clean wood, brown paper and mixed e-waste are also sorted. As part of our environmental work in 2024, we will review these three factors and explore opportunities to improve in these areas so the recycling rate for different types of waste is improved.

We have employees who work to improve environmental measures in production. In the assembly department in particular, a number of environmental measures are being taken to increase reuse.

Plastic:

- If the plastic is clean, it is re-used. Plastic is collected in bags for re-use.
- When goods are received, there is usually plastic packaging that can also be reused. We take advantage of this.
- Pure plastic from "clear plastic" waste to protect the goods when shipped is also used. This is typically stretch film on products received.
- The plastic shells arrives wrapped in plastic bags. These are re-used when delivering finished chairs.

Cardboard:

- Cardboard sheets that are clean are re-used. Some of this type of cardboard can be re-used several times.
- Conventional cardboard can be cut into strips or smaller sections that can be reused for protection as packaging between the chairs during shipment.
- Clean cardboard boxes goods are received in, can also be reused.

Previously, cardboard, bubble wrap and plastic sheets were used on office desks, which quickly wore out. We have now replaced these with rubber mats, which have a noise cancelling function.

In summary, the goal of the assembly department is: If it can be reused, we reuse it!

Social initiatives

There are four Indicators for sick leave which we follow up regularly (see under key figures for social sustainability).

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.

Measures related to governance and economics

Maintenance and upgrading of equipment:

- Follow up on laser and punch-press machine to ensure it is ready for use in early 2024.

Management system and routines:

- Place demands on our suppliers. For 2024, we will have an increasing focus on sustainability work. This means that we will use questionnaires with our suppliers to check whether they are maintaining their responsibility.
- Follow up and renew certificates regularly. For 2024, the following will be renewed:

Goal	What/How	When
Renew licence 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 (approved)	February 2024

We will document the results of internal and external audits, from stakeholder analyses, from customer requirements, reviews of requirements, audits by government, and anything else that has been carried out in connection with the recertification process. In context with the re-certification, an account will be given of progress and results relating to measures and improvement programs implemented in the period since the previous re-certification.

Measures for products and the value chain

With the help of EPD, we obtain data on energy consumption and emissions, as well as waste generation in the various phases of the product's lifetime. This data can help us determine where the greatest potential for improvement is in its life cycle. We can use this information when designing and further developing products to reduce their carbon footprint. We can also use this information about measures that reduce this footprint in dialogue with our suppliers. Information about material consumption and waste can also help us plan for improved recycling of our products in line with the principles of the circular economy.

For 2024, we will develop EPD for several of our products. One of them is the Cleo chair. Later in 2024, we will review market demand and needs.

By having more products with EPDs, we will be able to participate in more tenders since environmental measures on the product are emphasized 30%.

By emphasizing sustainability in our procurement strategy for components and raw materials, we can impact the environmental and climate footprint for us and for our customers. We choose suppliers that use competitive pricing, however we also want to help them minimise their environmental footprint through our purchasing strategy.

During 2024, we will look at customer satisfaction. Instead of a customer satisfaction survey, Sykkylven Stål will create a separate system to register feedback from customers. This will improve our ability to follow up our customers more regularly, and to obtain an overview and documentation of requests and feedback from our customers which is easier to review.

In line with our corporate social responsibility (CSR), we set requirements for conditions in the supply chain. The goal is that this will influence our suppliers to uphold their social responsibility related to the environment, labor rights, human rights, anti-corruption and animal welfare.

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.

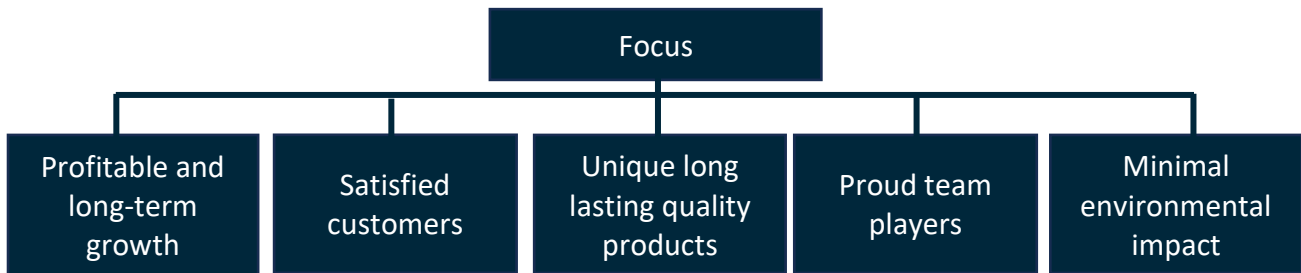
FOLLOW-UP ACTIONS

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.

In order to succeed, all employees must be involved so that relevant measures and action plans are anchored throughout the organisation. This should reflect the five focus areas as shown in the figure below.



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.

This report focuses on the work to be carried out in 2024. The report also contributes to one of the measures to further develop our work on sustainability.

Since this is the first sustainability report, it mainly provides a picture of conditions that are important to Sykkylven Stål. It forms the basis for our further priorities for environmental, social, and economic aspects of sustainability.

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.