

# **ESG Policy**

## **Normec Group**

### **2021-2025**

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## Table of contents

<b>ESG POLICY STATEMENT .....</b>	<b>3</b>
<b>1  INTRODUCTION .....</b>	<b>4</b>
<b>2  ORGANIZATION .....</b>	<b>5</b>
2.1 SCOPE.....	5
2.2 REPORT.....	6
<b>3  COMMUNICATION.....</b>	<b>7</b>
3.1 ESG PROJECT TEAM.....	7
3.2 INTERNAL COMMUNICATION.....	7
3.3 STAKEHOLDERS .....	7
3.4 ESG ANNUAL REPORT .....	8
<b>4  ESG POLICY .....</b>	<b>9</b>
4.1 SUSTAINABLE DEVELOPMENT GOALS .....	9
4.2 ESG STRATEGY .....	9
4.3 OBJECTIVES .....	10
4.4 SUSTAINABILITY GOALS AND ACTION PLAN .....	11
<b>5  CO2- AND ENERGY POLICY .....</b>	<b>14</b>
5.1 QUALITY MANAGEMENT PLAN.....	14
5.2 ENERGY MANAGEMENT PLAN.....	14
5.3 CO <sub>2</sub> REDUCTION POLICY .....	14
5.4 ENERGY POLICY AND OBJECTIVE .....	14
5.5 RESPONSIBLE .....	19
5.6 REPORTING PERIOD AND DEMARCATION.....	19
5.7 SIGNIFICANT CHANGES .....	19
5.8 QUANTIFICATION METHODS AND VERIFICATION .....	19
<b>6  WASTE POLICY.....</b>	<b>20</b>
6.1 WASTE POLICY AND OBJECTIVE .....	20
6.2 PAPER CONSUMPTION.....	20
<b>7  HR POLICY .....</b>	<b>21</b>
7.1 LABOR AND HUMAN RIGHTS .....	21
7.2 HEALTH AND SAFETY IN THE WORKPLACE.....	21
7.3 PERSONAL APPRECIATION AND GROWTH OPPORTUNITIES (CAREER COACHING) .....	21
7.4 DIVERSITY AND INCLUSIVENESS.....	22
7.5 VITALITY AND HEALTH PROGRAM .....	22
<b>8  IT SECURITY POLICY .....</b>	<b>23</b>
8.1 PRIVACY AND DATA PROTECTION .....	23
8.2 CYBERSECURITY .....	24
<b>9  SUSTAINABLE PROCUREMENT POLICY .....</b>	<b>27</b>
9.1 SCOPE AND OBJECTIVE .....	27
9.2 PURCHASING PROCESS .....	28
9.3 SUPPLIER CODE OF CONDUCT .....	28
9.4 SUSTAINABILITY CHECKLIST .....	28
<b>10  INITIATIVES .....</b>	<b>29</b>
10.1 UNGC (UNITED NATIONS GLOBAL COMPACT).....	29
10.2 SCIENCE-BASED TARGETS.....	29
10.3 CHARTER DIVERSITY .....	29
<b>APPENDIX: .....</b>	<b>30</b>

## ESG Policy Statement

The Normec Group tests, inspects and certifies so that organizations can innovate and improve safely, quickly and (cost) efficiently. With intelligent, thorough and independent research and reports, we combine subject-matter expertise with excellent IT-driven services. This is how we set the standard. As an independent organization, we ensure the quality and safety of our customers' materials, systems, processes, products and services.

Based on accredited methods, we conduct tests, inspections and audits. Here we work with organizations, using a clear, efficient process to ensure the sustainable improvement of the company or institution.

Our services are designed to avoid risks. Normec's added value is our commitment to working with clients to actually make improvements in organizations. Normec Group clients can count on detailed insight into quality, efficiency and safety. After all, that is the only basis from which they want to further develop their products and services. That is what we call sustainably better.

### Our commitment

Normec Group subscribes to the importance of Environmental Social Governance (ESG). We are committed to the interests of our customers, employees, shareholders and the community through practical applications of corporate social responsibility. We subscribe to the principles of corporate social responsibility and we commit to:

- **Accountability and transparency:** accountable for the impact of our activities on the community, economy and environment, and we are open about our decisions and activities that impact them;
- **Ethical behaviour and respect for stakeholders:** exhibiting ethical behaviour at all times and considering and responding to the interests of our stakeholders;
- **Respect for laws and international standards of conduct:** respect for international standards of conduct, combined with respect for laws and regulations;
- **Respect for human rights:** respecting human rights and recognizing both their importance and comprehensiveness.

We will identify our ESG aspects, establish clear ESG policies and related goals, develop and maintain a ESG program and management system, and provide sufficient resources to comply with ESG principles. Management and employees are expected to actively contribute to this.

We will annually review our ESG policy and associated goals to ensure that they are still in line with our vision for the future.

Endorsed by,

The Normec Group  
Management Board

## 1| INTRODUCTION

Within the Normec Group there is a high intrinsic motivation to do business in a socially responsible way, and there is an increasing demand from society as to how you, as an organization, give substance to this issue.

In this document we present the ESG policy and objectives for the period 2021 - 2025.

Periodically, the Normec Group management will review and adjust this policy and its objectives, should the need arise.

## 2 | ORGANIZATION

### 2.1 Scope

The Normec Group has operations in the Netherlands, Belgium, Germany and France. The group consists of four business divisions, consisting of Foodcare (about 25%), Life Safety (about 30%), Sustainability (about 25%) & Healthcare (about 20% of the total).

Normec Foodcare takes on projects in the field of quality assurance, laboratory research, taste testing and QA automation within the food industry. In addition, activities include employee education/training, risk management, label control, specification management, auditing and inspection.

Normec Life Safety takes care of the quality and safety of its customers. This involves a safe physical environment and a sustainably healthy living environment. In doing so, Normec Life Safety relieves its customers in the areas of testing, inspection, certification and compliance. This ensures independent research and clear reports. This involves building, infrastructure and environmental management.

Normec Sustainability can in turn be divided into two parts, environmental and certification. The environmental part consists mainly of laboratory activities where tests are performed on building materials, the biodegradability and compostability of products, measuring and analysing emissions to air as well as to water. Certification activities focus on both product and process management systems within the construction and infra industry. But certification of fair labour processes in the chain is also part of the activities. Finally, CO2 emission certification is also carried out in the aviation and maritime sectors.

Normec Healthcare, although currently the smallest business division, shows a lot of potential. Its activities are currently specialized in providing hospitals with the various areas of expertise, but this division is also a specialist in the field of GxP, by providing engineering, compliance and training activities.

For the ESG policy, all underlying entities are included, consisting of:

- Greyhound Dutch Bidco BV
- Normec Holdings BV
- Normec 1 BV
- Normec LSE BV
- Normec Foodcare BV
- Normec Belgium BV
- Vlam-N-Vest NV
- Normec Holding GmbH
- Normec France SAS

The subsidiaries of the above entities are also part of this ESG policy.

The Normec Group headquarters is located at the Winthontlaan 6N in Utrecht. The Normec Group belongs to the scope Industrial Services for the purpose of external assessments.

## 2.2 Report

ISO-26000 is an international ISO standard created in 2010 that focuses on Corporate Social Responsibility (CSR). The purpose of the standard is to contribute globally to sustainable development. Both companies and other organizations can use this standard to communicate their commitment to benefit their employees, our habitat and the environment. The standard is a guideline and not a standard on which to be certified.

The seven principles are:

1. Accountability
2. Transparency
3. Ethical behavior
4. Esteem for stakeholders' interests
5. Esteem for the law
6. Respect for international standards of conduct
7. Respect for human rights

The Global Reporting Initiative (GRI) is an international organization in existence since 1997 that produces international guidelines and tools for sustainability reporting. The most recent version of the guideline came out in 2020 and is constantly being updated. GRI's mission is to make sustainability reporting for all organizations - regardless of size, sector or location - as routine and comparable as financial reporting.

It consists of the following focal points:

1. Social and community
2. Environment
3. Economic

These focal points are divided into 38 indicators in the guideline. By measuring the organization along the bar of these indicators, they reflect the organization's status in terms of CSR. The GRI is based in part on the ISO 26000 and offers concretization of the more general principles of this ISO guideline, in order to clearly and comparably indicate something about an organization's CSR status.

The Normec Group will conduct and repeat its GRI assessment individually every year, as well as use it to implement improvements in its organization, should there be reason to do so. The assessment will be reviewed in a ESG project group and the points for improvement will be addressed in the Normec Group's board meeting to obtain approval for implementation.

## 3 | COMMUNICATION

### 3.1 ESG project team

A ESG project team has been formed within the Normec Group and consists of the board members, supplemented by stakeholders from and within the Normec organization. The ESG project team is led by the Chief Sustainability Officer (CSO) of the Normec Group.

The ESG project team meets once a month to discuss the implementation of the ESG policy and associated action plan. In addition, developments and (possible) innovations are discussed. The secondary purpose of the meetings is to improve internal communication on this theme, to share ideas and to celebrate successes.

### 3.2 Internal communication

One of the quick wins in ESG is improving and/or promoting internal communication. Many of the actions taken on a particular theme are not always seen by other colleagues. Together with the ESG project team, a strategy, including means, has been devised to improve this. Examples include;

- Adding ESG as a theme to Normec Inside; Normec's employee Intranet platform
- Add ESG as a theme (alternately) to internal communication planning

The Normec Group has designed an intranet (Normec Inside), through this platform many employees have access to Normec policies, including ESG. The employees who do not yet have access are actively approached from the Normec Group to provide the necessary and relevant information.

More specific measures and/or actions involve the internal employees of the entire organization and activate them where necessary. Examples include the reduction of (residual) waste, the vitality program and/or the inclusion and diversity policy.

### 3.3 Stakeholders

Given the different functionalities of the Normec Group, they deal with a wide variety of stakeholders. These stakeholders determine, to a greater or lesser extent, the level of ambition and prioritization of objectives. In addition to social value, there is also commercial value in taking into account and responding to developments in the market and among clients. See below the main external stakeholders of the Normec Group:

EXTERNAL STAKEHOLDERS	COMMUNICATION TOOLS
Shareholders Astorg	<ul style="list-style-type: none"> <li>➤ ESG Annual Report</li> <li>➤ Management consultations</li> <li>➤ ESG KPI Dashboard</li> </ul>
Customers	<ul style="list-style-type: none"> <li>➤ ESG Annual Report</li> </ul>
Works council & employees	<ul style="list-style-type: none"> <li>➤ Consultation between Works Council and management</li> <li>➤ Normec Inside</li> <li>➤ Newsletters</li> <li>➤ Employee satisfaction survey</li> </ul>
Management	<ul style="list-style-type: none"> <li>➤ MT consultations</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>➤ Questionnaires</li> <li>➤ ESG Annual Report</li> </ul>
Accreditation bodies (RvA / Belac / Dakks)	<ul style="list-style-type: none"> <li>➤ Central meetings</li> <li>➤ ESG Annual Report</li> </ul>
Government agencies (including Labor Inspectorate)	<ul style="list-style-type: none"> <li>➤ ESG Annual Report</li> </ul>

Table 1: Internal and external stakeholders Normec

### 3.4 ESG Annual Report

A ESG annual report is prepared annually. The first annual report, for the year 2021, was published in Q3 of 2022. The annual report for 2022-2023 is scheduled for Q3 of 2023.

## 4 | ESG POLICY

### 4.1 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as the new global sustainable development agenda for 2030. They are promoted as the global Sustainable Development Goals. The SDGs are in effect from 2016 to 2030. There are 17 goals and 169 underlying targets to operationalize these goals. Organizations can choose to link their own ESG goals to the SDGs. The Normec Group has also chosen to link its ESG goals to four of these SDG goals that are important to us. These are explained in the following section. The 17 goals are:



Figure 1: Sustainable Development Goals Overview.

### 4.2 ESG Strategy

Normec Group's management reviewed and assessed all 17 objectives. It then selected the themes and indicators that are relevant and also related to the current strategy and core business of the Normec organization. The organization has chosen the following four SDGs below to focus on in the coming years.



Figure 2: Chosen SDG goals by the Normec Group

The following section describes each SDG's ambition and the KPIs set to achieve it.

## 4.3 Objectives

### Fair work and economic growth (SDG 8)

Normec's ambition is to contribute to sustained, safe and sustainable economic growth, full and productive employment and meaningful work for all. This means we want to support the transition to a more sustainable and safe living and working environment for everybody on this planet. This holds also for our employees, Normec considers her employees as its most important assets; having them satisfied and engaged is of paramount importance.

To realize this ambition, the Normec Group is taking the following actions in the coming years:

1. We want to make an impact with our services and make a positive contribution to the transition to a sustainable and safe living and working environment. By measuring and setting targets on the Revenue of Normec services that deliver this positive impact on People and Planet, we want to increase our contribution to it (*KPI 1*).
2. We want to establish equal opportunities for everyone within Normec and an inclusive work environment, which is why by 2025 at least 1% of our work force will be made up of individuals who are having a harder time getting jobs (*KPI 6*).
3. A safe working environment obviously means that we wish to prevent all unsafe situations and thus make every effort to avoid accidents (*KPI 7-8*).
4. We establish a Personal and/or Career Development Plan for our employees so that they can continue to grow and develop within our organization (*KPI 9*).
5. We annually measure and monitor how employees are involved, committed and engaged with the Normec Group (*KPI 10*).
6. We are developing a vitality program for all our employees, Normec FIT.
7. Doing business fairly is important to Normec, training your employees in this is important to prevent incidents and breaches of business ethics and IT security (*KPI 11-12-13*).
8. 30% of our procurement will be done according to sustainable criteria by 2030 (*KPI 14*).

### Climate Action (SDG 13)

Within the Normec Group we are also looking at the long term, where we wish to design our operations in a sustainable and future-proof manner. By 2040, we want our net climate impact from our operation to be reduced to zero; in other words, net zero impact by 2040.

We have committed to SBTi and have submitted our near-term targets and action plan for 2030. After meeting our near-term targets by 2030, we will create a new action plan to work on our ultimate goal of net-zero by 2040 (*KPI 2*).

### Gender equality and diversity (SDG 5)

Normec appreciates and respects all the differences that make each person unique and, in this way, wants to ensure safe working environments with fair opportunities for all.

Thus, we have imposed for ourselves the following actions for the coming years.

1. Gender balance in the Normec Group leadership team; with a goal to fill at least 45% of senior management and leadership positions – including board positions – with female talent by 2027. (*KPI 4*).

2. Set clear goals and initiatives for fostering a diverse and inclusive corporate culture, including in the hiring process (KPI 5).

#### Clean water and sanitation (SDG 6)

Controlling water is part of the services the Normec Group offers to its customers. Having access to clean and safe (drinking) water is thus an SDG that is close to the Normec Group. As a result, Normec has expressed its ambition to contribute annually to clean drinking water and sanitation for people in underdeveloped countries.

To make it concrete, Normec Group has big growth ambitions and as a result, Normec Group sees its numbers of employees increase substantially each year. Normec has set a goal of helping as many people in underdeveloped countries with clean drinking water and sanitation each year as it has employees. In other words, for every employee who works at Normec, we ensure that another person in the world is provided with clean drinking water and sanitation (KPI 15).

Normec Group aims to achieve this by working with NGO "Water for Life" to select and support projects. This cooperation began in 2022 and will continue in 2023, with the goal of building a long-term partnership.

#### 4.4 Sustainability Goals and Action Plan

We then turned these 4 prioritised SDGs into 6 concrete sustainability goals to achieve for the coming years.

1. Supporting the transition to a more sustainable and safe living and working environment (SDG 8)

*Percentage of Revenue from Normec Services that have a positive impact on People and Planet will be at least 80% by 2025.*



##### 1. Normec Impact Services

Supporting the transition to a more sustainable and safe living and working environment



2. Climate Action (SDG 13)

*Reduce net climate impact from our operation to 0% by 2040*



##### 2. Climate Action

Reduce net climate impact from our operation to 0% by 2040



3. Gender Equality (SDG 5)

*At least 45% of Senior Management and Leadership Positions filled with female talent by 2027*



##### 3. Gender Equality

At least 45% of Senior Management and Leadership Positions filled with female talent by 2027



4. Honest Work (SDG 8)

*At least 1% of our workforce by 2025 will be comprised of individuals distanced from the labour market*



##### 4. Honest work

At least 1% of our workforce by 2025 will be comprised of individuals distanced from the labor market



5. Sustainable Supply Chain (SDG 8)  
*Have 30% of our procurement according to sustainable criteria by 2030*



**5. Sustainable Supply Chain**  
Have 30% of our procurement according to sustainable criteria by 2030



6. Clean water and sanitation (SDG 6)  
*On a yearly basis, per employee at Normec, someone in an underdeveloped country gets access to clean drinking water and sanitation*



**6. Clean water and sanitation**  
For every Normec employee, someone in an underdeveloped country gets access to clean drinking water and/or sanitation.



To achieve the objectives, an action plan was drawn up for the Normec Group that includes various measures. This action plan was created in 2022. The action plan is continuously reviewed, refined and monitored by the ESG project team. Likewise, the progress of this action plan is periodically discussed at the Normec Group board meeting.

To monitor the progress of the action plan, a total of 15 ESG KPIs per business topic have been established. The details of these 15 ESG KPIs can be found in the appendix of this ESG Policy.

### Business Model and Strategy

1. Normec Impact Services



(SDG 8)

### Environment

2. Progress on SBTi
3. Waste management



(SDG 13)

(SDG 13)

### Diversity, Equity and Inclusion

4. Gender diversity Senior Management and Leadership Positions
5. Gender diversity within the Workforce
6. Honest Work Employment Program



(SDG 5)

(SDG 5)



(SDG 8)

### Health, Safety and Well-Being

7. Accident Frequency Rate [AFR] or [TRIR]
8. Accident Severity Rate [ASR]

(SDG 8)

(SDG 8)

### Employee Development

9. Number of Training Hours per Employee

(SDG 8)

### Employee Engagement

10. Employee Engagement Survey
  - a. Employee engagement survey participation
  - b. Employee engagement survey score

(SDG 8)

### Business Ethics and Risk Management

- |  |         |
|--|---------|
| 11. Business conduct and ethics Trainings            | (SDG 8) |
| 12. Number of business ethics breaches or violations | (SDG 8) |
| 13. Number of Data and Cyber Security breaches       | (SDG 8) |

### Supply Chain Management

- |                             |   |
|-----------------------------|---|
| 14. Sustainable Procurement |  (SDG 8) |
|-----------------------------|---|

### Corporate Citizenship

- |                                |   |
|--------------------------------|---|
| 15. Clean Water and Sanitation |  (SDG 6) |
|--------------------------------|---|

## 5 | CO<sub>2</sub>- AND ENERGY POLICY

This chapter focuses on the CO<sub>2</sub> - and energy policy within the Normec Group.

### 5.1 Quality Management Plan

The quality management plan addresses securing and improving the quality of the CO<sub>2</sub> footprint. The overall objective of the quality management plan is to ensure continuous improvement of efficient and effective handling of energy and a reduction in CO<sub>2</sub> emissions from the organization's activities. In addition, the quality management plan provides insight into the procedures, measurement and reporting of the CO<sub>2</sub> footprint.

The quality plan ensures that a complete, reliable and up-to-date consolidation of the Normec Group's energy performance can take place. It provides insight into the energy performance of the total organization and the total CO<sub>2</sub> emissions as a result. With the quality management plan as a tool, the Normec Group aims to secure and improve data quality in the organization and improve performance.

### 5.2 Energy Management Plan

The NEN-EN-ISO 50001 serves as a guideline for setting up the Energy Management Action Plan. The introduction of an energy management system ensures that a complete, reliable and up-to-date consolidation of the Normec Group's energy performance can take place. Core of the energy and quality management plan is continuous evaluation of activities and observed deviations to realize improvements and are therefore set up according to the Plan-Do-Check-Act cycle as included in the NEN-EN-ISO 50001.

### 5.3 CO<sub>2</sub> reduction policy

The Normec Group has set itself realistic yet ambitious CO<sub>2</sub> reduction targets, in line with our SBTi targets. These targets can be broken down as follows:

- Normec aims to absolutely reduce scope 1 and 2 emissions by 42% in 2030 compared to 2022
- Normec aims to relatively reduce scope 3 emissions by 52% by 2030 compared to 2022

The progress of the reduction target will be monitored annually in absolute and relative terms. The targets for 2030 will be related to the annual turnover and number of FTEs of the entire Normec Group. This will also be tracked in comparison to our SBTi Targets.

### 5.4 Energy policy and objective

In addition to revenue and profit growth, personnel management, safety, welfare and the environment are equally essential to the Normec Group. Consequently, safety, health and environmental responsibilities are an integral part of the company's operations.

The importance of sustainability is an important fact nowadays. In order to deal with this consciously, we strive for a CO<sub>2</sub> -conscious business operation, in order to realize a continuous improvement of our emission reduction policy and a growing awareness of employees on the emissions to be reduced from our activities.

With lower energy consumption, the knife cuts both ways: lower consumption is good for the environment because of lower CO<sub>2</sub> emissions; at the same time, there are lower operating costs due to optimal asset utilization.

The Normec Group aims to reduce energy consumption by at least 2% annually. This will be related to the number of square meters of floor space.

### Energy aspects

The first step is to understand the organization's energy consumers. On the basis of this insight, it is possible to identify the aspects in which results can be achieved in reducing CO<sub>2</sub> emissions. This insight can be found in the CO<sub>2</sub> footprint. Energy consumption is mapped out periodically (once every 12 months) and converted into CO<sub>2</sub> emissions.

### Reference year

It was decided to use the 2022 CO<sub>2</sub> footprint as the reference year. The CO<sub>2</sub> emissions were carried out in accordance with the provisions of this document. The reliability is checked by an external consulting firm, namely CO2Logic.

Based on the CO<sub>2</sub> emissions in this reference year, the measures and target(s) that can be formulated to reduce the CO<sub>2</sub> emissions from this reference year are examined. Each year it is reviewed whether the chosen reference year is still suitable for the set target and/or whether it needs to be adjusted. The management evaluates annually whether sufficient progress is being made with regard to the measures and objectives set.

### Reduction target and SBTi

The overall reduction objective of the energy management system is to achieve continuous improvement in energy efficiency and reduction of CO<sub>2</sub> emissions from operations. It should be noted that due to fluctuating volume of work and composition of operations, absolute energy consumption may be higher while relative consumption may be lower.

From the established reduction objective, a plan of action has been drawn up. This plan identifies the measures to be taken to achieve the target and which departments are responsible for implementing the measures. The overview of measures to be taken and responsible departments are listed in the ESG action plan.

Normec Group has also committed to the Science Based Targets initiative (SBTi) in 2022. This initiative encourages companies to set science-based targets for climate neutrality, corresponding to a future in which climate change is limited to 1.5°C. The goal is to reduce global greenhouse gases by 50% by 2030 and achieve climate neutrality by 2050 at the latest.

SBTi has published a set of criteria and recommendations and a clearly defined process for setting science-based goals. SBTi has defined these 5 steps for setting goals:

1. Commit: Make a pledge based on SBTi's standard to record your intention for climate action and submit it to SBTi.
2. Develop: Prepare and establish science-based goals in accordance with SBTi criteria.

3. Submission: Submit science-based goals to SBTi for approval.
4. Communicate: Share your emission reduction pledge and goals with your stakeholders.
5. Publish: Track your total emissions annually and make reports on them public.

As indicated above, Normec Group has already implemented Step 1 in 2022. Step 2 will follow in 2023. The remaining steps will take place in the following years.

### SBTi Targets and Action Plan

Normec commits to reduce absolute Scope 1 & 2 GHG emissions **42%** by 2030 from a 2022 base year. Normec also commits to reduce scope 3 GHG emissions from purchased goods & services, capital goods, fuel and energy related activities, upstream transportation, waste, business travel and commuting by **52%** per EUR value added generated by 2030 from a 2022 base year.

**Value added** = operating profit = earnings before interest and depreciation (EBITDA) + all personnel costs.

This method is relevant for sectors heavily relying on human capital, such as Normec. It's relevant for following scope 3 categories

1. Purchased goods and services
2. Capital Goods
3. Fuel and energy related activities
4. Waste generated in operations
5. Business Travel
6. Employee Commuting

The action plan consists of the following components to ultimately achieve the targets mentioned above.

#### **Scope 1:**

- Switch 60% of the company cars to electric cars, over the period of 2025-2029
- Switch 20% of the company cars to hybrid vehicle (gasoline), over the period of 2025-2029
- Implement predictive maintenance to limit refrigerant gas leaks. At HVAC equipment end-of-life, replace refrigerant gases with CO2 (starting as of 2028).

#### **Scope 2:**

- Switch 100% of the electricity consumption to green electricity consumption, over the period 2025-2029.

#### **Scope 3:**

1. Purchased goods & services
  - Partnerships with SBT suppliers (with at least 68% SBT-committed suppliers). Implementation period: 2024-2028.
2. Capital goods (Implementation period 2024-2028)

- Partnerships with SBT and Net-Zero suppliers (with at least 50% SBT-committed suppliers).
- Extend lifetime of 80% of Laptops (from 3 to 4 years).
- Purchased 10% of refurbished computers in 2030.
- Purchased 60% of refurbished IT equipment (mouse, screen..) in 2030.
- 3. Fuel and energy related activities
  - Switch 100% of the electricity consumption to green electricity consumption, over the period 2025-2029
- 4. Waste
  - Digitize 50% of processes by 2030 to reduce the amount of paper and ink waste.
  - Train 100% of business units by 2025
- 5. Business travels
  - Implemented a fixed carbon budget decoupled from the company's growth as of 2027.
  - Use train instead of flights for travels < 5h. Encourage employees to choose train travel instead of flights for business trips that have a duration of less than 5 hours, reducing carbon emissions associated with air travel (<https://www.chronotrains.com/en/8>).
- 6. Commuting
  - Promote cycling (infrastructure, mobility budget) to have 15% of employees commuting by bike by 2030.
  - Continue to promote public transportation.
  - Promote electric vehicles through the installation of charging stations to have 20% of employees commuting in electric vehicles by 2030.

### Data collection

The table below shows how, when and by whom the data for the CO<sub>2</sub> footprint are inventoried.

Emission Flow	Unit	Source	Responsible department	When
Heat / Gas / Oil	kWh or m <sup>3</sup>	Reading meter values, energy supplier invoices	Normec Group Purchasing Manager / Energy Management Platform / MD Business Unit	January (every year)
Electricity	kWh	Reading meter values, energy supplier invoices	Normec Group Purchasing Manager / Energy Management Platform / MD Business Unit	January (every year)
Water	M <sup>3</sup>	Reading meter values, water supplier invoices	Normec Group Purchasing Manager / Energy Management Platform / MD Business Unit	January (every year)
Fleet fuel - Diesel - Gasoline - Electricity	Liters kWh Euros	Reports, fuel cards, charge cards	Normec Group purchasing manager / fuel pass platform / MD Business Unit	January (every year)
Business travel / flying	Km	Declarations, invoices flights	Purchasing manager Normec Group / PA Management Board Normec / MD Business Unit	January (every year)

<b>Purchased goods and services (OPEX - CAPEX)</b>	Euros Units	Supplier List	MD Business Unit	January (every year)
<b>Waste</b>	Ton	Waste Overview	Purchasing Manager Normec Group / MD Business Unit	January (every year)
<b>Commuting</b>	Km	Staff Overview	Salary service provider / CHRO / MD Business Unit	January (every year)
<b>External data storage</b>	GB	IT service providers overview data consumption	IT Group Department / MD Business Unit	January (every year)

Table 2: Distribution of data collection responsibilities.

The above data is supplied by the responsible departments to the CSO so that he can coordinate it with CO2Logic. The latter ensures timely processing (annually) of the data in the CO<sub>2</sub> footprint.

### Energy consumption

Once a year (every 12 months), the Normec Group charts its energy consumption. This inventory is carried out in accordance with ISO-14064-1, the GHG protocol for scope 1 and 2. It is also assessed whether the organizational boundary is still current.

The CSO is responsible for conducting the inventory. For the inventory, a data sheet is used, which includes the conversion factors. After the inventory has taken place for the period in question, the external consultant performs a quality control on the data. He/she assesses whether the organizational boundaries are correct, the data have been processed under the correct scope and whether the correct conversion factors have been used.

### Monitors

Once a year, the progress of the reduction target and derived measures and the annual plan is monitored by the CSO. The CSO reports the results to the participants of the ESG project team. A summary of the results is presented annually in a Management Overview. This overview includes at a minimum:

- ✓ An overview of energy consumption and CO<sub>2</sub> emissions by scope.
- ✓ A comparison of energy consumption compared to the reference year
- ✓ An analysis of notable increases and decreases in consumption and/or CO emissions<sub>2</sub>
- ✓ The progress of and forecast for achieving the reduction target and any recommendations for preventive or corrective measures
- ✓ The status of previous preventive or corrective actions
- ✓ General developments

Based on this report, the management decides whether adjustment of the objectives and/or adjustment of the annual plan is necessary.

## 5.5 Responsible

For managing the CO<sub>2</sub> -Footprint, the CSO is the internal person in charge. He is responsible for setting out tasks, assigning responsibilities and reporting to management. For the preparation of the footprint, the organization is supported by the CO2Logic.

## 5.6 Reporting period and Demarcation

The reporting period refers to the calendar year, for the first time for 2020. Since 2020 was the first year and not all data were readily available, we chose to select 2021 as the base year. The reporting will be updated annually. Chapter 2 of this document shows which entities are included in the CO<sub>2</sub> footprint.

## 5.7 Significant changes

The Normec Group acquires a number of companies each year, making these companies part of the group. These companies should be included annually in the CO<sub>2</sub> footprint of the entire organization. As indicated above, the overall target is related to the annual (pro forma) turnover of the entire Normec Group and the number of FTEs.

For SBTi target setting, we chose 2022 as the base year. All business units and companies/legal entities that were included in the financial consolidation as of December 31, 2022 and thus over which we had control were therefore part of the scope. A recalculation policy for base year emissions has been established in accordance with standard GHG protocol and includes the following:

1. External growth: Incorporating external growth into the base year emissions calculation. If there are material changes (>5%).
2. Improved data accuracy: If more accurate data becomes available for the base year, we will recalculate emissions to improve accuracy of our historical emissions data.
3. Emission Factor evolution: If there is a significant improvement in our emissions, primarily due to the availability of new, more accurate emission factors or higher-quality data, we will take the step to recalculate base year emissions.
4. Compliance with Standards: if there is a significant change in standards, we will keep our calculations in line with the latest emission factors recommended by authorities or current reporting standards to ensure our compliance with environmental regulations.

## 5.8 Quantification methods and verification

To quantify the CO<sub>2</sub> emissions, the knowledge and experience of CO2Logic / South Pole was used, converting all energy consumption into CO<sub>2</sub> emissions. Chapter 4 describes where the source data for each energy flow comes from. The Normec Group has chosen not to have the emissions inventory verified separately by an external agency at this time.

## 6| WASTE POLICY

### 6.1 Waste policy and objective

At the Normec Group offices, waste separation will be done by employees themselves as much as possible. To keep this process on track, waste bins will be placed at all offices where waste separation is easily possible. Here, among other things, paper, plastic, organic waste, residual waste and possibly coffee cups are collected separately. In addition, many offices also distinguish between regular paper and confidential paper.

Other waste streams such as small chemical waste, glass, swill (cooked food scraps), white goods, construction and demolition waste should also be separated by type and should be collected through the waste management procedure.

In addition to saving CO<sub>2</sub> and energy, waste separation also raises awareness which ultimately leads to a reduction in the amount of waste. Waste separation thus contributes to the creation of waste-free offices.

Normec Group's target goal in the offices for 2030 vs. 2022 is to reduce the total waste from operations by at least 30%. We want to achieve this by:

- ✓ 75% waste reduction of commercial waste (residual waste) through separated;
- ✓ 50% reduction in waste generated;
- ✓ 50% reduction in paper consumption;
- ✓ 90% reduction of coffee cups, and encourage reuse through cup sharing.

For the laboratories within the Normec Group, an inventory will be made for each location of how waste separation can be implemented, such that this will ultimately lead to a reduction in waste production.

### 6.2 Paper consumption

Paper is consumed and used at all Normec sites. Normec's objective is to minimize paper consumption. A digital work process has been implemented at most of Normec's business units, with the aim of speeding up the operational workflow and minimizing any failure costs. An additional benefit, of course, is to minimize the number of printouts and paper consumption. Printing reports and emails is starting to become more and more taboo within Normec, and we see that as a positive development.

To minimize paper consumption, it is also important to track its consumption. As a quantitative record, each business unit should keep track of its paper consumption, with the goal of reducing consumption by at least 10% annually. This will need to be reported on an annual basis to the CSO, who in turn can discuss this at the Normec Group board meeting.

## 7 | HR POLICY

Normec employees take pride in their work and perform well. They take initiative and they feel valued. We believe in the power of true collaboration and knowledge sharing. This is team effort! Employees find it natural to share knowledge and experience with each other. Everyone feels (co-)responsible for their own results and those of colleagues. The employees are directors of their own careers, enjoy learning new things and use these to continue to respond to developments in the organization, society and their own field. Furthermore, our employees always see opportunities and possibilities to improve work and processes, thus shaping a continuous learning organization.

Our employees largely determine the success of our organization. We are growing and professionalizing strongly. In order to achieve the growth objectives and our sustainable ambitions, we have shaped the HR policy and thus its implementation. The main pillars of our HR policy are made up of the following five topics.

### 7.1 Labor and human rights

Normec strives to provide a workplace where employees can fulfil their potential in an open, safe and inspirational working environment. We are committed to maintain high standards of business and ethical behavior, that provide a fair, respectable and safe workplace for all our employees within the Normec Group. This policy document discusses the following topics:

- Working hours, remuneration and salary
- Employment contracts
- Harassment and discrimination
- Equal opportunities
- Child labor
- Communication and engagement
- Workplace
- Compliance

### 7.2 Health and safety in the workplace

It is important that the workplace health and safety is well maintained and that the health, safety and wellbeing of the entire workforce is a priority for all our employing entities and organizations at all times. Normec has embedded employee health and safety in its culture, company values and its core business activities. The purpose of this policy document are:

- Preventing workplace incidents, injuries and illnesses
- Preventing exposure to unnecessary occupational diseases (physical, mental and social well-being)
- Preventing unexpected fires, accidents and other risks
- Preventing unnecessary financial loss

### 7.3 Personal appreciation and growth opportunities (career coaching)

Personal appreciation and reward is organized within Normec by creating a work environment for its employees in which the following are available:

- Remuneration by value, in accordance with Normec's remuneration policy;

- Growth opportunities within and outside your specialties;
- Personal budget for education and training;
- Annual plan for development in knowledge area and/or specialization;
- Realistic and also ambitious targets at both personal, team and company levels;
- Personal coaching by manager (customized for each individual);
- Employee is director of his own career;

## 7.4 Diversity and inclusiveness

Normec Group demonstrates care for diversity and inclusion by championing individual uniqueness and fostering a culture of belonging so that everyone can be engaged and performs at their best.

Normec is working to diversify its workforce, and has set clear targets around ethnicity and gender. In this regard, the company's Diversity and Inclusion plan focuses on three priorities:

1. Increasing representation of key diversity groups (gender equity and ethnicity targets)
2. Retaining and developing emerging talent
3. Ensuring an inclusive culture and leadership

## 7.5 Vitality and health program

Top service to customers, demands top service by Normec employees. Normec nurtures driven people who thrive on delivering exceptional quality. With this as a starting point, Normec has introduced its Normec FIT program. This vitality and health program is available to all Normec employees and has the following vision and mission:

- Vision: fit employees make Normec
- Mission: Everyone at Normec is Fit for Work



We do this around five topics

- Sleep
- Nutrition
- Mental
- Activity
- Social

The foundation of Normec FIT is in place, the framework of this joint health program has been outlined and relevant and well-attended activities have now taken place. With this foundation, it is now up to the entities themselves to take up Normec FIT. We thus distinguish between Normec FIT Group and Normec FIT Company. Why? Because there is a much better understanding at the local level of where the needs and opportunities lie. So, individually or together with your colleagues, make suggestions to your leadership and make customized Normec FIT.

## 8| IT SECURITY POLICY

Normec Group believes it is important to maintain accurate records and internal controls to safeguard its employees and customers and their assets and personal information from unauthorized use or disposition. In addition, each employee must comply with other applicable local laws or regulations not explicitly mentioned herein. Only a concerted effort by all employees can meet this challenge and protect our assets.

The purpose of these policies and procedures is to protect Normec's information assets from all threats, whether internal or external, deliberate or accidental, by protecting and minimising threats to Normec's information and information systems, ensuring the confidentiality, integrity and availability of such information.

### 8.1 Privacy and data Protection

Data and information is to be considered a corporate asset, which has value and must be appropriately protected against all forms of unauthorised access, use, disclosure, modification, destruction or denial. It is the procedure of the Normec Group that best endeavours will be made to ensure security controls are sufficient to maintain the confidentiality, integrity and availability of information and information systems:

- Data and information will be protected against unauthorised access
- Confidentiality of information will be assured
- Integrity of information will be maintained
- Access to information will be properly authorised and maintained. Such access granted should be consistent with job function and accountability will be maintained
- Physical access to information and information systems will be controlled to prevent theft or negligent, malicious or fraudulent use
- Appropriate security controls will be applied during application development and hardware / software installation to achieve the necessary level of system protection in line with company requirements
- Continuing compliance to documented security policies and procedures will be maintained by regular independent audits
- Component policies, standards, guidelines and procedures may be produced to support these policies and procedures
- Business requirements for the availability of information and information systems will be met
- Business continuity plans will be produced, tested and maintained
- Regulatory and legislative requirements will be met
- Appropriate legal documentation is in place.

Normec Group and/or its group companies are the controller for the processing of the personal data of her employees. The Privacy Statement which is included in the Code of Integrity indicates what employee personal data is processed by Normec, for what purpose, and to which persons or entities the data will or may be provided.

Normec has taken adequate safeguards to ensure the confidentiality and security of your personal data. Normec has implemented appropriate technical, physical and organisational measures to protect

personal data against accidental or unlawful destruction or accidental loss, damage, alteration, unauthorised disclosure or access, and against all other forms of unlawful processing (including, but not limited to, unnecessary collection) or further processing.

## 8.2 Cybersecurity

Normec Group has secured its information and data as best it can, it strives to set up its cyber security as effectively as possible. For example, Normec has implemented a set of different measures to ensure data- and Cybersecurity within its organization.

### Security Policy

To ensure security and safety, the Normec Group has established an IT Security Policy that describes and establishes, among other things, the following.

- IT Management
- External suppliers
- Cyber-attacks, suspicious activities
- Process of onboarding
- Preferred & mandatory software / hardware
- Updates / Patches
- Passwords
- Antivirus
- Firewall
- Network segmentation
- Wi-Fi
- Need-To-Know principle
- Administrator accounts
- Back-up (Data-at-rest)
- Disaster Recovery Plan
- Disk encryption
- Bring your own device
- Web protection

### IT Security onboarding and Due Diligence

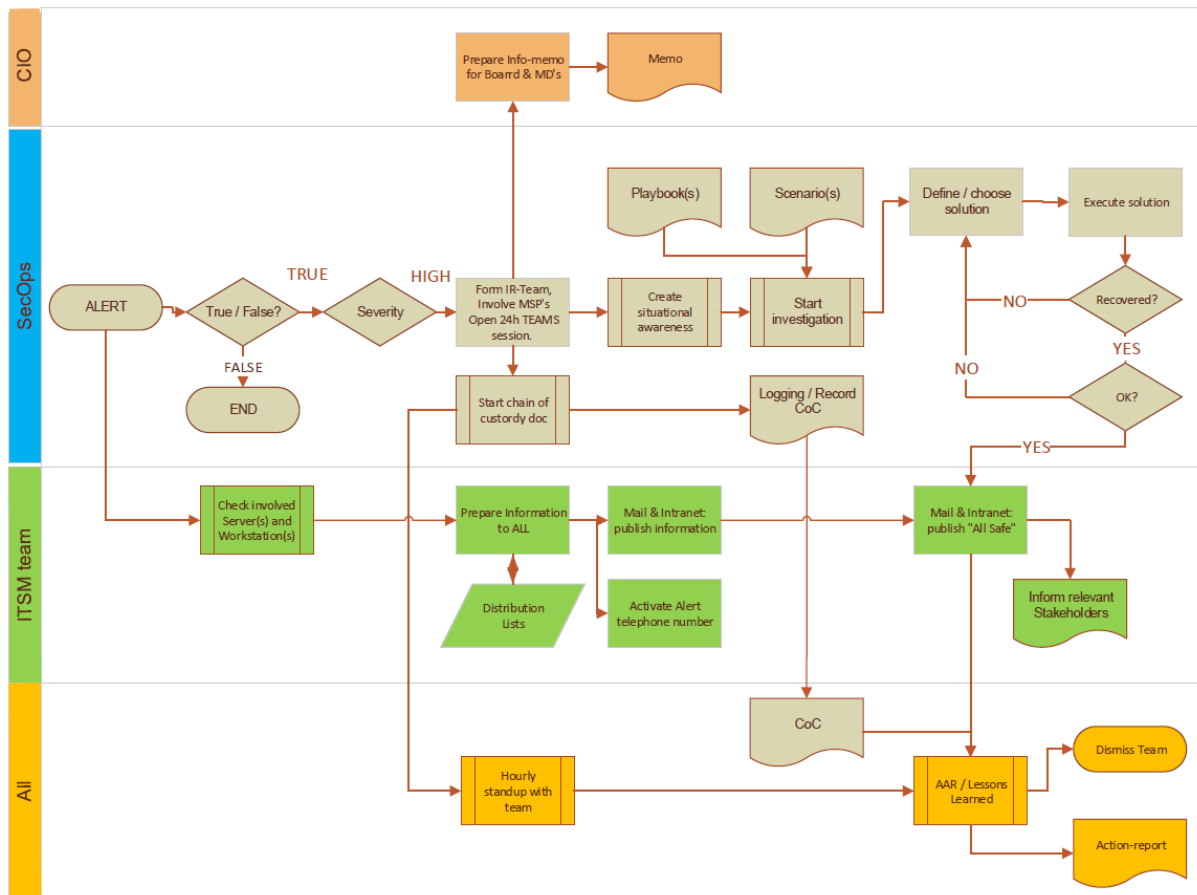
This policy and procedure document describes and explains the different steps of the IT Security onboarding and Due Diligence process, the planning and high level timelines. Over the course of this process there will be different (physical) meetings between the Normec Group IT team and the new entity. The first on-site meeting will take place at the very start of the onboarding process. The second meeting is at the end of the onboarding process.

The objective of this process is to prepare an entity for onboarding to the Normec Group IT-eco system in order to secure control and security of the IT-infrastructure of the onboarded entity as a (new) member of the Normec Group. The entire IT Security onboarding process is carried out in 8 steps.

- Step 1: Collect basic data (from due diligence)
- Step 2: Technical assessment of IT infrastructure and assets (on-site)
- Step 3: Network security, Multi Factor Authentication MFA | Password Guidelines
- Step 4: Migration existing website domains
- Step 5: Onboarding on O365
- Step 6: Device management (incl. replacement of outdated devices)
- Step 7: Endpoint Protection
- Step 8: Project Closure (on site meeting)

## Incident Response Procedure

Despite the precautions taken, it can of course still happen that a security incident occurs. To this end, a procedure has been established to act correctly and appropriately in the event of a security incident.



To support this process, the Normec Group has partnered with Fox-IT. Fox-IT is a leading cybersecurity expert. Fox-IT is assisting the Normec Group with Security Information and Event Management (SIEM) and also provides Security Operations Centre (SOC) Service.

## Security Information and Event Management

SIEM is a solution to detect, analyze and respond to threats before they harm business operations. SIEM technology collects event log data from a range of sources, identifies activity that deviates from the norm with real-time analysis, and takes appropriate action. In short, SIEM gives the Normec Group visibility into activity within their network so they can quickly respond to potential cyberattacks and meet compliance requirements.

## Security Operations Centre

A Security Operations Center is the team within the Normec Group IT organization responsible for detecting, preventing, investigating, and responding to cyber threats. A SOC performs round-the-clock monitoring of an organization's network and address potential threats to sensitive data, computing systems, and an organization's other digital resources. With the growing threat of cyberattacks, a SOC is vital to our ability to sustain operations, remain profitable, and achieve and maintain compliance with applicable regulations and that's why we have partnered with FOX-it to assist us with this.

### Awareness

Cyber attacks are happening with increasing frequency. Studies show that human error is the cause in 90 percent of security breaches.

#### **The golden security guidelines**

To increase awareness of this, we at Normec have created the golden security guidelines, consisting of 9 themes. These guidelines have been communicated to everyone and are also available on the Normec Group intranet.

#### **e-learning module**

We have also created an e-learning module to be completed and passed by all Normec employees. This e-Learning is about preventing cyber attacks and data protection at the Normec Group, our partners and our customers. This e-learning should be repeated by employees every 2 years to keep awareness on this topic current.

### IT Governance

IT Security is an important topic within the Normec Group and therefore receives adequate attention from management and the board.

Every month, the Director IT Security together with the CIO presents to the board the latest status and progress on the strategic IT Security topics. Possible incidents are also discussed and decisions are made on how to improve the IT security process.

### Cyber Security Insurance

Finally, Normec Group has taken out a Cyber Security and Ransomware insurance through its insurance broker Marsh with insurance company AIG.

This insurance covers, among things, the first 48 hours of first incident response by an approved SOC team after a major incident. The insurance also covers any ransom up to EUR 5 million should it be demanded by criminal groups.

## 9 | SUSTAINABLE PROCUREMENT POLICY

The Normec Group as an organization regularly purchases products and services. Part of making the organization more sustainable is drawing up and implementing a Sustainable Contracting and Procurement Policy (SCPP). Socially Responsible Contracting and Purchasing (SRCP), also called sustainable procurement, means, that the Normec Group pays attention not only to the price of the products or services, but also to the effects of the procurement on environmental and social aspects. This makes procurement an effective tool to make impact in the chain.

The Normec Group does not want to contribute directly or indirectly to the violation of ecological or social rights and, for these reasons, wants to make the right sustainable choices when purchasing products and services.

### 9.1 Scope and Objective

The Normec Group has set a goal in its ambitions to increasingly consider sustainability in the procurement of products and services in the coming years. The first step is to first make head office procurement more sustainable. Purchasing from the Business Units and other underlying entities is now done decentrally.

It makes no sense to do this for all procurement contracts; it only pays off when it comes to significant procurement projects. If the annual purchase value of a contract exceeds EUR 50,000, this SCPP must be respected. For all procurement contracts with a lesser procurement value, this assessment is not required.

Our goal is to have 30% of our procurement according to sustainable criteria by 2030. We translate this into the following annual targets:

- 2023 – 2024   => 5%
- 2025 – 2026   => 10%
- 2027           => 15%
- 2028           => 20%
- 2029           => 25%
- 2030           => 30%

A purchase contract is according to sustainable criteria if our Supplier Code of Conduct has been declared applicable to the service or purchase contract and/or if our sustainability checklist has been applied to the procurement procedure.

Drafting the sustainable procurement policy is the first step toward achieving this goal. Furthermore, Normec:

- Make purchasing employees aware of sustainable alternatives and alert them to the new sustainable contracting and procurement policy;
- Commit to working in accordance with our Supplier Code of Conduct;
- Apply our sustainability checklist to our procurement procedure.

## 9.2 Purchasing Process

An ideal procurement process can be divided into 7 steps and are further specified in our SCPP:



## 9.3 Supplier Code of Conduct

All sustainability criteria mentioned in the SCPP are also included in our Supplier Code of Conduct. It is therefore sufficient to declare this code of conduct applicable to any procurement or service agreement. When it is declared applicable, we assume that the supplier agrees with our values and standards in the area of sustainable contracting and procurement.

## 9.4 Sustainability Checklist

Our sustainability checklist tests whether at least the following six themes have been put on the agenda and assessed in the procurement process:

1. Environment (including biodiversity)
2. Climate change
3. Circular (incl. bio-based)
4. Supply Chain responsibility (international social conditions)
5. Diversity and inclusion
6. Social Return

At least 4 of the 6 themes must conclude positively, to classify the underlying supplier or product/service as sustainable.

## 10 | INITIATIVES

From the ESG strategy, the Normec Group looked at which global initiatives and guidelines fit with the newly established strategy. The following initiatives were reviewed and the Normec Group decided to contribute to.

### 10.1 UNGC (United Nations Global Compact).

The UN Global Compact provides a universal language for corporate social responsibility and provides a framework to guide all businesses, regardless of size, complexity or location. The Sustainable Development Goals are used to motivate companies to contribute to the goals. As a company, there are 2 levels of involvement, either as a participant or as a signatory.

For now, Normec has decided to participate as a signatory. The reason is that Normec itself has already established a strategy and action plan based on the Sustainable Development Goals. Normec wants to encourage underlying companies to do the same.

<https://www.unglobalcompact.org/participation/join/application/business>

### 10.2 Science-based targets

The Science-based targets provide companies with a concrete roadmap to reduce green house gases (especially CO<sub>2</sub> emissions) according to the Paris climate agreement. More than 2,000 companies worldwide are working with the targets.

The goal is to work together to ensure that global warming is limited to no more than 1.5 degrees. Companies are an important part of achieving these goals. Through the following 5 steps an organization can participate.

Normec has submitted their SBT targets for review per September 2023.

<https://sciencebasedtargets.org/resources/files/SBT-Commitment-Letter.pdf>

### 10.3 Charter Diversity

Companies and organizations that sign the Diversity Charter see diversity and inclusion as adding value to their business. In addition, a commitment to diversity and inclusion is inseparable from corporate social responsibility.

It supports organizations in promoting a diverse workforce and an inclusive business environment. They focus on five dimensions: work ability, cultural diversity, gender, age and LGBTQ+. The goal is to create a labor market where differences are valued and utilized to the fullest.

The Charter is affiliated with the European platform of Diversity Charters. As a signatory, you have access to the network of more than 12,000 organizations in 26 countries that are part of this platform.

<https://www.ser.nl/nl/thema/diversiteitinbedrijf/charter-diversiteit/aansluiten>

## APPENDIX:

### Normec Group ESG KPI's

#### Business Model and Strategy

##### 1. Normec Impact Services (SDG 8):

The impact we have with your services for the client. This means we want to support the transition to a more sustainable and safe living and working environment for everybody on this planet.

- ⇒ Percentage of revenue from services that have a long-term positive impact on the people and/or the planet.
- ⇒ We want to make an impact with our services and make a positive contribution to the transition to a sustainable and safe living and working environment.
- ⇒ By measuring and setting targets on the Revenue of Normec services that deliver this positive impact on People and Planet, we want to increase our contribution to it.
- ⇒ The goal is to grow this percentage, both organically (up-sale and cross-sale) as well as inorganically, by focusing on M&A targets that contribute to increasing our sustainability services.
- ⇒ We prefer to measure this on a quarterly basis, if this is not possible, then on a semi-annual basis.
- ⇒ Normec goal is to have at least 80% of total revenue related to these impact services by 2030.
- ⇒ Initially we will take into account the our Life safety and Sustainability divisions. Currently they accounting for 65% of the business.
- ⇒ This is a starting point and the service categorisation will improve as we refine the objective. In the long term we will have a target as per the other impact objectives as well.

#### Environment

##### 2. Progress on SBTi (SDG 13)

- ⇒ Normec has an environmental policy that includes a commitment to continuous improvement and pollution prevention. In addition, the policy includes a commitment to comply with relevant legal and other requirements; and provides a framework for setting and reviewing environmental objectives and targets.
- ⇒ By 2040, Normec Group want our net climate impact from our operation to be reduced to zero; in other words, net zero impact by 2040.
- ⇒ To make this goal more effective, we have committed to SBTi and will start submitting our targets in 2023.
- ⇒ Once these targets are set, including periodic sub-objectives, then we will begin to account for progress on these targets to a KPI that we can track periodically.
- ⇒ We prefer to measure this on a semi-annual basis, if this is not possible, then on an annual basis.

### 3. Waste management (SDG 13)

- ⇒ At the Normec Group offices, waste separation will be done by employees themselves as much as possible. To keep this process on track, waste bins will be placed at all offices where waste separation is easily possible. Here, among other things, paper, plastic, organic waste, residual waste and possibly coffee cups are collected separately.
- ⇒ Separating waste as well as decreasing paper consumption will reduce the total volume of waste in the offices.
- ⇒ Normec Group's target goal in the offices for 2030 vs. 2022 is to reduce the total waste from operations by at least 30%.
- ⇒ The following data will be monitored:
  - Whether an office practices (in accordance with Normec Group standards) waste separation in the offices
  - Whether paper consumption has been reduced by 10% compared to the previous year.

Should both of these two criteria be met, the result for this office will be positive.
- ⇒ Between now and 2030, 100% of offices must meet these two criteria. So that's a 7-year period. If we set the initial target for 2023 at 30% and an annual growth rate of 10%, then in 2030 we arrive at 100%.
- ⇒ We prefer to measure this on a semi-annual basis, if this is not possible, then on an annual basis.

## Diversity, Equity and Inclusion

### 4. Gender diversity Senior management (SDG 5)

- ⇒ Within Normec, we believe it is important for everyone to have equal opportunities, women and men. Therefore, we would like to track how many of our Senior Management and Leadership Positions are filled by women.
- ⇒ Definitions:
  - Senior Management: C-suite and C-suite minus one.
  - C-suite: Individuals include CEO and any senior executives reporting directly to the CEO, e.g., CFO, COO, CIO, GC, Divisional MD's etc.
  - C-suite minus one: All professionals who report directly to C-suite level management.
  - Leadership Positions: Local Management Teams: Business unit MD (TIER 3) and his direct Team (TIER 4).
- ⇒ We collect this data on a monthly basis.
- ⇒ Normec aims to fill at least 45% of Senior Management and Leadership Positions – including board positions – with female talent by 2027.

### 5. Gender diversity within the Workforce (SDG 5)

- ⇒ We see that the number of women working within Normec Group is highly dependent on the industry. For example, within the Foodcare division we see a lot more females employed than in our Life Safety division. Therefore, having a specific KPI on just the number of female employees is not practical.
- ⇒ Yet on average within the Normec Group, we see that the female colleague is understaffed in numbers compared to the male colleagues.
- ⇒ Therefore, we have chosen to monitor what the pro-forma net inflow is of female colleagues compared to the overall pro-forma net inflow (male and female).

- ⇒ The goal is for this percentage to be higher than the overall percentage between female and male within the Normec Group.
- ⇒ If the net inflow of female colleagues is higher than the overall percentage of females in the organization, then the percentage of female employees within Normec Group will increase.
- ⇒ We collect this data on a monthly basis.

## 6. Honest Work Employment Program (SDG 8)

- ⇒ A distance from the labour market often means a distance from being able to fully participate in society. While work has value on so many fronts.
- ⇒ Therefore, we have set a goal that at least 1 percent of our workforce should be made up of individuals who are having a harder time getting jobs. In this way, we try to create a win-win situation. For the employee to participate in the normal dynamics of society with having a paid job and for us to have someone working and adding value in this difficult job market.
- ⇒ When someone does not qualify or has difficulty qualifying for regular employment, we speak of distance from the labor market. Other names are work-limited or labor disabled. We recognize the following types work limitations:
  - A work disability. This means that someone has a mental, physical or sensory condition that prevents him or her from having a regular job. Examples include autism, hearing impairment, a muscle disease, chronic fatigue syndrome or back problems; or
  - Psychosocial problems. This means that a person has difficulty finding a regular job or doing regular work because of psychosocial problems. These include long-term unemployment, trauma, an addiction history or severe financial problems; or
  - Participation of the elderly in the labor market. We are also increasingly seeing older people (age > 60) not being considered for jobs despite having a great deal of experience and wanting to participate in the labor market. We also wish to assist this group in finding a fit job within the Normec Group.
- ⇒ We prefer to measure this on a quarterly basis, if this is not possible, then on a semi-annual basis.

## Health, Safety and Well-Being

## 7. Accident Frequency Rate [AFR] (or also the “Total recordable incident rate” [TRIR]). (SDG 8)

- ⇒ To quantify the number of accidents within the organization, we will calculate these metrics.
- ⇒ The definition is as follows:
  - $AFR = TRIR = \text{Number of incidents} \times 200,000 / \text{total number of employee hours worked in a year}$
  - The 200,000 is the product of the total hours 100 employees would work in 50 weeks based on a 40-hour work week. In other words, it’s an approximation of total hours 100 employees would work in the span of a year.
- ⇒ Another definition that we should take into account is that for an accident or recordable incident at the workplace and during working hours:
  - Anytime that an employee or worker loses consciousness

- If an incident causes a worker to take on light-duty, activity restrictions, or the need to be transferred to other work.
- If an incident causes a worker to take days away from work (minimum of 8 hours).
- If the injury requires medical treatment beyond what a first aid kit can address.
- If any other work-related health issue is diagnosed by a medical professional.
- ⇒ Finally, calculating the parameter: “total number of employee hours worked in a year”. We keep track of the number of FTE employed by business unit. We set the number of hours per year for these FTEs at a fixed rate of 1,840 hours.
  - 52 week x 5 day x 8 hours = 2,080 hours
  - National Holidays: 5 days x 8 hours = 40 hours (minus)
  - Holidays: 25 days x 8 hours = 200 hours (minus)
  - Fixed rate number of yearly hours per FTE = 1,840 hours.
- ⇒ This KPI is measured on a monthly basis and displayed based on 12-month data (LTM).
- ⇒ The target is for the AFR not to exceed 2. Construction is considered the industry that is least safe, the average AFR there is 3.

## 8. Accident Severity Rate [ASR] (SDG 8)

- ⇒ A severity rate is defined as a safety metric used to analyse the severity of workplace injuries by using the number of lost days of work and the total hours worked over a time period.
- ⇒ The definition is as follows:
  - $ASR = \text{Work days lost} \times 200,000 / \text{total number of employee hours worked in a year}$
  - The 200,000 is the product of the total hours 100 employees would work in 50 weeks based on a 40-hour work week. In other words, it's an approximation of total hours 100 employees would work in the span of a year.
- ⇒ A workday lost is at least 8 hours that an employee was unable to perform his work due to the incident or accident as included in definition in the AFR. Each incident as a result of the AFR definition is at least 1 workday lost.
- ⇒ Finally, calculating the parameter: “total number of employee hours worked in a year”. We keep track of the number of FTE employed by business unit. We set the number of hours per year for these FTEs at a fixed rate of 1,840 hours.
  - 52 week x 5 day x 8 hours = 2,080 hours
  - National Holidays: 5 days x 8 hours = 40 hours (minus)
  - Holidays: 25 days x 8 hours = 200 hours (minus)
  - Fixed rate number of yearly hours per FTE = 1,840 hours.
- ⇒ This KPI is measured on a monthly basis and displayed based on 12-month data (LTM).
- ⇒ An accident or incident (should it occur), in our view, should not result in a long absence. We consider an average of 5 days absent due to an accident to be a minor accident; in other words, at an AFR of 2, the ASR should not exceed 10.

## Employee Development

### 9. Number of training hours per employee (SDG 8)

- ⇒ We trust our staff to provide the high-quality service to our customers. To achieve this, it is important that our employees are educated and trained to do so. Maintaining the level of knowledge of our employees is therefore an important development point.
- ⇒ With this KPI, we want to monitor and track how much time our employees spend and get available to keep their knowledge up to par, the number of training and education hours.
- ⇒ A training hour is defined as an external, or internal or self-study training hour.
- ⇒ We collect the data on a monthly basis, but cumulate the number of training hours over 12 months (LTM).
- ⇒ The metric we want to track is the number of training hours per 12 months per FTE.
- ⇒ The target we aim for is 20 training hours per year per FTE.

## Employee Engagement

### 10. Employee engagement survey participation (SDG 8)

Normec's employees are its most important assets; having them satisfied is of paramount importance. Therefore, it is important to measure and monitor how employees are involved, committed and engaged with Normec.

#### a. Employee engagement survey participation

- At least annually, but effectively periodically, an employee survey is conducted among Normec Group employees.
- We aim for at least 60% of all invited Normec employees to also participate in this surveys.

#### b. Employee engagement survey score

- In addition, our goal is for the Employee engagement score to meet a minimum of 50% that are "Actively engaged", and we aim for an increasing score when comparing individual results.
- Employee engagement levels include, but are not limited to:
  - Actively engaged
  - Not engaged
  - Passive
  - Actively disengaged
- Should a survey show that on an individual basis the score is declining at a business unit, specific actions will be taken to investigate and possibly reverse this.

## Business Ethics and Risk Management

### 11. Business conduct and ethics (SDG 8)

- ⇒ Completion of employee ethics mandatory training (or refresher training)
- ⇒ We require that every employee go through this training once every 2 years.

- ⇒ All newly added entities must have conducted this training among their employees within 1 year of joining.
- ⇒ The goal is that 95% of all mandatory training is conducted in a timely manner.
- ⇒ This KPI is measured every 6 months among all business units.

## **12. Number of business ethics breaches or violations (SDG 8)**

- ⇒ Conducting business with integrity is essential to the continuity of an organization. Thus having business ethics breaches or violations is unacceptable and will need to be avoided as much as possible. Risks in this respect should be minimized and measures should be taken to mitigate the risk.
- ⇒ Business ethics breaches or violations include: incidents relating to corruption, extortion, bribery or violation of competition or tax laws. Examples could include: fraud, sanctions, misrepresentation, pay-to-play, bribery, or other ethical misconduct.
- ⇒ Our code of conduct is described in our code of integrity, any violation of this code is also considered a business ethics breach.
- ⇒ The Anonymous Whistle-blower Procedure can be used to report these business ethics breaches or violations. This will be a sub KPI that we will also track as part of this ethics KPI.
- ⇒ We collect this data on a monthly basis.
- ⇒ The target should be zero.
- ⇒ If a breach has occurred (despite all measures), an investigation into it will be initiated and documented. The incident must also be put on the agenda of the periodic Risk and Compliance meeting in order to implement or tighten up any measures.

## **13. Number of Data and Cyber Security breaches (SDG 8)**

- ⇒ Normec Group believes it is important to maintain accurate records and internal controls to safeguard its employees and customers and their assets and personal information from unauthorized use or disposition.
- ⇒ We shall calculate and track the total number of identified data and cyber security breaches
- ⇒ Data and cyber security breach is defined as the unauthorized movement or disclosure of sensitive information to a party, usually outside the organization, that is not authorized to have or see the information.
- ⇒ The scope is limited to data and cyber security breaches that resulted in a deviation from Normec Group expected outcomes for confidentiality and/or integrity.
- ⇒ We collect this data on a monthly basis.
- ⇒ The target should be zero.
- ⇒ If a breach has occurred (despite all measures), an investigation into it will be initiated and documented. The incident must also be put on the agenda of the periodic Data protection and IT Security meeting in order to implement or tighten up any measures.

## **Supply Chain Management**

## **14. Sustainable Procurement (SDG 8)**

- ⇒ Sustainable procurement means for us that in addition to paying attention to the price of the products, services or works, we also pay attention to the effects of the procurement

on environmental and social aspects. Procurement is an effective tool for making an impact.

- ⇒ Our goal is to have 30% of our procurement according to sustainable criteria by 2030. We translate this into the following annual targets:
    - 2023 => 5%
    - 2025 => 10%
    - 2027 => 15%
    - 2028 => 20%
    - 2029 => 25%
    - 2030 => 30%
  - ⇒ In scope we include the significant purchasing contracts with an annual contract value of at least EUR 50k.
  - ⇒ A purchase contract is according to sustainable criteria if our Supplier Code of Conduct has been declared applicable to the purchase contract and/or our sustainability checklist has been applied to the procurement procedure.
  - ⇒ Our sustainability checklist tests whether at least the following six themes have been put on the agenda and assessed in the procurement process:
    1. Environment (including biodiversity)
    2. Climate change
    3. Circular (incl. bio-based)
    4. Chain responsibility (international social conditions)
    5. Diversity and inclusion
    6. Social Return
- At least 4 of the 6 themes must conclude positively, where N/A can also be considered positive.
- ⇒ We prefer to measure this on a quarterly basis, if this is not possible, then on a semi-annual basis.

## Corporate Citizenship

### 15. Clean Water and Sanitation (SDG 6)

- ⇒ Water is an important service Normec Group provides to its customers. It is therefore not surprising that SDG6 was chosen by Normec to play a central role.
- ⇒ With our services we are making impact on water quality in the regions where we operate. However, there are also many people in underdeveloped countries who do not have access to clean drinking water and sanitation.
- ⇒ So we have set a goal: on a yearly basis for every employee working within the Normec Group to ensure that someone else in an underdeveloped country will have access to clean drinking water and sanitation.
- ⇒ We have partnered with Water for Life (WfL) who support us in this, they will use our contribution to implement projects that will ensure that these people in underdeveloped countries do get access to these water facilities.
- ⇒ Based on the yearly reporting of WfL, we determine how many people we have helped. This number must be at least as large as the headcount of employees working at the Normec Group on a full year basis.
- ⇒ We prefer to measure this on a semi-annual basis, if this is not possible, then on an annual basis.