

Sustainability report

June 2022



Suzuki
Garphyttan

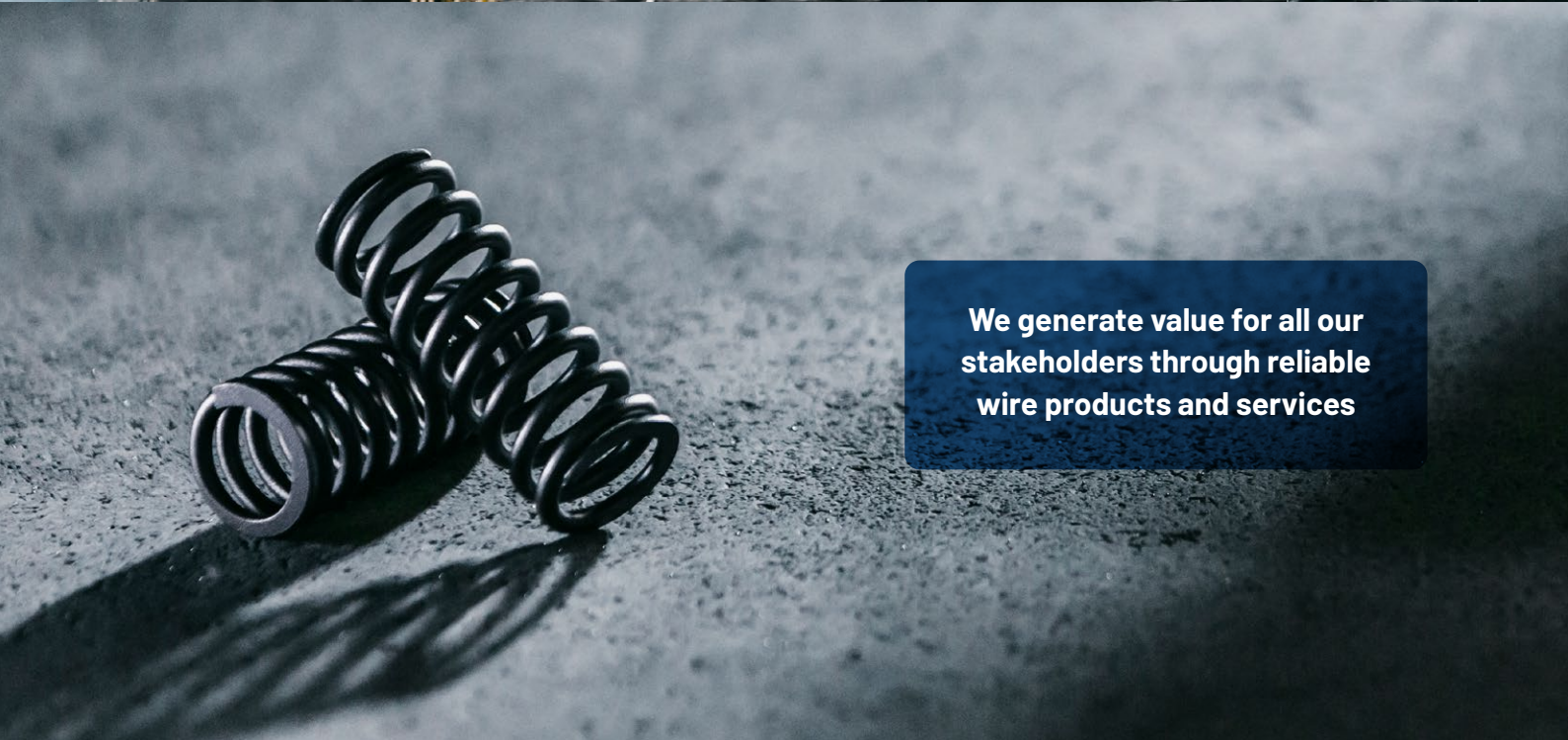
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Our mission

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



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



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

Suzuki Garphyttan

– more than a century of success

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

Since 1906

Suzuki Garphyttan is more than just a name. Our company is born out of Garphyttan, a village in the middle of Sweden where the inhabitants for centuries have searched and found strength in each other when facing challenges. Together people have adapted to changes, hand in hand. That spirit still lives on with us.

A wider offer

The world around us is changing, and so are we, adapting to the market of today and of tomorrow. Traditionally our production has been focused on conventional automotive products, often related to the internal combustion engine. The automotive segment will always be important to us, but to continue to be a world-leading wire supplier we are developing our offer.

Now our innovative solutions are also making a difference in segments such as medical and finetech, bed and seating, tooling, energy and aerospace, food and agriculture etc. By utilizing sustainable production methods, we can replace plastics and other dated materials with 100% recyclable steel.

UN Sustainable Development Goals

In our way of working, we support the UN Sustainable Development Goals such as Good health and well-being, Quality education, Gender equality and Decent work and economic growth.

We will work with continuous improvements in everything we do and by doing that reach our ambitious targets.

Environmental sustainability targets

- Reduce our CO₂ emissions with 50% by 2030
- Remove non-environmentally friendly elements
- Limit our freshwater usage
- Increase our recycling volumes
- Zero waste to land fill

Social sustainability target areas

- Health and well-being
- Education
- Gender equality
- Diversity
- Contribution, participation and involvement in society (CSR)
- Suppliers and partners should be compliant

Financial targets

- Sound finances and economic growth
- Good cashflow from profitable businesses
- Low debt-to-equity ratio



CEO comments

The year 2021 was a fantastic year for Suzuki Garphyttan. To summarize:

A RECORD YEAR!

After the all-time-high first quarter we continued to deliver record after record, and 2021 has become the best year in the history of the company. The automotive market recovered more and more, and we were ready to serve our customers well from all our locations throughout the world.

Right now, we are developing our facilities in a good and strong way to further strengthen our position in the market. Sustainability is an important driving force in that work, and we have a clear ambition to become a front runner here as well.

We will eliminate all non-environmentally friendly processes from our production facilities, and we have many examples of other initiatives: solar panels on the roof of our Suzhou plant in China and using only green energy at our Garphyttan plant in Sweden are just two of them.

Diversifying the company into other applications beside the automotive industry is ongoing at full speed. A completely new Marketing & Sales organization is in place as well as changes in our R&D department. All this to strengthen our focus for new business.

Hard work has been put into preparing our company for a completely new ERP system, called OneShare. This will safeguard our ability to grow and work in a sustainable, modern and professional way.

There are many clouds in the sky, and it is easy to get worried. There is the war in the Ukraine, the Covid-19 situation in China, lack of components, high freight costs and several other issues. But at Suzuki Garphyttan we are fully prepared for all possible scenarios. We are optimistic and trust 2022 to become another great year.

We are in a better shape than ever and thanks to the fantastic work from all our employees we will continue to become more and more successful. Our values, Care, Dare & Share, are the guiding principles and they make us the great team we are, helping us every day to work towards our vision:

Together for a better tomorrow



A handwritten signature in blue ink, which appears to be 'Ad Raatgeep', written over a horizontal line.

Ad Raatgeep, CEO Suzuki Garphyttan
Garphyttan, June 2022

Business Partners

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

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

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

Cooperation

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

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





Vision, Mission and Values

Suzuki Garphyttan is a successful company with an over 115-year long history. Now we will further ensure that we will remain a strong and profitable company in the future. Our actions today are crucial if we want to leave a better world for future generations.

Our vision, mission and values each play a significant role in bringing everyone together as a company. They are the corner stones of Suzuki Garphyttan and our company culture.

The corporate culture within Suzuki Garphyttan is of great importance. It affects especially the ways in which our employees feel about their work, how they can grow in their position and also contribute to the overall development of the company.

The employees are the core of our company. The corporate culture we create together is key to make Suzuki Garphyttan a more successful company.

Vision

Together for a better tomorrow.

Mission

- > We take responsibility for all our actions and decisions, always considering safe environments first.
- > We create innovative win-win solutions with our partners, and we grow in a profitable and sustainable way.
- > We generate value for all our stakeholders through reliable wire products and services.

Values

Our values Care, Dare & Share are the basis of everything we do. We are all team players who care about each other and the company, our customers, stakeholders and, of course, the environment. We dare to think new and innovative, dare to be honest, brave and to take responsibility. We work together and share knowledge and ideas, plans and possibilities, success and failure. And we all share the vision – together for a better tomorrow.



Our Way of Working

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

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

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

Everyone's engagement

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



Continuous improvement

Way of Working provides us with tools and methods that enable us to measure, analyze and improve our processes in a structured manner. All improvements, big and small, benefit the company and us as employees. To achieve continuous improvement, we must all evaluate our own way of working. Are we using our time properly or are there any bottlenecks that can be eliminated? Are there areas with improvement opportunities? These are questions we must continuously ask ourselves.

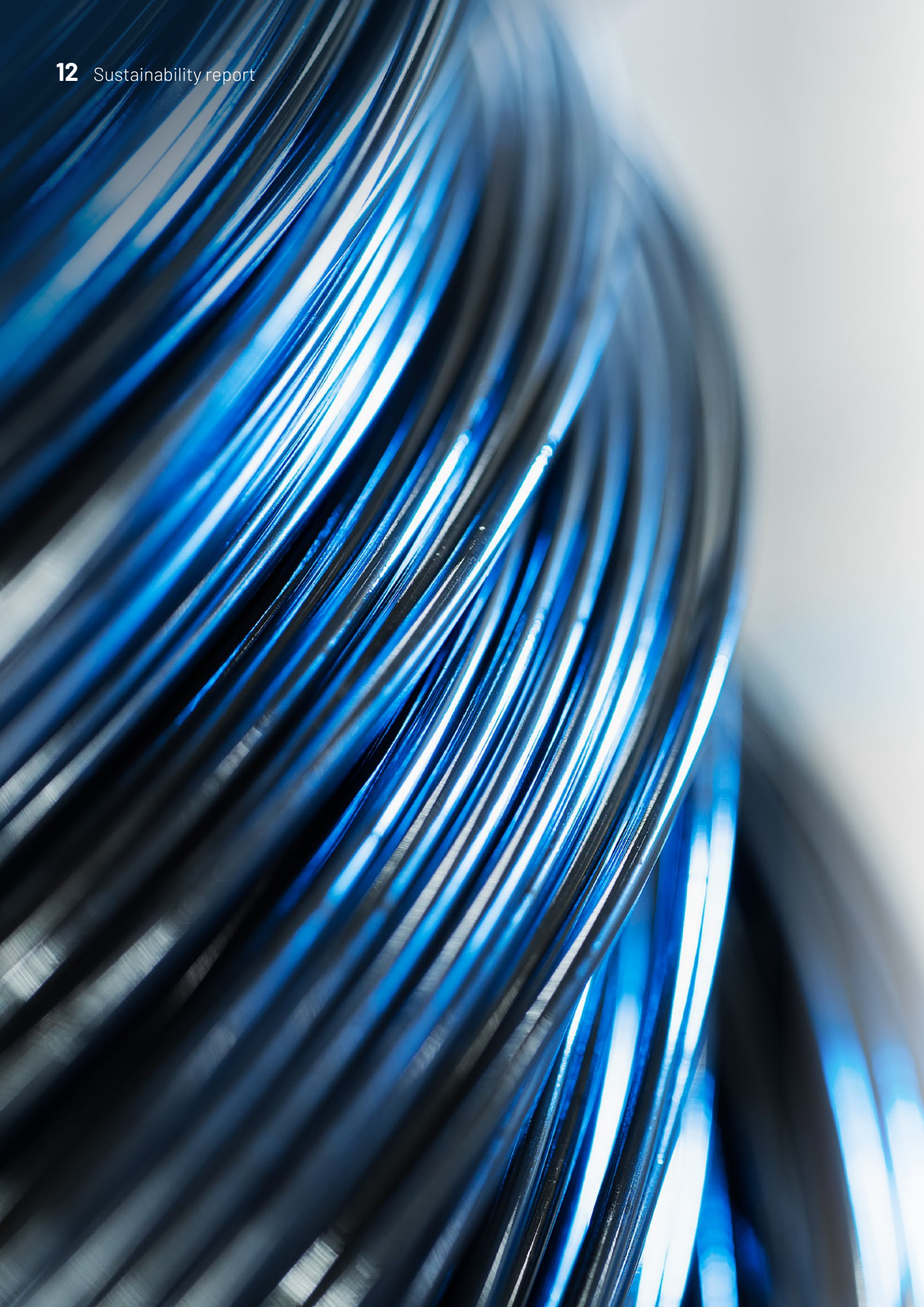
Quality is prioritized

We continuously improve our way of working as part of the service we provide to our customers. In cooperation with our

customers, we seek long-term solutions through development and technical innovation. Suzuki Garphyttan is certified according to IATF 16949.

We prioritize quality by continuously improving our processes and by obligation, set quality objectives, to make sure our products fulfil the demands, needs and expectations of our customers.

Our management system is utilized by all employees and is an active tool used to achieve improved and effective processes, which focus on customer demands. We also continuously develop the competence of our employees, securing the right knowledge for their assignments, to reach or exceed our set quality objectives.



Environment

Through our process development road map we're actively working with the environmental aspects of our operations, where energy consumption is our largest impact. We are therefore constantly searching for and conducting activities and investments to decrease our energy consumption. Suzuki Garphyttan is certified by ISO 14001, which means that we follow an international standard regarding environmental management systems and that we have an integrated environmental system throughout our entire business.

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

At Suzuki Garphyttan, we are constantly evaluating our compliance with set environmental objectives. We also aim for comparable environmental standards in our business partners. In the development of products and manufacturing processes we consider the environment by using the best available and economically viable environmental technology.

In order to improve and evaluate our compliance with ISO 14001, we measure the levels of substances in our emissions to ensure they are well below the legal requirements. To reach our

environmental objectives, we recycle the steel waste from our production back into the steel supply chain. We also have started building up recycling stations where we can sort the material waste from our production.

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

Sustainable development is about looking at the whole picture. For us it's about how we can reduce environmental impacts when producing our 100-percent recyclable steel. But it's also about reviewing other parts of the value chain, and collaborating with customers, suppliers, and other stakeholders on challenges that affect all of us. We have set ambitious targets for all parts of the sustainability map.

Targets for the coming years

The environmental sustainability targets focus on reducing CO₂ emissions and eliminating non-environmentally friendly elements from our production facilities. If we manage to reduce CO₂ emissions by 10 percent per kilo of produced and sold wire, we will exceed the Paris Agreement target of a 50-percent reduction in CO₂ by 2030. We will work hard to eliminate non-environmentally friendly elements used in production by 2025 and will increase our recycling volumes as time goes on. We will limit our freshwater usage and landfill, and develop ways to recycle not only fresh water but also plastic, metal, and much more.





Achievements and Targets

To furthermore find opportunities to reduce our environmental impact we utilize systems to continuously measure our energy and water consumption at different steps of the process. We are also doing regular checks in order to help us continuously develop our work environment with regards to air quality and temperature.

General

Achievements 2021

- Reduced scrap in the processes

Ongoing 2022

- All sites will be ISO 14001 and ISO 45001 certified
- Reduce scrap in the processes

South Bend

Achievements 2021

- Hydrochloride handling improved 50% of energy is 50% is emission free
- ISO 45001 complete

Ongoing 2022

- Corporate with local companies and institutions to invest and set up solar panels
- Corporate with local actors in order to build up recycling capabilities
- Continue to switch over from brown electricity to green electricity

Site Leeds

Achievements 2021

- Improved air quality and circulation in factory area
- Enhanced cooling system efficiency
- Invested in energy efficient heat treatment equipment
- Achieved Zero land fill from general waste
- Introduced Welfare and Wellbeing scheme
- Promoted carbon footprint awareness
- Explored opportunities in renewable energy sector

Ongoing 2022

- Work towards ISO 14001 accreditation
- Reduce delivery frequency from suppliers
- Assess own Nitrogen Gas generation feasibility
- Switch to renewable electrical energy
- Improve productivity across identified machines
- Engage with key steel suppliers to understand their Net Zero plans
- Define road map for Carbon Neutral / Net Zero Carbon



San José Iturbide

Achievements 2021

- Saving fresh water (Osmosis system. 9.8% water savings)
- Reuse consumption in lubrication oil of the process during the year. 42% is recycled

Ongoing 2022

- Saving fresh water (Osmosis system. >10% water savings)
- Reuse consumption in lubrication oil of the process during the year. >60% is recycled

Site Garphyttan

Achievements 2021

- Use only green electric power

Ongoing 2022

- Exchange boiler from oil fired to geothermal heating
- Check what other options are available to replace oil with an eco-friendlier source of heat
- Lead ashes will be recycled

Site Suzhou

Achievements 2021

- Reduced electricity consumption with 8% per metric ton
- Installed solar panels on the roof which can produce 1+ MWh per year, 5-6% of current consumption
- Reduced wire process scrap with 2%
- Reduced quenching oil consumption with 33%
- Reduced hydrogen chloride emission with 80% (new scrubber)

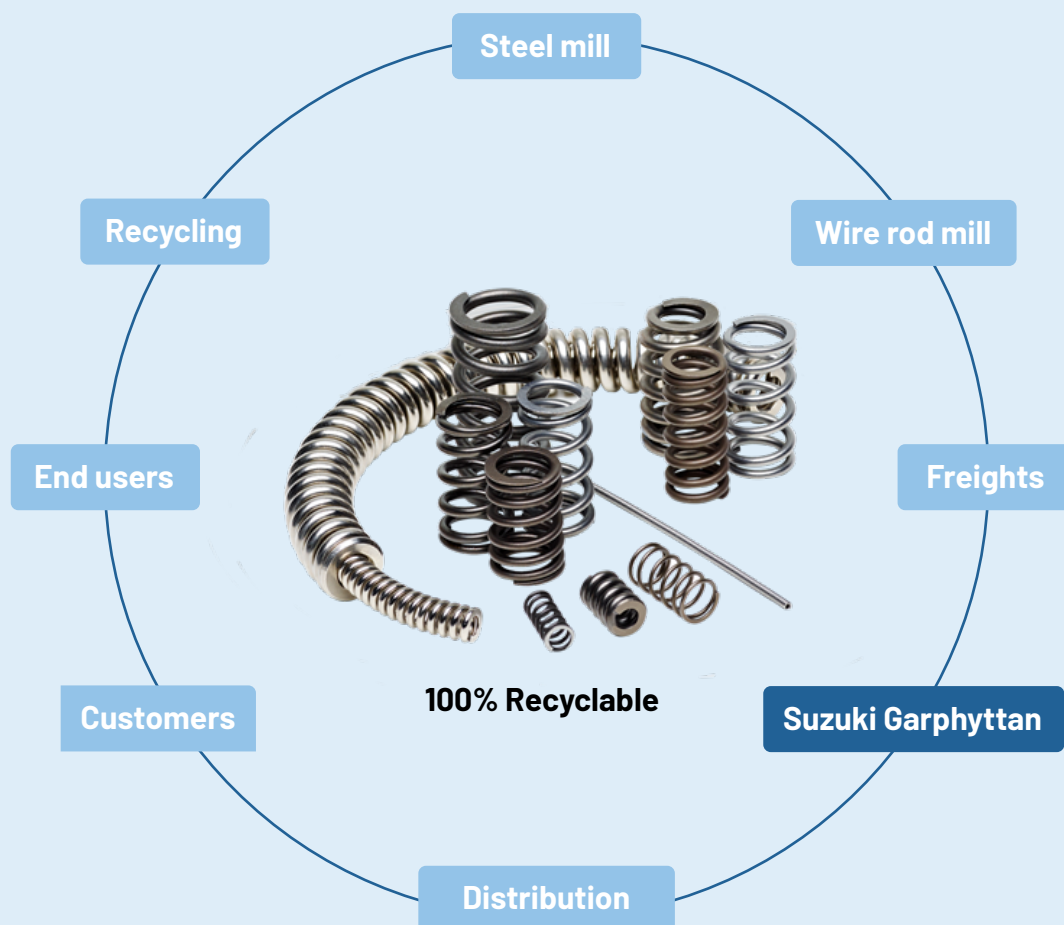
Ongoing 2022

- Reduce lead consumption with 20%
- Reduce hazardous liquid waste with 75%
- Recycle rinsing waste water from patenting line



Market

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



Our manufacturing footprint is an important part of this. Thanks to our production facilities in Sweden, the US, Mexico, China and England we can quickly and smoothly meet local needs. We can continue to offer our customers high quality, flexibility and service levels, with short lead times and the possibility of rapid deliveries for new projects. The local production reduces the needs for transports which in turn reduces both costs and environmental impact.

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

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

Code of Conduct

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



- Suzuki Garphyttan's contact with business partners is characterized by impartiality and follows good business practice. We guarantee their privacy regarding trade secrets and other confidential, business-related data that we obtain.
- Bribery and any other form of unethical business practices are prohibited. All payments of commission must be verified and matched to a specific service provided to Suzuki Garphyttan. All business transactions must be reported accurately and completely in accordance with Suzuki Garphyttan's accounting policies and local laws and is subject to audit.
- Suzuki Garphyttan reduces the environmental impact by using a precautionary risk based environmental management system. We optimize material, energy, and water use and we strive to contribute positively to our local communities by building long-term relationships with relevant stakeholders in the societies where we act.
- Suzuki Garphyttan respects legislation and regulations regardless of site location. We will also respect the international labour standards such as those set forth in the UN Declaration of Human Rights and the core conventions of the International Labour Organization (ILO). Our employee's opportunity to influence is based on a democratic approach and no one should be discriminated based on his or her political engagement.
- Suzuki Garphyttan's employee behaviour standards in the workplace shall be based on mutual respect and trust. Our employment terms also follow union agreements, national laws and relevant International Labour Organization (ILO) conventions.
- Suzuki Garphyttan stands for free enterprise operations and competition. We will not participate in cartels or other unauthorized collaborations but compete under the applicable competition laws.
- A whistle blower policy is in place, to handle deviations that may occur in the organization.



Employees

A safe and sound work environment is an important strategic issue for Suzuki Garphyttan. All our employees should be able to work in an environment that fosters good health at work. Work requirements should also be adapted to the individual employee's physical and mental conditions.

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

Measures to improve workplace health and safety benefit both the company and the individual employee. Our occupational health and safety work is conducted in accordance with the company's core values and is a natural part of all activities within the company.

As part of our safety work Suzuki Garphyttan maintains a well-developed cooperation between our main safety officer and our local safety representatives, to ensure a good working environment at our workplaces.

All employees have an occupational health and safety obligation, where the company's guiding value contributes to everybody complying with

regulations, as well as reporting any hazards or deficiencies in the work environment to his or her supervisor.

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

We measure and follow up all accidents and incidents that occur, as well as conducting continuous risk assessments at all our sites. If accidents or crises would occur, we are well prepared thanks to recurrent education and training.



Staff activities

When we represent our company during any kind of activities, with our staff, customers or suppliers, it is important that we act in a professional manner.

In order to prevent similar accidents to occur at other workplaces, they are reported in a unified information system for the metal industry in Sweden.

Alcohol and drug policy

Suzuki Garphyttan is a workplace that is free from alcohol and drug abuse and it is under no circumstances that any employee is allowed to be under the influence of alcohol or drugs at work.

A person who is under the influence of alcohol or drugs is a safety risk for themselves and their colleagues. In case of suspicion of abuse at the workplace both supervisor and employees are obligated to take action. Our Drug policy is a part of Suzuki Garphyttan's Occupational Safety and Health work. The policy is based on the fact that one in ten over the age of 18 in Sweden have such difficult addiction problems that it affects the possibilities to live a normal life. We need to assume that Suzuki Garphyttan is no exception from this average.

By drugs we mean alcohol, narcotics, doping substances, pharmaceutical products (non- medical usage).

Suzuki Garphyttan's drug policy goals are:

- To be a drug-free and safe workplace
- That all of our employees and contractors are fully familiar with the company's drug policy
- That we, in an early stage, pay attention to drug abuse and offer our help.
- That we all take care of each other and act responsibly if a colleague seems to need help
- That an employee with substance abuse can turn to their supervisor, Human Resources department or Occupational Health Care for help, without being worried that this will affect their work position.

Diversity and Gender equality



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



Discrimination

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

Harassments

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

Gender equality

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

Diversity

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

Community investment



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

Supporting education

We are engaged in the education for both children and young adults.

Safety in the community and in traffic

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

Technical college

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

Environmental training for children

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

Work experience collaborations

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

The Global Trainee Program

Suzuki Garphyttan has an ambitious plan for the future. We will continue to be a leading actor in the automotive segment, but also by investing in broadening the product range and moving into new business segments and industries. To succeed, we need new skills and competences in different areas like technology, business development and sales. Both experienced professionals and young students that can contribute with new and modern perspectives to our journey forward.

A group of trainees from different parts of the world with varying educational backgrounds started in March 2022 and will graduate in the end of this year – to begin their own personal journeys in Suzuki Garphyttan.

Local community

Suzuki Garphyttan is a global organization with local focus. Therefore we aim to support and take responsibility for the local community close to our business.

Focus on children's health and wellbeing

To support children's engagement and opportunity to practice sports we endorse local sport associations for children.



Suzuki Garphyttan

Together for a better tomorrow

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