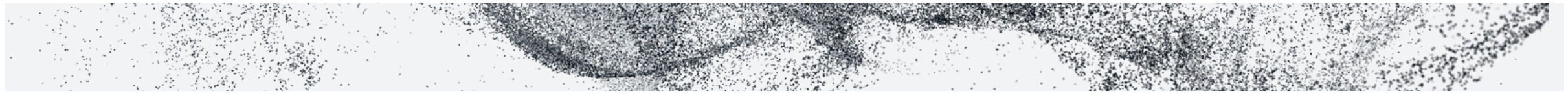
Non-Financial Report 2024

Swiss Steel Group

Together. For a future that matters.

Contents



Preface

Letter to the Stakeholders

Martin Lindqvist
Chairman of the Board

Dear Stakeholders,

At Swiss Steel Group, sustainability is a core driver of our strategy and daily operations. Steel plays a vital role in global infrastructure, and we embrace our responsibility to produce it in a way that supports a greener, more sustainable future. Our commitment to recycling, circular economy principles, and electric arc furnace technology allows us to offer a significantly lower carbon footprint than the industry average, strengthening our position as a leader in Green Steel.

> **“The transformation of the steel industry requires long-term commitment.”**

In 2024, we made substantial progress in this journey. We were the first steel producer to receive validation of our sectoral decarbonization targets by the Science Based Targets initiative (SBTi), reinforcing the credibility of our climate strategy. We also achieved an improved A-level rating in the CDP Climate Change assessment and received a Gold Medal from EcoVadis in 2025 for our sustainability efforts in 2024, improving our rating for the third consecutive year. In addition, we obtained limited assurance for our emissions inventory and are nearing the launch of a Product Carbon Footprint (PCF) tool at one of our sites, enhancing transparency and accuracy in emissions reporting.

The transformation of the steel industry requires long-term commitment. We are dedicated to reducing our greenhouse gas emissions, with the ultimate goal of achieving net zero by 2038. This journey comes with challenges – from the regulatory landscape to market dynamics – but we remain steadfast in our efforts to drive meaningful change.

Beyond environmental progress, we continue to strengthen our governance and compliance frameworks. With increasing regulatory requirements, we are ensuring that our sustainability efforts meet evolving expectations, including human rights due diligence and responsible sourcing across our supply chain. We remain committed to transparent reporting and aligning with global sustainability standards.

This report addresses the requirements outlined in Art. 964a et seq. of the Swiss Code of Obligations and provides a comprehensive overview of Swiss Steel Group’s commitment to environmental protection, the well-being of our employees, and our broader societal impact.

We extend our gratitude to our employees, whose dedication is crucial to our success, to our customers for their trust, and to our investors and business partners for their continued support. Together, we are shaping the future of sustainable steel

Martin Lindqvist
Chairman of the Board

Regulations and Standards Applied

This non-financial report[1] has been compiled in accordance with art. 964a et seq. It specifically fulfills the requirements of art. 964j-k of the Swiss Code of Obligations, the Swiss Ordinance on Climate Disclosures and the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labor.

The requirements laid out in the Swiss Ordinance on Climate Disclosures are covered in the section “Climate”. The section follows the structure of the European Sustainability Reporting Standard (ESRS) E1 “Climate change” and selected disclosures from ESRS 2.

The due diligence and reporting obligations regarding child labor and conflict minerals are addressed in the sections “Human Rights” and “Sustainability in the Supply Chain”.

The information cited in the content index (see annex) has been prepared with reference to the standards of the Global Reporting Initiative (GRI). The report includes a description of our business model, approach (objectives, policies, due diligence), performance and measures, and risks and their management. It addresses aspects related to the environment and climate, social and employee issues, human rights and anti-corruption.

High performance welding wire from the Swiss Steel Group for flexible applications in the aerospace industry.

[1] The scope of the report covers Swiss Steel Group, i.e. Swiss Steel Holding AG and its controlled group companies as listed in our Annual Report.

Our Operations

Business model

Headquartered in Emmenbrücke (Switzerland), Swiss Steel Group is one of the world's leading producers of special steel long products. Thanks to the exclusive use of steel scrap in electric arc furnaces, the Group is one of Europe's foremost contributors to the circular economy and is among the market leaders in the field of sustainably produced steel.

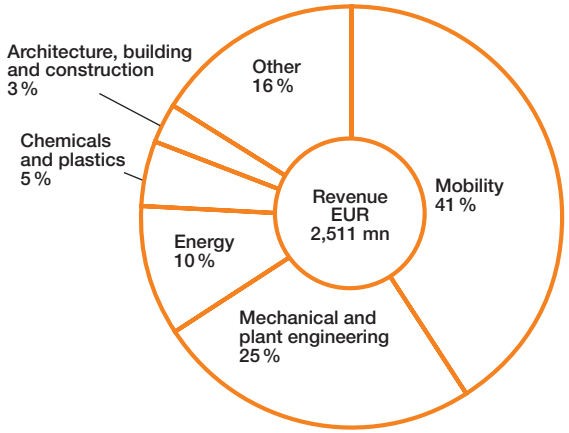
Swiss Steel Group has its major production facilities in Canada, France, Germany, Switzerland and the USA with distribution entities and smaller processing sites in 26 countries. Through our strong local presence, Swiss Steel Group offers a wide range of individual solutions in the fields of engineering steel, stainless steel and tool steel. Swiss Steel Holding AG, currently listed on the SIX Swiss Exchange, will be delisted on June 5, 2025, as part of a strategic restructuring. The company employs 7,450 employees, more than 90 % of whom are in Europe and North America.

Swiss Steel Group offers one of the most comprehensive portfolios of steel grades, ranging from unalloyed structural steels and tool steels to high-alloy, corrosion-resistant stainless steels. Dimensions range from 0.013 millimeters for drawn wire to 1,100 millimeters for forged bars. These products are essential in many industries, including the automotive, aerospace, machinery, medical, construction and energy sectors. Its strength, toughness and workability make steel a key material for innovative solutions in these industries.

Our production process

Swiss Steel Group's production process begins with the collection, sorting and segregation of mostly locally sourced scrap, followed by melting it in electric arc furnaces (EAFs). After adjusting the temperature, refining the chemical composition by adding alloys and ensuring the cleanliness in the secondary metallurgy, the steel is cast into billets, blooms or ingots. A small portion of production is sold directly to customers as cast steel. In the rolling mills and forge shops, the cast steel is first reheated in natural gas-fired furnaces and then hot-formed into wire, bars or forgings. Some products are then either sold directly to customers or further processed in our numerous finishing shops through heat treatment and cold finishing processes, such as drawing or peeling.

Revenue by customer industry



Figures 2024

Effects of activities on non-financial matters

We are fully aware of the responsibility that comes with the nature of our business and we act in a responsible manner to avoid any adverse impact on non-financial matters. Our operations can have an effect on non-financial aspects in the following way:

Environmental matters

The production of steel requires large amounts of energy and natural resources. Through the use of scrap steel and electric arc furnaces (EAF), our environmental footprint is significantly smaller than that of traditional steelmaking. However, our operations still generate emissions such as carbon dioxide, dust, noise or emissions to soil, as well as waste that must be managed with great care. Our Group has made investments in recent years to ensure we minimize our footprint.

Employee-related issues

The working environment in heavy industry involves risk factors such as heat, dust, noise, exposure to chemicals and the movement of heavy loads. We take great care to avoid any impact on the health and safety of our employees through various measures such as training on health safety, regular audits and proactive equipment maintenance.

Combatting corruption

Based in 26 countries, our Group is evolving in multiple jurisdictions with different laws for fighting corruption and varying sensitivities on the matter. To ensure a global understanding of the principles that need to be followed, Swiss Steel Group renewed its Code of Conduct in 2023 to ensure a common ground on anti-corruption, complemented by several policies and trainings.

Social issues

Most of our sites have a long history and are located in urban areas. Our activities can have an impact on the well-being of local communities. Within these communities, we play an important role in social integration, providing employment opportunities and contributing through sponsorship and donations in partnership with local stakeholders to ensure the sustainable development of these areas.

Respect for human rights

We source materials and services globally through over 12,000 direct suppliers based in 60 countries and employ 7,450 people worldwide. Due to varying laws and local circumstances, our activities may have an impact on human rights, particularly in the supply chain. Swiss Steel Group has initiated several actions in 2024 to ensure that our business partners follow our standards aligned with best-in-class rules, such as the update of the Supplier Code of Conduct and the publication of our Statement on Human Rights, Environment & Ethics.

Sustainability Governance

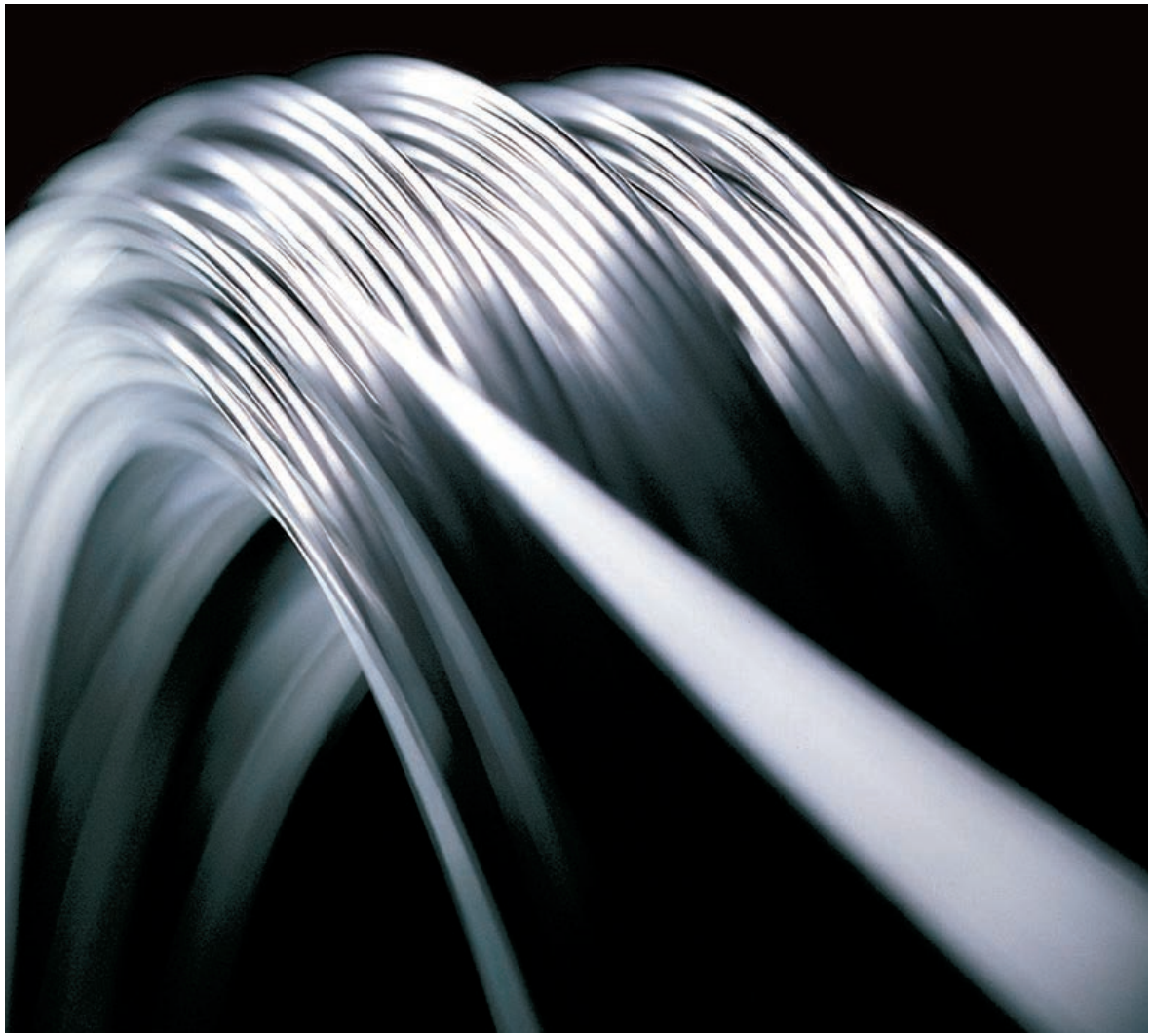
At Swiss Steel Group, sustainability has been defined as one of our top five strategic priorities. For this purpose, the Vice President Group Marketing, Communications and Sustainability is in charge of coordinating all sustainability-related topics within their team. This organization was designed and approved in 2024 by our Executive Board to ensure our organization is structured to respond not only to the CSRD regulation but also to the upcoming new regulations that are evolving on a regular basis on all ESG matters. It is intended to ensure proper coordination of related efforts and effective monitoring of the activities initiated in the different areas of Environment, Social and Governance – making sure they are aligned with the regulatory expectations.

At Swiss Steel Group, sustainability and climate-related issues have been defined as one of our top five strategic priorities.

Our Vice President Group Marketing, Communications and Sustainability reports directly to the Group CEO and is a member of the extended Executive Board, making sustainability a regular agenda item at Executive Board meetings. It is also incorporated into CapEx plans, as well as sustainability goals and initiatives. In addition, a Corporate-level Sustainability Working Group is committed to improving our sustainability management system. The Audit Committee oversees the Group's sustainability performance and its compliance system, which ensures adherence to legal requirements, including current and future sustainability regulations and reporting standards.

We benchmark our performance and identify opportunities for improvement by participating in respected external initiatives and ratings such as the Science Based Targets initiative (SBTi), the Carbon Disclosure Project (CDP) and EcoVadis. We scored an A from CDP in the climate change category and currently hold a gold medal from EcoVadis.

For more details regarding Corporate Governance, please refer to our Annual Report.

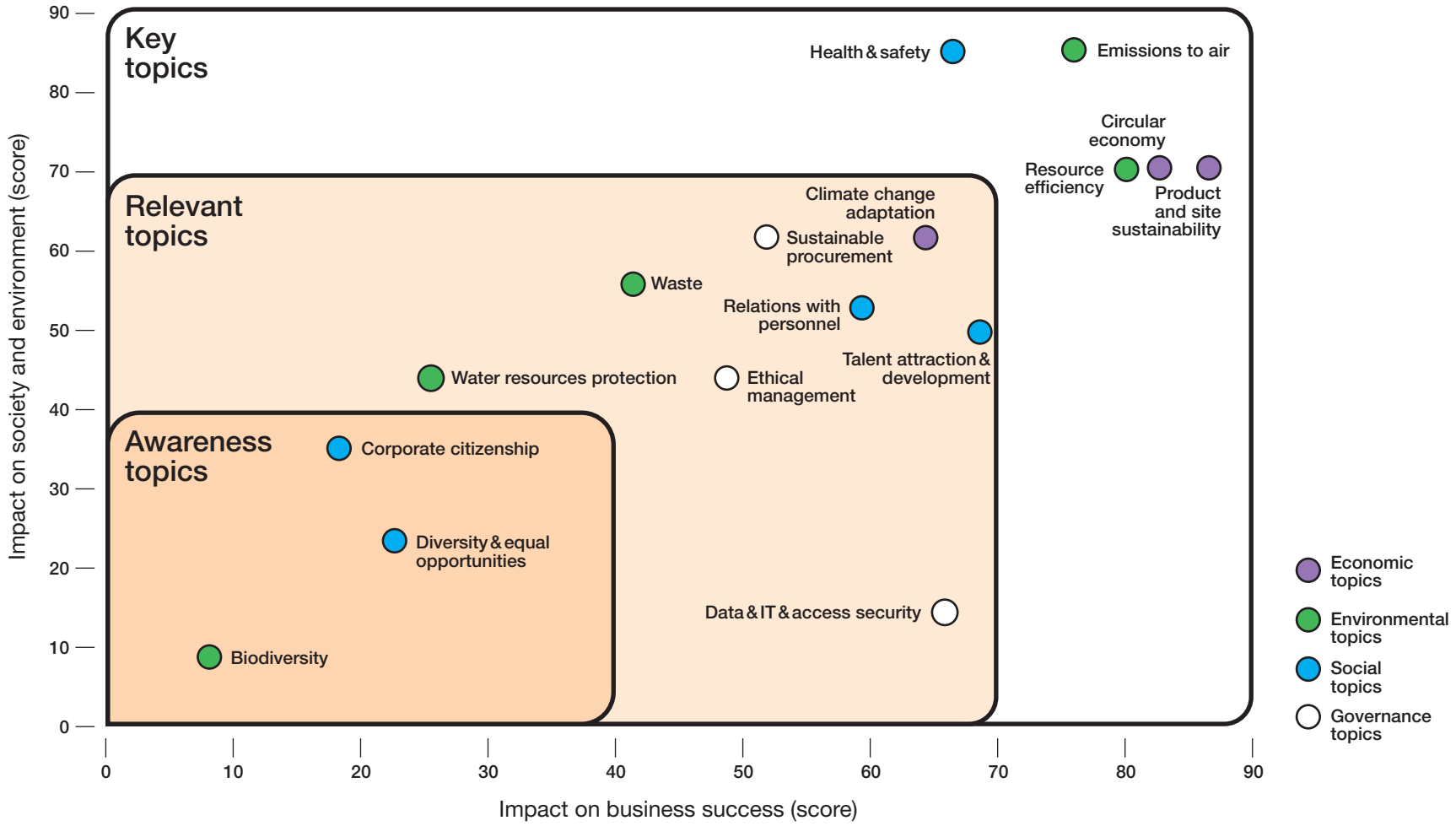


Precision wire of the Swiss Steel Group – for maximum performance and reliability in demanding applications.

Material sustainability topics

A double materiality analysis was conducted in 2022 to align our sustainability strategy with stakeholder expectations and to anticipate future regulatory requirements. Sustainability topics are deemed material if they either have a significant impact on our business success (outside-in) or if our economic activity has a significant impact on the environment or society (inside-out). Further details regarding the methodology and interpretation of the matrix can be found in the annex.

Materiality matrix



Report on Non-Financial Matters

Climate

Governance

The Chief Technology Officer (CTO) of Swiss Steel Group has strategic and operative responsibility regarding the implementation of climate-related measures for sustainable steel production in all steps of Swiss Steel Group's value chain. This includes a focus on aspects like GHG emissions, efficient use of materials, energy and water, recovery of by-products and waste management. He works closely with the sustainability manager at Group-level, local COOs and the sustainability experts at our production sites and discusses and sets decarbonization targets for each facility. He monitors the CO_2 emissions of our sites, thus tracking progress against our decarbonization targets.

Furthermore, he plans and installs measures together with local management to ensure business continuity in case of climate-related catastrophes, such as plans for short-term transfer of production between sites in case of floods. The CTO is also Swiss Steel Group's contact person at the Science-Based Targets initiative and bears main operational responsibility for ensuring that Swiss Steel Group's decarbonization targets are met.

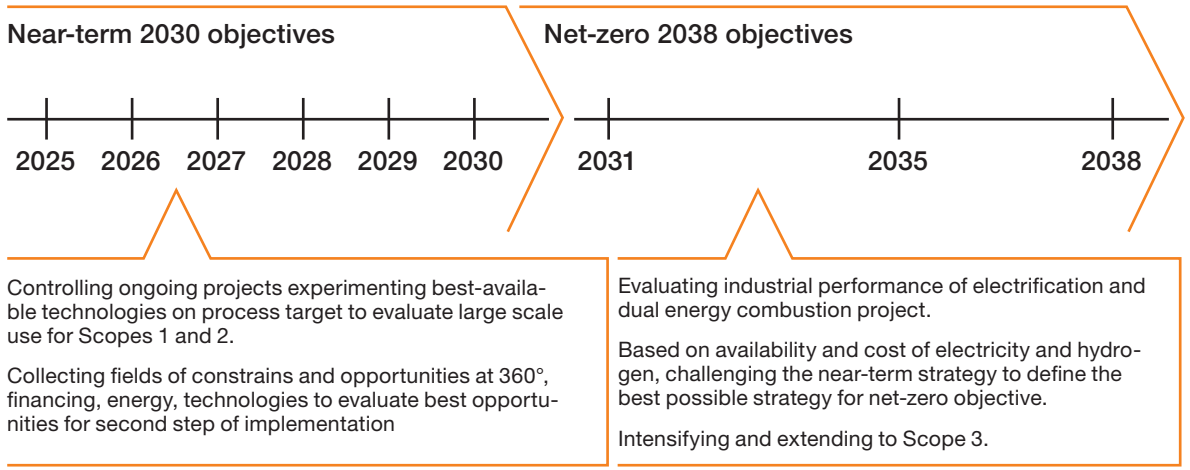
Previously, CAPEX plans, environmental initiatives, targets and risks were reviewed during the quarterly Technical Board Meeting. With our validated SBTi targets, we have developed a roadmap that requires a novel approach. The new Decarbonization Committee assesses the progress made in our decarbonization efforts and pinpoints opportunities to challenge the next steps, in accordance with the most advanced technological and economic solutions. The Executive Board and COOs participate under the "Plan, Do, Check, Act" principle, with meetings held semi-annually.

The Technology Team has individual climate-related targets that are linked to their STIs (short-term incentives). The incentives principally address aspects such as refining and implementing our decarbonization roadmap, accelerating the implementing decarbonization measures and improving our management and reporting processes.

For more details regarding corporate governance, please refer to our Annual Report.

Click for Annual Report

Decarbonization committee focus areas



Strategy

Transition plan

Leading the green transition is one of our strategic priorities. With the 100 % EAF production route, Swiss Steel Group is perfectly positioned for a decarbonized and circular future. Our steelmaking processes – which mainly use metallic scrap and electrical energy – have a significantly lower carbon footprint than the blast furnace-basic oxygen furnace (BF-BOF) route, which uses iron ore and coal.
In the past few years, Swiss Steel Group has strengthened efforts to further transition the business model toward a decarbonized future. As described in our publicly available annual and non-financial reports, we make investments to increase our energy efficiency and switch processes from fossil energy carriers like natural gas to electrical energy.
In 2024, we had our sectoral science-based decarbonization targets (please see section "Targets") validated by SBTi as the first steelmaker worldwide. We have since had to perform a recalculation to accommodate derecognition of Ascometal. The recalculation has also been verified by SBTi.

To achieve these targets and strengthen our Green Steel market position, we have developed a decarbonization roadmap (please see chapter "Our roadmap"). The required capital expenditure (CapEx) is incorporated into the budget, reflecting our strategic priorities and the essential needs of the business to ensure its successful operation and growth.

Our transition plan is embedded and aligned with our overall business strategy and financial planning and approved by management and supervisory bodies.

Beyond our immediate environment, we recognize the importance of lifecycle thinking to reduce upstream and downstream emissions in our supply and value chains. Thus, we engage with our suppliers regarding their carbon footprint and replace primary materials with secondary materials where possible. We empower our customers on their decarbonization path with our Green Steel portfolio and innovative steel grades that shorten the downstream process route.

To establish relevant, well-adapted standards such as Green Steel labeling systems and a level playing field for all steel producers through technical arguments, we actively participate in working groups of steel associations such as EUROFER and the German Steel Association.

Risks

Our risk management process as described in section "Impact, Risk and opportunity Management" includes the identification of environmental risks, including physical and transition climate risks.

The table "Key physical and transition risks" summarizes Swiss Steel Group's identified material climate risks.

Impacts

Swiss Steel Group considers impacts on climate change across the entire value chain:

- In its own operations, Swiss Steel Group generates direct emissions (Scope 1) from combustion (e.g. natural gas-fired furnaces), and processes (e.g. removal of carbon from the melt by adding oxygen). To mitigate this impact on climate change, we are actively working to reduce our emissions, and our efforts align with our near-term and net-zero Science Based Targets initiative (SBTi) targets.

- In the upstream value chain, greenhouse gas emissions are generated from mining, production of input materials like ferroalloys and lime, energy generation, and transportation (Scopes 2 and 3). However, Swiss Steel Group is adopting circular economy principles to reduce these emissions, resulting in a smaller footprint compared to traditional steelmaking from iron ore.

- Downstream, emissions are generated by transportation and customers processing the steel (Scope 3). Swiss Steel Group helps reduce customers' emissions by improving efficiency and reducing process steps like heat treatment through innovative steel grades.

Key physical and transition risks

Risk category	Risk type	Description of the risk	Mitigation	Timeline	Business/ region affected	Severity
Transition (T1)	Market risk	In 2024, the European automotive industry experienced a drop in production volumes, remaining well below the levels seen before the pandemic. Tough price competition squeezed margins further and our considerable share of automotive sales of more than 40 % constitutes a market risk. Changing consumer preferences have accelerated the rise of new competition versus established European players, shifting manufacturing and steel demand away from Europe.	Market and competition risks are, among other strategies, addressed through our internal market monitoring and research initiatives, technical advancements focused on product differentiation, and by diversifying our customer base across various industries.	Short, medium, long-term 	Europe	Critical 
Transition (T2)	Policy and legal	We regard the risk of failing to further decarbonize as our most material climate change transition risk. This risk can have wide implications from losing customers or access to financing, to not being able to attract young talent. In our assessment we concluded that increasing costs of carbon credits due to the reduction and phase-out of free allowances are the most significant impact of this risk. This could lead to additional costs for Swiss Steel Group in millions of EUR.	Implementation of decarbonization roadmap.	Medium, long-term 	Europe, Canada	Cautious-Critical 
Transition (T3)	Policy and Legal Technology	The shift from traditional integrated steelmaking to less emissions-intensive methods such as DRI-EAF attracts high public interest and substantial funding. While some of these technologies might not be economically viable, they are fostering increased competition within the low-emission steel market.	Systematic identification of public funding programs for the implementation of our decarbonization roadmap. Leveraging our expertise in recycling, electric arc furnace technology and the use of renewable energy.	Medium, long-term 	Europe	Cautious-Critical 
Transition (T4)	Market	As the demand for green energy rises, the growing need for electrical power, coupled with supply fluctuations from renewable sources, can lead to daily price spikes, higher grid costs, and unconventional production methods.	Atypical grid usage. Ongoing dialog with policy representatives and similar stakeholders.	Short, medium, long-term 	Europe	Cautious-Critical 
Physical (P1)	Acute weather events	The main acute physical risks include increased severity of extreme weather events such as single flood events or dynamic water levels. Most of our steel mills are located near rivers. In an extreme weather situation, plant areas could be flooded and underground spaces could be filled with water and mud. Production could be interrupted for several weeks and major transport problems could arise due to bridge damage.	Physical risk assessment integrated into ERM and mitigation planning protocol.	Short, medium, long-term 	Globally	Cautious 

Opportunities

Global trends like urbanization and climate change demand sustainable and circular approaches. Steel is crucial for the green transition. Swiss Steel Group helps customers lower emissions across their value chains, contributing to industry decarbonization. Collaborating with suppliers, we aim to secure a reliable, high-quality, low-carbon supply of essential raw materials.

We foresee significant opportunities in the steel market driven by global decarbonization targets and initiatives like the EU Green Deal. The steel industry will support energy infrastructure development, with power generation from renewable sources increasing steel demand. The automotive sector's focus on emissions reduction will also boost demand for high-strength steel.

Our commitment to the Science-Based Targets initiative (SBTi) highlights our leadership in Green Steel, aiming to be the preferred choice for low-emission steel. Evolving green steel standards like transparency regulations and the label system LESS in Germany will further enhance this opportunity. With our EAF-based operations and Green Steel product lines, all our business activities are well positioned to capitalize on emerging market opportunities. To meet future transparency requirements, we are currently implementing a company-wide Product Carbon Footprint calculation tool.

Our goal is to leverage our technological expertise to create high-quality, special long steel products tailored to customer needs. Research and development, combined with cross-border technical collaboration, are key to our diverse product portfolio, quality leadership, and strong customer relationships. Projects like HYDREAMS (see section "Renewable gases" for further details) aim to give us a technological edge in low-emission steelmaking.

Scenario analysis

Resilience analysis is conducted as part of the periodic strategy and ERM process. By critically evaluating our business model and strengthening our resilience, we can better overcome obstacles and ensure more robust and sustainable operations. Key aspects include assessing risks and opportunities as well as evaluating the likelihood and impacts of disruptions in different future scenarios. While our resilience analysis primarily focuses on the period from 2025 to 2029, we also consider long-term horizons. It includes the major Production Assets and the availability and cost of supplies, consumables, and market conditions, considering parts of the upstream and downstream value chain.

We have evaluated the resilience of our business model and strategy under different climate scenarios. Leveraging the latest insights from the Intergovernmental Panel on Climate Change (IPCC), we assessed two scenarios from the Sixth Assessment Report's Shared Socioeconomic Pathways (SSPs), which project greenhouse gas trends and socioeconomic development paired with representative GHG concentration pathways (RCPs). The main uncertainties are related to future energy and raw material prices, geopolitical developments, and market trends.

Physical climate risks are calculated by combining robust science-based data used for the IPCC last Assessment Report (AR6) with hazard layers, e.g. flood and storm surge zones. The results are included into the ERM cycle at 12 major production sites. Where required, measures are defined to address the most significant physical climate risks of the SSP5-8.5 scenario for different projection years.

In addition to the continued identification and assessment of physical climate risks, a top-down assessment with a special focus on climate-related transition risks was conducted with each division in 2024.

Swiss Steel Group is well positioned for both scenarios, with greater opportunities anticipated in the first scenario. We do not foresee any necessary changes to our business model.

SSP 1-2.6: "Taking the Green Road"

This optimal scenario envisions a sustainable world marked by inclusive development, enhanced global commons management, and substantial investments in education and health. Economic growth focuses on well-being, leading to lower resource and energy use. It aligns with the Paris Agreement's aim to limit global warming to 1.5° C above pre-industrial levels.

Swiss Steel Group stands to benefit from increased demand for low-emission steel, a growing circular economy, high availability of low carbon energy and reduced risk of physical damage to assets from climate hazards. However, key risks include significantly higher CO_2 prices, potentially exceeding EUR 200 / t by 2035, and substantial subsidies for integrated steelmakers.

SSP 5-8.5: "Taking the Highway"

This scenario entails rapid development driven by fossil fuels, resulting in energy-intensive lifestyles and minimal climate mitigation efforts. This could lead to global warming exceeding 4° C by 2100, presenting significant adaptation challenges. However, well-funded technological solutions may help some regions manage these impacts.

Under these conditions Swiss Steel Group's key risks include high exposure to physical climate hazards (see section "Physical climate risks"), limited demand for low-emission steel, and intense competition from integrated steelmakers who benefit from potentially lower fossil energy, CO_2, and primary raw material costs. Opportunities are primarily found in reduced capital expenditure (CapEx) needs for the green transition and potentially higher steel demand due to fewer transitional disruptions.

Physical climate risks

Our physical climate risk scenario analysis uses a reinsurance company's simulation tool, which is a key component of our resilience analysis. The most relevant climate hazards for our operations are considered. The results of the SSP 5-8.5 scenario for different projection years are shown in table "Scenario analysis for physical climate risks". The scenario analysis for physical climate risks confirmed that our most material physical climate risk, both presently and in future scenarios, are floods of various categories.

It is commonly known that for every 1° C increase in temperature, the atmosphere can hold up to 7 % more moisture, potentially compounding the risk of extraordinary weather events. The highest risks have been identified for Emmenbrücke in Switzerland, Hagen and Siegen in Germany, and Sorel in Canada. In Ugine, France, there is the additional risk of debris from landslides in the Gorges de l'Arly entering the river.

The Group has been heavily impacted by floods twice in the last 20 years, in 2005 in Emmenbrücke, and in 2021 in Hagen. Actions have been taken to prevent the recurrence of these events. Thanks to measures taken by the company (e.g. pump stations, flood barriers, elevation of critical equipment) and the local authorities (riverbank extension and reinforcement), Emmenbrücke has become a model example for flood prevention.

Scenario analysis for physical risks (1 / 2)

	2025	2030	2050	Explanation
Cold stress – Absolute change in number of freezing days (temperature < 0)				Only one of our sites, Ugine France, is presently in high risk of cold stress. This is expected to change by 2030 and 2050, with all our sites falling in the moderate risk exposure category.
Daily wind extreme – Probability of exceeding a daily mean value of 12 m / s				The risk of daily wind extremes is low for all sites.
Drought – Precipitation well below average further combined with heat waves during that season				Until 2030, 25 % of our sites are at high risk of drought and 75 % are considered low risk of drought. By 2050 25 % will be at high risk of drought, 16 % at moderate, and the remainder at low risk.
Extreme precipitation – Change in extreme of daily precipitation				In 2025 75 % of our sites are at high risk of extreme precipitation and 25 % are at moderate risk. By 2030 there is no change but by 2050 we expect 8 % of our sites to be at extreme risk, 42 % at high risk, with only 25 % at low risk of extreme precipitation. The Sites Emmenbrücke, Switzerland and Ugine, France are both at high risk throughout.
Fluvial flood – Change in mean and extreme precipitation coupled with pluvial flood zones				Currently and until 2050, 75 % sites are at high risk of fluvial flooding, these include Hagen and Siegen in Germany and Sorel in Canada, while one site is moderately at risk and the remainder are low. By 2050, these are expected to shift so that one site has extreme risk of fluvial flooding, 75 % are at high risk, while the remainder are low risk.
Heat stress – Change in atmospheric water capacity coupled with change in extreme temperature and increases in number of dry days				None of our sites are at risk of heat stress, something that remains constant until 2050.

Extreme | High | Moderate | Low

Scenario analysis for physical risks (2/2)

	2025	2030	2050	Explanation
Heat wave – Absolute change in heat wave duration coupled with the absolute change in heat wave frequency				From now until 2030 32 % of our sites are at high risk of heatwaves, and 50 % are at moderate risk. The remaining two sites are considered low risk. By 2050 Milan in Italy will be at extreme risk of heatwaves. By then 42 % will be at high risk and 42 % will be at moderate risk, with one site at low risk.
Pluvial flood – Change in extreme daily precipitation coupled with pluvial flood zones				Currently, Emmenbrücke in Switzerland and Hagen in Germany are at high risk of pluvial fooding. 42 % of our sites are at high, one site is moderately at risk and 50 % are at low risk. We expect the same situation for 2030 and 2050.
Storm surge – (Sea Level Rise) Median change in sea level height coupled with storm surge zones				With no coastal sites, our sites are all classed as having low risk from storm surges, from 2025 til 2050.
Summer precipitation – (Apr.-Oct.) Absolute change in April to October precipitation				We do not expect any changes in our sites until 2050, whereby 42 % are high risk, 50 % are moderate risk and 8 % scored low throughout.
Winter precipitation – (Nov.-Mar.) Absolute change in November to March precipitation				Half our sites are at moderate risk of winter precipitation events, while the other half are at high risk throughout.

Extreme High Moderate Low

Impact, Risk and Opportunity Management

Risk management

Swiss Steel Group's Enterprise Risk Management (ERM) aims to support the company's strategic objectives while ensuring business continuity and operational stability. The primary goal of ERM according to Swiss Steel Group's risk management policy is to proactively identify risks early on and implement effective mitigation strategies. It involves a comprehensive process of identifying, assessing, responding to, monitoring, and reporting all significant risks. This applies also to the climate-related risks that are integrated into the ERM to ensure proactive management. A Group-wide risk database serves as the foundation for all ERM activities, providing a unified platform for managing and tracking risks across the organization. This integrated approach helps safeguard the Group's resilience and long-term success. The ERM covers all Swiss Steel Group's operations with a bottom-up and a top-down approach, while the risk landscape is updated continuously and reported to and approved by the Board of Directors annually.

Starting in 2023, results from the physical climate risk scenario analysis were also made

Enterprise Risk Management (ERM)

available to the Production Assets for risk mitigation and ERM integration.

Impact management

Climate-related impacts are identified and assessed as part of our double materiality assessment.
In this process, we determine how our organizational activities and value chain impact the environment, and in particular climate change. Employees and management are involved to gain as much insight as possible into environmental dependencies and impacts. The perspective of external stakeholders is also taken into account to avoid bias. Impacts are then assessed for scale, scope and remendability.

Measuring and quantifying the environmental impacts of the organization's activities, using metrics such as the carbon footprint, energy and raw material use and waste generation, provides a basis for monitoring and continuous improvement through the development and implementation of mitigation strategies. Climate change mitigation plans are consolidated and prioritized in our decarbonization roadmap. We continuously monitor the success of mitigation actions and our progress against our decarbonization targets as part of our annual externally verified GHG data collection. We report our environmental performance to stakeholders through sustainability reports, the Carbon Disclosure Project (CDP) and compliance documents. We regularly review our environmental management practices and performance, and benchmark them against industry standards, best practice and regulatory requirements. Going forward, we will regularly review and update the climate-related impacts identified and assessed in our double materiality analysis, taking into account our performance and decarbonization progress.

Opportunity management

Swiss Steel Group's opportunity management involves systematically identifying, assessing, and capitalizing on opportunities that can enhance business performance. These opportunities may take the form of product innovations, process improvements, market prospects, strategic partnerships, investments, or other avenues for growth. The process focuses on evaluating opportunities for their potential impact or value, prioritizing them accordingly, and strategically pursuing those that align with organizational goals. The ultimate objective is to maximize value creation by turning promising opportunities into tangible business outcomes and to increase our resilience.

Policies related to climate change mitigation and adaptation

1. Climate change mitigation
Swiss Steel Group addresses environmental management and climate change mitigation through its Code of Conduct and its Group-wide and local environmental policies. The Group's new environmental policy was approved by the Executive Board in 2024. A summary is available on our website (policy statement). This policy sets out responsibilities, processes, and accountability measures

that guide our operations and risk management. We plan to roll out an additional Group-level environmental training program in 2025 to strengthen awareness and competencies across the organization.

Requirements for our business partners are set out in the Supplier Code of Conduct that was approved by the Audit Committee in 2023. It is available on our website.

Click for Supplier Code of Conduct

The Group's environmental policy addresses our material environmental topics including but not limited to:

- **Greenhouse gas (GHG) emissions**
  At each production site within the scope of an emissions trading system, the responsibilities for emissions tracking and ETS-reporting are clearly defined. Swiss Steel Group has near-term and longer-term decarbonization targets aligned with international standards. Our production relies on electric arc furnaces (EAFs) using steel scrap, reducing reliance on primary raw materials, and lowering overall GHG emissions.

- **Energy efficiency**
  We continually monitor energy consumption, identify inefficiencies, and implement corrective measures. All European steelmaking sites run ISO 50001 certified energy management systems that help us to record and analyze the consumption of our energy carriers and the resulting emissions. This information is used to define strategic and operational energy targets as well as to plan, implement and monitor power conservation measures.

- **Renewable energy**
  Increasing the share of renewable energy is a key part of our decarbonization strategy. Where feasible, we integrate resources such as hydropower and solar into our energy mix to reduce dependence on fossil fuels.

- **Circular economy and waste management**
  We promote the use of secondary materials, maximize steel scrap inputs, and follow responsible waste collection, recovery, or disposal processes.

- **Sustainable product development**
  Our product strategies aim to reduce alloy content, streamline downstream processes, and eliminate hazardous substances wherever possible.

2. Climate change adaptation

Climate-related risks are built into our Enterprise Risk Management (ERM) framework. Responsible teams receive periodic instructions on identifying and assessing adaptation risks, including extreme weather events. In addition, our management systems encompass the following areas to mitigate adaptation risks:

- **Health and safety policies, instructions, and training**
  Our health and safety policies address climate-related hazards such as heat waves and severe storms. We provide regular training and instructions on emergency procedures.

- **Emergency plans**
  Local emergency plans outline site-level protocols for addressing climate-related incidents, such as flooding, ensuring rapid response times and operational continuity.

- **Business continuity plans**
  We review product ranges and site capabilities to allow for production shifts if disruptions occur. This approach helps maintain operations and reduce downtime caused by climate-related interruptions.

Swiss Steel Group reviews and updates these policies and procedures regularly to reflect changes in regulations, stakeholder expectations, and evolving best practices. This approach supports the long-term resilience of our operations and value chain.

Actions and resources

Achieving our near-term targets 2030 (Scopes 1 and 2)

As part of our near-term SBTi targets, we have committed to reducing our GHG emissions covered by the iron and steel core boundary (Scopes 1, 2 and some Scope 3 emissions) by 23.7 % per ton of hot-formed steel by 2030 from base year 2021. We have also committed to reducing Scope 1 and 2 emissions outside the steel core boundary by 42 % over the same timeframe.The decarbonization measures included in our roadmap (near-term targets) can be assigned to five different clusters.

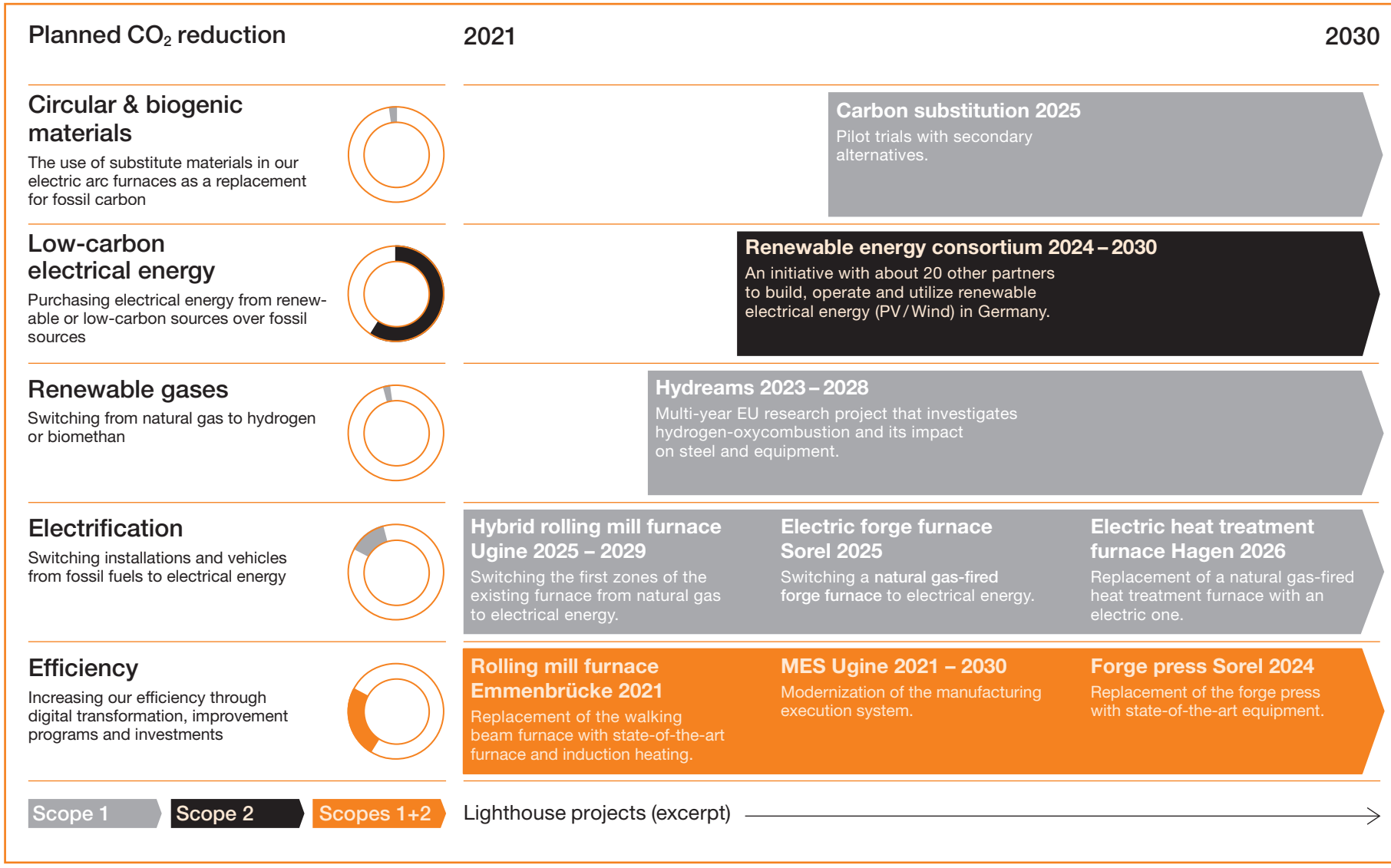
1) Green electrical energy – increasing our procurement of electrical energy from renewable sources

2) Efficiency and digital transformation

3) Electrification

4) Hydrogen and biogenic gas

5) Circular and biogenic materials



Green electrical energy

We expect the most significant contribution to come from green electrical energy followed by efficiency and digital transformation as well as the electrification of furnaces. Just recently we took the initiative and joined a renewable energy consortium, an initiative with nearly twenty other partners to build, operate and utilize renewable electricity (PV / Wind) in Germany. We expect the first contribution of this initiative in 2028.

Conversion of furnaces

The conversion of natural gas-fired furnaces to alternative fuels is another central pillar of our decarbonization roadmap. Our Group operates more than 150 natural gas-fired furnaces for rolling and forging processes as well as for heat treatment. Five of our eight rolling mills apply inductive heating which partly replaces natural gas. At the steel plant in Sorel, Canada, we already operate electric heat treatment furnaces. Going forward we want to leverage this expertise and convert more heating and heat treatment furnaces from natural gas to electric heating. In the near future this will include one forge furnace in Sorel (2025) as well as a heat treatment furnace at our plants in Germany (2026). Depending on the results of these projects, we will continue our journey towards electrification, while keeping the option of using renewable gases such as hydrogen or

biomethane for the future. The integration of hydrogen into our operations will heavily depend on further policy developments and its economic viability.

Execution of the roadmap
While we anticipate a capital expenditure (CapEx) of EUR 100 million to achieve our decarbonization targets for 2030, we are committed to minimizing this figure by identifying and assessing untapped potential. Therefore, we are currently exploring long-term partnerships with leading companies in energy generation, sourcing, and efficiency. This includes pursuing on-site energy generation, energy recovery, battery energy storage, and other cutting-edge methods to enhance our sustainability efforts.

A supportive evolution of the European policy, energy, and market landscape will be essential to realize our roadmap. However, a coherent approach that enables this without a global carbon price is still lacking.

Achieving our net-zero targets 2038 (Scopes 1 and 2)
Our current focus is on achieving our near-term decarbonization targets and laying the groundwork for net-zero operations. To reach this goal by 2038, we plan to significantly increase the number of furnaces converted from natural gas to electrical energy and/or renewable gas. Additionally, we will expand our efforts from heat treatment and forge furnaces to larger forge and rolling mill furnaces. For these larger furnaces, we anticipate that electrification alone will not suffice; hybrid technologies, including or exclusively using renewable gas, will be necessary. Our pilot rolling mill furnace project in Ugine will be pivotal in determining the right direction for the future.

Depending on policy developments, we are also considering the option of carbon capture and storage/utilization. The availability of competitively priced renewable energy will be crucial to achieving our net-zero targets. We continuously monitor advancements in technology, energy market, and policy to extend our roadmap beyond 2030. This includes exploring technological developments for neutralizing residual CO_2 emissions through permanent carbon removal from the atmosphere in a meaningful and economically feasible manner. Currently we do not purchase voluntary carbon credits, neither do we remove CO_2 from the atmosphere.

Emission reduction in our value chain
To better understand the full value chain emissions impact and identify carbon reduction opportunities, we regularly collect carbon data from our suppliers, prioritizing those with the highest emissions. This information enhances the accuracy of our Scope 3.1 CO_2 reporting and guides our purchasing decisions, favoring materials with a lower carbon footprint.

In addition, we replace carbon-intensive primary materials like ferroalloys and deoxidizers with secondary materials such as alloyed scrap or recycled aluminum where possible. This comes with technical and logistical challenges, particularly in scrap management. Some higher-alloyed steel grades can already be produced with minimal or no primary ferroalloys in Swiss Steel Group's plants.

The Ugi'Ring project, part of our circular economy strategy, aims to further increase the recycled content in our steel by integrating alloy recycling from waste (e.g., batteries, catalysts, sludge from pickling or else scale from process) and by-products.

Increasing the share of renewable energy and enhancing energy efficiency (e.g, switching to more efficient electrical furnaces) will lower Scope 3.3 emissions. To reduce Scope 3.5 emissions, we will optimize processes and minimize slag production.

For Scope 3.10 emissions, we closely observe initiatives like Catena-X to improve supply chain data exchange and are intensifying our marketing of green products to attract customers with high decarbonization ambitions. We expect an increase in the availability and use of renewable energy carriers in the countries where our main customers are located, reducing their GHG emissions. Additionally, we will improve our product lines to help customers simplify steel processing and avoid additional heat treatments.

Finally, to reduce Scope 3.12 emissions, we expect improvements in scrap handling and management, along with an increase in green electricity and low-carbon fuel used by our scrap suppliers.

Developments in 2024

In line with our roadmap, the actions initiated and implemented in 2024 focused on enhancing efficiency, accelerating electrification, and integrating renewable gases. In total, we invested approximately EUR 13 million (CapEx) in projects that contribute to our decarbonization roadmap.

Efficiency

With the new 60 MN press in our forge shop in Sorel, Canada, we successfully realized a strategic investment in September 2024. In addition to providing significant increases in productivity, quality and yield, the investment also improves equipment reliability in both the short and long term. The elimination of unnecessary reheats in the forging operation will reduce annual natural gas consumption by approx. 4 GWh or 750 t of CO_2 emissions. Furthermore, with greater force enabling improved core deformation, we achieve the required microstructure through forging rather than relying on additional heat treatment. We estimate that this will achieve further energy savings of approx. 7 GWh or 1,300 t of CO_2 emissions. Scale and oil lost in the process, which must be disposed of and treated according to environmental regulations, will also be reduced.

With our new capability, Finkl Sorel can now deliver finished blocks weighing up to 27 t to the market, utilizing the low-footprint electricity sourced from HydroQuebec, which is generated from the St. Laurent River.

This major investment represents a key strategic asset in our decarbonization roadmap, executed precisely on schedule.

Another example of efficiency improvement can be seen at our Chicago site. In summer 2025, a new oxytorching lance will be implemented to cut scrap material from forged blocks while they are still hot, thereby saving on heat treatment and machining of discarded parts.

In Siegen, we will install a new sawing facility to minimize unnecessary material scrapping. This facility will allow us to selectively remove defects from faulty bars. Additionally, ancillary processes like chamfering and cutting will be performed offline, boosting the productivity of the bright bar lines. The new facility is expected to be operational by Q4 2025, with anticipated savings of approximately 5,500 tons of CO_2. The project is publicly funded by the Federal Fund for Energy and Resource Efficiency in the Economy (Bundesförderung für Energie- und Ressourceneffizienz in der Wirtschaft).

To reduce natural gas consumption and CO_2 emissions, we have prepared the rotary hearth furnace in Witten, Germany, to accommodate the addition of oxygen to the combustion air. We aim to ramp up in 2025 and foresee savings of more than 3,000 MWh of natural gas per year (more than 500 t of CO_2).

At our site in Switzerland, we are currently implementing a product carbon footprint calculation tool that tracks all energy and material consumptions and calculates the carbon footprint of each production order in near real-time. We expect to go live in Q1 2025. The increased transparency achieved through this project helps us to identify key areas for CO_2 mitigation and energy savings. It also facilitates data quality checks and emissions monitoring for the ETS. We plan to roll out this tool to other Production Assets after the successful pilot implementation.

Electrification

The first electrification of a traditional gas-fired forge furnace project has been approved. This furnace will reheat ingots weighing up to 39 t with the lowest carbon footprint in the world before they are forged on the new press. Ignition is expected by the end of Q1 2025. The complete set of new forge press facilities at Sorel, along with fully electric reheating and heat treatment, represents a groundbreaking achievement, boasting the lowest carbon footprint worldwide. As the first electric forge furnace in our Group, it will pave the way for further electrification of larger furnaces and result in CO_2 savings of approximately 3,000 tons per year.

While Sorel sets the standard for electric forge furnaces, Ugine will serve as the benchmark for the hybridization of rolling mill furnaces. To enhance the power grid at the Ugitech site and our neighboring FRAMATOME, a new step-down transformer has been approved. This co-investment, also supported by ADEME (the French agency for ecological transition), will drive the implementation of several strategic and decarbonization initiatives. These include the partial electrification of the billet walking beam reheating furnace for the rolling mill, scheduled for 2027. In 2025, part of the first furnace zone will be equipped with electric resistance heating to test the design before the implementation on a larger scale. Additionally, we are currently increasing the use of oxygen-enriched combustion air in the rolling mill furnace (see section on renewable gases below).

Following the electrification of handling equipment and forklifts at the Hagen site in 2023, we introduced a new electric manipulator for the electric arc furnace in Witten in the summer of

2024. This demonstrates that electrifying traditional diesel equipment is feasible even under challenging conditions.

Renewable gases
As part of our multi-year EU research project HYDREAMS, we are investigating and evaluating options for replacing natural gas and air burners in furnaces with other gases such as hydrogen and oxygen-enriched air. To address future technical challenges, we are investigating potential impacts on equipment and product quality.

We successfully advanced the project in 2024, with promising initial results from the lab trials. As the next step toward industrial-scale application, we will continue adding oxygen to the combustion air in selected zones of Ugine's rolling mill furnace in France in 2025. In Krefeld, Germany, hydrogen tanks have been installed, and we plan to commission the gas mixing station at our pilot forge furnace in Q1 2025 to launch the first hydrogen trials. The initial reference trial with natural gas is currently being evaluated by the Betriebsforschungsinstitut (BFI) in Düsseldorf. In addition, in Ugine, a pilot hydrogen electrolyzer will be built and operated.

The "Hydrogen Laboratory" project in Ugine, launched in 2020, is part of one of the 2025 strategic priorities – "Innovating for our customers". Green hydrogen is crucial for global decarbonization. We aim to lead by developing top steel grades for hydrogen applications, which requires understanding hydrogen's impact on our products. Since 2022, hydrogen charging tests have been carried out internally and the measurement of total hydrogen has been done externally. In 2023, the Hydrogen Laboratory was equipped with a new analyzer, which allows us to determine the total amount of hydrogen in samples, as well as to distinguish trapped hydrogen from diffusible hydrogen – and to do so completely autonomously. In 2024, we received the permit from the authorities to take the next steps with the introduction of H_2 to the lab.

To bring the topic of hydrogen closer to our employees and build their understanding, we organized "Hydrogen Tech Days" in Ugine, France. During the event, we explored the future of hydrogen technology, discussed innovative approaches to decarbonizing industries, and shared exciting insights into stainless steel solutions for hydrogen technologies.

In the value chain
DHI Rohstoffmanagement GmbH and Horn & Co. Group have significantly upgraded and expanded the chip storage facility at the Siegen site. Completed in November 2024, the storage area has grown by one-third to over 2,000 m², enabling compliant storage and handling of chips. This new facility enhances the clean separation, sorting, and processing of high- and low-alloy chips, reinforcing our Green Steel philosophy and closed-loop steel scrap cycles. Also in 2024, we established over ten new customer partnerships to close material loops and promote a circular economy.

The Ugi'Ring project, which is part of our circular economy strategy, will enable us to further increase the recycled content in our steel through the vertical integration of alloy recycling from waste (e.g. batteries, catalysts) and by-products into our steel production. In 2024, preparatory work for the new processes has started at the receiving site in France and we are currently exploring various implementation options for this project.

Metrics and targets

Specific performance indicators such as energy consumption per ton of steel generally depend on the steel grade and the raw materials used, as well as the depth of processing. External factors also play an important role. Volatility on the steel markets influences our product portfolio as well as our capacity utilization. 2024 was characterized by low capacity utilization, resulting in lower energy efficiency due to smaller production orders and longer changeover and ramp-up times. To address these issues and achieve our short- and long-term sustainability goals, we have successfully implemented a number of improvements. For details regarding our reporting principles, please refer to the annex.

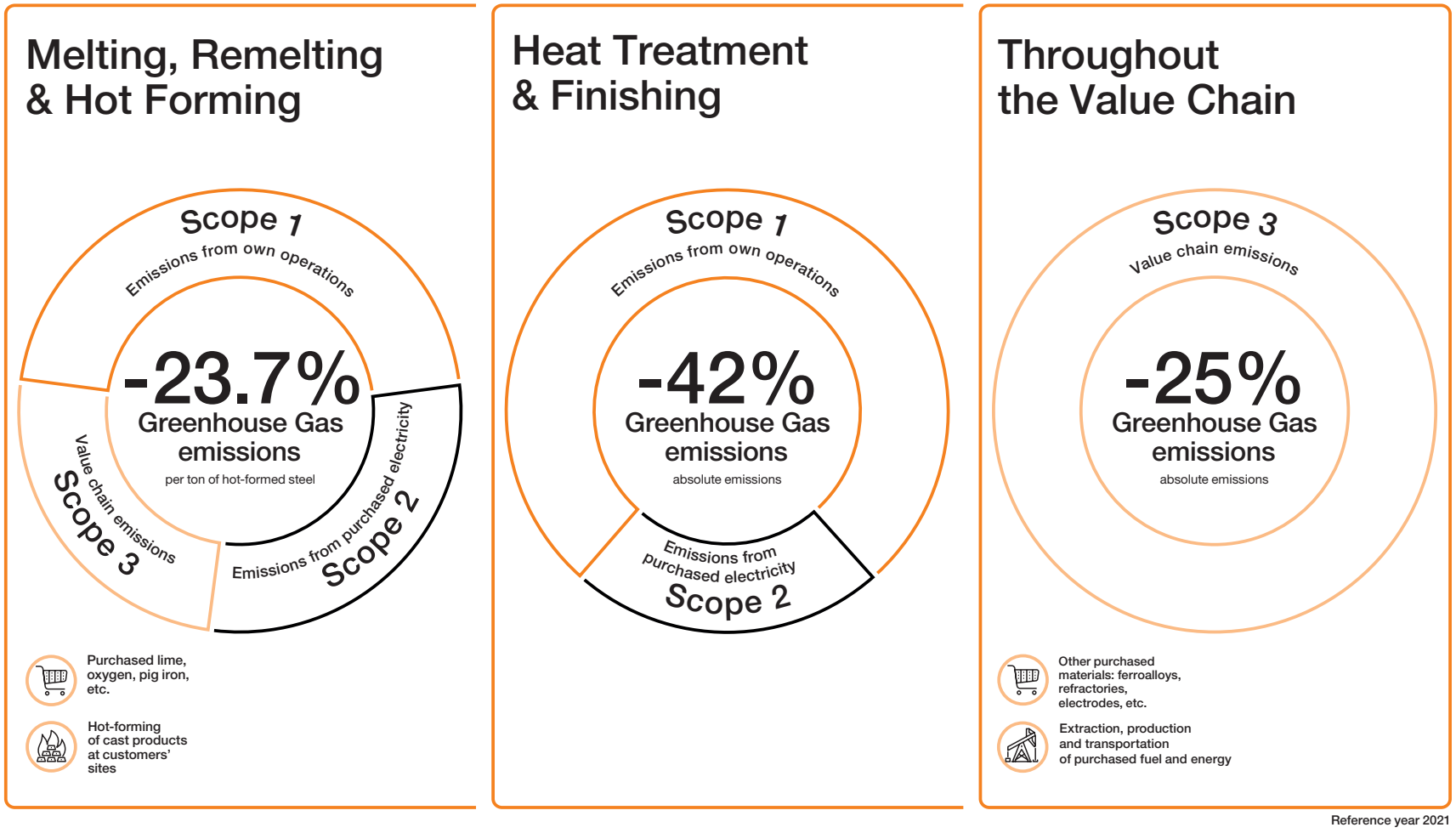
Targets

In May 2022, Swiss Steel Group committed to setting company-wide GHG emission reduction targets aligned with climate science and sectoral targets through the Science Based Targets initiative (SBTi). Sectoral targets allocate a GHG emissions budget to an industry, ensuring each sector contributes to global climate goals. For the iron and steel industry, these targets follow the SBTi 1.5° C framework, based on the International Energy Agency's Net Zero Emissions scenario. This approach ensures adherence to the principles of plausibility, responsibility, objectivity, and consistency.

By 2030, Swiss Steel Group targets a 23.7 % reduction in emissions per ton of hot-formed steel compared to a 2021 baseline, while Switzerland's target is set for a 65 % reduction in GHG emissions from 1990 levels by 2035. The Group's sector-specific decarbonization pathway aligns with Switzerland's broader climate strategy, with the Group aiming for net zero by 2038 and the nation targeting net zero by 2050. These efforts demonstrate concrete steps toward decarbonization, with the Group's industry-aligned measures contributing to the shared goal of limiting global warming to 1.5° C.

2030 Near-term decarbonization targets

Validated by SBTi



Reference year 2021

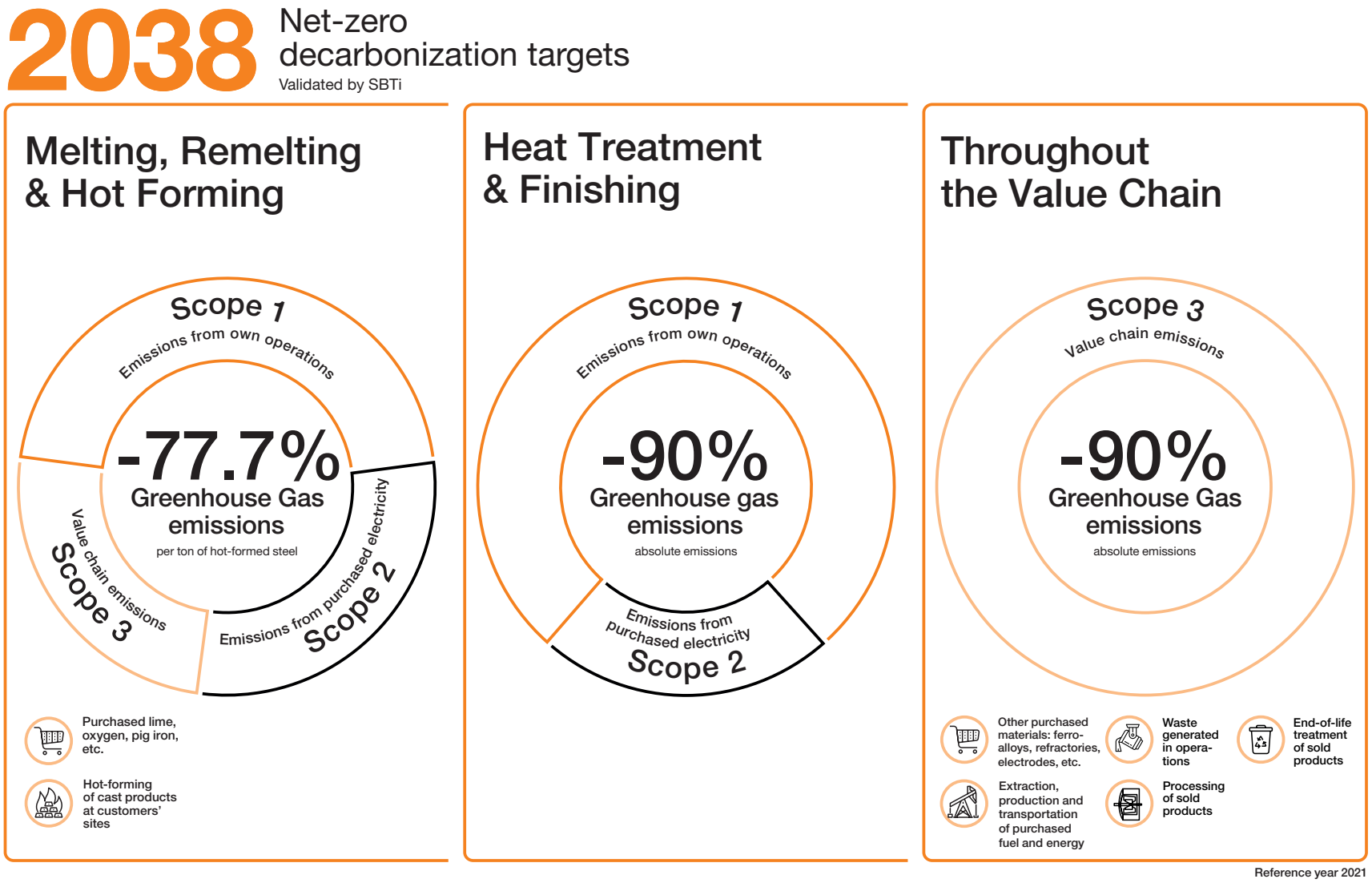
Sectoral approach and emissions reduction targets

The sectoral or convergence approach ensures all steel companies align their emissions intensity levels over time. A key factor is the scrap ratio, which affects emissions intensity. Our base year scrap ratio is 97 %, with no significant changes expected. Our sectoral target assumes a fixed market share and uses SBTi's sectoral activity growth projections to account for industry trends and to allow for economic growth while tracking reductions.

For emissions within the iron and steel core boundary – melting, remelting, and hot-forming – we commit to reducing GHG emissions (Scopes 1, 2, and some Scope 3) by 23.7 % per ton of hot-formed steel by 2030 and by 77.7 % by 2038.

For processes outside the core boundary, such as finishing and heat treatment, we commit to reducing Scope 1 and 2 emissions by 42 % by 2030 and 90 % by 2038. As one of the first steel producers to publish targets under this guidance, we are committed to advancing the decarbonization of our industry.

These targets were slightly altered from previous years due to the derecognition of Ascometal.



Scope 3 emissions reduction and target validation

In addition, we will reduce our emissions in Scope 3.1 purchased goods and services and 3.3 fuel- and energy-related activities outside the iron and steel core boundary by 25 % by 2030. This near-term target covers more than 67 % of our total Scope 3 categories. We also commit to an absolute reduction of 90 % for Scope 3 emissions outside the core boundary by 2038 – including Scope 3.1 purchased goods and services, 3.3 fuel- and energy-related activities, 3.5 waste generated in operations, 3.10 further processing of sold products, and 3.12 end-of-life treatment of sold products. These Scope 3 categories cover more than 90 % of our total Scope 3 emissions. Our GHG reduction targets exclude GHG removals, carbon credits, or avoided emissions.

Consistency between target and inventory boundaries is ensured by aligning organizational and operational scopes. Third-party assurance and validation, regular reviews, and adherence to the Greenhouse Gas Protocol maintain transparency and credibility, ensuring targets and inventories are directly comparable and aligned with our decarbonization strategy.

SBTi target progress

	Unit	2021	2024	Target 2030	Target 2038
Melting, remelting & hot-forming	tCO_2e per ton hot-formed steel	0.496	0.474	0.379	0.111
Heat treatment & finishing activities	tCO_2e	179,805	148,125	104,287	17,981
Throughout the value chain 2030 boundary	tCO_2e	1,079,318	735,680	809,489	-
Throughout the value chain 2038 boundary	tCO_2e	1,445,496	996,000	-	144,550
Scrap ratio	%	97	97	-	-

Energy

The production of steel inherently requires large amounts of energy. Our main energy sources are electrical energy (about 40 %) and natural gas (about 60 %). Electrical energy is mainly consumed by our electric arc furnaces, whereas natural gas is primarily used for the generation of process heat in our rolling mill and our forging and heat treatment furnaces. Wherever possible, we use the heat contained in waste gas in heat exchangers such as regenerators. We also use waste heat to reduce our own natural gas consumption and CO_2 emissions for heating. The rolling mill in Emmenbrücke, Switzerland, and the heat treatment shop in Ugine, France, also feed part of their waste heat into district heating networks. Diesel and other fuels are mainly used by vehicles for material transport such as forklifts, trucks, locomotives, and slag transporters.

In 2024, the Emmenbrücke rolling mill supplied more than 17 GWh of industrial waste heat (equivalent to the demand of approx. 1700* households) to the district heating system of the city of Lucerne. In Ugine, approximately

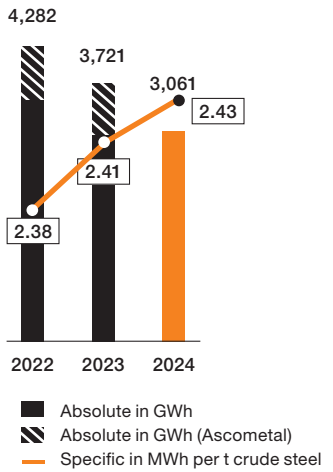
Energy consumption

in GWh

	2022	2023	2024*
Electricity consumption total	1,811	1,596	1,270
- thereof renewable	920	532	584
- thereof nuclear	519	690	463
- thereof fossil	372	374	223
Natural gas	2,451	2,107	1,775
Other (e.g. diesel, fuel oil)	20	18	17
Total energy consumption	**4,282**	**3,721**	**3,061**

* only continued operations (excl. Ascometal)

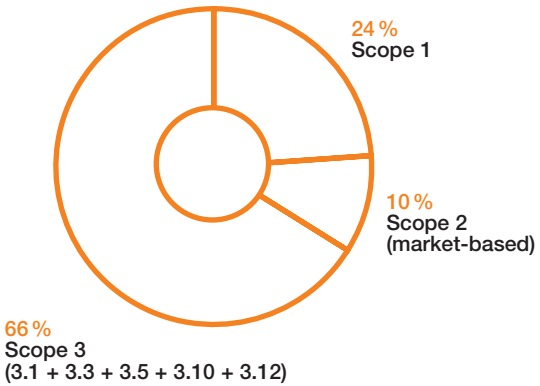
Energy consumption



2.8 GWh of waste heat from heat treatment furnaces were fed into the district heating network. This allows the town to primarily use biomass and our excess heat instead of natural gas.

* Estimated consumption of 10 MWh per household, based on "Der Energieverbrauch der Privaten Haushalte 2000 – 2022", Swiss Federal Office of Energy, November 2023.

CO_2 emissions
by Scope



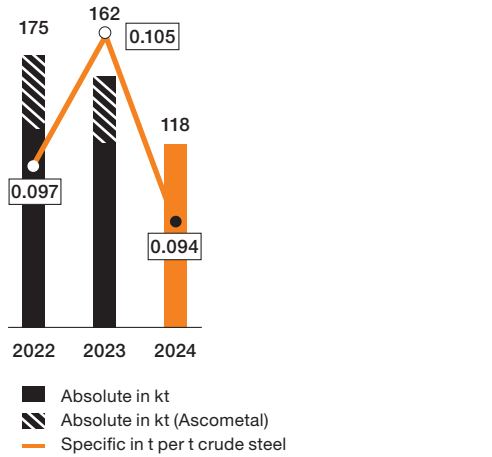
Scope 1

Swiss Steel Group's Scope 1 emissions mainly originate from the combustion of natural gas, the carbon content in raw materials and consumables, and the fuel consumption of internal logistics.

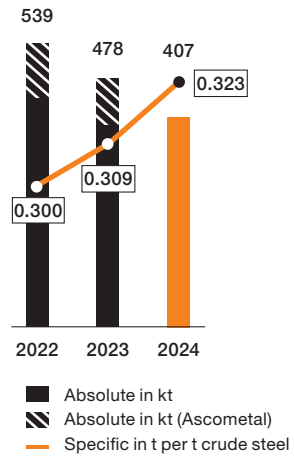
Scrap, ferroalloys and other input materials contain carbon that needs to be removed from the steel to reach the specified chemical composition. This is ensured by the injection of oxygen into the electric arc furnace (EAF), the argon oxygen decarburization (AOD) converter and the vacuum oxygen decarburization (VOD) plant.

Further Scope 1 CO_2 emissions in the melt shops result from the combustion of natural gas by burners in the EAF, for preheating refractories as well as for providing steam for vacuum degassing, the injection of coal for slag foaming (essential for ensuring energy efficiency and protection of refractories) and the burnup of graphite electrodes. For the subsequent hot-forming processes, the cast steel needs to be re-heated to temperatures >1,100° C in our natural gas-fired rolling mill and forge furnaces. To adjust the mechanical and technological properties of our products as required by the customer, additional heat treatment operations are often indispensable.

Scope 1 CO_2 emissions
melt shops



Scope 1 CO_2 emissions
total

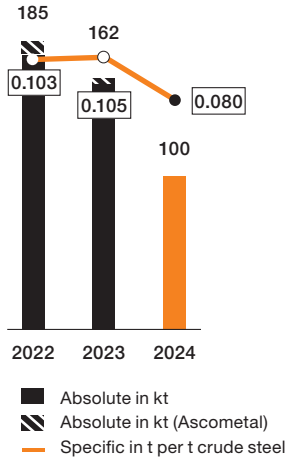


Scope 2

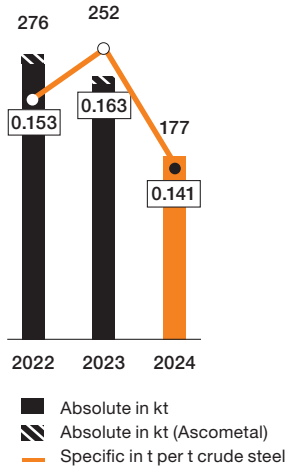
Our Scope 2 emissions almost exclusively originate from purchased power, which is mainly consumed by our electric arc furnaces and to a lesser extent by ladle furnaces, rolling and processing equipment, as well as shop infrastructure like lighting and electric motors of pumps or fans.

The reduction of Scope 2 emissions goes hand-in-hand with energy efficiency and the availability of power generated from renewable sources or by nuclear power plants. Thus, our production plants in France, Canada and Switzerland have considerably lower Scope 2 emissions than those in the USA or Germany where the electricity mix is dominated by carbon-based energy sources.

Scope 2 CO_2 emissions
melt shops (market-based)



Scope 2 CO_2 emissions
total (market-based)

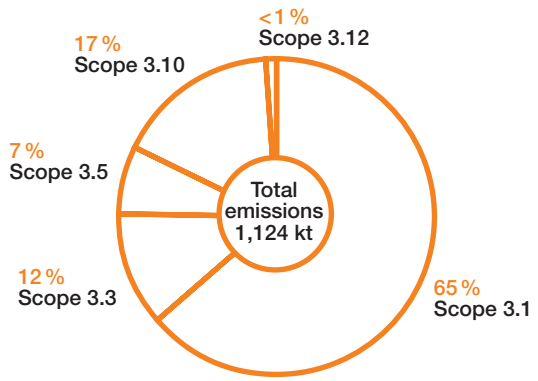


Scope 3

The main contributors to our upstream Scope 3 emissions are purchased materials (Scope 3.1), in particular ferroalloys, slag builders and deoxidizers. These are needed to adjust the chemical composition and material properties of the steel as specified by customers. Scope 3.3 emissions originate from the extraction, production and transportation of the purchased fuels and energy. Scope 3.5 covers disposed of waste and discharged water. Slag directed to landfill represents the majority of this category. Scope 3.10 includes emissions from the processing of our steel at the customers' sites and Scope 3.12 covers emissions from the preparation of steel products for recycling at the end of their lifecycle.

These categories represent more than 90 % of our total Scope 3 emissions according to our SBTi base year inventory (2021), for which all categories were either screened or calculated.

Scope 3 CO_2 emissions



Internal carbon pricing

Nearly all of our major production sites are covered by carbon pricing mechanisms (EU ETS, Switzerland ETS, Quebec Cap & Trade).

ETS price estimations for investment applications are derived from banks' forecasts and communicated to production sites by the responsible Corporate managers. Including these prices for ETS Scope 1 emissions in profitability calculations enhances our decision-making process and incentivizes the implementation of the decarbonization roadmap.

With the reduction of free allowances in the fourth period of European Emissions Trading, we expect the costs for CO_2 emissions to increase dramatically in the future. Current forecasts for year 2028 indicate a price of more than 100 EUR/t CO_2, and we expect a further price increase towards 200 EUR/t CO_2 in the next 10 years.

Anticipated financial effects from climate risks and opportunities

Swiss Steel Group defines its financial thresholds in the two dimensions net impact and likelihood.

The mean lifetime of our most critical assets, the electric arc furnaces, is deemed to be 20 years. The risk quantification is assessed considering the balance sheet of the company.

- Critical zone: net impact > EUR 10 million and likelihood >=50 %.
- Cautious zone: net impact > EUR 15 million and likelihood <50 %; or net impact in range > EUR 10 million & <=EUR 15 million, and likelihood in range 25 % to <50 %; or net impact in range > EUR 4 million & <=EUR 10 million, and likelihood in range 25 % to 100 %; or net impact <=EUR 4 million and likelihood >75 %.
- Concerned zone: net impact <=EUR 4 million and likelihood <75 %; or net impact <=EUR 15 million and likelihood <25 %.

Risks are identified and assessed against the strategy and the updated budget. To avoid double counting, the net risk shows the residual risks after budgeting for the following years. That means impacts that are integrated as part of the next year's budget (e.g. lower market expectations, provisions, etc.) are to be excluded from the calculation. For each risk the owner assesses the appropriate action (avoid, accept, mitigate, transfer, control). While it is not possible to completely eliminate all risks with early and cost-effective measures, we have comprehensive insurance coverage to protect against various potential damages or operational disruptions.

From 2025 to 2029, we anticipate a significant annual net-financial impact from material physical and transition climate risks ("critical zone").

While it remains challenging to quantify how many customers purchase our steel due to its lower emissions, we foresee an increasing number of customers choosing low-emission steel in the future, driven by their decarbonization targets, often set for 2030. Nevertheless, current weak market conditions mean that price remains the most critical factor in the short term.

With the implementation of Green Steel standards throughout value chains and progress in the energy transition, we anticipate that opportunities will surpass risks in the long term.

Environment

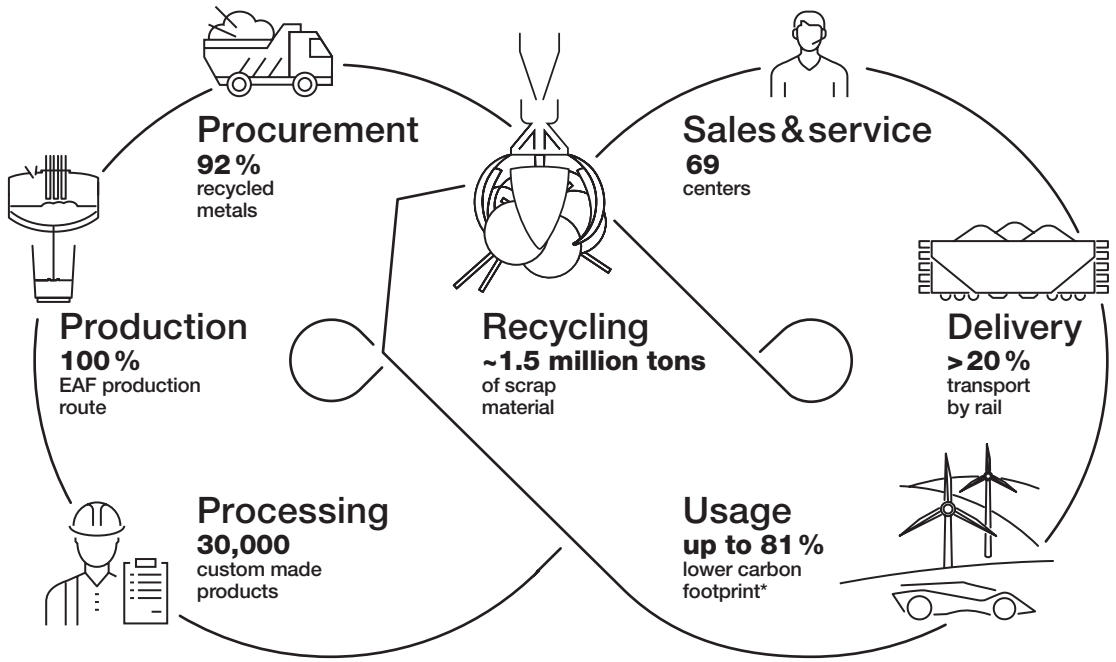
Our approach

As one of Europe's largest electric arc furnace steel manufacturers, Swiss Steel Group is committed to living up to its responsibility. Sustainable production and environmental protection are among our top priorities. This applies to our products as well as to our production processes.

One of the major advantages of steel products is that they are repeatedly fully recyclable at the end of their lifetime without impacting product quality. Swiss Steel Group's production is based on the recycling of steel scrap in electric arc furnaces, which makes us an integral part of the circular economy. Compared to the traditional primary steelmaking route with iron ore and coal, our production process not only preserves the world's natural resources; it also requires much less energy and results in less environmental impact overall. The careful and efficient use of resources is more than just an environmental commitment: it is a key prerequisite for competitiveness and success. We take pride in blending end-of-life scrap such as material from waste incineration, tire cord or steel cans with high-quality fabrication scrap.

Closing loops – from waste to value

Unlike many other recycled materials, steel can be recycled indefinitely without losing its inherent properties. Swiss Steel Group produces solely from steel scrap, making an important part of the circular economy. Taking sustainability seriously, we source our scrap as locally as possible, favor rail transport and pay close attention to precise scrap sorting. The better our steel scrap is sorted, the better we can use the alloying contents of each individual chip of scrap and the fewer primary alloys we need from mining.



* Industry average: 1.92 t CO_2 / t crude steel cast vs. Swiss Steel Group year 2023: 0.227 t CO_2 / t crude steel cast in Scopes 1+2 and Scope 3 ranging from 0.134 t CO_2 / t (engineering steel) to 1.466 t CO_2 / t (stainless steel); source: worldsteel Sustainability Indicators 2024

Circular economy in Swiss Steel Group's production

Whether in transportation, infrastructure, energy or mechanical engineering, steel has been one of the most important materials for centuries. Not least because steel is the only material that is 100 % recyclable, making it a prime example of a circular economy.

Our environmental commitments are implemented through our Code of Conduct, our environmental policies and the Production Assets' management systems, accounting for local circumstances. Swiss Steel Group's Production Assets in Europe run environmental and energy management systems which are certified according to the internationally recognized standards ISO 14001 and ISO 50001.

Management is responsible for the environmental management systems at all of Swiss Steel Group's production sites. It defines strategic and operational goals and priorities and coordinates the local dialog with stakeholders to ensure the interests of public institutions, associations, industry organizations and local neighborhoods are represented. The environmental management system has the overriding objective of developing production processes in a sustainable manner to increase our resource efficiency and reduce our impact on the environment.

Within the framework of our energy management systems, we measure and analyze our energy consumption and plan, implement and monitor energy-saving measures. Efficiency gains are achieved through innovation, investments in new technologies, continuous improvement, and the active involvement of our employees.

Our environmental data are prepared in accordance with our Group-wide reporting manuals.

Our performance

For details regarding our reporting principles, please refer to the annex.

Used materials

Our main input material is steel scrap. For each heat we use the scrap mix that represents the best possible compromise in terms of economic and technical aspects such as energy efficiency during processing, chemical composition and yield. The continuous optimization of the scrap mix is supported by software tools and algorithms in our melt shops. We use all scrap categories, specifically internal or home scrap (from our production processes), fabrication or prompt scrap (preconsumer scrap from external manufacturing processes) and end-of-life or obsolete scrap (from products that have reached their end of life). Even though most impurities and contaminations of steel scrap can be eliminated in the steelmaking process, there are some tramp elements (e.g. copper, tin) that cannot be removed. Since their influence on the steel properties can be detrimental, their content has to be limited through careful scrap separation; an aspect that becomes increasingly important in light of the increasing use of copper in electrified products and the higher demand for scrap triggered by the conversion from the BF-BOF route to the EAF route (which we already use exclusively). With dhi Rohstoffmanagement GmbH (a joint venture, consolidated in Swiss Steel Group), we operate our own competence center for scrap management.

The adjustment of the chemical composition as required by the customer makes the addition of alloying elements indispensable in most cases. Currently, we predominantly use primary alloying elements and deoxidizers. We reduce the addition of primary materials by using alloyed scrap and secondary alloying elements

Materials used
in kt

	2022	2023	2024*
Scrap	1,910	1,676	1,346
Pig iron (primary+secondary)	67	46	30
Alloys and deoxidizers	129	126	119
Coal, carbon, coke	20	18	12
Slag formers	121	106	90
Graphite electrodes	6	5	4
Purchased steel from third parties (semis and hot-rolled/forged)	102	22	17
Recycled metallic input in %	94	93	92

* only continued operations (excl. Ascometal)

and deoxidizers (e.g. recycled aluminum) where feasible. We have also set a target to increase the future recycled content of stainless steel grades (see “Our targets” for further details).

Carbon is used for slag-foaming (reducing energy consumption during EAF melting) and alloying. A small share of the hot-rolled steel that we process in our bright-bar plants is purchased from third parties.

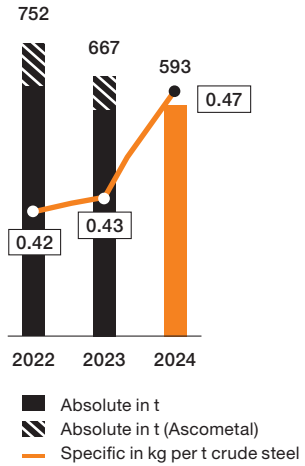
At our melt shops in Canada, France, Germany, Switzerland and the USA, the average recycled metallic input for production of our high-quality steel (i.e. the share of scrap, secondary pig iron, secondary alloys and deoxidizers in the metallic input materials) is around 92 %.

NOx and dust

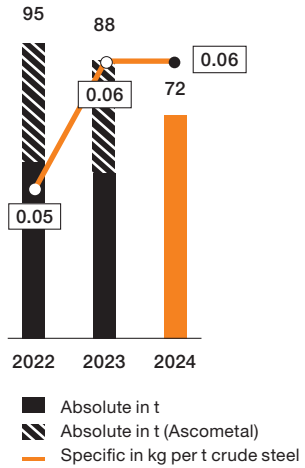
The most significant emissions from Swiss Steel Group’s production processes besides carbon dioxide (CO_2) are nitrogen oxides (NOx) and dust. Our production plants remain within or come in below all emission limits, which are mandated by law. Emission levels are measured through constant recording as well as regular evaluations.

Dust emissions in steelmaking are unavoidable. They mainly originate from melting steel scrap and other input materials in our electric

NO_x emissions



Melt shop dust emissions to air



arc furnaces. At each melt shop, off-gas systems and filters capture more than 99 % of the dust. Even though nitrogen oxides (NOx) are not considered a greenhouse gas, they can influence global warming and form acid rain. In secondary steelmaking, they are primarily generated as thermal NOx in natural gas-fired reheating and heat treatment furnaces. At temperatures > 1,000° C, the molecular nitrogen contained in the combustion air can be oxidized to NOx. The pickling of steel with nitric acid (HNO_3) used in our plants at Ugine and Hagen for wire preparation represents another source for nitrogen oxides.

NOx emissions have been steadily reduced over recent years through more efficient production processes and state-of-the-art furnace and burner technology. Swiss Steel Group is committed to the statutory rulings in place at each production plant, and we aim to achieve levels below the limit values whenever feasible. Improvement measures – like converting natural gas air burners to natural gas+oxygen burners, or the electrification of furnaces which have a positive impact on our NOx emissions – are described in the section “Climate”.

By-products and waste

Many residues and waste materials from the production and processing of steel can be recycled for internal purposes or used as secondary raw materials in other industries.

Slag is our largest by-product by volume. It is an integral part of steelmaking and essential for steel cleanliness and metallurgical reactions like desulfurization. Its composition depends on the metallurgical requirements and the process stage in which it is used. After the steelmaking process, the metallic content of the solidified slag can be recovered by magnetic separation. As an example, at DEW we recover up to approximately 20,000 tons of iron-rich fractions per year from the slag.

Where technically possible and where local legislation permits, our slag is used in the construction industry (e.g. road construction). Slag can also be partially reused in the production process, for example as a replacement for sand or gravel in slag pots. The remaining slag is typically disposed of in landfills.

Some of our used refractories from melting furnaces and ladles are returned to our supply partners to be recycled into new refractories such as bricks and gunning materials or slag builders. Smaller fractions are partially and

directly re-used in the production process as slag builders.

Dust from the melting process can be used in the zinc industry. In Ugine, dust from the EAF and AOD converter is collected and reused as briquettes in the EAF to recover valuable alloying elements. We plan to treat dust and other by-products in the Ugi'Ring plant to increase the future recovery ratio of alloys (see chart "Waste quantity").

Scale can be used in sinter plants and the cement industry, and separately captured materials such as used oil, plastic waste or paper are sent for recycling.

Building upon the numerous recovery operations and successful partnerships with suppliers, we regard the further reduction of waste requiring disposal as an important task for the future.

Waste quantity

in kt

	2022	2023	2024*
Hazardous waste recovered	34	29	21
- thereof steelmaking dust	19	19	14
Non-hazardous waste recovered	176	139	149
- thereof slag	97	70	88
- thereof scale	49	41	33
Total waste recovered	**210**	**168**	**169**
Hazardous waste directed to disposal	18	21	22
- thereof steelmaking dust	9	7	7
Non-hazardous waste directed to disposal	230	166	170
- thereof slag	207	152	162
- thereof scale	6	3	0
Total waste directed to disposal	**248**	**187**	**191**

* only continued operations (excl. Ascometal)

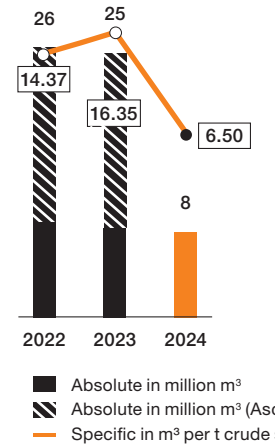
Water management

In steel production, water is mainly used for cooling equipment, for spray-cooling steel in our continuous casting machines, and for pickling. Depending on local circumstances, we use recirculating water systems to minimize water withdrawal and impacts on water bodies.

In these systems, cooling towers are used to remove the absorbed heat of the outlet cooling water by heat dissipation and evaporation before the water re-enters the circuit. This ensures a constant temperature of the inlet cooling water, which is essential for operational safety. Our cooling systems are continuously monitored, and water is cleaned directly at our plants if necessary (e.g. through skimming or removal of solid fractions). Scale is removed from open process cooling water and can be recycled, for example in the cement industry. We strictly adhere to local laws and monitor emissions to water, supervised by relevant authorities.

According to an assessment using the Aqueduct Water Risk Atlas, we only withdraw a small amount of water from water-stressed areas (baseline water stress). None of our major production plants are located in areas of extremely high water stress.

Water withdrawal



Water metrics

in million m³

Water withdrawal	2022	2023	2024*
Surface water	9.3	8.8	6.9
Groundwater	0.8	0.8	0.6
Seawater	15.0	15.0	0.0
Municipal water supply	0.8	0.7	0.6
Total water withdrawal	**25.8**	**25.2**	**8.2**

Water discharge	2022	2023	2024*
Discharge to surface water	7.6	7.6	6.1
Discharge to sea	15.5	15.3	0.0
Discharge to municipal waste water system	0.5	0.5	0.5
Other	0.0	0.0	0.0
Total water discharge	**23.6**	**23.4**	**6.7**

Freshwater withdrawal	2022	2023	2024*
Areas of low water stress	5.8	5.5	5.0
Areas of low-medium water stress	3.0	2.8	2.9
Areas of medium-high water stress	1.1	1.1	0.1
Areas of high water stress	0.8	0.7	0.1
Areas of extremely high water stress	-	-	-
Total freshwater withdrawal	**10.8**	**10.2**	**8.2**

* only continued operations (excl. Ascometal)

Our risks

Identified environmental risks are assessed regularly (at least annually) as to impact, probability and progress of mitigation actions. In the annual risk cycle, potentially new, previously non-assessed risks are also discussed and included in the risk portfolio if applicable. Besides the annual risk cycle, the assessment of new risks can also be triggered ad-hoc by unforeseen internal or external events. This report describes the most significant risks in terms of our impact on the environment (inside-out perspective).

Uncontrolled emissions in case of extraordinary events

We use various types of chemicals such as oil, grease and acid in our manufacturing processes. Acid is primarily used in our pickling lines in Hagen and Ugine to remove oxide layers from the steel surface. In the event of extraordinary events such as technical malfunctions, accidents, fire or natural disasters, it cannot be completely ruled out that these substances or residual materials containing such substances may be released into the water, air or soil. Safety of our employees and neighbors is a top priority both in the operation of our treatment plants and in the handling of hazardous substances. Due to our extensive safety procedures, the probability of an incident can be classified as low. However, should an unforeseen incident occur, our emergency response plans (which are regularly challenged and updated) will take immediate effect.

Emissions to soil

Slag is essential in steelmaking and the most important by-product in terms of volume. Its successful re-use in other industries such as cement production or road construction depends on local legislation as well as on the technical properties of the slag. As shown in our waste statistics, a large portion of our slag still needs to be disposed of in landfills. We aim to continuously reduce this amount by re-using the slag in our processes and adjusting our practice to fulfill requirements for slag use in other industries.

When slag is exposed to rain, the lixiviation of potentially harmful contents such as heavy metals (e.g. chromium) from the slag can pose a risk to the environment (soil, water). Through monitoring and additional measures such as rapid cooling of the slag, we ensure that lixiviation is limited. In Emmenbrücke, Switzerland, and Siegen, Germany, we operate our own landfills. Where required, we work together with professional authorized third parties that

support us in slag sale, monitoring, processing and depositing.

Lead emissions

Free-cutting steels typically contain sulfur and lead which are firmly bound in the steel. With their excellent machinability, these steel grades ensure highly efficient production processes across the value chain and thus play an essential role in the manufacturing of steel parts, primarily in the Automotive industry. We have built up a strong position as a European supplier of steels with improved machining properties (free-cutting steels with and without lead). In the development of our products, we take into account sustainability aspects (socio-economic considerations) and deliberately avoid the use of certain alloying elements.

In our melt shop in Emmenbrücke, Switzerland, we also produce lead-alloyed free-cutting steels. Lead is considered a substance of very high concern (SVHC) according to European REACH regulations. In line with the Restriction of Hazardous Substances Directive (RoHS), established material standards and our customers' specifications, we limit the lead content of our steel grades to max. 0.35 %. Furthermore, we use a unique alloying process for lead that is superior to standard alloying processes in terms of emissions and give utmost priority to the necessary protection and precaution measures. Workers at risk are equipped with the required protection equipment and are periodically evaluated for lead exposure, in line with Swiss health standards. Waste that contains lead is treated with additional precautionary measures and recovered where possible. We continuously monitor our lead emissions and will implement further technological measures where required.

Contamination of input materials

Each year we recycle approximately 1.5 million tons of steel scrap. It cannot be completely ruled out that some input materials arrive at our plants contaminated with heavy metals or radioactive substances. We only work together with professional supply partners and we use detectors at different stages of our production process to avoid radioactive materials entering our production.

Our targets

Energy efficiency

To counteract rising energy costs, enhance our competitiveness on the international market and reduce our impact on the environment, we have set a target to improve our energy efficiency.

We are dedicated to pushing toward maximum efficiency and have committed to decreasing our total energy consumption per ton of crude steel at our major sites by 7 % by 2030, compared with the base year 2021.

The target boundary includes Emmenbrücke, Siegen, Hagen, Witten, Krefeld, Hattingen, Ugine, Chicago, Sorel. The excluded sites represent less than 5 % of the Group's energy consumption.

Circular economy

Circular economy is an integral part of our business model. We are committed to continually increasing the amount of recycled materials while reducing primary materials. By 2030, we will increase the recycled content of our stainless steel products by 5 % from base year 2021. This represents a reduction of more than 20 % in the primary materials used in the production of stainless steel.

Our calculation includes internal scrap from the melt shops, which is excluded as per ISO 14021. The target boundary includes melt shops in Siegen, Ugine and Witten.

Water

Our scenario-based physical climate risk assessment revealed that increasingly extreme weather conditions may lead to droughts and potentially to water scarcity in the vicinity of some of our sites. The Ugitech plant has been included in the French government's "Plan Eau" (Water Plan) as one of 50 industrial sites with significant water consumption. The Plan Eau sets a 10 % reduction target for water withdrawal by 2030. We support Ugitech's target and are committed across the Group to reducing our fresh-water withdrawals from surface and groundwater by 7 % by 2030 from the baseline year 2021.

2030 Targets

Base year 2021

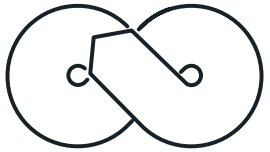
Energy

-7%

Total energy consumption per ton crude steel

The target boundary includes Emmenbrücke, Siegen, Hagen, Witten, Krefeld, Hattingen, Ugine, Chicago, Sorel.

Circular Economy



+5%

Recycled metallic content of stainless steel

The target boundary includes melt shops in Siegen, Ugine and Witten.

Water

-7%

Water withdrawal from surface and ground water

The target boundary includes all Group companies.

	Unit	Base year level (2021)	Current level	Target	Target year
Decrease energy consumption per tonne crude steel	MWh/t	2.14	2.38	1.99	2030
Decrease fresh water withdrawal	mio. m^3	8.5	7.5	7.9	2030
Increase recycled content in stainless steel	%	78	79	83	2030

Health and Safety

Our approach

In our industry, health and safety is critical due to the potentially hazardous work environment, which involves heavy machinery, extreme temperatures, and exposure to chemicals and physical risks. Swiss Steel Group's effective health and safety management system focuses on the protection of employees' and partners' company's physical and mental health, accident prevention, and compliance with regulations.

Combining these management systems with a proactive culture of safety, ongoing risk assessment, and continuous improvement, allows us to significantly reduce incidents, improve health and safety outcomes, and ensure compliance with legal and statutory requirements. This systematic approach ensures that safety remains a top priority, and risks are continuously managed and mitigated in a sustainable manner.

In 2024, Swiss Steel Group updated its health and safety policy, which highlights the high priority we put on the health and safety of our employees – and that of our partner companies.

Tailoring health and safety policies to local conditions ensures a safer work environment. Health and safety management systems are in place at all production sites. They meet local legal requirements and define global health and safety standards and directives.

The Steeltec sites are certified with the international health and safety standard ISO 45001 and certifications of additional sites are planned. Our site in Ugine successfully completed its ISO 45001 audit and certification is underway. This initiative showcases our efforts to continuously develop our management systems and have them externally assured.

Furthermore, Group-wide information sessions by safety managers are planned to develop a more comprehensive approach to all health and safety measures and initiatives.

All our managers play a crucial role in ensuring workplace safety by instructing, supporting, and supervising employees on health and safety measures. They carry out regular inspections and audits to identify and eliminate any hazardous conditions or behaviors. We foster a culture that encourages employees to report unsafe behavior and situations. Coupled with a thorough analysis of root causes (especially near miss reporting), this is an effective approach for promoting workplace safety.

To better internalize our principles, Swiss Steel Group is implementing golden rules for health and safety. Monitoring, and on-site audits that incorporate unions and local management, further evaluate the effectiveness of implemented measures and identify potential need for additional improvement programs.

Our performance

We focus on preventing potential risks and significantly improving overall health and safety skills with health and safety training. These also include training initiatives for employees of partner companies, subcontractors, and suppliers. Behavior-based safety (BBS) programs help us to identify unconsciously unsafe behavior.

Behavior-oriented occupational safety training remains a priority, exemplified by ongoing sessions at the Emmenbrücke site. These courses focus on critical risk factors, including hazard perception, the impact of distraction, and the prevention of tripping and falling incidents.

In 2024, the prevention of non-occupational accidents has also been included in the program. The topics cover the accident hotspots of sports, road traffic, as well as seasonal topics such as home and garden. The number

of non-occupational accidents in 2024 fell significantly compared to the previous year. The occupational safety team aims to build on this success to create a sustainable trend towards fewer non-occupational accidents.

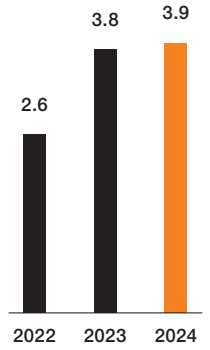
Our Global Health and Safety Days are crucial for workers that are exposed to a range of hazards typical for the steel industry, where work environments can sometimes create high-pressure situations or a “get-the-job-done” mentality. Health and safety days give companies a chance to promote a culture of safety that encourages workers to prioritize their well-being, report unsafe conditions, and follow safety procedures without cutting corners. This year, special focus was placed on transportation, not only on site, but also during the commute.

In 2024, Swiss Steel Group did not achieve the LTIFR target of 3.0 but did reduce the LTIs by approx. 4 %. The Group LTIFIR came in at a level of 3.9, which is a slight increase by 2 % against the LTIFR of 3.8 in 2023. Reported metrics were adjusted to include only continuing operations.

Our risks

As part of the health and safety management system, work-related risks are regularly assessed, and appropriate measures are taken to eliminate or reduce them. The main focus is on Production Assets with steel and rolling mills due to the high-risk factors in production such as rotating parts in operations, heat, transportation or risk of falling.

Lost Time Injury Frequency Rate (LTIFR)



$$\text{LTIFR} = \frac{\text{Number of lost time injuries in reporting period}}{\text{Total hours worked}} \times 1.000.000$$

$$\text{LTISR} = \frac{\text{Number of accident-related days lost}}{\text{Total hours worked}} \times 1.500$$

By addressing these risks with proper safety measures, ongoing training, and a commitment to a strong safety culture, the steel industry can significantly reduce the frequency and severity of health and safety incidents. Moreover, focus needs to be placed on our international sales network (warehouse and finishing) to avoid risks especially around transport and material handling.

Dedicated measures

By implementing and rolling out ISO 45001 and continuously refining safety measures through internal audits, steel industry workers are better protected from the potential hazards associated with their work environment. Continuous monitoring, risk assessment, and a proactive approach to safety are key to ensuring a safe workplace.

Our targets

The target for the LTIFR of 2025 is max. 3.0. Our objective to achieve zero accidents requires continued focus to establish a strong safety culture that encourages employees to comply with applicable safety rules.

Safety statistics Swiss Steel Group employees

	2022	2023	2024
Total number of hours worked (million)	14.0	13.0	12.0
Number of fatalities	1	1	0
Number of lost time injuries (LTI)	36	49	47
Lost time injury frequency rate (LTIFR)	2.6	3.8	3.9
Lost time injury severity rate (LTISR)	0.38	0.33	0.46
Number of medical treatment cases (MTC)	183	174	190
Number of first aid cases (FAC)	628	658	665

Our people

Diversity

Our approach

Our employees are our most important success factor and asset. We promote a corporate culture characterized by different ways of thinking, varied perspectives and openness. To support diversity, the Talent Sourcing function has defined a series of sustainable actions. This includes, but is not limited to, effective internal and external candidate engagement, improved messaging in relation to our inclusive culture, hiring-manager education, and increased awareness of diversity, as well as an enhanced focus on data-driven, accountable and transparent hiring decisions.

While supporting gender diversity remains a long-term goal in our industry, our company also embraces diversity in terms of ethnic or national origin, religion, age, disability or sexual orientation.

Our performance

New Human Rights Policy

In early 2024, Swiss Steel Group issued a new policy on human rights. This policy has been translated into the main languages spoken across our Group and communicated to all the employees with an email account. This policy was also part of the training given to the employees face to face in 2024 about the Code of Conduct, anti-corruption, human rights, and the environment. Finally, this policy was also included in the video distributed to employees to ensure maximum awareness on the topic. For further details, please see the section “Compliance”.

Our employees are our most important success factor and asset.

Gender diversity activities

Out of our 7,450 employees across the Group as of December 31, 2024, the total number of women in management was 86. Swiss Steel Group has employees in 26 countries on all continents. More than 90 % of employees work in locations outside Switzerland. In Switzerland we employ 720 people.

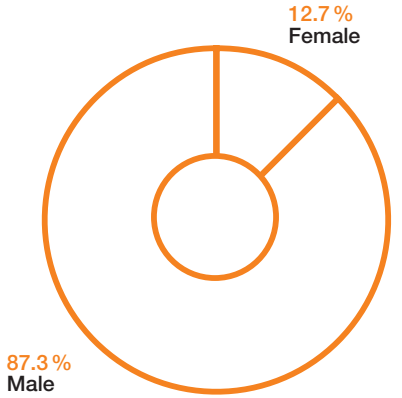
Workforce diversity

	Female	Male	Total
Management	86	374	460

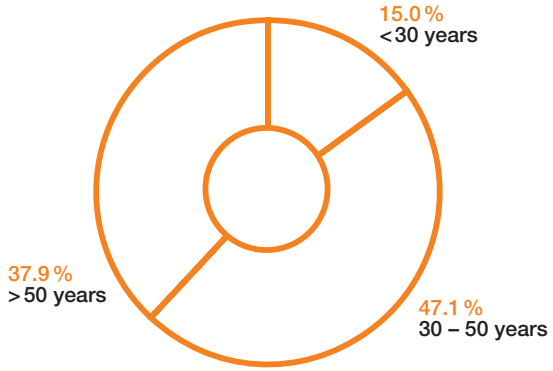
Work force diversity
by age, gender, region

		2024		
		Blue collar	White collar	Mgt.
Europe	**Age**	**3,284**	**2,587**	**331**
Male	<30	20.31%	9.05%	1.51%
	30-50	45.59%	36.03%	38.67%
	>50	32.54%	29.88%	43.20%
Female	<30	0.21%	2.32%	0.30%
	30-50	0.58%	10.78%	9.97%
	>50	0.76%	11.94%	6.34%
North America		**537**	**194**	**73**
Male	<30	14.90%	9.79%	1.37%
	30-50	40.22%	29.90%	42.47%
	>50	43.39%	29.38%	43.84%
Female	<30	0.37%	2.06%	0.00%
	30-50	0.93%	14.43%	8.22%
	>50	0.19%	14.43%	4.11%
Rest of world		**165**	**223**	**56**
Male	<30	12.12%	4.48%	0.00%
	30-50	58.79%	41.70%	28.57%
	>50	26.06%	15.25%	32.14%
Female	<30	0.00%	4.48%	0.00%
	30-50	2.42%	24.22%	23.21%
	>50	0.61%	9.87%	16.07%

Work force diversity
by gender



Work force diversity
by age structure



Inclusion

Each of our production sites is taking initiatives in diversity matters. In Ugitech for example, it was decided to prioritize disability awareness and carry out various activities. The Duo Day, a trial internship for people with disabilities, made it possible to create encounters without further obligations, bringing about a change in perception of employability of people with disabilities. In an interactive workshop to raise employee awareness and recognition of the qualifications of employees with disabilities, employees were able to familiarize themselves with the concept of disability in the workplace and the various laws that regulate this status. In cooperation with the soccer club of La Motte Servolex “Union Sportive Motteraine”, an animated Cécifoot workshop was held to put employees in the role of a blind person.

Our risks

No material risks were identified in this area. Swiss Steel Group will continue its longstanding efforts to ensure diversity and protection of its employees/workforce.

Our targets

Overall, Swiss Steel Group is committed to continuing its efforts on the diversity program through local initiatives and as well through ongoing training of the workforce on the new Code of Conduct in 2024.

Talent management

Our approach

Swiss Steel Group is committed to a long-term workforce and succession planning. This includes ensuring the engagement and employability of the workforce overall. Additionally, identifying and addressing talent risks appropriately as well as recognizing and retaining top talent helps to cultivate a pipeline of employees with potential for future success.

Our performance

Performance management

Short-term incentive regulations, aligned with local laws, continue to apply Group-wide for specific target groups. In conjunction with ongoing performance management, these regulations strategically coordinate Group, Division and Production Asset objectives, enhancing overall organizational efficiency through aligned and cascaded objectives. The plan, featuring Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) objectives agreed upon by management and employees, aims to incentivize entrepreneurial

Cultural diversity

Employees as of closing date

	2022	2023	2024
by region			
Germany	4253	3812	3742
France	2783	2681	1508
Switzerland	765	752	720
Italy	204	193	185
Other Europe	451	187	112
USA	509	507	462
Canada	363	309	342
China	312	199	168
Rest of world	217	172	211
by division			
Production	8420	7826	6543
Sales&Services	1296	848	768
Corporate Center [1)]	141	138	139
Total number of employees	9857	8812	7450

[1)] 2021 number includes 32 IT employees who transferred from Swiss Steel International (Sales & Services) and DEW (Production) to Corporate Center

behavior and promote aligned performance and cross-departmental cooperation.

Performance Management and Talent Development

Focused on driving outstanding performance, short-term objectives align variable compensation elements with the achievement of annual objectives, fostering a high-performance culture for long-term value creation at Swiss Steel Group. In 2020, we launched a Group-wide initiative to ensure talents are identified, and high-performing employees with potential are promoted and retained within the organization. The process used currently includes around 700 employees out of the total 7,450 employees. Annual talent reviews ensure current performance and potential evaluations. Subsequent employee dialogs offer the opportunity to discuss career paths for our employees based on their potential and desire to continue their path in other countries, regions, or fields of expertise. The dialogs also address training and development to achieve employees' goals. Ultimately, performance management guides the allocation of the organization's development efforts, budget, and resources. Systematic follow-up steps ensure the right placements, coordinated succession, and personalized development plans.

Talent Pool

Our talent management program "SSG Talent Pool" for experienced leaders and emerging talents entered its second year. In 2024, 14 employees from three countries entered the program. The entire pool now comprises 39 employees.

The process is open to all management worldwide, enabling them to annually nominate identified talents within our organization. This ensures that these colleagues gain visibility with the Executive Board. The "SSG Talent Pool" program was initiated in 2024 with the "Innovation Days" in Düsseldorf, Germany. This event featured a two-day interactive workshop where Talent Pool members met in person and engaged in strategic discussions with the Executive Board, while also forming project teams.

Workforce Development

The "SSG Talent Pool" is engaged in three strategic projects sponsored by the Executive Board. They are rapidly enhancing their skill sets, acquiring cross-functional knowledge, gaining valuable experiences, and building new networks across the Group. Additionally, these strategic projects promote innovative thinking and contribute to the Group's culture of innovation. Two touchpoints with the CEO provided continuous exposure to strategic questions and inspired discussions, enhancing leadership development.

The new global group branding as Swiss Steel Group has explicitly highlighted the importance of our culture. Recognizing this, Talent Pool members have taken the initiative to further cultivate and strengthen group culture. As part of this effort, they organized a group event called the "Big Breakfast" to bring people together beyond regional boundaries and foster connections across borders. This day-long event was locally organized by employees, also known as ambassadors.

Training

In 2024, Swiss Steel Group maintained its commitment to investing in its employees by offering comprehensive training programs. These ongoing initiatives at Swiss Steel Group units ensure the systematic development and enhancement of both basic and advanced skills and competencies, aligning with business needs to meet current and future demands. Learning and development efforts not only secure the employability of the workforce but also provide career opportunities tailored to individual interests. The units conducted a variety of training sessions, including occupational and non-technical training, mandatory certification programs, as well as courses in leadership, IT, project management, and communications.

In 2024, an average of 22 training hours were recorded per employee. Those trainings are systematically designed and assigned based on the roles and risks of the employees. Major trainings were conducted in 2024 on:

1. Our Code of Conduct training includes important subjects such as anti-corruption, environment, human rights and the whistleblower line. It was conducted for exposed employees and management in two hour, in person sessions; a ten-minute video on the same subject was also provided for employees without email account. An eLearning course will be launched in 2025 for employees with an email address that are not exposed to risks, with the aim of ensuring the message is shared between all the employees of the Group. For further details, please refer to the Compliance chapter of this report.

2. Face-to-face health and safety training was conducted across our operational sites.

3. Cyber security awareness has been a major focus in our organization. The process

created in 2023 was revised and improved in 2024 to further increase employee awareness. In 2024, 3,165 individuals (all employees with an email account) were invited each quarter, achieving a completion rate of 81 %. To further increase participation rates across all training programs, several supportive measures have been implemented. Supervisors are now informed if an employee fails to complete the required training, emphasizing the importance of active participation. Additionally, employees who miss the initial training window can reactivate the course, ensuring they have another opportunity to complete it. The timeframe for completing training has also been extended to offer greater flexibility and accommodate different schedules. Furthermore, regular refresher courses are now available, enabling employees to revisit and reinforce their knowledge while staying informed about evolving cyber security challenges.

These efforts reflect our commitment to building a workforce that is well-equipped to navigate and mitigate cyber security risks effectively.

Technical Training Initiatives

To ensure that all employees, including new hires, possess a foundational understanding of cyber security, we have introduced a dedicated "Onboarding Training" program. This initiative aims to provide essential knowledge from the very beginning of an employee's journey within the organization, thereby contributing to a stronger culture of cyber security awareness.

In addition to Group-wide training, local programs are taking place at our Production Assets and Swiss Steel International sites based on local risks and needs and in line with local requirements.

- For instance, in Emmenbrücke, Switzerland, employees participated in a variety of internal, occupational and technical training sessions. Frontline leaders and managers were able to attend a "Führungswerkstatt" or other leadership sessions.

- The "Foreman Program" at the German sites is designed to clarify the roles and responsibilities of leadership positions within the company. It aims to develop and enhance leadership, operational, and technical skills while fostering a platform for networking and improving cross-departmental and cross-site communication. Additionally, the program strengthens participants' identification with the company and promotes our corporate values.

- Ugitech offered a comprehensive in-house training curriculum for hard and soft skills development and initiated an "Industrial Maintenance Operator" training course. Additionally, an in-house school was established to meet specific business needs and foster mastery and transmission of know-how. In Ugine, several courses for machinists to leaders have been set up in partnership with the Metallurgy branch.

- Group-wide, individual coaching and qualification sessions and support for external degree programs are agreed upon between managers and employees, fostering on-the-job and career development.

Investment in future generations

Swiss Steel Group offers a variety of apprenticeship and internship programs and has established partnerships with vocational schools and international exchange programs to inspire young people. Through these programs, Swiss Steel Group demonstrates its commitment to empowering future generations by providing access to quality education and career opportunities in industrial professions.

In 2024, we hired 105 new apprentices and interns, of whom 65 % started at DEW, 25 % at Ugitech, 8 % at Steeltec, and 3 % at Finkl Steel.

At the end of 2024, a total of 323 apprentices and interns were employed Group-wide. Of these, 72 % were employed at DEW, 9 % at Steeltec, 14 % at Ugitech and 3 % at Finkl Steel. Less than 2 % are employed at Swiss Steel Germany and Swiss Steel Edelstahl each.

- 25 % of apprenticeships and internships are in operations, 75 % are in commercial and business administration.

– Most of the apprentices and interns are male, with more than 90 % each in operations as well as in commercial and business administration. Altogether, just 8 % are female.

We were able to take on 69 former apprentices or interns as regular employees after completing their program. The majority, 93 %, now work in various production functions, and 7 % in IT, Communications and Research.

Our initiatives include:

– One initiative brought Polish students from Breslau to gain first-hand experience in the industrial field in Germany at our sites of Deutsche Edelstahlwerke. These collaborations highlight the importance of cross-cultural learning and showcase career opportunities in steel manufacturing.

– A notable example is a graduate of the Deutsche Edelstahlwerke Karrierewerkstatt in Witten, Germany, who completed an apprenticeship as a specialist in metal technology. Despite a non-linear career path, the Deutsche Edelstahlwerke team recognized his potential and provided opportunities for him to excel. He went on to achieve national recognition as Germany's top apprentice in his field for 2024. This success story highlights the transformative impact of investing in vocational training for both individuals and the future workforce.

– Special partnerships with schools, (e.g. at Ugitech and DEW) continue to promote industrial professions to young people. In 2024, we hired 105 new apprentices and interns, of whom 65 % started at DEW, 25 % at Ugitech, 8 % at Steeltec, and 3 % at Finkl.

Work flexibility

Constructive and forward-looking collaboration and coordination with employee representatives and unions have been instrumental in guiding the day-to-day operations of our Group, but even more so in order to make SSG 2025 possible and start implementing our target operational model. Together with employee representatives and management, Swiss Steel Group sites are embracing the back-to-office trend, yet our approaches incorporate hybrid work models, reflecting the evolving need for flexibility on the part of our workforce.

For Deutsche Edelstahlwerke, in collaboration with social partners, we have established a balance-of-interest and social plans to ensure a comprehensive approach to employee welfare during times of redundancies.

Employee satisfaction

To assess the status quo, identify areas for improvement, and outline future actions, we will conduct a Group-wide employee satisfaction survey in 2025.

Currently the average length of service at Swiss Steel Group is 15 years.

Our risks

No material risks have been identified.

Our targets

The "SSG Talent Pool" will be developed further and will continue through 2025/2026. The target is to include a diverse group of experienced and emerging employees each year, who have been reviewed and nominated by management across the Group for their performance and potential.

Social Responsibility

Our approach

The basis for our corporate citizenship is our desire to make the society in which we operate a better place. We support people and communities in the vicinity of our sites who are committed to the betterment of our society. Swiss Steel Group has historical sites with generational employment. We are well known in these areas and have always supported and continue to support the communities through partnerships, sponsorships, donations, and contributions during local crises. Our social involvement continues in open and active dialog with the respective interest groups, but it is also important to connect further with people and society. As part of our engagement in the economies where we operate, we employ and train students and apprentices.

Our performance

In 2024 our Group mainly supported charity, education and sports programs. Overall, the Group con-tributed EUR 475,000 in 2024 to those activities.

Our actions are initiated at our main sites in Switzerland, Germany, France, the USA and Canada, although not exclusively.

On our sites

Our entity Steeltec again participated in National Future Day in Switzerland in 2024, receiving 16 children from 5th to 7th grade who were able to get to know the workplace of their parents or friends and discover our industry. At Ugitech in France, we also welcomed 24 college and high school students.

We also offer a number of internships to curious young people in our different Production Assets as an investment in future generations. In 2024, Ugitech received the label “Best Trainee Experience” for the fourth year in a row.

Furthermore, we conduct numerous plant tours with different stakeholders to provide an insight into our production processes, promote discourse and facilitate mutual understanding.

Partnering with associations and universities

At Finkl Steel in the United States, we participate and contribute to many charitable initiatives aimed at combating poverty, distributing food or fighting diseases.

In Switzerland we collaborate in projects with universities. We continued our partnership with the ETH student initiative “Swissloop” in the amount of EUR 16,000, which contributes to the research on and advancement of Hyperloop technology.

In India we donated funds to “Each One Educate One Foundation” – a foundation we have supported for several years now – to support education in the rural areas.

In South Africa, we decided again this year to sponsor the training costs of an outstanding student at a school we work with. Swiss Steel Group will finance the apprenticeship program (22,000 EUR in total) for a period of four years to enable the student to complete his studies.

Through our different Production Assets and subsidiaries across the Group, we have donated the equivalent of over EUR 475,000 to more than 50 charity associations, universities and sports associations across the world.

To ensure transparency, in 2023 we implemented a register for all sponsorships and donations, together with a Group approval process which includes compliance and communications. We perform due diligence on third parties we contribute to prior to making any donation. In the anti-corruption

policy targeting sponsorship and donations, among other subjects, we have reaffirmed our willingness to be neutral in terms of politics and religion and ensure that our contributions respect this rule. No political nor religious contribution was made by Swiss Steel Group or its subsidiaries in 2024.

Economic value distributed (EVD) is the share of revenue and other operating income that Swiss Steel Group returns to society. This includes, for example, wages and salaries paid to employees, materials procured from local and international providers, the awarding of consulting contracts, donations, or interest and tax charges.

Our risks

Swiss Steel Group does not identify risks in this area. However, it is committed to continuing the rigorous controls on this subject to ensure our sponsorship and donations are aligned with our objectives and values.

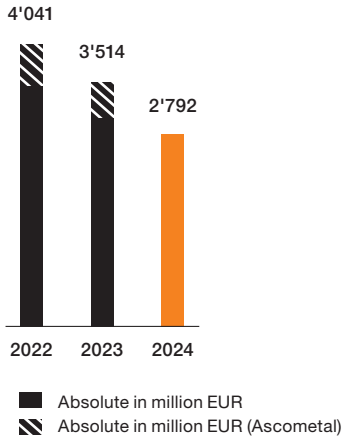
Focus areas

As part of the introduction of the sponsorship and donations register in 2023 and the analysis of the current process, we identified the need within our Group to update our current CSR policy to centralize the focus of our charitable contributions undertaken by our headquarters, Production Assets and Swiss Steel International on specific topics to ensure a better focus on the activities and subjects supported.

Our targets

Swiss Steel Group has changed the launch date for the CSR policy from 2024 to 2025, with clear focus areas to be aligned with our strategy program and the new CSRD law requirements.

Economic value distributed



Social responsibility

Targets

	Target year
Update the CSR policy	2025
Materiality analysis update (to include external stakeholders further in the process)	2025

Compliance

Our approach

Swiss Steel Group is committed to operating ethically across its international network, following the Group values and rules enacted in the Swiss Steel Group Code of Conduct. For this purpose, Swiss Steel Group implemented a new Compliance program in 2021 including ongoing trainings, targeted communications, and a compliance officer network, to abide by local regulations and comply with international integrity standards. The compliance program in 2024 focused on the continued rollout of the compliance plan by (1) updating policies to align with the many new regulations, (2) reporting to the different Production Asset management teams and the Audit Committee regularly, including compliance KPIs, compliance status, etc. initiated in 2022, and (3) increasing the visibility of local compliance officers toward local operations and management through communications and trainings, either face-to-face or via videos.

Our performance

As a continuation of the 2023 program:

1. The compliance KPIs designed to monitor the compliance program rollout applicable to all organizational entities were regularly reported to the Audit Committee and local Management (22 times in 2024) to provide management status and address any concerns.

   Each of our four Production Assets and the Division management meet Compliance at least quarterly, and the Compliance Director provided two updates to the Audit Committee in 2024. In addition to those regular and programmed updates, the Compliance program is discussed with the Executive Board, depending on business needs (twice in 2024).

2. Compliance communications were issued regularly throughout the year (four times in total) to all Swiss Steel Group employees by the Group CEO or local management to provide information about the launch of new policies or updates (Human Rights Policy, Group public statement on environment human rights and ethics). Furthermore, we reminded our employees concerning the importance of some specific rules regarding anti-trust. In addition, targeted communications were sent to most at-risk departments on certain specific subjects such as sanctions.

Supplier Code of Conduct

The Code of Conduct and the Supplier Code of Conduct were updated in 2023 and 2024, respectively. The distribution of the Supplier Code of Conduct to our direct suppliers and our entire supply chain will be executed in 2025. The new Supplier Code of Conduct does not only meet legal obligations, but also includes clear expectations. The document was signed in 2024 by our Group CEO and our Vice President Procurement and published on our website in the most important languages for our suppliers.

Human Rights policy

To complement the Supplier Code of Conduct, a new Human Rights Policy was also issued in 2024 with a specific focus on child and forced labor as well as modern slavery and communities' rights. All these topics also formed part of the training we conducted internally in 2022, 2023 and 2024, reminding our employees of our main objectives.

Conflict of Interests policy

The Conflict of Interests Policy was updated at the end of 2024 and will be communicated to all employees in early 2025, accompanied by a short information session and a conflict of

interests questionnaire for the most exposed populations: Management, Sales and Procurement. The questionnaires will be distributed in the second quarter of 2025.

Whistleblower system

Our whistleblower system, which has been in place for many years now, is regularly communicated to our employees. In 2024, for the third consecutive year, our Group CEO sent an email to all employees of the Group, reporting on the yearly activity (2023) of our system. This action will be continued in 2025. The whistleblower system was also mentioned in all the training we provided in 2024, both in person and by video. In 2024, we received a total of 20 alerts. Of these, three were closed immediately after the first review as they were not considered compliance breaches, and the remaining 17 cases have been investigated.

Four cases remain open and are expected to be finalized in 2025. Six cases were investigated but found to be unsubstantiated. Seven cases were substantiated, with six of them related to corruption. These substantiated cases led to the departure of eight employees in 2024. Additionally, internal process changes were implemented to enhance prevention and detection measures for similar misconduct in the future.

The Ethics Steering Committee, created in 2021, is composed of the Group Heads of the Human Resources, Legal, Internal Audit and Compliance departments. In fiscal year 2024, they met 18 times and are responsible for reviewing alerts received from the whistleblower line and deciding on the next course of action. The Audit Committee was updated twice in 2024 on the overall whistleblower cases by the Compliance Director. In case of major issues, the Head of Legal is responsible for immediately contacting the Audit Committee and the Board of Directors, as per our internal whistleblower policy.

Sanctions, embargoes, and export controls

Sanctions and embargoes were very important in 2024 as in 2023 due to the ongoing evolving situation between Ukraine and Russia, as well as the conflict in the Middle East and the recurring sanction updates from different authorities. To manage this critical subject, the export control network established in 2022 is responsible for cascading information to the logistics, sales, and procurement teams when important sanctions or internal decisions are taken on the matter. The export control team is also the primary point of contact for our Production Assets or our sales office employees who receive questions from our third parties (customers, suppliers, banks, etc.) about our controls in place.

Compliance Risk Assessment

2022 saw the launch of the first dedicated Compliance Risk Assessment, including the risks of anti-corruption, sanctions, anti-trust, conflict of interests, human rights, and specific environmental rules. In 2024, this process was performed by the Group's major entities with more than 100 employees, representing over 95 % of employees, just as it was in 2023.

To complete the Compliance Risk Assessment that is performed by our main entities, a Compliance Declaration is signed twice per year by all operational Swiss Steel Group legal entities to confirm alignment with the Code of Conduct, Group policies, whistleblower reporting, and the main expectations regarding matters of anti-corruption, antitrust, sanctions, human rights and environment.

Compliance trainings

Finally, in alignment with the compliance training program agreed with the Audit Committee and the Executive Board in 2022, training in different formats was launched in 2023 (face-to-face and videos). Those trainings covered several subjects (Code of Conduct, anti-corruption, human rights, environment, whistleblower protection) and the level of detail was adapted to:

- the risks derived from the employee roles
- the functions: finance, operations, sales, human resources, etc.
- the hierarchical levels: management, employees with and without email addresses

Our employees are split into three categories:

(1) For management employees and the most exposed employees (in direct contact with customers, suppliers and public authorities), a face-to-face training (two-hour session) was given, including Code of Conduct, anti-corruption, human rights, environment, whistleblower protection, sanctions and embargoes, etc. Approx. 1,500 employees were trained in 2022/2023/2024 representing approx. 88 % of this target group.

(2) Employees with limited risk exposure will be trained in 2025 via eLearning.

(3) To complete the training program, a 10-minute video was prepared for employees without an email account and with a

lower risk exposure in English, French and German, the main languages spoken in our Group. This was disseminated to approx. 1,500 employees representing 40 % of this target group (2023/2024).

Swiss Steel Group will initiate a new training cycle in 2025 (2025/2026/2027) with the target to train 80 % of the respective employee categories via face-to-face e-learning and video at the end of the three years.

Our risks

As a result of the risk assessments performed in 2023 and the over 1,500 employees trained face to face, support on antitrust and conflicts of interest was identified in terms of knowledge and trainings. These topics are currently covered by Group policy, but operations have been asking for further support in those areas, with face-to-face training and more frequent information. This was initiated in 2024, with an update of the Conflict of Interests policy. In 2025, we will continue with follow up actions.

Swiss Steel Group has a subsidiary in Russia, which represents less than 1 % of the Group's total sales. No investments have been made in this entity since 2023, as the Group has been pursuing its divestment. Furthermore, the subsidiary does not sell Swiss Steel Group's products.

The divestment was initially planned for 2024 but was delayed due to regulatory changes in Russia in late 2024. The Share Purchase Agreement (SPA) was signed with a buyer in 2024, and Swiss Steel Group expects to complete the divestment in 2025.

The Group closely monitors its Russian subsidiary to ensure that all operations comply with applicable sanctions imposed by the United States, European Union, United Kingdom, and other jurisdictions. This includes thorough screening of third-party partners and their respective sectors of activity.

Our targets

The objective for the upcoming years is to maintain some activities at the current level (see "Compliance targets to maintain"). The objective for the upcoming years is to improve some activities (see "Compliance targets to improve").

Swiss Steel Group has changed the review date for the anti-trust policy from 2024 to 2025.

Compliance targets
KPIs to maintain

	Target 2030	2024
Number of Ethics Steering Committee (minimum)	12/year	18
Number of Group Compliance Communication (to all employees)	4/year	4
Quarterly Compliance meeting per production assets and divisions	4/year	4
Audit Committee participation - Compliance updates	2/year	2
Appoint a Compliance Officer and Export control expert	1/Prod.Asset	1/Prod.Asset
Sanctions & Embargoes: sanctions checks	100%	100%
Compliance declaration Letters	2/year	2
Due Diligence on charitable contributions	100%	100%
Number of Whistleblower cases	20 to 30 cases	20

Compliance targets
KPIs to improve

	2023	2024	2027
Compliance training (3 years cycle*)			
Face to face (target population)	30%	88%	90%
E-learning (target population only)	0%	0%	90%
Video (target population only)	17%	39%	90%

*Over the 3 years cycle

Human Rights

Our approach

The quickly evolving legal environment surrounding Human Rights was a key focus for Swiss Steel Group in 2024. One of our strengths is our capacity to invest in future generations of employees. As such, at our sites and warehouses we often have students, apprentices and trainees who are working part-time as part of their course of study, or full-time during a fixed-term internship. To ensure our facilities across the globe adhere to the highest standards on preventing child labor, forced labor, modern slavery, decent wages, right of association and discrimination, the decision was taken to work on three different levels, which are described below.

Our performance

Level 1

In 2024, the Compliance Risk Assessment was continued (as in 2023) including human rights (child and forced labor, modern slavery, freedom of association, health and safety, etc.) and environmental topics (mercury, persistent organic pollutants, waste and hazardous waste, and conflict minerals). The update to the document was aligned with the German Supply Chain Act, the requirements of the Swiss Code of Obligations and the European Supply Chain Act. The risk assessment was performed by all major entities of the Group with more than 100 employees, representing over 95 % of our workforce. As a result of the risk assessment performed in 2023, we understand that legislation is very flexible on the working hours for children depending on the country. Swiss Steel Group since 2023 and with its Human Rights Policy (approved in January 2024) explicitly forbids irrespective of local law employing any child under 15 years old.

Level 2

To complete the Compliance Risk Assessment that is performed by our main entities, a Compliance Declaration is signed twice per year by all operational Swiss Steel Group legal entities to confirm that our entities are working in accordance with our Code of Conduct, group policies, the whistleblower reporting process, and the Swiss, German and French authorities in matters of human rights and environment. Since the third quarter of 2023, questions regarding child labor, conflict minerals and the environment are specifically asked.

Child labor

On child labor specifically, the Group is asking all its legal entities to report any employees, apprentices, trainees or students contracted under 15 years of age. In 2024, reporting confirmed that Swiss Steel Group did not employ anyone under 15 years of age (including apprentices, trainees and students) in 2024.

Level 3

Focus is also placed on our supply chain, further developed in the “Sustainability in the Supply Chain” section. Swiss Steel Group is committed to working with business partners with the same best-in-class standard. To achieve this commitment and provide the best possible assurance, the Swiss Steel Group has been using 3 different processes:

1. Signature of our Supplier Code of Conduct for our direct suppliers to cascade our standards for their respective supply chain. Our current Supplier Code of Conduct includes several subjects such as child labor, modern slavery, freedom of association, health and safety, etc.

2. The Group due diligence tool that we implemented in 2023 to continuously monitor our direct suppliers and ensure the identification of suppliers with the highest risks in their own supply chain such as human rights (child labor, forced labor, health and safety, etc.), environment and corruption.

3. The supplier questionnaire for suppliers with a high risk in their own direct operations or supply chain.

Our risks

Overall, Swiss Steel Group has not identified any human rights related risks (including child labor, modern slavery, etc.) at its facilities and sites across the world. However, the risks identified in our Compliance Risk Assessment include risks within our supply chain.

Our targets

The objective for 2025 is to implement and deploy our standard employment rules across the Group for our small sites (less than 25 employees) as this is currently not required by law. Our large and medium sites already have employment rules by law, but the deployment of this new standard will present an opportunity to review existing ones.

Innovative steel technology from the Swiss Steel Group – for maximum strength and precise performance in drive systems.

Sustainability in the Supply Chain

Our approach

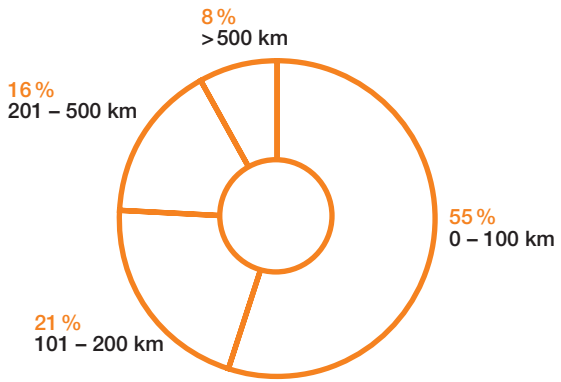
All sourcing processes of Swiss Steel Group are governed by our corporate values, which are based on key elements such as compliance with applicable laws, respect for human rights, health and safety at work, responsibility and integrity in business dealings, and the responsible, careful use of limited resources. These principles apply across national borders and represent a central point of guidance for our business activities. We therefore expect all our business partners, including all suppliers and subcontractors, to likewise abide by our principles of behavior and to live up to their responsibilities.

Our performance

Our sources of supply

Swiss Steel Group sources a large portion of materials and services locally. We strive for a high share of our procurement spend with suppliers that are located no more than 100 km (linear distance) from our sites. This ensures flexible supply, supports local economies and fosters a good relationship with local communities. In 2024, the share of spend, with local partners at our most significant sites was approximately 55 % (excluding raw materials other than scrap). Regional sourcing also helps to close material loops and further cut down on emissions caused by the transport of materials. Approximately 27 % of our scrap is delivered by rail.

Share of procurement spend
by supplier distance



Supplier Code of Conduct

Swiss Steel Group's Supplier Code of Conduct was updated in 2024. It defines the basic requirements for our business partners, including direct suppliers and subcontractors, with regard to their responsibilities toward their stakeholders and the environment. Swiss Steel Group expects all its suppliers to share the principles which are expressed in our Supplier Code of Conduct, and which constitute an important component of supplier selection and evaluation. Moreover, Swiss Steel Group expects its suppliers to replicate these standards in their own supply chains.

In 2024, Swiss Steel Group covered approx. 70 % of its purchasing spend with a signed Supplier Code of Conduct or an equivalent declaration. In 2025, Swiss Steel Group will launch a new global campaign for collecting signatures on the new Supplier Code of Conduct. The Group targets by 2026 to have 90 % of its yearly spend covered by a signed Supplier Code of Conduct (or equivalent documentation provided).

Due diligence in the supply chain

Swiss Steel Group applies an active risk-based approach in supplier management.

During 2022 and 2023, the Group harmonized its supplier risk assessment processes and implemented a due diligence tool across all Production Assets to standardize and streamline the due diligence process. The tool supports screening and monitoring of the relevant supplier portfolio, clusters suppliers into associated risk levels, and offers functionalities to communicate on ESG related aspects through a customized questionnaire within the platform. Our due diligence tool includes: (a) reputational and sanction screening; and (b) enhanced risk assessment that indicates the level of risk that third parties represent to Swiss Steel Group, including its own supply chain (based on supplier activity, location, and subsequent supply chain risks).

In 2024, over 6,700 suppliers were screened and monitored, covering approx. 99% of the 2024 Group spend. We launched a due diligence policy as well in 2024 including an escalation process and defining the roles and responsibilities of the Due Diligence Risk Committee. This committee is responsible for deciding on further measures in case of confirmed violations, such as supplier audits, temporary suspension of the business relationship or termination of the business cooperation whenever necessary.

With the help of the Group tool:

- The procurement team started in 2024 to send suppliers questionnaires to a total of approx. 80 companies in the most at-risk supplier categories (targeting raw materials, refractories and waste providers). The questionnaires were reviewed, when necessary, by the Due Diligence Expert Group (including Corporate Procurement, Compliance, Health, Environment and Human Resources). Our target is to continue and expand this initiative in 2025 to other categories.

- We streamlined the supplier qualification process to ensure that the most important suppliers added to the Group's portfolio, undergo a thorough approval process. In this process, potential risks are identified and evaluated to ensure all suppliers comply not only with legal requirements, but also with the Group's standards.

Conflict minerals

Swiss Steel Group has a Group policy on sourcing tin, tungsten, tantalum, gold (3TGs) and cobalt. Entities within the Group and their customers are subject to the main regulations (U.S. Dodd-Frank Act, EU and Swiss Conflict Minerals Regulation), and consequently their suppliers are indirectly subject to those laws as well. To comply with the above-mentioned regulations, Swiss Steel Group requests its suppliers to provide information on their supply chains, guaranteeing that sourced materials do not contain 3TGs or cobalt from a conflict region. For all purchases of 3TG or cobalt, a certificate of origin (or Conflict Minerals Reporting Template) is requested proving the material's origin is conflict-free. We only use small quantities of tungsten and cobalt as alloying elements. In 2024, the share of alloying elements containing tungsten and cobalt was less than 0.0674 % of the total weight of purchased ferroalloys and metals. Only one Production Asset of Swiss Steel Group currently uses these materials in its production process at our sites in Germany. Based on the above information and the measures taken by Swiss Steel Group, we have determined that we are exempt from the obligations of due diligence and reporting on conflict minerals.

Our risks

Supplier Risk Assessment

The Supplier Risk Assessment conducted in 2023 and updated regularly during the course of 2024 identified approx. 200 suppliers with potentially elevated reputational risk and about 130 suppliers with elevated profile risk (based on the country and sector they operate in). Swiss Steel Group was already equipped with a screening tool for sanctions and embargoes in previous years, but the new due diligence tool resulted in the identification of new risks (human rights, environment, etc.). As a result, Swiss Steel Group Compliance and Procurement focused in 2024 on assessing the situation of those third parties; a group of suppliers (approx. 300) is still pending, with review scheduled as a priority.

As an example, production of ferroalloys can have a significant impact on the environment, so we expect our suppliers to set targets for their environmental footprint, which is one of the topics addressed in our questionnaire.

Our targets

Due diligence

The due diligence policy was approved in January 2024 and was rolled out across the organization to ensure a full understanding of the process. Approximately 80 Swiss Steel Group questionnaires have been sent out, addressing almost 90 different high profile risk supplier legal entities. The feedback of about 30 suppliers was reviewed by the Due Diligence Expert Group in dedicated sessions with follow-up actions carried out when deemed advisable. The aim for 2025 is to further increase our efforts regarding the backlog and review the entire group of suppliers (approx. 300, including those who have not yet provided feedback through our questionnaire) pending to be reviewed in order of criticality. Furthermore, in 2025 Swiss Steel Group aims to audit four to six suppliers either directly or through third parties.

Supplier code of conduct distribution and acknowledgment

As part of the Supplier Code of Conduct update, it is the Group's clear aim to make the Supplier Code of Conduct an integral part of all its contracts and its general terms and conditions. With the signature of the new Swiss Steel Group's Supplier Code of Conduct (or equivalent), our target is that 90 % of our suppliers commit by 2026 to imposing the same standards as those applied by Swiss Steel Group to their own suppliers. The current Supplier Code of Conduct is available on the Group's website.

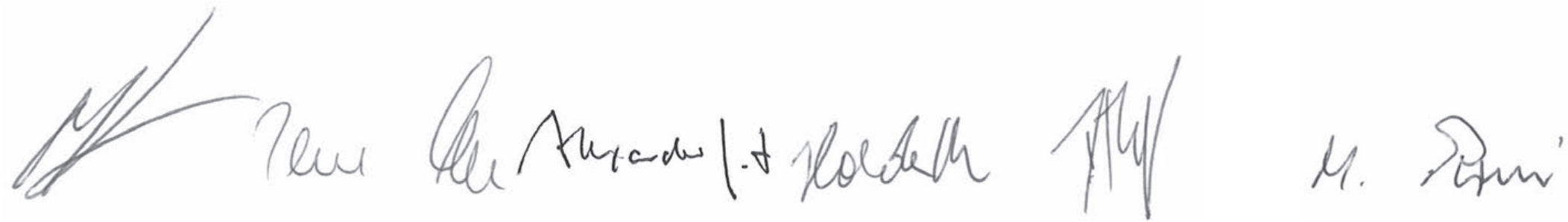
Click for Supplier Code of Conduct

High productivity steels – designed for maximum precision, reduced tool wear and optimum surface finish.

The Board of Directors of Swiss Steel Group approved the Non-Financial Report for 2024.

Swiss Steel Group

Emmenbrücke, March 19, 2025



Martin Lindqvist
Chairman of the Board

Jens Alder
Member of the Board

Dr. Alexander Gut
Member of the Board

Dr. Karl Haider
Member of the Board

David Metzger
Member of the Board

Mario Rossi
Member of the Board

Annex

Stakeholder Engagement

Active engagement

Stakeholders encompass all individuals, groups or organizations that have a vested interest in our Group. They can influence the actions, objectives and policies of the Group, or also be affected by the same. Our key criteria for involving individual interest groups are the applicable legal conditions, the frequency and focal points of cooperation, any existing business relationships as well as the physical proximity to the sites. We cultivate regular dialog with the aim of building long-term relationships with these groups and understanding their needs, taking these into account wherever feasible and appropriate. All employees are committed to this goal, and the employees entrusted with stakeholder relations always try to communicate with the parties involved in person. Our communication experts support and plan the processes and help facilitate measures fostering the active representation of interests. We engage with various interest groups beyond the scope of day-to-day business, through the following possible channels:

- Publications (such as the annual report, media releases and the employee communication platform)
- Events (such as open houses, customer days, topical conferences and training programs))
- Customer and employee surveys
- Trade fairs
- Innovation partnerships with scientific institutions, industrial partners among our customers and suppliers
- Local and regional involvement by reciprocal invitations (such as visitor groups, or our participation in regional or local bodies)

We also participate actively in working groups of steel associations such as worldstainless, EUROFER and the German Steel Association and thus contribute to industry efforts toward pertinent, well-adapted standards through technical arguments in the political spheres.

Our major interest groups are listed and described on the right side.

Customers	Close customer partnerships are ensured by committed management, key account managers and dedicated teams. Specifications, requirements and ongoing dialog provide the Group with direction and focus for maintaining and further developing products and services, as well as researching and developing innovative products and improving all aspects of the customer interface and customer service. Special attention is given to multi-site customers.
Investors and lenders	As a publicly traded company, shareholders, banks, credit insurers and financial analysts are important business partners for Swiss Steel Group. They finance the Group and influence opinions on the capital market. Our Corporate Finance and Treasury teams are in constant contact with banks and credit insurers that provide us with credit lines. This gives us the best possible financing conditions and adequate financial flexibility.
Suppliers	Our dedicated procurement officers are in regular contact with our suppliers, supported by topical teams to advance processes and technologies. We ensure that competitively priced materials and services are received in the right quantity and quality and on time to enable progress in a joint win-win mentality. Through integration across our sites, we ensure access to a large and diverse supplier base and can focus Group demands on strong suppliers and business partners.
Communities and public institutions	Regions and communities determine the environment and conditions for each of our operating sites. Beyond strict compliance with all local laws and regulations, we care for them and maintain a close dialog, usually with local management, functional experts and other representatives taking an active role. Typical functions include management, human resources, environmental engineers and scientific staff in research cooperation.
Certifying bodies	Beyond auditors of our financials and various functionally oriented management systems, we gladly and fully cooperate with certifying bodies within the context of sustainability on our environmental, social and governance management systems.
Employees	Employees at all our sites have the right to form and elect representative bodies, and management maintains close dialog with these. Employees' full engagement is sought and reinforced through everyday management as well as dedicated, larger-scale initiatives. Typical topics include workplace quality, health and safety, equal opportunity, and professional training and advancement. Dedicated human resource officers for each site are always available to listen to our employees' concerns and initiate appropriate responses. We foster an open business culture that attracts new talents and keeps the existing workforce motivated.
Management	The Board of Directors, the Group Executive Board as well as the Executive Boards of the Production Assets represent and lead the entire management that defines the Group's strategy and manages its business operations.

Materiality analysis

The 2022 materiality analysis was performed in three steps, namely the identification of possibly material sustainability topics (based on reporting standards, regulations and competitors' reports), stakeholder engagement (structured face-to-face interviews with employees, customers and suppliers) and an analysis of environmental, social and governance (ESG)-related risks and opportunities.

In identifying sustainability topics, we took holistic account of all aspects of sustainability (economic, environmental, social and governance). We identified the following topics:

Key material topics

Economic Topics	Definition
Product and site sustainability	Continuous business success of our sites through innovation, investments, site development and improvement of the product portfolio.
Climate change adaptation	Our ability to adapt to climate change and manage related risks and opportunities. Risks can be physical risks like floods or droughts, or transition risks like changing markets, additional need for CAPEX, etc. Opportunities can include higher demand for green steel, attracting funds for green investments or increased attractiveness as an employer.
Circular economy	Using a 100% EAF and scrap-based production route, we play a significant role in fostering a circular economy. We continuously observe how industry trends affect the availability of our supplies, such as the conversion from the BF-BOF route to EAF steelmaking and the resulting increased demand for scrap and electrodes. We strive for the highest recycling content technically and economically possible in our input materials.

Environmental Topics	Definition
Waste	The management of unwanted materials (e.g. dust, scale, oily sludge) or byproducts (e.g. slag) that cannot be fully avoided in our technical processes and need to be disposed of or recovered.
Resource efficiency	The efficient use of raw materials, energy and all other resources.
Emissions to air	The control and reduction of all emissions to air, including CO2, NOx and dust.
Water resources protection	Responsible withdrawal and discharge of water. Protection of water resources through minimization of emissions to water and avoidance of leaks and spills.
Biodiversity	The protection and support of biodiversity at and around our sites.

Social Topics	Definition
Health & Safety	The protection and promotion of the safety, health and welfare of employees, contractors and other people at our sites (e.g. visitors).
Relations with personnel	The maintenance and promotion of a positive relationship with employees, employee representatives and unions.
Diversity & Equal opportunities	The equal treatment of all employees, regardless of social and ethnic background, gender, age, religion, political views, disabilities or any other features that differentiate groups in society.
Corporate citizenship	All our social, economic, cultural and environmental responsibilities toward the communities where we operate.
Talent attraction & development	Our ability to attract and develop high-potential and high-performing employees.

Governance Topics	Definition
Ethical management	Strict compliance with legal requirements and behavioral principles of business ethics in relations with all our business partners and stakeholders.
Sustainable procurement	The identification and assessment of risks and opportunities associated with our suppliers and the monitoring and management of environmental and social impacts in the supply chain, including the responsible sourcing of conflict minerals.
Data + IT + access security	Protection of data and IT infrastructure from external destruction, unauthorized use, cyberattacks and data breaches, as well as controlling physical access to our sites, plants and offices through technical and organizational means.

Based on the score of each topic in the two dimensions, we distinguished three clusters:

Key topics

Key topics either have significant impact on our business success and/or we have significant impact on the environment and society in these topics. For key topics, we report key performance indicators (KPIs), set targets aligned with our business strategy and measure our target achievement.

Relevant topics

Relevant topics have medium impact. We report on relevant topics and where applicable we report KPIs.

Awareness topics

Despite the lower impact of these topics according to our materiality analysis, we still consider them as important sustainability topics. We closely monitor awareness topics and define principles regarding these topics in our policies. We report on awareness topics less comprehensively than on relevant or key topics.

UN Sustainable Development Goals

The 17 United Nations Sustainable Development Goals that were adopted by the member states as part of the 2030 Agenda provide a framework for achieving prosperity for people and the planet through sustainable development.

In line with our materiality analysis and our strategic focus, we selected six goals where we can make a valuable and meaningful contribution in accordance with the target definitions of the United Nations.

Goal 7
In order to achieve the targets set by our Science Based Targets initiative (SBTi) commitment, we will further increase the share of renewable energy and aim to improve our energy efficiency. Our plants in Switzerland and Canada already use 100 % power from renewable sources. In Ugine and Emmenbrücke we feed excess heat into the district heating networks.

Goal 8
Globally we employ more than 8,800 people. Providing a safe working environment is our top priority. Each year we contribute to the education and training of young people by offering apprenticeships. At many locations we play an important role in the social integration and employment of immigrants. Our steel from recycled scrap contributes to sustainable growth without exploiting natural resources.

Goal 9
Steel is an integral part of modern and sustainable infrastructure. Our technical sales and research teams develop innovative products that meet our customers' requirements. Through investments, innovation and continuous improvement, we upgrade our technological capabilities and processes regarding economic and environmental performance.

Goal 12
Steel recycling is our core business. Using a 100 % EAF and scrap-based production route, we play a significant role in fostering a circular economy. We strive for the highest possible recycling content in our products and avoid the use of primary materials where feasible. We cooperate with our business partners to recover by-products and waste, such as slag and dust.

Goal 13
Our carbon footprint is significantly lower than the industry average and with our EAF-based production route we are in a strong position for a decarbonized future. In 2022, we committed to setting ambitious SBTi decarbonization targets and following up on their implementation.

Goal 17
Partnerships are a prerequisite to achieve our sustainability targets. We have established Green Steel partnerships with our customers and we foster successful partnerships in scrap and waste management and with local communities. Our Research and Development (R&D) teams work together with renowned universities and participate in publicly funded research projects. Beyond that, we contribute to industry efforts toward pertinent, well-adapted standards by actively participating in working groups of associations.

Environmental Reporting Methodology

In line with the Greenhouse Gas Protocol Corporate Standard, we categorize CO_2 emissions into three scopes. Scope 1 emissions are direct emissions from combustion originating from sources owned or controlled by Swiss Steel Group. Scope 2 emissions are indirect emissions from the generation of purchased energy. CO_2 emissions that occur in our value chain (excluding Scope 2 emissions) are classified as Scope 3.

Site-level carbon emissions are assigned to the relevant production process (e.g. melt shop). The production output from each process step is used to calculate the carbon intensity. The figures in the subsequent section refer to CO_2e (CO_2 equivalent). Given the nature of Swiss Steel Group's operations, CO_2 is the only significant greenhouse gas (GHG) within direct emissions.

Swiss Steel Group's emissions calculation manual is based on the framework and principles of the WRI/WBCSD Greenhouse Gas Protocol for Corporate Accounting and Reporting Standard. In Europe and Canada, direct emissions are reported annually to the authorities under an ETS (emissions trading system). Sites that do not fall under any ETS apply a mass balance methodology to calculate their Scope 1 emissions. Scope 2 emissions are calculated according to the market- and location-based method.

For Scope 3.1, we distinguish between more than 3,000 different input materials, which are aggregated into material categories. Secondary emission factors from public sources such as worldsteel, industry associations or life cycle assessment (LCA) databases are then applied to these categories to calculate Scope 3.1 emissions. If available, primary emissions data from specific suppliers are used.

To calculate our Scope 3.3 emissions, all fuels considered in Scope 1 are tracked and either location-specific emission factors or secondary emission factors from public sources are applied. Transmission and distribution losses as well as upstream emissions of purchased electricity are also included.

Swiss Steel Group tracks emissions from waste EAF slag using the worldsteel methodology. Other waste and discharged water are included in the Scope 3.5 inventory. Disposal operations are categorized as landfill or incineration.

Accounting for Scope 3.10, Sold volumes are categorized by country and first use (e.g. forging, cold forming, machining). Representative energy consumptions per tonne sold are allocated to each category, based on our operations or industry data. These consumptions are then multiplied by the emission factor for natural gas or the location-based Scope 2 emission factor for electrical energy.

Emissions from preparing steel products for recycling (e.g., handling, pressing, cutting, shredding) are included in category 3.12. Primary emission factors are applied to the sold steel volume of the reporting year.

Unless stated otherwise, the environmental and emissions figures presented in in this report were collected from our major production sites that generate more than 95 % of our emissions. These include all Ugitech and Steeltec production sites as well as all major Deutsche Edelstahlwerke sites (Hagen, Hattingen, Krefeld, Siegen, Witten), Finkl Steel Chicago and Finkl Steel Sorel. The published data represent the best available data at the time of publication. The pending emissions trading systems (ETS) verification of the Scope 1 CO_2 emissions may also lead to later adjustments.

We have obtained independent limited assurance by DNV over the greenhouse gas emissions data of 2021, 2022 and 2023. The following Scope categories were within the boundary of the DNV verification: Scope 1, Scope 2, Scopes 3.1, 3.3., 3.4, 3.5, 3.6, 3.10 (year 2023 only), 3.12 (year 2023 only).

Due to a slightly different reporting boundary (i.e. number of smaller sites) and the continuous improvement of our methodology, some emission figures presented in this report differ slightly from the assured figures. Further details regarding our CO_2 reporting methodology and the statement issued by DNV can be found on our website.

Additional Sustainability Metrics

Environmental Sustainability

Environmental figures

Location-based Scope 2 CO_2 emissions in kt	2022	2023	2024*
Melt shops	244	209	169
Total	350	313	254

* only continued operations (excl. Ascometal)

Dust emissions in t	2022	2023	2024*
Melt shop dust emissions filtered	26,188	25,320	20,898
Melt shop dust emissions to air	95	88	72

* only continued operations (excl. Ascometal)

Social Sustainability

Social sustainability

		2022			2023			2024		
		Blue collar	White collar	Mgt.	Blue collar	White collar	Mgt.	Blue collar	White collar	Mgt.
Europe	**Age**	**4,897**	**3,102**	**457**	**5,433**	**1,781**	**411**	**3,284**	**2,587**	**331**
Male	<30	17.48 %	7.48 %	0.66 %	15.52%	8.31%	0.24%	20.31%	9.05%	1.51%
	30-50	47.70 %	36.52 %	39.82 %	49.27%	31.28%	41.36%	45.59%	36.03%	38.67%
	>50	32.98 %	27.18 %	42.01 %	32.53%	22.85%	40.39%	32.54%	29.88%	43.20%
Female	<30	0.29 %	3.22 %	0.22 %	0.33%	4.60%	0.00%	0.21%	2.32%	0.30%
	30-50	0.82 %	14.76 %	9.19 %	1.34%	18.02%	10.46%	0.58%	10.78%	9.97%
	>50	0.74 %	10.83 %	8.10 %	1.01%	14.94%	7.55%	0.76%	11.94%	6.34%
North America		**604**	**195**	**73**	**556**	**183**	**77**	**537**	**194**	**73**
Male	<30	14.07 %	9.74 %	0.00 %	12.23%	9.29%	0.00%	14.90%	9.79%	1.37%
	30-50	44.70 %	36.41 %	42.47 %	44.60%	28.96%	45.45%	40.22%	29.90%	42.47%
	>50	39.24 %	21.54 %	46.58 %	41.73%	27.32%	45.45%	43.39%	29.38%	43.84%
Female	<30	0.33 %	2.05 %	0.00 %	0.00%	2.19%	0.00%	0.37%	2.06%	0.00%
	30-50	1.16 %	17.95 %	6.85 %	1.08%	17.49%	6.50%	0.93%	14.43%	8.22%
	>50	0.50 %	12.31 %	4.11 %	0.36%	14.75%	2.60%	0.19%	14.43%	4.11%
Rest of world		**217**	**253**	**59**	**164**	**154**	**53**	**165**	**223**	**56**
Male	<30	11.52 %	5.53 %	0.00 %	7.93%	7.14%	0.00%	12.12%	4.48%	0.00%
	30-50	62.21 %	40.71 %	38.98 %	65.85%	36.37%	45.28%	58.79%	41.70%	28.57%
	>50	22.58 %	11.46 %	22.03 %	21.95%	7.79%	16.98%	26.06%	15.25%	32.14%
Female	<30	0.92 %	5.14 %	0.00 %	0.61%	5.20%	0.00%	0.00%	4.48%	0.00%
	30-50	2.30 %	31.62 %	25.42 %	3.05%	35.71%	26.42%	2.42%	24.22%	23.21%
	>50	0.46 %	5.53 %	13.56 %	0.61%	7.79%	11.32%	0.61%	9.87%	16.07%

Workforce Composition and Employment Trends

	2022	2023	2024
Female	**1,285**	**1,069**	**948**
Full time	77.98 %	77.83%	79.75%
Part time	22.02 %	22.17%	20.25%
Permanent	94.40 %	93.36%	94.04%
Temp	2.88 %	3.37%	3.09%
Intern/Apprenticeship	2.72 %	3.27%	2.87%
Employee turnover	13.62 %	22.17%*	27.74%
Male	**8,572**	**7,743**	**6,502**
Full time	90.56 %	91.75%	90.94%
Part time	9.44 %	8.25%	9.06%
Permanent	94.39 %	94.49%	91.62%
Temp	1.83 %	1.39%	3.74%
Intern/Apprenticeship	3.78 %	4.12%	4.63%
Employee turnover	9.58 %	13.21%*	35.44%

* The high increase in employee turnover is due to the sale of sites in eastern Europe and due to the restructuring program with a social plan in DEW.

	2022	2023	2024
Employed persons with disabilities	421	342	289
Employees on parental leave at end of reporting period	248	8*	100
Average training hours per employee	17.34	35.31	21.77
Absence rate	6.76 %	6.00%	6.00%
Employees covered by collective bargaining agreements	84.00 %	88.41%	95.00%

* To ensure consistency in reporting standards, the 2023 figure specifically represents employees on parental leave on the reference day. In contrast, figures for 2022 and from 2024 onward include all parental leaves throughout the year, reflecting the total number of employees who benefited from parental leave.

Sustainability in the supply chain

Transport mode incoming scrap in %	2022	2023	2024*
Transport by road	76	78	73
Transport by rail	24	22	27

* only continued operations (excl. Ascometal)

GRI Content Index

Disclosure requirement	Description	Reference
Statement of use		**Swiss Steel Group has reported the information cited in this GRI content index for the period 01.01.2024-31.12.2024 with reference to the GRI Standards.**
GRI 1 used	**GRI 1: Foundation 2021**	
GRI 2:2021	**General disclosures**	
2-1	Organizational details	Swiss Steel Holding AG Werkstrasse 7 CH-6020 Emmenbrücke
2-2	Entities included in the organization's sustainability reporting	All Swiss Steel Group entities. For environmental data please see p. 60.
2-3	Reporting period, frequency and contact point	January 1 – December 31 (annually) Burkhard Wagner, Vice President Corporate Finance, burkhard.wagner@swisssteelgroup.com
2-4	Restatements of information	Due to the derecognition of Ascometal, its data was excluded or displayed separately where appropriate.
2-5	External assurance	None
2-6	Activities, value chain and other business relationships	p. 6, AR 3-14
2-7	Employees	p. 39-41, 62-63
2-9	Governance structure and composition	p. AR 54-60
2-10	Nomination and selection of the highest governance body	p. AR 54-60, AR 68
2-11	Chair of the highest governance body	p. AR 54-55

Disclosure requirement	Description	Reference
2-13	Delegation of responsibility for managing impacts	p. 8, 11
2-14	Role of the highest governance body in sustainability reporting	p. 8, 11, 55
2-16	Communication of critical concerns	p. 48
2-19	Remuneration policies	p. AR 65-81
2-20	Process to determine remuneration	p. AR 65-81
2-22	Statement on sustainable development strategy	p. 4
2-23	Policy commitments	p. 47-54
2-24	Embedding policy commitments	p. 47-54
2-26	Mechanisms for seeking advice and raising concerns	p. 48
2-28	Membership associations	We are a member of, among others, World Steel Association (worldsteel), German Steel Association (Wirtschaftsvereinigung Stahl), European Steel Association (EUROFER).
2-29	Approach to stakeholder engagement	p. 57-59
2-30	Collective bargaining agreements	p. 63
GRI 3:2021	**Material Topics**	
3-1	Process to determine material topics	p. 9, 57-59
3-2	List of material topics	p. 9
3-3	Management of material topics	p. 11-54

Disclosure requirement	Description	Reference
GRI 201:2016	**Economic Performance**	
201-1	Direct economic value generated and distributed	p. 46
201-2	Financial implications and other risks and opportunities due to climate change	p. 12-17, 29
201-3	Defined benefit plan obligations and other retirement plans	p. AR 124-129
201-4	Financial assistance received from government	p. AR 106
GRI 204:2016	**Procurement practices**	
204-1	Proportion of spending on local suppliers	p. 52
GRI 205:2016	**Anti-corruption**	
205-1	Operations assessed for risks related to corruption	p. 48-49
205-2	Communication and training about anti-corruption policies and procedures	p. 48-49
205-3	Confirmed incidents of corruption and actions taken	p. 48
GRI 301:2016	**Materials**	
301-1	Materials used by weight or volume	p. 31-32
301-2	Recycled input materials used	p. 31-32
GRI 302:2016	**Energy**	
302-1	Energy consumption within the organization	p. 26-27
302-3	Energy intensity	p. 26-27
302-4	Reduction of energy consumption	p. 22-23

Disclosure requirement	Description	Reference
GRI 303:2018	**Water and Effluents**	
303-1	Interactions with water as a shared resource	p. 33-34, 36
303-3	Water withdrawal	p. 34
303-4	Water discharge	p. 34
GRI 305:2016	**Emissions**	
305-1	Direct (Scope 1) GHG emissions	p. 27
305-2	Energy indirect (Scope 2) GHG emissions	p. 28
305-3	Other indirect (Scope 3) GHG emissions	p. 28
305-4	GHG emissions intensity	p. 27-28
305-5	Reduction of GHG emissions	p. 22-23
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 32
GRI 306:2020	**Waste**	
306-1	Waste generation and significant waste-related impacts	p. 32-33
306-2	Management of significant waste-related impacts	p. 32-33
306-4	Waste diverted from disposal	p. 32-33
306-5	Waste directed to disposal	p. 32-33
GRI 308:2016	**Supplier environmental assessment**	
308-2	Negative environmental impacts in the supply chain and actions taken	p. 52-54

Disclosure requirement	Description	Reference
GRI 401:2016	**Employment**	
401-1	New employee hires and employee turnover	p. 63
401-3	Parental leave	p. 63
GRI 403:2018	**Occupational Health and Safety**	
403-1	Occupational health and safety management system	p. 37
403-2	Hazard identification, risk assessment, and incident investigation	p. 37-38, 50
403-3	Occupational health services	p. 37-38
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 37-38
403-5	Worker training on occupational health and safety	p. 37-38
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 37-38, 50-54
403-8	Workers covered by an occupational health and safety management system	p. 37
403-9	Work-related injuries	p. 38
GRI 404:2016	**Training and Education**	
404-1	Average hours of training per year per employee	p. 42, 63
404-2	Programs for upgrading employee skills and transition assistance programs	p. 41-44
404-3	Percentage of employees receiving regular performance and career development reviews	p. 42

Disclosure requirement	Description	Reference
GRI 405:2016	**Diversity and Equal Opportunity**	
405-1	Diversity of governance bodies and employees	p. 41, 62, AR 54
GRI 406:2016	**Non-discrimination**	
406-1	Incidents of discrimination and corrective actions taken	p. 48
GRI 407:2016	**Freedom of association and collective bargaining**	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 50-54
GRI 408:2016	**Child labor**	
408-1	Operations and suppliers at significant risk for incidents of child labor	p. 50-54
GRI 409:2016	**Forced or compulsory labor**	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 50-54
GRI 414:2016	**Supplier social assessment**	
414-2	Negative social impacts in the supply chain and actions taken	p. 50-54
GRI 415:2016	**Public Policy**	
415-1	Political contributions	None

Page numbers refer to the Non-Financial Report unless otherwise noted (AR=Annual Report).

ESRS-Index

Disclosure requirement	Description	Reference
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	p. 11
ESRS E1-1	Transition plan for climate change mitigation	p. 12, 18-21 and 24-26
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	p. 12-17
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks, and opportunities	p. 18
E1-2	Policies related to climate change mitigation and adaptation	p. 18-19
E1-3	Actions and resources in relation to climate change policies	p. 19-23
E1-4	Targets related to climate change mitigation and adaptation	p. 24-26, 35-36
E1-5	Energy consumption and mix	p. 26-27
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	p. 26-28
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	p. 21
E1-8	Internal carbon pricing	p. 29
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	p. 29

Legal Notice

Swiss Steel Holding AG
Werkstrasse 7
CH-6020 Emmenbrücke
Phone +41 41 581 40 00
ir@swisssteelgroup.com
swisssteel-group.com

Creative Concept, Design and Production
Hilda Ltd.
CH-6312 Steinhausen
hilda.ch

Proofreading
Lionbridge Switzerland AG
CH-4051 Basel
lionbridge.com