

# 2023 Review

## About Norican Group

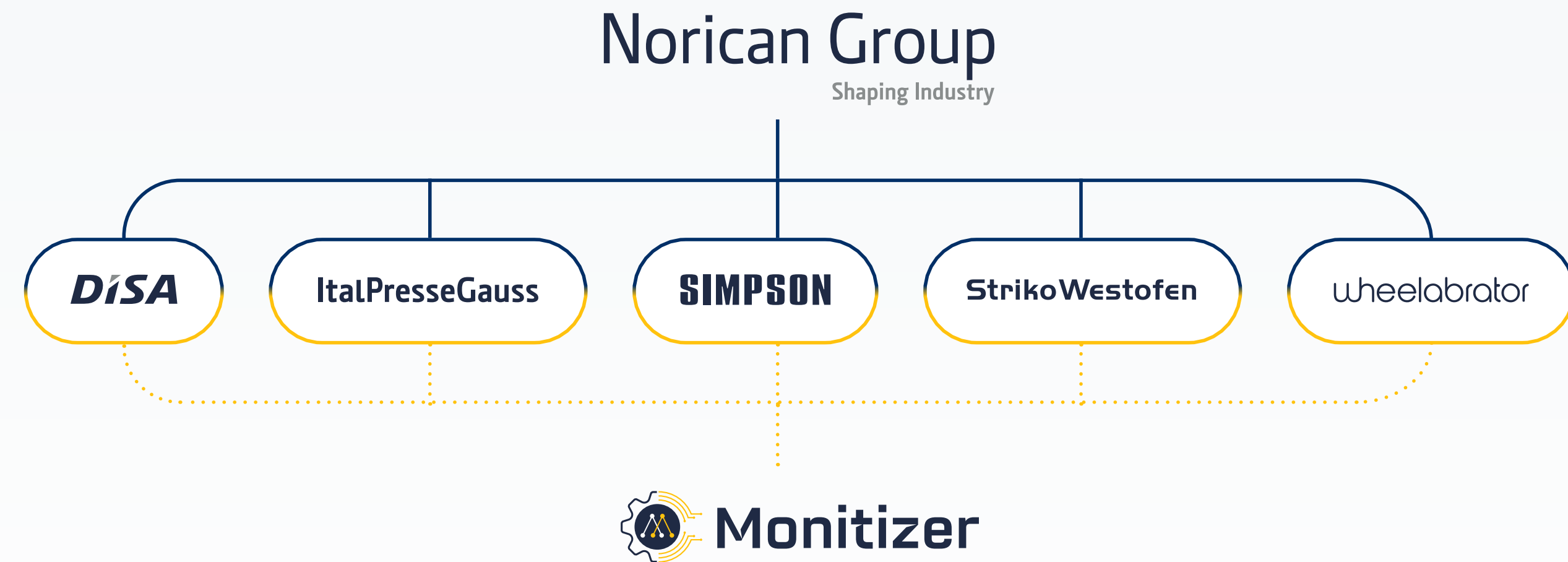
We are a world-leading provider of technology for the production and treatment of metallic parts.

Norican consists of six leading international brands for parts production and treatment: DISA, ItalPresseGauss, Simpson, StrikoWestofen and Wheelabrator and our equipment-agnostic digital brand; Monitizer.

Together, we offer customers a broad spectrum of integrated solutions for demanding industrial processes, spanning green sand molding, die casting, sand preparation, melting, transport and dosing, as well as surface treatment.

Operating globally, we have locations in Europe, North America, IMEA and Asia.

We serve a wide range of industries, with foundries being the predominant customer group, through a global network of engineering experts, manufacturing capacity, aftermarket upgrades and local service support. As a single, strong, worldwide partner, Norican delivers production capacity to our customers. This means our customer commitment is to not only deliver outstanding machinery and process solutions, but also to ensure our customers' investments generate the best possible return for them.



# About Norican

**16** main production sites (China, India, Italy, Czech, Denmark, USA)

**7** global technology centers

Over **100** customer countries

More than **30** industries served

**26,000** machines in operation globally

**2,000** strong Norican team

## Shaping Industry

**1** commitment to our planet



We have committed to Science Based Targets

**1 mission**  
To exceed our customers' expectations

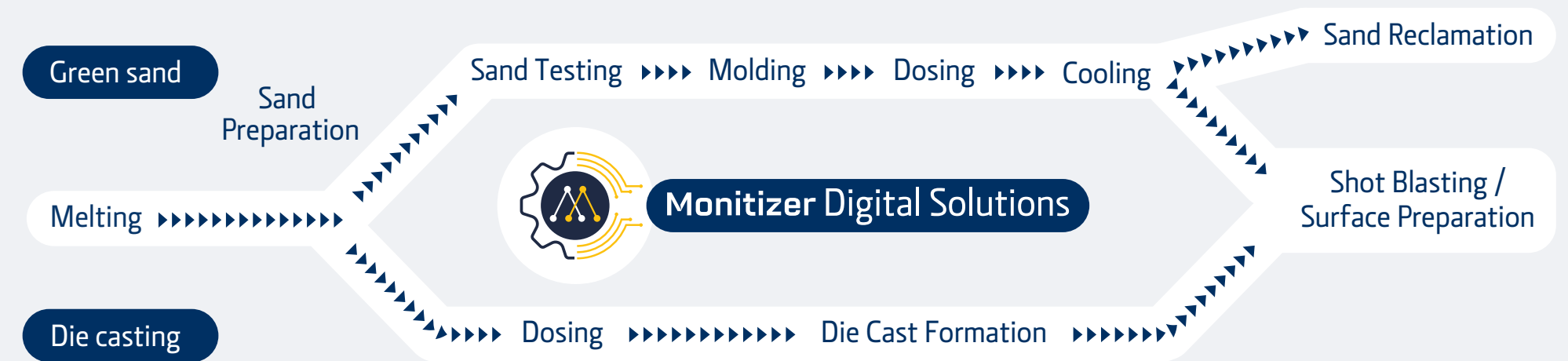
**6** proud brands

- DISA**
  - ItalPresseGauss**
  - Monitizer**
  - SIMPSON**
  - StrikoWestofen**
  - wheelabrator**
- Norican Technologies

**10** ways we support performance

- Moulding technology
- Casting technology
- Furnace technology
- Shot blasting technology
- IIoT & AI solutions
- Foundry sand technology
- Mixing technology solutions
- Spare parts
- Service
- Sustainable innovations

**2** complete connected foundry processes



**Norican Group**  
Shaping Industry

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## Chief Executive's Review

Together with our customers and partners, 2023 has been a year where we have been able to bring about real, positive change – from offering technology that makes our customers more profitable and sustainable to creating insight and improvements through digitalization, and from introducing production technology to support the growth in aluminum to creating better workplaces for our customers' employees.

It has been a good year financially. Revenues were in line with last year, which was a combination of unfavorable exchange rates and softness in equipment sales, countered by good growth in aftermarket (spares and services) sales. Order intake during the year remained solid, giving a healthy backlog of orders going into 2024. From a regional perspective, we saw good growth in Europe and North America, whereas we experienced softness in Asia Pacific with China being the main reason. Profitability strengthened due to changes in the product mix, but also due to the strong efforts by the Norican team to continuously improve wherever we can. The result is that we have both strengthened our competitiveness and our bottom line, resulting in 2023 being the best year in the history of the company in terms of shareholder returns.

Meanwhile, our sustainability strategy hit a crucial milestone in July, when the Science-Based Target (SBTi) initiative officially validated our emission reduction targets, and we showed healthy progress on our EcoVadis CSR rating.

If I should pick one theme to describe the year, it would be “measurable impact”. We have seen real evidence of the difference we are making, both in terms of financial and non-financial performance. We are a company that is indeed Shaping Industry. That's our heritage, and that's our ambition.

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**2023 is the best year in Norican's history for shareholder returns**

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### New applications

Our technology brands have once more worked both individually and as a team to meet new market needs. For example, DISA, Simpson, StrikoWestofen and Wheelabrator joined forces to offer advanced solutions for the production of high-quality aluminum castings in green sand.

Green sand casting has been used for aluminum for decades. However, demand for light metal castings and for quality and increased efficiency is rising. DISA has invested heavily in its solutions for non-iron (aluminum, brass and bronze), ready to support this growing demand. For example, US-based Boose Quality Castings installed its second DISA MATCH molding line for aluminum casting production at its Pennsylvania foundry this year.

By combining energy-efficient and advanced melting, sand mixing, green sand molding, sand reclamation and shotblasting, Norican offers foundries the opportunity to produce high quality aluminum castings at sizeable volumes and at a very competitive cost. We believe our technologies will only become more popular as an alternative to more traditional and lower speed production methods.

### Broader market focus

At Norican we have been reviewing our market approach and decided to invest even more in growth. Given changes in the industrial supply chain, we see the foundry industry proliferating geographically and we want to be sure we can service our customers irrespective of where they choose to produce. We will therefore increase sales activities in South-East Asia, Latin America, as well as in the Middle East and Africa.

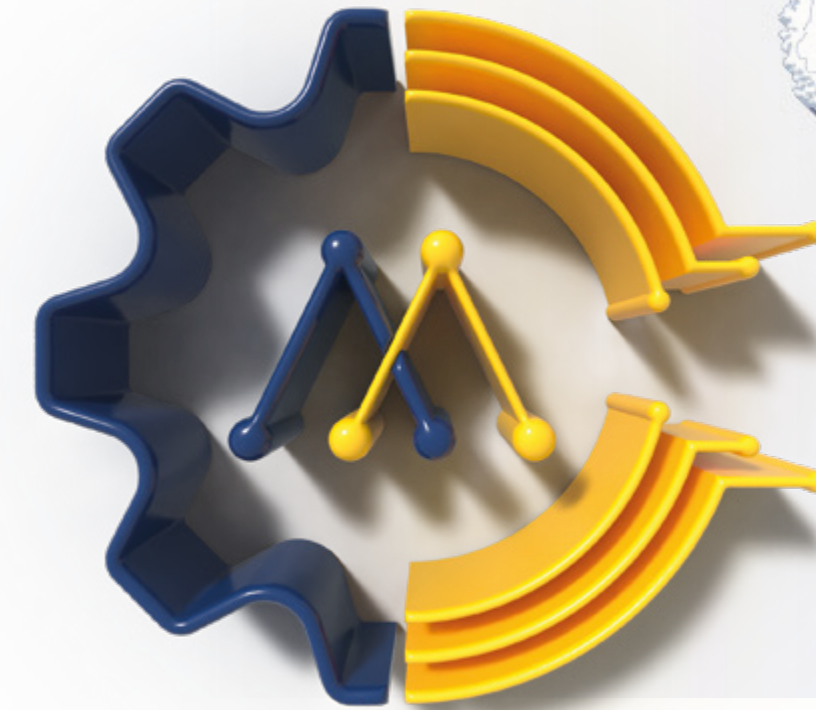
## Chief Executive's Review

### New digital deployments

I'm particularly pleased to report that Monitizer is spearheading the adoption of Artificial Intelligence in our customers' industries.

2023 has been a commercial breakthrough for our Monitizer offering, especially in the foundry space. With the combination of more than a hundred years of industry experience and exciting new digital products, customers are increasingly ready to deploy Monitizer into their daily operations. We see foundries in all countries embrace the idea of deploying digital technology to cut costs, reduce emissions, improve maintenance, and minimize scrap. Particular customer interest has been in our IIoT platform Monitizer | DISCOVER, which creates the basis for the rapid adoption of many more new AI/ML tools – all related to enabling smarter, data-driven production.

To name a few customers getting digitized; US-based Grede decided to place their trust in Monitizer for their group-wide operational digital strategy, and early-adopter MAT Group will now both expand its number of sites with Monitizer, and implement Monitizer | PRESCRIBE, our machine-learning production optimization solution, at its UK facility. Many more customers are joining our digital platform and we are today blessed with installations in all major markets. The development is truly exciting.

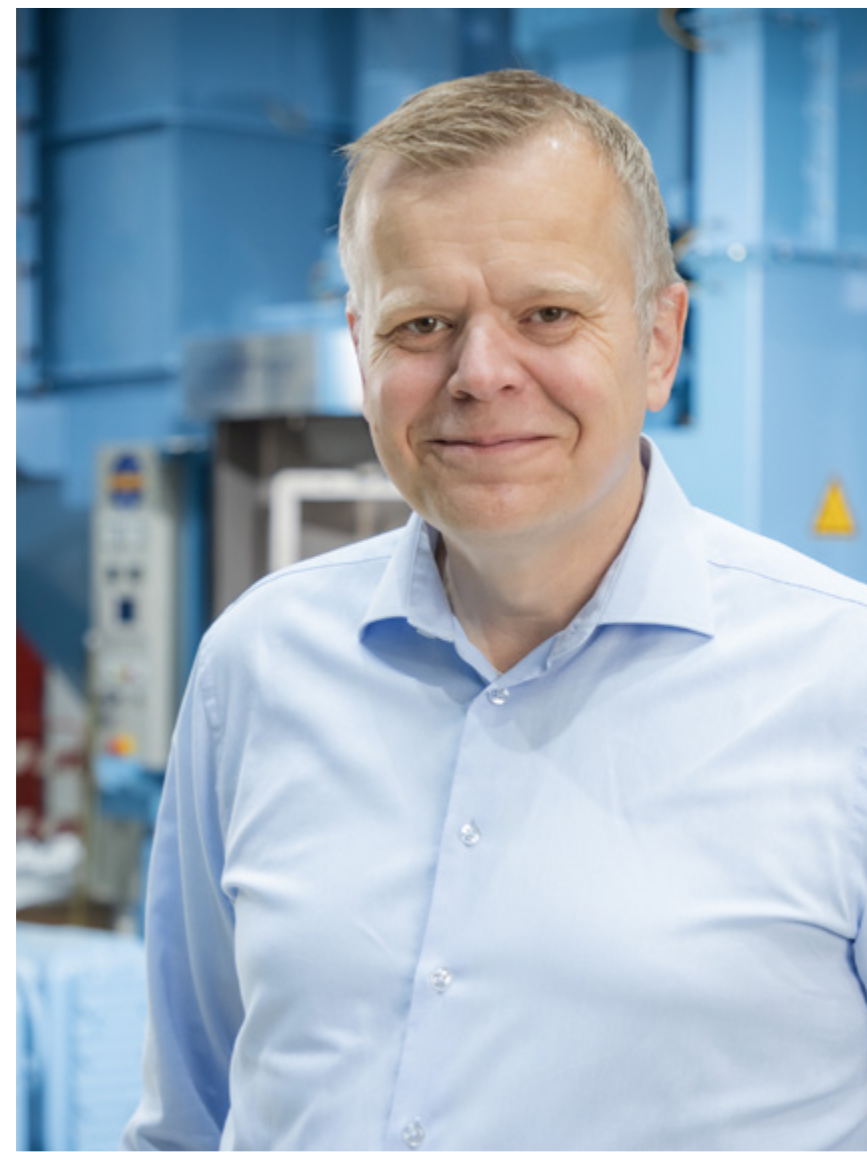


Global locations where Monitizer products have been sold

## Chief Executive's Review

### New leadership

Wheelabrator is an iconic industrial brand with a century-long history of innovation. A tremendous amount of work has been done in recent years to consolidate the many innovations and technologies that exist under the Wheelabrator brand, collecting insights from a huge installed base and feeding them into the development of new solutions that give our customers the competitive edge they need to thrive in the 21st century.



Above: Lars Priess, President of Wheelabrator Wheel

Early in 2023, we strengthened the Wheelabrator leadership team with the appointment of Lars Priess as President of Wheelabrator Wheel. Lars and the team have, based on the work already done, increased the ambition level even further. From parts to digital, from service infrastructure to equipment innovation, Lars and the Wheelabrator team are laying the foundations for significant change. Stay tuned.

### Less new sand

Simpson joined the Norican family in 2022. Throughout 2023, we have been busy integrating the business, leveraging our shared infrastructure, know-how and market position. Simpson's outstanding capabilities in sand technology are already making a difference to our customers, and we remain committed to both expanding the product offering to existing Simpson customers, as well as to broadening the customer base significantly, especially outside North America.

I am particularly excited about Simpson's pneumatic sand reclamation and its potential impact for our customers. Foundry sand is a scarce resource and foundries around the world are dealing with rising costs of procuring, but even more on disposing of used sand. Reclaiming and recycling sand has been common practice for many decades, but the need for minimizing sand use has increased dramatically. At the same time, sand reclamation has to be done cost-efficiently and sustainably.

Simpson has a technology-leading answer to this challenge and the team has perfected the technology during 2023. What sets it apart? The pneumatic reclamation process is both less costly and it has a radically lower carbon footprint than gas-powered alternatives.

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The sand pneumatic reclamation process is less costly and has a significantly lower carbon footprint than gas-powered alternatives.

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# Chief Executive's Review

## Expanding the Norican scope

The above example highlights a category of new developments by Norican, which have a double-positive impact for our customers; better production economics and lower environmental impact due to less resource consumption and emissions. In terms of Norican's commitment to SBTi, this positive impact of avoided emissions by our customers' use of our technologies is not something Norican will get credit for today. This is so-called Scope 4 emissions, which SBTi rightly cautions against the potential misuse for greenwashing. SBTi points out that Scope 4 must not offset lack of progress in reducing Scope 1, 2 & 3 emissions - own emissions and emissions related to materials and services procured by Norican.

Norican remains committed to reducing our own emissions and to leaving the planet in a better condition than we inherited it. However, we hope SBTi and others will appreciate that the biggest single impact on emissions Norican can have is through supporting our customers with production technology, which makes them able to produce more with less. Norican will fail if we do not deliver on our Scope 1, 2 and 3 promises, but we will fail even more if we are not able to have our customers use better technology. Our commitment is to focus and deliver on both.

## Gratitude

Norican showed resilience again in 2023. Even without topline growth, we have strengthened profitability and we have continued to invest significantly in new products and technology. Also, we have invested in our team and welcomed many new talented colleagues. Looking into 2024 and beyond, I remain optimistic. Norican has great customers, great technology, and great people.

I thank all our customers, our suppliers and financial stakeholders for their continued trust and support. This, we never take for granted.

A special thank you goes to the almost 2,000 Noricans for another year of hard work, great achievements, and good fun. With such guardians of the great technologies we have in Norican, I am sure the best is yet to come.



Anders Wilhelm, Chief Executive Officer

### Scope 1:

Direct Greenhouse Gas (GHG) emissions from sources Norican owns, or controls.

### Scope 2:

Indirect GHG emissions from electricity, steam, heat or cooling consumed by Norican.

### Scope 3:

Indirect GHG emissions from our customers and suppliers. It is our customers' use of our products and services.

### Scope 4:

Avoided emissions is defined as reductions that occur outside of a product's life cycle or value chain, but as a result of the use of that product.



## Financial update

Norican Group performed strongly in 2023 delivering revenues of €513.3m (-1%) and EBITDA of €82.0m (+22%). We continue to grow our EBITDA margin, ending the year at 16.0% (+300 basis points), exceeding pre-COVID19 levels.

Operating cashflow ended at a healthy €56.1m, reflecting the significant increase in net income, with demand for working capital a lower rate than 2022 as levels of backlog normalized. Norican has continued its disciplined approach to preserve liquidity and improve cash conversion, and our liquidity position remained strong throughout 2023.

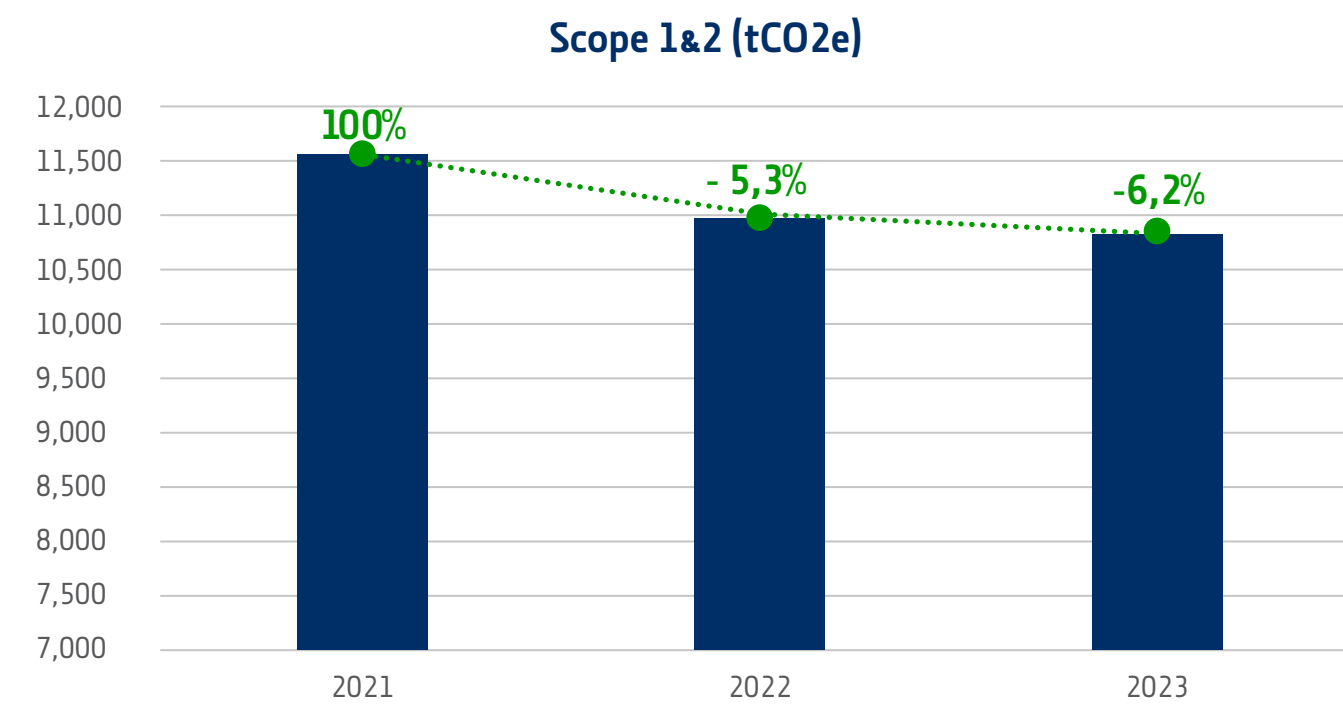
A testament to prudent management and significant cash generation in recent years, Norican successfully refinanced its debt in February 2023, redeeming the €340m bond and replacing it with €270m of new term loans, despite significant headwind in the financial markets. The combination of an improving EBITDA, and the ability to generate cash through the economic cycles, has enabled Norican to reduce its debt and create a solid foundation for Norican going forward.

€m	2023	2022	2021	2020	2019
Revenue	513	519	394	350	504
EBITDA	82	67	49	33	63
Margin %	16.0%	13.0%	12.5%	9.4%	12.4%
Operating cashflow	56	32	73	54	57

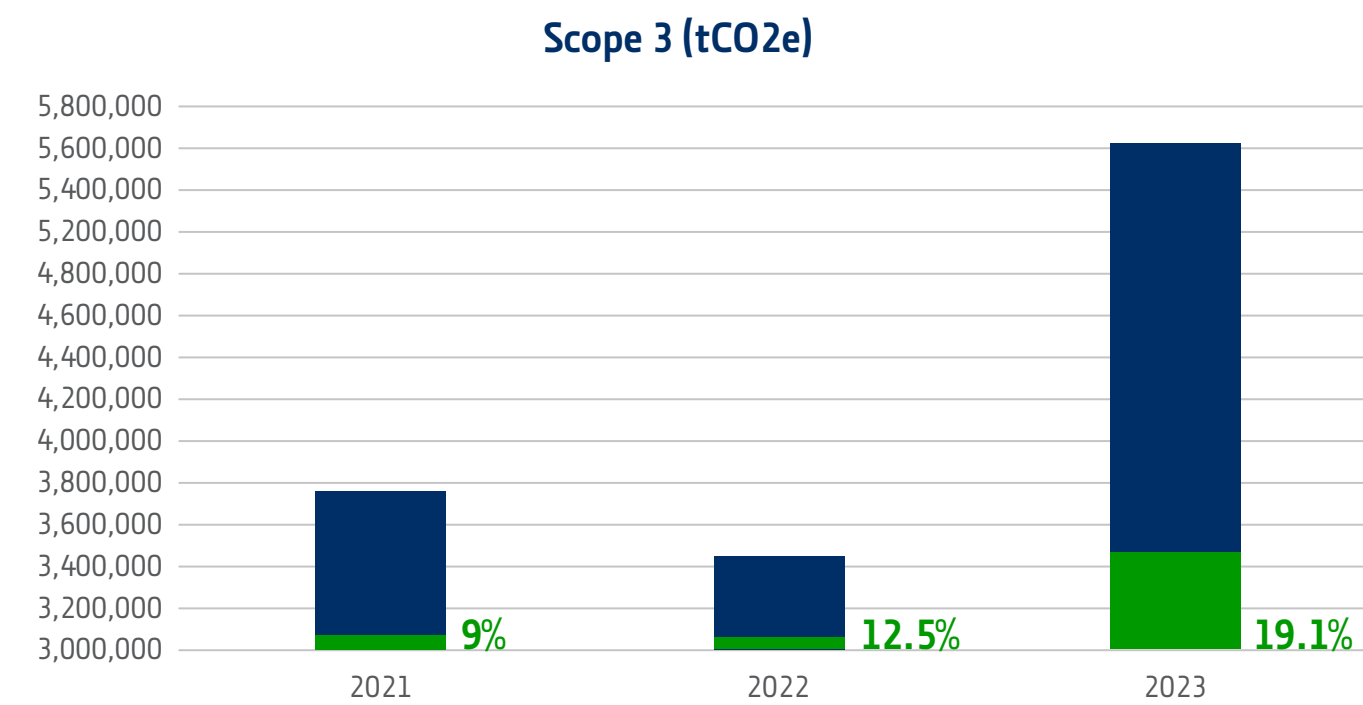
Sustainability, in all its facets, is the biggest challenge of our time. Never has this been more important than in 2023, the hottest year on record. At Norican, we think beyond the immediate future. Our business is built on long-term commitments - to our people, our customers and the communities we live, work and operate in. We care about the future of industry. Investing in sustainability is investing in that future and preserving our planet not just for the next generation, but many after that.

Here, we report on our progress in 2023.

## Our progress in numbers

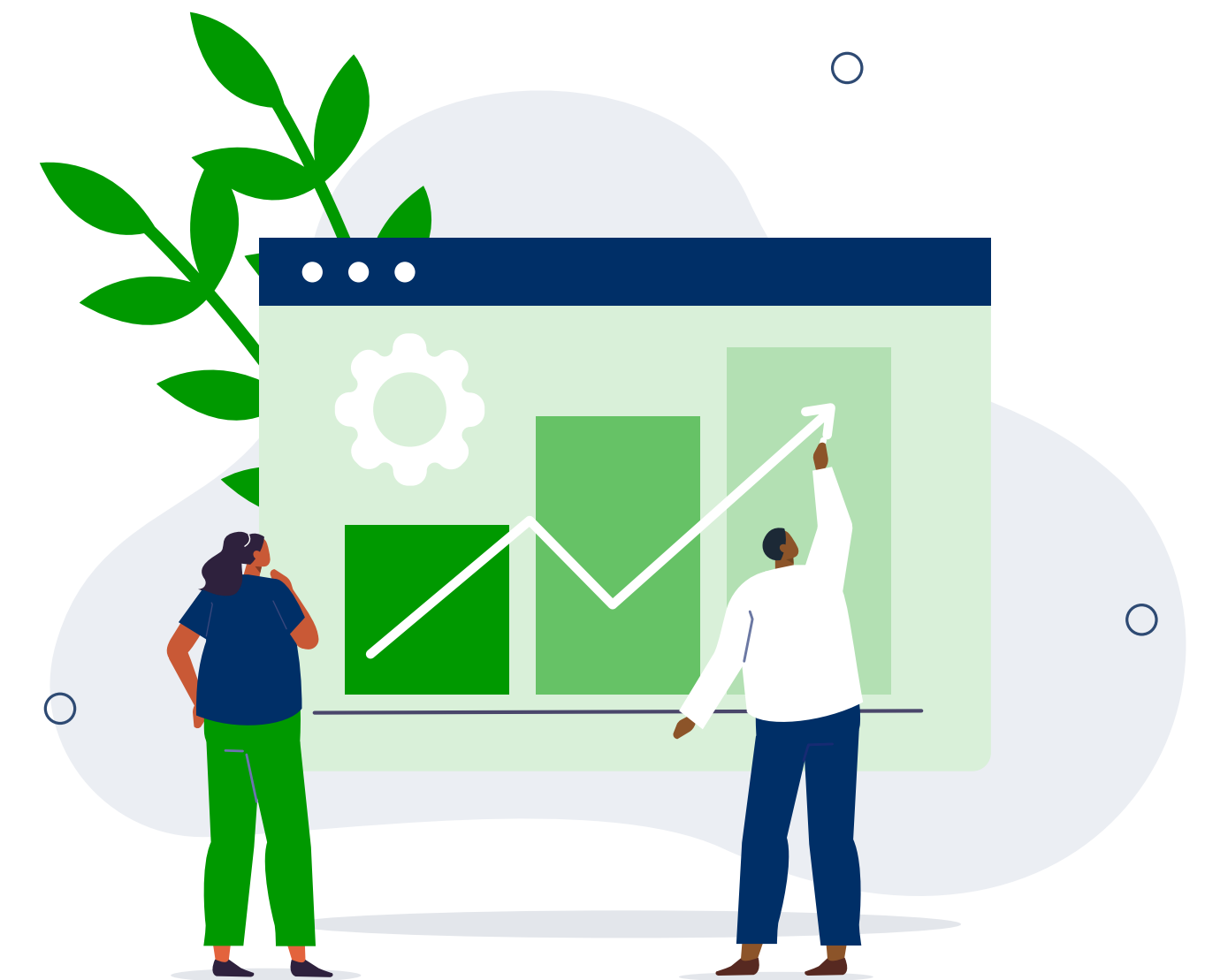


We commit to reduce absolute scope 1 and 2 Greenhouse gas emissions 50.4% by 2032 from a 2021 base year.

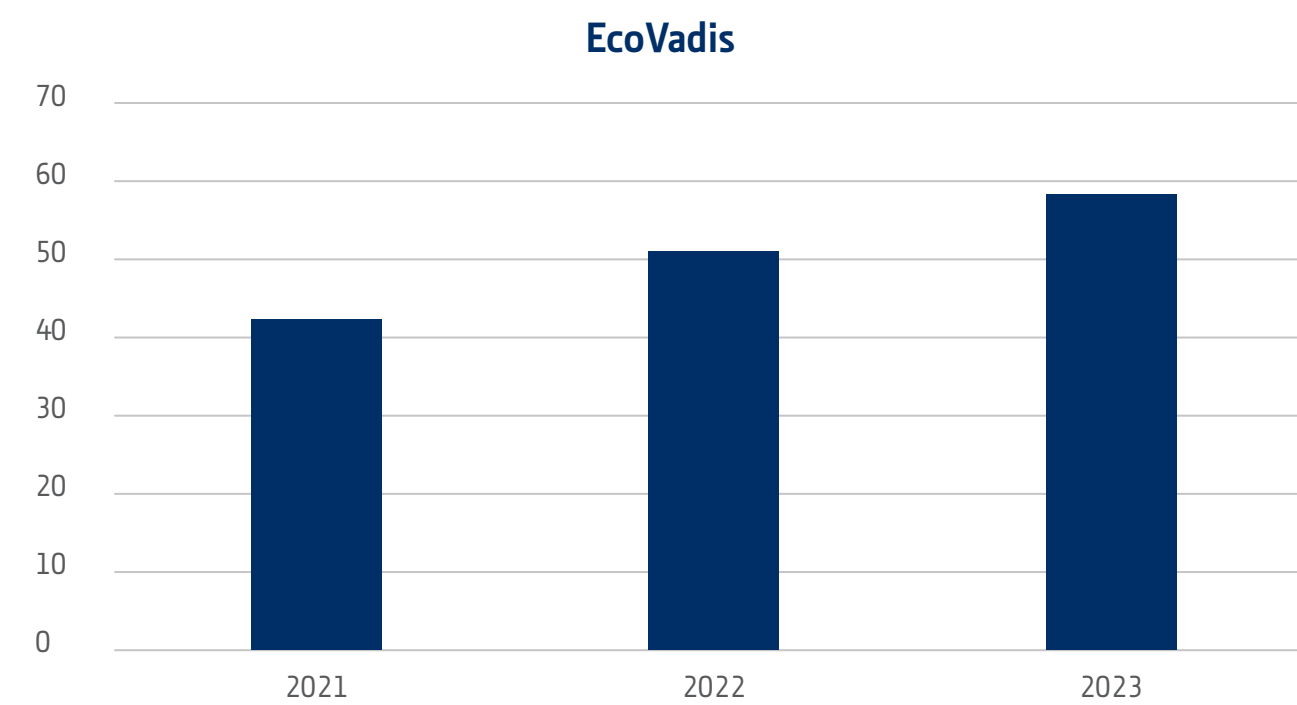


Our scope 3 goal is that 70% of our customers by emissions covering use of sold products, will have science-based targets by 2027. The green part of the bar reflects the percentage of committed customers related to the total scope 3 emissions.

Our scope 3 emissions are directly related to sales and the energy intensity in the countries where the sales happen. Therefore, an increase in tco2e can occur when sales increase in energy intensive countries.



## Our progress in numbers



EcoVadis helps you manage ESG risk and compliance, meet corporate sustainability goals, and drive impact at scale by guiding the sustainability performance improvement.

### Supplier Code of Conduct

<b>89%</b> of our 'A Suppliers' signed the Supplier Code of Conduct	<b>100%</b> of Procurement employees trained on the Supplier Code of Conduct
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## Where we can make a difference

A global business with 2,000 people, 26,000 machines installed at customers worldwide, powering energy and resource-intensive processes, plus our own manufacturing facilities on three continents: our environmental footprint is significant, but so is our capacity to reduce it; our impact on the communities and industries we operate in is great, but so is our ability to shape them for the better. And lead industry into a more sustainable future.

## Taking action, taking the lead

Our sustainability strategy reflects the different ways we can make a difference and our areas of influence. As an equipment and technology provider to industry, our direct impact and our own emissions are overshadowed by what's happening upstream and downstream from us. That is why making our own operations more sustainable is not enough. The pillars of our strategy are therefore: internal transformation, influence through leadership and change through innovation. This is how we do it:

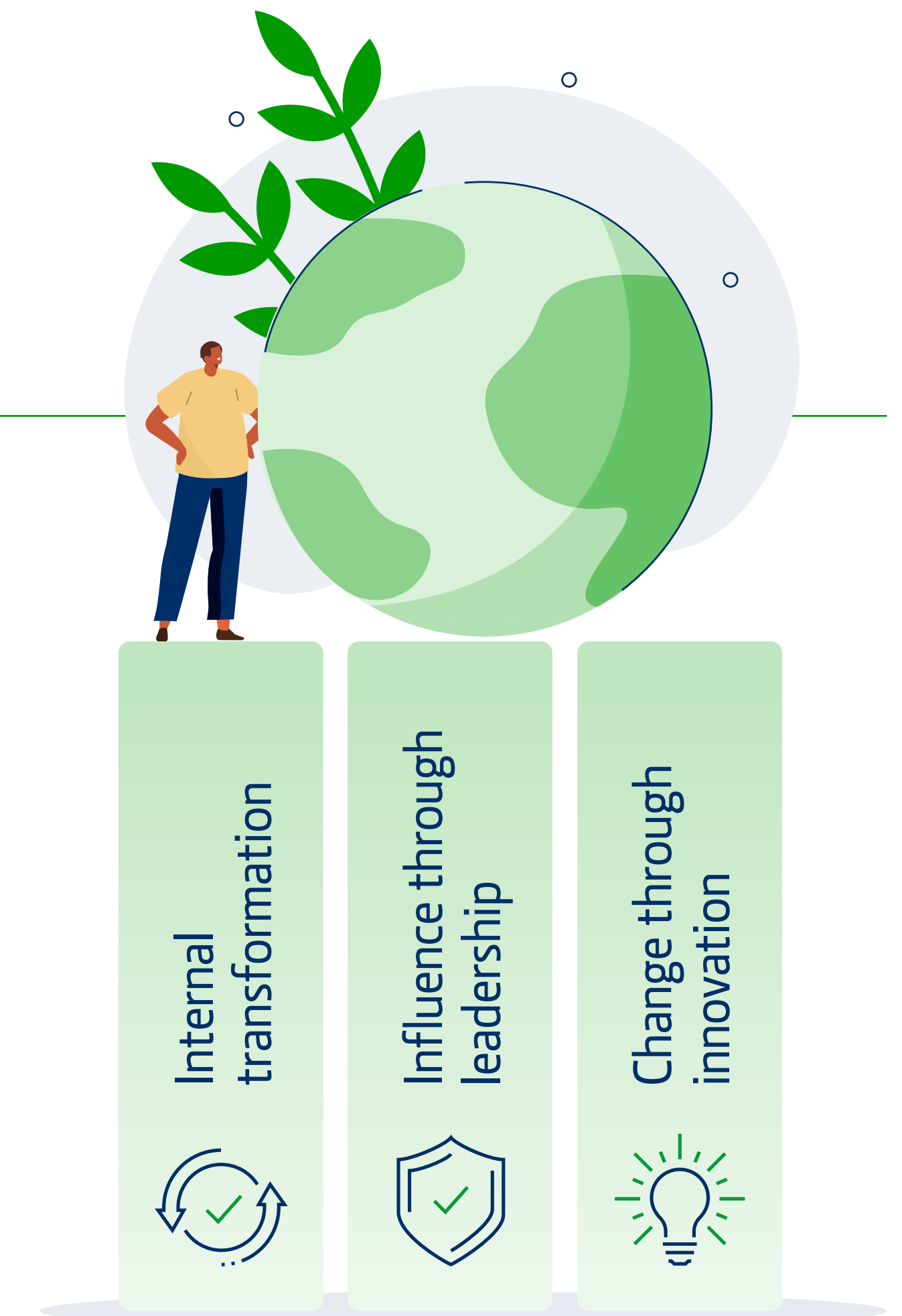
### Internal transformation

To aggressively drive the sustainable transformation of our operations, we put binding, evidence-based commitments at the heart of our efforts. Driven by dedicated central teams that support the regions in gathering data, prioritizing actions, applying policies and implementing initiatives.

Setting externally validated, published and tracked science-based emission reduction targets helps us to systematically work through an ambitious decarbonization roadmap, as well as holding us accountable.

A comprehensive ESG assessment framework, EcoVadis, ensures robust global governance for our environmental, social and ethical business practices. Creating clear, formal policies and codes of conduct, while embedding all aspects of sustainability in them, gives us a structure for progress and pushes us towards the highest, globally recognized standards of corporate governance.

In a dynamic and ever-evolving world, we recognize the significant impact that environmental and climate changes can have on our operations. These changes, whether driven by new legislation like the CSRD or evolving customer expectations, necessitate proactive risk mitigation strategies. We address these challenges by diligently monitoring regulatory developments, ensuring that we remain informed and adaptive. Engaging with key stakeholders is integral to our approach, as it provides valuable insights into emerging trends and expectations. In tandem with establishing science-based targets, this proactive stance enables us not only to meet regulatory requirements but also to foresee and proactively address potential challenges.



## Taking action, taking the lead



### Influence through leadership

We actively engage customers and suppliers and encourage them to join us in committing to emissions reduction targets and improved sustainability practices. We use our influence in our customers' industries to educate and share learnings.

Leading is as much communicating as acting. It is part of our strategy to seek out opportunities to influence, educate and inform. Sustainability has therefore become an important part of all our communications, including everyday customer conversations.



### Change through innovation

We are a family of industrial technology businesses who all have innovation in their DNA. Our biggest contribution to a more sustainable future will be the innovations in our customers' processes that help reduce emissions and make sustainable industry possible.

In the short-term, this will be technology that saves energy, reduces scrap, minimizes waste and enables circularity.

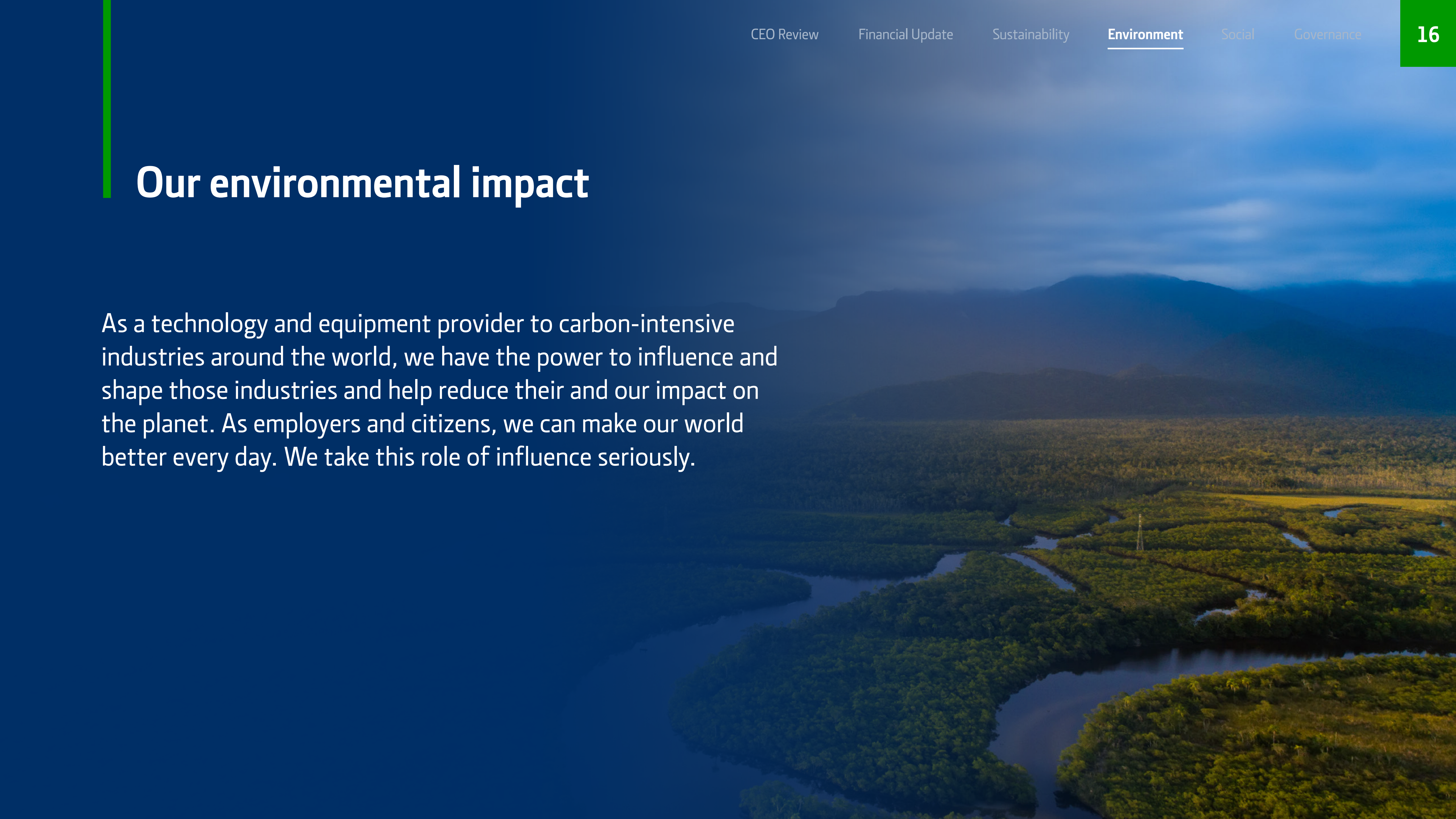
Avoided emissions, often called 'Scope 4', is an area where innovation can really deliver. Instead of reducing the emissions of a process, can they be avoided entirely by changing the process? Similarly, new technical processes that enable new, more sustainable products or materials will be needed to create tomorrow's world. Where these new products and processes involve metal, we will be there to shape and enable them.



Ulla Tønnesen, President at DISA, with the team in our production facility

# Our environmental impact

As a technology and equipment provider to carbon-intensive industries around the world, we have the power to influence and shape those industries and help reduce their and our impact on the planet. As employers and citizens, we can make our world better every day. We take this role of influence seriously.





## We are reducing our emissions

At the end of 2021, we committed to setting ambitious emissions reduction targets under the Science-Based Targets initiative (SBTi). In November 2022, ahead of our deadline and following significant work to understand our footprint and baseline, we submitted our targets for validation to the SBTi.

While our targets were being analyzed and validated by the SBTi, we commenced our first year of working towards those targets and systematically tackling our emissions. Our targets were officially confirmed by the SBTi in July 2023 and our methodology is aligned to SBTi guidelines, demonstrating our dedication to scientifically rigorous and credible emission reduction goals. Our targets are:

# 50.4%

Reduction in absolute scope 1 and 2 greenhouse gas emissions\* by 2032



\*from a 2021 base year.

# 25%

of our suppliers will have science-based targets by 2027\*\*



\*\* By emissions

# 70%

of customers will have science-based targets by 2027\*\*\*



\*\*\* by use of sold products

## Our successes

The 2023 reduction in Scope 1 & 2 emissions was achieved by converting to 100% renewable energy at our Wheelabrator Technology Center in Metelen, Germany and ItalPressGauss Technology Center in Brescia, Italy.

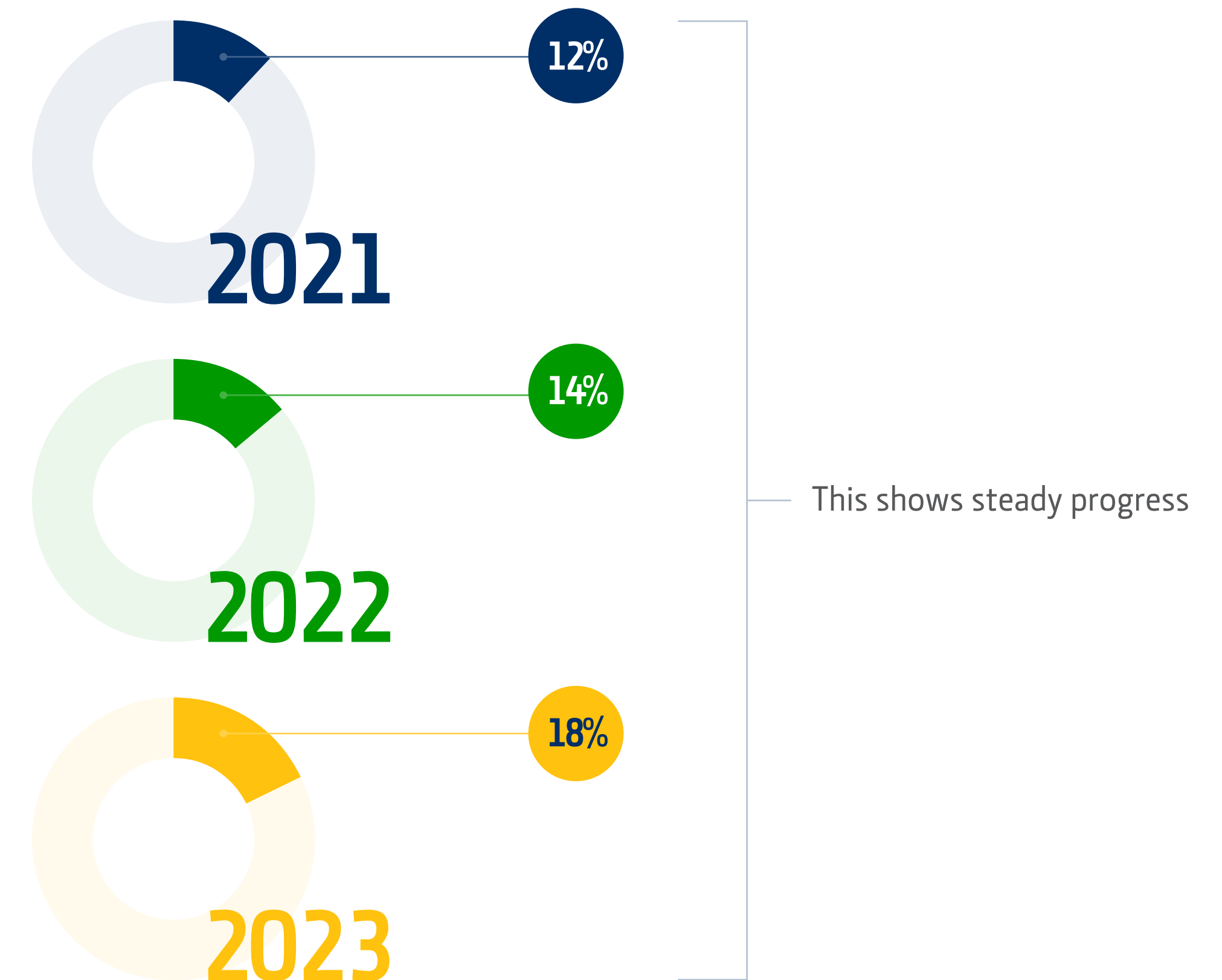
In 2023 we invested in phasing out natural gas for our industrial application in Waukesha, USA. The new technical solution will be ready at the beginning of 2024. In addition to this, we have made a third party agreement in India with a green energy company based in Karnadaka, India who will provide our Tumkur facility with energy in 2024.

### Small changes, big impact

While phasing out natural gas/electrification and switching to renewable electricity are among our biggest wins for rapid emission reduction, behavior change and smaller initiatives also contribute to our longer-term reduction pathway.

Our new electric car policy states that all Norican company-owned vehicles purchased or leased after 1 December 2022 shall be electric vehicles (note this expressly excludes hybrid vehicles). For service vans, a designated transition period has been agreed to integrate electric vehicles while maintaining efficient customer service. We will review the status with the service teams during 2024 to ensure progress towards a full transition to electric vehicles. To further support the roll-out of electric vehicles, three new electric forklifts have replaced diesel powered ones at our Changzhou site in China. We are expanding our EV charging points, in 2023 we installed 19 chargers across our workshops in China, 16 at our facility in Metelen, Germany, 6 in Charleville, France and 2 in Pribram, Czech Republic. We will continue to roll these out across global locations throughout 2024.

### Renewable electricity at our facilities in %



## We are engaging our people and partners

Engaging and influencing is an important pillar of our sustainability strategy. This applies both to our own organization and those within our sphere of influence (suppliers, partners, customers). In addition to our Scope 3 targets, under which we commit to engaging our suppliers and customers to join us on an SBTi pathway. We are also embedding sustainability criteria in our procurement and purchasing processes and building a culture with sustainability at its heart.

### The main tools for driving sustainable procurement practice at Norican are:



#### A new Supplier Code of Conduct

...to ensure our suppliers and contractors work to the same high standards as we do. The code requires them to operate in an environmentally responsible manner, to respect human rights and to refrain from using conflict materials.

This Code of Conduct defines all our principles and requirements for all suppliers of goods and services, for subcontractors and their subsidiaries. It also covers their supply chains and partners in the chain of supplying to Norican Group. It covers responsibility towards society, the environment and the people involved in the production of goods and/or provision of services.



#### Supplier sustainability assessments

...of new suppliers; sustainability criteria forms part of every purchasing decision – to continuously improve and lift the quality of our suppliers in a sustainability context.

#### An upgraded Procurement Policy and preferred vendor program

...to further incentivize our suppliers to get on board with the sustainability journey and our supplier code of conduct.



## Our KPIs

### 2023:

**100%**

We hit our 100% target to distribute our Supplier Code of Conduct (which includes sustainability criteria) to all 600 'A suppliers'

**100%**

We hit our target by training all procurement employees on the Supplier Code of Conduct

**93%**

Our goal to track compliance of 'A suppliers' with the Code of Conduct was 50% (they either sign our code or have their own higher standard version).

We achieved 89% of suppliers - 93% by supplier spend

### 2024:

**100**

We will roll-out the SME supplier engagement program and will talk to 100 of them by the first half of 2024

**100%**

Supplier Code of Conduct compliance is:

- 100% of new direct suppliers and suppliers for transport and packing
- 100% of existing 'A suppliers'

Embed additional sustainable components in our preferred vendor program and create a 'sustainability capacity building' program, to collaborate with, and support, our low performing suppliers to achieve better results



## Training and engagement



We prepared a specific outreach and engagement program with our suppliers around science-based targets for roll-out in 2024. This reflects our Scope 3 targets under SBTi and aims to increase the percentage of businesses committed to science-based targets among our suppliers (working towards our 25% by 2027 goal).

Our strategy here is to focus on dialogues with small and medium sized (SME) supplier businesses (defined as those with less than 250 employees, turnover under €40m, assets below €20m). The rationale behind this decision is that big international companies will join SBTi regardless of our activities and our leverage is small, whereas SMEs are less likely to join of their own accord and our leverage is greater. All preparatory work for this program was completed in 2023. A first phase of supplier meetings is scheduled for Q1 2024, which will be followed by an initial evaluation. In China and India we held supplier days where we informed and engaged them on the topics of sustainability and SBTi.



Teams in the regions participated in engagement and training events with partners, customers and agents. For example, the APAC team presented to other local companies about our sustainability strategy at an event organized by the local government, and also delivered SBTi training to all of our agents in Southeast Asia. The North American team took part in an educational event series as a member of the Suppliers Partnership for the Environment, where they had opportunity to speak to automotive manufacturers and Tier 1 suppliers about decarbonizing their supply chain and reducing energy consumption.



We conducted sustainability training with our sales teams (focusing on how we can work as a sustainability partner for our customers) and have built 'interest in sustainability topics' into our CRM system to track traction among customers via sales enquiries. The target: all OEM orders received this year should contain information on the purchaser's interest in sustainability.

All this lays the foundations for the second part of our Scope 3 commitments, increasing the share of customers signed up to setting science-based emission reduction targets, but also supports our wider goals of driving the sustainable transformation of industry.

## We are reducing waste

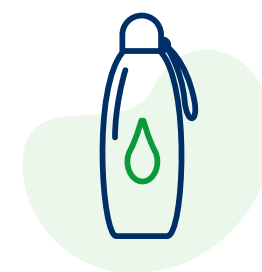
Reducing waste and recycling resources are not new to us at Norican. Building equipment and refining processes that deploy energy and resources in even more efficient ways is in our DNA. Today, we build on that cultural legacy, expanding the avoidance of waste to all parts of our organization and all our regions.

### What we did

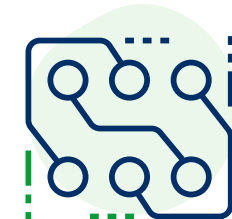
Our global focus on lean manufacturing continues and plays an important role in reducing waste in our manufacturing and assembly facilities. In addition to lean training programs across our regions (with a total of 355 people participating in online training sessions this year), 2023 saw the introduction of a specific incentive scheme for employees at different levels at our two manufacturing sites in China. The scheme offers weekly and monthly lean champion rewards as well as various additional opportunities for distinction.



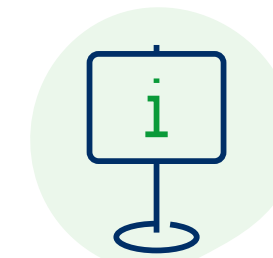
The Norican and DISA HQ in Taastrup has further improved its food waste avoidance schemes at its canteen, with food waste weighed four times a day to better manage the flow of food and better time food preparation. Any remaining food waste is turned into biogas at a waste facility.



The StrikoWestofen HQ in Wiehl and the Wheelabrator Technology Center in Metelen both installed a water dispenser in 2023 and provided sustainable water bottles to all employees to cut down on disposable cups and bottles.



Coinciding with World Recycling Day, the IT team in Altrincham, UK, worked with a local company to responsibly dispose of and recycle electronic equipment, including monitors, keyboards, laptops, printers and PCs. More than 100 electronic items were recycled or responsibly disposed of.



Avoiding waste was also a key consideration when planning our first post-pandemic GIFA presence in Düsseldorf in June. From ensuring displays are reusable to incorporating recyclable materials, from taking along fewer pieces of equipment to ensuring sustainable giveaways have a life beyond the exhibition.

Sharing and consolidating infrastructure is another way of making better use of resources. In 2023, we merged some of our warehouses for a more efficient use of space. For example in North America Simpson moved its inventory into the LaGrange warehouse from Aurora and into Taastrup, Denmark from Euskirchen, Germany. The Simpson team also decreased its office footprint in Euskirchen by moving into a state-of-the-art business center nearby.

## We are enabling sustainable industry

We are in a unique position to shape whole industrial processes for a more sustainable future. Whether that is making today's processes sustainable through decarbonization, recycling and even more precise use of resources, or enabling the manufacturing of new, more sustainable products. Product innovation is the most important long-term pillar of our sustainable strategy. It is less immediately measurable and often covers emissions or waste reduced not in our own organization but downstream from us at customers or end users, but it can make a huge difference to the overall environmental impact of industry.



### What we did

In 2023, we saw a record number of customers deploy our Monitizer IIoT platform at a large scale, actively using it to track and reduce emissions. MAT group is one of many customers that is now helping us tell a compelling story about the combined benefits of digital technology in foundry settings. It's an important proof point for the simple fact that – with the right tools - sustainability and competitive advantage can go hand in hand. Monitizer is a cost-effective sustainability technology – a powerful tool in customer conversations around sustainability. In addition to better understanding the emission intensity of their process, Monitizer's powerful AI tools open the door to transformational scrap reduction, with positive knock-on effects on emission footprints across rework, remelting, recasting and transport.

Our own emission reduction roadmap flagged gas-powered thermal sand reclamation at our Waukesha foundry as a priority emission item to tackle. Which we will do in 2024. Luckily, we have just the solution in our own product portfolio. Simpson's pneumatic Pro-Claim sand reclamation technology is leading the way in low-emission reconditioning of foundry sand, ensuring foundries don't improve their sand recycling rate to the detriment of their emission reduction progress. Again, we have invested further in this product in 2023 and believe in its power to transform foundry emissions as well as performance. We will see for ourselves in 2024.

Lastly, StrikoWestofen's melting and dosing technology has made significant strides in making furnaces more energy-efficient. The team is now working on new, more sustainable melting technology that reduces aluminum foundries' dependency on natural gas. Today, furnaces can, for example, run on biogas as a first step. But we are investing in research & development to soon offer the furnace of the future.

## Our social impact

As both a local and global employer, and as technical leaders in our fields, we strive to strengthen the communities we're part of and offer rewarding, future-facing careers in industry. Our employees and their families are part of our Norican family. We invest in their skills and wellbeing, and in their place of work. We engage our technical and professional communities to drive progress in our industries and to raise the next generation of engineers.





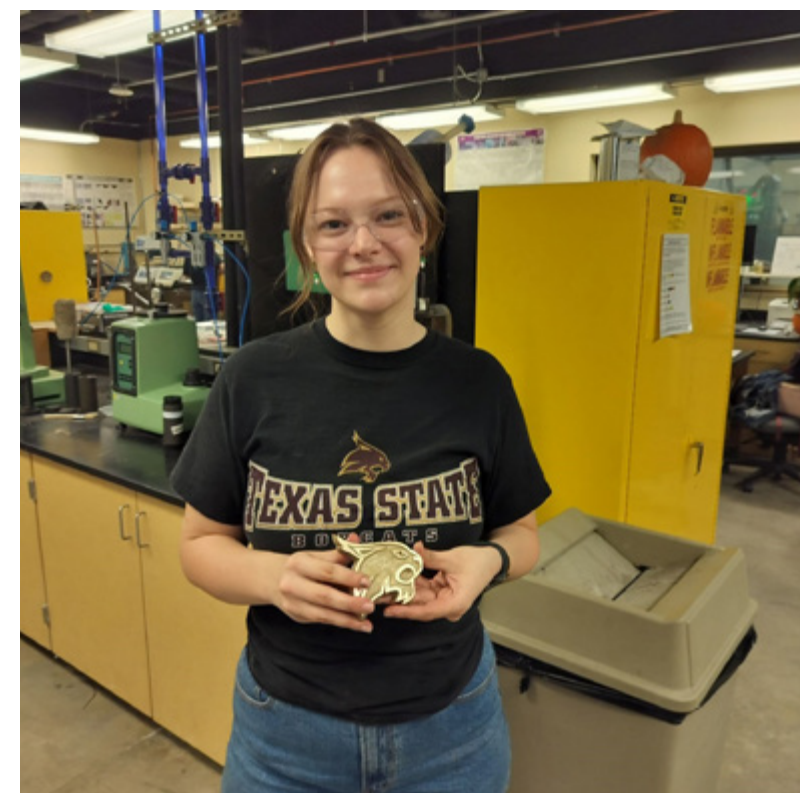
## We invest in future skills and education

Our relationships with academic and educational institutions build links into industrial practice for students and support the continued development of engineering talent around the world. Equally, our trade associations play a key role in driving our industries forward and we nurture those professional ecosystems as an important mechanism for shaping industry. We invest in all those relationships, through donations, scholarships, participation, and knowledge sharing. Here are some of the things we have done:

For the third year running – five “DISAMATIC scholarships” were awarded to outstanding B Tech students at the Indian Institute of Advanced Manufacturing Technology (IIAMT). The program was born out of a long-term partnership between Norican and the IIAMT, that also includes knowledge sharing and networking between our team in India and the faculty.



We continued Simpson's support of the Foundry Educational Foundation that goes all the way back to the FEF's inception in 1947. Championing the science of sand, we supplied equipment to FEF universities: A Hartley 2552-B1 Compactibility Controller and a 1F Mix-Muller for the University of Northern Iowa; a range of sand testing equipment for Texas State University's onsite foundry. The equipment will enhance education and smooth their transition into the industry.



In North America we attended events and seminars of the American Foundry Society, the Ductile Iron Society, the FEF and FEF-associated universities. This included technical presentations on digital foundry sand control at Western Michigan University and at AFS Copper Alloys, as well as activities at numerous career fairs and Manufacturing Day celebrations.



The Monitizer team held a number of educational workshops worldwide on IIoT and digital tools in foundry contexts, both with customers and a wider audience, to further digital know-how in the industry. In France, Norican sponsored the French Foundry Technical Association's and AAEEFF's French Foundry ski competition, in support of the local foundry community.



The Norican team in APAC hosted an educational event for automotive supply chain partners and customers in Hefei, China, on next-generation technology for the production of large but lightweight automotive components.



## We engage our local workforces and their families

We strive to build strong links into our local communities beyond professional and academic networks. Our people and their families are part of those communities and celebrating with them and sharing our world with their families is an important part of giving back and being present. Here are some of the things we have done:



StrikoWestofen held Spring Festival celebrations at the Technology Center in Wiehl, Germany, featuring outdoor activities like air hockey, table football and a bungee run, as well as barbecue food and a bar.



Wheelabrator held a family open day at its new Technology Center in Metelen, Germany, with employees' partners and children getting a look behind the scenes, peeks inside machines and have a go at steering the big robot arm.



Wheelabrator in France threw a summer party for employees and families at the Technology Center in Charleville.



Norican Changzhou in China held Chinese New Year celebrations, with the management handing out red luck parcels to employees.



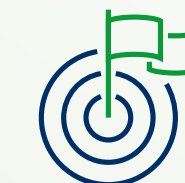
The team in China served a special lunch with traditional food at its canteen for the traditional Dragon Boat Festival.



Norican in India marked International Women's Day with a range of local activities; in February, Norican India celebrated the outstanding employee teams and individual contributors in a glittering ceremony at the Tumkur factory.



We conducted our first global annual engagement survey, allowing employees to share feedback so we can identify what is important to them and ensure we offer a happy, thriving and inclusive working environment for all. A key take-away from the first survey was to improve visibility of the global leadership team and to ensure we better communicate our vision and strategic direction for the group to all employees. In response, we have rolled out regular updates and informal communications from the leadership team, as part of our internal communications program.



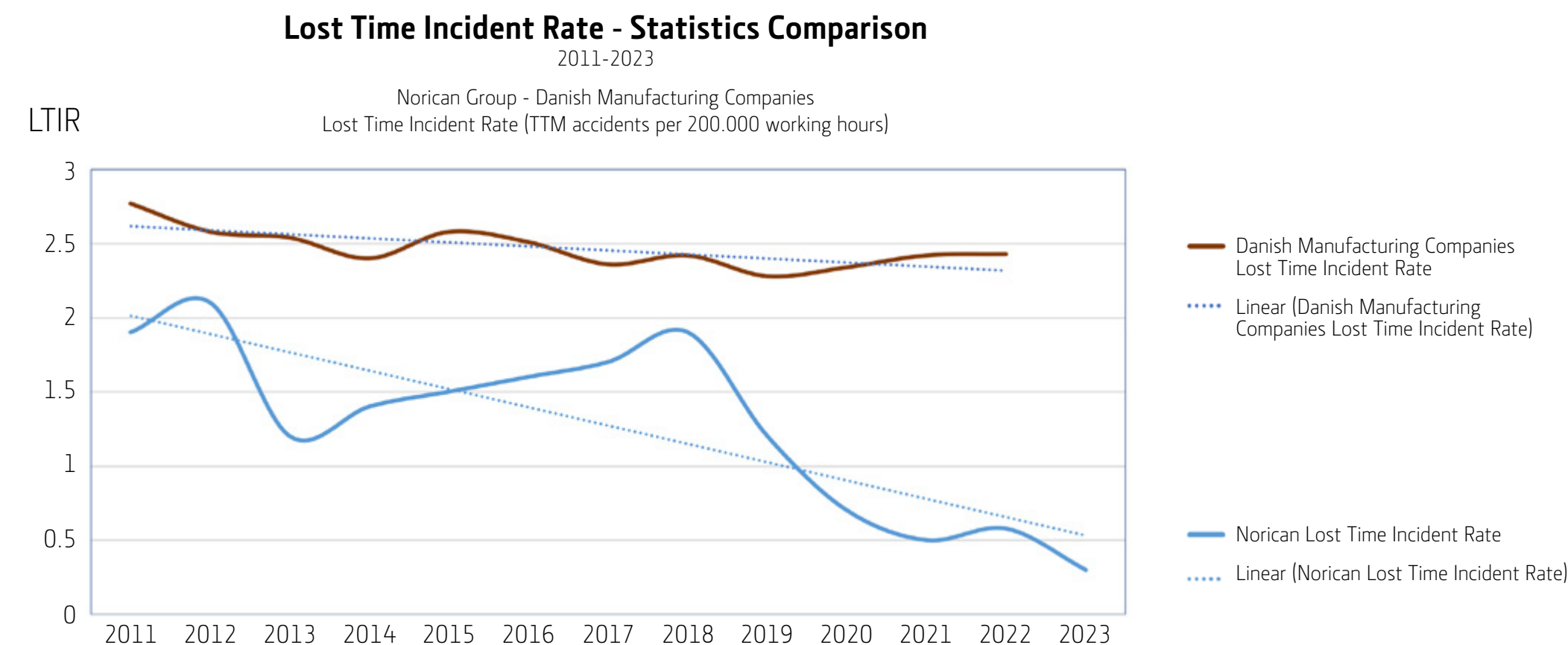
Our dedicated team stands at the core of our success, and in recognition of their importance, we have built on our existing global HR policy. As we progress through 2024, our focus remains on reinforcing and expanding this framework. Central to our strategy is talent retention, recognizing its pivotal role in our sustained success. We place significant emphasis on employee well-being, viewing it as a fundamental necessity for ensuring the happiness and productivity of our workforce. In the coming year, we are committed to furthering our efforts to enhance our employee brand. For instance, in Q1, the UK will introduce a new HR structure defined by a clear and transparent band framework. Additionally, our team in India has exciting plans, including hosting awards to celebrate local successes across all levels of teams. These initiatives underscore our dedication to fostering a supportive and rewarding work environment globally.

## We keep our people and their worlds safe

Ensuring a strong safety culture as well as continuous monitoring and improvement of health and safety reporting is an essential part of looking after our employees. In 2022, we rolled out a new health and safety reporting system to identify risk on an ongoing basis and built on this throughout 2023.

Where we spot a particular risk, we remove it or address it through training, awareness days and refreshers. Our goal: zero work-related injuries. Avoiding physical injury is only one, albeit essential, part of keeping people safe and well. Protecting their work/life balance and ensuring we foster an environment free from discriminatory or inappropriate behavior are also key.

We are proud of our safety performance - measured by Lost Time Incident Rate - (LTIR) that has been continuously improving since 2017. The improvements are visible for each entity in the Group and have consistently outperformed Danish manufacturing sector. We use Danish safety performance reporting as benchmark because of its mature, comprehensive and reliability reporting scheme.



### What we did

We addressed a number of risks identified either in health & safety reporting or through proactive assessment this year:



At our spare parts manufacturing facility Waukesha, we phased out silica-based grinding belts, following a trial of a new alternative. Extensive crystalline silica exposure has been linked to a variety of diseases.



At our manufacturing facility and warehouse in Pribram, Czech Republic, we recorded two accidents during manual cutting of rubber (with a knife), so we have decided to invest in a CNC machine that can laser-cut rubber elements. The machine is due to be installed in spring 2024.



At our manufacturing facility in Tumkur, India, we have rolled our behavior-based safety (BBS) training and health talks for workers to improved safety awareness, reduce risks, and foster a positive organizational culture. Norican in India also ran an awareness training session for staff under the PoSH Act 2013 – legislation on the prevention of sexual harassment in the workplace.



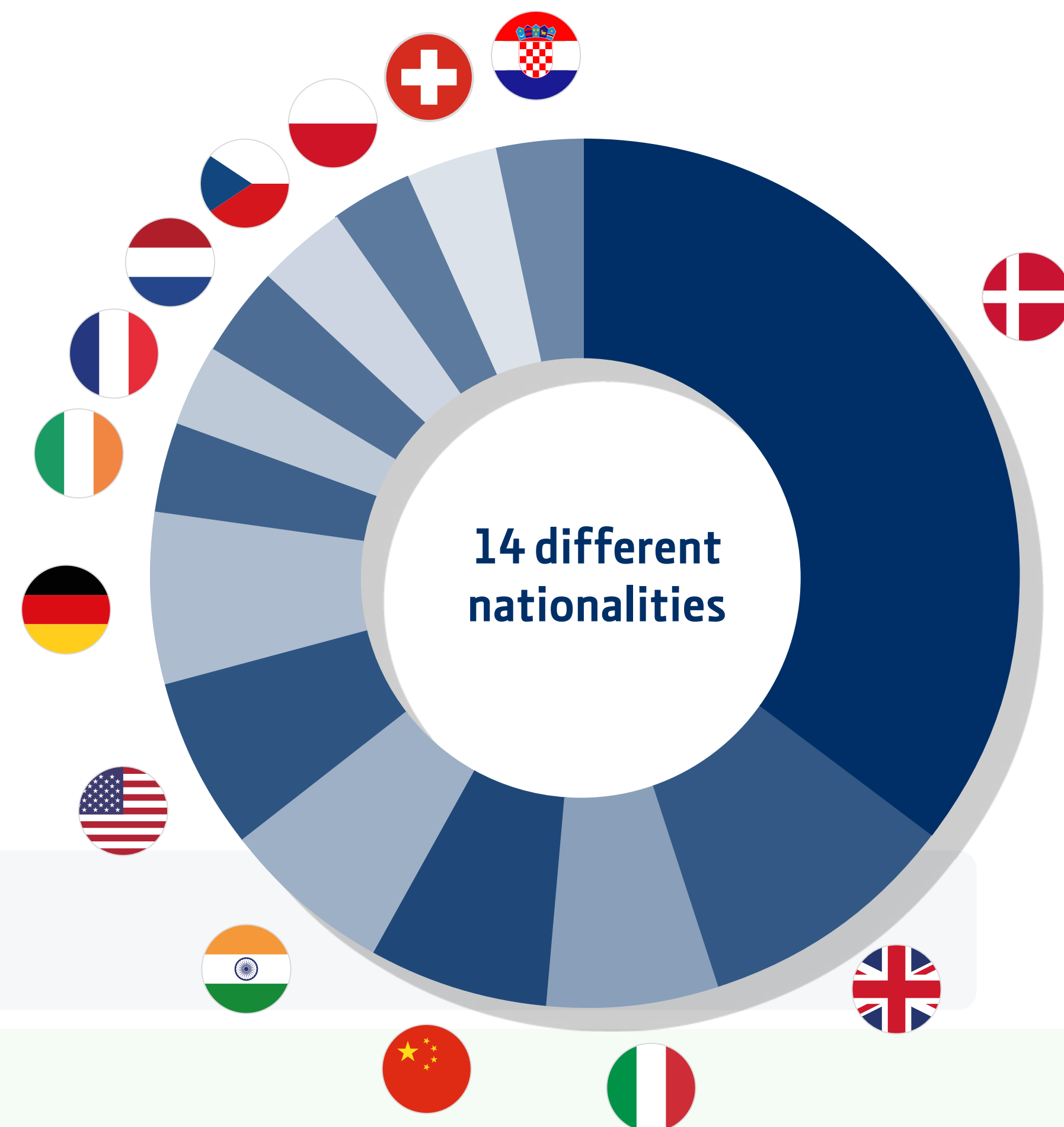
We shared how to add global time zones in digital calendars to help colleagues better understand and be respectful of colleagues' work hours and, crucially, 'out of hours' time when contacting them and booking meetings.

## We are building a diverse workforce

Diversity helps us think and act in high-performing teams that reflect our current and future customer audiences, as well as the world we live in. It ensures that, collectively, we have better ideas, make better decisions and understand all our customers, not just the ones that share our gender, age, background or ethnicity.

After reworking our global online recruitment pages to ensure we remain visible as an equal opportunities employer, we have been working towards our goal of increasing the representation of diversity in our workforce without compromising on competency or merit.

Our global senior management team is a diverse mix of 14 nationalities, with 25% of this team and one of our five executive team members being women.




**2023** **25%** Women in Norican Senior Team in 2023

**2026** Ambition is more than **33%** Women in Norican Senior Team by 2026

## Our governance

Good governance is more than mere compliance with local laws. We hold ourselves to high standards and we want those high standards to apply in all our communities. Over the past two years, we have systematically codified these standards where they weren't codified before or have updated existing codes and policies. We used the EcoVadis framework to identify gaps and areas for improvement in our corporate governance.

A woman with dark hair, wearing a dark top and a necklace, is leaning over a table and pointing at a large document. A man with a beard and glasses, wearing a white shirt, is sitting across from her, looking at the document with a smile. The background is a bright, modern office setting.

## Policies, certifications and processes

### Certification



Company policies regarding environment and climate have been implemented at a site-specific level and include ISO 14001:2015 certification, which specifies the requirements for an environmental management system that can be used to enhance environmental performance based on mapping the environmental impact from the site-specific activities.

We also have:

- ISO9001: 2015 Quality Management System at 14 sites;
- ISO14001:2015 Environmental Management System at 7 sites;
- ISO45001:2018 Health and Safety Management System at 2 sites;

### Health and Safety



Our reporting system for accidents and near misses was reinforced in 2022 and has been running for a first full year in 2023. It has clear targets for recordable incidents and lost time and is audited regularly, by internal and external auditors. All our locations now report health and safety statistics monthly, and these are tracked against targets that actively encourage to record risks. The global health & safety team conducts monthly calls to plan training and awareness activity against reported risks and incidents to continuously make progress towards our non-financial KPI of ZERO incidents.

We strive towards zero safety incidents at all of our locations. We measure this with lost time incidents rate (LTIR) and recordable incidents rate (RIR). The target set for 2023 has been achieved and we will continue to monitor and set high expectations for 2024.



## Policies, certifications and processes

### Code of Conduct



The Norican Code of Conduct has group level policies related to ethics and with respect to compliance with applicable laws in each jurisdiction. These policies apply to each subsidiary in Norican Group. Accordingly, each subsidiary shall comply with applicable laws, rules and regulations at a local level. If there is any conflict or ambiguity between local laws or regulations and our Code, then we must apply the higher standard.

We have reporting systems to ensure an efficient and diligent process in handling the reporting of possible violations. Norican's General Counsel is the responsible officer for such reporting procedures.

We have procedures in place for reporting and have a multilingual whistleblowing hotline 'Speak Up', which is provided by a third party, WhistleB, and is available 24 hours a day, 7 days a week, 365 days a year. It allows anyone to anonymously report any behavior which contravenes our Code of Conduct.

We ask colleagues to sign the Code of Conduct at their annual appraisal and as part of the onboarding process, however we do not see this as an annual event but it is embedded into our daily way of working.

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Our multilingual whistleblowing hotline is available  
24 hours a day, 7 days a week, 365 days a year.

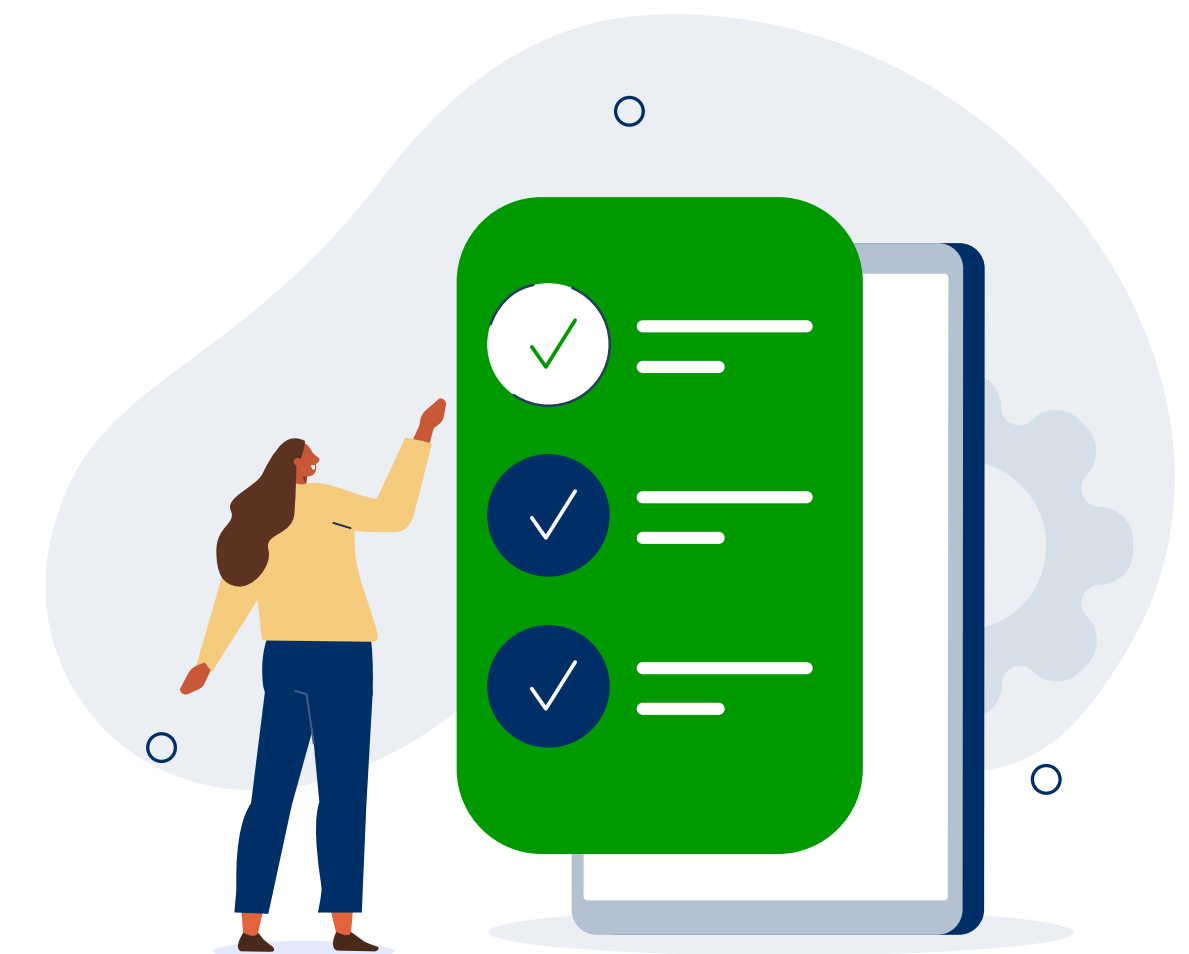
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### Supplier Code of Conduct



We expect our suppliers and contractors to work with the high standards we do, and 89% of our 'A suppliers' signed the code in 2023. We also trained 100% of relevant employees on the importance of it. The Code of Conduct for Suppliers requires them to operate in an environmentally responsible manner, to respect human rights and to refrain from using conflict materials.

This Code of Conduct defines all our principles and requirements for all suppliers of goods and services, for subcontractors and their subsidiaries. It also covers their supply chains and partners in the chain of supplying to Norican Group. It covers responsibility towards society, the environment and the people involved in the production of goods and/or provision of services.



# Policies, certifications and processes

## Sustainable Procurement Policy



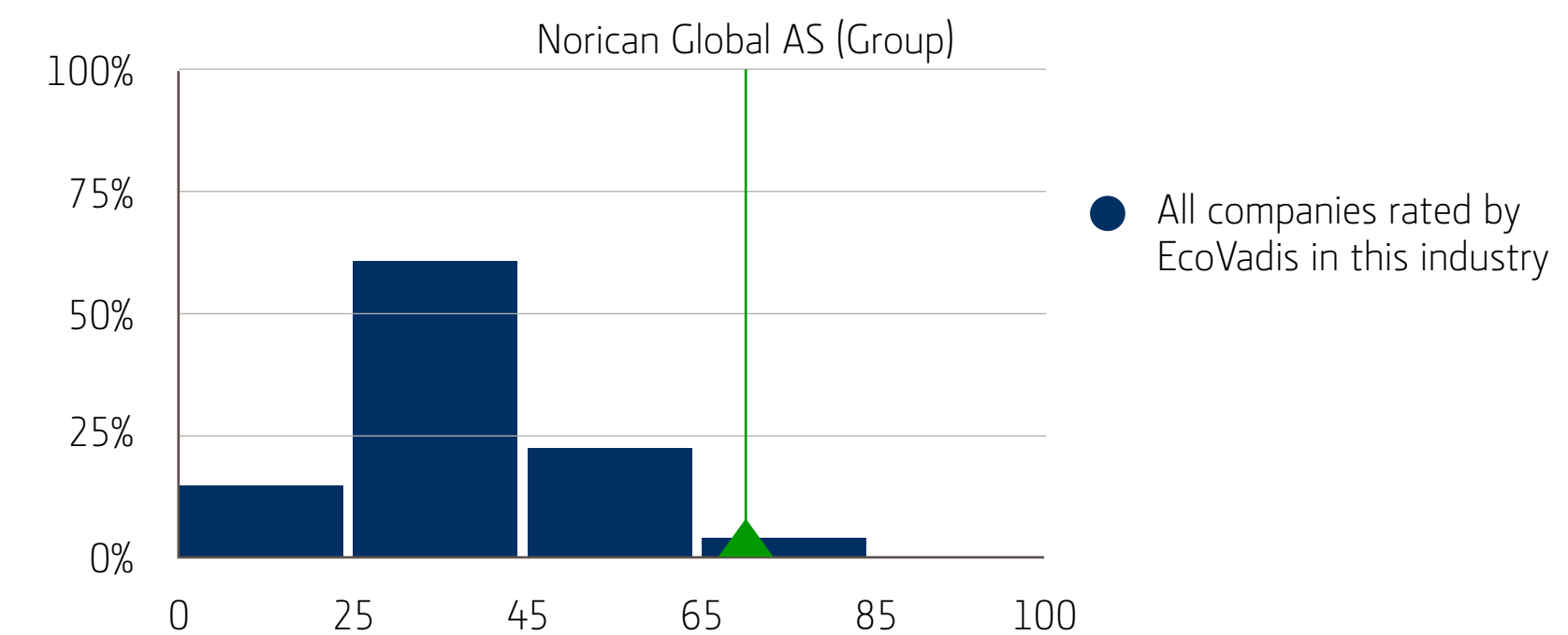
Norican is committed to continue leading our industries into a sustainable future. With our global reach and several thousand active suppliers, sustainable procurement is a key lever in this, alongside ethics, labor, anti corruption and environment – together, these are the four pillars of the EcoVadis framework that we have subscribed to.

Sustainable procurement is not a one-time action or a program to satisfy short term financial objectives – it goes above and beyond, and is all about building a culture, a mindset, and expanding it to our suppliers as well as taking input from our external business partners.

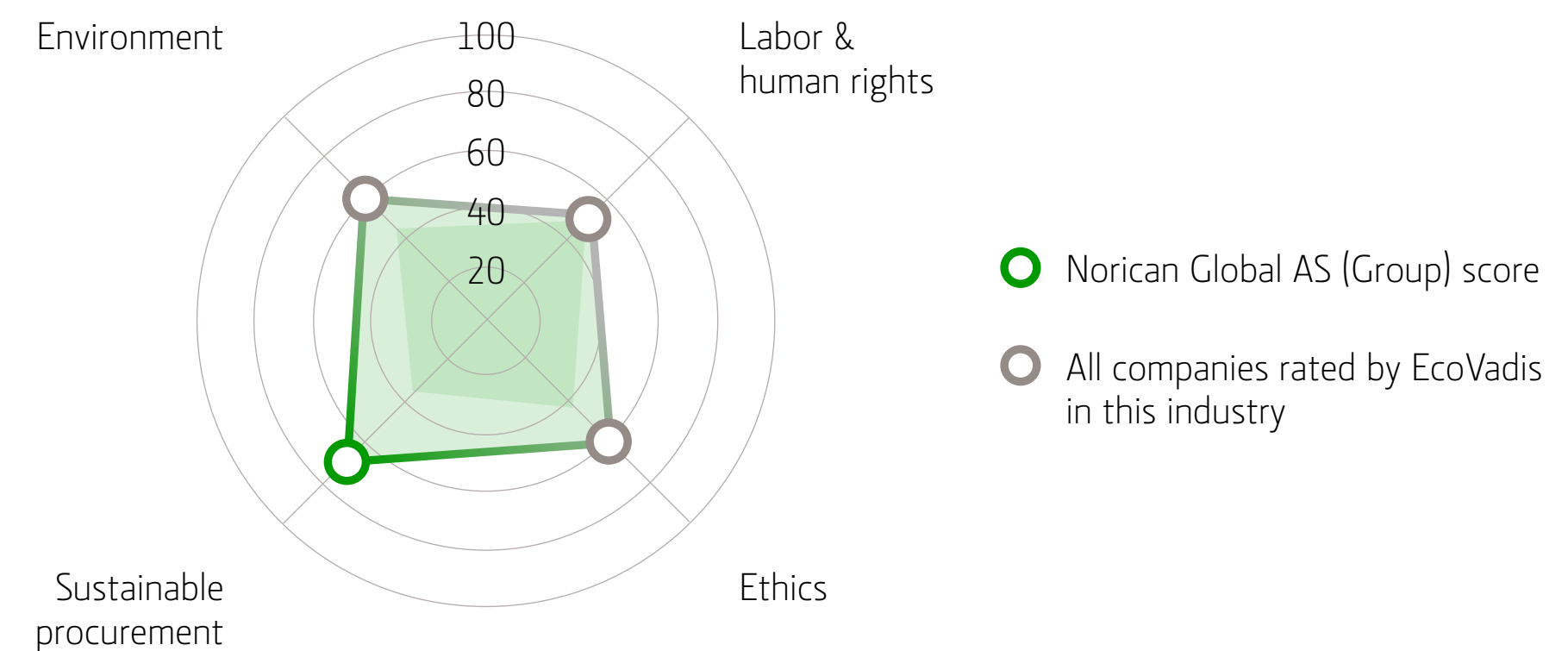
To focus our purchasing and procurement practices towards sustainable continuous improvement, we have set out targets, both in the short- and longer-term. These metrics are re-evaluated on a regular basis to ensure our ambitions are followed through, and the necessary KPIs will be monitored to track success. Through a focused effort we have been able to lift the sustainable procurement score to the top 3% of all companies rated by Ecovadis in the industry.

This is not a one time exercise, but a continuous effort to build in the sustainability element all the way from the Procurement Policy through to an operational vendor relation level of adding sustainability as the 4th KPI in addition to quality, on time delivery and cost.

## Sustainable Procurement score distribution



## Theme score comparison





## Policies, certifications and processes

### Modern Slavery / Human Rights



Our zero-tolerance approach to modern slavery, including forced labor, human trafficking, and child labor, is described in our Code of Conduct. We have identified potential risks within the business and have effective systems in place to ensure modern slavery or child labor is not taking place in our business or our supply chain. Our whistleblowing hotline is one way of reporting and upholding our zero-tolerance approach.

The compliance with these policies is monitored on an ongoing basis and tested through an annual reporting and certification procedure applicable to all subsidiaries. There have been no reports of breaches regarding modern slavery and human rights in 2023, we will continue to monitor closely but do not expect there to be any changes throughout 2024.

### Anti-Bribery and Anti-Corruption



We want to compete fairly wherever we operate and do not tolerate bribery, kickbacks, fraud, money-laundering, or any other improper payment. We have a clear Anti-Bribery Policy and will comply with all applicable local anti-bribery and anti-corruption laws.

We have identified risks within Norican and our supply chain and are very clear that any violation of the Anti-Bribery Policy by any employee, manager, officer or director will result in sanctions which may include dismissal for cause and/or criminal and civil proceedings. The consequence of a violation of the policy by any third party, including consultants, suppliers and contractors doing any type of work for Norican, will be termination of any agency, representative, distributor or similar agreement and/or criminal and civil proceedings if appropriate. We are not aware of any breaches regarding corruption in 2023 and do not expect this to change throughout 2024 as we continue to include training in our onboarding process and Code of Conduct annual refresher.

### Privacy policy, data ethics and personal data



We have a Privacy Policy in place that ensures the correct handling of personal data. We do not process large amounts of personal data, so we do not have a dedicated data ethics policy.

Personal data is processed in accordance with the EU General Data Protection Regulation (GDPR) which is implemented globally. We have now also been awarded BCR (Binding Corporate Rules) approval, which means we have a clear code of conduct for applying GDPR standards globally and across territories.

If personal data is not related to the fulfilment of an agreement, nor required to comply with applicable laws, the relevant person's consent is obtained to hold their personal data until such a time that they request it be removed.

Norican does not actively buy customer marketing lists as we do not consider this an ethically sound business practice. Our database is regularly cleansed to ensure the data is accurate and complies with our Privacy Policy.

Norican does not sell personal data nor share personal data with third parties unless legally required or needed to fulfil an agreement with the person.

All personal data is protected by our IT security system, and the majority is physically located inside the EU. Outside the EU, data is located on Norican servers, unless legal or contractual requirements require data to be shared with authorities or other 3rd parties.

SIMPSON

ItalPresseGauss

StrikoWestofen

wheelabrator

DiSA

Monitizer

Norican Technologies

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