

2025

Sustainability &  
CSR Report



# Providing a Sustainable Future

IN ACCORDANCE WITH DANISH FINANCIAL STATEMENTS ACT (ARL) §99A & 99B



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# About this report

This report marks Damstahl's third ESG publication, building upon our longstanding commitment to sustainability and corporate social responsibility, which we have reported on since 2019. This publication further advances our structured efforts in environmental, social, and governance initiatives, all guided by our materiality assessment.

Although Damstahl is outside the scope of the Corporate Sustainability Reporting Directive (CSRD), our consistent engagement with sustainability ensures that we are well prepared for current and future requirements while continuing to support transparency and stakeholder value creation.

Being more than a CSRD task, this report also illustrates an ongoing dialogue on sustainable progress. The report has been prepared in accordance with Section 99a and 99b of the Danish Financial Statements Act and form a component of the management review for the fiscal year 2025.

Furthermore, the report is organized into three main sections, respectively focusing on Environmental, Social, and Governance aspects.

**Enjoy your reading!**



# Business Model

## – we are on your side

Damstahl is a family-owned stainless steel and metal distributor headquartered in Skanderborg, Denmark. With a presence in 12 European countries, we currently employ over 300 people.

As European market leader, Damstahl is a preferred partner for numerous customers, due to our extensive knowledge sharing, industry-standard commerce practices, efficient logistics solutions, and diverse product range. However, our most significant asset remains our highly skilled workforce, our people.

-  **1960**  
Founded
-  **325**  
employees
-  **12**  
countries

### Damstahl Group

- Denmark
- Germany
- Sweden
- Norway
- Finland
- Belgium
- The Netherlands
- Slovenia
- France
- Switzerland
- Latvia
- Slovakia

- Damstahl sales office and warehouse
- Damstahl Sales office
- Delta Inox



# The Damstahl value chain

Steel can be recycled indefinitely, and much of the stainless steel in use today is based on recycled sources. Our value chain begins with the gathering of scrap materials and the extraction of raw materials, which are then melted in the steel mills and might be further refined multiple times in service centers before ending at one of our warehouses where stored until sold. Stainless steel is utilized as a component in the manufacturing of goods for industries such as food & beverages, pharmaceuticals, clean water, wastewater treatment, and chemical manufacturing. With a typical product lifespan of up to 50 years, stainless steel retains its properties and, upon reaching end-of-life, is recycled into new material and goes through the circle once again.

#### Steel's role in society

Steel is one of the most widely used materials in industry, playing a crucial role in many sectors. Known for its high strength, durability, and flexibility, steel is indispensable in modern manufacturing processes. Importantly, steel can in principle be recycled 100%, contributing significantly to the circular economy.

Specifically, stainless steel ensures high

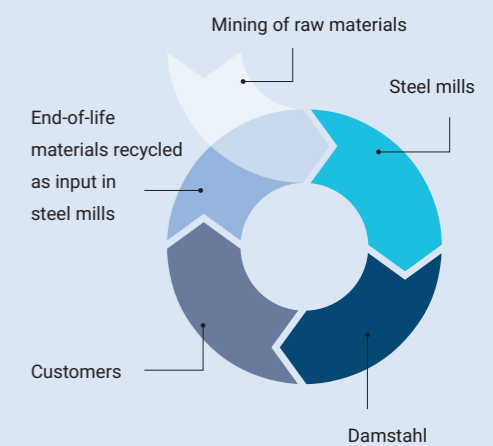
hygiene standards in industries like pharmaceuticals and food production, where sterility is critical. Moreover, stainless steel provides the resistance and durability needed in most industrial components, such as wind turbines in the renewables sector. In other words, stainless steel is fundamental to modern industry and society, ensuring efficiency, durability, and sustainability in some of the most critical sectors.

#### How we create value

Our clear ambition is to be the strongest partner for our customers, providing much more than stainless steel and a variety of other metals; we aim to be seen as a business partner who actively contributes to our customers' success by creating innovative, efficient, and personalized business solutions. Among other initiatives, we achieve this by providing customers with profound industry knowledge, recognizing the vital role of knowledge sharing, and actively sharing our insights on both products and the market.

Moreover, we support our customers within the field of sustainability, offering digital tools, seminars, and meetings to support their sustainability efforts

### Illustration of our value chain



### Here you see a wide range of industries we serve

 Architecture, building & construction	 Automotive & Other transport	 Water & Wastewater	 Chemical Process Industry	 Consumer goods
 Energy	 Food & Beverage Production	 Industrial Components & Heavy Industry	 Infrastructure building	 Pharma

# The Damstahl vision

We want to be in top 3 of Europe's stainless-steel distributors within our field. Our clear ambition is to be the strongest partner for our customers, providing profound industry knowledge supported by pioneering digital solutions. At the same time, we insist that we must succeed in our firm commitment to pushing both suppliers and customers towards decisions based on sustainability rather than solely on price.

# Letter from our Group CEO

Dear reader

This Sustainability Report is our way of sharing progress and creating transparency on what we focus on, what we measure, and how we work to reduce our impact - while at the same time supporting our customers in meeting their own requirements. For us, transparency is not an abstract ambition, but a practical necessity in a market where decisions are made every day based on price, availability, documentation, and timing. This report looks back on a year that has been one of the most transformative periods for sustainability regulation in Europe - and one that has clearly shaped the reality we operate in as a stainless steel distributor.

In an environment where regulations are complex and constantly evolving, knowledge and transparency matter more than ever. At the same time, expectations around accountability and business resilience continue to grow. At Damstahl, we see it as our responsibility to help make this complexity manageable for our customers - something we already highlighted in our Sustainability Report back in 2019. Our role is often to bridge the gap between regulation and reality: creating clarity around requirements, data, and documentation, and helping translate regulation into practical decisions across purchasing, logistics, and material flows. This is why we invest not only in capacity and efficiency, but also in digital solutions and new ways of collaborating that make it easier to share information, ensure traceability, and work systematically with sustainability across organisations.

As mentioned, 2025 has been one of the most transformative years for sustainability regulation in Europe. New mechanisms and requirements - including CBAM and tariffs replacing the current Safeguard measures - are rapidly reshaping the rules for materials, imports, and production. When quotas are adjusted and tariffs change, the impact is immediate: on supply chains, competitiveness, and decision-making throughout the value chain. For a steel wholesaler operating in a global and highly regulated market, this means that knowledge and transparency are no longer "nice to have", but a baseline requirement for acting responsibly - and acting in time.

**“The past year has therefore made it clear that sustainability today is not only about ambitions, ideals, and good intentions. It is just as much about strategy, risk management, and compliance. In an industry where market conditions can shift quickly, and where margins have been under constant pressure the last three years, the ability to navigate uncertainty, document decisions, and deliver reliable data has become critical - not only for our own business, but also for the customers who depend on us.”**

It is in this context that our investments in high-bay warehouse technology and digital commerce should be understood. They are part of strengthening a more robust and regional supply chain, and of creating a customer journey where speed, quality, reliability and traceability go hand in hand. We are already seeing a clear shift in customer behaviour towards more automated and integrated trade flows. This places new demands on us as a supplier - but it also opens up new opportunities to create value through better data, higher availability, and more precise planning.

This report aims, among other things, to provide insight into how we put this into practice.

I am therefore pleased to welcome you once again to this year's Sustainability Report, developed in close collaboration with our sustainability team.

Best regards,



**Michael Lund**  
Damstahl Group CEO



# Our materiality approach and value chain impacts

To strengthen our strategic sustainability efforts and prepare for evolving regulatory and stakeholder expectations, Damstahl conducted its first double materiality assessment back in 2023. This assessment enables us to identify and prioritize the sustainability topics that are most significant to both our business and our stakeholders, across environmental, social, and governance dimensions

Based on the assessment, this report focuses on the topics where Damstahl has the greatest impacts, risks, and opportunities (IROs) and where we can contribute most meaningfully to positive change. In particular, climate change mitigation, resource use, and responsible working conditions and governance across our value chain stand out as highly material.

## Climate change mitigation and resource use

The global steel industry accounts for approximately 7% of annual global CO<sub>2</sub> emissions, with stainless steel contributing an estimated one percentage point.<sup>1</sup> As a distributor without own production, Damstahl's most material environmental impact lies not in direct emissions, but in how we influence transparency, sourcing deci-

sions, and dialogue across the value chain. Our primary responsibility is therefore to provide customers with reliable and transparent data on the carbon footprint of the products they purchase. In 2023, we launched our climate calculator, enabling customers to see the CO<sub>2</sub> footprint at order-line level and use this insight to make informed decisions about their own climate impact.

## Working conditions and governance in the value chain

Damstahl operates within a complex global value chain. Virgin raw materials for stainless steel originate from mining activities where, according to the International Labour Organization (ILO), hazardous working conditions, labor rights risks, and governance challenges remain persistent in parts of the industry.



## Materiality Matrix



<sup>1</sup> [https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/eu-climate-targets-how-decarbonise-steel-industry-2022-06-15\\_en](https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/eu-climate-targets-how-decarbonise-steel-industry-2022-06-15_en)

To address these risks, we work systematically with supplier requirements and due diligence processes. Our Supplier Code of Conduct is a key element in this effort, reflecting internationally recognised standards on human rights, labour conditions, anti-corruption, and environmental responsibility. Moreover we continuously strengthen our focus on partnering exclusively with suppliers who demonstrate integrity and responsibility.

At the same time, we recognize our indirect influence as a distributor: through our sourcing choices, customer dialogue, and collaboration with suppliers, we can help promote higher standards and greater transparency throughout the value chain.

## Value chain impacts and Damstahl's role

As part of our Double Materiality Assessment, we have mapped the most significant impacts, risks, and opportunities (IRO's) across our value chain. This work is essential to understanding where we can create the greatest value and address the most pressing concerns.

- Mining of raw materials is associated with significant environmental impacts such as emissions, water use, and biodiversity loss, as well as social risks including worker safety, labor rights, and governance challenges. At the same time, responsible mining practices and adherence to international frameworks can generate local economic value and improvements in land and water management.
- Steel mills play a critical role in climate impact. While steelmaking is energy-intensive, innovations in scrap-based production and EAF (Electric Arc Furnace) technologies are reducing emissions, particularly in regions with access to low-carbon electricity. Social impacts include job creation, but also occupational health and safety risks that require continuous attention.
- Customers use stainless steel in a wide range of applications, including renewable energy, pharmaceuticals, and advanced manufacturing. Their environmental impact depends on energy use, processing methods, and waste handling, while social conditions vary by region and industry.

End-of-life marks one of stainless steel's strongest sustainability advantages. With a recyclability rate of approximately 95% and significant energy savings compared to primary production, stainless steel is a cornerstone material for the circular economy. Still, recycling activities involve occupational safety risks and regulatory challenges related to scrap origin and sanctions compliance.

Damstahl Group mainly impacts the environment through energy consumption in warehouses and logistics, as well as indirectly through scope 3 emissions from sourcing. Socially, we contribute through job creation, employee well-being initiatives, and a strong safety culture, while continuing to address challenges such as warehouse safety and psychosocial risks during peak periods.

## Strategic focus going forward

By combining insights from our double materiality assessment with a value chain perspective, Damstahl gains a clear framework for prioritizing sustainability actions where they matter most.

Our continued focus will be on transparency, responsible sourcing, climate data accessibility, and constructive collaboration across the value chain - ensuring that sustainability is not only reported, but actively embedded in how we conduct business.

In practice, this means that Damstahl works continuously to translate policies on environment and climate, social and employment-related matters, human rights, and anti-corruption and bribery into practice in its day-to-day operations. These efforts are supported by data, transparency, and clear requirements throughout the value chain. Our Supplier Code of Conduct sets out concrete expectations for suppliers regarding responsible working conditions, respect for human rights, environmental considerations, and lawful and ethical business conduct. The Code serves as a shared point of reference for dialogue, collaboration, and follow-up with suppliers. Our anti Bribery and Corruption Policy sets out clear guidelines for ethical business conduct and a zero-tolerance approach to bribery. In addition, Damstahl supports the United Nations Global Compact and works to ensure that its principles are reflected in both internal processes and collaboration across the value chain.

# The ESG and regulatory landscape in 2025

2025 marked a turning point in the ESG and regulatory landscape. After years of policy development and political negotiation, the effects of earlier ambitions began to materialize in practice. At the same time, the EU's Omnibus simplification package signaled a shift in political priorities, placing greater emphasis on higher competitiveness and lower administrative reporting, particularly for small and medium-sized enterprises, while maintaining core requirements for larger companies.

In parallel, the Carbon Border Adjustment Mechanism (CBAM) entered the final stage of its transitional phase, preparing the market for full financial implementation start 2026. Together, these developments reflect a broader shift. Sustainability remains central, but the focus is increasingly on balancing transparency, competitiveness, and regulatory practicality.

As we have moved into 2026, businesses are entering a new phase defined less by new legislation and more by execution. Transparency in data, risk management, and the ability to navigate uncertainty are becoming as critical as sustainability performance itself.

## A year of recalibration

One of the defining features of 2025 was the EU's attempt to recalibrate its sustainability agenda through the Omnibus simplification package. While initially framed as a reduction of administrative burden, it represents a more structural adjustment of ESG regulation.

The revised approach reduces complexity and reporting pressure for small and medium-sized enterprises, addressing concerns around disproportionate administrative burden and competitive disadvantage relative to competitors outside EU. At the same time, the largest companies remain firmly within scope, ensuring that transparency is preserved where the impact and stakeholder expectations are highest.

In this context, voluntary frameworks such as the VSME standard are gaining importance. They provide a practical way to maintain transparency across the value chain while keeping reporting efforts proportionate and manageable. The result is a more differentiated regulatory landscape where transparency is maintained, but through more flexible mechanisms.

## CBAM moves from theory to financial reality

For the (stainless) steel industry, no regulation illustrates the shift to implementation more clearly than CBAM.

Following the transitional reporting phase from 2023 to 2025, CBAM enters its definitive phase in 2026, requiring importers to purchase carbon certificates based on embedded emissions. In principle, this introduces comparability across suppliers and integrates carbon into sourcing and pricing decisions.

In practice, the situation is more complex. CBAM cost is not a fixed number but a range, driven by incomplete and inconsistent emissions data across suppliers. Verification processes remain immature and may be delayed, while default values can significantly overstate actual emissions. Importers carry full responsibility for external data, increasing both financial and compliance risk.

A structural challenge lies in the timing mismatch. Materials are sold today, while

the actual CBAM cost will only be known later when certificates must be surrendered. Combined with volatile carbon prices, this creates a situation where companies are pricing products without knowing their true cost base.

The result is a market without clear price signals. Different assumptions lead to inconsistent pricing, temporary distortions, and increased financial exposure. Companies risk underpricing and eroding margins or overpricing and losing competitiveness. While we support the intention behind CBAM and its role in creating a level playing field, it is not yet functioning as a stable pricing mechanism. Managing this uncertainty has therefore become a key capability, shifting the focus from lowest-cost sourcing to active risk management across procurement, contracts, and pricing.

## Social regulation and the labour market

Alongside environmental regulation, 2025 also brought progress on the social dimension of ESG.

The EU Pay Transparency Directive introduces requirements on salary transparency, gender pay gap reporting, and employee access to pay information. With implementation required by June 2026, it was among the most immediate compliance priorities in 2025.

Beyond compliance, the directive is expected to strengthen trust in the labour market, reduce structural inequalities, and improve the quality of job matching. For employees, this means greater clarity and fairness. For companies, it reinforces the need for structured remuneration frameworks and consistent governance.

## Circularity and packaging responsibility

Extended producer responsibility and circular economy regulation continue to expand across Europe, often with national differences that increase complexity for companies operating across borders.



For the steel distribution sector, this development is particularly visible in packaging and is increasingly carrying direct economic consequences. In the Danish market, for example, companies are now facing fees for packaging that is not part of an approved circular system, such as EUR-pallet loops. While such systems work well for certain product categories, they are not universally applicable. Products such as sheets, bars, and tubes cannot be distributed on standard pallets, and fittings and flanges are typically delivered in cardboard packaging.

As a result, packaging decisions are no longer purely operational. They have become a strategic consideration with direct cost implications, requiring companies to balance regulatory compliance, product requirements, and economic efficiency. This shift reinforces the need for improved traceability, better alignment with circular systems where possible, and a more structured approach to packaging design and material use.

**Trade measures and safeguards**

As existing EU steel safeguard measures approach their expiry, the focus is shifting towards alternative trade protection mechanisms, including tariffs and more targeted measures.

A key element in this transition is the increasing emphasis on melt and pour criteria, which define the origin of steel based on where it is produced rather than processed. While intended to prevent circumvention, this adds complexity for companies with global supply chains. It introduces additional documentation requirements, may limit sourcing flexibility, and creates short-term uncertainty as implementation details evolve.

**2026 and beyond**

If 2025 was a year of adjustment, 2026 will be defined by execution. ESG is moving into operational reality where data must be auditable, comparable, and directly linked to decisions. Compliance is no longer a separate activity but integrated into procurement, pricing, and overall business processes.

At the same time, responsibility extends further into the value chain. Reliable supplier data becomes essential, particularly for emissions, reinforcing the need for closer collaboration and stronger data governance. ESG performance is increasingly linked to competitiveness and influences both cost structures and market positioning.

Looking forward, further regulatory developments will continue to shape the landscape. Ongoing discussions around melt and pour requirements under future trade measures highlight the tension between market protection and operational complexity.

At the same time, initiatives such as the Digital Product Passport will increase transparency at product level by linking materials, emissions data, and lifecycle information. Together, these developments point towards a future where traceability and data integration are not only compliance requirements but essential elements of competitiveness in the steel value chain.



# Our roadmap for sustainability action

As mapped in the prior section, our value chain includes various impacts, risks, and opportunities. As a distributor, we are strategically positioned in the heart of an ecosystem, where we can influence our entire value chain. Through the four target areas below, we can actively contribute to initiating a positive development for both our customers and suppliers, thereby benefiting the surrounding community:

4

**Generating quality jobs**

Our employees are the heart of our organization; therefore, we endeavor to generate quality jobs as well as enriching job opportunities. Acknowledging that, we have a constant focus on topics such as preventing accidents, talent development and work life balance. With our more than 300 employees from 12 countries, we rely on people with different backgrounds and skills working together. This creates the most value – both for our employees, customers, and society. Therefore, we consider diversity to be a natural part of our company, understanding that we need people with different backgrounds for our Damstahl machine to function optimally. We also recognize that a strong culture is the key to achieving our ambitions. Therefore, we are proactively intensifying our focus on ensuring and reinforcing the strong culture that already characterizes our company.

3

**Collaboration with trusted partners**

With the mining sector identified as among the world's most hazardous by the International Labour organization (ILO), our commitment lies in collaborating exclusively with trusted partners. That means we focus on the number of signed Supplier Code of Conducts (SCoC), supplier audits and close cooperation and communication with our suppliers. This collaboration with suppliers and our SCoC are essential tools in taking Climate Action. In Damstahl, we understand that 'policies' serve as one important approach to fortifying resilience against climate change. However, we believe that fostering a curious and innovative mindset is just as crucial. This mindset serves as a key tool for establishing new business models, enabling us to influence both suppliers and customers towards more sustainable practices.

1

**Sustainable steel production – pushing for more scrap**

Sustainable development requires that we at Damstahl contribute to reducing our footprint on nature by optimizing the way we produce and consume resources. We insist on taking a leading role in this task. Stainless steel production carries notable environmental consequences. The proportion of scrap used in stainless steel is one of the most effective ways to bring down pollution to air and water as it has the collateral effect that less virgin raw materials are needed for the steel production. Our approach is to prioritize suppliers with higher scrap rates and to secure optimization in resource in- and outflows.

2

**Offering transparency in a non-transparent world**

In our firm commitment to support a future with a minimized carbon footprint, we emphasize mitigation by offering transparent information regarding the emissions linked to our products. Through tools like our Climate Calculator, we empower our customers with comprehensive insights, enabling them to make informed decisions that resonate with their environmental goals. We also organize seminars where we share knowledge with both our customers and employees on relevant environmental topics. We aspire our customers to view us as a trusted partner in advancing sustainability efforts.





E

# ENVIRONMENT

We want to actively contribute to CO2 reduction through targeted efforts within optimizing scrap utilization, promoting greater transparency within our industry, and nurturing strong partnerships with trusted partners. In this section of the report, you will discover how we work with the following UN Development Goals 12 & 13.

# Introducing our new EPD Model

In late 2025, we initiated the development of an enhanced approach to product transparency, with deployment on our website expected by the end of May 2026.

This work marks a shift from a purely historical emissions view to enabling informed decision making at the point of order. Previously, our climate calculator<sup>1</sup> provided insight after the transaction, allowing customers to see the emissions linked to each invoice line, including origin and availability of EPD or PCF documentation. While this created valuable transparency, it did not actively support customers in making data driven choices directly on our website.

Previously we've handled the data retrieval for our customers but with this new development, customers will be able to access relevant sustainability data directly when placing orders. This includes visibility of available EPD or PCF documentation, clear indication of country of origin to support compliance with international trade requirements, and structured identifi-

cation of applicable environmental data for each product. A key element of this solution is the validation of EPD and PCF data against defined criteria. This ensures that any documentation presented is directly applicable to the specific product dimensions offered. By aligning environmental data with actual product specifications, we increase reliability and usability for our customers.

This shift marks an important step in supporting more responsible purchasing decisions, strengthening compliance, and improving the overall quality of sustainability data in our value chain.

Location	Charge number	Quantity	Country of origin	EU/Non-EU	EPD/PCF	KgCO2e/kg
Denmark	<a href="#">476624</a>	36 m	ITA	EU		
Denmark	<a href="#">0476226</a>	72 m	ITA	EU		
Denmark	<a href="#">0553855</a>	30 m	ITA	EU		
Denmark	<a href="#">7052224</a>	36 m	FIN	EU	<a href="#">View OSTP EPD</a>	1.96

<sup>1</sup>Damstahl's Climate Calculator: Effortless CO<sub>2</sub> Measurement & Reporting

# When partnership, sustainability, and quality go hand in hand



LPM has chosen CO<sub>2</sub>-reduced stainless steel from Damstahl to offer their customers a more sustainable option - without compromising on quality.

At Damstahl, we take pride in working with customers who demand top-tier quality while also prioritizing responsible production. One such customer is LPM in Ølgod, Denmark - a long-standing partner specializing in advanced metalworking. For LPM, selecting the right materials is crucial for efficiency, precision, and sustainability.

**UGIMA-X - a gamechanger in production**  
For several years, LPM has seen great success with UGIMA-X bars from Damstahl. What makes UGIMA-X unique is its superior machinability, which results

in shorter cycle times, reduced tool wear, and higher quality in the finished product. At LPM, UGIMA-X is seen as a steel that adds value to production while reducing resource consumption - Hence reducing the total cost of ownership (TCO). This is an essential factor in the daily operations of a modern industrial company.

UGIMA-X also contributes positively to the company's climate footprint. Compared to average EU-produced bar steel, UGIMA-X offers a CO<sub>2</sub> reduction of around 30%, without compromising performance. This

reduction is achieved through both the production process and the use of nuclear and hydropower energy at UGITECH's facilities in the southern corner of France.

## Green Steel Stainless+ as a natural evolution

As a natural evolution of UGIMA-X, Damstahl has introduced Green Steel Stainless+, an upgraded version that combines the same high machinability with an even stronger focus on sustainability. Green Steel Stainless+ is produced with a significantly higher proportion of recycled material - at least 95% pure stainless scrap. This results in a CO<sub>2</sub> footprint reduction of more than 50% compared to traditionally produced bars in the EU - a significant improvement that doesn't compromise



Leif Jonsen, Sales Director at LPM, together with Michael Christensen from Damstahl

technical properties or machinability. For LPM, this is a logical and welcome development:

"We've been extremely satisfied with UGIMA-X, so taking the next step with Stainless+ feels like the right move. We maintain the same high quality, but now with an even greener profile that benefits not only us, but also our customers and their customers," the company states.

**A partnership focused on the future**  
The collaboration between Damstahl and

LPM illustrates how partnerships can drive both innovation and responsibility. By combining high-quality materials like UGIMA-X and Stainless+ with professional pride and long-term thinking, we achieve results that go far beyond individual projects.

Damstahl is committed to developing and delivering solutions that support our customers' ambitions in both performance and sustainability. Together with customers like LPM, we demonstrate that the steel industry can - and must - take responsibility.

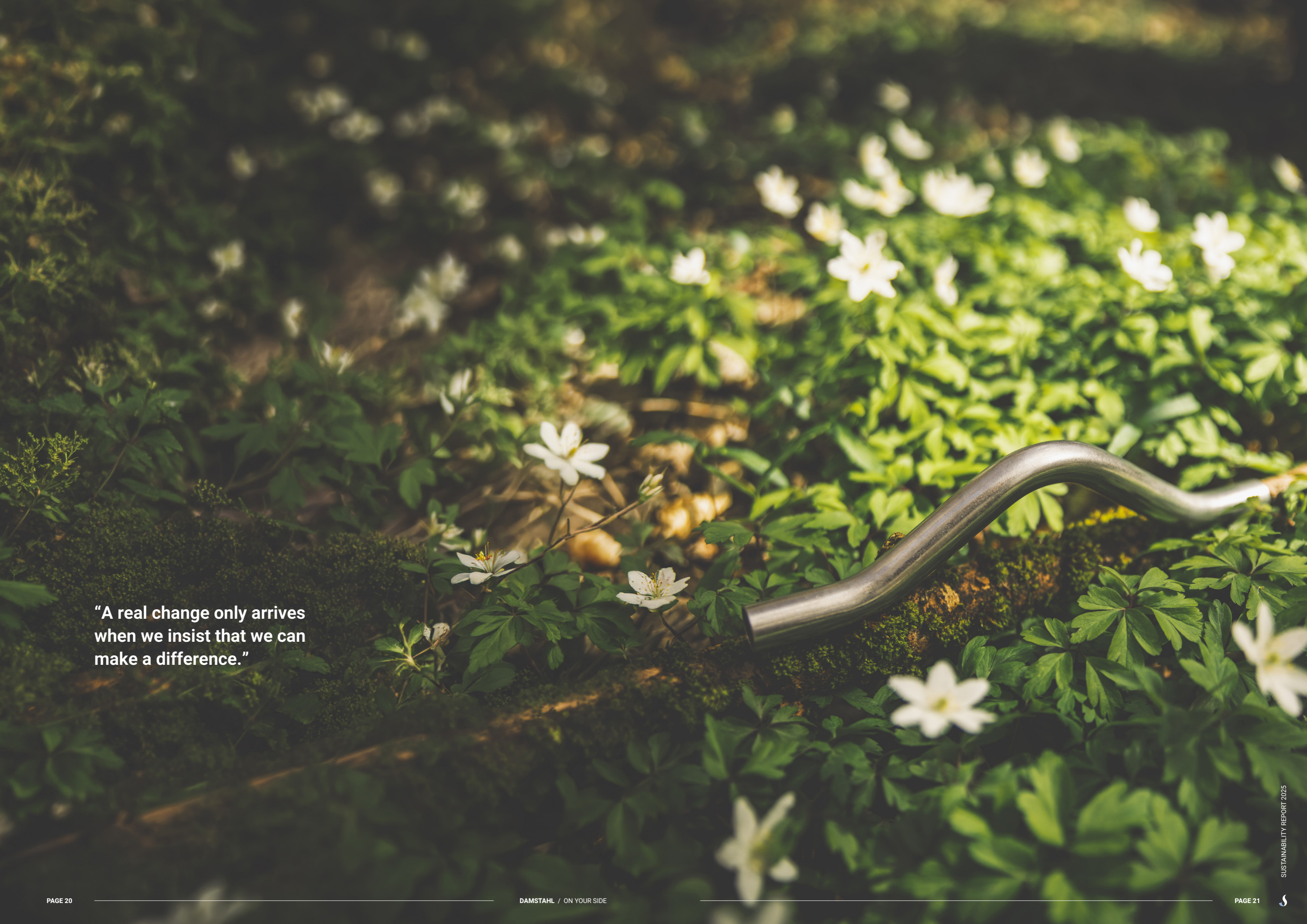


## Who is LPM?

LPM is a modern machine shop based in Ølgod, offering CNC machining, component manufacturing, and complete solutions to a wide range of industrial clients. The company is known for high precision, flexibility, and reliable delivery - along with a strong focus on quality at every stage. With an experienced team and a modern machine park, LPM is a solid and innovative partner in the industry.

Since 2020, LPM has strengthened its commitment to the green transition and works actively with ESG principles. The company has committed to reduce CO<sub>2</sub> emissions by 42% by 2030, in line with the Science Based Targets initiative.

LPM has earned the EcoVadis Gold rating, placing it among the top 5% of companies evaluated by EcoVadis.



“A real change only arrives when we insist that we can make a difference.”



# Damstahl and Hydria Water open the door to recycled steel in the Swedish wastewater sector



Swedish wastewater technology is taking a significant leap forward as a treatment plant becomes the first to install inlet machinery produced from no less than 95 percent recycled stainless steel. The initiative is the result of a collaboration between Hydria Water, Damstahl, and the Swedish municipality of Lilla Edet, united by a shared goal of reducing the climate footprint of water and wastewater infrastructure.

“The project fits perfectly with our ambition to continuously improve, become more environmentally smart, and increase efficiency. We are very proud to be the first,” says Tobias Barrstrand, CEO of Hydria Water. The project is entirely unique in its kind.

After many years of cooperation, Hydria Water and Damstahl had long been waiting for the right project to introduce Outokumpu’s new product, Circle Green® - a material developed with a strong focus on significantly lower climate impact. Ellbo wastewater treatment plant in Lilla Edet is now leading the way.

“The steel delivers the same high performance and classification as our usual materials, but it takes courage to be the first to try something new. That’s why we greatly appreciated that Ellbo treatment plant and unit manager Claes Henric Hirschfeldt were open to moving forward with us,” says Kristoffer Lindberg, CCO at Hydria Water.

#### Circle Green – high performance with a significantly lower climate footprint

Circle Green from Outokumpu - supplied through Damstahl - consists of 90–95% recycled material and emits less than 1 ton of CO<sub>2</sub> per ton of steel. The material combines high technical quality with a dramatically reduced environmental impact. “The steel is produced using EAF technology (Electric Arc Furnace), which makes it possible to use recycled material as the primary raw input. The process relies on careful scrap sorting and the use of green electricity. The result is a climate footprint far below the industry standard, reducing Scope 1–3 emissions by 70-75%,” says Staffan Janson, Sales Director Damstahl AB.

For Hydria Water, which continuously works to improve products, production, and installations, the project marks an important step forward. “Because we manufacture in our own factory, we can quickly turn new ideas into practice. This gives us a clear advantage and the ability to drive development within the industry,” says Tobias Barrstrand.

#### Complete delivery for Ellbo wastewater treatment plant

Following the procurement process, it was decided that Hydria Water will supply all equipment for the inlet area at the Ellbo treatment plant. During installation, Hydria Water’s mobile treatment solution will also handle temporary plant operations. The products will

be manufactured at Hydria Water in early spring and installed in the inlet area in Lilla Edet later in the season. “Recycled steel was not a requirement in the tender, but it is of course positive to contribute to reduced emissions. Being part of an initiative like this feels both important and forward thinking,” says Claes-Henric Hirschfeldt, unit manager for Water and Wastewater in Lilla Edet Municipality.

**A major step forward for the water sector**  
The partners expect a total CO<sub>2</sub> reduction of between 65 and 75% compared to a similar installation made from conventionally produced EU steel - and up to 90% lower than the global average. “Our production facilities are modern and largely powered by our own solar panels. This means that the majority of our emissions come from the materials used in our products. By



manufacturing even more in low carbon steel, we can significantly reduce our overall climate footprint,” says Tobias Jakobsson, Sustainability Manager at Hydria Group. “We naturally hope that more actors choose products made from recycled steel, and that our competitors follow suit. This is, in every way, a positive and important step forward,” says Tobias Barrstrand.

#### Background and facts

Lilla Edet’s main wastewater treatment plant, Ellbo, located just outside Gothenburg, was in great need of renovation. The existing machinery from the early 2000s was no longer worth repairing, and the fact that it came from different suppliers caused recurring service issues. After the tender process, Lilla Edet Municipality selected Hydria Water as the supplier of all inlet equipment. Hydria Water will deliver step screens (Step Screen Delta), a wash press, a sand washer, and an external sludge receiving unit. During installation, Hydria Water’s mobile treatment solution will manage temporary operations. In collaboration with Damstahl, the products will be manufactured in Circle Green Steel - a steel consisting of 90-95% recycled material.

# Stories from our warehouse

At Damstahl, we believe that the best ideas are the ones that don't just stay on paper but are brought to life in everyday practice.

A great example of this is the story of our colleague Niels Buch Sømod, who, during his master's degree in Management Accounting and Control, chose to write his thesis together with a fellow student – in close collaboration with Damstahl.

Their project focused on a part of our fittings warehouse in Langenfeld, where we store larger fittings items. At that time, pallets were stored directly on the floor, meaning employees often had to move several pallets just to access the one they needed. It was a time consuming and inefficient setup, with a picking rate of only 2-3 picks per hour.

From the beginning, Niels was determined to create a solution that would make a real difference in practice. His first step was to involve the people who know the warehouse best: the warehouse workers themselves. Based on their valuable insights and hands on experience, Niels and his fellow student designed a new warehouse layout with pallet racks and a more efficient flow.

**The results speak for themselves**  
Today, the new pallet racks are in place, and the picking rate is expected to increase to 7-10 picks per hour – more than doubling the previous efficiency.

"It's important for me to emphasize that this project would not have been possible without the many great colleagues who supported me and my study partner along the way," says Niels Buch Sømod and continues;

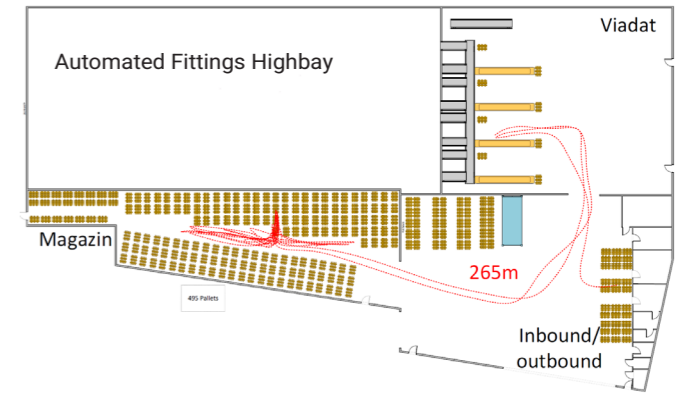


"Especially my colleagues in the warehouse contributed with valuable input and ideas that played a crucial role in the project. And personally, it has meant a lot for my development that I was given both the responsibility and the trust to take ownership of it. For me, this is what Damstahl is all about: working together, learning from each other – and turning great ideas into real progress".



## Warehouse layout before

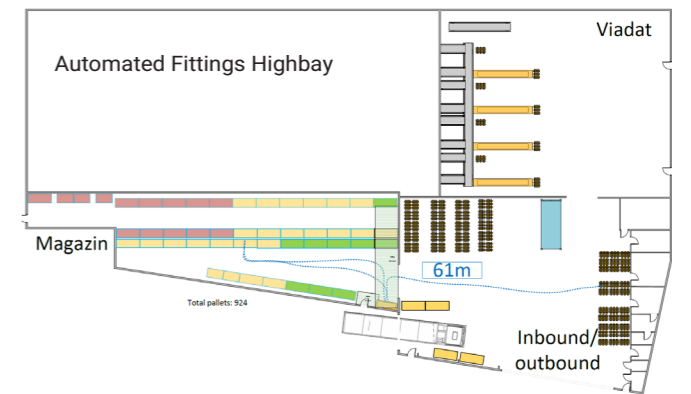
Capacity for 500 Euro pallets



Automated Fittings Highbay

## Warehouse layout now

Capacity for 1.000 Euro pallets



# Environmental performance

Building on the priorities identified in our materiality assessment, Damstahl has continued to focus on climate mitigation, supply chain transparency and data quality throughout 2025. Our environmental performance, calculated in accordance with the Greenhouse Gas Protocol, reflects a continued effort to balance operational efficiency with long-term sustainability improvements

Across our sourcing activities, we have maintained a structured approach to supplier selection, balancing multiple criteria including price competitiveness, product availability, emissions performance and transparency on ESG-related parameters. This multi-dimensional sourcing strategy remains essential in a market environment characterized by volatility, while also supporting our ambition to gradually increase the share of lower-emission and better-documented materials.

In parallel, we continue to see a positive development in the availability and quality

of product-specific environmental data. In 2025, a growing share of our purchased volumes is supported by Environmental Product Declarations (EPDs) and comparable third-party verified data. This trend strengthens our ability to make informed sourcing decisions and improves the robustness of our emissions accounting.

Transportation remains a key contributor to our overall emissions profile, and throughout 2025 we have further intensified our efforts to optimize logistics flows. This includes continued work with route planning, shipment consolidation and alignment with

customers on delivery patterns to reduce transport intensity per tonne delivered. These initiatives are designed to improve both cost efficiency and environmental performance over time.

On the energy side, our investment in on-site renewable energy continues to contribute to reducing our operational footprint. Electricity generated from our solar installations accounted for

approximately 104 MWh of our total consumption in 2025, supporting a partial decoupling of our energy use from grid-based emissions. We continue to assess opportunities to expand on-site generation where feasible.

Overall, 2025 reflects a continued maturation of our environmental data foundation and operational practices. While absolute emissions development is influenced by

market activity and traded volumes, our underlying focus remains on improving data quality, strengthening decision-making criteria and implementing targeted initiatives to reduce our environmental impact over time. Compared to last year, Scope 1 and 2 emissions were reduced by 25%, with total emissions decreasing by 3% helping us on the way to achieve our 2030 goals.

## GHG emission statement

Emission classification	Unit	Damstahl Group	Damstahl Denmark	Damstahl Sweden	Damstahl Norway	Damstahl Finland	Damstahl Latvia	Damstahl Germany	Damstahl Switzerland	Delta	Inox
<b>Scope 1 GHG emissions</b>											
Scope 1: Direct emissions from owned/controlled operations	Ton CO <sub>2</sub> e	192	19	50	3	8	2	107	2	-	-
<b>Scope 2 GHG emissions</b>											
Scope 2: Location-based Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Ton CO <sub>2</sub> e	339	63	1	2	7	1	264	-	1	1
Scope 2: Market-based Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Ton CO <sub>2</sub> e	48	5	1	2	7	1	30	-	1	1
<b>Scope 3 Upstream GHG emissions</b>											
Category 1: Purchased goods and services	Ton CO <sub>2</sub> e	183.836	68.482	22.198	5.949	657	1.720	84.357	0	474	474
Category 2: Capital goods	Ton CO <sub>2</sub> e	1.949	42	-	-	-	2	1.905	-	0	0
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	Ton CO <sub>2</sub> e	84	6	0	1	-	1	76	-	0	0
Category 4: Upstream transportation and distribution	Ton CO <sub>2</sub> e	10.642	4.819	1.433	606	162	222	3.321	46	33	33
Category 5: Waste generated in operations	Ton CO <sub>2</sub> e	44	25	1	4	1	-	12	-	-	-
Category 6: Business travel	Ton CO <sub>2</sub> e	61	29	18	13	0	0	0	0	0	0
Category 7: Employee commuting	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 8: Upstream leased assets	Ton CO <sub>2</sub> e	211	56	25	4	11	7	108	-	-	-
<b>Total Scope 3 Upstream GHG emissions</b>	<b>Ton CO<sub>2</sub>e</b>	<b>196.832</b>	<b>73.459</b>	<b>23.676</b>	<b>6.577</b>	<b>831</b>	<b>1.951</b>	<b>89.779</b>	<b>47</b>	<b>507</b>	<b>507</b>
<b>Scope 3 Downstream GHG emissions</b>											
Category 9: Downstream transportation and distribution	Ton CO <sub>2</sub> e	3.364	734	1.044	198	57	71	1.116	43	102	102
Category 10: Processing of sold products	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 11: Use of sold products	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 12: End-of-life treatment of sold products	Ton CO <sub>2</sub> e	32	18	3	1	0	0	10	-	-	-
Category 13: Downstream leased assets	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 14: Franchises	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
Category 15: Investments	Ton CO <sub>2</sub> e	-	-	-	-	-	-	-	-	-	-
<b>Total Scope 3 Downstream GHG emissions</b>	<b>Ton CO<sub>2</sub>e</b>	<b>3.396</b>	<b>752</b>	<b>1.046</b>	<b>199</b>	<b>57</b>	<b>71</b>	<b>1.126</b>	<b>43</b>	<b>102</b>	<b>102</b>
<b>Total GHG emissions (location-based)</b>	<b>Ton CO<sub>2</sub>e</b>	<b>200.760</b>	<b>74.294</b>	<b>24.773</b>	<b>6.782</b>	<b>897</b>	<b>2.024</b>	<b>91.277</b>	<b>92</b>	<b>610</b>	<b>610</b>
<b>Total GHG emissions (market-based)</b>	<b>Ton CO<sub>2</sub>e</b>	<b>200.468</b>	<b>74.236</b>	<b>24.773</b>	<b>6.782</b>	<b>897</b>	<b>2.024</b>	<b>91.043</b>	<b>92</b>	<b>610</b>	<b>610</b>
<b>Out of scope (from upstream operations)</b>	<b>Ton CO<sub>2</sub>e</b>	<b>-1.628</b>	<b>-395</b>	<b>-</b>	<b>-6</b>	<b>-95</b>	<b>-27</b>	<b>-1.106</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Out of scope (from downstream operations)</b>	<b>Ton CO<sub>2</sub>e</b>	<b>-55</b>	<b>-45</b>	<b>-2</b>	<b>-1</b>	<b>-0</b>	<b>-0</b>	<b>-8</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Damstahl Switzerland & Delta Inox scope 1 & 2 included in Damstahl Germany figures.  
\*\*Category 7, 10, 11, 14 & 15 is not reported but estimated to have very low impact.

## Environmental data

Standard	Description	Unit	Consolidated	Parent
<b>Energy consumption</b>				
VSME, B3	Electricity use	MWh	1.876	656
VSME, B3	- Hereof renewables	MWh	1.387	656
VSME, B3	Fuel use	MWh	488	200
VSME, B3	- Hereof renewables	MWh	-	-
	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	1.387	656
	Consumption of self-generated non-fuel renewable energy	MWh	104	104
	Percentage of renewable sources in total energy consumption	%	38%	43%
<b>GHG Emissions</b>				
VSME, B3	Scope 1 emissions	tonCO <sub>2</sub> e	192	19
VSME, B3	Scope 2 emissions, location based	tonCO <sub>2</sub> e	339	63
VSME, B3	Scope 2 emissions, market based	tonCO <sub>2</sub> e	48	5
VSME, B3C	Scope 3 emissions	tonCO <sub>2</sub> e	200.228	74.211
	Achieved GHG emission reduction (scope 1 & scope 2 location-based) relative to previous year	%	-19%	-12%
	Achieved GHG emission reduction (scope 1 & scope 2 market-based) relative to previous year	%	-25%	-34%
	Absolute GHG emission, location-based (scope 1, 2 & 3)	tonCO <sub>2</sub> e	200.760	74.294
VSME, B3C	GHG emissions intensity, location-based (total GHG emissions per net revenue)	tonCO <sub>2</sub> e/€M	580	530
	Absolute GHG emission, market-based (scope 1, 2 & 3)	tonCO <sub>2</sub> e	200.468	74.236
VSME, B3C	GHG emissions intensity, market-based (total GHG emissions per net revenue)	tonCO <sub>2</sub> e/€M	579	529
<b>Substances</b>				
VSME, B4	Total amount of substances of very high concern that are generated or used during production or that are procured by main hazard classes of substances of concern	ton	0	0
VSME, B4	Total amount of substances of very high concern that leave facilities as emissions, as products, or as part of products or services by main hazard classes of substances of concern	ton	0	0
<b>Biodiversity</b>				
VSME, B5	Number of sites owned, leased or managed in or near biodiversity sensitive areas	Number	0	0
VSME, B5	Hectares of sites owned, leased or managed in or near biodiversity sensitive areas	Ha	0	0
<b>Water</b>				
VSME, B6	Total water withdrawal	m3	1.889	745
<b>Resource use</b>				
	The rates of recyclable content in products	%	78%	83%
	The rates of recyclable content in products packaging (Plastic, paper, carton)	%	N/A	34%
	The rates of recyclable content in products packaging (Wood)	%	N/A	N/A
VSME, B7	Total Waste generated	ton	1.236	383
VSME, B7	Recycled waste	ton	1.144	335
	- Hereof stainless or aluminum scrap	ton	921	112
VSME, B7	Non-recycled waste	ton	91	49
VSME, B7	- Hereof hazardous	ton	-	-
VSME, B7	- Hereof non-hazardous	ton	91	49
	Percentage of non-recycled waste	%	7%	13%



# SOCIAL

**At Damstahl, people always come first. No Damstahl without our employees. We understand the value of caring for our employees, fully aware that they, in turn, will go the extra mile for our customers. We are extremely aware of upholding high standards of work ethics and social responsibility. This means we have a focus on human rights and creating a work-life balance with tailored opportunities for everyone. In this section of the report, you will discover how we work with the following UN development Goal 8 & 12.**

## Working with Human Rights

At Damstahl, we are committed to upholding human rights principles and fostering safe, respectful work environments. We value applicable work environments, which protect the employees of our suppliers from work environments which are not suitable under UN's Global Compact initiative.

As an international company, our operations influence various employee groups throughout our value chain in multiple ways. Our double materiality assessment has helped us identify the impacts, risks, and opportunities that affect these employees.

At Damstahl, we are committed to pursue equal rights for all genders, sexual orientation, race, nationalities, ethnicity, language, and religion. Keeping a high standard of work environment and ethics contributes to our goal of eliminating any discrimination within our own and our partners' organization.

### Employee relations & social conditions

We have a zero-tolerance policy regarding harassment, to protect all our employees from unfair and harmful working conditions, which is the main risk concerning the work environment and employee relations. Though we always prefer direct dialogue also in such matters, we acknowledge the sensitivity. Therefore, our Whistleblower portal is also available as a reporting option.

### Whistleblower Portal

Our whistleblowing portal has been open since December 2021 for both internal and external reporting with access from all Damstahl Group websites. The portal is placed on the front page of our website to enhance accessibility for both internal and external stakeholders. Furthermore, our Whistleblower policy is available on our intranet as well as via the front page of our website. We have not received any reports in the portal.

### Safety measures

Through a continuous focus on reducing the risk of injuries, we do our utmost to protect our employees from harm. This is particularly critical in our warehouse operations, where structured safety procedures and comprehensive training play a central role.

Despite these efforts, eight work-related injuries were recorded in 2025 - two in Denmark and six in Germany - underscoring that there is still work to be done.

With zero accidents as our clear ambition, we continue to strengthen our focus on knowledge sharing, improving safety measures, and optimising working conditions. In day-to-day warehouse operations, this includes regular safety briefings and training, clearly defined processes and instructions, and a consistent emphasis on order and cleanliness to reduce risks such as trips and slips. It also involves ongoing inspection and maintenance of equipment, the correct use of personal protective equipment, well-defined routing for both pedestrians and forklift traffic, and a continuous effort to raise awareness among employees about safe work practices and looking out for one another.

Following any workplace accident, a thorough and collaborative analysis is carried out to identify root causes and prevent similar incidents from occurring in the future. This typically involves engaging the teams involved in the discussion, reviewing available video footage, adjusting workflows or processes where necessary, and implementing targeted training or additional safety briefings. Technical and organisational improvements to workstations and equipment are also introduced where relevant, ensuring that each incident contributes to a stronger and safer working environment going forward.

### Employee surveys

In August 2025, we conducted our Employee Satisfaction Survey. 190 employees participated in our Employee Satisfaction survey. This tool is essential for gathering valuable feedback from our employees and ensuring that Damstahl remains a good place to work.

Our next Employee Satisfaction Survey is scheduled for May 2026.

## Workers in our value chain

Significant risks involve suppliers not supporting the Universal Declaration of Human Rights (UDHR) and we therefore have a strong focus on our Supplier Code of Conduct, building up relations and having open dialogue.

This includes that we have a strong focus on visiting our suppliers to ensure that we are in continuously close contact and thereby able to confirm that our suppliers are upholding our Supplier Code of Conduct and thus our Human Rights policy.

Our Supplier Code of Conduct is based on concrete requirements, but also heavily relies on trust, honesty, and respect. Ultimately, partnerships are all about people and fostering good relationships. Therefore, collaboration and direct communication remain the most important tools in ensuring integrity and accountability. We believe that through dialogue and our Supplier Code of Conduct we can actively contribute to making waves in influencing our suppliers in a positive direction.

### Working with trusted partners

In Damstahl, we work with the term trusted partner. A trusted partner for Damstahl is a business partner who prioritizes responsibility, demonstrating transparency in their actions, market strategies, and environmental impact. To create the best conditions for working with trusted partners requires close collaboration. We visit our strategic suppliers every 15-16 months. In addition, we visit them on an ad-hoc basis due to certain developments or strategic projects.

Besides from the physical visits we have Teams meetings with our suppliers every week, both to follow up on the market development as well as other relevant topics. All these activities contribute to shortening the distance to our suppliers and thus enhancing the close relationship.

# Half a century at Damstahl - Holger's story



Social sustainability is about more than compliance, figures and initiatives. It is about how people feel at work, the opportunities they have, and being treated with dignity throughout their working lives. That is why social sustainability is best told not only through policies, but through real working lives.

With that in mind, we spoke with Holger Nielsen, who will celebrate his 50-year anniversary with Damstahl next year. His story offers a concrete and human perspective on how social sustainability at Damstahl has developed in practice over time.

## How it began

Holger has spent almost half a century at Damstahl and will mark his 50 year anniversary with the company next year. Looking back on his working life, one thing stands out: he has always enjoyed coming to work.

Holger joined Damstahl at the age of 23. At the time, he had just become unemployed and noticed that Damstahl was looking for people. He applied, went to an interview, and got a job as a warehouse assistant, working with long products and picking goods from the racks. Shortly after, he was let go because of structural changes but three months later, Damstahl called him back and asked if he would return. He said yes and that was the start of a journey that has now lasted 49 years.



**“Holger means a great deal to me and to many of my colleagues. Spending 50 years with the same company is a true testament to loyalty, dedication, and a strong work ethic - and that is exactly what defines Holger.**

**He is someone you can always rely on, turning up day after day with positive energy and commitment. His extensive experience in the steel industry makes him an invaluable resource, and he is always willing to share his knowledge and support others.**

**Beyond his professionalism, it is his genuine care for people that makes him truly special. He strengthens our sense of community and is a colleague we greatly appreciate.”**



Kim Ole Larsen,  
Warehouse Manager Nordic  
and Holger's Manager

## It's about people

What has kept Holger at Damstahl for so long is, first and foremost, the people.

“My colleagues have meant a great deal to me over the years, and I have always felt comfortable with the management. That combination has made it easy for me to stay - and to stay committed”, Holger smiles.

Today, Holger works in goods reception, but his role has never been limited to just one set of tasks. Over the years, he has taken on many different responsibilities and was appointed foreman 20 years ago - something he is both proud of and grateful for.

“Over the years, I've been trusted with many different tasks, and I take pride in always seeing things through. Feeling valued for what I do has been a consistent part of my time at Damstahl”.

## From Kardex to computers

Holger has witnessed major changes in the way the company operates. One of the most significant transformations was the shift from the manual Kardex system to IT. At the time, it was referred to as EDB, and being given a company computer was a major event.

“Everyone had to go on a course and pass what we called a ‘PC licence’. If you didn't pass the course, you didn't get to keep your computer,” Holger remembers.

Later came the transition from AS400 to Dynamics 365 - another major shift, especially at a point in life when learning entirely new systems does not come as easily as it once did.

“I wasn't exactly young anymore at that point. But I got through it and I'm actually quite proud of that.”

What made these transitions manageable was the culture of support among colleagues.

“Those who understood the systems helped the rest of us. Nobody was left behind.”

The culture at Damstahl has also changed a lot. In the early days, the warehouse and the office were clearly separate - both physically and mentally.



Holger remembers a colleague in sales once suggesting that warehouse staff and office employees should not eat together but use different canteens. Today, that idea feels very far away. “Now departments work much more closely together, and the company feels far more like one unity and team,” says Holger.

## A memory that lasts

There have been many memorable moments over the years, but one stands out. “My 40 year anniversary was a very special and moving day. I was picked up from home in an open Mustang and driven through Skanderborg in beautiful weather. When I arrived at work, all my colleagues were standing outside to welcome me. I still remember that day very clearly.”

Some people have also left a lasting impression on Holger's working life. One of them is former manager Bjarne Tjørnelund, whom Holger worked with in the goods reception.

“At the time, I handled orders, receptions and stocking - often on my own. In the beginning I had very little knowledge of steel back then, while my manager Bjarne knew it inside out. Bjarne was someone who demanded things to be done properly at all times - no shortcuts”, Holger remembers. That attitude stayed with Holger and shaped very much the way he works to this day.

## Room for more dialogues

Holger has also seen a clear shift in how the company focuses on its people.

“Today, there's much more time and focus on dialogue with your manager. It gives you room to talk about things you don't always get to discuss in daily work - and to share your own wishes and thoughts about the future”, Holger underlines that openness, is essential - even when disagreements arise:

“Of course, you don't agree on everything,” Holger says. “Sometimes I get annoyed with my manager - and he notices straight away. Then we talk about it. That honesty matters.”

Asked what has helped him thrive for so many years, Holger points to simple principles: staying positive, enjoying his work, and treating colleagues with respect.

“Throughout my career, I've always felt valued and respected, and I've never experienced age discrimination. Knowing that my contribution is appreciated has been a key reason why I've remained engaged and motivated for so many years.

## A piece of advice

Reflecting on what advice he would give younger colleagues, Holger keeps it straightforward:

“Be positive, build strong relationships, and help each other. Don't hide behind departments. If someone needs support, you step in. In the end, we're all on the same team,” he concludes.

# Gender Composition

Damstahl aims to have the most competent and applicable board members with no distinction between diversity, race, religion, or gender. Our employment process is made according to this principle.

Damstahl is a family-owned subsidiary of the NEUMO-Ehrenberg Group with 100% owner representation in the board of directors. Over a period, a generational change in the owner family is being prepared. That means among other things the inclusion in the board of directors of the third generation of the Ehrenberg family. This inclusion phase started in 2020 with two members of the third generation attending board meetings as observers. Since 2021 they became full members of the board. In 2024 a third member was included as a full member of the board of the Damstahl Group.

This means that the board now consists of 6 persons, all members of the Ehrenberg family.

As our Board is composed solely of family members, this unique structure significantly influences the selection process and composition of our board. Recognizing the importance of gender diversity, we have set a prospective target, aiming for at least 30 % representation of the underrepresented gender on our Board by 2028. This target is ambitious given our familial governance framework.

Furthermore, we have set a goal to achieve at least 40 % representation of the underrepresented gender among our management team by 2028. The management level includes the Executive Board and all people with managerial responsibility, who refer directly to the first level of management. This goal is also stated in our Damstahl Gender Diversity and Equal Opportunity Policy. To support this objective, we ensure that candidates of all genders are considered for every hiring and promotion. This approach guarantees a diverse selection pool and helps eliminate bias in our recruitment processes. Selections are made strictly based on qualifications, skills, and the candidate's potential contribution to our company's objectives.

### Equal opportunities

Everyone at Damstahl have an equal opportunity to belong and build a career while maintaining a sustainable work life. We want all employees to have the same opportunities for impact and growth, no matter their age, race, ethnicity, place of birth, gender, sexual orientation. The increased focus on gender composition is maintained by the board, which argues that gender composition is developing as preferred, whilst also strengthening in the future.

## Social data

Standard	Description	Unit	Consolidated	Parent
<b>Workforce</b>				
VSME, B8	Number of employees (head count)	Number	325	110
VSME, B8	Number of female employees (head count)	Number	82	31
VSME, B8	Proportion of female employees (head count)	%	25	28
VSME, B8	Number of male employees (head count)	Number	243	79
VSME, B8	Proportion of male employees (head count)	%	75	72
VSME, C5	Number of temporary workers or self-employed personnel working exclusively for Damstahl	Number	-	-
VSME, C5	Proportion of female employees in management (head count)	%	19	21
	Number of employees (head count) under 30 years old	Number	47	17
	Percentage of employees under 30 years old	%	14	15
	Number of employees (head count) between 30 and 50 years old	Number	186	52
	Percentage of employees between 30 and 50 years old	%	57	47
	Number of employees (head count) over 50 years old	Number	92	41
	Percentage of employees over 50 years old	%	28	37
	Number of employee who have left undertaking	Number	70	23
	Percentage of employee turnover	%	20	21
	Percentage of employees that participated in regular performance and career development reviews	%	63	100
	Percentage of employees that have extraordinary training	%	40	8
	Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	%	100	100
VSME, B9	Number of recordable work-related accidents for own workforce	Number	8	2
VSME, B9	Level of work-related accidents for own workforce	Number	2	2
VSME, B9	Number of fatalities in own workforce as result of work-related injuries and work-related ill health	Number	-	-
	Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	Number	-	-
	Number of incidents of discrimination	Number	-	-
VSME, B10	Percentage of employees that receive pay equal to or above minimum wage	%	100	100
VSME, B10	Percentage of its employees covered by collective bargaining agreements are within coverage rate by country (in the EEA)	%	21	27
<b>Human rights policies and processes</b>				
VSME, C7	Does the undertaking have a code of conduct on human rights for its own workforce?	Statement	Yes	Yes
VSME, C7	- Does the code of conduct include child labour?	Statement	Yes	Yes
VSME, C7	- Does the code of conduct include forced labour?	Statement	Yes	Yes
VSME, C7	- Does the code of conduct include human trafficking?	Statement	Yes	Yes
VSME, C7	- Does the code of conduct include discrimination?	Statement	Yes	Yes
VSME, C7	Number of observed incidents under the conduct involving workers in the value chain, affected communities, consumers and end-users?	Number	-	-

# Our social performance

## Gender Composition



## Social performance

### EMPLOYEE RETENTION RATE



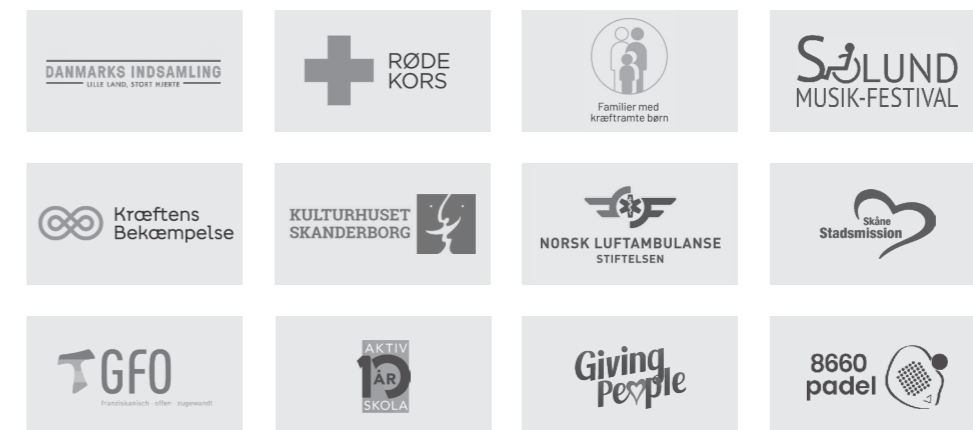
### EMPLOYEE WELLBEING



### EMPLOYEE EDUCATION



## The Damstahl Group supported these organizations with sponsorships in 2025:





# GOVERNANCE

Sustainability is part of our mindset when we work with responsible business practices. We know that sustainability must become core to doing business if we are truly to drive change. Therefore, governance and strategic sustainability initiatives are regularly on the agenda for Group Management meetings. In this section of the report, you will discover how we work with the following UN Development Goals 8, 12 & 13.

## Proactively combating corruption

One of Damstahl's main principles is a zero-tolerance policy regarding bribery or corruption. We do not accept such behaviour, nor do we incite any questionable practices within our organization.

We uphold all laws and regulations and strive towards ensuring that all our partners offer the same ethical values. The main risk being the purchasing departments, where bribes can potentially occur. Like the years before, we did not experience any cases of corruption in 2025. Unfair competitiveness and cartel formation are the major risks involved with corruption, and Damstahl does not condone any such type of behaviour.

Our Anti-corruption & Bribery Policy is developed to prevent bribery and corruption as well as to ensure compliance with national and international standards concerning anti-corruption and bribery in connection with Damstahl's business operations.

**Communication and monitoring**  
Our leaders play a crucial role in demonstrating strong leadership commitment to ethical practices, leading by example and promoting a culture of integrity throughout the organization.

It is the responsibility of the Damstahl leader to communicate about our Anti-bribery and Corruption Policy and ensure that all current and future employees understand and comply with the aims and procedures of the policy. This focus is also highlighted in Damstahl's 10 Leadership Guidelines. Each year, the policy is evaluated to determine if any changes or updates are required.

**Influencing our business partners**  
We also want to influence our business partners in a positive direction and thereby counteract the risk of anti-corruption. In this regard, personal communication and our Supplier Code of Conduct stand out as essential instruments as also highlighted in the article on the following page (page 36). We therefore see stakeholder engagement as a valuable part of mapping and managing the risk of anti-corruption and bribery. Our supplier visits and meetings help us to ensure that we're in continuously close contact and therefore able to confirm that our suppliers are upholding our Supplier Code of Conduct.

**Our Whistleblower portal**  
The whistleblowing portal has since December 2021 been open for both internal and external reporting with access from all Damstahl Group websites. We also regard this portal as a vital instrument in our endeavor to prevent and combat corruption.

### Governance metrics



No whistleblower inquiries reported in 2025.



Interview with  
**Jan Knaak**, Purchase Director  
 in Damstahl GmbH

# Governance in the supply chain

At Damstahl, strong supplier governance is a cornerstone of responsible business conduct. According to Purchase Director, Jan Knaak, good governance in supplier relationships is built on clear rules, defined responsibilities, and a high degree of transparency - shared and upheld by both parties.

What does this mean in practice? According to Jan Knaak, it comes down to building close, transparent relationships with suppliers who can clearly demonstrate robust and reliable processes - especially when it comes to health and safety, quality management, and traceability.

For Damstahl, documentation is not a compliance formality but a prerequisite for collaboration. As Knaak puts it: "Damstahl is not willing to accept any suppliers who cannot provide full traceability from start to finish of the product. In other words, transparency is not optional; it is a fundamental condition for supplier cooperation." Jan Knaak emphasises that this expectation helps set a clear standard across the entire value chain: materials and deliveries must be fully traceable and clearly documented.

### Supplier governance revealed under pressure

"Governance is always most clearly revealed when things do not go as planned. The good relationship is not visible when things are running smoothly", says

Jan Knaak, explaining that it is during errors and disruptions that supplier maturity truly shows. Professional and structured responses to deviations, delays, or claims are key indicators of accountability:

"Suppliers who communicate proactively when risks arise, they demonstrate reliability and ownership, while a lack of response or follow-up may lead to escalation, including rejected deliveries or other corrective actions", Jan Knaak underlines.

As Purchase Director, Jan Knaak sees his role as both setting direction and ensuring consistency. This includes keeping a strong focus on ethics and accountability in supplier dialogues, actively



**"Many people think a trusted partner is someone who always delivers on time, at the right quality and at the right price," Jan Knaak says. "But for me, it is much more than that. A trusted partner communicates proactively, sticks to agreements and delivers trustworthy data."**

With increasing regulatory requirements, this has become even more important. "We are responsible for data that we are not able to create ourselves," he explains. "That means the data coming from our suppliers must be reliable."

### Ethical sourcing and zero tolerance for corruption

Ethical business conduct, including anti-corruption, is embedded in Damstahl's sourcing practices. All supplier decisions

applying the Supplier Code of Conduct in daily purchasing practices, and ensuring that the same standards are applied across the whole organization:

"Internally, consistency is essential: suppliers must experience Damstahl as a company that speaks with one voice and acts predictably when agreements are not met," Jan Knaak highlights.

Damstahl's Supplier Code of Conduct plays a central role in this work. It defines the basic rules for cooperation and sets expectations related to ethics, environmental responsibility, social conditions, and business integrity. Rather than being a static document, the Code serves as a practical reference point in meetings, supplier visits, and evaluations. It is also used as a baseline during on-site assessments, where visible practices related to environment, safety, and ethics are reviewed.

### Trust built on reliable data

Trust is another key element of supplier governance:

are based on objective criteria such as price, quality, and delivery performance, and are fully traceable within Damstahl's systems:

"This transparency reduces the risk of undue influence and supports a zero-tolerance approach to bribery and corruption. Internally, Damstahl promotes a strong speak-up culture, encouraging employees always to raise concerns if they encounter unethical behaviour in supplier or customer interactions," says Jan Knaak.

### Strengthening supplier governance

Looking ahead, Damstahl aims to further strengthen supplier governance by enhancing data systems, improving traceability, and developing a more detailed supplier segmentation model. This will allow suppliers to be evaluated not only on commercial performance, but also on governance, sustainability, and reliability. Clear consequences for non-compliance will be defined, while collaboration with high-performing suppliers will be strengthened.

"Over time, this approach will support more informed decision-making - also when it means prioritising reliability and transparency over price", Jan Knaak concludes.



## Strengthening sustainable competitiveness through knowledge

In Damstahl our role extends beyond supplying materials. We see ourselves as partners in our customers' sustainability journeys, helping them navigate complexity and identify opportunities for improvement.

In October, we invited all our customers to join a dedicated webinar designed to help them navigate some of the most significant regulatory and market developments shaping the metals industry today. The webinar session, "Market Trends, CBAM & US Exports – Essential Updates for Tomorrow's Market," reflected our ongoing commitment to supporting customers not only through products and services, but through transparent, timely, and actionable knowledge sharing.

Across global value chains, companies face increasing pressure to understand and adapt to new regulatory frameworks - particularly those emerging from the EU. Mechanisms such as the Carbon Border Adjustment Mechanism (CBAM) and evolving Safeguard measures are reshaping how businesses operate and plan for the future.

Our webinar was created to help customers meet these challenges.

### A proactive approach to EU-regulation

One of the central themes of the webinar was the rapid evolution of EU climate legislation.

As already mentioned, CBAM represents one of the most transformative regulatory shifts

in recent years. As it moves from transitional reporting into full implementation, companies importing materials into the EU must comply with increasingly detailed emissions documentation and verification requirements.

During the webinar, we delivered a clear and practical overview of key aspects of the CBAM. We also outlined the upcoming changes to reporting obligations, including new requirements for emissions calculation and independent verification. Finally, we discussed how CBAM interacts with existing EU safeguard measures and what this means for overall market stability.

By breaking down complex legislation into accessible insights, our aim is to help customers understand not only the regulatory requirements themselves, but also the strategic opportunities they create.

### Knowledge sharing in general

This webinar is part of a broader effort to strengthen knowledge sharing with our customers. In 2025, we also increased our focus on mill visits, taking selected customers to Outokumpu in Finland and Ugitech in France.

At Ugitech, customers were invited to

dedicated knowledge days centered around "Machining of bars" complemented by more specialized sessions that explored specific challenges in greater depth. In collaboration with Ugitech, we have agreed to continue these knowledge days in both 2026 and 2027.

At Outokumpu, we arranged tailored visits for selected customers, where the content and knowledge sharing were directly linked to specific orders, ensuring a highly relevant and practical experience.

In addition, Damstahl hosted several dedicated knowledge days in 2025, led by our in-house expert, chemical engineer and PhD Claus Qvist Jessen. The purpose was to deepen our customers' understanding of stainless steel.

The sessions provided valuable insights into the different stainless-steel families, as well as processing and surface treatment techniques. Importantly, customers also gained practical knowledge on how to prevent corrosion - helping them extend the lifetime of their materials and reduce the risk of costly downtime.

Alongside these initiatives, we significantly increased the number of customer meetings focused on sustainability in 2025, with decarbonization as a central theme. These dialogues took place both physically and digitally. While we proactively reach out to our customers, we also see a growing number of customers approaching us for knowledge sharing and guidance in this area.

For us, this exchange of knowledge is a cornerstone of good governance and a key driver in building strong, trust-based, and long-term partnerships with our customers.

# Damstahl's Sustainability Team

Our focus on sustainability is continuously increasing. Not only on the measures to be taken, but also on the geographic field to be covered.

While the Sustainability Team is highlighted below, it's important to note that sustainability initiatives involve and engage the entire Damstahl Group.



**Thor Rousing**, Business Controlling & Sustainability Manager, collects, analyses and verifies relevant data to be presented in the report.



**Lise Marie Møller**, CSR & Communication Specialist, coordinator of sustainability processes including collection of content to this report.



**Anne Mette Kristensen**, Team Lead Marketing & Corporate Communication, monitors the visual presentation of the report and develops marketing activities in relation to the findings of the report.



**Jan Knaak**, COO for Damstahl's Central European activities and representative for our sourcing activities



**Michael Lund**, Damstahl Group CEO and thereby the person with the overall responsibility also for Damstahl's strategy within sustainability.

## Governance data

Standard	Description	Unit	Consolidated	Parent
<b>Governance in own workforce</b>				
	Percentage of functions-at-risk covered by training programmes	%	100	100
VSME, B11	Number of convictions for violation of anti-corruption and anti-bribery laws	Number	-	-
VSME, B11	Number of confirmed incidents of corruption or bribery	Number	-	-
	Financial political contributions made	EUR	-	-
	Number of outstanding legal proceedings for late payments	Number	-	-
VSME, C9	Percentage of females (headcount) in governance body	%	17	17
<b>Governance in value chain</b>				
	Whistleblower cases submitted	Number	0	0
	Whistleblower cases solved	Number	0	0
	Supplier code of conducts signed (vendor accounts)	Number	429	105
	Supplier code of conducts signed (percentage of purchased stainless steel in tonnage)	%	75%	91%
	ISO 9001-certified sites	Number	7	1
	ISO 14001-certified sites	Number	4	0

“Progress begins with transparency.  
Together, we turn insight into action.”



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