

Together  
for a better  
tomorrow

# Sustainability report 2022



Suzuki  
Garphyttan

# Content

<b>01</b> CEO Comments .....	3
<b>02</b> Suzuki Garphyttan Sustainability Reporting 2022 .....	4
<b>03</b> More than a century of success .....	6
<b>04</b> Vision, mission and values .....	8
<b>05</b> United towards our goals .....	10
<b>06</b> Code of Conduct.....	12
<b>07</b> Sustainability strategy .....	14
<b>08</b> Sustainability risks .....	16
<b>09</b> Sustainability goals .....	19
<b>10</b> Environment.....	20
<b>11</b> Social.....	26
<b>12</b> Economic .....	32

## 01. CEO Comments

2022 was a challenging year. In February, world politics took an unsettling turn with the war between Russia and Ukraine. On top of that, shortages of materials as well as inflated prices for electricity, food and fuel have created great uncertainty.

In a stormy world, we are committed to be a continuously reliable and sustainable partner. We know that the future will continue to challenge us, and we have the greatest respect for that fact. But we also see the opportunities provided by working together through challenges – and thus becoming even stronger.

We feel safe in the knowledge that we are contributing to making a better world. Our products are made of steel to meet tomorrow's needs, steel which can be recycled time and time again. We are constantly developing our production methods to make them as sustainable as possible.

**Together for a better tomorrow.**



Ad Raatgeep, CEO Suzuki Garphyttan  
**Garphyttan, May 2023**



# 02. Suzuki Garphyttan Sustainability Reporting 2022

Last year was a year of great challenges. Partly because of the uneasy situation in the world, which we had to adapt to along with everyone else. And partly because of the intense and challenging startup of our new business system (ERP).

But 2022 also demonstrated that Suzuki Garphyttan remains a reliable, stable partner even when times are tough. Thanks to the tremendous dedication of our employees and the loyal support of our customers, we maintained our strong position in the market.

## Our journey continues

We are continuing our journey forward, a journey that includes diversification and sustainability. We are rethinking and approaching things in new ways. All to continue being a stable, futureproof partner to the automotive industry, at the same time as we grow through innovative solutions and exciting partnerships in a variety of new areas.

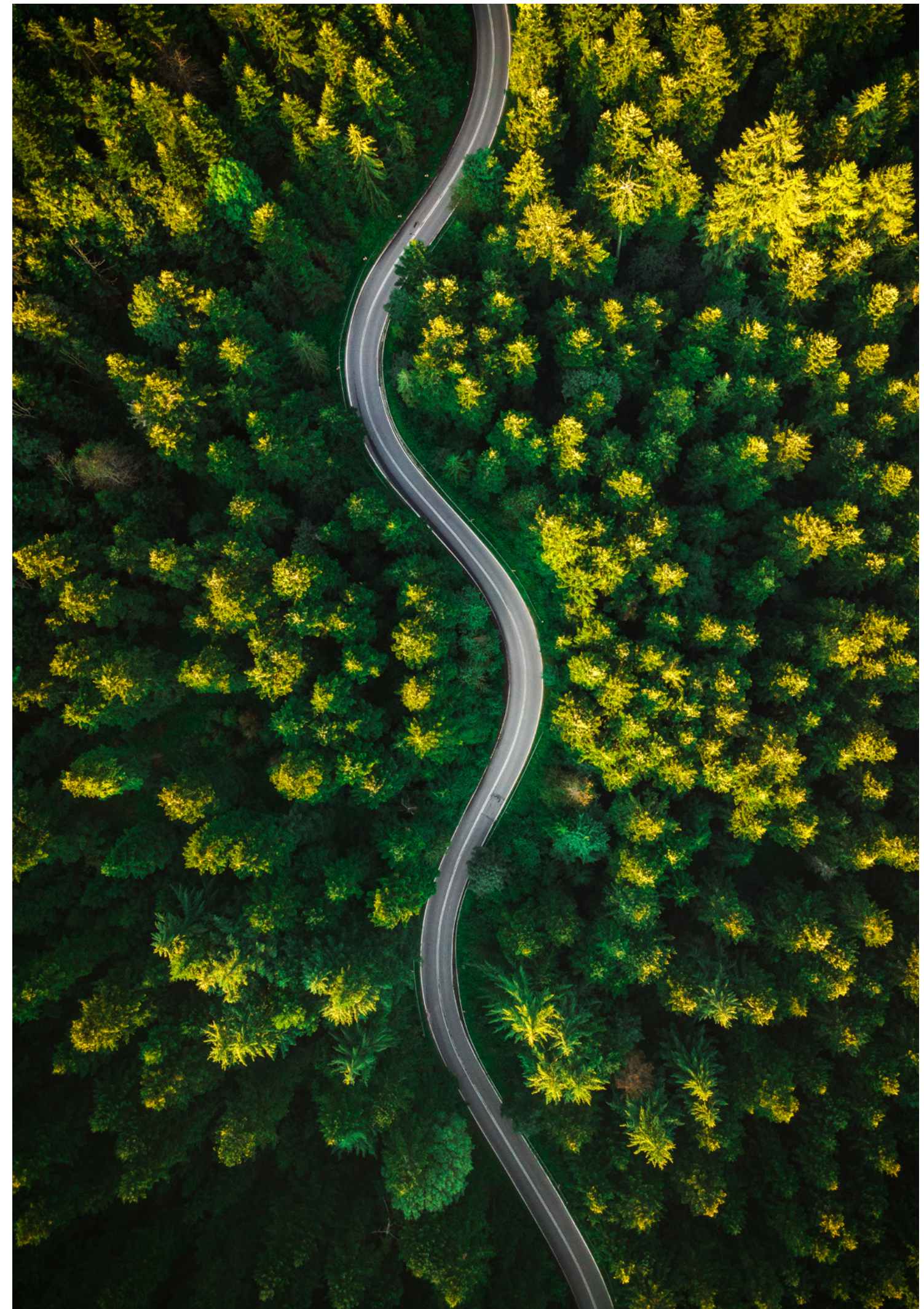
Suzuki Garphyttan's sustainability report is part of the annual report and is reported in accordance with the legal requirements of the Annual Accounts Act's sixth chapter. The sustainability report covers all of Suzuki Garphyttan's production sites and entire operations.

## Big opportunities to influence

Our sustainability work is based on the 2030 Agenda, the UN's global goals for sustainable development, as well as our own strategic and operational sustainability goals. Through the sustainability report, we want to show that we as a company as well as every employee have big opportunities to influence our direct and indirect surroundings.

Based on the operations and type of impact, we have defined which are our most important sustainability issues. It is these that we set goals for and focus our sustainability work on.

The Key Performance Indicators (KPIs) that are reported refer either to the entire business or are examples of initiatives, improvements or similar for defined parts of the operations.





# 03. More than a century of success

Suzuki Garphyttan is a world-leading supplier of advanced spring wire and part of the Japanese Nippon Steel Corporation. We are a global company conducting environmentally licensed operations with manufacturing in Sweden, the UK, the US, Mexico and China.

### Since 1906

Suzuki Garphyttan is more than just a name. It is born out of Garphyttan, a village in the middle of Sweden where the operation has grown and over time established new sites in different parts of the world.

From the outset an eagerness to collaborate and a capacity to adapt have pervaded the operations, proving crucial to success as the world around us changes and challenges must be overcome. That spirit still lives on within the Suzuki Garphyttan of today.

### A wider offer

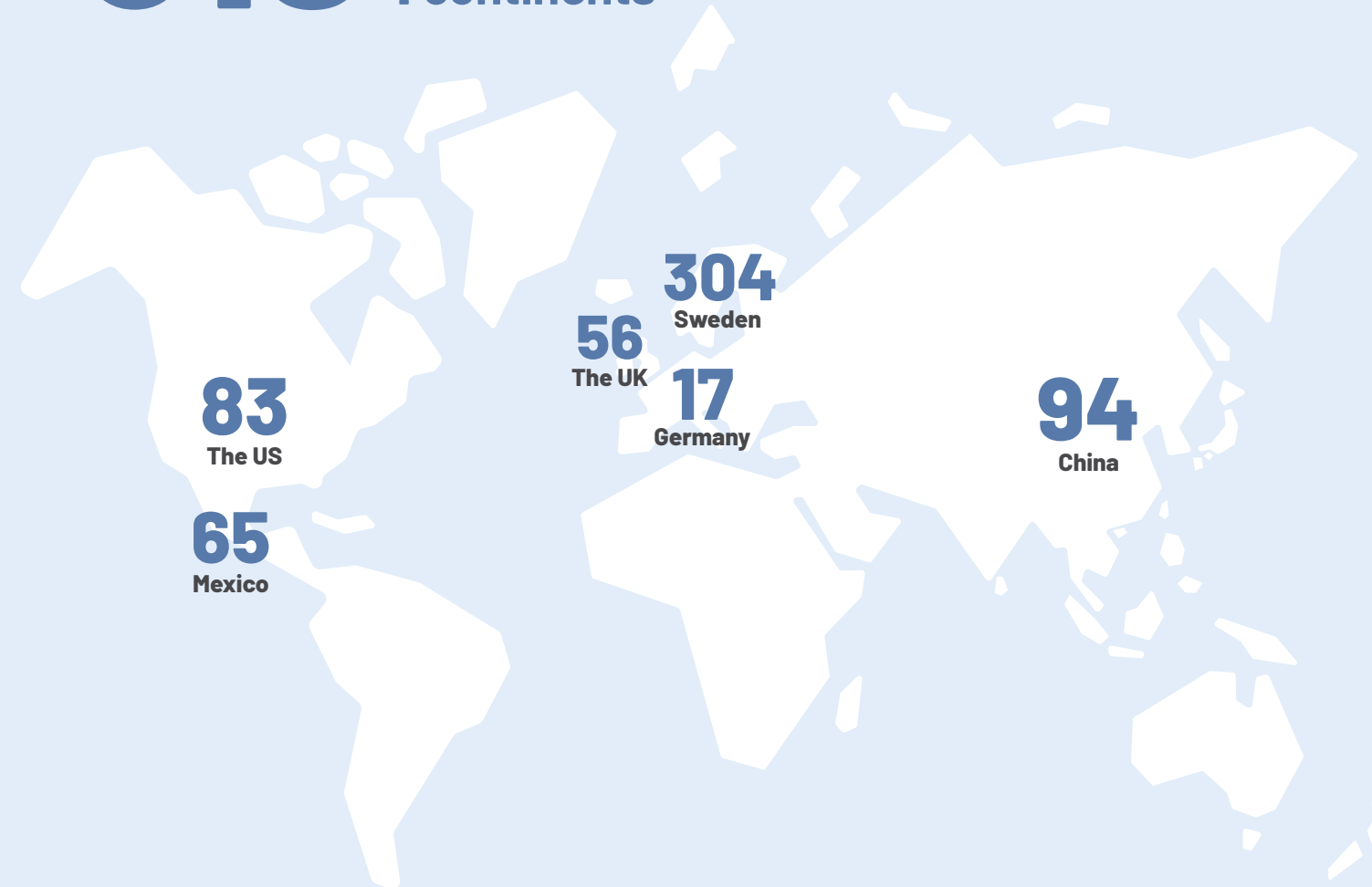
The world around us is changing, and so are we, adapting to the market of today and of tomorrow. Traditionally our production has been focused on conventional automotive products, often related to the internal combustion engine.

The automotive segment will always be important to us, but to continue to be a world-leading wire supplier we are developing our offer. Our products are finding their way into new markets, and the Suzuki Garphyttan brand is growing increasingly well-known. Now our innovative solutions are also making a difference in segments such as medical and finetech, bed and seating, tooling, energy and aerospace, food and agriculture etc.

Our goal is to even out the distribution between conventional products for the automotive industry and new areas – and we are well on our way to doing so.

## Number of employees at different locations and in total:

**619** employees operating on **4** continents



# 04. Vision, mission and values

Our vision, mission and values each play a significant role in bringing everyone together. They are the corner stones of Suzuki Garphyttan and our company culture and is also important in our interaction with different stakeholders and other parts of society.

The corporate culture is of great importance. It affects especially the ways in which our employees feel about their work, how they can grow in their position and contribute to the overall development of Suzuki Garphyttan. The employees are the core of this company – and the culture we create together is key to a more successful future.

## Our vision:

### Together for a better tomorrow

This is our vision, a short statement of why we do everything we do. It's about creating conditions for a brighter future together. What we do today determines what our company, our employees and our world will look like tomorrow. We aim to continue being a strong and reliable partner for many years to come.

## Our values:

Our values Care, Dare & Share are the basis of everything we do.



### Care

We are all team players who care about each other and the company, our customers, stakeholders and, of course, the society.

### Share

We work together and share knowledge and ideas, plans and possibilities, success and failure. And we all share the vision – Together for a better tomorrow.

### Dare

We dare to think new and innovative, dare to be honest, brave and to take responsibility.

## Our mission:

Our mission states what we do, how we do it and for whom, in order to reach the vision.



**We take responsibility** for all our actions and decisions, always considering safe environments first.



**We create innovative** win-win solutions with our partners and we grow in a profitable and sustainable way.



**We generate value** for all our stakeholders through reliable wire products and services.

# 05. United towards our goals

We have ambitious plans for the coming years. Our global business plan helps us to stay focused on the most important issues and activities to reach our goals. It helps us work better together, ensure a synchronized process globally and involve everyone.

All sites follow one global business plan to reach our common goals. It is created with a five-year perspective and is handled one year at the time. The planning process follows the same structure every year with pre-planned activities, so everyone knows what is happening, what to do and when.

## Our goals towards 2025:

- Protect and strengthen our leading position in the automotive industry.
- Broaden our product portfolio outside the automotive industry.
- Grow both organically and through mergers & acquisitions.
- Double our turnover and profit.

## Our Way of Working

With common systems and methods, we as a global company get the best conditions to reach our goals. We have a global management system, a shared business system, our own Way of Working and Best practice where we learn from and develop with each other.

Way of Working is our approach to stay customer focused and to continuously standardize and improve. This helps us achieve world-class operations and enables sustainable profitability while safeguarding our core values.

By creating higher quality and showing reliable

delivery capabilities we get satisfied customers. Through good teamwork in a safe working environment, we can all perform better. And through stable processes and standardized working methods, conditions are provided for continued development of more efficient flows.

Our Way of Working helps the organization to continuously improve safety, quality, delivery and productivity. It is a common approach regarding how we do our work every day, according to our standards, and how we can improve our work, find better ways and develop new standards for tomorrow.

### Everyone's engagement

It is the people that build our company. To reach world-class, everyone must contribute and strive for continuous improvement. Our Way of Working enables more employees to develop their skills and take advantage of all the knowledge available in our team. This requires understanding and commitment from everyone. It's only when we work together as a team that we can achieve our goals. Like in a puzzle, everyone contributes to the final product.

### Continuous improvement

Way of Working provides us with tools and methods that enable us to measure, analyze and improve our processes in a structured manner. To achieve continuous improvement, we must all evaluate our own way of working. Are we using our time properly or are there any bottlenecks that can be eliminated? Are

there areas with improvement opportunities? These are questions we must continuously ask ourselves.

### Quality is prioritized

We continuously improve our way of working as part of the service we provide to our customers. In cooperation with our customers, we seek long-term solutions through development and technical innovation.

Suzuki Garphyttan is certified according to IATF 16949 which is a standard for quality management systems for suppliers to the automotive industry. We prioritize quality by continuously improving our processes and by obligation, set quality objectives, to make sure our products fulfil the demands, needs and expectations of our customers.

### Best practice

By working with best practice we can improve our processes and increase the level of standardization at Suzuki Garphyttan, regardless of production site or nation. By working together and learning from each other, we establish new methods to improve safety, productivity, quality and the environment.

This way, we can reach our goals while also making our products and team spirit stronger. With this, we ensure that our customers get their products with the best possible properties no matter where in the world we have produced them. We establish standards by comparing different sites and eliminating prioritized variations between them.



### A global management system

We need to have robust working methods and common standards to ensure that we all work in efficient ways to reach our goals. Therefore, we have set up a global management system with our most important strategic, core and support processes and ways of working.

### A new, shared business system

To achieve an even higher degree of digitalization, efficiency and standardization of our processes, and to provide our customers with even better service, we are implementing a new shared business system (ERP), OneShare. The overall goal with OneShare is to

standardize, modernize and streamline our business processes. It also means that we get one single interface to our customers and suppliers.

The new system will replace all the old support systems, which may differ between sites, so that we can work together in one single system. By doing this we prepare for the future – we get a competitive advantage, a good structure and become stronger and more flexible together.

In 2022 the system was implemented at Site Garphyttan, Sweden and in Düsseldorf, Germany. In the next phase it will be implemented at the sites in the US and Mexico.



# 06. Code of Conduct

Suzuki Garphyttan's core values and guidelines are the basis of our Code of Conduct, describing the rules of conduct and guiding us in our operations. The Code of Conduct protects us and shows the line between appropriate and inappropriate behavior. It also covers requirements and expectations of our suppliers, contract distributors and agents.

## The Code of Conduct states that:

**Suzuki Garphyttan's contact** with business partners is characterized by impartiality and follows good business practice. We guarantee their privacy regarding trade secrets and other confidential, business-related data that we obtain.

**Bribery and any other form** of unethical business practices are prohibited. All payments of commission must be verified and matched to a specific service provided to Suzuki Garphyttan. All business transactions must be reported accurately and completely in accordance with Suzuki Garphyttan's accounting policies and local laws and is subject to audits.

**Suzuki Garphyttan reduces** the environmental impact by using a precautionary risk based environmental management system. We optimize material, energy, and water use and we strive to contribute positively to our local communities by building long-term relationships with relevant stakeholders in the societies where we act.

**Suzuki Garphyttan respects** legislation and regulations regardless of site location. We will also respect the international labor standards such as those set forth in the UN Declaration of Human Rights and the core conventions of the International Labour Organization (ILO). Our employee's opportunity to influence is based on a democratic approach and no one should be discriminated based on his or her political engagement.



**Suzuki Garphyttan's employee** behavior standards in the workplace shall be based on mutual respect and trust. Our employment terms also follow union agreements, national laws and relevant International Labour Organization (ILO) conventions.

**Suzuki Garphyttan stands** for free enterprise operations and competition. We will not participate in cartels or other unauthorized collaborations but compete under the applicable competition laws.

**In addition** to the code of conduct, there is also a work environment policy, discrimination policy, whistle blower policy, quality policy, sustainability policy, environmental policy that is the basis for how we act and operate.



## Now our youngest facility offers both EC testing and unshaved wire

There are many reasons to invest in new machines. Sometimes to save energy, sometimes to create a safer, better workplace. It can also make a process more efficient, result in higher quality or enable us to produce brand new types of products.

When Site San José Iturbide in Mexico updated its machinery in 2022, one improvement was the installation of equipment for eddy-current (EC) testing.

"EC testing uses electromagnetic induction to discover potential damage or defects in the surface of the wire," says Maria Ehnberg, Site Manager at Site San José Iturbide. "We mark any defects with paint, enabling more efficient sorting."

### The next big thing: unshaved

Another new process removes irregularities from the wire. We can now provide unshaved wire, which enables better yield from the material and is the right thing to do from the perspective of sustainability. Compared with the traditional shaving process, our new process enables even shorter production time.

### New warehouse makes a big difference

The plant in Mexico is only six years old but has already outgrown its original configuration. In 2022, we built a new 1 500 square meter warehouse for storing wire rod, the raw material.

"Storing all the material inside the plant wasn't a good solution, neither for our employees nor the building. The forklift traffic was causing a lot of wear and tear, and all those forklifts driving back and forth were a safety risk."

Other advantages of the well-planned warehouse include better control and accounting, easier work routines and greater efficiency – all of which will benefit our customers.



# 07. Sustainability strategy

Suzuki Garphyttan is a global company with production facilities worldwide. Sustainability is an important driving force for us. We strive for a better tomorrow and push the boundaries for sustainable development. This includes finding new applications for our recyclable steel products.

Our environmental targets are constantly high on the agenda as it is in line with our vision **Together for a better tomorrow**. We work intensively to reduce the emissions from our production to both water and air, in order to develop our business to further strengthen our position in the steel industry.

We also care about giving every employee the best possible chance to develop, grow and love their job.

Right now, we are focusing on reducing CO<sub>2</sub> emissions, increase recycling volumes of waste and to remove non-environmentally friendly elements from our production. We are also developing our

facilities and reducing our common energy consumption, for example by switching to green power and installing solar panels. In addition, we are moving to more sustainable production methods, contributing to a more efficient use of our raw material.

We structure our work according to the theory of Triple Bottom Line which divides the work into three sections: Environmental, Social and Financial Sustainability and deems them equally important for optimal results. Within each of the three sections we work with different internal goals and the UN Sustainability Goals.

Our strategy is to, over time, integrate sustainability in every part of the company, starting with the areas where we have the greatest impact. We will establish sustainability criteria in key business processes and value it together with other important criteria in order to achieve our present and future goals.

We support the UN Sustainable Development Goals and have decided to focus on the following goals:

- Goal 3:** Good health and well-being
- Goal 4:** Quality education
- Goal 5:** Gender equality
- Goal 6:** Clean water and sanitation
- Goal 7:** Affordable and clean energy
- Goal 8:** Decent work and economic growth
- Goal 12:** Responsible consumption and production
- Goal 13:** Climate action





# 08. Sustainability risks

Factors in our environment, demands and expectations from our stakeholders and within our business involves different risks and opportunities. The global sustainability challenges can affect us in many ways.

For example, climate change, access to important natural resources, violations of human rights and conflicts can lead to greater risk exposure. The impact can be either direct, for example in the form of workplace accidents, or indirect, for example via subcontractors or other stakeholders.

The management of our sustainability risks is an integral part of the group's risk management process. In order to manage risks within Suzuki Garphyttan, risk analyzes are carried out at different levels of the business. On a global level, risks and how these are managed are assessed annually at the global management review, where they are revised if necessary. The risks are sorted based on which stakeholders are affected by them. They are then assessed based on which measures have been taken to reduce each risk. The respective action is followed up and a process owner is also specified for the actions to be carried out.

In production, risk analyzes are carried out for each project or at each production stage. The risk analyzes are updated when necessary or when there has been a change that affects risks.

Some of the most significant risks for each sustainability area are described below.

## Environment

The events that are assessed to have the most serious consequences for the environment are fires in the production facilities or explosions in plant parts that contain explosive substances. There is also a risk of major releases of process chemicals or fuels at storage locations for these.

Climate change can affect the sites through



extreme weather situations such as heat waves, torrential rain or strong winds. Extreme rainfall could cause uncontrolled flooding which can result in water pollution. The risk of these events varies between the different sites and the risks are assessed and managed locally so that any measures can be adapted to local conditions.

Such events as described above could lead to risks for employees and the public as well as large costs for repairs and/or clean-up in both environmental accidents and in the case of impacts from climate change. It could also lead to for example longer power outages or other disruptions that contribute to loss of production or that entire operations cannot be used for a period of time.

In the future, there may be tougher legislation or other external demands on the business regarding, for example, emissions, energy consumption or the like that may affect the business by steering investments or the direction of the company. Tougher demands can be seen as either risks or opportunities depending on how well-functioning our environmental work is.

## Social

Our production involves a lot of manual work and work with different types of machines. This entails risks that our employees need to be aware of. We have work instructions and routines, showing how the work is carried out in a safe manner, that must be followed.

We work with systematic follow-up to detect deviations and improve the working environment at our sites. There are also several local and global forums focusing on health and safety discussions and improvement work.

To reduce the risk of bad business ethics, corruption, discrimination or someone violating human rights, we have governing documents that all employees have access to. These specify how employees should act in situations where they represent Suzuki Garphyttan and which guidelines we have.

## Economic

Changes in the world situation that can affect global free trade. For example, the upcoming climate tariffs into the EU (CBAM) can affect companies that operate in several markets or have global connections. The impact this sort of things will have depends on what is happening in the world around us and what decisions are made at the national or intergovernmental level. There are also sustainability risks linked to our suppliers or other actors in the value chain that are outside our control. These risks need to be carefully monitored so that disruptions in the supply chain do not affect Suzuki Garphyttan's operations more than necessary.

We are implementing a gradual transfer so that the products can be used in other industries and/or end applications than present. It can lead to new and more competitors and/or customers, which both can lead to demands to make changes in production.

**We are implementing a gradual transfer so that the products can be used in other industries and/or end applications than present.**

There may also be more, or other types of requirements linked to new products or production methods, for example requirements for hygiene, which substances can be used in production or requirements for other classifications, markings or similar quality assurance in the production depending on how the products will be used. For example, the ISO/TS16949 standard regarding quality management system applies to suppliers to the automotive industry. It is not used in other industries, where there may be requirements for an ISO 9001 certification instead. In order to be agile and be able to handle changes in demand, we have an R&D department and drive development of products in industries other than automotive.



# 09. Sustainability goals

We have defined goals and activities in all three areas of sustainability: environmental, social and economic.

## Goals regarding environmental sustainability

- In 2020, our CO<sub>2</sub> emissions were 1 300 kg per ton of wire produced\*. By 2030 our goal is to reduce this to 650 kg/ton wire produced\*, a 50% reduction from our base year 2020.
- Working on elimination of certain non-environmentally friendly elements. The non-environmentally friendly elements in this case is hardening oil, heating oil, zinc-phosphate, lead and xylene. The goal also includes replacing pickling with other processes.
- Zero waste to land fill in 2025.
- Not exceed 1.1 liters of water usage/kg of wire produced.

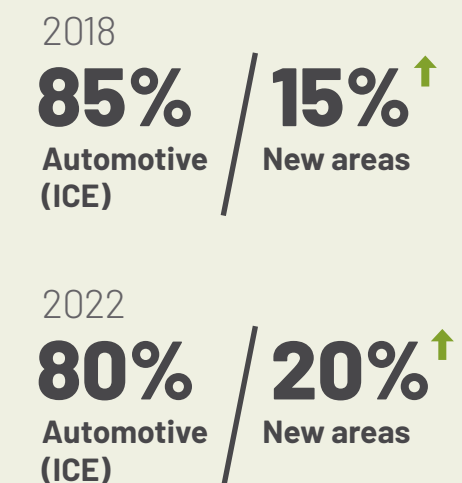
## Goals regarding social sustainability

- To map employee satisfaction, gender equality and other important factors in order to have a good working environment and be an attractive workplace.
- No accidents in 2025 and a 50% reduction each year.

## Goals regarding economical sustainability

- 50% of the turnover should come from conventional products for the automotive industry and 50% from new areas in 2025.

### Distribution of turnover between conventional products for the automotive industry and new areas



\*Based on emissions in scope 1, 2 according to GHG Protocol and scrap of wire rod in the manufacturing process.



# 10. Environment

Through our process development road map, we are actively working with the environmental aspects of our operations. Here energy consumption in production is our largest impact.

We are therefore constantly searching for and conducting activities and investments to decrease our energy consumption. Almost all sites is certified by ISO 14001. The remaining site is about to be certified, which means that we follow an international standard regarding Environmental management systems and that we have an integrated environmental system throughout our entire business.

Suzuki Garphyttan exhibits the highest possible environmental consideration at all our sites, and we comply with or exceed applicable legal requirements. The environmental aspects are considered in a structured and systematic way, and we make continual improvements throughout our organization.

At Suzuki Garphyttan, we are constantly evaluating our compliance with set environmental objectives. We also aim for comparable environmental standards with our business partners. In the development of products and manufacturing processes we

consider the environment by using the best available and economically viable environmental technology.

To improve and evaluate our compliance with ISO 14001, we measure the levels of substances in our emissions to ensure they are well below the legal requirements. To reach our environmental objectives, we recycle the steel waste from our production back into the steel supply chain. We have also started building up recycling stations where we can sort the material waste from our production.

In addition to this our employees receive the resources and knowledge they need to fulfil the demands of our Environmental Policy, within their position of work.

Sustainable development is about looking at the whole picture. For us it's about how we can reduce environmental impacts when producing with steel which can be recycled time and time again. But it's also about reviewing other parts of the value chain, and collaborating with customers, suppliers, and other stakeholders regarding challenges that affect all of us.

To frame our work more effectively, in the scope of environmental sustainability, we have elected to work with four of the UN sustainable development goals: 6, 7, 12 and 13. Descriptions of our work and examples of actions being taken at our different sites are presented below.

**Suzuki Garphyttan exhibits the highest possible environmental consideration at all our sites**



## Sustainable Development Goal 7: Affordable and clean energy

Producing high quality wire consumes a lot of energy and we are aware that sourcing that energy responsibly has the potential to significantly lessen our environmental footprint. This is why we work focused on all our sites to circumvent fossil fuel consumption as much as possible.

We work with energy efficiency and transition to electricity that comes from fossil-free production at all sites based on the local conditions. Energy sourcing options for our sites vary based on their location and the year that they were built, so each site is on a journey of their own to reach their respective targets.

The following are examples of what actions that has been taken on our sites in the past years to achieve the targets regarding water presented above:

- At Site Garphyttan old fans have been replaced with energy efficient ventilation fans which reduce the energy consumption with approximately 790 MWh/year.
- At Site Garphyttan there have been replacement of earlier electric fans in warehouses to heat water fans instead which reduce the energy consumption with approximately 480 MWh/year.
- At Site Leeds energy saving programs have been initiated regarding reduced annealing soak time and a furnace shut down program to match production schedule.

More actions regarding energy actions being taken are presented under the goal regarding Climate Action.



Electricity consumption per produced amount of wire 2022: **approx. 1,5 MWh/ton**



Share of fossil-free electricity of total electricity consumption 2022: **approx. 64%**





## Sustainable Development Goal 6: Clean water and sanitation

Water is an indispensable part of our processes, but we are also aware that it is a resource that is becoming more precious by the day. This is why we are trying to save and recycle water in any way that we can. All our sites have different approaches and systems for water sourcing and recycling, and each site work hard on their own areas that need improvement.

One of the systems that we have found especially effective in preserving water is the Reversed Osmosis system which is a type of water treatment that is used in different industrial processes.

The following are examples of what actions that has been taken on our sites in the past years to achieve the targets regarding water presented above:

- At Site Garphyttan planning is in progress for installation of a water tower to use cooling water more efficient.
- At Site San José Iturbide a reversed osmosis system is in operation which increases water reuse and reduces the water consumption with approximately 10% a year.
- At Site Suzhou we have made investment in a reversed osmosis system during 2022 but there is also a ceramic ultrafiltration membrane and an evaporator to purify wastewater in order to reducing emissions of metals in outgoing water.

## Sustainable Development Goal 12: Responsible consumption and production

We are aware that parts of our production can be hazardous for the environment and the people who work here. Therefore, we have set strict goals for our use of harmful chemicals, our waste disposal and the recycling done on sites.

While our products are of the same quality on all our sites, the processes on each site are at different points in their respective journey towards becoming fully non-hazardous. The following are examples of what actions that has been taken on our sites in the past years to achieve the targets presented above:

- At Site Garphyttan 100% of the lead-waste is now recycled.
- At Site Garphyttan investment made into state-of-the-art oil mist separation units for rolling mills that have the possibility to recycle approximately 7 200 liters of oil per year.
- At Site San José Iturbide 100% of the shaving oil was reused during the year.
- At Site San José Iturbide a process to reduce the consumption of lubrication oil by approximately 70% is under development.

- At Site San José Iturbide a process to allow for using only 80% of today's drawing lubricant is developing.
- At Site Suzhou and Site San José Iturbide the use of drawing soap has been made more efficient.
- At Site Suzhou there is an increase of unshaved wire.
- At Site Suzhou lead consumption has been reduced by approximately 28% 2022 compared with 2021.
- At Site Leeds there is a scrap reduction team who continuously try to minimize the amount of scrap in the process.

**Better yield from the material**  
Delivered quantity/purchased quantity

**86%** **87%** **88%**  
2020 2021 2022

## Sustainable Development Goal 13: Climate Action

At Suzuki Garphyttan, climate action means that we are cognizant of our carbon footprint and are working tirelessly to minimize it. At the end of 2022, our calculations showed that our carbon footprint had been reduced by over 30% compared with 2020. That means that we now are below 900 kg CO<sub>2</sub>e/ton wire produced and on our way to our goal in 2030 that is 650 kg CO<sub>2</sub>/ton wire produced.\*

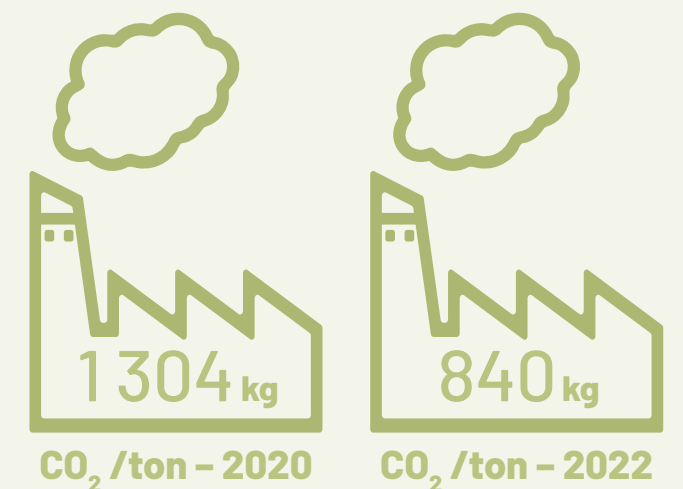
The single most important factor in reducing our carbon footprint has been increasing our use of fossil free energy. We have switched to fossil free electricity at several facilities and installed solar cells at Site Suzhou. These efforts will continue in the years to come. Another contributing factor is that we are gradually transitioning to production methods that use raw materials more efficiently.

The sites work locally with their processes so that our global footprint would be diminished. The following are examples of what actions that has been taken on our sites in the past years to achieve the targets presented above:

- At Site Leeds, South Bend and Garphyttan 100% of the electricity power is fossil free.
- At Site Garphyttan there has been an investment in geothermal heat pump which reduces oil consumption with about 20 m<sup>3</sup> which corresponds to approximately 53 tons reduction of CO<sub>2</sub> emissions/year.

- At Site San José Iturbide there is an ongoing reforestation initiative of 20 trees in green areas around the facility.
- At Site Suzhou solar panels has been put into operation in 2022. The total power generation will account for approximately 5% of the total power consumption of the plant. According to the local grid emission factor of 581 kg CO<sub>2</sub>/MWh, the action will reduce the CO<sub>2</sub> emissions with approximately 629 tons in 2022.

Emissions of CO<sub>2</sub> per quantity wire produced \*



13

\*Based on emissions in scope 1, 2 according to GHG Protocol and scrap of wire rod in the manufacturing process.



## New hardening technique contributes to a more sustainable development

We constantly strive to develop our workflows in order to contribute to improvements for our employees, our customers and the planet. At Site Suzhou in China, we took a major step in the right direction, implementing a new hardening technique.

Our Research & Development department has been working closely with our Chinese plant for several years. This project has moved from an idea through testing to production of high-quality, sustainably hardened wire, for which there is strong customer demand. Since the start of 2022, this new hardening technique, which replaced hazardous substances with safer water-based substances, is operating at full scale. It is an important step towards sustainable development.

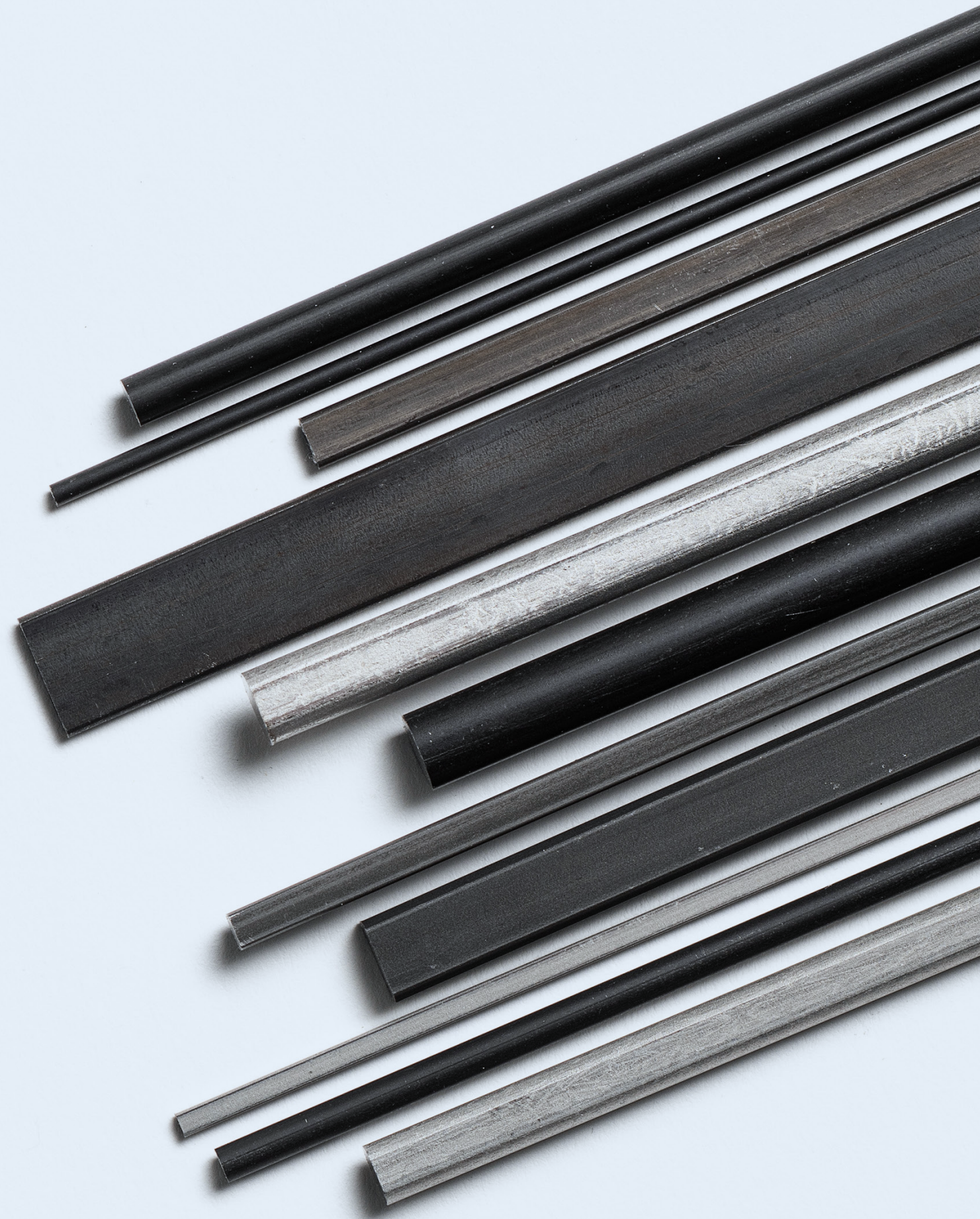
### Reduced environmental impact

The new process gives us better process control, enabling us to provide more customizable wire with higher quality. We plan to further increase our capacity to meet the increasing demand. Implementing the new process has also greatly helped us reduce environmental impact, not only through improved resource utilization by eliminating substances with high environmental impact, but also by improving energy efficiency.

### A team with the right mindset

At Site Suzhou, there is a strong team spirit in everything we do – from production to management. Despite the challenge of shutdowns due to the pandemic, there were improvements in most key figures for Site Suzhou in 2022. Thanks to the stability of the team, we can always keep focused on moving ahead together.

“We have a strong core team that can keep the day-to-day operations up and running,” says Erik Licht, Site Manager, Site Suzhou. “This enables us to allocate some of our resources to developing and further improving our operations. But our mindset is part of the answer, too. Because this kind of teamwork doesn’t just happen.”





# 11. Social

We take the health, safety and happiness of our employees at Suzuki Garphyttan very seriously, which is why, in our work with Social Sustainability. We therefore work tirelessly on building and maintaining a safe, inclusive and diverse workplace. Our work can roughly be divided into three sections.

To frame our work more effectively, in the scope of social sustainability our work can roughly be divided into four of the UN sustainable development goals: 3, 4, 5 and 8. Descriptions of our work and actions being taken are presented below.

## Sustainable Development Goal 3 & 8: Good health and wellbeing & Decent work and economic growth

We believe in the power of people and are convinced that the key to continued development and success is our employees – both those who already work here and those we need to attract in order to expand our expertise.

A safe and sound work environment is an important strategic issue for Suzuki Garphyttan. All our employees should be able to work in an environment that fosters good health at work. For us, one accident is one too many. We have a long way to go before achieving an entirely accident-free workplace, but we are seeing clear improvements in the form of higher numbers of risk observations and a reduced number of accidents. Work requirements should also be adapted to the individual employee's physical and mental conditions.

The path to an accident-free workplace starts with identifying risks and preventing accidents. We continually encourage our employees to report the risks they observe in their day-to-day work. We are pleased to note that twice as many risk reports were submitted in 2022 than in 2021. Now we have more information to work with in our quest for zero accidents.

Our occupational health and safety policy is based on the holistic view of factors that influence people at work. We are continuously evaluating our efforts when it comes to workplace health and safety in order to make continuous improvements to our day-to-day operations.

Measures to improve workplace health and safety benefit both our company and the individual employee. Our occupational health and safety work is conducted in accordance with our core values and is a natural part of everything we do.

As part of the safety work Suzuki Garphyttan maintains a well-developed cooperation between our main safety officer and our local safety representatives, to ensure a good working environment at our workplaces. We are working much more with behaviors, attitudes and values now than we used to do.

All employees have an occupational health and safety obligation, where our guiding value contributes to everybody complying with regulations, as well as reporting any hazards or deficiencies in the work environment to his or her supervisor.

Managers have, within their own areas of respon-

sibility, an obligation to ensure that occupational health and safety work is actively conducted and that conditions are being provided to resolve safety issues at the level where they occur and to the furthest extent. The CEO has overall responsibility for occupational health and safety and must ensure that responsibility and authority is conveyed in such way that occupational health and safety work can effectively be conducted.

We measure and follow up all accidents and incidents that occur, as well as conducting continuous risk assessments at all our sites. If accidents or crises would occur, we are well prepared thanks to recurrent education and training. In order to prevent similar accidents to occur at other workplaces, they are reported in a unified information system for the metal industry in Sweden.

### *The Global Trainee Program*

A group of trainees from different parts of the world with varying educational backgrounds started our global trainee program in March 2022 and graduated in the end of the year – to begin their own personal journeys in Suzuki Garphyttan. This was an important and enjoyable part of our efforts to secure future expertise and employees. For us, it is essential to come in contact with young, well-educated people with new and innovative ways of thinking. We will continue to be a leading actor in the automotive segment, but also by investing in broadening the product range and moving into new business segments and industries. To succeed, we needed new skills and competences in different areas like technology, business development and sales. Both experienced professionals and young students that can contribute with new and modern perspectives to our journey forward. The program will not be dormant during 2023 but may resume in coming years.

### *A workplace free from drug abuse*

Suzuki Garphyttan is a workplace free from drug abuse. By drugs we mean alcohol, narcotics, doping substances and pharmaceutical products (non-medical usage).

Being under the influence of alcohol or drugs at work is a safety risk and is under no circumstances permitted. In case of suspicion of abuse at the workplace both supervisor and employees are obligated to act.



5 trainees started our Global Trainee Program 2022. **All five have progressed to skilled roles within Suzuki Garphyttan.**



## Sustainable Development Goal 5: Diversity and Gender Equality

Suzuki Garphyttan strives to be a workplace that supports diversity and gender equality. We stand up for the rights and responsibilities of every individual and want to be a supportive place of work where all employees respect one another. We are conscious of both physical and mental well-being. Any form of discrimination, harassment, sexual harassment, violation, victimization or bullying is unacceptable.

### *Discrimination*

No employee at Suzuki Garphyttan shall be disadvantaged or discriminated against based on their gender, gender identity or expression, ethnical background, religious or other beliefs, disability, sexual orientation and/or age.

### *Harassments*

Harassments and sexual harassment are offenses taken very seriously by Suzuki Garphyttan. It includes any behavior that in any way undermines the dignity of another person.

### *Gender equality*

All our employees should, regardless of gender, have the same rights, responsibilities and opportunities such as influence, salary and work environment within their position of work.

### *Diversity*

Suzuki Garphyttan strives to have a diverse workforce made up of a range of ethnic and cultural backgrounds. We believe that diversity contributes to a broader understanding, which promotes a more innovative and sustainable business model.

5

## Sustainable Development Goal 4: Quality education

At Suzuki Garphyttan we want to pave the way for future generations. We strongly believe that an investment in our community and the people within it will promote development and further enable a sustainable future.

### *Supporting education*

We are engaged in the education for both children and young adults. Below are some examples of initiatives supporting education such as Suzuki Garphyttan backing up.

- **The Swedish initiative Tekniksprånget**

Suzuki Garphyttan participate in the Swedish initiative Tekniksprånget. This program offers a valuable opportunity for high school students to engage in real-world projects within the wire industry through an internship and collaborate with our experienced team of professionals.

- **Technical college**

We have a regular exchange with the technical college to give students an insight in the working life and create an opportunity to recruit future employees.

- **Safety in the community and in traffic**

We sponsor the traffic calendar, which is an educational project that teaches children road and traffic safety. The project provides support to schools for integrating road and traffic safety into different subjects.

- **Environmental training for children**

By supporting a nature and environmental training project for children we help to secure knowledge and a sustainable way of life for the next generation.

- **Work experience collaborations**

Suzuki Garphyttan give students of different ages an opportunity to get hands on-experience and an opportunity to work with us. We offer students summer internships and the possibility to carry out their degree projects at our different workplaces around the world.

- **Focus on children's health and well being**

To support children's engagement and opportunity to practice sports we endorse local sport associations for children. We collect plastic bottles and donates the money to children and youth organizations.

- **Local community**

Suzuki Garphyttan is a global organization with local focus. We aim to support and take responsibility for the local community close to our business. The following are examples of how we contribute where our sites is located.

4



## Safety Week for a safer workplace

We care about one another. With the clearly defined goal of becoming a workplace free from accidents, we carry out several safety activities. One example is the Safety Week where the goal is to raise safety and health awareness amongst employees in Suzuki Garphyttan.

The company has a goal to have an accident-free workplace 2025. The main reason we focus on safety is because we want all our employees to come home without injuries, nobody should get hurt at work. It is also important for our company's strategy, we are going into new businesses, and it will be higher demands on us regarding safety.

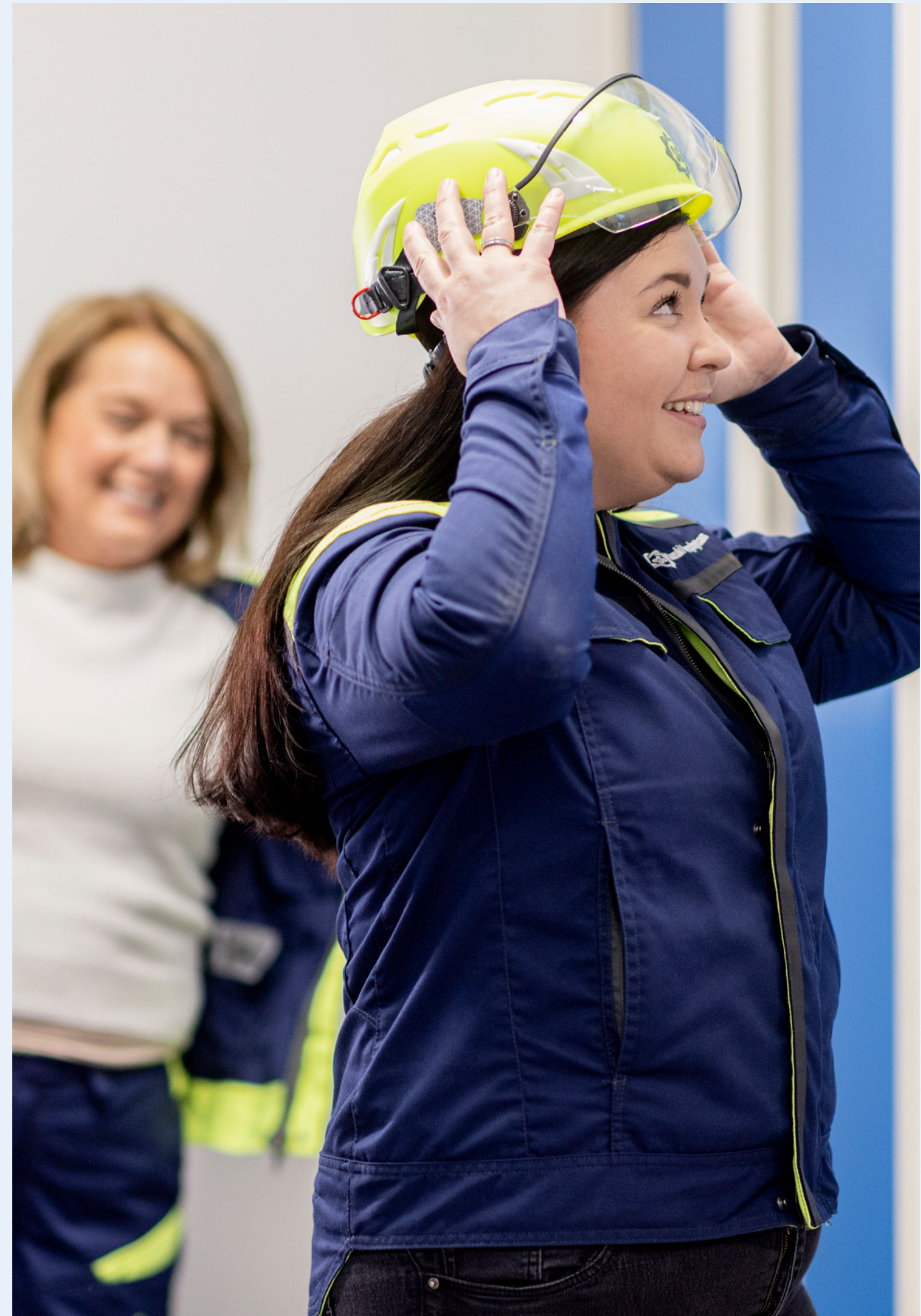
"Every year on April 28, the steel industry observes Steel Safety Day, but a single day didn't seem like the best approach for us," says Johan Marberg, Health, Safety and Environment & Facility Manager.

"Instead, we opted to run activities for a whole week." "Scheduling several activities over the course of a week made it possible for more employees to take part. Over time, we have adopted and developed the concept further, but still with the same focus - highlighting health and safety at work to increase everyone's awareness."

"That week, we dealt with the riskiest areas," says Johan. "Among our topics was how to improve safety in manual wire handling."

### Once a quarter

Safety Week was a success. Participants engaged with the activities and had a genuine desire to contribute. As a result, Safety Week is now a regular element of Suzuki Garphyttan's safety agenda, not just once a year, but quarterly.





# 12. Economic

## Global market, local knowledge

Suzuki Garphyttan operates in a global market along with global and local suppliers and customers. To be able to manage both the positive and the negative impact our organization has on the environment it is important that we understand our value chain. This perspective helps to define opportunities and risks, to take responsibility and work towards a sustainable development. Our manufacturing footprint is an important part of this.

Thanks to our production facilities in Sweden, the US, Mexico, China and the UK we can quickly and smoothly meet local needs. We can continue to offer

our customers high quality, flexibility and service levels, with short lead times and the possibility of rapid deliveries for new projects. The local production reduces the needs for transports which in turn reduces both costs and environmental impact.

Our value chain displays the total impact that Suzuki Garphyttan has on people and the environment. We always strive to set high expectations on both our partners and ourselves.

Our ambition is to work together with the different actors in our value chain to contribute to a sustainable development and pave the way for future generations.

## Our business partners are highly valued

Suzuki Garphyttan is a professional long-term partner, driven by a responsible mindset regarding everything we do. Our business partners are of fundamental importance to us, and it is imperative that we meet their priorities and their expectations on our business.

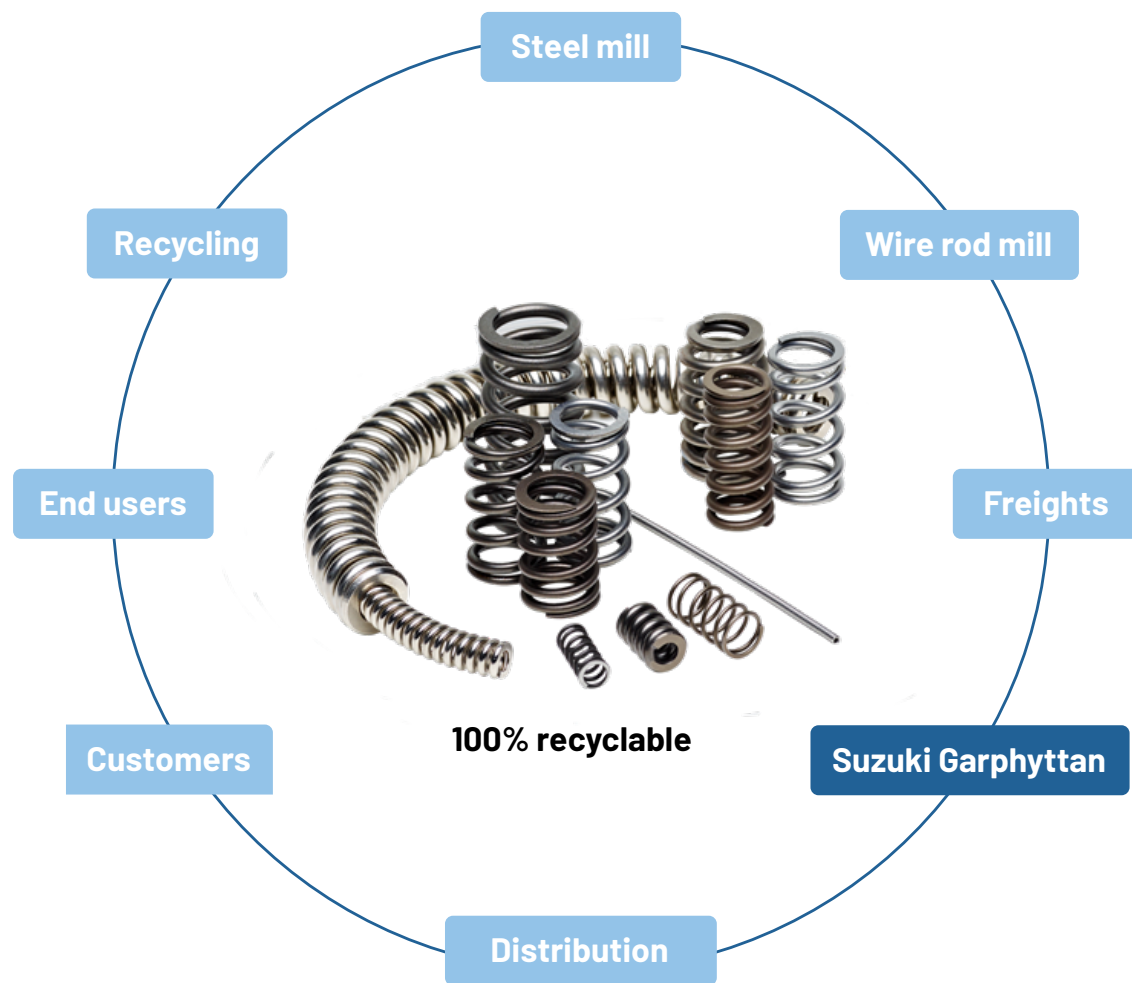
We meet different business partners every day. In order to develop and build long-term and strong customer and supplier relationships, it is important that we collaborate and listen to the different expectations that they have. Our business partners all have different functions in society and set different demands on our organization. One demand most of our business partners have in common is resource efficiency and reduced environmental impact.

Laws and environmental authorities are seen as business partners to secure and help us keep up with each country's environmental goals.

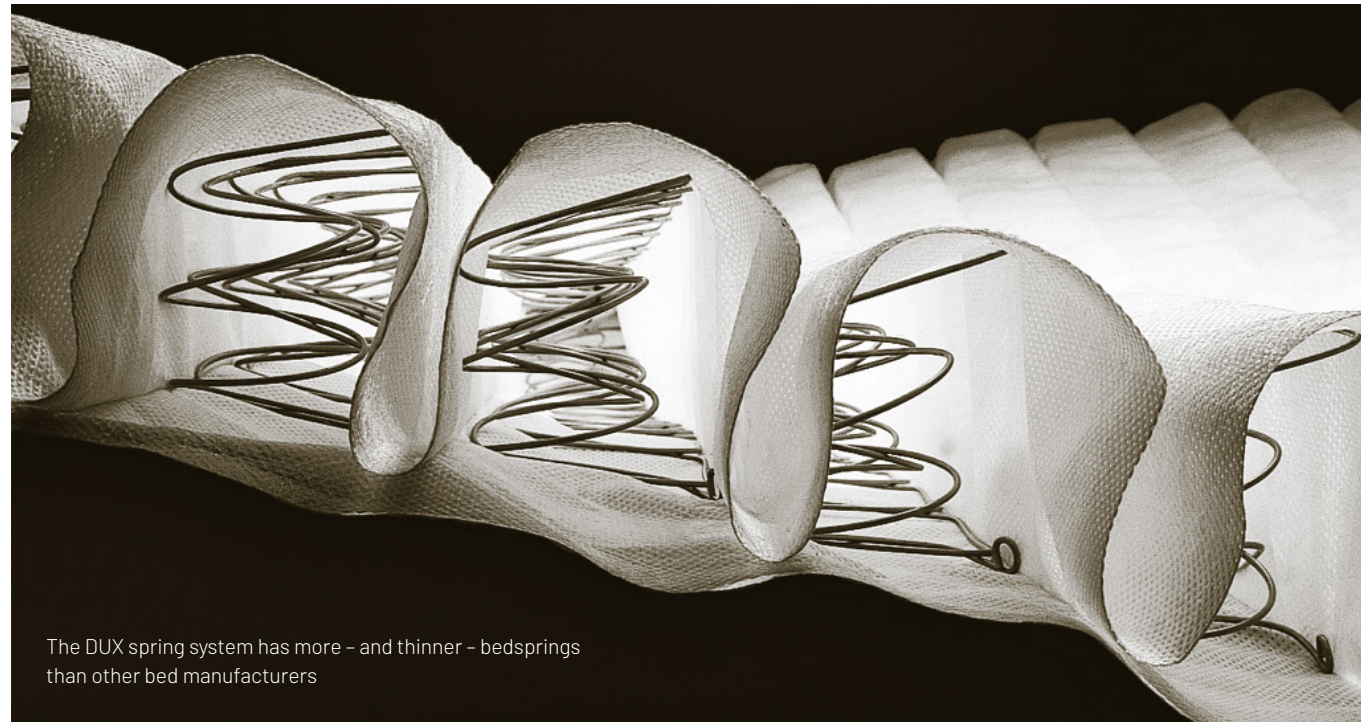
## Cooperation

Cooperating with business partners generates more business opportunities; it also gives us better pre-requisites to coordinate, increase our efficiency and ensure that our business relations are reliable.

Suzuki Garphyttan is a member of several collaboration organizations such as the Swedish steel producers' association Jernkontoret. Through these organizations we are able to support different environmental efficiency research projects as well as other projects within our industry.







The DUX spring system has more – and thinner – bedsprings than other bed manufacturers

## “This fantastic wire means we can be confident in what we claim”

DUX manufactures premium beds with a high degree of comfort and a long life. The secret is their unique DUX spring, and the fact that each bed contains as many of them as can possibly fit. What many people don't know is that all DUX springs are manufactured of wire from Suzuki Garphyttan.

The DUX story began nearly a hundred years ago, in 1924. The Swedish chocolatier Efraim Ljung went to the US on a business trip and stayed overnight in a Chicago hotel. The following morning, he was amazed at how well he had slept. Efraim pulled out his pocketknife, made a careful cut in the mattress to examine the inside – and discovered a mass of coiled springs mounted in a flexible system.

Once back in Sweden, Efraim left his candy business and began instead to experiment with steel springs of different strengths and elasticity. In 1926 he founded DUX and started manufacturing mattresses.

### In homes and luxury hotels around the world

Today the Ljung family still owns and operates the DUX firm. The company has grown, but through the

years its mission has remained the same: increased comfort, improved performance and longer life span.

When home furnishings turned towards cheaper, mass-produced furniture in the 1970s and 80s, this family-operated company chose to go in the opposite direction and make its mark with quality. In 1986 they launched their retail chain, Duxiana, which now has 100 stores. The DUX exclusive line is also sold by more than 200 retailers around the world.

DUX manufactures about 25,000 beds a year. The majority of customers are private individuals who prioritize the best possible setting for a good night's sleep. But many of the world's foremost hotel chains as well as many large cruise ships provide their guests with DUX beds.

“Of course, it's a matter of pride when you go to Manhattan and know that many of the 5-star hotels

there have beds from little DUX,” says Jonas Bratt, DUX Production Manager.

### “We don't settle for just any wire”

The core is the unique DUX spring. The spring system has more – and thinner – bedsprings than other bed manufacturers. It's a difference that delivers both a soft feeling and firm support.

“Our springs are comfortable and have a very long life, it's well known,” says Bratt. “That's why the Swedish Navy has been in touch and wants our beds on their ships. And that's why we deliver springs in other products with high demands for quality and comfort, such as railway seating and office chairs.

For the last 30 years, all DUX bedsprings have been manufactured with wire from Suzuki Garphyttan. Their wire has a long life and much better relaxation resistance, which contributes to the spring system maintaining tension better than springs made of ordinary bedspring wire. And this is continually verified in the DUX laboratory.

“It's the fantastic wire that enables us to be confident in what we claim about quality,” adds Bratt. “All the springs in the system are woven together, so a broken wire is the worst that can happen.”

### Long-term relations built on trust

Bratt describes the partnership with Suzuki Garphyttan as a long-term relation built on trust and security. He explains that it's never a question of short-term fixes, and both parties have a long-range view of their cooperation.

“We're important to each other. Suzuki Garphyttan is our only wire supplier, because quite simply no one else has the same quality. And for them we are an important partner outside of the automotive industry.

A shared focus in product development is naturally an essential part of our partnership. Bratt reveals that just now they are looking at a broader usage of springs and testing different degrees of heat treatment of the wire.

“Suzuki Garphyttan is part of our product development. They provide prototypes of what we're looking for and we test them together. They're extremely knowledgeable and very quick about getting back to us with suggestions.”

### Experiencing an incredible engagement

Finally, Bratt mentions another feature of Suzuki Garphyttan – that the company, despite being a global company, feels so genuine.

“I've visited the Garphyttan site several times and met many staff there – in production, sales and management. Everyone, regardless of their role, is incredibly solid and fully engaged. It's just incredible!”

### DUX IN BRIEF

**Founded:** 1926 in Malmö, Sweden.

**Production:** Beds at two wholly owned factories in Portugal. Furniture production on a smaller scale in Sweden.

**Sales:** 100 own Duxiana stores and over 200 retailers in more than 40 countries around the world (North America, Asia, the Middle East and Europe)





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**Suzuki  
Garphyttan**

Together for a  
better tomorrow

Suzuki Garphyttan is a world-leading  
supplier of advanced wire products  
and is part of Nippon Steel Corporation