

ESG Strategy for 2025 onward

1. Our overall approach

In SKW, we have been committed to sustainability and environmental responsibility for a long time. In 2022, we created our first formal ESG strategy and began to monitor and communicate our progress. In 2024, we reviewed our overall strategy, refreshed our vision, mission, and values, and redefined our ESG strategy.

This document outlines our Environmental, Social, and Governance (ESG) strategy and goals, reflecting our commitment to sustainable development and our intention to continuously improve our practices.

2. Our ESG strategy

In SKW, we wired the Environmental, Social, and Governance (ESG) principles into every aspect of our operations. Our strategy is designed to promote sustainability, enhance our social impact, and ensure robust governance.

Our ESG strategy is built on five strategic pillars.

Firstly, we emphasize Environmental Stewardship. We aim to reduce energy consumption and lower our carbon footprint through continuous improvement and innovation. Minimizing waste and promoting recycling and recyclability are key to our approach, fostering a circular economy.

Secondly, we focus on Product and Customer Engagement. Developing a portfolio of sustainable products is a core focus, driving innovation in product design and manufacturing. We actively engage with customers to promote sustainable practices and solutions.

Social Responsibility is another critical pillar. Ensuring high employee satisfaction and fostering a supportive work environment are top priorities. We are also committed to making a positive impact through community projects and initiatives.

Operational Excellence is integral to our ESG strategy. We prioritize responsible sourcing of materials to protect the environment and uphold ethical standards. Additionally, we enhance efficiency and sustainability through the digitalization of our operations.

Lastly, Governance and Transparency are essential components. Transparent communication and regular reporting on our ESG performance ensure accountability. Implementing systems to track and manage our sustainability metrics supports continuous improvement.

SKW's ESG strategy is focused on creating long-term value, reducing environmental impact, and enhancing social well-being. We invite our partners, customers, and other stakeholders to join us in our commitment to sustainability and responsible business practices.



3. Our ESG goals (aligned with the SKB Group approach)

- Reducing CO2 emissions is essential for addressing climate change. By setting ambitious reduction targets, SKB Group contributes to global efforts to lower greenhouse gas emissions and demonstrates leadership in sustainability.
- Reducing energy consumption is crucial for lowering operational costs and minimizing the environmental impact. It aligns with global efforts to combat climate change and helps SKB Group enhance the sustainability of its operations.
- Effective waste management reduces environmental pollution and conserves resources. By promoting a circular economy, SKB Group can minimize waste generation, optimize resource use, and create value from by-products.
- Manufacturing sustainable products meets the growing demand for eco-friendly solutions. This initiative supports research and development of green products and aligns with customer values.
- Biodiversity conservation initiatives reflect SKB Group's commitment to environmental stewardship and contribute to the preservation of local wildlife and habitats.
- Water conservation is vital for sustainable operations. Reducing water usage helps SKB Group minimize its environmental footprint and ensures the sustainable use of a critical resource.
- High employee satisfaction leads to increased productivity, reduced turnover, and a positive workplace culture. Fostering employee well-being aligns with SKB Group's values and enhances its reputation as an employer of choice.
- Community engagement projects build strong relationships with local communities and create positive social impacts. These initiatives support SKB Group's social responsibility goals and contribute to community development and well-being.
- Sustainable sourcing ensures that materials are obtained in an environmentally and socially responsible manner. This practice reduces the environmental impact of SKB Group's supply chain and supports ethical business practices.
- Digitalization improves operational efficiency, reduces waste, and enhances data accuracy. By digitizing processes, SKB Group can streamline operations, reduce costs, and support its sustainability goals.
- Regular reporting enhances transparency and accountability, providing stakeholders with clear insights into SKB Group's ESG performance. This practice builds trust and demonstrates the company's commitment to continuous improvement.
- Effective monitoring systems allow SKB Group to track progress, identify areas for improvement, and ensure that sustainability goals are met. This capability supports informed decision-making and drives continuous enhancement of ESG practices.



ESG goals for SKW ensure that our efforts are aligned with our mission to create a positive impact on the environment, our communities, and our industry. Together with our stakeholders, we are confident that we can achieve these ambitious objectives and contribute to a more sustainable future for all.

	Area	Goal description	SKW goals 25+
1	CO2 reduction	Reduce CO2 emissions	S1 + S2 50% by 2030, 100% by 2050 S3 10% annually
2	Energy efficiency	Reduce energy consumption	By 3% annually *per ton of sold products
3	Waste management and circular economy	Reduce waste	Mixed waste: 5% annually
4	Green products, customer engagement	Build a portfolio of green products	n/a
5	Biodiversity	Implement biodiversity conservation projects	At least 1 project each year
6	Water	Reduce tap water usage	n/a (will be applicable for new premises)
7	Employee well being	Achieve desired employee mood rate	Mood level lower than 1.5 (while response rate higher than 75%)
8	Social impact, community engagement	Develop and implement community engagement projects	2 projects annually
9	Sustainable material sourcing	Implement sustainable sourcing	Sustainability questionnaire responses (top 80% of suppliers by annual volume) - 50% of suppliers by 2030
10	Digitalization	Digitize operational processes	80% of processes digitalized by 2030
11	Reporting and transparent communication	Set up regular reporting	Regular reports to be prepared (i) ESG (ii) HR, (iii) IT (iv) sustainable purchase
12	Current measurement and management	Implement monitoring systems for defined sustainability metrics	by 2025

