Meca-Trade Oy VSME Report 2025

B1 – General Information & Basis for Preparation

Undertaking Information

Item	Value
Name and legal form	Meca-Trade Oy (Finnish limited liability company)
NACE code	46.82 – Wholesale of metals and metal ores
Established	1984
Sector	Import and wholesale of ferroalloys, raw materials and technical consumables
Revenue 1.1.-31.12.2025	EUR 44.82 million
Balance sheet total 30.6.2025	EUR 22.30 million
Employees (31.12.2025)	19 (18 permanent, 1 temporary)
Country of primary operations	Finland (HQ, Pori); sales and customer operations in Sweden
Sales offices	Mikkolantie 32, 28130 Pori Finland (HQ) Skåpvägen 1, 55652 Jönköping Sweden
Reporting period	1 January – 31 December 2025
Reporting basis	Individual entity; covers all Meca-Trade Oy operations in Finland and Sweden
Reporting option	EFRAG VSME – Basic Module and Comprehensive Module

Certifications and ratings

Certification / rating	Issuer	Validity / date
ISO 9001 – Quality management	Bureau Veritas	03-12-2028
ISO 14001 – Environmental management	Bureau Veritas	15-01-2027

Certification / rating	Issuer	Validity / date
EcoVadis Gold medal	EcoVadis	2025
CBAM authorized declarant status	Finnish Customs	9.9.2025

Business Model Overview

Meca-Trade Oy sources alloying materials and technical consumables globally and distributes them to Nordic steel mills, foundries, and machine shops. The company operates as a non-manufacturing distributor, focusing on quality assurance, responsible sourcing, supplier cooperation, and logistics coordination.

Value Chain Description (Upstream → Own Operations → Downstream)

1. Upstream Value Chain

Meca-Trade sources raw materials and ferroalloys globally from multiple regions.

Key upstream characteristics:

Mining and mineral processing conducted by suppliers or their upstream partners

High materiality impacts identified in the DMA for: climate impacts, resource use, pollution, biodiversity, and worker conditions in producing regions

Supplier management processes:

- Mandatory Supplier Code of Conduct
- Supplier audits covering environmental, social, and governance risks
- Increasing focus on primary Scope 3 emissions data
- Risk-based evaluation of chemicals, hazardous materials, and mining conditions

The DMA confirmed that the most significant sustainability impacts arise in the upstream supply chain, particularly related to energy use, pollution, resource extraction, waste, and worker conditions in producer countries.

2. Own Operations (Finland & Sweden)

Meca-Trade operates offices and warehouses in Finland and Sweden. Characteristics:

- No manufacturing activities
- Low direct environmental footprint

- Main internal impacts:
    - Office energy use
    - Business travel
    - Company vehicles
    - Packaging and office waste
- Workforce: 18 permanent employees (2025) and one temporary employee, primarily located in Finland
- ISO 14001 environmental management processes cover environmental risks
- Quality management and regulatory compliance handled under ISO 9001

The DMA confirmed that internal sustainability impacts are limited in scale but workforce well-being, equality, and business ethics remain material social topics due to their relevance to company culture and customer expectations.

3. Downstream Value Chain

Meca-Trade distributes materials mainly to Nordic customers in:

- Steelmaking
- Foundries
- Machine shops

Key downstream characteristics:

- Limited environmental impact in downstream use (materials are used in industrial processes under customer responsibility)
- Customer sustainability expectations drive increasing demand for:
    - Product-level CO_2 footprint transparency
    - Supplier audit results
    - Scope 3 data quality improvement

DMA stakeholder survey results confirm customers view climate change, pollution, circular economy, and workforce issues as the most important themes for Meca-Trade, reinforcing downstream materiality relevance.

Basis for Preparation

This sustainability report is based on:

EFRAG VSME Basic Module

VSME Comprehensive Module (disclosures not applicable are indicated as such)

Double Materiality Analysis (DMA 2025), facilitated by Reforest Finland Oy and conducted through:

- Internal workshop (27 January 2025)
- Stakeholder survey (early 2025)
- Assessment of both impact materiality and financial materiality according to ESRS methodology
- Identification of material topics across environment, social, and governance dimensions

The DMA concluded that the following topics are material and included in this report:

- Environment: Climate change (E1), Energy (E1), Resource use & waste (E5)
- Social: Own workforce (S1), Workers in the value chain (S2)
- Governance: Supplier relationships & business conduct (G1)

These results define the boundaries and prioritisation of disclosures in this VSME Report.

B2 – Practices, Policies & Future Initiatives

Meca-Trade has established a set of corporate policies that guide responsible business conduct across its own operations and its global supply chain. These policies apply to all employees in Finland and Sweden, and through the Supplier Code of Conduct to all key suppliers and business partners.

Policies in Place

Anti-Corruption Policy

Policy applies to all employees and defines standards for ethical conduct in interactions with customers, suppliers and logistics partners. The policy addresses gifts and hospitality, conflicts of interest and third-party relationships, and is supported by onboarding training, internal approvals and a confidential whistleblowing channel.

Environmental and Climate Policy

The Environmental and Climate Policy applies to Meca-Trade's own operations and guides climate and environmental management throughout the value chain. The policy is aligned with ISO 14001 requirements and commits the company to measuring, reducing and publicly reporting its greenhouse gas emissions annually in accordance with the GHG Protocol. More than 99% of the company's total carbon footprint originates from purchased materials and

their transportation. Consequently, Meca-Trade focuses its climate actions primarily on responsible sourcing, supplier engagement and offering lower-carbon alternatives to customers.

Human Rights Commitment

Applies to Meca-Trade's own workforce and supply chain. The commitment is aligned with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. It covers child labour, forced labour, human trafficking, discrimination, freedom of association and safe working conditions.

Sustainable Procurement Policy – Meca-Trade

Policy guides purchasing decisions to ensure ethical, transparent and environmentally responsible sourcing. It includes criteria related to the traceability of raw materials, supplier ESG performance and responsible mineral sourcing practices aligned with OECD guidelines. The policy applies to all personnel involved in purchasing activities.

Diversity, Equity & Inclusion (DEI) Policy

Policy applies to all employees. It promotes equal opportunities, non-discrimination and transparent recruitment practices. The policy also supports employee well-being and equitable access to development and training opportunities.

Supplier Code of Conduct

The Supplier Code of Conduct applies to all new suppliers prior to the start of cooperation. It sets out requirements related to human rights, working conditions, environmental stewardship, anti-corruption and transparency. Compliance is monitored through supplier audits, documentation reviews and ongoing dialogue with suppliers.

Whistleblowing Channel

The whistleblowing channel is available on the company's website for employees, partners and external stakeholders. It allows anonymous reporting of suspected misconduct. All reported issues are reviewed by management and handled in accordance with established internal governance and escalation processes.

Governance & Monitoring of Policies

To ensure effective implementation, Meca-Trade maintains the following oversight mechanisms:

- **Responsibility:** The Managing Director has overall responsibility for ESG performance, policy compliance and sustainability-related governance. The Sustainability Manager

coordinates environmental and climate initiatives, greenhouse gas accounting, target monitoring and continuous improvement activities.

- **Monitoring:** Supplier audits, self-assessments, Code of Conduct confirmations and other ESG performance indicators are monitored throughout the year.
- **Training:** Personnel involved in procurement and sales receive training on supplier requirements, responsible sourcing expectations, and anti-corruption.
- **Review:** ESG performance and related policies are reviewed annually by the Management Team through the company's management review processes to ensure alignment with regulatory requirements, stakeholder expectations and business objectives.

Future Initiatives (Guided by the Double Materiality Analysis 2025)

The Double Materiality Assessment (2025) identified climate impact, ethical supply chains, and resource use as the company's priority topics. Based on these results, Meca-Trade has established the following concrete improvement targets:

1. Scope 1–3 Emission Intensity Reduction

- 2025 baseline: 3.08 tCO_2e per tonne of purchased material.
- Target 2030: ≤ 2.77 tCO_2e per tonne of purchased material (10% reduction).
- Key actions:
    - increase supplier-specific emissions data collection;
    - prioritise lower-carbon materials and environmentally responsible suppliers;
    - actively offer lower-carbon alternatives to customers;
    - optimise transport efficiency through consolidated shipments and improved load factors;
    - increase renewable electricity use and energy efficiency in company facilities.

2. Scope 3 Emissions Data Quality

- 2025 baseline: Primary CO_2e data collected from 30% of key suppliers (representing ~90% of raw material purchase volume).
- Target 2027: 50% of key suppliers to provide primary (product-level) CO_2 emissions data.

3. Supplier Social & Environmental Audits

- 2025 baseline: 30% of key suppliers (representing ~90% of raw material purchase volume) audited on-site.
- Target 2026: 40% of key suppliers (representing ~90% of raw material purchase volume) audited with a focus on labour practices, environmental management, and business ethics.

4. Supplier ISO 14001 Certification Coverage

- 2025 baseline: 47% of key suppliers (representing ~90% of raw material purchase volume) hold ISO 14001 certification.
- Target 2027: 60% of key suppliers.

Summary

Through its policies and structured improvement targets, Meca-Trade strengthens accountability across operations and its global supply chain. The company's future initiatives reflect the priority areas identified in its 2025 Double Materiality Analysis and demonstrate clear commitments to improved supplier oversight, Scope 3 emissions transparency, and environmental stewardship.

B3 – Energy Use & Greenhouse Gas Emissions

Energy Consumption (2025)

Meca-Trade's operational energy use consists of electricity and heating at office and warehouse facilities, and fuel for company vehicles.

Energy type	MWh	Renewable MWh	Non-renewable MWh
Electricity	86.21	15.52	70.69
District heating	207.15	146.28	60.87
Fuels – gasoline (company vehicles)	17.90	0	17.9
Total	311.26	161.8	149.5

Greenhouse Gas (GHG) Emissions (2025)

Scope	Location-based (tCO_2e)	Market-based (tCO_2e)	Share of total (market-based)
Scope 1 – mobile combustion (company vehicles)	4.1	4.1	0.01%
Scope 2 – electricity	2.6	30.8	0.04%
Scope 2 – district heating	22.8	2.9	<0.01%
Scope 2 total	25.4	33.8	0.05%
Scope 1 + 2 total	29.5	37.9	0.05%
Scope 3 total	72,929.7	72,929.7	99.95%
Total Scope 1–3	72,959.2	72,967.6	100%

Scope 3 emissions by category

Scope 3 covers all categories relevant to Meca-Trade's business. Categories 3.8 and 3.10–3.15 were assessed as not relevant: the company has no upstream leased assets, does not process or use sold products, and has no franchises or investments.

GHG Protocol category	tCO_2e	Share of total
3.1 Purchased goods and services	65,359.6	89.6%
3.4 Upstream transportation and distribution	7,080.4	9.7%
3.2 Capital goods	298.0	0.4%
3.9 Downstream transportation and distribution	112.4	0.2%
3.6 Business travel	45.9	0.1%
3.3 Fuel- and energy-related activities	25.3	<0.1%
3.7 Employee commuting	7.6	<0.1%
3.5 Waste generated in operations (incl. wastewater)	0.4	<0.1%
Scope 3 total	72,929.7	99.95%

GHG intensity

Indicator	Location-based	Market-based
Scope 1 + 2 per revenue (tCO_2e / EUR million)	0.66	0.85
Scope 1–3 per revenue (tCO_2e / EUR million)	1,627.8	1,628
Scope 1–3 per tonne of purchased material (tCO_2e / t)	3.08	3.08

GHG Reduction Target

- SBTi-validated target is a 42% reduction in combined Scope 1 and Scope 2 emissions by 2030, using 2022 (36.59 tCO_2e market-based) as the baseline year.
- Scope 1-3 Emission intensity reduction target −10% by 2030.
  Base year 2025 3.08 (tCO_2e / t purchased material)

Progress and actions are described in C3.

Scope 3 Data Collection (Upstream Supply Chain)

- 2027 target: 50% of key suppliers to provide primary, product-level CO_2 emissions data
  2025 baseline: Primary CO_2e data collected from 30% of key suppliers (representing ~90% of raw material purchase volume).

B4 – Pollution

Meca-Trade's own operations do not generate significant pollution, but upstream raw-material production involves risks such as dust and particulate emissions, soil contamination and wastewater discharges.

Actions

Supplier Environmental Requirements

Through audits and pre-audit questionnaires, Meca-Trade evaluates whether suppliers have environmental policies, ISO 14001 certification, and Scope 1–3 CO_2 calculations in place.

Monitoring Pollution-Related Improvements

Audit procedures collect information on suppliers' emission-reduction plans, third-party verification, waste minimisation and energy-efficiency measures - key indicators of pollution-control performance.

OECD Responsible Mineral Sourcing

When relevant minerals (e.g., tin, tantalum, tungsten, gold, mica, cobalt) are used, audits and pre-audit assessments verify compliance with OECD responsible sourcing guidelines, including environmental due diligence.

B5 – Biodiversity

Meca-Trade's own operations have no direct biodiversity impacts, and the company has no sites located in or near biodiversity-sensitive areas, Upstream mining and processing, however, can affect ecosystems through land alteration, habitat loss, soil and noise disturbance, and impacts on nearby water bodies.

Actions

Supplier Environmental Management

Through audits and pre-audit questionnaires, Meca-Trade reviews whether suppliers have environmental policies, risk assessments and improvement programmes that cover biodiversity-related risks.

External Assessments & Compliance

Audit procedures check whether suppliers have undergone third-party environmental assessments and request summaries of previous findings to evaluate biodiversity compliance.

ISO 14001 Promotion

The Sustainable Procurement Policy targets 60% of key suppliers to be ISO 14001-certified by 2027, supporting stronger biodiversity management practices.

B6 – Water

Meca-Trade's own water use is limited and assessed as not material to the company's direct environmental footprint, as operations are limited to office and warehouse activities without industrial processes, total water withdrawal was approximately 60 m^3 in 2025. The most relevant water-related impacts occur upstream in the supply chain, where mineral processing may involve high water consumption, risks of contaminated wastewater and potential impacts on local aquatic ecosystems.

Actions

Supplier Water Management

Through audits and pre-audit questionnaires, Meca-Trade assesses whether suppliers have programmes to manage water use and prevent water pollution.

Water-Related Risk Assessments

Audit procedures require suppliers to conduct environmental risk assessments that address potential severe water-related impacts.

Procurement Requirements

The Sustainable Procurement Policy prioritises suppliers with strong environmental performance, effective water management and reduced overall environmental impact.

B7 – Resource Use, Circularity & Waste

As a non-manufacturing distributor, Meca-Trade's own material footprint is limited mainly to packaging waste from shipments and office waste, both handled through local municipal and recycling systems. The most significant resource-related impacts occur upstream, where mineral extraction and alloy production involve intensive resource use, high energy consumption, waste and tailings generation, and opportunities for recycling and reuse.

Waste generated in own operations (2025)

Meca-Trade's own operations generate waste mainly from packaging of incoming shipments and office activities. Waste is collected jointly with other companies at the shared property, so company-specific waste masses are not available. Meca-Trade's share of the waste is estimated at approximately 0.5–1 m^3 per month, i.e. 6–12 m^3 in 2025. This is an informed estimate based on observed volumes.

All waste is sorted at the property into the following fractions:

Waste type	Fraction	Treatment
Non-hazardous	Cardboard, wood, metal	Material recycling
Non-hazardous	Combustible waste, energy fraction	Energy recovery
Hazardous	Batteries and accumulators, WEEE	Recycling via producer responsibility schemes

Hazardous waste volumes are very small and occur only occasionally. Given the small volumes and shared collection, waste is not assessed as a material environmental impact of Meca-Trade's own operations. Material resource-use impacts occur in the upstream value chain.

Actions

Circularity in Procurement

The Sustainable Procurement Policy promotes circular economy principles, encouraging suppliers to increase recycling, reuse and waste reduction across the supply chain.

Supplier Waste & Resource Management

Through audits and pre-audit questionnaires, Meca-Trade assesses whether suppliers operate waste-minimisation, energy-efficiency and continuous improvement programmes relevant to resource use and circularity.

Raw Material Origin & Traceability

Audit procedures request information on the origin of raw materials and on suppliers' management systems, supporting responsible resource use and improved transparency.

OECD Responsible Mineral Sourcing

For relevant minerals, suppliers are required to align with OECD responsible sourcing guidelines, reinforcing sustainable resource management throughout the upstream value chain.

SOCIAL METRICS

B8 – Workforce Characteristics

Meca-Trade employed 19 people in 2025, all working full-time. Of these, 18 were permanent employees in addition 1 temporary employee. The workforce consisted of 9 men and 10 women.

Majority of the staff were based in Finland (17 employees), with 2 employees located in Sweden. All personnel are direct employees of Meca-Trade; no agency workers, contractors or freelancers were used.

Employee turnover in 2025 was 5 %.

B9 – Health & Safety

Meca-Trade does not conduct manufacturing or heavy industrial activities, and the overall workplace risk level is low. Health, safety and environmental risks are managed through ISO 9001 and ISO 14001 procedures and local safety protocols at office and warehouse facilities.

There were 0 recordable work-related accidents (rate 0), 0 fatalities in 2025. All employees receive basic workplace safety guidance as part of onboarding, and day-to-day HSE responsibilities are overseen by management in accordance with the company's environmental and safety procedures.

B10 – Remuneration, Collective Bargaining & Training

Remuneration

Finland has no statutory minimum wage. In such cases, the Finnish Employment Contracts Act requires employers to pay at least a customary and reasonable wage. All Meca-Trade employees receive pay that meets or exceeds this requirement.

Collective Bargaining

0% of employees are covered by collective bargaining agreements. Meca-Trade does not fall under any universally binding sector-specific collective agreement. Employment terms are therefore based on Finnish labour law, and employees retain full rights to organise, participate in collective representation and engage in workplace cooperation processes.

Training & Competence Development

All new employees receive onboarding training covering company procedures, safety practices and role-specific responsibilities. Additional training is provided as required, including sales and procurement process training, supplier requirements, and basic compliance guidance. Employees also receive regular safety and procedural refreshers to support competence development and ensure consistent, compliant working practices.

Average training hours per employee in 2025: men 13.9 h, women 22.3 h.

B11 – Anti-Corruption

0 convictions, EUR 0 fines. At Meca-Trade we apply a strict zero-tolerance approach to bribery and corruption. In 2025, no cases of corruption, bribery or related misconduct were identified in our operations or in our supplier interactions.

Meca-Trade prevents unethical behaviour through its Anti-Corruption Policy and the mandatory Supplier Code of Conduct, which requires suppliers to follow clear rules on ethical conduct and prohibits any improper payments or benefits.

To strengthen oversight, Meca-Trade uses both pre-audit questionnaires and on-site supplier audits to review suppliers' practices related to business ethics, conflict-of-interest handling and anti-corruption controls. These assessments help identify potential risks early and ensure suppliers maintain appropriate governance standards.

A confidential whistleblowing channel is available for employees, partners and external stakeholders to report suspected misconduct. Employees receive basic guidance on acceptable business practices during onboarding, and our management team oversees compliance with anti-corruption procedures and follows up on any reported concerns.

COMPREHENSIVE MODULE

C1 – Strategy: Business Model & Sustainability Integration

Meca-Trade's business model is based on the import and distribution of alloying materials, raw materials and technical consumables for Nordic steel, foundry and machining industries. As a non-manufacturing distributor, our direct environmental impacts are limited, while the most significant sustainability risks and opportunities originate upstream in global mining, processing and metal production.

Sustainability is integrated into our core business operations, particularly in responsible sourcing, supplier selection and ongoing supplier management. A key element of this integration is Meca-Trade's New Supplier Onboarding Process, which includes pre-audit questionnaires, review of environmental and social requirements, and risk screening prior to approval. For higher-risk suppliers, onboarding may also include on-site audits to verify compliance with Meca-Trade's Supplier Code of Conduct and environmental expectations.

Our sustainability priorities are guided by the Double Materiality Analysis (2025), which identified three strategic focus areas:

Climate impact – improving emissions transparency, reducing Scope 1 and 2 emissions in line with our SBTi-approved target, and progressively increasing primary Scope 3 data from key suppliers.

Ethical and responsible supply chains – strengthening supplier due diligence through audits, ISO 14001 alignment, and OECD-compliant mineral sourcing requirements.

Resource use and circularity – promoting waste reduction, energy efficiency and circular economy principles in procurement and supplier performance development.

By integrating these sustainability requirements into supplier onboarding, audits, and day-to-day procurement decisions, Meca-Trade ensures that responsible sourcing supports both long-term business resilience and customer expectations for ESG transparency.

C2 – Policies & Future Initiatives

At Meca-Trade, sustainability policies form the foundation for responsible business conduct and guide daily operations, supplier cooperation and long-term decision-making. The policies define expectations related to environmental performance, ethical conduct, responsible sourcing and fair and equal treatment of people across the value chain. They apply to the company's own operations and, through mandatory requirements, to key suppliers.

Key policies in place include the Environmental Policy, Anti-Corruption Policy, Sustainable Procurement Policy, Supplier Code of Conduct, Diversity, Equity & Inclusion Policy, as well as

a confidential Whistleblowing Channel. The policies are supported by defined governance, training and monitoring processes, as described in the Policies in Place section.

Looking ahead, the company aims to further strengthen the implementation of these policies by expanding supplier audit coverage, improving the quality and scope of sustainability data collected from suppliers, and continuously aligning internal practices with evolving regulatory and customer expectations.

Future Initiatives

Meca-Trade's future sustainability initiatives are guided by the Double Materiality Analysis conducted in 2025, which identified climate impact, ethical supply chains and responsible use of resources as the most material topics for the company.

1. Improved Scope 3 Emissions Data

• 2025 baseline: Primary CO_2e data collected from 30% of key suppliers

• Target 2027: Increase coverage to 50% to enable more accurate climate reporting and improved customer transparency

2. Strengthened Supplier Audits

• Expand the use of pre-audit questionnaires and on-site audits, prioritising higher-risk suppliers

• Target 2026: On-site audits covering 40% of key suppliers (up from 30% in 2025)

3. Increased Supplier ISO 14001 Certification Coverage

• 2025 baseline: 47% of key suppliers hold ISO 14001 certification

• Target 2027: Increase certification coverage to 60%, strengthening environmental and pollution control practices within the supply chain

4. Enhanced Responsible Sourcing Processes

• Further integration of sustainability checks into the New Supplier Onboarding Process to identify risks at an early stage

• Strengthen monitoring of mineral origin, traceability and compliance with OECD responsible sourcing guidelines

5. Continued Sustainability Integration

• Further embed sustainability requirements into procurement decisions, supplier performance reviews and customer reporting

• Align improvement actions annually with materiality findings and evolving stakeholder expectations

C3 – GHG Reduction Targets

Meca-Trade is committed to reducing its climate impact in line with recognised international standards. We measure, reduce and report our greenhouse gas emissions every year in line with the GHG Protocol (Scope 1, 2 and 3).

Scope 1 and 2 target (SBTi-validated). Our near-term target, validated by the Science Based Targets initiative (SBTi), is to reduce Scope 1 and 2 emissions by 42% by 2030 from the 2022 base year. In absolute terms, this means a reduction from 36.59 tCO_2e to 21.2 tCO_2e or less. In 2025, Scope 1 and 2 emissions were 37.9 tCO_2e, 3.6% above the base year. The main reason is purchased electricity, which is currently accounted for with the residual mix. Electricity at our premises is included in our lease, and the electricity contract is managed by the landlord. To close the gap, Meca-Trade is engaging with the landlord on switching to renewable electricity and will, if needed, purchase guarantees of origin covering its own consumption. Based on 2025 figures, renewable electricity would reduce Scope 1 and 2 emissions to about 7 tCO_2e, roughly 80% below the base year. Energy efficiency improvements and the gradual renewal of company vehicles will support further reductions.

Value chain intensity target. Over 99% of our emissions come from the materials we purchase and their transport. As a materials trading company, we reduce emissions mainly through what we source and offer. We actively offer customers lower-carbon alternatives, while customers make the final choice based on their own requirements, such as product specification, price and availability. For this reason, our main value chain target is set as emission intensity: a 10% reduction in Scope 1–3 emissions per tonne of purchased material by 2030, from 3.08 tCO_2e/t in 2025 to 2.77 tCO_2e/t or less.

Transition plan for climate change mitigation

Meca-Trade operates in a high climate impact sector (NACE G) and has not yet adopted a formal transition plan for climate change mitigation. The company's current climate framework already includes:

- an SBTi-validated target to reduce Scope 1 and 2 emissions by 42% by 2030 (base year 2022)
- a target to reduce Scope 1–3 emission intensity per tonne of purchased material by 10% by 2030 (base year 2025)
- the main actions listed under B2
- a target to obtain primary emissions data from 50% of key suppliers by 2027

As more than 99% of the company's emissions originate in the upstream supply chain, a credible transition plan requires reliable supplier-specific emissions data. Meca-Trade therefore intends to adopt a formal transition plan by 2028, once the 2027 primary data target has been reached. The plan will build on the targets and actions above.

C4 – Climate Risks

Climate-related risks for Meca-Trade arise mainly from our upstream supply chain, where the extraction and processing of alloying materials are energy-intensive and exposed to regulatory, market and environmental changes. As a non-manufacturing distributor with a small direct footprint, the most relevant climate risks relate to supply chain stability, emissions transparency and customer expectations.

Transition Risks

CBAM (transition risk)

The definitive period of the EU Carbon Border Adjustment Mechanism (CBAM) began on 1 January 2026. Imports of in-scope goods, including several of the ferroalloys Meca-Trade imports, now carry a financial obligation for their embedded emissions. CBAM certificates covering 2026 imports can be purchased from 1 February 2027 and must be surrendered by 30 September 2027. CBAM costs will increase gradually until 2034 as free allocation under the EU ETS is phased out. This may raise purchase costs and affect price competitiveness.

Meca-Trade has prepared for this. The company holds CBAM authorised declarant status and collects installation-specific emissions data from its suppliers, so it does not need to rely on default values, which include a mark-up. CBAM exposure is also taken into account in supplier selection. This data collection also supports the Scope 3 target of obtaining primary emissions data from 50% of key suppliers by 2027.

Physical Risks

Although Meca-Trade's own operations face low physical climate risk, extreme weather events in supplier regions may disrupt mining, production or global logistics. Such disruptions can affect delivery schedules and material availability. Our supplier audits, pre-audit questionnaires and sustainability screening help us identify vulnerabilities and engage with suppliers on risk-mitigation practices.

Adaptation & Mitigation Measures

Meca-Trade addresses climate risks through several strategic actions:

- Expanding Scope 3 emissions transparency by increasing primary data coverage among key suppliers.

- Integrating climate considerations into procurement decisions, prioritising suppliers with ISO 14001 certification, energy-efficiency measures and verified emissions reporting.
- Strengthening supplier due diligence through pre-audit reviews and on-site audits in higher-risk regions.
- Reducing our own operational emissions in line with our SBTi-validated 2030 target.

By continuously improving supplier insight and data quality, climate-related risks become more manageable and enhance our ability to meet customer expectations, regulatory requirements and long-term resilience goals.

C5 – Extended Workforce Metrics

Meca-Trade employed 19 full-time employees in 2025, of whom 18 held permanent contracts and 1 a temporary contract. All personnel are directly employed by Meca-Trade, and no agency or contract workers were used during the reporting year.

The workforce consisted of 9 men and 10 women, with 17 employees in Finland and 2 in Sweden. Meca-Trade defines management as employees with supervisory, leadership or decision-making responsibilities in key business functions. In 2025, the management group consisted of six individuals: three men and three women, reflecting a balanced leadership structure.

Employee turnover remained low at approximately 5%, reflecting a stable organisational structure and limited changes in staffing.

All employees receive basic onboarding training relevant to their roles, along with periodic updates on safety, procurement practices and compliance requirements, ensuring consistent competence development across the organisation.

C6 – Human Rights Policies & Expectations

Own workforce. Meca-Trade's Human Rights Commitment, approved by the Managing Director, applies to its own operations and its supply chain. It is based on the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

Own workforce policy covers	Yes / No
Child labour	Yes – Human Rights Commitment
Forced labour	Yes – Human Rights Commitment
Human trafficking	Yes – Human Rights Commitment
Discrimination	Yes – Human Rights Commitment, DEI Policy

Own workforce policy covers	Yes / No
Accident prevention	Yes – Human Rights Commitment, safety procedures under ISO 9001 and ISO 14001
Complaints-handling mechanism	Yes – confidential whistleblowing channel

Value chain. The Supplier Code of Conduct is based on the UN Global Compact and ILO standards and applies to all suppliers. It requires suppliers to:

- prohibit forced and child labour (minimum age 15 or the local legal age, whichever is higher)
- ensure non-discrimination, equal pay for work of equal value, freedom of association and safe working conditions
- avoid conflict minerals

Suppliers that cause or contribute to human rights violations must stop them, provide remedy to the people affected and implement a corrective action plan.

Human Rights Due Diligence Processes

We assess human-rights-related risks primarily through our structured supplier evaluation process. This includes:

- Pre-audit questionnaires that screen suppliers for labour practices, working conditions, grievance mechanisms and compliance with international standards.
- On-site audits, prioritised for higher-risk regions or materials, to verify that working conditions, safety practices and employment standards align with our requirements.
- Supplier onboarding checks, where new suppliers must confirm compliance with human rights expectations before cooperation begins.

These processes help us identify potential risks early and maintain visibility across our upstream value chain.

Follow-Up and Continuous Improvement

If concerns arise during pre-audits, on-site audits or customer feedback processes, Meca-Trade expects suppliers to implement corrective measures and document improvements. Through ongoing communication and annual review activities, we encourage suppliers to strengthen their labour standards and establish transparent, responsible practices.

Grievances and Reporting

Human-rights-related concerns can be raised through Meca-Trade's confidential whistleblowing channel, accessible to employees, partners and external stakeholders. Reported issues are reviewed by management and addressed according to internal procedures.

C7 – Severe Human Rights Incidents

Meca-Trade did not identify any severe human rights incidents in 2025 within our own operations or in our interactions with suppliers. Our activities in Finland and Sweden present a low inherent human-rights risk, and no cases related to forced labour, child labour, discrimination, or unsafe working conditions were reported.

Through our Supplier Code of Conduct, pre-audit questionnaires and on-site audits, we monitor human-rights-related risks in the upstream supply chain. When potential concerns arise, suppliers are required to address them through corrective actions and demonstrate compliance before continuing cooperation.

Human-rights-related complaints or observations can be raised through Meca-Trade's confidential whistleblowing channel, which is available to employees, partners and external stakeholders. No human-rights-related grievances were submitted through this channel during the reporting year.

C8 – Revenues from Certain Activities

Meca-Trade derives 0% of its revenue from EU Paris-Aligned Benchmark exclusion sectors. We do not operate in or supply products linked to fossil fuels, weapons, tobacco, gambling or other restricted activities. Our revenue comes exclusively from the import and distribution of alloying materials and technical consumables, which fall outside all excluded categories.

C9 – Governance Body Gender Diversity

Meca-Trade's Board of Directors consisted of seven members in 2025, comprising five men (71%) and two women (29%), one of whom also serves as the company's CEO. This composition supports effective oversight of strategy, risk management and sustainability.

This report has been reviewed and approved by the management of Meca-Trade Oy.
Pori, Finland, 16 November 2026.

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