

3 CORPORATE RESPONSIBILITY REPORT²

43	Corporate Responsibility Strategy
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CO₂-Emissions in FY 2023
(Scope 1 & 2 market-based; production sites, only):

5,064 t
CO₂-Equivalents

Emitter with pressure equalization from NDS: It efficiently and sustainably delivers every drop of precious water exactly where it needs to go.

² The following information are part of the Non-Financial Group Report and were subject to limited assurance. The relevant sections are marked with a line in the margin.



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Corporate Responsibility Strategy

NORMA Group’s Approach to Corporate Responsibility

Corporate Responsibility (CR), for NORMA Group, means reconciling the impact of its business with the needs of society. This is done by ensuring that the management and employees follow legal requirements and integrate social and ecological aspects into the company’s strategy and processes. With a variety of products, NORMA Group already makes a valuable contribution to a more sustainable society by helping to reduce the negative effects of global challenges such as resource scarcity and climate change.

NORMA Group has been implementing the concept of CR since 2012. The goal is to act in a responsible, sustainable, and lawful manner in all areas of the company’s functions. To ensure that NORMA Group as a whole remains oriented toward this goal, CR has been integrated as a core element of the corporate strategy. [STRATEGY AND GOALS](#) The Group-wide [CR POLICY](#) defines the basic understanding of responsibility as a company. It was revised in 2020 and comprises three key areas of action: “Environment”, “Social” and “Governance”. The policy is updated every year, including fiscal year 2023. The policy describes the strategic approach with the aim of coordinating NORMA Group’s responsibility in a structured way and further developing it in a targeted manner. In its CR Policy, NORMA Group also reaffirms its commitment to the UN Global Compact, the United Nations’ Sustainable Development Goals and ILO Fundamental Principles and Rights at Work.

Management of CR

To strategically align and further develop the CR measures, NORMA Group set up the CR Roadmap, which includes objectives for each area of action. [CR TARGETS AND SUSTAINABLE DEVELOPMENT GOALS](#) For all material topics, the relevant departments propose targets, which are reviewed and approved by the Management Board.

[GRAPHIC G007: ‘MATERIALITY MATRIX’](#)

The Chief Financial Officer of NORMA Group is responsible for Corporate Responsibility and ESG (Environment, Social, Governance) since January 2022. This also includes the cross-departmental and cross-location coordination of CR topics.

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Stakeholders & Materiality

Close exchange with stakeholders

NORMA Group sees itself as a transparent and open company. The Company specifically seeks exchange with its internal and external stakeholders as well as experts. This enables the Company to effectively implement the continuous improvement process, which is applied throughout the Group, for CR issues as well. NORMA Group's most important stakeholders and experts include its employees, customers, shareholders, and financial market players, as well as the media, politics, and non-profit organizations. The Company considers it part of its responsible corporate governance to incorporate the interests of stakeholders and the impact of its own business activities on stakeholders into its key decisions. Particularly in the strategic direction of the Company as well as in identifying material topics, NORMA Group values an open approach to stakeholder expectations.

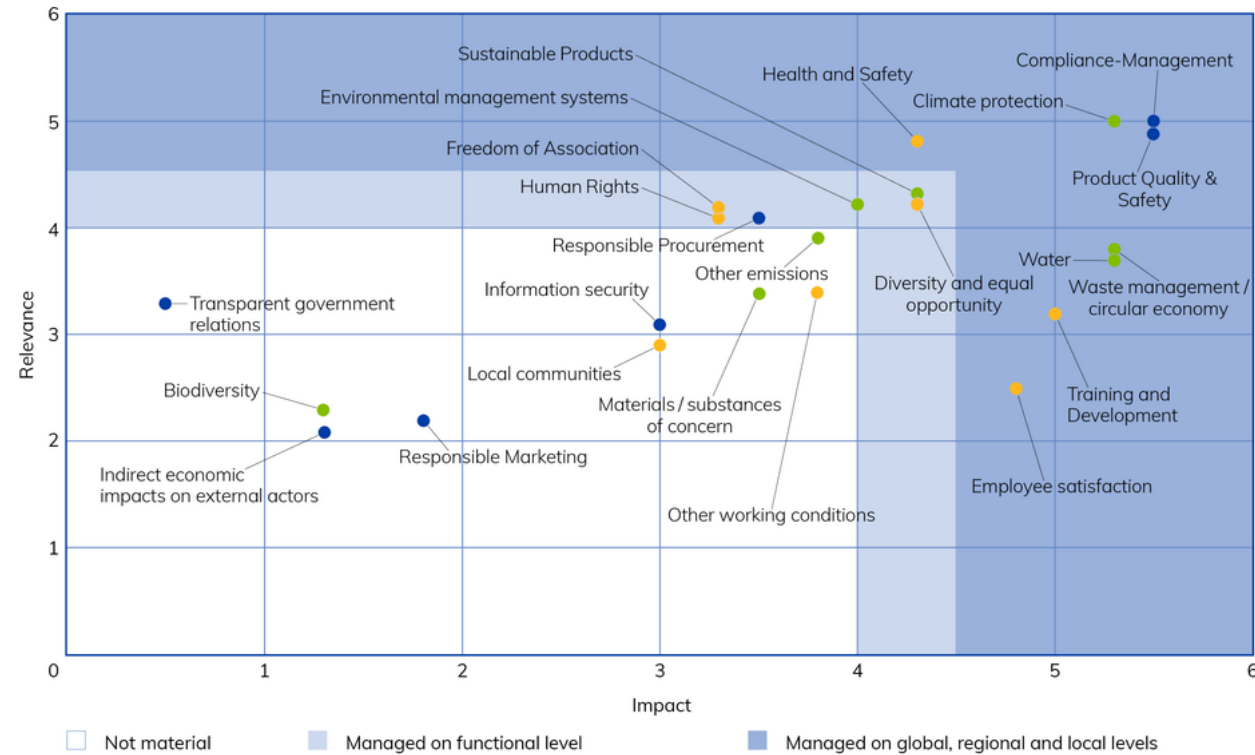
Materiality analysis defines scope of CR activities

In 2020, NORMA Group carried out its last materiality analysis, in which it defined the most important social, environmental, and economic sustainability issues. The methodology was based on the requirements of the German Commercial Code (HGB) and the standards of the Global Reporting Initiative (GRI 2016): First, a comprehensive list of CR sub-topics was put together, based on requests from external stakeholder groups and on the GRI standards and the requirements of the German Commercial Code (HGB). The individual sub-topics were aggregated, and a total of 23 topics were defined, which were divided into the three areas of action "Environment," "Social" and "Governance."

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Materiality matrix

G007



For each of the 23 defined sustainability topics, NORMA Group evaluated the relevance and impact. The relevance assessment was based on a survey of NORMA Group employees and the weighting of external customer and financial market ratings as well as an analysis of the assessment by the media and existing and future legislation (relevance axis). The impact analysis assessed both the extent to which NORMA Group’s business activities influence the various topics and what risks could arise for the Group from these topics (impact risk axis). The latter was based on what are known as gross risks, i.e. those risks with which the NORMA Group is confronted if no suitable countermeasures are implemented. The assessment was deducted on a scale of 1 (irrelevant/no impact) to 6 (very relevant/major impact) and then prioritized (GRAPHIC G007: ‘MATERIALITY MATRIX’). This was divided into topics that are a) managed globally, regionally and locally with measurable targets (right outer area), b) topics that are managed at the functional level through concrete measures (middle area) and c) those that are not considered material. The results can be broken down according to which topics are material according to the German Commercial Code and the GRI standard (climate protection, water, waste management/circular economy, employee satisfaction, training and development, compliance management, product quality and safety) as well as topics that were also classified as material according to the GRI standard (environmental management system, sustainable products, occupational health and safety, diversity and equal opportunities, human rights, responsible

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procurement, freedom of association). The results were validated internally with the top management of all regions and subsequently confirmed by NORMA Group’s Management Board.

In 2023, the materiality analysis was again validated with the Management Board, the top management of the regions and the specialist departments. There were no changes.

In preparation for the EU Corporate Sustainability Reporting Directive (CSRD), NORMA Group has conducted a double materiality assessment, which will form the basis for reporting in accordance with CSRD from 2024. The topics identified as material will be reported in accordance with European Sustainability Reporting Standards (ESRS) from the next fiscal year.

CR Roadmap 2024

G008



1_The CO₂ emissions for the target value are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 only includes emissions from natural gas and liquefied natural gas and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Since January 2022, NORMA Group has purchased electricity from renewable energy sources at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. These are also included in the target value.
 2_Total amount of water withdrawn from the production sites.
 3_Metal waste: Total weight of all metals generated by NORMA Group's operations that must be disposed of (excluding hazardous metals, including defective supplier parts that must be scrapped). Plastic waste: Total weight of plastics produced (excluding packaging material).
 4_Calculation of the accident rate and number of medical treatments is based on the total workforce including temporary workers.
 5_Personnel development activities in which employees acquire or develop skills.
 6_Employees who leave the company voluntarily.
 7_Number of confirmed defective parts divided by the number of parts delivered and multiplied by one million.
 8_Total number of accepted customer complaints in the calendar month

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CR Targets and Sustainable Development Goals

CR targets 2024

Based on the topics identified as being material, NORMA Group formulates quantitative targets for each area of action. By integrating the findings of the materiality analysis into the CR Roadmap, NORMA Group ensures that the targets are also oriented towards stakeholders' expectations. Thus, the achievement of the specific CR targets is an indicator of NORMA Group's performance in CR.

An overview of the CR targets for 2024 can be found in the chart [GRAPHIC G008: 'CR ROADMAP 2024'](#). The Group-wide targets presented were approved by NORMA Group's Management Board and subsequently translated by the specialist departments into sub-targets for regions and individual sites. Progress in the material areas is regularly reviewed internally and reported externally.

Climate target 2024 integrated into Management Board's remuneration

NORMA Group developed an [ENVIRONMENTAL STRATEGY](#) in 2018. A core component of this strategy is the reduction of greenhouse gas emissions at NORMA Group's manufacturing sites. In setting its climate target, NORMA Group followed the recommendations of the [SCIENCE-BASED TARGETS INITIATIVE](#)³. The target was tightened again in 2020 and now amounts to roughly 19.5% reduction in greenhouse gases compared to 2017 by the end of 2024, which corresponds to a target value of 44,434 tons⁴. Among other things, the target is part of the remuneration of NORMA Group's Management Board. [REMUNERATION REPORT](#)

³ Links to external information are not part of the non-financial report and serve only as a source of further information

⁴ Carbon emissions for the target value are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 includes only emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Since January 2022, NORMA Group has purchased electricity from renewable energies at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. These are also included in the target value.

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United Nations' Sustainable Development Goals

In many different areas, the NORMA Group's areas of action are in line with the United Nations' Sustainable Development Goals (SDG) and contribute to their attainment. The following issues are particularly relevant for NORMA Group:



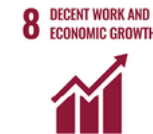
Goal 4 – Quality Education:

Through measures in the area of training and development, NORMA Group enables its employees to constantly advance their career and personal development. NORMA Group also presents opportunities to acquire knowledge and skills with respect to sustainable lifestyles, human rights, appreciating cultural diversity, etc. via its groupwide learning platform. [LEARNING AND DEVELOPMENT](#)



Goal 6 – Clean Water and Sanitation:

The [PRODUCTS](#) NORMA Group offers globally contribute to the efficient use of water. Water consumption is also to be reduced in NORMA Group's [PRODUCTION](#) processes. Furthermore, with its social project [NORMA CLEAN WATER](#), NORMA Group contributes to the conscious use of water management in emerging and developing countries.



Goal 8 – Decent Work and Economic Growth:

NORMA Group pursues ambitious growth targets. At the same time, the [HEALTH AND SAFETY](#) of all employees is an important component of the CR Scorecard.

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Goal 9 – Industry, Innovation and Infrastructure:

INNOVATIONS form the basis for future growth and for developing environmentally friendly products. For this reason, NORMA Group sets internal incentives for its employees to generate new ideas.



Goal 12 – Responsible Consumption and Production:

NORMA Group seeks to reduce consumption of resources in production and conducts measures to do so at every plant. Furthermore, NORMA Group is increasingly taking sustainability criteria into account when purchasing materials **MATERIAL PROCUREMENT**.



Goal 13 – Climate Action:

NORMA Group’s environmental strategy focuses on **REDUCING GREENHOUSE GASES**.

In addition, NORMA Group also contributes to the implementation of other objectives (such as **“Goal 3 – Good Health and Well Being”** as part of occupational health and safety measures, **“Goal 5 – Gender Equality”** as part of the **NORMA CLEAN WATER** project with Plan International, e.g. by organizing equal opportunity workshops, and **“Goal 11 – Sustainable Cities and Communities”** through products in the area of infrastructure and water management). We have been acting on **“Goal 17 – Partnerships for the goals”** via sub-targets 17.16 and 17.17 through our past (India) and current partnerships (Brazil) with Plan International in the developing countries of the Global South and will continue to do so.

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Sustainability Ratings and Sustainable Finance

Positive feedback from sustainability ratings

In 2023, NORMA Group again received independent feedback from rating agencies on its performance in the area of CR. The questions asked of NORMA Group in this context are based on the most important sustainability indicators from the areas of environment, social affairs, and corporate governance. As a rule, NORMA Group is required to be able to substantiate its commitment to sustainability with documents and certificates. The results of the ratings are primarily used by two stakeholder groups: customers and financial market players.

NORMA Group's performance in sustainability ratings			T009
Sustainability ratings	Score 2023	Score 2022	
CDP	<ul style="list-style-type: none"> • Score: C • Awareness-Level 	<ul style="list-style-type: none"> • Score: C • Awareness-Level 	
EcoVadis	<ul style="list-style-type: none"> • Score: 75 of 100 • Gold-Standard 	<ul style="list-style-type: none"> • Score: 75 of 100 • Platinum-Standard 	
ISS ESG	<ul style="list-style-type: none"> • Score: C+ • Prime Status 	<ul style="list-style-type: none"> • Score: C+ • Prime Status 	
MSCI	<ul style="list-style-type: none"> • Score: AA • Leader 	<ul style="list-style-type: none"> • Score: AA • Leader 	
Sustainalytics (standard report)	<ul style="list-style-type: none"> • Risk Score: 16.7 of 100 • Low Risk 	<ul style="list-style-type: none"> • Risk Score: 17.3 of 100 • Low Risk 	
Sustainalytics (Score-Log report (2019 methodology))	<ul style="list-style-type: none"> • Risk Score: 15.1 of 100 • Management Score: 71.0 	<ul style="list-style-type: none"> • Risk Score: 15.4 of 100 • Management Score: 70.3 	

The feedback received by NORMA Group was again positive in 2023. The CR measures received consistently good ratings from the rating agencies.

For NORMA Group, the positive results mean a confirmation of its approach to CR. At the same time, the company is using the feedback to continuously develop its CR strategy and organization.

Improved loan terms through progress in sustainability management

For the first time, NORMA Group set up a syndicated loan in 2019 that contained a sustainability component to partially refinance its business activities. In addition, a promissory note with three-, five- and seven-year terms with a corresponding ESG component was successfully placed on the market in summer 2023. The sustainability component links the terms of refinancing to NORMA Group's CR commitment. By demonstrating a lasting good sustainability performance, NORMA Group gains access to more favorable loan conditions.

The evaluation of the Sustainalytics rating agency serves as the basis for assessing the sustainability performance. It assesses NORMA Group holistically in various sustainability categories such as corporate governance, climate management and human rights. While the rating methodology for the standard Sustainalytics report is evolving, the methodology for the sustainability component of the syndicated loan remains largely unchanged compared to the base year 2019 and thus ensures comparability for the term of the loan.

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NORMA Group was in 2023 again able to demonstrate a strong management score. With a risk score of 16.7, NORMA Group belongs to the 50 [“ESG TOP-RATED”](#) companies in the industry group and is ranked 19th out of a total of 591 rated companies within the industry group.

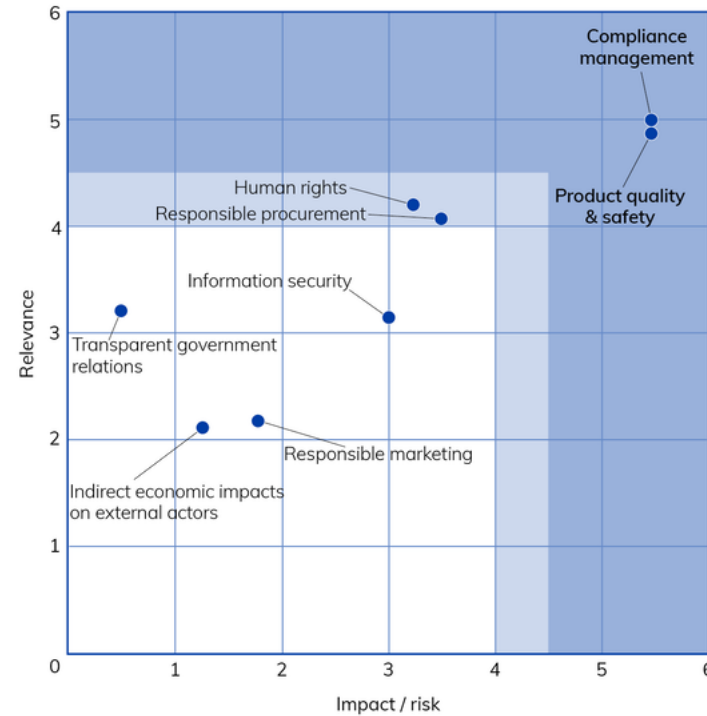
With a loan term of up to seven years (until 2026 for the syndicated loan and until 2030 at the latest for the promissory notes), the inclusion of the sustainability component in the refinancing strategy is an important step toward integrating sustainability aspects into NORMA Group's core business in the long term. Further information on refinancing can be found on NORMA Group's website WWW.NORMAGROUP.COM.

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Governance

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G009



Compliance

Clear understanding of values embedded in globally applicable guidelines

NORMA Group’s understanding of values forms the basis for all business decisions and activities in the Group. In particular, the global focus of the company makes worldwide implementation and compliance with codes of conduct especially important.

The implementation of compliance-specific frameworks sets rules clearly and transparently. The main compliance guidelines at NORMA Group are

- the [CODE OF CONDUCT](#),
- the [ANTI-CORRUPTION POLICY](#) and
- the [SUPPLIER CODE OF CONDUCT](#).

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The compliance guidelines also include requirements in the area of [HUMAN RIGHTS](#) (including freedom of association, forced and child labor, and anti-discrimination).

The guidelines are regularly reviewed regarding the need for updates and adapted as required. In fiscal year 2023, the “Whistleblower Protection” policy was published, which provides employees and external parties with comprehensive and detailed information on the whistleblowing process, reporting channels and the mechanisms in place to protect whistleblowers.

NORMA Group’s compliance management system is aimed at ensuring that its values and rules are lived throughout the Group. Concrete steps are determined, implemented, and tracked in a Compliance Action Plan.

Group-wide compliance management

The Management Board of NORMA Group is responsible for an effective compliance management system. Compliance forms an integral part of the overarching “Integrity” department, which – in addition to compliance – addresses the topics of data protection and information security. This bundling not only considers the growing importance of these topics, but also adequately reflects their increasing interlinking in terms of content.

Group-wide compliance activities are managed by the Director Integrity of NORMA Group SE, who regularly reports to the Vice President Integrity and is able to report directly to the Chairman of the Management Board [CORPORATE GOVERNANCE REPORT](#). In addition to the main compliance department at Group level, Compliance Delegates are appointed at the level of the regions EMEA, Americas and Asia-Pacific, as well as at operationally active individual entities. The Compliance Delegates of the individual Group companies are in regular contact with the other local departments and regularly report to the respective Regional Compliance Delegates, who in turn report to NORMA Group Compliance.

Any member of NORMA Group’s compliance organization can be contacted at any time on any compliance issue. The compliance department is in close communication with the legal department of NORMA Group in order to continuously take into account new or changed legal requirements in the compliance risk analyses and in the compliance program. In addition, close contact is maintained with Internal Audit for updates on recent developments.

The effectiveness of the compliance organization set up by the Management Board is monitored by the Supervisory Board of NORMA Group SE, which is informed about compliance matters as needed.

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NORMA Group's Compliance Management System

G010



Close risk monitoring and control

The identification and assessment of relevant compliance risks forms an important basis for the compliance program and therefore for the compliance management system as a whole. NORMA Group carries out the respective risk analyses and is in close contact with relevant departments (e.g. Internal Audit, Risk Management).

The risks to which NORMA Group is exposed form the basis for determining the compliance program and the respective measures. Implementing these measures and adhering to the compliance rules are also regular audit tasks of internal auditing.

Systematic, demand-oriented training of employees

To ensure the effectiveness of NORMA Group's compliance management system, all employees must be familiar with the relevant legal requirements and internal compliance guidelines. The goal is for all employees of NORMA Group to know the compliance rules, as well as the contact persons and reporting channels.

The compliance training that NORMA Group offers serves as the basis for this. It mainly takes place in form of online training sessions and as face-to-face sessions if necessary. Depending on the job and responsibility profile of an employee, the training courses to be completed are assigned as needed. During training, the employees receive concrete support on which behavior is in line with the compliance guidelines and can test their knowledge in practical assessments and case studies. They can then review their conduct on the basis of practical questions and case studies. The training courses of fundamental importance, which must be completed as basic training by all NORMA Group employees with a PC workstation, include the online training courses "Code of Conduct & Compliance Basics" and "Anti-Corruption." Depending on the job profile, employees must attend specific focus training sessions (including "Antitrust law"). Furthermore, the knowledge of employees is updated and extended as

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required through refresher courses. “Compliance Safety Cards” were handed out to employees without a PC workstation, especially those who work in production. They are available in all the necessary languages and clearly communicate relevant compliance topics.

In fiscal year 2023, 1,264 employees (2022: 2,080) received online compliance training. In this context, training courses totaling 1,864 hours (2022: 2,535) were conducted. The decrease in both the number of employees trained and the number of training hours compared to the previous year is due in particular to the fact that in 2022 there was a full re-enrollment in the revised and updated “Anti-Corruption” training. In fiscal year 2023, the Integrity department also provided training on data protection and information security. Employees completed a further 3,459 hours of training in these subject areas.

The need for training is checked regularly. Internal reporting records the status of compliance training. Compliance-related topics are also communicated via additional channels such as posters, brochures and Compliance Safety Cards that summarize key compliance topics in condensed form, as well as e-mails and intranet articles.

Various ways of reporting violations

NORMA Group encourages its employees to report violations of rules and internal policies, even across hierarchical levels. Besides personally approaching supervisors, the Human Resources department or Compliance Delegates, NORMA Group’s [INTERNET-BASED WHISTLEBLOWER SYSTEM](#) enables anonymous reporting of incidents by internal or external whistleblowers. The compliance organization follows up on reports of compliance violations. The reporting process and mechanisms in place to protect whistleblowers are described in the policy [WHISTLEBLOWER PROTECTION](#). Further information on the whistleblower system can be found in the [CORPORATE GOVERNANCE REPORT](#).

In cases in which the electronic whistleblower system is more difficult for employees to use for technical or organizational reasons (a lack of PC access by employees in production, for example), NORMA Group offers other appropriate reporting channels, such as notice boxes at the plants or reporting directly to NORMA Group Compliance by e-mail or by meeting in person, for instance. Besides the main electronic whistleblower channel, NORMA Group offers supplementary or alternative reporting channels at all sites at which local laws require these channels to be made available.

Both the suitability and the appropriateness of the reporting system are reviewed on a regular basis – with regard to the requirements of the “Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report infringements of Union law” (“Whistleblower Protection Directive”) as well as the respective implementing laws of the member states, for example. The system is adapted if necessary. NORMA Group is closely monitoring further developments with regard to the implementation in national laws by individual member states in which NORMA Group also operates reporting channels, which in some cases contradicts the EU Directive. Necessary adjustments are made if required.

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Human Rights

NORMA Group is committed to international human rights

NORMA Group categorically rejects the violation and restriction of human rights in any form. The company is committed to the Universal Declaration of Human Rights, as well as to the core labor standards of the International Labour Organization (ILO). [CR-POLICY](#) [STATEMENT OF PRINCIPLE ON HUMAN RIGHTS](#)

NORMA Group rejects all forms of forced, compulsory and child labor. In doing so, ILO Conventions Nos. 138 and 182 are recognized as the minimum standard for protection against child labor. The company is also committed to preventing slavery and human trafficking in its business activities.

Furthermore, NORMA Group recognizes the right of its employees to join unions and to found employee representations. NORMA Group rejects discrimination based on ethnic background, nationality, age, gender, sexual orientation, and religion and supports measures to promote diversity within the Company. [DIVERSITY AND EQUAL OPPORTUNITY](#)

Monitoring and awareness-raising measures

NORMA Group's commitment to human rights is also reflected in its Code of Conduct. In the course of the revision of [CODE OF CONDUCT](#) in 2020, a separate section on human rights was added to clarify NORMA Group's position.

If employees observe human rights violations, they can report them at any time via the [COMPLIANCE REPORTING CHANNELS](#). Among other things, the NORMA Group whistleblower system provides them with the category "Violations of social standards and human rights". In the areas of anti-discrimination and freedom of association, NORMA Group also monitors whether its commitment is being met through regular internal reporting of legal disputes. In 2023, there were no cases of discrimination or violations of freedom of association by NORMA Group that were established by the courts.

NORMA Group also endeavors to take its responsibilities seriously along the value chain. In the [SUPPLIER CODE OF CONDUCT](#), the Company obliges its strategic suppliers to respect and comply with human rights. However, due to the size and complexity of the value chain, human rights violations cannot be completely ruled out as a matter of principle. Beyond its direct business partners, NORMA Group has only limited influence on compliance with minimum standards. If the company becomes aware that business partners are committing or tolerating human rights violations, the business relationship is re-evaluated, and terminating the contract is considered. In the event of violations by employees, NORMA Group will take measures that may even lead to termination of employment.

Product Quality and Safety

Product quality and safety is a key customer promise

Product quality is of great importance in all industries relevant to NORMA Group. As joining elements for various individual parts, NORMA Group's products are often critical to proper functioning for the direct customers. A malfunction in only one single element could affect the functioning and the safety of an entire application. That is why NORMA Group wants to guarantee its customers the highest level of reliability with its brands. Quality, customer requirements and added value for society are thus directly linked.

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An important non-financial control parameter for improving product quality is the number of defective parts per million (PPM). PPM is the number of confirmed defective parts divided by the number of parts delivered and again multiplied by one million. In 2023, this number was at 2.2 PPM, and thus once again below the previous-year figure (2022: 2.9 PPM). Further information on managing product quality and safety can be found in the [ECONOMIC REPORT](#).

Sustainability in purchasing

Corporate responsibility in purchasing

In fiscal year 2023, NORMA Group purchased goods and services worth EUR 537.1 million. The aim is to ensure that aspects of CR are considered in this context. The purchasing department pursues the long-term goal of making contractual relationships with suppliers socially and environmentally compatible and of ensuring that human rights, labor, and environmental standards are adhered to.

The purchasing process is aimed at ensuring and improving NORMA Group's high quality standards and managing external supplier costs competitively in order to achieve maximum value creation for the company. However, it also entails risks with regard to negative impacts on the environment and social standards in the supply chain. For this reason, not only pure price factors are taken into account in purchasing processes, the quality, logistics and sustainability of suppliers are also assessed. [ECONOMIC REPORT](#)

Managing sustainability in purchasing is the responsibility of the global purchasing organization, which reports to the Chief Operating Officer. [CORPORATE GOVERNANCE REPORT](#) Every team member of the purchasing organization contributes to it in the course of making sourcing and nomination decisions.

Supplier Code of Conduct forms the framework

NORMA Group expects its suppliers to conduct their business in compliance with laws, ethics, and respect for human rights, as well as occupational safety and environmental standards.

For these reasons, the purchasing department has integrated social and ecological sustainability aspects into its processes and organization. One key example is the purchasing manual, which describes all essential processes and procedures used as a framework for the global organization. The basis for sustainable supplier relations is the [SUPPLIER CODE OF CONDUCT](#). This globally valid Code of Conduct outlines NORMA Group's expectations for the sustainable management of its suppliers in the areas of human rights, occupational health and safety, the environment and business integrity. With respect to human rights, the Supplier Code of Conduct is based on regulations issued by the ILO, the Universal Declaration of Human Rights, the UN Global Compact and the standard SA8000.

At the end of 2023, a new version of the Supplier Code of Conduct was rolled out as part of the Act on Corporate Due Diligence Obligations in Supply Chains to account for the requirements set out in the act.

The commitment to the Supplier Code of Conduct plays an important role in the normal purchasing processes. In addition to meeting quality standards and other requirements such as the standard of delivery service, a supplier can only be classified as 'preferred' within commodity group management if it signs the Supplier Code of Conduct. The number of 'preferred' suppliers in the area of production materials was 20 in 2023 (2022: 15). The share of preferred suppliers in production material purchasing spend increased to 22.9% in fiscal year 2023 compared to 18.3% in the previous year. Approval of the Supplier Code of Conduct is a binding criterion in the catalogue of requirements when selecting new suppliers.

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Supplier Code of Conduct:

forms the basic understanding of sustainability management in purchasing; signing the Supplier Code of Conduct is a condition to be graded 'preferred' supplier



Supplier Scoring:

takes place once a year; environmental and occupational health and safety certificates as well as the sustainability questionnaire are used as criteria in the scoring



Commodity Strategies:

contain sustainability fact sheets that quantify impacts on climate and water and identify improvement potentials



Training:

standard training for all employees in the purchasing department on sustainability tools in purchasing

The Act on Corporate Due Diligence Obligations in Supply Chains

NORMA Group is currently not directly subject to the scope of the Act on Corporate Due Diligence Obligations in Supply Chains. Nevertheless, NORMA Group is committed to meeting the requirements according to customer specifications in line with the legal basis. This includes updating the Supplier Code of Conduct and raising awareness among the purchasing organization and suppliers in this regard.

Sustainability in commodity management

An important way of supporting sustainability in purchasing is the introduction of a new Commodity Strategy Template. These strategy documents include Sustainability Fact Sheets as an analytical approach to assess sustainability throughout the supplier base. The Sustainability Fact Sheets include information on suppliers' environmental and health and safety certificates (ISO 14001 and OHSAS 18001 or comparable standards). The

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fact sheets are in line with NORMA Group’s [ENVIRONMENTAL STRATEGY](#). They quantify each commodity’s impact on greenhouse gas emissions and water consumption and show commodity managers improvement measures. A large proportion of the commodity strategies already contain this sustainability information.

Sustainability self-assessment for suppliers

To be able to better assess, compare and manage suppliers, NORMA Group uses Group-wide supplier scoring. In addition to the price, numerous other factors are also considered, such as quality, cost transparency and logistics services. One of the four pillars is “sustainability”, in which environmental and occupational safety certifications are included in the score.

In 2023, the voluntary sustainability self-assessment again formed part of the supplier scoring. NORMA Group asked its suppliers for information on social issues (freedom of association, grievance mechanisms and accidents), environmental issues (including carbon emissions, water consumption and waste management) and compliance issues. The evaluation of the self-assessment showed that it was completed by 31.5% of the suppliers included in the scoring. This was a decrease of two percentage points compared to last year (2022: 33.5%). One of the reasons for this decrease may be that suppliers who had already completed the Sustainability Self-Assessment were no longer relevant for scoring out of strategic reasons.

Sustainability criteria in risk management

Besides the annual supplier performance evaluation, supplier risks are constantly monitored by means of an automated risk management software. It is the responsibility of all buyers to review risk reports, this includes contacting affected suppliers and reporting relevant and critical risks to commodity managers. This helps the purchasing organization to maintain an overview of resilience in the supply chain and to initiate the necessary measures in good time.

Besides human rights and working condition risks, the software also monitors environmental risks as well as corruption and bribery risks at the national level. Supplier risks with regard to the occurrence of fines and sanctions, including those related to corruption, bribery or price fixing, are also covered by the software.

Excluding conflict minerals from the supply chain whenever possible

NORMA Group also purchases minor amounts of components that contain what are known as “3TG raw materials” – tin, tantalum, tungsten, and gold in small quantities. These raw materials are particularly controversial in that a large part of the ore deposits lie in conflict regions (particularly those of the Democratic Republic of Congo), where they are partially mined and processed under serious violations of international law. NORMA Group aims to exclude these conflict minerals from its supply chains as far as possible. NORMA Group does not buy these minerals directly. However, they are partially included in components from suppliers. For example, small amounts of gold are used in urea lines, and some components are finished with a coating consisting of tin.

The NORMA Group purchasing organization is committed to the principles of the Responsible Minerals Initiative, including the use of due diligence processes provided by the initiative. The due diligence processes are based on the Conflict Minerals Reporting Template (CMRT) of the Responsible Minerals Initiative, which all relevant suppliers must provide.

In addition, the aim is to ensure that as many suppliers as possible have signed the Supplier Code of Conduct. In it, they are asked to confirm that they agree to cooperate on due diligence measures related to conflict minerals.

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NORMA Group shares the information it receives with its customers as transparently as possible. Given the large number of products, suppliers, and subcontractors, it is usually not possible with a reasonable amount of effort to make any detailed traceability statements as to which melting operation or mine the raw materials come from for a specific product for a particular customer.

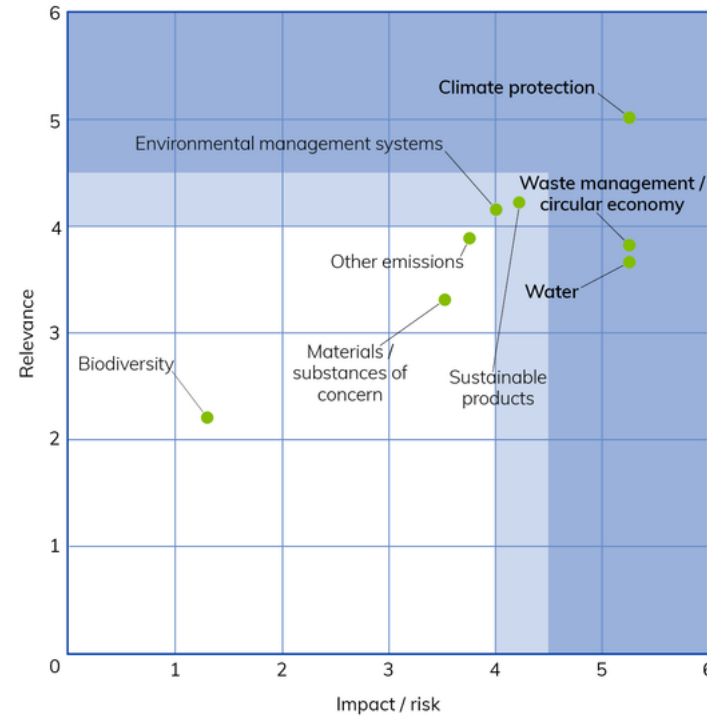
Furthermore, the initial sanctions list check for new suppliers is established in the purchasing processes. The sanctions list check is carried out in the Visual Compliance Tool DESCARTES, for which NORMA Group's Trade Compliance team is responsible. If risks related to conflict materials are detected, corrective actions are initiated immediately. In addition to the initial check, the current supplier base is also reviewed on a regular basis by conducting batch screening.

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Materiality matrix

G011



Sustainable Products and Innovations

Sustainability in the innovation process and product development

NORMA Group offers product solutions that help its clients to respond to megatrends such as scarcity of resources and climate change. The long-term economic success of NORMA Group also depends on whether NORMA Group keeps this promise. Should this not be the case, NORMA Group would face medium to long-term risks around sales development. [CLIMATE-RELATED RISKS](#)

The strategic orientation of NORMA Group’s innovation management therefore builds on these megatrends and focuses on emissions reduction and scarcity of water. Based on these long-term trends, [FORESIGHT MANAGEMENT](#) and business development identify potential market segments for NORMA Group, for example in water management or the areas of battery cooling and exhaust treatment. NORMA Group measures its ability to innovate based on

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the invention applications reported by employees in a formalized process. In 2023, the number of invention applications was 20 (2022: 21). The number of invention applications is an important key figure.

Simultaneously, NORMA Group gives all employees the opportunity to actively contribute their own ideas. In relation to this an Innovation Platform was implemented in 2022, in which all employees with a PC access can participate. The Foresight manager facilitates and moderates the platform.

Furthermore, NORMA Group has integrated sustainability aspects into the product development process itself. Products are evaluated according to whether their materials are recyclable, whether the design is as light as possible (thus avoiding unnecessary emissions in the production and use phase, especially in the automotive sector) and whether they take environmental requirements, such as those relating to hazardous substances, into account.

Further information on the topic of innovation management can be found in the chapter [RESEARCH AND DEVELOPMENT](#).

Further information on the topics of e-mobility and water management can be found in the respective subchapters. [WATER MANAGEMENT](#) [CLIMATE PROTECTION](#)

Environmental Strategy and Management Systems

NORMA Group's environmental strategy

To further structure and enforce its efforts in the area of environmental management, NORMA Group developed an environmental strategy in 2018.

The environmental strategy is based on the material topics identified in the materiality analysis conducted in accordance with the German Commercial Code, namely climate, water and waste generation [STAKEHOLDERS AND MATERIALITY](#). The strategy clusters each of these topics into three levels: At the core is the management within NORMA Group's own operations. The second level targets impact assessments along the value chain, followed by the outer level of pilot projects. This three-level approach allows the company to focus on those operations that lie in its direct sphere of influence while not neglecting impacts that arise in its supply chain or during the products' use phase.

NORMA Group is continuously working on the further development of its existing environmental strategy as part of a CR strategy. The targets set in the environmental strategy have been integrated into the CR Roadmap. [CR TARGETS](#) Detailed approaches to the three different topics will be explained in the following chapters.

Certification of manufacturing sites according to ISO 14001

The increasing importance of environmental management in production processes is reflected in the increasing scarcity of resources, stricter regulatory requirements and the expectations of customers, capital markets and society towards the company. If not managed systematically and implemented throughout the entire Group, these trends might translate into risks for the company.

As of December 31, 2023, 92.0% (23 of 25) of these manufacturing sites were certified according to ISO 14001. The locations that had not been certified on the reporting date are the subsidiary Connectors in Switzerland and

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the new Lithia Springs site in the USA, which opened in August 2023. The principles laid down in NORMA Group's global [ENVIRONMENTAL POLICY](#) form the basis for management in accordance with ISO 14001.

Responsibility for the environmental management systems and the associated topics regarding climate, water and waste at NORMA Group's manufacturing locations lies with the department for Environment, Health and Safety (EHS department), which is staffed with qualified personnel at all production sites. On the global level, EHS management reports to the Management Board member that is responsible for operations. [CORPORATE GOVERNANCE REPORT](#)

This structure allows for developing and implementing specific measures in accordance with local environmental challenges on the one hand and site-specific production processes on the other. To ensure compliance with ISO 14001 standards, sites are audited regularly every three years by external specialists. Progress on the achievement of targets in the areas of climate, water and waste is evaluated in regular management reviews on a local level and through the reporting of aggregated data to the Management Board on a global level.

Along the supply chain, similar environmental risks as for NORMA Group itself exist because most suppliers also come from the manufacturing industry. Assessment and verification of these potential sustainability and financial risks are the responsibilities of the purchasing department. [SUSTAINABILITY IN PURCHASING](#) [PURCHASING AND SUPPLIER MANAGEMENT](#)

Climate protection

Climate-related opportunities and risks

Climate change has a direct impact on various sectors of the economy, which could have direct and indirect consequences for NORMA Group over a long-term time horizon until 2030.

On one hand, both the reduction of greenhouse gases (GHGs) and the adaptation to global warming offer opportunities for NORMA Group. These include, for example, new or growing market segments in the fields of Mobility & New Energy and Water Management, which can have a positive impact on sales development. At the same time, energy savings offer the potential to reduce NORMA Group's operating costs. Last but not least, NORMA Group can benefit from the increasing relevance of this topic in the financial markets by positioning itself as a sustainable investment and thus reducing capital costs.

Conversely, risks can also result from these developments. For example, the increase in the production of alternative forms of drive leads to a decline in the market for conventional drives, a market in which NORMA Group is also active. Increased pricing of greenhouse gases may result in higher operating costs. On the capital market side, a changed reputation can lead to reluctance on the part of capital market players focused on sustainability and thus to higher capital costs.

NORMA Group counters these opportunities and risks with a clear strategy and active management in the areas of [WATER MANAGEMENT](#), [MOBILITY & NEW ENERGY](#) and [RESEARCH AND DEVELOPMENT](#). With regard to the risks related to its own production processes, NORMA Group operates a structured environmental management system at all production sites, with clear targets for reducing greenhouse gases.

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Progressive climate change does not only mean risks and opportunities for NORMA Group's business. NORMA Group's business activities also contribute to the emission of greenhouse gases. This applies in particular to emissions caused by the production of purchased materials and its own production processes.

Active Management of Mobility & New Energy

NORMA Group is making an active contribution to electromobility by developing new products such as quick connectors and thermal management systems. These solutions optimize the cooling and heating of batteries, as well as the complex power electronics, the drivetrain and other sub systems of electric vehicles. During product development, they are tailored to solve the main challenges faced by customers: weight savings, lack of space and the reduction of pressure drop in coolant systems. Minimized pressure loss ensures optimal performance of the thermal management systems.

In addition to providing solutions to these requirements, NORMA Group also guarantees the highest safety standards by applying its experience from the design of fuel transport systems to the demanding environment of batteries and cooling water.

NORMA Group manages its Mobility & New Energy efforts in a project-based organization including close collaboration between engineering and sales. Additional training serves to drive knowledge and know-how sharing between all internal stakeholders. By doing so, the company has the flexibility to react efficiently on emerging and very dynamic markets and to connect the new challenges to its current product portfolio and customer expertise. To ensure global alignment and steering, all projects are coordinated and supported by the Electromobility Global Product Management team.

Production-related emissions (Scope 1 and 2)

NORMA Group is currently concentrating on the collection and management of its greenhouse gas emissions from gas and LPG consumption (Scope 1), as well as from purchased electricity and district heating (Scope 2) at its production sites. Administration buildings and distribution centers are excluded from the Scopes. Greenhouse gas emissions from electricity consumption are calculated using a combination of location-based and market-based methods: NORMA Group uses emission factors from energy suppliers where these specific factors are available (market-based). This will be the case at 14 locations in the fiscal year 2023. If this is not the case, NORMA Group uses country emission factors provided by the International Energy Agency (location-based). Values on emissions calculated according the location-based methodology can be found under [CR PERFORMANCE INDICATORS](#). The Scope 3 categories will be quantified in the fiscal year 2024 as part of the "Corporate Carbon Footprint" project.

In 2023, Scope 1 emissions amounted to 4,837 tons of CO₂ equivalents (2022: 4,645 tons), while Scope 2 emissions were 227 tons, market-based, of CO₂ equivalents (2022: 234 tons, market-based). Overall, emissions from Scope 1 and 2 were thus 5,064 tons of CO₂ equivalents (market-based and only NORMA Group production sites), 3.8% above the previous year's figure (2022: 4,879 tons, market-based and only NORMA Group production sites). Since January 2022, NORMA Group has purchased electricity from renewable energies at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. For each megawatt hour consumed at each production site, a certificate is available which proves that the electricity was obtained from renewable energies. The certificates meet all the requirements of the [GHG PROTOCOL](#).

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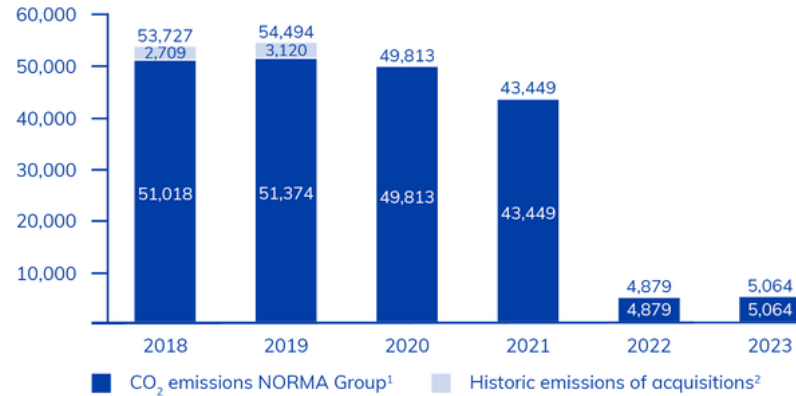
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The corresponding energy consumption of gas, electricity, LPG, solar panels, and district heating (combined) was 126,070 megawatt hours or 102.3 kilowatt hours per EUR thousand of revenue (2022: 101.8 kilowatt hours per EUR thousand of revenue). Specific energy consumption therefore rose by 0.6% compared to the previous year.

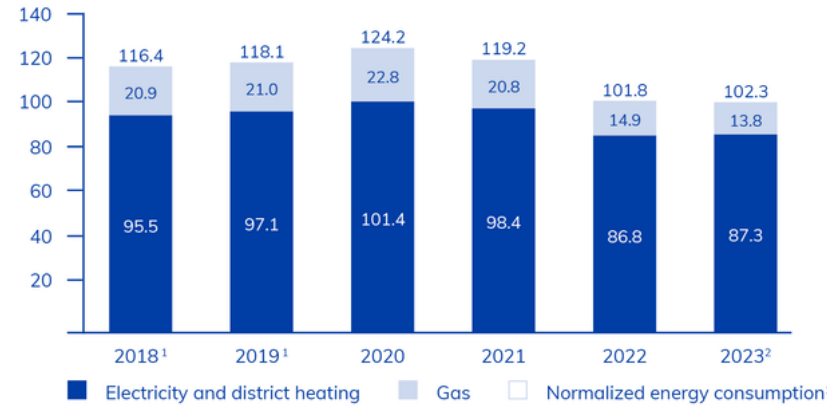
Development of greenhouse gas emissions (Scope 1 and 2) from gas, electricity and district heating, in tons of CO₂ equivalents G012



1. The CO₂ emissions for the target value are reported in accordance with the GHG Protocol (market-based, Scope 1 and Scope 2). Scope 1 only includes emissions from natural gas and liquid gas and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Since January 2022, NORMA Group has purchased electricity from renewable energy sources at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose. These are also included in the target value.
 2. Estimation of emissions from Kimplas Piping Systems and Statek Stanzertechnik, which were only integrated into environmental reporting in 2020. Values without adjustment: 2017: 52,145 t; 2018: 51,018 t; 2019: 51,374 t. For calculation see GHG Protocol, chapter 5.

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Development of specific energy consumption¹
in kilowatt hours per EUR thousand of revenues G013



¹In 2020, the acquired entities Kimplas Piping Systems Ltd. and Statek Stanzertechnik GmbH were integrated into NORMA Group's environmental reporting. In order to ensure comparability with previous years, historic energy consumption data was updated back to the time of acquisition in 2018. Detailed information may be found in the data chapter on page 102.
²Total energy consumption in 2023 also includes the energy consumption of solar energy and liquified gas in addition to the last few years.

Target to reduce greenhouse gas emissions

Climate-relevant carbon emissions are a significant non-financial performance indicator for NORMA Group. For Scope 1 and 2 emissions, NORMA Group has set itself an absolute reduction target. NORMA Group aims to reduce its Scope 1 and 2 emissions by at least around 19.5% compared to 2017 by 2024⁵. In setting its climate target, NORMA Group followed the recommendations of the [SCIENCE-BASED TARGETS INITIATIVE](#) (Science-based target setting tool 1.1, Absolute Contraction Approach). The target does not consider emissions resulting from growth by acquisitions and forms part of the NORMA Group Management Board's remuneration components. [REMUNERATION REPORT](#)

In order to achieve this goal, NORMA Group manages the energy consumption of all production sites and is integrating the energy reduction targets into its [ENVIRONMENTAL MANAGEMENT SYSTEMS](#). At NORMA Group, the individual plant management is responsible for the concrete measures taken to reduce energy consumption and thus greenhouse gas emissions. For example, solar panels were installed in China to reduce energy consumption and Group-wide ESG software has been introduced for general energy consumption management, which each site needs to use to report and check its energy data on a monthly basis. This means that local and regional energy consumption is monitored on a monthly basis.

⁵ The target includes Scope 1 emissions from natural gas and LPG and Scope 2 emissions from purchased electricity and district heating (market-based) of all production sites. Energy Attribute Certificates are also included in the target value.

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Water

NORMA Group's products provide water management solutions

According to the [THE WORLD RESOURCES INSTITUTE \(WRI\)](#), a quarter of the world's population lives in countries facing extremely high water shortages, where more than 80% of the available supply is withdrawn every year by irrigated agriculture, industries and municipalities alone. At the same time global water demand will increase by about 55% as water use increases, especially in manufacturing (+400%) but also in domestic use (+130%) [OECD](#). At the same time, heavy rainfall and storm water events are increasing worldwide, which can overwhelm local sewage systems, affecting water quality and causing enormous damage to homes and key infrastructure. NORMA Group recognized these developments at an early stage and has made establishing a global position in water management a strategic priority. Most predominantly, NORMA Group's water management product offering includes drip irrigation systems that reduce water consumption significantly compared to sprinkler irrigation and hand watering, as well as rainwater management solutions designed to protect properties from water damage and increasingly ensure that rain and stormwater runoff is used sustainably.

NORMA Group's water management business is managed in its global "Water Management" business unit. It currently comprises NORMA Group's US subsidiary NDS and growing organizations in the Asia-Pacific region. The regional businesses collaborate on global initiatives and are coordinated by the president for Water Management and his team. The strategy and organization for Water Management were further strengthened.

Substantial investments were made in operations and in the areas of digitalization and new product development to support the global growth targets. With the opening of the plant in Lithia Springs in the US state of Georgia in May, production capacities for Water Management were also expanded. The acquisition of Teco Srl announced in December 2023 marks the next step for the European water business. NORMA Group intends to build on this success and push ahead with the further expansion of its activities in the EMEA region.

Water consumption in production

With its worldwide presence, NORMA Group is also represented in regions with a medium to high risk of water scarcity (according to the [AQUEDUCT METHODOLOGY](#)). Against this backdrop, NORMA Group also has a special responsibility to handle this resource carefully in its own production.

For years, NORMA Group has been working to continuously reduce the use of water in its own production processes. In its environmental strategy, NORMA Group addresses both the water consumption at its manufacturing sites and along the value chain. For our own locations, NORMA has set the target of a reduction of water consumption of 139,7 liter per TEUR sales. [ENVIRONMENTAL MANAGEMENT SYSTEMS](#).

NORMA Group focuses on its manufacturing sites as a framework for data collection and targets because water consumption at its administrative and distribution sites plays only a minor role due to significantly lower consumption levels. The control of water consumption follows the structure and responsibilities of the [ENVIRONMENTAL MANAGEMENT SYSTEMS](#).

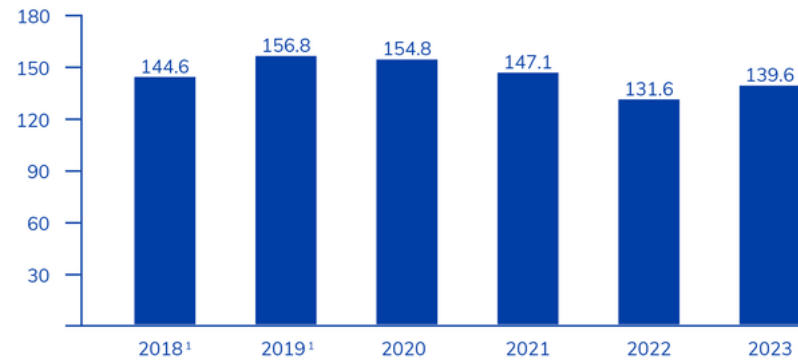
The water that NORMA Group consumes is used to a large extent for cooling processes within production. In 2023, the water consumption of NORMA Group's production totaled 171,943 cubic meters. This translates into an 5.0% increase in water consumption compared to the previous year (2022: 163,680 cubic meters). Specific water consumption also increased by 6.0% to 139.6 liters per EUR thousand of revenue (2022: 131.6 liters per EUR thousand of revenue). In the reporting year, specific measures were implemented to reduce water consumption,

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like the installation of water meters to monitor water consumption and modifications to certain production machines to reduce water consumption.

The implementation of ISO 14001 at NORMA Group also covers the handling of wastewater. The vast majority of wastewater at NORMA Group sites is discharged to municipal wastewater systems or local sewage treatment plants.

Water consumption (revised¹) in liter per EUR thousand of revenue G014



¹In 2020, the acquired entities Kimplas Piping Systems Ltd. and Stetek Stanzertechnik GmbH were integrated into NORMA Group's environmental reporting. In order to ensure comparability with previous years, historic water consumption data was updated back to the time of acquisition in 2018. Detailed information may be found in the data chapter on page 102.

Resource Efficiency and Materials

Economic and environmental drivers for resource efficiency

As a manufacturing company, NORMA Group depends on various raw materials and primary products as important precursors of its products. NORMA Group's total production materials turnover amounted to EUR 377.9 million in 2023 (2022: 417.8 million). The largest share was accounted for by steel and metal components, granules and plastic and rubber products. [PURCHASING AND SUPPLIER MANAGEMENT](#) Efficient handling of the raw materials required for production is therefore both needed from an environmental point of view and economically necessary to reduce production costs.

Considering NORMA Group's procurement portfolio, price increases for raw materials are considered likely (2022: likely) overall. However, the associated financial impact is estimated to be minor. [RISK AND OPPORTUNITY REPORT](#)

Reducing waste volumes

A key indicator of the efficient use of raw materials is the volume of waste. NORMA Group collects data on both hazardous and non-hazardous waste (metal, plastic, paper, wood, and other waste). As with other environmental data, NORMA Group reports waste data in relation to sales to improve internal and external comparability.

The reduction of waste generation is controlled in accordance with the environmental management systems (EMS). The EHS department is responsible for ensuring adequate waste management that is implemented at the

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plant level in accordance with ISO 14001 standards [ENVIRONMENTAL MANAGEMENT SYSTEMS](#) In its CR Roadmap, NORMA Group has set the goal of further reducing the amount of waste in relation to revenue in 2023. [CR TARGETS](#)

Volumes of various forms of waste T010
in kg per EUR thousand of revenue

	2023	2022	Change in % ¹
Non-hazardous waste	9.29	9.65	-3.7
Metallic waste	5.19	5.48	-5.3
Plastic waste	0.85	0.94	-9.6
Cardboard / paper waste	0.58	0.54	7.4
Wood waste	0.77	0.80	-3.8
Other waste ²	1.91	1.89	1.1
Hazardous waste³	0.68	0.61	11.5

¹The percentage change is based on unrounded absolute figures.
²Total weight of all other types of non-hazardous waste (including residual waste, excluding wastewater).
³Total weight of waste requiring special hazardous handling and treatment (due to local legislation).

In 2023, the absolute amount of non-hazardous waste decreased by 4.5% to 11,456 tons (2022: 11,990 tons). In relation to revenue, non-hazardous waste amounted to 9.29 kg per EUR thousand of revenue (2022: 9.65 kg per EUR thousand of revenue). This corresponds to a reduction of 3.7%. Measures to reduce waste relate primarily to reducing the amount of scrap produced by optimizing production machinery and processes.

Metallic waste continued to be the largest waste category. Although a significant proportion of NORMA Group products are made of plastics, the waste produced in this process, however is often reused in the production process itself.

In 2023, the volume of hazardous waste was 0.68 kg per EUR thousand of revenue (2022: 0.61 kg per EUR thousand of revenue). The handling of hazardous substances affects only a few production areas, and compliance with legal requirements is regularly monitored as part of the EMS.

Efficient production processes

NORMA Group optimizes the efficiency of its production through the implementation and continuous improvement of the NORMA Business System (NBS). Among other things, NORMA Group uses the NBS to monitor indicators to improve material efficiency. This includes the number of defective parts produced internally but not delivered to the customer (for more information on defective parts produced externally, see [PRODUCT QUALITY AND SAFETY](#)) and the scrap rate, which sets the value of the scrap in relation to the total production material consumed. To make management as effective as possible, data is collected at machine, department, and plant levels.

Recycling and compliance with legal requirements on materials

Depending on the type of waste, NORMA Group employs different recycling methods. Plastic waste is reintroduced into the manufacturing process as far as possible, depending on the type of plastic and reasonable costs. A certain portion of the resulting plastic waste is regranulated. NORMA Group already uses recycled and bio-based plastic materials in series production.

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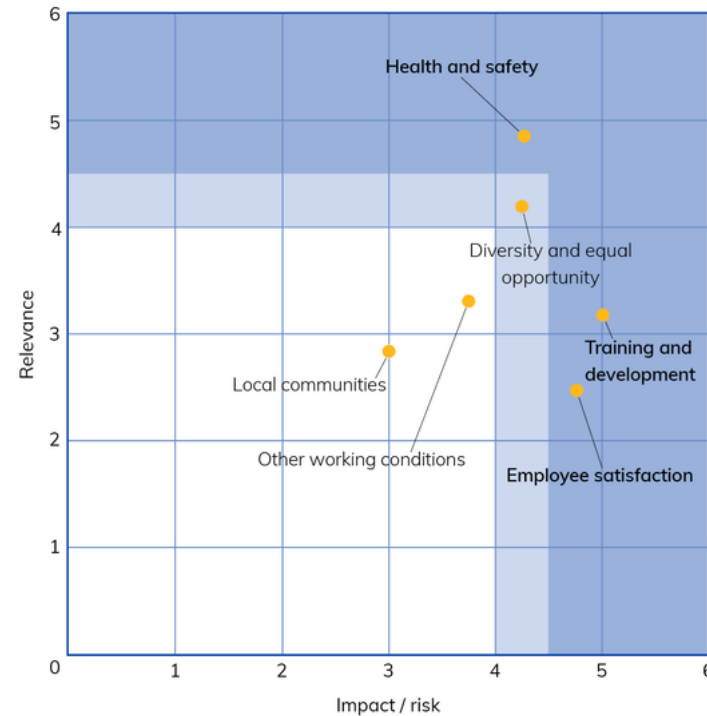
NORMA Group is currently not in the position to recycle its own products because these are usually used in end products such as engines and turbines and doing so would require a disproportionately high investment of time and resources on the part of NORMA Group. All contractually regulated specifications on material type and recyclability are fulfilled. Compliance with the statutory labeling requirement is also guaranteed. In this way, NORMA Group complies with statutory regulations such as end-of-life vehicle regulations and guidelines such as RoHS (Restriction of Hazardous Substances), REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and California Proposition 65 on the requirements on drinking water infrastructure. Additionally, it supports its customers' recycling concepts.

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Social

Materiality matrix

G015



Employee Satisfaction

Employee satisfaction as an important parameter

Occupational health and safety, training and development and fair pay promote the satisfaction of employees. NORMA Group is convinced that satisfied employees are also more willing to perform in their daily work. Measuring employee satisfaction is therefore an “organizational thermometer” for the company, enabling strengths to be identified and potential for improvement to be implemented promptly. Against this backdrop, NORMA Group conducted a Group-wide engagement survey in 2023 to assess employee engagement as an indicator of long-term commitment to the Company. By definition, employees have a long-term relationship with the Company if they would recommend NORMA Group as an employer (this corresponds to a score of 7 to 10 on a scale of 0 to 10 within the Engagement Survey). The employee survey in 2023 had a global participation rate of 81% among all employees with an engagement score of 64%. The derived action plan focuses in particular on increasing participation in the EMEA region and an overall improvement in the Employee Net Promotor Score

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measured against relevant benchmarks. In addition to determining the status quo, NORMA Group now plans to derive potential for improvement and implement the corresponding measures.

In addition to employee surveys, NORMA Group uses the voluntary employee turnover rate as an indicator of employee satisfaction. The voluntary attrition rate describes the number of employees who have voluntarily left NORMA Group in relation to the total number of employees⁶. In 2023, the aggregated voluntary attrition rate was 12.0% (2022: 14.2%). However, there are large regional and local differences, depending on the respective operational, cultural, and macroeconomic environment. As the aggregate voluntary attrition rate is virtually unchanged, the target to reduce it was not achieved.

Good performance is rewarded

NORMA Group aims to attract and retain qualified and committed employees. In order to promote employees' interest in the positive development of the company's value and allow them to participate in its economic success, the remuneration system of NORMA Group includes a fixed salary and a performance-related variable remuneration component. Taking the respective area and level of activity into account, this variable pay component is based on the achievement of predefined financial figures and/or personal targets, among other criteria.

Occupational health and safety

Global management approach to occupational safety

NORMA Group has been pursuing a Group-wide approach to occupational health and safety by making improvements for years. Regular risk assessments at the production sites show that machinery and vehicle traffic are the most important factors here. Against the background of the systematic Group-wide approach to safety and health management, NORMA Group considers these risks to be low overall. Due to the high risk of injury, an important initiative launched in 2022 and continuing in 2023 at a global level is the introduction of automatic vehicle restraints and forklift dock guards to avoid the risk of potential catastrophic accidents at NORMA's shipping and receiving docks. 73% of active NORMA Group loading docks are now protected with the engineering safety controls, including 98% of the sites in the Americas region and 44% in the Asia-Pacific region. In the EMEA region, 3% of active loading docks are secured with vehicle restraints, with further implementations planned in the upcoming months. However, the sites in the EMEA region that do not have vehicle restraints use either motorized or manual wheel chocks for safety control. These efforts will continue until all loading docks have been secured.

Laws and regulatory frameworks provide clearly defined standards for occupational health and safety at the company. Considering the subject's importance, it is addressed in the [OCCUPATIONAL HEALTH AND SAFETY POLICY](#), which is valid throughout the Group. In the policy, NORMA Group commits to providing a safe and risk-free working environment for all employees and any other stakeholders affected by its business activities. Through supplementary programs, the company aims to ensure that all workplaces offer the highest level of safety to avoid accidents and incidents. In particular, the site locations make technical arrangements and conduct training courses to prevent accidents at work. These high standards apply to temporary workers as well as to regular staff. As part of continuous efforts to improve the prevention of injuries/illnesses, a major NORMA Group initiative in 2023

⁶ Information on employees is generally provided in headcount for all active NORMA Group employees. This includes both full-time and part-time employees, but not trainees or interns. The figures are based on an annual average.

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involved an eight-month project to implement a standardized method (application) for the “Safety Triangle Data” with a focus on injuries/illnesses and near misses. In the lower part of this triangle, reference is made to an additional application “Value-Based Safety (VBS) Observations”, which reports potentially unsafe behaviors or unsafe conditions that lead to potential risks or safety hazards.

Certification of all manufacturing sites

Throughout NORMA Group, all manufacturing sites have local health and safety representatives, who – along with the respective plant management and safety committees – ensure the implementation of health and safety standards and serve as experts for questions on the topic. At the end of December 2023, 23 of the 25 production sites were externally audited and certified in accordance with ISO 45001.

ISO 45001 prescribes conducting regular assessments at site level to identify risks for the occupational health and safety of workers. On this basis, regular internal audits are carried out to identify potential for improvements and to define appropriate measures. Progress resulting from these measures is tracked regularly. NORMA Group leverages the development of the OHS to sustain safety performance. In addition, NORMA Group also includes health and safety certifications in its supplier scoring process. [SUSTAINABILITY IN PURCHASING](#)

Health and safety governance on the global, regional and local levels

The success of NORMA Group’s health and safety management is assessed by regular reporting by the global health and safety management team to the Management Board. Root cause analyses are derived from this at the site level, and countermeasures are defined. Progress on systemic measures is also reported to the Management Board.

In addition to regular EH&S regional staff meetings, the regions have the option to conduct a Health and Safety Circle meeting that requires its applicable locations to conduct self-assessments on the current status quo of their health and safety activities and strategic initiatives. Participants include the health and safety managers or representatives of each location in the respective region as well as the regional and global health and safety management team. Usually, the circles also invite participants from other regions to increase the sharing of best practices on a global level.

Accident rate as key performance indicator

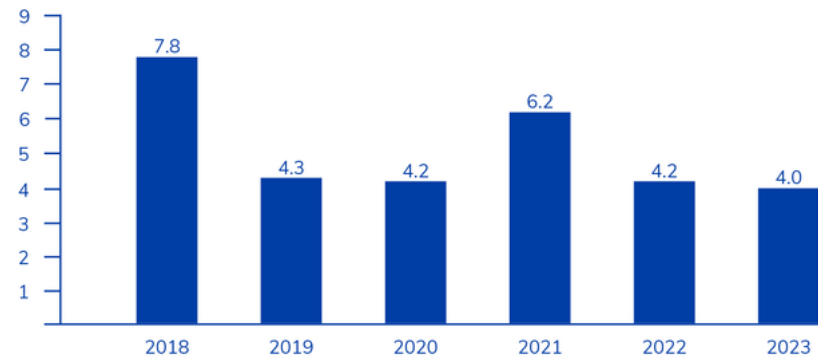
Introducing management systems for occupational safety is not an end in itself. To monitor their effectiveness, NORMA Group monitors the accident rate, which counts the number of accidents per 1,000 employees that result in a loss of work of more than three working days. In 2023, the accident rate per 1,000 employees was 4.0, which means a decrease of 4.8% compared to the previous year (2022: 4.2).

A new systemic improvement measure introduced in early 2022 and continued in 2023 to reduce the accident rate is the launch of the Safety Top Focus program, which includes risk monitoring and controls as well as leading and lagging OHS indicators with oversight for key manufacturing sites that fail to meet accident rate targets. Top management is responsible for oversight in this regard. The program’s focus in 2023 was on improvement measures for high-risk areas and upgrading the relevant facilities with appropriate safety controls in order to fully optimize occupational health and safety standards. In addition, the fundamentals of the OHS management system (e.g. safety audits focused on identifying potential safety risks) were further developed. Each site participating in this program prepares a monthly report, which is sent from the plant manager to top management.

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As in previous years, there were no fatalities. The goal is to further reduce the accident rate in the coming years. However, as 2024 is a transition year for the introduction of new health and safety indicators based on the CSRD requirements, the target of reportable accidents per 1,000 employees per year remains the same as the previous year at 4.35. [CR TARGETS](#)

Development of the accident rate G016
in reportable accidents per 1,000 employees



The calculation of the accident rate and number of medical treatments is based on the total workforce including temporary workers.

NORMA Group also monitors the number of medical treatments or accidents that result in a work loss of less than three days (medical treatment rate). In 2023, this figure stood at 23.1 treatments per 1,000 employees. The rate increased slightly compared to 2022 (21.3 treatments). The main reason for the 8.5% increase in the Medical Treatment Incident Rate for Group level in 2023 compared to the previous year is due to a 31% increase in the medical treatment cases in the Asia-Pacific region and 8.3% increase in the Americas region. The EMEA region remained unchanged compared to the previous year with a 1% decrease. The APAC region experienced a 78% increase in the number of medical treatment cases. The main reason for the increase in the region was the sharp rise in treatments at Kimplas Piping Systems Ltd., while the increase in the Americas region was attributable to the sites operated by Craig Assembly, R.G. Ray Corporation and NORMA Pennsylvania Inc.

In order to focus on preventive rather than reactive measures, NORMA Group also monitors the number of “near miss” events, which are occasions where an accident nearly happened but was just avoided. Incidents, medical treatments and near misses are reported to line managers, who report this information to local health and safety representatives.

Learning and Development

Success factor for business activities

NORMA Group considers itself a learning organization, and therefore pursues the goal of continuous development. This is important, among other things, because the company operates in a very dynamic environment with constantly changing requirements. Trends such as digitalization, networking, flexibility, and sustainability are particularly relevant.

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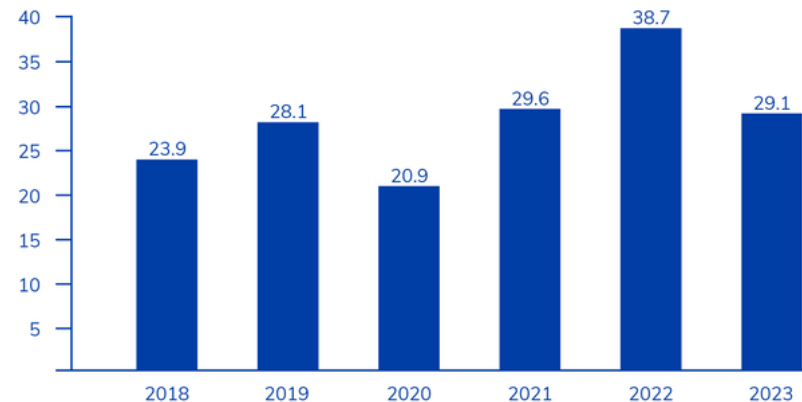
At the core of NORMA Group’s business model is the ability to adapt quickly and flexibly to changing customer requirements as well as economic and social conditions. The targeted training and development of employees, and the utilization of their potential are the decisive keys to innovative strength and corporate success. The aim is also to recruit as many skilled workers as possible from the company’s own junior staff and thus become more independent of the external labor market.

As a responsible employer, NORMA Group wants to offer its employees a supportive work environment that includes opportunities for further development. At the same time, today’s working world calls for skills that are in line with the changes resulting from global megatrends. Thus, training and development not only serves NORMA Group as a company, but also the long-term perspectives of its employees.

Ensuring the development of employees through training

In order to meet the requirements for the training and development of its employees, NORMA Group has firmly anchored the topic in its human resources strategy. The strategy is implemented at the regional level by Learning & Development managers and locally by the HR business partners. The focus of the activities is on designing and offering globally implementable development processes and programs that are aligned with NORMA Group’s corporate values and growth objectives. In order to specifically promote learning in the workplace and the individual development paths of employees, both direct supervisors and internal mentors as well as external coaches, are available. In addition, various local and regional methods for personnel development were coordinated in a global context. This ensures that all NORMA Group employees worldwide have access to the same talent development program.

Development of training hours G017
in hours per employee



NORMA Group has set itself the goal of ensuring that all full-time employees receive an average of at least 30 hours of training per year.⁷ Training includes both internal and external courses, as well as workshops and focuses not only on task-related (operational) training, but also on general training designed to prepare employees for

⁷ The target of 30 training hours per employee is based on full-time employment. The target training hours are reduced accordingly in the case of part-time employment (for example, employment relationships with 50% have a target of 15 training hours)

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individual, future challenges. In addition, International Short-Term Assignments (up to three months) are also included in the calculation of training hours. Employees received an average of 29.1 training hours in 2023 (2022: 38.7). **GRAPHIC G017: DEVELOPMENT OF TRAINING HOURS IN HOURS PER EMPLOYEE** In the fiscal year 2022, regular training courses were held for all employees at Group level, resulting in a higher average number of training hours in 2022.

By continuously expanding its range of online training courses, NORMA Group is also taking account of the growing trend towards mobile working. The current integration of the training offering into the Human Capital Management System (SAP Success Factors) enables NORMA Group to offer its employees an online platform on which standard training courses are offered and on which employees can also receive additional training according to their individual needs. NORMA Group ensures the achievement of the training target by means of regular internal reporting on participation rates and feedback.

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Competency model

G018



Targeted acquisition of competencies

Employee training is most effective when it aligns with the demands of the working environment. To ensure this, NORMA Group’s approach is principally demand-oriented, based on bottom-up departmental reporting.

In addition, the competency model, which was developed specifically for NORMA Group, defines the skills that are important to the company, based on workshops and with the participation of employees in all regions. The competency model is integrated systematically into the global and local HR structures ([GRAPHIC G018: COMPETENCY MODEL](#)). For example, managers have been trained in how to further develop their employees using the competency model, and methods have been introduced to ensure that the selection of new employees is carried out along the framework of the skills that are of importance to NORMA Group.

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Numerous training opportunities for career starters

In addition to part-time courses of study in industrial engineering, mechanical engineering, mechatronics and business administration, NORMA Group also offers internships for students in all departments and regions. In addition, NORMA Group offers apprenticeships for young people in various technical and commercial fields every year.

International exchange

In a globalized world, and at an international Company such as NORMA Group, cross-border exchange, network building and intercultural skills are crucial for success on both a personal level and corporate level [DIVERSITY AND EQUALITY OPPORTUNITIES](#). With its international assignment programs, NORMA Group therefore offers its employees the opportunity to expand their experience and skills abroad. The programs distinguish between “Bubble Assignments” (up to three months) and “long-term assignments” (more than three months). Skilled employees and managers who participate in these initiatives bring with them specialist knowledge and experience from other places while at the same time benefiting from the expertise of their local colleagues. Exchanges can take place within a country or internationally between countries and regions.

Diversity and equality of opportunity

Diversity pays off

Studies show that companies that value diversity are more successful than others with largely homogeneous teams. As an international Company with locations and representative offices in 25 countries, NORMA Group is already structurally characterized by a high degree of diversity. With the [DIVERSITY CHARTER](#), NORMA Group has committed itself to ensuring that all employees are valued – regardless of gender, nationality, ethnic origin, religion or belief, disability, age or sexual orientation and identity.

The basis for diversity management is NORMA Group’s mission statement on diversity. On the one hand, the mission statement defines the drivers for diversity at NORMA Group (market proximity, innovation, and employee satisfaction) and on the other hand sharpens the focus on respect and equal opportunities within the company.

The blog series [DIVERSITY@NORMA](#) makes an important contribution to reporting on the diversity of the employees who work for NORMA Group. Every year, the blog series Diversity@NORMA focuses on a specific group: In 2021, the topic was female employees at NORMA Group; in 2022, the focus was on diverse cultures of NORMA Group employees. In 2023, the blog series focused on the topics of age and generational exchange at NORMA Group.

NORMA Group has also taken further steps in its general communication activities to consider aspects of appreciation and equality. This report, where attention was paid to gender-neutral wording during preparation, is one example.

Gender equality

NORMA Group actively opposes discrimination and considers it a matter of course that women and men are paid the same amount for the same work and qualifications. The proportion of women is generally based on the proportion of women who are available through the job market and who have the necessary qualifications. Accordingly, it varies worldwide between locations. At the end of 2023, the proportion of women in the entire core

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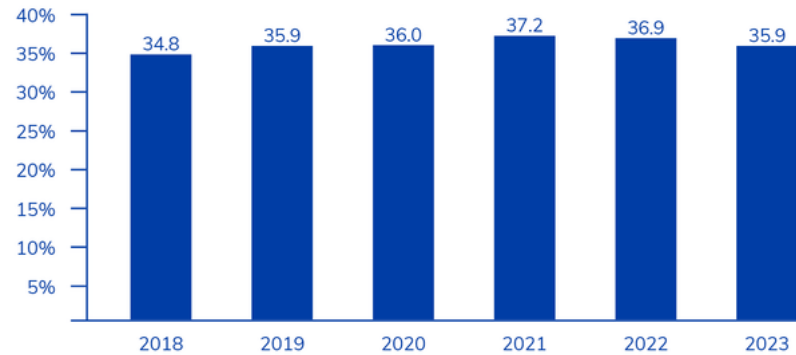
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workforce was 35.9% (2022: 36,9 %) GRAPHIC G019: DEVELOPMENT OF PROPORTION OF WOMEN AMONG PERMANENT STAFF. One woman is currently represented on the three-person Management Board of NORMA Group SE, and there were three women out of a total of six members on NORMA Group’s Supervisory Board in the fiscal year 2023

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Development of proportion of women among permanent staff in % G019



Social Commitment

NORMA Clean Water

Long-term partnership with Plan International

For NORMA Group, the responsible use of water is directly related to its core business. For this reason, NORMA Group is also involved in this area with its social project NORMA Clean Water. The project aims to show how the challenges in the field of water, sanitation and hygiene can be met: through cooperation between business and civil society. Today, the NORMA Clean Water project can look back on a partnership of several years with children’s aid organization Plan International Deutschland, which implements projects in the respective countries.

Engagement in India and Brazil

From 2014 to 2017, NORMA Clean Water focused on the water supply and hygiene situation at Indian schools in the greater Pune area. In a total of 27 schools, construction measures for the repair or renovation of toilet facilities were implemented, and almost 18,000 students and around 600 teachers were trained in the use of clean drinking water and hygiene. Since 2017, the NORMA Clean Water project has been continued in various regions in northeastern Brazil in two project phases each lasting three years. Here too, there is a lack of safe access to clean water. The project therefore aims to improve the living and health conditions of children and their families. In fiscal year 2022, NORMA Clean Water Project won the SDG Award in the category “Civil Organizations/NGOs” in Brazil. The SDG Award is a reward for best practice examples and implementations of the Sustainable Development Goals. The prize is awarded by the SDG Strategy Network - an established Brazilian coalition that brings together civil society, the private sector, local governments, academia and NGOs. All different actors work together and support each other in achieving the SDGs by 2030.

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The new water supply system in the municipality of Horta officially went into operation in 2023. Thanks to this well, over 1,300 people now have access to clean drinking water, including almost 500 children. Community gardens have also been established in the municipalities of Axixá and São Benedito dos Colocados. Residents from the communities received guidance from experts on gardening and planting various types of fruit and vegetables. Five workshops were held in the communities of Cajazeiras and Horta to discuss topics such as basic hygiene practices, healthy living habits, menstruation and child protection. In 32 other workshops, over 400 children in total learned about equal opportunities. Among other things, the workshops looked at existing gender clichés and stereotypical role models from a critical perspective and the girls and boys were encouraged to take an active stance against gender discrimination. Workshops were also held in schools to reach as many children and young people as possible. Almost 500 girls and boys received basic information about puberty and menstruation. One of the important aspects covered was proper menstrual hygiene.

A three-year extension to the “NORMA Clean Water” project was agreed from November 2023. Planning for the content of the project is currently underway.

Corporate volunteering at NORMA Help Day

Civil society is of crucial importance for the functioning of society as a whole—Against the backdrop of the current social and ecological challenges, NORMA Group is committed to getting involved and playing an active role. The basis for promoting the civic and ecological involvement of employees was created with the NORMA Help Day, which was held for the first time in 2014 in Maintal. The program has spread internationally to all NORMA Group sites since 2015, with employee participation being voluntary. In recent years, more than 700 employees have regularly taken part in Help Day. Numerous non-governmental organizations (NGOs) have benefited from the commitment of employees worldwide. Since the contributions or projects vary greatly from region to region, they are organized and implemented on a decentralized basis.

Numerous different projects were launched at various NORMA Group locations this year: For example, in Serbia and Mexico, colleagues renovated a local playground and a local elementary school respectively. In Sweden, employees supported an organization that runs summer camps for refugee children from Ukraine by organizing an afternoon for the children, and in Germany, a large insect hotel was built on the grounds of the children's and youth farm, saplings were nurtured and clean-up work was carried out in the local forest. Various forms of donation projects also took place, including in Australia, where donations were collected for an animal welfare organization.

NORMA Group has received a lot of positive feedback from participants and external project partners. Thus, the NORMA Help Day has been a success for NORMA Group and all participants and will be continued in the coming years.

Donations and sponsoring at the locations

NORMA Group has long supported local non-governmental organizations through donations and sponsorships with a focus on social, charitable and cultural projects in the regions. The approach here is also decentralized, as the efficiency of the support measures depends on the regional framework conditions.

Staggered approval processes apply to all donation and sponsorship activities, depending on the amount made available. The basis for this is the “Schedule for internal approval authority.” Donations to politicians, political parties and political organizations are expressly prohibited. Approval processes and reporting are also linked to

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NORMA Group's internationally applicable compliance management **COMPLIANCE** In the past year, expenses for sponsoring and donations totaled around to EUR 70 thousand.

Cooperation with universities

In the spirit of giving back to our communities, NORMA Group's US subsidiary NDS conducted its Annual NDS Cares Scholarship Contest in 2023. In 2023, four scholarships were awarded to students who will be attending college or are already at college. NDS Cares has awarded 20 scholarships since 2021. The candidates had to meet predefined applicant requirements (3.0 GPA, financial assistance need, career goals, involvement in extracurricular activities, actively enrolled in a college/ university and submission of an essay about why they think water management is important to modern day society.

The NORMA Group site in Michigan has also been awarding annual NORMA Cares Scholarships since 2021. The scholarship is aimed at students who are already studying. Here, too, previously defined requirements must be met (3.0 GPA, financial assistance need, career goals and involvement in extracurricular activities) and an essay must be submitted that describes their background, creative abilities and academic ambitions in greater detail. The location in Michigan awarded seven scholarships in 2023; since the program was introduced in 2021, a total of eleven scholarships have been awarded.

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Combined Non-Financial Report, EU Taxonomy, GRI and UN Global Compact

Combined Non-Financial Report

NORMA Group SE is publishing a Combined Separate Non-Financial Report for the fiscal year 2023 (January 1, 2023 – December 31, 2023) (hereinafter referred to as the Non-financial Report) in accordance with Section 315b and 315c HGB in conjunction with Sections 289b to 289e HGB (German Commercial Code (“Handelsgesetzbuch”) as well as Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. Unless indicated otherwise, the information provided here relates to the companies included in the scope of consolidation of the consolidated financial statements. The information provided here therefore applies in equal measure to NORMA Group SE and the consolidated Group (“NORMA Group”, “the Company”), unless otherwise stated. The contents of the non-financial report can be found in the CR Report and in parts of the management report and are marked with a line next to the respective text. The unmarked sections were not subject to an audit. An overview of the compulsory components according to HGB can be found in [TABLE T017: CONTENT OF NON-FINANCIAL DISCLOSURE](#). References to disclosures outside the Consolidated Management Report or the Consolidated Financial Statements constitute additional information and are as such not part of the non-financial report. The non-financial report has undergone an assurance engagement according to ISAE 3000 (Revised) with limited assurance. [ASSURANCE REPORT](#)

After the implementation of the net method in the determination of reportable risks according to CSR-Richtlinien-Umsetzungsgesetz (CSR-RUG), NORMA Group is not aware of any reportable net risks that are very likely to have a materially adverse effect on reportable aspects. For a description of NORMA Group's risk management system, please refer to the [RISK AND OPPORTUNITY REPORT](#). The gross risks identified in the materiality analysis are briefly described in the subchapters of the CR Report. It should be noted that the current risk management system focuses on the management of financial sustainability-related risks (outside-in perspective) and non-financial risks from the inside-out perspective are currently identified and assessed in a separate process.

Reportable relations to the amounts of the Consolidated Financial Statements have not been determined.

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EU Taxonomy

The EU Taxonomy Regulation is a key element of the European Commission’s action plan to redirect capital flows towards a more sustainable economy. As a classification system for environmentally sustainable economic activities, the EU Taxonomy represents an important step towards achieving carbon neutrality by 2050 in line with the EU’s objectives. In the reporting year 2023, the two new legal acts “Amended Climate Delegated Regulation (EU 2023/2485)” and “Environmental Delegated Regulation (EU 2023/2486)” were adopted, resulting in new economic activities. In the section below, we report on the following environmental objectives:

Climate-related environmental objectives:

- 1) Climate change mitigation
- 2) Climate change adaptation to climate change

Non-climate-related environmental objectives:

- 1) Sustainable use and protection of water and marine resources
- 2) Transition to a circular economy
- 3) Pollution prevention and control
- 4) Protection and restoration of biodiversity and ecosystems

NORMA Group's economic activities were examined and analyzed for their taxonomy eligibility and alignment with regard to the climate-related environmental objectives, as was already the case in the reporting year 2022. The four non-climate-related environmental objectives were required to be examined and analyzed in terms of their taxonomy eligibility for the first time in the reporting year. A transitional period also applies to the newly added economic activities in the climate-related environmental objectives, as a result of which only taxonomy eligibility needs be reported for the reporting year 2023. From the reporting year 2024, taxonomy alignment also needs be reported for the non-climate-related environmental objectives.

Taxonomy eligibility is met if a company’s economic activities are described in the Climate Delegated Act or the Environmental Delegated Act. An economic activity is also considered Taxonomy-aligned if it makes a substantial contribution to at least one of the climate-related and non-climate-related environmental objectives, complies with minimum social safeguards such as human rights and does not significantly harm the other climate-related and non-climate-related environmental objectives (“do no significant harm”). Economic activities that are not covered by the EU Taxonomy and are therefore not relevant according to the EU Taxonomy are identified in the delegated acts as not Taxonomy-eligible across the board.

From the reporting year 2024, the EU Taxonomy will be implemented as part of the new CSRD legislation and included in the Management Report.

Taxonomy-eligible economic activities of NORMA Group

In the reporting year 2023, a comprehensive relevance analysis was carried out to identify potentially Taxonomy-eligible economic activities of NORMA Group and to derive the financial KPIs in accordance with the requirements of the EU Taxonomy. The economic activities of NORMA Group that have been identified and are Taxonomy-eligible are presented in the following sections.

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Climate-related environmental objectives:

NORMA Group has identified the following economic activities as defined in Annex I of the Delegated Act of the EU Taxonomy (EU 2021/2139) as climate-related environmental objectives. The “Climate change mitigation” objective is relevant for NORMA Group, the requirements of the “Climate change adaptation” objective are not met.

Economic activity 3.18 Manufacture of automotive and mobility components

Economic activity 3.18 “Manufacture of automotive and mobility components” refers, among other things, to the “manufacture of automotive and mobility components. NORMA Group’s activities to manufacture electromobility products (connectors, dry brake valves and flex systems) meet this activity description. Certain products can only be installed and used in electric vehicles. NORMA Group’s products are designed to mitigate climate change through their use in electric vehicles and the associated zero-emission automotive and mobility systems and components. Overall, the manufacturing processes thus correspond to economic activity 3.18 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139) in the version adopted on November 21, 2023. The activity is considered to be a separate business activity.

Based on the newly conducted relevance analysis, economic activity 3.18 “Manufacture of automotive and mobility components”, which was newly included in the Climate Delegate Act, was classified as relevant in the reporting year 2023. This results in new opportunities for NORMA Group on the path to taxonomy alignment and the products of economic activity 3.6 could be assigned to economic activity 3.18 in the reporting year. Taxonomy-eligible turnover, CapEx and OpEx are reported in this regard.

Economic activity 4.1 Electricity generation using solar photovoltaic technology

Economic activity 4.1 “Electricity generation using solar photovoltaic technology” is defined by the EU as: “Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.” NORMA Group installs photovoltaic systems and solar panels for projects to generate energy. Overall, the activities of NORMA Group thus correspond to economic activity 4.1 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). This activity is classified as an ancillary activity.

Based on the newly conducted relevance analysis, the economic activities for “4.1 Electricity generation using solar photovoltaic technology” were classified as relevant for the first time in the reporting year 2023. The distinction to economic activity 7.6 was made on the basis of the building component required therein, which did not exist in the reporting year. The Taxonomy-eligible CapEx is reported in this regard.

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Economic activity 5.1 Construction, extension and operation of water collection, treatment and supply systems

Economic activity 5.1 is defined by the EU as: “Construction, extension and operation of water collection, treatment and supply systems.” In the Water Management product area, NORMA Group manufactures systems that are used to collect and distribute water, and in some cases also to treat it. The “Drip Irrigation” product category comprises solutions for efficient irrigation and the “Flow Management” product area includes a variety of valves and couplings for a wide range of irrigation and wastewater applications. In both areas, the aim is to find joining solutions for treating and draining wastewater. Overall, the manufacturing processes thus correspond to economic activity 5.1 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). The activity is considered to be a separate business activity.

With the publication of the “Draft Commission Notice” in the Official Journal of the EU on October 23, 2023, the water management products allocated to the reporting year 2021 were no longer reported as Taxonomy-eligible in the reporting year 2022 due to the clarification on question 66 of the Climate Delegated Act, which was consequently published in the Commission Notice (C/2023/267).

Further analyses were carried out with product experts in the reporting year 2023 and a new approach to the allocation of certain product groups was applied. This made it possible to meet the criteria of activity 5.1 with the products from the "Drip Irrigation and Flow Management" group in the reporting year 2023 and to exclude non-Taxonomy-eligible revenue from the analysis. Taxonomy-eligible turnover, CapEx and OpEx are reported in this regard.

Economic activity 6.4 Operation of personal mobility devices, cycle logistics

Economic activity 6.4 is defined by the EU as: “Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.” NORMA Group offers bicycle leasing to its employees at several locations. Overall, the activities of NORMA Group thus correspond to economic activity 6.4 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). This activity is classified as an ancillary activity. Expenses from short-term leases arise in connection with bicycle leasing for employees. The Taxonomy-eligible OpEx is reported in this regard.

Economic activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

Economic activity 6.5 is defined by the EU as: “The purchase, financing, hiring, leasing and operation of vehicles of categories M1, N1, both covered by Regulation (EC) No 715/2007 of the European Parliament and of the Council, or L (two- and three-wheeled vehicles and four-wheeled vehicles).” The leasing of company cars by employees can be assigned to this category. Overall, the activities of NORMA Group thus correspond to economic activity 6.5 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). This activity is classified as an ancillary activity. Additions to property, plant and equipment and expenses from short-term leases arise in connection with company car leasing for employees. Taxonomy-eligible CapEx and OpEx are reported in this regard.

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Economic activity 6.13 Infrastructure for personal mobility, cycling logistics

Economic activity 6.13 is defined by the EU as: “Construction, modernization, maintenance and operation of infrastructure for personal mobility, including the construction of roads, motorways bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist.” NORMA Group manufactures so-called “Landscape Barrier”, which are used in the construction of new roads, bridges, tunnels or other infrastructure and protect infrastructure for personal mobility. Overall, the activities of NORMA Group thus correspond to economic activity 6.13 described in Annex 1 of the Delegated Act of the EU Taxonomy (2021/2139). These activities are considered to be a separate business activity.

Based on the newly conducted relevance analysis, the economic activities “6.13 Infrastructure for personal mobility, cycling logistics” were classified as relevant for the first time in the reporting year 2023. Taxonomy-eligible turnover, CapEx and OpEx are reported in this regard.

Economic activity 7.2 Renovation of existing buildings

Economic activity 7.2 is defined by the EU as: “Construction and civil engineering works or preparation thereof.” NORMA Group fulfills the description of economic activity 7.2 “Renovation of existing buildings” with its renovation work on buildings and can assign itself to the economic activity of Annex 1 of the Delegated Act of the EU Taxonomy (EU 2021/2139) in the reporting year 2023. This activity is classified as an ancillary activity. The Taxonomy-eligible CapEx is reported in this regard.

With regard to renovation activities on existing buildings, activity 3.2 of the non-climate-related environmental target “Sustainable use and protection of water and marine resources” was also taken into consideration and examined. Investment expenditure can be allocated to both activity CCM 7.2 and activity CE 3.2. NORMA sees the more significant contribution in CCM 7.2. When allocating expenditure to the objectives, the amount under both objectives is shown, as required by the EU Commission.

Economic activity 7.3 Installation, maintenance and repair of energy efficiency equipment

Economic activity 7.3 is defined by the EU as: “Individual renovation measures consisting of the installation, maintenance or repair of energy efficiency equipment.” NORMA Group fulfills the description of economic activity 7.3 “Installation, maintenance and repair of energy efficiency equipment” with its maintenance and repair work on energy-efficient equipment and can assign itself to the economic activity of Annex 1 of the Delegated Act of the EU Taxonomy (EU 2021/2139). This activity is classified as an ancillary activity. The Taxonomy-eligible CapEx is reported in this regard.

Non-climate-related environmental objectives:

NORMA Group has identified the following economic activities as defined in Annex I of the Delegated Act of the EU Taxonomy (EU 2023/2486) as non-climate-related environmental objectives. The non-climate-related target “Sustainable use and protection of water and marine resources” is relevant for NORMA Group; the requirements of the other three environmental objectives are not met.

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Economic activity 2.3 “Sustainable urban drainage systems (SUDS)”

Economic activity 2.3 “Sustainable urban drainage systems (SUDS)” is defined by the EU as: “Construction, extension, operation and renewal of urban drainage systems facilities that mitigate pollution and flood hazards due to discharges of urban runoff and improve the urban water quality and quantity, by harnessing natural processes, such as infiltration and retention.” NORMA Group’s activities for the production of “Stormwater product solutions” fulfill this activity description in the sections “Construction, expansion and renovation of facilities.” This product category aims to increase the amount of water that can be used and to protect drinking water from contamination. Overall, the manufacturing processes thus correspond to economic activity 2.3 described in the Annex of the Environmental Delegated Act of the EU Taxonomy (EU 2023/2486). The activity is considered to be a separate business activity.

Based on the newly conducted relevance analysis, the “Stormwater” product group was assigned to the new economic activity “2.3 Sustainable urban drainage systems (SUDS)” within the non-climate-related environmental objectives in the reporting year 2023. Taxonomy-eligible turnover, CapEx and OpEx are reported in this regard.

Special features in relation to the climate-related environmental objectives

As reported in the reporting year 2022, activity 3.6 cannot meet the substantial contribution criteria as part of the Climate Protection target per se, as the electromobility sector is already classified as emission-free by definition of the EU Taxonomy. For this reason, the applicable e-mobility products from NORMA Group have been reclassified from economic activity 3.6 to economic activity 3.18, and activity 3.6 is no longer applicable.

Activity 6.3 was identified for the first time within NORMA Group in the reporting year 2023, but the impact was classified as immaterial during the data collection and validation process. For this reason, a materiality threshold of EUR 10,000 was defined within activity 6.3.

Based on the newly conducted relevance analysis, the economic activities “7.1 Construction of new buildings” and “7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings” were classified as not relevant within the “Climate change mitigation” target in the reporting year 2023.

Taxonomy-aligned economic activities of NORMA Group

NORMA Group initially reviewed the identified Taxonomy-eligible economic activities for the climate-related environmental objectives under the Climate Delegated Act for taxonomy alignment in the reporting year 2022 and extended this review to the non-climate-related environmental objectives in the reporting year 2023. This included meeting the technical evaluation criteria (substantial contribution and “do no significant harm” criteria), as well as the minimum safeguards. Prior to the start of the alignment review, the issues to be examined were prioritized, giving priority to the criteria that were perceived as significant at the time. The results were reviewed in the reporting year to ensure that they were up to date. The audit has shown that NORMA Group still does not meet the alignment requirements.

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Performance indicators according to EU Taxonomy⁸

The following section presents Group turnover, capital expenditures (CapEx) and operating expenses (OpEx) for the reporting period 2023, broken down into Taxonomy-aligned, Taxonomy-eligible as well as not Taxonomy-aligned and not Taxonomy-eligible components.

Turnover KPI (Key Performance Indicator) definition

The Taxonomy-aligned share of Group turnover is defined as the share of net turnover in the reporting year 2023 derived from products and services related to Taxonomy-aligned economic activities (numerator) divided by net turnover (denominator) (Total turnover correspond to turnover from [TABLE T061: CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME](#), 2023 [denominator]). The Taxonomy-eligible share of Group turnover is defined as the share of net turnover in the reporting year 2023 derived from products and services related to Taxonomy-eligible economic activities (numerator) divided by net turnover in 2023 (denominator).

For NORMA Group, this numerator results from turnover of certain products of the strategic business unit Mobility & New Energy, which can only be installed in electric vehicles (economic activity CCM 3.18), and from turnover of certain products of the strategic business unit Water Management (economic activity CCM 5.1, CCM 6.13, WTR 2.3). An analysis of the Water Management products was carried out in relation to the NORMA Group sites NDS (USA), Malaysia and Kimplas (India), as the relevant Water Management products are manufactured at these sites. As the system can only evaluate turnover by product category on a gross basis, i.e. without taking into account subsequent discounts etc., an imputed key was used to calculate the percentage difference between the gross and net turnover of the respective entities in order to calculate the Taxonomy-eligible net turnover.

The denominator corresponds to NORMA Group's total net turnover in the fiscal year 2023 from the income statement. When calculating turnover, it was ensured that no turnover were recorded twice by clearly allocating the products to the respective activity.

Proportion of turnover / Total turnover

T011

Objectives	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	— %	12.0 %
Climate Change Adaptation (CCA)	— %	0.0 %
Water (WTR)	— %	12.5 %
Circular Economy (CE)	— %	0.0 %
Pollution (PPC)	— %	0.0 %
Biodiversity (BIO)	— %	0.0 %

⁸ NORMA Group does not complete the specific reporting forms for gas and nuclear activities as they are not relevant.

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Information of the following tables in relation to Turnover, CapEx and OpEx

(a) The code consists of the abbreviation of the relevant target to which the economic activity can make a significant contribution and the number of the section of the activity in the relevant Annex that covers the target; for example, the activity “Reforestation” would have the following code: CCM 1.1. If activities can make a significant contribution to more than one target, the codes for all target should be indicated. For example, if the company reports that the activity “Construction of new buildings” makes a significant contribution to climate protection and the circular economy, the code would read as follows: CCM 7.1./CE 3.1.

(b) The abbreviations in the tables have the following meaning:

- Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with regard to the relevant environmental objective
- N – No, Taxonomy-eligible activity, but not Taxonomy-aligned with regard to the relevant environmental objective
- N/EL – not eligible, i.e. non-Taxonomy-eligible activity with regard to the relevant environmental target, non Taxonomy-aligned activity

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Turnover-Key-Performance-Indicator (KPI)										T012
Financial year 2023		Year		Substantial contribution criteria						
Economic Activities (1)	Code (a) (2)	Turnover in TEUR (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation(5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
Of which Enabling			— %	— %	— %	— %	— %	— %	— %	
Of which Transitional			— %	— %						
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)										
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	
3.18 Manufacture of automotive and mobility components	CCM 3.18	26,232	2.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
5.1 Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	116,565	9.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
6.13 Infrastructure for personal mobility, cycle logistics	CCM 6.13	3,986	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
2.3 Sustainable urban drainage systems (SUDS)	WTR 2.3	152,548	12.5%	N/EL	N/EL	EL	N/EL	N/EL	N/EL	
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		299,331	24.5%	12.0%	0.0%	12.5%	0.0%	0.0%	0.0%	
A. Turnover of Taxonomy eligible activities (A.1+A.2)		299,331	24.5%	12.0%	0.0%	12.5%	0.0%	0.0%	0.0%	
B. Taxonomy-non-eligible activities										
Turnover of Taxonomy non-eligible activities		923,450	75.5%							
Total		1,222,781	100.0%							

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(Continued) Turnover-Key-Performance-Indicator (KPI)

Economic Activities (1)	DNSH-criteria („Do no significant harm“) (h)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	— %		
Of which Enabling	N	N	N	N	N	N	N	— %	E	
Of which Transitional	N	N	N	N	N	N	N	— %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)										
3.18 Manufacture of automotive and mobility components								1.57%*		
5.1 Construction, extension and operation of water collection, treatment and supply systems								9.8%*		
6.13 Infrastructure for personal mobility, cycle logistics								— %		
2.3 Sustainable urban drainage systems (SUDS)								— %		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								11.37%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)								11.37%		

* The taxonomy-eligible share was taken from the information on economic activity CCM 3.6 from the previous year, as the products were reclassified from CCM 3.6 to CCM 3.18, thus ensuring direct comparability. In the reporting year 2023, a slight increase in taxonomy-eligible shares was achieved compared to the reporting year 2022. The key figures remain essentially stable. The taxonomy-eligible share of economic activity CCM 5.1 was calculated retrospectively for the reporting year 2022 using the imputed methods defined in the reporting year 2023.

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Capex KPI definition

The CapEx KPI is defined as the share of Taxonomy-aligned capital expenditure (CapEx) in the numerator, which is broken down into three categories (a-c) as defined by the EU, divided by total Group CapEx (see the corresponding additions to property, plant and equipment and intangible assets before depreciation, amortization and impairment losses and remeasurements excluding goodwill) under [TABLE 098 GOODWILL AND OTHER INTANGIBLE ASSETS](#) and [TABLE 099 DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT](#) for the reporting year 2023 as a denominator.

Based on the relevance analysis, new economic activities were identified across the Group, which is why it was necessary to expand the CapEx process. The total CapEx in category (c) was calculated on the basis of the CapEx requests approved for the reporting year by assigning the CapEx requests to an economic activity. As the system-side expansion of the newly identified economic activities was implemented in November, all CapEx requests were checked retroactively for the reporting year 2023 using a keyword search and assigned to the identified economic activities, namely CCM 3.18, CCM 4.1, CCM 6.5, CCM 7.2 and CCM 7.3.

In addition to the direct allocation of capitalized costs, the imputed turnover key “Technical machine equipment” was used to determine CapEx in relation to activity CCM 3.18 on a pro rata basis.

To calculate CapEx in relation to the Taxonomy-eligible Water Management products, an imputed turnover key was applied to the capitalized costs of the Water Management sites and allocated to CCM 5.1, CCM 6.13 and WTR 2.3. A report was created in the accounting system and corresponding formulas were stored to avoid accounting for investments twice.

Proportion of CapEx / Total CapEx

T013

Objectives	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	— %	22.1 %
Climate Change Adaptation (CCA)	— %	0.0 %
Water (WTR)	— %	18.2 %
Circular Economy (CE)	— %	0.4 %
Pollution (PPC)	— %	0.0 %
Biodiversity (BIO)	— %	0.0 %

Capex category a)

CapEx category a) is defined according to the EU as capital expenditures “related to assets or processes that are associated with Taxonomy-aligned economic activities;” As NORMA Group cannot report Taxonomy-aligned activities in the reporting year 2023, no Taxonomy-aligned CapEx is reported. However, we have reported on our Taxonomy-eligible activities CCM 3.18, CCM 5.1, CCM 6.13, WTR 2.3.

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Capex category b)

CapEx category b) is defined by the EU as capital expenditures as “part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned” No such investments were made in the reporting year 2023.

Capex category c)

CapEx category c) is defined according to the EU as capital expenditures related to the purchase of products and services from Taxonomy-aligned economic activities and individual measures that enable the target activities to become low-carbon or lead to greenhouse gas reductions. As NORMA Group has not yet been able to identify any Taxonomy-aligned activities among third parties in this reporting year, Taxonomy-aligned CapEx cannot be reported. However, we have reported on our Taxonomy-eligible activities CCM 4.1, CCM 5.1, CCM 6.5, CCM 7.2 and CCM 7.3.

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CapEx-Key-Performance-Indicator (KPI)

T014

Financial year 2023		Year		Substantial contribution criteria					
Economic Activities (1)	Code (a) (2)	CapEx in TEUR (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation(5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)
A. Taxonomy- eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			— %	— %	— %	— %	— %	— %	— %
Of which Enabling			— %	— %	— %	— %	— %	— %	— %
Of which Transitional			— %	— %					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)									
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)
3.18 Manufacture of automotive and mobility components	CCM 3.18	3,182	4.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
5.1 Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	10,980	14.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
6.13 Infrastructure for personal mobility, cycle logistics	CCM 6.13	369	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
2.3 Sustainable urban drainage systems (SUDS)	WTR 2.3	14,106	18.2%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
4.1 Electricity generation using solar photovoltaic technology	CCM 4.1	685	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,371	1.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.2 / 3.2 Renovation of existing buildings	CCM 7.2/ CE 3.2	271	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	196	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			31,159	40.3%	22.1%	0.0%	18.2%	0.4%	0.0%
A. CapEx of Taxonomy eligible activities (A.1+A.2)			31,159	40.3%	22.1%	0.0%	18.2%	0.4%	0.0%
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy non-eligible activities			46,151	59.7%					
Total			77,311	100%					

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(Continued) CapEx-Key-Performance-Indicator (KPI)

Economic Activities (1)	DNSH-criteria („Do no significant harm“) (h)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	— %		
Of which Enabling	N	N	N	N	N	N	N	— %	E	
Of which Transitional	N	N	N	N	N	N	N	— %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)										
3.18 Manufacture of automotive and mobility components								1.45%*		
5.1 Construction, extension and operation of water collection, treatment and supply systems								14.50%*		
6.13 Infrastructure for personal mobility, cycle logistics								— %		
2.3 Sustainable urban drainage systems (SUDS)								— %		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles								1.83%		
7.1 Construction of new buildings								3.19%		
7.2 / 3.2 Renovation of existing buildings								1.03%		
7.3 Installation, maintenance and repair of energy efficiency equipment								3.37%		
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings								0.22%		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								25.59%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)								25.59%		

* The taxonomy-eligible share was taken from the information on economic activity CCM 3.6 from the previous year, as the products were reclassified from CCM 3.6 to CCM 3.18, thus ensuring direct comparability. In the reporting year 2023, a slight increase in taxonomy-eligible shares was achieved compared to the reporting year 2022. The key figures remain largely stable. The taxonomy-eligible share for economic activity CCM 5.1 was calculated retrospectively for the reporting year 2022 using the imputed methods defined in the reporting year 2023. No CapEx could be verified for the activities CCM 7.1 and CCM 7.5 in the reporting year 2023, which is why only the previous year's figures are shown.

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Opex KPI definition

The OpEx KPI is defined as the share of Taxonomy-aligned operating expenses (OpEx), which is broken down into three categories (a-c) in accordance with the EU definition (see more detailed explanation in the following sections). Direct, non-capitalized expenses, in particular for research and development, building renovation measures, short-term leasing and maintenance and repairs, are to be included in the denominator and proportionately in the numerator. Based on the relevance analysis, account mapping was carried out and the OpEx for category (c) comprising the activities CCM 6.4 and CCM 6.5 was verified by manual queries.

In order to determine the OpEx in relation to the activity CCM 3.18, the operating expenses for the maintenance of production equipment were also taken into account on a pro rata basis using the imputed turnover key in addition to the allocation of the calculated average R&D costs.

To calculate OpEx in relation to the Taxonomy-eligible Water Management products, an imputed turnover key was applied to the capitalized costs of the Water Management sites and allocated to CCM 5.1, CCM 6.13 and WTR 2.3. A report was created in the accounting system and corresponding formulas were stored to avoid accounting for investments twice.

Proportion of OpEx / Total OpEx

T015

Objectives	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective („Alignment“)	Taxonomy-eligible per objective („Eligibility“)
Climate Change Mitigation (CCM)	— %	8.9%
Climate Change Adaptation (CCA)	— %	0.0%
Water (WTR)	— %	4.8%
Circular Economy (CE)	— %	0.0%
Pollution (PPC)	— %	0.0%
Biodiversity (BIO)	— %	0.0%

Opex category a)

OpEx category a) is defined by the EU as operational expenditures “related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resource adaptation requirements and direct non-capitalised costs that represent research and development”. Since NORMA Group cannot report any Taxonomy-aligned activities in 2023, no Taxonomy-aligned OpEx is reported. However, we have reported on our Taxonomy-eligible activities CCM 3.18, CCM 5.1, CCM 6.13 and WTR 2.3.

Opex category b)

OpEx category b) is defined by the EU as operational expenditures that are part of a OpEx plan to expand Taxonomy-aligned economic activities or enable Taxonomy-eligible economic activities to become Taxonomy-aligned. No such operating expenses were incurred in the reporting year 2023.

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Opex category c)

OpEx category c) is defined by the EU as operational expenditures “related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts”. As NORMA Group has not yet been able to identify any Taxonomy-aligned activities among third parties in this reporting year, Taxonomy-aligned OpEx cannot be reported. However, we have reported on our Taxonomy-eligible activities CCM 6.4 and CCM 6.5.

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OpEx-Key-Performance-Indicator (KPI)

T016

Financial year 2023		Year		Substantial contribution criteria					
Economic Activities (1)	Code (a) (2)	OpEx in TEUR (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation(5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)
A. Taxonomy- eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			— %	— %	— %	— %	— %	— %	— %
Of which Enabling			— %	— %	— %	— %	— %	— %	— %
Of which Transitional			— %	— %					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)									
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)
3.18 Manufacture of automotive and mobility components	CCM 3.18	3,109	4.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
5.1 Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	2,873	3.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
6.13 Infrastructure for personal mobility, cycle logistics	CCM 6.13	96	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
2.3 Sustainable urban drainage systems (SUDS)	WTR 2.3	3,666	4.8%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
6.4 Operation of personal mobility devices, cycle logistics	CCM 6.4	150	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	560	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10,453	13.6%	8.9%	0.0%	4.8%	0.0%	0.0%	0.0%
A. OpEx of Taxonomy eligible activities (A.1+A.2)		10,453	13.6%	8.9%	0.0%	4.8%	0.0%	0.0%	0.0%
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy non-eligible activities		66,148	86.4%						
Total		76,532	100.0%						

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(Continued) OpEx-Key-Performance-Indicator (KPI)

Economic Activities (1)	DNSH-criteria („Do no significant harm“) (h)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	— %		
Of which Enabling	N	N	N	N	N	N	N	— %	E	
Of which Transitional	N	N	N	N	N	N	N	— %		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)										
3.18 Manufacture of automotive and mobility components								1.57%*		
5.1 Construction, extension and operation of water collection, treatment and supply systems								3.10%*		
6.13 Infrastructure for personal mobility, cycle logistics								—%		
2.3 Sustainable urban drainage systems (SUDS)								—%		
6.4 Operation of personal mobility devices, cycle logistics								0.1%		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles								0.1%		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								4.9%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)								4.9%		

* The taxonomy-eligible share was taken from the information on economic activity CCM 3.6 from the previous year, as the products were reclassified from CCM 3.6 to CCM 3.18, thus ensuring direct comparability. In the reporting year 2023, a slight increase in taxonomy-eligible shares was achieved compared to the reporting year 2022. The key figures remain largely stable. The taxonomy-eligible share of economic activity CCM 5.1 was calculated retrospectively for the reporting year 2022 using the imputed methods defined in the reporting year 2023.

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Global Reporting Initiative (GRI) and UN Global Compact

The reported information within the Corporate Responsibility Report in conjunction with other information from the Annual Report has been prepared with reference to the GRI Standards 2021 with the exception of the materiality analysis conducted in accordance with GRI 2016. It also offers an orientation to GRI Standards within the non-financial report. The GRI Content Index can be found on NORMA Group's website: www.normagroup.com.

This report also serves as a Communication on Progress for the implementation of the ten principles of the UN Global Compact. References to the Global Compact principles have been integrated into the GRI Content Index.

Content of the combined non-financial report

T017

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CR Performance Indicators

Governance / Integrity		T018		
Indicator	Unit	2023	2022	Change in %
Compliance management system & compliance training				
Employees who were trained on compliance topics online	Headcount	1,264	2,080	-39.2
Completed hours in compliance online training	h	1,864	2,535	-26.5
Substantial fines for non-compliance with laws and regulations ¹	EUR thousand	0	0	0
Human rights: elimination of discrimination				
Discriminations determined by courts	Number	0	0	0
Human rights: freedom of association				
Violations of freedom of association determined by courts	Number	0	0	0
Share of permanent staff covered by collective bargaining agreements	%	48.6	49.1	n/a
Product quality and safety				
Manufacturing locations certified according to quality standards (ISO 9001, IATF 16949 or EN 9100)	Number	24	26	n/a
Defective parts	ppm (parts per million)	2.2	2.9	-24.1
Customer complaints ²	average per month per entity	3.9	3.7	5.4
Invention applications	Number	20	21	-4.8
Sustainability in purchasing				
Purchasing turnover	EUR million	537.1	538.9	-0.3
Total production materials turnover	EUR million	377.9	417.8	-9.6
Share of preferred suppliers who have signed the Supplier Code of Conduct (SCoC)	%	93.3	100	-6.7
Preferred production material suppliers	Number	20	15	33.3
Share of preferred suppliers in production material purchasing spend	%	22.9	18.3	25.1
Share of suppliers in supplier scoring that participated in sustainability self-assessment	%	31.5	33.5	-6.0

1_A fines exceeding EUR 50,000 is considered significant.

2_Total number of customer complaints accepted in a calendar month.

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Environment		T019		
KPI	Unit	2023	2022	Change in %
Eco-management systems				
Manufacturing locations certified according to ISO 14001	Number	23	25	n/a
Share of manufacturing locations certified according to ISO 14001	%	92.0	92.6	-0.6
CO₂ Footprint				
Absolute emission				
Scope 1 emissions (from gas consumption) ¹	tons CO ₂ equivalents	4,837	4,645	4.1
Scope 2 emissions (from purchased electricity/heat, market-based ¹)	tons CO ₂ equivalents	227	234	-3.0
Scope 1 and 2 emissions (from purchased electricity/heat, market-based ¹)	tons CO ₂ equivalents	5,064	4,879	3.8
Scope 1 and 2 emissions (from purchased electricity/heat, location-based ¹)	tons CO ₂ equivalents	52,783	54,209	-2.6
Energy				
Absolute energy consumption				
Solar energy	MWh	1,019	n/a ²	n/a ²
Gas	MWh	16,961	18,579	-8.7
Liquefied natural gas	MWh	2,561	n/a ²	n/a ²
Electricity	MWh	107,117	107,547	-0.4
District heating	MWh	450	405	11.1
Normalized energy consumption				
Solar energy	kWh / EUR thousand of revenue	0.8	n/a ²	n/a ²
Gas	kWh / EUR thousand of revenue	13.8	14.9	-7.8
Liquefied natural gas	kWh / EUR thousand of revenue	2.1	n/a ²	n/a ²
Electricity & district heating	kWh / EUR thousand of revenue	87.3	86.8	0.6
Water in production processes				
Water consumption	m ³	171,943	163,680	5.0
Water consumption (normalized)	Liter / EUR thousand of revenue	139.6	131.6	6.0
Resource efficiency				
Hazardous waste	tons	835	764	9.3
Non-hazardous waste	tons	11,455	11,990	-4.5
Metallic waste	tons	6,394	6,809	-6.1
Plastic waste	tons	1,047	1,164	-10.1
Cardboard/paper waste	tons	716	671	6.7
Wood waste	tons	944	995	-5.1
Other waste	tons	2,355	2,351	0.2

1_CO₂ emissions are reported in accordance with the GHG Protocol. Scope 1 only includes emissions from natural gas and liquid gas and Scope 2 emissions from purchased electricity and district heating. When recording emissions, only emissions relating to the production sites are taken into account. Market-based emissions are calculated using supplier-specific data and emission factors from the International Energy Agency (IEA), while location-based emissions are calculated exclusively using IEA emission factors. Since January 2022, NORMA Group has purchased electricity from renewable energy sources at all production sites. NORMA Group purchases "Energy Attribute Certificates" for this purpose.

2_The consumption of solar energy and liquefied natural gas has only been systematically recorded for NORMA Group since 2023.

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Social		T020		
KPI	Unit	2023	2022	Change in %
Occupational Health and safety				
Manufacturing locations certified according to ISO 45001	Number	23	24	n/a
Share of manufacturing locations certified according to ISO 45001	%	92.0	88.9	3.5
Accident rate	accidents/1,000 employees	4.0	4.2	-4.0
Medical treatment rate	treatments/1,000 employees	23.1	21.3	8.5
Number of lost time incidents	Number	34	37	-8.1
Number of medical treatments (non-notifiable accidents)	Number	195	185	5.4
Training and development				
Average training hours	Hours / employee	29.1	38.7	-24.8
Employee satisfaction				
Attrition rate (voluntary)	%	12.0	14.2	-15.5
Diversity and equality of opportunity				
Countries in which NORMA Group is currently represented	Number	25	25	0.0
Share of women in permanent staff	%	35.9	36.9	-2.8
Women in the six-person Supervisory Board	Number	3	2	50.0
Social commitment				
Donations	EUR thousand	20	5	292.3
Sponsoring	EUR thousand	50	100	-50.0

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Assurance Report

Independent assurance practitioner's report⁹

To the Supervisory Board of Norma Group SE, Maintal

We have performed a limited assurance engagement on the consolidated non-financial statement of Norma Group SE, Maintal (hereinafter the "company") and the non-financial statement of the parent company that is combined with it (hereinafter the "consolidated non-financial report") for the period from January 1 to December 31, 2023.

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the combined non-financial report, as well as sections which are not marked as assured (see annex to the assurance report).

Responsibilities of Management

The executive directors of the Company are responsible for the preparation of the Separate Non-financial Group Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "EU-Taxonomy" of the Separate Non-financial Group Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Separate Non-financial Group Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU-Taxonomy" of the Separate Non-financial Group Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Assurance of the Assurance Practitioner's firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and

⁹ Our assurance engagement applies to the German version of the Norma Group SE's combined non-financial report. This text is a translation of the authoritative German Independent assurance practitioner's report.

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Chartered Accountants (in Germany) and the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1).

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the combined non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the company's combined non-financial report, other than sections not marked as assured as well as the external sources of documentation or expert opinions mentioned in the combined non-financial report, are not prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management disclosed in section "Combined Non-Financial Report, EU Taxonomy, GRI and UN Global Compact" of the combined non-financial report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Interviews with employees responsible for the materiality analysis at Group level to gain an understanding of NORMA Group SE's approach to identifying material topics and corresponding reporting boundaries.
- A risk assessment, including a media analysis, of relevant information about NORMA Group SE's sustainability performance in the reporting period.
- An assessment of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, human rights and combating corruption and bribery, including the consolidation of data.
- Interviews with employees at Group level who are responsible for the determination of disclosures on concepts, due diligence processes, results and risks, the implementation of internal control procedures and the consolidation of disclosures.
- Inspection of selected internal and external documents.
- Analytical assessment of the data and trends of the quantitative disclosures reported for consolidation at Group level by all locations.
- Assessment of the local data collection, validation and reporting processes as well as the reliability of the reported data through site visits at the following NORMA Group sites: National Diversified Sales, Inc., NORMA Germany Maintal GmbH, NORMA Grupa Jugoistocna Evropa d.o.o., NORMA Pennsylvania Inc., NORMA EJT(Changzhou) Co., Ltd., NORMA Czech, s.r.o., NORMA Polska Sp. z o.o., NORMA China Co., Ltd.
- Interviews with responsible employees at Group level to gain an understanding of the procedure for identifying relevant economic activities in accordance with the EU taxonomy.

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- Assessment of the design and implementation of systems and processes for the determination, processing and monitoring of information on turnover, capital expenditures and operating expenditures for taxonomy-relevant economic activities.
- Assessment of the overall presentation of the information.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the combined non-financial report of Norma Group SE, Maintal for the period from January 1 to December 31, 2023 has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management as disclosed in section “Combined Non-Financial Report, EU Taxonomy, GRI and UN Global Compact” of the combined non-financial report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the combined non-financial report, as well as sections which are not marked as assured (see annex to the assurance report).

Restriction of Use

This assurance report is solely addressed to Norma Group SE, Maintal.

Our assignment for Norma Group SE, Maintal and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Mannheim, March 13, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

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Tiecks