

ERASTEEL

SUSTAINABILITY REPORT 2024

ERASTEEL KLOSTER AB

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1. CORPORATE STRUCTURE

In the beginning of July 2023, the private equity firm Syntagma Capital announced that it had completed the acquisition of the Erasteel group of companies (the “Group”) from Eramet.

Erasteel Kloster AB (hereinafter referred to as the “Company”, “we” or “our”) is a subsidiary in the Group. An organizational chart outlining the Group’s company structure is attached as Appendix C.

The Group is a key player in the production of conventional and powder metallurgy High-Speed Steels solutions, leveraging centuries of expertise in metalworking. The Company owns and manage the production sites in Söderfors, Långshyttan and Vikmanshyttan in Sweden.

1.1 About This Report

This sustainability report provides an overview of the Company’s environmental, social, and governance (ESG) performance in 2024. It highlights key focus areas, progress, and challenges while outlining the Company’s commitment to responsible business practices and long-term value creation. The report has been compiled in accordance with ÅRL (Årsredovisningslagen) 6:12-14, the Swedish Annual Accounts Act, which regulates financial and sustainability reporting requirements for companies operating in Sweden. It follows the version of the law that was in effect prior to July 1, 2024, ensuring consistency with previous reporting practices and regulatory expectations.

The scope includes all operations at the Company’s production sites in Söderfors, Långshyttan, and Vikmanshyttan, as well as the office in Stockholm. Data and insights presented in the report have been collected through internal monitoring systems and regulatory reporting to provide a reliable assessment of our sustainability efforts.

For any further inquiries or discussions, please contact Sustainability Officer Ebba Lerneby at ebba.lerneby@erasteel.com.

1.2 Facilities and Operations

1.2.1 Söderfors

Historically known for its specialty steels, it remains a center of metallurgical expertise and innovation. Today, it specializes in the production and transformation of High-Speed Steel through advanced atomization, compaction, heat treatment and finishing processes, ensuring optimal material performance. As the Company’s largest production site, Söderfors manufactures loose metal powder, billets, compacted ASP® capsules, and precision-engineered bars for industries such as aerospace, automotive, electronics, and general manufacturing.

Beyond production, Söderfors is home to PEARL, the Group’s global R&D and quality control center, which drives product development, technical investigations, and process optimization.

1.2.2 Långshyttan

Långshyttan has a long industrial history dating back to the early 1900’s and plays a key role in the Company’s operations. The site specializes in the hot rolling of high-speed steels into wire rods and strips, supplying industries such as aerospace, automotive, and electronics. In addition to production, Långshyttan serves as a logistics hub, managing the shipping of materials across all sites within the sites in Sweden to ensure an efficient supply chain.

1.2.3 Vikmanshyttan

Vikmanshyttan is the smallest site in the Company and specializes in cold rolling high-speed steel strips, ensuring precise dimensions and surface quality for demanding applications. These cold-rolled strips are used in industries such as general manufacturing and automotive. Despite its size, Vikmanshyttan plays an essential role in delivering high-performance steel products that meet strict industry requirements.

1.2.4 Stockholm

Established in autumn 2023, it supports the Groups and the Company’s business and operations in relation to sales, procurement, IT, law, finance, and sustainability.

2. BOARD AND LEADERSHIP STRUCTURE

2.1 Ownership and Governance

As stated above, the Company is a subsidiary of the Group, which is owned by the private equity firm Syntagma Capital. While the Company's board operates independently, it follows the Group's governance model, ensuring that decision-making processes, corporate policies, and strategic direction remain aligned across the organization. The managing director and the management team at the Company are responsible for daily operations.

Policies within the Group are structured through a delegation framework, where responsibilities are distributed across different levels. While certain operational and site-specific policies are managed at the Company, overarching policies — including finance, compliance, and corporate governance — are determined at Group level.

The board of the Company consists of key governance roles, ensuring strategic oversight and operational accountability:

- **Chairman of the Board** – Leads the board and oversees governance matters.
- **Board of Directors** – Provide strategic direction and decision-making support.
- **Deputy Board Members** – Step in when necessary to ensure continuity in governance.
- **Managing Director** – Leads the Company's operations and strategic execution.

Employee representatives from the unions are board members and deputy board members of the Company, allowing them to get insight of the Companies business and operations and to influence the decision making. In addition to board meetings, regular information meetings are held with the unions to ensure ongoing dialogue and transparency.

In 2024, the Company underwent significant leadership changes. Three board members, including the managing director and the chairman, resigned when they left their employment in the Company. Thereafter four new board members were appointed, including a new chairman and an external managing director.

2.2 Policy Framework

The Company follows the Group's overarching policy framework while ensuring that local operational requirements are met through site-specific guidelines. As the Group transitions to the requirements of its new owner and new regulations, efforts have been made to refine and adapt policies to better align with current priorities.

Throughout 2024, the Group has worked on establishing independent policies aligned with its long-term strategy. During this transition, the Ethics Charter, inherited from the previous shareholder, has remained the primary reference for governance, compliance, and ethical business practices. The Group is actively developing its own Ethics Charter and policies, with this process set to continue into 2025 to ensure a fully integrated and consistent framework across all entities.

At the Company level, safety policies remain tailored to the specific risks and processes at each production facility. Långshyttan, Söderfors, and Vikmanshyttan each has distinct safety protocols that complement the Group's policies, reflecting the different production methods and associated risks at these locations.

As the Group refines its policy framework under new ownership, a structured set of policies defines its approach to responsible business practices, sustainability, and regulatory compliance. These policies establish clear commitments and principles, ensuring alignment with industry standards and corporate values. Table 1 provides a summary of these policies, outlining their objectives and focus areas.

Policy/Document	Objective and description
Anti-Corruption Policy	Defines principles against corruption and influence peddling.
Energy & Climate Policy	Defines commitments to combat climate change, improve energy efficiency, and integrate climate considerations into strategy and risk management.
Health, Safety, Quality & Environment (HSQE) Policy	Defines priorities for workplace safety, high-quality products and services, and minimizing environmental impact.
Human Resources Management Policy	Defines guidelines for talent attraction, skills development, organizational efficiency, cultural growth, and employee well-being.
Human Rights Policy	Defines commitments to human rights, guiding interactions with employees, partners, and communities.
Information Technologies and Telecommunications Policy	Defines rules for IT resource usage, covering Internet access, emails, and communication systems in compliance with legal requirements.
Management Control Policy	Defines objectives for operational oversight, ensuring commitment control, and implementing corrective actions when needed.
Purchasing Policy	Defines procurement practices aligned with company goals, emphasizing excellence, innovation, efficiency, and supplier engagement.
Responsible Lobbying Policy	Defines ethical lobbying practices in line with corporate responsibility, ethics, and environmental policies.
Risk Management Policy	Defines a comprehensive risk management approach, integrating environmental impact, energy transition, and circular economy principles.
Suppliers Code of Conduct	Defines expectations for ethical and sustainable procurement, ensuring supplier compliance with CSR commitments.

Table 1: Overview of the Group's Key Policies

2.3 Responsible Business Practices

As the Company continues to navigate an evolving operational landscape, risk management remains a key focus across all business areas. Under the leadership of the Group's executive management and operational teams, the Company systematically identifies, mitigates, and controls risks while recognizing that risk-taking is necessary for progress.

In 2024, the Company has continued to strengthen its environmental, industrial, and supply chain risk management systems across all sites. This includes implementing enhanced safety measures, ensuring regulatory compliance, and proactively integrating sustainability considerations into industrial projects. By adhering to international standards and evolving legal frameworks, the Company prioritizes responsible resource management and works toward minimizing its environmental footprint.

3. SUSTAINABILITY

The Company recognizes the importance of sustainability in our operations and continuously works to reduce our environmental impact. Our steel production is based on 91% recycled scrap, minimizing the use of virgin raw materials and contributing to the circular economy and through continuous improvements, we aim to create a more sustainable future for both our industry and society.

The Company's approach aligns with the United Nations Sustainable Development Goals (SDGs), prioritizing areas where we can make the most impact:

- **Goal 3 – Good Health and Well-Being:** We are committed to workplace safety and employee well-being, striving toward a vision of zero workplace accidents.
- **Goal 12 – Responsible Consumption and Production:** We aim to reduce resource consumption and waste generation by increasing material efficiency and promoting circular economy principles.

Our commitment to sustainability is driven by the ambition to be a responsible and trusted industry partner. We continuously evaluate and refine our approach to ensure long-term value for our stakeholders and a positive impact on society and the environment.

3.1 Vision and Commitments

The Company aims to be a leader in high-speed steel and powder metallurgy, delivering innovative, efficient, and sustainable metallurgical solutions that meet the evolving needs of modern industries. With a strong industrial heritage and a focus on quality, sustainability, and technological advancement, we are committed to shaping the future of the steel industry while addressing today's environmental and technological challenges.

To achieve this, we are committed to:

- Minimizing the negative impact of our activities on the environment and climate for present and future generations.
- Reducing the use of energy, water, and other natural resources to improve efficiency.
- Lowering waste and emissions through continuous process optimization.
- Applying best industry practices and using the best available technology to drive responsible production.

By being innovative, efficient, and sustainable in our work, we create long-term value for both our industry and society.

3.2 Environmental Sustainability

The Company prioritizes environmental sustainability across all aspects of its operations. Given the environmental challenges associated with the steel industry, proactive measures are implemented to minimize impact and continuously enhance sustainability performance at both corporate and site levels.

3.2.1 Climate and Air Emissions

The Company actively monitors and manages its carbon footprint, ensuring transparency and accountability in emission tracking and reduction efforts. This includes measuring Scope 1 emissions from direct production processes and Scope 2 emissions from purchased energy. While CO₂ emissions are closely monitored, no specific reduction activities are currently in place, as economic conditions have limited progress in transitioning away from fossil fuel sources. A detailed breakdown of Scope 1 and Scope 2 emissions can be found in Appendix B.1.

To ensure compliance and minimize environmental impact, regular air monitoring is conducted for metal and dust emissions. The Company strictly adheres to REACH regulations when handling substances and continuously tests air, water, and soil to prevent any harmful discharges.

In 2024, the Group became the first producer of high-speed steels in the world to obtain Environmental Product Declaration (EPD®) certification, with the Company playing a key role in the process. This certification applies to billet production in Söderfors and wire production in Långshyttan, specifically for ingot-cast high-speed steel, excluding powder metallurgy products.

By providing essential data, supporting the assessment process, and ensuring alignment with Life Cycle Assessments (LCAs), the Company contributed to delivering accurate and verified environmental information to stakeholders. To maintain this certification and ensure continued transparency, the EPD® undergoes re-evaluation every five years.

3.2.2 Energy Efficiency and Renewable Energy

Energy efficiency is a key part of our sustainability efforts. While no significant investments were made in 2024, we continue to optimize energy use across all sites by refining production processes and improving operational efficiency.

Our electricity supply follows the Nordic residual mix, which includes the remaining energy attributes after certified renewable electricity (with guarantees of origin) has been allocated. This mix reflects the regional electricity composition, including energy from various sources, both renewable and non-renewable. While this system ensures a balanced allocation of energy attributes, it also means that our electricity mix does not consist exclusively of renewable sources.

Moving forward, we are evaluating opportunities to increase the share of renewable energy in our operations while continuing to enhance energy efficiency. By optimizing processes and reducing overall energy consumption, we aim to minimize our environmental impact and explore ways to transition toward a more sustainable energy supply.

3.2.3 Resource Management and Circular Economy

Efficient resource management and circular economy principles are central to the Company's sustainability efforts, with 91% of the raw materials used in production coming from recycled steel. This significantly reduces the need for virgin resources while promoting material circularity. Additionally, the products are 100% recyclable, ensuring that materials can be reintegrated into production and remain in use for as long as possible.

Throughout 2024, a strong focus has been placed on improving yield efficiency, optimizing material usage, and minimizing waste at every stage of production. Refinements in production processes aim to maximize the conversion of raw materials into finished products, reducing resource loss and enhancing overall efficiency. These continuous improvements contribute to both environmental benefits and operational performance, supporting a more sustainable and responsible approach to high-speed steel manufacturing.

Waste management remains a key priority, with ongoing efforts to reduce landfill dependency through improved sorting processes and long-term partnerships with waste management providers, ensuring the responsible handling of industrial waste.

3.2.4 Compliance and Accountability

All sites within the Company are ISO 14001 certified for environmental management and ISO 9001 certified for quality management. Additionally, the Långshyttan site holds EN9100 certification, a quality management system standard for the aerospace industry.

Given the Company's locations in small communities near natural areas and waterways, operations are conducted under strict environmental permits that set clear requirements for emissions, resource use, and waste management. Compliance with these regulations remains a fundamental priority and is maintained through rigorous internal controls, continuous monitoring, and regular audits.

Each year, detailed environmental reports are submitted to the County Administrative Board, ensuring full transparency and accountability. Environmental performance is continuously monitored not only to meet legal requirements but also to identify areas for further improvement.

3.3 Social Sustainability

The Company is committed to fostering a socially sustainable environment by prioritizing workplace safety, promoting diversity and inclusion, investing in employee development, and engaging with local communities.

3.3.1 Workforce and Employment Practices

The Company ensures job security and stability by offering all employees permanent, full-time (FTE) contracts with clearly defined working hours in compliance with national and international labor standards. These contracts provide employees with predictable working conditions, financial security,

and a structured work environment. Wages are set according to labor regulations and are regularly reviewed to maintain fair and transparent compensation, ensuring alignment with industry standards.

Strong social dialogue is an integral part of The Company's workplace culture, supported by trade unions such as IF Metall, which represent employees in the steel and manufacturing sectors. These unions play a key role in collective bargaining, workplace safety discussions, and employee representation, ensuring that employees have a voice in workplace decisions. Regular meetings between Company management and union representatives help facilitate discussions on working conditions, health and safety, and future workforce planning, fostering a collaborative and transparent work environment.

A significant portion of the workforce is covered by collective agreements established through structured negotiations with unions. These agreements regulate wages, working hours, and employment conditions, providing a clear and consistent framework for employee relations. They also ensure that policies related to job security, career development, and workplace safety are maintained at a high standard. The data presented in Appendix B.2 outlines workforce statistics, including the distribution of employees by age, gender, and contract type. Reinforcing a stable and well-regulated work environment that supports both employees and business operations.

3.3.2 Workplace Safety and Zero Accident Vision

Ensuring a safe work environment is a priority for the Company, covering both blue-collar and white-collar employees. While physical labor and machinery use increase the risk of workplace accidents, office environments also require structured safety measures to address potential hazards. Accidents can lead to fatalities, injuries requiring medical attention, temporary leave, or workload adjustments, impacting both employee well-being and operational efficiency. Appendix B.2 provides data on workplace safety, including the percentage of employees covered by occupational health and safety programs and the number of work-related injuries reported.

The Company upholds a zero-accident vision, striving to eliminate all recordable workplace accidents. In 2023, the company reinforced its focus on health, safety, and well-being, emphasizing that safety is a non-negotiable priority. This commitment continued in 2024 through preventive measures, regular risk assessments, and structured safety training, including fire safety training, emergency preparedness, and improved safety communication across all Swedish sites.

As part of these efforts, new safety brochures and site-specific safety presentations were introduced across Swedish sites to align with company-wide best practices. A Safety Day was also held, focusing on the correct use of personal protective equipment (PPE) to strengthen workplace safety awareness.

The Company actively monitors health and safety through the MIA system, working to improve the handling of risk observations and ensuring the system is used more effectively. In 2024, the system was enhanced to include risk assessments, allowing for better prioritization of serious risks and deeper investigations into root and contributing causes. Additionally, efforts were made to identify both failed and effective safety barriers, helping to refine future safety strategies.

The goal for 2025 is to further develop the risk management process, incorporating both general and site-specific risk handling to ensure continuous improvements based on identified needs.

In 2023, The Company recorded four lost-time injuries (LTI), but through continuous improvement efforts, this number was reduced to one in 2024, representing a 75 percent decrease. Looking ahead, the Company remains focused on further reducing this number, striving to create a workplace where safety remains a shared responsibility at all levels of the organization.

3.3.3 Training and Skills Development

The Company is committed to ensuring that employees have the necessary skills and knowledge to perform their work safely and efficiently while adapting to evolving industry requirements. Training and competence development are structured to support knowledge transfer, professional growth, and regulatory compliance across all roles within the organization. Appendix B.2 outlines average training hours per employee.

White-collar employees participate in Talent at Work, structured development discussions, and presentations designed to support professional and career development. For blue-collar employees, job-specific training is provided with a focus on safety, technical skills, and process efficiency to ensure they are well-prepared for their tasks.

Leadership training was conducted twice in 2024, once in the first quarter and once in the third, for the sites to strengthen managerial competencies. BAM (Better Work Environment) training is also regularly provided for managers and safety representatives to reinforce workplace safety and ensure compliance with occupational health regulations.

Legally mandatory training, such as forklift and overhead crane operation courses, is conducted on an ongoing basis to meet industry and regulatory standards. By maintaining a structured approach to training and competence development, the Company ensures that employees are equipped to meet operational demands while upholding workplace safety and efficiency.

3.3.4 Diversity, Inclusion and Equal Opportunities

The Company is committed to fostering an inclusive workplace where all employees are treated fairly and have equal opportunities, regardless of gender, age, ethnicity, or background. A diverse workforce strengthens collaboration, innovation, and long-term success, ensuring that different perspectives contribute to the continuous improvement of our operations.

Our commitment to diversity and inclusion aligns with Swedish labor laws and regulations, which requires employers to promote equal rights and opportunities in the workplace. The Company actively ensures compliance with these legal requirements by preventing discrimination, promoting gender equality, and implementing proactive measures to create an inclusive work environment.

Diversity and inclusion efforts are also an integral part of our company culture, ensuring that recruitment, career development, and workplace policies are based on fairness and equal treatment. We strive to maintain a balanced workforce by offering structured hiring processes, transparent promotion criteria, and continuous assessments to support diversity at all levels of the organization.

By actively evaluating and refining our approach, the Company aims to create an inclusive and respectful work culture across all its sites, ensuring that every employee feels valued and has the opportunity to grow.

3.4 Business Ethics and Governance

3.4.1 Human Rights

Human rights management at the Company is aligned with the Group's policies and is rooted in a commitment to respecting and promoting internationally recognized human rights across all operations. Upholding human rights is essential not only for ensuring fair and safe working conditions but also for fostering trust, transparency, and ethical business practices.

The ILO Core Conventions define fundamental rights at work, including freedom from forced labor, child labor, discrimination, and the right to safe and fair working conditions. These principles serve as the foundation for how we manage labor practices within our company and throughout our supply chain. We expect all business partners to uphold these standards, ensuring that human rights are respected at every stage of production.

3.4.2 Responsible Sourcing and Supplier Code of Conduct

The Company is committed to responsible sourcing, ensuring that all materials and services meet high standards for human rights, environmental protection, and ethical business conduct. Suppliers play a critical role in upholding these values, and all business partners are required to comply with the Group's Supplier Code of Conduct, which sets clear expectations regarding labor rights, environmental responsibility, and ethical sourcing.

To reinforce compliance, the Technical Director oversees regulatory adherence, including REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals), with a particular focus on the responsible sourcing of materials such as cobalt in accordance with international human rights standards.

A risk classification system is in place to assess suppliers based on country of operation, industry, processes, and risk factors. When onboarding a new supplier, these criteria are evaluated, and if a supplier is classified as high risk, additional due diligence is conducted, including audits and compliance assessments, to ensure alignment with the Company's ethical and operational standards.

3.4.3 Anti-Corruption and Transparency

The Company has zero tolerance on bribery, corruption, improper payments and other financial crime in our business dealings and transactions and is committed to conducting business with integrity and ensuring compliance with applicable anti-corruption laws. Strict measures are in place to prevent, detect, and address any violations. Anti-corruption data and assessments are outlined in Appendix B.3.

Ethical business conduct is a fundamental priority, and we expect all employees and business partners to uphold high ethical standards in every transaction and collaboration. Until the end of June 2024, whistleblower reports were managed through the system of the former owner, Eramet. From July 2024 until early 2025, reports were handled manually, with the HR department responsible for receiving and managing cases. In early 2025, a new whistleblowing system was introduced at the Group level, providing a structured and confidential channel for employees and external stakeholders to report concerns without fear of retaliation. All reports are reviewed according to established procedures, ensuring appropriate follow-up and corrective actions when necessary.

Financial transactions are subject to strict internal controls to prevent fraud, misuse of funds, and conflicts of interest. An Electronic Management System (EMS) integrated with SAP ensures segregation of duties, ensuring that responsibilities such as invoice registration, approvals, and financial commitments are handled by different individuals. This system minimizes risks by preventing unauthorized transactions and ensuring transparency in financial operations.

4. FUTURE ACTIONS AND GOALS

The Company continues to develop its sustainability efforts. In 2025, the focus will be to defining a clearer and more structured approach to sustainability. The aim is to establish key sustainability priorities and set measurable goals, targets, and performance indicators to ensure a more systematic integration of environmental, social, and governance (ESG) aspects into our operations.

4.1 CSRD Compliance Preparation

The Corporate Sustainability Reporting Directive (CSRD) is a European Union directive that significantly expands sustainability reporting requirements for companies. It mandates greater transparency and requires companies to disclose ESG performance in a standardized and comparable manner. The directive introduces stricter reporting obligations, ensuring that sustainability disclosures meet the same level of rigor and accountability as financial reporting.

In 2024, a double materiality assessment was conducted for the Group, including the Company, to identify the most significant ESG risks and opportunities—both in terms of financial impact and broader societal and environmental effects.

To comply with CSRD, the Group worked diligently throughout 2024 to establish a structured reporting framework, which was introduced in early 2025. This ensures that both the Group and the Company meet CSRD reporting obligations for 2026. Moving forward, the Company will continue refining its data collection, governance, and reporting processes to align with European Sustainability Reporting Standards (ESRS) and evolving regulatory expectations.

On February 26, 2025, the European Commission introduced the Simplification Omnibus proposal, aimed at streamlining CSRD and sustainability reporting requirements. If adopted, the proposal could impact the Group's reporting obligations by narrowing the scope of mandatory disclosures. While the details of its implementation at the national level remain uncertain, we are closely monitoring developments and will evaluate any potential implications for our sustainability reporting.

5. APPENDICES

Appendix A: Calculation Method for Climate Emissions

A.1 Approach and Standards

The Company calculates its Scope 1 (direct) and Scope 2 (indirect) greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol. The operational control approach is applied, meaning that emissions from all facilities fully owned and operated by the Company are included in the calculations.

Scope 1 emissions cover fuel combustion, process emissions, and refrigerant leaks, while Scope 2 emissions cover purchased electricity for all operations.

A.2 Emission Calculation Methodology

GHG emissions are calculated using activity-based data combined with officially published emission factors. The fundamental formula follows Article 24 of the Commission’s Implementing Regulation (EU) 2018/2066, ensuring alignment with European regulatory requirements:

$$CO2\ Emissions = Activity\ Data \times Emission\ Factor$$

- Activity data: Measured fuel and material consumption (e.g., diesel, gas, graphite electrodes, electricity).
- Emission factors: Based on official sources such as Naturvårdsverket (Swedish Environmental Protection Agency) and the European Commission.

A location-based approach is used for Scope 2 emissions, meaning the emission factor for electricity is based on the Swedish electricity mix, as reported in IVL Report C619 (May 2021).

A.3 Scope 1: Direct Emissions Calculation

Scope 1 includes emissions from fuel combustion, process-related materials, and refrigerants at the Company’s three production facilities in Söderfors, Långshyttan and Vikmanshyttan.

A.3.1 Fuel-Based Emissions

Fuel consumption (e.g., heating oil, liquefied petroleum gas (LPG), diesel) is obtained from supplier invoices. No adjustments are made for inventory changes—all purchased fuel is assumed to be consumed within the reporting year.

$$Emissions = Activity\ Data \times (tCO2\ per\ TJ) \times (GJ\ per\ unit) \times 000.1$$

The following emission factors from Naturvårdsverket are applied:

Fuel Type	Emission Factor (tCO ₂ /TJ)	Calorific Value (GJ/unit)
Heating Oil (Eo1)	74.26	35.82 GJ/m ³
Liquefied Petroleum Gas (LPG)	65.1	46.05 GJ/ton
Diesel	72.2	35.28 GJ/m ³

A.3.2 Process-Based Emissions

Fuel consumption (e.g., heating oil, liquefied petroleum gas (LPG), diesel) is obtained from supplier invoices. No adjustments are made for inventory changes—all purchased fuel is assumed to be consumed within the reporting year.

Fuel Type	Emission Factor (tCO ₂ /TJ)
Heating Oil (Eo1)	74.26
Liquefied Petroleum Gas (LPG)	65.1

$$Emissions = Activity\ Data \times Emission\ Factor$$

A.3.3 Refrigerant Emissions

Refrigerant systems at Söderfors and Långshyttan are monitored annually by an external party. The installed, refilled, and disposed quantities are reported, and emissions are calculated based on the difference between refilled and disposed refrigerant volumes.

$$\text{Emissions} = \text{Activity Data} \times \text{Global Warming Potential (GWP) Factor}$$

GWP values are sourced from IPCC:s Fourth Assessment Report (AR4) and Swedish F-Gas Regulations.

Refrigerant	GWP (kg CO ₂ /kg)
R404A	3,922
R407C	2,107
R410A	2,088
R417A	2,346

A.4 Scope 2: Indirect Emissions from Purchased Electricity

Scope 2 emissions include electricity purchased for all production sites. A location-based approach is used, meaning the emission factor reflects the Swedish electricity mix, as reported in IVL Report C619 (May 2021, Table 4).

$$\text{Emissions} = \text{Electricity Consumption} \times \text{Emission Factor} \left(\text{kg} \frac{\text{CO}_2}{\text{kWh}} \right)$$

Energy Source	Emission Factor (kg CO ₂ /kWh)	Source
Purchased Electricity	0.0718	IVL Report C619

The Company does not use origin-certified electricity, meaning this emission factor represents average grid emissions rather than supplier-specific values.

A.5 Summary of Emission Sources

Scope	Emission Sources
Scope 1	Diesel (internal transport), LPG (Söderfors process), Heating Oil (Långshyttan heating), Graphite Electrodes (Söderfors), Injection Coal (Söderfors), Refrigerants (Söderfors & Långshyttan)
Scope 2	Purchased Electricity (Söderfors, Långshyttan, Vikmanshyttan)

Appendix B: Data Tables

The data presented for the Company reflects the figures recorded as of December 31 for the years 2024, 2023, and 2022. In the social and governance tables, quantities (Qty) are expressed in numeric values, where each employee is counted as one individual.

B.1 Environment

Direct Emissions (Scope 1)					
	Unit	2024	2023	2022	GRI
Långshyttan	Kg CO ₂	853 918	913 356	535 746	305-1
Vikmanshyttan	Kg CO ₂	1060	0	0	305-1
Söderfors	Kg CO ₂	660 436	1 030 027	1 086 113	305-1
Total Scope 1 Emissions	Kg CO ₂	1 515 414	1 943 384	1 621 860	305-1
Indirect Emissions (Scope 2)					
	Unit	2024	2023	2022	GRI
Långshyttan	Kg CO ₂	1 123 577	1 431 692	1 936 805	305-2
Vikmanshyttan	Kg CO ₂	299 120	242 612	298 647	305-2
Söderfors	Kg CO ₂	2 450 103	3 062 055	3 512 671	305-2
Total Scope 2 Emissions	Kg CO ₂	3 872 799	4 736 359	5 748 123	305-2
Energy Consumption					
	Unit	2024	2023	2022	GRI
Electricity	Mwh	53 938	69 974	78 037	302-1
Liquefied Petroleum Gas	Mwh	1 580	2 602	2 685	302-1
Diesel	Mwh	569	804	921	302-1
Heating Oil	Mwh	3 151	3 352	1 901	302-1
Total	Mwh	59 238	76 732	83 544	302-1
Waste					
	Unit	2024	2023	2022	GRI
Hazardous waste	Metric tons	140.8	262.8	289.8289	306-3
Hazardous waste Other	Metric tons	274.9	317.1	36.1	306-3
Non-hazardous waste	Metric tons	209.6	307.0	413.2	306-3
Non-hazardous waste Other	Metric tons	655.4	2703.1	132.8	306-3
Total waste	Metric tons	1709.7	4006.1	1747.9	306-3
Share of Circulated Material in Kloster's Processes					
Share of recycled material	%	92.9	90.9	91.4	-

B.2 Social

Number of employees		2024			2023			2022			
	Unit	Female	Male	Other	Female	Male	Other	Female	Male	Other	GRI
Under 30	Qty	5	39	0	5	43	0	4	50	0	2-7
30-50 years	Qty	38	118	0	38	118	0	35	121	0	2-7
Above 50	Qty	19	131	0	21	147	0	19	158	0	2-7
Total number	Qty	62	279	0	64	308	0	58	329	0	2-7
Diversity by gender	%	18	82	0	17	83	0	15	85	0	2-7
Employees by contract											
Permanent employment	Qty	60	276	0	60	300	0	57	320	0	2-7
Temporary employment	Qty	2	3	0	4	8	0	1	9	0	2-7
Full-time employee	Qty	62	277	0	64	303	0	59	320	0	2-7
Part-time employee	Qty	0	2	0	0	5	0	0	9	0	2-7
Newly hires											
Under 30	Qty	7	7	0	4	3	0	1	20	0	401-1
30-50 years	Qty	6	10	0	4	7	0	8	19	0	401-1
Above 50	Qty	1	5	0	2	3	0	0	12	0	401-1
Total number	Qty	14	22	0	10	13	0	9	51	0	401-1

Highest Governance Body		2024			2023			2022			
	Unit	Female	Male	Other	Female	Male	Other	Female	Male	Other	GRI
Under 30	Qty	0	0	0	0	0	0	0	0	0	2-9.405-1
30-50 years	Qty	0	3	0	0	1	0	0	1	0	2-9.405-1
Above 50	Qty	1	3	0	2	2	0	1	3	0	2-9,405-1
Total Number	Qty	1	6	0	2	3	0	1	4	0	2-9.405-1
Diversity by gender	%	14	86	0	40	60	0	20	80	0	2-9.405-1

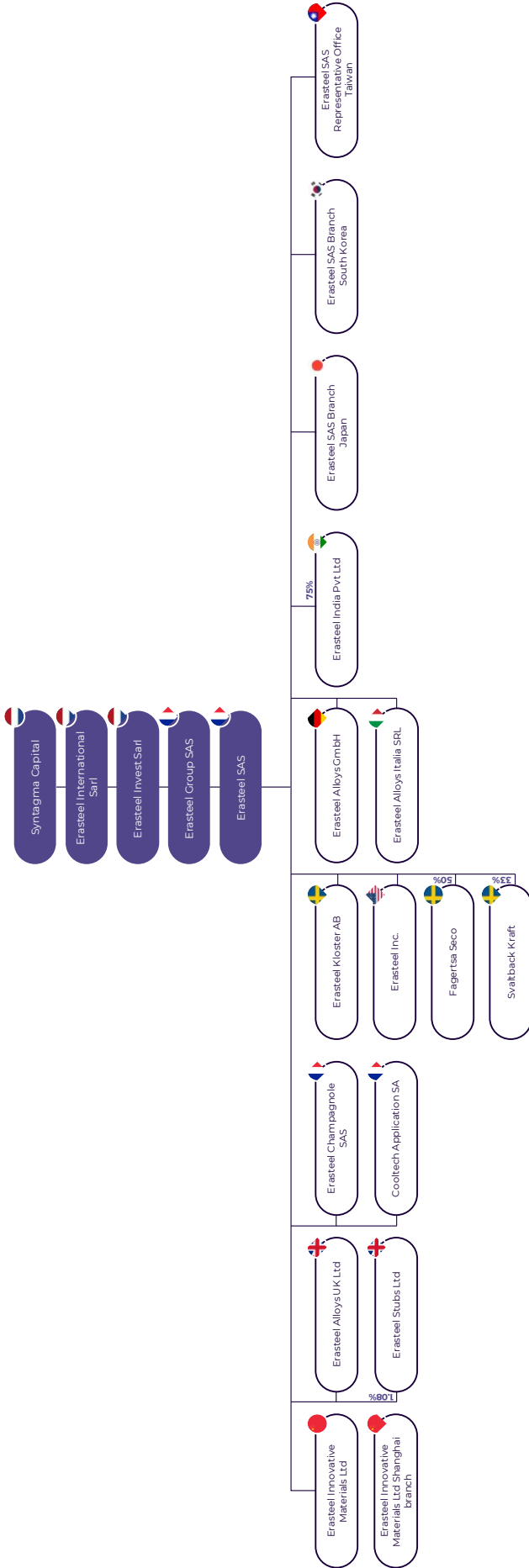
Workers covered by an occupational health and safety management system					
	Unit	2024	2023	2022	GRI
Total number	Qty	341	372	387	403-8
Percentage covered by a health and safety program	%	100	100	100	403-8
Percentage covered by a health and safety program	%	100	100	100	403-8
Work-related injuries (recordable)					
Work related fatalities	Qty	0	0	0	403-9
High-consequence work-related injuries	Qty	0	0	0	403-9
Total number or work-related injuries by employees	Qty	1	4	4	403-9
Number of hours worked	Hrs	427 110	553 078	558 936	403-9
Cases of Discrimination					
Discrimination	Qty	0	0	0	406-1

Average hours of training	Unit	2024			2023			2022			GRI
		Female	Male	Other	Female	Male	Other	Female	Male	Other	
Total number of training hours	Hrs	391	2639	0	162	1501	0	92	1218	0	404-1
Average number of hours of training per employee	Hrs	6.31	9.46	0	2.53	4.87	0	1.59	3.7	0	404-1

B.3 Governance

Operations Assessed for risk to corruption					
	Unit	2024	2023	2022	GRI
Total number of operations assessed for risks related to corruption	Qty	0	0	0	205-1
Percentage of operations assessed for risks related to corruption	%	0	0	0	205-1
Confirmed cases of anti-corruption					
Total number of confirmed cases	Qty	0	0	0	205-3
Number of incidents where employees were dismissed or disciplined	Qty	0	0	0	205-3
Number of incidents where contact with business partners was terminated	Qty	0	0	0	205-3
Public legal cases on corruption brought against the organization	Qty	0	0	0	205-3

Appendix C: Erasteel's Legal Structure



Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i Erasteel Kloster AB, org.nr 556057-1811

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2024 och för att den är upprättad i enlighet med årsredovisningslagen i enlighet med den äldre lydelsen som gällde före den 1 juli 2024.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Uttalande

En hållbarhetsrapport har upprättats.

Uppsala den dag som framgår av vår digitala underskrift

Grant Thornton Sweden AB

Stéphanie Ljungberg
Auktoriserad revisor



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Activity log

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