

Sustainability Report 2021

Nedfast Holding B.V.

Welcome to our Sustainability Report 2021, which is part of our Annual Report 2021. In conjunction with our Integrated Annual Report, this report provides an informed update on our sustainability activities and performance during the 2021 calendar year.

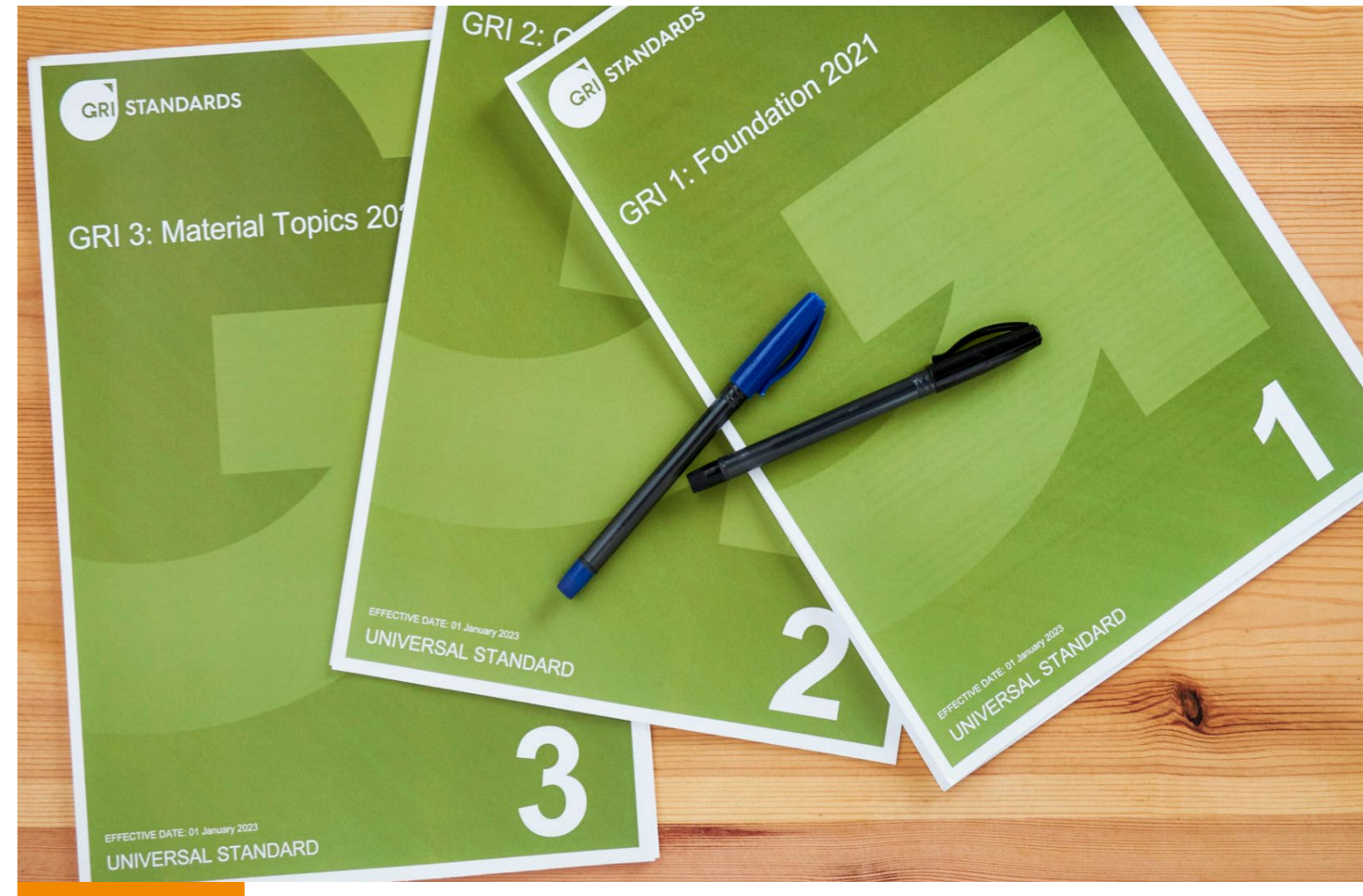
Introduction

In early 2021, the Board of Directors decided to start using the GRI Sustainability Reporting Standards (GRI Standards) to publicly disclose the most significant impacts on the economy, environment, and people, including impacts on human rights, as part of the annual report.

The report is based on the updated Universal Standards GRI 1, GRI 2, and GRI 3 from 2021. Because the Sector Standard Automotive had not yet been published, the disclosures from the Topic Standards were used to report information based on the list of material topics.

Koninklijke Nedschroef Holding B.V. has reported the information cited in the GRI content index for the period 1 January to 31 December 2021. We have used our own criteria's and reported with reference to the GRI Standards. As such the indicators are not yet fully in line with GRI Standards. Refer to the GRI content index at the end of the report for details. For the specific reporting criteria related to the indicators refer to the glossary.

GRI Standards has been notified about the use of the GRI Standards and the statement of use.



GRI 2: General disclosures 2021

DISCLOSURE 2-1 ORGANIZATIONAL DETAILS

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

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

The Nedschroef Headquarters is located at Kanaaldijk NW 75, 5707 LC Helmond, Netherlands, and Nedschroef is represented in 20 locations in 10 countries over 3 continents.

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



DISCLOSURE 2-2 ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING

All the entities in the financial reporting are included in the sustainability reporting – a detailed list of entities is available in the financial reporting. The only exception is Nedschroef Fasteners USA, which is not included in material topics related to Energy, Water, Emissions and Occupational Health and Safety due to its limited size (0.4% of total employees) and impact (no manufacturing) compared with the whole group.

DISCLOSURE 2-3 REPORTING PERIOD, FREQUENCY AND CONTACT POINT

The reporting period is from 1 January to 31 December 2021, which is the same as for the financial reporting. From now onwards, this sustainability report will be published annually at the same time as the financial reporting.

For any questions about the report or reported information, please send an email to sustainability@nedschroef.com.

DISCLOSURE 2-4 RESTATEMENTS OF INFORMATION

No restatements of information, as this is our first official sustainability reporting with reference to GRI Standards. For relevant materiality topics, data from 2020 are included and compared with 2021.

DISCLOSURE 2-5 EXTERNAL ASSURANCE

For this first report, the CSR Steering Committee (Board of Directors and Global CI Director) decided to seek external limited assurance by PricewaterhouseCoopers Accountants N.V. (PwC) for a small but rational number of sustainability KPIs from the Sustainability Strategy 2025. The scope includes the following indicators:



- CO₂-eq intensity (Scope 1+2) in tCO₂-eq/M€
- Electricity from renewable sources in %
- Work-related injuries in #/1,000 FTE
- Near-miss injuries in #/1,000 FTE
- Training and education in h/1,000 FTE
- Gender diversity of females in %

The scope of external assurance will increase in the coming years and include full sustainability information in compliance with the coming CSRD in 2023. The indicators that fall within the scope of limited assurance are marked with the “√” symbol. See section ‘Other information’ for the assurance report of PwC, which includes details on scoping and outcomes. PwC also performed an audit on the financial statement for the reporting year, please refer to the Audit report of PwC.

DISCLOSURE 2-6 ACTIVITIES, VALUE CHAIN, AND OTHER BUSINESS RELATIONSHIPS

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

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

For more information, please visit our website nedschroef.com.



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

The materials can be categorized into:

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

The services can be categorized into:

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

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

DISCLOSURE 2-7 EMPLOYEES

Nedschroef employed 2,251 FTE in 20 locations, 11 of which had manufacturing, and 9 were offices and/or warehouses at year end 2021. In 2020 Nedschroef employed 2,148 FTE.

Employees by employment contract and gender.

	Female	Male	Total
Permanent	463	1,551	2,014
Temporary	55	182	237
Total	518	1,733	2,251

Employees by employment contract and region.

	Europe	Asia	North America	Total
Permanent	1,878	128	8	2,014
Temporary	213	24	0	237
Total	2,091	152	8	2,251



The data was reported by all entities within the group and consolidated by Global HR, and there was no significant variance over the year.

DISCLOSURE 2-28 MEMBERSHIP ASSOCIATIONS

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

- Deutscher Schraubenverband e.V.
- The Deutsche Schraubenverband e.V. (DSV) represents the interests of the German manufacturers of screws, nuts and rivets, who as proper members belong to the association. Associated member companies are additionally manufacturers of washers, service providers, machine manufacturers and several university institutes.
- German Association of the Automotive Industry
- The German Association of the Automotive Industry or VDA (Verband der Automobilindustrie e. V.) is a German interest group of the German automobile industry, both automobile manufacturers and automobile component suppliers.
- European Industrial Fasteners Institute
- The European Industrial Fasteners Institute is the recognized European industry association representing producers of bolts, screws, washers, nuts, rivets, and other mechanical industrial fasteners.
- German Cold Forging Group e.V.
- The German Cold Forging Group e.V. (GCFG) is an amalgamation of leading companies and scientific institutes for cold forging to promote the technology of cold forging and to further develop it through joint research.



DEUTSCHER SCHRAUBENVERBAND E.V.
HERSTELLER MECHANISCHER VERBINDUNGSELEMENTE



VDA | Verband der
Automobilindustrie

**DISCLOSURE 2-29 APPROACH TO STAKEHOLDER ENGAGEMENT**

Nedschroef recognizes the importance of effective stakeholder engagement and, besides the daily business, also of identifying and considering actual and potential, negative or positive impacts, whose impact could be economically, environmentally, and socially relevant in both directions.

The key stakeholder categories and the most common approach to engagement can be seen in the table below.

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

The stakeholders, stakeholder categories and approach to engagement is not static and will be adapted to the current situation, as seen during the Covid pandemic, during which all personal interactions were significantly reduced.

DISCLOSURE 2-30 COLLECTIVE BARGAINING AGREEMENTS

68% of all the employees are covered by collective bargaining agreements. However, in the individual entities, the proportion can vary between 0-100%.

For employees who are not covered by a collective bargaining agreement, local agreements for working conditions and terms of employment are in place for individual employees and/or groups of employees. The agreements are generally based on elements from other local or national collective bargaining agreements from related industry sectors.

During the reporting year, it was necessary to take various measures, for example reduced working hours and vacation leave, to adjust the working hours according to the volatile customer demands, which were impacted by the Covid pandemic and chip shortage.

GRI 3: Material Topics 2021

DISCLOSURE 3-1 PROCESS TO DETERMINE MATERIAL TOPICS

During the process to determine material topics, the GRI Sector Standard for Automotive had not yet been developed, so each individual Topic Standard was reviewed to determine whether it was a material topic.

For each Topic Standard, the main stakeholder group(s) were identified and the “Significance of economic, environmental, and social impacts” and “Influence on stakeholder assessments and decisions” were rated on a scale from “None/Low”, “Moderate” to “High”, to prioritize the most significant impacts for reporting.

Threshold for reporting was set to “High” significance and “High” influence.

The process to determine material topics was performed internally in the organization, with participation from relevant Managers and Directors who have close cooperation with the stakeholders but with no active/direct engagement of external stakeholders. This is something to consider for the coming years.



DISCLOSURE 3-2 LIST OF MATERIAL TOPICS

From the process to determine material topics, the following material topics were identified to represent the most significant impacts on the economy, environment, and people.

The list has been reviewed and approved by the Board of Directors.

201	Economic Performance 2016	301	Materials 2016	401	Employment 2016
205	Anti-corruption 2016	302	Energy 2016	402	Labor/Management Relations 2016
206	Anti-competitive Behavior 2016	303	Water and Effluents 2018	403	Occupational Health and Safety 2018
207	Tax 2019	305	Emissions 2016	404	Training and Education 2016
		308	Supplier Environmental Assessment 2016	405	Diversity and Equal Opportunity 2016
				407	Freedom to Association and Collective Bargaining 2016
				418	Customer Privacy 2016

As this is our first report with reference to GRI Standards, there are no changes to a previous list of material topics.

GRI 201: Economic Performance 2016

The key components of Nedschroef's direct economic value generated and distributed for 2021 (as extracted from its audited 2021 consolidated financial statements) are as follows:



		x € million
(1) Direct economic value generated	Revenues	595.2
	Revenue from financial investments	-
	Revenue from sales of assets	4.0
	Sub total	599.2
(2) Economic value distributed	Operating costs (excluding employee costs)	422.8
	Employee costs	150.6
	Net finance costs	5.9
	Current tax charge	0.2
	Community investments	
	Subtotal	579.5
(3) Economic value retained (1-2)		19.7

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

The Nedschroef companies in the Netherlands are covered by the industry pension funds for the mechanical and electrical engineering industries (Metalektro – PME) and the metal and engineering industries (Metaal en Techniek). The pension plans operated by these industry pension funds are classified as defined benefit plans according to

the accountants' body. However, in the event of a deficit in the industry pension funds, Nedschroef is not obliged to make any additional contributions other than higher premiums in the future. In that case, (former) employees also lose the right to indexation of their pension entitlements. The industry pension funds feel that they cannot and are not obliged to provide any information concerning the net pension commitments of their participants according to the method prescribed by IAS 19. Consequently, the plans are recognized in the financial statements as defined contribution plans. With effect from 1 January 2008, Nedschroef is only a member of PME for the basic pension scheme. For the supplementary scheme (in excess of the salary ceiling of approx. € 80k), the company has joined a defined contribution scheme. The other defined benefit pension plans mainly involve the pension obligations to employees in the Netherlands, Germany and Belgium.

The liability recognized in the balance sheet in respect of the defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. As at 31 December 2021, the carrying amount of Nedschroef's defined benefit obligations was €17.8 million. At the end of 2021, the Dutch Metalektro and Metaal en Techniek industrial pension funds had coverage ratios (based on market interest rates) of 100.8% and 103.8% respectively. These concern the defined contribution arrangements.

Government grants and subsidies received by Nedschroef in 2021 amounted to €[0.4] million.

GRI 205: Anti-corruption 2016

Nedschroef takes a proactive approach to tackle corruption. We are developing risk assessment procedures for corruption, based on the relevant risks. These policies and procedures are currently being defined individually for each business unit (our different business units work with agents, distributors and OEMs/Tiers/supercar producers respectively, and they provide products and/or services; the risk mitigating factors are tailor made for each sector to reflect the level of actual risk we are facing). In the risk assessment, we focus further on adequate procedures, whilst considering the region and the related Transparency International figures as published annually in the Corruption Perception Index, as well as other factors (including due diligence, KYC, Government interaction, PEPs, export requirements, value of the contract and number of commissions). All new contracts use clear compliance language (at least simple obligations to comply with laws and regulations and extended/explicit ABAC language, where the circumstances necessitate this) and a well-defined scope of work, whilst the current intermediaries, where justified, are presented with compliance certifications and our code of conduct for sign-off.



Nedschroef does not use charitable donations and sponsorships (financial or in-kind) that are made to other organizations without prior written approval from the Board and the Law Department.

Communication and training on anti-corruption is tailored to employees, and towards business partners, if these are identified as having a high risk of incidents of corruption (mainly intermediaries such as consultants, agents, distributors, customs agents and professional people, but also JV partners).

Employee training on anti-corruption provided through mandatory online training, that is regularly updated throughout the year, and through in-person training by our general council, was useful. Business partners and other intermediaries receive instructions from the Nedschroef relationship manager first and can always request in-person training by the general council. Upon joining, new employees also receive a compliance and code of conduct enforcing in-person training from the general council.

The total number and percentage of operations assessed for risks related to corruption cover all our business units initially and will subsequently include all entities. Currently, no significant risks related to corruption have been identified through the risk assessment. We perform a risk assessment focused on corruption to create a baseline and will include corruption as a risk factor in overall risk assessments going forward. The initial risk assessment is intended to help assess the potential for incidents of corruption within and related to the organization and should help Nedschroef to further develop policies and procedures to combat corruption (this aspect is already part of our code of conduct).

All white-collar employees have received communications about Nedschroef's online anti-corruption training. We are currently communicating our anticorruption requirements to customers, starting with the most risk-bearing scope of work (commissions) in the high-risk regions.

Nedschroef currently has zero confirmed incidents of corruption. As part of the policy, employees will be dismissed or disciplined for corruption, based on a strong tone from the top that fully supports compliance in all areas, explicitly including ABAC compliance.

GRI 206: Anti-competitive Behavior 2016

Competition law (or: Anti-Trust) violations could have a potentially strong negative impact on the economy. This is because (a) not approved monopolies (or positions of dominance) or (b) illegal measures such as price fixing, bid rigging, market sharing, and limitation of output can create artificially high prices that would ultimately need to be paid by the consumer. Basic needs (like transportation, if OEMs needed to use overpriced fasteners) could then no longer be met.

Nedschroef therefore uses clear policies and commitments with respect to competition law compliance, for example in its code of conduct (and its supplier code of conduct) and its training.

With respect to memberships of associations, Nedschroef requests and ensures that a clear set of ethics rules applies.

To document competitor contacts, a process is being developed. Nedschroef is also currently defining updated hotline requirements to meet revised laws and regulations also in the future, including dawn raid protocols.

Nedschroef is not facing any legal actions concerning anti-competitive behavior and violations of anti-trust and monopoly legislation.

GRI 207: Tax 2019

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

KNH is the main center of the Nedschroef group of companies and as such provides services for the group companies, including tax management services. The group tax

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

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

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

The Nedschroef group is part of the Prime Shanghai group, which in turn is owned by Shanghai Electric (Group) Corporation (“SEGC”). SEGC, a state-owned Chinese enterprise, holds the majority of the shares in the Prime Shanghai group. Based on an agreement with the Tax Authorities of the Republic of China (“RPC”), the Master File is prepared at Prime Shanghai group level, including the Nedschroef companies. Nedschroef-related country-by-country reporting is done by SEGC. There are no inter-company transactions between Nedschroef and SEGC companies outside of the Prime Shanghai group. The Prime Shanghai Master file gives a high-level overview of the Nedschroef group. In addition, detailed local files are drafted.





GRI 301: Materials 2016

Nederschroef mainly sources materials for manufacturing products from external suppliers in Europe and Asia.

The highest usage of materials involves components, semi-finished components and raw material made of steel to manufacture products for the Automotive industry. The percentage of recycled materials in the purchased steel is approx. 50% and the manufacturing scrap is sold to a third party for recycling.

The highest usage of associated process materials involves oil for process and machine lubrication, and for quenching in the heat treatment process to manufacture products for the Automotive industry. The oils are mainly mineral oil, which after usage is sold to third party for recycling.

The values in the table below are sourced from direct measurements in the entities.

Type	Unit	2020	2021
Steel	t	114,084	135,591
Oils	t	1,016	1,290

The higher usage of materials in 2021 is mainly due to the recovery after the Covid pandemic in 2020.

GRI 302: Energy 2016

Energy management has a high priority at Nedschroef, and therefore integrated in our Corporate Management System. 17 have a local ISO50001 certification and the remaining aim to obtain ISO50001 certification within the coming year. Energy consumption is integrated in cost saving programs, investment procedures and, reported and monitored per location on monthly basis.

The energy consumption within the organization is calculated by the entities from invoices, meters and/or web portals. Where possible, local conversion factors to kWh are used for the calculations, otherwise generic conversion factors are used.



The main energy consumption can be divided into the following 2 main categories:

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

Type	Unit	2020	2021
Electricity	MWh	58,252	63,851
Natural gas	MWh	89,830	101,269

The energy consumption in both categories is due to higher activity compared with 2020, which was impacted by the Covid pandemic lockdowns and restrictions.

The total energy consumption can also be divided into the following 2 categories:

- Non-renewable sources, mainly electricity, natural gas, and other fuel for transport and generators.
- Renewable sources, mainly electricity.

Type	Unit	2020	2021
Energy from non-renewable sources	MWh	130,301	119,983
Energy from renewable sources	MWh	17,781	48,033
Energy total	MWh	148,082	168,017
Energy from renewable sources	%	12.0	28.6
Electricity from renewable sources	%	30.5	75.2

The energy from renewable sources, which currently only consist of electricity, increased significantly in 2021, due to the fact that several entities increasing the share of purchased electricity from renewable sources, mainly from wind and solar. For 2021 the fuel for transportation was included in the calculation.

The energy intensity ratios are calculated based on the total energy consumption from renewable and non-renewable sources within the organization, in relation to total sales and total usage of materials made of steel, e.g., components, semi-finished components and raw material to manufacture products.

Both energy intensity ratios can be influenced by several factors, such as price development, product mix, outsourcing, etc.

Type	Unit	2020	2021
Energy intensity – sales	kWh/m€	282,423	282,321
Energy intensity – steel	kWh/t	1,298	1,239

While Energy intensity – sales, remains on the same level, Energy intensity – steel, is reduced by 5%, due to more efficient utilization of electricity and gas in the manufacturing processes compared with the COVID-related lockdown periods in 2020.

GRI 303: Water and Effluents 2018

The total water withdrawal can be divided into the following 2 main categories:

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

The consumptions are collected by the entities from invoices, meters, etc.

Type	Unit	2020	2021
Surface, Ground and Produced water	m ³	241,301	212,571
Third-party water	m ³	39,054	40,463
Water total	m ³	280,355	253,034

The total water withdrawal can be divided into the following 5 categories in accordance with the World Resources Institute “Aqueduct Water Risk Atlas”, which is a publicly available, global database and interactive tool that maps indicators of water-related risks. Aqueduct enables comparison across large geographies to identify regions or assets deserving of closer attention.

Type	Unit	2020	2021
Low	m ³	10,347	10,479
Low-Medium	m ³	445	311
Medium-High	m ³	41,256	48,193
High	m ³	227,291	192,975
Extremely High	m ³	1,023	1,076
Total	m ³	280,355	253,034

The water withdrawal from surface and ground water, which is used to cool the manufacturing processes, is mainly led back to the source via closed circuit or evaporated.

The rest of the water withdrawal is discharged to a third party, because no water is incorporated into the products.



GRI 305: Emissions 2016

Environmental management has a high priority at Nedschroef, and therefore integrated in our Corporate Management System. 16 have a local ISO14001 certification and the remaining aim to obtain ISO14001 certification within the coming year. Based on the energy consumption the emissions Scope 1 and 2 are integrated in cost saving programs, investment procedures and, reported and monitored per location on monthly basis. No GHG trades are included in the calculation.

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

To calculate the Direct (Scope 1) GHG emissions, the consumption of non-renewable and renewable fuel was calculated by the entities from invoices, meters and/or web portals. Where possible, local conversion factors to CO₂-eq were used, otherwise generic conversion factors were used from “UK Government GHG Conversion Factors for Company Reporting”. No GHG trades are included in the calculation.

Type	Unit	2020	2021
Direct (Scope 1) GHG emissions	tCO ₂ -eq	17,346	19,652

The Direct (Scope 1) GHG emissions increased due to higher activity compared with 2020, which was impacted by the Covid pandemic lockdowns and restrictions.

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

To calculate the Energy indirect (Scope 2) GHG emissions, the purchase of electricity was calculated by the entities from invoices, meters and/or web portals. Where possible, local conversion factors to CO₂-eq were used, otherwise generic conversion factors were used from “UK Government GHG Conversion Factors for Company Reporting”. No GHG trades are included in the calculation.

Type	Unit	2020	2021
Energy indirect (Scope 2) GHG emissions	tCO ₂ -eq	19,114	9,327

The Energy indirect (Scope 2) GHG emissions decreased due to several entities increasing the share of purchased electricity from renewable sources.

The GHG emissions intensity ratios were calculated based on the Direct (Scope 1) GHG emissions and the Energy indirect (Scope 2) GHG emissions, in relation to total sales and total usage of materials made of steel - components, semi-finished components and raw material to manufacture products.

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

Type	Unit	2020	2021
Scope 1+2 GHG emissions intensity – sales	tCO ₂ -eq/m€	69.5	48.7
Scope 1+2 GHG emissions intensity – steel	tCO ₂ -eq/t	0.32	0.21

Both GHG emissions intensity – sales and – steel reduced significantly, due to several entities increasing the share of purchased electricity from renewable sources and more efficient utilization of electricity and gas in the manufacturing processes compared with the COVID-related lockdown periods in 2020.


The reported figures are based on the market-based GHG emissions.

GRI 308: Supplier Environmental Assessment 2016

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

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



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

 Ongoing evaluation

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

No new “Critical” suppliers were released in 2021.

GRI 401: Employment 2016

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

	Female	Male	Total
New employee hires	50	167	217
Rate	23%	77%	100%



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

	Europe	Asia	North America	Total
New employee hires	202	14	1	217
Rate	93%	6.5%	0.5%	100%

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

	Female	Male	Total
Employee turnover	55	187	242
Rate	11%	11%	11%

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

	Europe	Asia	North America	Total
Employee turnover	210	32	0	242
Rate	10%	21%	0%	11%

The data was reported by all entities within the group and consolidated by Global HR. There was no significant variance over the reporting year.

Many countries have introduced parental leave legislation. The aim of the legislation is to allow employees to take leave and return to work in the same or comparable position. Nedschroef encourages both women and men to take leave and return to work. Such parental leave must have no negative effects with respect to the employees' employment security, remuneration and career path. Nedschroef is further developing a global policy regarding Parental Leave to further encourage its employees to take such leave.

GRI 402: Labor/Management Relations 2016

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

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

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

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

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

The current agreement was signed in January 2020.

GRI 403: Occupational Health and Safety 2018

For a long time, Nedschroef has been dedicated to improving employee health and safety. In 2019, a Group Director responsible for Health & Safety was appointed to guide the Health & Safety development.

Nedschroef is improving health & safety by:

- Stimulating an employee Safety awareness culture, measured in reported work-related and near-miss injuries.
- Having Organizational Health & Safety in place, measured in the safety ladder and going forward ensured by ISO45001 certification.
- Compliance to Technical requirements, which is an ongoing activity going forward ensured by ISO45001 certification.

The majority of our operational meetings start with Health & Safety to highlight its importance for Nedschroef.

Occupational Health & Safety is integrated in our Corporate Management System. 4 production locations have a local ISO45001 certification and successfully passed their annual prolongation audit in 2021. In 2022, the remaining production locations aim to obtain ISO45001 certification. The trade locations will follow before 2025.

Within Nedschroef, we have a living work-related and near-miss injuries reporting. Locations are encouraged to increase the number of reported near-miss injuries. In order to reach the reporting targets, employee participation is required.

Each location (single legal entity) is obliged to run regular risk assessments. For investments, risk assessments are included in the approval checklist.

Accidents are thoroughly investigated to discover the root causes. Each Lost Time accident is discussed and shared with all Managing Directors of the production locations.

Health services are locally organized and included in the Safety Ladder measurement as well as being a pre-requisite of ISO45001 certification.

Employee participation is locally organized and included in the Safety Ladder measurement as well as being a pre-requisite of ISO45001 certification. In its culture, Nedschroef encourages co-operation with employees and employee participation, as we do with work-related and near-miss injuries reporting or employee and co-worker involvement in accident analyses.

Training is a local responsibility. Typically, all locations train and perform evacuation drills, forklift driving courses and job specific trainings. Sharing the lessons learned and root causes of accidents can be considered as training.

Employee health is a local responsibility to support group officers promote safety in all corporate activities and operational meetings. Group-wide tools are available for local use and are shared within a bi-weekly Cross Company Group Safety (CCG-Safety) to learn, explain, and exchange.

Despite our best efforts, we recognize that we can only report on those safety incidents that are reported through all the above-described procedures, supported by a strong culture on safety. There is an inherent limitation that safety incidents might not be reported completely, especially when it comes to near misses. Within our living work-related and near-miss injuries reporting, we aim to reduce the risk of underreporting to an immaterial level.

Everyone on site or employees working remotely (or in a home office) are included in our safety program. We expect temporary employees to report work-related and near-miss injuries and if injuries occur, temporary workers are included in our numbers. Next step

(until 2025) is to include onsite workers of subcontractors and visitors. Nedschroef encourages its supply chain to continuously improve health & safety standards. Significant learnings are also shared. Health & Safety is an integral part of our Supplier Management System and evaluations.

Work-related incidents are of 2021

Type	Unit	2020	2021
Work-related injuries	#/1,000 FTE	41	40
Near-miss injuries	#/1,000 FTE	835	1,190

Details show that approx. 40% of our accidents resulting in lost time originate in 2 Nedschroef locations. In both locations, increasing safety awareness is the way forward. This will be done by:

- more strongly embedding safety in the organization by appointing safety ambassadors in each department. Main aim of a safety ambassador is to act as a contact point for workers if a potential danger is observed, and for providing feedback over reported cases.
- other tools that can be used by the local organizations are:
 - encouraging the management team to act as behavior models
 - motivate all employees to report dangerous cases
 - train management, supervisors and employees in Last Minute Risk Analyses
 - provide regular toolbox meeting to all departments

A report is drawn up based on reported cases and reported work-related and near-miss injuries in each location to determine priorities and actions.

GRI 404: Training and Education 2016

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

In the context of this report, ‘training and education’ refers to:

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

Training does not include on-site coaching by supervisors.



Average training hours that Nedschroef's employees have undertaken during the reporting period are calculated as; total number of training hours provided to employees per total number of employees.

Type	Unit	2020	2021
Training and education	h/1,000 FTE	6,003	9,498

Excl. Nedschroef Fasteners USA, and Machinery Herentals

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

Nedschroef's CDP Program

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

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

Skill Matrix project

We have created a Skill Matrix Project within our organization, in which we have defined several goals to identify required skills and close potential skill gaps in our workforce to meet Nedschroef's strategic targets.

Transition assistance programs

In the coming years, a number of employees will be retiring. To avoid loss of knowledge and expertise, and to ensure a smooth transition into retirement for the retirees, Nedschroef has established a Retirement Action Plan in each of its entities.

Attracting qualified and skilled employees and developing their capabilities and long-term commitment is a significant competitive advantage for a company. The systematic support and development of employees is therefore an important factor for Nedschroef.

We believe that keeping track of our employees' performance is crucial to spur everyone towards higher productivity, efficiency and operational excellence. The performance evaluation process helps us identify development needs and define individual career paths to qualify our people beyond existing expertise.

Personnel development is not only in the interest of the company, we also expect that every employee takes the initiative and responsibility to strive towards excellence.

Nedschroef always supports personal development and individual career steps.

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

Appraisals: % of appraisals to HC = 75,3%.

GRI 405: Diversity and Equal Opportunity 2016

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

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

	Europe	Asia	North America	Total average
Gender diversity of females	17%	31%	25%	18%

GRI 407: Freedom to Association and Collective Bargaining 2016

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

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

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

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

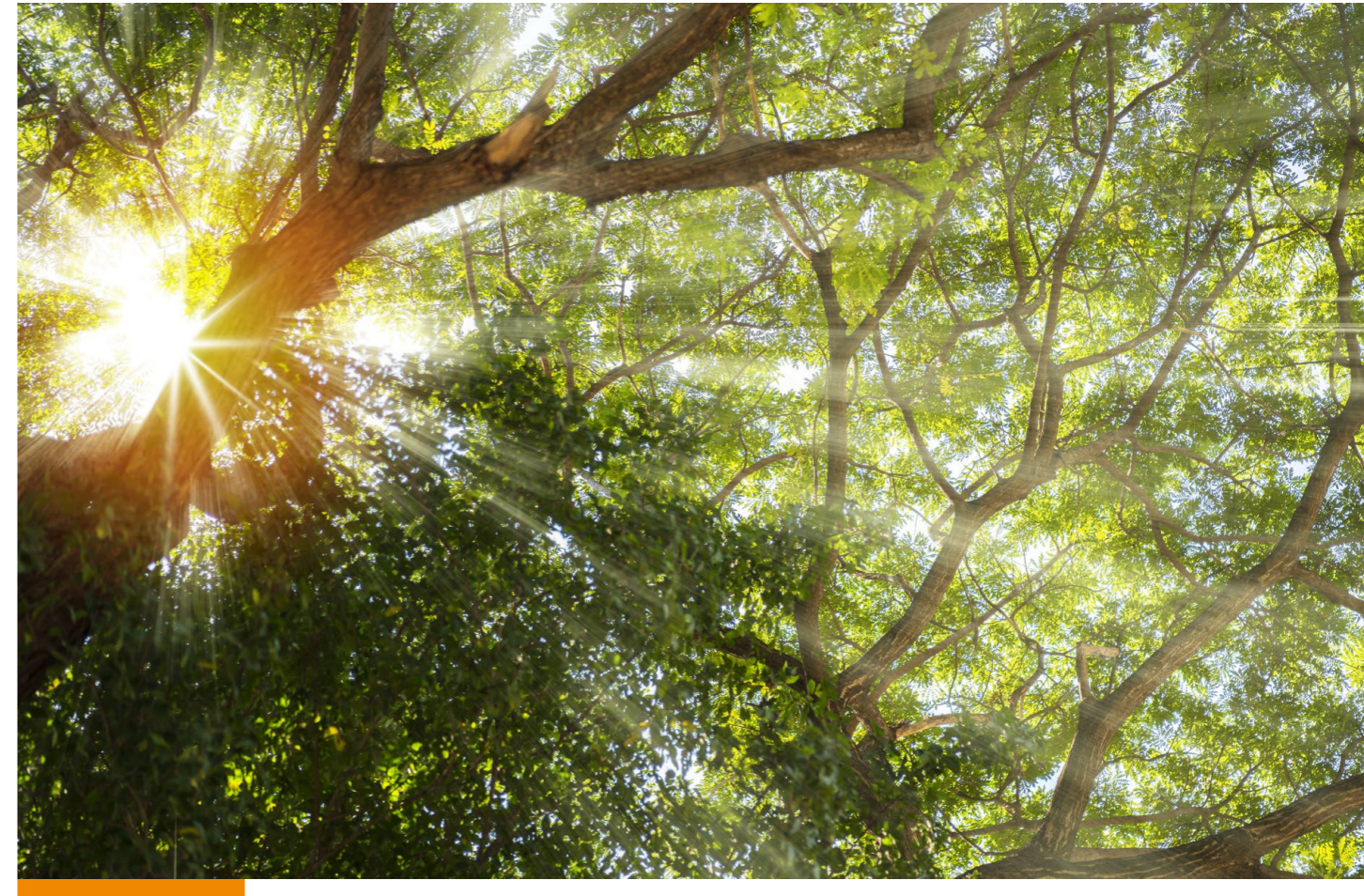
The Supplier Code of Conduct describes the requirements to which we expect our suppliers to adhere, and which should be our common daily working practice.

GRI 418: Customer Privacy 2016

Privacy rights and IT Security are paramount in times of increased online activity and cyber threats, to protect people's data, especially special category data (sensitive data like health data) and secure operations. Nedschroef is by choice not involved with any sensitive data as defined under GDPR rules. Any negative impacts might concern its employees, and not its customers or suppliers. This is because the main focus of its activities is not mainly on online sales or telecom activities, but on fasteners for the automotive industry and other businesses.

Nedschroef has strong data protection policies and resource commitments in place, including our code of conduct, the training sessions, intercompany data transfer agreements, based on the European Commission model clauses and structured evaluations of breach reporting obligations between IT Security and Legal as well as management. In 2021 there was nothing to report to the authorities, nor were there any customer complaints. We have appointed Data Protection Officers internally and externally as required.

Nedschroef limits its collection of personal data, to collect data by lawful means, and uses notices to be transparent about how data is gathered, used, and secured. We do not disclose or use personal employee or customer information for any purposes other than those agreed upon and will communicate any changes in data protection policies or measures to employees, including the collective representation, as required, and to customers directly. Our European model clauses are currently being updated to reflect the new versions, and we are adding Chinese clauses to protect the rights of our Chinese employees, in accordance with the new laws in China.



Glossary

This glossary provides definitions for terms used in this report.

A Appraisal

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

E Electricity from renewable sources

Purchased from companies, who are certified to provide electricity from various renewable sources. Consumption within the organization is calculated by the entities from invoices, meters and/or web portals. Where possible, local conversion factors to kWh are used for the calculations, otherwise generic conversion factors are used.

Employee

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

Energy from non-renewable sources

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

Energy from renewable sources

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

F FTE

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

G Gender diversity of females

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

N Near-miss injuries

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

S Scope 1

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

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

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

Local conversion factors to CO₂-eq are preferred, otherwise “UK Government GHG Conversion Factors for Company Reporting” are used.

Scope 2

Indirect GHG emissions from the CO₂ emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Nedschroef.

To calculate the Energy indirect (Scope 2) GHG emissions, the purchase of electricity was calculated by the entities from invoices, meters and/or web portals.

Conversion factors to CO₂-eq from local providers are used, except for China, Kunshan where the conversion factor for electricity is based on internet search.

T Training and education

Training and education refers to:

- all types of vocational training and instruction
- paid educational leave provided by Nedschroef for its employees
- training or education pursued externally and paid for in whole or in part by Nedschroef
- training on specific topics.
- And it does not include on-site coaching by supervisors.

W Work-related injury

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

Indicator overview

Type	Unit	2020	2021
GRI 301: Materials 2016			
Steel	t	114,084	135,591
Oils	t	1,016	1,290

GRI 302: Energy 2016			
Electricity	MWh	58,252	63,851
Natural gas	MWh	89,950	101,269
Energy from non-renewable sources	MWh	130,301	119,983
Energy from renewable sources	MWh	17,781	48,033
Energy total	MWh	148,082	168,017
Energy from renewable sources	%	12.0	28.6
Electricity from renewable sources	%	30.5	75.2 ✓
Energy intensity – sales	kWh/m€	282,423	282,321
Energy intensity – steel	kWh/t	1,298	1,239

GRI 303: Water and Effluents 2018			
Surface, Ground and Produced water	m ³	241,301	212,571
Third-party water	m ³	39,054	40,463
Water total	m ³	280,355	253,034
“Aqueduct Water Risk Atlas” categories			
- Low	m ³	10,347	10,479
- Low-Medium	m ³	445	311
- Medium-High	m ³	41,256	48,193

Type	Unit	2020	2021
- High	m ³	227,291	192,975
- Extremely High	m ³	1,023	1,076
- Total	m ³	280,355	253,034

GRI 305: Emissions 2016			
Direct (Scope 1) GHG emissions	tCO ₂ -eq	17,346	19,652
Energy indirect (Scope 2) GHG emissions	tCO ₂ -eq	19,114	9,327
Scope 1+2 GHG emissions intensity – sales	tCO ₂ -eq/m€	69.5	48.7 ✓
Scope 1+2 GHG emissions intensity – steel	tCO ₂ -eq/t	0.32	0.21

GRI 401: Employment 2016			
New employee hires	#	-	217
Employee turnover	#	-	242
Employee turnover	%	-	11

GRI 403: Occupational Health and Safety 2018			
Work-related injuries	#/1,000 FTE	41	40 ✓
Near-miss injuries	#/1,000 FTE	835	1,190 ✓

GRI 404: Training and Education 2016			
Training and education	h/1,000 FTE	6,003	9,498 ✓

GRI 405: Diversity and Equal Opportunity 2016			
Gender diversity of females	%	-	18 ✓

GRI content index

Statement of use	Koninklijke Nedschroef Holding B.V. has reported the information cited in this GRI content index for the period 1 January to 31 December 2021, with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	PAGE	
GRI 2: General Disclosures 2021	2-1	Organizational details	37
	2-2	Entities included in the organization's sustainability reporting	38
	2-3	Reporting period, frequency and contact point	38
	2-4	Restatements of information	38
	2-5	External assurance	38
	2-6	Activities, value chain and other business relationships	39
	2-7	Employees	40
	2-28	Membership associations	41
	2-29	Approach to stakeholder engagement	41
	2-30	Collective bargaining agreements	42
GRI 3: Material Topics 2021	3-1	Process to determine material topics	42
	3-2	List of material topics	43
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	44
	201-3	Defined benefit plan obligations and other retirement plans	44
	201-4	Financial assistance received from government	44
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	45
	205-2	Communication and training about anti-corruption policies and procedures	45
	205-3	Confirmed incidents of corruption and actions taken	45
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	46
GRI 207: Tax 2019	207-1	Approach to tax	47
	207-2	Tax governance, control, and risk management	47
	207-3	Stakeholder engagement and management of concerns related to tax	47
	207-4	Country-by-country reporting	47

GRI 301: Materials 2016	301-1 Materials used by weight or volume	48
	301-2 Recycled input materials used	48
GRI 302: Energy 2016	302-1 Energy consumption within the organization	49
	302-3 Energy intensity	50
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	50
	303-4 Water discharge	51
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	51
	305-2 Energy indirect (Scope 2) GHG emissions	51
	305-3 Other indirect (Scope 3) GHG emissions	51
	305-4 GHG emissions intensity	52
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	52
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	53
	401-3 Parental leave	54
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	54

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	55
	403-2 Hazard identification, risk assessment, and incident investigation	55
	403-3 Occupational health services	55
	403-4 Worker participation, consultation, and communication on occupational health and safety	55
	403-5 Worker training on occupational health and safety	55
	403-6 Promotion of worker health	55
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55
	403-9 Work-related injuries	56
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
404-2 Programs for upgrading employee skills and transition assistance programs		57
404-3 Percentage of employees receiving regular performance and career development reviews		57

GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	58
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	58
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	59



Assurance report of the independent auditor

To: the Board of Directors and the Supervisory Board of Nedfast Holding B.V.

Assurance report on the selected non-financial indicators in the Sustainability Report 2021 in the Annual Report 2021

Our conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected non-financial indicators marked with symbol √ in the Sustainability Report 2021 in the Annual Report 2021 of Nedfast Holding B.V. are not prepared, in all material respects, in accordance with the Nedfast's reporting criteria.

What we have examined

The object of our assurance engagement concerns the selected non-financial indicators marked with symbol √ included in the Sustainability Report 2021 in the Annual Report 2021 for the year ended December 31, 2021 (hereafter: the indicators). The indicators examined are as follows:

1. CO₂-eq intensity (Scope 1+2) in tCO₂-eq/M€
2. Electricity from renewable sources in %
3. Work-related injuries in #/1.000 FTE
4. Near-miss injuries in #/1.000 FTE
5. Training and education in h/1.000 FTE
6. Gender diversity of females in %

We have examined the indicators in the Sustainability Report 2021 in the Annual Report of Nedfast Holding B.V., Helmond for the year ended December 31, 2021. Other information included in the Annual Report 2021 is not in scope of this limited assurance sustainability engagement, including comparatives. We were not engaged to report on or conclude on other information presented within the Annual Report 2021 which is outside our scope.

The basis for our conclusion

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

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

NVY5NYT373HT-1029259551-433

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Independence and quality control

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

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

Applicable criteria

The indicators need to be read and understood together with the reporting criteria. The reporting criteria used for the preparation of the indicators are the Nedfast's reporting criteria, as included in the sections 'Introduction' and 'Glossary' in the Sustainability Report 2021 in the Annual Report 2021. The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time.

Responsibilities for the indicators and the examination thereof Responsibilities of the Board of Directors and the Supervisory Board

The Board of Directors of Nedfast Holding B.V. is responsible for selecting the criteria, taking into account applicable law and regulations related to reporting, and the preparation of the indicators in accordance with the Nedfast's reporting criteria, including the identification of the intended users and the criteria being applicable for the purpose of these users.

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

The Supervisory Board is responsible for overseeing the company's reporting process on the indicators.

Our responsibilities for the examination

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

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

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Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the indicators. Materiality affects the nature, timing and extent of our assurance procedures and the evaluation of the effect of identified misstatements on our conclusion.

Procedures performed

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

Our examination consisted, among other things of the following:

- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the indicators.
- Obtaining an understanding of the reporting processes for the indicators, including obtaining a general understanding of internal control relevant to our review.
- Identifying areas of the indicators with a higher risk of material misstatement, whether due to fraud or error. Designing and performing assurance procedures aimed at determining the plausibility of the indicators, responsive to this risk analysis. These procedures consisted amongst others of:
 - interviewing management and/or relevant staff at corporate level responsible for the sustainability strategy, policy and results;
 - interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data of the indicators;
 - determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive. Our procedures were performed centrally;
 - obtaining assurance evidence that the indicators reconcile with underlying records of the company;
 - reviewing, on a limited test basis, relevant internal and external documentation;
 - performing an analytical review of the data and trends of the indicators submitted for consolidation at corporate level.
- Reconciling the relevant financial information with the financial statements.
- Evaluating the consistency of the indicators with the other information in the Annual Report 2021, which is not included in the scope of our review.

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

Eindhoven, 29 April 2022
PricewaterhouseCoopers Accountants N.V.

Original has been signed by J.J.T. van Kessel RA

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