



SUSTAINABILITY HIGHLIGHTS 2023

OSTP

Delivering on our promise



Andrea Gatti | CEO OSTP Group

THE COMMITMENT WE’VE MADE IS BEING FULFILLED

In 2020, we set out on a journey to reduce CO₂ emissions beyond OSTP’s already low levels. Our aim was CO₂ neutrality at our own sites by 2025, and we had a clear road map for getting there. Having followed it step by step, we’ve effectively reached our goal ahead of time, becoming carbon neutral within Scopes 1 and 2.

As we set our sights further, I’m proud of our co-workers and truly confident in OSTP’s full-circle approach. The environment faces tremendous challenges, and we’ve chosen to focus on the most pressing matters – the areas and activities where we can make the biggest impact today. In these sustainability highlights for the past year, you’ll read more about our efforts to lower CO₂ emissions. Plus, you’ll learn how our circular thinking shapes a sustainable workplace as a whole.

THE CIRCLE CONTINUES – AND SO DOES OUR IMPROVEMENT

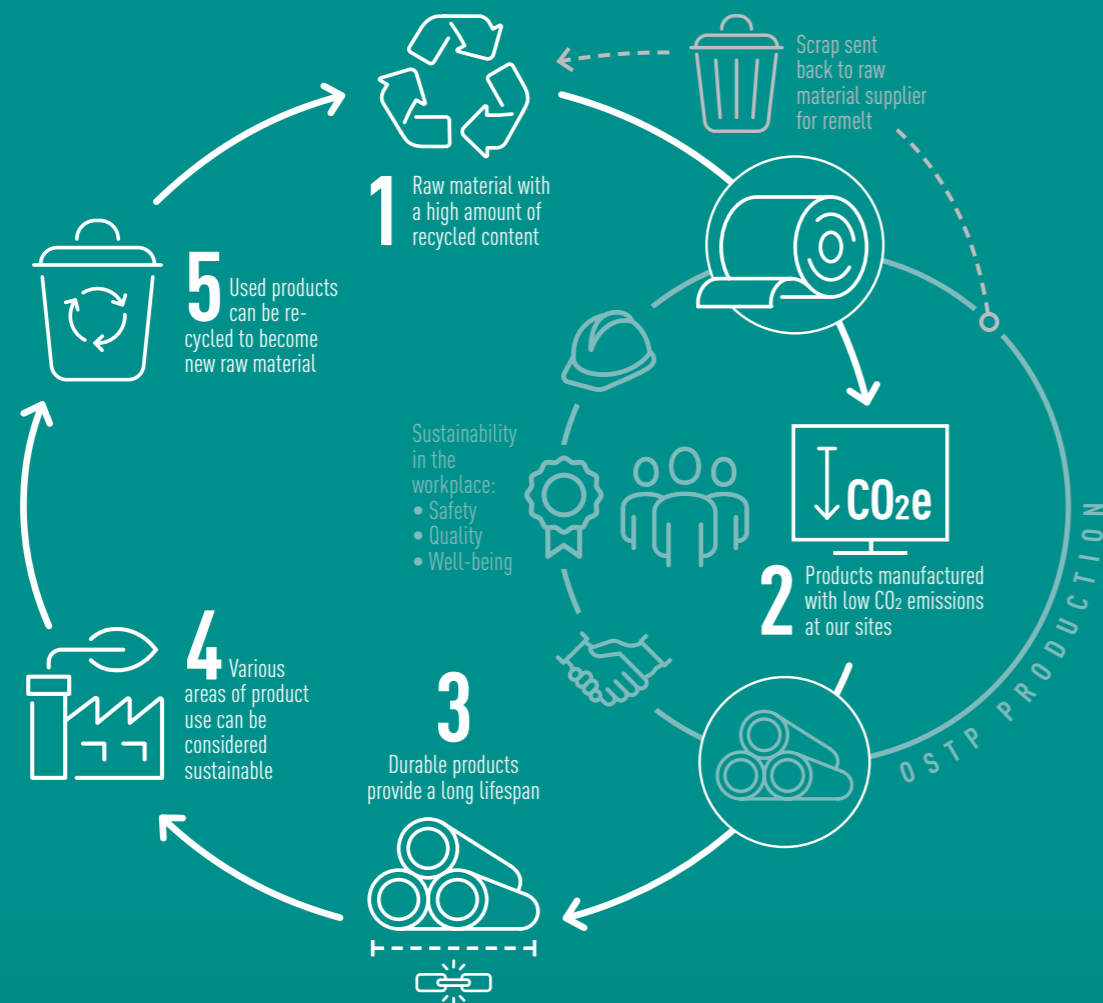
Succeeding with sustainability, like most endeavours, requires not just a plan but a plan based on relevant data. Reliable facts lead the way to better decisions. That’s why OSTP is continuously investigating and investing in ways to gather data, digitally and efficiently. Data lets us improve our road maps and the work they guide.

When we can also provide relevant, up-to-date data to our customers, it enables them to make smarter, more sustainable choices in turn. This is why we make third-party-verified CO₂ data readily available on OSTP quotations and invoices. It’s also why our Environmental Product Declarations (EPDs) will be updated during 2024. Renewed data leads to fresh analysis – and renewed action.

Renewal and development, of course, are equally important when it comes to people. By ensuring a sustainable workplace where employees can thrive, we’re unlocking OSTP’s potential for growth through a committed and engaged workforce. Safety, quality and well-being are constant priorities, and we’re further developing the internal trainings on our digital learning platform. In addition, we’re strengthening our overall communication and ways of working.

Year-round, you can follow OSTP’s efforts for the future on our website and through our LinkedIn posts. Our sustainability activities are many. But more importantly, they’re connected and ongoing – as a circle always is.

SUSTAINABILITY THROUGHOUT THE LIFE CYCLE OSTP



SUSTAINABILITY AT OSTP

At OSTP, we take a full-circle approach to sustainability. That means embracing sustainability throughout the life cycle – a way of thinking that fits naturally with our 100 percent recyclable products. Likewise, it means seeing our operations in a holistic, 360 degrees perspective. The circle is only complete when our ways of working fulfil the promises of safety, quality and well-being.

CONTINUOUS DEVELOPMENT OF QUALITY AND EFFICIENCY IN PRODUCTION

OSTP's stainless steel pipes, tubes and fittings are a perfect fit for the many applications where durability and longevity are essential. A long service life is partly ensured by the quality of the stainless steel itself, but we secure it fully in the quality manufacturing of our welded products. In addition to our own high standards, we adhere to ISO

9001, 14001 and 45001. Our certifications, including the many needed to weld our wide range of products, can be found on our website.

By investing in digitalisation, we have improved our logging and optimisation to make quality even more consistent. Overall, through digitalisation and the exploration of new technologies, we continue to improve our processes. This is integral to our Route to World Class programme: producing the correct quality in the correct time, without waste.

Our products are 100 percent recyclable, which means they have a high level of sustainability built in. Yet we constantly strive to minimise our resource use. For example, we recently acquired a new laser machine that uses less electricity. In 2024, we will invest in new machines for Örnsköldsvik that will improve both resource efficiency and workplace ergonomics for their operators.

SAFETY AND GROWTH FOR EMPLOYEES

The success of our products stems from the people behind them. At OSTP, we aim to be a long-term employer, which means providing a sustainable workplace.

In this regard, safety is our number one priority. People are in focus in our manufacturing, where routines and processes are in place to protect them. Through regular in-person safety trainings and information sessions, complemented by digital trainings, we lay a foundation for smooth and safe production. This is strengthened by safety walks and ergonomic evaluations, as well as a 5S focus on maintaining an orderly workplace – a prerequisite for safety. Risk reporting is emphasised, and safety is the first order of business at all management meetings.

Additionally, we believe in personal development and creating possibilities for growth. Employees are encouraged to move forward within the company, and there are numerous examples of employees who have built careers at OSTP. Our digital learning platform, OSTP Academy, facilitates the development process and continuous to expand with new learning possibilities.

FOCUS ON THE ENVIRONMENT – FROM LOCAL TO GLOBAL

At OSTP, we have worked for many years to reduce our impact on the environment. It begins, of course, with the environment closest to us. Our operations in Örnsköldsvik, for example, are located near residential buildings, playgrounds and recreational areas. Yet their influence on local noise and chemical levels is minimal, and we continue to improve.

At the same time, we recognise the full extent of our environmental impact. Our stainless steel and the products we craft from it are recyclable, but every aspect of our production and deliveries affects our sustainability. In these highlights, we focus especially on our CO₂ footprint. Our activities, however, encompass numerous other environmental factors.



A SUSTAINABLE WORKPLACE

WELL-BEING ON THE JOB

The well-being of our employees has the highest priority at OSTP. We work actively to provide a sound work environment, engaging in activities that promote both physical and mental health. Our support takes many forms, and each year we find new ways to develop it.

LEADERSHIP AND OPEN COMMUNICATION

At OSTP, we believe that leadership and communication are keys to sustainability as well as success. We strive to be an open organisation where discussing, sharing information and engaging with each other come naturally.

Leaders are essential to creating and maintaining that environment. This is why we invest in leadership programmes and trainings at our sites, designed to strengthen our leaders in their roles. Whether in management meetings and forums or in hands-on interaction as Route to WorldClass Coordinators (RTWCs), our leaders set the tone and guide positive change.

From the other direction, OSTP employees are invited to share their opinions and raise their voices. We encourage our workers to be active in the many communication channels available, which range from suggestion boxes to participating in cross-functional groups and our continuous improvement work.

VALUE-DRIVEN ORGANISATION

We are an organisation guided by strong ideals. Our core values and principles include:

- Safety
- Quality
- Sustainability
- Reliability
- Responsiveness
- Innovation

At OSTP, these are much more than attractive words. We have worked through each of them in detail, exploring what each one means from the perspectives of our different stakeholders.

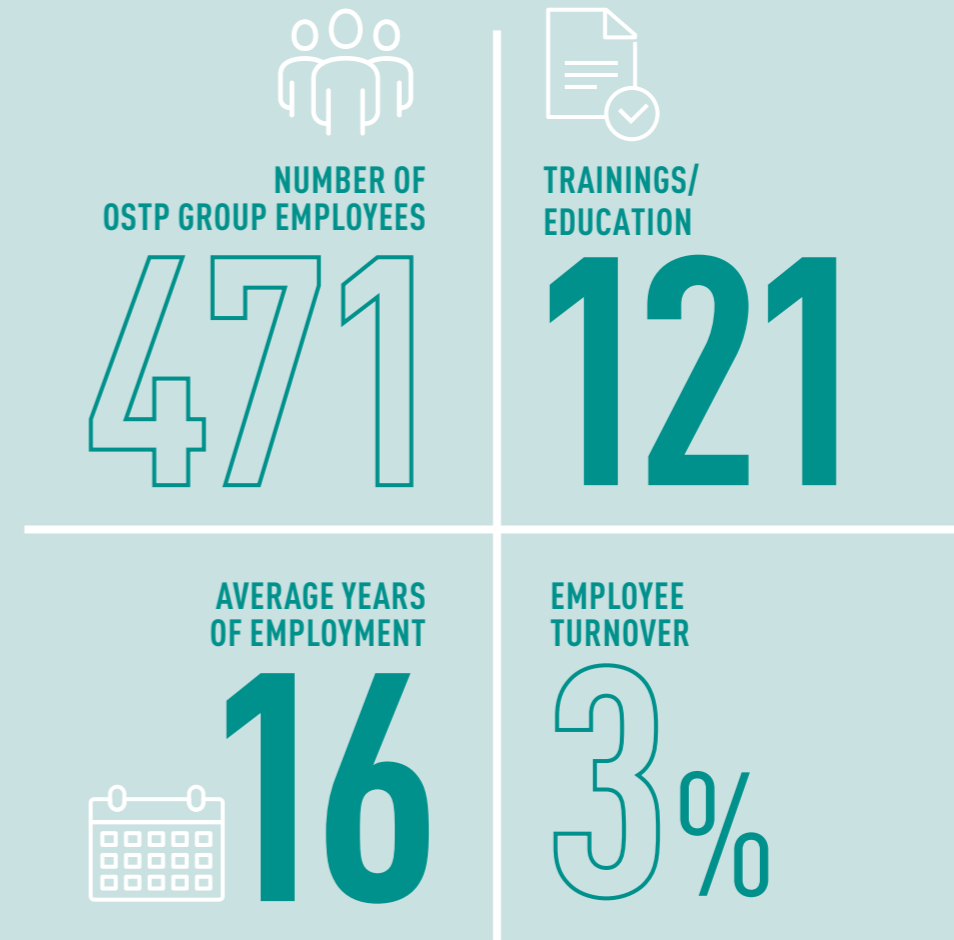
The result of this work is our matrix of fundamental principles. To make its contents well known and understood, we provide a dedicated training through our digital learning platform. Above all, our values and principles are regularly discussed, focusing on what they mean for individual employees and our entire organisation.

ROUTE TO WORLD CLASS

Our efforts to keep OSTP best in class and to develop together in all areas are expressed by a single name: Route to World Class. Route to World Class is the road and the how, rather than the destination and the goal. It reflects our belief that everyone can grow and develop – and that we do it best as a team.

Route to World Class encompasses:

- Trainings
- Weekly meetings
- Organisational structure
- Project management
- Targets and goals for the organisation and individuals



(Including OSTP Örnsköldsvik and Jakobstad)

PHYSICAL WELL-BEING

Apart from our continuous efforts to keep employees safe, we work with ergonomics and make regular inspection rounds to ensure that work is performed in a good way. Ergonomic improvements, combined with the regular health checks we offer, help to secure long-term employee wellness.

In addition, we encourage employees to take responsibility for their own health. For example, we contribute to gym cards and other incentives to engage in physical activity.

MENTAL WELL-BEING

We strive to provide a structured workplace that allows for flexibility and creativity. At its heart are good leadership and a supportive climate built on communication.

Our production sites have teams that organise activities from parties to lectures. Likewise, we support our employees with discounts and contributions to activities of their choice. Above all, we recognise their need for development and meet it with ample training opportunities.

OSTP ACADEMY

Learning is valued and promoted at OSTP. Our digital learning platform, OSTP Academy, is an important tool that supports continuous development within our organisation. By taking advantage of its steadily growing offering, employees can hone their existing knowledge and gain access to new skills and insights.

OSTP ACADEMY IN NUMBERS 2023

23 digital trainings with focus on safety

128 digital training modules available

18 digital training programs available

HIGHLIGHTS 2023

SAFETY



2,10

RISK OBSERVATIONS MADE PER EMPLOYEE

10 702

MAN HOURS SPENT ON SAFETY WORK

QUALITY



ACCREDITED

ACCORDING TO ISO 9001, 14001, 45001 AND PED BY TÜV NORD

11%

LESS CLAIMS (THAT CAUSED COSTS)

ENVIRONMENT



100%

OF OUR PRODUCT GROUPS NOW HAVE EPDs, ENVIRONMENTAL PRODUCT DECLARATIONS

100%

RECYCLABLE PRODUCT

100%

OF OUR QUOTATIONS MADE THROUGH THE QUOTER APP NOW HAVE CO₂ DATA SPECIFIED*

47%

LESS EMISSIONS FROM SCOPES 1 & 2 (AT OUR MAIN PRODUCTION SITES IN SWEDEN AND FINLAND)

100%

OF OUR PRODUCT GROUPS HAVE 3RD PARTY VERIFIED GREENHOUSE GAS PROTOCOL BASED CALCULATED EMISSIONS

84%

OF ALL ENERGY USED WAS FROM GREEN SOURCES AT OUR PRODUCTION SITES IN FINLAND AND SWEDEN

SUSTAINING THE ENVIRONMENT

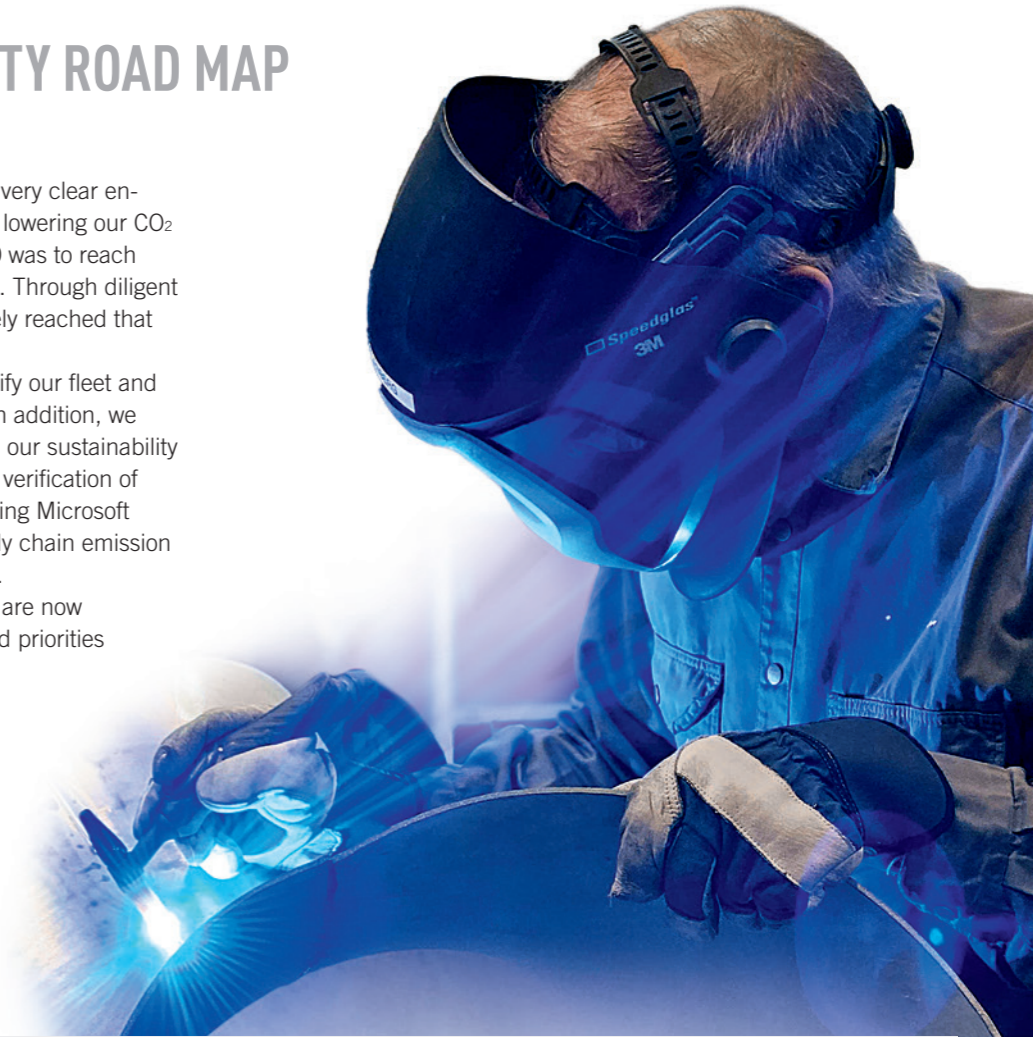
OUR SUSTAINABILITY ROAD MAP

OSTP's sustainability road map lays out very clear environmental targets, aimed especially at lowering our CO₂ emissions. The primary goal set in 2020 was to reach carbon neutrality at OSTP sites by 2025. Through diligent and structured efforts, we have effectively reached that goal ahead of time.

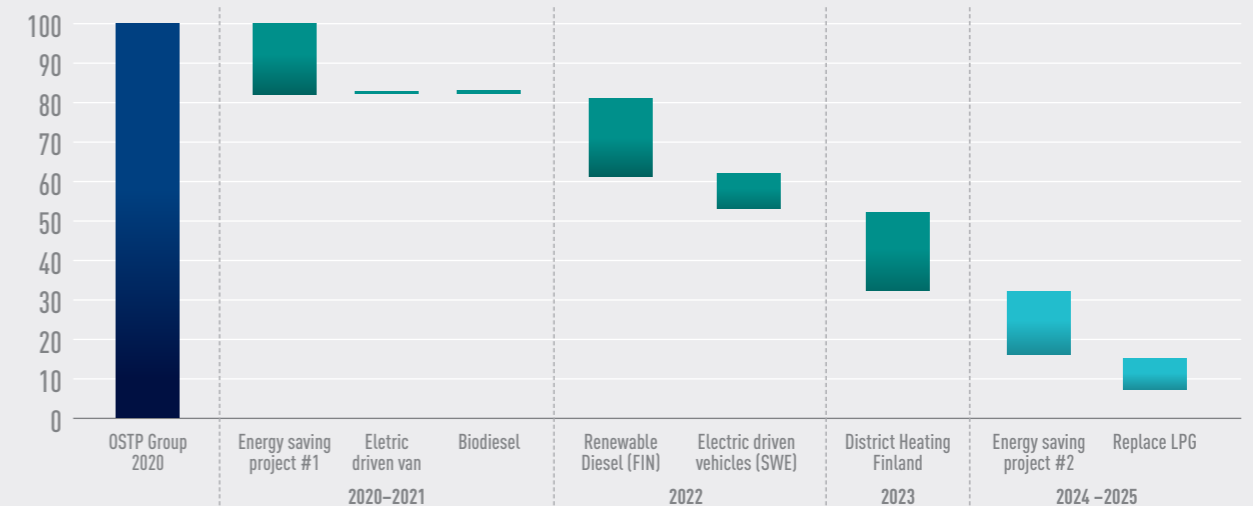
During 2023, we continued to electrify our fleet and further improved our energy sourcing. In addition, we worked to ensure quality and breadth in our sustainability data. This included securing third-party verification of our CO₂ data, plus initiating a project using Microsoft Sustainability Manager to connect supply chain emission data with data from our own production.

Guided by accurate information, we are now looking ahead to establish new goals and priorities for our continued sustainability work.

We are proud to already be able to boast of our industry leading position and continue to strive to go even further with reductions.



AS PART OF OSTP'S SUSTAINABILITY ROAD MAP AND PRODUCT DEVELOPMENT PROGRAM OSTP IS CONSISTENTLY WORKING TO REDUCE THE CO₂ FOOTPRINT OF ITS PRODUCTS





KEY ACTIONS TAKEN DURING 2023

- Sourcing green electricity for our production sites (excluding Suonenjoki)
- Sourcing green district heat for Finnish sites (Jakobstad & Suonenjoki)
- Sourcing renewable diesel in Jakobstad
- Invested in electric truck in Örnsköldsvik
- Made proof of concept project using Microsoft Sustainability Manager in Jakobstadd
- Finalized CO₂ calculator for product groups
- Obtained third-party verification for greenhouse gas data used in our CO₂ calculator

KEY ACTIONS PLANNED FOR 2024

- Continue to work with Microsoft Sustainability Manager to get live system for emission data collection
- Update EPDs for all product groups
- Source green electricity for all production sites and as well green district heat in Jakobstad and Suonenjoki
- Continue to use renewable diesel in Jakobstad
- Develop packages to be more sustainable
- Improving waste water treatment plant in Jakobstad
- Test electric driven forklifts for heavy use
- Begin to prepare a new sustainability roadmap for years 2026-2030

1 PROOF OF CONCEPT FOR LIVE COLLECTION OF EMISSION DATA

Working with Fellowmind, OSTP established proof of concept for a live system to collect wide-reaching emission data. The system uses Microsoft Sustainability Manager to connect our own production data with multiple data sources from suppliers, encompassing both energy and raw material supply.

A system like this will eventually provide OSTP with an open, real-time view of our broader greenhouse gas footprint. Further actions will be needed to move from the concept to a finalised system, in which all scopes will be fully reflected.



3 FINALISATION OF OUR CO₂ CALCULATOR

Work on our CO₂ calculator concluded in 2023, giving OSTP customers a powerful tool for their own sustainability decisions. The calculator provides CO₂ emission data for the whole supply chain, extending from the raw material manufacturer to the finished product at OSTP's gate – and on to the customer's gate as well. Because the CO₂ emission data has been verified by a third party, the calculator is a tool that customers can truly rely on.

Sustainability			
Freight CO ₂	0,21 t	(1 370 km)	
Ex-works, scopes 1, 2 & 3	10,47 t		
Delivered	10,68 t		

Pos.	Description	Quantity	Price	Dispatch
40	Welded Pipe 610/608x4 EN 1.4404/316L QT101 EN 10217-7 TC1 EN ISO 1127 D2/T3 In random lengths of 6 m (300+100 mm). Plain Ends. Not Heat Treated, Pickled, Not Bead Worked. OSTP item code 8307640	12 m	€/m incl. AMF	4.7.2023
	Supply info: 11-13 m Weight: 60.7 kg/m Net weight: 728.40 kg Std. pack: 12 m/peck Est. Emissions: 1.22 t CO ₂ Ex-works			
50	Welded Pipe 711/708x4 EN 1.4307/304L QT101 EN 10217-7 TC1 EN ISO 1127 D2/T3 In random lengths of 6 m (300+100 mm). Plain Ends. Not Heat Treated, Pickled, Not Bead Worked. OSTP item code 6022785	12 m	€/m incl. AMF	4.7.2023
	Supply info: 11-13 m Weight: 70.81 kg/m Net weight: 849.72 kg Std. pack: 6 m/peck Est. Emissions: 1.42 t CO ₂ Ex-works			

2 FURTHER ELECTRIFICATION OF THE OSTP FLEET

During 2023, we invested in an electric truck and other electric vehicles in Örnsköldsvik. This was part of our ongoing efforts to electrify the OSTP vehicle fleet in Örnsköldsvik and Jakobstad.

4 GREEN DISTRICT HEAT AT OSTP SITES

In 2023, it became possible for OSTP sites in Jakobstad and Suonenjoki to purchase green district heat. This is a big step forward for sustainability at the sites, making it easier to responsibly source the energy needed for production processes and heating.

CO₂ EMISSIONS IN THE STAINLESS STEEL INDUSTRY

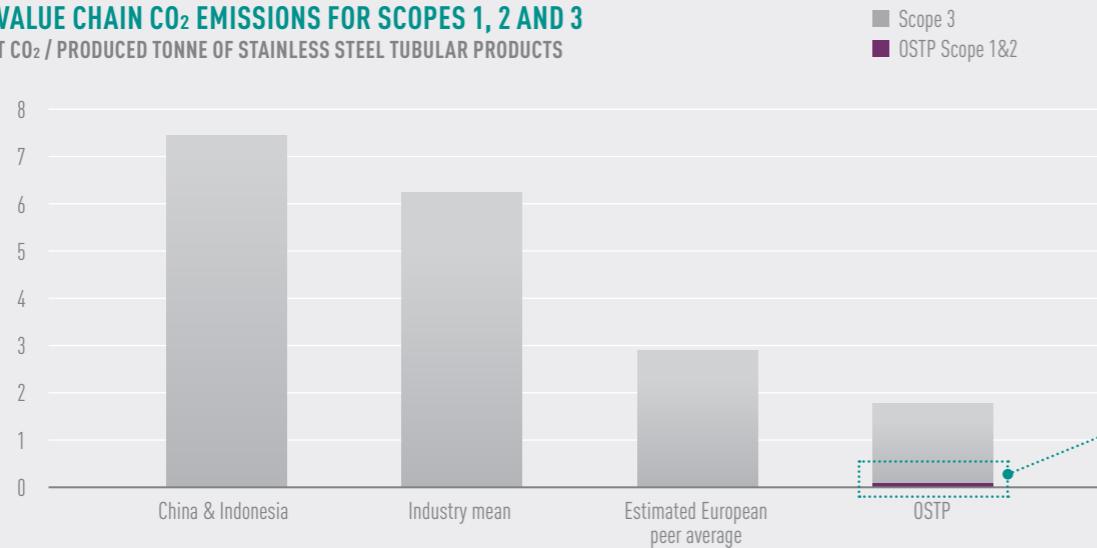
When creating stainless steel tubular products, the largest share of emissions is tied to the material itself. This means that choices in the supply chain have a greater impact on total emissions than what can be achieved at OSTP sites. Simply put, the production of stainless steel is far more emission-intensive than the processes of forming and welding it.

Stainless steel of sustainable origin, i.e. steel that contains a significant amount of recycled material, comprises less energy use and emissions prior to melting. If the melting process itself is driven with renewable energy, the emissions tied to production are minimized. Choosing suppliers with these factors in mind is a key tool in reducing OSTP's overall impact. We are also looking forward to new developments and technologies within the steel industry that might have an impact on this.

Looking at stainless steel production, there are two key questions that influence the level of emissions:

- What is the share of recycled raw material vs virgin raw material?
- What is the source of the energy used during production?

VALUE CHAIN CO₂ EMISSIONS FOR SCOPES 1, 2 AND 3
T CO₂ / PRODUCED TONNE OF STAINLESS STEEL TUBULAR PRODUCTS



CO₂ EMISSIONS IN THE OSTP GROUP

The primary focus of our sustainability road map is reducing emissions within Scopes 1 and 2 to a level approaching CO₂ neutrality. Scopes 1 and 2 are those over which we at OSTP have direct or indirect control.

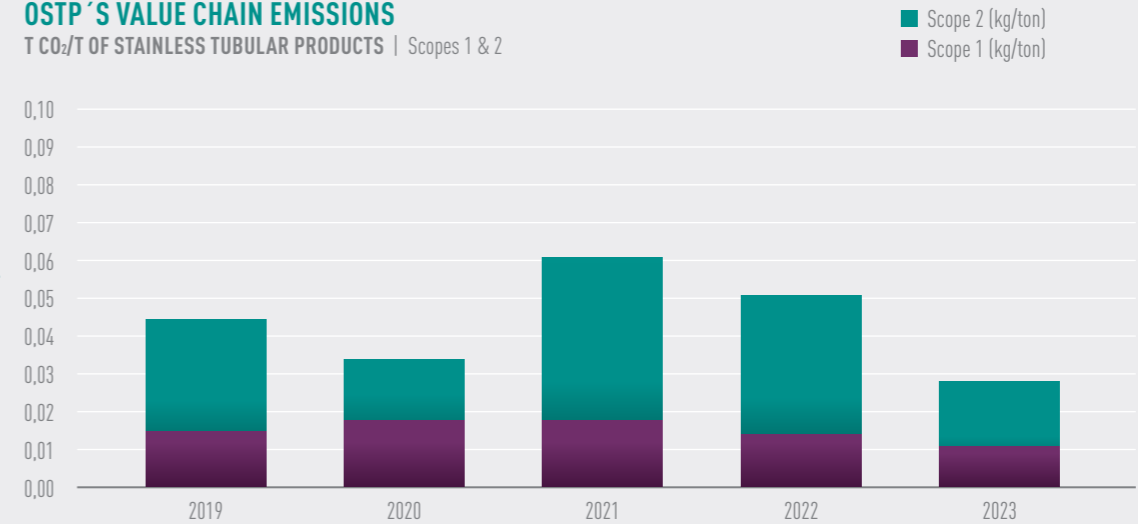
OSTP's target is to be CO₂ neutral in its own operations (scopes 1 & 2) by end of year 2025.

Scope 1 covers the emissions created at our sites. We have been able to successfully lower emissions by 25 % from year 2022.

Scope 2 covers emissions from energy production, which we have influenced successfully by 50 % from 2022 to 2023. One significant factor was the possibility to purchase green district heat for Finnish sites compared to last year.

OSTP'S VALUE CHAIN EMISSIONS

T CO₂/T OF STAINLESS TUBULAR PRODUCTS | Scopes 1 & 2



CARBON TRANSPARENCY

At OSTP, we are working to make our CO₂ footprint clear and easy to understand. Being transparent about our own CO₂ emissions is an important service to our customers, as it provides vital assistance in their own sustainability work.

The Environmental Product Declarations (EPDs) that we have for all OSTP product groups are a key part of this effort. Our EPDs are comprehensive, including CO₂ data for Scopes 1–3.

In addition, we communicate our CO₂ footprint based on Scopes 1 and 2 alone. The calculated data is shared per line in each quotation made through our quoter app.

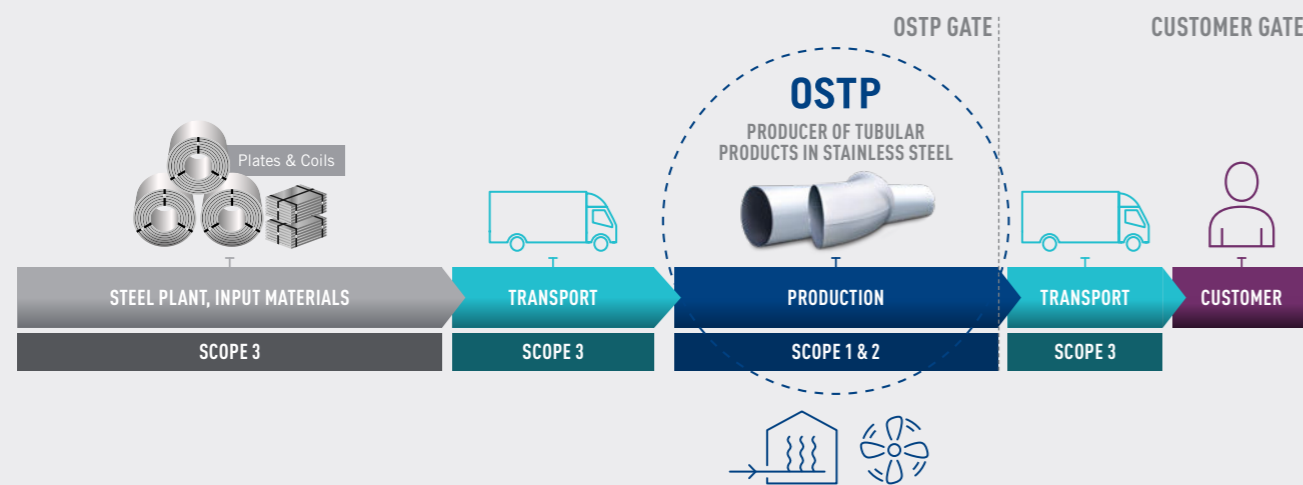
Customers see not only the specific CO₂ numbers at OSTP's gates, but also those that come after transportation, upon arrival at their own gate.

The CO₂ data presented is based on our own calculations, but this is only a first step. During 2023 our data was verified by a third party. In addition, we have also incorporated this key information into our confirmations and invoices.



SCOPES AND GATES – DEFINITION

CO₂ emissions is calculated within three different scopes.



SCOPE 1

Direct emissions from sources owned or controlled by the company. Examples: Production, waste, internal transports

SCOPE 2

Indirect emissions. Examples: Purchased heating, electricity, steam, cooling fuels used at site.

SCOPE 3

All other emissions associated with the company's activities, such as the upstream and indirect emissions for raw material and transports.

CUSTOMER

Our customers will get data on their quotations specified both at our gates and at the customer gate.

OSTP

OSTP GROUP
www.ostp.biz

SUSTAINABILITY HIGHLIGHTS 2023
May 2024