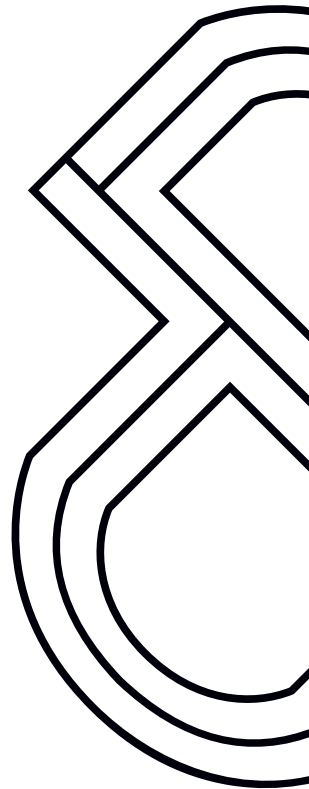
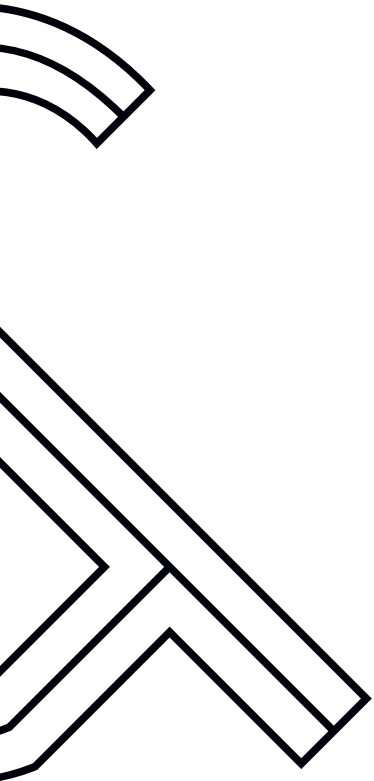


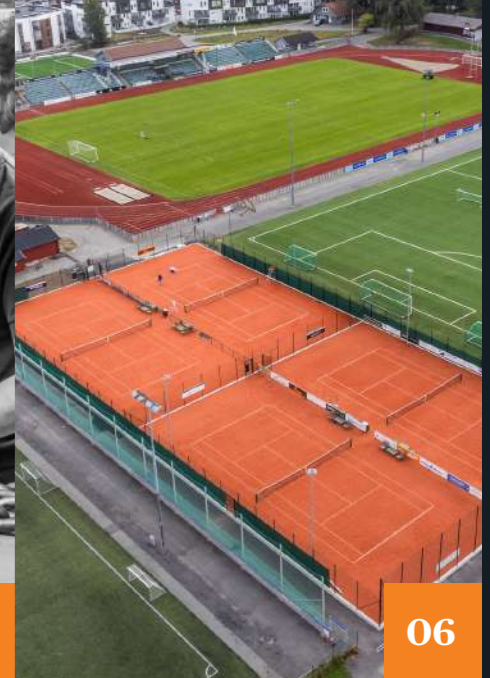
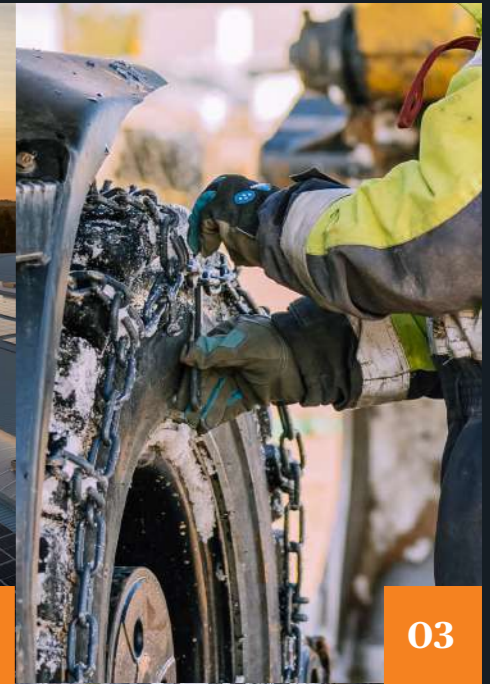
nøsted &

Sustainability
report 2023



Contents.

A message from our Chief Executive Officer	04
1 Ensure sustainability in our entire value chain	07
2 Reduce emissions in our own operations	11
3 Design to extend the life cycle of our products and improve sustainability	14
4 Cooperation to achieve our goals	16
5 Our working environment	19
6 Our social impact	22





A message from our Chief Executive Officer

Nøsted & are a company with proud traditions and high ambitions. We, and our brands Trygg, Igland and Fram, aim to be the most environmentally and socially conscious supplier within our market segments and to arrive at zero carbon emissions as soon as practicable.

We are committed to playing our part in achieving the UN sustainability goals.

We link local and global engineering and production capacity to give our international customers the smartest, simplest, and most valuable solutions adapted to the challenges they face. Every single chain and piece of equipment in all our customer segments must be of the highest quality. Our products have to withstand strong, repetitive stress under diverse and difficult weather conditions. The human and environmental consequences, should anything go wrong, can be great. This impacts everything we do. Across design and product development, production, quality and our wider management systems.

We have identified six key areas that we need to focus on in this journey to achieve the change required, and whilst

they may change over time as we learn more, the direction of travel is clear.

Our focus areas

- Ensuring sustainability in our entire value chain.
- Reducing emissions in our own operations.
- Design to extend the life cycle of our products and improve sustainability.
- Cooperation to achieve our goals.
- Our working environment.
- Our social impact.

We shall meet our goals through both internal change and working more closely with our suppliers and customers - It is all about connections. Expressing our work through our values - Co-operation, the Power to innovate and Drive, we shall succeed. For us this is a journey of transformation not just a goal.

We have already started this process and aim to record and measure our progress towards these goals through an annual report into our Environmental, Social and Governance performance. We also

recognise that a report is of little consequence if we do not 'live' these goals and embed them in our day-to-day work - developing, designing and delivering our products and services.

Thank you for reading our sustainability report.

Merethe Nøsted Von Zernichow
Chief Executive Officer

Have a question for Merethe?



merethe.zernichow@nosted.com

Ensure sustainability in our entire value chain.

Ambition: To move our own value chain to carbon neutrality by 2030.

Nøsted & shall

- Improve our supplier contract design and align with UN environmental & social goals.
- Optimise transportation.
- Have more sustainable raw materials.
- Increase % of recyclable steel in our raw materials.
- Improve our yield from steel.
- Reduce waste, further improve sorting and re-use wherever possible.



Our raw materials are over 95% steel. The energy used and environmental footprint of steel is highly dependent on a few key drivers.

Key drivers

- Whether the steel is produced in Blast Furnaces/Basic Oxygen Furnaces (BF/BOF) or Electric Arc Furnaces (EAF)
- The type of raw material used - Iron Ore or Directly Reduced Iron (DRI), Recycled steel.
- The amount of recycled steel.
- The reducing agent used - Coal, Natural gas or Hydrogen.
- The type of energy used - Is it from renewable sources?
- The suppliers efficiency.
- Transportation.

The European steel mix is 55% BF/BOF and 45% EAF.

Adopting an approach combining scrap, DRI, and EAF using hydrogen is currently considered the most viable option and the long-term solution to achieving carbon-neutral steel production, especially in Europe. For Nøsted & our buying decisions can help us be at the forefront of this change.

Recycled steel is made up of two parts - pre and post-consumer scrap. The amount of post-consumer recycled steel varies significantly dependent on where the steel is sourced, from around 20% in developing countries to 35% in western Europe. By sourcing only from western Europe, we have a higher percentage of recycled post-consumer steel approaching 35%.

Re-using packaging is an important consideration at all our sites. It limits our waste, is more environmentally friendly and means we need to buy less packaging.

Current status

As buyers we have chosen the most environmentally friendly option of steel from the EAF production route, which



accounts for around 28% of the CO₂ emissions compared to BF/BOF. (1.75 t CO₂/t steel to 0.5 t CO₂/t steel). This amounts to 2.7 million tonnes of CO₂ compared to 9.5 million tonnes of CO₂. Our steel purchases in 2022 amounted to 5417 tons.

The amount of recycled steel in our supplies averaged 65% in 2022.

Our suppliers used renewable energy sources averaging 65% of their total energy needs in 2022.

Transportation of our raw materials is over 90% by ship delivered to within 2 km of our site in Mandal. This significantly reduces the amount of lorry journeys needed to receive our raw materials. By way of example one ship carrying 2500 tons from one of our lorries. That is approximately ½ million km via road transport saved. Spanish suppliers would need 104 lorries. That is approximately ½ million km via road transport saved.

At our biggest site, Mandal, the amount of product we get from our steel (Yield) shows an improvement from 93.3% to

94.8% between 2021 and 2022. Improving our effectiveness is good for the environment and profitability. Our metal waste is recycled.

We have also significantly improved our non-metal recycling rates by sorting better at all our sites with around 75% of all non-metal waste being sorted in 2022. Our unsorted waste has reduced from 57 tonnes in 2018 to 26 tonnes in Mandal in 2022, whilst production has increased by over 10%.

We re-use our packaging material wherever possible, with re-use rates between 75-95%.



Supplier	% of total steel purchased	Recycled steel %	Renewable energy used by supplier %
Supplier 1	78 %	66.4 %	63.8 %
Supplier 2	18.5 %	51 %	66.6 %
Supplier 3	3.5 %	97 %	100 %
Total/Average	100 %	65 %	65 %

Reduce emissions in our own operations.

Ambition: To minimise our environmental footprint and emissions, reduce our energy usage and be the most environmentally sustainable supplier in our industry segments.

Nøsted & shall

- Reduce energy use.
- Generate more of our own energy.
- Improve the tracking of our emissions.
- Improve air quality within, and reduce emissions from, our own factories





Efficient use of resources has a direct benefit to both the environment and profitability. By reducing energy use and waste we can have a direct impact on several Sustainable development goals. Over the last five years we have reduced significantly our energy use and waste.

Whilst Norwegian energy production is world leading in generating close to 100% from renewable resources, we want to go further and secure more of our usage through our own energy producing capability.

Current status

Our three Norwegian locations are currently in the process of taking advantage of our site footprint to install solar panels to help us generate up to 25% of our energy needs. This amounts to around 1.75million KW. The target date for these installations to begin producing is in the second quarter of 2023.

Our electricity usage overall has reduced by 5% from 2021 to 2022.



Design to extend the life cycle of our products and improve sustainability.

Ambition: To have the most sustainable products in the industry. Built to last, repair and recycle.

Nøsted & shall

- Improve our product design to reflect environmental factors/life products to help extend product life.
- Develop new service options for our products to help extend product life.
- Reduce packaging use/more sustainable options.



Design can play a key role in reducing waste, extending the usable life of products, reducing emissions and more sustainable material use, as well as packaging requirements and servicing needs. It is critical to embed our sustainability goals within our product design as we move towards a more circular economy. We know our products already have relatively long-life cycles, but we know we can do even better, by offering new services to help service and extend our products useful life still further.

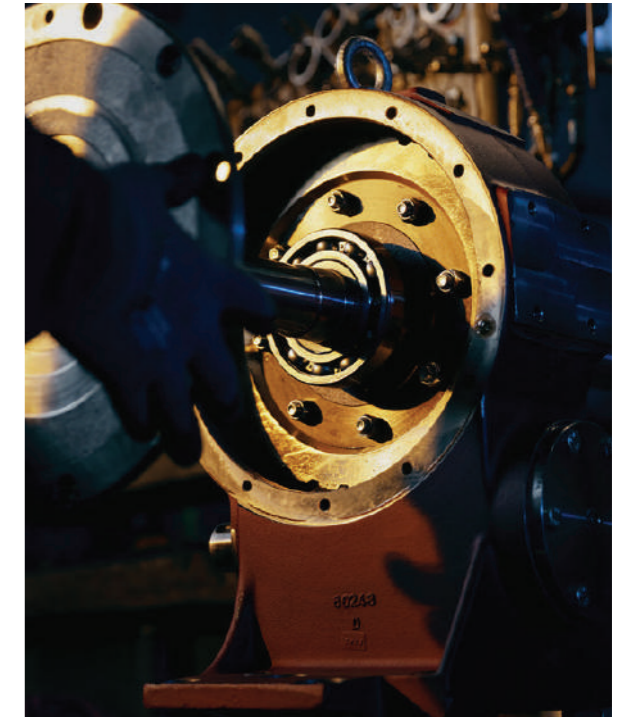
For us, design is not just about products and can involve the development of new services, new ways of producing, and new ways of engaging with our customers.

Current status

We have a rolling programme to upgrade and redesign products, where applicable, to begin this process of design led improvement. We are working with several key customers to develop our partnership working to help address some of their key issues with new innovative solutions. An example of this is our innovative mooring system

for fish farming that uses less material resources, extends the mooring lifetime, and is a more cost effective solution for our customers.

Our 'returordning' allows new and existing customers to bring their old wheel chain back to us for recycling. The customer receives a discount and we donate to environmental organisations.



Cooperation to achieve our goals.

Ambition: *To have deep supplier, customer and community partnerships that create more value for all our stakeholders.*

Nøsted & shall

- Develop and deepen our existing relationships with suppliers and customers.
- To deepen our community involvement further.
- Work more closely with customers to develop sustainable solutions to current and anticipated future challenges.
- To work to reduce our environmental footprint across our whole value chain.



To achieve the Sustainability goals, and achieve the changes we want requires much deeper partnerships. We strive for partnerships within our organisation and we need to work in a more structured, systematic way to develop and deepen our wider partnerships with suppliers, customers and governmental bodies to succeed to the new level we desire. A circular economy demands much closer co-operation across our value chain.

Current status

We have many ad hoc relationships on specific issues, gaining new insights, innovations and mutually beneficial business relationships. We could do more

to make this a consistent, systematic way of doing business.

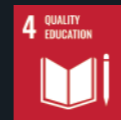
We have seen the benefits of working with customers to identify new business opportunities for us, whilst solving some of their more complex problems. When this has worked well, we have been able to profitably help our customers, innovate and replicate the learnings for other similar customer problems.

Our working environment.

Ambition: *To be the employer of choice that recruits well, regardless of background, develops people and challenges them to achieve, within a safe, secure and healthy environment.*

Nøsted & shall

- Improve working conditions in our own factories - Ventilation, noise.
- Include in our supplier contracts, wherever possible, supplier standards that encourage others to aspire to high standards - Miljø, working environment.
- Continue to recruit where feasible from the locality and wider region and give chances to those that have had difficulties in accessing the labour market.
- Improve our focus on people development.



Nøsted & aspire to have the best possible working environment to ensure the health, welfare and satisfaction of our employees. Within Nøsted & we do not discriminate on any grounds.

Involvement, being heard, and having clarity around expectations, roles & responsibilities, combined with appropriate channels to fix and solve problems are important building blocks in creating a good working environment.

We organise our business by ensuring all can be involved and heard within the organisation. Problems and opportunities to improve and decisions related to them should be taken as close to the issue as possible, with appropriate means of escalating if needed. Our way of organising is called Koblingboksen.

Current status

Our management system ('Koblingsboksen') is certified to ISO 9001 and 14001.

We utilise the services of Bedriftshelsetjeneste AS as our local partner to help both the organisation and staff in all working environment areas. In addition

we have Arbeidsmiljøutvalg (AMU) that plays an active role in monitoring and improving our working environment, as well as HMS being an integral way of working for our leaders at all levels.

Overall 13% of our staff are women with a total of 19. In 'physical work' just 2% of our staff are women. Women make up 33% of the non-physical work staff.

Our age profile reflects the experience within our organisation with an average age of 46.

We have staff with 14 nationalities making up 19% of our employees. These staff come from 6 European countries and from 7 other countries. 81% of staff are Norwegian citizens.



Our social impact.

Ambition: To be a good neighbour and actively support our communities.

- Minimise noise and other pollution.
- Be a good neighbour.
- Support, and be involved in, our local communities.

Nøsted & shall

- Measure our impact on our neighbours and immediate environment through systematic analyses of our emissions and noise.
- Maintain our support for local organisations, businesses, schools and charities.
- Encourage our staff to be active in their communities



We can, are, and will strive to have the best possible positive impact on our wider locations. For us this means being an active, good neighbour, that supports our local communities.

Current status

We sponsor many local organisations within our communities, such as Handball, Tennis, football. The amount in 2022 was around Kr140.000.

We are delighted to be involved in supporting local schools and colleges with access for visits, work experience and a variety of other types of support.

We are members of Mandal Industri & Næring, an employers organisation, and SINPRO, a centre for innovative design and production that links businesses and knowledge institutions (Universities) together.

Our 'returordning' for wheel chains combines an encouragement to recycle by financially rewarding customers, whilst contributing to charities with a focus on removing plastics from the world's oceans.

We continue to use IME verksted for the supply of various products and services. We also use Mindus for the supply of some spare machine parts.



