

Sustainability report 2025

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Hello!

A man with glasses and a beard, wearing an orange safety vest with the Skrotfrag logo, stands outdoors. He is positioned in front of a concrete wall, with a body of water and green trees in the background. The overall scene is slightly dimmed to make the text stand out.

Since its founding in 1972, Skrotfrag has worked towards a more circular society. Our roots are in scrap and metals, and this remains a core part of our business. At the same time, we have evolved into a full-service provider in industrial waste management.

Today, we take responsibility for the entire waste flow of our customers – from collection and sorting to treatment, recycling and reporting. Always with a focus on customer adaptation, capacity and innovation. During 2025, we continued to invest in our core operations and strengthened our offering through the development of our facilities and our majority ownership in the XR companies. This has provided a stronger foundation and increased our ability to deliver integrated, high-quality solutions. At the same time, our organisation has grown – both in scale and competence.

Our employees are crucial to our success. Therefore, working environment, safety and competence

development remain key priorities. Through commitment, responsibility and professional expertise, they drive Skrotfrag forward every day.

We are grateful for the trust our customers place in us. It is through close collaboration with them that we continue to develop, improve our services and create long-term value. For us, sustainability is about responsibility in practice – in our daily work, in our business and in the choices we make for the future.

Looking ahead to 2026, we do so with confidence. With a strong organisation, clear direction and a holistic approach to waste management, we will continue to take steps that contribute to a circular economy and create value for our customers, our employees and the society around us.

Emil Johansson
CEO, Skrotfrag AB

Our role in society

Every year, large volumes of residual materials and waste are generated by the manufacturing industry and other businesses. Metals, electronics, plastics, construction and demolition materials, as well as various types of environmentally and safety-classified waste, need to be handled properly. To ensure that these flows do not become a burden on the environment or society, capacity, structure and the right expertise are required throughout the entire value chain.

This is where Skrotfrag plays an important role. Through our facilities across the country, we support industrial and commercial customers in managing their material flows, from collection and sorting to treatment, recycling and reporting. Our work is carried out in close cooperation with authorities and in accordance with applicable legislation and permits governing our operations. Through continuous monitoring and reporting, we ensure that materials are handled correctly and that hazardous substances do not end up where they do not belong.

A concrete example of these flows is end-of-life vehicles. In Sweden, approximately 110,000 cars are scrapped each year*. Lined up, they would form a queue stretching from Gothenburg to Stockholm. The volume of vehicles, and the materials they contain, requires a well-functioning infrastructure to ensure safe dismantling, decontamination and recycling.

As one of Sweden's larger players in recycling and industrial waste management, Skrotfrag contributes to enabling society to take responsibility. Through integrated solutions, technical expertise and local presence, we ensure that materials are properly managed and can be returned as new resources in the economy.

With knowledge, structure and daily responsibility, we manage flows that would otherwise risk becoming a societal challenge. It is a responsibility we take seriously – every day.

* Source: *Transportstyrelsen and Trafikanalys*

About Skrotfrag

A worker in a dark t-shirt and yellow earplugs is operating machinery in a recycling facility. The worker is looking to the left, and the background shows industrial equipment and a ladder.

Skrotfrag was founded in 1972 by Lars Johansson. The company began with mobile car compaction and gradually developed into its own recycling facilities. Today, Skrotfrag is one of Sweden's leading companies in metal recycling and industrial waste management.

The company is now run by the next generation and has evolved into a full-service provider, managing entire waste flows – from collection and sorting to treatment, recycling and reporting. Skrotfrag has around 200 employees across 28 locations and plays an important role in enabling circular material flows and efficient resource utilisation.

Skrotfrag's sustainability work



Nature and surroundings

CHEMICAL MANAGEMENT

Our operations require the handling of chemicals, where diesel for machinery at our facilities represents the largest single consumption. It is essential for us that this is managed in a safe and controlled manner. Our diesel tanks are therefore protected against collisions, equipped with overfill protection and placed on sealed surfaces connected to oil separators.

Other chemicals are stored within containment and with absorbent materials readily available nearby. This allows us to minimise risks and act quickly to reduce emissions to soil and water.

NOISE

We operate close to both nature and communities, making noise an important issue. Where necessary, noise

assessments have been carried out and measures implemented, including the installation of noise barriers.

Our goal is for our operations to function well in their surroundings without causing disturbance.

AIR EMISSIONS

At our shredding facilities, we actively work to limit dust emissions to air. Treatment systems in the form of cyclones are used to clean outgoing air flows.

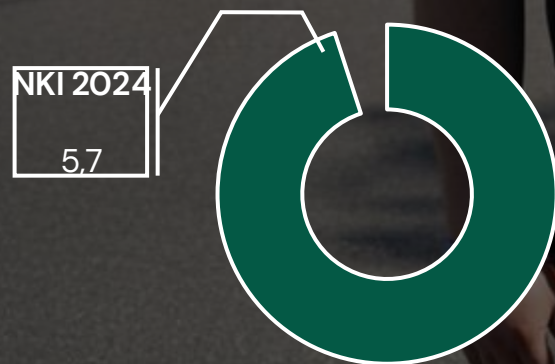
Measurements are carried out regularly at each facility, and results show that emissions are well below applicable limits and guideline values.

Customer trust

Customer trust is a fundamental prerequisite for a long-term and sustainable business. For us, this means taking responsibility in every assignment, acting correctly and ensuring that laws and regulations are complied with every day, throughout the organisation.

As part of our sustainability work, we conduct a customer survey every three years to gain a clear understanding of how our customers perceive their collaboration with us. The results provide both confirmation and valuable guidance for our continued development.

In the most recent survey, our Customer Satisfaction Index (CSI) reached 5.7 on a scale from 1 to 6, demonstrating strong trust and good collaboration with our customers. This is a result we are proud of and a responsibility we carry forward.



Stakeholders

To maintain an effective sustainability approach, a clear and structured understanding of the organisation's stakeholders is required.

Skrotfrag categorises its stakeholders as follows:



Skrotfrag's value chain

Skrotfrag continuously works to improve sustainability across every part of the value chain, in order to identify opportunities for ongoing improvement.



Circular material flows



From waste to resources

The idea of circular material flows has been part of Skrotfrag since its founding in 1972. What started with the handling of end-of-life vehicles has developed into a comprehensive system for recycling metals and other materials into new raw materials.

Today, Skrotfrag is at the forefront of recycling ferrous and non-ferrous metals, supplying raw materials to smelters in Sweden, Europe and Asia. Materials are collected from municipalities, companies and private individuals, sorted and processed before being sent to production facilities for further separation into different fractions.

Investments in new facilities, including the plant in Sjövik, have improved efficiency and reduced transport distances, contributing to lower environmental impact.

Through this work, Skrotfrag contributes to:

- SDG 12.2 – Sustainable management and efficient use of natural resources
- SDG 12.5 – Substantially reduce waste generation through prevention, reduction, recycling and reuse



Environment



Water management

Scrap handled at Skrotfrag's facilities may be contaminated with oil. To minimise risks, all materials are unloaded on sealed surfaces equipped with drainage systems connected to sedimentation and oil separation units. Skrotfrag works systematically with maintenance, monitoring and water treatment to reduce the impact on surrounding environments. Continuous follow-up ensures that water quality meets requirements.

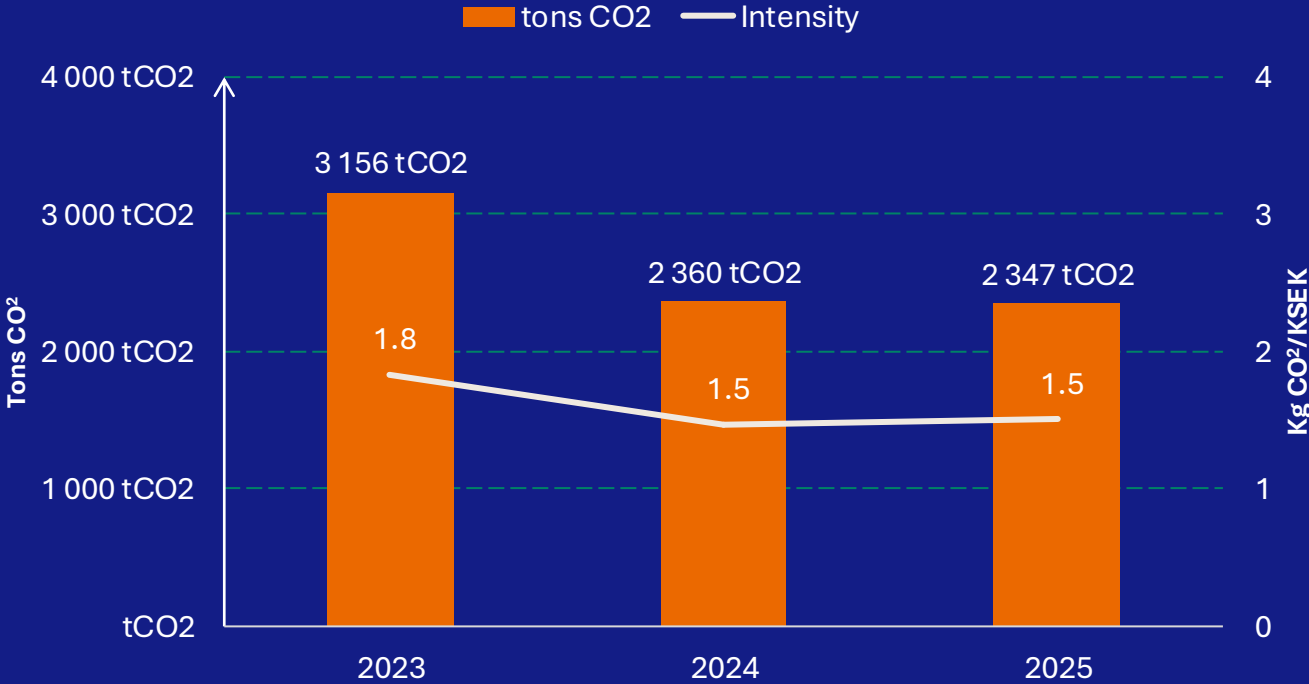
This contributes to:

- SDG 6.3 – Improve water quality by reducing pollution



Direct emissions – Scope 1

Direct emissions from Skrotfrag’s fuel-powered vehicles and machinery decreased by 25% between 2023 and 2024. Through validated calculation methods and supplier data, Skrotfrag maintains a high level of control and transparency regarding its direct carbon emissions.



Energy use

Metal fragmentation is energy-intensive, and electricity consumption is therefore significant. All electricity used by Skrotfrag comes from renewable sources such as wind, water and solar energy.

At the same time, continuous efforts are made to improve efficiency and reduce overall energy consumption. Solar panels have been installed at several facilities, and charging stations are available at most locations to support fossil-free commuting.

This contributes to:

- SDG 9.4 – Upgrade infrastructure and make industries sustainable



Renewable electricity and efficiency

All electricity used by Skrotfrag comes from renewable sources: solar, wind and hydropower.

Despite already using 100 % renewable electricity, we continuously work to identify more efficient ways of operating, thereby further reducing our climate footprint.



Quality



Structure and continuous improvement

Skrotfrag strives to operate as a resource-efficient company within the recycling industry. Continuous improvement is guided by policies for quality, environment, procurement and supplier evaluation.

Several facilities are certified according to:

- ISO 9001 – Quality management
- ISO 14001 – Environmental management
- ISO 45001 – Occupational health and safety

Environmental impact is monitored continuously, and employees are regularly informed about performance and improvements.



intertek

Employees



Gender distribution and employment categories

Year	2022	2023	2024	2025
White-collar	62%	59%	58%	57%
Blue-collar	38%	41%	42%	43%

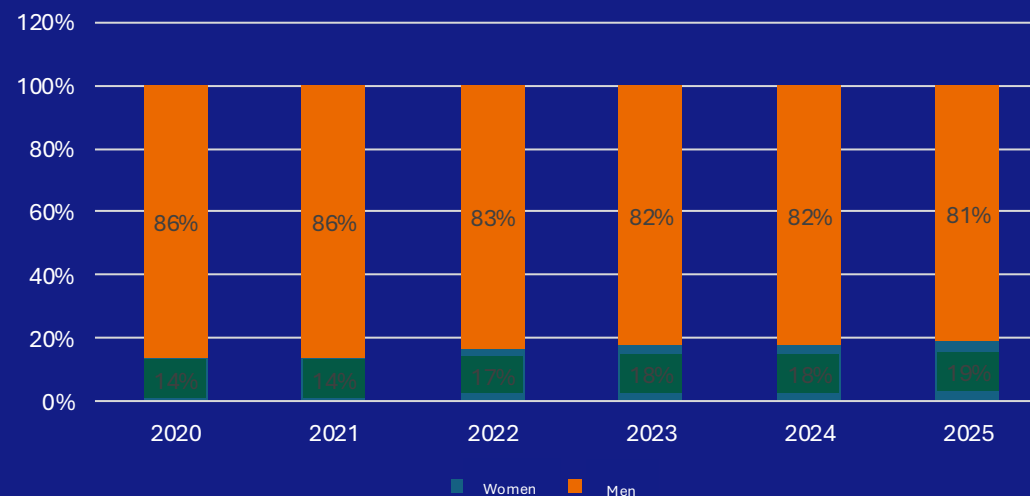
Skrotfrag is committed to a workplace where everyone has equal opportunities, and where competence and engagement determine development – not gender or type of employment.

The chart shows the distribution between men and women, as well as white-collar and blue-collar employees.

Skrotfrag contributes to:

- SDG 5 – Gender equality

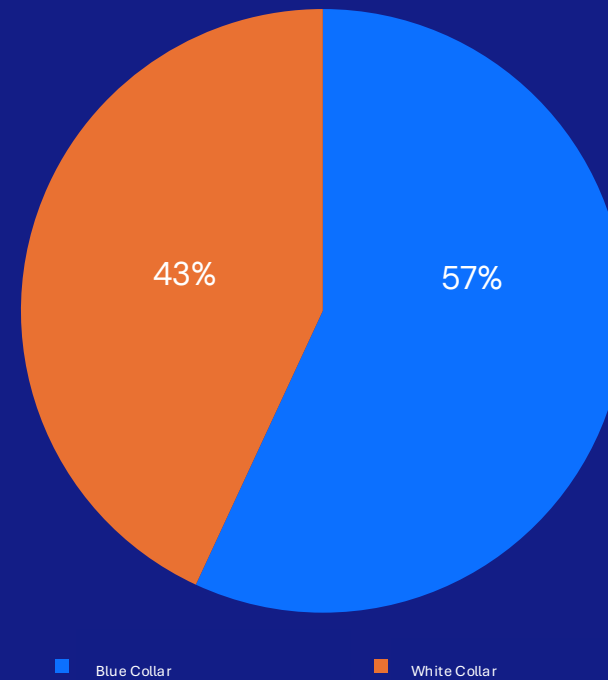
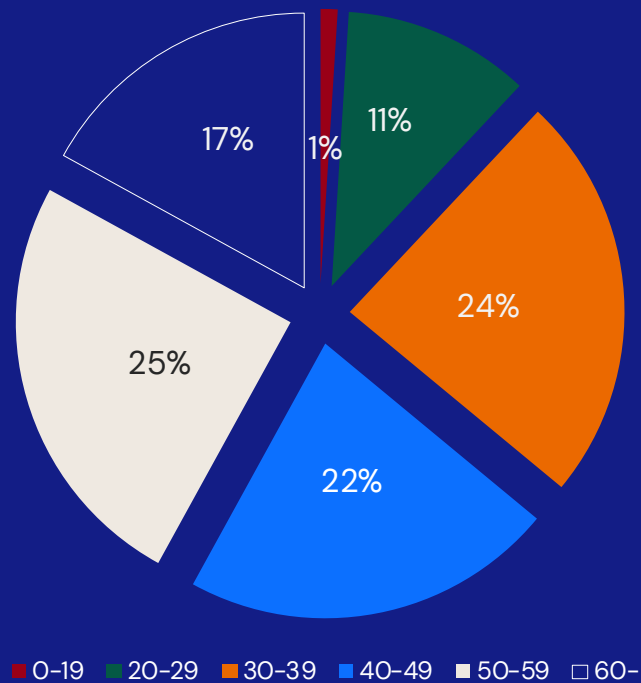
Könsfördelning anställda Skrotfrag AB



Workforce structure

The chart shows the distribution of employees by role and age.

It provides an overview of the diversity and experience within our organisation and helps us monitor development and future needs.

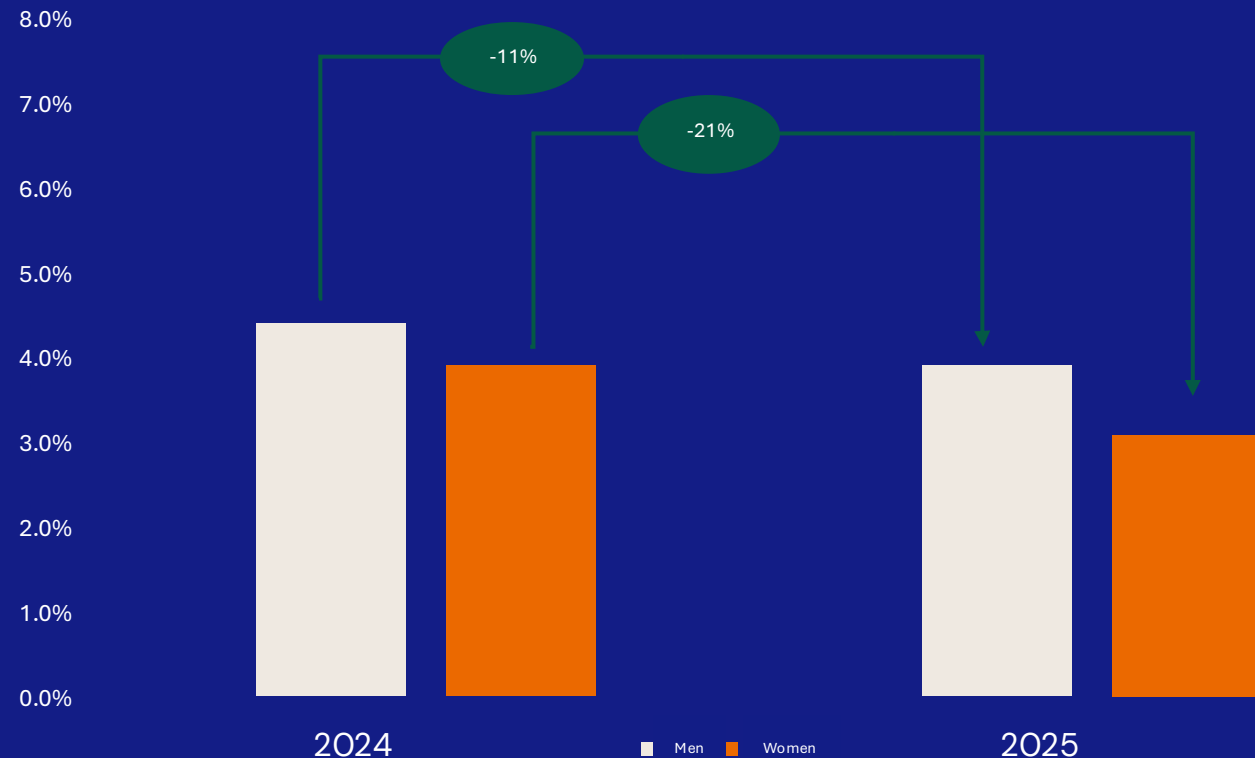


Sick leave

Sick leave decreased compared to the previous year, by 11% for men and 21% for women. This is seen as a positive development and a result of long-term efforts in health and work environment management.

The trend indicates that preventive measures have had an effect, while continued monitoring and analysis remain important going forward.

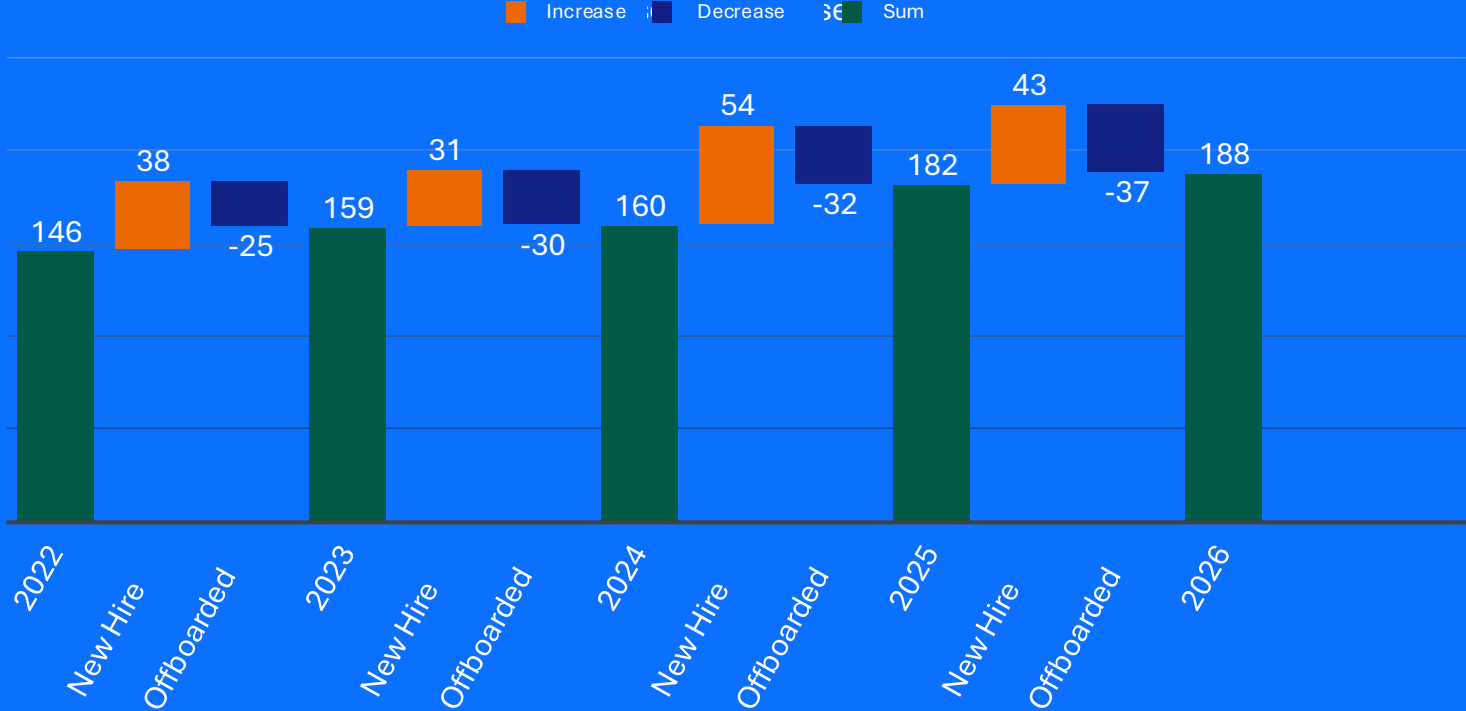
Year	<30 years	30–49 years	50–59 years	60–65 years	>66 years
2023	3,1%	1,2%	3,8%	4,1%	2,2%
2024	3,8%	2,3%	2,2%	10,7%	2,1%
2025	2,9%	2,2%	4,9%	6,6%	6,0%



Employee turnover

Skrotfrag's employees are the most important factor in achieving long-term and sustainable success. Ensuring that all employees feel well and enjoy their work is therefore essential.

The fact that many people choose to work at Skrotfrag, combined with a five-year growth in the number of employees, is seen as confirmation that employees thrive within the organisation.

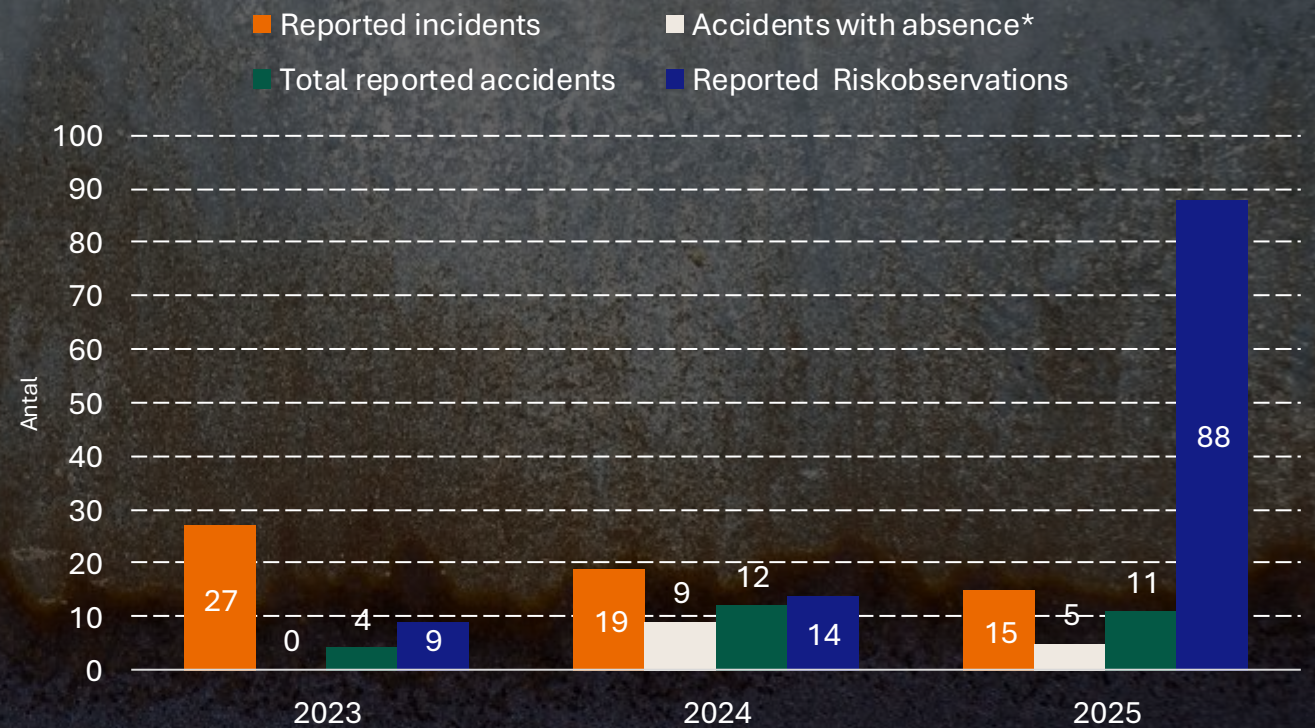


Accidents and incidents

Skrotfrag's goal is a workplace free from injuries, where risks are identified and managed effectively.

This goal was not achieved in 2025, which is taken very seriously. Efforts in risk assessment, training and safety procedures have therefore been strengthened.

At the same time, an increase in reported risk observations indicates improved awareness and is an important part of ongoing safety improvements.



Competence and development

Skrotfrag operates within a regulatory framework that sets requirements for both training and competencies. Training initiatives are therefore carried out both as general programmes for all employees and as role-specific training. Most training focuses on fire safety, workplace safety and the working environment, and is delivered both on-site and via e-learning.

We also invest in leadership development and promote internal career opportunities, encouraging employees to grow within the organisation. At the same time, new competencies are recruited to support growth and strengthen competitiveness.

Through continuous training, Skrotfrag contributes to SDG 4.4, focusing on increasing the number of young people and adults with relevant skills – including technical skills and vocational expertise – for employment, decent work and entrepreneurship..

This contributes to:

- SDG 4.4 – Increase relevant skills for employment



Economy

A close-up photograph of a pile of weathered, rusty metal components, including several rectangular bars and circular bolts. The metal is heavily corroded, with a reddish-brown patina. The lighting is dramatic, highlighting the textures and shadows of the metal pieces. The word "Economy" is overlaid in a bright orange, sans-serif font in the upper left quadrant.

Financial overview

The chart shows the development of personnel costs, investments, revenue, equity ratio and operating profit between 2024 and 2025.

The chart provides an overview of how the business is growing, investing in the future and maintaining a stable financial position. By combining growth with investments in employees and sustainable processes,

Skrotfrag contributes to SDG 8, which focuses on sustainable economic growth, productivity and decent working conditions.

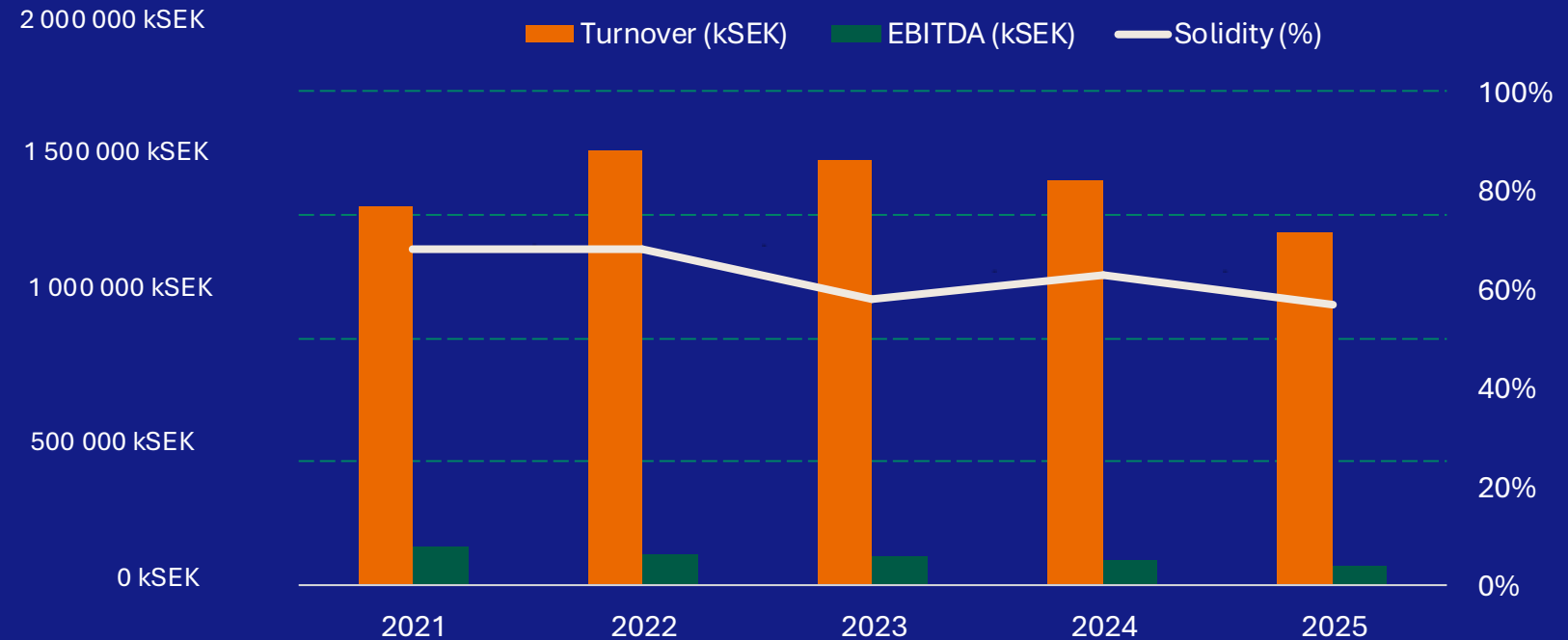
Through sustainable growth and investments in both employees and operations.

Skrotfrag contributes to:

- SDG 8 – Decent work and economic growth



Year	Cost employees	Investments
2023	73 459 kSEK	168 029 kSEK
2024	95 554 kSEK	96 047 kSEK
2025	99 268 kSEK	24 461 kSEK



Social responsibility



Societal engagement

Skrotfrag operates in 28 locations across the country and values strong relationships with the local communities in which we operate. Through our facilities, we support local associations, sports and community initiatives as a way of contributing to vibrant and engaged communities.

Sports and association activities play an important role in fostering community, engagement and an active society. Through our support, we aim to be a positive force in the areas where we operate and contribute to activities that bring people together and create local pride.

- Through these activities, Skrotfrag contributes to SDG 3, including:
3.4 – Reduce premature mortality from non-communicable diseases and promote mental health and well-being.



Human rights

A man wearing a dark cap with 'www.speedglas.com' on it, glasses, and a dark work jacket with a green collar is standing in a scrap metal yard. He is looking directly at the camera with a slight smile. The background is filled with a large pile of rusted metal scrap.

Skrotfrag fully supports Agenda 2030 and the UN Declaration of Human Rights, and ensures that no violations of these rights occur within our operations.

We also follow the core conventions of the International Labour Organization (ILO) regarding human rights in working life and do not accept any form of forced labour, child labour or illegal workforce in the production of goods or services.

Anti-corruption



Transparency and responsibility

Corruption refers to the misuse of entrusted power for private gain. Skrotfrag actively works to prevent all forms of corruption.

Employees are not permitted to offer or accept improper benefits. Cash handling has been removed from all facilities, reducing risk exposure.

The company has implemented a code of conduct, supplier requirements and a whistleblowing system, allowing confidential reporting of misconduct. Two cases were reported and handled during 2024.

This contributes to:

- SDG 16.5 – Reduce corruption
- SDG 16.7 – Ensure inclusive decision-making



Sustainability and development are part of our everyday work. Where others see the past, we see the future. Together, we conserve the Earth's resources and contribute to a better world.

A photograph of two women in safety gear standing at a construction site. They are wearing green hard hats and high-visibility yellow jackets with reflective silver stripes. The woman on the left is wearing glasses and has a black and white striped pattern on her jacket. The woman on the right is smiling. They are standing in front of a concrete wall and a blue metal structure. The background shows a hilly landscape with trees.

With care for the
future.