

Independent Limited Assurance Report

to the Management of Swiss Steel Holding A.G.

Swiss Steel Holding A.G. ("Swiss Steel") commissioned DNV Business Assurance Germany GmbH ("DNV", "us" or "we") to provide limited assurance over Selected Information used by Swiss Steel as the basis for issuing product carbon intensity certificates.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria. In our opinion the methodology for calculating product CO₂eq intensities has been prepared in general alignment with the WRI/WBCSD GHG Protocol for Corporate Accounting and Reporting. Swiss Steel's customers that receive these certificates can utilise these product CO₂eq intensities in their Scope 3 emissions reporting in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This conclusion relates only to the Selected Information and is to be read in the context of this Assurance Report, in particular the inherent limitations explained overleaf.

Selected Information

The scope and boundary of our work is restricted to the **data** and **methodology** described below (the "Selected Information"):

- **Product CO₂eq intensities:** The amount of CO₂eq per tonne of products covered by the **methodology** relating to products (specified below) produced by Swiss Steel at the company's site in Ugine, France (the "Entity");
- **The Emissions Calculation Manual:** the detailed description developed by Swiss Steel of the processes and data sources used to calculate product carbon intensities;
- **Emissions calculation template:** the inventory spreadsheets containing 2021 year data from Swiss Steel's Ugine site and calculations to determine product carbon footprints in accordance with the manual.
- The **product stages** at Swiss Steel's Ugine site covered by this assurance statement are:
 - Casted steel
 - Remelting
 - Hot rolling
 - Pickling
 - Cold finishing
 - Total
- For details of the GHG emissions data and product CO₂eq intensities covered by this assurance engagement, see Appendix below.

Criteria

We assessed Swiss Steel's manual and data for calculating product CO₂eq intensities against the following **Criteria** (the "Criteria"):

- The publicly available Greenhouse Gas Protocol for Corporate Accounting and Reporting Standard, as issued by WRI/WBCSD;
- Swiss Steel's corporate GHG reporting manual which is a methodology document [summary available on request from Swiss Steel] for calculating GHG emissions and CO₂eq intensities, including their following definitions and programme rules:
 - **product CO₂eq intensities:** The amount in metric tonnes of CO₂eq associated with each tonne of product. The CO₂eq intensities calculation is conducted in alignment with the Greenhouse Gas Protocol.
 - **Reporting period:** The CO₂eq intensities have been calculated based on data over the time period January 2021 to December 2021.

DNV have reviewed the reference values used by Swiss Steel for the upstream GHG emissions associated with electricity production under scope 2 emissions and purchased materials under scope 3 emissions.

Periodic reviews of the certificates issued and use of the corporate GHG manual will be conducted after an initial six month period, at which data relating to calendar year 2022 will also be assured.

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Assessing the appropriateness of the Criteria for the Selected Information;
- Conducting interviews with Swiss Steel’s technical teams and other key personnel to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Site visit to Ugine, France to review evidence to support specific site level data. We were free to request interviews, data and information to support the process;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- Reviewing that the evidence, measurements and their scope provided to us by Swiss Steel for the Selected Information is prepared in line with the Criteria.

DNV Business Assurance Germany GmbH

Essen, Germany

16 December 2022



DNV

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Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by Swiss Steel have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Responsibilities of the Management of Swiss Steel and DNV

The Management of Swiss Steel have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within product carbon intensity certificates

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Swiss Steel in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the certificates. We have not reviewed whether or how Swiss Steel customers have used the reported CO₂e q savings in their Scope 3 reporting.

Appendix: GHG emissions data and product CO₂eq intensities covered by this assurance engagement

Total CO₂eq intensities for Swiss Steel's UGINE site

Total (Tonnes CO ₂ eq / t steel)					
	Scope 1	Scope 2 (market based)	Scope 3 (3.1, 3.3, 3.4, 3.5, 3.6)	Scope 1+2 (market based, net)	Scope 1+2+3 (market based, net)
2021	0.386	0.083	2.213	0.469	2.683

CO₂eq intensities for product stages at Swiss Steel's UGINE site

Casted steel (Tonnes CO ₂ eq / t steel)					
	Scope 1	Scope 2 (market based)	Scope 3 (3.1, 3.3, 3.4, 3.5, 3.6)	Scope 1+2 (market based, net)	Scope 1+2+3 (market based, net)
2021	0.113	0.014	2.151	0.127	2.277

Remelting (Tonnes CO ₂ eq / t steel)					
	Scope 1	Scope 2 (market based)	Scope 3 (3.1, 3.3, 3.4, 3.5, 3.6)	Scope 1+2 (market based, net)	Scope 1+2+3 (market based, net)
2021	0.021	0.054	0.004	0.076	0.080

Hot rolling (Tonnes CO ₂ eq / t steel)					
	Scope 1	Scope 2 (market based)	Scope 3 (3.1, 3.3, 3.4, 3.5, 3.6)	Scope 1+2 (market based, net)	Scope 1+2+3 (market based, net)
2021	0.087	0.005	0.016	0.092	0.108

Pickling (Tonnes CO ₂ eq / t steel)					
	Scope 1	Scope 2 (market based)	Scope 3 (3.1, 3.3, 3.4, 3.5, 3.6)	Scope 1+2 (market based, net)	Scope 1+2+3 (market based, net)
2021	0.131	0.004	0.036	0.135	0.171

Cold finishing (Tonnes CO ₂ eq / t steel)					
	Scope 1	Scope 2 (market based)	Scope 3 (3.1, 3.3, 3.4, 3.5, 3.6)	Scope 1+2 (market based, net)	Scope 1+2+3 (market based, net)
2021	0.034	0.006	0.006	0.040	0.046

NB: to obtain total CO₂eq intensity values, it is necessary to add the CO₂eq intensities for all production stages, for example (Casted Steel + Remelting), plus any other ancillary processes.