



Explanations to the Verification Statement

Brief description of the verification process

Outokumpu Oyj (hereinafter referred to as „Outokumpu“) has voluntarily entrusted TÜV SÜD Industrie Service GmbH (verification body) to carry out an independent (third party) verification of their declaration about the recycled content in stainless-steel slabs produced at the production sites Tornio (Finland), Avesta (Sweden) and Calvert (USA) during the calendar year 2023.

This review is based on the intended scope of assessment, the goals and criteria as agreed upon with the commissioning on 27 February 2024.

During March 2024, the staff employed by the verification body carried out audits with representatives of the client and document reviews. A site visit at the Avesta production site was done on 5 and 6 March 2024. In particular, the reception, storage and management of steel scrap and other relevant materials at the scrapyard were visited. An online audit with the Calvert production site was done on 13 March and with the Tornio production site on 14 March. The Tornio site has already been visited by TÜV SÜD in October 2023, no significant changes in operations and systems have been made since then. The Calvert site uses similar data processes and was therefore not visited.

Roles and responsibilities

The determination and communication of the recycled content are the sole responsibility of our client. Our role and responsibility as verification body was to independently verify the adequacy of the recycled content, as well as the underlying systems for data collection, analysis and control, in accordance with the requirements of DIN EN ISO 14021 and in particular chapter 6 (“Evaluation and claim verification requirements”) of this standard.

Standard for the determination of the recycled content

DIN EN ISO 14021:2016 („Environmental labels and declarations – Self-declared environmental claims (Type II environmental labelling)“) and in particular chapter 7.8 („Recycled content“) of this standard

Scope of assessment / System boundaries

Outokumpu operates two steel meltshops in Tornio (Finland), one in Calvert (USA) and one in Avesta (Sweden). The production process is the same for all three sites, beginning with the input of different types of scrap, alloying and process material into the Electric Arc Furnace (EAF), where the material mixture is melted by applying high voltage. Afterwards, the melt is refined and purified in an Argon Oxygen Decarburization ladle (AOD). The liquid steel is then poured into a continuous casting (CC) machine for solidification into slabs.

The system boundaries and relevant inputs and outputs are shown in the diagram below:

Standard for the verification

DIN EN ISO 14064-3:2019 ("Specification with guidance for verification and validation of GHG statements") adapted to the requirements of DIN EN ISO 14021:2021-10 („Environmental labels and declarations – Self-declared environmental claims (Type II environmental labelling)“) and in particular chapter 6 („Evaluation and claim verification requirements“) of this standard

Objectives of the verification

The verification was performed with due regard to our impartiality in a risk-based approach. Rational procedures were applied to reach reliable and reproducible conclusions. Within the scope of our audit, a sufficient amount of suitable evidence needed to be collected and explained in the audit by representatives of Outokumpu and its subsidiaries. This was to ensure sufficient traceability of the information presented with the declaration about recycled content.

Criteria

The data review was conducted according to the following criteria:
Relevance, completeness, accuracy, transparency of information and consistency.
The assessment of alternatives according to the quantification model applied was carried out according to the principle of conservatism.

Agreed level of assurance

reasonable

Comment:

At a reasonable - but not absolute - level of assurance, we verify that the declaration on recycled content is substantially correct. This includes a review of the processes, data and evidence on their correctness and accuracy with an appropriately adequate sample size.

Materiality threshold

3 % for the total sum of the considered partial amounts according to the boundaries and cut-offs defined by Outokumpu

Comment:

*The materiality threshold represents the degree of accuracy for our assessment of data gaps, misstatements and non-conformities remaining at the end of our review.
Gaps, omissions, inaccuracies identified during the review that result in quantities greater than the established thresholds constitute a "material deviation", i.e. non-conformities, that must be addressed before a verification statement can be issued.*

Methods of verification

- Interviews of responsible personnel of Outokumpu or its subsidiaries within the scope of audit
- Site-visit to the Avesta site and inspection of the relevant facilities



- Review and sampling of the data and information systems and methodology for collecting, aggregating, analyzing and verifying the information used to determine the recycled content
- Strategic analysis and risk assessment on the recycled content
- Independent review (quality assurance by an auditor who is not involved in the verification process)

Conclusions

With our review of the declaration on recycled content of stainless-steel slabs of Outokumpu Oyj for the Avesta, Tornio and Calvert production sites, documented in the calculation methodology report dated 25 April 2024, we conclude, in all material respects, that the recycled content for the year 2023 is determined fairly and factually in accordance with the criteria of the ISO 14021:2016 standard.

Outokumpu has implemented suitable accounting methods, which enable the determination of the recycled content based on the considered input materials and produced stainless-steel slabs for the respective accounting period.

Our verification statement solely refers to the declaration on recycled content of stainless-steel slabs of Outokumpu.

This statement is issued in accordance with the agreement reached with the client and within the framework of our validation and verification regulation. The results documented here are based on our internal documentation dated 26 April 2024 for this verification with project no. 3974302.