



Valbruna Nordic, “The House of Stainless Bar” is the Nordic region's largest warehouse of stainless steel long products. The business as a supplier shall satisfy our customers 'and other stakeholders' needs, requirements and expectations in a resource- and cost-efficient way and with a constantly improving quality and environmental performance. In addition, we are an economically, socially and ethically responsible partner.

This sustainability report applies to Valbruna Nordic AB and associated subsidiaries in Denmark and Norway.

Our overall guidelines come from the parent company Acciaierie Valbruna S.p.A in Italy. In addition to these, each country follows the business-related laws and regulations that exist in each country, incl. applicable labor law and trade unions. Valbruna Nordic has several different certifications and internal guidelines for e.g. representation, travel and cars.

Valbruna Nordic's management team works continuously with sustainability issues in connection with the Environment and Quality work. In 2021, work will be further coordinated with the UN's global goals in Agenda 2030.

Valbruna Nordic's main stakeholders

The company is influenced by its stakeholders both in its daily work and in the long term, and the main stakeholders are reported below:

Stakeholder	Expectations of Valbruna Nordic	Examples of communication and dialogue
Customers	Valbruna Nordic shall add value to customers via the concept of "House of Stainless Bar" to strengthen relationships with existing customers and attract new ones.	Communication is conducted i.a. via telephone and email, personal and web meetings, customer surveys, trade fairs and the website
Employees	Valbruna Nordic shall act in a responsible manner both internally and externally to attract, develop and retain competent employees.	Communication is conducted i.a. via daily conversations, meetings, trade union activities, in-house training, incident follow-ups and employee interviews.
Owner	Valbruna Nordic will create value for the owners through a responsible and profitable business based on Valbruna's business model and strategies for profitability.	Communication is conducted i.a. via board meetings, results reports and the website
Suppliers	Valbruna Nordic will add value in the form of efficient distribution, warehousing, further processing, competence and knowledge of our markets. Dialogue and requirements regarding quality, environment and sustainability.	Communication is conducted i.a. via telephone and email, personal and web meetings, supplier evaluation and trade fairs.
Authorities	Valbruna Nordic must be an open and transparent player that complies with legal requirements and wants to contribute to a positive societal development by creating jobs both in its own operations and with partners.	Communication is conducted i.a. via letters and email contacts, telephone, personal and web meetings, supervisory and website.
Neighbors	Valbruna Nordic shall be an open and transparent player.	Communication is conducted i.a. via telephone, email, study visits and website.

Focus areas

Valbruna Nordic has identified areas that are particularly important, and they are divided into our three focus areas: Sustainable business, People and the Environment.

SUSTAINABLE BUSINESS

THE COMPANY

Valbruna Nordic AB was started in 1992 by Avesta AB and Acciaierie Valbruna s.r.l. as a jointly owned company. Today, the company is owned by Acciaierie Valbruna S.p.A. The company's main task is to market the owners' products via own sales channels. Valbruna Nordic's function is to distribute stainless steel long products with a focus in the Nordic region under its own auspices as market leader. Based on this, the company's business concept is "to offer self-produced stainless steel long products with high quality to selected markets and segments with the market's broadest product range, further processing and high service".

THE OWNER

Acciaierie Valbruna S.p.A.

The company is family-owned with headquarters in Vicenza, Italy. Production in Vicenza and Bolzano, Fort Wayne in the USA and Welland in Canada, with a wide product range. Valbruna Nordic's marketing takes place through support for our local sales channels and jointly with these towards end customers.

PRODUCT PROGRAM

Consists of round, flat, square, angle and hexagonal bars in austenitic, martensitic and duplex stainless steels, as well as stainless steel reinforcement.

The standard program is described at www.valbrunanordic.se.

SUPPLIERS

Valbruna is the main supplier and delivers stainless steel rods in all profiles, steel grades and surface finish. Valbruna also supplies wire rod, drawn wire, and titanium and nickel base alloys. The product program is supplemented by the purchase of e.g. cut flat bar. In addition, a few suppliers approved by us are used.

Focus for sustainable business

Valbruna Nordic shall be a reliable partner to its business partners, suppliers and customers. This is done by ensuring that everyone in the organization knows Valbruna Group's code of conduct and complies with it and adopts the Group's values. Valbruna Nordic also strives to develop and maintain a transparent and responsible dialogue with its stakeholders.

Examples of governing documents / activities

Code of conduct - (Code of Ethics)

The values - Dynamic, Transparent, Sustainable

Certifications and standards, such as ISO 9001, PED

Quality and environmental policy

Environmental and quality goals, with action plans

Supplier evaluations with follow-ups

List of legal requirements within environment, work environment and quality

Evaluation of legal compliance in the environment, work environment and quality

Internal audit of e.g. environmental and quality work

QUALITY- AND ENVIRONMENTAL POLICY

Valbruna Nordic, "The House of Stainless Bar" is the largest warehouse of stainless long products in the Nordic region. The operation as a supplier shall satisfy the needs, demands and expectations of our customers and other interested parties concerned, in a resource- and cost-effective way and with continual increase of quality- and environmental performance.

Each offer and business transaction shall be able to be completed so that we satisfy customer requirements.

We shall comply with applicable legal requirements and with other compliance obligations to which the organization subscribes. The knowledge and awareness regarding quality- and environmental issues shall be present by our employees. We aim for commitment of all employees in our quality- and environmental work.

We shall keep an ongoing dialogue with our suppliers regarding quality- and environmental aspects, demands and environmental thinking.

Streamlining our transport and logistic flows, as well as the choice of transport means are important parts of our environmental protection work.

Valbruna's code of conduct (Code of Ethics)

It talks about the responsibility we within Valbruna Group have towards business partners, owners, employees and society. The code addresses issues such as business ethics, anti-corruption, child labor, gender equality, the work environment, career issues and skills development. The code of conduct covers all employees within Valbruna Group and each unit manager is responsible for ensuring that employees know and follow them.

Honesty and integrity are required from all units within Valbruna and the same is expected from business associates, customers, suppliers and partners. Valbruna Group works against corruption in all its forms, including bribes. All sorts of compensation to agents, suppliers and partners should only be based on relevant products and services. The Code of Ethics (Code of Ethics <http://www.valbruna-stainless-steel.com/responsibility/ethical-code>) is available on the website.

PEOPLE

Valbruna Nordic's corporate culture is based on what defined as Valbruna Group's valuations. The values act as a guide in daily work of everyone who works within the company. They are about how to act towards each other and towards customers, suppliers and others with whom you come into contact. These are: Dynamic, Transparent and Sustainable.

In addition to the values, Valbruna Nordic has policies for different areas. These should create uniformity and clarity about the expectations of how the leaders should be and act to contribute to creating a good work environment with a good safety culture and a successful company.

The Valbruna group strives to create and be one coveted workplace where everyone is treated with equal respect and dignity and encouraging a culture of equal opportunities and diversity. All workplaces must be free from harassment and discrimination. All workplaces shall be safe and pleasant.

Goals exist and are followed up for e.g. safety and well-being. A zero vision regarding workplace accidents where the basic idea is that all accidents can be prevented. Safety must come first in all situations.

There is a whistle blower routine, which means that all employees have the opportunity to report anonymously when they see any problems, inaccuracies, illegal behaviour or irregularities regarding Valbruna Nordic's interests or the lives and health of individuals.

Once a year, Valbruna Nordic conducts employee interviews and employee surveys to ensure a

systematic and transparent way of working and to monitor that the strengths and areas for improvement that exist are highlighted. The results are presented departmentally and each group may work on developing an action plan for the areas of improvement identified.

SWOT analysis regarding Strengths, Weaknesses, Risks and Opportunities has been carried out together with all employees. The analysis forms the basis for the company's Business Goals and overall goals.

The company's code of conduct defines the principles and values that form the basis for Valbruna and the responsibility that the company takes on both internally and externally. The rules define the set of principles and values on which Valbruna is based, as well as our internal and external responsibilities. Our code of conduct is in line with the UN Global Compact and its 10 principles in human rights, labour law, the environment and corruption. The rules of the Code of Conduct are also based on the UN Declaration of Human Rights and the ILO's core conventions on labour rights.

Integrity, honesty, decency are the necessary values that have followed the company from its origins and have contributed to the development of its international leading role.

We do not collaborate with or support businesses that use **child * and / or young ** workers in their facilities as employees.**

* less than 15 years old

** from 15 to 18 years old

Focus on the people

Valbruna Nordic will work to be a safe, inclusive and healthy workplace where values are the basis for how to act. This is done by working for a safe and good working environment where accidents, injuries and illness are prevented, that the values are complied with and that the right skills and knowledge are in the company. Valbruna Nordic strives to ensure diversity and equal opportunities.

Examples of governing documents / activities

Code of conduct (Code of Ethics)

Zero vision for accidents

Risk analyzes

Protection rounds

The values - Dynamic, Transparent and Sustainable

Leadership principles

Statutory work environment work according to SAM & OSA

List of legal requirements within environment, work environment and quality

Evaluation of legal compliance in the environment, work environment and quality

Employee interviews

Equal treatment work

Education and skills development

Whistle blower system

Certification according to ISO 14001

THE ENVIRONMENT

Valbruna Nordic works actively with environmental issues as an integral part of the business and the basis of the environmental work is the quality and environmental policy.

It has been drafted in such a way that it should be easy for all employees to understand how they can reduce negative environmental impact in their daily work.

The departments work with the environmental issues that are linked to the business.

Here the focus is on continuously improving the most important environmental aspects, which are transport, suppliers, working environment, waste management and emissions to land and groundwater.

The business is certified according to the international environmental standard ISO 14001.

In the processing chain from steelmakers to customers it is at the producer level as the majority of carbon dioxide emissions occur. With a position between steel producers and customers, it is especially in the transport area as Valbruna Nordic can contribute to a reduced environmental impact. About 90% of purchased material comes from our owner in Italy and about 98% of that is transported by rail to us. From other suppliers, the transports go by truck.

Transport to customers is by truck. The transports to the various customer markets are closely monitored and goals are set to streamline transports as much as possible, in good balance with customer service. Valbruna Nordic works

actively to find transport companies that have a pronounced and conscious focus on sustainability and the environment.

The transports are increasingly taking place by trucks powered by diesel with a mixture of non-fossil HVO / BIO components. The emission of carbon dioxide in our own operations is very low because then we use energy carriers with a low fossil content, such as district heating and electricity. Valbruna Nordic is also working to make energy consumption more efficient.

Consumption is of course affected by delivery volumes and production operations (material processing and service) which is most energy intensive. Inventory itself is smaller energy intensive. The outdoor climate also plays a big role. Valbruna Nordic has no process-related emissions to water, or air, from the production facilities.

Residual products in Valbruna Nordic's operations are primarily metal, wood, paper and plastic. These are sorted and recycled to the greatest possible extent. Incoming packaging materials are largely reused for deliveries to the customer and generally a small amount of packaging materials is used for deliveries.

Our stainless steel is very much a circular material. It is made from recycled material, scrap, to about 90% and can be recycled to 100%, which is very good from a life cycle perspective. Stainless steel also has a longer service life compared to "black" steel.

Focus on the environment

Valbruna Nordic will work purposefully to limit its environmental and climate impact. This is done through an overall quality and environmental policy and to work with the measures that are relevant to the business.

Examples of governing documents / activities

Quality and environmental policy

Environmental and quality goals, with action plans

Certifications and standards such as ISO 14001, REACH, RoHS and Conflict minerals

Mapping the transports

Use of fossil-free energy carriers

Recycling of residual products

Key performance indicators that are relevant to the business.

Valbruna Nordic has identified relevant performance indicators for our business. These are briefly described below.

*Lower
sick leave
2020*

SICK LEAVE 2020		
	2020	2019
VALBRUNA NORDIC total	3,6 %	4,7 %

1 minor incident with work injury during both 2019 and 2020.

Lower sick leave in 2020 than in 2019 despite the pandemic, however, more long-term sick leave in 2019. Wellness allowance is offered to all employees as well as health insurance. Massage chair and access to Exercise Equipment are available at the company. Massage during working hours has been offered during 2019-2020 but has been canceled during the ongoing Pandemic. It will be taken up again when possible. Training in basic fire protection is carried out every 3 years for all employees, as well as CPR training every two years. In 2020, First Aid training was planned but it had to be canceled due to. The pandemic and it will be carried out whenever possible.

Safety rounds and fire protection rounds are carried out in the warehouse and also in offices and the necessary measures are carried out for results & incidents / existing risks.

General risk analysis is updated annually, and necessary measures are performed based on events / existing risks.

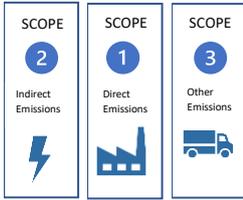
Specific risk analysis regarding measurement of particles in air in the warehouse have been performed as well as for altitude work, noise, truck use and chemical handling.

Annual analysis of the systematic work environment work (SAM) is performed and documented.

Target 2022 for sick leave 3.5% and accidents (none).



100 %
covered by
trade union
agreements



2

INDIRECT EMISSIONS

Scope 2 - indirect carbon dioxide emissions - includes emissions from the electricity and district heating that Valbruna Nordic consumes. These emissions decreased in 2020, mainly due to a reduction in district heating use overall. Valbruna Nordic indicates and analyses emissions based on suppliers' reports. According to the supplier, the electricity consists only of renewable energy sources. In 2020, the origin of electricity was 97% hydropower and 3% wind power, which means that the electricity is fossil-free.

	2020	2019
Energy consumption, MWh		
Electricity	256	276
District heating	306	370
Tot	562	646
CO₂ emission, ton		
Electricity	0	0
District heating	15	17
Tot	15	17

1

DIRECT EMISSIONS

Scope 1 - direct emissions of carbon dioxide - Includes emissions from operations owned or controlled by the reporting company. Valbruna Nordic does not have any direct carbon dioxide emissions either through heating, transport or through emissions of chemicals in production.

3

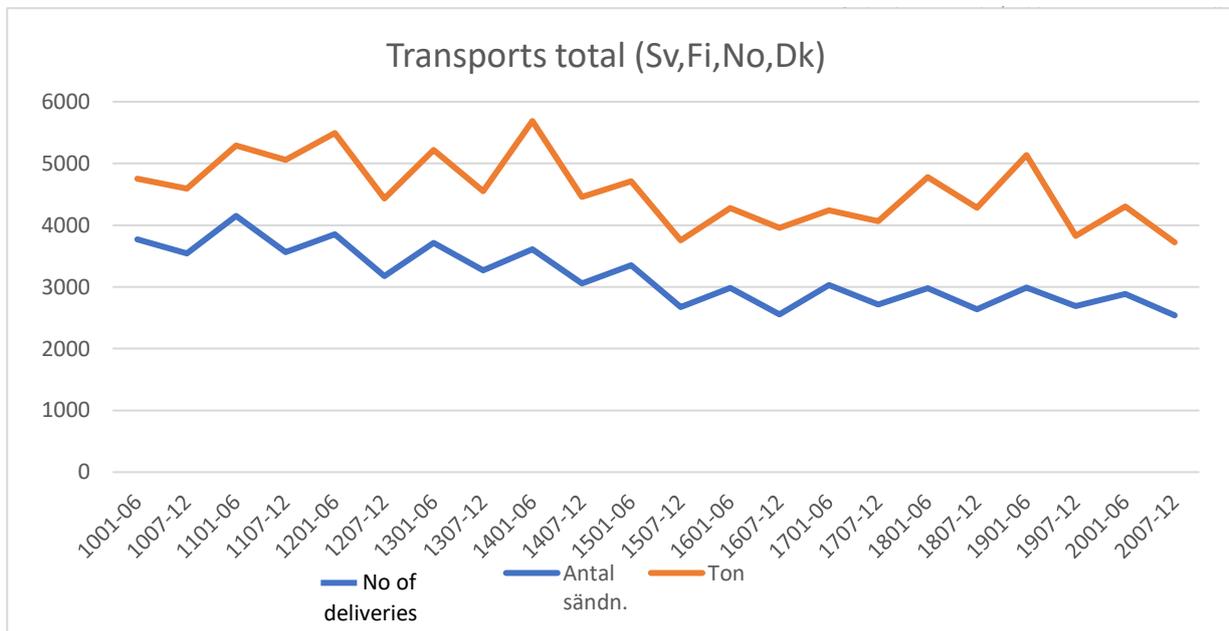
OTHER EMISSIONS

In Scope 3 - other indirect emissions of carbon dioxide - reports Valbruna Nordic emissions from the business's business trips (flights, cars and trains). The calculations are made on the basis of data Valbruna Nordic receives from the accounts to payroll administration of business trips. Unfortunately, we do not have any data for air travel, but they have been largely non-existent in 2020 due to pandemic. Likewise, car travel has decreased significantly in 2020. The source Utsläppsrätt.se is used to calculate carbon dioxide emissions.

Scope 3 also includes the emissions that occurred during the shipment of products to customers as well as waste generated by the company's own operations. When it comes to shipping to customers, we work continuously to streamline as far as possible without compromising customer service. See attached diagram below.

	2020	2019
Business trips Mile		
Car	1369	3623
Train	0	50
Tot	1369	3683
CO₂ emission, ton*		
Car	2,9	7,7
Tot	2,9	7,7

*Counted via Utsläppsrätt.se , Diesel



WASTE STATISTICS VALBRUNA NORDIC AB 2020

Waste that arises in Valbruna Nordic's operations consists of approximately 80% of metal, and the rest mainly of combustible and wood. The annual statistics depend to some extent on when emptying takes place, and can therefore vary between specific years.

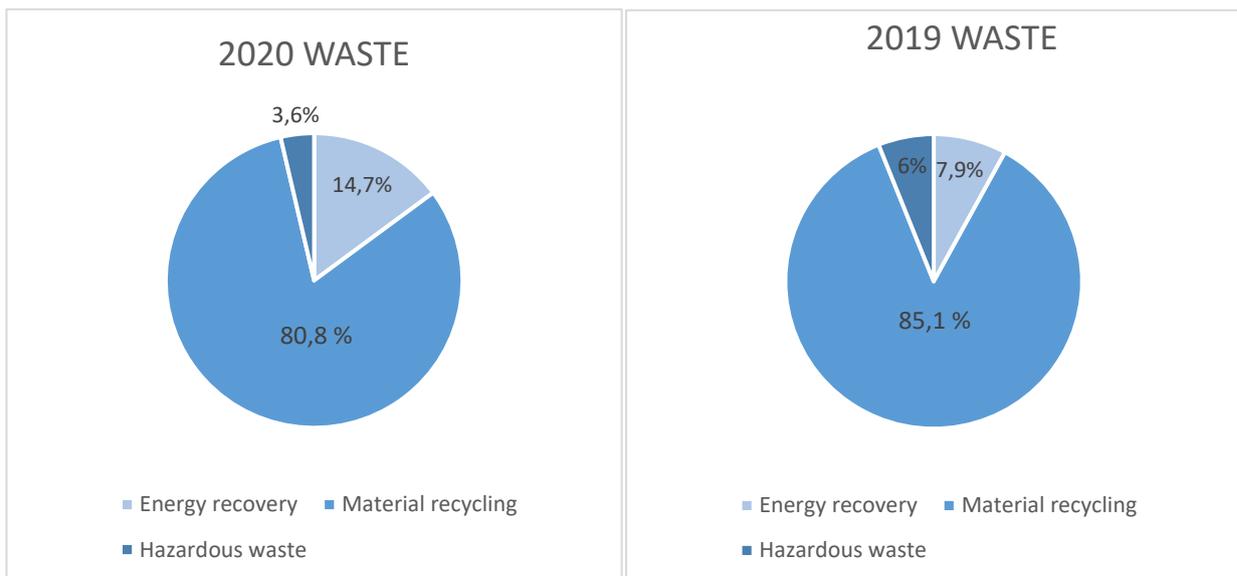
Waste management and sorting is optimized based on environmental risks, resource opportunities, waste types and waste quantities. Stainless steel shavings and stainless steel scrap are 100% recycled and sent directly to the steelworks. Incoming packaging from suppliers is reused as much as possible as product packaging to the customer, which further reduces the amount of waste and increases resource management. More than 90% of the total amount of waste is recycled through material or energy recovery, see the pie and bar graphs below. The material recycling below has in 2020 contributed to an emission saving of 14,784 kg CO₂, see fact diagram from the waste contractor below. In addition, there is the material recycling of stainless steel, which we have no CO₂ value at present.

VALBRUNA NORDIC WASTE PER WASTE FRACTION

	2020 (kg)	%	2019 (kg)	%
Combustible	7080	8,39	3860	4,07
Office paper	740	0,88	680	0,72
Corrugated cardboard	700	0,83	290	0,31
Newspapers		0,00	40	0,04
Wood waste	3900	4,62	2620	2,76
Mixed iron scrap*	6940	8,23	4380	4,62
Stainless shavings**	38530	45,67	27780	29,29
Stainless cutting scrap**	22700	26,91	48603	51,25
Scrubbing water (Hazardous waste)	2700	3,20	5700	6,01
Waste oil (Hazardous waste)	183	0,22		
Absorbent (Hazardous waste)	51	0,06		
Oil filter (Hazardous waste)	23	0,03		
Green station (Hazardous waste)	18	0,02		
Aerosols (Hazardous waste)	50	0,06		
	84361		94844	

* 100% recyclable

** 100% recycled directly from steel mills. Is not included in the statistics below from Stena Recycling.

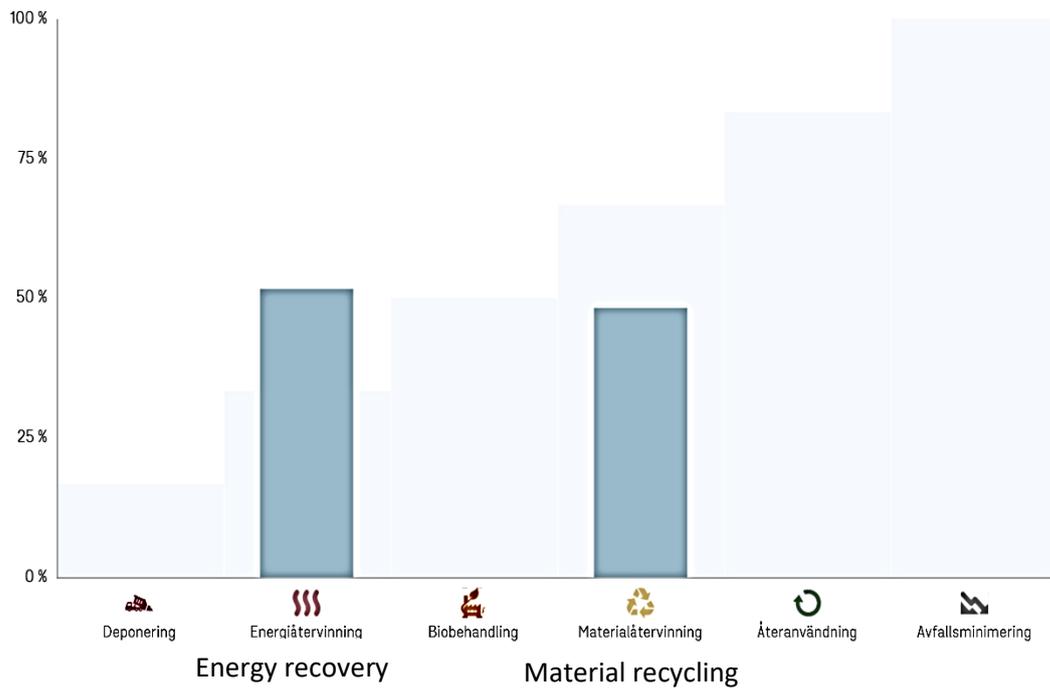


Stainless steel scrap scrap and stainless steel shavings are included in the above diagram in Material recycling

The WASTE LADDER

AVFALLSTRAPPAN

Diagrammet visar hur stor procentandel av materialet i ditt urval som återvinns enligt de olika stegen i Avfallstrappan. Jämför olika perioder för att se hur ert företag rör sig i avfallstrappan. Mer information om avfallstrappan finns på vår [hemsida](#).



Återvinningsgrad		KG	Procent
Avfallsminimering		-	
Återanvändning		0 KG	0 %
Materialåtervinning	Material recycling	10 811 KG	48,3 %
Biobehandling		0 KG	0 %
Energiåtervinning	Energy recovery	11 574 KG	51,7 %
Deponering		0 KG	0 %



Stainless steel scrap and stainless steel shavings are recycled to 100% directly by steel mills. Is not included in statistics from Stena Recycling.

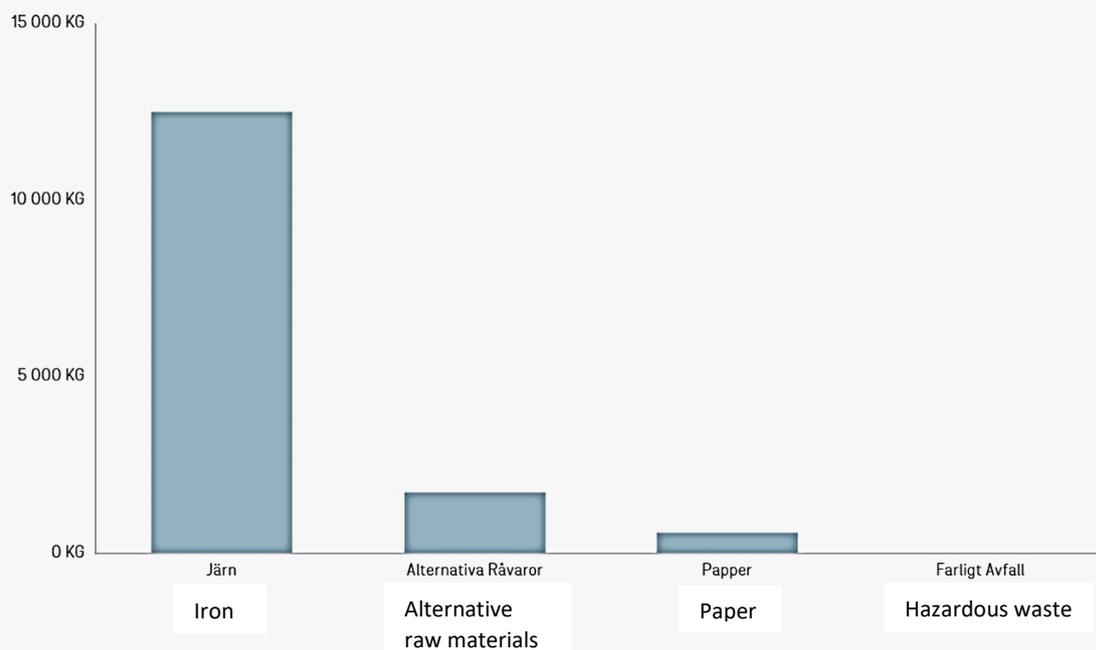
EMISSION SAVINGS CO2

UTSLÄPPSBESPARING CO2

Genom din återvinning har du möjliggjort att återvunnet material kan användas istället för jungfruligt vilket sparar både resurser och energi. Din återvinning motsvarar följande utsläppsbesparingar.

Totalt för perioden: 2020-01-01 – 2020-12-31

14 784 KG



Material		KG CO2	KG CO2-ekvivalenter per KG material
Järn	Iron	12 492	1,8
Alternativa Råvaror	Alternative raw materials	1 716	0,2
Papper	Paper	576	0,4
Farligt Avfall	Hazardous waste	0	0



Stainless steel scrap and stainless steel shavings are recycled to 100% directly by steel mills. Is not included in statistics from Stena Recycling.

Sustainability-related risks and risk management

Valbruna Nordic has identified relevant sustainability-related risks and uncertainty factors for the business. These risks and the work with them are briefly described below.

Environmental impact

Risk

Increased sales and production lead to increased total environmental impact in relation to production and distribution of the company's products. Even today, unknown remediation costs may adversely affect Valbruna Nordic's operations, earnings and financial position. Compliance with relevant environmental legislation and other regulations in the environmental area is a prerequisite for avoiding sanction measures.

Management

Valbruna Nordic works systematically to comply with rules and laws and to reduce the company's environmental impact. A certified systematic quality and environmental management work is carried out in accordance with ISO 14001 and ISO 9001, for more than 10 years and 20 years, respectively, which contains several major and recurring requirements for the company. Waste management of the residual products and reuse of packaging materials are monitored regularly.

Energy use

Risk

Increased production leads to increased use of energy. Not using energy from renewable sources, where possible, has a negative impact on the environment.

Management

Valbruna Nordic monitors energy consumption. District heating is used for heating, what affects the use is mainly the winter climate. Looking at energy efficiency is also an important factor when investing.

Increased amount of emissions from transport

Risk

Increased amount of emissions from transport Valbruna Nordic sells its products mainly in the Nordic market, which means that the transport of materials is inevitable and the use of transport services means the use of fossil fuels.

Management

Valbruna Nordic works to optimize logistics flows, which reduces the environmental impact of our largest environmental aspect of transport. Over 90% of incoming material comes via rail. Deliveries to the customer via truck are optimized as much as possible. Work has begun to collect data together with the transport companies for current fuel use and the company is actively working to find transport companies with a pronounced and conscious sustainability and environmental focus.

Lack of health and safety

Risk

Work environment, health and safety are central issues for Valbruna Nordic. Deficiencies in safety and the working environment mean an increased risk of ill health and incidents for the company's employees.

Management

Valbruna Nordic has a systematic work to ensure and improve the work environment. Fire protection work is carried out regularly. Valbruna Nordic continuously monitors a number of parameters in the area of health and safety.

Opportunities for improvement are discussed by management and employees, and improvements are implemented on an ongoing basis.

Lack of equality, diversity and discrimination

Risk

Deficiencies in implementation and compliance with Valbruna Nordic's values can lead to a lack of gender equality and diversity.

Management

Valbruna Nordic conducts annual employee interviews with active follow-up of the results, where action plans are drawn up for the areas of improvement that have been established. The work is carried out with full transparency in relation to guidelines, operating systems and reporting of violations regarding discrimination.

Crime against human rights

Risk

Valbruna Nordic is a company with operations in Sweden, Norway and Denmark. This means that transparency regarding human rights is very good. However, there may be a risk that the company may involuntarily contribute to human rights violations.

Management

Valbruna Nordic's Code of Ethics addresses these issues and applies to all employees within Valbruna Nordic, including management. Board members, Business partners, customers and suppliers are also encouraged to follow this code of conduct.

Reporting of any problems, inaccuracies, illegal behaviour or irregularities can be done to the nearest manager, or anonymously, via the whistle blower system.

Corruption

Risk

Corruption can exist to varying degrees in some countries and in different sectors of society. Valbruna Nordic, like many other companies, runs the risk of becoming involved in non-ethical business in areas that include sales and purchasing processes.

Management

Within Valbruna Nordic, zero tolerance applies to non-ethical business methods. The company conducts reviews of the company's code of conduct for the company's employees, suppliers and partners. Together with the framework for internal control and follow-up, this forms the basis for a business ethics approach and correct financial reporting. Valbruna Nordic applies a attestation routine to avoid conflicts of interest and applies procurement processes that ensure good business ethics.

SUSTAINABLE REPORT 2020



VALBRUNA NORDIC AB
Lovartsgatan 7
652 21 Karlstad

Susanne Nilsson Quality and environmental manager, 054-144519,
susanne.nilsson@valbrunanordic.se