

ESG REPORT

01.07.2024 – 30.06.2025

SIA LSEZ
RT METĀLS



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01

OUR HISTORY

ABOUT

SIA LSEZ RT Metals was established in 1999 in Liepaja, Latvia. It operates as a sister company to Richard Thomsen A/S, headquartered in Brabrand, Denmark. Over the years, we have grown into a dynamic organization employing more than 120 skilled professionals.

Our core expertise lies in the production of structural components for building and construction. This includes a diverse range of load-bearing elements such as columns, beams, bracings, trusses, and complex welded profiles. Additionally, we specialize in manufacturing auxiliary installations like bridge components, carports, balconies, terraces, and more.

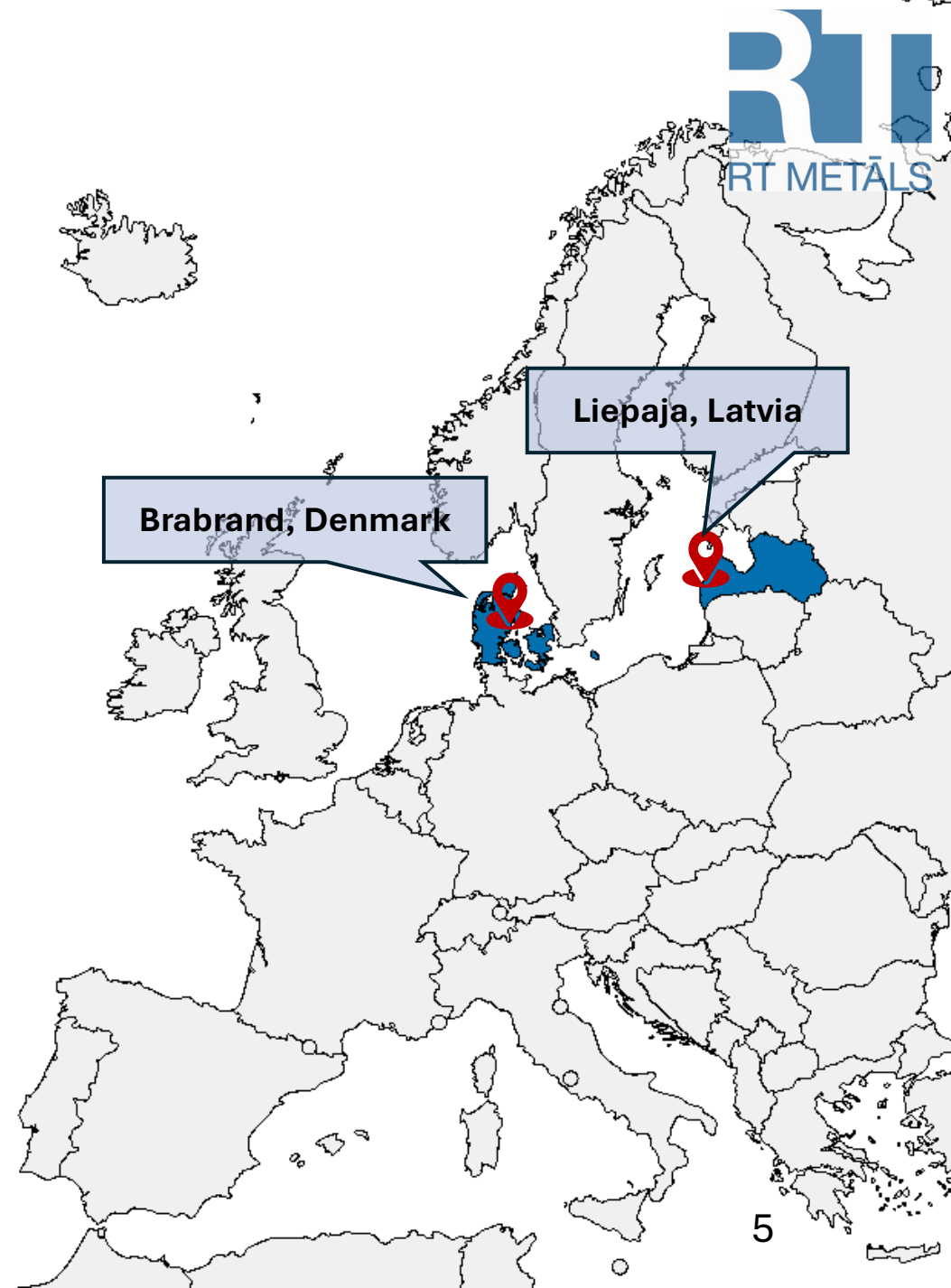
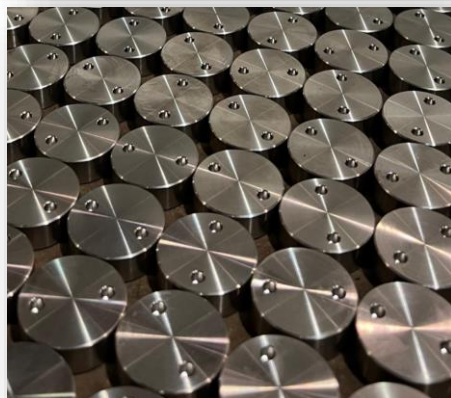
LOCATION

“RICHARD THOMSEN” A/S

Founded in 1938 by Richard Thomsen in Brabrand, Denmark, Richard Thomsen A/S serves as the parent company of LSEZ SIA RT Metāls. Specializing in the full range of steel constructions, we are a forward-thinking and responsible company committed to reflecting the values of the society around us.

LSEZ SIA “RT METĀLS”

Company LSEZ RT Metals Ltd. was founded in 1999 when it started to produce steel constructions, and started to send finished products to Denmark. RT Metals is located in Latvia, Liepaja Special Economic Zone.



HISTORY

Company founded in Liepaja, Latvia

1999



Construction of additional welding workshop

2021



Finished painting unit extension

2023



Construction of cutting, drilling and CNC workshop

2018



First LCA and EPD's conducted – painted and galvanized steel constructions

2022

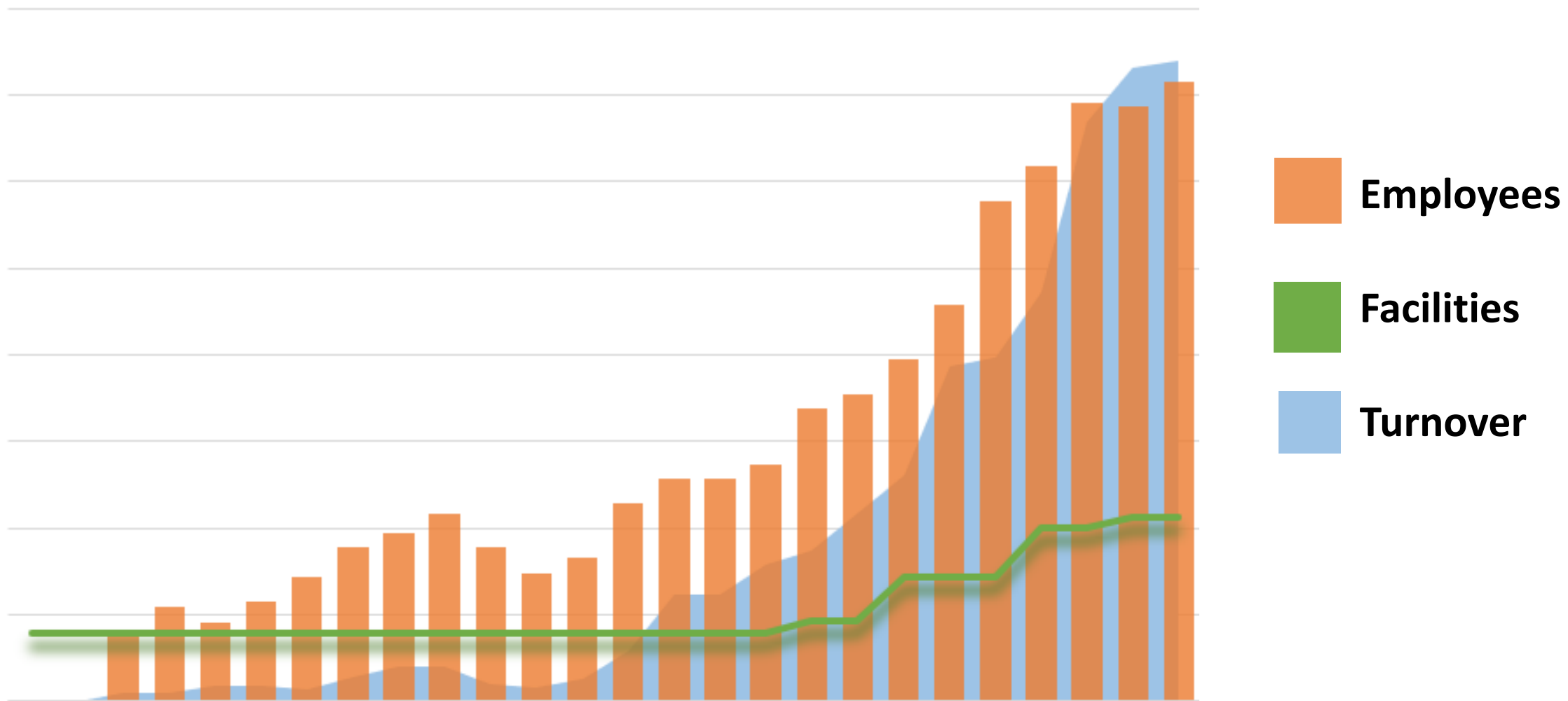


Installation of solar panels

2024



GROWTH





02

OBJECTIVES

OBJECTIVES

GREEN ENERGY



As part of our commitment to energy sustainability, we have already taken meaningful steps to reduce our carbon footprint. To date, we have installed solar panels at our factory, are actively exploring the use of renewable energy sources and are working on initiatives to reduce our overall energy consumption to transition to sustainable production.

SAFETY



We are committed to achieving zero workplace incidents through proactive activities such as comprehensive worker training, regular safety audits, and early identification of potential hazards. Our focus is on prevention and continuous improvement to ensure a safe and secure working environment for all employees.

LEAN and 5S



In recent years, we have focused on improving operational efficiency and sustainability by implementing LEAN principles and the 5S system. These efforts have streamlined processes, reduced waste, and fostered an organized workplace, with ongoing improvements to achieve operational excellence.

PURCHASES



We are initiating efforts to enhance our purchasing practices by prioritizing sustainable suppliers who leverage fossil-free energy and efficient logistics. These initiatives aim to significantly reduce Scope 3 emissions and advance responsible sourcing and supply chain excellence.

HEALTH



Our priority is employee well-being and reduction of worker absences caused by illness, musculoskeletal issues and other factors. We are working on various health programmes and are striving to enhance the effectiveness of our mandatory health checks to better support employee health and overall well-being.

WASTE



We are focused on optimizing our manufacturing processes to reduce waste and improve resource efficiency. Additionally, we are continuously seeking and implementing advanced recycling solutions to minimize our environmental impact and support a circular economy.

GOALS

GOALS



SAFETY FIRST

Our goal is to achieve **ZERO** workplace incidents and reduce worker absenteeism to below **7.5%** by **2028**. We are committed to creating a safe and healthy work environment through enhanced safety measures, employee support programs, and continuous improvement initiatives.



GREEN ENERGY

Our objective is to reduce energy consumption to **0.13 kWh/kg** by **2028** and achieve **100%** renewable energy by **2025**. This will be accomplished through the installation of solar panels and the selection of renewable energy sources that have green certificates. Ongoing monitoring will ensure transparency in our commitment to sustainability.



NET-ZERO

Our goal is to achieve a carbon intensity of **1.00 kgCO₂e** per kg of finished product by **2028** by significantly reducing Scope 1 and Scope 2 emissions. We will enhance energy efficiency, transition to at least 80% renewable energy, and invest in low-carbon technologies.



SUSTAINABLE PURCHASES

We aim to enhance purchasing by prioritizing sustainable suppliers using fossil-free energy and efficient logistics. **By 2028**, we target reducing Scope 3 emissions, achieving **40% EPD** certification among contractors, and advancing responsible sourcing.



Letter from the CEO

Lars K. Therkelsen

It is a privilege to introduce our new ESG report, marking a new chapter in our commitment to sustainability and transparency. Going forward, this report will be published annually, alongside our operational updates, as a reflection of our dedication to integrating responsible practices into every aspect of our business.

At our core, we believe in fostering collaboration and innovation by embracing open communication and breaking down silos. This approach allows us to continuously improve and share insights with our team members and partners. Together, we aim to shape a future where responsibility and progress go hand in hand.

As a leader in steel constructions, we are proud to contribute to sustainable development by producing critical infrastructure components and solutions. Economic growth and social responsibility are deeply interconnected in our business model, driving us to implement meaningful initiatives that minimize our environmental impact and enhance sustainability across the value chain.

This ESG report serves as a vital tool for transparency and accountability. It helps us track progress, measure outcomes, and inspire others in our industry to adopt similar sustainable practices. Personally, I am deeply committed to steering our company toward a future defined by responsible growth and collaboration. I invite all our stakeholders to actively engage with us on this journey.

Thank you for your continued support of our sustainability efforts. We look forward to sharing our progress and achievements with you in the years to come.





03 ENVIRONMENTAL ASPECTS

ENVIRONMENTAL

As part of our commitment to sustainability, we have focused on improving energy efficiency and integrating renewable energy solutions throughout our operations. These efforts align with our broader goal of reducing environmental impact while maintaining operational excellence. Below, we highlight key steps we've taken in energy efficiency and renewable energy implementation.

Energy Efficiency Improvements

We have made significant energy efficiency improvements, including enhancing the insulation of our office building to reduce heat loss. This measure has contributed to a more stable internal temperature, lowering the need for heating and cooling, and ultimately **reducing** our **overall energy consumption** by **61.21 MWh/year**.

Renewable energy

We have installed solar panels on our factory roof, which now **generate** an annual production of **197 MWh** of **renewable energy**. This significant addition supports our commitment to reducing reliance on non-renewable energy sources and lowering our carbon footprint. The solar panels provide a substantial portion of our electricity needs, helping us move toward a more sustainable and energy-efficient future



Tracking Our Environmental Impact: Scope 1, 2, and 3 Emissions in 01.07.2024 - 30.06.2025

SCOPE 1

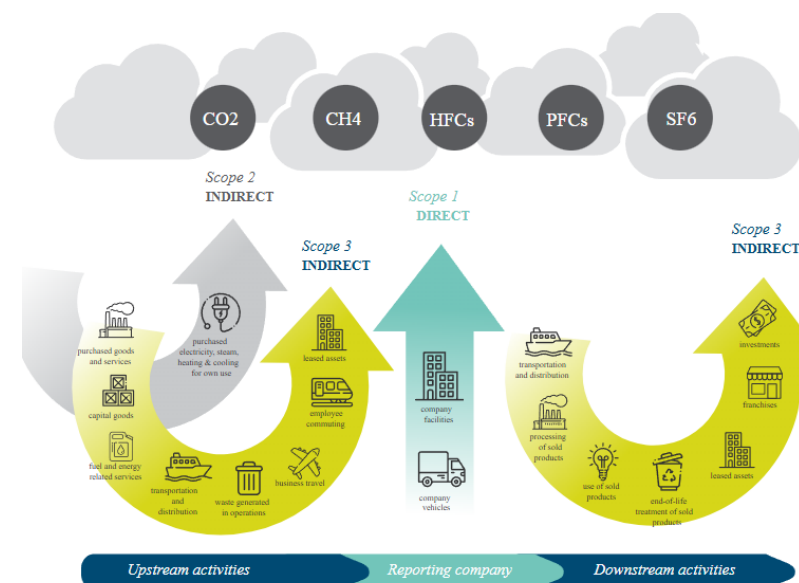
406 Ton CO₂e

SCOPE 2

159 Ton CO₂e

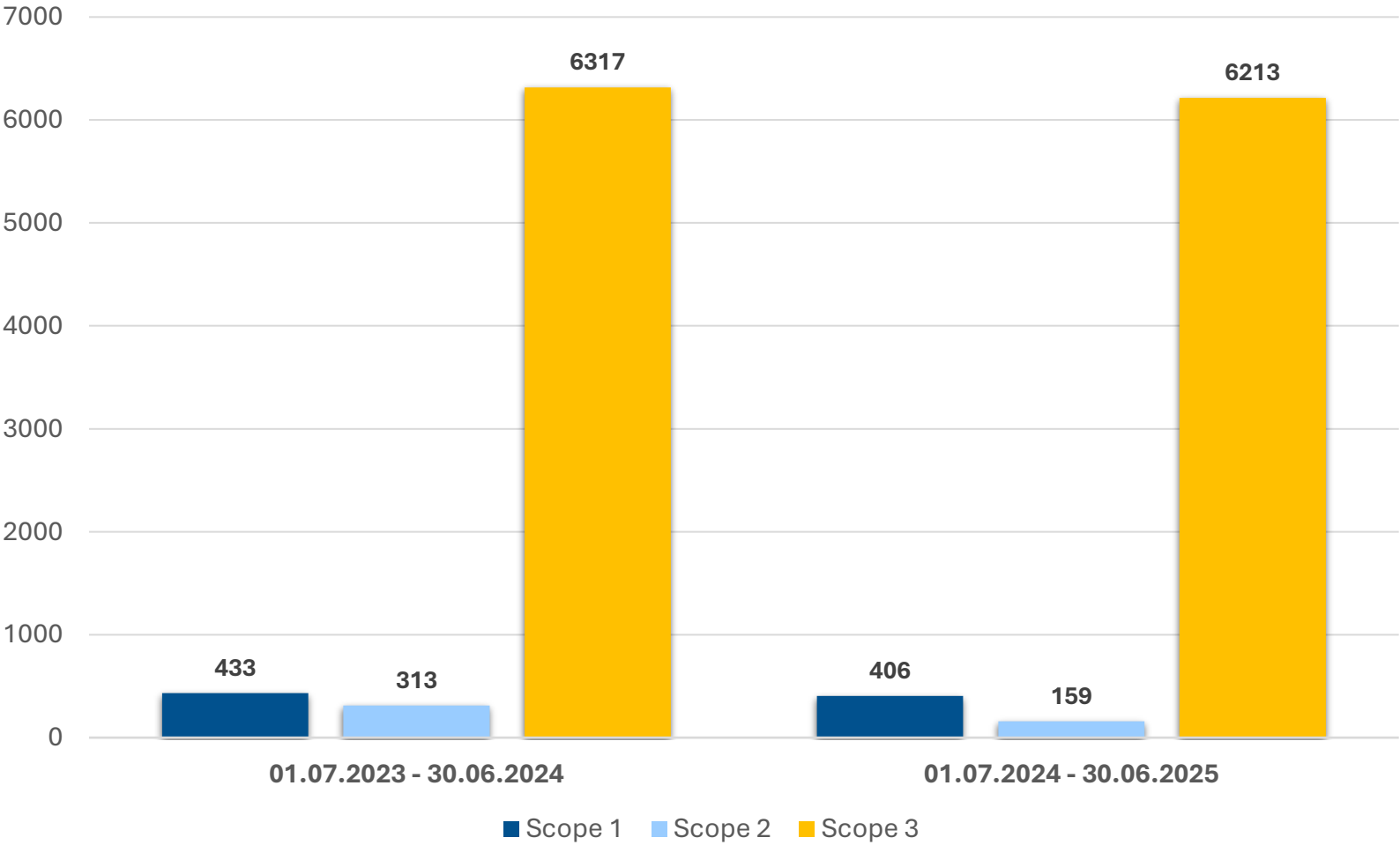
SCOPE 3

6214 Ton CO₂e



01.07.2024 – 30.06.2025 ESG report includes Scope 1, 2, and 3 emissions, with Scope 3 data primarily based on supplier information such as LEED certifications, EPDs, and our own product LCA results. Where data was unavailable, we used secondary emission sources like EcoInvent and made necessary assumptions.

CO2e emissions in tons (scope 1+2+3) distributed by main categories



Scope 1 emissions originate from company-operated vehicles, such as trucks and forklifts, as well as factory heating, which is powered by our on-site furnace.

Scope 2 indirect emissions result from the electricity we procure from the grid.

Scope 3 emissions originate from indirect sources across our value chain, including purchased goods and services, transportation, waste disposal, and business travel.

Scope 1 and 2 GHG emissions

Scope 1	01.07.23 - 30.06.24	01.07.24 - 30.06.25
Gas (l)	1 408	1 091
Diesel (l)	23 300	18 692
Wood for heating (m ³)	440	423
Total (t CO₂)	433.14	405.86

Scope 1 emission changes in 2024/25 were influenced by preparatory activities ahead of fulfilling large-scale orders. These early actions laid the groundwork for anticipated production increases, affecting overall emissions.

Scope 2	01.07.23 - 30.06.24	01.07.24 - 30.06.25
Purchased electricity – grid (MWh)	567	275 ↓(-51 %)
Purchased renewable electricity – Wind / Onshore (MWh)	0	275 ↑(100 %)
Produced renewable electricity – Solar panels (MWh)	123	149 ↑(17 %)
Total (t CO₂)	313.32	159.08 ↓ (-49 %)

Scope 2 emissions **decreased** by **49.23%** compared to the financial year 2023/24, primarily due to reduced GHG emissions from purchased renewable electricity – wind / onshore. Since 1st January 2025 LSEZ RT Metāls has been purchasing electricity that is 100% produced from renewable energy sources which is confirmed by a **Green energy origin certificate**.

Scope 3 GHG emissions

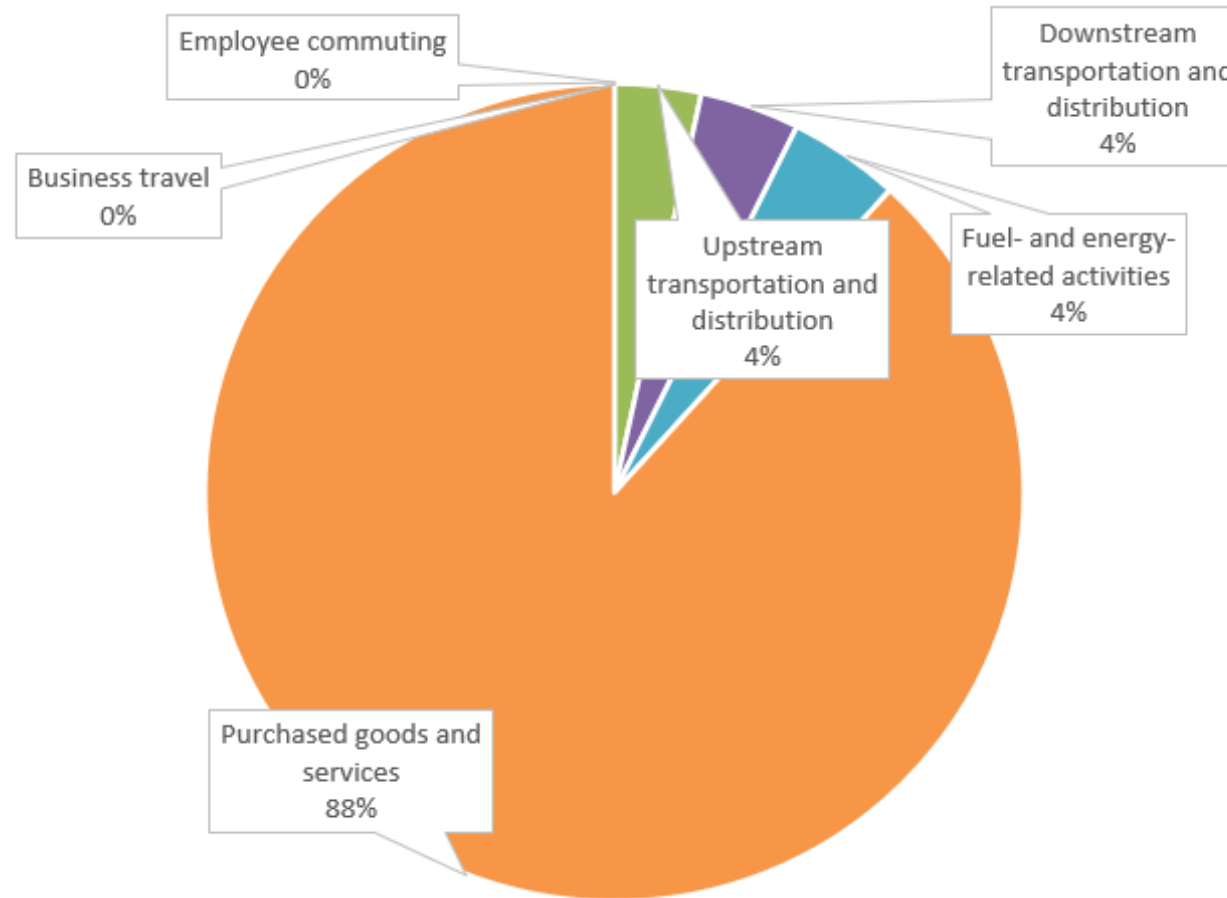
Scope 3	01.07.24 - 30.06.25
1. Purchased goods and services (t CO2)	
Steel materials	5 452.36
Painting service and paint	130.47
Welding related	68.97
Gas	39.29
Other	202.72
5. Waste generated operations (t CO2)	
Sewage	0.007
Municipal waste	12.47
Industrial waste	4.93
Steel scrap	3.11
Hazardous waste	0.87
9. Downstream transportation and distribution (t CO2)	
Logistics	298.63
Total (t CO2)	6 213.83

Scope 3 emissions originate from indirect sources across our value chain, including purchased goods and services, transportation, and waste disposal. To date, we have accounted for approximately 75% of our value chain emissions. Our calculations are based on economic allocation and utilize secondary data from the GHG Protocol, as well as databases such as Ecolnvent.

Waste. We are committed to minimizing the generation of operational waste wherever possible, separating materials to enable recycling, and disposing of hazardous waste in environmentally compatible ways.

Water. Although our manufacturing processes do not demand substantial amounts of water, we prioritize minimizing our consumption of fresh water.

Scope 3 Emissions Categories Across the Value Chain



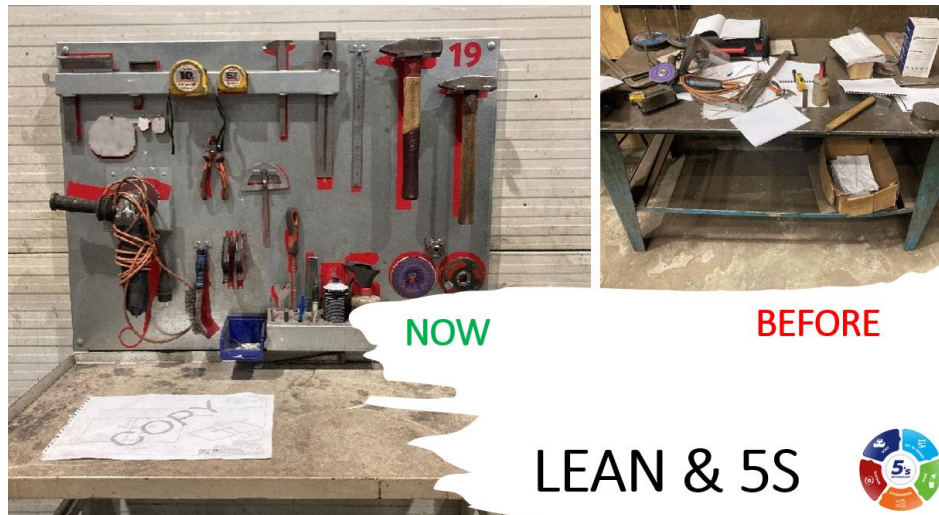
The chart highlights key Scope 3 emission sources, with the highest impact from purchased goods, transportation, and energy-related activities. Some categories report minimal emissions, and we continue refining our data to improve accuracy and reduction efforts.

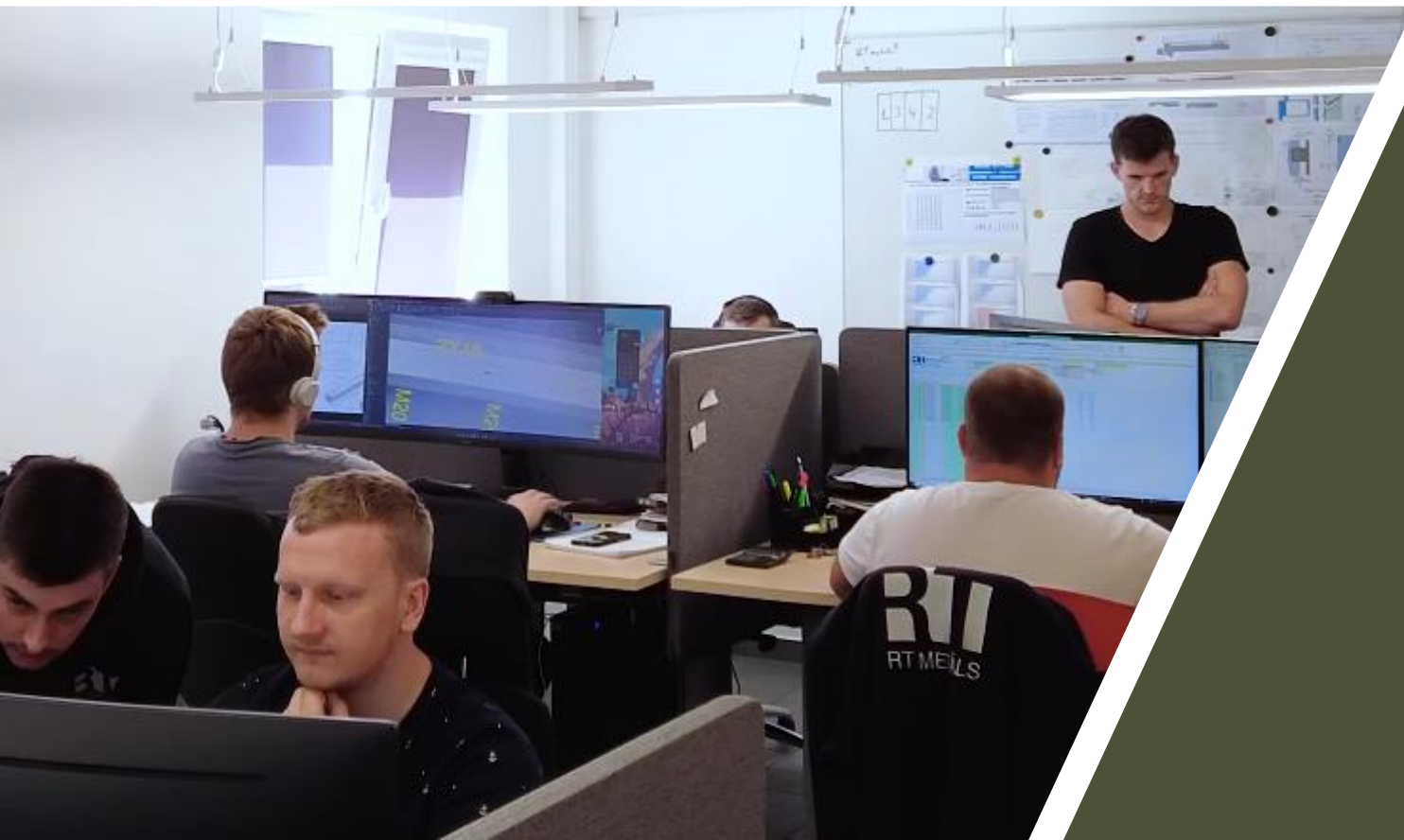
ENVIRONMENTAL



LEAN Practices, Sustainable Impact

At RT Metals, we are committed to sustainable practices by actively reducing waste and eliminating unnecessary activities through the implementation of LEAN principles. By streamlining our processes, we not only enhance operational efficiency but also minimize our environmental footprint. We focus on identifying and removing waste in all forms—be it time, materials, or energy—allowing us to create more value with fewer resources. This proactive approach not only supports our sustainability goals but also fosters a culture of continuous improvement, ensuring that we operate in a responsible and environmentally friendly manner.





04 SOCIAL ASPECTS

SOCIAL

At «RT Metāls», we recognize that our achievements are closely linked to the well-being of our team, the vitality of the communities we serve, and cultivate an inclusive work culture. In the Social section of our sustainability report, we showcase our continued dedication to cultivating a safe, inclusive, and empowering environment for all.

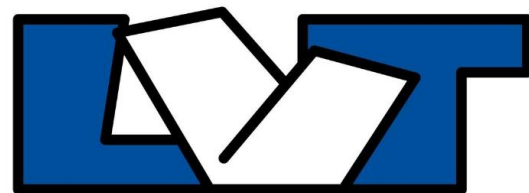
Our goal is to involve our employees' families in community initiatives, strengthening connections and a sense of belonging. Additionally, we actively promote a healthy lifestyle through wellness programs and activities that encourage physical and mental well-being.



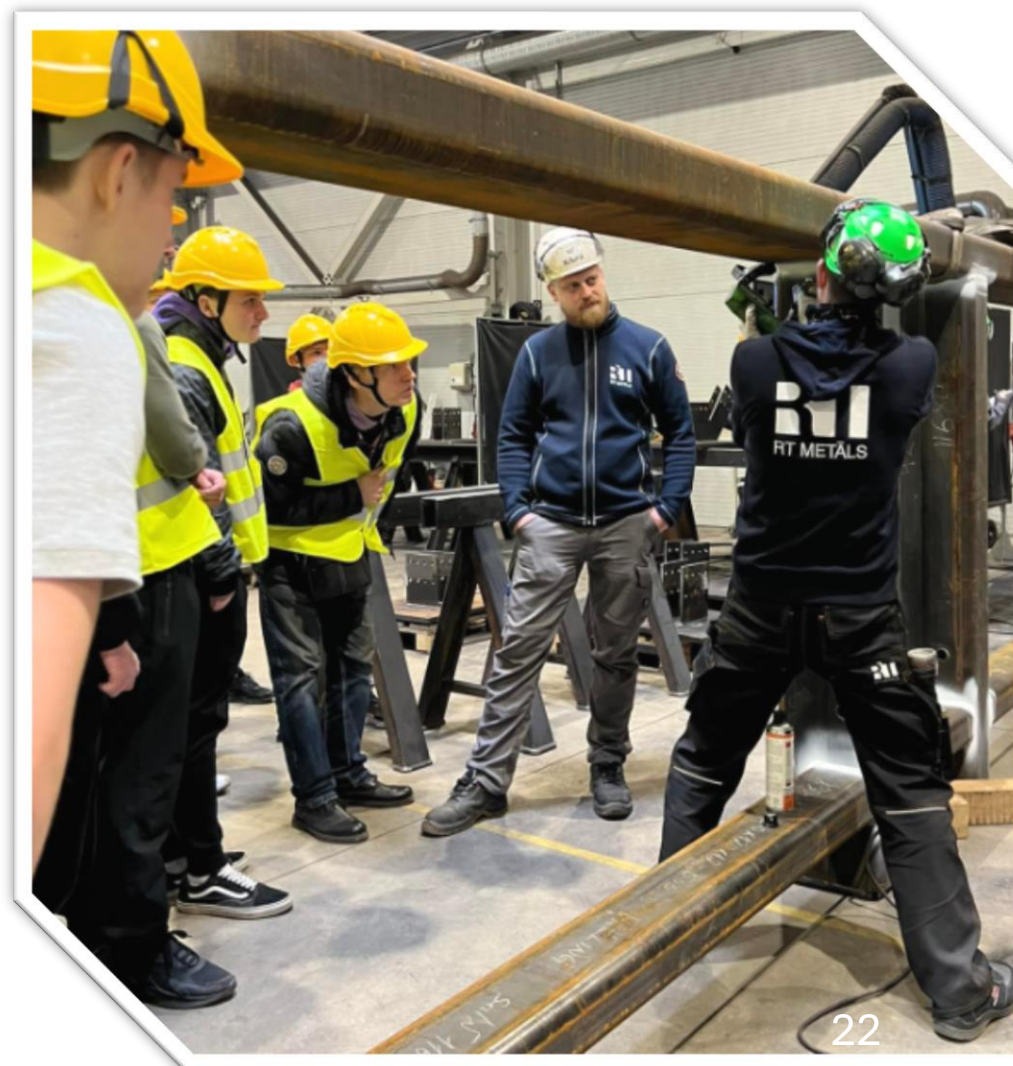


Investing in Tomorrow

At our company, we place great emphasis on empowering the younger generation and supporting their journey toward professional success. We actively collaborate with the high school "Liepājas Valsts Tehnikums," fostering a strong foundation for students through mentorship, guidance, and tailored programs for young professions coming into industry. This commitment reflects our belief in nurturing the potential of the next generation as a cornerstone of sustainable growth and innovation.



LIEPĀJAS VALSTS TEHNIKUMS





"Liberta" Animal Protection Association

"RT Metāls" is proud to support the "Liberta" Animal Protection Association, dedicated to helping animals in distress. Over the past ten years, Liberta has provided homes and shelter to over 3,000 animals, reflecting its unwavering commitment to animal welfare. With an ever-growing impact, the association now cares for 70 to 120 animals daily, a remarkable increase from its early days with just a few dozen. Through our partnership, we aim to strengthen Liberta's mission and contribute to the well-being of animals in need.



FK «Karosta» kids football team

"RT Metāls" has long been committed to supporting and helping the FK "Karosta" kids' football team. As part of this ongoing dedication, we designed and built an outdoor football pitch, creating a safe and engaging space for young players to train and thrive. This project is just one of several initiatives we've undertaken to promote a healthy and active lifestyle in the local community, encourage the team's growth, and strengthen community bonds through sports.

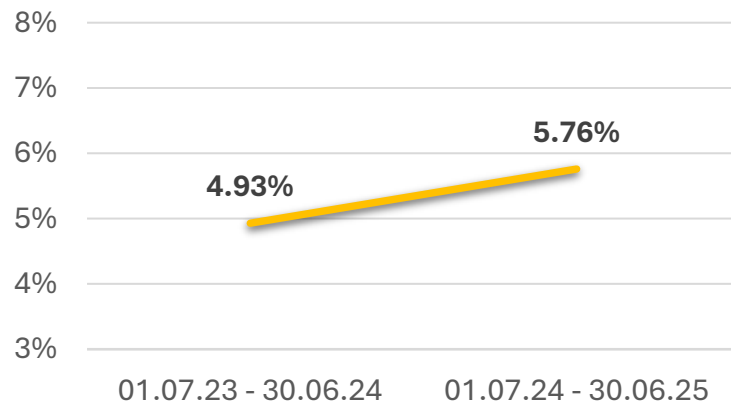


ABSENCE RATE (ILLNESS AND OTHER FACTORS)



At "RT Metals", we are committed to reducing worker absenteeism to enhance productivity and foster a positive workplace culture. The metalworking industry typically experiences absence rates averaging between 5% and 8%, significantly impacting operational efficiency. In period 01.07.23 – 30.06.24, our absenteeism rate was 4.93%, in period 01.07.24 – 30.06.25, our absenteeism rate was 5.76%, and we're setting a target of keeping absence rates below 6.0% rate until 2028.

To address this challenge, we are implementing specific initiatives aimed at improving employee well-being. We provide our employees with access to a swimming pool membership, designed to support employees in alleviating musculoskeletal issues through low-impact exercises. Additionally, we offer paddle tennis in the summertime, promoting physical activity and teamwork among our staff. Our efforts to reduce illness rates and foster a supportive workplace reflect our commitment to social responsibility, ensuring that everyone at RT Metals can thrive both personally and professionally.



SOCIAL



Category	01.07.23 - 30.06.24	01.07.24 - 30.06.25
Full time employees (number)	125	121
Average age (years)	42.5	42.8
Average work experience (years)	4.76	5.68
Employee training (hours)	348.65	339.42
Gender Diversity in the Organization (number)	5	5

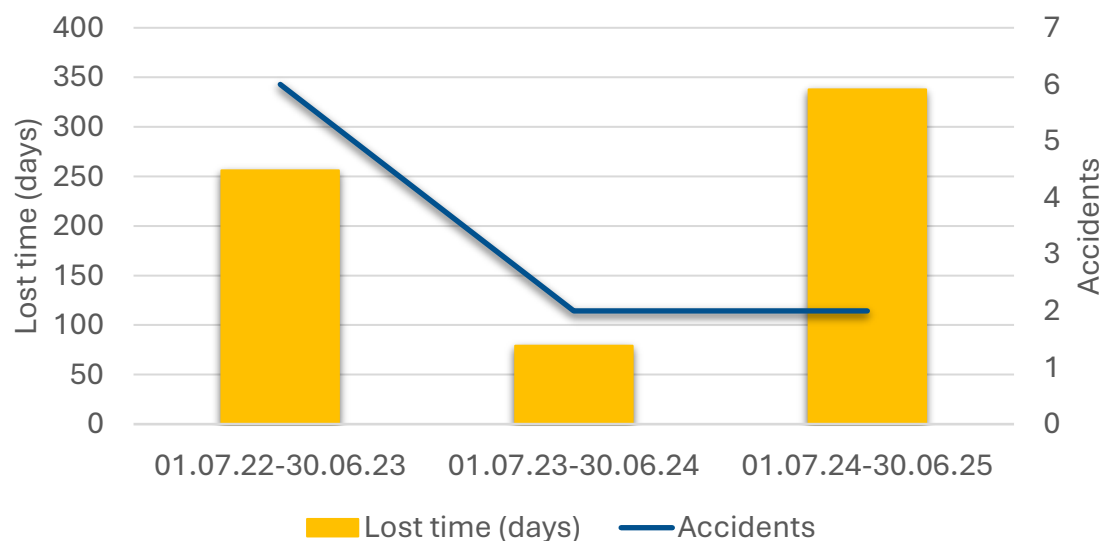
At RT Metals, we prioritize the well-being and development of our workforce, nurturing an environment where employees feel valued and motivated to contribute to our mission. Our commitment to creating a workplace that attracts and retains talent is reflected in our average employment duration of 5.68 years. We take pride in the loyalty and dedication of our employees, who continue to grow and succeed with us over the long term.

In addition we actively promote diversity and inclusion within our workforce, ensuring that everyone feels respected and empowered. Our strong focus on employee development includes providing opportunities for training, professional growth, and well-being initiatives. We also engage in community outreach programs that encourage our employees to give back, thus promoting a sense of purpose and connection that enhances both individual satisfaction and community welfare. Together, we are building a better future for our employees and the communities we serve.

" Our Mission - Zero Incidents"

We are committed to achieving zero workplace incidents through proactive activities such as comprehensive worker training, regular safety audits, and early identification of potential hazards.

In last period of 01.07.24 – 30.06.25, we encountered 2 accidents that resulted in a total lost time of 338 days. We are dedicated to learning from these incidents to enhance our safety measures further and ensure a safe and secure working environment for all employees. All data in the table below shows annual results.



Striving for Healthier Teams

Prioritize employee well-being by actively reducing worker absences caused by illness, musculoskeletal issues, or other factors. We will strive to enhance the effectiveness of our mandatory health checks, identifying opportunities for improvement to better support employee health and overall well-being



SAFETY POLICIES



Training & Knowledge

Training and knowledge are essential for workplace safety, enabling employees to identify hazards, follow protocols, and respond effectively to emergencies. By promoting a culture of continuous learning, organizations can reduce risks, prevent accidents, and ensure a safer environment for all.



«Mission Zero»

Mission Zero is central to our incident policy, aiming for zero workplace accidents through proactive safety measures, continuous risk assessment, and employee involvement. By prioritizing training, safety audits, and open communication, we create a culture where safety is everyone's responsibility.



Openness and Dialogue

Openness and dialogue are crucial for addressing workplace hazards, allowing employees to share concerns and collaborate on solutions. By encouraging open communication, organizations can identify risks early, foster trust, and create a safer working environment for everyone.



Continuous improvements

Continuous improvement is vital for enhancing workplace safety, as it ensures that systems, procedures, and processes stay effective and relevant. Regularly assessing and refining practices allows us to address new challenges, minimize risks, and foster a culture of ongoing progress and protection for all employees.

05 GOVERNANCE ASPECTS



GOVERNANCE

CHAIN OF VALUE

At this stage we are actively engaged in the process of gathering comprehensive data to better understand our downstream and upstream chain of value and enhance our practices.

2025

In **2025**, we plan to implement a comprehensive system to track and report our carbon footprint across the value chain, capturing **90%** of both upstream and downstream emissions.

2026

Over the **2026**, we will implement sustainable sourcing practices for our raw materials, ensuring an increase in steel scrap and other material recycled content, including overall supplier sustainability efforts.

2027

By **2027**, we will have updated and established our procurement policies, ensuring active engagement throughout our value chain to promote transparency and collaboration.



GOVERNANCE



CERTIFICATION

Quality and Accountability

We are committed to excellence and have embraced a robust Quality Management System (QMS) rooted in risk-based thinking to ensure sustainable and high-quality operations.

By integrating ISO 9001 principles and adhering to ISO 19011 and ISO/IEC 17021 standards, we conduct comprehensive first-, second-, and third-party audits on daily basis. These practices enhance our operational efficiency, mitigate risks, and drive continual improvement, aligning with our sustainability goals to deliver value while prioritizing quality, accountability, and environmental stewardship in our processes.

QMS ISO 9001:2015 Lead Auditor Quality Management Systems

EN ISO 3834-2:2021 Quality requirements for fusion welding of metallic materials

EN 1090-1:2009+A1:2011 Welded steel structures by execution class EXC1, EXC2, EXC3 and EXC4 (EN 1090-2)





Sustainability isn't a destination—it's a journey we're proud to navigate with purpose and integrity."



06

ESG STATISTICS

EFFICIENCY

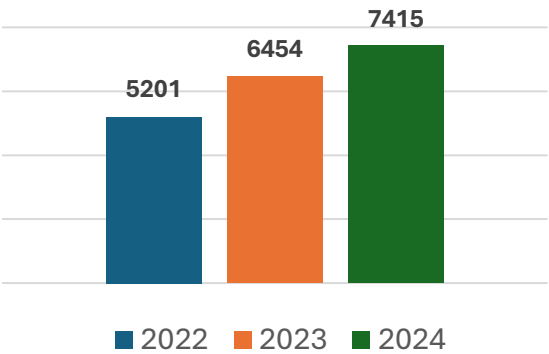
ESG Key figures	Unit	01.07.23 – 30.06.24	01.07.24 – 30.06.25	Source
Environmental aspects				
CO2e emissions within scope 1	Ton CO2e	433	406	ERP System
CO2e emissions within scope 2	Ton CO2e	313	159	ERP System
CO2e emissions within scope 3	Ton CO2e	6 828	6 213	ERP System
Total CO2e emissions (scope 1, 2, and 3)	Ton CO2e	7 415	6 778	Calculations
Electricity consumption from non-renewables	MWh	567	275	ERP System
Renewable energy mix	Pct. (%)	18 %	61 %	ERP System
Water consumption	m3	2 258	2 165	ERP System
Industrial waste management	m3	68.7	64.9	ERP System
Social aspects				
Full time employees	Number	125	121	ERP System
Total Health-related absence rate (%)	Pct. (%)	4.93 %	5.76 %	ERP System
Sickness absence rate (sick leave A*)	Pct. (%)	2.08 %	1.55 %	ERP System
Sickness absence rate (sick leave B**)	Pct. (%)	2.85 %	4.21 %	ERP System
Workplace accidents with lost time	Number	2	2	ERP System
Absence days due to workplace accidents	Number	79	338	ERP System
Employee training hours	Number	348.65	339.42	ERP System
Governance aspects				
Code of Conduct	Pct. (%)	N/A	In progress	ERP System
Supplier Code of Conduct	Pct. (%)	N/A	In progress	ERP System

* - paid by company up to 10 calendar days;

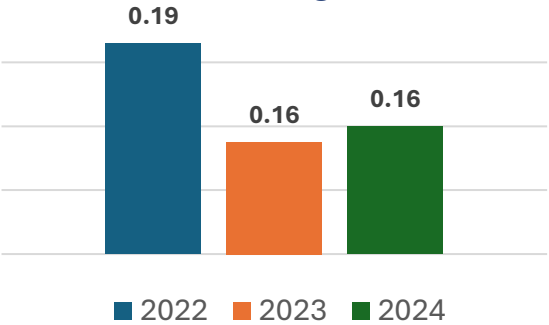
** - paid by state social services.

CHARTS*

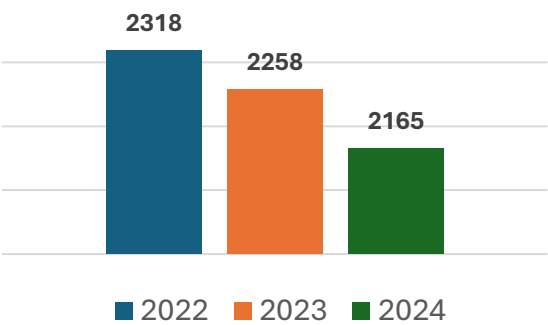
Total CO2e emissions



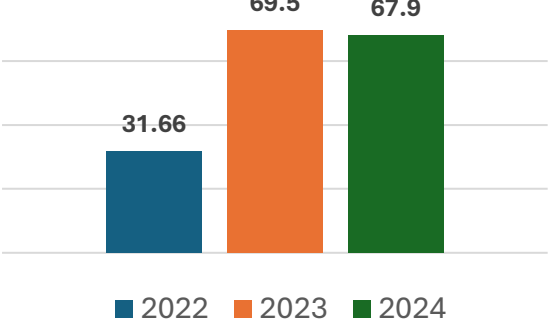
Electricity per final product (kwh/kg)



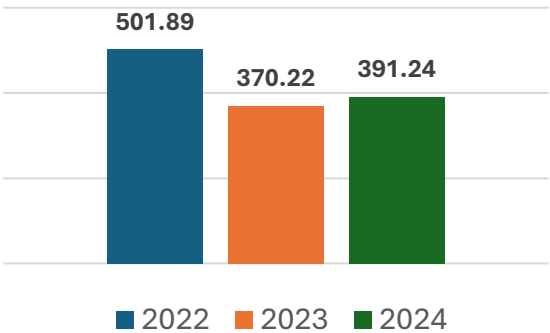
Water consumption (m3)



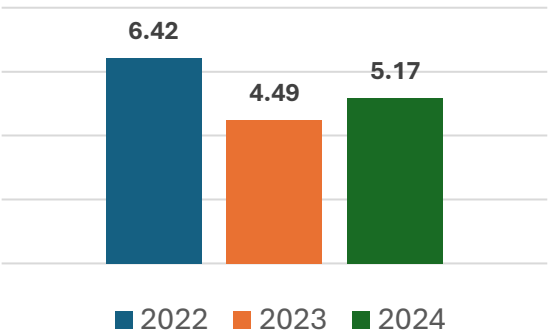
Industrial waste



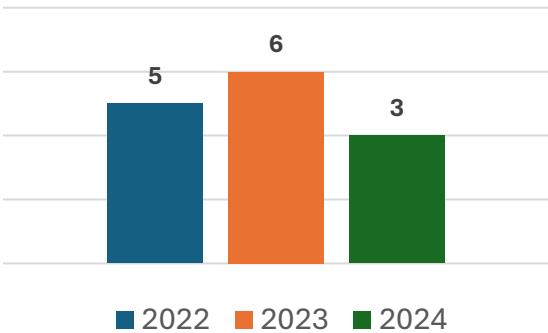
Factory heating (ton CO2e)



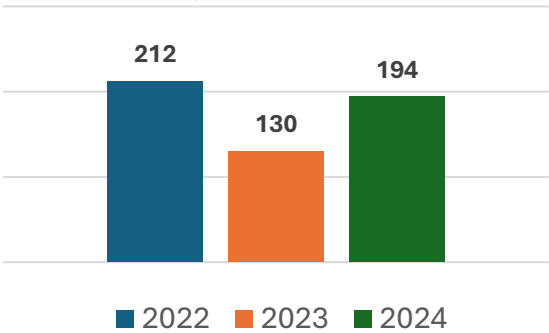
Sickness absence (%)



Workplace accidents (LTI)



Lost days due to workplace accidents



* - annual performance charts

07 GOALS

GOALS



SAFETY FIRST

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GREEN ENERGY

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NET-ZERO

Our goal is to achieve a carbon intensity of **1.00 kgCO₂e** per kg of finished product by **2028** by significantly reducing Scope 1 and Scope 2 emissions. We will enhance energy efficiency, transition to at least 80% renewable energy, and invest in low-carbon technologies.



SUSTAINABLE PURCHASES

We aim to enhance purchasing by prioritizing sustainable suppliers using fossil-free energy and efficient logistics. **By 2028**, we target reducing Scope 3 emissions, achieving **40% EPD** certification among contractors, and advancing responsible sourcing.

ROADMAP

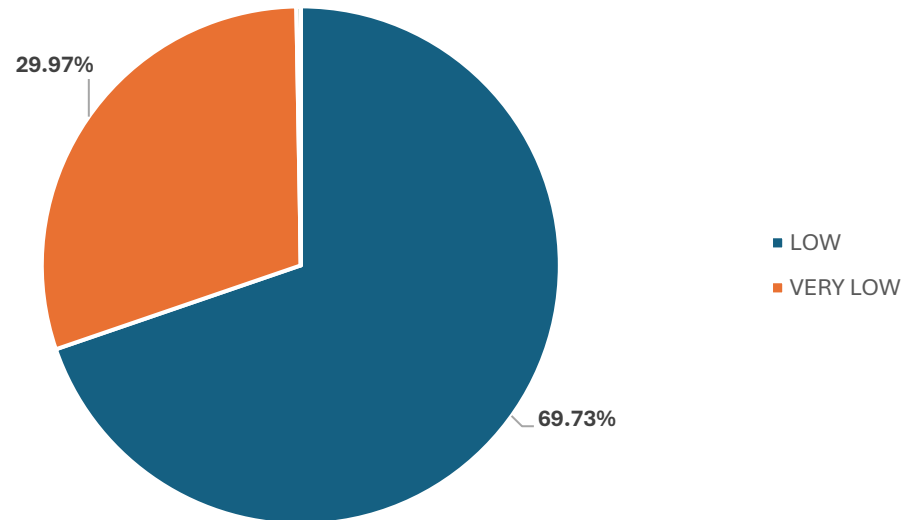
Activity	2024 RESULT	2025 TARGET	2026 TARGET	2027 TARGET	2028 TARGET	2028 TARGET
Steel construction emissions (kg CO2 / 1kg of structures)	1.69	1.50	1.40	1.30	1.20	1.00
Business partners with product EPD (from all contractors)	13 %	20 %	25 %	30 %	35 %	40 %
Usage of renewable energy	39%	100%	100%	100%	100%	100%
Energy efficiency and energy consumption (kWh / 1kg of steel structures)	0.155	0.15	0.145	0.14	0.135	0.13
Employee sick leave	6.22 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %
Workplace accidents	3	0	0	0	0	0

EU TAXONOMY REPORT

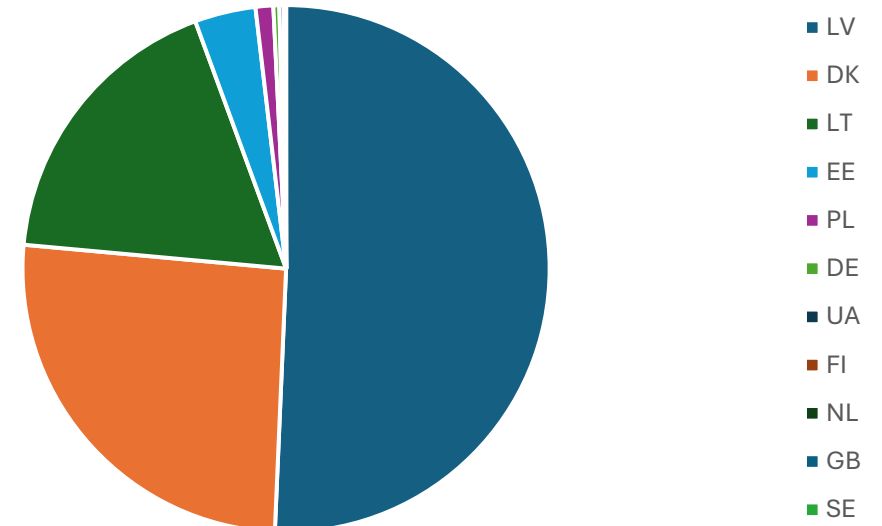
In alignment with the EU Taxonomy's minimum social safeguards, in 2024 we have started to evaluate our suppliers based on key minimum safeguard guidelines (including human rights, labor rights, anti-corruption, tax compliance, and fair competition).

To ensure responsible sourcing and ethical supply chain management, in 2024 we have conducted risk screenings of our first tier suppliers based on country-specific factors, industry risks, and governance standards, using CountryRisk.io. Following this, in 2025 we plan to conduct deeper risk assessment according minimum social safeguard requirements.

Supplier country risk*



Country of origin of the supplier



**CountryRisk.io Supply Chain Country Risk*

EU TAXONOMY REPORT

While not required to report under the EU Taxonomy as our main activity "Manufacture of metal structures and parts of structures" is not aligned, however we acknowledge that a significant portion of our products aligns with the "Construction of new buildings" activity.

We are seeking to support the transition to a **circular economy** in construction through resource efficiency and sustainable material use. We are working to increase **recycled steel content** in our products, thus helping reduce reliance on primary raw materials.

Use of secondary raw materials

Our sourcing strategy focuses on low-carbon and high percentage scrap steel, supporting compliance with the **30% primary raw material** threshold.

Sustainable Design & Resource Efficiency

- Our **steel balconies with wood decking** are designed for easy use, repair and disassembly in end of life, enabling reuse, refurbishment, or recycling in future construction projects. By ensuring modularity and flexibility, we contribute to a **circular economy** and extend the lifecycle of our products.
- We are transitioning from **solvent-based coatings to solvent-free coatings**, reducing **VOC emissions** and improving **environmental and workplace safety standards** in our production processes. This shift aligns with our commitment to **sustainable manufacturing and regulatory compliance** while enhancing the durability and quality of our coated steel products.

Transparency & Disclosure

- We collaborate with clients and other stake holders by providing material documentation and EPD's upon request, including information on recycled content, lifecycle assesment, including carbon footprint, and end-of-life recyclability.

Through these efforts, we actively support the **EU Taxonomy's circular economy objectives** while enhancing the sustainability of the construction sector.

Strong welds and sustainable
solutions that last.

solutions that last.



Thank you!

Do you have any questions?

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