Sustainability Report 2024

Nedfast Holding B.V.

Welcome to our Sustainability Report 2024, which is part of our Annual Report 2024. In conjunction with our Integrated Annual Report, this report provides an informed update on our sustainability activities and performance during the 2024 calendar year.

Introduction

For the fourth 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. Since Nedschroef must comply with the EU Corporate Sustainability Reporting Directive (CSRD) from reporting year 2027, the report was prepared based on the European Sustainability Reporting Standard (ESRS) for the period 1 January to 31 December 2024.

Nedschroef has developed its own criteria for sustainability reporting on most topics and indicators while incorporating elements from the ESRS for guidance purposes. For more details, please refer to the Glossary and Content Index at the end of the report.

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 in Helmond, Netherlands, and Nedschroef is represented in more than 25 locations over 3 continents.
For detailed information about our organization, please visit our website ***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 the 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***
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.

General Information

BASIS FOR PREPARATION

This year, the Sustainability Statement has been restructured, with additional disclosures introduced to align with the requirements of the Corporate Sustainability Reporting Directive (CSRD). Although there is no full compliance with CSRD, this marks an important first step toward achieving full compliance with CSRD by 2027.

The Sustainability Statement has been prepared on a consolidated basis, consistent with the scope of the 2024 consolidated financial statements, with the following exceptions:

1. Kunshan (Nedschroef Kunshan):
In 2022, Kunshan became a joint venture between Nedschroef and Shanghai Prime Machinery Company and, as a result, is no longer consolidated in the financial statements of NedFast Holding B.V. However, Kunshan remains an integral part of the Nedschroef Group's operational structure and is therefore fully consolidated in the Sustainability Statement. Furthermore, Kunshan's revenue is included in the calculation of relevant KPI intensities.

2. Leist Holding GmbH & Co. KG
In Q4 2024, Nedschroef acquired Leist Holding GmbH & Co. KG. As the company has not yet been integrated into the ESRS reporting framework, it has been excluded from the current scope of the Sustainability Statement. Integration is planned for future reporting periods as part of Nedschroef's sustainability reporting roadmap. The impact of Leist is not expected to be material for the Sustainability Statement as it concerns only 2 months of reporting.

The Double Materiality Assessment of impacts, risks, and opportunities comprehensively addresses occurrences across both the upstream and downstream segments of the value chain.

Where specific data is required from particular areas of the value chain on relevant topics, it is disclosed transparently within the Sustainability Statement to ensure clarity and accountability.

The majority of the reported quantitative metrics are derived from high-quality primary data. Metrics disclosed under ESRS Disclosure Requirement E1-6 – Gross Scopes 1, 2, and 3, as well as Total GHG Emissions, involve a degree of measurement uncertainty due to reliance on certain assumptions and estimations.
Detailed information on definitions, assumptions and estimations are available in the Glossary.

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. The scope has slightly changed from previous years and includes the following indicators:

- Gross Scope 1 GHG emissions [tCO_2-eq] (Company vehicles, Fugitive emissions, and Stationary combustion)
- Gross Scope 2 GHG emissions [tCO_2-eq] (Purchased Electricity and Purchased Heating)
- Gross Scope 3 GHG emissions [tCO_2-eq] (Top 3 categories - Cat. 1 Purchased Goods and Services and Cat. 11: Use of sold products)
- Waste generated in the company's own operations and sent to recovery [tons KG]
- Waste generated in the company's own operations and sent to disposal [tons KG]
- Employees by head count, Female [#]
- Employees by head count, Total [#]
- Average number of training hours per employee [hours/head count]
- Total recordable work-related accidents [#]
- Number of convictions of violation of anti-corruption and anti-bribery laws [#]

The scope of external assurance will increase in the coming years and include full sustainability information in compliance with the CSRD in 2025. The indicators that fall within the scope of limited assurance are marked, in the Indicator Overview, 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'.

Governance

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

At Nedschroef, the administrative, management, and supervisory bodies oversee sustainability matters, ensuring accountability and informed decision-making. The Executive Committee and Supervisory Board, composed of experienced leaders, provide strategic guidance on managing sustainability risks and opportunities. Their expertise, supported by the Sustainability Director, integrates sustainability into the company's governance framework.
The Executive Committee supports the Supervisory Board in governing Nedschroef by providing direct supervision of the company's operational activities, with a focus on transformation, customer engagement, and regional operations. This structure enables the CEO to maintain a more sustainable span of control over the organization's diverse operations.

The Executive Committee consists of 6 executive members, and there is no representation of employees or other workers in the Executive Committee.

The Executive Committee is composed of seasoned professionals, each bringing specific expertise to their roles:

- Rob Janssen, Dutch. CEO and Member of the Management since 2021.
- Jos Blaauwgeers, Dutch. CFO and Member of the Management since 2024.
- Cees Sistermans, Belgian. Vice President transformation and complementary BU's and Member of the Management since 2021.
- Jules Cleutjens, Dutch. Vice President HR and Member of the Management since 2022.

- Zonghan Xu, Chinese. Vice President Greater China and Member of the Management since 2020.
- Richard van den Dungen, Dutch. Vice President Sales & Business Development and Member of the Management since 2024.

Together, the Executive Committee combines expertise across transformation, finance, human resources, regional management, and business development to support the company's strategic and operational goals.
The Supervisory Board consists of 6 non-executive members, and there is no representation of employees or other workers in the Supervisory Board.

The Supervisory Board comprises experienced professionals with extensive knowledge relevant to the company's sectors, products, and geographic presence:

- Mr. Hua Zhuang, Chinese. Chairman and Member of the Supervisory Board since 2023 and currently Vice Chairman of Shanghai Prime Machinery.
- Mr. Xudong Wei, Chinese. Member of the Supervisory Board since 2023 and currently General Manager at Shanghai Prime Machinery.
- Ms. Ye (Shelley) Bao, Chinese. Member of Supervisory Board since 2023 and currently Deputy General Manager at Shanghai Prime Machinery.
- Dr. Peter Pleus, German. Member of the Supervisory Board since January 2020 and former Member of the Board of Management and President of Schaeffler Group Automotive.
- Mr. Herman van Everdingen, Dutch. Member of the Supervisory Board since April 2020 and former Partner at Catalyst Advisors.
- Mr. Yibing (Edmund) Chu, Chinese. Member of the Supervisory Board since 2023 and currently Director Strategic Investments at Shanghai Prime Machinery.

This collective expertise spans metal forming machinery, fastener production, and complex system engineering across automotive and other industrial sectors, ensuring a deep understanding of the company's markets and operations.

In the governing bodies the female diversity is 8.3% (1 female and 11 male), and the geographical/cultural diversity is 58.3% (7 European and 5 Asian).
The Supervisory Board and Executive Committee collectively oversee the company's impacts, risks, and opportunities, ensuring alignment with strategic objectives and sustainability goals.

The Supervisory Board provides high-level oversight of the company's strategy, governance, and risk management, focusing on long-term value creation and addresses ESG priorities.

The Executive Committee, led by the CEO, is directly responsible for implementing strategies to manage impacts, mitigate risks, and capitalize on opportunities across operational, customer, and regional dimensions. Specific areas of focus include:
- Transformation initiatives to enhance operational sustainability and efficiency.
- Regional leadership, ensuring localized risk management and opportunity development.
- Financial oversight and business development to adapt to changing market conditions.

This governance structure ensures a clear division of responsibilities while maintaining effective collaboration between supervisory and executive bodies to address the company's risks, opportunities, and broader impacts.
Responsibilities for overseeing impacts, risks, and opportunities are integrated into the company's governance framework through clearly defined terms of reference, mandates, and policies.

The Executive Committee implements strategies to manage impacts and risks, embedding KPIs linked to ESG goals into management objectives to drive accountability.
Additionally, sustainability and risk management policies define processes for identifying and mitigating risks, supported by subcommittees that offer focused oversight and recommendations.

This governance structure promotes accountability and ensures alignment with the company's strategic and sustainability objectives.

Management oversees impacts, risks, and opportunities through a structured approach that includes delegated responsibilities, reporting lines, and integrated controls.

Specific members of the Executive Committee manage areas such as transformation, finance, sustainability, and regional operations, often supported by cross-functional committees.
Executive Committee members report to the CEO, who is accountable to the Supervisory Board, where regular reporting helps ensure transparency and alignment with strategic goals.

Dedicated frameworks and KPIs are used to monitor and manage risks and opportunities, integrated with finance, operations, and compliance to provide a comprehensive approach.
This governance structure promotes accountability, integration, and effective oversight.

Nedschroef has been committed to sustainability for several years and since 2021, with annual publication of Sustainability reports. These reports are complemented by a monthly Sustainability Steering Committee meeting attended by the CEO and CFO, which facilitates ongoing discussion and decision-making on sustainability strategies. The Sustainability Director plays a key role, bringing comprehensive expertise in sustainability topics and reporting, and ensuring alignment with best practices.

INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The management and supervisory bodies are regularly informed about sustainability-related topics to ensure effective oversight and decision-making.

The Sustainability Director holds regular Sustainability Steering Committee meeting with the CEO and CFO. These meetings serve as a platform to report on, discuss, and make decisions regarding material impacts, risks, and opportunities, as well as the implementation of due diligence processes.

During the reporting period, additional meetings were conducted to present and approve the Double Materiality Assessment, report on relevant KPIs, review audit findings, and evaluate drafts of the sustainability report. This iterative process ensures the accuracy and completeness of the final report.

Additionally, an annual Management Review, conducted in accordance with ISO 14001 and ISO 50001 standards, also provides a structured assessment of environmental and energy management systems, further informing the management on sustainability performance and compliance.

The Supervisory Board is presented with the finalized Sustainability Report, providing them with a comprehensive overview of the results and effectiveness of policies, actions, metrics, and targets adopted to address sustainability matters. This multi-layered reporting structure ensures that all governing bodies remain informed and engaged in overseeing the company's sustainability strategy and performance.
The management and supervisory bodies at Nedschroef systematically consider impacts, risks, and opportunities in strategy, major transactions, and risk management. Sustainability is embedded in strategic oversight to align with long-term goals, addressing financial and non-financial risks such as regulatory compliance and resource efficiency.

For major transactions, ESG factors are assessed alongside financial implications, including impacts on carbon footprint, supply chain sustainability, and strategic alignment. In risk management, sustainability-related risks like regulatory changes and climate disruptions are integrated into mitigation efforts.

Regular updates from the Sustainability Director, supported by KPIs and audit findings, ensure informed decision-making and sustainable business practices.

During the reporting period the following material impacts, risks, and opportunities were addressed:

- Climate change mitigation and energy transition: Focus on reducing greenhouse gas emissions, increasing renewable energy usage, and transitioning to hybrid systems for heat treatment processes.
- Regulatory compliance: Ensuring alignment with ESG reporting standards, including CSRD and ISO 14001 and 50001 requirements.
- Resource efficiency and waste management: Efforts to optimize material usage, reduce waste, and improve recyclability.
- Supply chain sustainability: Monitoring and enhancing the sustainability of upstream supply chain processes.
- Stakeholder expectations: Addressing demands from customers, banks/insurance and regulators for sustainable practices and transparent reporting.
- Performance monitoring: Tracking progress through KPIs and aligning targets with strategic sustainability objectives.

These focus areas highlight the company's commitment to addressing material sustainability topics in alignment with its strategic goals.

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Nedschroef aims to enhance awareness and accountability regarding sustainability and safety. To support this goal, the Emissions KPI and the Lost Time Accidents KPI (later reported as Recordable work-related accidents) are directly linked to the Short-Term Incentive (STI) payout. The actual incentive amount is determined by multiplying the STI payout calculation by the average performance of these KPIs, thereby aligning employee rewards with the company's sustainability and safety objectives.

Performance is assessed against specific sustainability-related targets, including:

- **Emissions KPI:** Measures the company's progress in reducing greenhouse gas emissions, aligned with sustainability goals and climate action initiatives.
- **Lost Time Accidents (LTA) KPI:** Tracks workplace safety performance by monitoring incidents that result in lost work time, emphasizing the company's commitment to employee health and safety.

These KPIs ensure a focused approach to achieving measurable sustainability and safety impacts.

Sustainability-related performance metrics are integrated into the remuneration policy through their connection to the Short-Term Incentive (STI) payout. Specifically, the Emissions KPI and the Lost Time Accidents KPI are used as performance benchmarks. The actual incentive payout is calculated by applying a multiplier based on the average score of these KPIs, as outlined in the following scale:

Average KPI Score	Multiplier
Less than 75%	95%
75% - 110%	100%
Greater than 110%	105%

This approach ensures that sustainability and safety performance directly influence remuneration, reinforcing the company's commitment to these priorities.

Climate-related considerations are included in remuneration through individual or team performance targets, such as emissions reductions or energy efficiency improvements, aligning with the company's climate goals.

Climate considerations are assessed using the Emissions KPI - CO2eq intensity metric, which measures greenhouse gas emissions relative to a specific activity or output, ensuring a focused approach to reducing the carbon footprint.

The performance is assessed annually, with the results of the Short-Term Incentive (STI) targets, including GHG emission reduction targets developed independently by the entity, integrated into the evaluation process.

The percentage of the remuneration recognized in the current period that is linked to climate related considerations is 5%.

The Executive Committee, comprising the CEO and CFO, and the Supervisory Board hold ultimate accountability for the incentive schemes' terms.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Nedschroef's risk management and internal control system ensures reliable and accurate sustainability reporting by encompassing data collection, validation, and reporting processes across the value chain. Data is validated through various checks, and a structured risk assessment addresses completeness, estimation accuracy, and reporting timelines.

Cross-functional reviews, oversight by the Sustainability Director, and advanced reporting tools ensure compliance and real-time KPI tracking. Internal and third-party audits verify data integrity, while updates are regularly reviewed by the Sustainability Steering Committee. This system ensures transparent and compliant sustainability reporting.

Nedschroef identifies and prioritizes sustainability reporting risks, focusing on data accuracy, completeness, and availability. Risks are evaluated by likelihood and impact, with high-priority issues addressed immediately and lower risks monitored through routine controls. Regular reviews by the Sustainability Steering Committee and escalation to leadership ensure proactive management and alignment with standards.

Nedschroef has identified key risks in sustainability reporting and implemented mitigation strategies with robust controls:

- Data completeness and accuracy: Risks of incomplete or inaccurate data are mitigated through various validation processes, reporting tools, and cross-functional reviews to ensure reliability.
- Estimation uncertainty: Challenges in estimating sustainability metrics are addressed by applying standardized methodologies and incorporating sensitivity analyses.
- Compliance risks: Potential non-compliance with reporting standards is managed through regular audits, adherence to the CSRD frameworks, and oversight by the Sustainability Steering Committee.
- Timeliness: Delays in data availability are minimized through streamlined workflows, clear deadlines, and advanced reporting systems.

These measures ensure accurate, complete and timely sustainability reporting while aligning with regulatory and stakeholder expectations.

Nedschroef integrates risk assessment findings and internal controls into sustainability reporting by embedding them in key functions. Validated data ensures accuracy, while findings refined data methods, enhance tools, and guide training. Oversight by the Sustainability Steering Committee ensures corrective actions are implemented, supporting accurate reporting and regulatory compliance.

Nedschroef regularly reports risk assessment findings through structured updates and reviews. The findings are presented during monthly Sustainability Steering Committee meetings, where the Sustainability Director reports on key risks and mitigation efforts.

Additionally, the Executive Committee and Supervisory Board receive detailed updates on the effectiveness of risk management processes highlighted in the sustainability report. The reporting ensures that risks are actively monitored, and mitigation strategies are aligned with company goals and regulatory requirements.

Strategy & business model

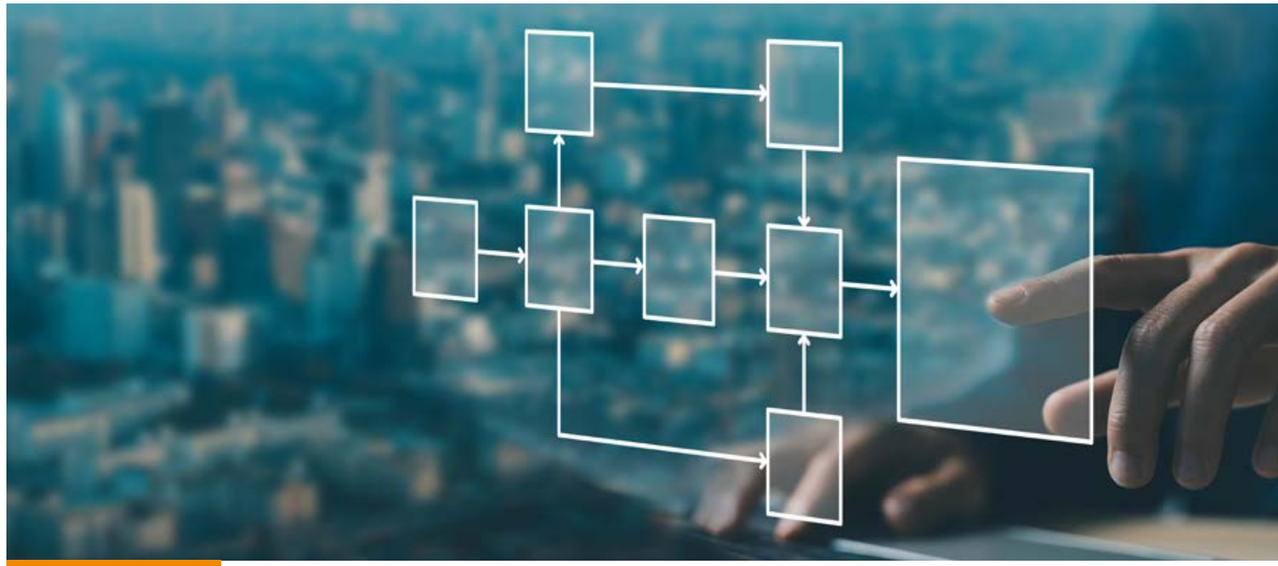
STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Nedschroef, headquartered in Helmond, Netherlands, is a leading supplier of fasteners, components, and metal forming machines for automotive, industrial, and aviation industries. The company operates across three business units: BU Automotive, BU Engineering of Systems and BU Machinery & Tooling. Its portfolio includes standard fasteners, niche products, and cold-forged parts, with a strong focus on innovation and market expansion.

The company's strategy for 2025 emphasizes profitable growth and operational excellence. Key initiatives include diversifying its product range, expanding in new mobility applications, and increasing its presence in markets such as China and the U.S. Nedschroef has also prioritized improving its cost structure and efficiency through centralization and digitization, aiming to optimize its financial position and competitiveness.

Nedschroef's innovation roadmap drives advancements in materials, manufacturing processes, and digital services like the SetupWizzard Digital. The company also focuses on sustainability, aligning with global emissions reduction goals and promoting a safe work environment. Additionally, its people-centered approach enhances employee development and engagement.

Through strategic diversification, digitalization, and sustainability efforts, Nedschroef aims to secure long-term growth while maintaining a competitive edge in global markets. The company continues to monitor its strategy's implementation, ensuring adaptability and progress toward its 2025 goals.



Inputs and Approach:
Nedschroef secures raw materials like steel and non-ferrous metals from strategic suppliers, developing strong, long-term relationships to ensure quality and sustainability. The company invests in R&D to drive innovation in materials, manufacturing, and digital services.

Outputs and Outcomes:
Nedschroef produces fasteners, components, and metal forming machines that help customers reduce energy consumption and emissions, particularly in electric vehicles. Customers benefit from improved efficiency, while investors gain from sustainable growth. Employees and communities' benefit from Nedschroef's commitment to well-being and local development.

Value Chain:
The value chain spans raw material sourcing, production in Europe and Asia, and collaboration with OEMs and Tier 1 suppliers. Nedschroef co-develops solutions with customers for lightweighting and electrification. Key suppliers ensure quality, while customers are supported through direct sales and after-sales services, including machine maintenance. Nedschroef operates across automotive, aerospace, and industrial sectors, focusing on sustainability and innovation.

Headcount of employees by geographical area

Geographical area	Employees by headcount
Asia	166
Europe	2,392
North America	7
Total	**2,565**

Breakdown of total revenue

Significant ESRS sector	Total revenue for specified sector [€]
Automobiles & Other Transport Vehicles	601,384,375
Machinery & Equipment	75,077,268
Total	**676,461,643**

The Net revenue is including 100% consolidation of Kunshan (joint venture) and excluding Leist Holding GmbH & Co. KG, acquired in Q4 2024, as it was not yet integrated into the Nedschroef reporting framework.

Detailed information is available in the financial statements.

Nedschroef's sustainability-related goals are embedded in its corporate strategy, focusing on decarbonization, resource efficiency, and social responsibility across its products, customer base, geographic regions, and stakeholder relationships.
For its products and services, Nedschroef aims to reduce the carbon footprint by incorporating low-emission materials and optimizing manufacturing processes.
The company is developing lightweight fasteners and components to improve energy efficiency in the automotive and aerospace sectors and is expanding its range of energy-efficient metal forming machines.

In relation to customer categories, Nedschroef collaborates with OEMs and Tier 1 suppliers to support their net-zero ambitions. It provides data to assist customers in Scope 3 reporting and focuses on developing tailored solutions for e-mobility and lightweight applications.

Geographically, Nedschroef's sustainability initiatives are adapted to local contexts. In Europe, efforts focus on complying with EU sustainability regulations, increasing renewable energy use, and phasing out fossil fuels. In China and Asia-Pacific, the company applies its group-wide sustainability standards to Kunshan.

Regarding stakeholder relationships, Nedschroef strengthens responsible sourcing by implementing supplier sustainability assessments and enforcing its Code of Conduct. It promotes employee well-being, diversity, and development with a strong focus on health and safety. Transparency remains a priority in sustainability reporting for investors and regulators. Additionally, Nedschroef supports local communities through initiatives in education, vocational training, and environmental stewardship.

Sustainability is central to Nedschroef's strategy, with key focus areas including decarbonization, resource efficiency, responsible sourcing, and employee well-being. The company targets reducing Scope 1 and 2 emissions by phasing out natural gas, increasing renewable electricity use, and upgrading to energy-efficient technologies.

Product innovation emphasizes lightweight components for vehicle electrification and efficiency. Resource efficiency is addressed through increased recycled material use and supplier sustainability programs.

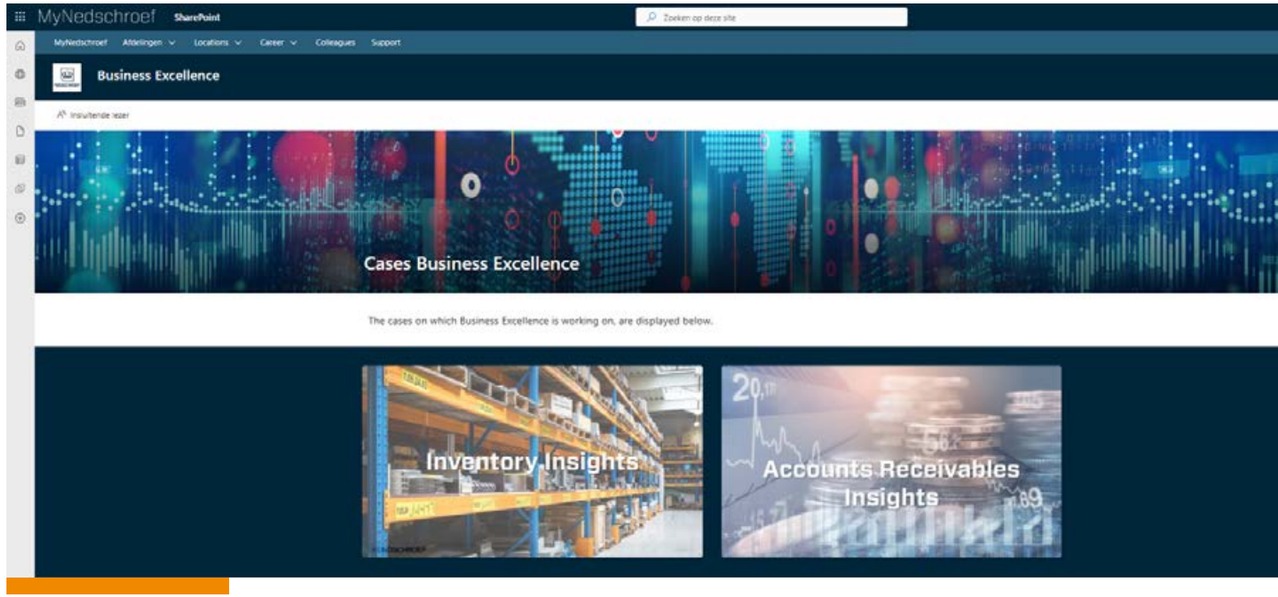
Key challenges include phasing out fossil fuels, improving supplier sustainability performance, and integrating new acquisitions, such as Leist Holding GmbH & Co. KG, into sustainability systems. Critical initiatives focus on digitalization, process centralization, and employee development to support these transitions, with progress overseen by the Sustainability Steering Committee.

Our Stakeholders

INTERESTS AND VIEWS OF STAKEHOLDERS

Nedschroef identified the following key stakeholder categories and the most common approach to engagement:

Stakeholder	Approach to engagement
Shareholder: Nedschroef has only one shareholder.	• Supervisory Board meetings • Annual reports • Onsite visits
Customers: Automotive and Aviation industry, and manufacturers of metal forming parts.	• Trade fairs and exhibitions • Visits, workshops, and meetings • Audits and surveys • Website and social media
Suppliers: Products, raw materials, and product-related services.	• Visits, workshops, and meetings • Audits and interviews
Employees and representatives: Permanent or temporary, full-time or part-time contracts. Local and central works councils.	• MyNedschroef • Townhall meetings • Works Council meetings • Website and social media
Governments, tax authorities and Civil society: Local and national authorities. Neighbors, universities, and associations.	• Onsite visits and meetings • Onsite events



Nedschroef organizes various stakeholder engagement mechanisms such as meetings with employees, customers, and suppliers, workshops to co-create solutions, community dialogues to address local impacts, supplier audits to ensure compliance, and digital platforms for ongoing feedback collection.

The purpose of stakeholder engagement is to understand and prioritize material issues such as carbon reduction and recyclability, build trust, drive innovation, ensure compliance with regulations, and mitigate potential risks. This approach aligns the company's strategy with stakeholder expectations while fostering collaboration and transparency.

Stakeholder input is integrated into strategy through materiality assessments, shaping annual priorities and guiding actions. Progress is tracked through KPIs focus with regular feedback loops ensuring stakeholders are informed about how their input is addressed.

Nedschroef recognizes the importance of effective stakeholder engagement to align the strategy and business model with stakeholder interests:

Stakeholder	Interests
Shareholder	▪ focus on ESG alignment and value creation.
Customers	▪ demand low-carbon manufacturing and recyclability, shaping the transition to renewable energy use.
Suppliers	▪ seek collaboration on responsible sourcing, reinforcing transparent supply chain management and shared sustainability goals.
Employees and representatives	▪ prioritize safe conditions, skill development, and sustainability involvement, driving operational efficiency and energy-saving initiatives.
Governments, tax authorities and Civil society	▪ drive compliance and transparency, guiding adherence to standards and improved reporting. ▪ prioritize minimized emissions and resource use, addressed through efficient, sustainable manufacturing practices.

Nedschroef integrates stakeholder interests into its strategy through a structured governance framework. Regular Sustainability Steering Committee meetings, led by the Sustainability Director with the CEO and CFO, address material impacts, risks, opportunities, and due diligence aligned with stakeholder expectations.

A Double Materiality Assessment conducted during the reporting period identified and prioritized stakeholder concerns. This process, along with meetings to review KPIs, audit findings, and sustainability reports, ensures stakeholder interests are embedded in strategic decisions.

An annual ISO 14001 and 50001-compliant Management Review further incorporates stakeholder perspectives on environmental and energy management. The finalized Sustainability Report, presented to the Supervisory Board, summarizes the effectiveness of actions taken, aligning Nedschroef's business model with stakeholder priorities.

Impact, risk and opportunity management

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Nedschroef follows a structured process to identify, assess, prioritize, and monitor its environmental and social impacts, informed by double materiality and due diligence. The company evaluates ESG factors across operations, supply chain, and product lifecycle, identifying direct and indirect impacts.

A risk assessment evaluates the likelihood and severity of these impacts, using a materiality matrix to prioritize risks based on significance to the company and stakeholders. The due diligence process ensures human rights and environmental risks are addressed, including supplier assessments.

Measurable goals and KPIs are set to track progress, and regular monitoring through audits and internal reviews ensures effective mitigation. This process supports proactive management of material impacts, risks, and opportunities.

Nedschroef identifies, assesses, prioritizes, and monitors financial risks and opportunities by evaluating factors like cost volatility, market disruptions, and regulatory changes. Financial metrics, such as ROI and scenario modeling, help assess potential impacts. A materiality matrix is used to prioritize risks based on their financial significance. The company continuously monitors key financial indicators like cash flow and operating margin, integrating findings into financial planning and strategy. The Sustainability Steering Committee oversee the process, ensuring effective mitigation and capitalizing on opportunities.

Nedschroef's materiality assessment considers both impact and financial materiality using key input parameters:

- **Stakeholder Perspectives:** Insights from customers, suppliers, investors, employees, and regulatory bodies.
- **Regulatory & Market Analysis:** Compliance with EU regulations (CSRD, EU Taxonomy) and industry trends.
- **Environmental & Social Data:** Greenhouse gas emissions, resource consumption, supply chain impacts, and labor practices.
- **Financial Implications:** Potential costs, revenue opportunities, and financial risks linked to sustainability factors.
- **Risk Likelihood & Severity:** Probability and magnitude of sustainability risks affecting operations and strategy.

These parameters ensure a structured, data-driven approach to identifying material sustainability impacts, risks, and opportunities.
The double materiality assessment evaluates both financial and ESG impacts of a company's activities. Here's a shortened breakdown of the process:
Methodologies:

1. Identify Material Topics:
- Engage internal and external stakeholders.
- Benchmark against industry standards and peers.

2. Risk and Impact Analysis:
- Assess financial risks (e.g., regulatory changes, climate risks) and broader environmental, social, and governance impacts (e.g., carbon footprint, human rights).

3. Mapping and Prioritization:
- Create a materiality matrix to prioritize issues based on financial risk and opportunities and impact on people and the environment.
- Use weighting factors to assign importance.

4. Scenario Analysis:
- Analyze the sensitivity of material issues to future scenarios (e.g., regulatory shifts).

5. Align with ESG Frameworks:
- Reference standards like GRI and ESRS for consistency.

Assumptions:
1. Long-Term Perspective: ESG factors can have both short and long-term financial consequences.
2. Interdependence: Financial and non-financial impacts are interconnected.
3. Stakeholder Sensitivity: Evolving stakeholder expectations influence market position.
4. Data Availability: Some ESG data may be more qualitative than quantitative.
5. Regulatory Trends: Increasing market and regulatory pressures on ESG issues.

This process helps prioritize ESG risks and opportunities based on their financial risk and opportunities and impact on people and the environment.

Nedschroef's Sustainability Steering Committee oversees sustainability-related risks, while the Executive Committee integrate these risks into corporate strategy.
The decision-making process involves identifying risks through stakeholder input, regulatory analysis, and internal assessments, followed by evaluating and prioritizing them based on financial and sustainability impacts. After a structured approval workflow, material risks and opportunities are integrated into business planning and operations.

Internal controls include maintaining a risk register to track key risks and mitigation measures, monitoring key risk indicators to ensure proactive management, and conducting compliance checks through audits and assurance processes.

Continuous improvement is achieved through regular reviews, audits, and updates to align risk management with evolving regulations and business needs.

Nedschroef embeds sustainability risks into its Corporate Management System - Risk and Opportunity Analysis, assessing them alongside financial, operational, and strategic risks. Identified through stakeholder engagement and regulatory monitoring, these risks are evaluated based on effect and likelihood.
Nedschroef has refined its materiality assessment process to align with evolving regulations, stakeholder expectations, and business priorities. In previous years, the assessment was conducted according to the GRI Standards, focusing primarily on sustainability impacts.

The latest assessment now follows the ESRS framework, integrating both impact and financial materiality to comply with double materiality requirements. This includes enhanced stakeholder engagement, a more structured financial risk evaluation, and expanded scenario analysis.
The most recent modification was conducted in Q3-2024, incorporating updated EU regulatory requirements such as CSRD and industry best practices. Moving forward, the materiality assessment will be reviewed annually, with the next revision planned for Q3-2025, ensuring continuous alignment with strategic objectives and external developments.

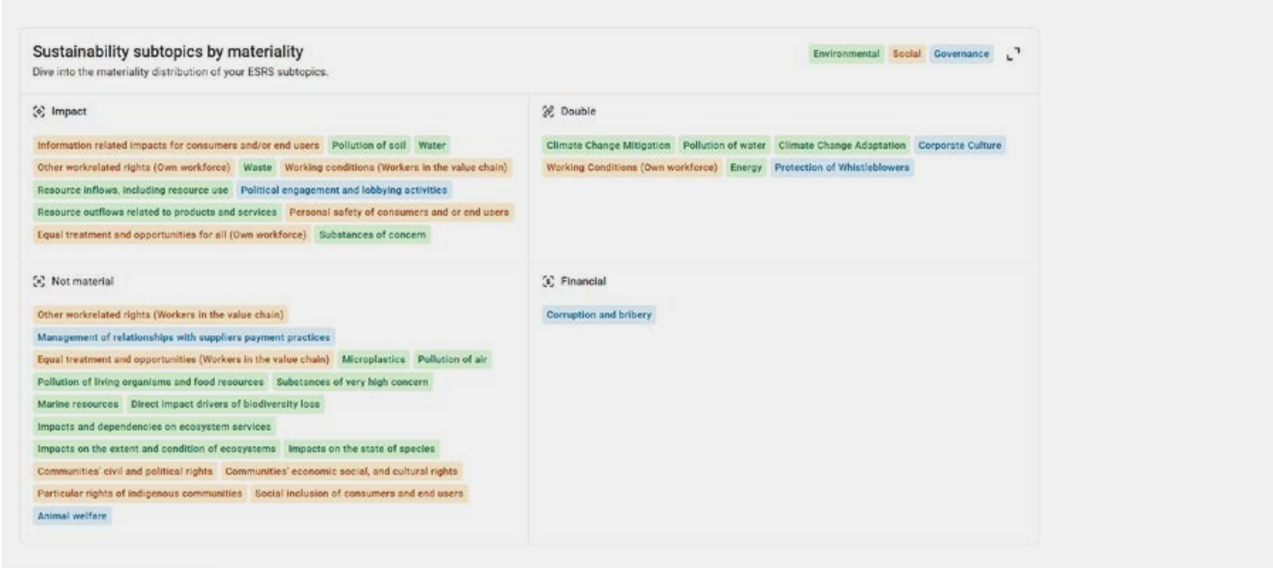
DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE BUSINESS'S SUSTAINABILITY STATEMENT

The Position Green DMA solution (software application supporting sustainability reporting) is in accordance with the criteria outlined in the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) adopted in July 2023. The materiality assessment solution follows the principle of double materiality, comprising of impact and financial materiality.

According to double materiality, a sustainability matter is deemed material out of one or both of the following perspectives:

Impact materiality – An impact the business has on people and the environment, determined based on materiality of the impacts; and/or

Financial materiality – A sustainability related effect from a financial perspective affecting the company's financial position, financial performance, cash flows, its access to finance or cost of capital.



Environmental Information

Climate change

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

The Scope 1 and 2 GHG emission reduction targets are aligned with industry standards and customer expectations in the automotive sector, ensuring compliance with best practices and advancing progress toward a low-carbon future.

Using 2020 as the reference year, the targets aim for a 50% reduction by 2030 and 100% by 2040. These targets are more ambitious than the cross-sector (ACA) reduction pathway, which projects a 42% reduction by 2030 and 90% by 2050, as outlined in the publication *'Pathways to Net-zero – SBTi Technical Summary (Version 1.0, October 2021)'*, and are consistent with the goals of the Paris Agreement.
The most significant levers for decarbonization and the planned actions to achieve the GHG emission targets per Scope are:

Scope 1 GHG emissions:

- Natural gas used for manufacturing equipment/processes and room heating will be progressively replaced or rebuilt with equipment powered by renewable energy sources such as electricity, hydrogen, or biofuel.

Scope 2 GHG emissions:

- Electricity from non-renewable sources will be gradually replaced with electricity from renewable sources.

Scope 3 GHG emissions:

- Purchased Goods and Services: Legal and customer requirements are driving continuous GHG emission reductions in the supply chain, particularly for steel, which contributes significantly to GHG emissions.
- Inbound and Outbound Transport: Legal and customer requirements are also driving GHG emission reductions in the transportation sector.

In addition to the planned actions to achieve the GHG emission targets, we also identified targets and action on:

Waste Reduction and Recycling:
- Minimize waste generation through improved processes and maximize the recycling and reuse of materials to reduce emissions associated with waste management.

Implement Water Recycling and Reuse Systems:
- Install technologies that allow for the recycling and reuse of water within manufacturing processes to reduce the demand for fresh water.

Nedschroef has already made significant strides in executing the transition plan for climate change mitigation, focusing on reducing GHG emissions, improving energy efficiency, and aligning with regulatory frameworks.

The following outlines the key areas of progress:

Scope 1 and 2 GHG emission reductions:
- Since the base year of 2020, a 30% reduction in Scope 1 and 2 GHG emissions has been achieved, primarily driven by increased renewable energy usage and energy efficiency initiatives. This positions Nedschroef well on track to meet the 2030 target of reducing the GHG emissions by 50%.

Increased renewable energy usage:
- Nedschroef made significant progress in transitioning to electricity from renewable sources. As of the latest reporting period, 83% of the electricity consumption comes from renewable sources, which is well on track to meet the 2030 target of 100% electricity from renewable sources.

Long-term energy strategy:
- Nedschroef committed to sourcing 100% renewable energy by 2040 and is actively working toward this goal through continued investments in manufacturing equipment powered by renewable energy.

The overall Strategic Business Plan includes defined goals to reduce GHG emissions from Scope 1, 2, and Scope 3 in alignment with the Paris Agreement and stakeholder requirements. Based on this, a comprehensive Sustainability Strategy, including a breakdown of relevant objectives, is developed.

The transition plan for climate change mitigation is integrated into the strategy and aligned with the annual business and financial planning.

The operational (OpEx) and capital expenditures (CapEx) costs are estimated for implementation of the decarbonization levers for the coming years.

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The Sustainability Policy considers Nedschroef's actual and potential impacts on environmental, social and governance matters through our operations and supply chains and applies to all Nedschroef companies. It is based on the ESG framework, which is an accounting framework with three parts: Environmental, Social and Governance to evaluate our business practices and performance in a broader perspective to create greater business value. The policy relates to how the products, services, and operations within our company and across our supply chain will be continually reviewed and improved, so that we can integrate environmental, social and governance considerations into our everyday practices and make a positive contribution to society.

Extract from the Sustainability Policy:

- We mitigate climate change by reducing both direct and indirect CO_2 emissions through the transition from non-renewable to renewable energy sources.
- We adopt climate change by implementing measures such as Continuity, Contingency, Emergency Plans incl. Disaster recovery, to prepare for potential natural disasters.
- We commit to procuring energy from renewable sources, ensuring alignment with the goals set in our Sustainability Strategy to achieve a low-carbon future.

The Executive Committee, comprising the CEO and CFO, holds ultimate accountability for the Sustainability Policy.

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

In addition to ongoing projects and initiatives aimed at improving energy efficiency, the following key actions were taken in 2024 to mitigate climate change:

- One natural gas-powered heat treatment line was taken out of operation for renovation and conversion into a hybrid system powered by both natural gas and/or electricity. The line is scheduled to be operational again in 2025.
- The share of purchased electricity from renewable sources increased from 80% to 83%.

As part of the transition plan for climate change mitigation, the following key actions are planned for the future:

- Phase out natural gas for manufacturing equipment and room heating by rebuilding or replacing equipment with systems powered by renewable energy sources such as electricity, hydrogen, and/or biofuel.
- Phase out electricity from non-renewable sources by continuously increasing the use of electricity from renewable sources.

The listed key actions - phase out natural gas and electricity from non-renewable sources, are expected to reduce the Scope 1 and 2 GHG emissions to zero by 2040.

The phase out of natural gas for manufacturing equipment and room heating affects several operational entities in Europe and the phase out of electricity from non-renewable sources affects few operational entities both in Europe and China.
The phase out of natural gas will be continuing until 2040 and the phase out of electricity from non-renewable sources will be continuing until 2030.

Implementing the action plan requires significant investments and internal/external manpower, which will be continuously considered and scheduled over the coming years. The heightened focus on sustainable operations, including the procurement of renewable energy, contributes to increased operational expenditures (OpEx), which are reflected in the costs detailed in the financial statements. Similarly, substantial investments in renewable energy projects, energy-efficient technologies, and electrification initiatives are directly linked to capital expenditures (CapEx) reported in the financial statements.

The CapEx plan required by Commission Delegated Regulation (EU) 2021/2178 is not relevant to Nedschroef.
The listed key actions related to climate change mitigation are depending on sufficient availability of energy from renewable sources and will necessitate substantial operational (OpEx) and capital expenditures (CapEx) over the coming years.

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Climate-related matters are integral to the Sustainability Strategy, Objectives, and Policy, as well as the Environmental and Energy Policy. Objectives are defined, targets are set and regularly monitored by the Executive Committee through the Sustainability Steering Committee and the annual Management Review. Any additional local KPIs will align with corporate objectives and be monitored locally. The Cross-Company Group Environment and Energy team contributes by driving standardization, sharing best practices, and exchanging lessons learned.

Main objectives, targets and base year are listed.

Name of target	Base year	Baseline value	2025	2030	2035	2040
Scope 1 GHG emissions (tCO_2eq)	2020	17,346	18,230	18,230	9,115	0
Scope 2 GHG emissions – market-based (tCO_2eq)	2020	19,114	1,911	0	0	0
Scope 3 GHG emissions (tCO_2eq)	2020	471,769	408,582	353,857	288,916	235,894
Energy from renewable sources [%]	2020	10	90	100	100	100

The GHG emissions are covered by the target CO_2, CH_4, N2O, HFCs, PFCs, SF6 and NF_3.

For Scope 1 GHG emission, there is mainly two levers for decarbonization:
- Natural gas for manufacturing equipment/processes and room heating, which continuously will be rebuild/replaced and powered by energy from renewable sources such as for example electricity, hydrogen, and/or biofuel.
- Other fuel types for Company vehicles.

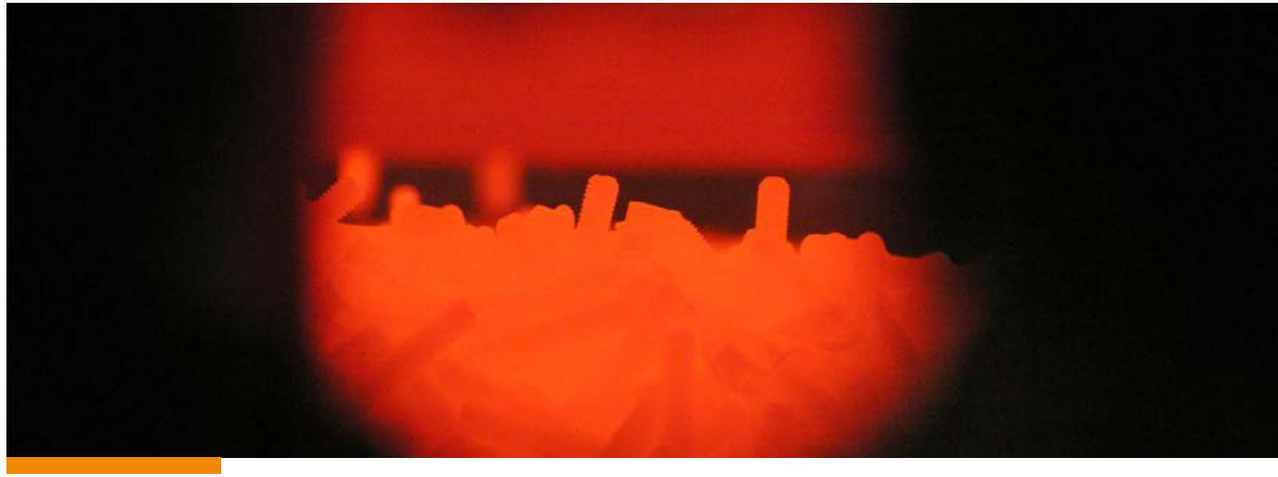
For Scope 2 GHG emission, there is one lever for decarbonization:
- Electricity from non-renewable sources, which continuously will be replaced by electricity from renewable sources.

The method for accounting Scope 1 and Scope 2 GHG emissions has followed the GHG Protocol since the base year of 2020 and has been validated annually by an external assurance provider since 2021.

For Scope 3 GHG emission, there are mainly two levers for decarbonization Upstream:
- Purchased Goods and Services, where legal and customer requirements are constantly driving GHG emission reductions in the supply chain - especially transition to low carbon emission steel, which is a significant portion of the GHG emission.
- Inbound and outbound transport, where legal and customer requirements are constantly driving GHG emission reductions in the transporting sector, by using less carbon emission fuel types and/or compensation with carbon credits.

The method for accounting Scope 3 GHG emissions has followed the GHG Protocol since the base year of 2023.

In 2024, a GHG Protocol screening was conducted with the support of an external consultant to identify GHG emission sources and select the appropriate methods for calculating these emissions.



No significant changes were made to Scope 1 and 2, and the base year, baseline, target year, and target remain unchanged.

Scope 3 was redefined compared with previous reporting years and now includes 12 of the 15 categories, with the remaining 3 categories identified as not material. The base year, baseline, target year, and target have been redefined accordingly.

From 2020 to 2023, the “UK Government GHG Conversion Factors for Company Reporting” were used for GHG emissions calculations. Where certain factors were unavailable, local emission factors to CO2eq were applied.

Starting from 2024, GHG emissions are calculated using the software solution provided by Position Green, based on emissions factors from various international sources e.g. DEFRA, IEA, Exiobase, etc.

In the Sustainability Policy, we commit to procuring energy from renewable sources, ensuring alignment with the goals set in our Sustainability Strategy to achieve a low-carbon future.

A target has been set to progressively increase the purchase of electricity from renewable sources, aiming to reduce Scope 2 GHG emissions to zero by 2030.

Electricity consumption and energy mix are calculated using actual data from supplier invoices, advance payments, and/or supplier portals for each entity.

The entities report monthly, and the performance is monitored and reviewed at the group level. When necessary, corrective actions are identified and implemented to ensure that the target is met.

The target was established in 2020, which also serves as the base year, with a sub-target set for 2025 and the final target for 2030.

ENERGY CONSUMPTION AND MIX

Energy consumption and mix	2024
(1) Fuel consumption from coal and coal products [MWh]	0
(2) Fuel consumption from crude oil and petroleum products [MWh]	7,436
(3) Fuel consumption from natural gas [MWh]	75,939
(4) Fuel consumption from other fossil sources [MWh]	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources [MWh]	9,557
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	92,933
Share of fossil sources in total energy consumption [%]	61.5
(7) Consumption from nuclear sources [MWh]	2,152
Share of consumption from nuclear sources in total energy consumption [%]	1.42
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) [MWh]	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [MWh]	55,966
(10) The consumption of self-generated non-fuel renewable energy [MWh]	0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	55,966
Share of renewable sources in total energy consumption [%]	37.1
Total energy consumption [MWh] (calculated as the sum of lines 6, 7, and 11)	151,051

Energy consumption and the energy mix are determined using actual data from supplier invoices, advance payments, and information from supplier portals for each entity.

GROSS SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS

	Actual			Target		
	2023	2024	% 2024 / 2023	2025	2030	2040
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions [tCO_2eq]	18,187	16,548	-9.01	18,230	18,230	0
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions [tCO_2eq]	-	23,128	-	-	-	-
Gross market-based Scope 2 GHG emissions [tCO_2eq]	6,690	4,955	-25.95	1,911	0	0
Significant Scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions [tCO_2eq]	432,772	398,974	-7,81	408,582	353,857	235,894
1 Purchased goods and services	345,158	320,516	-7,14	-	-	-
2 Capital goods	6,766	4,362	-35.52	-	-	-
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	3,060	8,287	171	-	-	-
4 Upstream transportation and distribution	23,326	17,052	-26.90	-	-	-
5 Waste generated in operations	309	136	-55.87	-	-	-
6 Business traveling	1,967	1,850	-5.95	-	-	-
7 Employee commuting	4,269	3,238	-24.14	-	-	-
9 Downstream transportations	19,550	19,966	2.12	-	-	-
10 Processing of sold products	122	114	-5.94	-	-	-
11 Use of sold products	28,224	23,447	-16.92	-	-	-
12 End-of-life treatment of sold products	20	5	-74.73	-	-	-
15 Investments	0	0	0	-	-	-
Total GHG emissions						
Total GHG emissions (market-based) [tCO_2eq]	**457,650**	**420,477**	**-8,12**	**428,723**	**372,087**	**235,894**

Approximately 90% of the purchased electricity from renewable sources is certified with a Guarantee of Origin (GO).

Where Scope 1 and 2 are measured and/or calculated on primary data, some Scope 3 categories are based on assumptions.

Detailed information on definitions, assumptions and estimations are available in the Glossary.

When selecting emission factors, the goal is to prioritize the most accurate, high-quality data available to enhance the reliability of GHG calculations across all scopes. The choice of emission factors is determined by the scope and the specific activity being measured, with a clear preference for more specific, verified data sources whenever possible to ensure precision and credibility.

In the beginning of 2024, a comprehensive screening of the Scope 3 GHG emissions was conducted. The screening included evaluation of all 15 categories identified by the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version).

The outcome of the screening determined that the following categories are not relevant and therefore excluded from reporting, as Nedschroef has no activities in these areas:

- Category 8: Upstream Leased Assets
- Category 13: Downstream Leased Assets
- Category 14: Franchises

The Scope 3 GHG emissions are mainly measured using secondary data and calculated with either the 'spend-based' or 'average-based' method. Detailed information on definitions, assumptions and estimations are available in the Glossary.

GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

In 2024 Nedschroef cancelled 1,600 tCO_2eq carbon credits verified against the recognized quality standard "Gold Standard". No assumptions used, the calculation of GHG removals and mitigation projects are based on actual purchase orders from recognized quality standard.

INTERNAL CARBON PRICING

The carbon pricing scheme applies for all CAPEX applications and for all entities. Internal carbon pricing for Scope 1 and 2 GHG emissions is embedded in the CAPEX procedure for new equipment investments, with the following objectives:

- Conduct cost-benefit analyses
- Drive energy efficiency
- Promote low-carbon investments
- Incentivize consideration of climate-related issues in decision-making

In 2024 the carbon price is 50 €/tCO_{2eq}.

The pricing scheme used is a shadow price in €/tCO2eq, determined through benchmarking against industry peers via desktop research.

Pollution

POLICIES RELATED TO POLLUTION

The Environmental and Energy Policy takes into account Nedschroef's context, including the nature, scale and environmental impact of our products, processes, activities and services, and applies to all Nedschroef companies. While striving to fulfil our mission and vision, we want to minimize our negative impact on the environment and pursue long-term enhancement of energy performance.

Nedschroef takes its responsibility to respect and protect the natural environment and prevent pollution. While encouraging all our workers to preserve the environment, use the earth's resources in a sustainable way and provide favorable living conditions for future generations, we expand our environmental and energy improvement initiatives based on further collaboration with relevant business partners.

Extract from the Environmental and Energy Policy, which also addresses the substitution and minimization of the usage of substances of concern and substances of very high concern:

- We improve air quality from our process exhaust.
- We reduce the impact of chemical substances on human health and the environment, including air, water and soil.
- We will not use any substances of very high concern.
- We continually aim to reduce the usage of any substance of concern like Toluol, Alumal Deox 411 and PFAS.
- We integrate ISO14001 and ISO 50001 requirements into our business processes and continually improve our Environmental and Energy Management System, to enhance our Environmental and Energy performance.

We integrate ISO14001 requirements into our business processes and continually improve our Environmental Management System, to enhance our environmental performance and continually reduce the impact on the environment, and health and safety on people.

The Executive Committee, comprising the CEO and CFO, holds ultimate accountability for the Environmental and Energy Policy.

ACTIONS AND RESOURCES RELATED TO POLLUTION

In the reporting year, there were no key actions on daily operations.

Emissions to air, water and soil from operations are regularly monitored and below limits from the individual business permits.

Two locations have limited contamination of soil and ground water from the past, which are regularly monitored and analyzed by external companies.

At one location, currently no actions necessary for cleaning the soil, since there is a controlled situation without any ecological risks. Cleanup is only needed during natural moments. Ground water was monitored during the reporting year to check for natural decomposition and possible spreading. This will continue until 2027 when there will be a new evaluation of the situation with the local government.

At the other location, continually cleaning (pump and treat) of affected ground water is taking place. Annual evaluation with the local government is ongoing.
Currently the situation is stable without any risks for the environment and/or humans, but at a no specified point of time, the contaminated soil must be cleaned by in-situ process, which will take up to 6 years.

The effected stakeholder groups for the pollution are neighborhood, local governments and Nedschroef.

Currently the time horizons are not defined, since annual evaluations with the local governments are ongoing.

The current OpEx at both entities is approx. € 34.5 K annually and the estimated future costs for in-situ process, etc. is approx. € 1.2 M.

TARGETS RELATED TO POLLUTION

Measurable, outcome-oriented, and time-bound targets related to pollution are specified in each of the local business permits given by the local governments.

Nedschroef tracks the effectiveness of policies and actions by ongoing measurement of relevant pollution sources and yearly monitoring by internal and external auditors during ISO 14001 Environmental Management System audits and annual Management Reviews.

Ongoing measurement of relevant pollution sources and yearly monitoring by internal auditors and external auditors during ISO 14001 Environmental Management System audits and annual Management Reviews.
Ecological thresholds and entity-specific allocations are specified in each of the local business permits given by the local governments.

SUBSTANCES OF CONCERN AND VERY HIGH CONCERN

Substances of concern	Amount generated/used during production or procured [kg]	Amount that left the company's facilities as emissions, products, or part of products/services [kg]
Carcinogenicity categories 1 and 2	706	0
Chronic hazard to the aquatic environment categories 1 to 4	453,752	0
Endocrine disruption for human health	580	0
Endocrine disruption for the environment	131	0
Germ cell mutagenicity categories 1 and 2	9	0
Hazardous to the ozone layer	0	0
Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties	2	0
Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties	0	0
Reproductive toxicity categories 1 and 2	7,292	0
Respiratory sensitisation category 1	33,764	0
Skin sensitisation category 1	126,457	0
Specific target organ toxicity, repeated exposure categories 1 and 2	10,973	0
Specific target organ toxicity, single exposure categories 1 and 2	211,015	0
Total	**844,681**	**0**

Calculation of substances of concern is based on reporting of chemicals which includes substance of concern from each location.
Some reported chemicals contain several substances of concerns and are therefore reported several times in the listed amounts.
The reported amounts are used during production or procured although the actual share of substance of concern is less.

ANTICIPATED FINANCIAL EFFECTS FROM POLLUTION-RELATED IROS

The anticipated financial effects from the above described pollution-related actions are estimated to be approx. € 1.2 M and to be materialized within the coming 10-15 years.

Currently, we are not able to quantify the financial effects arising from material opportunities.

Water and Marine Resources

POLICIES RELATED TO WATER AND MARINE RESOURCES

The Environmental and Energy Policy takes into account Nedschroef's context, including the nature, scale and environmental impact of our products, processes, activities and services, and applies to all Nedschroef companies. While striving to fulfil our mission and vision, we want to minimize our negative impact on the environment and pursue long-term enhancement of energy performance.

We take our responsibility to respect and protect the natural environment and prevent pollution. While encouraging all our workers to preserve the environment, use the earth's resources in a sustainable way and provide favorable living conditions for future generations, we expand our environmental and energy improvement initiatives based on further collaboration with relevant business partners.

Extract from the Environmental and Energy Policy:

- We reduce the water withdrawal, consumption, discharge, and associated impacts through efficiency measures, such as water recycling, reuse and treatment of water discharge.

The Executive Committee, comprising the CEO and CFO, holds ultimate accountability for the Environmental and Energy Policy.

Sustainable oceans and seas are not adopted in any policies or practices and was not assessed as material in the DMA.

ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

Actions taken in the reporting year 2024:

Recording and reporting of water sources:
- Continuous tracking and reporting of water withdrawal sources to enhance understanding of environmental impacts.

Reduction of water withdrawal:
- Implementation of various local initiatives leading to a significant reduction in water usage, primarily targeting cooling processes in manufacturing.

Local projects for further reductions:
- Initiation of focused projects at three locations accounting for over 80% of the organization's total water usage to explore additional reduction opportunities tailored to specific uses.

Actions planned for the future:

Enhanced monitoring and data collection:
- Installation of additional water meters to measure usage more accurately for various purposes.

Ongoing evaluation and adaptation:
- Continuous assessment of water reduction initiatives to determine effectiveness and identify further improvement opportunities.

Expansion of reduction initiatives:
- Scaling up successful local strategies to other locations and exploring innovative approaches to minimize water usage further.

These efforts demonstrate a commitment to sustainable water management and align with broader goals of reducing environmental impacts.

The listed actions planned will be focus on the three locations accounting for over 80% of the organization's total water usage.

The listed actions planned will be monitored during 2025.

TARGETS RELATED TO WATER AND MARINE RESOURCES

The corporate Environmental and Energy objectives and targets are set - and monitored on regular basis - with the top management via our Sustainability Steering Committee and Management Review. Any additional, local KPI's will be in line with the corporate objectives and monitored locally.

Extract from the Environmental and Energy Policy:
- We reduce the water withdrawal, consumption, discharge, and associated impacts through efficiency measures, such as water recycling, reuse and treatment of water discharge.

The following two objectives and targets are set:
- Water withdrawal absolute in m3 - base year in 2020
- Water withdrawal intensity in m3/€ sales - base year in 2020

No significant changes in the methodology since base year 2020.

WATER WITHDRAWAL ABSOLUTE

The corporate ambition, as outlined in the Environmental and Energy Policy, is to reduce total water withdrawal. Water usage data is sourced from invoices, meters, and/or portals across various entities, with the two most significant withdrawals coming from:

- **Surface water:** Primarily used for cooling manufacturing processes in closed circuits.
- **Third-party water:** Used for other purposes, such as drinking, washing, and cleaning.

	Unit	2024
Surface, Ground and Produced water	m^3	92,359
Third-party water	m^3	49,618
Total water withdrawal	**m^3**	**141,977**

Each entity's water withdrawal is categorized into five water stress levels, based on the World Resources Institute's "Aqueduct Water Risk Atlas." This publicly accessible global database and interactive tool maps water-related risk indicators, enabling comparison across large geographical areas to identify regions or assets that warrant closer attention.

	Unit	2024
Low	m^3	8,047
Low-Medium	m^3	318
Medium-High	m^3	25,735
High	m^3	106,961
Extremely High	m^3	916
Total water withdrawal	**m^3**	**141,977**

Approximately 76% of the total water withdrawal occurs in areas classified as having High or Extremely High water stress.

The target is monitored and reviewed annually by the Sustainability Steering Committee and reported in the Sustainability Report. Since the base year of 2020, water withdrawal has significantly decreased and is on track to meet the targets for the coming years.

The target was established in 2020, which also serves as the base year, with a sub-target set for the next 5 years, 2025, 2030, 2035 and the final target for 2040.

Water consumption

Nedschroef's products do not contain any water. Therefore, all water withdrawals are either evaporated, discharged back to natural sources such as rivers and canals, or discharged to third parties via sewers or storage tanks.

Resource Use and Circular Economy

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Environmental and Energy Policy takes into account Nedschroef's context, including the nature, scale and environmental impact of our products, processes, activities and services, and applies to all Nedschroef companies. While striving to fulfil our mission and vision, we want to minimize our negative impact on the environment and pursue long-term enhancement of energy performance.

We take our responsibility to respect and protect the natural environment and prevent pollution. While encouraging all our workers to preserve the environment, use the earth's resources in a sustainable way and provide favorable living conditions for future generations, we expand our environmental and energy improvement initiatives based on further collaboration with relevant business partners.

Extract from the Environmental and Energy Policy:

- We aim towards full transparency of use of hazardous, scarce and conflict materials. We drive towards replacing hazardous materials with more environment-friendly solutions and material that can be reused, recycled or safely disposed of.
- We reduce the generation of waste and unavoidable waste, that is currently incinerated or landfilled, will systematically be replaced by waste that can be recycled or reused.

The Executive Committee, comprising the CEO and CFO, holds ultimate accountability for the Environmental and Energy Policy.

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The key actions related to resource use and circular economy taken in the reporting year and planned for the future are:

1. Transition to Electric Arc Furnace (EAF) Production:
Nedschroef primarily manufactures products from metals such as various types of steel, stainless steel, and aluminum. These materials are either processed internally or sourced as finished or semi-finished goods. In line with the European Critical Raw Materials Act (Annex II, Section 1), the raw materials used may contain negligible quantities of some critical raw materials.

Steel production follows two main routes:

1. Blast Furnace-Basic Oxygen Furnace (BF-BOF):
- This method produces new (“virgin”) steel, utilizing 20–25% secondary materials.

2. Electric Arc Furnace (EAF):
- Often associated with recycling, this route incorporates up to 100% secondary materials.

These pathways are commonly referred to as the “primary” (BF-BOF) and “secondary” (EAF) production methods, reflecting their respective reliance on raw versus recycled inputs.

Nedschroef is in close contact with the steel manufacturers, who are increasingly investing in Electric Arc Furnace (EAF) production methods to meet the growing market demand for materials with reduced environmental impact, aligning with increasing customer requirements.

2. Waste Management Aligned with the Waste Hierarchy:
Nedschroef has implemented an effective waste management system and continues to optimize it in alignment with the waste hierarchy. All waste generated is managed by contracted waste contractors to ensure proper disposal outside the organization.

Waste is classified into two main categories:

1. Hazardous Waste
Hazardous waste includes materials defined by Annex III of the Basel Convention or classified as hazardous under national legislation, such as the European Waste Catalogue (marked with a star in the waste code, e.g., 150202*). Examples include:
- Waste oil and emulsions from manufacturing processes.
- Water contaminated with oils from cleaning machines and floors.
- Absorbents, filter materials (e.g., oil filters), wiping cloths, and 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 using chamber filter presses.

2. Non-Hazardous Waste
Non-hazardous waste comprises materials that do not meet hazardous criteria, such as:
- Metal scrap from manufacturing processes.
- Wood pallets, cardboard, paper, and plastics.
- Residual waste.

This structured approach ensures that waste is appropriately managed, minimizing environmental impact and adhering to regulatory standards.

The expected outcomes of the action plans are:

1. Transition to Electric Arc Furnace (EAF) Production:
- Reduction in carbon footprint: Significant decrease in CO_2 emissions due to the higher reliance on recycled materials and lower energy intensity of EAF compared to BF-BOF.
- Increased use of recycled materials: Enhanced circularity by integrating up to 100% secondary materials into steel production.
- Alignment with market demands: Support for customer requirements for low-impact materials, improving competitive positioning in the market.
- Environmental benefits across the value chain: Positive impacts upstream (raw material sourcing), within operations (reduced energy and resource use), and downstream (sustainable product offerings).

2. Waste Management Aligned with the Waste Hierarchy:
- Reduction in waste to landfill: Prioritization of prevention, reuse, and recycling minimizes landfill contributions.
- Resource efficiency: Enhanced recovery and recycling of materials, such as metal scrap and packaging waste, promote sustainable resource use.
- Compliance and sustainability goals: Continuous adherence to regulatory requirements and achievement of annual waste reduction targets.
- Value chain integration: Waste management practices support environmental sustainability upstream (material sourcing), within operations (process optimization), and downstream (recycling opportunities for customers).

Overall, these actions will foster resource efficiency, reduce environmental impacts, and contribute to a more sustainable and circular economy.

Both the transition to Electric Arc Furnace (EAF) steel production and the implementation of waste management practices aligned with the waste hierarchy are relevant across the entire value chain - upstream, within our own operations, and downstream - contributing to significant environmental benefits.

The transition of steel production from Blast Furnace-Basic Oxygen Furnace (BF-BOF) to Electric Arc Furnace (EAF) requires substantial investment and will take several years to fully implement.

Waste management, aligned with the waste hierarchy, is an ongoing process integrated into our daily operations, supported by annual targets to drive continuous improvement.

TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Non-Hazardous waste

Nedschroef is committed to achieving full transparency in the use of hazardous, scarce, and conflict materials, aligning with its sustainability objectives to minimize environmental impact, enhance resource efficiency, and support a circular economy. This commitment contributes to broader policy goals, including the European Green Deal, and aligns with sustainable development priorities by promoting safe material use and waste reduction.

Materials are evaluated through supplier declarations, audits, and compliance checks against frameworks such as the European Critical Raw Materials Act and REACH regulations. The approach assumes the continued evolution of regulations and growing availability of eco-friendly and recyclable alternatives, enabling the phased elimination of hazardous materials while increasing reliance on sustainable alternatives.

This target applies to all Nedschroef locations and operations globally, ensuring a consistent and unified approach across all regions.

The target relates to circular economy by reducing and replacing hazardous materials with alternatives that can be reused or safely recycled, aligning with the waste hierarchy and minimizing landfill contributions.

This approach integrates sustainability into material flows, enabling circular resource management while reducing environmental impacts across the value chain.

Waste generation is categorized according to the European Waste Catalogue (EWC) from the European Environment Agency. It is monitored, reviewed, and audited at each location and has been centrally reported and consolidated annually since 2022.

Trends over recent years show a gradual increase in the proportion of non-hazardous waste, aligning with Nedschroef's strategy and defined targets for sustainable waste management.

The target is to achieve 100% non-hazardous waste by 2040.

Waste diverted from disposal

Nedschroef is committed to reduce overall waste generation and systematically replace unavoidable waste currently destined for incineration or landfill with waste that can be recycled or reused. This target directly supports the waste hierarchy and aligns with Nedschroef's sustainability objectives to minimize environmental impact, enhance resource efficiency, and contribute to a circular economy. It reflects broader policy objectives such as the European Green Deal and the EU Circular Economy Action Plan, focusing on sustainable waste management and resource recovery.

Waste categorization and monitoring rely on the European Waste Catalogue (EWC) and annual waste audits, ensuring compatibility with international sustainability efforts. The approach assumes continued advancements in recycling technologies, the availability of eco-friendly materials, and the development of infrastructure to handle recyclable and reusable waste.

This target applies to all Nedschroef locations and operations globally, ensuring a consistent and unified approach across all regions.

The target relates to circular economy by reducing and replacing non-recyclable materials with alternatives that can be reused or safely recycled, aligning with the waste hierarchy and minimizing landfill contributions.
This approach integrates sustainability into material flows, enabling circular resource management while reducing environmental impacts across the value chain.

Waste generation is categorized according to the European Waste Catalogue (EWC) from the European Environment Agency. It is monitored, reviewed, and audited at each location and has been centrally reported and consolidated annually since 2022.

Trends over recent years show a gradual increase in the proportion of waste diverted from disposal, aligning with Nedschroef's strategy and defined targets for sustainable waste management.

The target is to achieve 95% by 2030 and 100% by 2040 of waste diverted from disposal.

The targets presented by Nedschroef are voluntary and not mandated by legislation. However, they align closely with regulatory frameworks such as the European Green Deal, the EU Circular Economy Action Plan, and other national and international sustainability policies.

While these targets exceed current legal requirements, they reflect Nedschroef's proactive commitment to sustainability, resource efficiency, and environmental stewardship, ensuring alignment with evolving market demands and future regulatory expectations.

Nedschroef has refined its waste management targets and metrics to better align with sustainability objectives and evolving regulatory frameworks.

Notable updates include:

- Transition from general waste reduction goals to a specific target of achieving 100% non-hazardous waste and 100% waste diverted from disposal by 2040.
- Shift to detailed categorization and tracking of waste streams using the European Waste Catalogue (EWC), ensuring consistency with EU regulations.
- Standardized waste reporting across all locations, incorporating site-level audits and centralized data consolidation for annual reviews.
- Assumes continued innovation in recycling technologies and material recovery processes to enable broader adoption of recyclable materials.
- Anticipates increased market availability of environmentally friendly and recyclable alternatives to replace hazardous materials.

- Relies on the continued development of supportive regulations and policies to facilitate waste reduction and resource efficiency.
- Differences in local waste management infrastructure and recycling capabilities may affect the uniform application of targets.
- Variability in supplier data accuracy and consistency may impact comprehensive tracking of upstream waste contributions.
- Operational data collected through waste audits, manufacturing records, and process evaluations at each location.
- Supplier declarations, third-party certifications, and compliance checks against frameworks like REACH and the European Critical Raw Materials Act.
- All data is aggregated and analyzed centrally to track progress, identify gaps, and guide strategy adjustments.

By refining targets, methodologies, and data collection processes, Nedschroef ensures measurable progress toward its waste reduction and sustainability goals while adapting to evolving circumstances and challenges.

RESOURCE INFLOWS

Nedschroef's products primarily utilize metals such as steel, stainless steel, and aluminum. These materials are either processed internally or sourced as finished or semi-manufactured goods, with an average recycled content of approximately 20-25%. All manufacturing scrap is collected and sold to third-party partners for 100% recycling, aligning with circular economy principles.

Some special products incorporate attached plastic components, which are evaluated for recyclability.

While Nedschroef does not directly process natural resources like ores or minerals, various mineral oils are utilized in processes such as forming, quenching, and lubrication. These oils are recovered post-use and sold for recycling, ensuring minimal environmental impact. Efforts are ongoing to explore alternative, sustainable process materials.
Products are packaged in either returnable KLT containers (from German: Kleinladungsträger), which are extensively reused, or in recyclable corrugated cardboard boxes. The KLT system significantly reduces packaging waste, while the cardboard achieves a 100% recycling rate.
Other resource inflows, such as machines and equipment, represent a minimal contribution compared to the primary materials described above. However, their procurement and utilization are carefully managed to align with Nedschroef's sustainability objectives.

Material	Weight [tons]	Secondary materials [tons]
Metals for products	227,532	56,883
Oils for manufacturing processes	2,148	0
Total	**229,680**	**56,883**

The weight of "Metals for products" and "Oils for manufacturing processes" is gathered from various internal systems and purchase records maintained by individual entities and then consolidated at a central level.
Data on recycled content is sourced from suppliers' material certifications, declarations, or product specifications. These documents provide the basis for determining the proportion of recycled material in inputs.

It is assumed that all records in the internal systems are current and accurate. Additionally, supplier-provided data on recycled content is considered reliable and is averaged across similar material types to simplify reporting and analysis.

RESOURCE OUTFLOWS

Nedschroef's production process is centered on creating high-quality, durable products designed with circular economic principles.
The key products per business unit/line are:

Business Unit Automotive:
- Standard fasteners, specially engineered parts, component subassemblies or a combination.

Business Line Machinery & Tooling:
- Premium metal forming machines, spare parts and tooling solutions.

Business Line Engineering of Systems:
- Systems and Components for Chassis and Body for Automotive, system and components for structure and suspension for Aerospace and other equipment like SetupWizzard.

The products are primarily made of metal, valued for its durability and high recyclability, with selected electronic components integrated into specialized applications. This metal-centric approach promotes circular economic principles by facilitating reuse, remanufacturing, and recycling of components.

Product durability:

Product	Expected durability of the product placed on the market in relation to the industry average
Business Unit Automotive:	1
Business Line Machinery & Tooling:	1.4
Business Line Engineering of Systems:	1

Nedschroef does not use a specific external reparability rating system, but the products are designed with reparability in mind, ensuring they align with sustainability and circular economic principles.

Metal Components and Systems:
- Automotive and aerospace components are manufactured to high precision standards, allowing for ease of disassembly and replacement of individual parts.
- Modular designs enable straightforward repairs and adjustments without the need to replace entire assemblies.

Machinery & Tooling:
- Metal forming machines and tool solutions are designed for durability and serviceability. Spare parts are readily available, and service is supported through technical manuals and assistance.

The above information is based on estimations and internal expert assessments.

Waste generated in the company's own operations:

	2024
Total amount of waste generated [tons]	**13,779**
Total Amount of Waste Diverted from Disposal [tons]	12,835
- Preparation for reuse [tons]	1,372
- Recycling [tons]	10,206
- Other recovery [tons]	1,257
Hazardous waste [tons]	2,788
Non-hazardous waste [tons]	10,047
Total Amount of Waste Directed to Disposal [tons]	944
- Incineration [tons]	670
- Landfill [tons]	105
- Other disposal [tons]	169
Hazardous waste [tons]	546
Non-hazardous waste [tons]	398
Percentage of non-recycled waste [%]	6.85

	2024
Total Amount of Hazardous Waste [tons]	3,334
Total Amount of Non-hazardous Waste [tons]	10,445
Total Amount of Radioactive Waste [tons]	0

In the manufacturing sector, several waste streams are typically relevant due to the processes involved.

These waste streams can vary depending on the specific materials, production techniques, and regulatory requirements.

The most relevant waste streams from common manufacturing activities:

1. Hazardous Waste:

- Chemical Waste: Waste from solvents, cleaning agents, or industrial chemicals used in processes like surface treatment or cleaning.
- Oily Waste: Used process oils, or lubricants.
- Contaminated Packaging: Containers, barrels, or packaging that held hazardous substances and require special disposal.

2. Non-Hazardous Waste:

- Scrap Metal: Leftover or defective metal parts and from manufacturing, stamping, or cutting processes.
- Plastic Waste: Waste from packaging materials used for products or components.
- Paper and Cardboard: Waste from packaging materials used for products or components.
- Wood: Pallets, crates, or other wood used in packaging or supporting materials.

3. Construction and Demolition Waste:

- Concrete and Brick: From any construction, renovation, or demolition activities related to production facilities.
- Insulation: From renovation or rebuilding of infrastructure.

4. Electronic Waste (E-Waste):

- Obsolete Machinery or Electronics: Discarded electrical components, computers, or equipment used in manufacturing processes.

5. Process-Specific Waste:

- Sludge: From wastewater treatment processes, surface treatment, or cutting processes.
- Dust and Particulates: Collected from filters in air purification systems, particularly in processes generating fine dust or particulate emissions.

6. Energy-Related Waste:

- Batteries: Used or damaged batteries from equipment or energy storage systems.
- Lighting Equipment: Fluorescent tubes, bulbs, or other lighting fixtures containing hazardous components.

7. Organic Waste:

- Biological Waste: From cafeteria, or break rooms.

8. Packaging Waste:

- Plastics, Cardboard, and Pallets: Generated from the packaging of raw materials or finished products.
- Stretch Wrap and Strapping: Used in securing products during shipping.

99% of the waste contains the following materials:

- Metal: scrap metal
- Mineral oil and emulsions
- Commercial and industrial waste
- Wood
- Paper and board: mixed
- Plastics: average plastics
- Household residual waste

The data are sourced from direct measurements provided by local waste management and recycling companies. Waste categorization follows the European Waste Catalogue (EWC) from the European Environment Agency. In Kunshan, China, local waste categories have been mapped to align with the EWC to ensure consistency in reporting and compliance.

Social Information-Own Workforce

POLICIES RELATED TO OWN WORKFORCE

Human rights policy commitments

In our company the majority of Nedschroef's human right policy commitments are integrated in the sustainability objectives and code of conduct.

- Our Sustainability Objectives and Targets are set - and monitored on regular base - with our top management via our Sustainability Steering Committee and Management Review. Our various Cross Company Groups, as there are CCG Health & Safety, CCG Human Resources and CCG Environment & Energy contribute to standardization, sharing of best practices and exchanging lessons learned.
- Our Code of Conduct supports Nedschroef's commitment to responsible corporate citizenship and its pursuit of a sustainable future - economically, socially as well as environmentally. It should be seen as a guide to help answer questions about integrity and ethics in business conduct and how not to interfere in the employee's private lives. It governs Nedschroef's business decisions and actions all over the world and applies equally to corporate actions and to the behavior of all employees in all positions within the Nedschroef group.
  Furthermore, it is subject to the applicable laws in the jurisdictions in which Nedschroef operates.
  The Code of Conduct is not all-encompassing but formulates a minimum standard of behavior. This applies to all employees in all positions at Koninklijke Nedschroef Holding, including its subsidiaries, who are entitled to specify or add additional local rules to be compliant with local legislation. It is the duty and responsibility of each manager to provide the necessary information to the employees, who in turn must make a reasonable effort to know and understand which guidelines apply to their position or seek support from their manager in case of doubt.

- Additionally, Nedschroef maintains a corporate whistleblowing policy, anti-bribery and anti-corruption (ABAC) policy, export control policy, relationships with suppliers' policy, political engagement policy, competition law (antitrust) policy and Dawn Raids policy.

Applicable legislation, like the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, have been used as inspiration to set the content of Nedschroef's Human Right policies.

Compliance with the Code of Conduct is monitored via Human Resources and Compliance Officers, who are appointed at cluster level by the Executive Committee. The compliance officers report annually to the Executive Committee on the development of the Code of Conduct and advise on ethical issues in general.

Discrimination and inclusion

Nedschroef aims to eliminate discrimination (including harassment), promote equal opportunities and advance diversity and inclusions, as described - among other topics - in the following sections of Nedschroef's Code of Conduct:

- Non-discrimination and harassment
- Socioeconomic compliance
- Employment
- Occupational Health & Safety
- Diversity, equal opportunity, inclusion
- Freedom of association and collective bargaining
- Whistleblower regulation

Our Code of Conduct stipulates that Nedschroef will not tolerate any kind of discrimination such as the act and the result of treating people unequally by imposing unequal burdens or denying benefits, and harassment, against any employee, customers, suppliers, business partners or any other stakeholder on any grounds of the topics above and migrant status, HIV and AIDS, genetic predisposition and lifestyles.

Nedschroef promotes diversity, equal opportunity, inclusion, and remuneration regardless of age, ancestry and ethnic origin, citizenship, creed, disability, gender, etc. and takes diversity aspects into account when considering how to communicate. Nedschroef respects women's rights and rights of minorities and indigenous peoples.

As a prevention method, our Code of Conduct and Sustainability Policy are a standard awareness topic during the formal onboarding process of any new employee. Compliance with the Code of Conduct is monitored via managers, Human Resources and Compliance Officers, who are appointed at cluster level by the Executive Committee. Employees and other stakeholders are encouraged to make good faith reports of suspected misconduct, fraud, corruption, compliance issues or other improper behavior within Nedschroef, as indicated in Nedschroef's corporate Whistleblower Policy. The compliance officers report annually to the Executive Committee on the development of the Code of Conduct and advise on ethical issues in general.

Additional policy information

The key contents of the policies to manage Nedschroef's material impacts, risks and opportunities are part of Nedschroef's sustainability policy and Code of Conduct.

- Our Sustainability Policy includes (among others):
  - We aim to comply with all relevant legislation
  - We provide a safe and healthy workplace
  - We support diversity and inclusion
  - We create useful opportunities for development of skills and careers
  - We engage early and meaningfully with stakeholders
  - We look to provide sponsorship or monetary donations to local charities, sports, societies, youth groups, community centers and the like.

- Nedschroef's Code of Conduct covers (among others):
  - Anti-corruption
  - Non-discrimination and harassment
  - Child Labor
  - Forced and compulsory labor
  - Public Policy
  - Socioeconomic compliance
  - Alcohol and drugs
  - Conflict of interest
  - Business transactions
  - Privacy and data management
  - Assets and information
  - Export controls and Economic Sanctions
  - Security Forces
  - Employment
  - Labor/Management relations and communications
  - Occupational Health & Safety
  - Training and Education
  - Diversity, equal opportunity, inclusion
  - Freedom of association and collective bargaining
  - Whistleblower regulation

Our Sustainability Policy and Code of Conduct cover all of Nedschroef's own workforce.

Nedschroef's Executive Committee, represented by the CEO, is the most senior level in the organization accountable for the implementation of the policies.

PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Engagement with workers' representatives and the company's own workforce occurs across multiple stages and through various channels to ensure continuous communication, collaboration, and transparency.

Engagement with workers' representatives:
Engagement with local and group workers' councils follows e.g. legal requirements, such as in Germany's according to the Betriebsverfassungsgesetz (Works Constitution Act).

The communication with the workers' representatives takes place during key project phases, including before, during, and after initiatives, ensuring that representatives are involved in creating procedures and rules. Regular global town hall meetings and local works meetings also create the opportunity for open discussions, while the intranet serves as a platform for ongoing updates and information sharing. Workers' representatives always have the opportunity to raise questions or concerns directly with us such as with the managing director or with HR.

Engagement with the own workforce:
The company maintains regular engagement with its broader workforce through global town hall meetings and local works meetings. Updates are shared through multiple channels, including the intranet, email communications, whiteboards, and sometimes alongside pay slips. Employees are encouraged to reach out to HR or other appropriate contacts whenever they have questions or concerns, creating an open and supportive communication culture.

This structured approach ensures that all employees, whether represented by formal councils or not, remain informed, engaged and empowered to participate in the organization's development.

To mitigate possible impacts on our own workforce we have launched several initiatives such as a program which is based on Covey's 7 Habits, where we are currently training employees that will later train the rest of the employees, according to the 'train-the-trainer' principle. The 7 Habits are important to bring awareness to one's own way of working as well as the way we work with each other. Therefore, we find it important to spread this knowledge across all employees.
Furthermore, in 2025 we are planning the implementation of our new core values called "LEAP-Values". LEAP stands for **L**eadership & initiative, **E**ffective inclusion, **A**daptability & resilience, **P**lanning & Execution".

The most senior role with the operational responsibility for ensuring that the mentioned engagement happens and that its results inform the company's approach would be our Vice President Human Resources.

This role is responsible for facilitating engagement with our stakeholders, which include our own workforce and the workers' representative, gathering feedback, and incorporating insights to guide the company's strategy.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Nedschroef's approach to providing remedy for any material negative impact on people in its workforce focuses on addressing the root cause, ensuring fairness, and supporting affected individuals. The process involves:

1. **Incident Identification:** Concerns raised by employees are tracked through grievance mechanisms like the whistleblower hotline or direct communication with management.
2. **Investigation and Assessment:** The company investigates any claims of harm or negative impact, assessing the scope and severity of the issue through internal or third-party reviews.
3. **Remedial Action:** Where harm is identified, appropriate corrective actions are taken. This may include offering support to affected individuals, providing compensation, improving workplace practices, or implementing further training to prevent recurrence.
4. **Continuous Improvement:** Nedschroef ensures that lessons learned from incidents contribute to better policies, procedures, and practices to prevent future harm.

By addressing issues quickly and effectively, Nedschroef aims to remedy any material negative impacts and improve the overall working environment.
Nedschroef provides several channels for its workforce to raise concerns or needs directly with the company, ensuring these are addressed promptly and effectively. These channels include:

1. **Whistleblower Hotline**: Employees can report concerns confidentially and anonymously through the hotline, covering a range of issues, including workplace safety, ethical concerns, or violations of company policies.
2. **Direct Communication with Management**: Employees have access to open lines of communication with their managers or team leads, allowing for direct discussion of issues or concerns in a more personal setting.
3. **Human Resources (HR) / Legal / Compliance Officers**: HR and related functions serves as a confidential resource for employees to discuss personal or professional issues, including concerns about workplace conditions, discrimination, or any other matters impacting their well-being.

4. **Employee Surveys and Feedback Tools**: Nedschroef regularly conducts surveys and uses engagement tools to gather feedback from employees, ensuring their voices are heard and acted upon by leadership.

These channels ensure employees have accessible, supportive options for raising their concerns and that the company can respond appropriately.

Nedschroef's grievance and complaints handling process related to employee matters is designed to provide a fair, transparent, and efficient way for employees to raise concerns and have them addressed. The process includes the following steps:

1. **Submission of Grievances/Complaints:** Employees can submit grievances or complaints through multiple channels, including the whistleblower hotline, direct communication with management, or HR. Employees are encouraged to raise concerns promptly.
2. **Acknowledgment and Initial Review**: Upon receipt, the grievance is acknowledged, and an initial review is conducted to determine its seriousness and validity. The relevant department (HR, Compliance or Management) is notified to investigate the issue further.
3. **Investigation and Resolution**: The company investigates the grievance, ensuring that the process is impartial and confidential. This may involve interviews, gathering evidence, or consulting relevant stakeholders. If the complaint is valid, appropriate corrective action is taken to resolve the issue.
4. **Feedback and Follow-up**: After the investigation, the employee is informed of the resolution or action taken. Follow-up may be conducted to ensure the issue is fully addressed and that there are no further concerns.
5. **Continuous Improvement**: Feedback from the grievance process is used to review and improve policies, procedures, and practices to prevent similar issues in the future.

This mechanism ensures that employee grievances and complaints are handled in a respectful, fair, and timely manner.

Nedschroef assesses the awareness and trust of its workforce in the grievance and complaint processes through regular employee surveys, feedback sessions, and direct engagement with employees. The company uses the following methods:

1. **Employee Surveys**: Nedschroef will conduct periodic surveys to assess employee awareness of available grievance channels and the trust they place in these processes. The surveys help identify any gaps in understanding or areas where employees may feel hesitant to raise concerns.
2. **Feedback Sessions**: During town hall meetings, focus groups, or one-on-one meetings, employees are encouraged to provide feedback on the grievance handling process. This allows the company to gauge both awareness and trust in the mechanisms.
3. **HR and Management Interaction**: HR and management regularly engage with employees to ensure they are aware of the available channels and feel confident in using them. These conversations help to build trust and ensure the grievance process is seen as fair and effective.
4. **Incident Analysis**: The company tracks the number and types of complaints received, looking for trends that might indicate either trust or mistrust in the grievance process. A lack of complaints in an environment where concerns are expected might suggest that employees do not trust the system or are unaware of it.

These efforts ensure that Nedschroef continuously evaluates and improves its grievance mechanisms, reinforcing trust and ensuring employees feel empowered to raise concerns.

TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING RISKS AND PURSUING OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

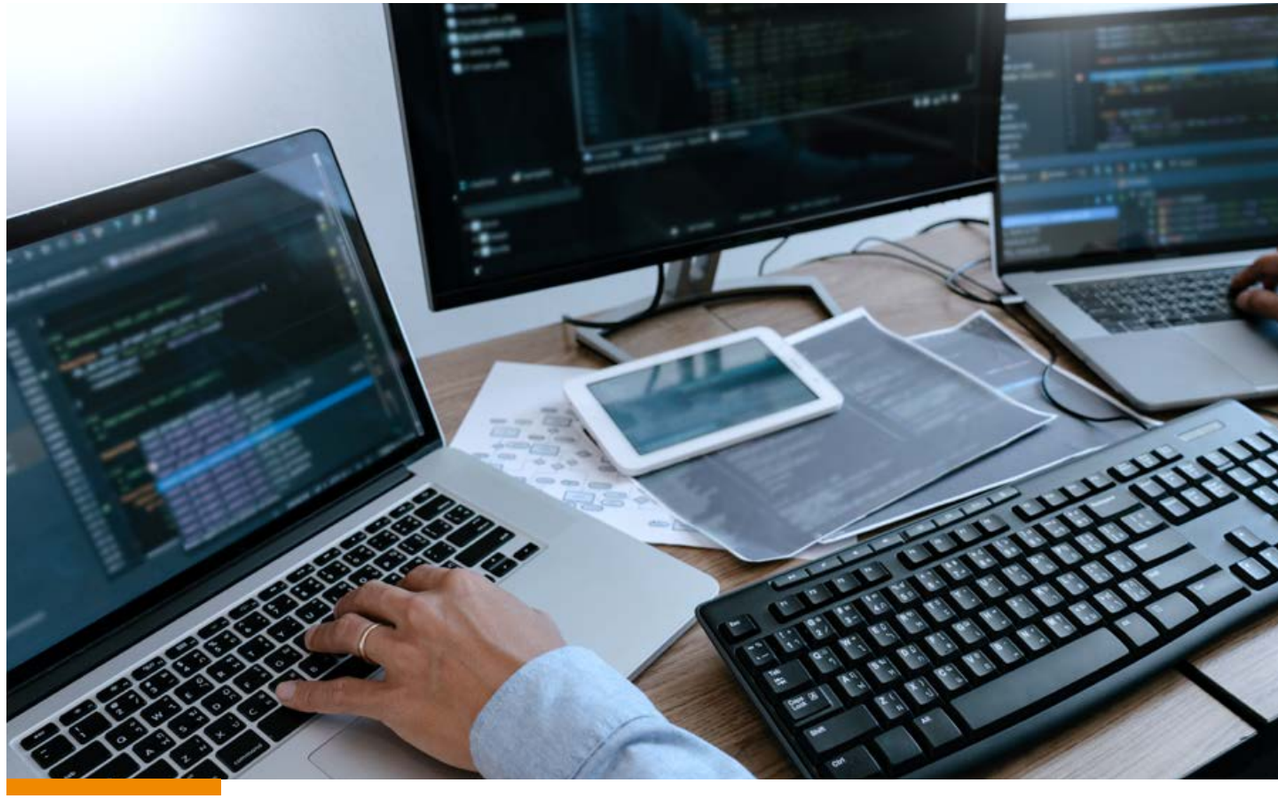
We are reviewing the HR KPI's on a periodical base to analyze trends in several topics regarding our own workforce. In case there is a negative deviation, we will define the necessary and appropriate actions.

Key actions that are being planned or taken are the following:

1. Implementation Learning Management System and new training programs.
2. New appraisal process and tool.
3. Implementation of new corporate values with a focus on diversity.

The scope is our own workforce

After we have defined the material impacts, we have set-up actions to mitigate the negative impacts. These actions are translated to projects where we have allocated resources to manage the actions and impacts. The impact of the actions is measured against our HR KPI's.



Nedschroef takes a proactive, multi-faceted approach to providing remedy and support to its workforce.

1. **Support Programs**: We offer healthcare, mental health support to employees facing challenges.
2. **Safety Measures**: Regular safety audits and health risk assessments ensure a safe work environment. Affected employees receive medical care.
3. **Training**: Ongoing training on safety helps prevent future impacts.
4. **Grievance Mechanism**: Employees can report concerns through an accessible grievance system, ensuring timely resolution and remedies.
5. **Employee Assistance Programs**: Confidential counseling and support are available for personal issues that may affect work.
6. **External Collaboration**: For complex issues, we partner with experts, unions, and other stakeholders to enhance our response.

The time horizon for each key action is as follows:

1. Implementation Learning Management System will be finalized by Q3 2025.
2. New appraisal process in place by Q1 2025.
3. Implementation of new corporate values with a focus on diversity in place by Q1 2025.

The expected outcome is as follows:

1. Implementation Learning Management System and new training program to increase training hours to develop the right skills.
2. New appraisal process and tool to increase the number of employees that are receiving a regular performance and career review.
3. Implementation of new corporate values with a focus on diversity, to improve our diversity of the full workforce and within top management.

Nedschroef tracks and assesses the effectiveness of its actions and initiatives through a combination of data-driven metrics and employee feedback:

1. **Employee Feedback**: Direct feedback mechanisms help gauge employee satisfaction and the impact of our initiatives. We review this feedback to identify areas of improvement.
2. **Key Performance Indicators (KPIs)**: We have established KPIs. These metrics are monitored consistently to assess progress and effectiveness.
3. **Incident Reporting & Resolution Tracking**: We track reported incidents (e.g., safety issues, grievances), using this data to refine our processes.
4. **Health & Wellness Metrics:** We monitor employee health outcomes, such as sick days or usage of health programs, to evaluate the impact of our wellness initiatives.
5. **External Benchmarks**: We compare our outcomes against industry standards to ensure we remain competitive.

Nedschroef ensures its practices do not cause or contribute to material negative impacts on its workforce through strict adherence to our Code of Conduct and Data Privacy Policies. These frameworks guide our:

1. **Employee Well-Being**: Clear policies prioritize worker safety and fair treatment.
2. **Responsible Procurement & Sales**: We ensure ethical labor practices in our supply chain and transparent sales processes.
3. **Data Privacy**: We uphold strong safeguards to protect employee data and comply with data protection regulations.

All actions planned and in place are already covered.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Gender diversity of females:
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 workforce.

This target provides a quantitative measure of diversity within Nedschroef's organization.

- It measures the % of female employees of the total number of employees.
- Across all locations we have 451 women employed.
- Our total number of employees are 2,565 people.
- The % of female employees of the total number of employees is therefore 17.6%.
- Target was to achieve 21.5% in year 2024.
- Base was 17% in year 2023.

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. Calculated as total number of training hours provided to employees per total number of employees, by gender.

- In 2024 we have done around 43,605 hours of training in all Nedschroef locations.
- The FTE for all those locations as of 31.12.2024 is: 2,254
- Broken down, this means that per FTE 19.35 hours of training have been done in 2024.
- Per 1,000 FTE 19,348 hours of training have been done.
- Target was to achieve per 1,000 FTE 11,500 in year 2024.
- Base was per 1,000 FTE 18,144 in year 2023.

The targets were established based on our objectives related to specific topics, with an anticipated increase due to the launch of several initiatives in these areas. However, the number of FTEs remains relatively stable, making it more challenging to achieve the higher target with the same level of resources.

This situation introduces certain assumptions and limitations, particularly regarding efficiency gains and the ability to scale impact without additional workforce investment.

The measurement methodology remains consistent, relying on existing data collection processes. However, the effectiveness of the new initiatives will be a key factor in meeting the targets. Any deviations from expected progress may indicate the need for adjustments in strategy.

We do not directly involve our own workforce and worker's representatives in the target-setting process. Instead, targets are communicated through the Sustainability Report at the beginning of the year and upon if the targets have been reached or not and what possible new initiative could be to meet the target next time or to increase the achievement.

CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Gender	Number of employees (head count)
Male	2,114
Female	451
Other	0
Not disclosed	0
Total	2,565

Country	Number of employees (head count)
Germany	1,489
France	32
Denmark	63
Belgium	130
United Kingdom	38
Spain	144
Bulgaria	60
China	166
United States of America	7
Netherlands	407
Sweden	29

Employee category	Female	Male	Total
Number of employees	374	1,880	**2,254**
Number of permanent employees	353	1,798	**2,151**
Number of temporary employees	18.9	75.5	**94.3**
Number of non-guaranteed hours employees	2	6.3	**8.3**
Number of full-time employees	300	1,814	**2,114**
Number of part-time employees	68.7	62.9	**132**

FTE is defined as full time equivalent. Full time being a working time equal or over 35h/week.

Employee Turnover

	2024
Employee turnover rate [%]	12.4
Employees who left the company during the reporting period	319

Methodologies:

1. Local Payroll Systems and Internal Reporting (NEDSET): Employee data is gathered from local payroll systems and NEDSET, our internal reporting. These provide details on employment status, working hours etc. serving as the primary sources for analyzing workforce-related metrics.
2. Local legal laws and tariff regulations: Compliance with local laws and tariff agreements is used to define and differentiate rates between full-time and part-time employees. These regulations guide the classification of employment types and calculation of relevant ratios or benchmarks.
3. Global HR system data: A centralized Global HR System is employed to collect information about employee characteristics. This includes details such as job classifications, demographic information, and other relevant key attributes.

Significant Assumptions:

1. **Accuracy of input data**: It is assumed that all input data provided by employees and collected through systems is accurate and up to date.

Limitations:

1. **Dependence on employee input**: The accuracy heavily relies on input from employees. If the data submitted is incomplete, outdated, or inaccurate, it can impact the reliability.
2. **System constraints**: Variations in local payroll systems or inconsistencies in data entry practices across regions may affect the comparability or uniformity of the analysis.

A cross-reference can be deducted from the respective sections in our annual financial report.

CHARACTERISTICS OF NON-EMPLOYEES IN OWN WORKFORCE

The most common type of non-employees within Nedschroef are temporary employees (temps).

They bring flexibility to the workforce and are employed across a wide range of roles within both blue-collar and white-collar jobs. Despite their temporary status, temps are fully integrated into the company's processes, participating in day-to-day operations alongside permanent employees. In some countries (e.g. like Germany), their inclusion extends even further, granting them the right to participate in the election of workers' councils or other internal governance bodies.

The next most common type of non-employees within Nedschroef are external advisors.

	2024
Number of non-employee workers in the company's own workforce (absolute numbers)	154.1
Total	**154.1**

Methodologies:

1. **NEDSET (Internal reporting)**: The number of non-employees (e.g., temporary workers, contractors) is tracked and reported using NEDSET. Detailed insights into the engagement of non-employees and their contributions can be specified in this way.

2. **Seasonal fluctuations and workforce adjustments**: During local holiday seasons, when employees are typically on leave, non-employees are engaged to mitigate the loss of working hours. This approach ensures operational continuity and maintains productivity levels by compensating for the temporary reduction in the workforce.

Significant Assumptions:

1. **Utilization of non-employees during high demand**: It is assumed that non-employees will be available to fill workforce gaps during holiday seasons or other periods of reduced employee availability.
2. **Market availability**: It is further assumed that the job market can supply suitable non-employee candidates when needed.

Limitations:

1. **Tough job market for non-employees/ scarcity**: The availability of non-employees is subject to challenges in the labor market. During periods of high demand or in niche roles, finding qualified candidates may prove difficult, impacting the ability to fully compensate for workforce shortages.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Country	Number of employees	Number of employees covered by collective agreements	Percentage of employees covered by collective agreements	Number of employees covered at the establishment level by workers' representatives	Percentage of employees covered at the establishment level by workers' representatives
Germany	1,489	826	55.7	1,117	75
Netherlands	407	404	99.3	114	28
France	32	32	100	4	12.5
Denmark	63	63	100	63	100
Sweden	29	5	17.2	5	17,2
Belgium	130	130	100	118	90.8
Spain	144	144	100	5	3.5
Bulgaria	60	0	0	0	0
Total	**2,354**	**1,604**	**68.1**	**1,426**	**60.6**

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with ≥50 empl. representing ≥10% total empl.)	Employees – Non-EEA (estimate for regions with ≥50 empl. representing ≥10% total empl.)	Workplace representation (EEA only) (for countries with ≥50 empl. representing ≥10% total empl.)
0-19%			
20-39%			Netherlands
40-59%	Germany		
60-79%			Germany
80-100%	Netherlands		

Methodologies:

1. **Compliance with local Laws**: The analysis adheres to relevant local laws to ensure that employment conditions, classifications, and reporting practices align with jurisdictional requirements. This includes employee entitlements and working conditions mandated by the local government.
2. **Application of tariff regulations (if applicable)**: Where tariff regulations apply, these regulations are also incorporated. Tariff agreements define specific employment terms, including wages and benefits for employees, and serve as a benchmark for compliance.
3. **Data collection through local HR systems**: Information on employment terms, employee classifications, and tariff coverage is gathered through local HR systems. These systems serve as the primary source for workforce data.
4. **Verification of tariff coverage**: The application of tariff regulations is verified through employee contracts, which explicitly state whether the individual falls under a specific tariff agreement or not. This ensures a clear audit trail and proof of compliance.

Significant Assumptions:

1. **Compliance with standards**: The methodologies are designed to meet industry and regulatory standards for workforce reporting, including those outlined in applicable sustainability frameworks (e.g., ESRS or similar reporting standards).
2. **Accuracy of HR data**: It is assumed that local HR teams provide complete and accurate data, reflecting the actual employment terms and any applicable tariff agreements.

Limitations:

1. **Variability in local laws**: Local laws differ significantly between regions/ countries. This might require a more tailored analysis and could affect the comparability of data across countries.
2. **Tariff agreement applicability**: Not all employees may fall under tariff agreements or not all Nedschroef companies fall under a tariff. In cases where the coverage is ambiguous, verification through contracts may be time-consuming.
3. **Dependence on HR data quality**: The reliability of the analysis depends on the accuracy of data provided by local HR teams. Any discrepancies or outdated information may impact the results.

DIVERSITY METRICS

Distribution of top management by gender

	2024
Number of women in top management	11
Number of men in top management	77
Number of other* in top management	0
Number of gender not disclosed in top management	0
Percentage of women in top management [%]	13
Percentage of men in top management [%]	88
Percentage of other* in top management [%]	0
Percentage of employees with gender not disclosed in top management [%]	0

Distribution of employees by age

	2024
Number of employees under 30 years old	454
Number of employees 30-50 years old	1,243
Number of employees over 50 years old	868
Percentage of employees under 30 years old [%]	17.7
Percentage of employees 30-50 years old [%]	48.5
Percentage of employees over 50 years old [%]	33.9

When new employees enter the company, they will receive a personal questionnaire where they can add information on their gender (female, male, others, non-specific) and other personal information (birthday, family status, etc.).
Local HR mostly uses the local payroll system to collect this information on the employees' gender and are able to evaluate those.
The local gender KPIs are then added to the Holding KPI template and later consolidated by the Holding.

ADEQUATE WAGES

Methodologies:

1. **Local minimum wages**: Local minimum wage regulations are used as a foundational metric to assess employee compensation. These wages are benchmarked to ensure compliance with local labour laws and provide a baseline for evaluating fair pay practices.
2. **Tariff payment regulations**: Tariff agreements and payment regulations specific to the region are incorporated to determine compensation structures. These regulations guide how employee wages are calculated, especially for roles influenced by collective bargaining agreements or standardized pay scales.
3. **Global benchmarks**: Industry-specific global benchmarks are utilized to compare compensation and employment metrics across regions. These benchmarks provide insights into how local practices align with international standards, helping ensure global consistency while respecting local nuances.

Significant Assumptions:

1. **Regulatory compliance**: The analysis assumes that all wage and payment calculations align with current local regulations and global standards, ensuring compliance and fairness in reporting.
2. **Consistency in benchmark interpretation**: It is assumed that global benchmarks are applied consistently across regions, enabling meaningful comparisons. Variations due to regional economic conditions are accounted for during analysis.

Limitations:

1. **Variability in local regulations**: Differences in minimum wage laws and tariff payment regulations across regions and countries can complicate comparisons. These variations may limit the ability to generalize findings across all countries.
2. **Dependence on global benchmark relevance**: Global benchmarks may not always perfectly reflect local economic conditions or industry-specific challenges, leading to potential discrepancies in analysis.
3. **Accuracy of regulatory updates**: The methodology depends on having access to the latest regulatory changes and wage updates. Any delay in incorporating updates could impact the accuracy of the results.

SOCIAL PROTECTION

All employees are covered by social protection against loss of income due to major life events, either through public programs or through benefits offered by the company.

PERSONS WITH DISABILITIES

	2024
Percentage of total employees with disabilities amongst employees [%]	2.3

Methodologies:

1. **Local regulations on the definition of disability**: Local legal frameworks defining disability varies from country to country. These regulations guide the identification and classification of employees with disabilities. Data collection aligns with mandatory reporting requirements, ensuring compliance with regional laws.
2. **Local quotas and possible penalty mechanisms**: Many countries impose quotas for the employment of individuals with disabilities. These quotas are monitored through data on workforce composition. If the required quotas are not met, a penalty (e.g. fines or financial contributions) might apply.

▶ See example on the right side.

Significant Assumptions:

1. **Adherence to local legal definitions**: The analysis assumes that all assessments of disability align strictly with the legal definitions and criteria in each country, ensuring consistency in reporting.
2. **Quota Compliance Calculation**: It is assumed that the way of calculating the local quotas is accurate, including the proper documentation of employees with disabilities.

Limitations:

1. **Regional variability in definitions**: Differences in the definition of disability and when it is needed to be reported across countries can create inconsistencies, making it challenging to standardize data globally. This variability limits cross-regional comparisons.
2. **Accuracy of employee self-disclosure**: Data on disability often depends on employee self-disclosure, which may not always be complete or accurate due to privacy concerns or personal preferences.

Example:

Germany, since the largest employee base is located here.

For Germany only people with a disability degree equal to 50% are legally needed to be recorded. Those individuals are called “Schwerbehindert” or “severely disabled” and receive certain benefits as such (higher protection against dismissal, extra vacation days etc.). A legal entity in Germany has to reach a certain yearly % of employees that have a severe disability. If this percentage is not met, the company has to pay a yearly fine which is calculated by the company size.

TRAINING AND SKILLS DEVELOPMENT METRICS

	2024
Total participation in performance reviews [%]	49.9
Percentage of women who participated in performance reviews [%]	48.2
Percentage of men who participated in performance reviews [%]	50.33
Percentage of other* employees who participated in performance reviews [%]	0
Percentage of employees with gender not disclosed who participated in performance reviews [%]	0

	2024
Total training hours for female employees	4,196
Total training hours for male employees	39,409
Total training hours for other employees	0
Average training hours per employee with gender not disclosed	0
Average number of training hours per employee	17

At the end of the previous year or the beginning of the current year, local HR together with the local department leaders are planning the upcoming trainings (internal & external) that should take place this year (Schulungsplanungliste).

HR is taking care of the training registrations for the employees in case of external trainings. Once the training has taken place, the employee who has participated in said training, will hand over the training certificate to HR. In case of internal trainings, the attendance list will be given to HR.

With the attendance list and the certificates HR adds the training hours, participants etc. into the local trainings list (Schulungsübersicht). The locations use an Excel file or MyCornerstone once the learning module has been implemented for this. The trainings list contains all important information on the employees (status, age, function, seniority etc.) so that all training related KPIs can be derived from this list.

Three months after a training has taken place some locations use an evaluation sheet where the employee that took part in the training can evaluate the training itself (organization of the training, topics, instructor etc.) as well as the efficacy of the training. This evaluation sheet is given to HR later. This can help HR to decide if the same training should be offered again in the future.

The training hours are then collected in the KPI template from the Holding and are consolidated.

HEALTH & SAFETY METRICS

Employees in the company's own workforce

	2024
Percentage of own workforce who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines [%]	97.4
Percentage of own workforce who are covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party [%]	82.9
Fatalities as a result of work-related injuries	0
Fatalities as a result of work-related ill health	0
Recordable work-related accidents	42
Rate of recordable work-related accidents	9.8
Cases of recordable work-related ill health	0
Days lost to work-related injuries and fatalities from work-related accidents and work-related ill health and fatalities from ill health	617

The majority of Nedschroef production locations are 3rd party certified for ISO45001:2018, via a multi-site certification set-up or single (stand-a-lone) certification.

The total hours worked by employees in Nedschroef's own workforce is estimated based on the following data and assumptions:

- Average Work hours per day: 8
- Average number of working days/year: 365 days - (52*2) weekends - 20 days paid vacation - 10 public holidays = 231 days
- Total # hours/day: 231 * 8 = 1,841
- # Employees (based on average FTE): 2,462
- Total amount of hours worked per employee: 1,841 * 2,462 = 4,532,542
- Illness rate correction: 5%: 4,532,542 * (100 - 5) = 4,305,915 hours

Nedschroef's Health & Safety metrics are defined at corporate level. Monitoring is done via Nedschroef's subsidiaries. As there is currently a transition process from one KPI Portal to a new KPI Portal, Nedschroef is consolidating the final metrics per functional responsibility at corporate level. For example, pure Safety Key Performance Indicators are reported and monitored via a Cross Company Group Safety, whereby the opportunity is grasped to ensure lessons learned on accidents in between the local organizations.

Historically, Nedschroef is relating process metrics rather to Full Time Equivalents (FTE), than Headcount (HC) data. All data reported in this section concerning Health and safety indicators for 2024, has consequently been related to FTE.

WORK-LIFE BALANCE METRICS

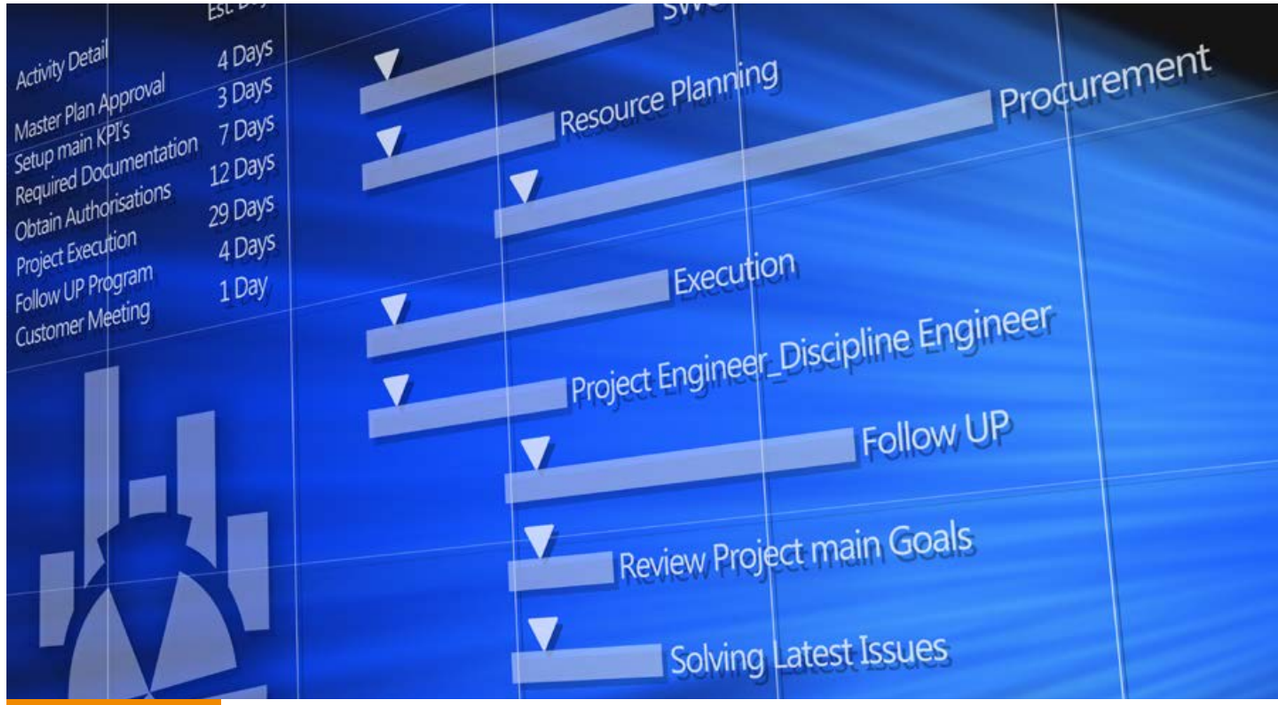
	2024
Percentage of employees entitled to take family-related leave [%]	100
Percentage of entitled employees that took family-related leave [%]	3.8
Percentage of entitled women that took family-related leave [%]	6.7
Percentage of entitled men that took family-related leave [%]	3.2
Percentage of entitled other* employees that took family-related leave [%]	0
Percentage of entitled employees with gender not disclosed that took family-related leave [%]	0

Methodology:

1. **Local laws governing family-related leave**: The analysis relies on local legislation. These laws provide the legal framework for who qualifies, the length of leave allowed, and the specific payment entitlements during the leave period.
2. **Labor agreements**: In addition to local laws, specific labour agreements or collective bargaining arrangements are reviewed and applied. These agreements may establish additional provisions, such as extended leave durations or specific eligibility conditions that exceed statutory minimums.

Significant Assumptions:

1. **Compliance with local regulations**: It is assumed that all policies and practices adhere to the most current local laws and labour agreements to ensure legal compliance and accurate analysis.



2. **Employee responsibility for meeting deadlines**: Employees are responsible for meeting all necessary deadlines or administrative requirements to maintain their eligibility for family-related leave. Missing these deadlines results in ineligibility for such leave, as per established policies.

Limitations:

1. **Variability in local regulations**: Differences in family-related leave laws across countries may create inconsistencies when comparing entitlements or practices globally. This variability can limit the comparability of metrics.
2. **Dependency on employee compliance**: The reliance on employees to meet deadlines and fulfil administrative requirements introduces a limitation. Non-compliance may result in discrepancies between reported eligibility and actual entitlement
3. **The number of eligible employees** is very hard to determine, as mentioned above, we are dependent on the employee's information. Also family related leave is a very broad concept which can make it very challenging to determine the exact number of eligible employees (e.g. carers leave). Therefore we took the number of employees (HC) as our eligible employee number.

REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

	2024
Aggregated gender pay gap [%]	13.4

Methodologies:

1. **Data collection from local payroll systems**: Employee salary data is sourced from local payroll systems. These systems provide comprehensive information on total compensation (excluding bonuses and additional benefits) for each employee.
2. **Segmentation by job type**: The analysis considers contextual segmentation, recognizing that male employees are disproportionately represented in both higher-paying management positions and lower-paying blue-collar roles. This duality may influence the overall gender pay gap results.
3. **The average gross hourly earnings per gender** have been calculated by creating a sum from all gross hourly earnings per gender and divide this number by the number of companies (e.g. 500 € (sum of all male hourly earnings) divided by 21 (legal entities) = X)
4. **Exclusion of bonuses and benefits**: Bonuses and additional benefits do not significantly alter the overall gender pay gap and are excluded for simplicity and consistency across data sets.

Significant Assumptions:

1. **Gender pay gap likelihood**: It is assumed there will be a gender pay gap due to structural factors, such as the higher proportion of male employees in management positions, which typically offer higher salaries.
2. **Impact of occupational distribution**: The higher number of male employees in blue-collar roles is assumed to mitigate the overall pay gap to some extent, as these roles generally have lower salaries compared to management positions.
3. **Data accuracy from payroll systems**: It is assumed that the data retrieved from local payroll systems is complete, accurate, and up to date at the time of analysis.

Limitations:

1. **Variability in job roles and representation**: The differing proportions of males in management and blue-collar roles add complexity to interpreting the gender pay gap. The results may not fully reflect pay equity within specific job categories or hierarchies.
2. **Exclusion of bonuses and benefits**: By excluding bonuses and other forms of variable pay, the analysis does not account for potential disparities in total compensation, which could widen or narrow the observed gap.
3. **Regional differences in pay structures**: Differences in local pay structures, influenced by industry norms, tariff agreements, or minimum wage laws, may affect the results and their comparability across countries.

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

	2024
Total number of incidents of discrimination, including harassment	0
Number of complaints filed through channels for own workers to raise concerns (including grievance mechanisms)	0
Number of complaints filed through channels for own workers to raise concerns (including grievance mechanisms) to the National Contact Points for OECD Multinational Enterprises	0
Total number of severe human rights incidents connected to the company's workforce	0

Nedschroef uses the following measurement methodologies and significant assumptions:

1. Measurement Methodologies:

- Incident monitoring: Tracking reported human rights concerns through grievance mechanisms, including the whistleblower hotline.
- Risk assessments: Periodic assessments of operations and supply chains to identify potential human rights risks.
- Stakeholder feedback: Engaging with employees, suppliers, and stakeholders to identify and address potential issues.

2. Significant Assumptions:

- Reporting mechanisms are assumed to capture all significant incidents, though underreporting is possible.
- Supplier audits are assumed to reflect broader supply chain practices due to the sampling approach.

3. Limitations:

- **Data Gaps**: Limited visibility into lower-tier suppliers and subcontractors.
- **Cultural and Regional Differences**: Local awareness and reporting practices may affect the identification of human rights risks.

These methodologies and assumptions provide a structured approach to monitoring and mitigating human rights incidents, while acknowledging inherent limitations.

Workers in the Value Chain

POLICIES RELATED TO VALUE CHAIN WORKERS

Nedschroef has a policy in place for the requirements like “Supplier Code of Conduct”, “Supplier Evaluation” etc.; all of them touch on the workers requirements.

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

Within the supplier evaluation, ISO 45001 is tracked and has a relevant impact.
In addition, we perform a risk analyze what can lead into a supplier development program. By making strategic decisions of volume share between suppliers or awarding process for new suppliers, supplier evaluation results as well as risk analyze results are considered.

Supplier evaluation is performed once a year, supplier risk analysis is performed once and if changes apply and the decision is influenced by each awarding and in yearly strategic decisions.

The CEO has the most operational responsibility.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

Looking to the potential risk for workers in the supply chain, we have 2 chapters for value chain workers:

1) Health and safety in general
2) Working time & work-life-balance: Employees working more than e.g. 40 hours a week.

By asking for a certificate (e.g. ISO 45001) we can ensure the supplier is meeting the local and general standards and fulfils our requirements. That certificate is requested and is tracked by relevant suppliers.

In addition, the Supplier Code of Conduct is requesting general requirements and applicable for all suppliers.

In addition, a supplier risk assessment is looking to different risks, too.

We monitor our suppliers regularly and have no information about any issues.

Value chain workers can either use the whistle blower process to inform about issues or contact directly one of the buyers.

The whistle blower process is managed by the central legal consul (=compliance officer).

According to the policy in the Cooperate Management System the results are monitored and reported regularly. In case a topic is affecting the value chain, the compliance officer will contact immediately the Director of Procurement.

To assess the value chain workers, three topics are applicable and in use:

- Certificate (e.g. ISO 45001 OSH) tracking & evaluating in yearly supplier evaluation
- Supplier Code of Conduct is requesting general requirements and applicable for all suppliers
- Supplier risk assessment is looking for different risks

Within regular strategic dialogues with the main suppliers and having regular audits on site, we get additional insights into the way how the workers are.

TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS.

The Supplier Code of Conduct is applicable to all suppliers in the value chain and describes general requirements about workers in the supply chain.
In addition, with ISO 45001 we request that our suppliers are certified with an occupational health and safety management system.

We expect no issues relating to workers in the value chain.

All strategic category buyers are performing the supplier evaluation, supplier risk assessments and strategies.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

We monitor our suppliers regularly and have no information about any issues.

Certificate (e.g. ISO 45001 Occupational health and safety management systems) for relevant suppliers is requested and tracked. A non-existent certificate has a direct impact to supplier evaluation and leads to supplier development or, if a supplier is not willing to fulfill, to a supplier change / strategy impact.
Tracking is made within Supplier Management Tool TACTO

The tracking of ISO 45001 and relevance in supplier evaluation process is added during last years, no trend available yet.

Governance information

Business conduct

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Nedschroef fosters its corporate culture through:

- **Establishment** – Core values are embedded in the Code of Conduct and key policies, communicated during onboarding, and reinforced by leadership.
- **Development** – Leadership training, employee programs, and cross-functional collaboration shape the culture in line with strategic goals.
- **Promotion** – Internal communications, town halls, and recognition programs highlight company values, supported by diversity and inclusion initiatives.
- **Evaluation** – Regular surveys and key metrics (turnover, satisfaction, compliance) help assess and refine cultural alignment.

These efforts ensure continuous alignment with Nedschroef's values and strategy.

Nedschroef promptly and objectively investigates business conduct incidents, including corruption and bribery. A whistleblower hotline allows confidential and anonymous reporting. The Compliance Officer assesses cases, collaborating with internal or external experts under strict confidentiality. Sensitive matters involving senior management are escalated to external investigators for impartiality. Findings are reviewed by the relevant governance body, with corrective actions and disciplinary measures applied as needed. These procedures uphold Nedschroef's commitment to integrity and accountability.

The functions most at risk for corruption and bribery at Nedschroef include:

Procurement: Supplier selection and contract negotiations pose risks of kickbacks or undue influence. Nedschroef conducts supplier due diligence through a trusted third party and enforces a supplier code of conduct.

Sales & Business Development: Negotiations in high-risk regions require strict oversight. Due diligence is performed on key distributors, agents, and consultants, following Transparency International's Corruption Perception Index and ICC guidelines. Rebates are closely monitored to ensure they reflect actual business improvements.

Logistics & Supply Chain: Interactions with customs and third-party providers increase exposure to facilitation payments.

Finance: Payment approvals and financial reporting require strong controls to detect irregularities.

Leadership & Regional Management: High-stakes decisions and interactions with public officials demand enhanced oversight, especially in weak governance regions.

These functions undergo rigorous controls, training, and monitoring to mitigate risks effectively. Nedschroef protects whistleblowers by using a non-retaliation policy that is also communicated actively to all new employees.

Nedschroef identifies, reports, and investigates unlawful or unethical behavior through a whistleblower hotline available in local languages via an external counsel network or a global online platform. Additional reporting channels include management, HR, and Legal. Internal audits, overseen by the Audit Committee of the Supervisory Board, ensure compliance with the ethics code.

Nedschroef offers regular online training on business conduct to all new employees on a bi-monthly basis. The training is provided in person by the Group Compliance Officer.

Nedschroef's key policies on corporate culture, risks, and opportunities are published in the Corporate Management System (CMS) on the intranet. These include the Code of Conduct, Whistleblowing Policy, Anti-Bribery & Corruption Policy, Delegation of Authority, and details of local compliance officers. The Whistleblowing Policy serves as an umbrella policy, linking to further policies and procedures managed by relevant functional support roles.

The Executive Committee is the highest level accountable for implementing policies and procedures. Ethics policies are published in the Corporate Management System by the Executive Committee and relevant functions. Support comes from the Group Compliance Officer, Human Rights Delegate, local compliance officers, and the Supervisory Board of Koninklijke Nedschroef Holding, which also oversees an Audit Committee.

The Executive Committee prioritizes setting the right tone from the top when establishing policies. This is reinforced and overseen by the Supervisory Board, which includes external advisors and shareholders.

The Company makes the policies available to both potentially affected stakeholders and stakeholders who need to help implement it by publishing them on intranet and internet, where required. Furthermore, a close collaboration between the Group Compliance Officer and the local Compliance Officers and HR supports the implementation of our policies.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Nedschroef strengthened its anti-corruption and bribery procedures in 2024:

- **Prevention** – Policies updated per ICC guidelines, CFO-approved. Role-specific employee training and third-party due diligence mitigate risks.
- **Detection** – A whistleblower hotline enables confidential reporting, supported by periodic audits and compliance reviews.
- **Response** – Reported incidents are investigated with impartiality and confidentiality, with clear disciplinary measures for violations.

These measures demonstrate Nedschroef's commitment to maintaining the highest compliance standards in alignment with the ICC model and evolving regulatory requirements.

Investigations are separate from the chain of management because they are done independently by the Group Compliance Officer, supported by his outside counsel network with the assistance of either HR or Finance functions.

Nedschroef reports outcomes to the administrative, management, and supervisory bodies as follows: findings from the whistleblowing hotline are reported to the local and group compliance officers, who involve the relevant bodies as needed.

Nedschroef communicates its corruption and bribery policies to relevant parties to ensure accessibility and understanding. The policies are included in the Code of Conduct, published in the CMS on the intranet. Additionally, the Group Compliance Officer provides in-person (online) training for new employees every two months.

Total headcount of employees in functions-at-risk (Management Board Members) during the reporting period was 43.
Number of employees in functions-at-risk that have received training during the reporting period was 5.
Percentage of functions-at-risk covered by training programs was 11.6 %.

Key actions related to corruption and bribery in the reporting year include the CFO's approval to adopt the International Chamber of Commerce model in 2025, along with a Gantt chart for implementation.

The action plans will lead to the outcome of structured due diligences that will require not only an internal intake form (as up to now) but also forms to be completed by intermediaries.

The key actions will be implemented and tested with internal audit in 2025.

The scope of the listed key actions addresses the following steps:

- Assessing the adequacy of our ABC procedures
- Preparing, implementing and communicating an effective ABC policy
- Embedding ABC procedures
- Ongoing governance and compliance

INCIDENTS OF CORRUPTION OR BRIBERY

Number of convictions of violation of anti-corruption and anti-bribery laws was 0.

Amount of fines for violation of anti-corruption and anti-bribery laws was € 0.
Total number of confirmed incidents of corruption or bribery was 0.

Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents was 0.

Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery was 0.

Actions taken to address and avoid breaches in procedures and standards of anti-corruption and anti-bribery include the following:

Although no breaches in procedures and standards have been identified, Nedschroef remains committed to maintaining high compliance standards. The company has implemented preventive measures, including:

- **Updating Policies and Procedures**: Regularly reviewing and aligning policies with evolving regulations and best practices.
- **Enhanced Training**: Offering targeted anti-corruption and anti-bribery training for employees and third-party partners.
- **Risk Assessment**: Conducting periodic assessments to identify and mitigate vulnerabilities.
- **Whistleblower Mechanisms**: Strengthening reporting channels to empower employees to report concerns.

These actions reflect Nedschroef's proactive approach to fostering a strong compliance culture.

Nedschroef uses the following measurement methodologies and significant assumptions:

1. Measurement Methodologies:

- Risk Assessments: Periodic assessments evaluate geographic exposure, industry-specific risks, and third-party interactions.
- Compliance Monitoring: KPIs track the effectiveness of anti-corruption measures, including training completion, hotline use, and audit findings.
- Policy Reviews: Policies are reviewed and benchmarked to ensure relevance and effectiveness.

2. Significant Assumptions:

- The risk landscape is assumed to evolve gradually, allowing for proactive adjustments.
- Employee and third-party adherence to training and policies is presumed to be consistent, with deviations addressed promptly.
- Data from audits and assessments is assumed to represent the overall compliance environment.

3. Limitations:

- Data Completeness: Monitoring depends on the accuracy and completeness of data, which can be affected by underreporting or lack of awareness.
- Evolving Risks: Rapid regulatory or geopolitical changes may outpace the review cycle, creating temporary vulnerabilities.
- Human Behavior: Despite robust training and reporting, individual actions can bypass established controls.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Nedschroef's Executive Committee is responsible for overseeing political influence and lobbying activities. All sponsoring expenditures are reviewed and approved in accordance with the Delegation of Authority (DOA), which has low thresholds to ensure appropriate oversight. The threshold for CEO approval is € 5k, and expenditures above € 10k require a second approval. The Audit Committee of the Supervisory Board controls this process.

Nedschroef does not engage in direct lobbying activities but supports advocacy through industry associations such as the Deutscher Schraubenverband.

1. Main Topics Covered:

- Sustainability in Manufacturing: Advocacy for sustainable practices and reducing environmental impacts in the automotive supply chain.
- Regulatory Harmonization: Support for consistent regulations to facilitate cross-border operations.

2. Alignment with Material Impacts, Risks, and Opportunities:

- These topics align with Nedschroef's materiality assessment, addressing environmental and regulatory risks while fostering opportunities for innovation and compliance leadership.

Nedschroef ensures its indirect lobbying efforts align with its public commitments to sustainability and responsible business practices.
Nedschroef is registered in the UBO register: 30224669-20241113-0001

To the best of our knowledge, no member of Nedschroef's bodies is a Politically Exposed Person. However, as Nedschroef is part of Shanghai Electric, it is possible that Chinese members of the Supervisory Board may also hold positions within the Central Committee of the Communist Party of China.

Nedschroef is registered in the Dutch trade register at the Chamber of Commerce, as required by law.

Glossary

This glossary provides definitions for terms used in this report.

A

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

C

Corporate Sustainability Reporting Directive (CSRD)
EU legislation requires companies to report on environmental, social, and governance (ESG) topics in a standardized and transparent way, aiming to improve the quality and comparability of sustainability reporting.

D

Double Materiality Assessment (DMA)
A process to identify and assess sustainability topics that are material both from a financial perspective (impacting the company's value) and an impact perspective (impacting the environment, people, and society). It is a key requirement under CSRD and ESRS reporting.

E

Emission factors
Values that quantify the amount of greenhouse gas (GHG) emissions produced per unit of activity, such as energy consumed, fuel burned, or material processed. These factors are used to estimate emissions based on specific activities or inputs.

Emissions factors from various international sources such as, DEFRA, IEA and Exiobase.

Employee
An 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 generated from finite resources that cannot be naturally replenished within a short time frame, such as coal, oil, natural gas, and nuclear fuels. Use of non-renewable energy contributes to greenhouse gas emissions and environmental impacts.

Energy from Renewable Sources
Energy generated from naturally replenished resources, such as solar, wind, hydro, geothermal, and biomass. Renewable energy reduces dependence on fossil fuels and helps lower greenhouse gas emissions.

European Sustainability Reporting Standards (ESRS)
The detailed reporting standards developed to support the CSRD, defining what and how companies must report on sustainability-related topics across environmental, social, and governance areas.

European Waste Catalogue (EWC)
A standardized classification system used in the EU to identify and categorize different types of waste with specific codes. It helps in waste management, reporting, and ensuring proper handling, recycling, or disposal according to legal requirements.

F

Full-time equivalent (FTE)
FTE is calculated monthly per location as total employees permanent or temporary contract hours divided by national law, tariff agreements 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 head count and based on FTE's.

Greenhouse Gas Emissions (GHG Emissions)
Gases released into the atmosphere that trap heat and contribute to global warming, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases. These emissions result from human activities such as energy production, transportation, and industrial processes.

H

Head Count (HC)
Total number of employees, typically including both full-time and part-time staff, but excluding external contractors unless otherwise specified.

I

ISO Standards
- **ISO 14001:** International standard for environmental management systems (EMS), providing a framework to manage environmental responsibilities and improve environmental performance.
- **ISO 45001**: International standard for occupational health and safety management systems (OHSMS), aimed at improving employee safety, reducing workplace risks, and creating safer working conditions.
- **ISO 50001**: International standard for energy management systems (EnMS), helping organizations improve energy efficiency, reduce energy consumption, and lower greenhouse gas emissions.

M

Market-based emissions
Emissions calculated based on the market mechanisms or emission reduction programs a company participates in, such as renewable energy certificates, carbon credits, or carbon trading schemes. These emissions reflect the impact of purchasing decisions in relation to carbon-intensive energy sources.

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 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

Scope 1
Direct greenhouse gas (GHG) emissions from owned or controlled sources, such as company vehicles combustion, refrigerants and stationary combustion.
Calculation based on consumption from invoices, meters and/or web portals, and emission factors from Position Green database.

Scope 2
Indirect GHG emissions from the consumption of purchased electricity, company vehicles (electricity fuel-based method) and district heating.
Calculation based on consumption from invoices, meters and/or web portals, and emission factors from supplier and/or Position Green database.

Scope 3
All other indirect GHG emissions that occur in the value chain, including emissions from suppliers, product use, waste disposal, and employee commuting. Calculated on consolidated accounting group level (the parent and its subsidiaries with operational control), and emission factors from supplier and/or Position Green database.

Category 1: Purchased Goods and Services.
- Spend-based calculation method using consolidated P&L Statements from various ERP-systems.
- The Exiobase 3.9 (2019) Products ”Basic iron and steel and of ferro-alloys and first products thereof” and “Fabricated metal products, except machinery and equipment” are adjusted for the steel price development since 2019 in accordance with the Deutscher Schraubenverband (DSV) price index of Walzdraht Borlegiert Mittelwert.

Category 2: Capital goods.
- Spend-based calculation method using consolidated PPEL Statements from various ERP-systems.

Category 3: Fuel- and energy-related activities not included in scope 1 or scope 2.
- Average-based calculation method using data from Scope 1 and 2 reporting.

Category 4 + 9: Inbound and outbound transport.
- Spend-based calculation method using consolidated P&L Statements from various ERP-systems and estimations.
- Actual costs: Transport paid by Nedschroef.
- Estimation: Outbound transport paid by other parties and Nedschroef estimated based on volumes sold in tons per region (Europe, China, North America, Other), average distance from Nedschroef to customer/warehouse in km.

Category 5: Waste generated in operations.
- Average-based calculation method using consolidated data on the mass.

Category 6: Business travel.
- Supplier-specific calculation method using data from the travel agency for flights and and average-based calculation method using private mileage from employee Expense Statements.

Category 7: Employee commuting.
- Average-based calculation method using estimations on number of FTE's in each category and average one-way distance.
  - Working remotely: FTE working hours (234 days/year and 8 hours/day).
  - Bus (public transportation): FTE, average one-way distance, 234 days/year.
  - Average car (automobiles, motorcycles, scooters): FTE, average one-way distance, 234 days/year.

Category 8: Upstream leased assets.
- Not material

Category 10: Processing of Sold Products.
- Average-based calculation method using estimation of the electricity consumption of processing one screw is 100 J based on statistics from a M8 bolt, and 1J is equal to 0.000000278 kWh.

Category 11: Use of sold products.
- Average-based calculation method using estimation of baseline is a standard cold forging machine named NB615 (32.62 tons) with a lifespan of 20 years = 2,080,000 kWh. or 63.765 kWh/ton.

Category 12: End-of-life treatment of sold products.
- Average-based calculation method using estimation of baseline is a standard cold forging machine named NB615 (32.62 tons), 31,358 tons (94%) metal parts and 1,262 tons (4%) electrical parts.

Category 13: Upstream leased assets.
- Not material

Category 14: Franchises.
- Not material

Category 15: Investments.
- Spend-based calculation method using annual revenue of equity Investment and share of equity in %.

Short-Term Incentive (STI)
Short-Term Incentive program for eligible employees based on financial target(s) and quantitative team targets.

Substance of Concern (SOC)
A chemical or material that may pose risks to human health or the environment due to its hazardous properties, toxicity, or persistence. Often subject to regulations and reporting requirements in product design, manufacturing, and supply chains.

Substance of Very High Concern (SVHC)
A chemical substance identified under the EU REACH regulation as having serious health or environmental risks, such as carcinogenic, toxic, persistent, or bioaccumulative. SVHCs are subject to strict reporting, communication, and authorization requirements within the EU.

T

Training and education
Training and education are 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

- Waste Diverted from Disposal, which is waste that is redirected from landfills or incineration through recycling, composting, or reuse, to reduce environmental impact and promote resource recovery.
- Waste Diverted to Disposal, which is waste that is sent to landfills or incineration for final disposal, often because it cannot be recycled, composted, or reused due to contamination or lack of viable alternatives.
- 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.

Water Withdrawal

The total volume of water taken from natural or municipal sources (such as rivers, lakes, groundwater, or public supply) for use in operations, regardless of whether it is returned to the environment or not.

Worker

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

Workforce

The company's own workforce includes employees who are in an employment relationship with the undertaking and also non-employees who are either individual contractors supplying labor to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities.

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	2024
General Information				
Female diversity in governing bodies	%	-	-	8.3
Geographical/cultural diversity in governing bodies (European / Asian)	%	-	-	58.3
Employees by Headcount	#	2,349	2,456	2,565
Environmental Information				
Total fossil energy consumption	MWh	111,169	107,301	92,933
Share of fossil sources in total energy consumption	%	71.6	66.7	61.5
Consumption from nuclear sources	MWh	-	-	2,152
Share of consumption from nuclear sources in total energy consumption	%	-	-	1.42
Total renewable energy consumption	MWh	44,097	53,597	55,966
Share of renewable sources in total energy consumption	%	28.4	33.3	37.1
Total energy consumption	MWh	155,266	160,898	151,051
Gross Scope 1 GHG emissions	tCO_2-eq	18,726	18,187	16,548 √
Gross market-based Scope 2 GHG emissions	tCO_2-eq	8,896	6,690	4,955 √
Total Gross indirect Scope 3 GHG emissions	tCO_2-eq	-	660,569	578,495 √
Total market-based GHG emissions	tCO_2-eq	-	685,446	599,997
Substance of Concern	Kg	-	-	844,681
Total water withdrawal	m^3	301,622	160,370	141,977
Surface, Ground and Produced water	m^3	261,775	113,270	92,359
Third-party water	m^3	39,847	47,100	49,618
Total amount of waste generated	tons	-	13,996	13,779
Total Amount of Waste Diverted from Disposal	tons	-	13,172	12,835 √
Total Amount of Waste Directed to Disposal	tons	-	824	944 √
Percentage of non-recycled waste	%	-	5.89	6.85
Total Amount of Hazardous Waste	tons	-	3,593	3,334
Total Amount of Non-hazardous Waste	tons	-	10,403	10,445
Total Amount of Radioactive Waste	tons	-	0	0
Social Information				
Total Employees (HC)	#	2,349	2,456	2,565 √
Gender diversity of females in Headcount	#	403	425	451 √
Gender diversity of females	%	17	17	17.6
Employee turnover	#	229	186	319
Employee turnover	%	10	8	12.4

Employees covered by collective agreements	#	-	-	1,604
Employees covered by collective agreements	%	-	-	68.1
Gender diversity of females in top management	%	15	15	13
Percentage of total employees with disabilities	%	-	-	2.3
Training and education	h/1,000 FTE	12,540	17,697	19,335 √
Total participation in performance reviews	%	58	58	49.9
Recordable work-related accidents	#	56	65	42 √
Governance Information				
Total headcount of employees in functions-at-risk	#	-	-	43
Number of employees in functions-at-risk that have received training	#	-	-	5
Percentage of functions-at-risk covered by training programs	%	-	-	11.6
Number of convictions of violation of anti-corruption and anti-bribery laws	#	-	-	0 √
Amount of fines for violation of anti-corruption and anti-bribery laws	€	-	-	0
Total number of confirmed incidents of corruption or bribery		-	-	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents		-	-	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery		-	-	0

Content index of ESRS disclosure requirements

List of material DRs	Page number
ESRS 2 - General Disclosures	
BP-1 General basis for preparation of the sustainability statement	41-42
BP-2 Disclosures in relation to specific circumstances	42
GOV-1 The role of the administrative, management and supervisory bodies	43-45
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	45-46
GOV-3 Integration of sustainability-related performance in incentive schemes	46-47
GOV-4 Statement on due diligence	56
GOV-5 Risk management and internal controls over sustainability reporting	47-48
SBM-1 Strategy, business model and value chain	49-51
SBM-2 Interests and views of stakeholders	52-53
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	54-56
IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	56
E1 - Climate change	
ESRS 2 GOV-3-E1 Integration of sustainability-related performance in incentive schemes	46-47
E1-1 Transition plan for climate change mitigation	57-58
ESRS 2 IRO-1-E1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	54-56
E1-2 Policies related to climate change mitigation and adaptation	59
E1-3 Actions and resources in relation to climate change policies	59-60
E1-4 Targets related to climate change mitigation and adaptation	60-62
E1-5 Energy consumption and mix	62
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	63-64
E1-7 GHG removals and GHG mitigation projects financed through carbon credits	64
E1-8 Internal carbon pricing	64
E2 - Pollution	
ESRS 2 IRO-1-E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	54-55
E2-1 Policies related to pollution	65
E2-2 Actions and resources related to pollution	66
E2-3 Targets related to pollution	66
E2-5 Substances of concern and substances of very high concern	67
E2-6 Anticipated financial effects from material pollution-related impacts, risks and opportunities	67

E3 - Water and marine resources	
ESRS 2 IRO-1-E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	54-55
E3-1 Policies related to water and marine resources	68
E3-2 Actions and resources related to water and marine resources	69
E3-3 Targets related to water and marine resources	69
E3-4 Water consumption	70

E5- Resource use and circular economy	
ESRS 2 IRO-1-E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	54-56
E5-1 Policies related to resource use and circular economy	71
E5-2 Actions and resources related to resource use and circular economy	71-73
E5-3 Targets related to resource use and circular economy	73-76
E5-4 Resource inflows	76-77
E5-5 Resource outflows	77-79

S1- Own workforce	
ESRS 2 SBM-2-S1 – Interests and views of stakeholders	52-53
S1-1 Policies related to own workforce	80-82
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	82-83
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	83-85
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	85-86
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	87-88
S1-6 Characteristics of the undertaking's employees	88-89
S1-7 Characteristics of non-employees in the undertaking's own workforce	89-90
S1-8 Collective bargaining coverage and social dialogue	90-92
S1-9 Diversity metrics	92-93
S1-10 Adequate wages	93
S1-11 Social protection	93
S1-12 Persons with disabilities	94
S1-13 Training and skills development metrics	95
S1-14 Health and safety metrics	96
S1-15 Work-life balance metrics	97-98
S1-16 Remuneration metrics (pay gap and total remuneration)	98
S1-17 Incidents, complaints and severe human rights impacts	99

S2- Workers in the value chain	
ESRS 2 SBM-2-S2 Interests and views of stakeholders	52-53
S2-1 Policies related to value chain workers	100
S2-2 Processes for engaging with value chain workers about impacts	100
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	100-101
S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	101
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	101
G1 - Business Conduct	
ESRS 2 GOV-1-G1 The role of the administrative, management and supervisory bodies	43-45
ESRS 2 IRO-1-G1 Description of the processes to identify and assess material impacts, risks and opportunities	54-56
G1-1 Business conduct policies and corporate culture	102-103
G1-3 Prevention and detection of corruption and bribery	104
G1-4 Incidents of corruption or bribery	104-105
G1-5 Political influence and lobbying activities	106

Limited Assurance report of the independent auditor

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

Assurance report with limited assurance on the selected non-financial indicators in the Sustainability Statement in the annual report 2024

Our conclusion

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the selected non-financial indicators marked with the symbol 'v' in the sustainability statements in the annual report of Nedfast Holding B.V. over 2024 are not prepared, in all material respects, in accordance with Nedschroef's reporting criteria.

What we have reviewed

The object of our assurance engagement concerns the selected non-financial indicators marked with the symbol 'v' included in the sustainability statement 2024 in the annual report 2024 for the year ended 31 December 2024 (hereafter: 'the indicators'). The indicators examined are as follows:

1. Gross Scope 1 GHG emissions [tCO2-eq]
2. Gross market-based Scope 2 GHG emissions [tCO2-eq]
3. Total Gross Indirect Scope 3 GHG emissions [tCO2-eq]
4. Total amount of waste diverted to disposal [tons KG]
5. Total amount of waste directed to disposal [tons KG]
6. Total employees by head count [#] and gender diversity of females [#]
7. Average number of training hours per employee [hours/head count]
8. Recordable work-related accidents [#]
9. Number of convictions of violation of anti-corruption and anti-bribery laws [#]

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 the indicators' of our report.

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

PricewaterhouseCoopers Accountants N.V., Boschdijktunnel 10, 5611 AG Eindhoven, P.O. Box 6365, 5600 HJ Eindhoven, the Netherlands
T: +31 (0) 88 792 00 40, F: +31 (0) 88 792 94 13, www.pwc.nl

'PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (Chamber of Commerce 54226368), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkoopvoorwaarden'). At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.

Independence and quality control

We are independent of Nedfast Holding B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO - Code of ethics for professional accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA - Dutch Code of ethics for professional accountants, a regulation with respect to rules of professional conduct).

PwC applies the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Reporting criteria

The reporting criteria applied for the preparation of the sustainability statements are Nedschroef's reporting criteria, as disclosed in sections 'Glossary' and 'Content Index' of the sustainability statements.

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

Consequently, the sustainability statements needs to be read and understood together with the reporting criteria applied.

Responsibilities for the indicators and the review thereon

Responsibilities of the executive committee and the supervisory board for the indicators

The executive committee of Nedfast Holding B.V. is responsible for the preparation and fair presentation of the sustainability statements in accordance with the reporting criteria as included in Nedschroef's Reporting criteria as disclosed in sections 'Glossary' and 'Content index', including applying the reporting criteria, the identification of stakeholders and the definition of material matters. The executive committee is also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of the intended stakeholders, considering applicable law and regulations related to reporting.

Furthermore, the executive committee is responsible for such internal control as the executive committee determines is necessary to enable the preparation of the sustainability statements 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 sustainability statements.

Our responsibilities for the review of the indicators

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

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the non-financial indicators marked with '✓' are free from material misstatements and to issue a limited assurance conclusion in our report. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a review (limited assurance) is therefore substantially less than the assurance obtained in an audit (reasonable assurance) in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.
Our procedures included, amongst other things of the following:

- Evaluating the appropriateness of the reporting criteria applied, their consistent application and related disclosures in the sustainability statements. This includes the evaluation of the reasonableness of estimates made by the executive committee.
- Through inquiries, obtaining a general understanding of the control environment, the reporting processes, and the information systems and the entity's risk assessment process relevant to the preparation of the indicators, without obtaining assurance evidence about the implementation or testing the operating effectiveness of controls.
- Identifying areas of the indicators where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability statements responsive to this risk analysis. These procedures consisted among others of:
  - Inquiry of management and relevant staff at corporate level responsible for the sustainability strategy, policy and results.
  - Inquiry of relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability statements.
  - Obtaining assurance evidence that the indicators reconcile to underlying records of the company.
  - Reviewing, on a sample basis, relevant internal and external documentation.
  - Performing analytical review, taking into account the data and trends of the indicators.
- Reconciling the relevant financial information to the financial statements.
- Reading the information in the annual report, which is not included in the scope of our review and have considered whether there is a material inconsistency.
- Considering the overall presentation, structure and balanced content of the indicators.

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.

Eindhoven, 26 May 2025
PricewaterhouseCoopers Accountants N.V.

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

Disclaimer

The information contained in this document is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of Koninklijke Nedschroef Holding B.V. (Nedschroef). The statements expressed are provided in good faith and while every care has been taken in preparing this document Nedschroef makes no representations and gives no warranties of whatever nature in respect to these documents, including but not limited to the accuracy or completeness of any information, facts and/or opinions contained therein. Nedschroef, its subsidiaries, the directors, employees and agents cannot be held liable for the use of and reliance of the statements, estimates, forecasts and findings in these documents. Nedschroef reserves all rights to file for patent protection of the technical and marketing ideas and designs originated within its company. Nedschroef has tried to trace all eligible parties of used illustration material. Should persons or agencies nevertheless believe that photography rights have not been remunerated, they can turn to Nedschroef.

Nedfast Holding B.V.
Kanaaldijk N.W. 75
Postbus 548
5700 AM Helmond
The Netherlands
Telephone: +31 492 548 556

www.nedschroef.com
holding@nedschroef.com

NEDSCHROEF
ALWAYS CONNECTING FORWARD