

Suzuki Garphyttan

Annual Report 2025

How to read this report

This is our first Annual Report prepared using a recognized reporting standard, providing a clear and transparent view of our performance throughout the company, on a consolidated basis and covering all sites.

The sustainability data is prepared in accordance with the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME), issued by European Financial Reporting Advisory Group (EFRAG).

To help the reader we have integrated the requirements from both the Basic and Comprehensive modules of the standard throughout.

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Our business

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In brief

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Moving forward together

The year 2025 brought changes and challenges. Global uncertainty, including geopolitical tensions and uneven markets, affected the steel industry. While some regions showed growth, others faced weak demand. Despite this, we continued to move forward, staying focused on our long-term strategy: investing in innovation, strengthening our capabilities, and preparing for the next major technology shift.

An important part of this journey is our continued transformation into new segments and applications, broadening our business beyond traditional areas and creating new opportunities for future growth.

During the year, important steps were taken to improve safety, efficiency, and innovation. Two of our production sites achieved 365 days without accidents, and the total number of incidents reached the lowest level in our company's history. This reflects the dedication of our teams and our ongoing focus on safe and healthy workplaces.

We continued to grow beyond the traditional combustion engine. Building on our strong foundation in the automotive industry, our continued progress into new segments and applications shows that our transformation is moving forward.

By leveraging our technical knowledge, product performance and close customer collaboration, we are gradually expanding our position in areas that are becoming increasingly important for the future. One of the most important initiatives during the year was the creation of an internal machine design team. This allows us to develop better equipment faster and strengthens our innovative capabilities across the company.

Sustainability remains a key priority in our operations. In 2025, we continued the implementation of processes that remove oil and lead from production. These changes increase safety, improve our employees' working conditions, and reduce environmental impact, while enabling a cleaner, more modern production flow. We also continued to strengthen the structures and ways of working that support our long-term sustainability ambitions.

At the same time, we invested in our people. Leadership and employee programs continued to strengthen collaboration and knowledge sharing across our organization. Training through Suzuki Garphyttan Academy helped our operators gain important skills, supporting both personal growth and business performance.

We also deepened our community engagement, including partnerships with Tegelbruket and initiatives supporting children and young people, as well as targeted donations to charitable organizations.

Although we expect 2026 to remain challenging, it will also be a special year as we celebrate Suzuki Garphyttan's 120th anniversary. With our strong team, long experience, and ongoing investments, we are well prepared for the future. While our history gives us a strong foundation, it is our ability to keep evolving – alongside our customers, people and markets – that will shape the Suzuki Garphyttan's next chapter.

Our people are our greatest strength, and together we will continue to innovate, grow, and build the future of Suzuki Garphyttan.

This report reflects how we view our business. To us, financial resilience and sustainability performance are two sides of the same coin.



Ad Raatgeep
President and CEO, Suzuki Garphyttan



"Sustainability remains a key priority in our operations"



This is Suzuki Garphyttan

120 years of innovation in motion

Suzuki Garphyttan is a world-leading supplier of advanced steel wire products for high-performance applications. Everything we do is based on sustainable production methods, innovative technology and more than 120 years of experience.

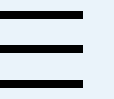
We have our roots in the small community of Garphyttan in Sweden. Today we are a global player and part of the Japanese Nippon Steel Corporation. We conduct environmentally licensed manufacturing in Sweden, the UK, the US, Mexico and China. We also have a sales office in Düsseldorf, Germany.

Shaping the wire of tomorrow

The world is constantly changing and so are we, developing our wide range of products and services in various alloys. With our passion for engineering and innovation, always in close collaboration with our customers, we shape the wire of tomorrow.

While the automotive sector remains a strong foundation for us, we are expanding our offer to meet the needs of other industries. Steel wire is a part of, or contributes to, many day-to-day situations in people's everyday lives. Now our innovative solutions are also making a difference in segments such as aerospace, medical, textiles, manufacturing and machinery.





Corporate structure

Our strength: global reach and local commitment

Headquartered in Garphyttan, Sweden, we combine the strength of a global network with the agility of local presence. We serve diverse industries through manufacturing and sales operations in local markets throughout Sweden, the US, Mexico, China, the UK, and Germany. Thanks to our production facilities in these countries, we can quickly and smoothly meet local demands.

We are part of the Japanese Nippon Steel Corporation, and alongside its global operations, we contribute to delivering innovative, high-quality wire solutions worldwide.

Our governance includes an experienced senior management team responsible for strategy, strong operational performance, innovation, and sustainable operational practices.





Our direction

Vision, mission and values

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

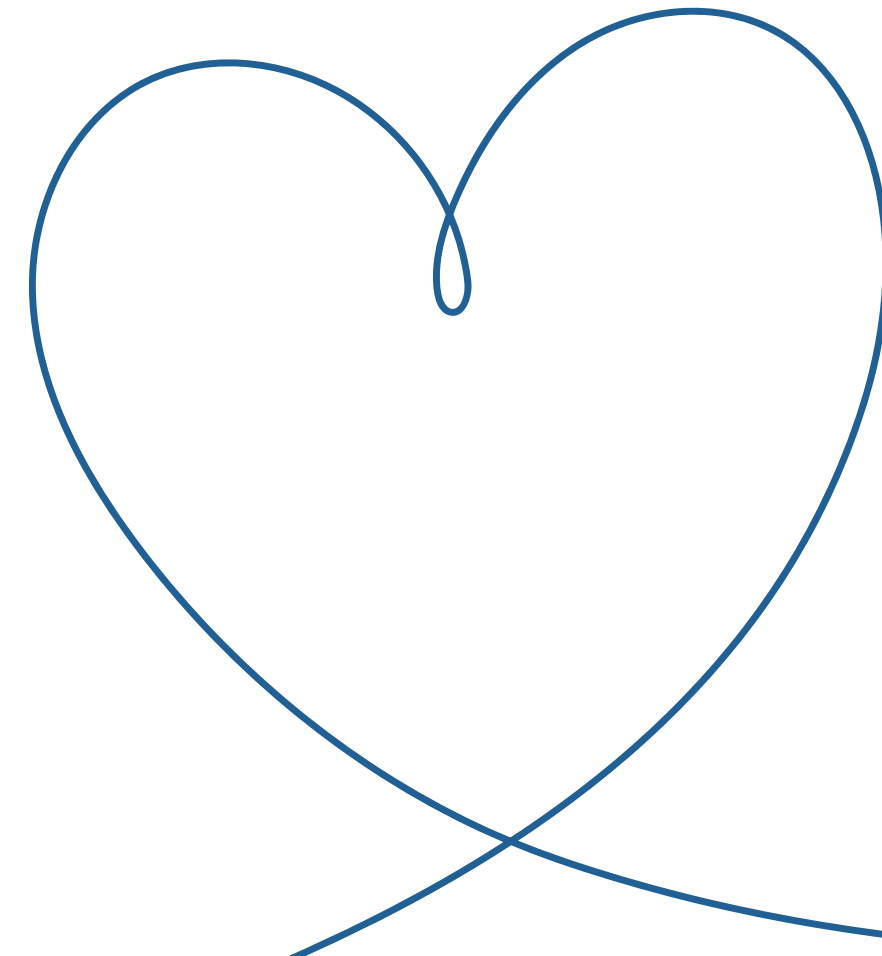
The corporate culture is of great importance. In particular, it affects how our employees feel about their work, how they can grow in their positions and contribute to the overall development of Suzuki Garphyttan. The employees are the core of this company – and the culture we build together is key to a more successful future.

Our vision: Together for a better tomorrow

This is our vision, a clear statement of the driving force behind our actions. It's about generating 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: Care, Dare and Share are the basis of everything we do.

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



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

Dare
We are forward-thinking and innovative, daring to be honest, brave and responsible.

Our mission:
Our mission states what we do, how we do it, and for whom, to achieve our vision.

We take responsibility
for all our actions and decisions, always prioritizing safe environments.

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.



Key figures 2025

Financial

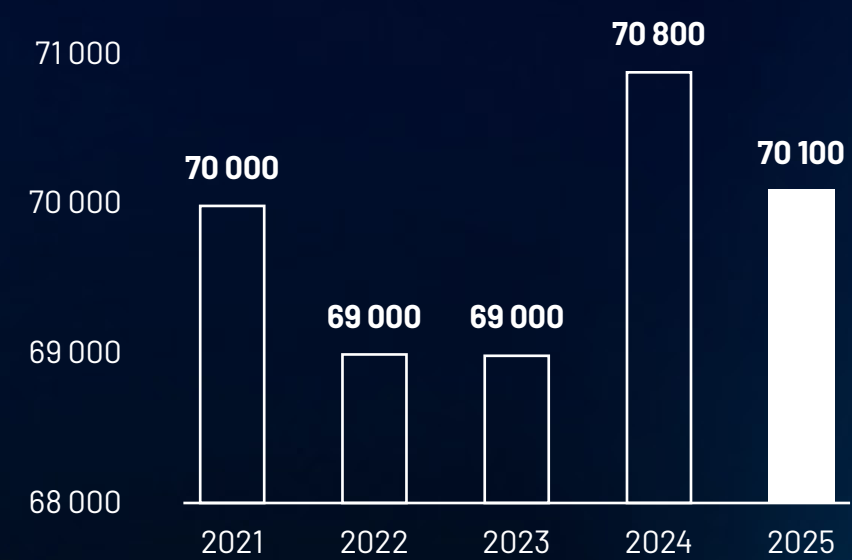
	2021	2022	2023	2024	2025
Total sales	2.244	2.687	2.752	2.717	2.592
Debt ratio	0.35	0.30	0.28	0.35	0.32

All figures are presented in SEK millions and rounded.
Debt equity ratio: Total liabilities divided by total assets.

Safety reporting trends

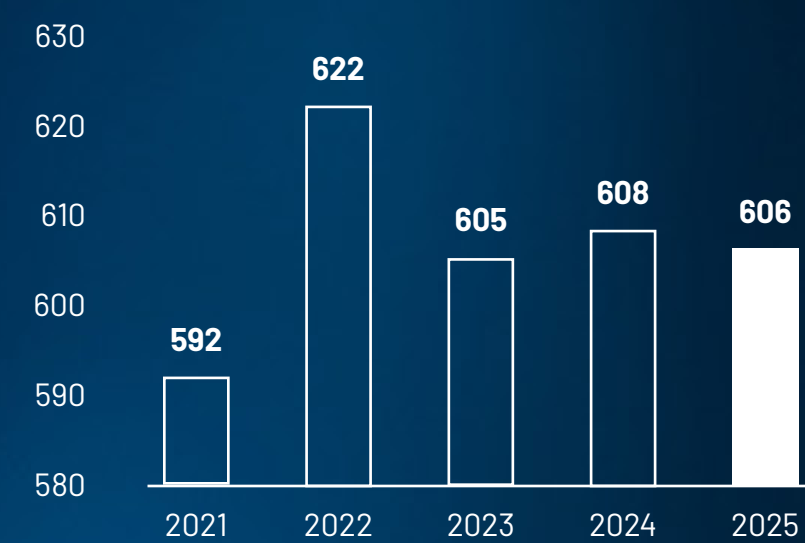
	Year-on-year	2021	→	2022	→	2023	→	2024	→	2025
Reactive (-)	Accidents	148	-27.0%	108	-18.5%	88	-75.0%	22	-50.0%	11
	Lost time injury (LTI)	18	-44.4%	10	0.0%	10	-10.0%	9	-11.1%	8
Preventive (+)	Near miss	108	-13.0%	94	31.9%	124	16.1%	144	23.1%	165
	Risk observations	740	54.0%	1,138	31.8%	1,500	4.7%	1,570	-22.5%	1,216
	Reports. total	996	34.5%	1,340	27.8%	1,712	1.4%	1,736	-19.4%	1,392

Tonnes produced



Employees

Full-time employees (FTE)



	Total	2021	→	2025
Reactive (-)	Accidents	148	-92.6%	11
	Lost time injury (LTI)	18	-55.6%	8
Preventive (+)	Near misses	108	52.8%	165
	Risk observations	740	64.3%	1,216
	Reports. total	996	39.8%	1,392



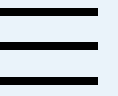
Market and strategy

Business model and strategy

Our value chain

Customer partnerships

Our stakeholders



Business model and strategy C1

Growth through quality, innovation and partnerships

We generate value by delivering high-quality spring steel and wire products to industrial and automotive customers worldwide. Our business model leverages advanced production capabilities, technical expertise, and strong customer partnerships to meet market demands.

Our key resources include our production facilities, skilled workforce, and Research and Development (R&D) capabilities, which enable us to develop innovative solutions tailored to customer needs. Revenue is generated primarily through product sales, supported by long-term agreements and collaborative projects with our customers.

This model underpins our strategic focus on quality, and innovation allowing us to grow responsibly while adapting to evolving market trends and customer expectations.

Expanding capabilities for evolving markets

We look back on a year marked by uncertainty and rapid change, with shifting customer demands and evolving market conditions across the industrial and automotive sectors. We strengthened our position by maintaining close collaboration

with customers and focusing on their needs, ensuring reliability and quality even in challenging circumstances.

We have taken strategic initiatives to expand product capabilities, such as advanced wire hardening processes and tailored solutions for specific applications, while continuing to develop a broad product portfolio for diverse industrial markets. Investments in operational improvements and global production flexibility supported delivery performance and responsiveness.

Our global presence, technical expertise, and employee engagement remain key strengths, enabling us to respond effectively to market developments and emerging customer requirements. As we approach our 120th anniversary in 2026, these efforts position Suzuki Garphyttan to capture growth opportunities together with our customers.

New segments, new opportunities

Traditionally our production has been focused on conventional automotive products, often related to the internal combustion engine. Today, we are working wholeheartedly to contribute value to a constantly evolving market.

To remain a world-leading steel wire supplier, we are developing our offer. Our products are finding their way into new markets. Now our innovative solutions are also making a difference in segments such as aerospace, medical, textiles, manufacturing and machinery.

A global strategy for local success

Our global business process helps us stay focused on what matters most and supports us in reaching our goals. It brings us together across the company, ensuring that we work in a coordinated way, and providing a shared direction.

At the same time, we operate close to our local markets. While we follow a common global plan, each site adapts to its own conditions in regions including North America, China, and Europe. This balance allows us to meet local needs while benefiting from a global structure and spreading risk across markets.

We plan with a five-year perspective that we reassess on an annual basis. This gives us a clear direction while allowing us to adapt as conditions change. A structured annual planning cycle ensures alignment across the company, so everyone knows what to focus on, when, and why.

Goals approaching 2030



Maintaining our leading position in the automotive industry



Broadening our product portfolio into new segments



Grow



Increasing our profit

Our value chain

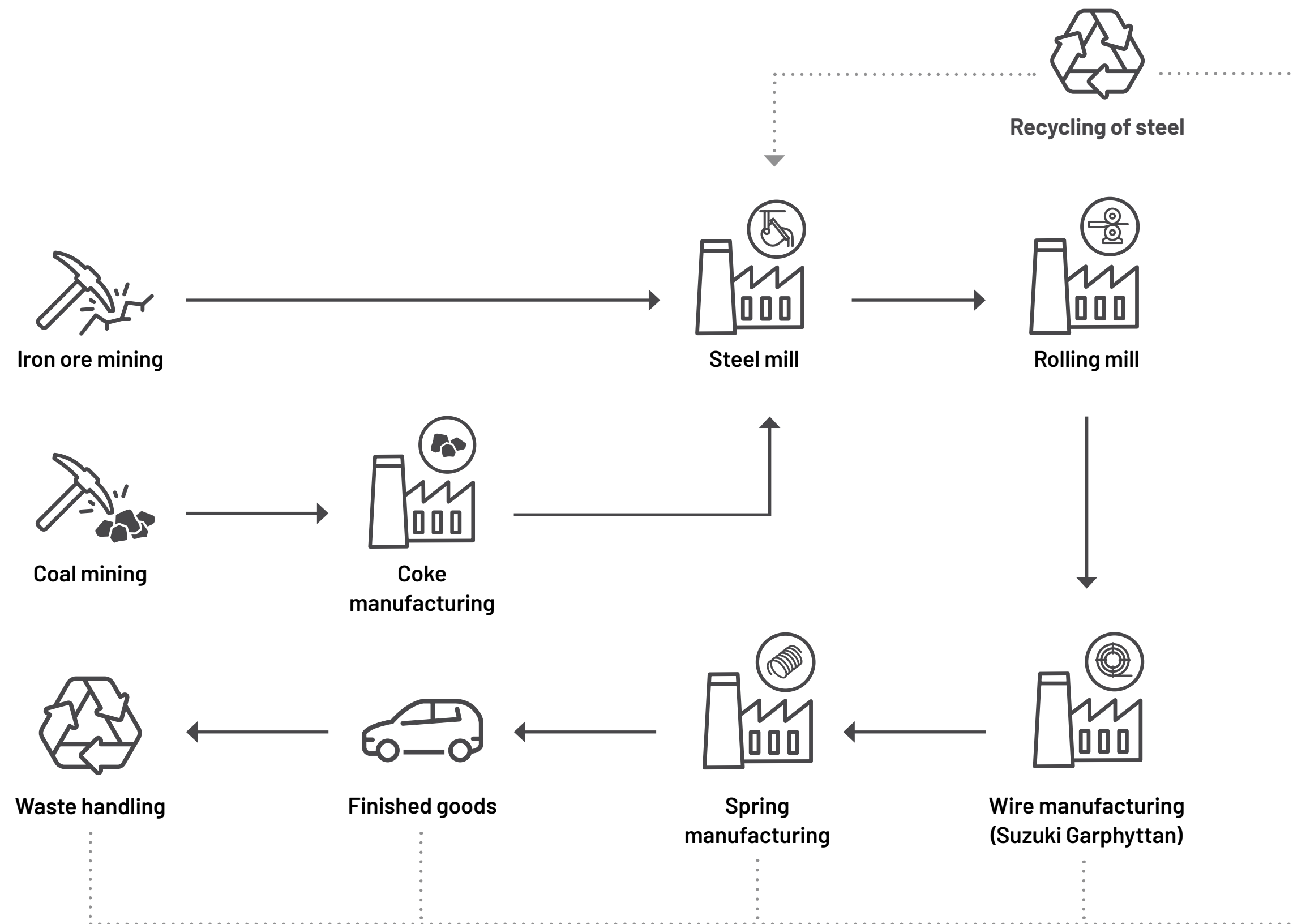
Responsibility and resilience from source to solution

Our value chain covers the entire process, from the extraction of iron ore and coal, through steelmaking and rolling, to wire and spring production, and finally to end use.

Sustainability is a key focus, particularly in the supply chain, where much of our impact occurs. Guided by our Sustainable Procurement Policy and Code of Conduct, we set clear expectations for suppliers to operate responsibly across environmental, social, and ethical areas. This includes requirements related to climate impact and resource efficiency, safe and fair working conditions, as well as zero tolerance for corruption, child labor or forced labor.

We systematically evaluate and monitor our suppliers, focusing on both performance and their commitment to continuous improvement. This includes regular assessments of areas such as emissions, working conditions, health and safety, and business ethics, as well as requirements for transparency and traceability in the supply chain.

By prioritizing partnerships with suppliers who actively develop their sustainability practices, we strengthen a responsible and resilient value chain that generates long-term value, both for us and other stakeholders.





Customer partnerships

Sustainable solutions and shared long-term value

We build our customer partnerships on long-term collaboration, trust, and mutual development. We work closely with our customers to deliver high-quality, innovative and sustainable spring wire solutions tailored to meet their needs.

Our global presence and local production capabilities allow us to respond quickly to customer demands, support project development, and ensure reliability in delivery and service. Through these partnerships we drive product innovation and support customers' sustainability goals, listening to feedback and adapting our offering to evolving market and environmental expectations.

Key elements of our customer partnerships include:

Long-term, responsible relationships

We engage with customers as professional and committed partners, strengthening trust and reliability throughout the business relationship.

Responsive local support

With production facilities in multiple regions, we can tailor solutions and provide timely service, meeting both global standards and regional needs.

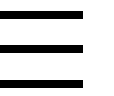
Innovation and sustainability collaboration

By working together with customers, we develop products that support both performance and sustainability ambitions – aligning our processes with the priorities of our business partners.

Continuous improvement through feedback

Insights from customer surveys and interactions guide our efforts to improve quality, diversify our product portfolio, and enhance service levels.

Through close collaboration and continuous feedback, we strengthen our ability to deliver innovative, reliable, and sustainable solutions that meet customer needs and build shared long-term value.



Our stakeholders

Strong relationships built on stakeholder needs

We engage with our stakeholders to support sustainable development and long-term value creation. When we build strong relationships we gain a clear understanding of their expectations and integrate these into our decisions, priorities, and sustainability work.

Our approach is built on continuous dialogue, feedback, and monitoring. This ensures that stakeholder needs are considered across all our operations. This way of working helps us create value responsibly, maintain long-term stability, and align our actions with our sustainability goals throughout the value chain.

Primary stakeholders

Owners

Nippon Steel Corporation, providing strategic governance, long-term investment, and oversight of corporate strategy.

Customers

Automotive and industrial clients relying on our high-quality spring steel products, increasingly focused on sustainability and performance.

Suppliers

Partners delivering raw materials and services that support product quality, efficiency, and sustainability objectives.

Employees

Our workforce, central to production, research, development, and the implementation of sustainability initiatives.

Secondary stakeholders

Industry organizations

Networks such as Jernkontoret, collaborating on sustainability, environmental efficiency, and industry standards.

Regulatory authorities

Local, national, and international regulators shaping environmental, social, and governance requirements.

Financial stakeholders

Banks, lenders/investors, and other financial partners providing funding, supporting stability and growth, and monitoring financial performance.

Local communities

Residents, institutions, and groups in regions where we operate, engaged through employment, educational partnerships, and community initiatives.

External interest groups

Environmental and social advocacy organizations monitoring sustainability performance and community impact.

Media and public opinion influencing external perceptions of our practices and performance.

Students and prospective employees reached through partnerships, recruitment, and educational programs.

Our stakeholder engagement approach ensures that the needs and expectations of all relevant groups are considered across operations, supporting responsible value creation and long-term resilience.



Sustainability statement

- General information
- Environmental
- Social
- Governance





General information

[Our journey](#)

[Sustainability strategy](#)

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[A more sustainable economy](#)



Our journey

Our goal – becoming the sustainability benchmark

Sustainability is an integral part of our business and strategy. We strive to become the sustainability benchmark in our industry by 2030, creating measurable, long-term value for our customers, employees, and communities.

We focus on responsible production, reducing environmental impact, supporting social development, and fostering innovation that aligns with both industry standards and customer expectations.

This report provides an overview of our sustainability performance, initiatives, and progress over the past year, highlighting how we integrate environmental, social, and governance (ESG) considerations into our operations and decision-making, and demonstrating measurable progress in environmental and social performance.

Identified focus areas

Based on the latest assessment, we have identified the following focus areas:

Environment

Climate

Procurement of wire rod, fossil free energy, energy efficiency, transport.

Resources and circularity

Waste handling, chemicals, hazardous elements, material efficiency.

Water

Water use, discharges to water, purification techniques.

Social

Health and safety

Safety, work environment, equality, competence development.

Supply chain

Environmental impact and working conditions in the value chain.

Community

Societal impact and responsibility.

Governance

Sustainability governance

Integration of sustainability in business planning.

Transparency and traceability

Reliable sustainability data, reporting.

Compliance and ethics

Compliance, ethical business conduct, internal control and risk handling.

Sustainability strategy

Sustainability as a driver for resilient growth

Sustainability is an important driving force for us as we strive for a better tomorrow. That includes finding new applications for our steel wire products.

We structure our sustainability work according to all three dimensions of sustainability: Environment, Social, and Governance. We consider all of them equally important for achieving optimal results.

Our work is guided by key policies supporting these areas, as well as our value chain. These include our Environmental Policy, Code of Conduct, and Sustainable Procurement Policy. All documents are publicly available on our website.

During 2025, we established our sustainability strategy, outlining how we address today's and tomorrow's challenges while continuing to be a reliable partner. Our direction is clear: sustainability should be part of everything we do, focusing on the areas where we can make the biggest difference.

Always stay ahead

We don't just want to meet the growing expectations from customers, society, and other stakeholders; we want to exceed them and always stay ahead of legal requirements. It explains how we work with sustainability: reducing our environmental footprint, taking social responsibility, and making sure we have strong governance in everything we do. It also highlights the areas we see as most important for our continued growth.

Our sustainability targets are high on the agenda and are also in line with the goals in our business plan. We work intensively to reduce the emissions from our production to both water and

air, to develop our business and further strengthen our position in the steel industry. We also care about giving every employee the best possible chance to develop, grow, and thrive at work.

We want to be able to offer products with a lower environmental impact to our customers and enable customers to, in their turn, gain competitive advantages by having a value chain that has a better sustainability performance than other alternatives. We will actively support our suppliers and customers to develop products with less environmental impacts, one way of doing so is by doing tests and research in our laboratory.

Steel with less environmental impact

There is ongoing development within the steel industry to produce steel with lower environmental impact. Some production methods are generally difficult for spring steel, but we aim to offer our customers the option to choose products with less environmental impact, depending on what is possible for the specific quality and applications. We collaborate with our suppliers and have initiated work to provide our customers with emissions data for our products.



“We structure our sustainability work according to all three dimensions of sustainability: environment, social, and governance. We consider all of them equally important for achieving optimal results.”

Sustainability risk management

Our environmental footprint and financial performance

We view sustainability risks as core business risks. Factors such as resource use, workforce conditions, and value chain dependencies have a direct impact on both our environmental footprint and our financial performance.

To identify and assess material sustainability topics, we perform an annual double materiality assessment where we consider our impact on the environment and society, as well as the financial and strategic risks and opportunities these topics may pose.

The assessment follows internal criteria and evaluates:

- Severity (scale, scope, and irremediability)
- Probability

Our impacts may be actual or potential, positive or negative, and occur in the short, medium, or long term.

We consider sustainability topics that are important to our business or prioritized by our key stakeholders, such as customers, employees, suppliers, and regulators. A growing area of focus is the quality and traceability of sustainability data, where we are working to meet increasing customer expectations and industry standards.

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

The outcome of the assessment defines our sustainability focus areas: Environmental, Social, and Governance (ESG). These areas guide our prioritization, resource allocation, and reporting.



Environmental risks

Environmental risks are primarily linked to climate change, resource use, and regulatory developments.

Physical climate risks such as extreme weather events (e.g., flooding, heatwaves, and storms) may impact our operations, disrupt production, and cause environmental incidents. These risks vary across our production facilities and are assessed locally to reflect specific conditions.

Transition risks include stricter environmental regulations, increased requirements on emissions and energy use, and changing market expectations. A significant share of both environmental impact and supply chain risk is related to our wire rod suppliers. These may lead to increased costs, required investments, or changes in business direction, but may also create opportunities for companies with strong environmental performance.

Resource-related risks are linked to the availability and efficient use of raw materials. We work to reduce waste generation. Steel scrap generated in operations is recycled and returned upstream in the value chain. Another resource-related risk is regarding water that includes increased water scarcity, stricter discharge requirements, and potential disruptions to operations due to limited water availability.

Water use and discharge are monitored at site level, and risks vary depending on local conditions and regulatory requirements. Increased regulatory pressure or changes in water availability may require investments in water efficiency measures or treatment technologies.

We work to optimize water use, improve monitoring, and ensure that discharges meet applicable environmental standards.

Social risks

Social risks are mainly related to our own workforce and working conditions, as well as impacts in the value chain.

Operational activities involve manual work and the use of machinery, which entails safety risks. These are managed through work instructions, training, and systematic follow-up of incidents and deviations.

We aim to provide a safe and inclusive workplace with equal opportunities and a strong corporate culture. Continuous improvement of working conditions and employee well-being is a key focus area.

Risks related to suppliers include working conditions and human rights in the value chain. These are monitored and managed through our processes for supplier engagement and evaluation.

Our operations and activities may have an impact on local communities and society at large. Negative impacts, such as environmental incidents, non-compliance, or perceived lack of responsibility, may lead to reputational risks.

A weakened reputation can affect our relationships with customers, employees, suppliers, and local stakeholders, and may impact our ability to operate, grow, and attract talent.

To mitigate these risks, we operate transparently, ensure regulatory compliance, and engage actively with our stakeholders.

Governance risks

Governance-related risks include non-compliance, unethical behavior, and external factors such as geopolitical developments.

To address these risks, we have internal control and risk management that are essential to ensure that sustainability risks are identified, assessed, and managed in a consistent manner across our organization.

We maintain policies and guidelines to prevent corruption, discrimination, and human rights violations. We support these policies through strict internal controls and clear communication with our employees. There is a risk that inadequate processes, unclear responsibilities, or insufficient follow-up may lead to gaps in risk identification, reporting, or mitigation. This could result in non-compliance, operational disruptions, or failure to achieve strategic objectives.

Climate change and geopolitical developments may also impact the availability and cost of raw materials and energy, as well as disrupt the value chain. To mitigate these risks, we work with a diversified supplier base.

Regulatory developments, such as climate-related trade mechanisms, tariffs or other trade barriers may affect our operations and market conditions. We monitor such developments closely and adapt our strategy accordingly.

In addition, changes in market demand and expansion into new industries may introduce new requirements related to products, production processes, and certifications. For example, the IATF 16949 standard for quality management systems applies to the automotive industry. It is not used in other industries, where other ISO standards or certifications may be required.

To address these risks, we work to integrate sustainability into its overall governance structure, including risk management processes, internal controls, and regular follow-up of performance and identified risks.

To be agile in handling changes in demand, we have a Research and Development (R&D) department and drive the development of products in industries other than automotive.



A more sustainable economy [B2, C2](#)

Building sustainable competitive advantage

Our strategic direction is to integrate sustainability into all parts of the company, starting where we have the greatest impact. We are committed to meeting the growing expectations of our customers, society, and stakeholders.

We focus our initiatives on minimizing our impact locally and globally, while simultaneously enhancing our competitiveness. All our sites operate under a common management system to ensure systematic performance.

Our key sustainability priorities

Table 1 summarizes our key sustainability priorities. It shows the areas where we have established policies, and where we are focusing on our day-to-day efforts on improving our environmental and social impact.

Table 1: Sustainability topics, policies, targets or future initiatives

The topics we consider material are indicated with an asterisk (*).

Topics included in the VSME standard	Do we have practices/policies/future initiatives addressing any of the following?	Are they publicly available	Do the policies include any targets?
Climate change*	Yes	Yes	Yes
Pollution*	Yes	Yes	Yes
Water and marine resources*	Yes	Yes	Yes
Biodiversity and ecosystems	No	No	No
Circular economy*	Yes	Yes	Yes
Own workforce*	Yes	Yes	Yes
Workers in the value chain	Yes	Yes	Yes
Affected communities*	Yes	Yes	Yes
Consumers and end users	No	No	No
Business conduct*	Yes	Yes	Yes



ESG focus areas, risks and targets

Our sustainability strategy covers how we identify and assess ESG focus areas, manage ESG risks and opportunities in a structured way and where we state our ESG targets. It is aligned with our governing documents regarding environmental (Environmental Policy), social and governance topics (Code of Conduct) as well as our value chain (Sustainable Procurement Policy).

Table 2 indicates how the topics are covered in our policies. The actual targets are presented in more detail in the sustainability strategy.

Practices aligned with our targets are followed up in our common sustainability management platform, which we use to manage targets, actions and KPIs.

Table 2: Brief description of sustainability practices, targets, future initiatives and responsibilities

Topic	Brief description of practices / policies / future initiatives	What the target covers	Accountable for implementation
Climate change	Procurement of wire rod / fossil free energy / energy efficiency / transports.	Reduction of GHG emissions.	CFO/VP Finance Global Sustainability Manager
Pollution	Monitor and measure emissions at appropriate places and frequency / Use Best Available Techniques (BAT) as benchmarks.	No company targets set but emissions to air and water are generally regulated in the operating permits for our sites.	Site Managers
Water and marine resources	Water use / discharge of water / purification techniques.	Reduction of water consumption.	Site Managers Global Sustainability Manager
Circular economy	Waste handling / chemicals / hazardous elements / material efficiency.	Managing waste in alignment with the highest levels of the waste hierarchy. Annual reductions of non-environmentally friendly elements.	Site Managers Global Sustainability Manager
Own workforce	Safety / work environment / equality / competence development.	12 targets related to our workforce: Safety (5), Working environment (4), Competence development (3).	CHRO/VP Human Resources
Workers in the value chain	Environmental impact and working conditions in the value chain.	Key suppliers with sustainability certifications. Evaluations of supplier performance on sustainability metrics. Key suppliers to relate to a Code of Conduct.	VP Supply Chain & IT CFO/VP Finance
Affected communities	Societal impact / responsibility.	All operations should have local CSR partnerships. Of our CSR initiatives, 50 percent should target children and young people.	CCO/VP Communication & Sustainability
Business conduct	Sustainability in business planning / reliable data / reporting / compliance / ethical business conduct / internal control / risk handling	Ensure that ESG aspects are considered when performance is tracked and evaluated. ESG training integrated into the business plan. Targets linked to internal audits. Board of directors, site managers, and global management to participate in ESG education. Review the double materiality assessment annually. Functions-at-risk covered by training programs Whistle blower system.	CEO

Basis for preparation B1

All our production sites operate under certified local environmental management systems in accordance with ISO 14001. These certifications support a systematic approach to identifying, managing, monitoring, and continuously improving environmental aspects in our operations.

We do not currently hold sustainability-related product certifications, eco-labels, or similar certifications for our products.



Environmental

Energy and greenhouse gas emissions

Climate risks

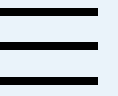
Greenhouse gas reduction targets

Pollution of air, water and soil

Biodiversity and ecosystems

Water

Resource use



Energy and GHG emissions [B3](#)

How we manage energy and emissions

While our direct use of fossil fuels is limited, our operations rely on electricity and energy-intensive inputs, particularly steel wire rod. As a result, our primary climate impact lies upstream in our value chain.

Steel production is energy-intensive, meaning the majority of our greenhouse gas (GHG) emissions are embedded in the steel wire rod we purchase.

To manage our direct environmental footprint, securing fossil-free electricity is a key priority, which we currently achieve at several sites through market-based methods.

Because all our activities, from raw material sourcing and daily operations to transport and business travel, contribute to GHG emissions, climate change is assessed as a highly material issue for us at a global level.

In 2025, we performed the following actions to increase energy efficiency and/or reduce GHG emissions in Scope 1 and 2.

Site Garphyttan

Adjust the airflow/operating time of ventilation, so it ramps down when there is no activity in the area.

Sign an agreement with a company to perform leak detection on our compressed air system once a year.

Replaced old lighting with energy-efficient LED lighting which is estimated to result in energy savings.

Site Leeds

A new regime has been introduced to switch off the compressors that previously ran around the clock.

Reduce furnace temperature when not in use and estimate energy savings.

Site San José Iturbide

Perform preventive maintenance on solar panels to secure continuous efficiency in production.

Ensure that all positions in the furnace are used to increase energy efficiency.

Launch an energy-saving campaign that includes placing stickers on power outlets and having energy awareness talks conducted for all plant personnel, from management to operations staff, to improve the culture of energy saving.

Site Suzhou

Replaced the control room's daytime lighting with induction lights which is estimated to result in energy savings.

Reviewed the possibility of signing Power Purchase Agreements (PPA) directly with electricity producers.

Site South Bend

Conduct an Energy Audit to assess current energy usage and identify areas for improvement.

Participate in an Energy Management program with the electricity company that focuses on helping businesses reduce energy costs and greenhouse gas emissions to identify and implement low-cost or no-cost energy-saving measures. As a participant, we also gain access to technical tools, educational resources, and collaboration opportunities with peers in other industries.

Install programmable thermostats to automatically adjust temperatures based on occupancy schedules.

Install occupancy sensors in areas that do not require constant lighting.

Understanding Scope 1-3

Scope 1

Direct emissions from owned or controlled sources.

Scope 2

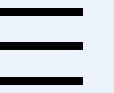
Indirect emissions from purchased energy. Scope 2 emissions can be calculated using two different methods:

Location-based: based on average emission factors from the local or regional grid, reflecting physical electricity consumption.

Market-based: based on emission factors from contractual instruments (e.g. green tariffs or Renewable Energy Certificates).

Scope 3

Other indirect emissions across the value chain, including both upstream and downstream activities.

**Table 3: Total energy consumption by site (MWh)**

Site	Electricity (MWh)		Fuels (MWh)	
	Renewable	Non-renewable	Renewable	Non-renewable
Garphyttan	45 070	-	202**	2 883
South Bend	15 490	-	-	7 063
Suzhou*	884	29 892	-	73
Leeds	3 558	-	-	1 148
San José Iturbide*	987	11 319	-	85
Dusseldorf	31	-	-	-
Total 2025	66 021	41 212	202	11 252
<i>Total 2024</i>	<i>67 965</i>	<i>38 285</i>	<i>208</i>	<i>10 992</i>
Summary 2025	107 223		11 454	
<i>Summary 2024</i>	<i>106 250</i>		<i>11 200</i>	

* We do not purchase electricity with guarantees of origin, all electricity purchased is calculated as "Non-renewable" even when parts of the energy come from renewable sources that are connected to the electricity grid. The amounts stated in the "Renewable" column are only the site's self-generated electricity.

** Only the completely fossil free fuel (HVO100) used for forklifts is assessed to be renewable.

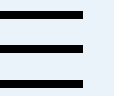
Table 4: Greenhouse gas emissions in Scope 1 and 2 by site (tCO₂e)

Scope 2 is calculated using both market-based and location-based methods.

Site	GHG emissions (tCO ₂ e)		
	Scope 1	Scope 2 (market-based)	Scope 2 (location-based)
Garphyttan	804	-	3 138
South Bend	1 378	-	6 041
Suzhou*	117	18 222	15 861
Leeds	244	-	737
San José Iturbide*	129	5 026	5 026
Dusseldorf	-	-	11
Total 2025	2 672	23 248	30 814
<i>Total 2024</i>	<i>2 691</i>	<i>20 846</i>	<i>30 772</i>
Summary 2025**	25 920		-
<i>Summary 2024**</i>	<i>23 537</i>		<i>-</i>

* We do not purchase electricity with guarantees of origin for these sites.

**Our company target for GHG emissions is set for Scope 1 and market-based Scope 2 emissions. That is why those are merged in "Summary".

**Table 5: Greenhouse gas intensity by site (tCO₂e/SEK million, sales total)**

Scope 2 is calculated with both market-based and location-based methods

Site	GHG emissions (tCO ₂ e)	
	Scope 1 + 2 (market-based)	Scope 1 + 2 (location-based)
Garphyttan	0,804	3,138
South Bend	2,872	12,593
Suzhou*	28,354	24,522
Leeds	2,666	8,052
San José Iturbide*	17,481	17,044
Dusseldorf	0,000	0,029
Total 2025	10,001	12,920
<i>Total 2024</i>	<i>8,662</i>	<i>12,315</i>

* We do not purchase electricity with guarantees of origin for these sites.

Value chain impacts on climate change

Regarding Scope 3 emissions, we have initiated a mapping based on the 15 categories defined by the GHG Protocol. We have assessed which categories are material to our operations and developed instructions and templates for data collection.

So far, data has been collected for one site (Garphyttan) to validate the methodology and approach. Data collection for the remaining sites is planned for 2026.

Scope 3 emissions are not reported for 2025. The ambition is to begin reporting in 2026, together with the establishment of relevant targets.

Energy efficiency and GHG emissions will remain key focus areas going forward. All operations will continue to implement measures based on their respective conditions and starting points, with many initiatives in 2026 building on actions taken in 2025.



Climate risks C4

Energy management is a strategic priority

In our recent double materiality assessment, climate-related physical hazards were not considered material to our operations. As for climate-related transition events, energy and climate change mitigation were assessed as material. All sites use large amounts of energy and are heavily dependent on energy supply to operate. Energy management is therefore assessed as a material topic at a global level.

Globally, the steel industry is highly energy intensive. For us, our greatest climate impact occurs upstream, with most of our greenhouse gas (GHG) emissions embedded in the steel wire rod we purchase.

Our direct operations rely minimally on fossil fuels due to extensive electrification. Because our manufacturing processes consume significant amounts of electricity, transitioning to fossil-free power is a critical priority. We are actively managing this by purchasing electricity from fossil-free sources through market-based methods at several of our sites. We recognize that every part of our business, from raw material sourcing and daily operations to transport and business travel, affects the climate.

We have not undertaken any actions directly linked to climate change adaptation at our sites since we do not assess this to be a material topic for us.





Risks linked to climate

In the most recent double materiality assessment, the following risks and opportunities linked to climate were assessed to potentially affect our financial performance or business operations going forward.

High risk

Climate change may disrupt the supply chain through extreme weather events, affecting both our operations and those of our suppliers. This can lead to production stops, delays, or reduced capacity. Transport may also be disrupted, although such impacts are typically more temporary.

The most significant site-specific risk is flooding related to typhoons in Suzhou, China. To mitigate these risks, we maintain alternative suppliers for certain steel grades and hold safety stock where no alternatives are available. Our multiple production sites further reduce vulnerability to disruptions and strengthen our ability to deliver.

If we do not meet customer requirements related to greenhouse gas emissions, we risk losing sales opportunities, including access to new markets and customers. There is also a risk that demand for our main products declines due to changes in the automotive industry. These risks are present across our operations and the broader value chain, as customers are expected to increasingly assess emissions linked to products throughout their life cycle.

Improved sustainability performance may create new or increased business opportunities across both existing and new markets and customers. Demand for product-related sustainability data has increased in recent years and is expected to continue to grow.

Sustainability performance is increasingly linked to pricing, with the potential to achieve a premium where performance can be credibly demonstrated.

While priorities may vary between customers and industries, product-related GHG emissions (PCF) are emerging as a key focus area for many customers.

Energy scarcity and high energy prices can be a risk. The green transition of industry (e.g. green steel) and rising living standards are expected to increase global energy demand. High energy prices are not assessed as a significant direct risk. However, energy rationing or temporary disconnection from the electricity grid could affect our operations and those of our suppliers.

High energy prices may also contribute to a broader economic downturn, which could reduce demand for our products.

Medium risk

Climate change can, for example, lead to a reduced supply of critical raw materials, either for us or for actors upstream in the value chain. Extreme weather can also affect specific sites or suppliers and cause their production to be stopped, delayed or reduced in capacity.

To reduce this risk, we have alternative suppliers for certain steel grades and hold safety stock on those qualities where we do not have alternative suppliers. Our multiple production sites further reduce vulnerability to disruptions and strengthen our ability to deliver.

Within the EU, the Emissions Trading System (EU ETS) and the Carbon Border Adjustment Mechanism (CBAM) contribute to increased costs for greenhouse gas emissions. The annual reduction in EU ETS allowances may lead to higher prices unless efficiency improvements or emission reductions are achieved at a similar pace. This directly affects our wire rod suppliers within the EU and indirectly affects our imports to the EU.

Similar pricing mechanisms for greenhouse gas emissions are being introduced in other regions, and the use of such economic instruments is expected to increase.

The costs of mitigating the effects of climate change are generally expected to increase with higher levels of emissions. The costs of reducing greenhouse gas emissions may also rise in the future, for example due to shortages of components or limited opportunities for electrification where grid capacity is constrained.

GHG reduction targets and climate transition [C3](#)

Our roadmap for climate change mitigation

We have set a target for our greenhouse gas emissions in Scope 1 and 2, where Scope 2 emissions are calculated as market-based emissions.

Our goal is to reduce our carbon intensity to 134 kg CO₂e per tonne of wire sold, a reduction of 83 percent by 2030 compared to the base year 2020.

The target has been developed to be aligned with limiting global warming to 1.5°C according to Science Based Targets initiative (SBTi). Based on our planned production volumes during the last year of the current strategy, this corresponds to absolute emissions of 16,000 tonnes of CO₂e in 2030.

If we produce quantities deviate significantly from the strategy, the emissions per tonne of wire will be recalculated against actual production quantities. The absolute emissions will not be affected. Absolute emissions are to be reduced by 59 percent even though the quantities produced are significantly higher in the strategy than in the base year. The current strategy extends to 2030.

We have many different types of actions planned to reach the target. We follow up and revise these actions annually.

The actions assessed as currently contributing to the greatest emission reductions are:

- Buying electricity from fossil free sources at our sites in China and/or Mexico.
- Increasing our own electricity production from solar panels.
- Replacing oil boilers at our site in Sweden.
- Replacing pickling at our site in Sweden.
- Electrification or switching to fossil-free fuel for space heating at our site in the US.
- In general, have higher filling rate in our furnaces.

We have no formal transition plan for climate change mitigation in place and do not have any time plan for when such should be adopted. With that said, we have tried to quantify the effect that planned measures could have on our emissions and how we can achieve our internal targets.

83%

We aim to achieve an 83% reduction in carbon intensity by 2030 compared to the 2020 baseline



Pollution of air, water and soil [B4](#)

Managing emissions to air and water

We have emissions to air and water from various parts of our processes. How much we can emit from the operations are generally regulated in each production facilities' permit or in local legislation. There are also requirements on the regularity of measurements and where these should be performed.

Emissions to air and water occur along the entire value chain. Steel production generally has the largest emissions. Our suppliers are generally regulated by permits and are covered by local legislation.

Our operations cause emissions as do our suppliers and customers. The production of raw materials and other inputs, as well as the use of end-products and waste handling also generate emissions.

We are dedicated to reducing emissions from our operations to both air and water. To maintain stringent control over our emissions and ensure compliance with permitted levels, we continuously measure and monitor emissions at appropriate places and with appropriate frequency.

Adopting Best Available Techniques (BAT-AEL)

Environmental considerations are integrated into our processes. We use Best Available Techniques - Associated Emission Levels (BAT-AEL) as a benchmark for assessing our emissions. BAT-AEL represents the achievable emission levels associated with the implementation of the best available techniques in our specific industry.

We are required to report emissions to authorities for selected sites. At our Garphyttan site, we report the total amount of some pollutants emitted, which is disclosed in the table below.

At our Suzhou site, reporting is limited to pollutant concentrations in accordance with local regulatory requirements, and no data on total emission volumes is available.

Table 6: Regulated emissions to air at Garphyttan site

Pollutant	Emissions (kg)	Medium of release (air, water, soil)
Oil	2330	air
Lead	0,05	air

Within the EU, there are sector-specific legislation requirements for Best Available Techniques (BAT) conclusions for sectors covered by the Industrial Emissions Directive (IED). These set uniform requirements for, among other things, energy or water consumption by industries in the EU.

These requirements are often stricter than the conditions in the current permit and apply in parallel with them. How actors comply with the requirements in BAT is reported annually. Our type of industry is covered by BAT for Ferrous Metals Processing Industry (FMP BAT).

Biodiversity and ecosystems B5

Protecting local ecosystems

We have conducted a review of all sites we own, lease or manage to evaluate their proximity to biodiversity-sensitive areas. To ensure equal assessment across the Suzuki Garphyttan Group, we have based our work on Natura 2000, which applies to our sites within the EU. In other jurisdictions where we operate, we use the closest equivalent national protection designations.

Based on this review, we can conclude that none of our operational sites are located within or near legally protected or otherwise biodiversity-sensitive areas.

Number of sites located in or near biodiversity-sensitive areas: 0

Total area concerned (hectares): 0

Assessment of water protection area

A defined position of the Swedish site in Garphyttan is located within a designated water protection area established under Swedish environmental legislation.

Approximately one quarter of the developed site area and a significant share of the undeveloped property north of the site, fall within this water protection zone.

The designation relates to the protection of drinking water resources and does not constitute a biodiversity-sensitive area, a protected area under the Natura 2000 framework, nor an IUCN-classified protected area. Consequently, it is not included within the scope of disclosure under the VSME Standard. The information is provided for transparency purposes.

We continuously monitor regulatory and land-use changes that could impact this assessment.



“Based on a review of all owned, leased and managed sites, no operations have been identified as being located in or near biodiversity-sensitive areas, and the assessment did not identify any affected land area.”

Water B6

Securing essential cooling

We withdraw large amounts of water in our processes but do not consume it (according to the definition in FMP BAT), as it is primarily used for cooling. Depending on the site, the water is either discharged downstream or recirculated in closed-loop systems. Cooling water does not come into contact with our products and is not contaminated. Only our site in Garphyttan discharges cooling water, while all other sites operate closed-loop systems.

Cooling water is essential for our operations. If the supply of cooling water were to decrease or cease, it would have significant consequences as we would be unable to produce. The probability of such disruption is assessed to be low.

The largest volumes of water used are for cooling across multiple process steps along the value chain. Wastewater is also released from several parts of the value chain. Steel mills are generally located along rivers or similar, which facilitates withdrawal and resupply of the cooling water.

Water withdrawal presented in the table is calculated in accordance with the definition of specific water consumption in FMP BAT.

In FMP BAT, water consumption is defined as total water use excluding:

- recycled and reused water
- cooling water used in once-through cooling systems
- water for domestic-type use

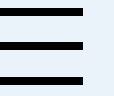
This differs from the VSME guidance, where water consumption is defined as water inputs minus outputs. The figures presented do not therefore represent total water withdrawal at our production sites.

Table 7: Water withdrawal by site (m³/year)
Calculated in accordance with FMP BAT

Site	Water withdrawal
Garphyttan	16 135
South Bend	34 567
Suzhou*	13 056
Leeds	6 450
San José Iturbide*	8 392
Dusseldorf	-
Total 2025	78 600
<i>Total 2024</i>	<i>76 254</i>

*Sites in areas with water stress according to the tool "WRI's Aqueduct Water Risk Atlas".

Cooling water is essential for our operations. If the supply of cooling water were to decrease or cease, it would have significant consequences as we would be unable to produce. The probability of such disruption is low.

Resource use **B7**

Maximizing resource life and reducing waste

Our steel wire products are fully recyclable and can be recycled an infinite number of times without any loss in quality.

We sort other waste fractions based on the available recycling infrastructure in each specific region. This is an ongoing process, involving dialogues with suppliers, customers and waste contractors about recycling, including regarding optimum packaging.

Waste is generated and recycling is conducted throughout the value chain. Steel has a relatively closed cycle where most of the scrap is recycled and turned into new products.

We use our raw materials efficiently, meaning that as much purchased material as possible must be delivered as products. We use raw materials and produce products that are recyclable and work to enhance the circularity of our products and extend the life of the resources.

Highest standard of waste handling

We strive to reduce waste within our operations by promoting reuse and recycling materials wherever it is feasible. We sort scrap and other waste fractions to facilitate recycling and to preserve the value of these resources.

The specific waste fractions sorted may vary between sites, depending on the local waste management infrastructure.

However, at all sites, waste must be managed in accordance with the EU Waste Hierarchy, ensuring compliance with the highest standards of waste handling and environmental responsibility.

In Table 8, steel scrap, i.e. scrap wire and steel shavings, are classified as non-hazardous waste and all scrap is reused in steel production. This is our biggest waste fraction and is internally reported separately since the scrap that arises in the operations is returned to suppliers who use it to make new products. Wire rod is the most significant input material and is a key focus area for improving material efficiency and reducing waste production.

Table 8: Waste generated, recycled, and disposed of by site (tonnes)

Divided by classification and how waste is handled

Site		Total waste generated	Amount diverted for recycling or reuse	Amount directed to disposal
Garphyttan	Non-hazardous	1 524	1 339	185
	Hazardous	760	659	101
South Bend	Non-hazardous	1 240	986	254
	Hazardous	33	33	-
Suzhou	Non-hazardous	2 588	2 588	-
	Hazardous	1 865	1 865	-
Leeds	Non-hazardous	420	420	-
	Hazardous	48	36	12
San José Iturbide	Non-hazardous	1 205	1 197	8
	Hazardous	106	91	15
Dusseldorf	Non-hazardous	7	7	-
	Hazardous	-	-	-
Total 2025	Non-hazardous	6 984	6 537	447
	Hazardous	2 812	2 685	128
Total 2024	Non-hazardous	7 939	7 512	427
	Hazardous	2 639	2 110	514



Social

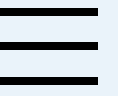
Workforce

Compensation and development

Human rights

Community engagement

Health and safety



Workforce [B8](#), [C5](#), [C9](#)

Empowering our people in a safe workplace

Our people are the key to our continued success and development. To attract and keep the expertise we need, we are committed to building an inclusive, diverse, and fundamentally safe workplace.

Occupational health and safety are top strategic priorities, guided by our goal of zero workplace accidents. By maintaining a strong focus on preventive measures, we continue to ensure a safe and sound environment for every employee.

In 2025, we continued to maintain a stable workforce across our operational facilities.

- We focused on employee retention, gender representation, and employment structure.
- We did regular follow-ups of employee turnover and staffing levels to ensure operational continuity and effective workforce planning.
- We monitor workforce development and aim to maintain a stable workforce while supporting diversity and equal opportunities. We track employee turnover and workforce composition every quarter.

Over the coming year, we will focus on strengthening workforce stability, supporting recruitment needs and continuing to oversee and manage workforce diversity and employee retention.

Transparency, diversity and equal opportunities

Diversity and equal opportunity are fundamental to our long-term success and ability to innovate. While all leadership appointments are strictly based on competence, experience, and operational needs, we are actively committed to fostering a balanced representation within our organization.

To ensure accountability, we systematically track gender representation within our management teams. This transparent oversight is not just an administrative metric. It is a crucial tool to ensure that we provide equal opportunities in all recruitment and career development.

Moving forward, we will continue to use these insights to build inclusive leadership that attract and retain the diverse talent required to drive our business into the future.

Diversity in our governance body

Balanced representation in decision-making roles ensures broader perspectives and better business decisions. We actively foster equal opportunities and diversity within our governance structures.

We track gender representation not just to ensure transparent reporting, but to guarantee that the composition of our Board of Directors always aligns with our core values. Moving forward, diversity remains a natural and integrated factor in our leadership development and succession planning.

Table 9: Total number of employees per site

Site	Headcount	Male	Female	Temporary	Turnover rate
Garphyttan	299	242	57	15	5,47%
South Bend	70	58	12	0	7,14%
Suzhou	101	84	17	0	5,94%
Leeds	46	43	3	0	1,90%
San José Iturbide	76	58	18	0	2,63%
Dusseldorf	18	11	7	0	5,56%
Total	610	496	114	15	5,70%

Table 10: Employees in management positions by gender

Site	Male	Female
Garphyttan	29	5
South Bend	3	3
Suzhou	6	3
Leeds	7	0
San José Iturbide	5	2
Dusseldorf	2	1
Total	52	14

Women represented approximately 27 percent of management positions during the reporting year.

Table 11: Global Management Team by gender

	Headcount
Male	6
Female	2
Total	8

Women represented approximately 25 percent of the governance body during the reporting year.



Compensation and development **B10**

Driving fair and competitive conditions

To attract, retain, and develop the expertise required for our ongoing transformation, we are committed to offering fair, competitive, and equitable working conditions globally, in accordance with applicable laws and local regulations.

Remuneration and minimum wage

Throughout our operations, employees are covered either by collective agreements or robust local employment terms that meet or exceed statutory minimum wages and industry standards. This is monitored through our HR processes.

Gender pay differences

We actively enforce non-discriminatory remuneration practices across all sites. In Sweden, we conduct annual pay audits, based on an established job and role structure, to identify and eliminate any unjustified pay differences between men and women.

A consistent structure is not fully implemented across all operations. A key priority moving forward is therefore harmonizing our HR data globally. Implementing a consistent, group-wide job structure will enable us to track and transparently report on aggregated gender pay metrics over time.

Collective bargaining

All employees across our operations are covered by collective bargaining agreements or, where such agreements are not applicable, by local employment terms in line with applicable laws and regulations.

Training and development

We provide continuous training opportunities tailored to our operational needs, ranging from operator and engineering skills to project management and leadership programs.

Today, these training initiatives are successfully implemented and evaluated locally. As part of our strategic HR development, we are now building a standardized global framework to systematically measure and report training hours, ensuring that competence development remains a visible and measurable driver of our long-term success.

The Operator program is a basic training program within the framework of the Suzuki Garphyttan Academy

[> Learn more](#)

Human rights C6, C7

Safeguarding human rights and ethical standards

Respect for human rights and ethical business practices is a core part of our global operations. Our Code of Conduct safeguards fundamental rights such as freedom of association, fair compensation, and equal opportunities. It strictly prohibits child labor, forced labor, and human trafficking, it also sets clear expectations for a workplace free from harassment and discrimination.

These principles are supported by our internal policies focusing on health, safety, and non-discrimination, including our Safety and Health Policy, Non-Discrimination Policy, and Whistleblowing Policy.

To ensure these guidelines are followed in practice, we rely on a culture where employees feel safe speaking up. We encourage our workforce to raise any concerns, either directly to their managers or via our secure, group-wide whistleblowing system. All reports can be made anonymously, and we maintain a strict zero-tolerance policy against retaliation.

Zero confirmed incidents

In 2025, we reported zero incidents of child labor, forced labor, human trafficking, or other severe human rights violations, both within our own operations and across our known value chain. We also had zero confirmed cases of discrimination.

We are committed to providing a safe, respectful, and inclusive work environment globally. This means actively promoting equal treatment, preventing harassment, and ensuring every employee feels secure.

A safe and inclusive workplace requires continuous effort. Employee feedback, regular surveys, and internal dialogue are essential to this work, allowing us to proactively identify areas for improvement. When concerns arise, we address them promptly through established policies, local HR support, and internal routines.

To foster a shared understanding of our values, we continuously build awareness through targeted training. We also ensure all employees have access to trusted reporting channels, backed by continuous follow-ups to guarantee our efforts remain effective.



In 2025, we reported zero incidents of child labor, forced labor, human trafficking, or other severe human rights violations, both within our own operations and across our known value chain.



Community engagement

A trusted local partner

As a global company with strong local roots, we have an important role in the communities where we operate. Our contribution is built on long-term local presence, employment, responsible operations, and partnerships that support social development.

We focus particularly on education, skills development, and initiatives that help young people discover future opportunities in our industry.

During the year, we took our community engagement to the next level. We engage with schools, universities, and local partners through internships, summer jobs, and thesis projects that promote an interest in engineering. In Sweden, our collaboration with Tegelbruket in Örebro is a key example of how we support young people in their transition into working life, including mentoring and job application training. We also support selected initiatives and charitable organizations that contribute to learning, safety, and well-being in our local communities.

Our approach is based on local relevance. Each site contributes in a way that reflects the needs and opportunities in its surrounding community, while being part of a shared global direction. Going forward, our ambition is clear: all operations will have at least one active and locally relevant CSR partnership. We also aim for a significant share of our initiatives to target children and young people. In this way, we strengthen our role as a responsible employer, a trusted local partner, and a company that contributes to long-term value for both society and our business.

Our approach is based on local relevance. Each site contributes in a way that reflects the needs and opportunities in its surrounding community, while being part of a shared global direction.



Health and safety [B9](#)

A new record year for workplace safety

In terms of safety, 2025 was a new record year. Two of our five production sites achieved 365 days without accidents. Looking at all our sites, this is a big improvement and in total the number of accidents has decreased by 93 percent compared with 2021.

Over the year, we continued to learn from experience and develop routines with a focus on risk awareness and practical solutions. We actively use lessons learned from previous incidents and knowledge is shared between the various production sites to prevent new accidents. The commitment of our employees has been crucial and has made us even better at preventing accidents in everyday life. In 2025, representatives from our production units gathered for our first global safety conference, where we shared experiences, strengthened cooperation and ensured a common direction for the entire organization.

In 2025, we continued to strengthen safety awareness and proactive hazard management across all operational sites. We maintain safety procedures and incident reporting systems to ensure that accidents are documented and followed up appropriately. Preventive measures and safety awareness remain important components of our operational practices. We actively use our incident reporting systems to drive preventive measures and build a strong safety culture. Focus will remain on strengthening safety awareness, monitoring incident trends, and implementing preventive measures to reduce workplace accidents.

Table 12: Work-related accidents by site

Site	Number of accidents 2025	Rate
Garphyttan	4	1,34
South Bend	1	1,43
Suzhou	4	3,96
Leeds	0	0,00
San José Iturbide	2	2,63
Dusseldorf	0	0,00
Total	11	1,80

All reported incidents are reviewed internally to identify causes and opportunities for preventive actions.

Rate is based on the assumption that one full-time employee works 2,000 hours per year.

Work-related accidents include injuries or ill health resulting in days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. Incidents requiring only first aid are not included.





Governance

Our framework

Business planning process

Ethical business conduct

Our framework

Managing risks and capturing opportunities

Strong governance is how we manage risks in a changing world. By combining strict ethical guidelines with active supply chain management, we protect our daily operations and reduce our vulnerabilities. This stability is the foundation we need to safely expand into new segments and drive the long-term transformation of our business.

A robust governance framework is essential to integrating sustainability into our business and supporting long-term value creation. By establishing clear responsibilities, effective control mechanisms and transparent reporting, we strengthen our ability to manage risks and capture opportunities.

During the year, a sustainability strategy was developed to further structure our work and define relevant targets. These build on existing practices and processes already embedded in our organization.

Our annual double materiality assessment is the central tool guiding our governance priorities, through which we identify the most significant sustainability-related risks and opportunities from both an impact and a financial perspective. Key governance-related areas include compliance, ethical business conduct, and internal control and risk management.



“By establishing clear responsibilities, effective control mechanisms and transparent reporting, we strengthen our ability to manage risks and capture opportunities.”

Business planning process

The wheel that keeps our business moving forward

Our business planning is based on a five-year perspective, translating long-term strategic priorities into annual business plans and targets. The planning process follows a structured annual cycle divided into four quarters, covering the definition of strategic direction, planning, execution and follow-up.

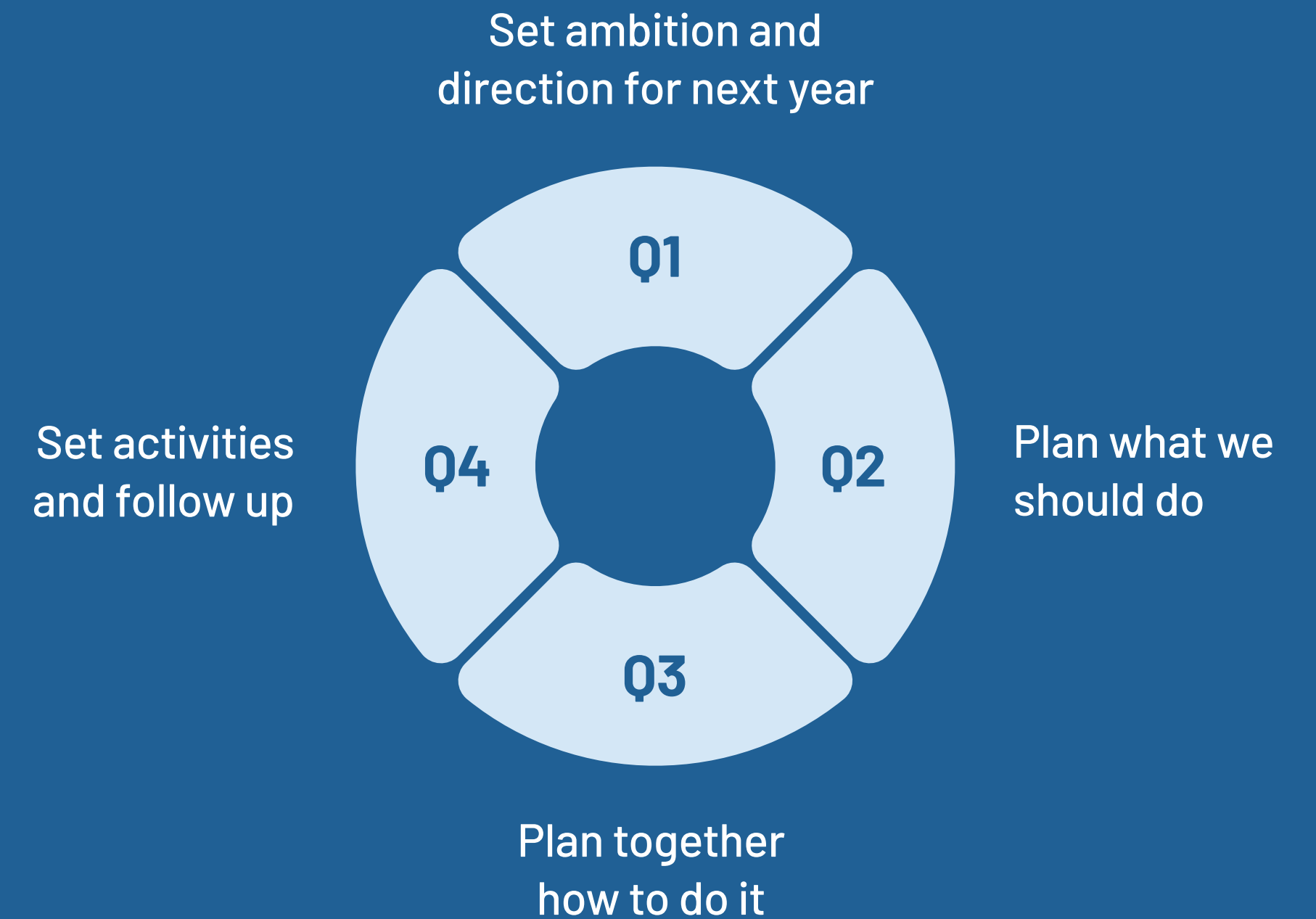
Governance and performance are supported by regular follow-up at operational, management and board level, ensuring continuous monitoring of performance, including key financial and sustainability metrics. Follow-up is carried out through recurring meetings across the organization, from operational reviews to management and board-level oversight.

A structured target-setting approach is applied across the organization, where overall objectives are cascaded into team and individual targets, promoting employee involvement, accountability and alignment.

Strategic direction and performance are further governed through recurring global management meetings, aligned with the annual planning cycle. These include review and adjustment of performance and the five-year plan, approval of global sales and product plans, and alignment between sales and operations.

Employee performance and development are supported through an annual performance dialogue process, where individual objectives are aligned with organizational and team targets, and development plans are defined and followed up.

Annual structure of our business planning





Ethical business conduct [C8](#), [B11](#)

How we build a strong corporate culture

Ethical business conduct for us means operating with integrity, transparency, and respect for applicable laws, regulations, and high ethical standards. This is embedded in policies and integrated into core processes, supported by continuous training and communication.

We promote a strong corporate culture where ethics and compliance are integral to daily operations. This is reinforced through our leadership and employee programs, onboarding processes, and targeted training initiatives such as the Suzuki Garphyttan Academy. Our efforts ensure that employees share a common understanding of the company's values, expectations, and direction.

While the overall risk of corruption and bribery is assessed as low, such risks are taken seriously due to their potential impact. We operate as a global group with multiple production sites, where our values and Code of Conduct must be consistently implemented. We have a broad value chain and work with business partners across many regions, which places high demands on governance, compliance, and oversight. Incidents of unethical conduct could significantly damage trust, reputation, and customer relationships. To mitigate these risks, we have implemented control mechanisms including internal audits and a clearly defined Code of Conduct.

Whistle blowing

Employees and external stakeholders are encouraged to report suspected violations of the Code of Conduct, internal policies, or applicable laws and regulations. This is facilitated through the Speak Up whistleblower service, which is managed by the compliance function.

All reported cases are assessed and, where necessary, investigated. This process supports early identification of issues, contributes to risk mitigation, and strengthens the company's ability to maintain a safe, ethical, and transparent working environment.

Internal control and risk handling

Internal control and risk management are key components of the governance framework. These processes ensure that risks are systematically identified, evaluated, and managed, and that compliance with legal and internal requirements is maintained.

The annual double materiality assessment plays a central role in our work by identifying the most relevant sustainability-related risks and opportunities. From 2026, the review of this assessment will be integrated into the global management review process, enabling broader involvement across functions and ensuring that different perspectives are considered in the evaluation.

In addition, structured forums are in place to monitor risks, define mitigation actions, and follow up on progress. This supports a proactive and coordinated approach to risk management across the organization.

Audits and continuous improvement

Audits are conducted annually at all production sites and our sales office to ensure compliance, consistency, and effective risk management. They provide a structured approach to identifying gaps, verifying adherence to policies and processes, and highlighting areas for improvement.

From a sustainability perspective, audits contribute to responsible resource use, safe and ethical working conditions, and long-term operational stability. They are therefore an important tool for strengthening governance and driving continuous improvement across the organization.

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VSME Disclosure Index

Suzuki Garphyttan Annual Report 2025



Basic module

VSME Code	Disclosure requirement	Section in report	Page	Comments
B1	Basis for preparation	Key figures 2025 / A more sustainable economy	2, 8, 10, 23	First year applying VSME (Basic + Comprehensive), consolidated reporting
B2	Practices, policies and future initiatives	A more sustainable economy	22-23	Overview of policies and practices per topic
B3	Energy and greenhouse gas emissions	Energy and GHG emissions	25-27	Scope 1 and 2 reported; Scope 3 mapping initiated, reporting planned from 2026
B4	Pollution of air, water and soil	Pollution of air, water and soil	31	Reporting differs by site due to regulatory requirements (e.g. total vs concentration data)
B5	Biodiversity	Biodiversity and ecosystems	32	No sites located in or near protected areas
B6	Water	Water	33	Based on FMP BAT definition; not fully aligned with VSME water definition
B7	Resource use, circular economy and waste management	Resource use	34	Amount of waste and waste handling
B8	Workforce – general characteristics	Workforce	36	Includes headcount, turnover, gender distribution
B9	Workforce- Health and safety	Health and safety	40	Accident data and safety performance trends disclosed
B10	Workforce: Remuneration, collective bargaining and training	Compensation and development	37	Global comparability limited due to different HR structures
B11	Convictions and fines for corruption and bribery		-	No relevant disclosures identified for the reporting period

Comprehensive module

VSME Code	Disclosure requirement	Section in report	Page	Comments
C1	Strategy: Business model and Sustainability	Business model and strategy	12-15	Includes value creation and market positioning
C2	Description of practices, policies and future initiatives	A more sustainable economy / Sustainability strategy	22-23	Strategy established during 2025
C3	GHG reduction targets and climate transition	GHG reduction targets and climate transition	30	Target aligned with 1.5°C ambition; no formal transition plan yet
C4	Climate risks	Climate risks	28-29	Based on double materiality assessment
C5	Workforce characteristics	Workforce	36	Includes management composition and diversity metrics
C6	Human rights policies and processes	Human rights	38	Based on Code of Conduct and supporting policies
C7	Severe negative human rights incidents	Human rights	38	No confirmed incidents reported during 2025
C8	Revenues from certain sectors		-	No revenues from controversial sectors (e.g. weapons, tobacco, fossil fuels, agrochemicals)
C9	Gender diversity ratio in governance body	Workforce	36	Gender distribution in management and governance disclosed

Together for a better tomorrow

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



Bruksvägen 3, SE-719 41 Garphyttan, Sweden

Tel. +46 (0)19 295 100

info@sg-wire.com

suzuki-garphyttan.com