



# Sustainability Report 2023

Nedfast Holding B.V.

Welcome to our Sustainability Report 2023, which is part of our Annual Report 2023. In conjunction with our Integrated Annual Report, this report provides an informed update on our sustainability activities and performance during the 2023 calendar year.

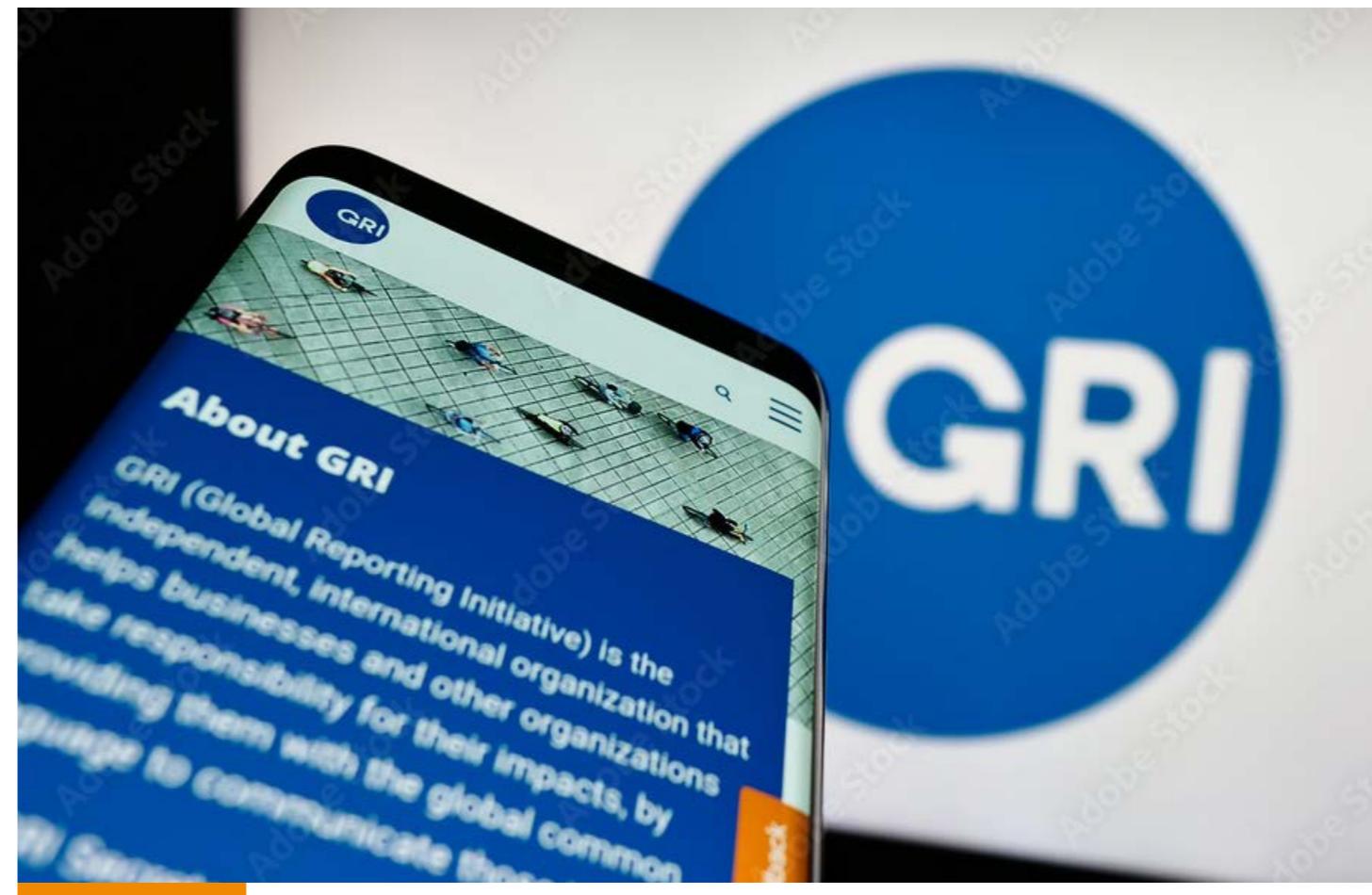
## Introduction

**For the third year in a row, Nedfast Holding B.V. has chosen to publicly disclose the most significant impacts on the economy, environment, and people, including impacts on human rights, as part of the annual report.**

The report was prepared based on the most recent versions of the GRI Standards, and since the GRI Sector Standard for Automotive had not yet been developed, the disclosures from the Topic Standards were used to report information based on the list of material topics.

Nedfast Holding B.V. has reported the information cited in the GRI Content Index for the period 1 January to 31 December 2023. In general, we have reported with reference to GRI Standards, and for some topics and indicators, not covered by GRI, we have used our own criteria. For more details, please refer to the Glossary and Content Index at the end of the report.

Since Nedschroef must comply with the EU Corporate Sustainability Reporting Directive (CSRD) from reporting year 2025, the implementation will be initiated in Q2 2024 with the intention to report 2024 in compliance with CSRD/ESRS.



## Organization

The legal name of the organization is Nedfast Holding B.V. and is commonly known as “Nedschroef”.

Shanghai Prime Machinery Company, which is located in Shanghai, China, has the full ownership of the Nedschroef Group.

The Nedschroef Headquarters is located at Kanaaldijk N.W. 75, 5707 LC Helmond, Netherlands, and Nedschroef is represented in 22 locations in 11 countries over 3 continents.

For detailed information about our Center of Competences (CoCs) and other locations, please visit our website [nedschroef.com](https://www.nedschroef.com).



## ACTIVITIES

Nedschroef operates globally, supplying a wide range of products and services

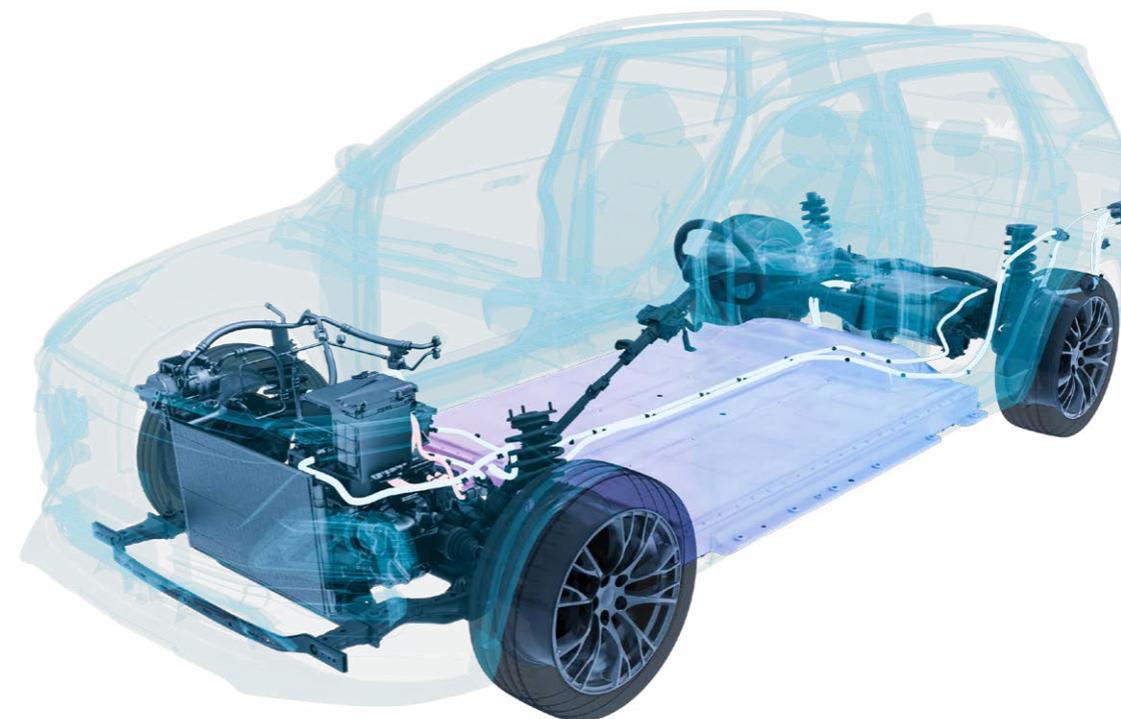
- We provide automotive OEMs (Original Equipment Manufacturers) and their suppliers with the parts they need to manufacture vehicles and vehicle components.
- We provide our customers with advanced engineering services to support the realization of their development projects.
- We develop and implement C-parts management solutions that drive value and reduce costs throughout your supply chain.
- We provide metal parts manufacturers worldwide with premium metal forming machines and tooling solutions.
- We provide aviation OEMs and MROs (Maintenance, Repair, and Operations) with the nuts, bolts, rivets, inserts, and studs they need to manufacture, maintain, repair and overhaul airplanes and their components.

For more information, please visit our website [nedschroef.com](https://nedschroef.com).

Nedschroef mainly sources materials and services from external suppliers in Europe and Asia.

The materials can be categorized into:

- Components of steel, plastic, rubber, etc. for the Automotive and Aviation industry.
- Raw material such as steel wire and sheet metal, semi-finished steel components and plastic parts which are processed in our own operations for the Automotive and Aviation industry.
- Components such as cast iron, steel structures, electrical and hydraulic systems, tools, etc. for our machines and tools manufacturing.



### The services can be categorized into:

- Process-related such as heat treatment, surface treatment, and machining.
- Logistics-related such as transportation, sorting and packaging, and warehousing.

There were no significant changes in the activities, value chain and other business relationships in the reporting period compared to the previous reporting period.

## MEMBERSHIP ASSOCIATIONS

Nederschroef is a member of various national and international industry associations and other associations, the main ones being:

### Deutscher Schraubenverband e.V.

- The Deutscher Schraubenverband e.V. (DSV) represents the interests of the German manufacturers of screws, nuts, and rivets, which belong to the association as proper members. Associated member companies are additionally manufacturers of washers, service providers, machine manufacturers and several university institutes.

### German Association of the Automotive Industry

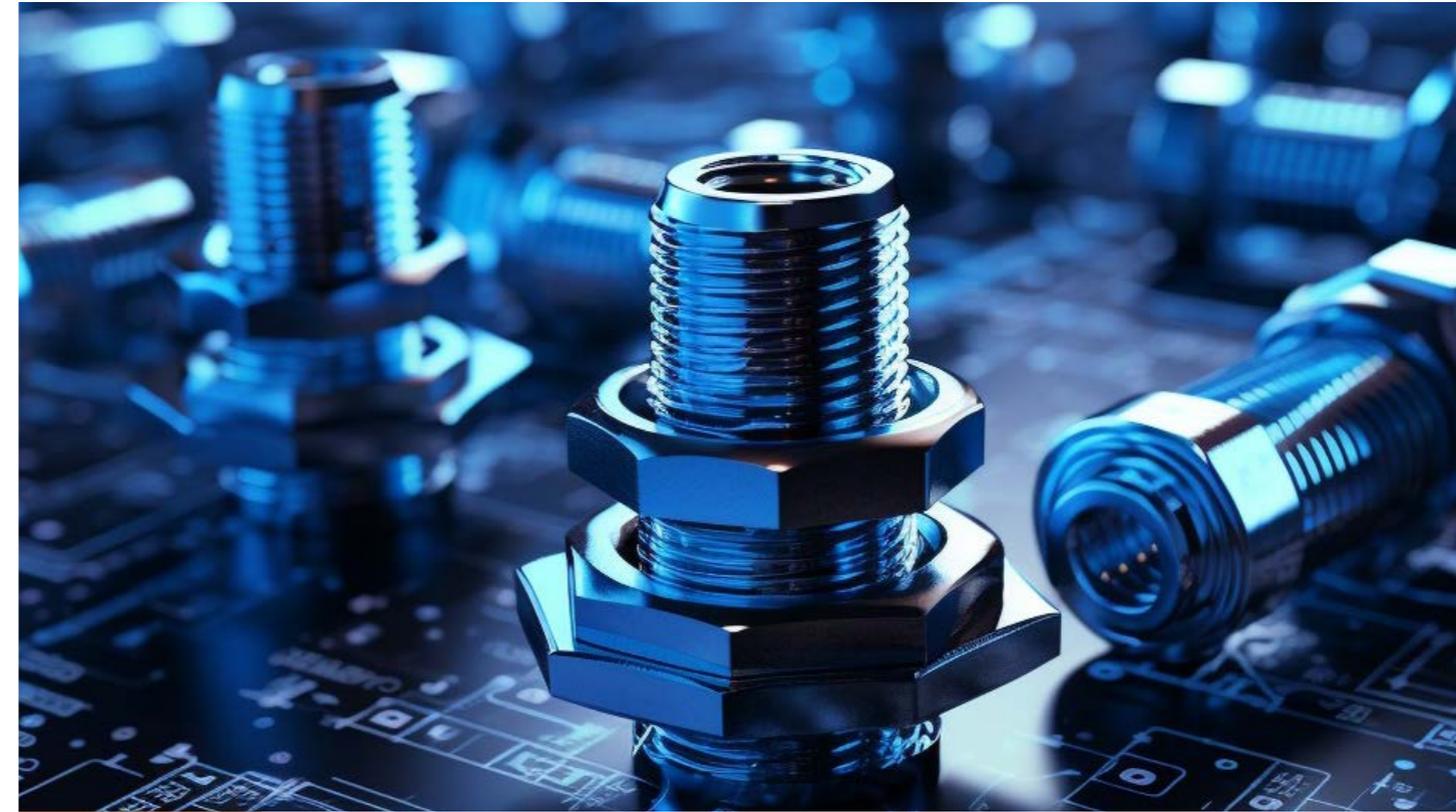
- The German Association of the Automotive Industry or VDA (Verband der Automobilindustrie e.V.) is a German interest group for the German automobile industry, both automobile manufacturers and automobile component suppliers.

### European Industrial Fasteners Institute

- The European Industrial Fasteners Institute is the recognized European industry association representing producers of bolts, screws, washers, nuts, rivets, and other mechanical industrial fasteners.

### German Cold Forging Group e.V.

- The German Cold Forging Group e.V. (GCFG) is an amalgamation of leading companies and scientific institutes for cold forging to promote the technology of cold forging and to further develop it through joint research.

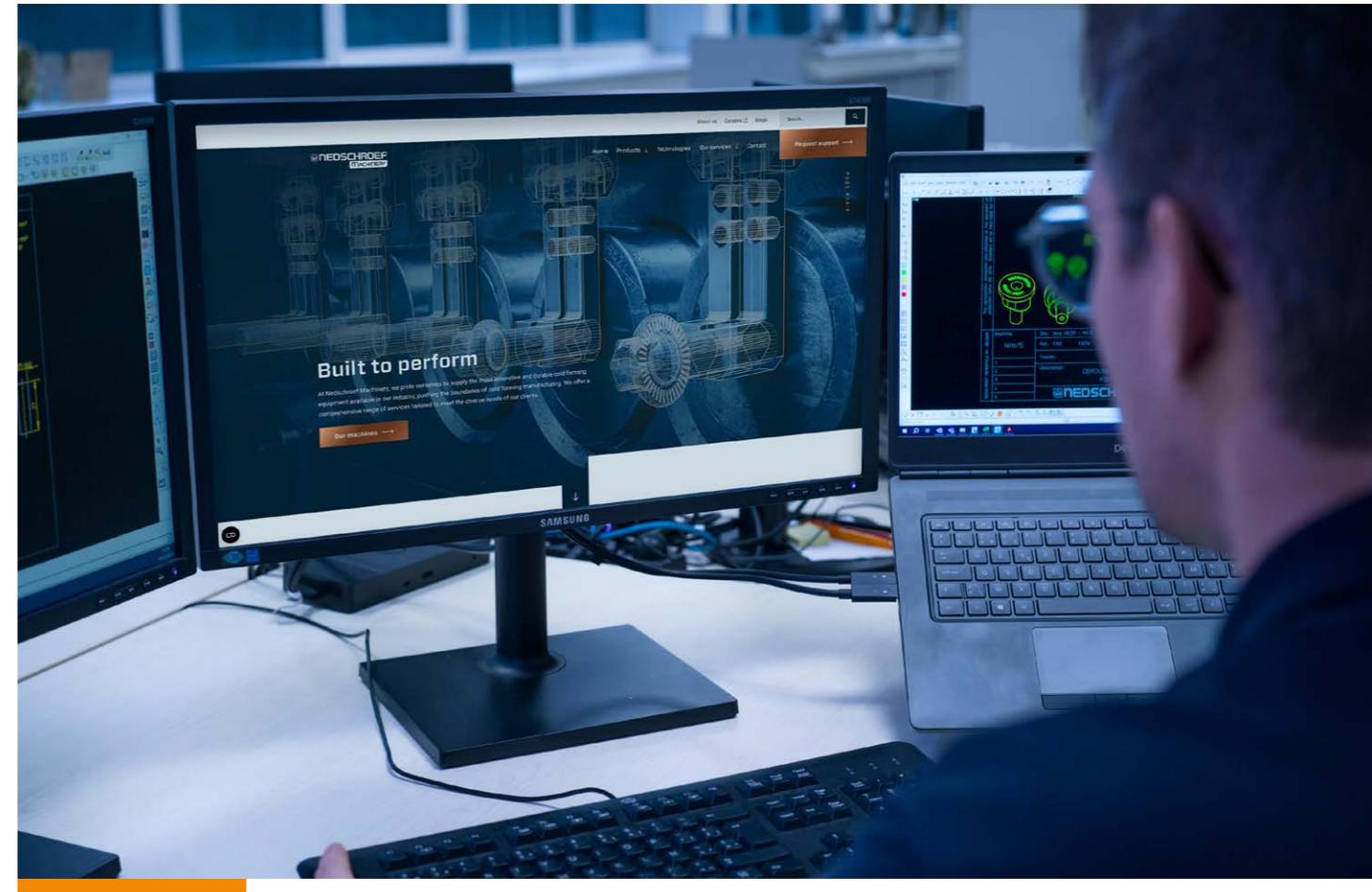


### STAKEHOLDER ENGAGEMENT

Nedschroef recognizes the importance of effective stakeholder engagement. Besides the daily business, it also identifies and considers actual and potentially negative or positive impacts. Whose impact could be economically, environmentally, and socially relevant in both directions – Nedschroef and/or the Stakeholder?

The key stakeholder categories and the most common approach to engagement are shown in the table below.

Stakeholder categories	Description	Approach to engagement
Shareholder	Nedschroef has only one shareholder.	<ul style="list-style-type: none"> <li>- Supervisory Board meetings</li> <li>- Annual reports</li> <li>- Onsite visits</li> </ul>
Customers	Automotive and Aviation industry, and manufacturers of metal forming parts.	<ul style="list-style-type: none"> <li>- Trade fairs and exhibitions</li> <li>- Visits, workshops, and meeting</li> <li>- Audits and surveys</li> <li>- Website and social media</li> </ul>
Suppliers	Products, raw materials, and product-related services	<ul style="list-style-type: none"> <li>- Visits, workshops, and meetings</li> <li>- Audits and interviews</li> </ul>
Employees and representatives	Permanent or temporary, full-time or part-time contracts. Local and central works councils.	<ul style="list-style-type: none"> <li>- MyNedschroef</li> <li>- Townhall meetings</li> <li>- Works Council meetings</li> <li>- Website and social media</li> </ul>
Governments, tax authorities and Civil society	Local and national authorities. Neighbors, universities, and associations.	<ul style="list-style-type: none"> <li>- Onsite visits and meetings</li> <li>- Onsite events</li> </ul>



### SUSTAINABILITY STEERING COMMITTEE

In January 2021, a Sustainability Steering Committee was established, consisting of the Board of Directors and the Global CI Director. The Sustainability Steering Committee is responsible for the development and implementation of the Sustainability Strategy and Sustainability Policy, and for all other aspects relating to sustainability, including preparing for the Corporate Sustainability Reporting Directive (CSRD), for the entire Nedschroef Group.

The Sustainability Steering Committee holds monthly meetings in which ongoing activities and objectives are reviewed and discussed. New trends, legislation and requirements are addressed and, if necessary, new initiatives and actions are initiated.

Considering the context of Nedschroef, including the potential impact of our operations and supply chains on people and the environment, our Sustainability Strategy and Sustainability Policy applies to all Nedschroef companies. This is based on the 3Ps, also often referred to as the triple bottom line (TBL or 3BL), which is a framework with three parts: People, Planet and Profit with which to evaluate our performance in a broader perspective and create greater business value. The strategy and policy relate to how the products, services, and operations within our company and across our supply chain are continually reviewed and improved, enabling us to integrate environmental and social considerations into our everyday practices and make a positive contribution to society.

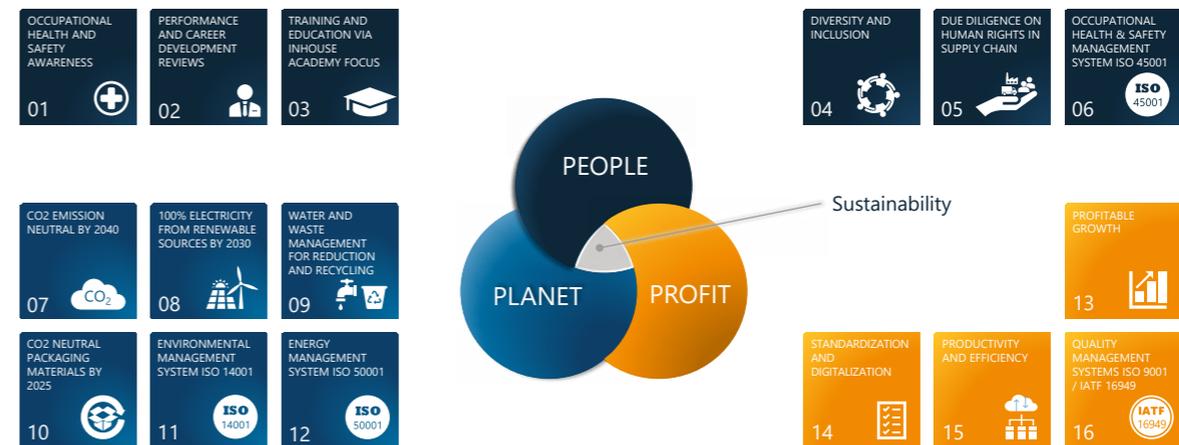
The following summarizes our Sustainability Strategy 2025:

#### Our approach:

- we believe People, Planet and Profit need sustainable solutions
- we want to make tomorrow a better place by implementing sustainable measures throughout the value chain
- our strategy and policy are based on the 3Ps framework, People, Planet and Profit

#### Our initiatives:

## Sustainability – our initiatives



Our objectives include targets, for which the indicators are selected for external assurance:

**TARGETS**

Element	KPI	Unit	2023	2025	2030	2040	2050
People	Work-related injuries	#/1,000 FTE	24	20	15	10	5
People	Near-miss injuries*	#/1,000 FTE	2,976	1,575	1,575	1,575	1,575
People	Training and education	h/1,000 FTE	11,500	15,000	25,000	30,000	35,000
People	Gender diversity of females	%	21,5	25	30	32,5	35
Planet	Scope 1+2 GHG emissions intensity – sales	tCO <sub>2</sub> -eq/M€	54	49	42	0	0
Planet	Electricity from renewable sources	%	84	90	100	100	100

\*targets have been revised for 2024 and beyond.  
The Sustainability Strategy 2025 is due to be updated in 2024 for the coming years.

**Sustainability reporting**

The Board of Directors has appointed the Global CI Director to coordinate the sustainability reporting in close cooperation with relevant internal Managers and Directors.

The progress is reviewed and discussed in the monthly Sustainability Steering Committee meeting, while the final report, including the list of material topics, is reviewed and approved by the Board of Directors. The Board of Directors will also receive a report from PwC with reflections on their observations resulting from the limited assurance engagement on selected non-financial indicators in the Sustainability Report 2023.



## SCOPE OF THE REPORTING

The entities in the financial reporting are consolidated in the sustainability reporting using the principle of financial control. For considerations on Kunshan and Nedschroef Detroit Corporation, see below. A detailed list of entities is available in the financial reporting.

In 2023, Nedschroef Bulgaria was established as a production plant in Stara Zagora and fully consolidated in the Sustainability report. This new facility will support our relocating strategy, by providing capacity to our other fasteners production locations of screws and nuts and will serve as a 100% production facility for those locations, focusing on forging and threading in the first years of its existence. The final process steps of the products involved will remain at their current production locations for the time being.

In 2022, Kunshan became a Joint Venture between Nedschroef and Shanghai Prime Machinery Company and not consolidated in the financial statement of NedFast. However, it is still considered part of the Nedschroef Group and therefore fully consolidated in the sustainability reporting and the revenue of Kunshan is also consolidated in relevant KPI intensities.

As in previous reporting, Nedschroef Detroit Corporation is not included in material topics related to Environment and Energy and Occupational Health & Safety. This is due to its limited impact (no manufacturing) and size (0.3% of total employees) compared with the whole group and if specifically stated in some employee and employment information.

The reporting period is from 1 January to 31 December 2023, which is the same as for the financial reporting.

For any questions about the report or reported information, please send an email to [sustainability@nedschroef.com](mailto:sustainability@nedschroef.com).

No restatement of information from the previous reporting periods has been made in this reporting period.

## EXTERNAL ASSURANCE

The Sustainability Steering Committee decided to seek external limited assurance by PricewaterhouseCoopers Accountants N.V. (PwC) for a small - but rational - number of sustainability KPIs from the Sustainability Strategy 2025. The scope is the same as last year and includes the following indicators:

- Scope 1+2 GHG emissions intensity – sales in tCO<sub>2</sub>-eq/M€
- Electricity from renewable sources in %
- Work-related injuries in #/1,000 FTE
- Near-miss injuries in #/1,000 FTE
- Training and education in h/1,000 FTE
- Gender diversity of females in %

The scope of external assurance will increase in the coming years and include full sustainability information in compliance with the coming CSRD in 2025. The indicators that fall within the scope of limited assurance are marked, in the indicator overview on page 81, with the  symbol.

See section ‘Other information’ for the limited assurance report of PwC, which includes details on scoping and outcomes. PwC also performed an audit on the financial statements for the reporting year, which is available in section ‘Other information’.

## MATERIAL TOPICS

The list of material topics remains the same as in 2022, where the List of material topics from the Sustainability Report 2021 was reviewed according to the 1. Guidance to determine material topics in GRI 3: Material Topics 2021.

Since the GRI Sector Standard for Automotive had not yet been developed, each individual Topic Standard was reviewed and the impact (effect that the organization has or could have on the economy, environment, and people, including on their human rights) was evaluated on the following criteria: Actual, Potential, Negative, Positive, Short-term, Long-term, Intended, Unintended, Reversible, and Irreversible. The Negative and Positive impacts were rated on a scale from None, Low, Moderate to High.

The process of reviewing and determining material topics was performed internally in the organization, with the participation of relevant Managers and Directors. Being closely involved with the stakeholders, they therefore have deep insight into and extensive knowledge of their business activities and priorities. During the process, there was no direct engagement with external stakeholders.

The threshold for reporting was set to Actual and/or Potential impact with a Negative or Positive rating of Moderate or High.

The process to determine material topics and the updated list of material topics were reviewed and approved by the Board of Directors.

#### List of material topics 2023:

<b>GRI 201</b>	Economic Performance 2016	<b>GRI 301</b>	Materials 2016	<b>GRI 401</b>	Employment 2016
<b>GRI 202</b>	Market Presence 2016	<b>GRI 302</b>	Energy 2016	<b>GRI 402</b>	Labor/Management Relations 2016
<b>GRI 204</b>	Procurement Practices 2016	<b>GRI 303</b>	Water and Effluents 2018	<b>GRI 403</b>	Occupational Health and Safety 2018
<b>GRI 205</b>	Anti-corruption 2016	<b>GRI 305</b>	Emissions 2016	<b>GRI 404</b>	Training and Education 2016
<b>GRI 206</b>	Anti-competitive Behavior 2016	<b>GRI 306</b>	Waste 2020	<b>GRI 405</b>	Diversity and Equal Opportunity 2016
<b>GRI 207</b>	Tax 2019	<b>GRI 308</b>	Supplier Environmental Assessment 2016	<b>GRI 406</b>	Non-discrimination 2016
				<b>GRI 407</b>	Freedom of Association and Collective Bargaining 2016
				<b>GRI 414</b>	Supplier Social Assessment 2016
				<b>GRI 416</b>	Customer Health and Safety 2016
				<b>GRI 418</b>	Customer Privacy 2016

## Economic Performance and Tax

### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The key components of Nedschroef's direct economic value generated and distributed for 2023 (as extracted from its audited 2023 consolidated financial statements) are as follows:

		2022	2023
		x € million	x € million
(1) Direct economic value generated	Revenues	644.2*	702.1*
	Revenue from sales of assets	3.6	2.6
	<b>Sub total</b>	<b>647.8</b>	<b>704.7</b>
(2) Economic value distributed	Operating costs (excluding employee costs)	476.5	513.1
	Employee costs	148.0	161.4
	Net finance costs	5.1	13.3
	Current tax charge	1.3	2.5
	Community investments	-	-
	<b>Subtotal</b>	<b>630.9</b>	<b>690.3</b>
(3) Economic value retained (1-2)		16.9	14.4

\* Being Nedschroef's revenues excluding Kunshan's. Revenues including Kunshan's amount to €730.6 million (2022: €676.4 million) after the elimination of intercompany sales.

Nedschroef has various defined benefit pension plans covering a limited number of employees, former employees and retirees in the Netherlands, Germany, Belgium, and France. Generally, the plans are career average or final pay defined benefit plans.

The Nedschroef companies in the Netherlands are covered by the industry pension funds for the mechanical and electrical engineering industries (Metalektro - PME) and the metal and engineering industries (Metaal en Techniek). The pension plans operated by these industry pension funds are classified as defined benefit plans according to the contracts/law, although in the event of a deficit in the industry pension funds Nedschroef is not obliged to make any additional contributions other than higher premiums in the future. In that case, (former) employees also lose the right to indexation of their pension entitlements. The industry pension funds feel that they cannot and are not obliged to provide any information concerning the net pension commitments of their participants according to the method prescribed by IAS 19. Consequently, the plans are recognized in the financial statements as defined contribution plans. With effect from 1 January 2008, Nedschroef is only a member of PME for the basic pension scheme. For the



supplementary scheme (in excess of the salary ceiling of approx. €138k) the company has joined a defined contribution scheme. The other defined benefit pension plans involve mainly the pension obligations to employees in the Netherlands, Germany, and Belgium.

The liability recognized in the balance sheet in respect of the defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. As at 31 December 2023, the carrying amount of Nedschroef's defined benefit obligations was €12.4 million (2022: €12.0 million).

At the end of 2023, the Dutch Metalektro and Metaal en Techniek industrial pension funds had coverage ratios (based on market interest rates) of 113.3% and 109.8% (2022: 111.7% and 108.1%) respectively. These concern the defined contribution arrangements.

Government grants and subsidies received by Nedschroef in 2023 amounted to €0.1 million (2022: nil).

## TAX

Nedschroef aims at a straight-forward uncomplicated compliant tax structure. It does not engage in aggressive tax planning and has a low tax risk appetite. It does not have a presence in tax haven countries and is only present in countries where actual business activities are performed, i.e. countries where the Centers of Competence and the Trade & Services units are located. Reputable tax firms are engaged to regularly render advice, to ensure that the company stays up to date on tax law changes and to assist with tax compliance, including (assistance with) drafting of the annual corporate income tax returns. In Germany and the Netherlands, the countries where Nedschroef has its largest operations, periodical meetings are held with one of the big four firms to discuss future tax developments, tax structure in general and the way forward.

KNH is the main center of the Nedschroef group of companies and as such provides

services for the group companies, including tax management services. The group tax manager reports to the Director Accounting & Reporting. In FY 2019, a Finance Shared Services Center (FSSC) was set up to provide centralized administrative services to the Nedschroef group companies for the key business processes: Purchase to Pay, Order to Cash and Record to Report. End-to-end process descriptions were drafted. The FSSC aims at harmonization and standardization of these processes and the controls currently in place.

Nedschroef has made great strides forward in digitalizing its business processes. Project 'Crown' is being implemented, enabling a "one way of working" via harmonized Enterprise Resource Planning (ERP) processes and a further centralization of part of the general administration and optimization of the FSSC. The FSSC aims at providing on time, complete and accurate information and will enable centralized control and monitoring of tax compliance going forward.

Nedschroef pursues a transparent relationship with the tax authorities. In the Netherlands, the corporate income tax returns filed are discussed in annual meetings with the Dutch tax authorities, in which business updates are provided and the positions taken in the tax returns are further explained. In Germany, important developments are proactively shared with the tax authorities. Nedschroef is not involved in lobbying activities on tax nor a member in trade associations active on tax policy.

The Nedschroef group is part of the Shanghai Prime group, which in turn is owned by Shanghai Electric Holdings Group Co., Ltd. ("SEHG") (formerly known as Shanghai Electric (Group) Corporation). SEHG, a state-owned Chinese enterprise, holds the majority of the shares in the Shanghai Prime group. Based on an agreement with the Tax Authorities of the People's Republic of China, the Master File is prepared at Shanghai Prime group level, including the Nedschroef companies. Nedschroef-related country-by-country reporting is done by SEHG. The Shanghai Prime Master file gives a high-level overview of the Nedschroef group. In addition, detailed local files are drafted.

## Compliance Programs

The Nedschroef Code of Conduct with its Policies & Procedures (“Global Compliance Program”) as well as the related governance/organs, such as the Supervisory Board Committees, the Group Compliance Officer and Human Rights Delegate, the local Compliance Officers and the Whistleblowing hotlines, and the ethics training provided, intends to strengthen the effectiveness of compliance within the Nedschroef Group. The Global Compliance Program describes the governance, roles, and responsibilities, as well as the scope of the Compliance function at Nedschroef Group. The Program also sets out the basic requirements of compliance management for Nedschroef’s businesses within the Nedschroef Group.

Nedschroef employees must conduct themselves in accordance with the spirit, as well as the letter, of the Nedschroef Global Compliance Program and its company policies, guidelines, and procedures. If they are uncertain whether their potential conduct and/or business relationships comply with these company policies, guidelines, and procedures,

or if they are simply unsure about how they should approach an issue, they should follow the procedure for further guidance. If they believe that a crime or other violation of applicable law or Nedschroef policies has occurred or is likely to occur, they have a strict obligation to communicate the facts as they know them.

Nedschroef’s Board of Directors has formally adopted this Global Compliance Program and frequently updates it to meet the requirements of laws, regulations, and sustainability aspects. Overall responsibility of overseeing compliance with this Program has been assigned to Nedschroef’s Compliance Officers.

To promote the reporting of violations, a whistleblower regulation is in place, enabling employees and other protected parties to submit complaints anonymously without fear of the complaints leading to disciplinary action.

### ANTI-CORRUPTION

Nedschroef manages anti-corruption using risk assessment procedures for corruption, based on defined criteria, including interactions with government entities or public officials, the jurisdiction (where the third party is located and where the services are to be performed), the nature of the services that the third party will provide and third-party compensation as well as general due diligence factors. Nedschroef engaged internal audit for the locations where the policy was tested and obtained a positive report. Due diligence with regard to intermediaries (e.g. consultants, distributors, agents, and professional persons) is performed using Dow Jones Risk & Compliance module where appropriate.

Nedschroef ensures that charitable donations and sponsorships (financial and in-kind) that are made to other organizations are not used as a disguised form of bribery by, amongst others, using a low threshold for required BOD approvals in accordance with the Delegation of Authority and by actively visiting its locations and discussing





these matters with the local management teams. These occasions are also used to tailor communication and training on anti-corruption and other relevant matters for employees.

Additional training regarding the Code of Conduct, including Anti-Bribery and Anti-Corruption (ABAC), is given regularly in person and online to all new employees; this

takes place every two months. Where appropriate, these training sessions are also proactively presented to and discussed with the entire team on location by in-house counsel and outside counsel in the local language and English to set expectations and a proper tone from the top.

The operations investigated for corruption risks include all European locations in general, with a focus on key risks imposed by distributors. Significant risks related to corruption were not identified through the risk assessment.

The Supplier Code of Conduct, which includes ABAC policies, has been communicated to all business partners. It is also published on Nedschroef's website and is updated regularly.

There were no confirmed incidents of corruption in the reporting period.

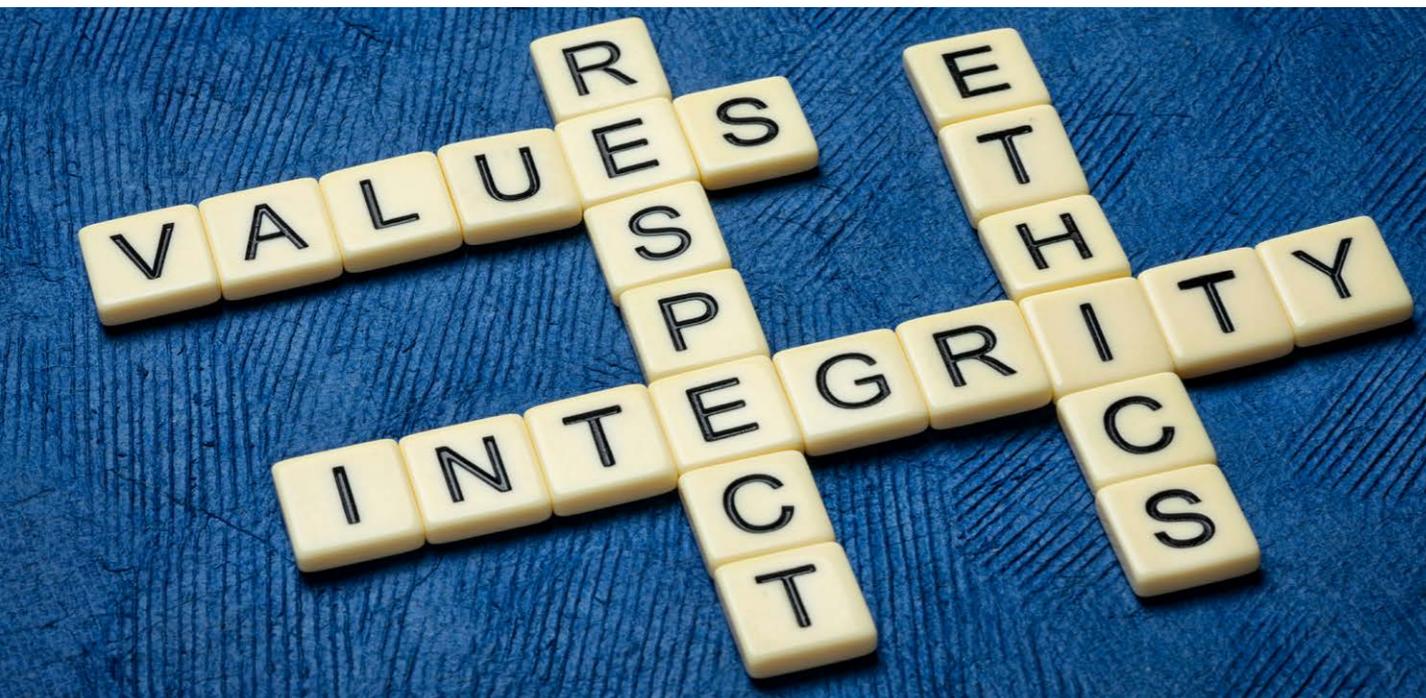
#### **ANTI-COMPETITIVE BEHAVIOR**

Nedschroef actively safeguards against anti-competitive practices to ensure the sustainability of the automotive industry. This proactive stance is driven by our recognition of the real and detrimental consequences that such behavior can inflict on the sector, as exemplified by the truck cartel decisions in 2016 and 2017. We acknowledge the potential ripple effects on the broader economy and society, particularly in terms of elevated prices for trucks leading to increased costs in goods transportation and subsequently impacting consumer prices.

While Nedschroef maintains business relationships with truck manufacturers, we are committed to distancing ourselves from any negative repercussions stemming from their activities. As a dedicated fasteners supplier positioned upstream, we steer clear of involvement in downstream price-fixing practices. Our dedication to ethical business conduct underscores our commitment to sustainability, ensuring that our operations align with principles that prioritize fair competition and prevent adverse consequences for both the industry and consumers.

Nedschroef prohibits anti-competitive behavior in its Code of Conduct and related policies.

Nedschroef's global Compliance program, the antitrust laws, sometimes called fairtrade, anti-monopoly and price fixing laws, prohibits any understanding (whether written, oral, formal, informal or simply tacit) among competitors to (a) fix prices or terms of sale for competing products, (b) divide markets or allocate customers for competing products, (c) supply or refuse to supply particular customers with products, or (d) restrict or increase the production or availability of products or services. The antitrust laws are designed to promote competition.



The 2023 Code of Conduct further reinforces this: Anti-competitive behavior - We will not tolerate any kind of action that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition. This can include fixing prices or coordinating bids, creating market or output restrictions, imposing geographical quotas, and allocating customers, suppliers, geographic areas, or product lines. We will not tolerate any kind of action that can result in collusion to erect barriers for entry to the sector, or to otherwise prevent competition. This can include unfair business practices, abuse of market position, cartels, anti-competitive mergers, and price-fixing.

To manage the topic and related impacts, the Board sets the appropriate tone from the top. In addition, Nedschroef provides in person (virtual onboarding as well as site visits with management team meetings) and online training (through its Academy platform on intranet - Compliance: Competition law via mandatory e-learning).

Nedschroef also rolled out procedures that involve instructions for the reception to collaborate closely with the authorities in the case of investigations and detailed outside counsel training for the directors of the respective locations.

Nedschroef had no pending or completed legal actions during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

## CUSTOMER AND EMPLOYEE PRIVACY

Nedschroef actively manages customer and employee privacy to avoid actual and potential negative impacts on people. Although there are policies and obligations in place, Nedschroef is affected by the negative impacts arising from its business relationships in relation to mainly employee data, through third parties used as service providers (see below for more details).

Measures to prevent or mitigate potential adverse effects include compliance with the principles of lawful processing, respecting data subjects' rights, defining the roles of controller and processor, providing security measures and actively dealing with any personal data breach, conducting and updating data protection impact assessments, using data protection officers, maintaining Codes of Conduct and certifications and, in relation to international data transfers, setting up data transfer agreements, the scope of which depends on the level of protection provided locally.

Measures to mitigate actual negative impacts include cooperating with works councils and the data protection authority, and promptly reporting data breaches to the authorities and affected employees, as well as offering external data protection officers to provide on-site explanations to affected employees in person to remedy negative impacts. Nedschroef uses GRC-BOXX to track the effectiveness of the measures. The company will continue to focus on involving and reviewing all external service providers and contracts with relevance to personal data, such as payroll printing. Internal audit will also focus increasingly on compliance measures, including compliance with the General Data Protection Regulation (GDPR). Nedschroef has appointed an external Data Protection Officer in Germany.

## Employees and employment

HR's mission is to attract, engage, develop, and retain competent employees and to provide them with an inclusive and inspiring work environment that motivates and encourages them to make Nedschroef's vision their own. To do this, Nedschroef wants

to offer its employees the best possible employee journey.

Being a global company, Nedschroef recognizes the value of diversity, inclusion, and equal opportunity, whilst encouraging a culture of open and transparent communication. In order to develop, retain and motivate its employees, Nedschroef continues to invest in the development of its workforce specifically and its HR processes generally. Standardization, digitalization, and harmonization of HR processes are key to prepare Nedschroef for further growth, both on a regional and a global level.

During 2023, existing HR initiatives were further improved, and new initiatives were launched to continue improving the global HR processes. To further improve, standardize and digitalize our core processes, the decision has been made to invest in a new global HR system.

With respect to development, Nedschroef Academy is continuously improving in order to offer training modules that reflect the needs of the Nedschroef organization. These training modules are given in classroom training courses and e-learning modules. Furthermore, Nedschroef regularly offers various online compliance training courses, some of which are embedded in the onboarding program for new employees.

In the more technical subjects, in close cooperation with Engineering (mainly focused on production processes), Nedschroef's R&D specialists train Nedschroef employees on the latest developments in the cold forge technique, which is a key competence for Nedschroef.

For the Nedschroef potentials group, which involves Nedschroef employees endorsed by Nedschroef's personnel development committee (PDC), the corporate development program (CDP) was set up. This is a dedicated program in which assignments and events are organized to motivate and encourage these employees to further develop their talents as a real personal asset for both the employee and for Nedschroef. In 2023, the fifth CDP took place.

Nedschroef strives for more diversity within the company. Diversity comes in many forms like cultural background, age, religion, race, and ethnicity. One of the goals is to have a more balanced ratio between men and women. Because Nedschroef puts priority on diversity, it wishes to increase the percentage of women in the company’s senior management. This will be an ongoing focal point in recruitment policies and will be a monitored global HR KPI through 2024.

In 2023, the Board of Directors also regularly consulted the European and Central Works Councils, devoting specific attention to Nedschroef’s financial results, strategy, and policies. During 2023, a new Central Works Council was created for Germany which represents the majority of our entities in Germany. The Board of Directors thanks both the European Works Council and Central Works Councils for the positive dialogue and their constructive input.



### EMPLOYEES

Nedschroef employed 2,456 full-time equivalents (FTEs) at the end of 2023, which is more compared to 2022 (2,349 FTEs).

Employees by employment contract and gender

	Female	Male	Total
Permanent	335	1,819	2,154
Temporary	90	212	302
Total	425	2,031	2,456
Rate	17%	83%	100%

Employees by employment contract and region

	Europe	Asia	North America	Total
Permanent	1,990	156	8	2,154
Temporary	251	51	0	302
Total	2,241	207	8	2,456
Rate	92%	8%	0%	100%

Employees by age group

	Under 30 years old	30 - 50 years old	Over 50 years old	Total
Total	393	1,230	833	2,456
Rate	16%	50%	34%	100%

### EMPLOYEE HIRES AND TURNOVER

Total average number and rate of new employee hires during the reporting period by gender.

	Female	Male	Total
New employee hires	57	216	273
Rate	21%	79%	100%

Total average number and rate of new employee hires during the reporting period by region.

	Europe	Asia	North America	Total
New employee hires	243	25	5	273
Rate	89%	9%	2%	100%

Total average number and rate of new employee hires during the reporting period by age group.

	Under 30 years old	30 - 50 years old	Over 50 years old	Total
New employee hires	97	152	24	273
Rate	36%	55%	9%	100%

Total average number and rate of voluntary employee turnover during the reporting period by gender.

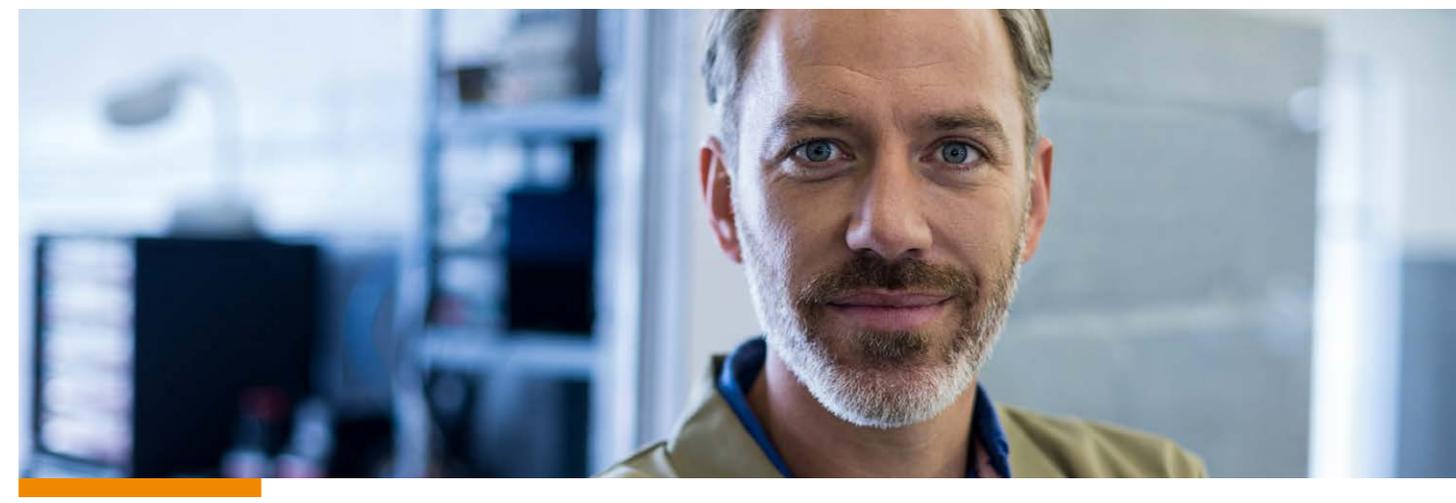
	Female	Male	Total
Employee turnover	39	147	186
Rate	9%	7%	8%

Total average number and rate of voluntary employee turnover during the reporting period by region.

	Europe	Asia	North America	Total
Employee turnover	172	14	0	186
Rate	8%	7%	0%	8%

Total number and rate of voluntary employee turnover during the reporting period by age group.

	Under 30 years old	30 - 50 years old	Over 50 years old	Total
Employee turnover	63	81	42	186
Rate	16%	7%	5%	8%



### BENEFITS AND PARENTAL LEAVE

Offering employees certain benefits is a key factor in retaining them. In most countries where Nedschroef operates, it offers its employees health care benefits, disability and invalidity coverage, parental leave, and retirement provision.

Many countries have introduced parental leave legislation. The aim of the legislation is to allow employees to take leave and return to work in the same or comparable position. Nedschroef encourages both women and men to take leave and return to work. Such parental leave must not have any negative effects with respect to the employees' employment security, remuneration and career path.

### TRAINING AND EDUCATION

By reporting its average hours of training per employee, Nedschroef provides insight into the scale of its investment in training, and the degree to which the investment is made across the entire employee base.

In the context of this report, 'training and education' is defined as:

- all types of vocational training and instruction.
- paid educational leave provided by Nedschroef for its employees.
- training or education pursued externally and paid for in whole or in part by Nedschroef.

Training does not include on-site coaching by supervisors.

Average training hours that Nedschroef's employees have undertaken during the reporting year, by gender. Calculated as total number of training hours provided to employees per total number of employees, by gender.

	Female	Male	Total
Average training hours per employee*	14	19	18

*\*excl. Nedschroef Detroit Corporation.*

Average training hours that Nedschroef's employees have undertaken during the reporting year, per employee category. Calculated as total number of training hours provided to employees per total number of employees, by employee category.

	Blue collar	White collar	Total
Average training hours per employee*	18	18	18

*\*excl. Nedschroef Detroit Corporation.*



Average training hours that Nedschroef's employees have undertaken during the reporting year is calculated as: total number of training hours provided to employees per 1,000 FTE.

Type	Unit	2021	2022	2023
Hours of training and education*	h/1,000 FTE	9,498	12,540	18,114

\**excl. Nedschroef Detroit Corporation.*

Target of 11,500 h/1,000 FTE was met. Training and education in h/1,000 FTE increased by 44,5%.

### PERSONNEL DEVELOPMENT PROGRAMS

Programs for upgrading employee skills allow Nedschroef to plan skills acquisition that equips employees to meet Nedschroef's strategic targets in a changing work environment. More skilled employees boost our organization's human capital and contribute to employee satisfaction, which correlates strongly with improved performance. For those nearing retirement, confidence and quality of work relations is improved by the knowledge that they are supported in their transition from work to retirement.

### NEDSCHROEF'S CDP PROGRAM

The Corporate Development Program (CDP) is an annual corporate talent development program, in which ambitious people from various entities and functions attend training courses and workshops, and network with management and employees across the Nedschroef group.

The purpose of the CDP is to facilitate networking among our employees across the group and to support our talents with personal development for their career as an expert/specialist or manager within the organization.

### TRANSITION ASSISTANCE PROGRAMS

In the coming years, several employees will be retiring. To prevent loss of knowledge and expertise, and to ensure a smooth transition into retirement for the retirees, Nedschroef has established a Retirement Action Plan in each of its entities. Attracting qualified and skilled employees and developing their capabilities and long-term commitment is a significant competitive advantage for a company. The systematic support and development of employees is therefore an important factor for Nedschroef. We believe that keeping track of our employees' performance is crucial to spur everyone towards higher productivity, efficiency, and operational excellence. The performance evaluation process helps us identify development needs and define individual career paths to qualify our people beyond existing expertise.

### PERFORMANCE AND CAREER DEVELOPMENT REVIEW

Personnel development is not only in the interest of the company, we also expect every employee to take the initiative and responsibility to strive towards excellence. Nedschroef always supports personal development and individual career steps.

The percentage of all our employees who received a regular performance and career development review during the reporting period.

Percentage of total employees by gender who received a regular performance and career development review during the reporting period.

	Female	Male
Percentage of total employees*	44%	37%

\**excl. Nedschroef Detroit Corporation.*

Percentage of total employees by employee category who received a regular performance and career development review during the reporting period.

	Blue collar	White collar
Percentage of total employees*	35%	60%

\*excl. Nedschroef Detroit Corporation.

The data was reported by the entities within the group and consolidated by Global HR.

### DIVERSITY AND EQUAL OPPORTUNITY

The following overview provides a quantitative measure of diversity within Nedschroef's organization. Comparisons between broad employee diversity offer information on equal opportunity.

Percentage of employees within the organization by gender

	Female	Male
Percentage of employees	17%	83%

Target of 21.5% was not met.

Percentage of employees per employee category by gender

	Female	Male
Blue collar	9%	91%
White collar	30%	70%

Percentage of employees per employee category by age group

	Under 30 years old	30 - 50 years old	Over 50 years old
Blue collar	17%	50%	33%
White collar	14%	51%	35%

Percentage of employees within the organization's local and central Management level by gender

	Female	Male
Percentage of employees	15%	85%

Percentage of employees within the organization's local and central Management level by age group

	Under 30 years old	30 - 50 years old	Over 50 years old
Percentage of employees	2%	49%	49%

### NON-DISCRIMINATION

Nedschroef will not permit any employee to harass (sexually or otherwise) another employee or to discriminate against another employee, customer, or vendor in any way, including without limitation, by means of ethnic, racial, sexual, or religious remarks, animosity, unwelcome sexual advances, or requests for sexual favors. This is laid down in the Nedschroef Code of Conduct. Nedschroef has a zero-tolerance policy for harassment or discrimination.

The Nedschroef Whistleblowing Arrangement enables employees to express their concerns about possible violations of law or Nedschroef policies without fear of retribution or retaliation of any kind. Besides this formal process, Nedschroef offers established procedures to identify instances of non-compliance, including grievance mechanisms.

### MARKET PRESENCE

Most employees working at Nedschroef are covered by collective bargaining agreements or by similar collective terms of employment agreed with the relevant stakeholders. Consequently, Nedschroef provides wages above the minimum wage, contributing to the economic well-being of the employees. Furthermore, by having collective agreements in place, Nedschroef aims to eliminate inequalities, such as wage gap differences.

Currently, 58% of senior management - local Management teams and Group Directors - are hired from the local communities in the same country as the operations. Reporting the proportion of local management team members and Group Directors hired from the same country as the operations demonstrates the market presence and the ability to understand local needs.

### LABOR/MANAGEMENT RELATIONS

In accordance with the Dutch laws on the European Works Councils (“Wet op de Europese ondernemingsraden”), an agreement for European employees of Nedschroef Group Companies has been signed between representatives of the subsidiaries of Koninklijke Nedschroef Holding B.V. and the other Nedschroef entities within Europe.

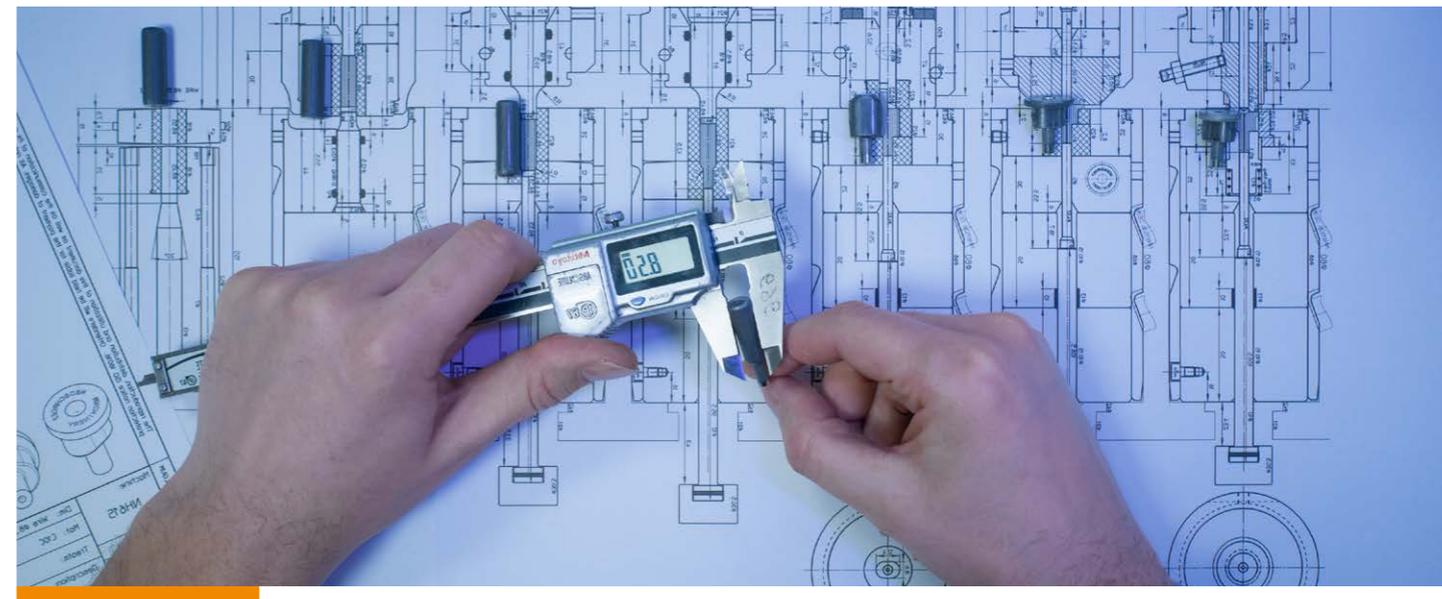
The purpose is to share information and provide an opportunity for consultation in Europe with employees who have been appointed or duly elected to Nedschroef’s European business and transnational operations because they directly affect the interests of employees on a transnational basis as envisioned by the WEOR covered by the agreement.

The European Works Councils will, in a timely fashion, be informed about transnational events which have a significant and major impact on the employment interests of employees covered by the agreement.

### Semi-annual meetings will be held and include matters concerning:

- the structure, economic and financial situation
- the probable development of the business and/or production and sales
- the situation and probable trend of employment, environmental health, and safety
- investments
- substantial changes concerning the organization
- acquisitions or disposals of companies
- introduction of new working methods or production processes, transfers of production

The current agreement was signed in January 2020.



The minimum number of weeks' notice typically provided to employees and their representatives prior to implementing significant operational changes is aligned to local legislation and varies according to the location of operations. For the locations with collective bargaining agreements, the notice period and provisions for consultation and negotiation are specified in collective agreements.

Freedom of association is a human right as defined by international declarations and conventions. In this context, freedom of association refers to the right of employers and workers to form, join and run their own organizations without prior authorization or interference by the state or any other entity. The right of workers to collectively negotiate their terms and conditions of work is another internationally recognized human right. Collective bargaining refers to all negotiations that are conducted between one or more employers or employers' organizations, on the one hand, and one or more workers' organizations (e.g., trade unions), on the other, to determine working conditions and terms of employment or to regulate relations between employers and workers.

Nedschroef is committed to high standards of business ethics and integrity, as reflected in its Code of Conduct. The Code of Conduct applies to all Nedschroef affiliated companies and employees, in which the right to organize is embedded.

Nedschroef recognizes and respects the freedom of employees to choose whether or not to establish or to associate with any organization. Within the framework of (local) law, regulations and prevailing labor relations and employment practices, Nedschroef respects the right of its employees to be represented by labor unions and other employee organizations, and will engage in negotiations, either on its own behalf or through employers' associations, with a view to reaching agreement on employment conditions.

Nedschroef's Supplier Code of Conduct is a natural extension of the Code of Conduct and reflects its desire to extend its commitment to high standards of business ethics and integrity to its Suppliers and their affiliates, officers, directors, agents, employees, representatives, subcontractors, and consultants (the "Supplier"). The Supplier Code of Conduct is therefore made available to our Suppliers with the aim of strengthening our mutual understanding of how sustainable business should be practiced on a day-to-day basis.

The Supplier Code of Conduct describes the requirements to which we expect our suppliers to adhere, and which should be our common daily working practice.

35% of all the employees are covered by collective bargaining agreements. However, in the individual entities, the proportion can vary between 0-100%. For employees who are not covered by a collective bargaining agreement, local agreements for working conditions and terms of employment are in place for individual employees and/or groups of employees. The agreements are generally based on elements from other local or national collective bargaining agreements from related industry sectors.

## Procurement practices and Supplier assessment

### PROCUREMENT PRACTICES

For Nedschroef, optimal collaboration with its suppliers is crucial and the long-term strategy is to continuously improve the processes and thus reduce waste.

Nedschroef monitors its suppliers on a regular basis and shares its findings with all its suppliers to promote a dialogue and find a way to achieve improvements together. Suppliers with below-average ratings will be measured quarterly to prompt appropriate actions/improvements.

Measurements are made on four key criteria, being product/service quality (avoid waste/rework), logistics allowing stable planning, commercial aspects (price and communication) and environmental responsibilities/action.

Operating in different countries in Europe as well as in Kunshan, China, Nedschroef defines sourcing locally as follows:

- European plants: when sourced from within the European continent and for China when sourced from People’s Republic of China, Republic of China and/or Hong Kong.
- Based on an overview, about 85% of our purchase spend is sourced in local regions.
- Volumes not sourced locally are purposely supplied by water. We bring goods in from Taiwan, Indonesia, and Turkey in Asia, but in all cases, we arrange logistics through containers/by vessel.

### SUPPLIER MANAGEMENT SYSTEM

The Nedschroef “Supplier Management System“ explains in detail what we expect from our suppliers and vice versa and shows how to achieve our mutual goals.

A four-layer system has been established and the supplier is ranked based on the most critical component or service rendered. The more the supplier is involved in the overall performance and success, the higher the requirements. The following ranking applies.

		CODEX (Code-of-conduct)	NDA & IT- Safety Self Assessment	Fullfill location specific requirements (ISO 14001 & ISO 45001 & 50001)	Min. ISO 9001, Preferred IATF validation.
STANDARD	All Suppliers for common products/services	✓			
CONFIDENTIAL	All suppliers having acces to confidential information	✓	✓		
ON SITE	Suppliers executing work/maintenance at Nedschroef	✓	✓ NDA only	✓	
CRITICAL	All suppliers influencing our end-product quality and/or Service	✓	✓	✓	

 Ongoing evaluation

As part of the Supplier Selection and Approval process, “Critical” suppliers will be analyzed, and a decision taken for Risk Classification based on the Supplier Selection Questionnaire. Besides topics like Quality Management System, Special Processes and Quality Process Elements, this also includes Environmental Management System, Energy Management System and Occupational Health & Safety Management. As part of the Supplier Classification and Performance Measurement process, “Critical” suppliers are classified based on the performance measurement system. Besides topics like Purchasing/commercial, Quality and Logistics, this also includes Energy, environment, and safety behavior.

Besides screening new suppliers, all relevant or existing suppliers are checked with respect to their environmental impact at least once a year. Given our strategy to engage and improve with current suppliers, we minimize our need for additional suppliers. Should a need for new products and/or services arise, we will initially check whether our current supply chain can fulfill these new requirements.

The biggest environmental impact overall is clearly our high utilization of steel. With around 50% based on blast-furnace routing (the other 50% is already scrap-based), our focus is to reduce our technical and commercial dependence on blast-furnace routing. Discussions were initiated and testing started with a blast-furnace supplier to also become scrap-based. Because we almost exclusively use normal steel which is vulnerable to rust, our products are coated to extend their life and withstand corrosion. Such coating operations are executed by audited/specialized companies. The focus here is to reduce the actual 40 companies involved by 50% and only involve local companies to reduce transport requirements and create bigger volumes per supplier for increased efficiency.

Both suppliers mentioned earlier were started up within Nedschroef in Western Europe and are fully aware of Nedschroef's Supplier Code of conduct as published on our website.

To ensure flexibility in upgrading our code, when embarking on business with Nedschroef, we advise our suppliers to agree fully to our Supplier Code of Conduct.

Nedschroef operates in an asset-rich environment with high technical expertise and relatively low labor-related costs.

As such, our suppliers are not located in so-called low-cost countries, but tend to be based in developed areas like Europe, Turkey, Republic of China. Again, these companies have passed quality audits, minimum ISO 9001 but mostly IATF 16949.



## Environmental and Energy

Nedschroef is certified in accordance with ISO 14001 Environmental Management System and ISO 50001 Energy Management System. These are standards developed by the International Organization for Standardization (ISO) that enable organizations to continuously improve their environmental and energy management practices. By implementing those standards, Nedschroef effectively manages environmental and energy aspects, and reduces its environmental footprint whilst meeting or exceeding expectations in all areas of concern outlined in ISO 14001 and 50001.

A Cross Company Group Environment and Energy has been established with representatives from all locations. Monthly meetings are held aimed at contributing to standardization, sharing best practices, and exchanging lessons learned.

### GHG EMISSIONS ABSOLUTE

The approach for consolidating Direct (Scope 1) and Energy indirect (Scope 2) GHG emissions are in accordance with the “GHG Protocol Corporate Standard”.

Direct (Scope 1) GHG emissions are defined as emissions coming from non-renewable and renewable fuel for usage mainly in furnaces, heaters, generators, and vehicles owned or controlled by Nedschroef.

Energy indirect (Scope 2) GHG emissions are defined as emissions coming from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Nedschroef.

The GHG emissions are calculated based on the consumption of non-renewable and renewable fuel, and the purchase of electricity and heating, sourced from invoices,

meters and/or web portals in the entities. Where possible, local conversion factors to CO<sub>2</sub>-eq are used. Otherwise, generic conversion factors are used from “UK Government GHG Conversion Factors for Company Reporting”, which include the seven main GHGs that contribute to climate change, as covered by the Kyoto Protocol. The conversion factors for diesel and petrol are based on “average biofuel blend” per liters.

No GHG trades or Other indirect (Scope 3) GHG emissions are included in the calculations, and Energy indirect (Scope 2) GHG emissions are market-based.

2020 is the base year for the calculation of Scope 1 and Scope 2 since this was the first year for calculating the GHG emissions in accordance with the “GHG Protocol Corporate Standard” and not based on assumptions and estimations.

One of the objectives in the Sustainability Strategy is to be CO<sub>2</sub> emission neutral by 2040. Since 2020, several entities increased the share of purchased electricity from renewable sources, mainly from wind and solar. This had a significant impact on reducing the Energy indirect (Scope 2) GHG emissions.

Type	Unit	Base year 2020	2021	2022	2023
Direct (Scope 1) GHG emissions	tCO <sub>2</sub> -eq	17,346	19,652	18,726	19,174
Energy indirect (Scope 2) GHG emissions	tCO <sub>2</sub> -eq	19,114	9,327	8,896	6,691
Scope 1+2 GHG emissions	tCO <sub>2</sub> -eq	36,460	28,979	27,622	25,865

Target of 28,126 tCO<sub>2</sub>-eq was met. Scope 1+2 GHG emissions fell by 6.5% due to significant increase of electricity from renewable sources.

In 2022, Nedschroef launched a pilot to collect data to calculate Other indirect (Scope 3) GHG emissions. The approach for consolidating the emissions is in accordance with the “GHG Protocol Corporate Standard” and “Corporate Value Chain (Scope 3) Standard”.

After identifying relevant Scope 3 activities, the boundaries were set as upstream activities with significant contribution, outsourced activities previously performed in-house, or those that are typically performed in house by other organizations in the same sector and where Nedschroef can achieve or influence potential reductions. The following upstream categories were selected for the pilot:

- Purchased goods and services
  - Materials used for manufacturing products, e.g., various types of steel, stainless steel, aluminum, purchased finished or semi-manufactured goods or parts and purchased tools.
  - Outsourced coating and heat treatment.
- Upstream transportation and distribution\*
  - Goods from suppliers.
  - Goods to and from service providers.
- Business travel\*
  - Travel to and from Nedschroef entities, suppliers, customers, and other stakeholders.

\* *in vehicles not owned or controlled by Nedschroef.*

The GHG emissions are calculated based on the material usage, reports from logistic providers or manual calculations of transportation. So far, generic conversion factors have been used, which includes the seven main GHGs that contribute to climate change, as covered by the Kyoto Protocol.

No GHG trades or Energy indirect (Scope 2) GHG emissions are included in the calculations.

Type	Unit	2022	2023
Other indirect (Scope 3) GHG emissions	tCO <sub>2</sub> -eq	341,586	346,223

Target not set yet.

### GHG EMISSIONS INTENSITY

The GHG emissions intensity ratios are calculated based on absolute Direct (Scope 1) and Energy indirect (Scope 2) GHG emissions as described above, in relation to total sales and total usage of metal used for manufacturing products e.g., various types of steel, stainless steel, aluminum, purchased finished or semi-manufactured goods or parts.

Both GHG emissions intensity ratios can be influenced by several factors, such as price development, product mix and outsourcing.

One of the objectives in the Sustainability Strategy is to be CO<sub>2</sub> emission neutral by 2040. Since 2020, several entities have increased the share of purchased electricity from renewable sources, mainly from wind and solar. This had a significant impact on reducing the GHG emissions intensity ratios. High inflation has impacted sales by compensation from the customers.

Type	Unit	2021	2022	2023
Scope 1+2 GHG emissions intensity – sales	tCO <sub>2</sub> -eq/m€	48.7	40.8	35.4
Scope 1+2 GHG emissions intensity – metal	tCO <sub>2</sub> -eq/t	0.21	0.22	0.21

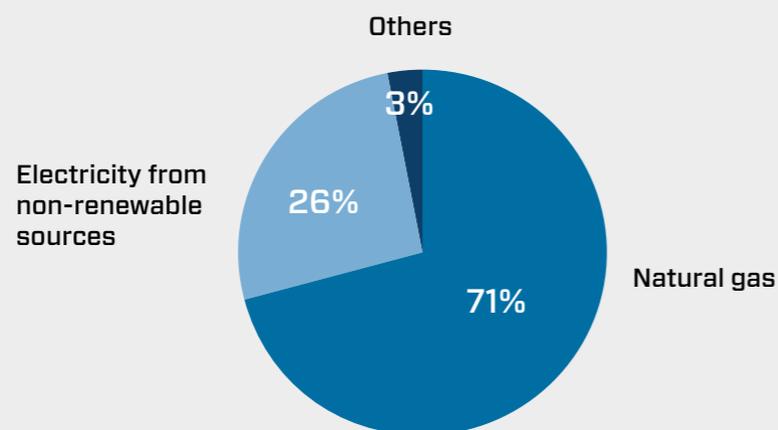
Target of 54 tCO<sub>2</sub>-eq/m€ and 0.25 tCO<sub>2</sub>-eq/t was met. Scope 1+2 GHG emissions intensity – sales fell by 13% due to significant increase of electricity from renewable sources and sales price compensation for inflation.

### GHG EMISSIONS REDUCTION

To achieve the objective to be CO<sub>2</sub> emissions neutral by 2040, it is necessary to work continuously on reducing CO<sub>2</sub> emissions. The two most significant contributors are:

- Natural gas for manufacturing processes and room heating.
- Electricity for manufacturing processes and building/office activities.

#### Scope 1+2 GHG emission contributors 2023:



### NEDSCHROEF INCREASES SHARE OF ELECTRICITY FROM RENEWABLE SOURCES

During the European energy crises in 2022, which in some cases resulted in record high prices, some contracts were renegotiated with less share of electricity from renewable sources.

In 2023 Q1, the contracts were renegotiated again and all contracts in Germany were changed to 100% renewable sources, which means that all production locations in German, The Netherlands and Demark are now using 100% electricity from renewable resources.

In Kunshan the solar panels were taken into operation and the share of electricity from renewable sources increased from 30% to 50%, while Trade & Service in France and Spain also increased the share to 55% and 85% respectively.

All this was aimed at achieving the strategy to reach 90% by 2025 and 100% by 2030.

### NEDSCHROEF RELEASED NEW CAR POLICY WITH FOCUS ON ELECTRIC AND PLUG-IN HYBRID VEHICLES

The new car policy exclusively endorses electric vehicles (EV) and plug-in hybrid vehicles (PHEV) for the company fleet and emphasizes Nedschroef’s unwavering dedication to a greener future.

Moreover, the policy goes one step further by encouraging PHEV utilization, dictating that if an employee selects a PHEV, they must ensure the car is charged as much as possible. By prioritizing PHEVs as the preferred option, Nedschroef seeks to maximize the utilization of electric energy and minimize reliance on fossil fuels.

By eliminating traditional fuel-powered vehicles, Nedschroef aims to reduce its carbon footprint by up to 700 tCO<sub>2</sub>-eq per year while contributing to the global efforts to combat climate change.

## WASTE GENERATED

The weight of waste generated is sourced from waste transfer notes, waybills/receipts, portals and/or invoices from externally contracted waste contractors, ensuring that the waste is properly disposed of outside the organization. The waste generated is divided into two main categories:

Hazardous waste is waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or which is considered hazardous by national legislation e.g., European Waste Catalogue, and is marked with a star in the waste code, for example: 150202\*, such as:

- Waste oil and emulsions from manufacturing processes
- Water contaminated with oils from cleaning machines and floors
- Absorbents, filter materials (including oil filters), wiping cloths, protective clothing contaminated by hazardous substances
- Carbon-based linings, other linings, and refractory materials from heat treatment equipment
- Sludge and filter cake from water treatment equipment with chamber filter presses

Non-Hazardous waste, which is waste that is not considered hazardous, such as:

- Metal scrap from manufacturing processes
- Wood pallets, cardboard, paper, and plastics
- Residual waste

No effluent is included in compiling the information.

Type	Unit	2022	2023
Hazardous waste diverted from disposal (preparation for reuse, recycling and other recovery operations)	tons	2,758	3,043
Non-Hazardous waste diverted from disposal (preparation for reuse, recycling and other recovery operations)	tons	8,167	8,519
<b>Total waste diverted from disposal</b>	<b>tons</b>	<b>10,925</b>	<b>11,562</b>
Hazardous waste diverted to disposal (incineration with or without energy recovery and other disposal operations)	tons	465	461
Non-Hazardous waste diverted to disposal (incineration with or without energy recovery and other disposal operations)	tons	621	1,344
Hazardous waste diverted to disposal (landfilling)	tons	0	0
Non-Hazardous waste diverted to disposal (landfilling)	tons	51	26
<b>Total waste diverted to disposal</b>	<b>tons</b>	<b>1,136</b>	<b>1,831</b>
<b>Total waste generated</b>	<b>tons</b>	<b>12,061</b>	<b>13,393</b>

Total waste generated increased by 11%. More insights and analysis of data sources needed to initiate actions to reduce generation of waste per type.

## WATER WITHDRAWAL ABSOLUTE

The water withdrawal from various areas is sourced from invoices, meters and/or portals in the entities, and the two most significant withdrawals originate from:

- Surface water, which is used to cool the manufacturing processes.
- Third-party water, which is used for all other purposes, e.g., drinking, washing, and cleaning.

Type	Unit	2021	2022	2023
Surface, Ground and Produced water	m <sup>3</sup>	212,571	261,775	113,270
Third-party water	m <sup>3</sup>	40,463	39,847	47,100
<b>Total water withdrawal</b>	<b>m<sup>3</sup></b>	<b>253,034</b>	<b>301,622</b>	<b>160,370</b>

Total water withdrawal decreased significantly mainly due to the fact that 2022 was affected by an incident, where a pipeline leaked approximately 70,000 m<sup>3</sup> surface water for process cooling in one of the manufacturing locations and another manufacturing location successfully optimized/reduced the usage of surface water for process cooling.

The individual water withdrawals per entity can be allocated to the 5 water stress categories in accordance with the World Resources Institute “Aqueduct Water Risk Atlas”. This is a publicly available, global database and interactive tool that maps indicators of water-related risks. Aqueduct enables comparison across large geographical areas to identify regions or assets deserving closer attention.

Type	Unit	2021	2022	2023
Low	m <sup>3</sup>	10,479	7,848	8,484
Low-Medium	m <sup>3</sup>	311	310	2,046
Medium-High	m <sup>3</sup>	48,193	118,752	30,312
High	m <sup>3</sup>	192,975	173,893	105,877
Extremely High	m <sup>3</sup>	1,076	819	13,651
<b>Total water withdrawal</b>	<b>m<sup>3</sup></b>	<b>253,034</b>	<b>301,622</b>	<b>160,370</b>

One location shifted from Medium-High to Low-Medium and two locations shifted from High to Extremely High.

## WATER WITHDRAWAL INTENSITY

The Water withdrawal intensity ratio is calculated based on absolute Water withdrawal as described above, in relation to total sales and total usage of metal used for manufacturing products e.g., various types of steel, stainless steel, aluminum, purchased finished or semi-manufactured goods or parts.

Both Water withdrawal intensity ratios can be influenced by several factors, such as price development, product mix and outsourcing.

Type	Unit	2021	2022	2023
Water withdrawal intensity – sales	m <sup>3</sup> /m€	425	446	219
Water withdrawal intensity – metal	m <sup>3</sup> /t	1.83	2.40	1.29

Target of 488 m<sup>3</sup>/m€ was met. Water withdrawal intensity – sales decreased by 51% due to the fact that 2022 was affected by an incident, where a pipeline leaked approximately 70,000 m<sup>3</sup> surface water for process cooling in one of the manufacturing locations and another manufacturing location successfully optimized/reduced the usage of surface water for process cooling.

**WATER DISCHARGE**

Nedschroef’s products do not contain any water, so all water withdrawals are either evaporated, discharged back to the sources (rivers and canals) or discharged to third parties via sewers or tanks.

**MATERIAL USAGE**

Nedschroef’s primary products are made of metal such as various types of steel, stainless steel, and aluminum, which are either processed internally or purchased as finished or semi-manufactured goods or parts. Some special products also have various types of plastic components attached.

Nedschroef does not use any natural resources, such as ores or minerals, directly in the manufacturing processes, and the materials used for the products consist of approx. 50% of recycled material. Manufacturing scrap is sold to a third party for 100% recycling.

The highest usage of associated process materials involves various mineral oils for manufacturing processes e.g., forming, quenching in heat treatment, and machine lubrication. Afterwards, used oils are sold to a third party for recycling.

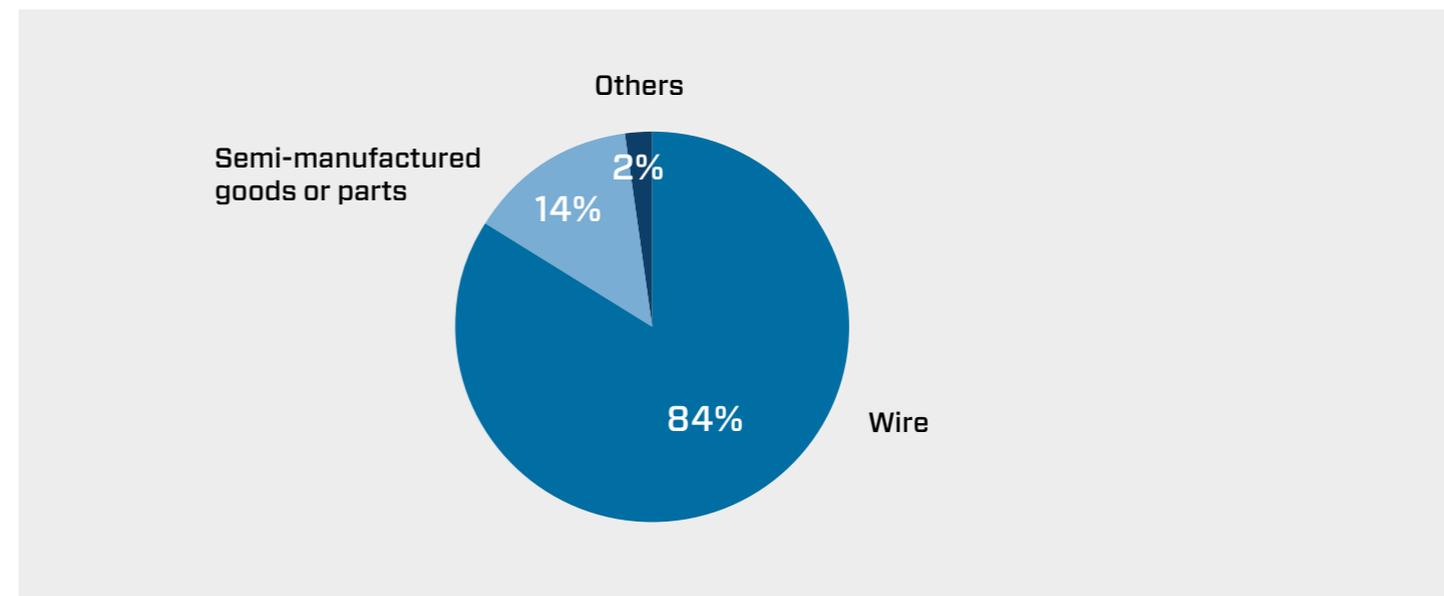
The products are either delivered in plastic KLT containers (from German: Kleinladungsträger), which are standardized returnable containers originally developed by the automotive industry, or in corrugated cardboard boxes. The KLT containers are reused again and again, and the cardboard boxes are 100% recyclable.

The consumption of metal and oils are sourced from measurements in the entities.

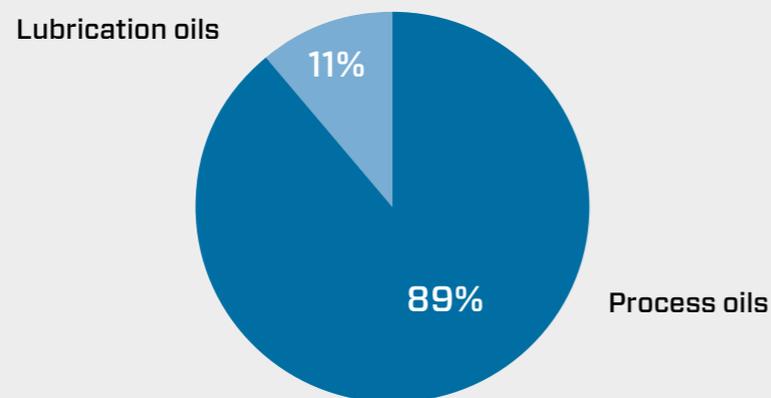
Type	Unit	2021	2022	2023
Metal	t	135,591	125,627	124,528
Oils	t	1,290	1,021	1,150

No significant change in the consumption of metal and 12% increase in oils (process oils) due to maintenance and installation of heat treatment lines.

Metal types 2023:



Oil types 2023:



### ENERGY CONSUMPTION

The energy consumption of various types is sourced from invoices, meters and/or portals in the entities and the two most significant consumptions originate from:

- Natural gas for manufacturing processes and room heating.
- Electricity for manufacturing processes and building/office activities.

Type	Unit	2021	2022	2023
Natural gas	MWh	101,269	89,143	90,583
Electricity	MWh	63,851	62,356	65,864
Other sources	MWh	2,897	3,767	4,451
Total energy consumption	MWh	168,017	155,266	160,898

Total energy consumption increased by 3.6%. Fuel for company cars has increased

since the end of the pandemic and electricity is increasing to its highest level in 3 years, due to the transition from gas-powered heat treatment lines. Natural gas consumption increased slightly due to challenging utilization of heat treatment lines.

Apart from a few emergency generators connected to heat treatment lines, which are powered by fuel and included in “Fuel from non-renewable sources”, Nedschroef does not consume or sell any self-generated electricity.

Where possible, local conversion factors are used for the calculations. Otherwise, generic conversion factors are used.

Type	Unit	2021	2022	2023
Fuel from non-renewable sources	MWh	104,165	92,061	93,972
Fuel from renewable sources	MWh	696	806	645
Electricity and heating from non-renewable sources	MWh	15,818	19,108	13,329
Electricity and heating from renewable sources	MWh	47,338	43,291	52,952
Total energy consumption	MWh	168,017	155,266	160,898
Energy from renewable sources	%	28.6	28.4	33.3

Total energy consumption increased by 3.6% and Energy from renewable sources increased by 17.3%, due electricity contracts were negotiated and all contracts in Germany were changed to 100% renewable sources.

One of the objectives in the Sustainability Strategy is 100% electricity from renewable sources by 2030. Since 2020, several entities have increased the share of purchased electricity from renewable sources, mainly from wind and solar, which had a significant impact on achieving the target.

Type	Unit	2021	2022	2023
Electricity from renewable sources	MWh	48,033	43,248	52,535
Total electricity	MWh	63,851	62,356	65,864
Electricity from renewable sources	%	75.2	69.4	79.8

Target of 84% was not met. Electricity from renewable sources increased by 15% to 79.8. In 2023 Q1, contracts were negotiated and all contracts in Germany were changed to 100% renewable sources.

### ENERGY INTENSITY

The energy intensity ratios are calculated based on the total energy consumption from renewable and non-renewable sources within the organization, in relation to total sales and total usage of materials made of metal, e.g., various types of steel, stainless steel, aluminum, purchased finished and semi-finished goods or parts to manufacture Nedschroef's primary products.

Both energy intensity ratios can be influenced by several factors, such as price development, product mix and outsourcing of products and processes.

Type	Unit	2021	2022	2023
Energy intensity - sales	kWh/m€	282,321	229,548	220,227
Energy intensity - metal	kWh/t	1,239	1,236	1,292

Energy intensity - sales decreased by 4.1% mainly due to sales price compensation for inflation. Energy intensity - metal increase by 4.5% due to challenging utilization of heat treatment lines.

### ENERGY REDUCTION

Reduction of energy consumption is a continuous improvement process, which is the responsibility of the local entities. In 2023, numerous small and mid-size initiatives were implemented, such as:

- Replacement of light bulbs to LED and installation of motion detectors.
- Installation of heating thermostat controls.
- Improvement of insulation of heat treatment lines.
- Optimization of the utilization of the heat treatment lines.

### Occupational Health and Safety

Health & Safety has always been a major topic at the top of the agenda at Nedschroef. In addition, an active Group Director for Safety, who is responsible for the future development and improvement of Health & Safety within the company has been established to drive and implement what has been defined in the Nedschroef Agenda 2025. The management of Cross Company Group Safety (CCG Safety), regular site inspections and internal audits are also essential components of his brief.

The specific occupational health and safety goals that are set for each location are based on an overall strategy that includes our occupational health and safety guidelines and occupational safety strategy, as well as the results of audits and reviews.

By promoting a safety culture for all employees, measured by a variety of indicators, such as number of reported work-related illnesses, accidents, Near-miss injuries and a yearly safety culture self-assessment, together with ISO 45001 certification, awareness of Health & Safety within the company will increase.

Whether it concerns ergonomic workplace design, health maintenance programs or occupational safety training, the Group's overarching goal is to avoid health risks and maintain its employees' health over the long term. Because only satisfied and healthy

employees can realize their full potential and thus contribute to the success of the Nedschroef Group.

The Board of Directors and senior management are ultimately responsible for Health & Safety. Managing Directors report to the Board of Directors during a weekly online staff call. Health & Safety is always top priority at these meetings and all extraordinary events and accidents are discussed and lessons learned shared

Moreover, Health & Safety is an integral part of our management system.

In 2023, all Nedschroef production locations were successfully certified or re-certified according to ISO 45001, the only exception being Nedschroef Machinery in Herentals, where ISO 45001 certification has not been planned yet.

Nedschroef maintains a multi-site certification for the Holding, the Automotive production locations and some additional Nedschroef locations.

All work-related accidents and incidents of sufficient severity are discussed at group meetings by the CCG Safety with the goal of learning from each other and implementing lessons learned overall in the Nedschroef subsidiaries. Other key topics include, but are not limited to, the establishment of Health & Safety standards, including specification of personal protective equipment, safer tools, and the holding company's permit allowances for carrying out hazardous heat-related work.

The Health & Safety regulations applicable in respective countries are implemented and, depending on the country, supplemented by domestic corporate requirements. It is important that all production sites adhere to the same high Health & Safety standards, even if they are more rigorous than country-specific, legal standards in the respective countries.

The management of hazardous substances, implementation of risk assessments, a daily "line walk" and "layered process audit" at many locations are all aspects of our Health & Safety culture.

Quarterly occupational Health & Safety committee meetings are yet another tool we use to ensure that employees have a say at the individual locations. The managing director, one or two employee representatives (works council), the heads of departments, a work safety specialist, company doctor and two safety officers are usually represented here. At such meetings, all Health & Safety issues are discussed, and recommendations made. With the participation of the Managing Directors, executive decisions can also be taken.

At Nedschroef, we have an active safety culture which aims to increase awareness of Near-miss injuries including hazards, being unsafe situations or unsafe behavior, amongst all Nedschroef employees. Individual sites are encouraged to increase the number of reported Near-miss injuries. The Holding company contributes to achieving the goals through various harmonization efforts and ensures exchange of lessons learned.

Each location is required to conduct regular risk assessments. Risk assessments are part of the approval checklist of investment analysis.

In the case of accidents, regardless of whether the accident was caused by the company's own employees, employees of personnel service providers or external manual workers, departmental managers carry out an internal accident investigation. Accidents are thoroughly investigated to determine their causes and establish appropriate corrective measures. Each Lost Time Accident is reported and discussed with the managing directors of the production sites via the weekly staff call.

Despite our best efforts, we acknowledge that we can only report on security incidents that are reported in accordance with all the procedures outlined above and that are supported by a strong security culture. There is an inherent shortfall in that security incidents may not be fully reported, especially when they are Near-miss injuries. As part of our reporting on lost-time accidents and Near-miss injuries, we strive to reduce the risk of under-reporting to a negligible level.

The international, corporate policy on occupational health and safety bindingly describes tasks, duties, necessary bodies, and communication requirements for all controlled and consolidated Group companies. This policy calls for the creation, operation and continuous improvement of an occupational health and safety (OHS) management system, which is substantively based on the ISO 45001 standard. The standards for safe performance of work described in our specifications apply to workers, meaning that they also apply to external companies and their employees. The Nedschroef Group continuously monitors and regularly checks whether external companies comply with these requirements.

The ISO 45001 certification relates to all employees on site, regardless of whether they are employed at Nedschroef, work mobile, are in the home office or are agency workers. Other certifications relate to ISO 9001, ISO 14001, ISO 50001 and IATF 16949.

Internal audits for all certifications are a yearly component of our management system. These first or second-party audits are conducted by a qualified auditor. Measures determined from the internal audits or the 3rd party audits are documented in action plans according to the “Plan-Do-Check-Act” principle. These points are remedied as soon as possible.

Health & Safety are not just two buzzwords for us. It is crucial for Nedschroef to offer our employees a safe and healthy environment. Health is the greatest asset we have. Our company policy is aimed at preserving this asset and offering secure jobs.

## HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

The **STOP** principle is used when assessing and excluding hazards.

**S**ubstitution – **T**echnical – **O**rganization – **P**ersonally

1. Exclude the hazard
2. Find technical solutions
3. Organizational changes
4. Personal solutions e.g., PSA

All employees on site or working remotely are included in our safety program. We expect temporary workers to report work-related incidents and Near-miss injuries, and if injuries occur to agency workers, these must also be included in our Accidents documentation and analysis. Furthermore, those accidents involving our employees on the way to and from work must be considered and included in our statistics. The next step (by 2025) is the involvement of on-site workers, subcontractors, and visitors. Nedschroef also encourages its supply chain to continuously improve their Health & Safety standards. Important insights must be shared. Health & Safety is an integral part of our supplier management system and our assessments.

These regulations are also checked by the appropriate state authorities. In Germany, these are the various district governmental departments for occupational safety, as well as appropriate professional associations.

Our Health & Safety regulations also include the implementation and documentation of risk assessments. These are carried out collaboratively by the Work Safety Specialist, the department manager and workers on the relevant machines or systems. Depending on the issue, other experts, such as a fire protection officer or a company doctor, may also be consulted. Minority professional groups, such as field workers or employees with physical disabilities, must naturally be included in these risk assessments.

At least once a year, the risk assessments are updated. Accidents, occupational illnesses, new machines and work processes or adjustments to the equipment can lead to modifications of the risk assessments. The employee representatives (works council) are always informed about status. According to our “Health & Safety policy”, dangerous, unsafe, and unhealthy work that affects the health and physical integrity of the employee can be rejected by said employee without them needing to fear reprisals.

Possible hazards are described, and protective measures defined in the Operating Instructions and Procedures for machines, activities, hazardous substances, and personal protective equipment. These operating instructions are accessible to all employees.

Hazardous substances are identified and deployed according to hazard classification, which is determined by appropriate handling practice, as well as assessment from a medical practitioner’s perspective. Appropriate employee training and the use of personal protective equipment are deployed when working with a particular hazardous substance. Here too, the S T O P principle is applied.

An external corporate doctor has been appointed at all production sites to advise the sites on health protection issues. These company doctors influence decisions made in the use and selection of hazardous substances. Additional operational questions about ergonomics, safe work processes, choice of shift models and other topics can be addressed at work safety committee meetings following such consultations.

These investigations can vary from location to location. They range from recruitment assessments, workplace examinations, hearing tests for noisy workplaces and driving tests to special examinations of hazardous substances and working at extreme heights.

Depending on the location, appointments for flu vaccinations or corona vaccinations are usually part of the voluntary offers made by company doctors.

In accordance with legal regulations, there are enough trained first aiders at all locations. Training and further education for first aiders take place during working hours. If emergencies such as accidents occur, emergency plans are in place and first aid can be provided by first responders and emergency services, including the fire service.

### INVOLVEMENT AND COMMUNICATION

Employee participation is organized locally and included in safety activities and alignments with work councils. Nedschroef’s corporate safety policy encourages cooperation and employee participation. Workers are involved in analyzing work-related injuries and Near-miss injuries reports.

The communication of and participation in Health & Safety occurs in a variety of ways. The first line of information about communication and co-determination emanates from the board. A global “virtual town hall meeting” for all Nedschroef employees takes place on a regular basis according to Nedschroef’s internal communication plan.

Local town hall meetings are also organized, and these include works meetings, the occupational safety committee meetings several times a year, and the employee representatives’ meetings, for which Health & Safety is the chief remit.

Employees also have a say through CCG Safety. Safety officers, as a link to the Work Safety Specialist, provide support in these areas.

Depending on the location, there are other opportunities for employee consultation and participation. These include weekly team meetings between the Work Safety Specialist and the department heads and inspections with the safety officers.

Every employee is encouraged to report Near-miss injuries and thus draw attention to unsafe situations, unsafe behavior, hazardous or dangerous circumstances. Employees are also involved in preparing risk assessments and may have an impact on the content of these analysis.

## TRAINING AND DEVELOPMENT

We provide relevant training and development for our employees and conduct performance and career assessments, including career transition support programs to promote continued employability and to manage career termination, due to retirement or redundancy.

Training and education are further components of the Health & Safety culture. The training requirements at the individual, independent locations are documented in a training matrix. The internal training courses, which take place during working hours, range from training courses on Health & Safety, the environment, energy, and waste to specialized training courses for industrial truck drivers and crane operators, for example.

The training can be carried out in the form of presentations, via Microsoft Teams online meetings, for example, or via interactive sessions on the shopfloor. Agency workers are included on the training courses and treated as if they were our own employees. Depending on the location, external craftsmen who regularly work on site are also included in the in-house training courses.

The external training courses are provided on site, or our employees can attend the seminars during working hours at the external provider's workplace.

## PROMOTION OF EMPLOYEE HEALTH

Employee health is a local responsibility supported by Group responsibilities in promoting health in all company activities. Group-wide tools are available for local use and are communicated within the regular Cross Company Group Safety (CCG Safety) and/or Cross Company Group Human Resources for learning, explaining, and sharing. Local offers and measures increase the general health care of employees. These include subsidies for gyms, health days at the locations with the support of health insurance companies, affordable leasing of e-bikes, a welfare fund (e.g., in Altena),

running groups and football teams (privately organized), information on “healthy cuisine”, smoking cessation and stress management training aimed at maintaining and strengthening the health of employees. These local measures only apply to Nedschroef employees.

Employees who do not take part in any health promotion program do not suffer any operational disadvantages.

The individual locations have implemented a company integration management. Employees who have been ill for a long time can thus be gradually reintroduced to the task at hand. If the activities can no longer be carried out for health reasons, alternative jobs will be offered where possible. The company doctors are involved in company integration management.

Depending on national law, all Nedschroef employees are covered by statutory or state health insurance in the event of illness or accidents in their private lives. Continued wage payments in the event of illness are differently regulated in each country.

Great importance is attached to ergonomics in the workplace to maintain physical well-being. Height-adjustable desks and ergonomic office chairs in administration, scissor lift tables and hand-operated industrial trucks are just some examples of improvements in ergonomics at the workplace.

## PREVENTION AND MITIGATION OF IMPACTS

Depending on the location, the external craftsmen and service providers are instructed on site in the Nedschroef guidelines and occupational safety regulations. All external service providers have received applicable safety awareness and instructions and confirm compliance in writing. Workplace-related instructions are carried out individually depending on the activity and work location.

### WORK-RELATED INJURIES AND NEAR-MISS INJURIES

The number of work-related injuries and the Near-miss injuries are important benchmarks for working in health & safety. Targets for work-related injuries and Near-misses and hazards have been defined. The aim is to reduce the number of accidents, expressed in number per 1000 FTE, to a maximum of 15 by 2030. In 2023, the absolute number of reported accidents of 65 was slightly higher than the goal of maximum 60, and therefore not met. The incident rate was 26, while the target for 2023 was maximum 24, and therefore not met.

It is important that no distinction is made and documented between accidents at work or occupational diseases.

Type	Unit	2021	2022	2023
Work-related injuries	#/1,000 FTE	40	24	26
Near-miss injuries	#/1,000 FTE	1,190	1,359	1,233

In 2023, a high number of reported Near-miss injuries of more than 3000 was reached, the second year in a row. The initial target as set in 2020 could not be reached. Consequently, Nedschroef will continue to encourage all workers to report Near-miss injuries, as this provides opportunities to implement corrective and preventive actions and thus reduce the risk of future accidents. Additionally, Nedschroef has decided to review the targets from 2024 onwards to a challenging but realistic level: 1440 Near-miss injuries per 1,000 FTE during 2024 and 1,575 Near-miss injuries per 1,000 FTE from 2025 onwards.

Nedschroef's target of Non-Lost Time Accidents, accidents or injuries leading to less than 8 hours of paid sick leave was within target during 2023: The total number was 357, while the target was set at max. 417 NLTA.

Every accident is analyzed in order to determine the sequence of events. The affected

locations are also required to initiate preventive measures. Data on accidents from which other sites can learn and derive measures is shared with all occupational safety experts in all locations worldwide.

### CUSTOMER HEALTH AND SAFETY

The way that Nedschroef deals with potential impact related to customer Health and Safety varies considerably depending on Nedschroef's involvement in the product design responsibility.

At a minimum, Nedschroef evaluates the Health and Safety risks in internal assessments, incorporates Health and Safety regulations shared by our customers into our products, processes and services, and ensures compliance with applicable legislation. When Nedschroef has partial or full design responsibility, Nedschroef already manages potential Health and Safety risks during the concept feasibility studies and design reviews.

Where Health and Safety relevant features are part of the customer's technical specifications, Nedschroef controls and the necessary risk mitigation can be deployed via a dedicated Product Safety and Compliance Representative. It goes without saying that Nedschroef only sells products that comply with all applicable regulations concerning materials and chemical content.

Our Management System strategy to increase the number of Nedschroef locations that are compliant with ISO45001 contributes to the continual improvement process not only of Nedschroef's own workers, but also to the interaction with the most relevant stakeholders such as customers and potential end users.

The initial identification and regular assessments of possible Health and Safety

impacts start during feasibility studies and contract reviews, during which customer requirements and regulations for products and services are evaluated. Besides quality, environmental, energy, packaging and capacity, Health and Safety aspects are also evaluated to allow Nedschroef to assure the customer of the integrity of all Products & Health and Safety aspects. For most Nedschroef locations, the ongoing assessments are part of the APQP and can be integrated in regular Occupational Health and Safety meetings, Failure Mode, and Effect Analysis (FMEA), control plan measures, regular assessments like Layered process audits, safety walks, order and cleanliness audits, or any other Health and Safety related assessment or inspection.

The potential Health & Safety aspects specified by the customer are given top priority. These are addressed according to applicable automotive best practices, as stipulated in the APQP (Advanced Product Quality Planning) and according to Product Safety and Compliance Representative needs as requested per VDA standard.

The percentage of significant product and service categories for which health and safety impacts are assessed for improvement cannot be determined in Nedschroef's extensive product range.

The criteria used to evaluate the potential Health and Safety impact are highly dependent on the type and complexity of the Nedschroef product or service provided.

The most used criteria for the majority of Nedschroef products are linked to:

- Customer requirements
- Legal and Regulatory requirements, e.g., laws, CE-directives, etc.
- Product Composition e.g., REACH, RoHS, IMDS, avoiding contamination, etc.
- Ergonomics & other risks for injury
- Internal requirements e.g., Code of Conduct, Feasibility studies, etc.

and become applicable in the area of raw material, coating, packaging, and transport.

The way ahead has the common approach for Work-related injuries and Near-miss injuries. The local targets are fully aligned with Corporate Targets for the upcoming years. All locations are requested to share projects systematically. In 2023 a stronger lead by the Group Director for Health & Safety was realized to follow the systematic improvement programs by ongoing KPI Reviews. This supports the Corporate exchange of lessons learned within all locations, supports activities on harmonization projects and empowers the local organization.

The total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services for Nedschroef during 2023, by:

- Incidents of non-compliance with regulations resulting in a fine or penalty: ZERO
- Incidents of non-compliance with regulations resulting in a warning: ZERO
- Incidents of non-compliance with voluntary codes: ZERO

## Glossary

This glossary provides definitions for terms used in this report.

### A Appraisal

A structured yearly supervisor / employee conversation about skills and development.

### C CSRD

The Corporate Sustainability Reporting Directive (CSRD) requires companies to report on the impact of corporate activities on the environment and society and requires the audit (assurance) of reported information.

### E Electricity from renewable sources

Purchased from companies, that are certified to provide electricity from various renewable sources. Consumption within the organization is calculated by the entities from invoices, meters and/or web portals.

#### Employee

Individual who is in a permanent or temporary employment relationship with Nedschroef according to national law or practice.

#### Employee turnover

Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

#### Employment category

- Blue collar workers are people who perform manual skilled or unskilled labor.
- White collar workers are people who work in an office or other administrative setting.

#### Employment contract

- Permanent: contract for an unspecified period (i.e., indefinite contract) for full-time or part-time work
- Temporary: contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate has been completed (e.g., the end of a project or return of replaced employees)

#### Energy from non-renewable sources

Energy that cannot be replenished, reproduced, grown or generated in a short timeframe through ecological cycles or agricultural processes, e.g., fuel distilled from petroleum or crude oil, such as gasoline, diesel fuel, jet fuel, and heating oil; natural gas, such as compressed natural gas (CNG), and liquefied natural gas (LNG); fuels extracted from natural gas processing and petroleum refining, such as butane, propane, and liquefied petroleum gas (LPG); coal; and nuclear power. Energy consumption within the organization is calculated by the entities from invoices, meters and/or web portals. Where possible, local conversion factors to kWh are used for the calculations, otherwise “UK Government GHG Conversion Factors for Company Reporting” are used.

#### Energy from renewable sources

Energy that is capable of being replenished in a short time through ecological cycles or agricultural processes, e.g., geothermal, wind, solar, hydro, and biomass. Energy consumption within the organization is calculated by the entities from invoices, meters and/or web portals. Where possible, local conversion factors to kWh are used for the calculations, otherwise generic conversion factors are used.

### F FTE

Full-time equivalent is calculated monthly per location as total employees permanent or temporary contract hours divided by national law or practice regarding working time.

## **G Gender diversity of females**

Employees registered as female in our systems in relation to total number of employees (based on FTE's).

## **M Market-based emissions**

A market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

### **Metal**

Primary products are made of metal such as various types of steel, stainless steel, and aluminum, which are either processed internally or purchased as finished or semi-manufactured goods or parts.

## **N Near-miss injuries**

Events that are reported in our health and safety systems which did not result in injury/illness but had the potential to do so. They are defined as the sum of the number of reported unsafe situations (potential injuries), damage to property, used fire extinguishers and reported unsafe actions (behavior).

## **S Sales**

Sales are Nedschroef's revenues including Kunshan's amount after the elimination of intercompany sales.

### **Scope 1**

Direct GHG emissions from the following sources owned or controlled by Nedschroef:

- Generation of electricity, heating, cooling, and steam: these emissions result from combustion of fuels in stationary sources, such as boilers, furnaces, and turbines – and from other combustion processes.
- Transportation of materials, products, waste, workers, and passengers: these emissions result from the combustion of fuels in mobile combustion sources owned or controlled by Nedschroef, such as trucks, trains, ships, airplanes, buses, and cars

To calculate the Direct (Scope 1) GHG emissions, the consumption of non-renewable and renewable fuel was calculated by the entities from invoices, meters and/or web portals.

“UK Government GHG Conversion Factors for Company Reporting” are used for the calculation and in case some factors are not available, local conversion factors to CO<sub>2</sub>-eq are used.

### **Scope 2**

Indirect GHG emissions from the CO<sub>2</sub> emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Nedschroef. To calculate the Energy indirect (Scope 2) GHG emissions, the purchase of electricity was calculated by the entities from invoices, meters and/or web portals.

Calculation is market-based and conversion factors to CO<sub>2</sub>-eq from local providers are used, except for China, Kunshan, where the conversion factor for electricity is according to [www.statista.com](http://www.statista.com).

**Scope 3**

Other indirect GHG emissions are a consequence of Nedschroef's activities but occur from sources not owned or controlled by any Nedschroef location.

The boundaries are set as upstream activities with significant contribution, outsourced activities previously performed in-house, or that are typically performed in-house by other organizations in the same sector, and where Nedschroef can undertake or influence potential for reductions. Conversion factors to CO<sub>2</sub>-eq are based on various sources from internet search.

**T Training and education**

Training and education is defined as:

- all types of vocational training and instruction
- paid educational leave provided by Nedschroef for its employees
- training or education pursued externally and paid for in whole or in part by Nedschroef

This does not include on-site coaching by supervisors.

**W Waste**

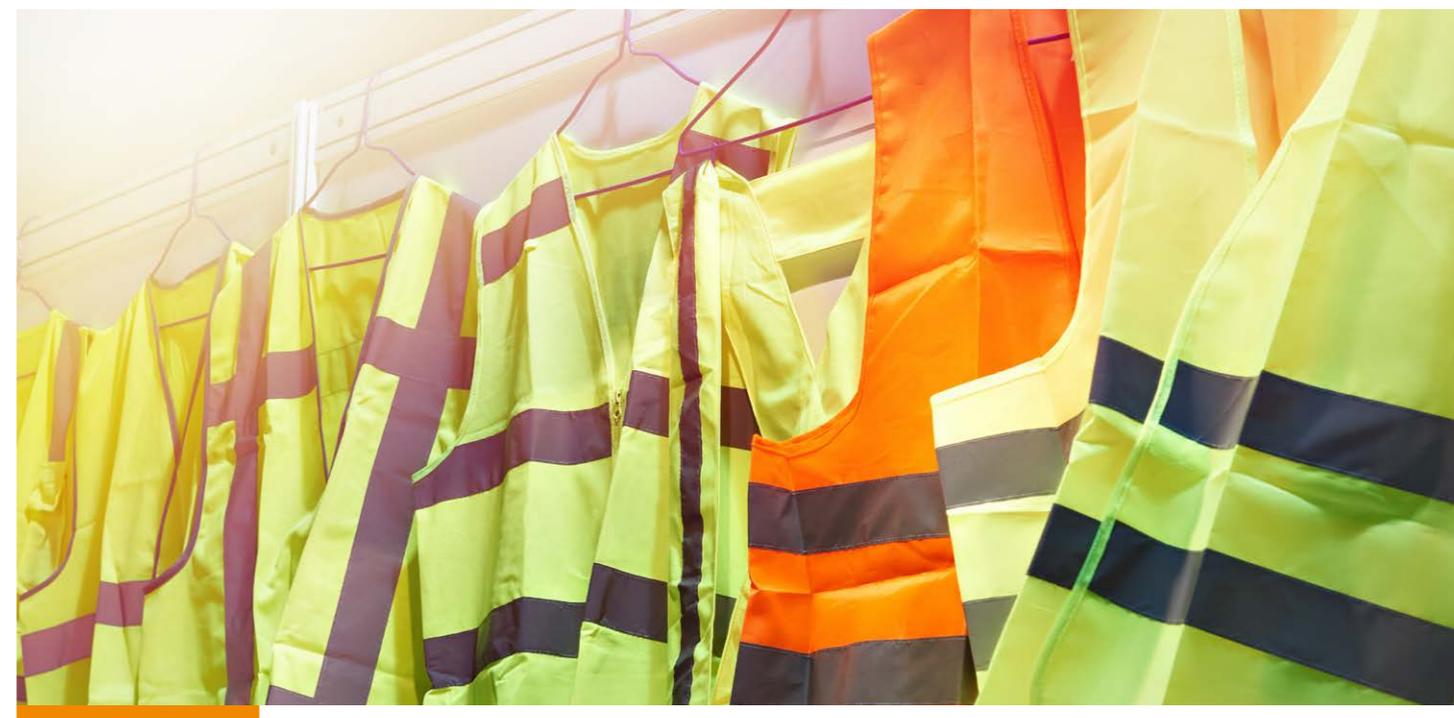
- Hazardous waste, which is waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation e.g., European Waste Catalogue marked with a star in the waste code for example: 150202\*.
- Non-Hazardous waste, which is waste that is not considered as hazardous.

**Worker**

Person performing work or work-related activities that are under the control of the organization, including employees, contractors, and visitors.

**Work-related injury**

Work-related injuries that are reported in our health and safety systems, also referred to as lost time accidents is if an employee incurred an injury leading to more than 8 hours of paid sick leave for this employee. Accidents on the way to and from work are also included as accidents.



## Indicator overview

Type	Unit	2022	2023
<b>Employees and employment</b>			
Employees	#	2,349	2,456
New employee hires	#	233	273
Employee turnover	#	229	186
Employee turnover	%	10	8
Training and education	h/1,000 FTE	12,540	18,114 ✓
Gender diversity of females	%	17	17 ✓
Gender diversity of females in Management level	%	15	15
<b>Environmental and Energy</b>			
Direct (Scope 1) GHG emissions	tCO <sub>2</sub> -eq	18,726	19,174
Energy indirect (Scope 2) GHG emissions	tCO <sub>2</sub> -eq	8,896	6,691
Scope 1+2 GHG emissions	tCO <sub>2</sub> -eq	27,622	25,865
Other indirect (Scope 3) GHG emissions	tCO <sub>2</sub> -eq	341,586	346,223
Scope 1+2 GHG emissions intensity – sales	tCO <sub>2</sub> -eq/m€	40,8	35.4 ✓
Scope 1+2 GHG emissions intensity – metal	tCO <sub>2</sub> -eq/t	0.22	0.21
Hazardous waste diverted from disposal	tons	2,758	3,043
Non-Hazardous waste diverted from disposal	tons	8,167	8,519
Total waste diverted from disposal	tons	10,925	11,562
Hazardous waste diverted to disposal	tons	465	461
Non-Hazardous waste diverted to disposal	tons	621	1,344
Hazardous waste diverted to disposal	tons	0	0
Non-Hazardous waste diverted to disposal	tons	51	26
Total waste diverted to disposal	tons	1,136	1,831
Total waste generated	tons	12,061	13,393
Surface, Ground and Produced water	m <sup>3</sup>	261,775	113,270
Third-party water	m <sup>3</sup>	39,847	47,100
Total water withdrawal	m <sup>3</sup>	301,622	160,370

Low	m <sup>3</sup>	7,848	8,484
Low-Medium	m <sup>3</sup>	310	2,046
Medium-High	m <sup>3</sup>	118,752	30,312
High	m <sup>3</sup>	173,893	105,877
Extremely High	m <sup>3</sup>	819	13,651
Total water withdrawal	m <sup>3</sup>	301,622	160,370
Water withdrawal intensity – sales	m <sup>3</sup> /m€	446	219
Water withdrawal intensity – metal	m <sup>3</sup> /t	2.40	1.29
Metal	t	125,627	124,528
Oils	t	1,021	1,150
Natural gas	MWh	89,143	90,583
Electricity	MWh	62,356	65,864
Other sources	MWh	3,767	4,451
Total energy consumption	MWh	155,266	160,898
Fuel from non-renewable sources	MWh	92,061	93,972
Fuel from renewable sources	MWh	806	645
Electricity and heating from non-renewable sources	MWh	19,108	13,329
Electricity and heating from renewable sources	MWh	43,291	52,952
Total energy consumption	MWh	155,266	160,898
Energy from renewable sources	%	28.4	33.3
Electricity from renewable sources	MWh	43,248	52,535
Total electricity	MWh	62,356	65,864
Electricity from renewable sources	%	69.4	79.8 ✓
Energy intensity - sales	kWh/m€	229,548	220,227
Energy intensity - metal	kWh/t	1,236	1,292

### Occupational Health and Safety

Work-related injuries	#/1,000 FTE	24	26 ✓
Near-miss injuries	#/1,000 FTE	1,359	1,233 ✓

Indicators that fall within the scope of limited assurance by PwC are marked with the ✓ symbol.

## GRI content index

<b>Statement of use</b>	Nedfast Holding B.V. has reported the information cited in this GRI content index for the period 1 January to 31 December 2023, with reference to the GRI Standards.		
<b>GRI 1 used</b>	GRI 1: Foundation 2021		
<b>Applicable GRI Sector Standard(s)</b>	None		
<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>PAGE</b>	
<b>GRI 2: General Disclosures 2021</b>	2-1	Organizational details	41
	2-2	Entities included in the organization's sustainability reporting	47
	2-3	Reporting period, frequency and contact point	47
	2-4	Restatements of information	47
	2-5	External assurance	47
	2-6	Activities, value chain and other business relationships	42
	2-7	Employees	55-56
	2-14	Role of the highest governance body in sustainability reporting	46
	2-16	Communication of critical concerns	51
	2-17	Collective knowledge of the highest governance body	45
2-22	Statement on sustainable development strategy	45-46	

	2-26	Mechanisms for seeking advice and raising concerns	51
	2-28	Membership associations	43
	2-29	Approach to stakeholder engagement	44
	2-30	Collective bargaining agreements	61
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	48
	201-3	Defined benefit plan obligations and other retirement plans	49-50
	201-4	Financial assistance received from government	50
<b>GRI 202: Market Presence 2016</b>	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	60
	202-2	Proportion of senior management hired from the local community	60
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	62

<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	51-52
	205-2 Communication and training about anti-corruption policies and procedures	51-52
	205-3 Confirmed incidents of corruption and actions taken	51-52
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	52-53
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	50
	207-2 Tax governance, control, and risk management	50
	207-3 Stakeholder engagement and management of concerns related to tax	50
	207-4 Country-by-country reporting	50
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	69-70
	301-2 Recycled input materials used	69-70
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	69-70
	302-3 Energy intensity	71
	302-4 Reduction of energy consumption	71
<b>GRI 303: Water and Effluents 2018</b>	303-3 Water withdrawal	68-69
	303-4 Water discharge	69

<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	64-65
	305-2 Energy indirect (Scope 2) GHG emissions	64-65
	305-3 Other indirect (Scope 3) GHG emissions	65
	305-4 GHG emissions intensity	65
	305-5 Reduction of GHG emissions	66
<b>GRI 306: Waste 2020</b>	306-3 Waste generated	67
	306-4 Waste diverted from disposal	67
	306-5 Waste directed to disposal	67
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	62-63
	308-2 Negative environmental impacts in the supply chain and actions taken	63
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	56
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	57
	401-3 Parental leave	57

<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	61	<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	57-58
				404-2 Programs for upgrading employee skills and transition assistance programs	58
				404-3 Percentage of employees receiving regular performance and career development reviews	58
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	71-73	<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	59
	403-2 Hazard identification, risk assessment, and incident investigation	73-74			
	403-3 Occupational health services	74	<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	59-60
	403-4 Worker participation, consultation, and communication on occupational health and safety	74			
	403-5 Worker training on occupational health and safety	75	<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	60-62
	403-6 Promotion of worker health	75			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	75			
	403-8 Workers covered by an occupational health and safety management system	73	<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	63
	403-9 Work-related injuries	76		414-2 Negative social impacts in the supply chain and actions taken	63

<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	76-77
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	77
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	54





### Limited assurance report of the independent auditor

To: the board of directors and the supervisory board of Nedfast Holding B.V.

#### Assurance report with limited assurance on the selected non-financial indicators in the Sustainability Report in the Annual Report 2023

##### Our conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected non-financial indicators marked with the symbol '✓' in the Sustainability Report 2023 in the Annual Report 2023 of Nedfast Holding B.V. over 2023 are not prepared in all material respects, in accordance with Nedfast's reporting criteria.

##### What we have reviewed

The object of our assurance engagement concerns the selected non-financial indicators marked with symbol '✓' included in the Sustainability Report 2023 in the Annual Report 2023 for the year ended 31 December 2023 (hereafter: the indicators). The indicators examined are as follows:

1. Scope 1+2 GHG emissions intensity – sales in tCO<sub>2</sub>-eq/M€
2. Electricity from renewable sources in %
3. Work-related injuries in #/1,000 FTE
4. Near-miss injuries in #/1,000 FTE
5. Training and education in h/1,000 FTE
6. Gender diversity of females in %.

We have examined the indicators in the Sustainability Report 2023 in the Annual Report 2023 of Nedfast Holding B.V., Helmond over 2023. Other information included in the Annual Report 2023 is not of this limited assurance engagement. We were not engaged to report on or conclude on other information presented within the Annual Report 2023, which is outside our scope.

##### The basis for our conclusion

We conducted our review in accordance with Dutch law, including Dutch Standard 3000A Assurance engagements, other than audits or reviews of historical financial information (attestation-engagements). This engagement is aimed to provide limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review' of our report.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

NLE00024017.1.1

PricewaterhouseCoopers Accountants N.V., Stationsplein 8k, 6221 BT Maastricht, P.O. Box 3122, 6202 NC Maastricht, the Netherlands  
T: +31 (0) 88 792 00 43, F: +31 (0) 88 792 94 03, www.pwc.nl

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##### Independence and quality control

We are independent of Nedfast Holding B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

PwC applies the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for quality systems) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.

##### Applicable criteria

The indicators need to be read and understood together with the reporting criteria. The reporting criteria used for the preparation of the indicators are Nedfast's reporting criteria, as included in the section 'Introduction' and 'Glossary' in the Sustainability Report 2023 in the Annual Report 2023.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time.

##### Responsibilities for the indicators and the review thereon

###### Responsibilities of the board of directors and the supervisory board

The board of directors of Nedfast Holding B.V. is responsible for the preparation of the indicators in accordance with Nedfast's reporting criteria, including the identification of the intended users and the criteria being applicable for the purpose of these users.

Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the indicators that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the company's reporting process on the indicators.

###### Our responsibilities for the review of the indicators

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate evidence to provide a basis for our conclusion.

Our conclusion aims to provide limited assurance. The procedures performed in this context consisted primarily of making inquiries of officers of the entity and determining the plausibility of the information included in the indicators. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Nedfast Holding B.V. - NLE00024017.1.1

Page 2 of 3



### *Procedures performed*

We have exercised professional judgement and have maintained professional scepticism throughout the examination in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our examination consisted, among other things of the following:

- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the indicators. This includes the evaluation of the reasonableness of estimates made by the board of directors.
- Through inquiries, obtaining a general understanding of the control environment, processes and information relevant to the preparation of the indicators, but not for the purpose of obtaining assurance evidence about their implementation or testing their operating effectiveness.
- Identifying areas of the indicators with a higher risk of material misstatement, whether due to fraud or error. Designing and performing assurance procedures aimed at determining the plausibility of the indicators, responsive to this risk analysis. These procedures consisted amongst others of:
  - interviewing management and/or relevant staff at corporate level responsible for the sustainability strategy, policy and results;
  - interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data of the indicators;
  - determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive. Our procedures were performed centrally;
  - obtaining assurance evidence that the indicators reconcile with underlying records of the company;
  - reviewing, on a limited test basis, relevant internal and external documentation;
  - performing an analytical review of the data and trends of the indicators submitted for consolidation at corporate level.
- Reconciling the relevant financial information with the financial statements.
- Evaluating the consistency of the indicators with the other information in the Annual Report 2023, which is not included in the scope of our review.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Maastricht, 7 May 2024  
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.G.A. Hodiament RA

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**Nedfast Holding B.V.**

Kanaaldijk N.W. 75

Postbus 548

5700 AM Helmond

The Netherlands

Telephone: +31 492 548 556

[www.nedschroef.com](http://www.nedschroef.com)

[holding@nedschroef.com](mailto:holding@nedschroef.com)

